

Will You Need a Child Care License?

Whether you hope to open a child care business in your own home (Family Child Care Home) or in a non-residential space (Child Care Center), you may need to have a child care license. Each state has requirements about which programs should be licensed. Before opening your business, find out if you need a license and how to apply for one.

Part of the licensing process will include background checks for you and your staff. If your business will be run out of your home, adults in your home will also need to pass required background checks.

Licensing requirements will affect where you can locate your business, qualifications for the staff you hire, how many children you can care for at one time, and other aspects of your program.



WHO WE ARE

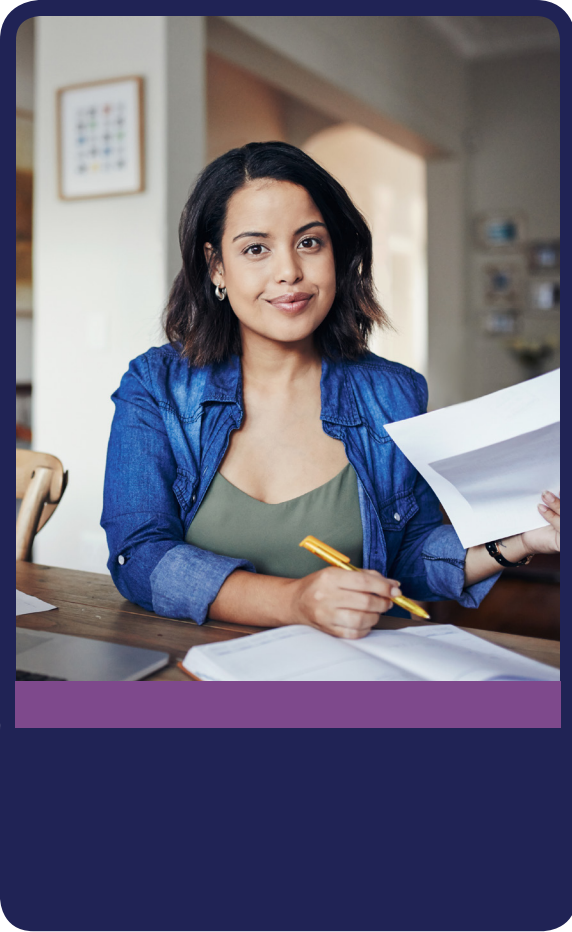
Child Care Aware® of America is our nation’s leading voice for child care. We advance a child care system that effectively serves all children’s growth, development and educational advancement and creates positive economic impact for families and communities.

To learn more about our mission, visit childcareaware.org



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Starting Your Child Care Business



All across the United States, there is a need for quality child care programs. Families need child care in order to work or go to school. Children need safe and healthy environments where they can play and learn while they’re away from their parents or primary caregivers. If you have a passion for helping children and families, you may be thinking about opening your own child care business. Use the questions below to guide you toward the first step.

Is a Child Care Business Right for You?

If you’re thinking that owning and operating a child care program might be a good fit for you, make sure to consider your own abilities and needs.

- ☐ Do you have the right skills and temperament to care for children long-term?
 - ☐ Do all members of your household support your decision?
 - ☐ Do you have support and knowledge to run a successful business?
- Think about the needs of your community as well.
- ☐ Have you done a needs assessment to learn whether your community needs another child care home or center?
 - ☐ Is your desired location convenient for the families in your area?
 - ☐ Are you able to provide child care during the hours that families need it?



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Are You Ready to Run a Business?

It does not matter whether you own a child care center or home; your child care program is your business. Like any business owner, you must ensure that you have the knowledge to operate a successful business, or you must be willing to seek out and hire appropriate supports to help with business-related tasks. Some of these will include:

- ✓ Choosing a legal structure
- ✓ Finding funding
- ✓ Creating a budget
- ✓ Purchasing insurance
- ✓ Navigating taxes
- ✓ Establishing policies and procedures
- ✓ Writing a business plan
- ✓ Researching local zoning laws and covenants



The final section of this brochure will provide you with suggestions for resources that can assist you with these and other aspects of your business.

Do You Have the Necessary Training and Education?

Child care business owners need proper training and education to operate their business and care for children. States typically require a high school diploma or equivalent for child care owners and staff. However, Child Care Aware® of America recommends that child care professionals also have a degree or credential in the early childhood field. This may include a bachelor's degree (or higher) in early childhood education or a related field or a Child Development Associate (CDA) credential. Child care professionals with higher levels of child-related training and education are better equipped to run their business and provide high quality care.

Where Do You Begin?

Starting a child care business is an exciting yet complex process. You don't have to do it alone. There are many resources that can help you navigate each step.

Your local Child Care Resource & Referral agency (CCR&R)

Your local CCR&R may be able to assist you with many of the start-up tasks, like the licensing process, finding funding, learning about required insurance, information about average child care rates where you live, etc. They may also provide valuable supports for your program once you're up and running, such as training, coaching, and more. **Search for your local CCR&R here:** <http://childcareaware.org/ccrr-search-form/>

Your child care licensing office

Your state or local licensing office can help you learn about the requirements for starting and operating a child care business where you live.

Search for your child care licensing office here: <http://childcareaware.org/resources/map/>

Provider resource e-books

Child Care Aware® of America has developed e-books to help you open and operate your child care business. Find resources to help you assess community child care needs, write your business plan, create your budget, market your business, and much more!

Download the Family Child Care Provider E-Book:

<https://www.childcareaware.org/opening-family-child-care-home/>

Download the Child Care Center E-Book: <https://www.childcareaware.org/opening-child-care-center/>



Other resources

- For legal and financial guidance as you plan for your business, consider working with an attorney and/or a Certified Public Accountant (CPA).
- Once you know which types of insurance you'll be required to have, an insurance agent can help you buy the policies you need.
- The U.S. Small Business Administration (SBA) offers a wide variety of resources and information for small businesses. Visit <https://www.sba.gov/>.