

# Childcare Cooperatives

*Employers, parents, or workers can cooperatively develop affordable, quality childcare options that can support workforce recruitment, the needs of working parents, and improved working conditions for childcare providers.*

## A COOPERATIVE APPROACH

Accessibility to childcare is critical for child development and for parents. Quality childcare jobs also matter to the 1.2 million childcare workers in the U.S. Yet, the recruitment and retention of childcare workers is difficult in an industry with low wages, often part time work with irregular hours, and widely varying training requirements. In 2019, the average hourly wage for childcare workers was \$11.65 and the average annual wage was \$24,230. The establishment of a childcare business is also challenging due to complex state requirements and navigating childcare subsidies and programs.

Rural economies and the labor force are all affected by the inadequate availability of rural childcare providers. A lack of childcare in rural areas exacerbates serious workforce shortages and population decline as working parents lack support. Cooperatives can support the development of higher-quality jobs, meeting unmet demand in rural areas, and finding support in navigating regulatory complexities and training requirements.

## TYPES OF CHILDCARE COOPERATIVES

Cooperatives in the childcare sector take shape in a variety of ways depending on ownership. Here are some examples of how childcare cooperatives can be structured:

### *Parent-Led Cooperatives*

The most common model of childcare cooperatives, parent-led cooperatives are comprised of parents who have formed a cooperative to provide quality care for their children.

#### *University Houses Preschool Madison, WI*

Founded in 1968, the University Houses Preschool (UHP) Parent Cooperative is a part-day, non-profit parent cooperative school. Parent involvement and participation is incorporated into UHP's curriculum. Along side two certified preschool teachers, at least one parent helper assists in the classroom. The parent co-op model keeps tuition costs low and the democratic leadership from the parent board means parents contribute significantly in policy and planning, and in making important decisions to ensure the preschool's continued success.



### *Childcare Worker Cooperatives*

A group of childcare workers may operate their own childcare center. Through employee ownership, workers benefit from increased wages, decision-making power, and a share in business profits.

#### *Beyond Care Childcare Cooperative Brooklyn, NY*

Established in 2008, Beyond Care Childcare Cooperative was launched by 17 immigrant women as a cooperative to ensure fair salaries and working conditions, and support members with training. With over 40 members, the cooperative offers a variety of care services including full and part-time care, nanny share for multiple families, "rapid" childcare for on-call and emergency services for short periods of time, and group childcare for organizations.



## Employer-Assisted Cooperatives

Employers can include childcare as part of their benefit package. By establishing on-site facilities as cooperatives, businesses may provide space, initial financing, and assistance to childcare programs, but are able to leave operation and ownership to either the parents or the workers who operate the center.

### *Energy Capital Cooperative Child Care Hazen, ND*

When the daycare shortage in Mercer County started impacting employment, eight employers joined forces to establish Energy Capital Cooperative Child Care (ECCCC).

ECCCC is a nonprofit childcare cooperative that operates at cost to provide care for up to 77 children. Founding employers have guaranteed spots for their workforce. Currently the board is comprised of member-business representatives, but will shift to parent-led governance in future years.



## HOW TO START

There is much to take into consideration when starting a childcare cooperative. Like any new business, it is important to identify and refine the business idea, assess its feasibility, and develop a business plan. Your business plan should evaluate alternatives based on your particular state requirements and regulations, payment methods, and taxation types.

In forming a childcare co-op, it is important to understand your community's particular care needs and to build the membership body based on your findings. Determine the membership through organizing and education about the benefits of cooperative ownership and understanding where there is interest. Research potential local and state-wide partners, including state-wide childcare support networks that may provide professional development and other support for childcare staff. Local policy-makers with a pulse on issues in your community may have insights into local partners you may not have considered, and you can reach out to community-centered entities that may encounter childcare needs. Other childcare cooperatives are another useful resource to see the various models and opportunities that you may incorporate into your co-op.

## COOPERATIVE DEVELOPMENT RESOURCES

UW Center for Cooperatives offers many resources about the cooperative model, including cooperative development assistance for childcare cooperatives:

- [How to Start a Co-op](#)
- [Childcare Cooperatives](#)

Additional childcare co-op resources include:

- [ICA Group](#)
- [U.S. Federation of Worker Cooperatives](#)
- [California Center for Cooperative Development](#)
- [North Dakota Association of Rural Electric Cooperatives](#)

Childcare-focused resources and organizations:

- [Wisconsin Early Childhood Association](#)
- [National Database of Child Care Licensing Regulations](#)
- [Childcare.gov](#)

## OTHER RESOURCES

### *Local economic and community development organizations*

can help you connect with basic business start-up planning and financial resources. Local organizations, governments, and educators may be able to provide information and contacts related to current or past community efforts to provide childcare. They might also know of new potential resources, such as a newly available building or a local grant program, that could be leveraged for cooperative development.

- [Wisconsin Small Business Development Centers](#)
- [Wisconsin Rural Development - U.S. Department of Agriculture](#)

### *Local UW Extension Educators*

can link groups to appropriate programs offered by community organizations and businesses, and local, state, federal, and tribal government offices. Educators can often also “connect the dots” between related but separate programs within different organizations, bringing together people and resources to facilitate community and group-based problem solving.