

Milestone 5 - Summary Brief

Market Insights and Expansion Opportunities for DV Child Care

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Executive Summary

Purpose

- This summary brief is a handout provided to stakeholders at the beginning of the presentation. As an analyst for an established childcare company, my goal was to analyze center-based and family childcare prices across various counties in the U.S. to identify ideal markets for expansion. This document summarizes key recommendations to ensure stakeholders have a takeaway from the presentation.

Key Findings

- Most counties have seen rising median childcare prices, with some experiencing stagnation or decline; school-age childcare prices show distinct trends.
- Significant correlations exist between demographics and median weekly prices, which are important for evaluating expansion markets, although correlation does not imply causation.
- High-profit-margin counties identified include Alameda County, CA; San Francisco County, CA; Fairfield County, CT; King County, WA; and Alexandria City, VA.

Recommendations

- New child care centers should be established in the identified counties/cities, offering both center-based and family child care services to meet market demand and benefit local families.
- Conduct surveys to assess resident demographics and childcare challenges, alongside analyzing current pricing trends to inform expansion decisions.

Overview of Analysis

Dataset Description

- The dataset is sourced from the [National Database of Childcare Prices](#). It includes data from 1,779 different counties and/or cities across the country. The key variables analyzed are:
 - Center-Based Child Care:
 - MCInfant: 0-23 months
 - MCToddler: 24-35 months
 - MCPreschool: 36-54 months
 - MC54toSA: 54 months to school age
 - MCSA: School age
 - Family Childcare
 - MFCCInfant: 0-23 months
 - MFCCToddler: 24-35 months
 - MFCCPreschool: 36-54 months
 - MFCC54toSA: 54 months to school age
 - MFCCSA: School age

Methodology

- I calculated the delta (delta = end date - start date) for each county. I then aggregated these deltas to identify the top 10 counties/cities with the largest changes, focusing on areas that have experienced the most significant shifts since the start of the study. From these, I selected the top 5 locations and created a correlation matrix for each county/city to examine correlations between demographic variables and pricing variables. A table detailing the demographic variables and their corresponding correlation scores is provided in the appendices.

Key Findings

Pricing Trends

- Most counties have experienced an increase in median childcare prices over the years, although a few have seen stagnation or even reduction—a less common occurrence. Notably, school-age childcare pricing trends deviate from the overall norm, as illustrated in the accompanying line charts.

Demographic Insights

- Several demographics show strong positive and negative correlations with median weekly price variables. While correlation does not imply causation, these correlations are significant when analyzing potential expansion markets.

Market Potential

- The counties with the most potential for high profit margins are:
 - Alameda County, CA
 - San Francisco County, CA
 - Fairfield County, CT
 - King County, WA
 - Alexandria City, VA

Strategic Recommendations

Service Adaptation

- A new child care should be opened in each of the counties and/or cities listed above. Each facility should offer center-based child care and family child care services. The market for center-based care is higher but offering both forms of child care would prove to be beneficial for the families of these counties and/or cities.
- Each employee must be fully capable of working at the facility and caring for children at the homes of the families.

Monitoring Strategy

- A survey must be sent to residents/families of the target counties/cities to determine current demographics and determine what current problems they may face with their current child care providers.
- Current pricing trends must be analyzed to further support expansion decisions.

Conclusion

Recap

- The analysis identifies key counties for potential childcare expansion based on rising median prices and demographic correlations, recommending the establishment of new centers that offer both center-based and family child care services to meet local demand.

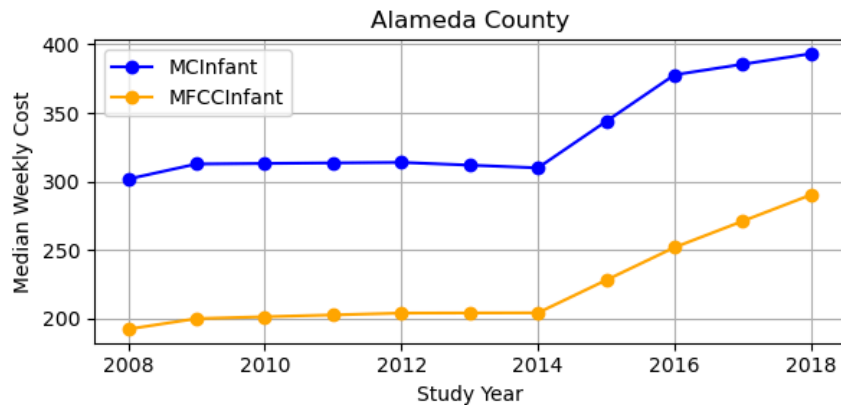
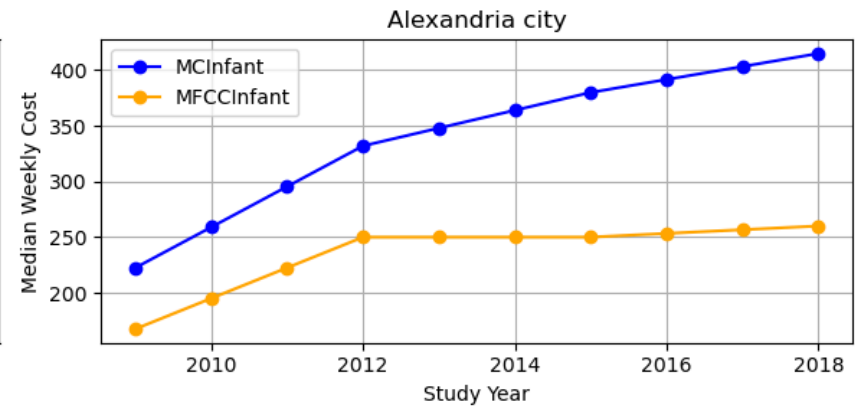
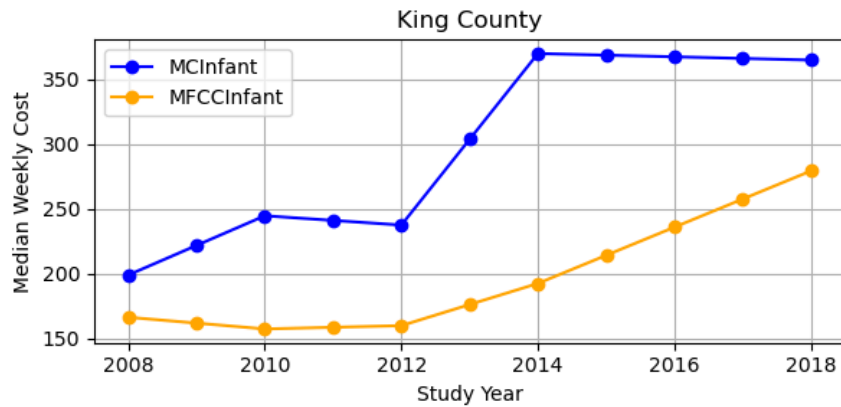
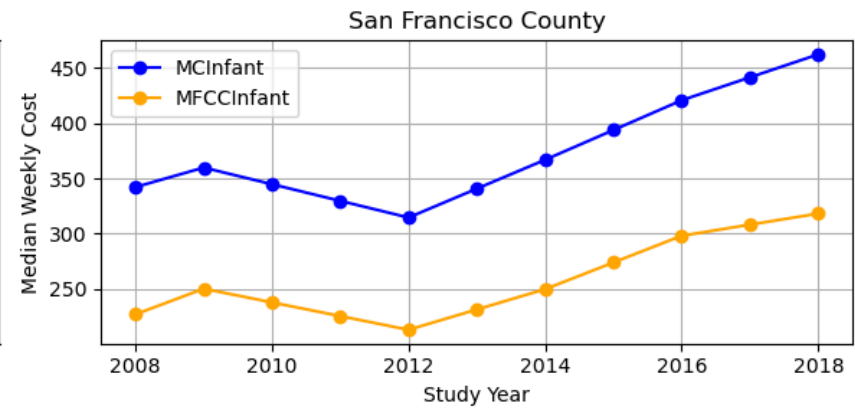
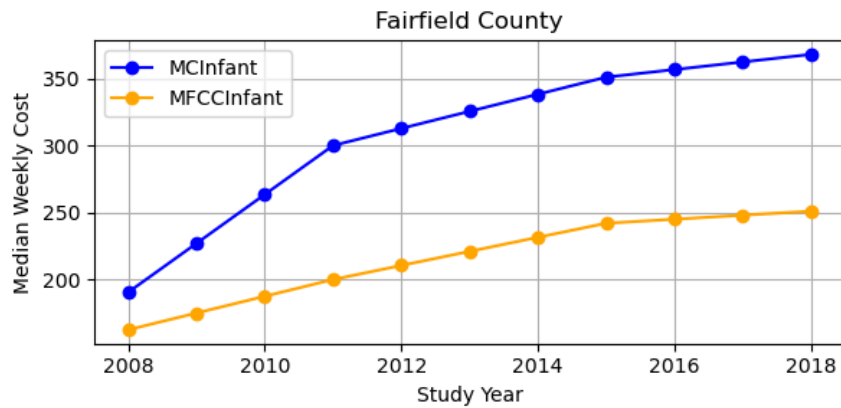
Call to Action

- Stakeholders should support the rollout of surveys in the target areas to gather valuable insights on resident demographics and childcare challenges, ensuring data-driven decisions that enhance our market strategy and benefit local families.

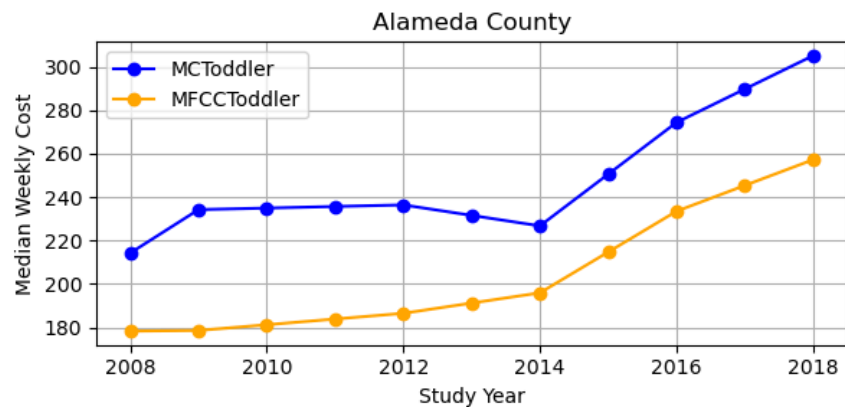
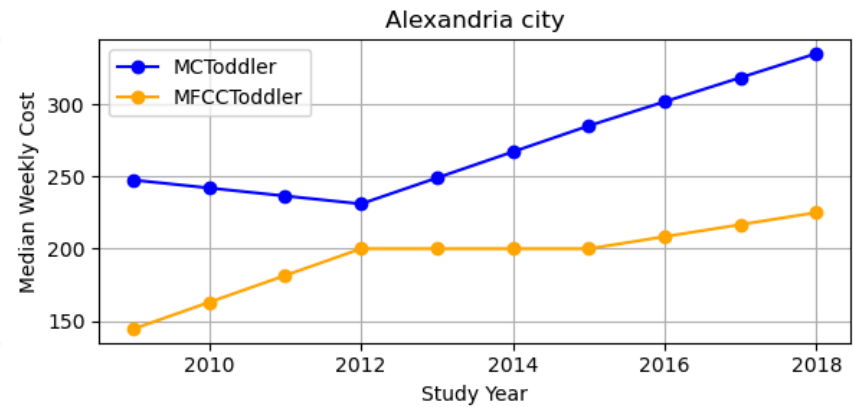
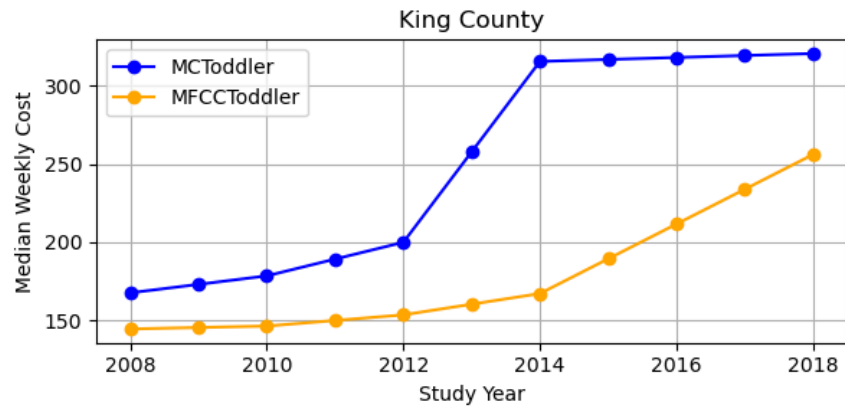
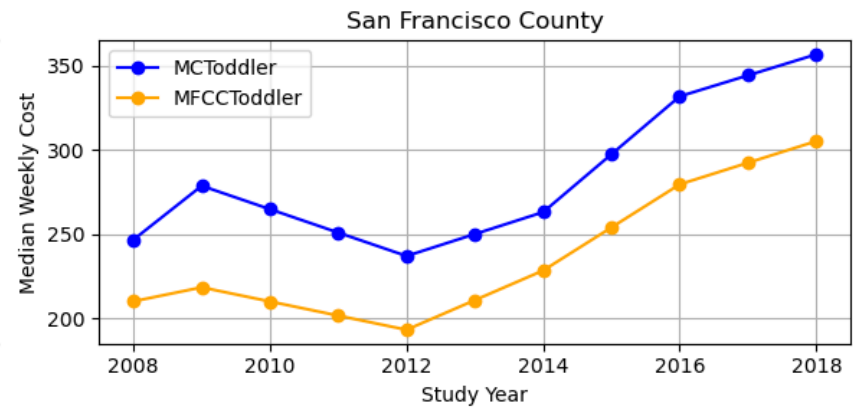
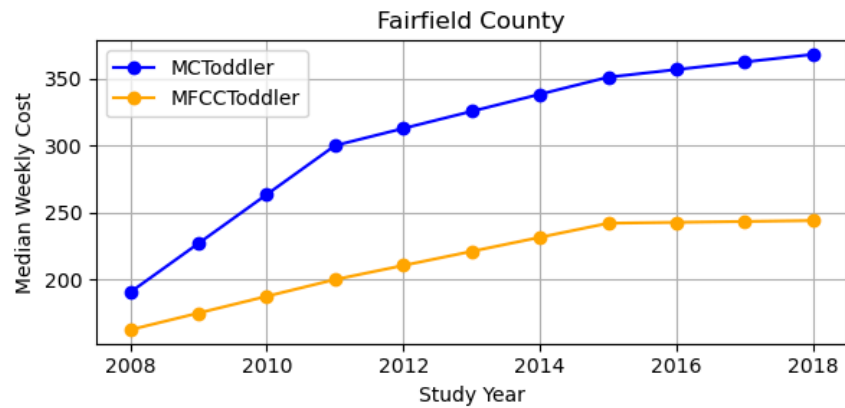
Appendices

- <https://www.dol.gov/agencies/wb/topics/featured-childcare>
- <https://www.dol.gov/sites/dolgov/files/WB/media/NationalDatabaseofChildcarePricesTechnicalGuideFinal.pdf>
 - Variable descriptions begin on page 34 of this document.

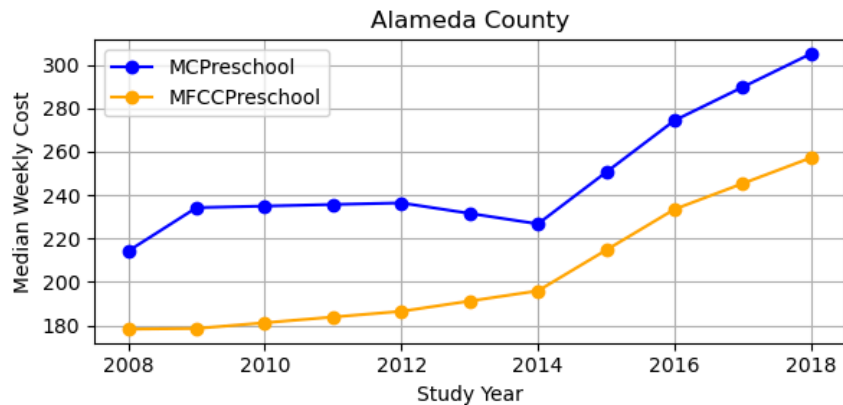
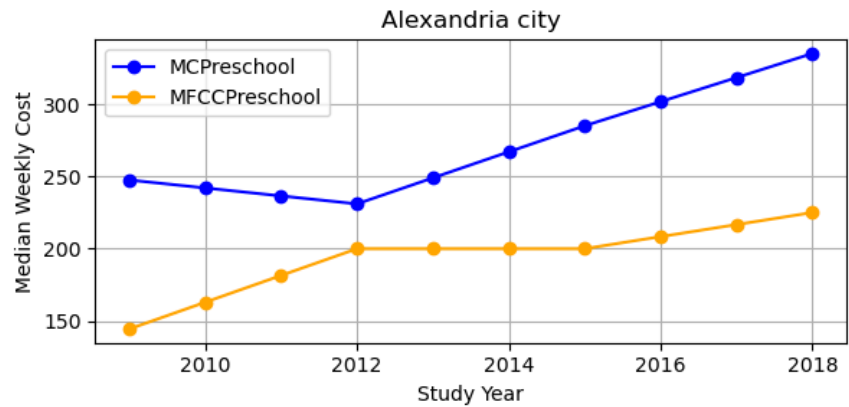
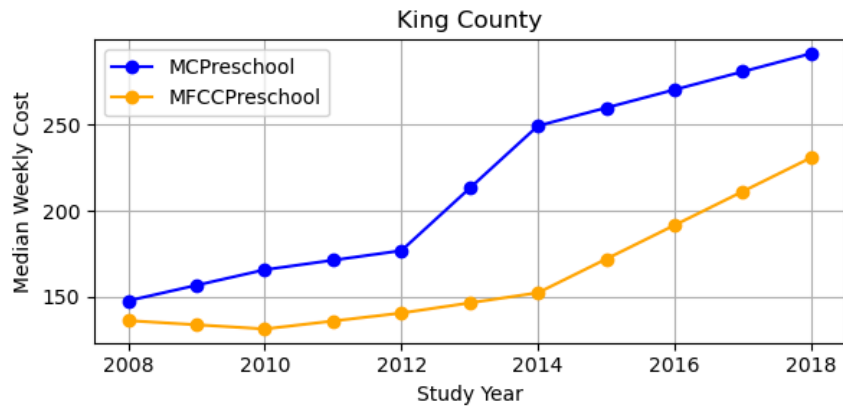
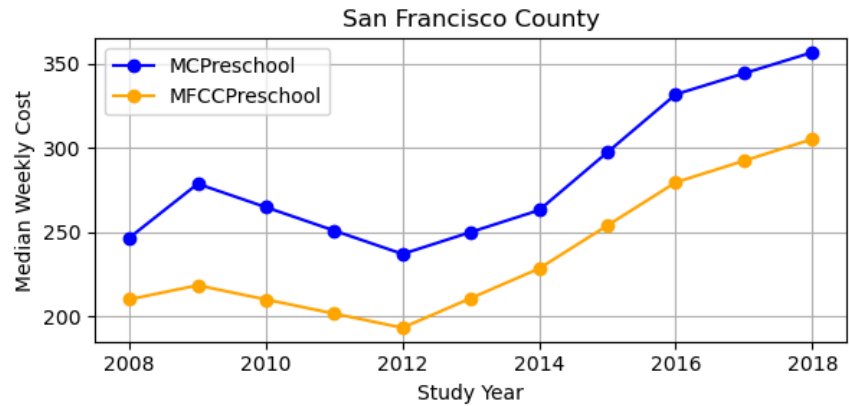
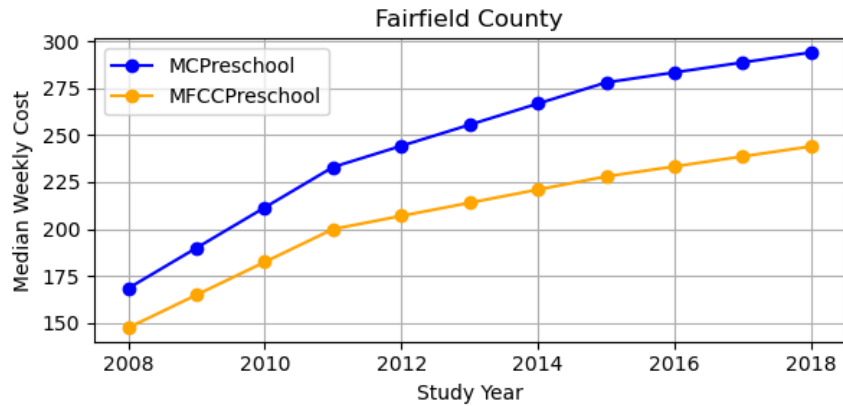
Cost Comparison of MCInfant and MFCCInfant by Selected Counties



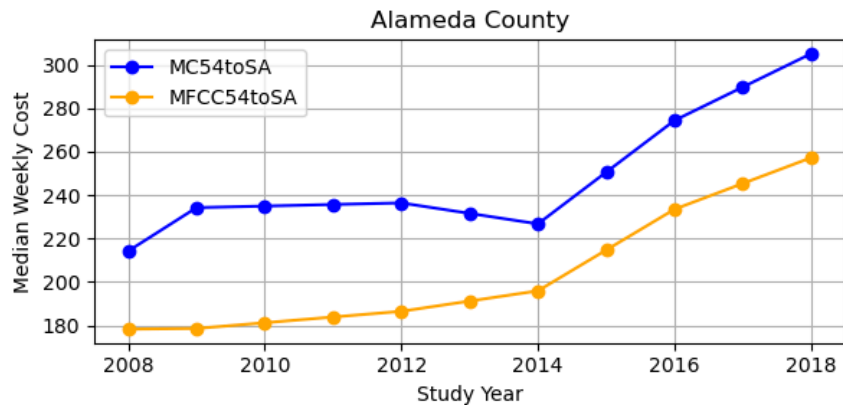
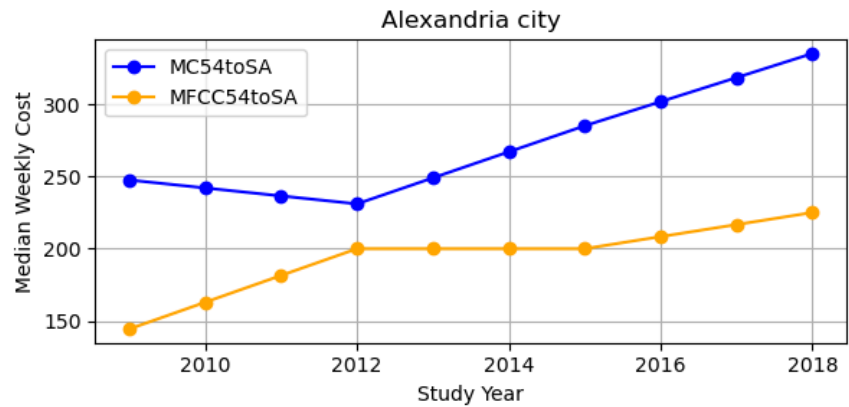
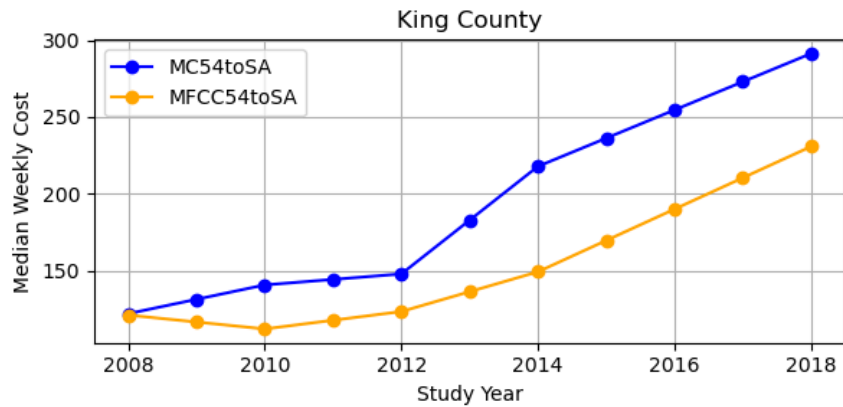
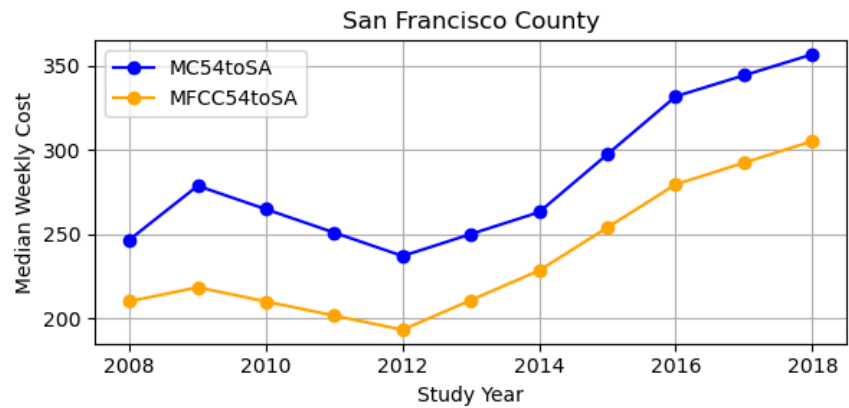
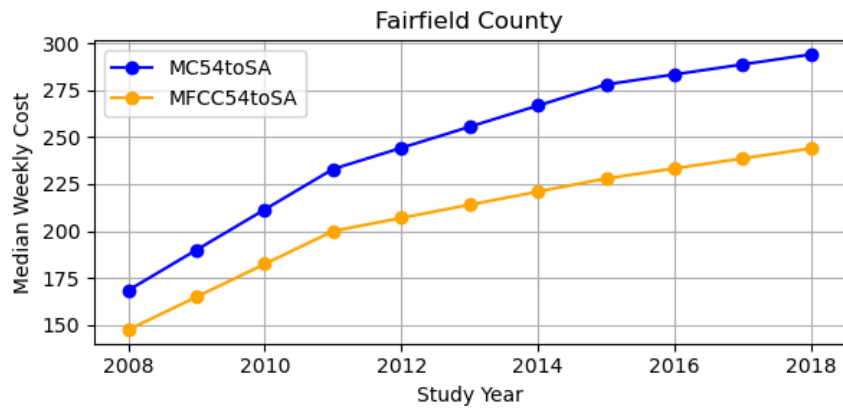
Cost Comparison of MCToddler and MFCCToddler by Selected Counties



Cost Comparison of MCPreschool and MFCCPreschool by Selected Counties



Cost Comparison of MC54toSA and MFCC54toSA by Selected Counties



Cost Comparison of MCSA and MFCCSA by Selected Counties

