

MyVillage

MyVillage: A Private Sector Solution to Inadequate Child Care

Funders for Montana’s Children and the Federal Reserve Bank MN have partnered to highlight early childhood data, share best practices, and foster partnerships that will increase access to affordable, high-quality care in Montana. This case study is part of that effort.

Introduction

The availability of quality child care affects children, working parents, businesses and the economy. Without access to adequate quality care, children may miss critical developmental milestones, parents struggle to work and support their families, absences and turnover affect business bottom-line, and reduced participation in the workforce decreases Montana tax revenue.

A number of studies show that employees who have affordable and reliable high-quality child care options miss less work and are more productive on the job. The benefit of employers offering child care options also leads to higher employee retention, which can reduce the costs of hiring and onboarding new employees.¹ Yet in Montana, the supply of child care can only serve 40% of young children.

MyVillage is a private-sector solution to the lack of child care in Montana through developing high-quality home-based family child care programs. The start-up and ongoing services MyVillage provides educators are designed to efficiently increase child care supply. MyVillage also offers businesses the option to provide a child care benefit through preferential placement in the company’s network of providers.

MyVillage origins

Founded in 2017 and headquartered in Bozeman, Montana, MyVillage co-founders Erica Mackey and Elizabeth Szymanski set out on “a mission to reimagine child care in America . . . with the goal of having 1 million kids in care within 10 years” and has since “raised the largest venture capital ‘seed round’ in Montana history last April 2019 at \$6 million,” said MyVillage co-founder, Erica Mackey.

Mackey and Szymanski recognized the need for affordable and available child care when looking for options for their children. They discovered child care facilities with up to two-year waitlists, which placed added stress on working parents returning to the workforce. They also

¹ Ollila, Erin, and Erin Ollila. “Offering Child Care Benefits to Employees: Is It Good for Your Office?” Benefits Bridge, April 12, 2019.
<https://benefitsbridge.unitedconcordia.com/offering-child-care-benefits-to-employees-is-it-right-for-your-business/>.

found that some businesses wanted to provide child care benefits for their employees but did not have the capacity to offer onsite care.²

The two women entrepreneurs designed a strategy to increase the supply of quality child care by creating business opportunities for entrepreneurs looking to turn their homes into education centers for children. MyVillage has helped open 32 home-based facilities in Montana and has contracted with 100 existing family child care educators throughout Montana and Colorado.³

Supporting family child care providers

While family child care is a valued option in many parts of the state, it is often the only option in rural areas. “We recognized that family child care programs can get up and running faster than child care centers and they can also help fill a void in less populated areas,” said Mackey.

MyVillage offers affordable startup and on-going support for educators, including guidance on licensing, marketing, billing, scheduling, taxes, and all other details of operating a family child care business. Educators also receive access to MyVillage’s high-quality curriculum. Small in-home settings can meet quality rating incentive system standards and provide for personalized developmental experiences, including family-style meals and regular communication with parents. Each MyVillage facility cares for 6 to 12 children, depending on the license.

Start-up and operating costs can be expensive for a family child care program. MyVillage helps keep startup costs to about \$2,000 to \$4,000 to make adjustments in a home to meet licensing requirements for home-based child care. Most programs can begin serving children within three months. While there are no initial costs for a MyVillage franchise, each educator pays 10% of ongoing revenues. “Using data dating from 2017, we estimate MyVillage franchisees earn 30% more than the average childcare startup nationwide,” said Mackey.

Developing business partnerships

MyVillage not only supports child care providers, but it also helps businesses address their employees’ need for high-quality child care by fostering partnerships with providers on a contract basis. Through these partnerships, businesses can provide child care options for their employees without the expense of operating their own onsite facility. According to MyVillage, the average annualized total cost to a business opening an onsite childcare facility for 18 children in Montana is over \$140,000, while the average annualized cost for a business to provide preferential placement for 18 children at MyVillage programs is under \$25,000.

² Mackey, Erica, Vanessa Childers, and Debrah Lee Charatan. “Raising Capital When You’re an Outlier.” Conscious Company, October 7, 2019.

<https://consciouscompanymedia.com/social-entrepreneurship/raising-capital-when-youre-an-outlier/>.

³ “Home - MyVillage - A Community of High-Quality in-Home Childcare Programs.” MyVillage. Accessed December 18, 2019. <https://www.myvillage.com/>.

Last year Bozeman Health partnered with MyVillage in response to repeated concerns from many of its 2,400 employees about the lack of available and affordable childcare. Bozeman Health and MyVillage negotiated a flat monthly fee for employees to enroll children in up to 100 spaces at MyVillage facilities. Bozeman Health determined the number of spaces by surveying its employees and expects this need to expand as its business grows.⁴ Employees started to enroll their children in January 2020. While Bozeman Health does not subsidize tuition, home-based childcare tends to be less expensive than center-based care, and all MyVillage programs are offered at or below market rates, according to Mackey.

Like Bozeman Health, many Montana businesses identify with the struggle of wanting to provide support for child care to their employees but find the cost infeasible. In October 2019, MyVillage held meetings with a half-dozen business executives in Missoula, Montana, to discuss the needs of their employees. “While executives expressed the need for a solution, some report that they do not have the financial capacity for onsite care or the knowledge to operate such a program,” Mackey said.

While the Bozeman Health example offers one potential model, MyVillage caters to many other types of businesses. For example, MyVillage is analyzing an option where a business could dedicate owned or leased property for child care and have a MyVillage educator operate the program. Another potential option is having a business that provides space to start a home-based child care program.

Business partners are assured that MyVillage offers quality control and technical, legal, marketing, and insurance support for all its franchise programs. “Benefits for businesses include increased staff retention and gender diversity due to the availability of more working mothers participating in the workforce because they have care available for their children,” Mackey said.

Impacting policy

MyVillage is examining local policies to educate homeowner associations (HOAs) and other local governing groups on the benefits of home-based care programs in their neighborhoods. Depending on the location, some HOAs do not allow home-based businesses of any kind. Some specifically ban child care facilities, and fee structures related to zoning may vary drastically depending on location. MyVillage also educates property owners that MyVillage’s small business owners make reliable renters. “By educating the public about the value of in-home childcare providers in the larger ecosystem, we can further increase the supply of educators so desperately needed in Montana and beyond,” Mackey said.

4

https://fundersformontanaschildren.org/wp-content/uploads/2019/10/2019-1017-News-Release_Bozeman-Health-Announces-Childcare-Partnership-with-MyVillage_October-2019_FINAL.pdf

MyVillage is also looking at how to inform policy in other ways such as the benefits of streamlining licensure to allow businesses to get up and running more quickly. For example, MyVillage recently hired a licensing specialist who works in Montana and Colorado to address the process and stay up to date on child care policy throughout the state.

Planning for the future

While the focus of MyVillage is to offer and provide quality, accessible child care for working parents, another positive outcome is the 100 women who have started their own businesses. With the number of contracted programs expanding each quarter, MyVillage is planning to create even more women-owned businesses throughout the country. MyVillage predicts its Montana programs will have 1,500 children in care and forecasts 75,000 children in care nationally by 2024. “We will continue to fine-tune the model to show that quality, home-based care can scale anywhere in the country,” Mackey said.