

How Child Care Resource and Referral Agencies Can Partner with Community Development Financial Institutions to Increase Child Care Programs' Access to Financial Services and Information

CCR&Rs can use this resource to learn about CDFIs and build or enhance their partnerships with these institutions.

What is a CDFI?

Community Development Financial Institutions (CDFIs) are privately-owned financial institutions that offer financial services, grants, loans and financial education to small businesses and community-based projects. CDFIs may be banks, credit unions, loan funds or venture capital funds. Their funding comes from the private sector, the public sector, or both. Depending on their structure and individual charters, their products vary, but they share a common mission — community development.

CDFIs focus on expanding economic opportunity for people, businesses and communities that may be underserved by mainstream financial institutions. While CDFIs will sometimes partner with a mainstream financial institution to jointly fund a community project, they tend to offer individualized technical assistance and specialized programs beyond what most mainstream banks offer.

A CDFI may be more willing than a traditional bank to assist a child care program owner/operator

by providing business supports and technical assistance that lead to the CDFI underwriting grants and loans for the owner/operator. CDFIs may also be more willing than traditional banks to assist child care programs in applying for business support programs such as the recent Paycheck Protection Program loan, and prioritizing their applications.

CDFI's may be particularly helpful in securing PPP loans. See [here](#) for additional resources on the PPP.

There are about 1,000 CDFIs across the country. They operate in every state and serve rural, urban, and native communities. Geographic areas served by individual CDFIs vary. Some have a national scope. Many have a local focus. Use these directories to find a CDFI near you:

- [Opportunity Finance Network CDFI Locator](#)
- [U.S. Department of the Treasury, CDFI Fund List of Certified CDFIs](#)

What CCR&Rs Can Do

CCR&Rs can partner with CDFIs to create or enhance provider training and business capacity building, and to access and leverage grants and capital assistance.

Ideas to consider:

- Reach out to local CDFIs to introduce your services and brainstorm ways you can support one another's work.
- Sponsor and develop a training series together on ECE business, finance or facilities topics.
- Collaborate with CDFIs to co-present informational sessions for child care owners/operators and other community stakeholders such as city planning departments, developers and local business operators.
- Invite CDFI staff to engage by joining an existing ECE leadership body to address issues and opportunities related to child care, and creating a forum for building a comprehensive system of financial support for child care businesses.
- Serve as a conduit for communications and activities between child care programs and CDFIs.
- Share data (e.g., supply and demand or program quality data) with CDFIs to inform and promote coordination and equity and to align supply-building, workforce development, economic development and quality improvement efforts.
- Partner with CDFIs to build public awareness and support for investments in child care and to influence national, state and local policies.
- Collaborate with CDFIs to apply research and strategies and report on results.

Spotlight

Low Income Investment Fund (LIIF) launched the San Francisco Child Care Facilities Fund in 1998. For the past 20+ years, LIIF has partnered with the local CRRs to do trainings and business capacity building, and to provide grant and loan capital to construct and renovate early care and education facilities. Since then, LIIF has expanded this work across the Bay Area of California, and to New York City and Washington, D.C.

LIIF partners with CCR&Rs in the following ways:

- Co-hosting training series for providers on topics such as finance management, human resources management, fundraising, board building, facilities design and facilities construction and maintenance.
- Integrating facility design and small grants for program materials and minor facility renovations with Quality Improvement Program (QIP) implementations at ECE centers and family child care /child development homes.
- Collaborating with CCR&Rs on business supports and start-up grants for new home-based provider cohorts.
- Responding to referrals from CCR&Rs to support expansion opportunities and fiscal support.

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