

## Resource: Child Care Center Needs Assessment

As you think about opening a child care business, take the time to do a complete and thorough needs assessment. This is a critical step in determining whether your community needs your services. One of the reasons that business owners of all types fail is because they have not considered the needs of their consumers.

There are three parts to the needs assessment. First, you need to have data on what type of child care is being offered in your community. Second, you will want to understand more about families that you might serve through your child care business. Finally, you will want to know what other providers in your area charge for child care. This will help you build your budget.

You may need help completing your needs assessment. Your local [Child Care Resource and Referral agency \(CCR&R\)](#) will be able to help you with much of this information. Your first step will be to learn which CCR&R agency serves your area.

### Name of Local Child Care and Resource Referral Agency:

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**Contact Person:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

Many of the questions in this resource can be answered by your local CCR&R. Have this checklist handy when you contact them and fill in answers or comments as you speak with a representative.

Child Care Center Needs Assessment *continued*

## Part 1: Current Child Care Landscape

Question	Answer/Comment
<p><b>Who else is providing child care in your area?</b></p> <p><i>Ask your local Child Care Resource and Referral (CCR&amp;R) agency about the number of providers in your area.</i></p>	<p>Number of licensed child care centers: _____</p> <p>Number of family child care homes: _____</p> <p>Number of school-based providers: _____</p> <p>Other: _____</p>
<p><b>Who are your main competitors?</b></p> <p><i>In the geographic area of where you want to open your business, who provides child care services? Think about churches, local YMCAs, and schools as well as traditional child care providers.</i></p>	
<p><b>Is there a child care need for a specific age group?</b></p> <p><i>Think about the current providers in the area and what age groups they are serving. Ask your local Child Care Resource and Referral agency if there is a need for infant/toddler care or other age groups.</i></p>	<p>Infants (birth-12 months): _____</p> <p>Toddlers (1-2 years): _____</p> <p>Preschool (3 years): _____</p> <p>Pre-K (4-5 years old): _____</p> <p>Before/after care for school-age children: _____</p>
<p><b>Is there a need for child care during a specific time of the day?</b></p> <p><i>Think about whether you might provide before/after school care to school-age children or children enrolled in part-time pre-k programs.</i></p>	
<p><b>Is the need for child care in your area likely to change in the next 5-10 years? Why?</b></p> <p><i>Think about whether there are local companies that are expanding or closing, whether your local schools may be providing child care services, or other factors that could influence the need.</i></p>	

Child Care Center Needs Assessment *continued*

## Part 2: Family Demographics

Question	Answer/Comment
<p><b>How many families with young children live in your area?</b></p> <p><i>Consider families with children birth-5 years, as well as families with school-age children if you want to serve that age group.</i></p>	
<p><b>How many of the families with young children in your area will need child care?</b></p> <p><i>Ask your local Child Care Resource and Referral agency for current statistics on the number of families that may need care.</i></p>	
<p><b>Where do local parents work? What are typical working hours?</b></p> <p><i>Think about the parents who might use your program. Some businesses, such as hospitals, factories, emergency services, etc., are open during non-traditional hours. Or, some parents may work for organizations that have more typical work hours. You will want to think about parent needs in designing your program.</i></p>	
<p><b>How long is the typical commute?</b></p> <p><i>Do parents live in suburban areas and commute to a more urban area for work? Are you in a rural area where commute times may be longer? You will need to think about these things as you think about your hours of operation.</i></p>	

Child Care Center Needs Assessment *continued*

### Part 3: Determine Costs

Question	Answer/Comment
<p>What are the typical fees (the market rate) for child care in your area?</p> <p><i>Check with your local Child Care Resource and Referral (CCR&amp;R) agency for this information.</i></p>	<p><b>Licensed child care center rate:</b></p> <p>Infants: \$ _____ /week</p> <p>Toddlers: \$ _____ /week</p> <p>Preschool: \$ _____ /week</p> <p>Pre-K: \$ _____ /week</p> <p>School-age: \$ _____ /week</p> <p><b>Licensed family child care rate:</b></p> <p>Infants: \$ _____ /week</p> <p>Toddlers: \$ _____ /week</p> <p>Preschool: \$ _____ /week</p> <p>Pre-K: \$ _____ /week</p> <p>School-age: \$ _____ /week</p> <p><b>Other:</b></p>
<p>Do parents in your area typically get help (subsidies) to pay for child care?</p>	<p>Yes                      No</p>
<p>Will your program be eligible to accept subsidies?</p>	<p>Yes                      No</p>
<p>What would your program need in order to be eligible to accept subsidies?</p>	

Child Care Center Needs Assessment *continued*

Question	Answer/Comment
<p>Based on the number of children you plan to enroll, what is your per child cost?</p> <p><i>Contact your local Child Care Resource and Referral (CCR&amp;R) agency for help in calculating this information.</i></p>	<p>Infants: \$ _____ /week</p> <p>Toddlers: \$ _____ /week</p> <p>Preschool: \$ _____ /week</p> <p>Pre-K: \$ _____ /week</p> <p>School-age: \$ _____ /week</p>
<p>What fees do you need to charge parents to have a profitable program? Can parents in your area afford the fees?</p> <p><i>Contact your local Child Care Resource and Referral (CCR&amp;R) agency for help in calculating this information.</i></p>	<p>Infants: \$ _____ /week</p> <p>Toddlers: \$ _____ /week</p> <p>Preschool: \$ _____ /week</p> <p>Pre-K: \$ _____ /week</p> <p>School-age: \$ _____ /week</p>
<p>How much will it cost you to start a new child care business? How much will it cost you to operate on an ongoing basis?</p> <p><i>Contact your local Child Care Resource and Referral (CCR&amp;R) agency for help in calculating this information or use the <a href="#">Provider Cost of Quality Calculator</a>.</i></p>	
<p>Will you need to hire staff? What will you pay the staff? Will you be able to offer any benefits?</p>	