REINVESTMENT FUND

Investing in Virginia's Future: An Access to Early Education Toolkit for Ready Region Southeastern

Prepared by **REINVESTMENT FUND**

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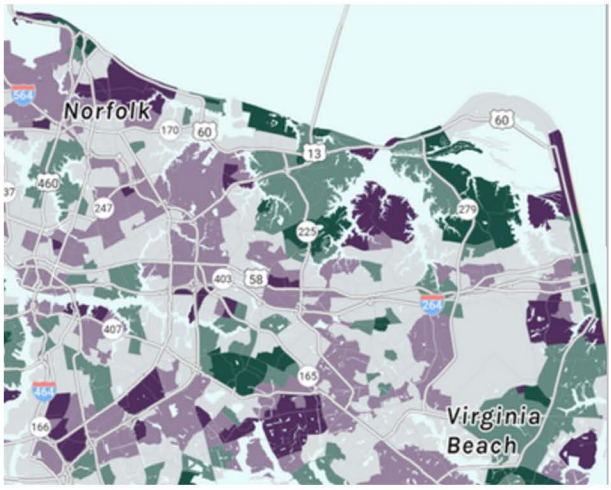

RESEARCH CONDUCTED BY

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INTRODUCTION

In 2025, Reinvestment Fund (RF) partnered with Minus 9 to 5 and the Virginia Early Childhood Foundation (VECF) to conduct an Early Childhood Care and Education (ECCE) gap analysis across Ready Region Southeastern.

Over the course of the project, the RF team worked with Minus 9 to 5 to understand and describe ECCE supply, demand, and shortages across Ready Region Southeastern. The analysis was conducted in close consultation with local stakeholders and designed to support efforts to improve access to high-quality early learning for children and families across the region. In addition, the RF team hosted sessions to develop specific strategies to address these shortages. RF also developed an ECCE Data Analyst Tool Kit (see Appendix C) for use by VECF's Ready Region leads, supporting their ability to conduct ongoing assessments of access to care in their geographies.

Ready Region Southeastern is made up of three subregions: South Hampton Roads (comprised of the independent cities of Chesapeake, Norfolk, Portsmouth, and Virginia Beach); Western Tidewater (comprised of Isle of Wight and Southampton counties and the independent cities of Franklin and Suffolk); and Eastern Shore (comprised of Accomack and Northampton counties).

The following report includes a regional report for each of these subregions detailing the existing supply, demand, and shortages of availability within the subregion as well as the availability of two specific types of care, infant/toddler care and subsidized care. The report also includes a discussion of the strategy sessions held with key community stakeholders to identify concrete strategies that are tailored to the needs of Ready Region Southeastern.

METHODS

The objective of the ECCE gap analysis is to measure and map the availability of ECCE across Ready Region Southeastern to help stakeholders understand how and where to support supply building and other activities and investments. This section provides a brief overview of the methods used to complete the gap analysis. **See Appendix A for additional detail.**

The analysis begins by measuring supply and demand at a precise geographic level. Supply was measured by combining multiple ECCE databases to create a single unique list of all childcare providers in the region who serve children under age 5, whether year-round or during the school year. Providers that do not serve children under age 5 (defined as sites where the minimum age served was 4 years 9 months or higher) and short-term programs including summer camps were excluded. For each provider, their location was recorded and mapped, and their service capacity was estimated from licensed capacity records. Licensed capacity represents the maximum number of children a program can serve. While licensed capacity likely overstates the true ECCE capacity in the area, it is the most consistent measure available and a useful proxy for overall supply.

To estimate demand for ECCE, the RF analysis examined both the population of children under five and the location of jobs employing parents across the region. Although most parents prefer to use childcare near their home some parents bring their children to sites near, or on the way to, work. The RF demand calculation considers both factors to estimate the total number of potential childcare customers across the region.

Estimates of supply and demand were calculated for each census block group in Ready Region Southeastern. Block groups are small geographic areas—generally 4 to 5 city blocks in an urban area. Estimating supply and demand at this level allows the analysis to explore access both within and between neighborhoods and localities.

To measure access, RF conducted a relative shortage analysis that uses estimates of supply and demand to identify the census block groups in each submarket where the availability of care is low and the need for additional supply is great. This estimate takes into consideration that not all families use full-time or non-parental care by adjusting expected levels of supply in relation to demand and to subregional (i.e., submarket) averages.

For each submarket RF estimated the overall access to care, access to care for infants and toddlers, and access to publicly funded care.

For more information about the analysis and methods used in this report, see Appendix A.

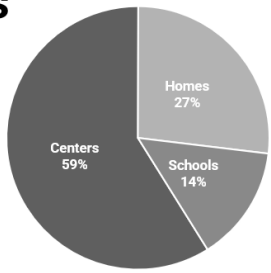
South Hampton Roads: Demand, Supply, and Access to ECCE

The South Hampton Roads section of Ready Region Southeastern is comprised of the independent cities of Chesapeake, Norfolk, Portsmouth, and Virginia Beach. The area is the population center in Ready Region Southeastern, with a population of 1,040,555 and median family income of $100,500.[1]

South Hampton Roads: ECCE Supply

711 Providers

Provider Types



Licensed Capacity

*Program Participation**

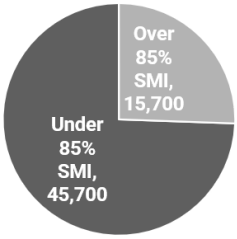
Child Care Subsidy Program	283
Virginia Preschool Initiative	67
VECF Mixed Delivery	11
Head Start/Early Head Start	15
Military Assistance	193

**Providers may participate in multiple programs*

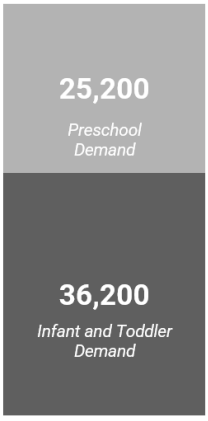
South Hampton Roads: ECCE Demand

61,400 Children

Family Income compared to State Median Income (SMI)



ECCE Demand by Age



Family Characteristics

Language: 18% of Children have Parents that Do Not Speak English at Home

Working Parents: 70% of Children Have Working Parents

Remote Work: 17% of Children Have Parents Working From Home

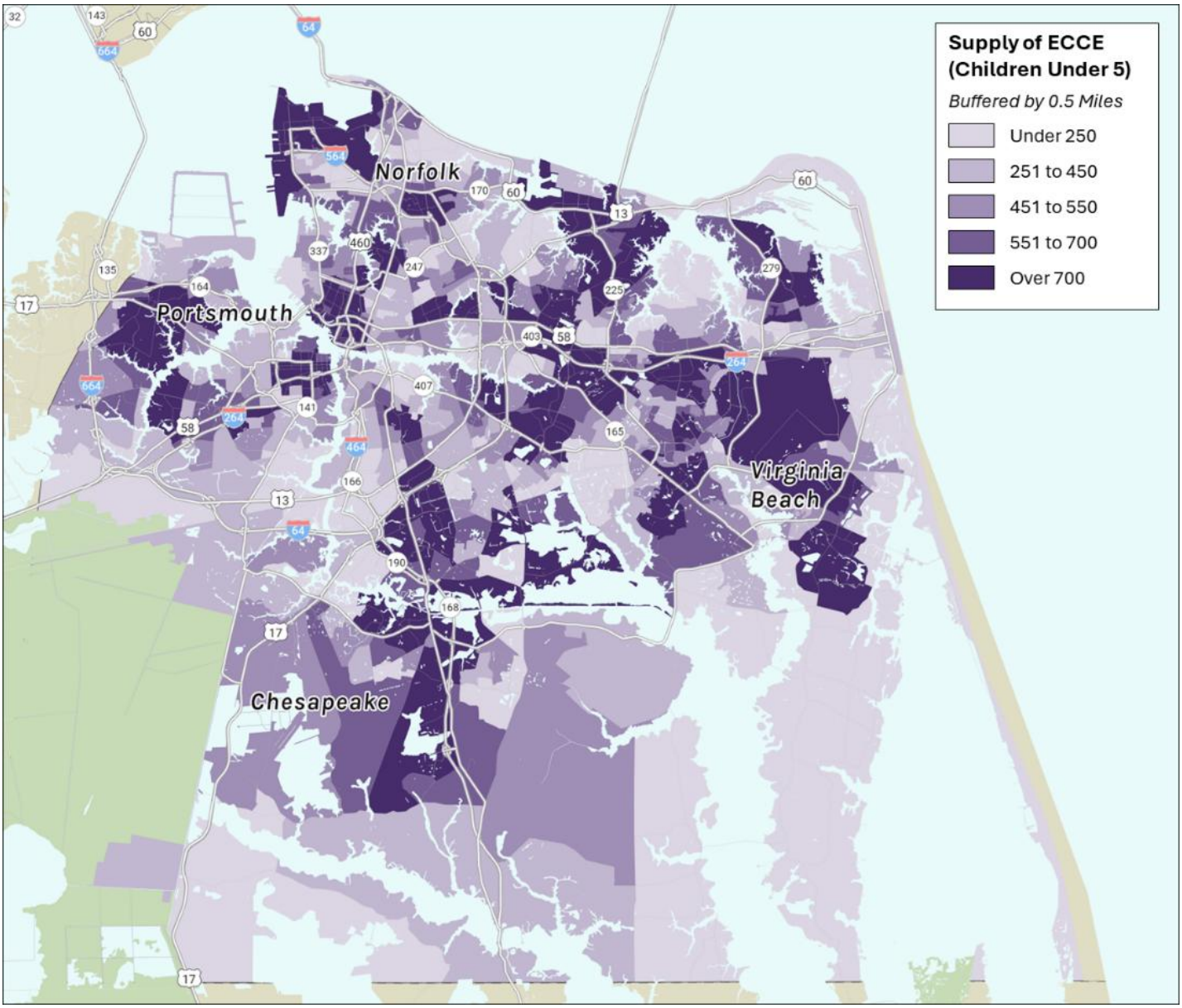
[1] Total Population and Median Family Income from five-year ACS data accessed in IPUMS USA (2023).

South Hampton Road: Access to ECCE (All Ages and Programs)

Supply of Care

South Hampton Roads contains an estimated 711 ECCE providers, which include center-based, licensed home-based, and school-based sites. These providers have a total licensed capacity of 49,400. While licensed capacity likely overstates the true ECCE capacity in the area, it is a useful proxy for overall supply.

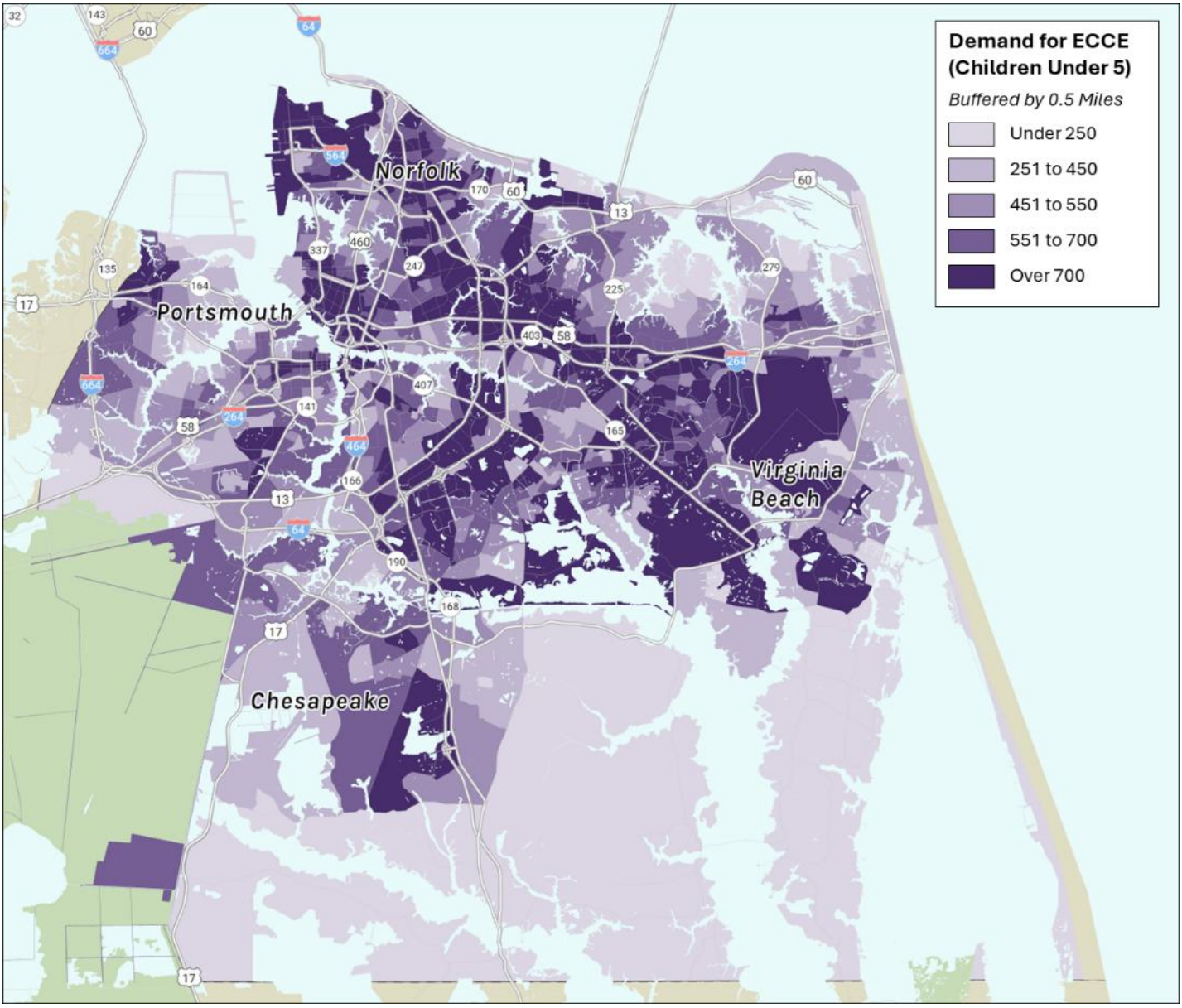
The map on the left illustrates the location of supply, which is concentrated in several areas around the subregion.



Demand for Care

South Hampton Roads has an overall demand for 61,400 seats. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under five who live in the area, and children who could commute to the area for care near their parents' place of work.

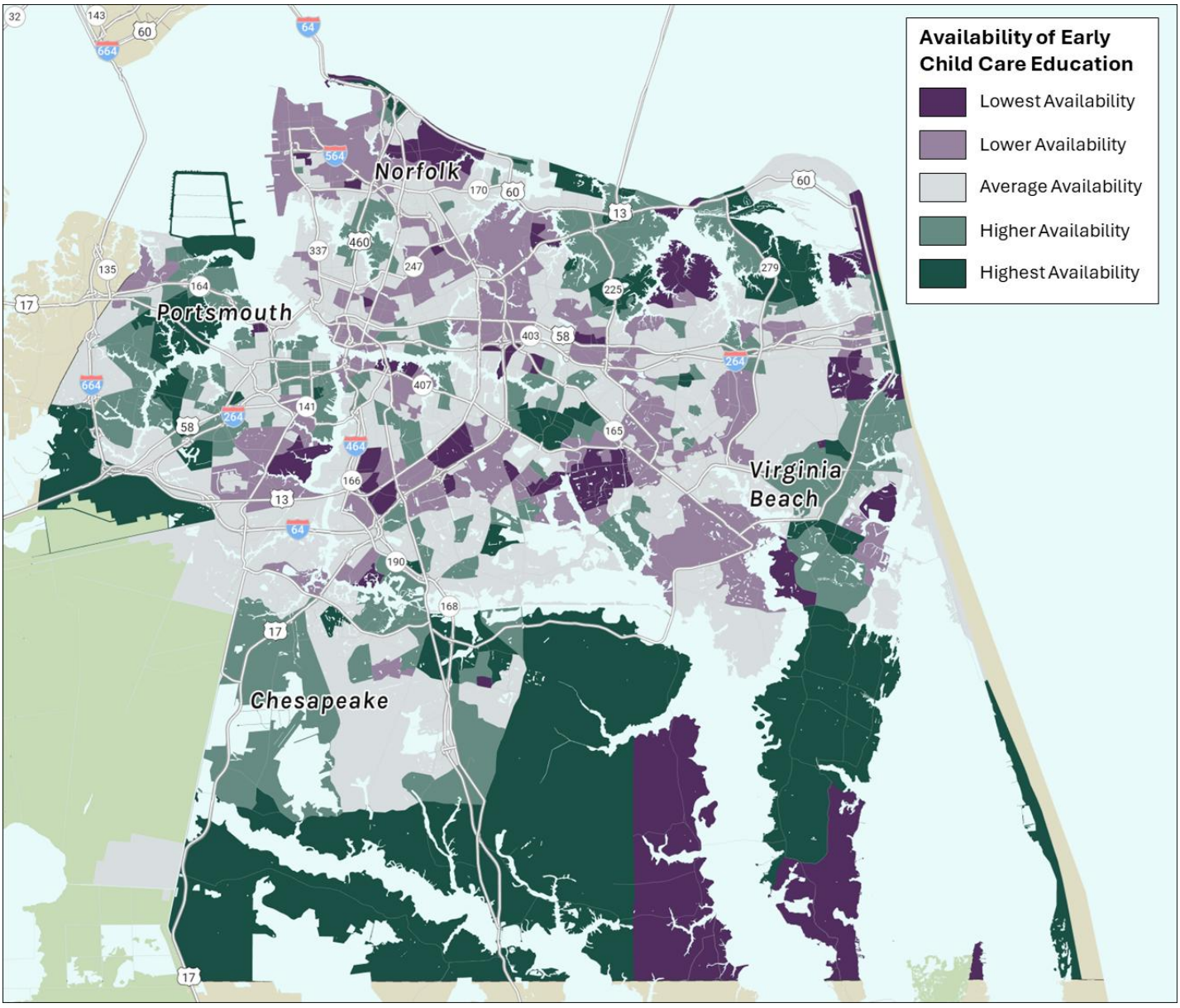
The map on the right illustrates the location of demand, which is predominantly in Norfolk and the eastern portion of the subregion.



South Hampton Roads: Availability of Care

With a supply of 49,400 seats and a demand for 61,400 seats, the South Hampton Roads subregion has an absolute shortage of 12,000 seats. These estimates suggest there are enough seats for roughly 80% of children under the age of five.

The map below illustrates how the availability of care varies across South Hampton Roads. Areas shaded in green have the highest availability of seats. Many of the areas shaded in dark green have more ECCE capacity than demand for care. Areas in purple shades have the lowest availability of care. In these areas, demand for care far exceeds supply. Shortages are concentrated north of Norfolk and the area west of Virginia Beach.



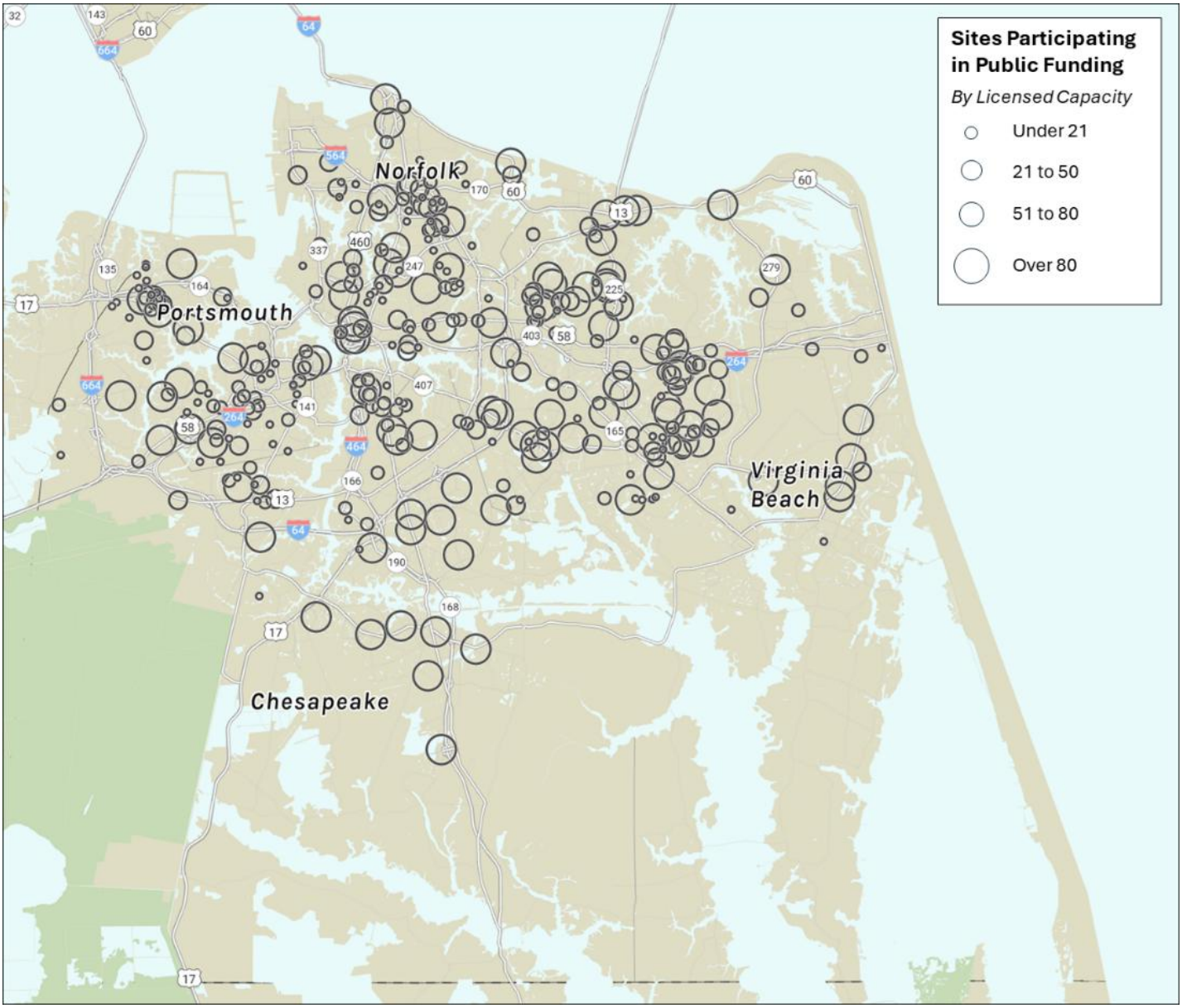
Overall Availability of Care (All Ages Under Five) in South Hampton Roads

South Hampton Roads: Access to Publicly Funded Care

Supply of Publicly Funded Care

In South Hampton Roads, 62% of ECCE providers participate in at least one publicly funded program, with the most common being the Child Care Subsidy Program (CCSP), Military Care, Virginia Preschool Initiative (VPI), and Head Start.

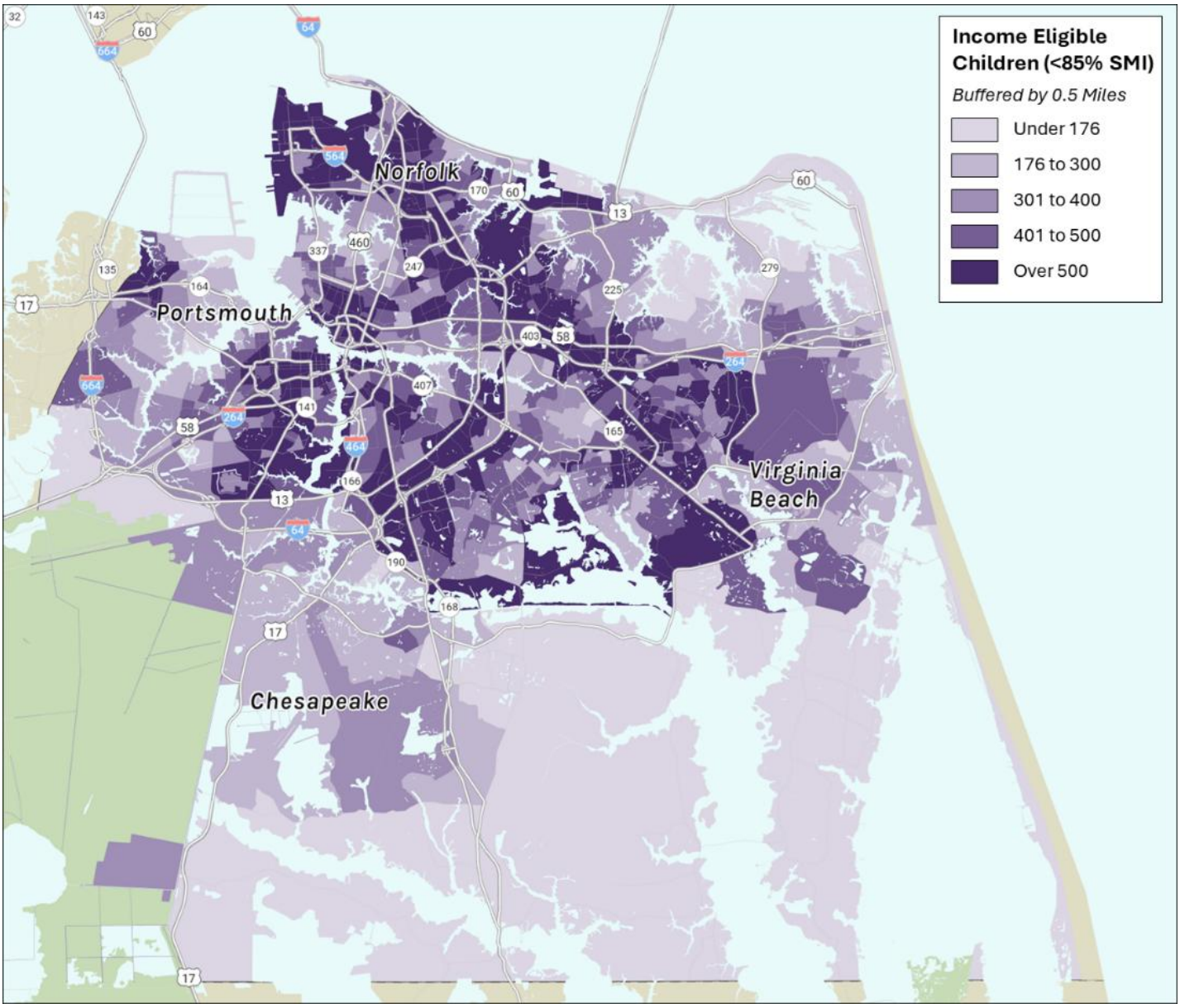
The map on the left illustrates the location and size of providers that participate in programs with income eligibility criteria (i.e., CCSP, VPI, VECF Mixed Delivery, or Head Start/Early Head Start). Most of the ECCE providers participating in these programs are concentrated near Portsmouth, Norfolk, and west of Virginia Beach.



Families that are Income Eligible for Public Programs

In South Hampton Roads, an estimated 45,700 children live in families that earned less than 85% of the Commonwealth's median income and are income eligible to participate in programs like CCSP, VPI, Mixed Delivery, or Head Start/Early Head Start.

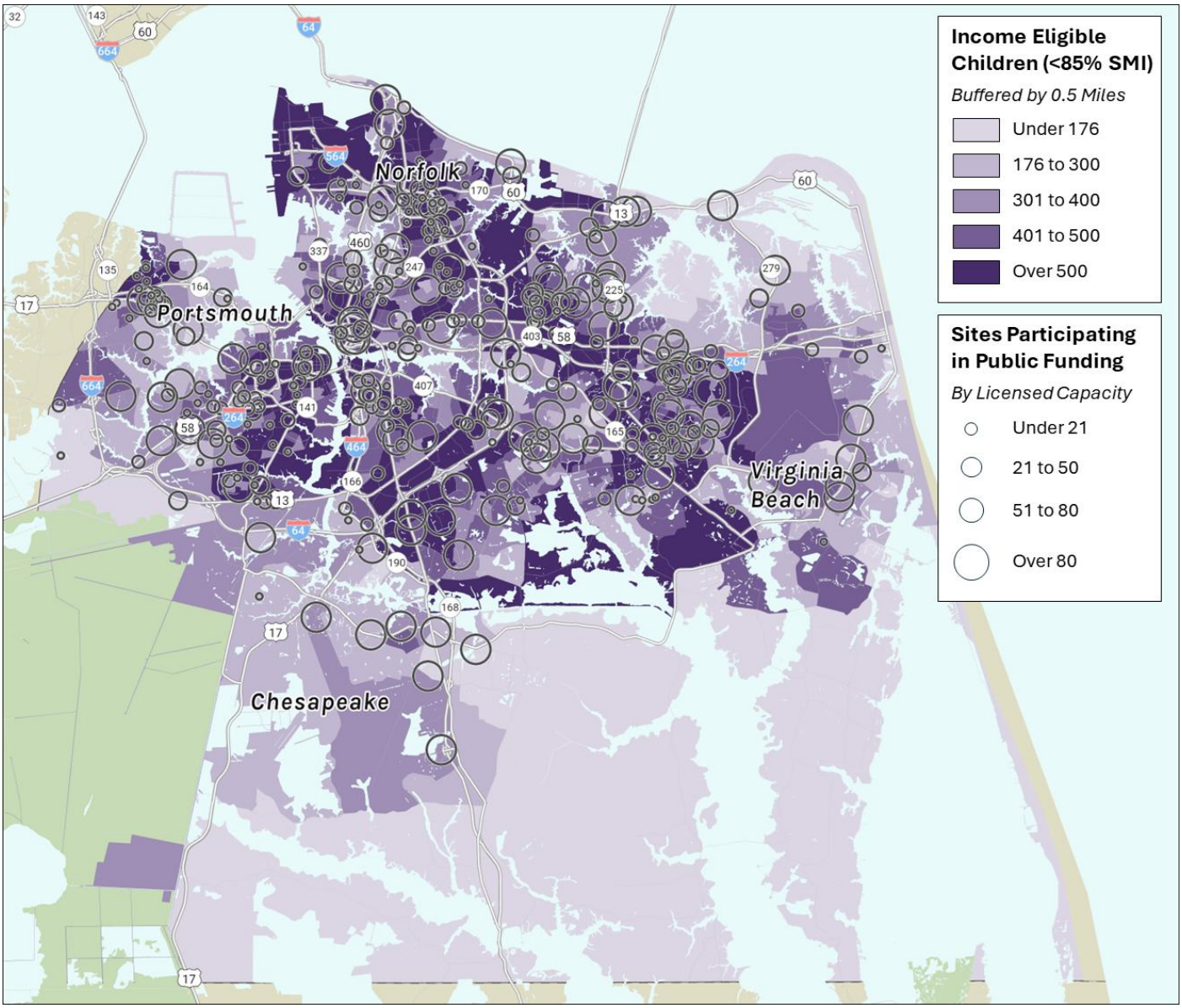
The map on the right illustrates where these families live. The highest concentration of income eligible families is in the center of the subregion.



South Hampton Roads: Availability of Publicly Funded Programs

The analysis of availability focuses on the four largest publicly funded programs: VPI, CCSP, Mixed Delivery, and Head Start/Early Head Start. In FY 2025, there were 45,700 children who were income-eligible to participate in these programs, but just 8,200 slots for children were available.[2] These estimates suggest that only 18% of income-eligible children were able to enroll in these programs.

The map below shows the location of children who are income-eligible to participate in these publicly funded programs and the location of providers who participate in them. Many of the areas with high concentrations of income eligible children in South Hampton Roads had larger providers that participated in publicly subsidized programs. However, some areas near Norfolk and west of Virginia Beach appear underserved.



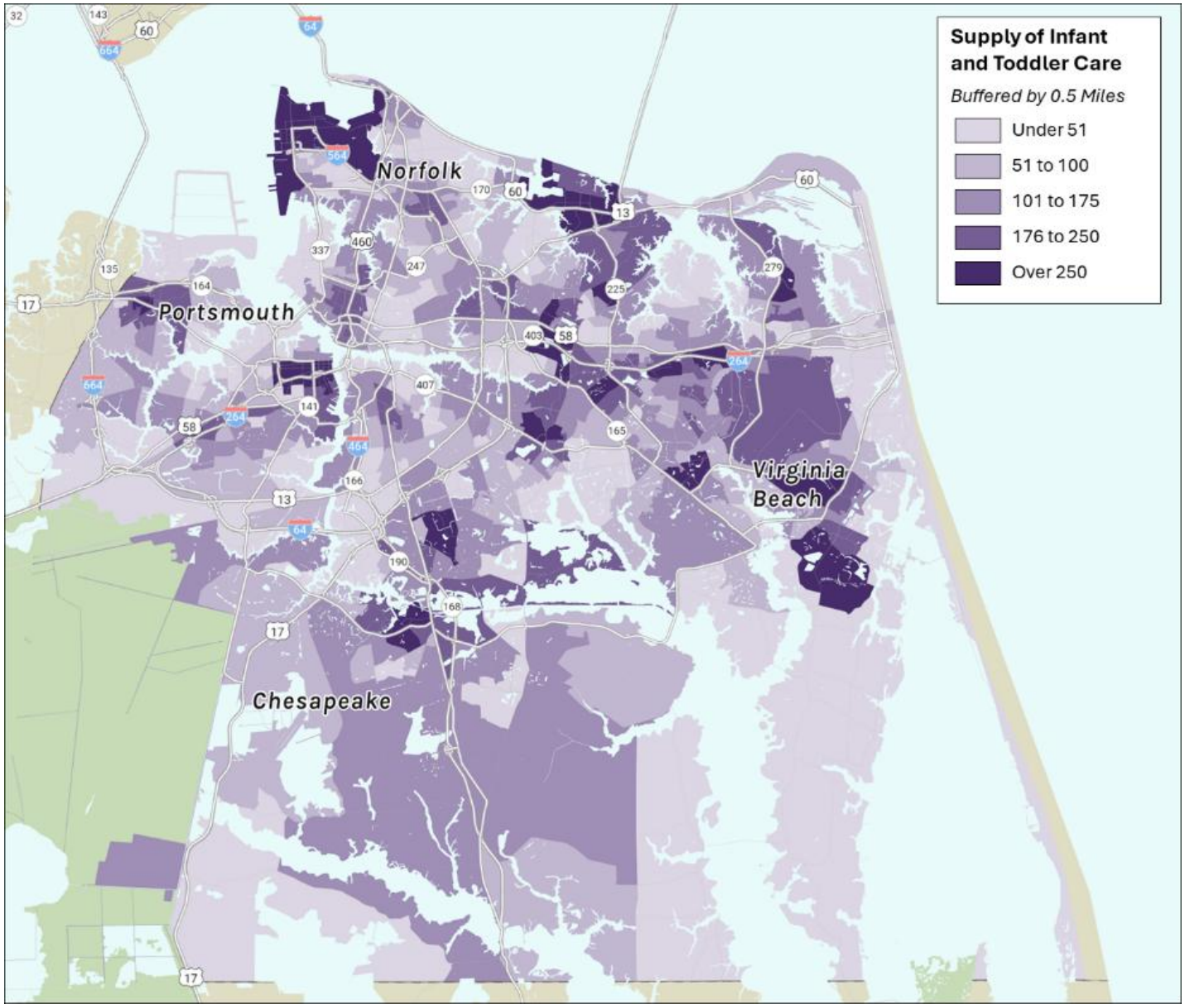
[2] Income-eligible children calculated from five-year ACS data access in IPUMS USA (2023) with VECF Ready Regions ECCE Supply/Demand Data Dashboard

South Hampton Roads: Access to Infant and Toddler Care

Supply of Infant and Toddler Care

Across South Hampton Roads, 69% of ECCE providers are licensed to serve infants and toddlers (children under 36 months old). In part because infant and toddler care is more expensive to provide than care for older children, most providers devote only a portion of their total capacity to infants and toddlers. A 2024 survey of providers in Ready Region Southeastern asked providers about the share of their enrollment devoted to infants and toddlers. South Hampton Roads providers' responses suggest that the subregion has a supply of roughly 10,200 infant and toddler seats.

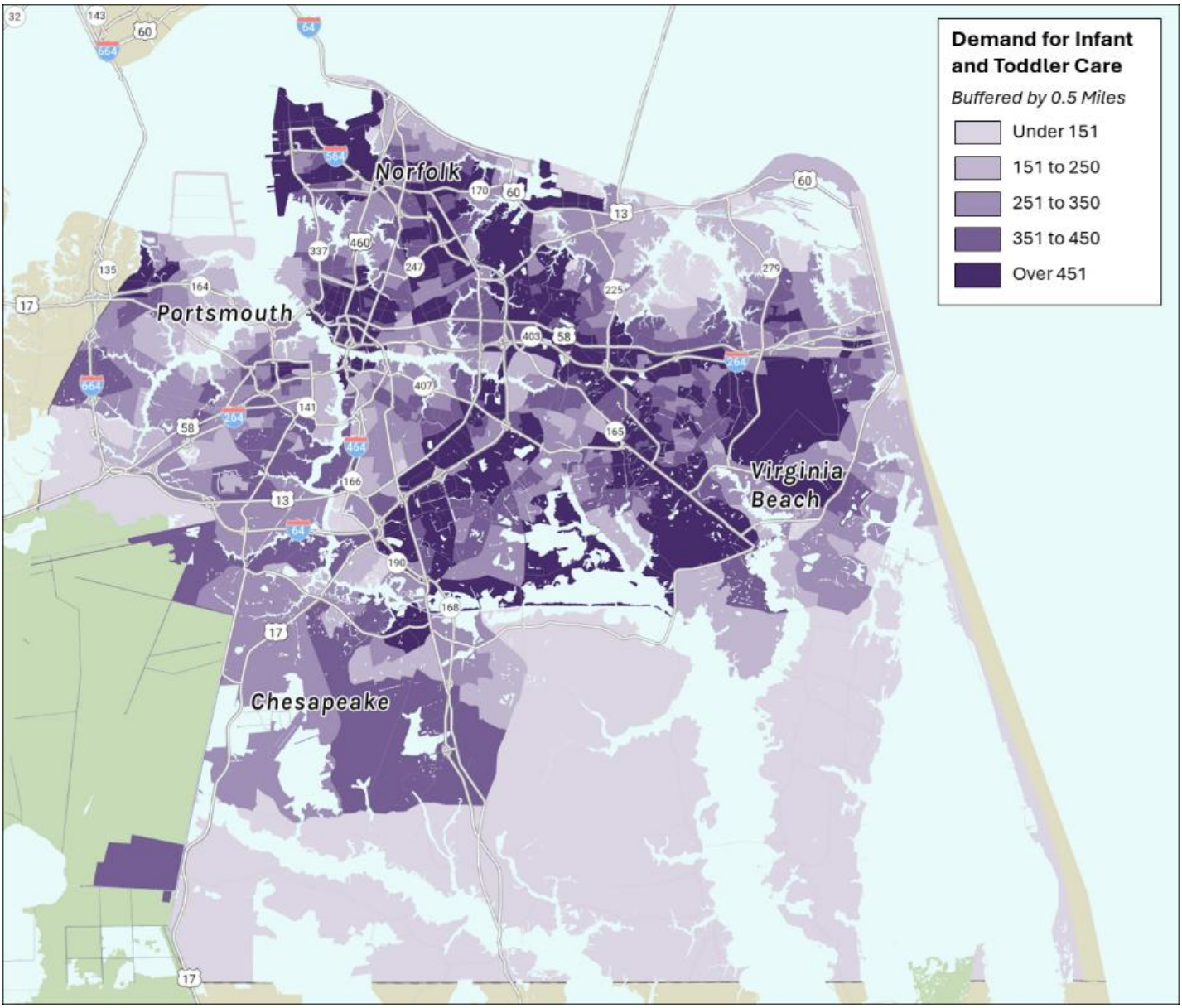
The map below illustrates the location of South Hampton Roads' infant and toddler supply. Capacity for infants and toddlers is low everywhere. The highest concentrations are in Norfolk and south of Virginia Beach.



Demand for Infant and Toddler Care

South Hampton Roads has an overall demand for 36,200 seats for infants and toddlers. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under 36 months who live in the area, and children who could commute to the area for care near their parents' place of work.

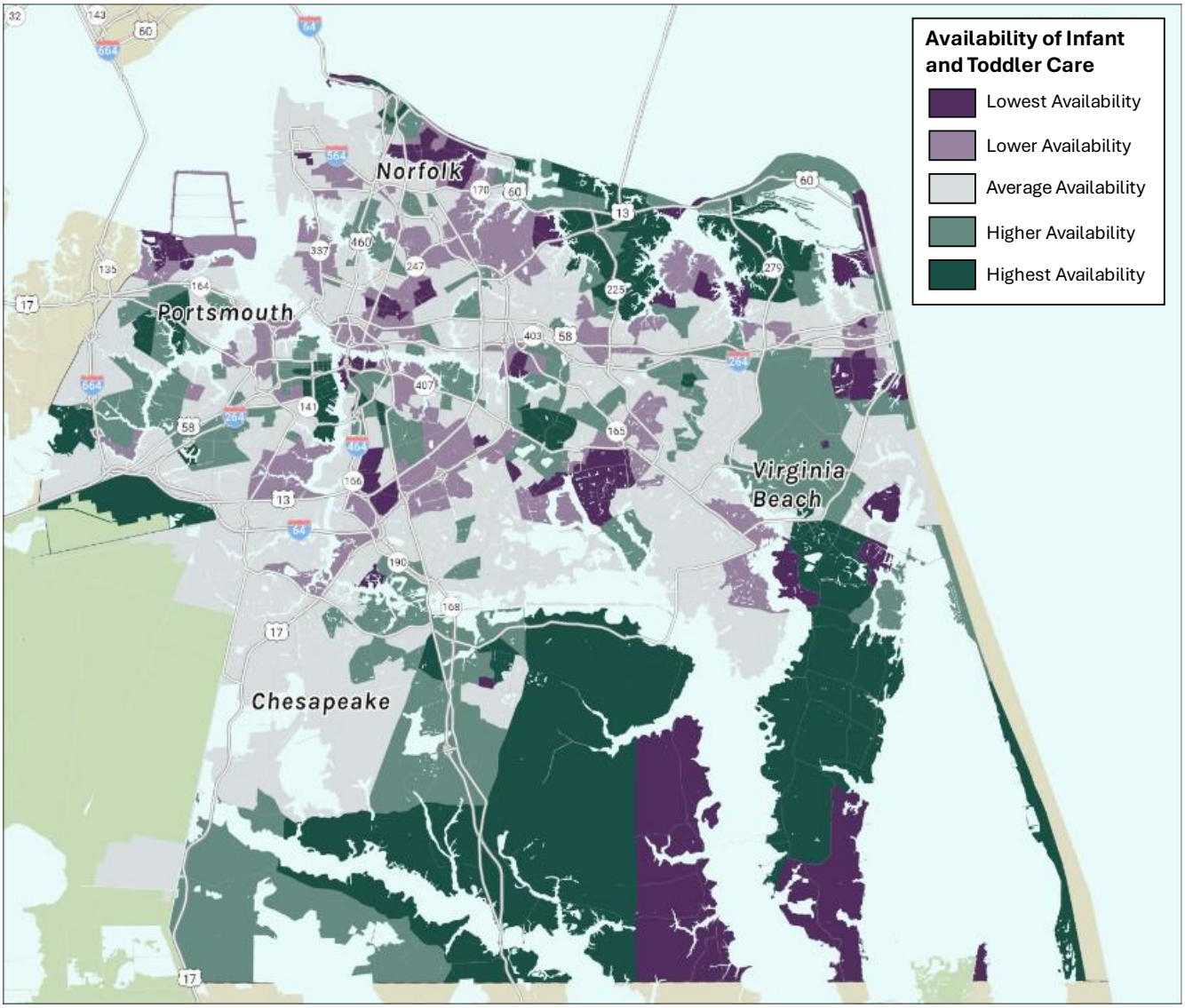
The map on the right illustrates the location of infant and toddler demand, which is concentrated in the center of the subregion.



South Hampton Roads: Availability of Infant and Toddler Care

With a supply of 10,200 infant and toddler seats and a demand for 36,200 seats, South Hampton Roads has an absolute shortage of 26,000 seats. These estimates suggest that the subregion only has enough capacity for roughly 28% of infants and toddlers.

The map below illustrates how the availability of care varies across South Hampton Roads. The areas shaded in dark green have the highest amount of supply relative to demand, enough supply for 86% of children on average. Areas in purple shades have the lowest availability of care. In these areas demand for care far exceeds supply. Shortages are located across the central and northwestern portion of the subregion.



Western Tidewater: Demand, Supply, and Access to ECCE

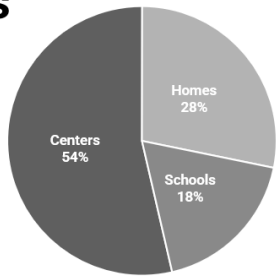
The Western Tidewater section of Ready Region Southeastern is comprised of Isle of Wight and Southampton counties and the independent cities of Franklin and Suffolk. The area has a population of 162,282 and median family income of $106,730. [3]

Western Tidewater: ECCE Supply

110 Providers

Licensed Capacity

Provider Types



*Program Participation**

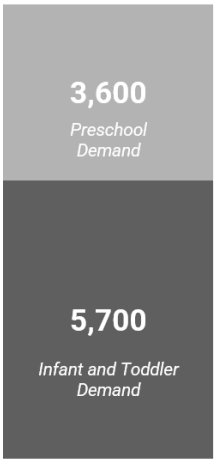
Child Care Subsidy Program	40
Virginia Preschool Initiative	20
VECF Mixed Delivery	3
Head Start/Early Head Start	6
Military Assistance	1

**Providers may participate in multiple programs*

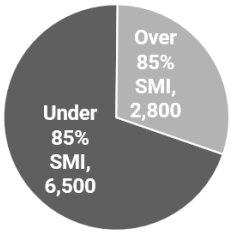
Western Tidewater: ECCE Demand

9,300 Children

ECCE Demand by Age



Family Income compared to State Median Income (SMI)



Family Characteristics

Language: 7% of Children have Parents that Do Not Speak English at Home

Working Parents: 67% of Children Have Working Parents

Remote Work: 15% of Children Have Parents Working From Home

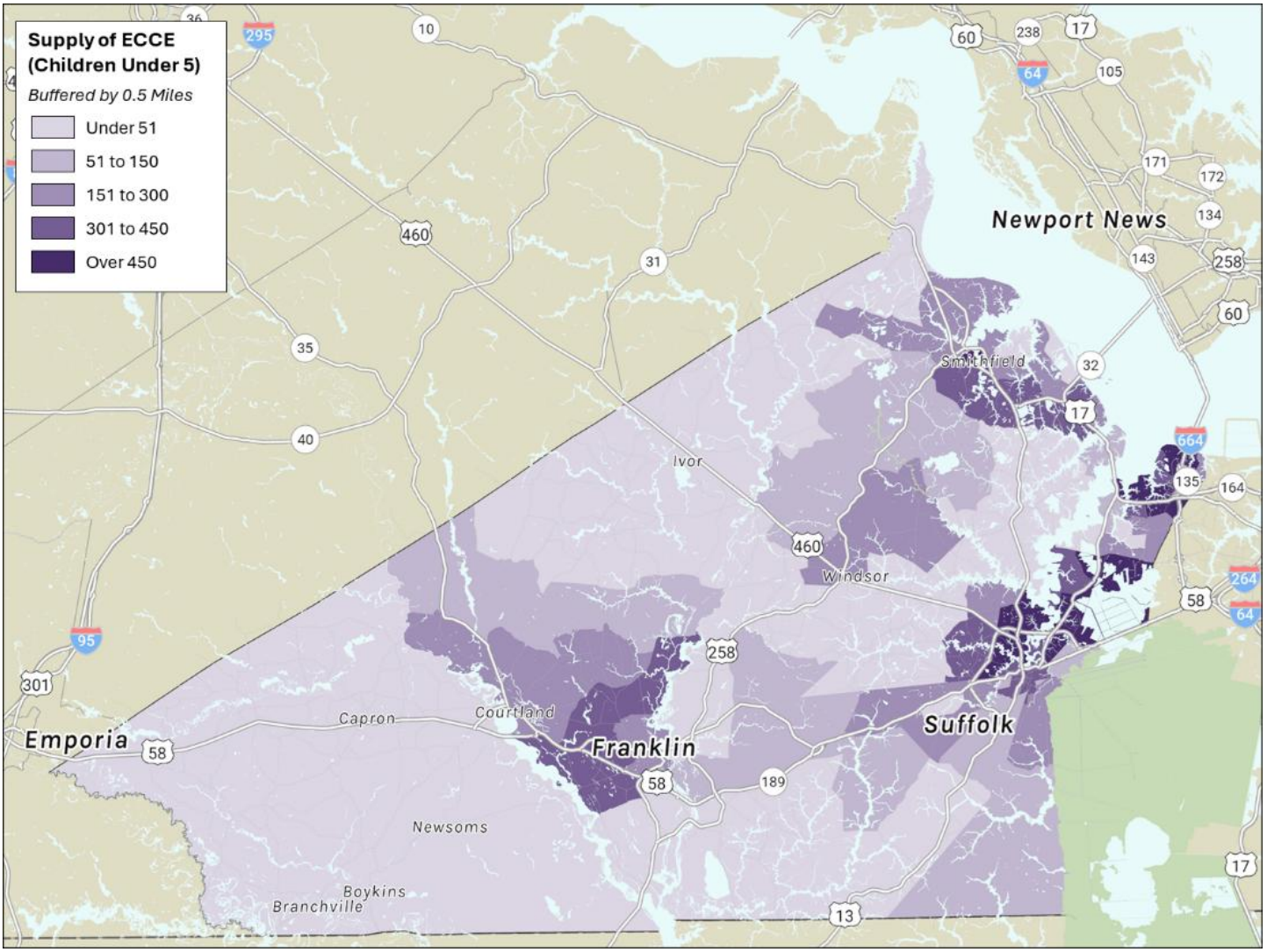
[3] Total Population and Median Family Income from five-year ACS data accessed in IPUMS USA (2023).

Western Tidewater: Access to ECCE (All Ages and Programs)

Supply of Care

Western Tidewater contains an estimated 110 ECCE providers, which includes center-based, licensed home-based, and school-based sites. These providers have a total licensed capacity of 7,100. While licensed capacity likely overstates the true ECCE capacity in the area, it is a useful proxy for overall supply.

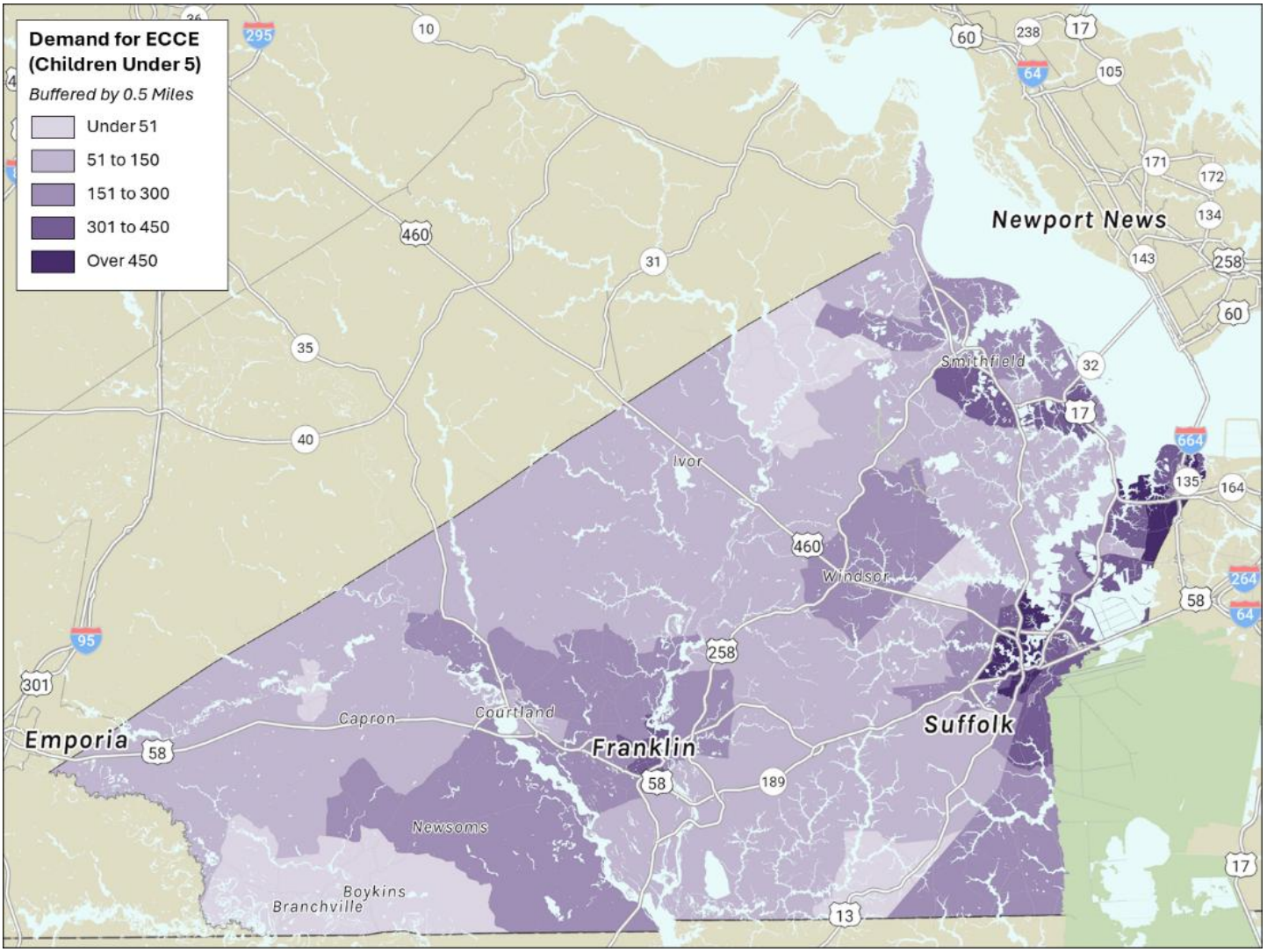
The map on the left illustrates the location of supply, which is concentrated in the eastern portion of the subregion in central and northeastern Suffolk.



Demand for Care

Western Tidewater has an overall demand for 9,300 seats. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under five who live in the area, and children who could commute to the area for care near their parents' place of work.

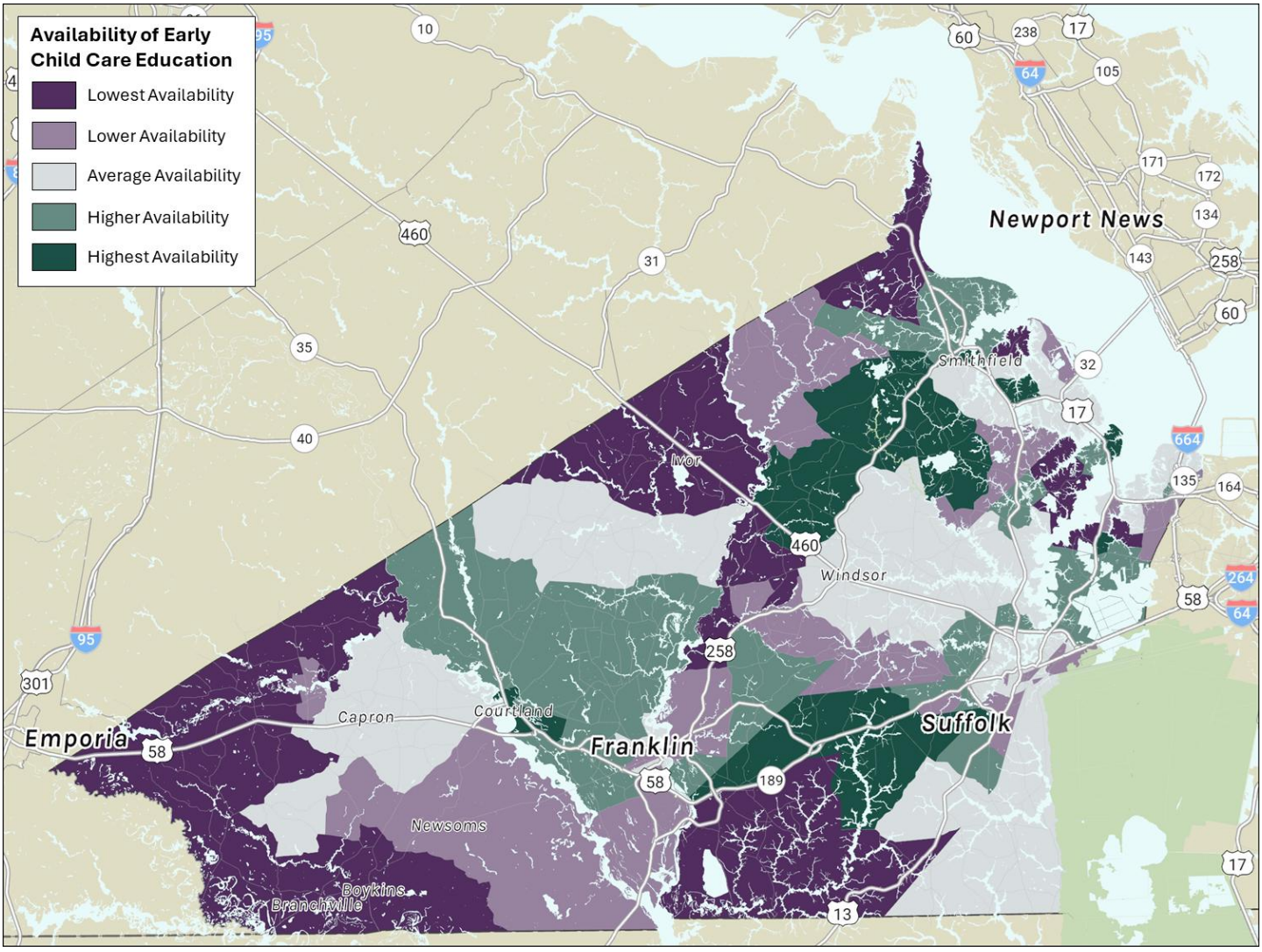
The map on the right illustrates the location of demand, which is concentrated in the eastern portion of the subregion in central and northeastern Suffolk.



Western Tidewater: Availability of Care

With a supply of 7,100 seats and a demand for 9,300 seats, the Western Tidewater subregion has an absolute shortage of 2,200 seats. These estimates suggest there are enough seats for roughly 76% of children under the age of five.

The map below illustrates how the availability of care varies across the Western Tidewater. Areas shaded in green have the highest availability of seats. Many of the areas shaded in dark green have more ECCE capacity than demand for care. Areas in purple shades have the lowest availability of care. In these areas, demand for care far exceeds supply. Shortages are concentrated near the northeastern portion of the subregion and along the southern and western borders of the subregion.

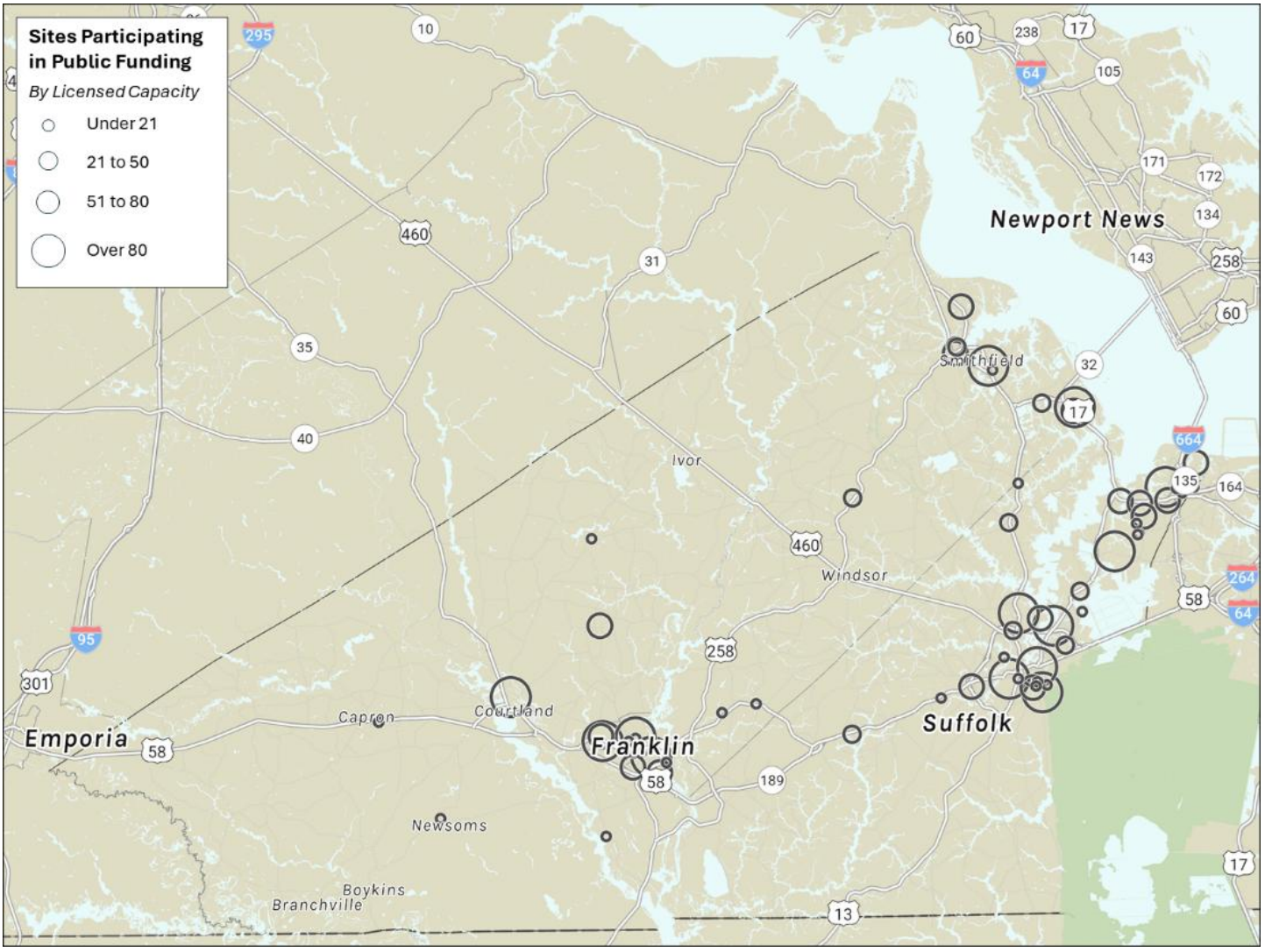


Western Tidewater: Access to Publicly Funded Care

Supply of Publicly Funded Care

In Western Tidewater, 62% of ECCE providers participate in at least one publicly funded program, with the most common being the Child Care Subsidy Program (CCSP), Military Care, Virginia Preschool Initiative (VPI), and Head Start.

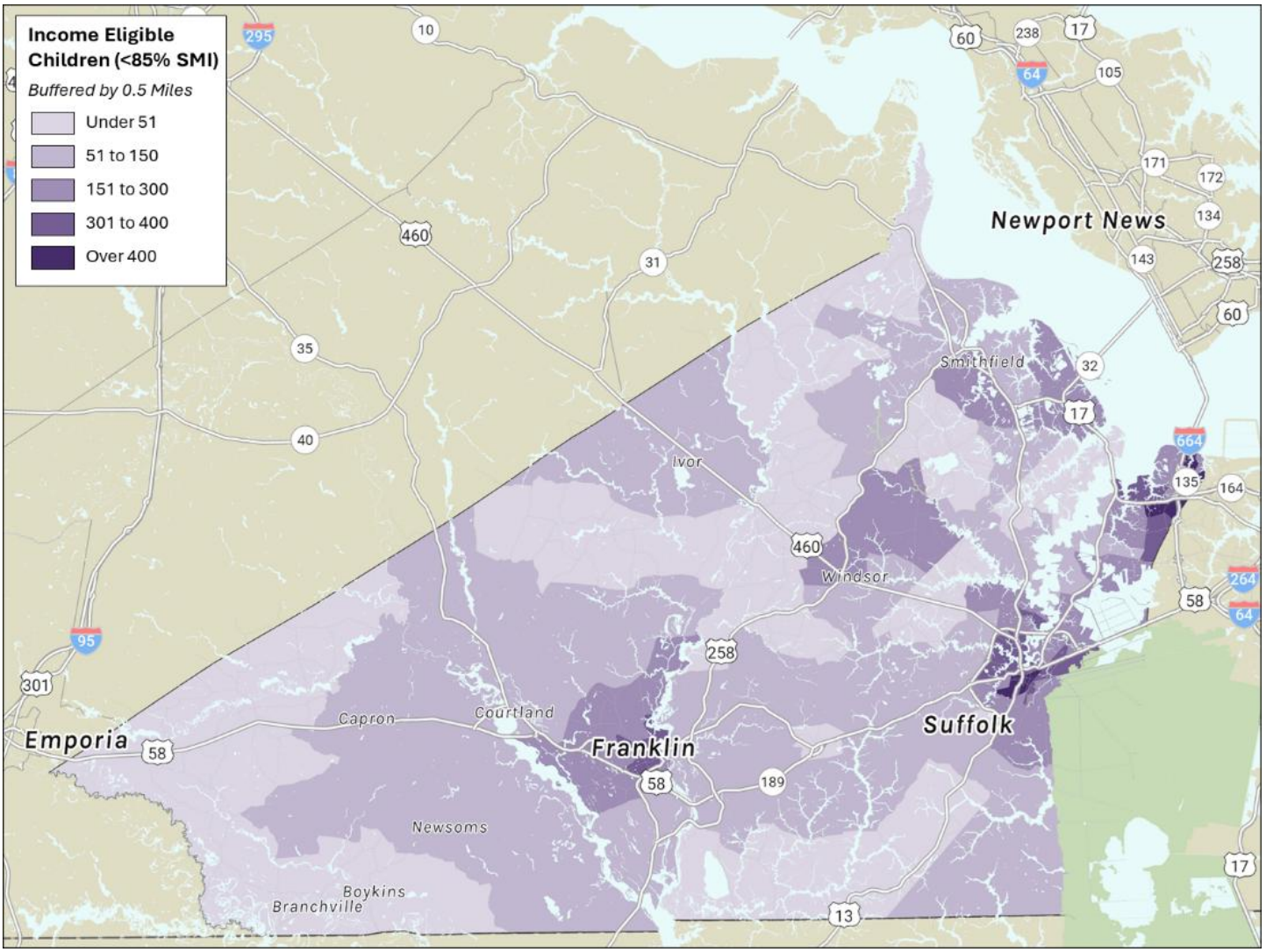
The map on the left illustrates the location and size of providers that participate in programs with income eligibility criteria (i.e., CCSP, VPI, VECF Mixed Delivery, or Head Start/Early Head Start). Most of the ECCE providers participating in these programs are concentrated in Franklin and in central and northeastern Suffolk. the areas west of Portsmouth, Suffolk and Franklin.



Families that are Income Eligible for Public Programs

In Western Tidewater, an estimated 6,500 children live in families that earned less than 85% of the Commonwealth's median income and are income eligible to participate in programs like CCSP, VPI, Mixed Delivery, or Head Start/Early Head Start.

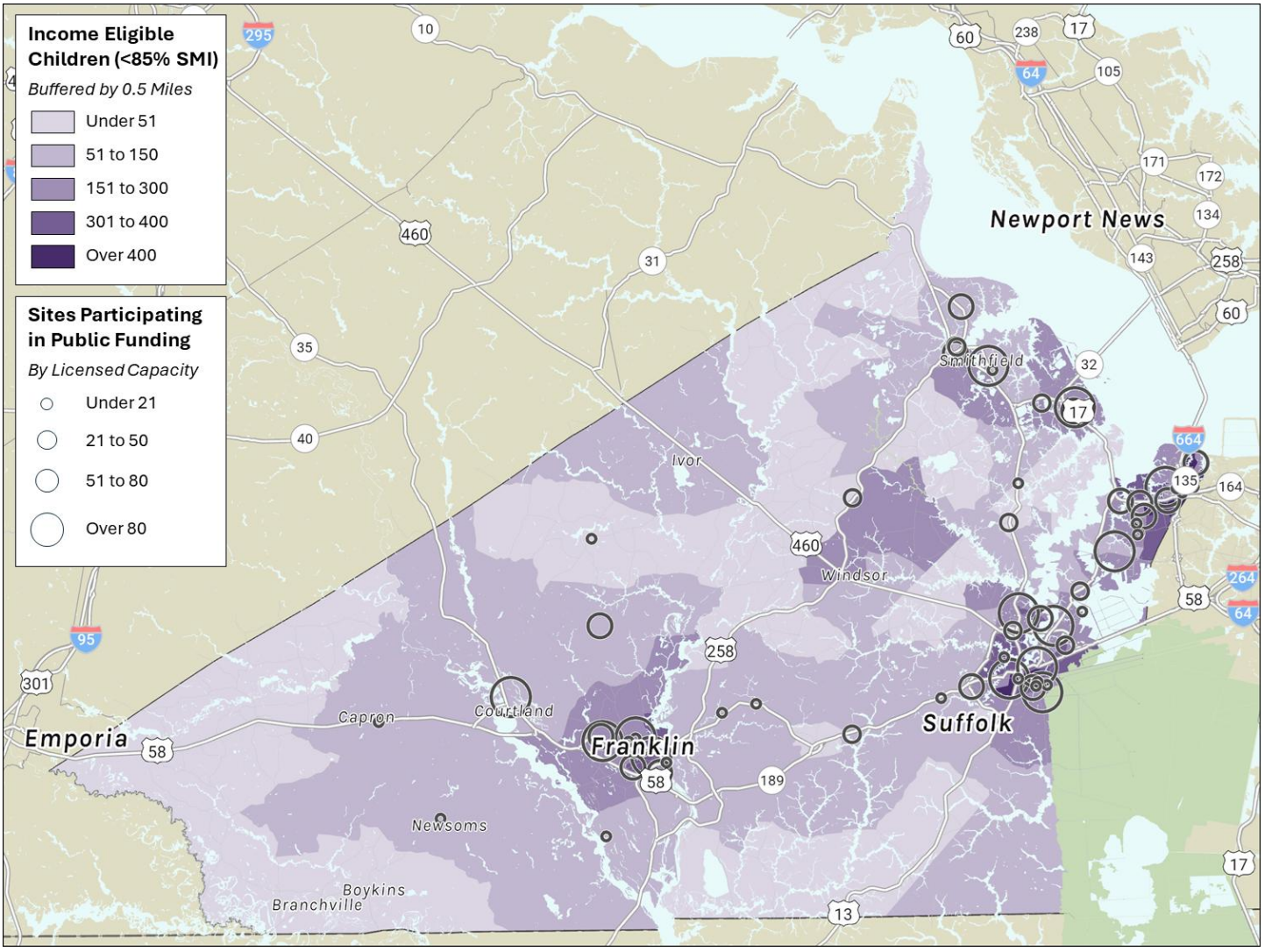
The map on the right illustrates where these families live. The highest concentrations of income eligible families are in Franklin and in central and northeastern Suffolk.



Western Tidewater: Availability of Publicly Funded Programs

The analysis of availability focuses on the four largest publicly funded programs: VPI, CCSP, Mixed Delivery, and Head Start/Early Head Start. In FY 2025, there were 6,500 children who were income-eligible to participate in these programs, but just 1,400 slots for children were available.[4] These estimates suggest that only 22% of income-eligible children were able to enroll in these programs.

The map below shows the location of children who are income-eligible to participate in these publicly funded programs and the location of providers who participate in them. While many of the areas with high concentrations of income-eligible children in Western Tidewater have providers that participate in publicly subsidized programs, some areas, like those near Windsor, appear to need additional supply.



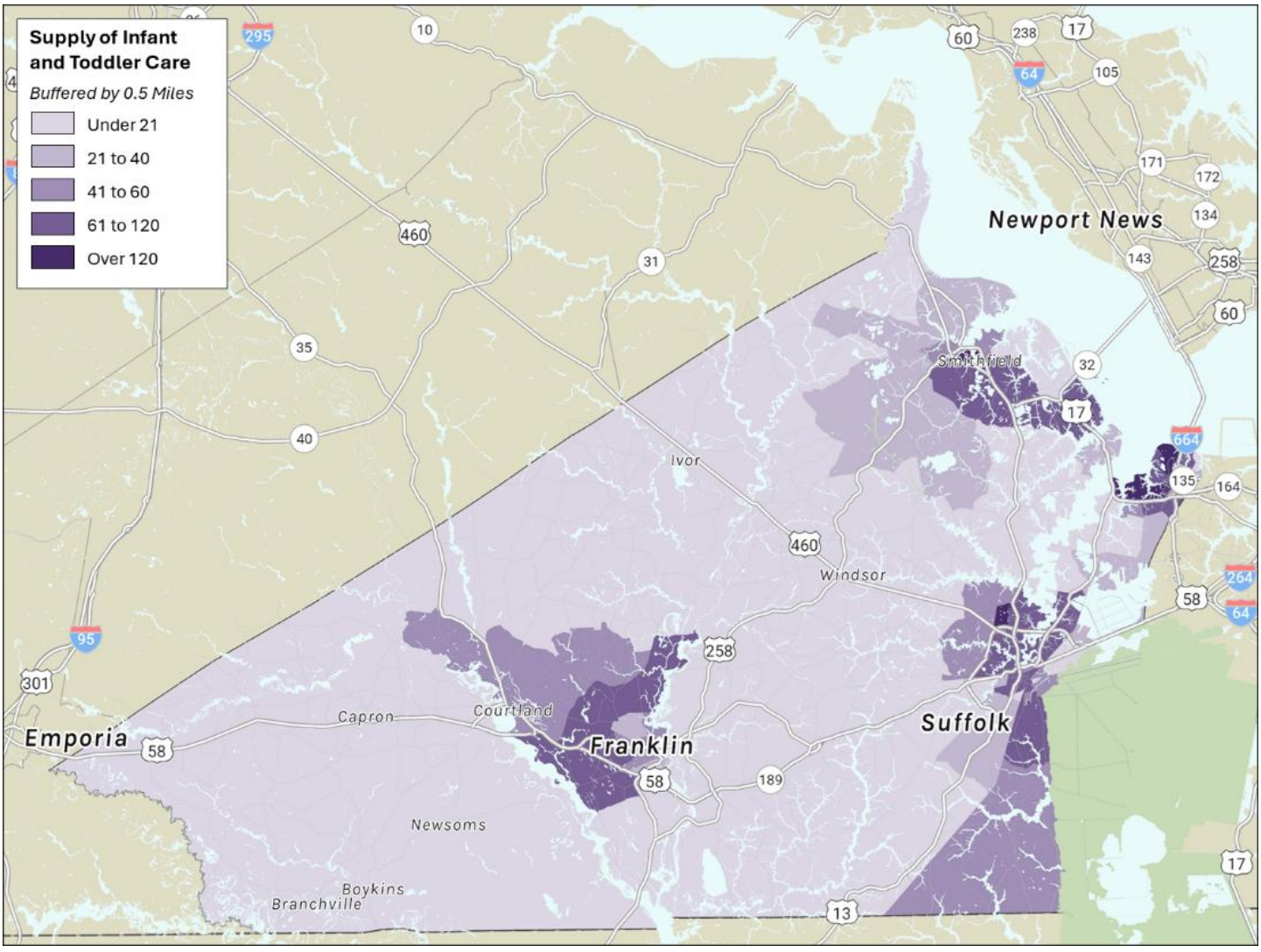
[4] Income-eligible children calculated from five-year ACS data access in IPUMS USA (2023) with VECF Ready Regions ECCE Supply/Demand Data Dashboard

Western Tidewater: Access to Infant and Toddler Care

Supply of Infant and Toddler Care

Across Western Tidewater, 65% of ECCE providers are licensed to serve infants and toddlers (children under 36 months old). In part because infant and toddler care is more expensive to provide than care for older children, most providers devote only a portion of their total capacity to infants and toddlers. A 2024 survey of providers in Ready Region Southeastern asked providers about the share of their enrollment devoted to infants and toddlers. Western Tidewater providers' responses suggest that the subregion has a supply of roughly 1,200 infant and toddler seats.

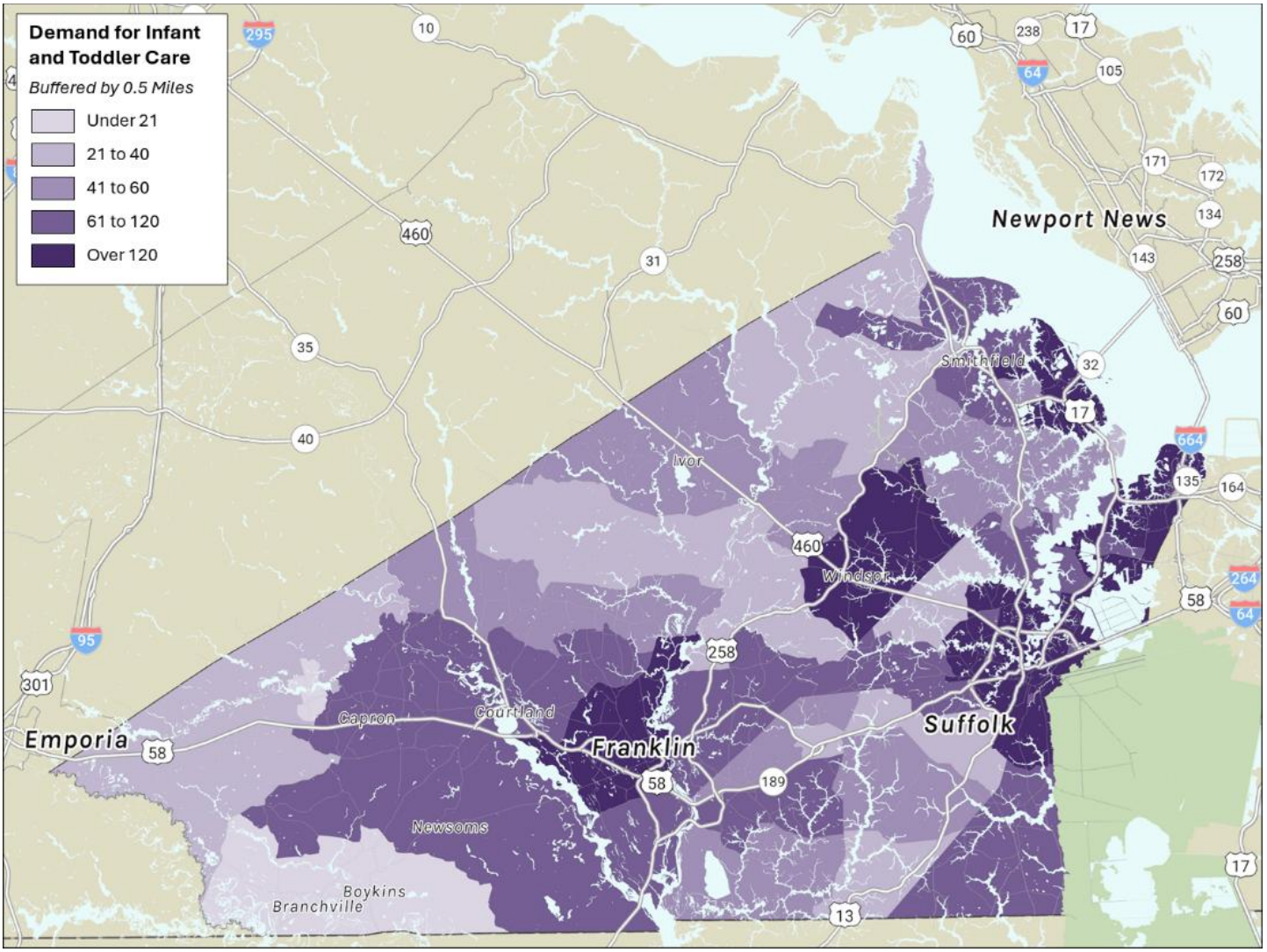
The map below illustrates the location of Western Tidewater's infant and toddler supply. Supply is concentrated near the subregion's cities.



Demand for Infant and Toddler Care

Western Tidewater has an overall demand for 5,700 seats for infants and toddlers. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under 36 months who live in the area, and children who could commute to the area for care near their parents' place of work.

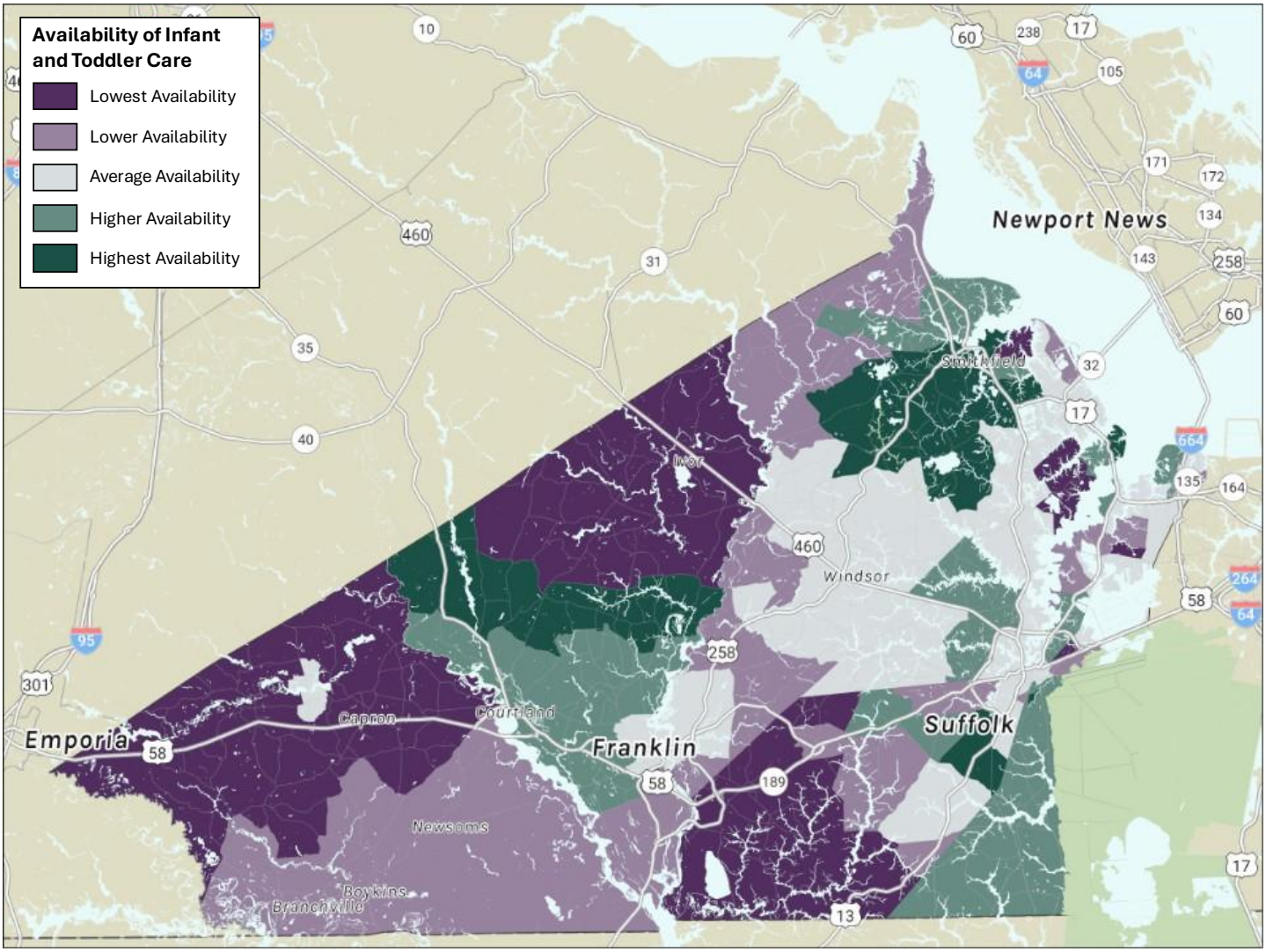
The map on the right illustrates the location of infant and toddler demand, which is spread across the subregion.



Western Tidewater: Availability of Infant and Toddler Care

With a supply of 1,200 infant and toddler seats and a demand for 5,700 seats, Western Tidewater has a shortage of 4,500 seats. These estimates suggest that the subregion only has enough capacity for about 21% of infants and toddlers.

The map below illustrates how the availability of care varies across Western Tidewater. Areas shaded in dark green had the highest amount of supply relative to demand, enough seats for 90% of children, on average. Areas in purple shades have the lowest availability of care. In these areas demand for care far exceeds supply. Shortages are located in the northeastern corner and along the western and southern portions of the subregion.



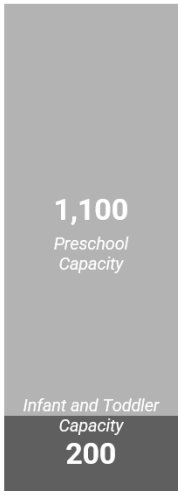
Eastern Shore: Demand, Supply, and Access to ECCE

The Eastern Shore in Ready Region Southeastern is comprised of Accomack and Northampton Counties. The area is more rural and isolated than the rest of the Ready Region, with a population of 45,441 and median family income of $74,470. [5]

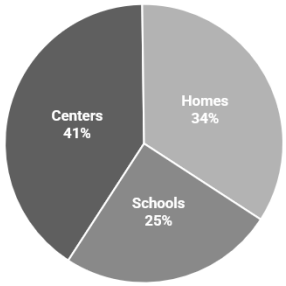
Eastern Shore: ECCE Supply

32 Providers

Licensed Capacity



Provider Types



*Program Participation**

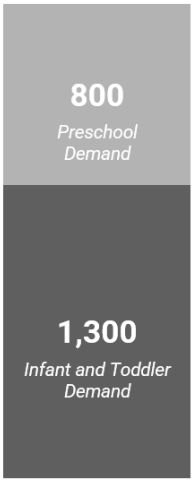
Child Care Subsidy Program	12
Virginia Preschool Initiative	7
VECF Mixed Delivery	1
Head Start/Early Head Start	3
Military Assistance	1

**Providers may participate in multiple programs*

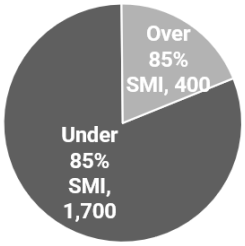
Eastern Shore: ECCE Demand

2,100 Children

ECCE Demand by Age



Family Income compared to State Median Income (SMI)



Family Characteristics

Language: 12% of Children have Parents that Do Not Speak English at Home

Working Parents: 71% of Children Have Working Parents

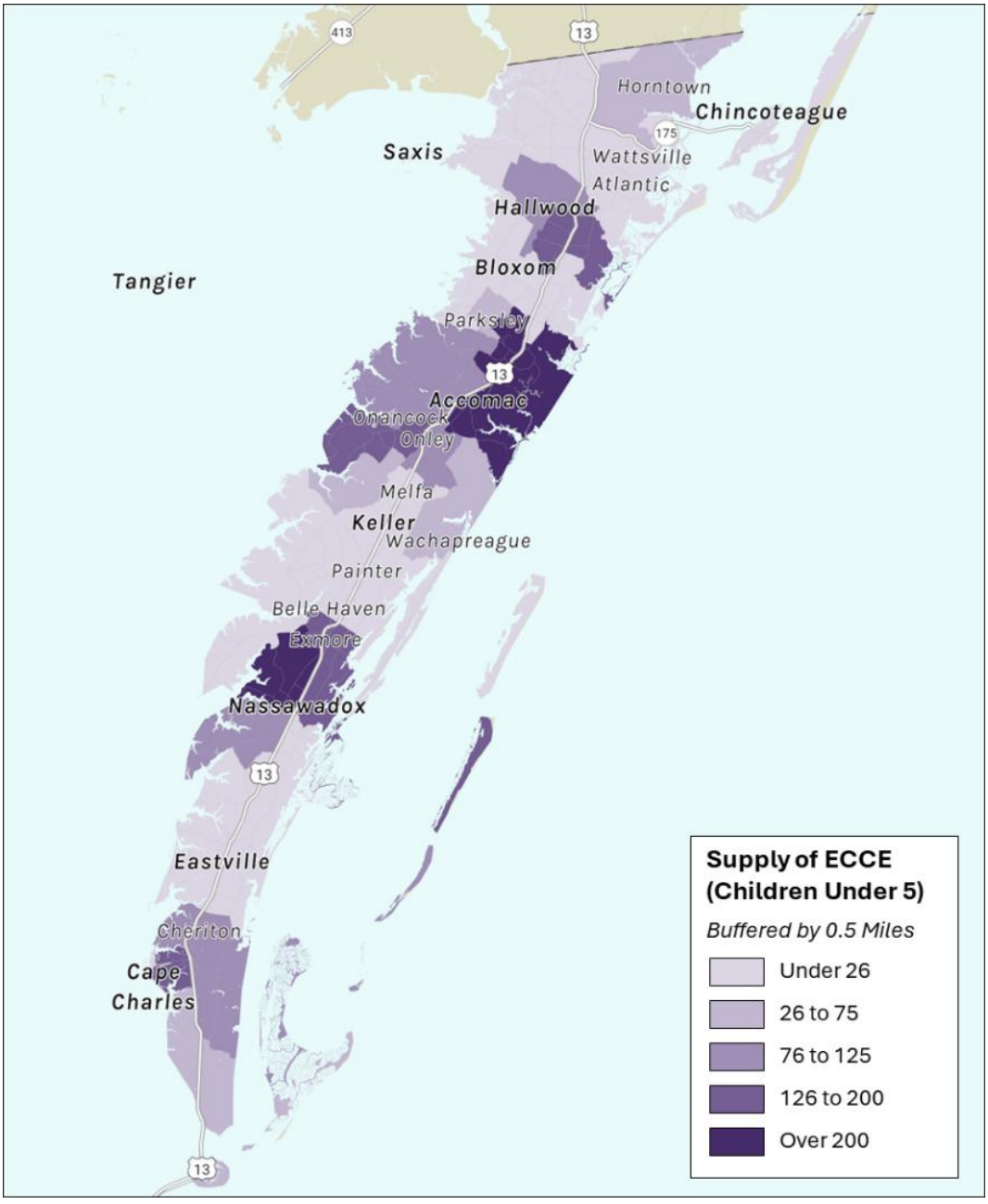
Remote Work: 4% of Children Have Parents Working From Home

[5] Total Population and Median Family Income from five-year ACS data accessed in IPUMS USA (2023).

Eastern Shore: Access to ECCE (All Ages and Programs)

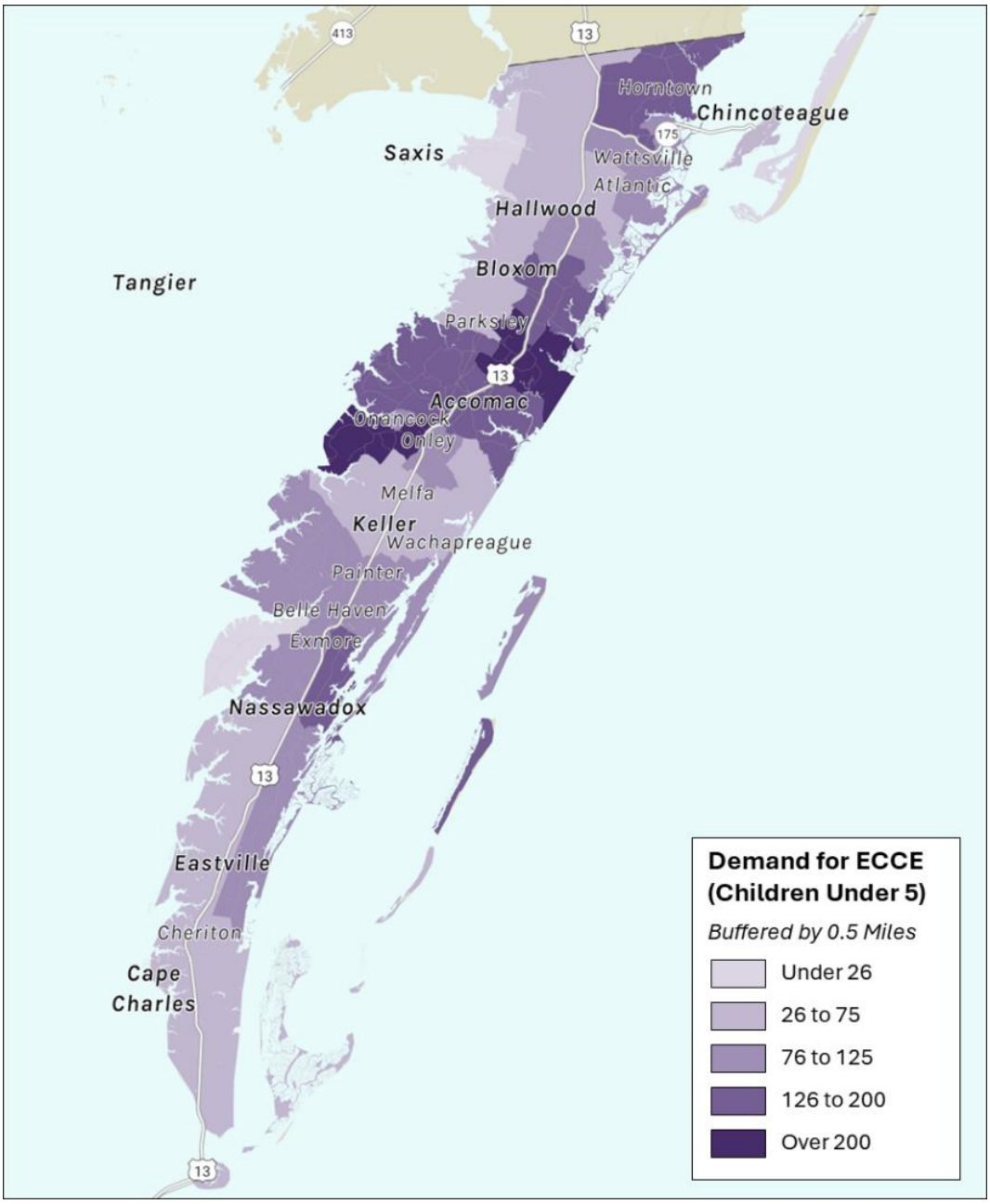
Supply of Care

Eastern Shore contains an estimated 32 ECCE providers, which include center-based, licensed home-based, and school-based sites. These providers have a total licensed capacity of 1,300. While licensed capacity likely overstates the true ECCE capacity in the area, it is a useful proxy for overall supply. The map on the left illustrates the location of supply, which is concentrated in Accomac and Nassawadox.



Demand for Care

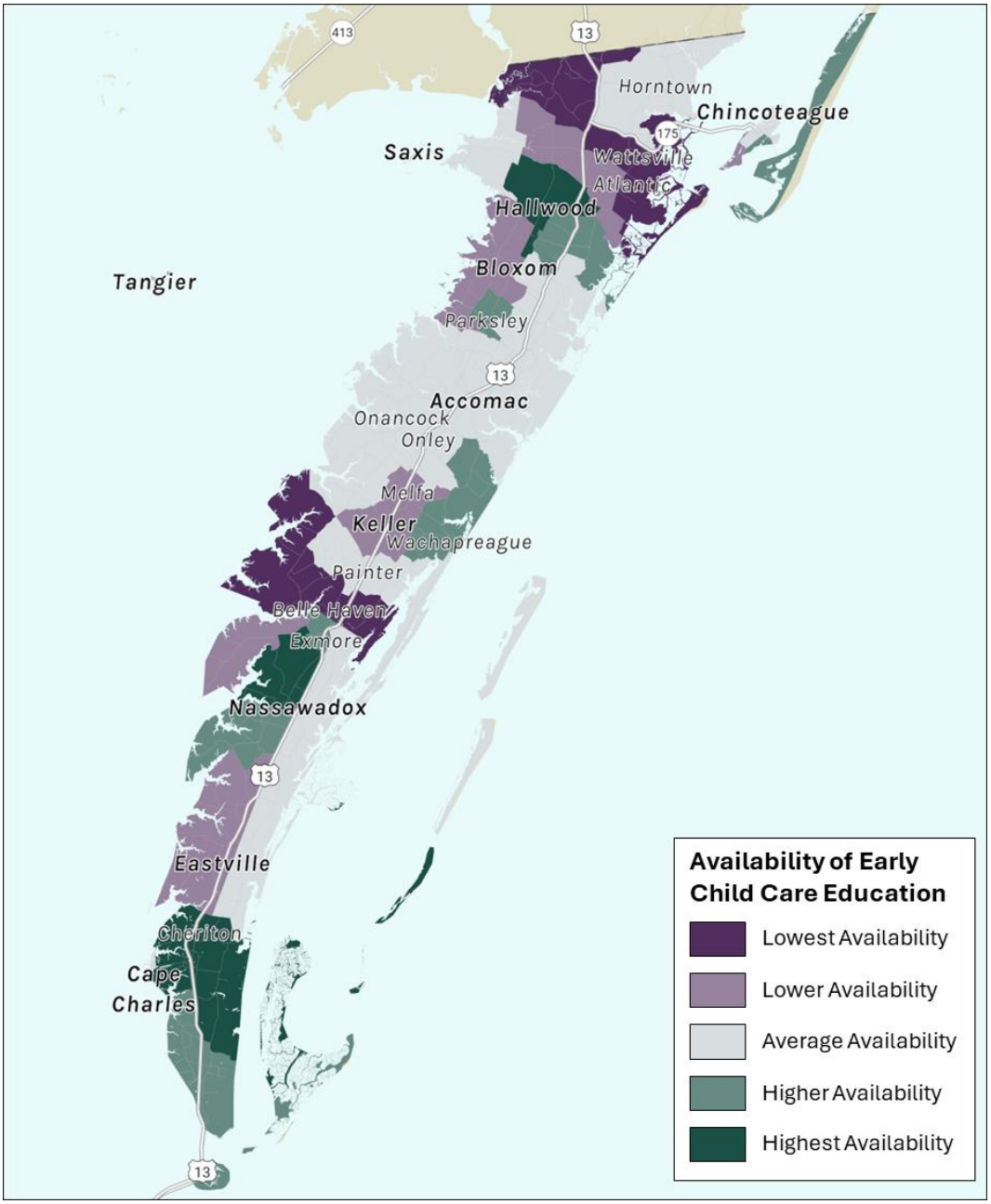
Eastern Shore has an overall demand for 2,100 seats. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under five who live in the area, and children who could commute to the area for care near their parents' place of work. The map on the right illustrates the location of demand, which is predominantly concentrated around Accomac.



Eastern Shore: Availability of Care

With a supply of 1,300 seats and a demand for 2,100 seats, the Eastern Shore subregion has an absolute shortage of 800 seats. These estimates suggest there are enough seats for roughly 63% of children under the age of five.

The map below illustrates how the availability of care varies across the Eastern Shore. Areas shaded in green have the highest availability of seats. Many of the areas shaded in dark green have more ECCE capacity than demand for care. Areas in purple shades have the lowest availability of care. In these areas demand for care far exceeds supply. Shortages are concentrated north of Hallwood and south of Keller.

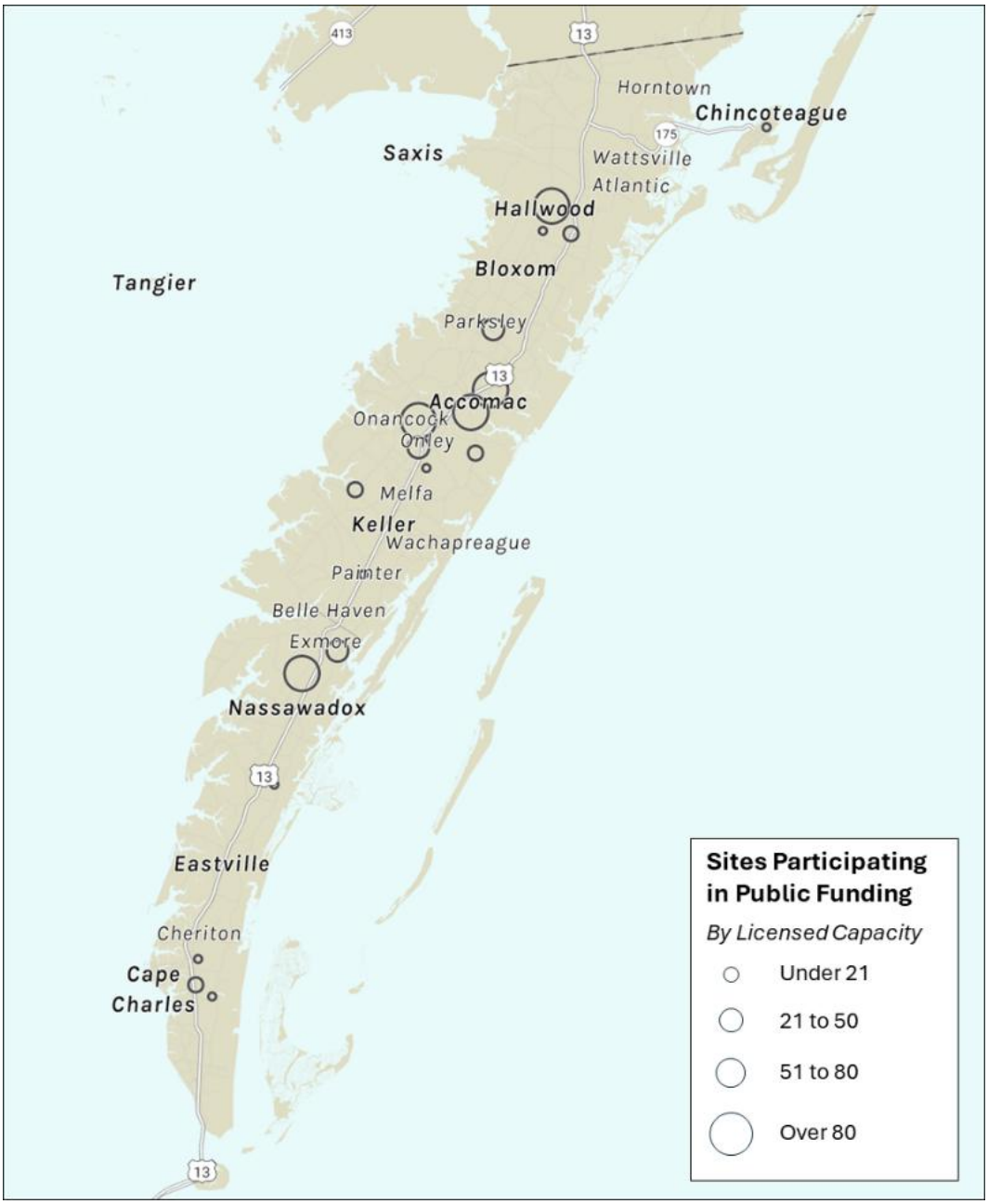


Eastern Shore: Access to Publicly Funded Care

Supply of Publicly Funded Care

In Eastern Shore, 59% of ECCE providers participate in at least one publicly funded program, with the most common being Child Care Subsidy Program (CCSP), Virginia Preschool Initiative (VPI), and Head Start/Early Head Start.

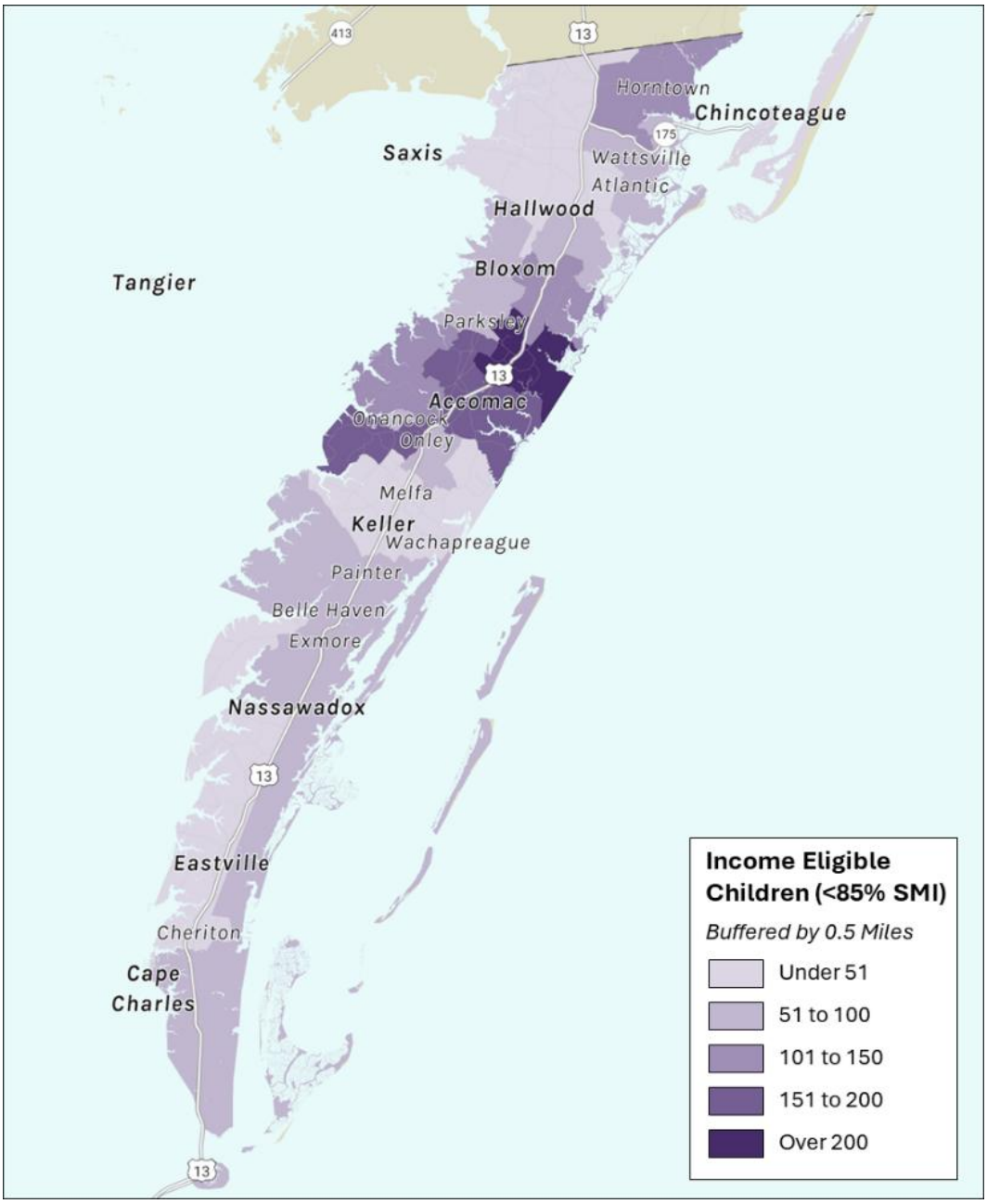
The map on the left illustrates the location and size of providers that participate in programs with income eligibility criteria (i.e., CCSP, VPI, VECF Mixed Delivery, or Head Start/Early Head Start). Most of the ECCE providers participating in these programs are concentrated near Accomac.



Families that are Income Eligible for Public Programs

In Eastern Shore, an estimated 1,700 children live in families that earned less than 85% of the Commonwealth's median income and are income eligible to participate in programs like CCSP, VPI, Mixed Delivery, or Head Start/Early Head Start.

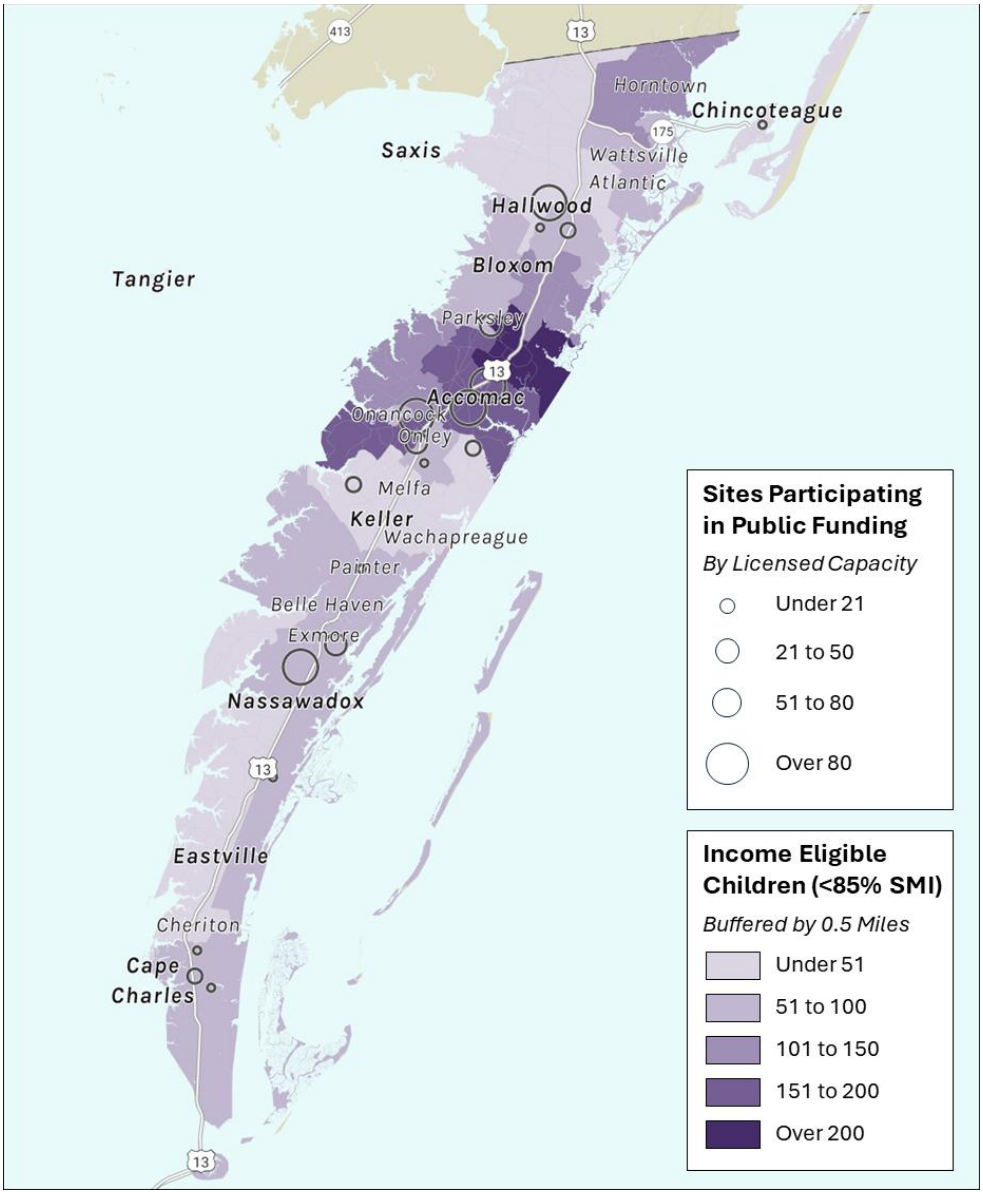
The map on the right illustrates where these families live. The highest concentration of income-eligible families is near Accomac.



Eastern Shore: Availability of Publicly Funded Programs

The analysis of availability focuses on the four largest publicly funded programs: VPI, CCSP, Mixed Delivery, and Head Start/Early Head Start. In FY 2025, there were 1,700 children who were income-eligible to participate in these programs, but just 500 slots for children were available.[6] These estimates suggest that only 29% of income-eligible children were able to enroll in these programs.

The map below shows the location of children who are income-eligible to participate in these publicly funded programs and the location of providers who participate in them. The area around Accomac has most of the subregion's participating ECCE providers and is home to the largest number of income-eligible children. West of Chincoteague, near Wattsville and Horntown, are a moderate number of income-eligible children, but no participating providers.



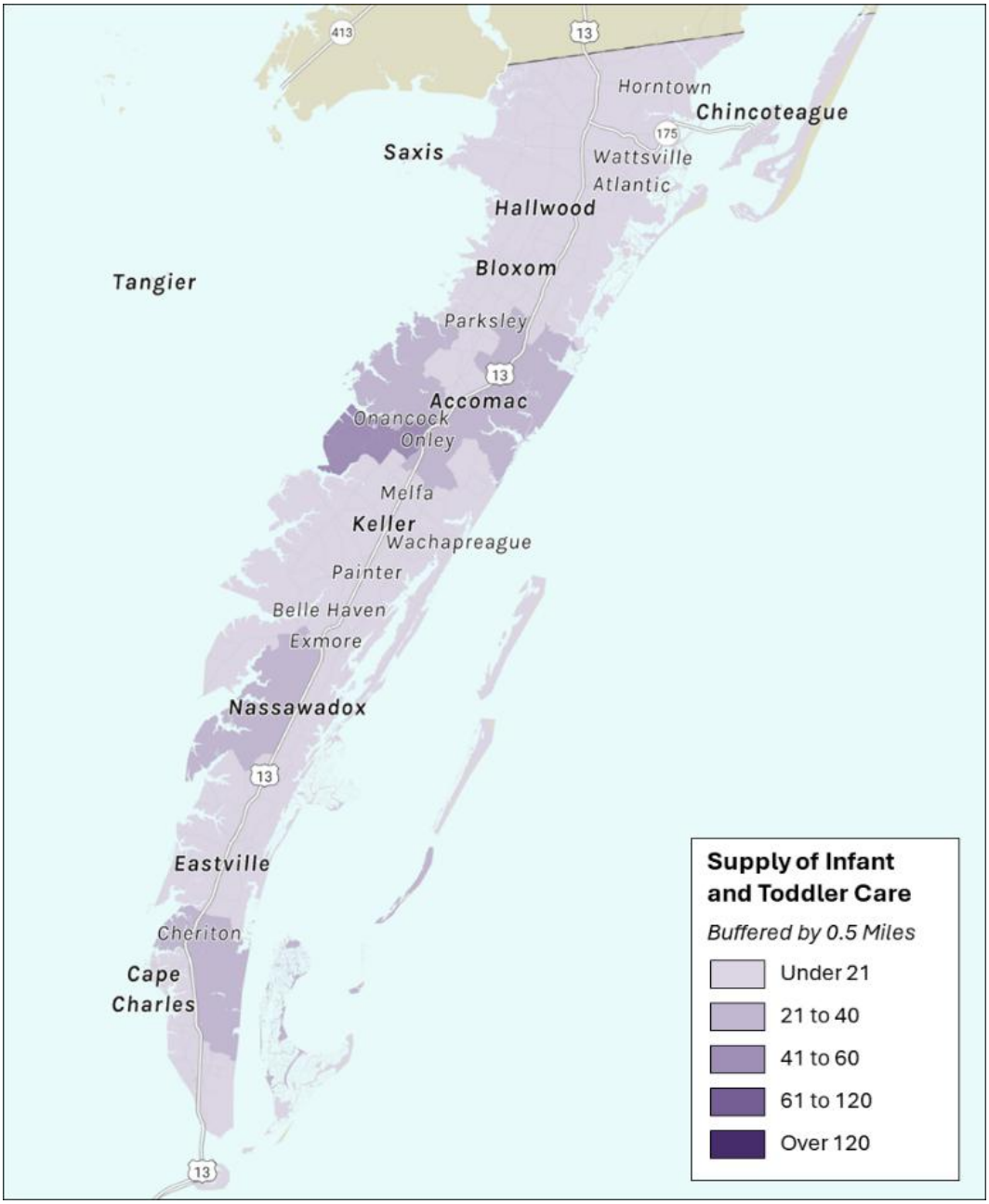
[6] Income-eligible children calculated from five-year ACS data access in IPUMS USA (2023) with VECF Ready Regions ECCE Supply/Demand Data Dashboard

Eastern Shore: Access to Infant and Toddler Care

Supply of Infant and Toddler Care

Across Eastern Shore, 56% of ECCE providers are licensed to serve infants and toddlers (children under 36 months old). In part because infant and toddler care is more expensive to provide than care for older children, most ECCE providers devote only a portion of their total capacity to infants and toddlers.

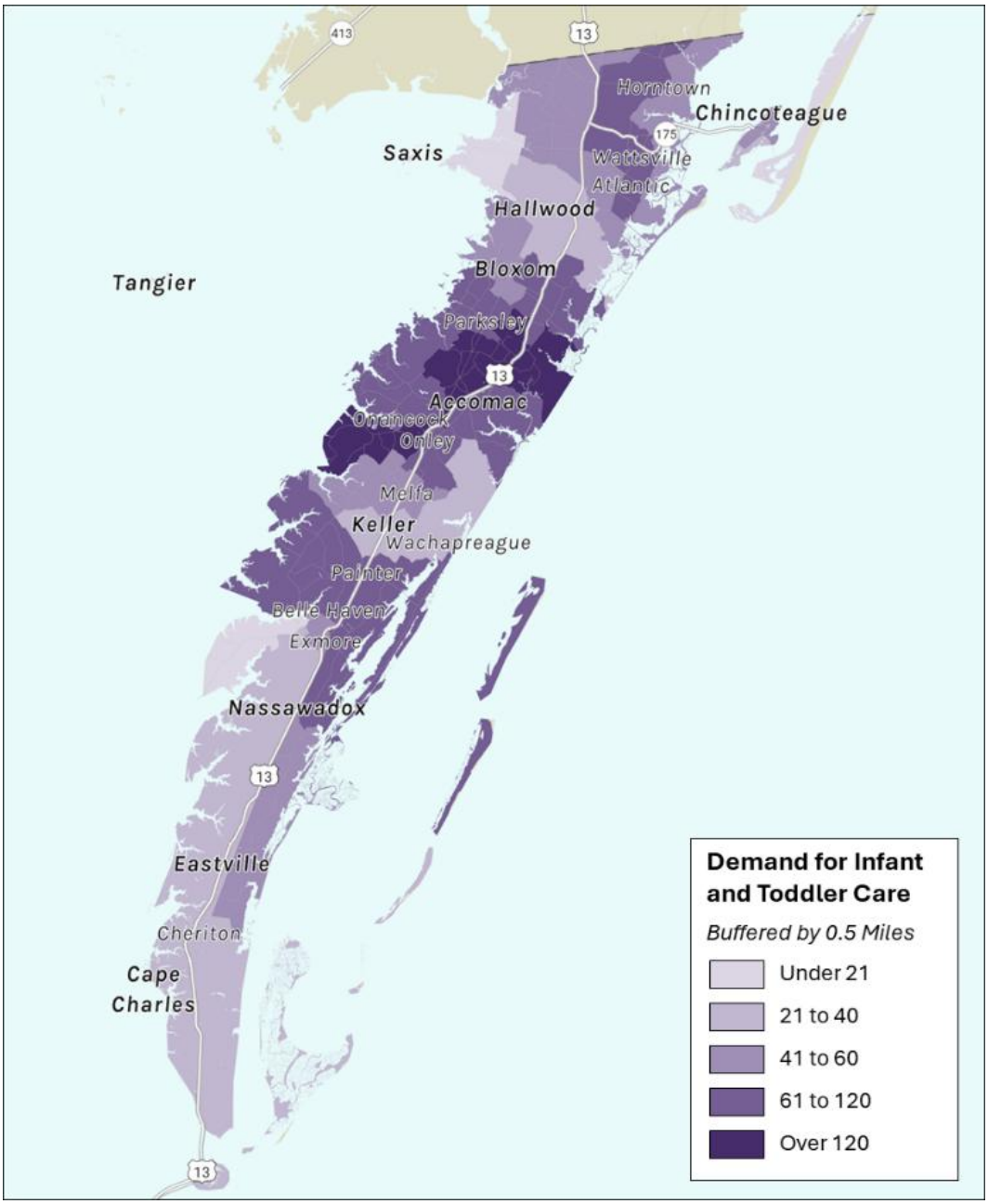
A 2024 survey of providers in Ready Region Southeastern asked providers about the share of their enrollment devoted to infants and toddlers. Eastern Shore providers' responses suggest that the subregion has a supply of roughly 200 infant and toddler seats. The map below illustrates the location of Eastern Shore's infant and toddler supply. Capacity for infants and toddlers is low everywhere. The highest concentration is west of Accomac, near Onancock.



Demand for Infant and Toddler Care

Eastern Shore has an overall demand for 1,300 seats for infants and toddlers. This figure represents the maximum potential demand for care in the subregion. This estimate includes children under 36 months who live in the area, and children who could commute to the area for care near their parents' place of work.

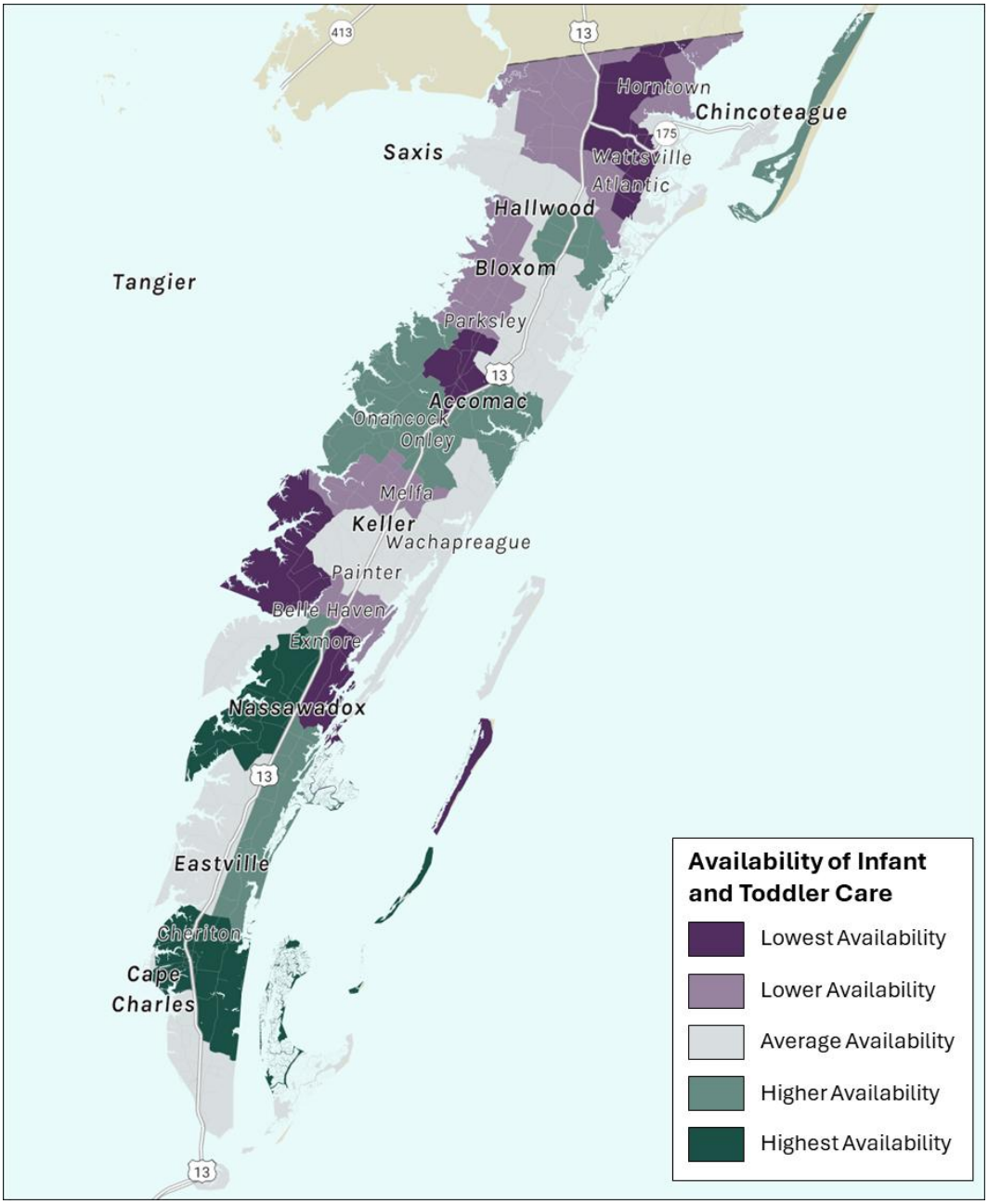
The map on the right illustrates the location of infant and toddler demand, which is concentrated around Accomac.



Eastern Shore: Availability of Infant and Toddler Care

With a supply of 200 infant and toddler seats and a demand for 1,300 seats, Eastern Shore has a shortage of 1,100 seats. These estimates suggest that the subregion only has enough capacity for about 13% of infants and toddlers.

The map below illustrates how the availability of care varies across the Eastern Shore. The areas shaded in dark green have the highest amount of supply relative to demand, enough supply for 90% of children, on average. Areas in purple shades have the lowest availability of care. In these areas demand for care far exceeds supply. Shortages are concentrated west of Chincoteague, near Wattsville and Atlantic, and around Keller.



CONSIDERATIONS FOR STRATEGIC ACTION

Reinvestment Fund (RF) and Minus 9 to 5 hosted strategy sessions for local stakeholders including business leaders, local childcare providers, and Ready Region Southeastern's Family Council members. These sessions incorporated visioning exercises for participants to consider the underlying challenges causing the gaps shown in the RF analysis and to identify specific strategies to address them. Over the course of two days, nearly 60 participants across eight groups brainstormed and discussed challenges and solutions relevant to Ready Region Southeastern.

Strategy recommendations are separated into four categories: Supply Building, Business Sustainability, Family Engagement, and Workforce Supports. The ideas presented here are those that can be implemented by Minus 9 to 5 and Ready Region Southeastern partners. Each of the strategies below is discussed in additional detail on the following pages.

Supply Building
Find new low-cost facilities that may be used for childcare
Explore innovative business models
Business Sustainability
Train Ready Region Staff to assist with subsidy applications and required reporting
Provide cohesive and well-advertised business assistance and technical support
Build on the existing director consortium for ECCE directors to network and share best practices
Tailor each of the recommended strategies to the needs of home-based ECCE providers
Family Engagement
Increase families' understanding of available resources
Support provider use of family engagement software
Publicly recognize employers who offer ECCE subsidies
Develop navigator and advocate roles on Ready Region staff
Strengthen family access to subsidized care
Emphasize trust building with families
Build and strengthen relationships with parents of children with special needs
Workforce Supports
Increase awareness of workforce programs to strengthen the pipeline of future ECCE educators
Facilitate additional partnerships between ECCE centers and local higher education programs
Host events for local high school and higher education advisors

Additional suggestions for strategies that require public or private sector partnerships, policy change(s), and funding resource development are included in Appendix B. It is also possible that some programs already exist and could benefit from additional marketing to expand awareness and usage.

Supply Building

The RF analysis showed the need for additional supply in many areas across the Ready Region. Stakeholders identified several challenges related to supply building: a lack of funding to support startup costs, burdensome administrative systems that slow the creation of new sites, and a lack of support for new innovative business models. Participants in the strategy session particularly noted the need for a robust and easily expandable childcare supply given the prevalence of military families in the region, whose numbers could surge dramatically in the face of future military action. They also noted that the region's growth was an asset that could help support the ECCE sector.

Strategies for Ready Region Southeastern:

- **Find new low-cost facilities that may be used for childcare.** Develop a census of un- or under-utilized facilities (public, ecumenical, commercial, etc.) that could be re-purposed or donated for potential re-use as ECCE centers. Partner with public sector, military, and local faith groups/houses of worship to assemble and convert these spaces into new opportunities to expand ECCE.
- **Explore innovative business models,** such as the creation of spaces for "micro sites" (shared facility spaces, where multiple ECCE providers can operate separate classrooms or be co-located within a host public school) or partnership with businesses to create on-site spaces operated by experienced family day home providers who do not have interest or resources in opening a stand-alone childcare center. Consider advocating to Virginia Housing, the state housing finance agency, for co-location of ECCE facilities within affordable housing developments.

Business Sustainability

Ensuring the ongoing sustainability of existing ECCE providers is vital to reducing the gaps in childcare access shown in the RF analysis. Stakeholders identified several challenges existing ECCE businesses face, including: an overall lack of resources to support the cost of care and capital expenses, challenges accessing existing public resources and funding, and various barriers to reaching families interested in using their services. Streamlining systems and providing new funding and programmatic resources can have a significant impact on the ongoing financial viability of ECCE businesses.

Strategies for Ready Region Southeastern:

- Partner with organizations like Child Care Aware of Virginia to **train Ready Region staff to assist with subsidy applications and required reporting.** This could also

involve the use of volunteers to assist with subsidy paperwork in order to ease the administrative burden on providers. Ensure training includes programming tailored to family day home providers to support their access to subsidy programs.

- **Provide cohesive and well-advertised business assistance and technical support** for local providers. This can include offering classes on financial modeling to help providers understand the true cost of care they provide, operate more efficiently, and increase operational capacity. This could draw upon VECF's ECCE Business Academy tools and trainings, or financially-supported access to Early Education Business Consultants.
- Build upon existing efforts, such as RRSE's Roundtable Office Hours, to **support a director consortium for ECCE directors to network and share best practices** within their program type (e.g., center- vs home-based providers), or geography.
- **Tailor each of the recommended strategies to the needs of home-based ECCE providers.** Family day home providers have unique needs that can increase the difficulty of accessing resources. Ensure that program offerings consider the unique circumstances and limitations for these providers and are scaled appropriately.

Family Engagement

Families are facing increasing childcare costs alongside other pressures on household budgets. Stakeholders identified challenges related to the cost of care and affordability for families, challenges accessing services for children with special needs, and challenges understanding and navigating administrative systems. Strategy session participants spoke at length about the need to provide supports to families, particularly low-income families and those who have children with special needs. The suggested strategies are meant to build upon and enhance Ready Region Southeastern's existing Family Council programs.

Strategies for Ready Region Southeastern:

- **Increase families' understanding of available resources.** Partner with faith based groups, libraries, school districts, immigrant-serving organizations, and other family networks to host workshops to help families understand how subsidy works and how to access subsidized care and develop additional translation resources for families who speak languages other than English.
- **Support provider use of family engagement software** through joint subscriptions or grant funding.
- **Publicly recognize employers who offer ECCE subsidies** to their employees and encourage others to follow suit while also allowing jobseekers to make informed employment decisions.

- **Develop navigator and advocate roles** to support families of children with special needs in accessing appropriate care. This role could also include educating ECCE teachers around available resources and appropriate strategies for supporting children with special needs.
- **Strengthen family access to subsidized childcare** by integrating and promoting partner/provider information in the VA Ready to Find Child Care Marketplace and existing search engines including those hosted by Ready Set Register Southeastern, DSS, and ChildCare Aware of VA..
- **Emphasize trust building with families.** Dedicate staff to connecting home visiting agencies to ECCE providers and programs. Identify community partners, including houses of worship, local nonprofits, or hospital systems, who can help build trusting relationships between parents/caregivers and ECCE providers. These could include faith-based communities, local nonprofits, or hospital systems. Find opportunities to do more home visiting and assistance programs that support relationship building with new parents. This could include holding events in and near trusted community locations (e.g. book mobiles, story hours, and farmers markets).
- **Build and strengthen relationships with parents of children with special needs** to reduce stigma, and increase follow through with intervention services. Increase awareness and promote usage of Parent Educational Advocacy Training Center (PEATC) resources for parents.

Workforce Supports

The ECCE industry has faced significant workforce challenges due to low wages, regulatory hurdles, and lack of interest by young people in ECCE careers. Stakeholders identified challenges related to teacher retention and recruitment and administrative bottlenecks that slow the pace and increase the cost of hiring workers, and opportunities to form closer connections with educational institutions. Providing targeted supports to the ECCE workforce will increase teacher recruitment and retention and strengthen provider sustainability.

Strategies for Ready Region Southeastern:

- **Increase awareness of workforce programs to strengthen the pipeline of future ECCE educators,** including Project Pathfinders, which offers dual enrollment opportunities for high school students, G-3 funding for students enrolled in community colleges, registered apprenticeships, and partnerships between providers and community colleges.

- **Facilitate additional partnerships between ECCE centers and local higher education programs** to provide internships and build closer relationships between centers and educational institutions.
- **Host events for local high school and higher education advisors** to inform them about ECCE careers and ensure they are not steering students away from the sector.

APPENDIX A: Overview of Data Sources and Methods

The childcare gap analysis is based on the methodology used in Reinvestment Fund (RF)'s Childcare Map analysis. For more information about the development of the original analysis, see: https://www.reinvestment.com/childcaremap/

RF worked closely with Minus 9 to 5 and VECF to adapt the gap analysis for Ready Region Southeastern. This section provides an overview of the RF methodology.

Measuring Supply

There is no single dataset that captures every childcare provider. In Virginia, childcare information is located in a number of different databases, including LinkB5, DOLPHIN, and others. The RF supply analysis combined data from multiple datasets to create a single, unique list of childcare providers that offered full-time, non-parental care. For the purposes of this report, full-time care refers to programs open at least 5 or more hours a day (e.g., 9am to 2pm). Some ECCE providers operate year-round and others are only open for the school year. In cases where hours of operation were missing or unreliable, the RF teamrelied on data from VECF to identify full-time programs.

VECF created the initial list of sites by combining records from the Virginia Department of Social Services licensing database (DOLPHIN) from Virginia Department of Education, LinkB5, Local Ordinance Home data, and the Mixed Delivery Data Portal. To this list, RF added the names and locations of military affiliated centers and military licensed home-based providers.[7] RF also gathered business listings for childcare firms from DataAxle to capture other childcare related businesses that may have been missed. These data sources were combined and deduplicated to create a unique list of childcare providers in Ready Region Southeastern.

For each unique program, the site's address was geocoded and its licensed capacity was determined from official records. For school-based sites, the total of enrollment plus openings was used in place of licensed capacity.

In addition to total supply, a number of other metrics were calculated using site-level characteristics.

Infant and toddler capacity was estimated using two different approaches. For military affiliated providers RF was able to access age-level capacity numbers for each site. For all other providers, age-level capacity was not available, but site license data did include

[7] Information about military affiliated providers was drawn from https://public.militarychildcare.csd.disa.mil/mcc-central/provider-search and correspondence with Beverly Clymer (02/24/24)

information about the age levels that each site was licensed to serve. To estimate each program's infant and toddler capacity, RF relied on survey data from the 2024 UVA Provider Survey, which describes the share of enrollment each site reserves for infants and toddlers. For providers that were not licensed to serve infants and toddlers, infant and toddler capacity was assumed to be zero. For providers licensed to serve infants and toddlers, capacity was estimated using the survey derived weights described below. Only survey responses from Ready Region Southeastern were used to derive these weights:

Weights for Estimating Infant and Toddler Capacity

Age Level(s) Licensed in Site	Center-Based Care	Home-Based Care
Infant & Toddler Only	100% of licensed capacity	100% of licensed capacity
Infant & Toddler, Pre-K	36% of licensed capacity	65% of licensed capacity
Infant & Toddler, Pre-K, School Aged	25% of licensed capacity	40% of licensed capacity
Pre-K Only	0% of licensed capacity	0% of licensed capacity

Publicly funded care was measured by examining the number and share of providers that participated in various publicly funded and subsidy programs, specifically the Virginia Preschool Initiative (VPI), Child Care Subsidy Programs (CCSP), VECF Mixed Delivery Grants, Head Start, and Early Head Start.

Measuring Demand

The RF measure of demand is designed to represent the total number of potential customers for child care in each census block group in the region. The measure begins by estimating the number of children under five years old in each census block group. These population estimates were drawn from data provided by Claritas360 and represent the population as of January 1, 2025.

These population estimates were then adjusted based on commuters and the number of jobs in each census block group. These commuter adjustments rely on the most recent estimates from the US Census's Longitudinal Employer-Household Dynamics (LEHD) survey (LODES8, 2022).

RF began by estimating the number of parents who worked in each census block group and would consider using care near their office. This calculation began by using the Workplace Area Characteristics (WAC) table from LEHD to calculate the number of individuals working

primary jobs in each block group by industry and age. To calculate the number of workers in each block group who have children under five, weights from census IPUMS data were calculated using the latest five-year ACS data from IPUMS USA (2023) for each industry and age combination for adults working in the region.

The number of potential commuters was further reduced to adjust for the share of workers who worked from home. Data from the latest Census PULSE survey in Virginia (Phase 3-10, 2024) were used to estimate the share of parents with young children who worked from home three or more days per week. Workers were classified into two categories: those working in industries where the national rate of hybrid work was over 20% and those in all other industries.[8] Rates of hybrid work were calculated for each group and applied to the weighted LEHD estimates described above.

Because most parents prefer using care near their home, these estimates were further reduced by one third, based on national survey data that suggests only up to a third of parents would consider care near their office.[9]

Next, a similar method was used to calculate the number of workers who lived in each census block group but commuted to look for care near their jobs. This calculation follows the same logic as above, but relied on the Resident Area Characteristics (RAC) table. The number of residents with primary jobs by industry and age was calculated in each census block group and weights from IPUMS were applied to calculate the number of these workers with young children. Next, estimates were further reduced based on industry and the rate of hybrid work. Finally, each estimate was reduced to approximate the one-third of parents who would consider care near their office.

Demand was calculated by taking the population under five in each block group, increasing it by the estimated number of commuters into the block group, and reducing it by the number of commuters who leave each block group.

In addition to overall demand, a number of other metrics were calculated from RF demand estimates.

Demand for infant and toddler care was calculated by estimating the share of children in each block group that were under three years old. These figures were drawn from the latest ACS estimates of the share of children under five that were under three. These ACS figures

[8] Industries with a rate of hybrid work over 20% were NAICS codes 3, 6, 9, 10, 11, 12, 13, 14, 15, 17, 18, 21
[9] One-third measure was derived from review of the following: Laughlin, Lynda. 2013. Who's Minding the Kids? Child Care Arrangements: Spring 2011. Current Population Reports, P70-135. U.S. Census Bureau, Washington, DC.; Illinois Action for Children, Getting There: Cook County Parents' Commute to Child Care and Work, June 2012.

were applied to both population (Claritas360) and commuter adjustments (LEHD) in each block group.

Demand for publicly subsidized care was calculated by estimating the share of children in each block group that lived in households earning less than 85% of the State Median Income (SMI), and therefore were income eligible to participate in VPI, CCSP, Mixed Delivery, Head Start, or Early Head Start.

For the region, estimates were calculated by using the share of children living in families earning under 85% of SMI in each PUMA from IPUMs data and then aligning estimates to block groups using the methodology proposed by Glassman.[10] This approach distributes counts by correlating the share of children in families earning less than 85% SMI with the share of children earning less than 300% of federal poverty, which is available for each census tract. To calculate block group level results, RF used the number of families with children earning less than 300% of federal poverty to distribute tract-level counts of children among block groups.

Calculating Buffered Estimates

All of the estimates described previously describe either supply or demand within each census block group. For some maps and estimates it is helpful to calculate "buffered" figures that represent the level of supply or demand around or near each block group.

Buffered supply estimates were calculated by aggregating the capacity of all sites inside of or within a half mile of the boundaries of each block group.

Buffered demand estimates were calculated in two steps. First, the population under five was aggregated for all blocks whose geographic centers (i.e., centroids) are inside of or within a half mile of the boundaries of each census block group. Block population estimates were calculated by taking block group level population and using census 2020 housing unit figures to proportionately allocate population figures to blocks. Next, commuter adjustments were calculated for each block inside of or within a half mile of the boundaries of each census block group. Because LEHD data are already available at the block level, the figures are calculated in the same way as the original RF demand estimates.

Calculating Shortages

Shortages of care were calculated in two ways. First, estimated supply was subtracted from estimated demand. This figure represents the number of additional seats an area

[10] Glassman, Brian. 2022. "Producing County-level MDI Rates Using Public Use Data: 2010 to 2019." Census Working Paper SEHSD-WP2022-19

would need to provide one seat for every child. This estimate is referred to as an absolute shortage. Absolute shortages were also reported as fractions (supply divided by demand), which represent the share of children that can currently be served with existing supply.

Next, RF estimated relative shortages. The relative shortage estimate is intended to help stakeholders prioritize areas where supply is low and supply building activities are most appropriate.

The relative shortage is a regression-based estimate. It begins by logging supply and demand measures using a natural log, then regressing logged demand on logged supply for each census block group. Buffered figures were used for both supply and demand.

Residuals from this regression are captured and grouped into categories. Each block group's residual represents the difference between its actual supply and the level of supply that would be typical for the area, based on its level of demand (i.e., the observed/actual amount of supply minus the expected amount of supply). Regression analyses were performed for each submarket within Ready Region Southeastern, allowing estimates to be calculated separately for each submarket.

The bottom 10% of residuals were classified as highest availability, residuals in the 11th to 30th percentiles were classified as high availability, and residuals in the 31st through 70th percentiles were classified as average availability. Block groups with residuals in the 71st to 90th percentiles were classified as low availability, and those above the 91st percentile were classified as lowest availability.

APPENDIX B: Additional Strategy Session Recommendations

Appendix B presents additional recommendations suggested by Strategy Session participants. These recommendations are presented in the Appendix because they require considerable coordination across multiple entities and/or policy changes to effectively implement.

Supply Building

Resources

Strategies that require partnership:

- **Develop additional financing resources for start-up costs.** This could include a revolving loan fund or grants for facility build-outs, purchasing start-up supplies for home-based ECCE providers, and other related costs.

Strategies that require policy change:

- **Implement a development or impact fee** when new businesses move to an area or large residential projects are permitted. These funds should be used for provider grants or a revolving low-interest loan program that supports ECCE supply building activities.
- **Provide city or county property or business personal property tax incentives for ECCE providers,** particularly for family day homes in areas with lower population density or far from commercial districts, to offset start-up and operating costs.

Systems

Strategies that require policy change:

- **Review existing requirements for establishing new ECCE sites to identify opportunities to streamline start-up costs and timelines**. Stakeholders specifically cited local zoning codes as a barrier to ensuring ECCE centers and home-based care are allowable in sufficient quantity.
- **Decrease start-up time for new providers** by creating fast-tracked or reduced-cost permit and license system, and increasing the number of health and safety inspectors to reduce the wait time for facility inspections. Consider developing

a streamlined application for new ECCE providers and sites that incorporates all jurisdictional requirements to reduce duplication of work.
- **Coordinate ECCE and Housing planning** to ensure that the planning process for new development considers the impact on ECCE demand. Consider leveraging density or other development bonuses for developers to encourage inclusion of ECCE facilities co-located within or proximate to new housing developments.

Business Sustainability

Resources

Strategies that require policy change:

- **Increase subsidy payments.** This includes regularly re-evaluating Child Care Subsidy Program (CCSP) reimbursement rates and developing new funding streams through local revenue sources (e.g., lottery funds, business taxes). If funding is unable to be increased for all providers, priority should be given to those who can show a consistent track record of quality care, potentially taking the form of graduated increases in subsidy payments as providers maintain quality ratings.
- Develop programs **incentivizing direct or indirect employer investment** for employees. This may include tax credit programs that incentivize employers to offer subsidy, provide low-cost on-site care, or partnerships with nearby/on-site providers to cover a portion of the cost of care for their employees.
- **Develop a public business insurance option** for ECCE providers. The price of business insurance continues to increase, compromising ECCE provider operational budgets; developing a public option could help reduce premiums and costs.

Strategies that require partnership:

- **Provide state-backed debt financing** to pay off high-cost debts held by ECCE provider (e.g. credit cards) at lower interest rates. Family day home providers are particularly likely to use personal credit cards or higher-cost financing for business-related costs.
- Develop a **funding pool or revolving loan fund for facility capital expenses, repairs, and improvements** that ECCE providers, including family day home providers, can access.

- **Develop funding to compensate providers** for classroom materials and space modifications that make classes accessible to children with special needs.

Systems

Strategies that require policy change:

- **Streamline and simplify subsidy compliance requirements** for providers. Piggyback program requirements to avoid paperwork duplication. Consider shifting to an advance payment system that pays providers for contracted subsidy slots ahead of service, rather than as reimbursement.

Family Engagement

Resources

Strategies that require partnership:

- **Partner with rideshare companies** to provide fare discounts to help families with transportation needs access subsidized care providers.
- Subsidize the development of **special education services in after hours or extended hours settings**.

Strategies that require policy change:

- Create a **refundable state tax credit for childcare costs** that helps families more easily afford the cost of licensed ECCE**.**

Systems

Strategies that require policy change:

- **Streamline and simplify subsidy application and certification requirements** for families. Align subsidy program eligibility with other public supports such as SNAP or TANF. Consider automatic qualification for families receiving these supports.
- **Review licensing requirements** to ensure adequate flexibility for providers that want to serve children with special needs (e.g. space requirements, bathroom requirements, elopement rules).

Services

Strategies that require partnership:

- Partner with local schools or health system providers to **increase speed of diagnosis** for families of children with special needs.

Workforce Supports

Resources

Strategies that require policy change:

- **Create a low-barrier, service-learning program** for ECCE teachers modeled after programs such as AmeriCorps or Teach for America.
- **Retain existing ECCE workforce by developing new streams of public funding to subsidize wages.** This could take the form of grants paid to providers to fund a portion of staff salaries, or be modeled from the Child Care WAGE$ program in North Carolina or the Pay Equity program in Washington, DC.
- **Provide financial and programmatic support for ECCE educators** pursuing advanced credentials. This could take the form of mentorship, financial support and career counseling, and can be modeled from the Delaware Early Childhood Innovation Center RISE Scholarships.

Systems

Strategies that require partnership:

- **Create a pool of pre-screened potential hires or substitute teachers**, updated by the state/localities or a multi-center consortia, to speed the process and reduce costs for hiring.
- **Encourage use of the Background Check Portability system** for childcare workers who are changing jobs to avoid lengthy delays.

Strategies that require policy change:

- **Streamline employee background checks and screening processes.** Consider joining a national compact so that results of background checks and screenings can be shared across states.

Services

Strategies that require partnership:

- Strengthen partnerships with local high schools to **encourage inclusion of ECCE offerings in Career and Technical Education (CTE) tracks**.