

PRELIMINARY STUDY

**Elevating Minority Small Business Owners' Voices
Informing the Development of an Early Childhood
Education Membership Cohort**

October 2023

Prepared by
The African-American Chamber of Commerce of PA, NJ, and DE
and the Adtigo Group



**AFRICAN-AMERICAN
CHAMBER OF COMMERCE**
Pennsylvania ♦ New Jersey ♦ Delaware



**ADTIGO
GROUP**

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Introduction

In 2023, the African-American Chamber of Commerce (AACC) of PA, NJ, and DE, in collaboration with early childhood education (ECE) consultants and research design partner, the Adtigo Group, conducted a preliminary study generously supported by the William Penn Foundation. This study will inform the design of professional development opportunities for ECE minority small business owners, recognizing their vital role in supporting children, families, and the economic development of communities. Moreover, the evidence underscores the beneficial effects of professional development on both the well-being of ECE providers and positive outcomes for children.¹

The ECE field is currently confronting a mix of perennial and novel challenges, including staffing shortages and lingering business setbacks from the Covid-19 pandemic, affecting both ECE providers and families.² Furthermore, the termination of the American Rescue Plan Act (ARPA) funding in September 2023 will significantly affect our state's childcare infrastructure. This funding significantly enhanced childcare access for numerous families and provided substantial funding support for the early childhood education sector.³

The pandemic underscored the crucial role of ECE in supporting a productive workforce while revealing the system's fragility. The sector encompasses a diverse mix of both for-profit and nonprofit providers. These include home-based, faith-based, and center-based providers, as well as Head Start and Early Head Start programs, and organizations that operate local or regional centers. Many of these operations in Philadelphia, PA are owned by or staffed predominantly by women and women of color.⁴ Studies have found that ECE providers of color experience lower wages and limited professional development opportunities compared to their white counterparts.^{5,6}

In addition, effective financial oversight is paramount for the long-term viability of ECE businesses, with research underscoring the need for enhanced access to financial governance resources among ECE providers. To address this, it is recommended that business management training and professional development incorporate hands-on and in-depth support.⁷ Tailored professional development, as well as inclusive policies, are imperative for supporting ECE minority-owned small businesses, addressing known challenges, and fostering a diverse and welcoming environment in the field.

This report describes how professional development is supporting ECE minority small business owners. Additionally, it identifies gaps in offerings and outlines relevant resources and training opportunities to bolster the success of ECE minority-owned small businesses. The goal of this preliminary study is to inform the development of the African-American Chamber of Commerce ECE Membership Cohort. The insights from ECE minority small business owners and our research shed light on their experiences, offering valuable perspectives to inform ECE professional development offerings and advocacy efforts for sustainable, high-quality ECE programs in all Philadelphia communities.

Methodology

The preliminary study consisted of three components: stakeholder interviews, a survey, and focus groups involving ECE minority small business owners. The research design was developed collaboratively by the Adtigo Group, the research design partner working with the AACC, in consultation with the ECE consultants. Leveraging their network and expertise, ECE consultants Dr. Obioma Martin and Aliya Johnson Roberts

led targeted recruitment efforts for stakeholder interviews, survey participation, and focus group involvement facilitated through the support of the AACC. Informed consent was secured from study participants. All study participants received a token of appreciation from the AACC for their time and input. This was either in the form of gift card incentives or entries into a raffle for a chance to win a gift card, depending on the extent of their involvement.

Stakeholder Interviews

One-hour stakeholder interviews were carried out to uncover patterns and guide the subsequent phases of the study. The interviews were recorded to produce notes and capture key themes. To uphold anonymity, participants were assigned anonymous identifiers. Their responses were grouped and analyzed for common themes, rather than examined on an individual basis.

Recruitment specifically aimed to engage ECE minority business owners in Philadelphia, PA. The stakeholder interviews were conducted with ECE minority for-profit business owners who had been operating an ECE program/center continuously since 2020. A total of four interviews were conducted with Black women ECE business owners. Following are the key themes from the interviews.



Limited Access to Financial Resources:

The interviewees noted disparities in accessing funding opportunities and resources when compared to their peers in the ECE industry. Insufficient funding had a direct impact on their capacity to provide competitive salaries for teachers, thereby impacting the overall quality of their program. One interviewee discussed proactively seeking opportunities beyond funding in the ECE sector and networking with fellow providers and relevant organizations.



Importance of Professional Development:

The interviewees acknowledged the importance of professional development for early childhood education providers and highlighted the need for providers to assess their individual needs and seek training and resources accordingly.



Gauging Program Success and Financial Security:

The interviewees discussed measuring program success by examining financial indicators such as line-item budgets, profit and loss statements, and cash flow. Interviewees emphasized the importance of financial stability and having reserve funds to support day-to-day operations and potential emergencies. Additionally, all of the interviewees pointed out the importance of offering support to families beyond their program, identifying this as a factor contributing to overall success. Several interviewees expressed a strong commitment to their program's mission and vision, as well as maintaining connections with families even after they transition from their programs.



Defining High-Quality Early Childhood Education:

All of the interviewees emphasized that high-quality early childhood education involves meeting the needs of the whole child, including their basic needs, community involvement, and providing a nurturing and safe environment for learning and growth.

Focus Groups

The focus group discussions aimed to further explore the challenges, opportunities, and professional development gaps faced by ECE minority small business owners in Philadelphia County. The AACC invited a diverse group of ECE minority small business owners to participate in focus groups that were conducted at convenient evening times when providers were less busy. Focus group participants were required to have a computer with stable internet connectivity, a functioning webcam and microphone, access to a quiet location, and Zoom software installed. In addition, the criteria to participate in the focus groups included being an ECE minority small business owner for two or more years and serving 500 children or fewer per year.

Nineteen participants, all of whom were Black ECE small business owners, participated in one of two focus groups. In the focus groups, participants showcased a wide range of experience; one member had been an ECE small business owner for two years, while another boasted an extensive 33-year tenure in the field. The average ECE business experience across both focus groups was 17 years.

Each focus group was conducted by a trained facilitator, utilizing a semi-structured interview guide over a 75-minute session. The facilitator asked follow-up questions for clarification and prompted more in-depth discussion as appropriate. The interview guide explored a range of topics, including:

- What's good and what's missing in ECE professional development offerings?
- What challenges are you facing and how are you addressing them?

- How do you acquire new resources/information and stay updated in the ECE field?
- Which professional development topics are most relevant to your needs currently?

The focus groups were audio-recorded and transcribed verbatim. Two researchers conducted an independent thematic analysis to code the transcripts. The following section lays out the key themes that emerged from our analysis of the data.

The pandemic significantly impacted early childhood education, as reflected in the discussions by focus group participants. They highlighted both the challenges and changes experienced during these unprecedented times. Favorably, participants noted an uptick in the recognition of the significance of early childhood education and their crucial role as the “workforce behind the workforce.” Initiatives such as the “Day Without Childcare” effectively heightened awareness regarding their essential contributions. However, participants emphasized the need for tangible support (e.g., paid days off) to align with this recognition.

Additionally, participants voiced concern over the rising departure of professionals from the ECE field, lured by higher-paying opportunities elsewhere. This widespread departure has resulted in a shortage of skilled and devoted early childhood educators, placing a strain on the remaining workforce. Participants shared the difficulty in finding suitable replacements for those who left the ECE field during and after the peak of the pandemic.

Promising aspects of current professional development initiatives

Participants shared the importance and value of ongoing professional development. Resources mentioned included Better Kids Care at Penn State University for affordable training, the PD Registry, and newsletters from organizations such as the Philadelphia Early Learning Resource Center (ELRC) for accessing training information.

Additionally, participants mentioned their engagement with various professional development resources over the past two years, including the STAR 4 Daycare Certification, Curriculum Fund, Teach Plus Policy Fellowship, and training from organizations such as Omazing You with Dr. Obioma Martin.

Business-focused training and support were highlighted as vital for early childhood education business owners. Participants noted the availability of classes and assistance from various organizations, covering areas like business plan drafting, credit score improvement, and loan access.

Local vs. Regional/National Trainings: Participants had diverse experiences with local professional development programs, both positive and negative. They acknowledged the benefits of online training during the pandemic, enabling them to tap into opportunities from across the nation.

Specifically, participants valued training programs that elevated them to program directors and helped them improve business operations, like accounting and business management classes. However, some participants found local Philadelphia training programs insufficient for experienced ECE providers and business owners, leading them to seek training outside the region.

Peer Learning and Collaboration: Several participants emphasized the importance of peer learning and collaboration among ECE providers. Participants noted that sharing experiences, methods, and insights with fellow ECE minority small business owners can significantly foster professional growth and enhance problem-solving.

Unaddressed needs in professional development programming

Participants expressed a need for tailored professional development aligned with their specific business needs. For instance, a seasoned business owner pointed out a gap in resources regarding exit planning for ECE small business owners. Many participants expressed disappointment with programs reiterating old material without offering new insights. They stressed the importance of finding training and programming that supports their growth as educators and business owners.



I want to see professional development about retirement - something on developing an exit plan as an ECE provider. How do I plan for the next chapter of my life? How do I evaluate my business and get it where it needs to be so I can sell it?

- ECE business owner with 15 years of experience

Participants voiced the need for meaningful collaboration and mentoring opportunities specifically among ECE minority business owners, seeking a deeper understanding of their unique contexts beyond reliance on other agencies or organizations. The discussion also touched upon the deployment of diverse business models by different providers in the ECE sector. Participants emphasized examining diverse workload options across various early childhood education providers. Notably, one participant's revelation about the freedom to take vacations and set their schedule as a solo business owner resonated with other focus group participants.

Additionally, advocacy support emerged as a recurring theme in the discussion. Participants underlined the necessity for minority ECE small business owners serving under-resourced communities to amplify their voices in championing their issues, and adeptly conveying their interests to decision-makers and legislators.

Furthermore, participants identified specific areas in professional development that they feel lack sufficient resources, including special education, trauma-informed practices in early childhood education, and teacher self-care.



Addressing trauma in early childhood education should be a mandated yearly class for teachers. It's important for them to understand trauma, how to address it, and how to meet the needs of everyone involved, including themselves.

- ECE business owner with 13 years of experience

Participants also discussed various obstacles to accessing professional development opportunities for ECE providers. These included scheduling conflicts with workshops offered during weekdays or inconvenient times, staffing challenges hindering attendance, and the desire for more high-quality training options.

Overcoming challenges and finding solutions for ECE minority-owned businesses to thrive

Policy Matters: Participants recognized the significance of advocacy in policy-making processes, but voiced concerns over the potential lack of equitable representation. They underscored the need for pragmatic policies, aligned with their real-world experiences, to maintain quality ECE programs. They felt their expertise was often sidelined in policy dialogues, calling for greater inclusion of minority business owners and providers.



My issue is policies being created without my voice at the table and not including input from those directly involved in the work in urban settings. How can someone who isn't on the ground, working with children and families daily, make decisions that impact our centers? I believe policies should be developed with input from those actively engaged in the field.

- ECE business owner with 19 years of experience

There were several challenges discussed navigating policies and regulations, with one participant expressing dissatisfaction with a specific requirement for CPR and first aid training from a state-designated provider, despite her having higher qualifications in emergency medical services. Concerns were also voiced regarding the inconsistency in annual inspections, underscoring the need for enhanced uniformity in enforcement among inspectors.

One participant expressed frustration at the requirement of an early childhood education degree to run a daycare center, despite holding a bachelor's degree in a related field and possessing the necessary skills. Additionally, participants discussed the educational qualifications needed to become a childcare center director. Participants recognized the value of specific classes and certifications to stay updated and competent in running their businesses. However, they pointed out that unlike other industries facing personnel shortages, some educational requirements in their field seemed stringent.

Participants voiced concerns about the unequal allocation of resources, particularly with the Curriculum Fund, where some providers perceived an inequitable distribution favoring certain providers multiple times while others received none, despite having equal qualifications. Participants stressed the importance of distributing resources fairly, based on qualifications and specific requirements. They expressed frustration over the lack of transparency, responsiveness, or communication from decision-makers regarding their concerns.

Staffing and Financial Challenges: Participants discussed the financial constraints they face in paying teachers the salaries they deserve. In addition, participants shared that the Philadelphia school district offers higher salaries, pensions, bonuses, and better benefits, making it difficult for them to compete. Despite aspirations for higher Keystone STARS ratings and increased funding, participants feel a lack of substantial help and support. Participants shared that they often encounter financial difficulties due to delayed payments from funding sources, leading to cash flow management struggles.

Additionally, participants expressed concerns about the affordability of childcare services for low-income families in Philadelphia communities. Participants shared that local income levels constrain their pricing, making it challenging to cover their actual costs. Participants highlighted the lack of a safety net or contingency plan for delayed or complex funding, mentioning that this financial uncertainty adds stress to their work.

Participants highlighted the financial strain experienced during the transition from funded programs to summer programs. They noted that maintaining enrollment, especially for school-age children, becomes more challenging in the summer, resulting in less consistent income. This shift not only affects the stability of their operations but also underscores the need for a more adaptable financial model to navigate through different seasons seamlessly.



I think we need some Aflac type of insurance or something as a safety net. We don't know when something is going to happen to change our ability to maintain financial stability in our business.
- ECE business owner with 27 years of experience

I continue to face enrollment challenges as our numbers have not returned to pre-covid capacity. It puts an additional burden on me to ensure the center is operational and well-managed, even with reduced enrollment.
- ECE business owner with 30 years of experience

Equitable Funding: Participants expressed frustration with perceived funding discrepancies based on geography and income levels. Participants indicated the need for uniform funding distribution that provides equal support for all children, irrespective of their location or socioeconomic background.

Resource Limitations and Expansion Barriers: Participants highlighted the lack of available resources that hinder their financial stability and growth. They face challenges in obtaining loans from banks and accessing grants or funds for expansion. Participants also shared concerns arising from an oversaturation of childcare centers in their area, limiting their ability to grow their businesses. In addition, regulatory obstacles with bodies like the Philadelphia Department of Licenses and Inspections (L&I) and insurance difficulties further impede expansion efforts.



Try to get a building in Philadelphia, by the time they approve the building, you've exhausted your money. So, there is not a lot of money for expansion.
- ECE business owner with 19 years of experience



The banks are not giving us loans for us to expand our business.
- ECE business owner with 8 years of experience

Strategies for Financial Stability: Participants shared strategies for achieving financial stability, such as saving for unexpected events, networking to identify resources, and exploring diverse advertising avenues to attract more clients. In addition, the suggestion of braiding multiple funding streams for ECE programs was put forward as a potential solution.

Self-Reliance in ECE: Participants stressed the significance of being self-sufficient, having relevant credentials, and staying informed about ECE field requirements and updates. One participant encouraged others to independently manage all aspects of their centers and business operations.

Listening to Staff and Parents: Participants mentioned the value of listening to staff and parents for input on ways to improve their centers or programs. Several participants shared that involving the staff and understanding the needs of parents is essential for making informed decisions and creating a better learning environment.

Data-Informed Decision Making: Participants discussed various data sources they rely on for decision-making. Several mentioned using data from Compass PA to understand the needs of the community and to advocate for necessary resources. One participant mentioned exploring national data and reports in early childhood education to guide her decision-making.

Expanded Viewpoints on Industry Challenges from ECE Minority Business Owners

Addressing Special Education: Participants shared their journey of understanding and accommodating the needs of children with autism and learning disabilities, discussing external support and creating nurturing environments for effective support.

Enhancing Curriculum and Teaching Approaches: Participants expressed concerns about the adequacy of curricula and teaching approaches in early childhood education. Many participants stressed the importance of promoting diversity, cultural inclusivity, and kindergarten readiness in curricula. They advocated for holistic teaching approaches that embrace children's backgrounds and identities, and aim for a deeper, more meaningful engagement with students. They also pointed out a gap in teacher training, especially in critical areas like language development and science, affecting children's learning experiences. They underlined the need for training programs to bridge these gaps in teacher preparation.

School Readiness and Parent Accountability: One participant highlighted the importance of assessments and readiness evaluations before children transition to school. Participants further stressed the importance of shared responsibility between parents and ECE providers for aspects of their children's learning and skill development, highlighting that the burden should not solely fall on ECE providers.

Collaboration and networking among ECE providers

Participants emphasized the importance of collaboration among ECE business owners and with other ECE stakeholders. The discussion spotlighted the value of partnering with contract providers to address financial challenges.

Participants discussed the challenge posed by the discrepancy between meeting family needs and the limitations of the childcare payment and reimbursement model. They highlighted the need for flexibility to accommodate children transitioning between funding sources, suggesting strategies like offering flexible shifts and maintaining waiting lists to provide better support to parents while ensuring financial stability.

The desire for assistance and collaboration extended beyond the immediate ECE circle, reaching out to the broader community including funders, parents, organizations like the African-American Chamber of Commerce, and local companies in Philadelphia, PA.

Participants outlined various ways in which the community can support them, such as adopting an ECE program or center, providing financial assistance and bridge funding, and helping to advocate for their specific needs and concerns. Participants underscored the importance of collective support to foster the success and growth of ECE minority-owned businesses.

Optimal program formats and delivery for professional development

Participants highlighted the significance of connecting with fellow ECE minority business owners for support and collaboration. They emphasized the value of sharing experiences, learning from each other, and networking to enhance their practices and services. Participants, irrespective of their experience, expressed a desire for mentorship, alongside recommending tailored programs that align with their business stages, such as growth or maturity.

Preferred Delivery Methods: Participants favor flexible and convenient options such as online programs and self-study. Some also suggested blending online and in-person formats, including cohort models, to foster personal connections. However, a subset of participants expressed fatigue with online formats, expressing a desire for more in-person interactions and social gatherings.

They emphasized the importance of striking a balance between virtual and in-person programming.

Time Commitment for Professional Development: Participants were keen on spending about nine hours a month on professional development, especially if it offered practical outcomes like plans for business growth. The extent to which they were willing to dedicate time to professional development varied based on the perceived benefits they anticipated receiving. This feedback highlights the importance of aligning professional development opportunities with specific outcomes that participants value, as it significantly influences their commitment and investment in a cohort offering.

Survey Results

To further refine the AACC's design of content and resources for an ECE membership cohort, a survey titled "Planning For Progress" was developed. The survey was refined with input from our ECE consultants to accurately reflect the demographics, needs, challenges, and strengths of Philadelphia's ECE minority small business owners. Extensive distribution through both personal and mass online outreach ensured the survey reached its primary audience as well as additional ECE providers. Respondents had the opportunity to participate in the survey, which was provided in English. The survey was open during the summer months of 2023 and garnered 137 responses from ECE small business owners. All responses from the collected data (N=137) were analyzed, with a particular focus placed on the responses from our target audience – the ECE minority small business owners (n=45). Although the study sample size was small, the data gathered provide valuable insights.

The topline survey results are as follows.

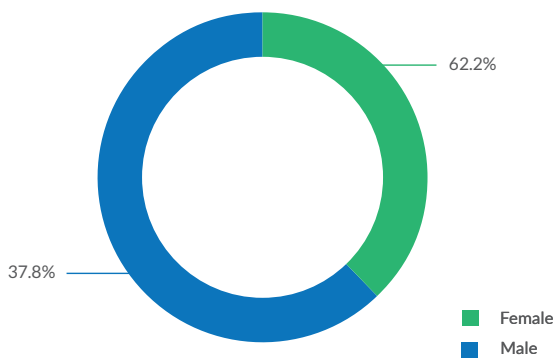
Background Information

All survey respondents were given the option to select multiple races/ethnicities.

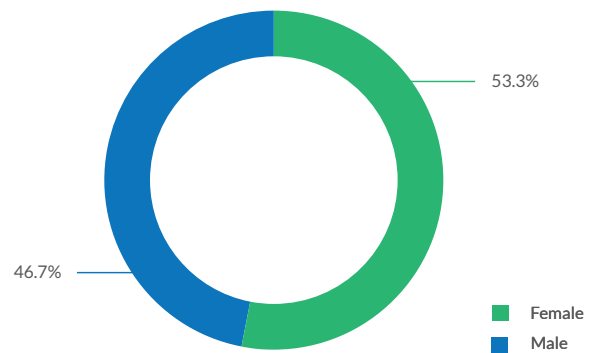
What best describes your racial/ethnic identity?	Survey Respondents
White	92
Black	24
Native American/Alaska Native	8
Hispanic/Latinx	6
Asian	3
Multiple Races	2
Native Hawaiian or Other Pacific Islander	2

Table 1: Racial/Ethnic Identification of All Respondents

What best describes your gender identity? (45 Responses)

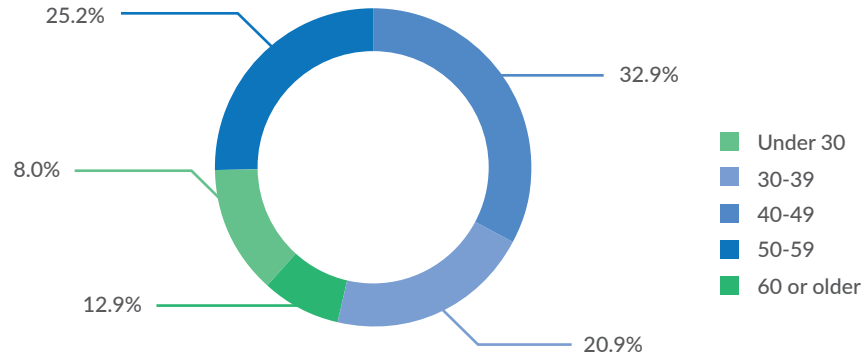


What best describes your gender identity? (92 Responses)

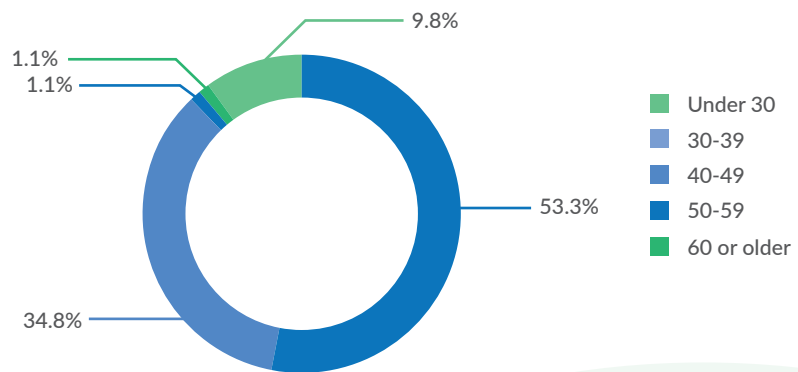


Note: In the survey, respondents had the option to select from a variety of gender identities including female, male, non-binary, bi-gender, gender non-conforming, and prefer not to answer, among others. However, only female and male identities were selected by the respondents.

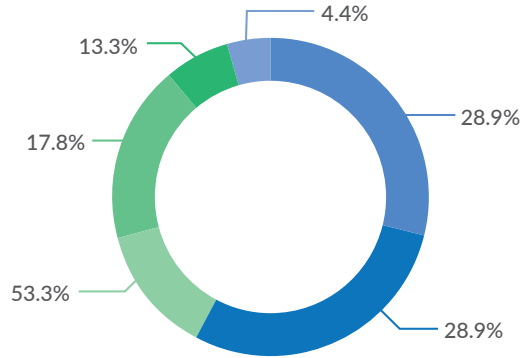
Which category below includes your current age?
(45 Responses)



Which category below includes your current age?
(92 Responses)

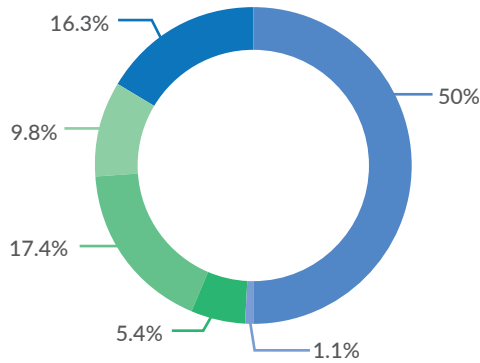


What is the highest level of education you have completed?
(45 Responses)



- Associate's degree (e.g., AA, AS)
- Bachelor's degree (e.g., BA, BS)
- Doctoral degree (e.g., PhD, EdD, PsyD)
- High school diploma or equivalent (e.g., GED)
- Master's degree (e.g., MA, MS, MEd)
- Some college, but no degree

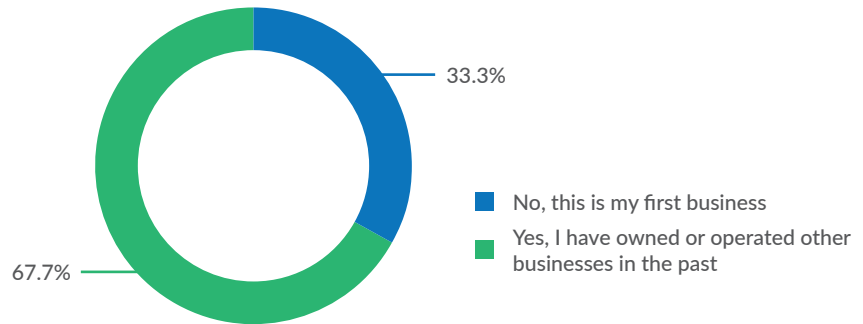
What is the highest level of education you have completed?
(92 Responses)



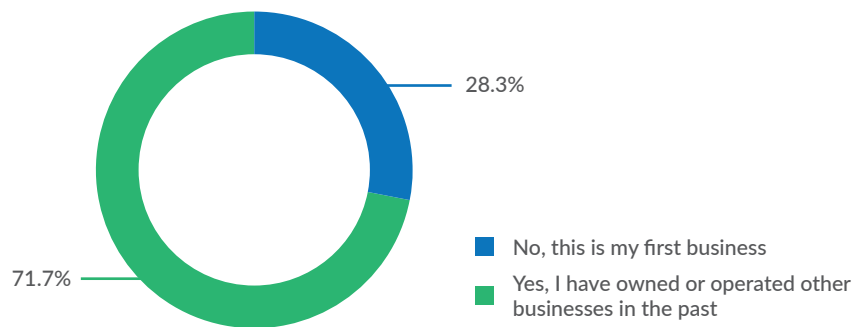
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- Bachelor's degree (e.g., BA, BS)
- Doctoral degree (e.g., PhD, EdD, PsyD)
- High school diploma or equivalent (e.g., GED)
- Master's degree (e.g., MA, MS, MEd)
- Some college, but no degree

Within the primary respondent group (n=45), there was a higher proportion of individuals holding Doctorate and Associate degrees as compared to the secondary group. The other respondent group (n=92) reported a higher prevalence of Bachelor's degrees.

Have you owned or operated any other businesses prior to your current early childhood education center/program? (45 Responses)



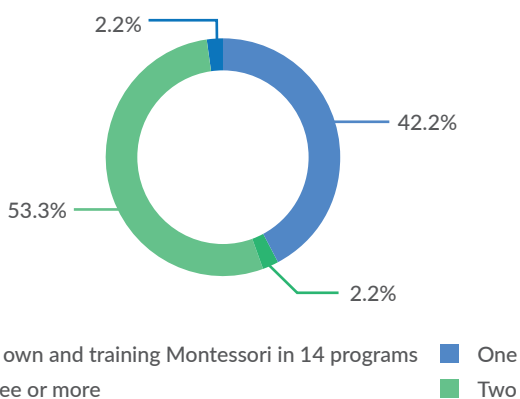
Have you owned or operated any other businesses prior to your current early childhood education center/program? (92 Responses)



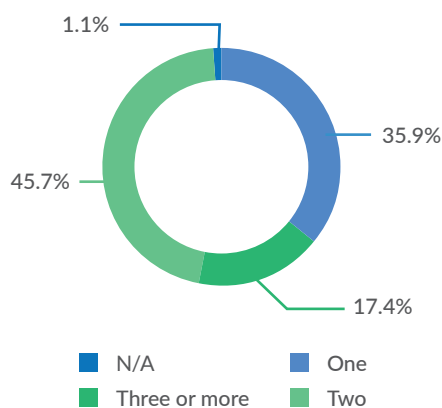
A majority (i.e., 69%) of all respondents reported having owned or operated other businesses before their current ECE center or program.

Business Operations

How many early childhood education centers/programs do you operate in Philadelphia County? (45 Responses)

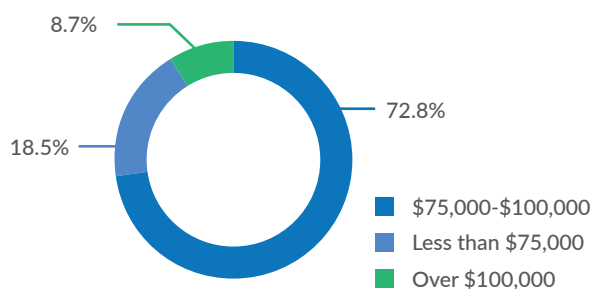


How many early childhood education centers/programs do you operate in Philadelphia County? (92 Responses)

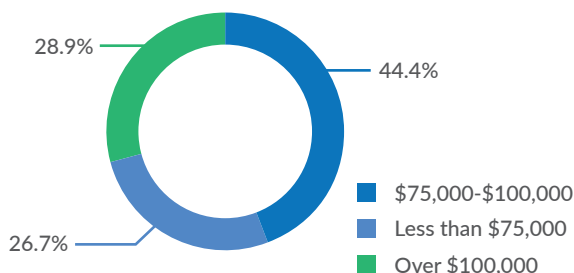


The data reveals several differences between the primary audience respondents (n=45) and other ECE business owner respondents (n=92) in terms of the number of owned centers/programs. Notably, one primary audience respondent owns and trains in 14 Montessori programs, a business structure unmentioned among other ECE business owner respondents.

What is the estimated gross annual revenue for your ECE business/programs? (Select one option) (45 Responses)

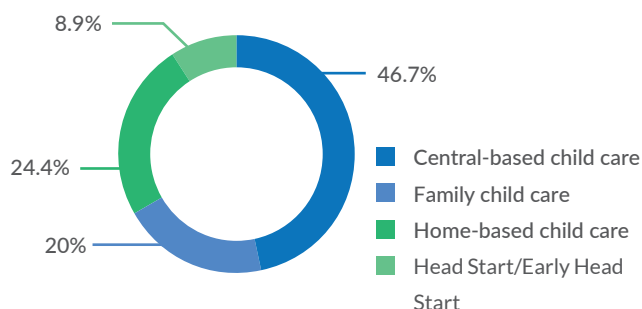


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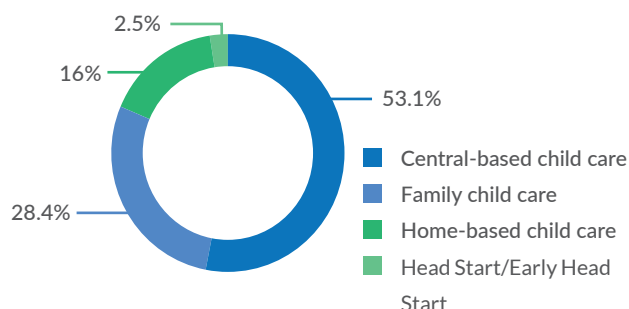


Notable differences in annual revenues between the primary audience respondents (n=45) and other respondents (n=92) highlight variations in revenue distribution and financial profiles between the groups.

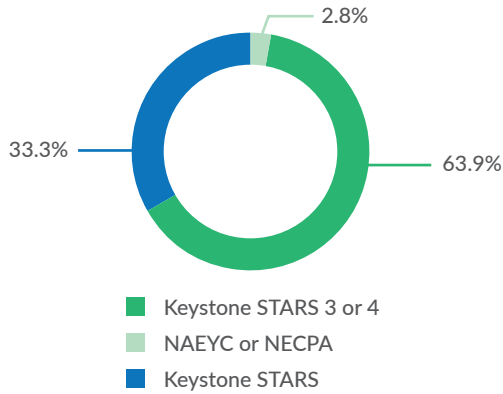
What area of the early childhood field does your work primarily address? (45 Responses)



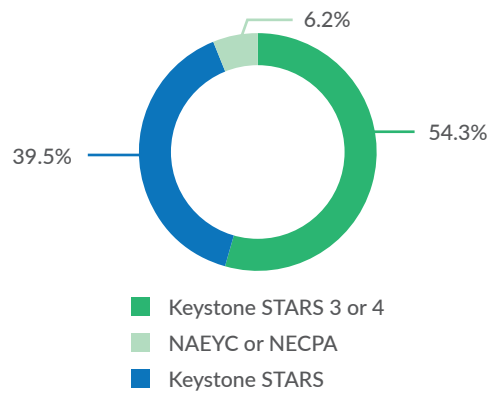
What area of the early childhood field does your work primarily address? (92 Responses)



Do you participate in any of the following early childhood education quality initiative programs? (Select all that apply) (45 Responses)

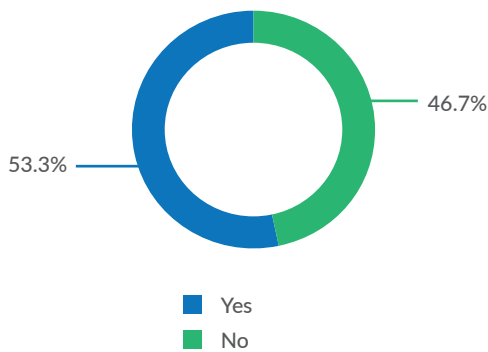


Do you participate in any of the following early childhood education quality initiative programs? (Select all that apply) (92 Responses)

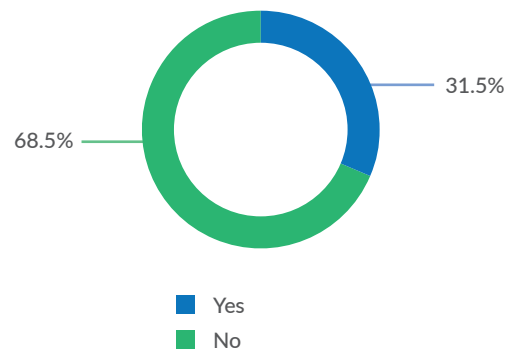


The primary audience respondents (n=45) have a slightly higher representation at Keystone STAR 3 and 4 levels.

Do you participate in Pennsylvania's Pre-K Counts program? (45 Responses)

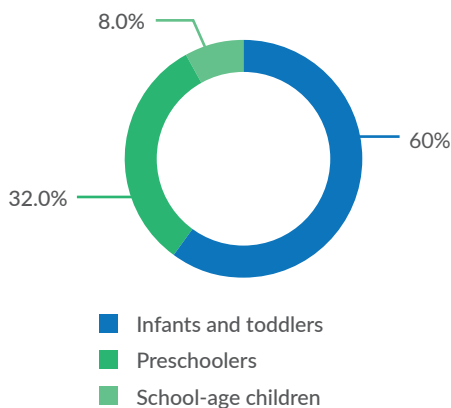


Do you participate in Pennsylvania's Pre-K Counts Program? (92 Responses)

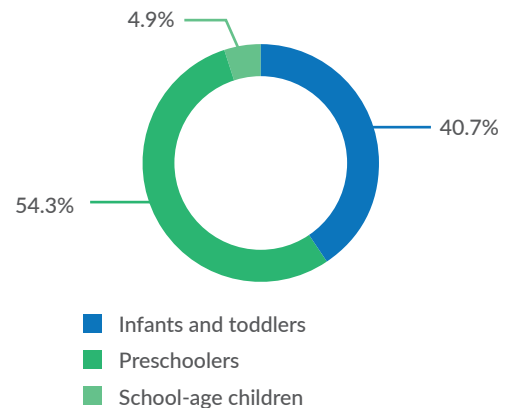


Primary audience respondents (n=45) reported lower participation rates in Pre-K Counts compared to other respondents. Participation can enhance revenue potential, financial stability, and competitive advantage in the early childhood education sector. However, the specific financial benefits may vary based on program structure, location, and enrollment capacity.

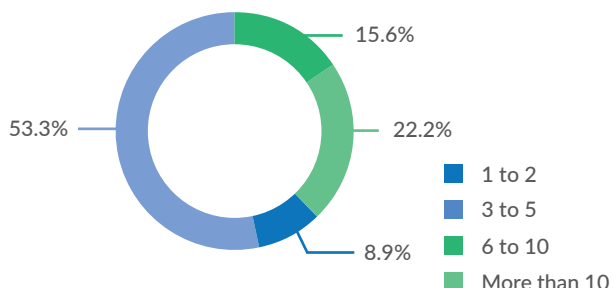
Which age range(s) is the primary focus of your work? (45 Responses)



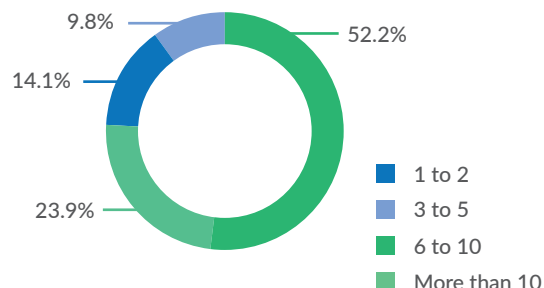
Which age range(s) is the primary focus of your work? (92 Responses)



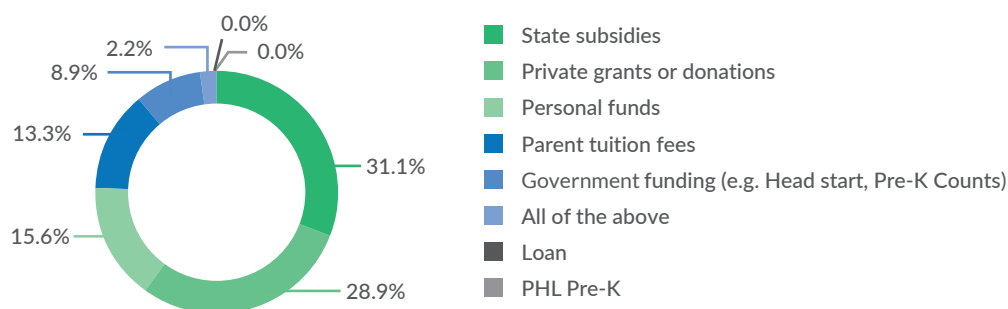
How many full-time teachers are employed with your center/programs? (Select one option) (45 Responses)



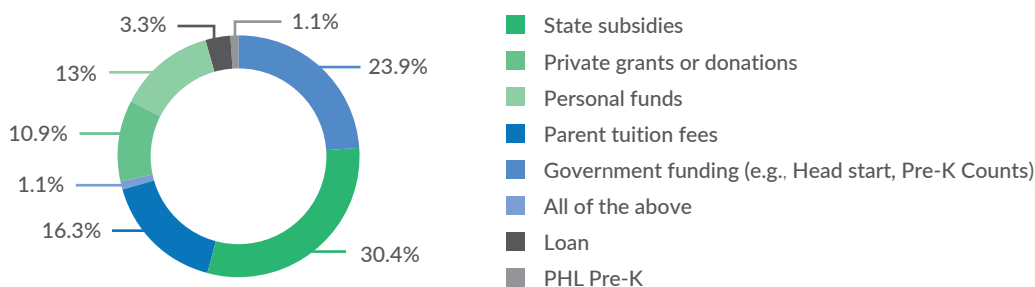
How many full-time teachers are employed with your center/programs? (Select one option) (92 Responses)



How do you currently fund your early childhood education center/programs? (Select all that apply) (45 Responses)



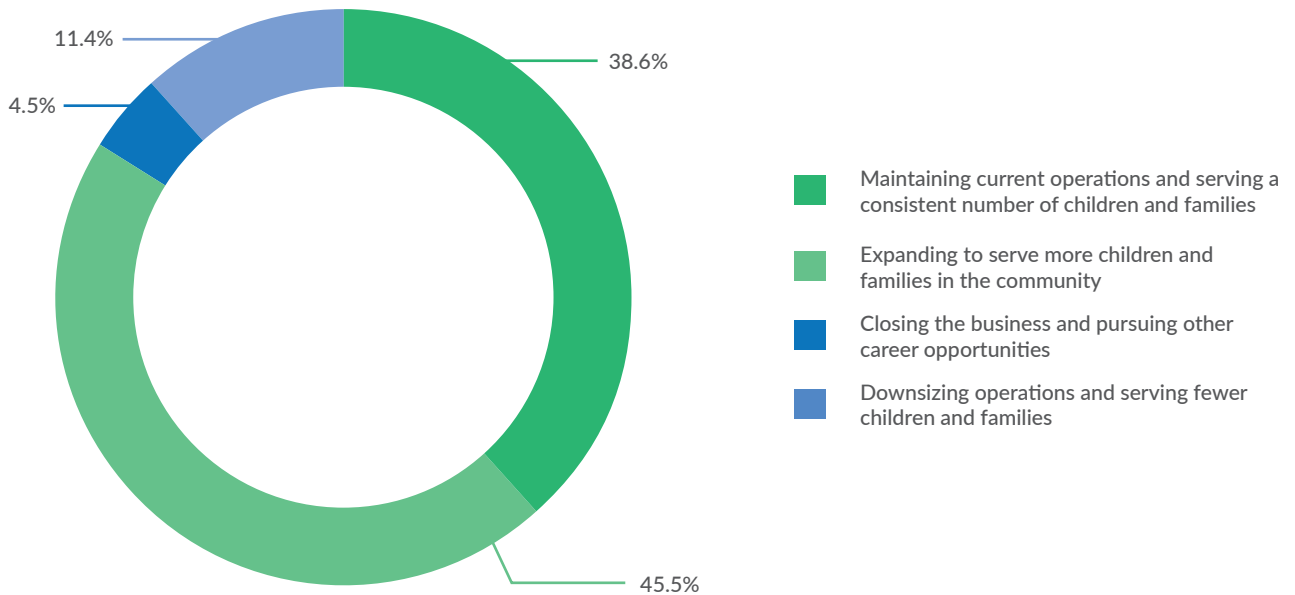
How do you currently fund your early childhood education center/programs? (Select all that apply) (92 Responses)



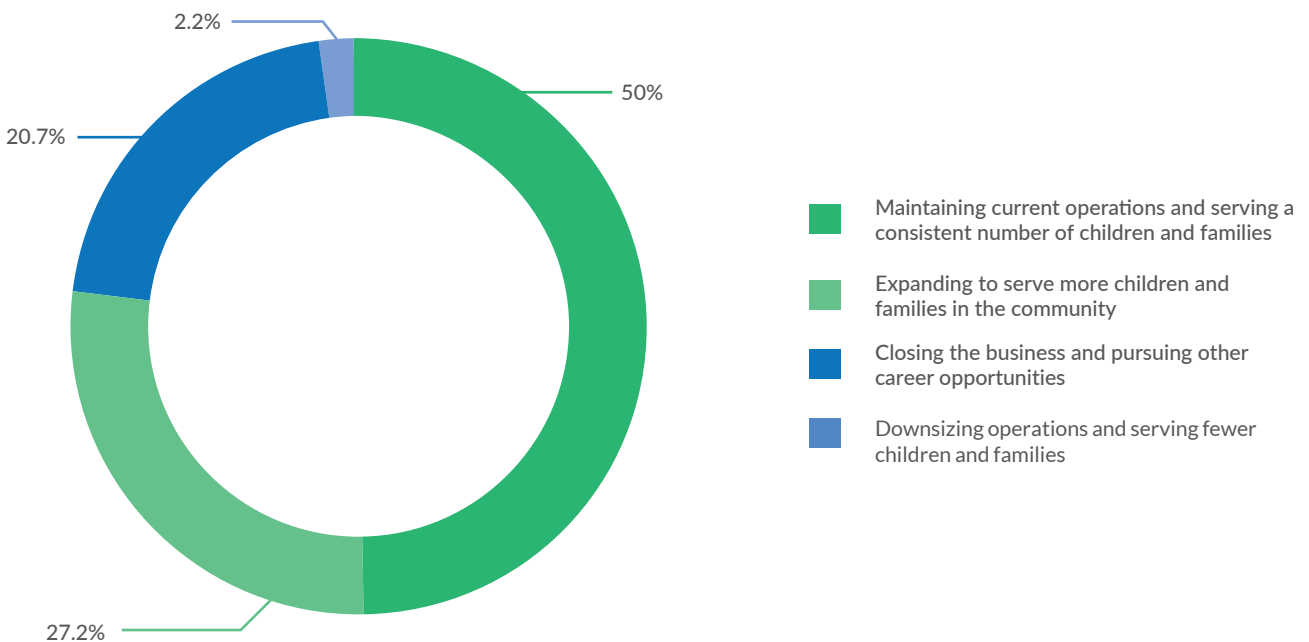
The primary respondents (n=45) cited state subsidies as the main funding source for their ECE center/programs, a finding consistent with other respondents. Regarding government funding, 23.9% of other respondents (n=92) reported utilizing this source to fund their ECE programs, compared to 8.9% among the primary respondents.

Growth & Opportunity

Where do you see your early childhood education business in five years? (45 Responses)

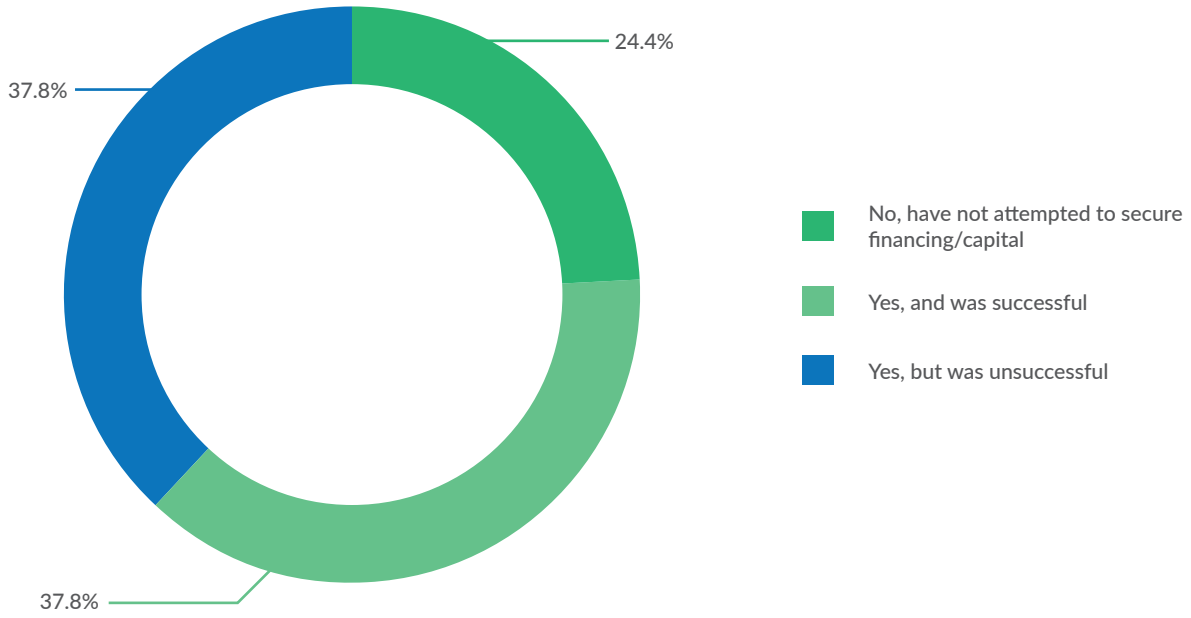


Where do you see your early childhood education business in five years? (92 Responses)

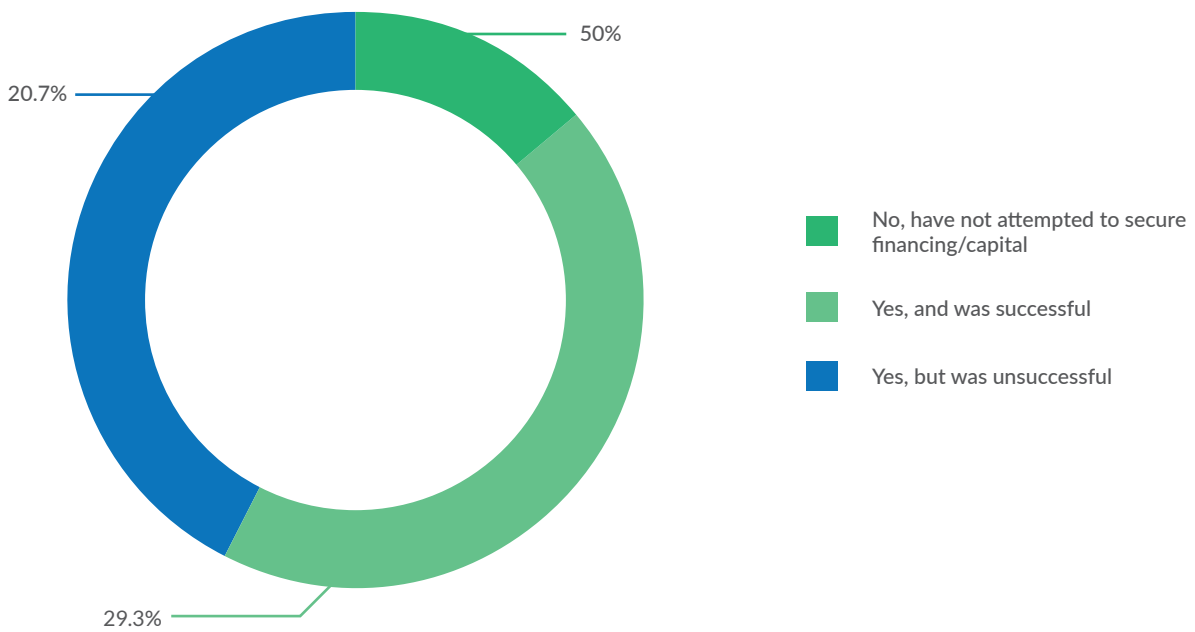


A significant 45.5% of the primary respondents (n=45) intend to expand their services to accommodate more children and families. Conversely, 4.5% of the primary respondents anticipate closing their business to pursue alternative career opportunities within the next five years. This sentiment is shared by 20.7% of other respondents (n=92).

Have you previously attempted to secure financing or capital to expand your early childhood education business? (Select one option) (45 Responses)

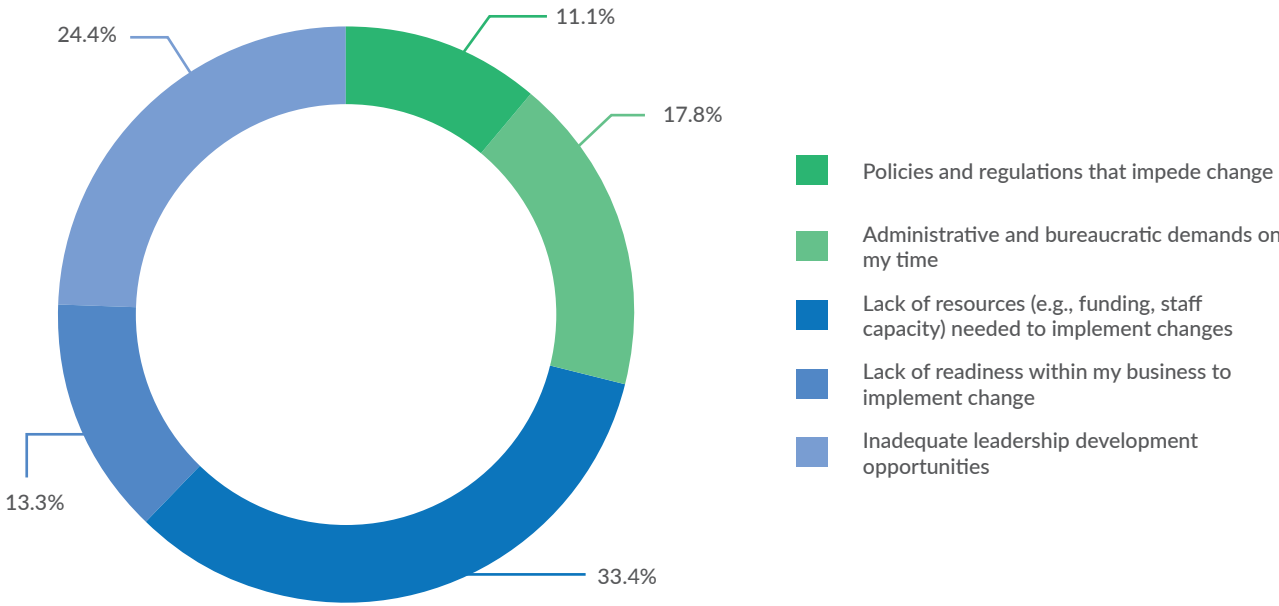


Have you previously attempted to secure financing or capital to expand your early childhood education business? (Select one option) (92 Responses)

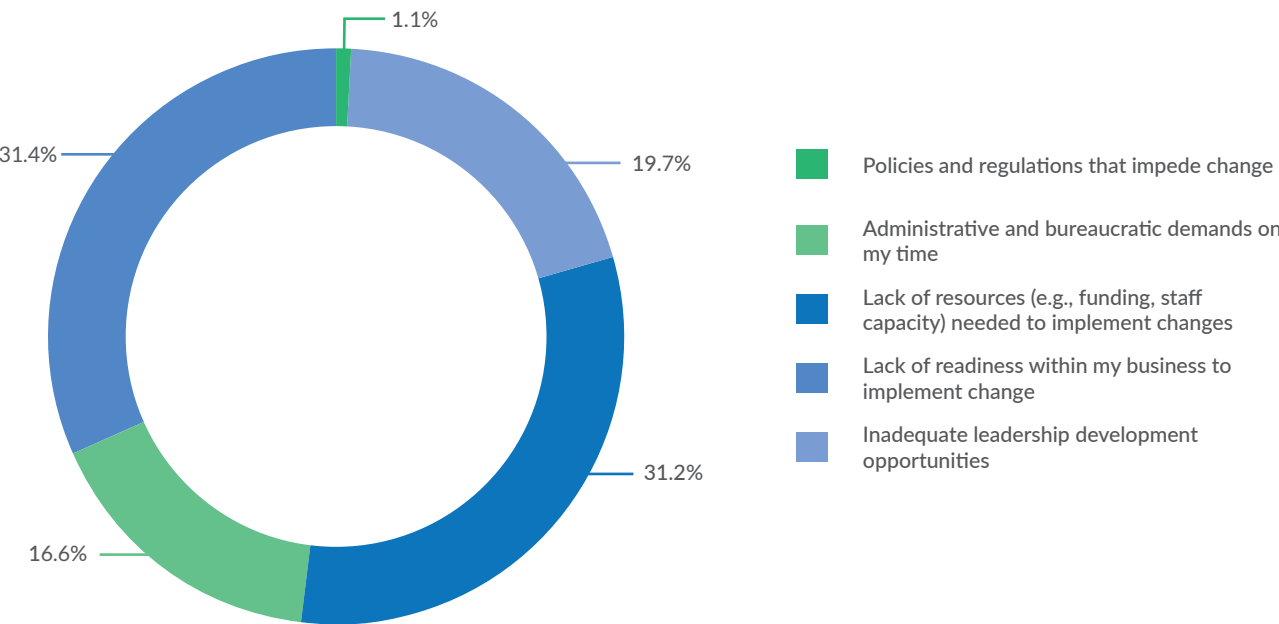


Leadership Capacity

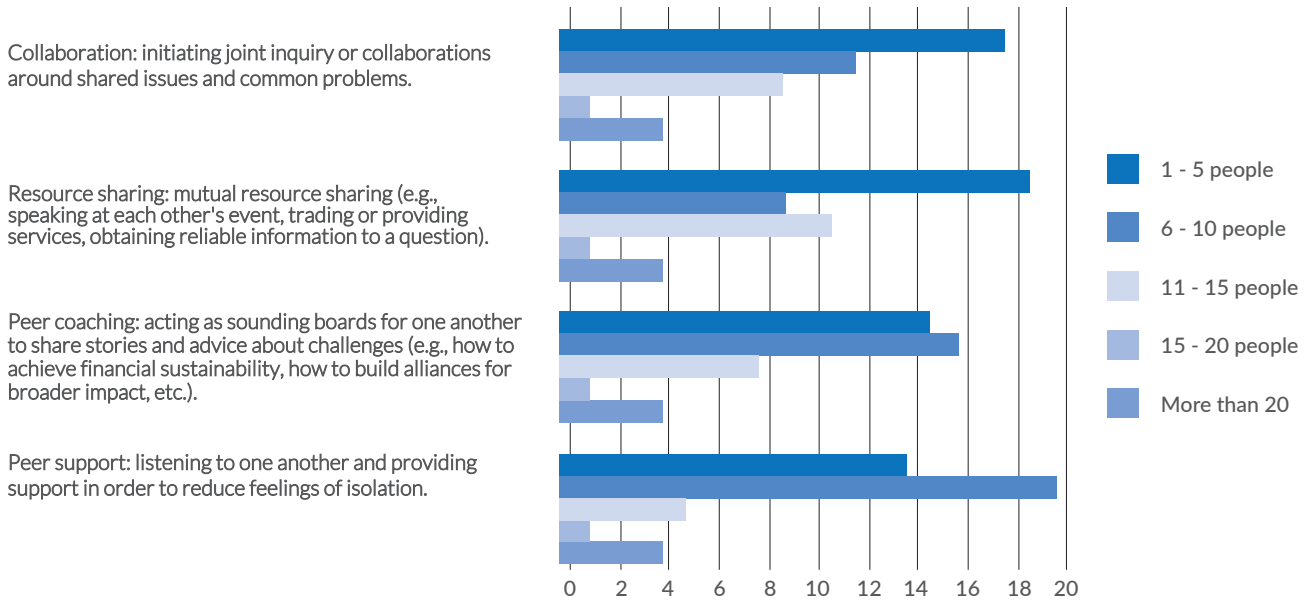
What has been the biggest barrier you've encountered in leading change within your business?
(45 Responses)



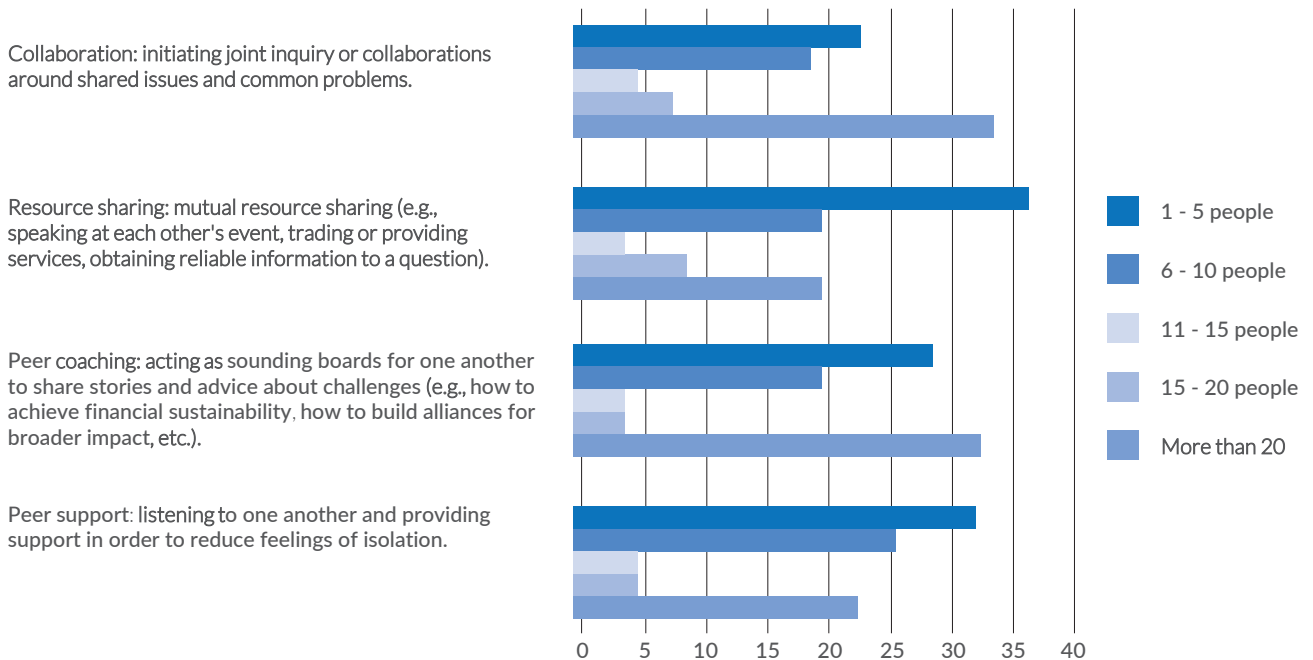
What has been the biggest barrier you've encountered in leading change within your business?
(92 Responses)



Considering your professional network, how many individuals can you consistently count on to provide you with the following support? (45 Responses)



Considering your professional network, how many individuals can you consistently count on to provide you with the following support? (92 Responses)



Summary of Findings from our Preliminary Study

By highlighting various challenges and the need for diverse support resources, ECE minority small business owners emphasized the importance of offering professional development options tailored to their unique business goals and program quality targets.

Participants underscored the need for customized professional development opportunities aligned with their distinct business needs. They voiced discontent with programs that offer no fresh insights or reiterate known material. The emphasis was on seeking training that nurtures their evolution both as educators and business proprietors.

The primary support and resources desired by ECE minority business owner survey respondents to expand their early childhood education businesses included: 1) Access to funding, capital, or financing (55.6%); 2) Assistance with hiring and retaining qualified staff (48.9%); and 3) Technical assistance, training, and business management support (35.6%). Additional support mentioned encompassed help with affordable real estate or property (33.3%), and marketing or advertising support (28.9%).

Minority small business owners in the ECE sector could benefit from increased engagement with legislators. By understanding policy frameworks and collaborating with advocacy entities, they can better address their unique circumstances. Through these interactions, they can foster valuable relationships and advocate for inclusive policies.

Participants expressed dissatisfaction with the ECE field's policies and decision-making processes, feeling their voices and expertise are overlooked. They stressed the need for ECE minority business owners to have a more influential voice in advocating for their concerns and effectively conveying their interests to decision-makers and legislators.

Our preliminary study highlights the importance of creating accessible environments that promote connection and mutual learning among ECE minority small business owners.

During the focus group discussions, several participants reported acquiring new, actionable insights. Furthermore, they conveyed appreciation for the chance to hear fellow ECE minority small business owners voice similar concerns as well as discover a supportive network where discussing options and uncovering effective solutions became a shared endeavor. Establishing these collaborative environments for ECE providers can tackle core challenges in the ECE field by fostering knowledge enhancement and skill development, thereby catalyzing significant transformations at both individual and business levels.

ECE minority small business owners are actively seeking ways to measure and track their growth and business goals through data-driven strategies.

Fifty-one percent of surveyed ECE minority business owners are exploring data collection and analysis, broken down by race, to comprehend disparities in internal outcomes like hiring, promotion, and retention rates, as well as external outcomes such as the impact of programs on the communities they serve. Additionally, 14.2% of primary audience respondents have successfully utilized disaggregated data to comprehend racial disparities in internal outcomes. Introducing a user-friendly impact measurement system within the ECE membership cohort could equip future groups of ECE business owners with meaningful data, aiding them in better understanding potential results and outcomes. This proposed system would track impact and success over time, offering crucial insights for ECE business owners. Additionally, backing this data-driven approach can draw more funding and boost the overall success of future cohorts. Training to use this system could be delivered by an ECE consultant who is already certified to facilitate and provide professional development credit hours for Pennsylvania's Professional Development (PD) Registry.

ECE minority small business owners encounter considerable financial hurdles when starting, maintaining, or scaling their businesses.

Our focus group participants discussed various financial challenges, including difficulties in paying teachers competitive salaries, delayed payments from funding sources, and limitations in accessing loans and grants for business expansion. They also pointed out resource constraints and regulatory hurdles that hinder growth.

Among ECE minority small business owners surveyed, 45.5% expressed their intention to expand their early childhood education business in the next five years to serve more children and families in the community.

However, 33.3% of ECE minority small business owners cited “lack of resources” as the primary barrier to implementing changes in their business.

In reference to previous endeavors to secure financing or capital for business expansion, our data indicated that 37.8% of ECE minority small business owner respondents encountered unsuccessful attempts, another 37.8% experienced success, while 24.4% had not ventured into attempting to secure financing or capital.

Conclusion

The ECE field presents a substantial need for ongoing research. A key insight from this preliminary study underscores the importance of amplifying the voices and experiences of ECE minority small business owners. Adopting this approach is key to creating meaningful solutions within the ECE industry. Notable pathways for ECE minority business owners to continue expanding their mindsets and perspectives regarding their business models were also identified in the study.

Our research suggests that ECE minority business owners could significantly benefit from actively seeking opportunities to broaden their networks, possibly drawing lessons from successful industries outside of their own. By extending their outlook in this manner, they can acquire valuable insights and adopt strategies proven effective in other sectors. However, embracing innovative practices, which could evolve into best practices, necessitates several conditions. Business owners need time and space to experiment. Additionally, they need assurance of support from those to whom they are accountable.

By refining strategies and leveraging their unique strengths, ECE minority small business owners can unlock potential, steer their enterprises toward growth, and emerge as industry leaders. ECE minority business owners play a crucial role in both safeguarding the sustainability of their businesses and furthering innovation. Many are already setting inspiring precedents in creative practices, contributing to advancing the field.

Drawing from the insights of this study, along with lessons learned from other Philadelphia-based research in the field, the AACC is committed to collaborating with and supporting ECE minority small business owners. Our goal is to establish an ECE membership cohort that aligns with the current business environment and effectively utilizes available resources. Acknowledging the potential for transformative change, the AACC is poised to significantly contribute to reshaping the capacity and trajectory of ECE minority small business owners through future cohort offerings.

Endnotes

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About the African-American Chamber of Commerce of PA, NJ, and DE

The African-American Chamber of Commerce of PA, NJ, and DE (AACC) is the leading advocate for minority-owned businesses in the Delaware Valley and Southeastern Pennsylvania. The AACC enhances the growth and effectiveness of African-American-owned businesses by working within the community to improve economic conditions; serving as a convener and advocate in government; and providing programming and facilitating partnerships that help members access needed resources.

For 30 years, the AACC has remained committed to promoting the sound economic well-being and empowerment of the African-American business community. Additionally, it aims to enhance the economic status of the wider African-American community through education, access, partnership, and accountability.