



WISCONSIN

CHILD CARE CLOSURES

Stories from providers, teachers and parents demonstrate the central role child care programs serve in communities, and what happens when they close.



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Child Care Closures

Providers, teachers and parents share the impact of a child care center closing in their community.

In many ways, child care is the engine of local communities and economies. Early childhood education not only fosters an environment for our youngest members of society to learn and grow; it also enables working parents to participate in our workforce. Yet, regardless of the central role that child care plays, we do not commit the necessary investments to ensure providers can keep their doors open and pay themselves and their workers a deserving wage, while keeping care affordable for families.

This lack of investment has consequences, which are detailed in a newly released report from The Century Foundation on the effect of the expiration of pandemic-era child care funding from the American Rescue Plan Act (ARPA). ARPA funding for child care was a lifeline for a lot of providers, but since the funding expired one year ago, providers and families across the Badger State are struggling to keep up. From 2019 to 2023, child care employment levels fell by 28 percent. And since 2019, the cost of child care has increased by six percent, with a drastic increase occurring between May and December of 2023 when payments to providers from the ARPA-funded Child Care Counts program were cut.

Wisconsin has lost 2.5 percent of its licensed child care programs since 2019, and without permanent investments from our state and federal governments, that trend is only expected to worsen.

The following stories demonstrate that without adequate funding and support, child care providers are left with no choice but to close their doors, leaving teachers, parents, kids and their community in limbo.



Susan Elandt

Growing up, **Susan Elandt** wanted to work in elementary education, but as she stood in line to register for her freshman year of college, she realized how many science credits she needed for the degree and she switched to English theater. Following undergrad, Susan enrolled in a graduate school program for religious education, and after her schooling, Susan worked in parishes for a few years.

When she became a mom, Susan made the choice to stay at home to raise her kids, but when she was ready to rejoin the workforce, she had a hard time finding work. Eventually, Susan found an opening as a teacher at a child care center in Menominee, Michigan. She did not have the necessary qualifications, but she had worked with young children through her church, and the center's director took a chance on her. Since then, Susan has never looked back.

Though Susan had once aspired to be an educator, it took her some time - as well as some help from one of her students - to realize she had become just that. One afternoon, Susan was sitting on the playground with a four-year-old girl, who was telling Susan she wanted to be a teacher when she grew up.

Susan responded excitedly, saying that when she was little she had always wanted to be a teacher when she grew up, too.

The four-year-old looked at Susan and said, "But Ms. Susan, you are a teacher."

It was at that moment Susan realized that she had found the way in which she was meant to educate.

“

*“But Ms. Susan,
you are a
teacher.”*

Postponing the child care cliff

After meeting her now husband, Susan moved to Waupaca, Wisconsin, where he lived. In 2010, she started working at The Learning Cottage, and six years later, Susan eventually bought and renamed the center My First Adventure. At first, the center started very small with 11 families and two classrooms, and Susan stepped in here and there to teach, cook, clean and fill every role in between. Susan had amazing teachers at her center, and it slowly grew over the years to five classrooms.



Waupaca, WI



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Prior to 2020, Susan did not have a hard time finding new staff members when she would post a position, but after COVID hit, everything turned “upside down,” as Susan puts it. Susan could no longer be picky when it came to hiring staff; she simply needed workers.

This funding is the only reason I hung on as long as I did. Had the funding not been there, I would have closed years sooner.

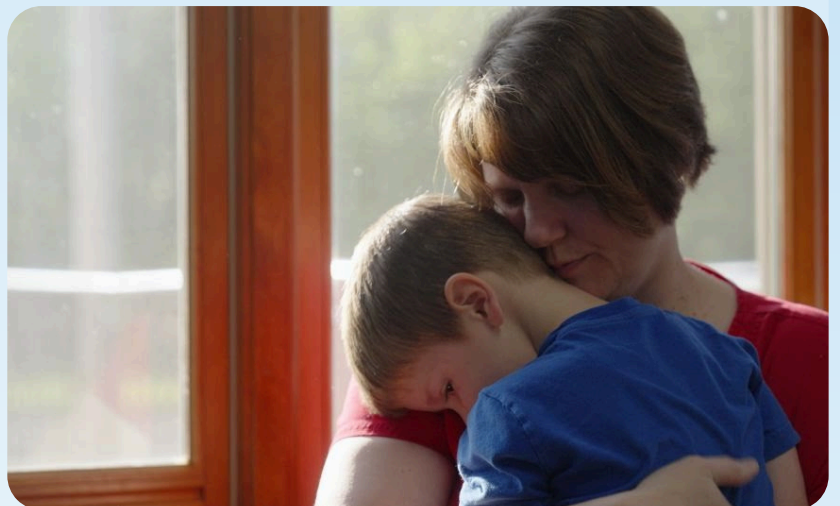
Fortunately, federal funding through the American Rescue Plan Act (ARPA) helped to keep Susan’s business afloat and her workers on payroll. The ARPA-funded Child Care Counts program allowed her to provide her staff with extra bonuses, pay her mortgage and hire an assistant director.

Additionally, PartnerUP grants, which enable small businesses to provide child care options for their employees, were especially helpful for Susan’s center during this time. For two years, Susan received funding for five children of her own staff members who were enrolled at her center, and Susan put the funding she received from this program directly into staff salaries.

“This funding is the only reason I hung on as long as I did. Had the funding not been there, I would have closed years sooner,” Susan said.

When the funding for these programs started to decrease, Susan still felt like she owed it to her staff to keep their compensation rates deserving and competitive. To do this, In January 2024, Susan raised her rates by \$10 per day per child. While most of her families recognized the need for this tuition hike, the rate was no longer feasible for one family who had to unenroll. For some of the families enrolled in Wisconsin Shares, a program administered by the state government to help subsidize the cost of child care, the subsidy payments did not account for the tuition raise, thus raising the copays significantly for these families.

Eventually, without the promise of additional funding, Susan felt burnt out. She wasn’t willing to pay her staff lower wages than they deserved, and she wasn’t willing to start working 50-60 hour work weeks again to make it all add up.



On the Market for Two Years

Two years ago, Susan decided to put her center up for sale, but with only two other centers in the area, she would only sell it to anyone who had plans to continue operating it as a daycare. Unfortunately, no one could get financing to buy the business, and only three people during the two year duration even tried to buy it.

However, with physical and mental stresses continuing to weigh on Susan, she was quickly coming to the conclusion that she needed to move on. Two churches eventually opened centers, and another child care center was able to add additional capacity to ensure that roughly half of Susan's kids could enroll in another program.

Susan eventually closed her center in July of this year, and though she is glad that the closure went smoothly, she says "It certainly did not help the child care crisis in Waupaca, because we just moved the spots, we didn't create new spots. So we're in the same place as we were before."

“**It's obvious that child care needs to be publicly supported.**”

Susan says that there is a clear need for Wisconsin and the federal government to invest in child care, and without additional funding, more and more programs around the state will close. This not only hurts children, families and child care workers; it hurts our entire economy.

Susan recalls receiving phone calls from community members who have been offered jobs, but that their decisions would depend on whether or not Susan had an opening for their child(ren) at her center. More often than not, when an opening would become available, the individual's job opportunity passed. Susan has had similar conversations with business owners, and when she eventually announced she would be closing her doors earlier this year, the City of Waupaca tried to come up with some financing to get her through, but it was too little, too late.



Making a Difference

When Susan was closing her center, she expected to receive a lot of sad and disappointed messages from her families. Instead, she received an outpouring of support and love, with families often saying “You have made a difference.”

For Susan, she felt as if she was giving up, but she realized how far she had come. At first, working in child care was just a job, but as she earned her early childhood education credentials and became more and more invested, she realized that she was serving a pivotal role in providing a foundation to set up the next generation for success.

“*You have made a difference.*”



Big Picture: Breaking Down the Facts

27%

of Wisconsin child care providers say they would have closed without funding from Child Care Counts



*According to The Century Foundation’s report, *Child Care Funding Cliff at One Year: Rising Prices, Shrinking Options, and Families Squeezed*



Waupaca, WI

Lydia Higgins

For **Lydia Higgins**, a teacher at My First Adventure, the news that Susan was closing the center was “sheer heartbreak.”

“The slow trickle of losing every family was one of the worst grieving experiences I have ever gone through,” Lydia said. “It was really hard as a provider to slowly lose the children and families I have fostered strong connections and relationships with.”

Additionally, not only did the closure of the center mean Lydia was out of a job - she also had to find care for two of her children who are both under two years old - something that Lydia has struggled to find over the years for all of her children. Between her and her husband’s blended family, they have five children, with their youngest children being born in September of this year.

“*The slow trickle of losing every family was one of the worst grieving experiences I have ever gone through.*”

Not Only a Job, but a Child Care Spot, too

Lydia first met Susan and started working at My First Adventure in 2019. Lydia had just moved back to Waupaca, Wisconsin after living and volunteering at a Head Start program in Michigan for a few years, and she was struggling to leave her youngest child to go back to work. My First Adventure offered her the opportunity to return to working in early childhood education, while also enrolling her child in care at the same center.

Lydia worked at My First Adventure for about a year, but then spent three years working in early childhood education in nearby communities. When the spring of 2023 rolled around, Lydia had intended to spend at least three more years at a center in Amherst to facilitate a restructuring plan; yet Lydia and her husband were blessed with the surprise of another baby on the way, and their plans changed. The center in Amherst did not have space for an infant, but My First Adventure was able to take her newborn, and gladly welcomed Lydia back as a teacher.



Waupaca, WI



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Lydia's second round of teaching at My First Adventure was again cut short with the news that Susan would be shutting the center's doors in the summer of 2024. The original closure date - the end of August - lined up with Lydia's maternity leave plan, so she had not started to look for a new job yet. But when the closure date was moved up by almost a month and a half to mid-July, Lydia's plans for care and employment changed quickly.

“This has been the hardest summer, financially, for my family.”

Fortunately, at a similar time, two churches opened up child care centers; however, Lydia was initially apprehensive because regardless of her education, credentials and experience, in about six weeks, she would be going on maternity leave.

At the end of the day, Lydia ended up taking a teaching job at Victory Childcare and Preschool where she was also able to enroll her two children under two years old, at a reduced cost of tuition. In the case of a closure at the school district, her other children are able to be at the center with her, too.

Lydia is now on maternity leave and will return full-time to Victory Childcare and Preschool at the beginning of the New Year. And though her maternity leave is unpaid, her family is saving roughly \$3,800 per month because two of her kids are not enrolled in child care. Due to low child care wages, Lydia says that her salary just does not contribute all that much to her family's budget. And while Lydia is the most educated member of her family, her income does not reflect that - her 14 year old stepson was just offered a higher paying wage for his first ever job.

While it might not make sense financially for Lydia to continue working in early childhood education, she cares so much about the work and the connections she is able to make with children and families. Like many providers, she knows it's important work; the biggest challenge is making our elected officials care enough. Otherwise, centers like Susan's will continue to close.

Nicole Hile

Nearly two decades ago, when **Nicole Hile** and her husband welcomed their first child into the world, they quickly realized that finding child care in their community would be much more difficult than they had predicted. Nicole could not stay home as she had health insurance through her job, but there was nowhere for her son to go during the day.

Eventually, Nicole ended up leaving her job and buying Busy Beavers, an existing child care center in Cumberland, Wisconsin, which she has been the owner and director of for 17 years. This allowed for Nicole to work while ensuring her son had a safe learning environment to go to during the day - along with filling a critical need in her community.

For 17 years, Busy Beavers was one of two licensed group child care centers in a town of about 2,500 people. Just before the pandemic, the other group center closed, leaving Busy Beavers, alongside one licensed in-home provider, as the only options for child care in their community. That was until May 2024, when Nicole was forced to make a difficult decision and close her center. Over the years, it had become more and more difficult to hire qualified early childhood education professionals at competitive wages. On top of that, the overhead expenses to run a child care center – including the mortgage, utilities, food and other supplies to foster an inclusive and safe environment – had become increasingly unsustainable.

Like many other child care providers, Nicole found achieving balance between paying teachers an attractive wage while keeping tuition affordable for families increasingly impossible. And without support from the state and federal governments, the costs often fall on families and in the form of low wages for child care workers.



Surviving the Pandemic as a Child Care Provider

While the challenges facing child care providers are far from new, they were certainly exacerbated during the pandemic. When the pandemic hit in early 2020, Nicole's center lost 60 percent of its families, which forced her to lay off staff. As families slowly came back to care, getting child care workers to come back wasn't easy, given the low pay and challenging working conditions created by the pandemic.

"It's just really hard for child care workers to justify this wage when they can walk out the door and work at Kwik Trip for more money."

With the help of the Paycheck Protection Program, Nicole was able to offer a temporary \$4 per hour incentive for workers to come back. Nicole also received support from Child Care Counts, the program created in Wisconsin through the use of federal funds from the American Rescue Plan Act (ARPA), which enabled her to maintain a temporary wage increase for her workers, and permanently increase the starting wage for workers to a range of \$12 to \$15 an hour. But even with this support, many workers are not making enough to compete with the other companies in her area.

"It's just really hard for child care workers to justify this wage when they can walk out the door and work at Kwik Trip for more money," Nicole says. "In my case, I have been volunteering my time just to keep the doors of my center open."

Staffing Challenges Persist

Last year, pandemic-era federal funding for the child care sector began to expire. As a result, the Child Care Counts program has begun to unwind, and grant payments to providers have decreased substantially. This made it even more difficult for Nicole to keep up with wage increases without pricing families out who are already just barely paying their tuition bills.

Before closing her center, Nicole had been trying to fill a teacher opening for almost a year, but 75 percent of the interviews were no-shows, and finding someone with the necessary qualifications at a salary Nicole could afford was, in the end, impossible. As a result, before Nicole closed she had two teachers at her center and an enrollment of 15 kids. At full capacity, Busy Beavers can staff a total of six teachers and offer care for 40 kids. The missing tuition from an enrollment shortage significantly contributed to Nicole's difficulty in keeping the lights on at her center.



Cumberland, WI

Closure and Moving Forward

While Nicole believes that all the parents who were enrolled at her center were able to find alternative care when she announced the closure, many had to jump through hoops to do so. One family is now traveling 30 minutes to a nearby town to access child care.

Additionally, a husband and wife who are both doctors at a local hospital and have two young kids are moving all the way back to Canada in September where there is better infrastructure for raising a family.

Nicole says that “if our state wants to truly do what’s best for children and our collective future” it really needs to step up and prioritize investments in child care, such as through Child Care Counts.

Nicole is unsure of her next step. While she has decided to close, she has listed the building that previously housed Busy Beavers at 30 percent lower than what it is worth in hopes someone will have the courage to buy the building and continue to provide licensed care in her community.



“

“I’m sad, and a little mad, but mostly I just feel guilty we are leaving our community like this.”

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Child care employment levels fell by

28%

from 2019-2023 in Wisconsin

40%

of child care providers who received Child Care Counts stabilization grants report losing staff now that the funds are no longer available

*According to The Century Foundation’s report, *Child Care Funding Cliff at One Year: Rising Prices, Shrinking Options, and Families Squeezed*



Cumberland, WI



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Angela Easton

Angela Easton has four kids, but it was not until she had her fourth child that she was faced with the struggle of finding affordable, quality child care. Her first three children were watched and cared for by Angela's mother, but soon after her fourth child was born, her mom passed away. So during a time that Angela should have been focused on grieving, taking care of herself and being with her family members, Angela was also scrambling to find child care.



"I was so shell shocked when I started looking for care for my youngest daughter. I have never been that stressed out in my life," Angela said.

Angela's daughter is Autistic and nonverbal, so the search for a child care center that Angela felt comfortable leaving her daughter in the care of was especially challenging. Out of the roughly 50-55 centers across Rock County at the time, four centers had a possibility of having space. After touring three of the centers – two of which were larger group centers that Angela knew her daughter would not thrive in – she decided on Zasty's, a small in-home family child care center. Even though Zasty's only had a part-time opening, Angela knew the structured and hands-on nature of the environment would be best for her daughter, and she was able to piece together care until her daughter was able to get a full-time slot.



"I was so shell shocked when I started looking for care for my youngest daughter. I have never been that stressed out in my life,"

Over time, Angela's daughter grew more and more comfortable at Zasty's and she began to thrive in the learning environment. Unfortunately, this only lasted for about a year because a few months ago, the owner of Zasty's closed her child care business. Angela does not know exactly why the center closed, but she knew the owner had been providing care for a long time and it eventually became "too much."



Milton, WI



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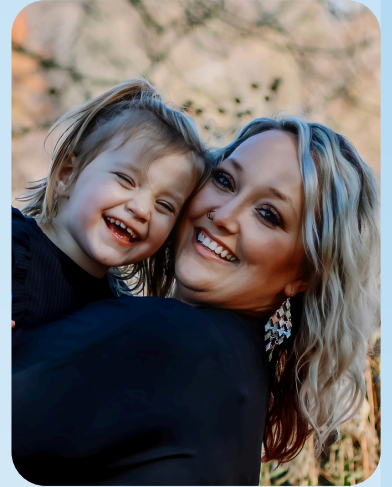
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The Second Search for Child Care

While Angela did not know it at the time, being able to decide that her daughter would attend Zasty's for child care was a liberty that is not always guaranteed. And if the first time Angela looked for care for her daughter was stressful, the second time around was much worse. Since her daughter has special needs, finding care for her – or finding a center that would take her – can be challenging. Angela had printed out a similar list to the one she had the first time around, and only about half of the centers remained in business.

Of the 20-30 centers left in her county, one center – a larger group center – had space for her daughter, and it was certainly not ideal for Angela and her daughter's needs. After about a year, Angela's daughter has not adjusted well, even though there are therapists working with her. Even with her discomfort with the group center, Angela simply has nowhere else to turn to for care for her daughter.

"You're trusting your child's life to find someone, and because my child's nonverbal, she cannot communicate if something's wrong, can't tell you if something's happened to them. It's a huge thing to trust the only place your child could get into," Angela said.



“A Cycle That Doesn't Let You Win in the End”

Even though Angela was able to eventually find some sort of care for her daughter, the cost of child care has increased so much over the past few years that Angela and her husband are needing to be really strict on their family's budget. Angela also says that because of the high percentage that child care takes up in her family's budget, her other kids miss out on opportunities as a result.

Like many parents struggling to afford child care, Angela has quickly figured out that our economy is not set up to support working parents, and in particular, working moms who often pick up the care responsibilities. In the end, the equation just doesn't seem to balance out.

“I can't quit my job because I need to pay for child care, even though most of the money I make goes toward child care. It's just a cycle that doesn't let you win in the end.”

Kelly Melton



Kelly Melton has always had a big heart for kids. Growing up, one of her friends gave her the nickname “Grandma Kelly” as she was often the caretaker for her friends and was likely to be found reading to younger kids.

After high school, she was not sure what career path she wanted to take, but she knew education had to be a part of the equation. Kelly did not want to be confined to the traditional notions of a classroom, but she thought she would excel as a director or owner of an early childhood education center, where she could move around more freely and work with other early educators.

It was then that Kelly set her sights on opening her own child care center one day. But first, she wanted to earn her associates degree in early childhood education and gain some real-life experience. Following technical college, she worked at two different group centers to gain a wide range of experience, and to understand how she would want to run her own business.

In 2018, Kelly opened her own family child care center out of her home. Together with her mother and sometimes her father, Kelly served children and families in her community for six years. She also earned her bachelor’s degree in community engagement & education and her master’s degree in cultural foundations of community engagement & education with a certificate in racial and social justice in education. However, in August of this year, Kelly made the difficult decision to close as she just could not continue to make the finances work, no matter how much she loved the work.

Not Adding Up

Over the six years Kelly was in business, she only raised her tuition by \$20 as she knew parents already had a hard time affording child care. This was true even throughout the pandemic when many parents weren’t sending their children to Kelly’s center. Kelly did receive funding from the Child Care Counts program - which was launched in Wisconsin with the funds from the American Rescue Plan Act - and while this support helped Kelly to pay for expenses, it did not go as far as she needed it to.



Kelly always ensured her facility was up to the high standards child care providers are required to meet, yet she was limited in the ways she could work to generate more revenue. She either had to hire more teachers and invest in a new facility, or raise her rates. At the end of the day, Kelly wasn't willing to raise her tuition to the rate that would make it worthwhile for her to stay open, and she didn't believe it was right to put an increase on parents already struggling to afford care just to keep her doors open.

The only next step that made sense for her to move forward as a child care provider and director was to expand and open a group center. If she could serve more kids, and be able to fill gaps in care for many parents in her community, she could better justify the expenses she needed to keep her business afloat, along with the standards she needed to meet.

But finding a facility close to "ready" in terms of code was more difficult than she anticipated. Kelly had the enrollment numbers - along with a very long waitlist - but she did not have a building that suited her needs.



What's Next

At the end of August of this year, Kelly shut her doors, but she did not shut her door in early childhood education. Kelly will continue to work in the industry as a pre-licensor to help prepared providers for licensing. She is also a self-published Author of a Children's book: *Did You Say Baby?*, which she introduces as a tool for parents to use while introducing the topic of expanding their family.

Kelly said that when she first announced the news to her families, the most surprising reaction she received from a parent was how she herself could open her own child care center because the thought of having her child elsewhere was uncomfortable at first. And while Kelly was encouraged by her parent's ambition to fill a gap, she cautioned against it because of her experience and difficulty in the industry because of a lack of government support and investment.



“We Are Not Valued”

Kelly’s decision to not raise the rates for her own families in order to stay afloat gets at a central tension point in the child care industry - the need for child care providers to take in more revenue to earn a deserving wage and pay high overhead expenses, and the need for families to be able to access affordable child care. And for Kelly and many other child care providers, this tension exists in large part due to the lack of understanding of the role early childhood education plays in our society.



“A lot of people don’t look at everything that we do and see how much the children are learning and developing. They look at child care as a babysitting job.”

“A lot of people don’t look at everything that we do and see how much the children are learning and developing. They look at child care as a babysitting job,” Kelly says. “We have the heart and we have the mindset to assist in these children’s educational journey - we have their best interest at heart. But we are not valued.”

At the end of the day, this tension makes it nearly impossible for it all to add up.



\$13,572

was the average annual price of care for an infant in 2023

36%

of parents surveyed said they experienced a price increase in the past month

80%

of parents who did not report price increases said that an increase would negatively impact their budget

50%

of all providers reported in a January 2024 NAEYC survey that they had raised prices in the past six months.

*According to The Century Foundation’s report, *Child Care Funding Cliff at One Year: Rising Prices, Shrinking Options, and Families Squeezed*



Milwaukee, WI



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About the Campaign for a Family Friendly Economy Education Fund

The Campaign for a Family Friendly Economy Education Fund is fighting for a future where all people can afford to care for themselves and their loved ones. CFFE EF's work is rooted in states across the country, where we run year-round community campaigns to amplify the voices of those most impacted by the lack of investment in care. CFFE EF educates the public on gaps in our care infrastructure as well as the solutions that would bring families relief. CFFE EF builds and harnesses grassroots power to pass policies that lower costs for families, like paid family and medical leave, quality, affordable child care and elder care. CFFE EF's campaigns center the experiences of parents, care providers, and other community leaders to drive demand for the systemic changes needed to support the economic security of women, children, and families.

