



2023

**BREAKING BARRIERS, SHAPING FUTURES:
THE TRI-SHARE CHILD CARE AND
CHILDREN'S SAVINGS ACCOUNTS
PROGRAMS IN MICHIGAN**

MICHIGAN COMMISSION ON COMMUNITY ACTION AND ECONOMIC OPPORTUNITY



About the Commission

The Michigan Commission on Community Action and Economic Opportunity (MCCAEO) is a diverse Governor-appointed body serving in an advisory capacity dedicated to addressing poverty in Michigan. The MCCAEO collaborates with the Michigan Department of Health and Human Services (MDHHS) and the Bureau of Community Action and Economic Opportunity (BCAEO) to research and tackle issues faced by residents near or below the federal poverty level.

The commission seeks opportunities to research and address issues facing Michigan residents living in poverty. Drawing on information presented by organizations that operate successful programs, plus testimonies given by residents participating in the programs and ideas explored by focus groups, the commissioners develop goals and objectives to improve the lives of Michigan residents, especially those struggling financially.

This information is distributed to legislators, key stakeholders and others who work toward making a positive difference in the lives of adults and children in Michigan.

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Commissioners represent Community Action Agencies, elected officials, low-income persons, and public sector.

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Breaking Barriers, Shaping Futures

The commissioners' commitment and work in 2023 focused on fostering innovative solutions for community well-being and economic empowerment with two impactful programs that stand as beacons of progress: the Tri-Share Program and the Children's Savings Account (CSA) Program

Tri-Share Program:

Right from its inception, the Tri-Share Child Care Program has proven itself to be a game-changer, emerging as a valuable asset for parents and guardians in search of affordable licensed childcare. Simultaneously, it addresses the needs of employers seeking innovative ways to recruit and support their workforce, as well as childcare providers who are eager to stabilize both their businesses and the day-to-day lives of the children under their care. The Tri-Share Program exemplifies the power of collaboration and its multifaceted impact on working parents, businesses, and childcare providers alike.

Children's Savings Account Program:

Parallely, the Children's Savings Account Program embodies the unwavering dedication to shaping a brighter future for Michigan's youth. This initiative ensures universal and automatic enrollment of children in long-term, incentivized asset development accounts. By fostering early financial engagement and providing families with opportunities for incentivized saving, the program not only reduces the financial burden on households but also creates a

tangible pathway for children towards post-secondary education and economic empowerment.

Shared Objectives:

Both programs share a common goal – to uplift families and communities by addressing fundamental aspects of life and growth. While the Tri-Share Program promotes a supportive environment for working parents, the Children's Savings Account Program invests in the educational aspirations of our youth. Together, these initiatives exemplify our commitment to holistic community development, recognizing that success is built on the well-being and future prospects of both children and their families.

As we delve into the details of these programs in the following report, we invite you to explore the tangible impact they have on the lives of individuals, the strength they bring to communities, and the promise they hold for a more prosperous and inclusive future for Michigan.

Tri-Share Child Care:

Increasing access to child care for working families.



If you ask parents about the biggest challenge they face when trying to join or rejoin the workforce, you'll likely hear about an all-too-common problem — obtaining childcare. Many cannot afford childcare on the income they will earn. Others find there are no licensed childcare providers in their area.

Some parents can rely on part-time help from family members or neighbors, but it is not always dependable. Others try to stagger their work schedule with a partner or caregiver, so someone is always home with the children. But if they cannot find affordable care, cannot work from home, cannot find work that offers flexible hours to accommodate the times they need to be home with their children, and cannot enlist dependable friends or family members to watch their children, they can't work. It is that simple.

Compounding the problem, many parents find jobs they can do, but they would earn too much to qualify for childcare assistance and earn too little to afford the cost of childcare without assistance.

Understanding the plight of parents who want to work, a bipartisan legislative effort

introduced by Michigan Governor Gretchen Whitmer is offering an innovative approach that makes childcare affordable for thousands of Michigan residents. It's called Tri-Share Child Care, and as its name implies, the cost for a child to attend a licensed child care facility is split three ways — by a working parent, the parent's employer, and the State of Michigan.

It's a win win win!

Tri-Share began as a pilot program in 2020 and was tested with suburban, urban and rural residents in three regional hubs. The hubs acted as intermediaries between the state and the other three participants — working parents, employers, and childcare providers, while managing the program's day-to-day operations.

Based on the success of the pilot, \$42.5 million was appropriated for the program in FY 2022. Additional funds were secured for FY 2023, and today Tri-Share Child Care operates in 59 Michigan counties.

“It’s cut my second biggest expense by a third, is what it’s done. I mean besides the mortgage, it was childcare and now that is a third of what it was.”

- From a participating parent



For Parents

Eligibility is based on a parent or guardian's family size and household income. Employees eligible to participate in the Tri-Share pilot must be employed by a participating employer, have an income above 150% of the federal poverty level (FPL) and below 250% FPL, and not otherwise be eligible for the Child Development and Care Program. That encompasses thousands of Michigan families who are working but earn less than they need to make ends meet. It also helps families who earn too much to qualify for other assistance programs but earn too little to afford licensed childcare.

The types of child care eligible for the Tri-Share pilot include a wide range of programs from traditional infant and toddler care to before-and-after school care and even licensed summer camps. The program also covers children up to the age of 26 who have disabilities.

Families appreciate that they can choose the licensed childcare provider they want. If the provider – including a friend or family member – is not already enrolled as a Tri-Share provider, the hub will walk them through that process so they can become licensed and participate in the program.

Once the parent or guardian has begun working with a participating employer, they will be assessed for eligibility annually. And because payments from the state are made directly to the employer and the childcare facility, those funds are not assessed as income for the employee.

For Employers

"It's a wonderful way for us to recruit new employees. There's been zero downside to this from a business perspective."

- Representative from
Wolverine Coil Spring

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Participating employers recognize that Tri-Share is a successful tool for recruiting and retaining qualified employees. It gives them an edge over employers that do not participate in Tri-Share, which is especially important when companies are competing to fill open positions.

Employees who can count on having their children in high-quality licensed care every workday are better able to maintain a consistent work schedule, which helps strengthen Michigan's workforce.

Employers find participating in Tri-Share to be relatively simple. The employer chooses the level of its participation in the program and can set parameters for employee eligibility. For example, an employer may decide to offer the program for a designated number of employees or for employees in a specific pay range or position. Some offer it for one child per eligible employee or provide the benefit for a defined period of time.

Once the employer signs on, it takes about two weeks for the program to be in place.

For Child Care Providers

Each participating child care provider receives payments directly from the Tri-Share hub overseeing its region. That helps stabilize the provider's business and offers the provider the opportunity to plan for needs such as staffing, space and supplies.

"Some of our parents who participate in Tri-Share are also our staff. With the employee discount we offer, and their three-way split through Tri-Share, our care is very affordable for them, and their children are able to remain with us longer."

- Karah Roesler, Director,
Montessori Children's House of
Lenawee

Employees who qualify for Tri-Share can select the licensed care facility that best suits their needs. When they can't find a provider, the Tri-Share hub will help locate one for them, which can bring new customers to childcare providers.

Because Tri-share makes the program affordable for parents, their children experience stable care and have the opportunity to develop meaningful relationships with the staff and other children. In some cases, staff members working for childcare providers are also parents enrolled in Tri-Share!





Program Challenges

Several questions surfaced during the pilot phase of Tri-Share. For example, some employers were reluctant to offer the program as a pilot, in case the program was discontinued. They did not want to have to cancel the benefit for their employees who were enrolled. Solution: Tri-Share became a funded program.

Some employers have struggled to fit the program into their budget cycles. Solution: Tri-Share is now an ongoing funded program, and a company can join when its planning and budget cycles permit.

A few companies with multiple business locations throughout the state wondered how to handle offering the program to employees in areas where the program exists, and not offering it where the program does not exist. Solution: Tri-Share is expanding throughout the state.

In many parts of the state, there are few or no licensed childcare providers. Many providers are grandparents and other family members or friends – all unlicensed – who step in to help with care when needed. Solution: Tri-Share hubs are reaching out to unlicensed providers, including family members and friends, and enrolling them in the training they need so they can become a licensed provider and qualify to be part of Tri-Share.

Children's Savings Accounts (CSAs) Program Summary:

As the economic landscape undergoes significant shifts, families with children are confronted with new budgetary challenges, driven by ongoing inflation concerns and the specter of a recession. In the face of difficult spending decisions, parents are steadfast in prioritizing their children's education. A recent study by the Pew Research Center underscores this commitment, revealing that nine out of 10 parents consider it extremely or very important for their children to achieve financial independence and career satisfaction in adulthood.

CSAs emerge as a strategic solution to address achievement gaps, limited upward mobility, and the affordability crisis associated with college education, particularly for low-income families.



Key Features of CSAs:

1. **Universal and Automatic Enrollment:** CSAs enroll children universally and automatically at a young age, fostering broad participation in the program.
2. **Incentivized Saving Opportunities:** By providing incentives like initial seed deposits, savings matches, and benchmark incentives, CSAs encourage families to actively save for their children's future.
3. **Financial Literacy Tools:** CSAs that integrate financial literacy tools invest in shaping a child's understanding of money, setting the stage for a secure financial future.
4. **Financial Engagement:** CSAs enhance financial engagement, alleviating the financial strain on households and positively impacting children's health, academic performance, and social mobility.
5. **Pathway to Career Attainment:** Growing savings through CSAs establishes a post-secondary education identity, making long-term career aspirations more attainable.

Program Outcomes:

1. **Automatic Enrollment for Financial Inclusion:** Ensuring automatic enrollment is a crucial step toward achieving financial inclusion for all families.
2. **Increased College Savings for Low-Income Families:** Access to CSAs correlates with more low-income families saving for college, bridging the financial gap.
3. **Wealth Gap Reduction:** CSAs contribute to diminishing the wealth gap between low-income and moderate-income households when it comes to college education.
4. **Addressing College Wealth Inequality:** Initial deposits into CSAs play a pivotal role in reducing wealth inequality associated with college education.

In navigating economic uncertainties, CSAs emerge not just as financial tools but as catalysts for educational empowerment, bridging socioeconomic gaps, and laying the groundwork for a more equitable and promising future for Michigan's youth.

Goals and Recommendations:

Amidst the ever-evolving landscape of economic and educational initiatives in Michigan, the Tri-Share Child Care Program and Children's Savings Accounts (CSA) Program emerge as pivotal drivers of transformative change. Rooted in the commitment to foster financial empowerment, educational advancement, and community well-being, these programs have proven their potential to elevate both families and communities.

Each strategic goal and recommendation is designed to address specific challenges, amplify program effectiveness, and lay the groundwork for a more inclusive and resilient future. With a focus on crucial areas such as budget alignment, administrative efficiency, outreach strategies, and support for childcare providers, these recommendations aim to fortify the core of these programs, ensuring they continue to act as catalysts for positive change in Michigan. The overarching goal remains steadfast: to create an enduring and meaningful impact, forging a path towards a brighter and more equitable future for all residents of Michigan.

Goals continued...

- ⑤ Financial Inclusion: Foster policies that promote the automatic enrollment of children in Children's Savings Accounts (CSAs) statewide, ensuring financial inclusion for all families, regardless of their economic background.
- ⑤ Access to Educational Resources: Develop policies that enable CSAs to integrate financial literacy tools, providing children with the knowledge and skills necessary for sound financial decision-making.
- ⑤ Incentivized Saving Opportunities: Support policies that encourage and expand incentivized saving opportunities within CSAs, such as initial seed deposits, savings matches, and benchmark incentives, to enhance participation and engagement.
- ⑤ Partnerships for Growth: Promote collaborative policies that strengthen partnerships between public and private sectors, encouraging investments in the Tri-Share Program to further expand affordable licensed childcare options for working parents.
- ⑤ Establish a Permanent Home: Determine a long-term home for the Tri-Share Program, considering options such as integrating it into the MILEAP Office to ensure stability and sustained focus on program goals.
- ⑤ Community Engagement: Develop policies that encourage community involvement, creating a network of support for both CSAs and the Tri-Share Program, fostering community resilience and shared responsibility.
- ⑤ Childcare Provider Support: Advocate for policies that continue efforts to increase the number of licensed childcare providers in Michigan. Support initiatives to license family members and friends providing care for children. Additionally, endorse policies that strive for wage increases for childcare providers, aiming to retain existing providers and attract new talent to the field.
- ⑤ Full Employer Participation: Ensure full employer participation by establishing clear guidelines and expectations for employers engaging with the program. Provide comprehensive explanations to employers about the program's benefits, encouraging a wholehearted buy-in.





Recommendations for Policy Change

1. Legislation for Universal Enrollment: Advocate for legislative changes to ensure universal and automatic enrollment of children in CSAs, making financial empowerment a reality for all Michigan families.

2. Financial Literacy Education Policies: Implement policies that integrate financial literacy education into school curriculums, ensuring children are equipped with essential financial skills through CSA programs.

3. Incentive-Based Savings Policies: Propose policies that provide tax incentives or other financial benefits for families actively participating in CSA programs, thereby encouraging broader community engagement.

4. Public-Private Collaboration Frameworks: Establish frameworks and incentives for public-private collaborations that support the Tri-Share Program, recognizing its role in workforce development and economic stability.

5. Community Awareness Initiatives: Implement policies that support community awareness initiatives, ensuring families are well-informed about the benefits of CSAs and the Tri-Share Program, encouraging greater participation.

6. Affordable Childcare Expansion: Support policies aimed at expanding affordable child care options by continuing efforts to increase the number of licensed childcare providers. This includes endorsing initiatives to license family members and friends providing care for children, thereby diversifying the available pool of caregivers.

7. Wage Increase Strategies: Advocate for comprehensive policies that not only focus on wage increases for childcare providers but also explore strategies to make these wage increases sustainable. This could include exploring funding mechanisms or incentive programs to support providers and ensure the longevity of their contributions.

8. **Workforce Development Initiatives:** Support policies that prioritize workforce development in the childcare sector, ensuring that providers receive ongoing training and professional development opportunities. This enhances the quality of care and contributes to the overall well-being of children.

9. **Equity and Inclusion Measures:** Incorporate equity and inclusion measures in childcare provider support policies, addressing disparities and ensuring that individuals from all backgrounds have equal opportunities to enter and excel in the childcare profession.

10. **Evaluation and Adaptation Mechanisms:** Establish mechanisms for ongoing evaluation and adaptation of policies related to CSAs and the Tri-Share Program, ensuring their effectiveness and relevance in evolving economic and educational landscapes.

11. **Coordination with Stakeholders:** Promote policies that facilitate collaboration between government agencies, private organizations, and community stakeholders to create a coordinated approach to childcare provider support, maximizing resources and expertise.

In summary, the goals and recommendations outlined aim to create a comprehensive policy framework in Michigan that not only ensures financial inclusion and educational empowerment through CSAs but also strengthens the accessibility and impact of the Tri-Share Program in supporting working families. These policy changes align with the broader vision of building a resilient, inclusive, and economically empowered future for Michigan's children and communities.





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