



INSTITUTE FOR EARLY EDUCATION  
LEADERSHIP AND INNOVATION

## Effects of A Business Management Course on Child Care Providers' Outcomes: A Randomized Controlled Trial

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# Funding Acknowledgement Disclaimer

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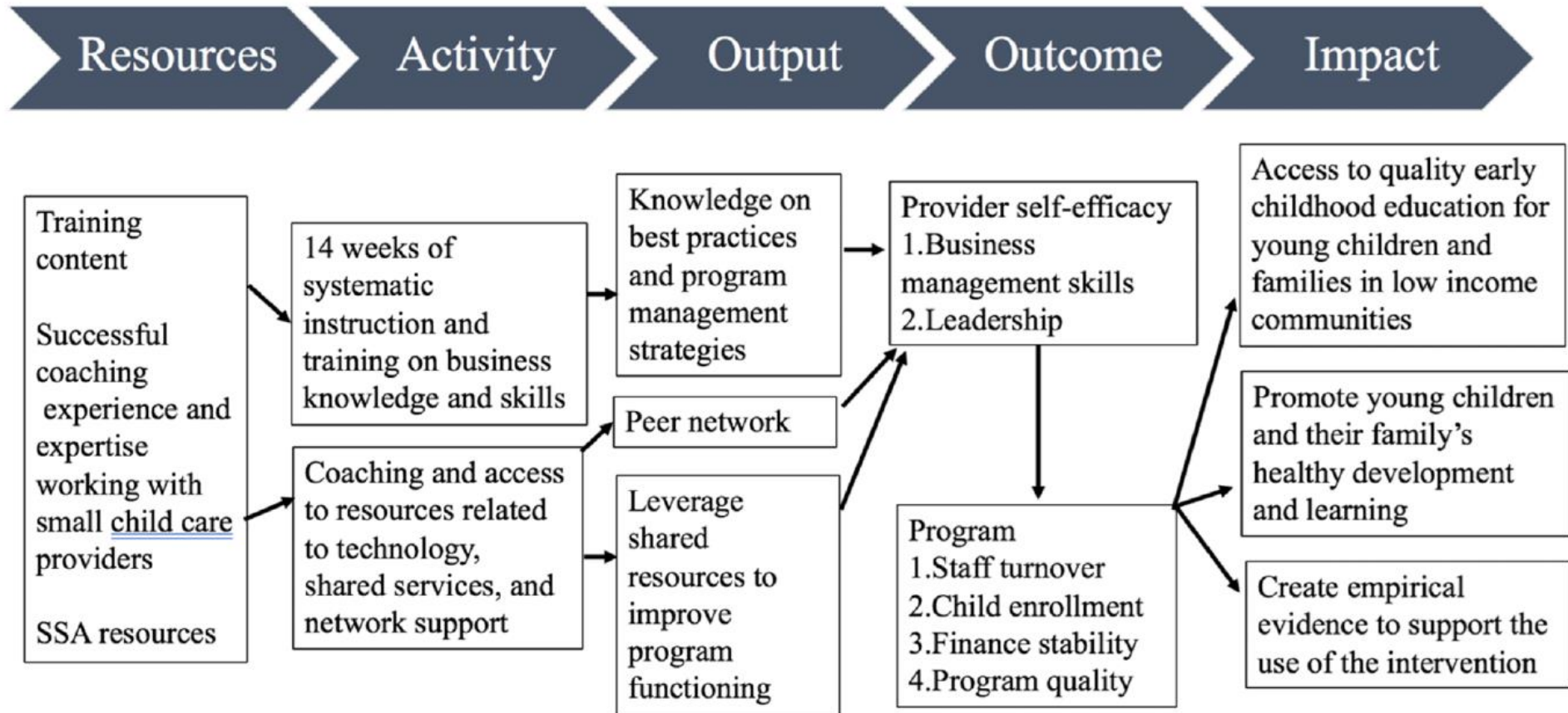


# Introduction

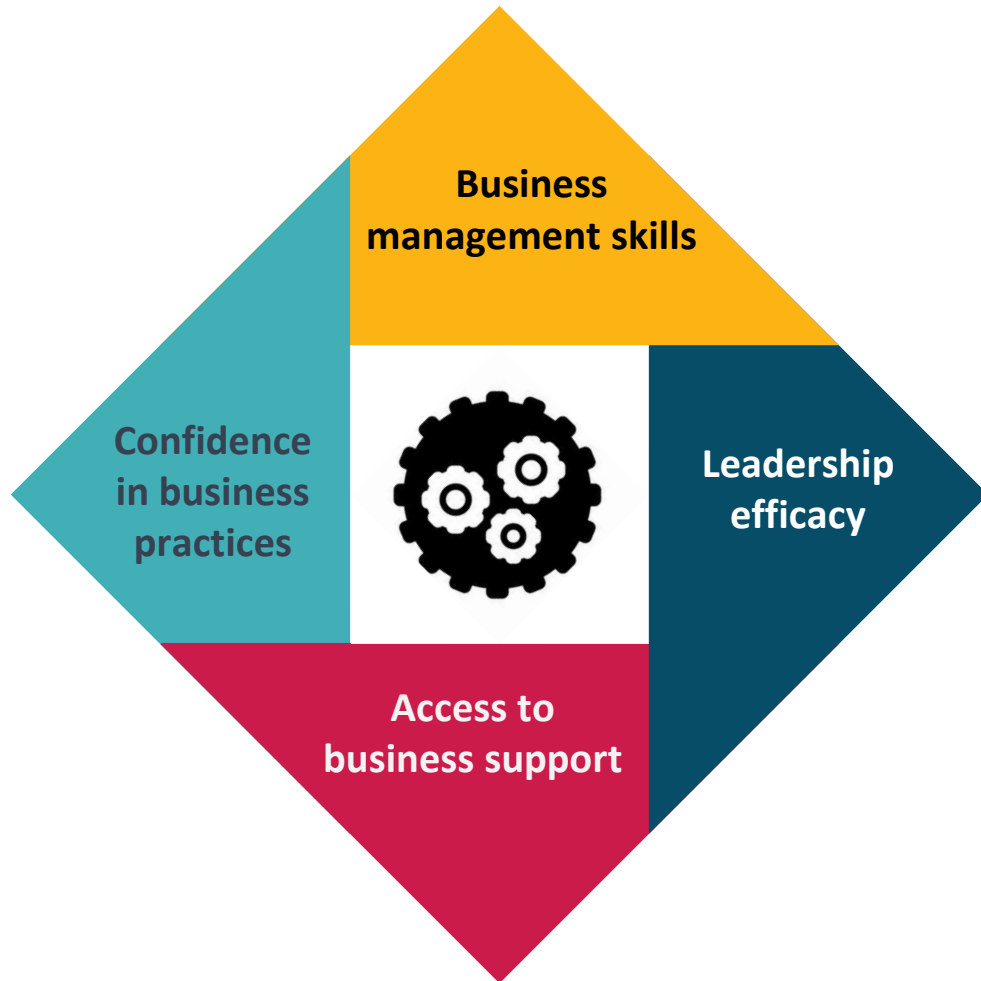


- Childcare supply shortage: more prevalent in communities of color, immigrant communities, communities in areas of concentrated poverty, and rural communities (Jessen-Howard et al., 2018).
- The fragility of the child care business model and financing is one of the primary reasons for the permanent closing of many ECE programs (Stoney & Blank, 2011).
- Business skills training, financial management coaching, and technical support can improve the sustainability of child care small businesses (Porter & Bromer, 2020).

# Theory of Change



# Small Business Innovation Course (SBIC)



## SBIC core activities:

- Financial management
- Business planning technology
- Innovative marketing strategies
- Fiscal management tools
- Creating and using a budget
- Exploring online resources in local banks

# Small Business Innovation Course (SBIC)



IN THIS SECTION
<a href="#">Marketing Home</a>
<a href="#">Save Time</a>
<a href="#">Be Part of Shared Services</a>
<a href="#">Save Money</a>
<a href="#">Business Management Resources</a>
<a href="#">Raise Quality</a>
<a href="#">Success Stories</a>
<a href="#">DRIVE Screening with ASQ</a>
<a href="#">Shared Services MA: FCC Business United</a>
<a href="#">Shared Services SHERO</a>
<a href="#">Stay Connected</a>

## BE PART OF SHARED SERVICES

### The Most Comprehensive Resource Available for Early Educators

Shared Services of Massachusetts is a groundbreaking model for early childhood programs; strengthening business practices, sharing resources and information, consolidating buying power, and providing a platform for collaboration to enhance program quality.

Shared Services membership is free for Early Education providers and includes many invaluable benefits, such as:

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- Access to significant volume purchasing discounts on teaching supplies as well as food and beverage supplies, office supplies, and other services such as credit card processing and waste management
- Access to a community of experts and peers with a wealth of knowledge and advice to share

# Findings from Feasibility Study

Early Childhood Education Journal  
<https://doi.org/10.1007/s10643-020-01046-4>



## Preliminary Efficacy and Feasibility of a Business Leadership Training Program for Small Child Care Providers

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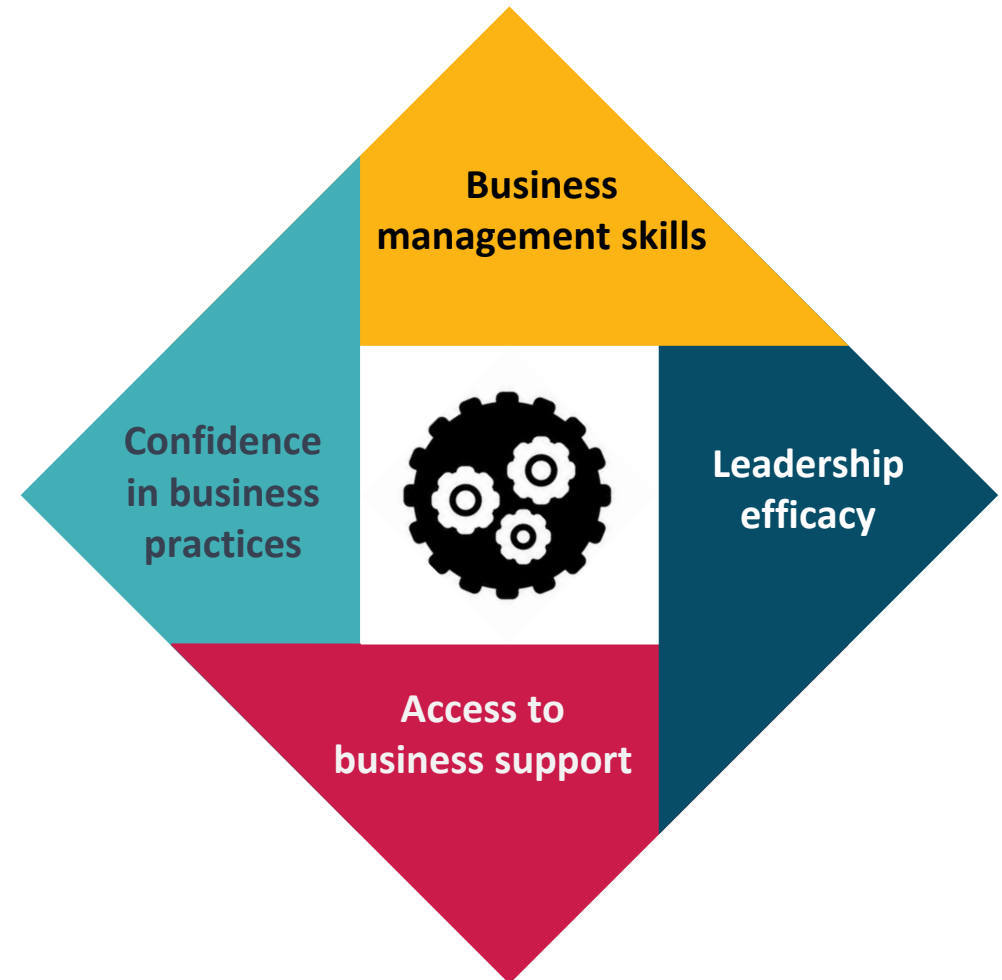
### Abstract

It is important to equip small child care providers with business and administrative operations skills so that they can avoid shut down and provide quality child care services in a sustainable manner. This study provides initial efficacy and feasibility of the Business Innovation Course program. The goal is to contribute to a deeper understanding about strategies to support

1. Significant improvement in participants' self-confidence regarding business management skills.
2. Successful application of new knowledge (e.g., budgeting and marketing) and implementation of practices to enhance business operations

# Study Aims

- Examining whether the SBIC participants showed higher scores compared to the control group in the following areas:





# Recruitment



$N = 56$  child care providers

- Serving low-income communities.
- Operating in areas with a shortage of ECE programs.
- Enrolling over 50% of children who are of color.
- Facing challenges in business management and program quality maintenance.
- Had no prior involvement with the SBIC program

# Study Participants



$N = 56$  child care providers

- 100% Female
- Hispanic (68%), Black (26%), Asian (2%), Other races (4%)
- 70% non-English language speakers
- 59% did not have a college degree, 8% an associate degree, 14% a bachelor's, 10% higher than BA
- 13 years of experience in the ECE business
- 73% Family Child Care providers
- Serving an average of 8 enrolled children

# Study Participants

SBIC intervention



$n = 28$



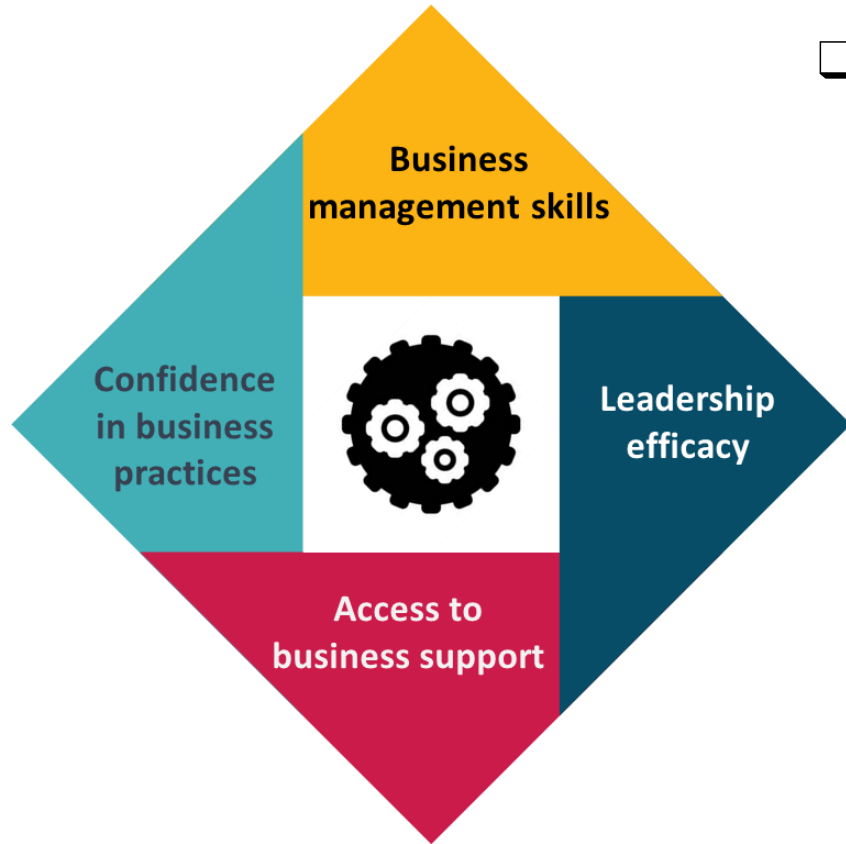
Control group



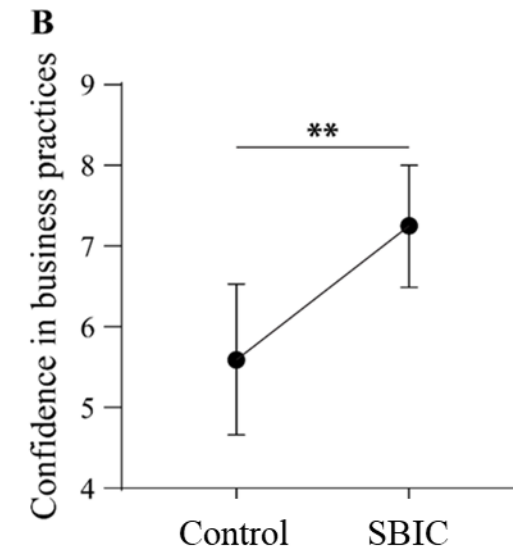
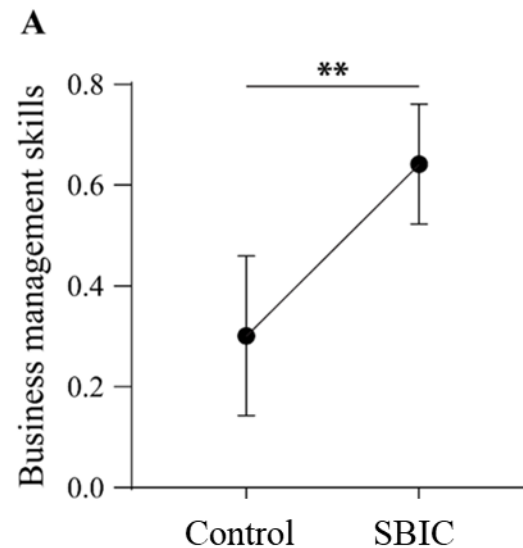
$n = 28$

- ❑ Comparable demographic and workplace characteristics between the two groups.
- ❑ No differences in outcome measures at baseline between the two groups.

# Program Effectiveness



- SBIC participants demonstrated higher business management skills and reported greater confidence in business practices compared to the control group.



# Discussion & Takeaways

- ❑ PDs targeting the business side of the ECE programs can make ECE sustainable.
- ❑ SBIC was effective in increasing leaders' business management skills and confidence in business practices.
- ❑ Need-based, hands-on activities, practical guidance, and access to business tools and resources are essential for PD models.
- ❑ Future research is needed to better understand how different program aspects are related to the program effectiveness.



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