

PROGRAM EVALUATION FINAL REPORT

Boston Childcare Entrepreneur Fund
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Executive Summary

This report presents a program evaluation for the City of Boston's Child Care Entrepreneur Fund, launched in September 2019 by the City of Boston Mayor's Office of Women's Advancement (MOWA). The purpose of the Child Care Entrepreneur Fund is to support women-owned, family childcare businesses through technical assistance programming and grants awards. The inaugural program provided a total of \$65,000 in grant funds to 22 participants, as well as a series of business training workshops.

This evaluation was conducted by a research team at the UMASS Institute for Early Education Leadership and Innovation. The research team designed and implemented a pre and post survey instrument, as well as a series of semi-structured interviews with program participants. Results of the evaluation show that participants benefited immensely from the training sessions, including from topics related to finance and business management. Survey results showed positive changes in the areas of *support sources* for these women's childcare businesses as well as improvements in the participants' *business practice confidence* and *leadership efficacy*.

Survey findings were reinforced by semi-structured interviews. Interviewees spoke to a very positive program experience, including the transformational effects that the training had on their business skills and leadership efficacy. Some participants spoke to a shift in their self-perception as a "nanny" or home childcare provider, to educator and business owner. The interviews also revealed that both the program's grant funds and training enabled participants to stay open and lead during the unexpected to COVID-19 crisis.

Overview

The Child Care Entrepreneur Fund was launched in September, 2019 by the City of Boston Mayor's Office of Women's Advancement (MOWA) to support the work of women-owned, family childcare businesses. MOWA and the Economic Mobility Lab identified the need to support homebased childcare businesses because they are struggling to remain open. Since 2010, almost 300 home-based childcare businesses (known as "family childcare") have closed in Boston. Despite the fact that the population of children under 5 has increased steadily since 2010, the City has lost almost 40% of its family childcare businesses in that time frame. The owners of these businesses are almost exclusively female (90%), and disproportionately people of color and immigrants (61%, 44% respectively). Qualitative research conducted by MOWA and Economic Mobility Lab in 2018 through childcare entrepreneur home visits and conversations with experts in the field revealed that a contributing factor to this problem is a lack of access to business training for home-based childcare entrepreneurs, especially for those living in Boston Housing Authority developments. In essence, these entrepreneurs are excellent educators but need additional support to effectively manage business operations (Campbell & Patil, 2019).

The Boston Child Care Entrepreneur Fund Pilot

A \$65,000 pilot fund was established by the City to provide financial support and technical assistance to these critical small businesses. A total of 22 applicants were selected for the Childcare Entrepreneur Fund based on a set of core criteria, including businesses operating in Boston Housing Association (BHA) units. Of the 22 businesses selected, 100% of them were women-owned, and 90% were owned by women of color. Businesses were from neighborhoods across the city, including four start-up businesses, and 18 existing businesses. The average

business had between 6 and 7 children, with a range of 1-10. The businesses had been open for a wide range of years- some were start up businesses, and one had been open for 27 years. Most businesses had been open for between 5 and 20 years. When asked what is currently most important to the childcare business, the top three responses were: the need to purchase/upgrade toy and activity supplies (selected by 12 people), the need to improve physical space (for example, adding more furniture) (selected by 7 people), and the need for additional revenue to stay profitable (selected by 6 people). When asked about their businesses in the past three years, 6 business owners reported having increased their revenue, 10 and having maintained their revenue, and two having decreased their revenue. Of the 22 participants, 19 had business plans for their child care businesses, and the same number were looking to expand their current businesses.

Training/Supports Provided

The Fund leveraged the City's On-site TA Program and Neighborhood Business Access loans, funding from the Economic Mobility Lab (\$10,000), and provided awardees with both technical assistance and funding. The cohort of awardees received training through a series of two-hour workshops that covered key business topics including: recordkeeping, budgeting, marketing, financial management and business planning. These workshops occurred bi-monthly and launched in mid-January, 2020. In addition to business-specific content and instruction, the training also included instruction on accessing the tools and services provided by Shared Services MA, designed to save educators time and money in order to invest in program quality. Following each session participants were encouraged to practice their newly learned skills through interim homework assignments. The majority of these workshops were well attended and delivered in-person. Unfortunately, they were interrupted by the COVID-19 pandemic in

March of 2020. In light of the crisis, the last two training sessions, focused on marketing and the creation of a business plan, were held virtually over Zoom.

In addition to the training course, grants between \$2,000 and \$10,000 were provided to awardees based on the identified business needs. These grants were rewarded on the condition that business owners participate in technical assistance/training with a duration based on grant size.

The Fund provided three types of financial support for early education entrepreneurs:

1. Start-up small grants for early educators who wished to open a new family childcare business (\$2,000 each, up to 5 awards): The purpose of this grant was to encourage more family childcare businesses to open or formalize, with a preference for businesses in BHA units.
2. Flexible grants for existing family childcare entrepreneurs (\$1,000-\$3,000, up to 10 awards): The purpose of this grant was to support existing family childcare businesses, with a preference for those established in a BHA unit, to ensure they remain healthy and thriving.
3. Childcare Co-op grants for groups of childcare entrepreneurs (\$5,000-\$10,000, 1 award): The purpose of this grant was to support entrepreneurs who were exploring shared services and cooperative models.

Once awardees were selected, they were responsible for the following:

1. Participate in technical assistance sessions.
2. On a quarterly basis, report to the Mayor's Office of Women's Advancement:
 - a. Revenue and expenses.
 - b. Vacant and filled slots.

- c. Completed pre and post survey on technical assistance sessions attended.

Program Evaluation

This program evaluation was conducted by The Institute for Early Education Leadership and Innovation at UMass Boston in partnership with the MOWA. This evaluation was driven by the following research questions: What impact did the technical assistance program and grant awards have on the performance of participant businesses? The following evaluation is based on data from both a pre- and post-survey instrument, as well as semi-structured, phone interviews with select program participants. This final report discusses both the survey and interview results.

Methods

The survey instrument was used to provide a pre- and post-assessment of program impact. Specifically, the survey collected demographic and economic data of participant businesses, as well as the assessed learning outcomes and changes in the leadership efficacy and business skills of participants. The semi-structured interviews were conducted several months following program completion to better understand the impact of grant funds, as well as how participants were impacted by the unexpected COVID-19 crisis.

Online Survey

The UMASS Boston research team developed a pre/post survey to support the evaluation of this project. This survey was designed to investigate the effects of the intervention, including training and financial supports, and was based on relevant instruments available in the field. We used electronic and printed questionnaires distributed to participants before and after the intervention to analyze *characteristics of program participants; business aspects of participants' programs; the strengthening of business-wise support network; and changes in business practice*

confidence and leadership efficacy. Question types included multiple choice and open text. Participants were able to opt out of any questions in the survey, based on their preference. The study and its data collection and use protocols were approved by the authors' university IRB. The instrument was then translated into a Spanish and Chinese version, and translators were available when the survey was first administered. The specific items were as follows:

Characteristics of Program Participants

Specific data were collected about program participants including: age, gender, Latino/Hispanic, race/ethnicity, non-English language speakers, level of education, and number of years in Early Education and Care.

Business Characteristics

Specific data were collected about the business aspects of the participants' programs including: license type; license capacity; number of years in business; number of children enrolled in childcare business; number of open slots in childcare business; total revenue; participation in Massachusetts Quality Rating Improvement System (QRIS) and at which level; and selected business-managing resources, including: the existence and implementation of a business plan, the existence and use of a budget, access to a business coach, and participation in a family child care system or network.

Strengthening the Business Support Network

To identify items that are aligned with Childcare Entrepreneur Fund goals, we reviewed relevant literature in the field. Several sources of business support were identified as important for the strengthening of childcare businesses: *childcare licensors, family members, business coaches, other childcare providers, shared service alliance (SSA), and other*. Participants were asked to

identify which sources of support were accessible to them before and after (pre/post) the intervention.

Changes in Business Practice Confidence and Leadership Self-efficacy

Again, we reviewed the relevant literature and identified items for measuring improved business practice: confidence in business practice, and perceptions of participants own leadership efficacy

Qualitative Interviews

A series of nine qualitative research interviews were conducted following the digital survey to further investigate program impact and the participant experience. Following a discussion of the digital survey results, the UMASS and MOWA teams agreed upon interview topics that focused on overall training impact and participant experience, use of grant funds, and the impact of COVID on business operations and growth. Fourteen participants were contacted by phone and nine were interviewed by phone or zoom. Interviews were transcribed and coded with a focus on the following areas: program and business impact, grant use, and the impact of COVID on business performance.

Study Findings

Online Survey

We received 21 completed pre-program surveys that were completed in-person (as noted in Table 1), and 17 post-program surveys that were administered online. Of the pre-program participants, the average age was 46.33 years ($SD = 10.35$). All participants identified as female, and 61.9% identified as Latino/Hispanic. When asked about race/ethnicity, 29.4% of participants identified as White, 23.5% as African American, and 47.1% represented other races/ethnicities. Additionally, a majority of participants reported being non-English language speakers (71.4%). In terms of educational level 57.1% of the participants reported having no college degree and

42.9% reported having at least a college degree. Finally, when asked how many years participants had worked in Early Education and Care, 47.4 % reported having 10 years of experience or less, and 52.6% reported having worked in the field for more than 10 years.

Business Aspects of Participants Program

This section of the survey asked participants to report on business aspects of their program as shown in Table 2. All participants' programs were licensed by the Massachusetts Department of Early Education and Care. Family childcare programs represented the largest segment with 95.2% of programs receiving training and support from the Fund. The mean average of license capacity was 7.38 children ($SD = 2.65$) and the mean average number of years in business was 11.95 years ($SD = 6.91$). The average number of enrolled children and participants programs was 5.9 ($SD = 3.08$), and the mean average number of open slots was 1.45 ($SD = 1.47$). The mean average total revenue for participants childcare businesses was \$43,815 ($SD = \$22,589$). The overwhelming majority of businesses was participating in the Massachusetts Quality Rating Improvement System (85.7%); 41.2% of programs were at Level One of QRIS, 52.9% were at Level Two and 5.9% were at Level Three. When surveyed about business managing resources, participants provided a variety of responses. For example, only 52.4% reported having a business plan and 38.1% have actually implemented this business plan. In terms of having a budget, 47.6% responded that they did have a budget but only 38.1% have actually implemented the budget. Similarly, one-half of participants reported having access to a business coach (52.4%). The overwhelming majority of participants reported being part of a family child care system or network (85.7%).

Strengthening Business Support Networks

In this section of the survey participants were asked to report on sources of support for their businesses. We observed significant pre-post differences for all sources of business practice support (See Table 3). The largest increases in reported support were from *other providers* and *Shared Service Alliance*, which increased from 19% before the intervention to 53.8% after the intervention. This is no surprise given that these were important aspects of the training and supports provided to participants. Other increases in sources of support were from *licensors*, *family members*, *business coaches*, and *other sources*.

Changes in Business Practice Confidence and Leadership Efficacy

The final section of the survey asked participants to rate their confidence in their childcare businesses as well as their own perceptions of their ability to lead change for these businesses (See Table 4). We noticed improvements in the group mean score for each of these items. In the area of *business practice confidence*, the group mean score was 15.71 ($SD = 4.3$) before the intervention and increased to 21.33 ($SD = 3.31$) after the intervention. Some improvement was made in the area of *leadership efficacy*. The group mean score was 9.14 ($SD = 2.2$) before the intervention and 12.08 ($SD = 3.07$) after the intervention. There was no statistically significant change in professional efficacy and influence (16.90 to 16.23). Interviews provided additional evidence of the program's impact on participant confidence and leadership efficacy, as explored in more depth below.

Interview Findings

The qualitative interviews provide further evidence of an overall positive program experience. The transcribed and coded interviews revealed several key themes, including: a

positive training experience, increased learning and self-efficacy, and the critical impact of grant funds during COVID-19.

A Positive Training Experience

Those interviewed collectively commented on the relevance of training content, and how much they benefited from the workshops. Moreover, it was evident that participants benefited from their interactions with the lead trainer, program staff, and each other. One interviewee shared that “everything they gave to me I liked, and it served me!” Another participant described a cathartic program and learning experience: “the training program and funds were like a ‘boom’ for me! I had all that knowledge, but I didn’t know how to apply it.... {the lead trainer} gave us the training and she was excellent, really I still use her resources!” Another participant highlighted the impact of being part of a learning community: “The trainings were very important because we learned a lot of things, and another thing, I had forgotten [things I learned in the past] but, I learned many [new] things; how to implement them at work. I also met new people in the trainings, very good, good people, it was very important, people I met, opened new doors.”

When asked about which trainings benefited their businesses the most, several interviewees referenced that the content related to finance, and budgeting had the biggest impact on their daily operations. Specifically, participants benefited from learning about topics related to managing cash flow and taxes. As shared by one participant, “...We learned from the course to stay up to date and follow the rules of savings, and spending, but only spending what you need, {budgeting}.” Another participant described how the trainings emboldened her to be more effective in running her business, “I liked to learned about how to run my business, there [at the training], I learned how to manage myself, how to start my business, how to talk to parents on

the phone. But, I liked it more in the administrative area, I was learning things I didn't know. Another participant commented on how learning about taxes reduced her business stress, “Now, you know, the most important is, for example, is to know that we have to pay taxes in advance. Sometimes I didn't, and I neglected it, but it's very important . Because at the end of the year we are less concerned. If you pay the money, pay the taxes, at the end [of the year] you feel calmer.”

In addition to the workshop content, interviewees also spoke to the value of learning about and having access to shared services. One participant highlighted an increase in sense of confidence for exploring external resources: “Every time she uploads something new, I look for the information they put there. And I'm no longer afraid of jumping in and looking for things. Another participant noted that the shared resources were “quite useful” in areas such as “the curriculum, learning. A lot of important information to be able to work with children.”

Interviews provided additional evidence of the program's impact on participant confidence and leadership efficacy.

Program participants were also positively impacted by the recognition and camaraderie that the program provided. One participant shared, “..what I realized is that right now, us, the providers are not alone; we're not alone. We have many people who care about us. For example, I have people who care like the mayor and all the wonderful people they had there [at the trainings] who treated me well also. That gave me a lot of satisfaction and I really liked it, because I see that he [the mayor] thinks our work is important, our work, you know what I mean...I feel more confident of what I'm doing....Now, I know where to turn, and we have people that we can talk to, and seek help , and support, and we have those things that you said [shared services], I can find all the resources there and see that you are not alone and that we can get different supports. That's important for this job.”

Increased Learning and Professional Self-Efficacy

In addition to building technical skills as an entrepreneur, participants reflected on increased confidence and efficacy as an entrepreneur. For some, it was the first time they identified as an entrepreneur or educator. As demonstrated by one participant, “Even now empowered I can say that I am an entrepreneur and I have my business. Before I did not..... As some people really call us "nannies" or something like that, although I already had my credentials in education, I didn't emphasize that, now if, when someone calls me "nanny," I say "no, I'm not a nanny. I'm an educator, I'm a teacher. I have your credentials. I'm not your nanny." Another participant demonstrated a mindset shift, now viewing her home daycare as an actual business “I'm going to tell you one thing, we take this business as very “home-like”... She [the trainer] made us look at it like a business...like, she really made me see my business as a business, as my workplace, you know what I mean?But I was always very closed[-minded] in my way [in my way of thinking], I was quite closed. But now I want to expand!”

Another participant reflected on how the program made her feel more visible, supported, and confident, “ Another thing I learned is, one very important thing I'm going to say, what I realized is that right now, us, the providers are not alone; we're not alone. We have many people who care about us. For example, I have people who care like the Mayor and all the wonderful people they had there [at the trainings] who treated me well also. That gave me a lot of satisfaction and I really liked it, because I see that he [the mayor] thinks our work is important, our work, you know what I mean...I feel more confident of what I'm doing, in terms of... because before, look, I didn't feel supported, right? At that time, we didn't have any support. Now, I know where to turn, and we have people that we can talk to, and seek help , and support, and we have

those things that you said [shared services], I can find all the resources there and see that you are not alone and that we can get different supports. That's important for this job.”

The Investment of Grant Funds: Staying Open During COVID-19

Although the intention of grant funding was to enable participants to grow their businesses, the funding rather played a critical role in the survival of participant businesses during the COVID-19 shutdown and re-opening. Of the interviewees, one referenced using the funds to buy new furniture and materials in order to enhance her space and environment, and therefore her overall childcare offering, “ With this money, I was able to change all the furniture, well, the majority. I pay a part but it covered most of the furniture. It gave it a different look to my business , it looks very nice, eh, important things that I bought like some very nice cribs, very nice things that had a lot of impact.” She later commented that these changes enabled her to increase her enrollment following the shutdown.

Most interviewees used grant funds to maintain their basic business expenses and personal needs during the shutdown, as well as prepare to re-open with COVID-compliant protocols in place. For example, one participant shared how the grant funds allowed her to make her rent payment during the closure, “ I will tell you that [the funds] arrived at the right time, I would say because before we finished [the course] it “exploded” the COVID-19 thing.....I had already made my tax payments. But my salary went down because I lost kids enrolled with private tuition and that was, you know, for me it was, like something [the funds] dropped from the sky. Because of that [the funds] I was able to complete my tax payment and I was able to pay a month's rent and so the funds helped me, you can't imagine.” Another interviewee expressed her gratitude that the funds arrived when they did, enabling her to meet her basic personal needs

during the shutdown, “And food, I bought food, because then they closed the program, I couldn’t work.”

In addition to maintaining cash flow, participants used grant funds to buy the materials and supplies necessary to comply with mandated COVID-19 protocols. One participant shared, “when receiving the funds, it was very helpful, because in these times where the expenses were quite a lot and continue to be quite high, to follow the protocols of care that we must have to prevent the spread of the pandemic in this country....I change everything on a personal level as well, and the structure of my classes to be able to maintain the levels of [social] distance. You know a lot of things were expensive for me, the acrylics [Plexiglas] cost me [a lot], because a lot of things were extra...I changed absolutely everything. I bought them the tables, the chairs, because now everything must be individual [separated]. One participant remarked on how she used to grant funds to keep up with disposables and cleaning supplies, “I bought many napkins, lots of hygienic [disposable] dishes, everything, imagine. And it's a lot of money that's being invested all week in disposable materials.

An Unanticipated Outcome: Managing During a Crisis

COVID-19 and the unanticipated shutdown of childcare facilities during March – May 2020 undoubtedly had a negative impact on the growth of participant businesses. However, it is evident from interviews that the program played a significant role in enabling participants to maintain their businesses and re-open. The most obvious way this occurred, as discussed above, was through the investment of grant funds: grant funds clearly served as a critical income bridge for baseline needs such as rent and tax payments. However, in addition to the funding, the trainings also equipped participants with key skills that they needed to manage their business through the crisis. One participant referenced how the training prepared her personally and

financially “the training did allow me to [manage the crisis], because as I tell you, with the training I learned to manage myself, to manage myself better financially. Maybe before I would not have known [what to do] and it would have been a disaster.” Another participant also referenced how the financial education she received allowed her to manage her tight cashflow during this time, “Because, eh, they gave us training on how to manage our income and this was a very important part that has helped us... Because, remember that I had to close for a while, that is, I lost money. I had private enrolments, and those private ones stopped bringing me money [payments]. Therefore, I had to know how to manage what I was receiving from the subsidy enrollments to be able to survive while reopening my business.” This participant also went on to describe how she used her new marketing skills to enroll new students following the shutdown, “When I re-opened 4 parents decided not to return. Only a part of the parents returned. Then, only 4 returned and I was able to handle that situation because of the training I received, because of the course they gave us, [what I learned] how to manage my finances I also could, eh, register more new families after the COVID[-19].”

Conclusion

Based on the results from both the online survey and interviews we can conclude that the training and funding supports provided by the Childcare Entrepreneur Fund have had a positive impact on child care businesses. The online survey showed positive changes in the areas of *support sources* for these women’s childcare businesses as well as improvements in the participants *business practice confidence* and *leadership efficacy*. These findings were reinforced by interviews, in which participants spoke about their technical skill development, specifically in the areas of finance and business management. Participants also spoke to increased leadership efficacy, no longer seeing themselves as a “nanny” or home childcare provider, but rather as an

educator and business owner. The interviews also revealed how this pilot program essentially saved their business during the unanticipated shutdown of COVID-19. Participants were able to use grant funds to maintain their basic needs and infrastructure during the shutdown, as well as prepare their businesses for mandated COVID-19 protocols once they were able to open their doors. It was also evident from the interviews that the skill building that occurred during the workshops prepared participants to manage their businesses through the crises. Although the original goal of this program was to enable the growth of these businesses, it allowed these essential businesses to stay open during a very volatile time. The confidence and skills that have likely resulted from this crisis management will inevitably serve them and their business viability over time.

References

Campbell, F. Q. and Patil, P.A. (2019). *State of early education and care in Boston: Supply, demand, affordability and quality*. The Boston Foundation.

Appendix A

Table 1

Characteristics of Pre-Survey Participants

	<i>M</i>	<i>(SD)</i>
Age	46.33	(10.35)
Female (%)	100.0	
Latino/Hispanic (%)	61.9	
Race/Ethnicity		
White	29.4	
African American	23.5	
Others	47.1	
Non-English language speakers (%)	71.4	
Education (%)		
No college degree	57.1	
At least college degree	42.9	
# of years in EEC		
10 years or less	47.4	
More than 10 years	52.6	

Notes. $N = 21$.

Table 2

Business Aspects of Participants' Program

	<i>M</i>	<i>(SD)</i>
License type (%)		
Family child care	95.2	
Large group & school age child care	4.8	
License capacity	7.38	(2.65)
Years in business	11.95	(6.91)
Enrolled children	5.9	(3.08)
Open slots	1.45	(1.47)
Total revenue	43,815	(22,589)
Participating QRIS (%)	85.7	
QRIS levels (%)		
1	41.2	
2	52.9	
3	5.9	
4	0.0	
Business-managing resources (%)		
have business plan	52.4	
have implemented a business plan	38.1	
have a budget	47.6	
have implemented a budget	38.1	
access to a business coach	52.4	

be part of a family child care system/network	85.7
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Table 3

Business Supports

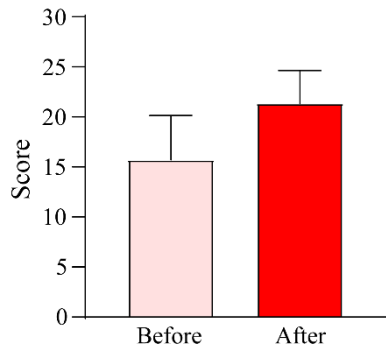
Business support garnered from:	Before	After
Licensors	76.2%	92.3%
Family members	47.6%	76.9%
Business coaches	19.0%	46.2%
Other providers	19.0%	53.8%
Shared service alliance	19.0%	53.8%
Others	14.3%	40.0%

Table 4

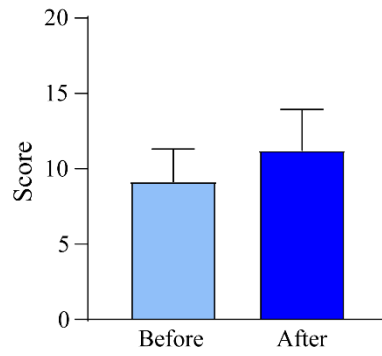
Group Mean Changes in Business Practice Confidence and Leadership Efficacy

	Before		After	
	<i>M</i>	<i>(SD)</i>	<i>M</i>	<i>(SD)</i>
Business practice confidence	15.71	(4.33)	21.33	(3.31)
Leadership efficacy	9.14	(2.17)	11.23	(2.71)
Professional Efficacy	16.90	(3.33)	16.23	(3.77)

< Business practice confidence >



< Leadership efficacy >



< Professional Efficacy >

