

## What's Data Got to Do with It?

### SIMPLE WAYS TO IMPROVE FAMILY CHILD CARE BUSINESS PRACTICES

I love data. If you have ever worked with me or participated in one of the trainings I facilitate at the McCormick Center for Early Childhood Leadership, this is no surprise. To me, data represent information. I liken examining data to looking under the hood of a car—it allows you to see what is happening under the surface, challenges you to consider things from a new perspective, and provides you with information to make connections you might never have imagined otherwise!

But if you are a family child care provider, you may be thinking, “that is all well and good for someone like Robyn who conducts research, but I am a family child care provider; what’s data got to do with me?” The answer is “A lot!” Regardless of whether you are conducting formal research or running a child care business, data can help you identify all kinds of things about your program that you might not otherwise notice and then gives you the power to make more informed decisions.

Data can alert you to relationships between two or more things that might otherwise seem unrelated. It can also help you clarify the nature of the relationship(s). As a provider, you may notice that your bank account is lower than normal and think it is the result of extra spending at the grocery store. Data from tracking your expenses helps you determine if your grocery bill is in fact the culprit or if, for example, an increase in your electricity bill is to blame. If your hunch is correct about the groceries, and you track the contents or categories of your purchases, the data can also tell you if there are specific items that are driving-up the overall bill. This lets you make data-driven decisions about your finances—it gives you the power to reflect on, and potentially change, some of your shopping habits (e.g., search for coupons, buy in bulk, shop at a different store) or make needed adjustments to your future budget. Data in the form of recordkeeping also provides valuable information that can impact a family child care program’s taxes.

Data also helps you better predict and adjust for the future. For example, demographic data about increased birth rates in your area may alert you that there will be an increase in demand for infant and toddler care which may influence your marketing techniques or lead you to consider adding infant or toddler slots to your program. Data from a formal assessment tool like the *Business Administration Scale for Family Child Care* (BAS)<sup>1</sup> identify and celebrate what areas of quality you are doing well in, as well as pinpoint targeted areas for improvement.

“What gets measured, gets done” is a mantra you may have heard before and while its roots are unclear, it is thought to date back to a mathematician, cartographer, and astronomer from the 16<sup>th</sup> century named Georg Joachim Rhetic—which makes sense given his professions!<sup>2,3</sup> I like to think about data collection as an important part of the measuring process and I favor the common take on the saying that states, “what matters gets measured and what gets measured matters.” In line with this, there a number of things you can be collecting data on every day in your family child care program that will matter for both the financial health of your program and the sustainability of the business itself!

The following are a few more examples of data collection related to items in the BAS and how the data are useful:

- Data tracking income and expenses helps you not only monitor your current financial health, but also create a budget by considering past habits and trends when forecasting future expenses and revenue (BAS Item 4).
- Data tracking the number of meals and snacks served to children and paid assistants can be used to not only help you get reimbursed from the Federal Food Program, but also help you claim food expenses on your taxes (BAS Item 5).
- Data tracking the hours you work in the family child care program when children are and are not there helps you calculate a more accurate Time-Space Percentage, which may lead to larger tax deductions on shared expenses associated with the business use of the home (BAS Item 5).
- Data collected and records kept about all potential clients who inquire about child care openings, even when you are full or do not serve the age group that was asked about, can help you target future marketing efforts and provides you with a “ready-to-call” list should you find yourself in need of filling child care slots quickly (BAS Item 9).

What other data can you collect in your program and how can that data inform your business practices? The [Using Data to Inform Business Practices](#) printable resource is designed to help you reflect on the data you already collect as well as data you want to collect in the future and think through how that data can be used to support or inform your business practices.

Looking for more information about creating a budget or calculating your Time-Space Percentage? Take a look at these previous blogs:

- [Fiscal Check-Up Part 1: When a Budget Isn't Actually a Budget](#)
- [Fiscal Check-Up for Family Child Care Part 2: Tips for Tracking Actuals and Budgeting](#)
- [Fiscal Check-Up for Family Child Care Part 3: Time-Space Percentage – A Number Worth Knowing](#)

## References

<sup>1</sup>Talan, T. T. & Bloom, P. J. (2018). [Business Administration Scale for Family Child Care](#). Teachers College Press.

<sup>2</sup>Henderson, R. (2015). What gets measured gets done. Or does it? *Forbes*. Retrieved from: <https://www.forbes.com/sites/ellevate/2015/06/08/what-gets-measured-gets-done-or-does-it/?sh=68791e513c87>

<sup>3</sup>Cornell, M. (2007). *What's your feed reading speed*. Making Binary Artifacts | Thinking | Living the Experiment-Driven Life. Retrieved from: <http://www.matthewcornell.org/blog/2007/7/30/whats-your-feed-reading-speed.html>

If you are interested in learning more about virtual and in-person professional development opportunities for family child care providers, including [Taking the Lead](#), our Leadership Academy designed specifically for family child care providers, [contact](#) the McCormick Center.

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