EXECUTIVE SUMMARY

In 1997, the Saginaw Family Child Care Network (SFCCN) was formed on the east side of Saginaw, Michigan. Created as a non-profit community development corporation, the SFCCN has a mission of creating quality child care and strong communities through home ownership and neighborhood revival on the east side of Saginaw. The vision, developing a system of family and group child care homes as business opportunities for community residents, supporting a network of homes owned by community residents, and impacting the overall revitalization process of the east side, has been in place for two and one-half years.

This report will provide insights about the SFCCN as a new model for community empowerment and development: through the creation of childcare on the East Side of Saginaw, Michigan. These insights are presented by first giving the reader information about the distinct mission and role of a community development corporation, and, then describing the activity of the SFCCN within the context of this community organizer and developer role.

The Model: A Community Development Organization, not a Human Service Agency

The SFCCN founders and current Board Members agree with the Vermont Community Loan Fund’s findings in a report entitled, *Vermont Child Care Sector - Technical Assistance and Credit Needs*. The report states that,
"Vermont child care providers make up a vibrant and critically important sector of the State's economy."1

The report further goes on to say that child care businesses are deeply rooted in the economic and social fabric of the east side community, developed as a family response to their personal needs and to the neighborhood needs. Few businesses one could envision are so directly linked to both the empowerment and employment of working families. Given the gravity of child care needs due to the growing increase of Michigan’s TANF eligible single heads of households entering the job market, the shortage in child care home development in low income neighborhoods, and low wage jobs to support the high costs of child care, what is a positive community strategy?

An approach called community-based development is proving to be one of the few effective ways to give communities with profound social and economic problems a foothold from which to potentially turn themselves around. Community-based development is characterized by several principles:

i. working with low income people in highly economically and socially stressed environments to stabilize and revitalize the areas in which they live,

ii. using a ground-level strategy where those affected - residents, merchants, and others - shape the intervention strategy to meet their needs; and

iii. viewing problems comprehensively, so that the efforts confront the range of problems facing community, rather than one aspect alone. The primary vehicle for this type of effort is the community development corporation (CDC). 2

The Joining Forces Initiative, a collaborative effort among three major Michigan foundations to support quality child care practice,
policy, and funding, challenged Michigan communities to address "the quality and availability of child care in some of the financially impoverished neighborhoods in Michigan, and the system within which child care is designed, licensed, delivered." Marvin McKinney, W.K. Kellogg Program Director, was very selective in his choice of words as a contributing editor to the March 1998 edition of Joining Forces, The Magazine. McKinney states, "...child care is a critical issue in welfare reform and successful reform must address the issue of poverty. How people get to be poor in the first place and the degree to which inadequate child care is a function of poverty is at the heart of the Joining Forces Initiative...."3

Through an initial multi-year, $500,000 grant through the W.K. Kellogg Foundation, one of three large Michigan-based foundations collaborating to improve child care in Michigan, Michigan State University’s Extension Service took an economic development approach toward the issue of child care. A community development corporation, the Saginaw Family Child Care Network, was organized among Saginaw’s predominantly low-income east side community residents to address quality child care, which has limited the shaping of the east side Saginaw’s economic revitalization strategies and creating employment opportunities for community residents.

In the early years of CDC development, the CDC model encompassed both community organizing to promote local control of development, and a physical or infrastructure re-development vehicle that was characterized by an IRS 501©(3) non profit tax exempt status, and a volunteer board. Although there is some skepticism about whether or not CDCs can truly be community organizers because much of their physical development monies come from outside the community, the SFCCN has used this original model to guide them. As Randy Stoecker states in his article, The Community Development Corporation Model of Urban Redevelopment: A Political
Economy Critique and an Alternative, "Oppressed communities may benefit more by putting organizing before development." Further, he states, "It is also clear that successful organizing must lead to development, but only when 'organizing is seen as the guiding force that creates the development opportunities'. When communities are not organized first, development is less likely to succeed. Organizing by itself may even be 'as successful as CDCs in making development happen'."4

Knowing that sustainability of childcare activity is the core of the SFCCN, SFCCN leaders focused on continuous participation among the newly licensed child care providers. Their participation in the child care home network was seen as a key to increased confidence, efficacy, power, and child care problem solving among network members.

Numbering about 2,000 across the country, CDCs similar to the SFCCN are located in inner cities and rural communities throughout the nation. The CDC mission is to the revitalization of neighborhoods within which they are created. In many instances, CDCs are formed out of neighborhood organizations that serve as the entry point for the local residents to form networks so crucial to building a sense of connection within their own community.

CDCs are in a unique position to make critical linkages between child care and the economic and social revitalization of low income communities. According to a study, entitled, The Challenge of Child Care for Community Development Corporations, on child care and community development corporations, undertaken by Jan Stokley and funded by the Ford Foundation in 1990, a number of CDCs were involved in creating child care facilities. Such efforts were seen to play a critical role in giving neighborhood residents a choice of safe and affordable care, enabling people to carry out work responsibilities and in creating jobs as staff or as entrepreneurs.5
A challenge for CDCs in implementing a child care strategy is systemic. Ms. Stokely recommended that CDCs plan their entry into the field with care, choosing a role that fits with their organization mission and resources, and thoroughly evaluating the ability of the child care strategy to meet both social and business objectives.

These recommendations were woven into the SFCCN community based development model. The SFCCN blends the bricks and mortar of affordable housing rehabilitation and resale with capacity building among community residents. The first steps to achieve the latter were: enlisting the participation of community residents as a planning committee, building a network of trust among residents who are committed to bring quality, affordable child care to the employment bound families, and electing a community-representative Board of Directors.

The SFCCN reviewed community development corporation best practice literature to guide outcome achievement. The SFCCN views their mission far more broadly than just physical infrastructure development. Citizen participation, and assessing and mobilizing the assets and strengths within the neighborhood among the citizenry is at the heart of the CDC. So, how does this approach differ yet compliment a human service or information and referral agency, and, more importantly, what does this mean for the east side of Saginaw?

It is important to the reader of this report to recognize that the SFCCN set out to address the issues of child care on the east side of Saginaw from a holistic community approach. "...Creating Quality Child Care and Strong Communities through Home Ownership and Neighborhood Revival", the SFCCN mission, requires a different approach than coordinating and managing financial resources for regional child care delivery. The SFCCN did not propose to fill a gap in the current coordination role of other human service organizations. They did propose to address the critical shortage of
child care options available to the increasing need for quality, affordable child care in a neighborhood area where single parents were rapidly moving into work outside the home. The SFCCN has evolved to become unique in its position within the community to focus on coordinating and strengthening the child care system that serves low income families in the neighborhoods of east Saginaw. The SFCCN attracts other community residents who consider children and child care a strong link in the chain of community revitalization by connecting child care, small business development, and housing together: all are elements of successful community revitalization.

Yes, but, is What’s Being Learned Transferred to Community Development?

The SFCCN has become a developmental catalyst in promoting relationship-building among people caring for children as well as bringing about changes in the formal child care delivery system on the East Side of Saginaw, Michigan. People who have graduated from the child care training are helping other work on issues relative to offering child care in neighborhoods where disinvestments hurts those who live there - but sometimes feeds the mouths of others. Discussions of insurance and the cost of financial services, credit repair strategies, filing income tax returns, nutrition, physical safety and the perception and reality of crime, family care, and making in-roads into other human service agencies who are gatekeepers of the information flow to childcare-needy parents are the topics of discussion groups on-going at 703 S. Jefferson Street, the address of the SFCCN. One graduate has been hired to assist other graduates to market their homes, to recruit new providers, to visit the providers, and to create a communication tool within the community. This growing number of community residents are working to ensure the community is offering safe, affordable, and accessible child care while using the
network to address financial security in their own lives. Child care is the lens through which neighborhood-building is discussed and acted upon. The neighborhood building is done by, for, and with the people who have a commitment and passion for their children and their neighborhood.

**The Multiplier Effect**

In June 1999, the SFCCN became a host site for an Individual Development Accounts program and a sponsor of an Americorp*VISTA member. Three later, the SFCCN and the Saginaw County Community Action Committee received a joint grant through the Michigan Family Independence Agency to develop Individual Development Accounts within their respective organizations. They decided to work together to create a sustainable match fund pool. Thus began a relationship with another community organization, the Multi-Purpose Collaborative Body to explore the public and private sector resources needed for financial asset development opportunities for child care providers and potential homeowners in east Saginaw.

**A Cutting Edge Community Child Care Systems Approach**

In Saginaw, the SFCCN has clearly entered in a new arena of childcare as a community building tool. Usually the domain of resource and referral agencies, the connection between children's care and the community has created a hidden dilemma for child care professions and professionals, most clearly manifested in the increasing professional use of the term *community*. As John McKnight states in his article, *Two Tools for Well-Being, Heath Systems and Communities*, Community is the great "out-thereness" beyond the doors of professional offices and facilities - the social space beyond the edges of our professional systems.7
The dilemma of many human service agencies is the level of familiarity with the real community. McKnight believes that professional skills in managing and working within our systems abound, but our skills are much less developed once we leave the system’s space and cross over the frontier into the community. Indeed, many professionals are confused and frustrated when they attempt to work in community space, which seems very complex, disordered, unstructured and uncontrollable. And many child care professionals begin to discover that their powerful tools and techniques seem weaker, less effective, and even inappropriate in the community.

Using McKnight’s thoughtful arguments, the SFCCN embarked on an approach that became more community reflective than agency reflective. The SFCCN attempted to better understand childcare development within community space. The traditional childcare system seemed to reflect an organizational chart, with a hierarchy of power and authority. Any system viewed in this way is complex, an impenetrable structure designed to maintain itself. The tools of the trade, so to speak, are kept within the organizational structure. The structure becomes the system. This picture of the childcare system allows a few people to control the work of many other people. It enables a manager or an administrator to design and assure a standard output from the work of diverse professionals and workers. Systems also depend upon a consumer or a client. This type of a system separates the internal working of the organization, who defines and creates a product (child care), from the community where the impact is felt the most.

The SFCCN had the responsibility to address the system of childcare development on the East Side of Saginaw. It is important to state that childcare was happening in east Saginaw. This "without traditional organizational structure " system of child care first needed to be understood and then cultivated to be organized
and made accessible to families. The measures of the SFCCN success in harnessing the strengths of commitment to children in the community and channeling it into the commitment to offer safe affordable, licensed care for children and for the child care providers are being evaluated through the filter of what are deemed determinants of successful community development corporation objectives and outcomes. Do the goals and objectives set forth by the SFCCN meet the standards of successful community development criteria? Have they met the quantitative objectives (licensed child care slots; training numbers; meeting needs of working parents' schedules; etc.)? Are they also satisfying the objectives of community participation? Is the Board representative of the community within which the impact of child care is most significant? Does the SFCCN have a significant role in addressing both the need for child care, and why child care is such a need in east Saginaw? Ask the right questions, and you will get insightful answers.

**Linkages to Housing**

The SFCCN, in its efforts to create a sustainable network of childcare provider homes, linked housing development with childcare creation. Why? There are several reasons:

1. Successful housing development depends on access to capital that can be repaid over extended period of time commensurate with the useful life of physical improvements. Child care development has lacked access to long term capital investment for facilities and business development. A partnership between child care providers and housing development can be a good strategy for helping providers access capital for facility development and improvements that would otherwise be difficult for them to obtain.
2. Development of housing in coordination with child care can reduce child care facility and development costs. When child care homes and facilities are built into the development budget of a housing project, or a community housing plan, the total development budget for the child care home or facility often is less than it would be if the facility had been developed on a stand alone basis.

3. Development of low income housing in coordination with child care of low income families can make both enterprises more economically sustainable. As a result of the time limits imposed by welfare reform, most parents who are unsuccessful in their efforts to transition from welfare to work will no longer be eligible for cash assistance. For these low income families, access to a subsidized housing unit may no longer have adequate to assure housing stability, since they will need to be employed - with access to affordable child care - in order to pay even the low cost of rent in subsided housing. Now more than ever, housing stability among low income families, as well as employment stability, will depend on having access to both affordable housing and affordable child care. This means that housing and childcare enterprises will be more economically viable if they are developed in a coordinated manner, so that low-income families have ready access to both resources. 9

SUMMARY

To reiterate, the SFCCN addressed the substantiated need for quality child care on the east side of Saginaw by choosing a role that fit within the organizational mission. The primary goals were: increasing the number of family/group day care homes; providing economic development opportunities for families living on the east side of Saginaw; and reforming the child care system through the enhanced involvement of the stakeholders in the SFCCN.
The ability of this particular child care strategy to meet both the social and business objectives of the SFCCN required the stakeholders to both understand and be committed to sustainability issues. The measure of the success of the SFCCN efforts was not reflected only in meeting the numbers proposed to the funder of the project; a more lasting measure of success for the SFCCN is the extent to which the SFCCN is able to develop more fully the potential of the child care sector to contribute to the social and economic revitalization on the east side of Saginaw and to forge stronger partnerships with the existing child care network, including providers and resources and referral agencies. Few communities have an infrastructure which contains the diverse elements of an effective child care delivery system serving low-income families. This was the challenge of the SFCCN; this is the work of the SFCCN, a community development corporation on the East Side of Saginaw.

Footnotes

3. McKinney, Marvin H., A Thought for the Joining Forces Initiative...Let us not be timid about naming what we are about, an editorial in Joining Forces, The Magazine, March 1998
5. Stokley, Jan, The Challenge of Child Care For Community Development Corporations, National Economic Development and Law Center, Oakland, California, 1990
6. Walter, C., Community Building Practices, A Conceptual Framework, from Community Organizing and Community Building for Health, M.Minkler, editor, Rutgers, the State University, 1997
7. McKnight, John, *Two Tools for Well-Being, Heath Systems and Communities*, from *Community Organizing and Community Building for Health*, M.Minkler, editor, Rutgers, the State University, 1997

8. Ibid


Other Sources:

- Michigan Family Independence Agency, Fiscal Year 2001 Executive Budget
- Saginaw Family Child Care Network Data February 2000

A Report to the Michigan Family Independence Agency

Prepared by:

Susan Cocciarelli, Center for Urban Affairs email cocciare@msu.edu

Barbara Mutch, MSU Extension

Michigan State University

1801 W. Main Street

Lansing, MI 48915

(517)353-9555 Phone

(517)484-0068 Fax