



The Complete Guide to Opening a Home Daycare





**If you're reading this, then congratulations
— you've taken the first step towards opening
your very own home daycare!**

A home daycare can be a great business opportunity for aspiring entrepreneurs who love children. When operating out of your home, the startup costs and risks are low when compared to other businesses, while the opportunity for monetary and emotional rewards are high.

There are many things to consider when deciding to open a home daycare. First and foremost, you will need to have a thorough understanding of early childhood education. After all, you will have children in your care that are in the stage of life where they are doing their most important cognitive development, and so it is your responsibility to provide them with a suitable environment to meet their needs.

Additionally, even though it is in your home, a home daycare is still a business and needs to be thought of as such. From budgeting and taxes to licensing and regulations, you will need to handle the business side of child care as well.

In this guide, we'll go over everything you need to think about so that you can be fully prepared to take this big step. We hope that the tips found in this guide will bring you that much closer to making your dream a reality!

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Before You Start

Opening a home daycare does not mean simply stating that your home is now a daycare. From legal requirements to supplies, there are many items you will first need to sort out for your business to have everything it needs to get started.



● **Business Plan**

The very first step towards opening your home daycare is thinking like a business, and a proven way to do so is by creating a business plan. There are many different ways to create a business plan and you can find many templates online to help get you started.

Writing a business plan is a helpful exercise that forces you to plan ahead and anticipate many of the challenges that can often lead to failure when they are overlooked, such as:

- Is there enough demand for a daycare in your area (e.g. are there more families with young children in your area than existing daycares can accommodate)?
- How much will it cost to operate your business?
- How much will you need to charge per child, and do you have enough space?
- How will you promote your business to get children enrolled?

In general, the more thorough your business plan is, the better prepared you'll be to open your center. Things will naturally change as you go, but your business plan will give you a solid foundation to build off of.

● **Business/Legal Structure**

There are many different ways to structure your business from a legal standpoint. There may be different options based on your area, so check your government websites for information they provide on business structures.

For example, you may wish to open as a sole proprietorship, partnership, or incorporation. Each option has different pros and cons for liability, taxes, profits and several other factors.

Additionally, rather than opening as a brand new business, you may wish to become part of a home daycare agency. This would mean more help starting up and getting children enrolled, but less profit overall because the agency will take a commission of sales.

● **Funding**

There are many costs involved with starting a home daycare. Toys, mats, first aid kits, cleaning supplies, binders, markers, paper, food, software, insurance, registering your business, advertising...all the little things begin to add up.

Hopefully you already have enough funding saved up, but chances are you will need to do some outside fundraising.

Aspiring entrepreneurs usually start off asking friends and family to invest in their business. This can be just a simple loan, or you may offer a percentage of your business in exchange for their funding (especially if they are providing a large amount).

You may also check with your bank to see if you can be approved for a business loan. These will often have notable interest rates, however, so make sure that you will be able to repay these loans in a timely manner without it impacting your business too much.

As a child care provider and small business, you may be eligible for local grants or subsidies. Check your local, state/provincial or federal websites to see what is available for new child care businesses.

You may be able to get a substantial portion of your funding just by applying to these programs, which can also help you lower your enrollment costs to help benefit parents as well.

● Name & Branding

A great name can really help your home daycare stand out, which is why it's important to put effort in the beginning towards creating a great name and brand for your business.

Try to think of a name that is clever and easy to remember, while at the same time tells people what your business is. This is much easier said than done, and coming up with the perfect name can take days or weeks.

Use a notepad or the notes app on your phone to jot down an idea whenever you have one so you don't forget it. Once you have a lot of names, start picking your favorites. Then share these in conversation to see what others think of your name options.

Once you have your name, create a logo and choose some brand colors. It may seem like you don't need this yet, but pretty soon you will be printing things with your logo, sharing it on social media, creating signs, and many other things involving a logo. By doing this work upfront, you will have done the hard work first, and your materials will be consistent because you won't be changing things as you go.

If you need a bit of help, [Colors](#) can help you choose a color scheme, and there are many online logo designers like [Hatchful](#) that can help you choose a font and image for your logo.



Getting Started

Once you've finished creating your business plan and decided that opening a home daycare is right for you, it's time to get to work!


Before you open your doors, there are plenty of logistics to think through and set up. This opening a home daycare checklist will help set you on the right track.



● Budget

One of the most important things to do as you get started is to figure out how much it will actually cost to run your business. By creating a thorough budget, you will be able to prioritize what the essential items your home daycare will need are and which ones are nice-to-haves. This will also help you figure out how many children you will need to enroll and how much their tuition should be.

It can be challenging when creating a budget to be sure that you have thought of every possible expense. If you need a little help, give our [free child care center budget template](#) a try.

			
Expenses Budget Template		TOTAL YEARLY EXPENSES	
		\$949,715	
Staff Salaries			
<i>Role</i>	<i>Instances</i>	<i>Annual Salary</i>	
Director	1	\$50,000	
Head Teacher	4	\$40,000	
Assistant Teacher	4	\$35,000	
Teacher's Aides	4	\$30,000	
Substitutes	2	\$3,000	
Administrators	1	\$35,000	
Cleaning	1	\$30,000	
Maintenance	1	\$35,000	
Cooking	1	\$35,000	
SALARY SUBTOTAL:		\$611,000	
Fringe benefits such as workers' compensation, health insurance, paid sick time, etc. (25% of Salary Subtotal):		\$152,750	
SALARY TOTAL		\$763,750	

● Insurance

As careful as you may be, accidents can happen — especially in child care. If they do, you will definitely want to have a good insurance plan to ensure that you are covered. Depending on what plan you choose, daycare insurance can cover essential things like:

- Property
- Crime
- Business income
- Liability
- Equipment breakdown

When creating your budget, insurance may seem like an extra expense to cut down on, but it will be well worth the cost when compared to the alternative of going out of business.

● Licensing

Depending on your location, it may be an option to run your home daycare with or without a license. Even still, it is in your best interest to license your home daycare.

Just think of it from the parent's point of view: Your child is the most precious thing in the world. Would you really be comfortable sending them to a random person's house, or would you rather send them to a properly licensed child care center?

By licensing your home daycare, parents will know that your program meets all of the standards established by your local authorities. Doing so will also likely make you eligible for different funding and professional development opportunities, which can have a significant impact on the success of your business.

● Learning Philosophy

A home daycare is not group babysitting. Ages zero through five are the most important years for a child's cognitive development and a majority of what – and how – they learn will be with you.

There are several learning philosophies to choose from, with the most common being:

- Montessori
- Waldorf
- Reggio Emilia

Additionally, there are typically state or provincial educational frameworks that your government recommends (and in some cases requires), or assessment frameworks you can purchase like the Ounce Scale or Work Sampling System from Pearson.

To start, check with your government websites to see what they recommend or require. If you are becoming licensed, you may have already found the assessment and curriculum you will be following.

● Safety

When you're responsible for a group of children, safety needs to be your top priority.

The first step is to safety-proof your home. Minimize the chances for injuries by removing furniture with sharp corners, covering electrical outlets, securing bookshelves to the wall, and so on.

Next, be prepared for any medical emergencies by getting CPR training if you do not have any already. It is also a good idea to run regular fire drills and have an action-plan ready should an emergency occur.

First Name	Last Name	Invoice Amount	Status	Due Date	Update Status
John	Moyle	\$155.00	Overdue	January 17, 2019	Mark as Paid View
Alexis	Moyle	\$100.00	Overdue	January 14, 2019	Resend Invoice Add Partial Payment Cancel Invoice View
Olivia		\$200.00	Overdue	January 14, 2019	View
John	Laurent	\$400.00	Overdue	January 14, 2019	View
Jennifer	Miles	\$400.00	Overdue	January 14, 2019	Mark as Paid View
Donald		\$129.60	Overdue	January 3, 2019	Mark as Paid View
Wiam	Laurent	\$129.60	Overdue	December 13, 2018	Mark as Paid View
Henry	Samuel	\$129.60	Overdue	December 13, 2018	Mark as Paid View
Alain	Moyle	\$60.00	Overdue	December 21, 2018	Mark as Paid View

● Billing & Payments

It goes without saying that you will need to collect money in order to sustain your business. When starting your home daycare, you will need to figure out how you will bill customers and collect payments.





Sending invoices and tracking payments can be a lot to manage while you have all of the other things to consider when running your business, so choose a system that will help make this easier. For example, using HiMama allows you to create and send invoices to parents, track payments, and even automatically collect payments electronically from their credit card or bank account.

● Hiring

Although staffing requirements are much lower than a child care center not run out of a home, you will likely not be able to do everything on your own. Your licensing or government frameworks may require a certain teacher-to-child ratio. Plus, with all of the other administrative duties, meal prep and cleaning, it can be a lot to manage as one person.

Working at a home daycare can mean wearing many different hats in terms of responsibilities. Figure out what you enjoy most about being a child care provider and focus on those duties, then get help for the other things that need attention.

When looking for employees, focus on candidates who are clearly passionate about child care. It can be demanding and low-paying work, so those who love what they do will be your greatest assets.

Subject	Mon	Tue	Wed	Thu	Fri
Math  	Counting dots on dominoes	Sorting counting bears by their size	Measuring how big our sunflower grew using counting cubes	Graphing our favourite ice cream flavour with a sticker graph	Creating patterns with our counting cubes
	Cognition Determining Quantity ✎ counting to determine quantity	Cognition Seriating ✎ describing relationships such as smaller than, bigger than, different than	Cognition Counting ✎ counting in meaningful ways in play and daily living	Cognition Collecting and Organizing Information ✎ placing marks on graphs indicating their choice	Cognition Identifying Patterns ✎ creating patterns with blocks and art materials
Art  	Sponge painting and describing the shapes the sponges created	Painting with marbles and observing the lines they create	Jell-O scratch and sniff name art	Colouring with crayons	Writing our names using markers
	Cognition Communicating Findings ✎ presenting their ideas to others through drawings, telling, music and movement	Cognition Observing ✎ using all senses to gather information while observing ✎ focusing their observation on details	Communication, language & literacy Letter Recognition ✎ identifying the letter that begins their names and its sound	Physical Fine Motor Skills ✎ copying straight lines	Physical Fine Motor Skills ✎ copying straight lines ✎ copying triangles and crosses

● Activity Planning

Each and every day, you will need to plan out what the children will do to fill up their day. Do some research on different activities to try at your daycare, and keep track of the ones that the children most enjoy and benefit from.

This is also how you will promote their development through whichever learning philosophy you are following. Chances are that the framework or approach you are using have well-documented activities that they recommend.

April's Report

Sunday, May 12, 2019

In need of Diapers, Wipes, and Cream.

Notes

Medication Administered - April received her puffer after lunch at 12:30 PM.

Notice - There is a permission form for you to bring back tomorrow.

Naps

1:04pm - 2:15pm (1h11m)

April took a little while to fall asleep, but once she was asleep she had a great nap!

Meals

Breakfast - Bagel with cream cheese, orange slices and milk.

Breakfast - Turkey and cheese sandwich with blueberry yogurt cup and apple juice.

Afternoon Snack - Homemade chocolate chip banana oatmeal cookies with fresh fruit and water.

Bathroom

9:30am - Sat on Potty

10:05am - Potty - Bowel movement, peed

12:30pm - Underwear - Peed, had an accident

2:10pm - Potty - Peed

Mood

Affectionate.

April saw that one of her friends fell and scraped their knee so she gave them a hug to feel better!

Activities

Observation

April had so much fun building blocks! She loved stacking them as high as she could.



Look what I'm doing today!

Age: Preschool 3

Domain: Physical Development, Health, and Safety

Skill: Fine Motor Development

Indicator(s): Begin to use strength and control to

Parent Communication

Now more than ever, parents expect regular communication with their child care provider. They will want to know what their kids have been up to all day, which is why most daycares will provide daily sheets.

It can be difficult to fill out paper daily sheets in the moment, and so educators may have to fill them in later relying on their memory, leading to inaccurate reports. For that reason, you may want to consider digital activity tracking and reporting, so you can easily make observations as they happen and share them in real-time (and with a photo for good measure).

You will also want to be able to easily and effectively communicate with parents to send reminders, notes for the next day, or emergencies. A child care app can make this a lot simpler and faster, which will make a big difference after you get up and running.

● Supplies

The most expensive part of getting your home daycare up and running will likely be all of the supplies you will need, which will generally be either for the classroom or operational supplies. Classroom supplies are things like furniture, books and toys, while operational supplies include cleaning sprays, toilet paper, food, and so on.

To help cut costs, you may be able to find second-hand items like furniture and books, but just make sure they are in good condition and you have properly cleaned them before bringing the kiddos in. You can also implement a policy where parents provide some basic supplies for their children. For example, their child's favorite toy, some basic stationery or their own diapers and wipes for infants.

● Marketing

To get children enrolled at your home daycare, you will need to first put the word out. Marketing can be a challenge for any business that's starting out, but there are some tried and true strategies that often work for daycare providers. An informational brochure or postcard can be a great way to communicate all that your daycare has to offer. You can create quick and simple designs using a platform like [Canva](#).

When parents are deciding between the many different providers in your area, having something in front of them to refer back to will allow you to be present during those conversations without actually being there. You can even make a day of it by walking around the neighborhood to drop them off in your neighbors' mailboxes!

If you want to take your marketing to the next level, you can also advertise online on Google and Facebook. We'll get into that in more detail in the next section, but you may also want to consider hiring a marketing consultant to help do these things for you while you focus on other tasks.



Growing Your Business

Once you've conquered the biggest challenge of getting up and running, at some point you may wish to take your business to the next level. After all, kids grow up fast, meaning that you'll need to find new customers sooner than later.

When it comes to scaling your business, every little bit counts. It can be an easier approach to regularly do one or two things to help your business grow, rather than saving it all for one grand initiative later on.

The following are just some of the many things you can do to further legitimize your home daycare and attract new customers.



● **Accreditation**

Earning accreditation means that your business meets a high level of standards for different aspects of child care such as education and safety. Being accredited provides you with an easy way to communicate with parents that your business is among the best in your community.

There are several ways to become accredited. For example, many U.S. states offer a Quality Rating and Improvement System (QRIS), which have their own set of criteria to recognize different levels of excellence. There are also professional membership organizations like NAEYC, which have their own requirements and are widely recognized as authorities in the early education space.

By becoming accredited, parents will know that you are following all of the important guidelines that keep their children safe and are providing developmentally appropriate programming. Accredited child care businesses can also be eligible for funding opportunities not available otherwise.

● **Online Listings**

You can create a free listing for your business on directory websites like Yelp or Google Maps. Make sure you are thorough and provide as much information as possible, so your business will look good when compared to the competition. Directory websites will typically have a “freemium” model, where it is free to get started and you can pay to have additional features, which you may want to consider if you begin to see good results from your listing.



● Website

Although many home daycares get enough enrollment through word of mouth, it can never hurt to create a website for your business. If a parent is considering your center, having a website helps legitimize your business and gives them a place to learn more about your services. Plus, you will begin appearing in Google results, exposing your business to new potential customers.

Luckily, creating a website is now easier than it has ever been. See our post on [how to create a home daycare website](#) to learn how!

● Referral Program

No matter how much advertising you do, nothing beats a recommendation from a trusted friend or family member for convincing a potential customer to choose your business.

Although you can't make someone recommend you if they don't actually want to, a referral program will incentivize them to spread the word about how great you are. Even something as simple as a \$25 Starbucks gift card

can give parents that extra push to tell a few more friends or post a link to your website on Facebook. Just one additional customer earned through a referral could make the entire program worth it.

● Social Media

Social media is a great way to connect with your existing and potential customers online. Create a Facebook or Instagram page for your business and begin sharing content. These can be updates from your center, sharing links to relevant articles you've found online, commenting on others' posts, sharing videos, and so on.



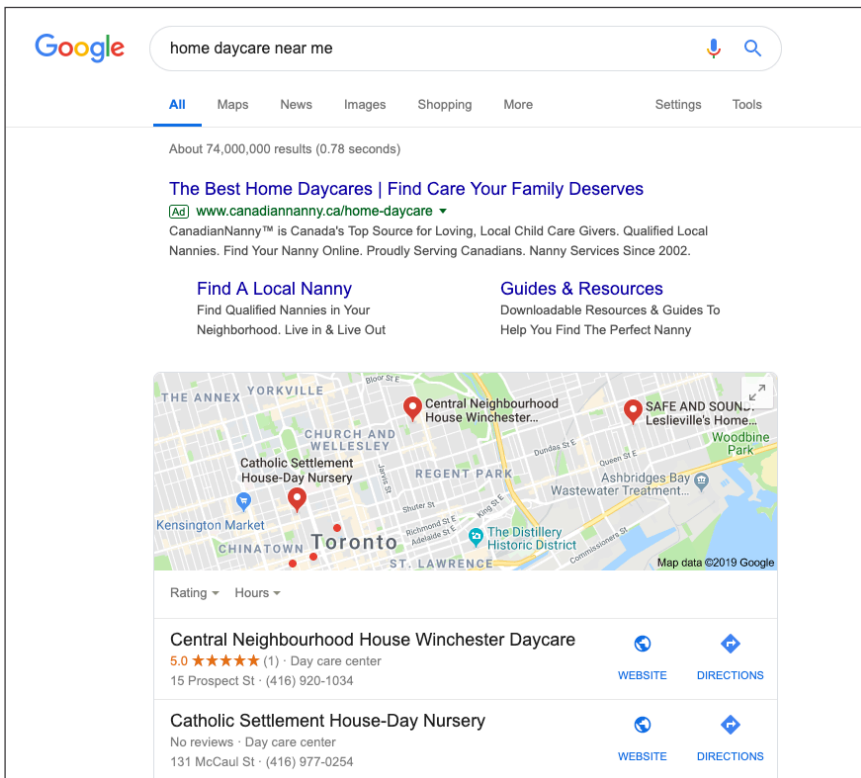
Just make sure that whatever you do is appropriate and enforces the idea that you are a great child care provider. This is not the time to share your opinion on the latest political scandal. Think more along the lines of an article with tips on how to make bedtime easier.

If your budget allows, you can also create paid social media ads. Even spending as little as \$30 could be enough to reach thousands of parents in your area.

● Search Engine Optimization

When searching for daycares in your area, you want your business to appear in those results. A website is essential to be listed (as outlined above), but there are more ways to be found in search results.

To be listed in Google Maps results, you can create a free Google My Business listing. This allows you to share a description, your hours, location, photos, contact information, and other important things about your business. You will also be able to collect reviews from your customers, which can make a big difference when potential customers are browsing your listing.



The screenshot shows a Google search for "home daycare near me". The search results include an advertisement for "The Best Home Daycares | Find Care Your Family Deserves" from www.canadiannanny.ca, and two organic results: "Find A Local Nanny" and "Guides & Resources". Below the text results is a map of Toronto showing several daycare locations marked with red pins. The map includes labels for neighborhoods like The Annex, Yorkville, Church and Wellesley, Regent Park, and Chinatown. Below the map, two daycare listings are shown:

Daycare Name	Rating	Address	Contact	Website	Directions
Central Neighbourhood House Winchester Daycare	5.0 ★★★★★ (1)	15 Prospect St	(416) 920-1034	WEBSITE	DIRECTIONS
Catholic Settlement House-Day Nursery	No reviews	131 McCaul St	(416) 977-0254	WEBSITE	DIRECTIONS



Conclusion

Starting a home daycare can be both one of the most challenging and rewarding experiences. For those who love children and want to make a difference in their community, it is a relatively low-risk to enter into the child care space. Operating out of your home provides you with the freedom to grow at your own pace, with having the potential to take it as far as you want to take it — if you're willing to put the work in.

As we have shown, there are many factors to take into account not just when opening a business, but specifically when providing care for children. To provide great care, you need to ensure you are following all the proper protocols to ensure a safe and nurturing environment, while also doing so in a way that is sustainable for you as a business owner so that you can continue to provide your services.

In this guide, we've gone over the basics of how to start and grow a home daycare business. We hope that by seeing more details at the process you are now better able to decide if this is truly the best option for you, and if so, that you have now been inspired to take that big next step!



About HiMama

HiMama is the only certified social enterprise child care app.

Our top rated platform streamlines documentation, delights parents and amplifies the work of early childhood professionals.



Attendance and Health Tracking

Check in and check out, enrollment and reporting



Daily Reports For Parents

Digital Daily Sheets with meals, naps, activities and more



Real-Time Parent Updates

Share updates directly to parents' email or phone



Messaging Via Email, App & Text

Send Mass email and text messages to parents



Staff Management

Check and view teacher-to-student ratios in real time

Child Care Apps for Superstar Centers

Discover the difference that HiMama will make at your center today!

1-800-905-1876

sales@himama.com

himama.com



Program Planning

Plan learning with our classroom program partner



Parent Billing & Payments

Plan learning with our classroom program planner



Calendars With Reminders

Keep parents informed of upcoming events and meals



Development Assessments & Portfolios

Record and reflect on development with online reports



Comprehensive Training & Support

Unlimited phone and email support for staff and families



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