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ABSTRACT

This is the twenty-third in a set of 36 teacher guides to the Entrepreneurship Training Modules and accompanies CE 031 074. Its purpose is to give students some idea of what it is like to own and operate a day care center. Following an overview are general notes on use of the module. Suggested steps for module use contain suggestions on introducing the module, a brief discussion of the nine units, responses to learning activities, suggestions for summarizing the module, and responses to the quiz. The units are Planning a Day Care Center; Choosing a Location; Getting Money to Start; Being in Charge; Organizing the Work; Setting Prices; Advertising and Selling; Keeping Financial Records; and Keeping Your Business Successful. Each unit contains a case study; responses to individual activities; responses to discussion questions; and a group activity. Suggested readings for the teacher and a list of goals and objectives complete the module. (CT)

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etc Entrepreneurship Training Components

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GETTING DOWN TO BUSINESS:

Day Care Center

Module 23

Teacher Guide

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GETTING DOWN TO BUSINESS:

Day Care Center

Marcella Kingi

May 1981

Developed at the American Institutes for Research
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U.S. Education Department

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OVERVIEW

The purpose of these Getting Down to Business modules is to provide high school students in vocational classes with an introduction to the career option of small business ownership and to the management skills necessary for successful operation of a small business. Developed under contract to the Office of Vocational and Adult Education, U.S. Department of Education, the materials are designed to acquaint a variety of vocational students with entrepreneurship opportunities and to help reduce the high failure rate of small businesses.

As the students become familiar with the rewards and demands of small business ownership, they will be able to make more informed decisions regarding their own interest in this career possibility. It is hoped that, as a result of using these materials, some students will enter small business ownership more prepared for its challenges. Others will decide that entrepreneurship is not well suited to their abilities and interests, and they will pursue other career paths. Both decisions are valid. The materials will encourage students to choose what is best for them.

These Getting Down to Business modules are designed to be inserted into ongoing high school vocational programs in the seven vocational disciplines--Agriculture, Distributive Education, Occupational Home Economics, Business and Office, Trades and Industry, Technical, and Health. They will serve as a brief supplement to the technical instruction of vocational courses, which prepare students well for being competent employees but which generally do not equip them with skills related to small business ownership. The modules are self-contained and require a minimum of outside training and preparation on the part of instructors. Needed outside resources include only those types of materials available to all students, such as telephone directories, newspapers, and city maps. No special texts or reference materials are required. For further optional reading by instructors, additional references are listed at the end of the Teacher Guide. An annotated Resource Guide describing especially valuable entrepreneurship-related materials is also available.

The purpose of this module is to give students some idea of what it is like to own and operate a day care center. Students will have an opportunity to learn about the kinds of activities and decisions a day care center owner is involved in every day. While the module is not a complete "how-to" manual, the individual activities will provide your class with the chance to practice many of these activities and decisions.

Today, owners of small businesses face many problems--some minor, some not so easily taken care of. These problems are reflections of the changes our society is going through. While this module cannot address itself to all of them, the discussion questions at the end of each unit are designed to give students an opportunity to explore possible solutions.

You may want to present this module after completing Module 1, Getting Down to Business: What's It all About? Module 1 is a 16-hour program covering a more in-depth approach to owning any small business. The terms introduced in Module 1 are used in this module with a restatement of their definitions. Also, the forms used are the same, with some minor changes to fit the day care center business specifically. Module 1 provides an introduction to owning a small business in addition to some skills and activities that, due to their general nature, are not covered in this module.

Content Organization

Each unit of the module contains the following:

1. Divider Page--a list of what the student should be able to do at the end of that unit.
2. Case Study--an account of a business owner in the field.
3. Text--three to four pages outlining business management principles introduced in the case study but focused more on the student.
4. Learning Activities--three separate sections, including:
 - a. Individual Activities--finding information given in the text or applying information in the text to new situations.
 - b. Discussion Questions--considering broad issues introduced in the text; several different points of view may be justifiable.
 - c. Group Activity--taking part in a more creative and action-oriented activity; some activities may focus on values clarification.

General Notes on Use of the Module

Instructional Time:	Each unit = 1 class period; total class periods = 9	
	Introduction, quiz, summary	= 1
	Total instructional time = 10 class periods	

The case study and text are central to the program's content and are based on the instructional objectives appearing in the last section of this Guide. Learning activities are also linked to these objectives. You will probably not have time, however, to introduce all the learning activities in each unit. Instead, you will want to select those that appear most related to course objectives, are most interesting to and appropriate for your students, and are best suited to your particular classroom setting. Certain learning activities may require extra classroom time and may be used as supplementary activities if desired.

Before presenting the module to the class, you should review both the Student and Teacher Guides and formulate your own personal instructional approach. Depending on the nature of your classroom setting and the students' abilities, you may want to present the case study and text by instructional means that do not rely on students' reading--for example, through a lecture/question-answer format. Case studies and certain learning activities may be presented as skits or role-playing situations.

No particular section of the module is designated as homework, but you may wish to assign certain portions of the module to be completed out of class. You may want students to read the case study and text in preparation for discussion in the next class period, or you may want them to review the material at home after the class discussion. You may also prefer that students read the material in class. Similarly, individual activities may be completed in class or for homework. Discussion questions and group activities are specially intended for classroom use, although some outside preparation by students may also be needed (for example, in the case of visiting a small business and interviewing the owner).

Methods that enhance student interest in the material and that emphasize student participation should be used as much as possible. Do not seek to cover material exhaustively, but view the course as a brief introduction to entrepreneurship skills. Assume that students will obtain more job training and business experience before launching an entrepreneurial career.

The quiz may be used as a formal evaluation of student learning or as a self-assessment tool for students. Answers to learning activities and the quiz are provided in a later section of this guide.

SUGGESTED STEPS FOR MODULE USE

Introduction (15 minutes, or integrate within first hour of Unit 1)

- I. In introducing this module you will probably want to find out what students already know about day care centers.
- II. Discuss small businesses briefly. Over 90% of all businesses in the United States are small businesses. In this module we will be dealing with very small businesses, meaning a self-employed owner working alone or with one to four employees. Often small businesses are owned and run by members of a family.
- III. Discuss the purposes of the module:
 - To increase students' awareness of small business ownership as a career option.
 - To acquaint students with the skills and personal qualities day care center owners need to succeed.
 - To acquaint students with the kind of work small business owners do in addition to using their vocational skills.
 - To expose students to the advantages and disadvantages of small business ownership.
- IV. Emphasize that even if students think they lack management aptitudes, some abilities can be developed. If students "turn on" to the idea of small business ownership, they can work at acquiring abilities they don't have.

Also, students who work through this module will have gained valuable insights into how and why business decisions are made. Even if they later choose careers as employees, they will be better equipped to help the business succeed because of their understanding.

Unit 1 - Planning A Day Care Center (1 class period)

- I. Case Study: Annie Green is thinking of opening her own day care center. She thinks about her personal characteristics and considers what she has learned about child care while working as a babysitter.

Text: Services, Customers and Competition
Personal Qualities and Skills
How to Compete Well
Special Business Image
Legal Requirements

II. Responses to Individual Activities

1. a. infants
b. preschool children
c. older children already in school
2. Answers will depend on students' research. For accuracy check Yellow Pages listing.
3. Students will have checked items that apply to them.
4. Any response that suggests a specialty of the day care services offered is satisfactory.
5. Answers will depend on location.

III. Responses to Discussion Questions

1. Discussion should focus on care and development of children outside the family home, the need for supervised play, educational programs and exposure to other children.
2. Discussion should focus on the increase of women going into the workforce today. Almost half of American mothers with children under 18 hold jobs outside their homes. In California about one-third of the mothers of preschool youngsters work part time or full time. The number of employed preschool moms will reach 6.6 million in 1985. Other factors contributing to the rise in the female work force is the rising divorce rate and the number of households now headed by women.
3. Discuss Annie's experience as a babysitter, her attitude and personality. She loves children and doesn't mind hard work or long hours. Also stress her education and credentials in teaching and directing for early childhood education.

IV. Group Activity

This activity is designed to acquaint students with a real-life day care center owner. The principles in the text regarding the characteristics and responsibilities of a day care center owner should be reinforced by students' personal contact with such a person.

A list of sample questions for the visitor is provided. Be sure the speaker knows the kind of questions he or she should address at least a week before the visit. You will probably want to allow questions and answers after the presentation. You may also want to have a brief discussion of what the class thought about the presentation.

Unit 2 - Choosing a Location (1 class period)

- I: Case Study: Annie finds a location for her day care center but discovers that the location is not in the right zone for a day care center. Annie decides to rezone the area for her business.

Text: Things to Think About in Deciding Where to Choose a Location
Zoning Rules and Regulations
Number of Families with Young Children
Need for Child Care Services
Income of Families
Character of the Neighborhood
Choosing a Location

II. Responses to Individual Activities

1. Find out if the area of interest/location is zoned for a day care center.
2. A location between a residential and a commercial district.
 - a. medical or dental clinics
 - b. apartment projects
 - c. multifamily housing
4. Responses will depend on each student's research. This activity should provide information on the need for day care services in an area of interest.
5. and 6. Responses will again depend on each student's research and community location.

III. Responses to Discussion Questions

1. Responses should be based on the number of existing day care centers (the higher the number, the higher the risk), zoning regulations, family income and the number of children living in a community.
2. Discussion should focus on the need for service, the characteristics of the neighborhood or community, the percentage of young families in the area, whether the families in the area are transient, and if the center is located near a main thoroughfare.

IV. Group Activity

The purpose of this activity is to give students the opportunity to evaluate the actual site for a day care center. In doing so they will be applying what they learned in this unit.

Unit 3. - Getting Money to Start (1 class period)

- I. Case Study: Annie makes a list of her starting expenses and determines the size of the bank loan she will need. Then she decides to apply for a business loan from her local bank.

Text: Personal Background Information (a Resume)
 Business Description
 Statement of Financial Need
 Starting Expenses

II. Responses to Individual Activities

1. Her competition and her strategy for success
2. \$12,500
3. \$32,500
4. \$6,000
5. \$26,500
6. Utilities and phone deposits, license and permits, legal expenses, insurance, promotion.
- 7.

STATEMENT OF FINANCIAL NEED			
<u>Starting Expenses</u>		<u>Money on Hand</u>	
Salaries	\$10,000	Cash on Hand	\$ 6,000
Building Expenses	600	Gifts or Personal Loans	
Repairs and Renovations	6,000	Investment by Others	
Equipment and Furniture	4,000	TOTAL	\$ 6,000
Inventory or Supplies	300		
Advertising and Promotion	425		
Other (see below)	<u>11,175</u>		
TOTAL	\$32,500	TOTAL STARTING EXPENSES	\$32,500
Other:		TOTAL MONEY ON HAND	<u>6,000</u>
Utilities & phone,		TOTAL LOAN MONEY NEEDED	\$26,500
license and permit	\$ 1,175		
Legal expenses, insurance, operating capital for first six months	<u>10,000</u>		
	\$11,175		

III. Responses to Discussion Questions

1. Annie's description did not include information about her competition or her strategy for success. A lender would probably have questions for Annie and may ask for a more detailed description of her plan.
2.
 - a. Personal background information (resume)
 - b. More detailed information about Annie's current financial situation, e.g., the debts she may owe.

- c. More information about Annie's chances for success and strategies she might use.

IV. Group Activity

1. Damon's expenses would be lower than Annie's since the day care center is fully equipped. His starting expenses would probably include all the same expenses that Annie has listed with the exception of educational supplies and equipment and maybe repairs/remodeling. Since Damon's day care center will only accommodate 20 children, his food costs (if he offers meal service) will also be lower.
2. Damon would need to apply for a loan since he has not saved any money. He would need to provide background information, a description of his plans, and a statement of financial need, just as Annie did.
3. Ask students to give their feelings about saving money toward starting expenses, based on what they have learned in this unit.

Unit 4 - Being in Charge (1 class period)

- I. Case Study: Annie knows the number of staff she will need to handle 36 children. She develops an application form and a list of interview questions. Within weeks Annie has hired her staff.

Text: Tasks
Selecting Job Applicants
Detailed Application
Personal Interview
Personal Reference
Keeping People Happy

II. Responses to Individual Activities

1. a. supervise children and their activities
b. interview parents
c. plan programs
d. work out schedules
e. interview and hire new employees
f. serve meals or snacks
g. assist with teaching

Students may come up with other answers that are valid.

2. Any three of the following:
 - a. friends and acquaintances
 - b. employment agencies
 - c. newspaper advertisement
 - d. personal applications
3.
 - a. fill out a detailed application
 - b. provide personal references
 - c. have a personal interview
4. A teacher must be 18 years or older and have completed, or be working toward, 12 college semester units in early childhood education.
5. A teacher's aide must also be 18 years of age and have a high school diploma at the time of employment. A person may also be hired if she or he has obtained two years experience in group child care.
6. Person-to-person because they are the most reliable source of information about the applicant.
7.
 - a. providing good personal relations with your staff
 - b. offering special services or benefits
 - c. clearly stated business policies

Students may have other answers that are also valid.

III. Responses to Discussion Questions

1. Discussion should focus on Alice's experience as a babysitter and her present courses in college. Since Alice has had only one year's experience in group child care and is in her first year of childhood education, Annie would probably hire her as a teacher's aide.
2. Discussion should focus on the personality and attitudes of a day care employee--e.g., patience, warmth, and compassion.
3. Discussion should focus on the need to hire staff who are patient with children. People who are easily upset are not good candidates for day care employment.

IV. Group Activities

The purpose of these role-playing activities is to allow students to practice interviewing and personnel management skills at an elementary level. Simple situations are the basis for the role-playing activities. The expected outcome of the activities is that students will have a clearer understanding of what is involved in these "being-in-charge" skills and of what it feels.

like to be the person in charge and/or the employee in possible true-to-life situations.

The activities can be done in small or large groups. Have students volunteer to role play but make sure that everyone has a turn. Read each situation and briefly discuss with students any questions or comments that make the situations more vivid. Then have each pair and group of three role play the situations. Ask each how they felt in their role and solicit ideas on alternative approaches.

Unit 5 - Organizing the Work (1 class period)

- I. Case Study: Annie's business is doing well, but she has trouble finding time to get everything done. To do everything she has to keep track of the daily arrival of each child and schedule her staff's hours.

Text: Keeping Track of the Children
Work Orders
Work Schedule

II. Responses to Individual Activities

1.

WORK ORDER FORM				
(Number of Children Enrolled Daily)				
Full-time/ Part-time	Date	Child's Name	Time Arrival-Departure	Total Hours
FT	Today	Deanne King	8am - 5:30pm	9-1/2
FT	Today	John Martinez	6am - 3:00pm	9
FT	Today	Lisa Swartz	9am - 4:00pm	7
PT	Today	Maureen Chow	12pm - 4:00pm	4
PT	Today	Arthur Llorenz	11am - 3:00pm	4

2.

WORK SCHEDULE				
Date: <u>October 13</u>				
Shifts				
Employee	6am - 3pm	3pm - 11pm	11pm - 6am	Hours Worked
Barbara Cook	5	3		8
Lonnie Griffin	4	2		6
Vance Smith	9			9

III. Responses to Discussion Questions

1. The owner of "Tinker" Day Care did not organize his work properly. He may have undercharged or overcharged the parents by not keeping accurate records of payments made by parents. He may also have encountered problems when parents asked about their billing. Students may have other answers.
2. Discussion should focus on the number of children that might arrive daily, Annie may expect all 36 children and only 15 show up for the day. Discuss the possibility of a vacancy factor.

IV. Group Activity

The purpose of this activity is to improve the students' knowledge of real business operations in your area. The purpose is not mastery of use of each form. It is merely an introduction to the importance of keeping good records of all kinds.

Unit 6 - Setting Prices (1 class period)

1. Case Study: Setting prices for a day care center involves understanding competitors' charges. Annie decides what she will pay her staff and how much she will charge for her services.

Text: Competition
 Operating Expenses
 Profit

II. Responses to Individual Activities

1. Responses will depend on student research.
2. a. Second child--\$85.00
 b. Third child--\$90.00
3. \$98.00
4. \$6.75
5. A rate that offers lower rates to parents who cannot afford the full charge.

III. Responses to Discussion Questions

1. Discussion should focus on the cost for:
 - pickup and delivery services (high cost for gasoline)
 - increase in utilities such as electricity and heating

- increase in salaries
 - increases in food costs
2. Discussion should focus on the income of the parents or community being served, and the competition in the area. Since Annie has decided to serve low-income parents this was probably a wise decision. Parents can afford the cost.

IV. Group Activity

The purpose of this activity is to give students practice in analyzing pricing methods in different income levels. By comparing various income levels and types of day care services students will get a clearer picture of the pricing methods used in establishing fees for a day care center. Students should ask questions on fees as if they were a potential customer. Students should avoid asking questions about profit. Not everyone wants to give out this information, especially over the telephone.

Unit 7 - Advertising and Selling (1 class period)

- I. Case Study: Annie advertises her day care center in the Yellow Pages and in the local newspaper. She uses other forms of advertising, too, to contact parents in the area.

Text: Brochure
Advertising
Promotion

II. Responses to Individual Activities

1. Develop a brochure.
2. The brochure describes your program, costs, hours and staff. The brochure can be kept on hand to mail or give to parents asking about your services. It's a form of advertising or telling parents all about your services.
3. Responses will depend on students' creativity and imagination. Use brochure content listed above for format.
4. Word of mouth, because personal references are usually well received. Other parents can describe firsthand experience in the type of services they received.
5.
 - a. Yellow Pages
 - b. newspaper ads
 - c. direct mail
6. The ad should include a headline, some information about the day care center, owner's name, address and phone number.

Students' ads should include this information. All other information is optional.

III. Responses to Discussion Questions

1. Discussion should focus on cost of ads. Ads are usually based on column inches, with the highest for metropolitan dailies and lowest for weeklies. Since Martha has only a limited amount to spend for advertising, the weekly rate would probably be her best selection at this time.
2. The purpose of direct mail is to send your message to an individual by name. It is the most personal of all advertising. Billy should have addressed each flyer to the person by name. Mail addressed "occupant" is usually discarded unread. This was the best means of advertising had Billy properly addressed his flyers.

IV. Group Activity

The purpose of this activity is to expose students to different types of ads and to help them see the characteristics and the advantages and disadvantages of each.

Unit 8 - Keeping Financial Records (1 class period)

- I. Case Study: Financial records are the basic records of a business. Annie uses two: a parent billing form and a daily cash sheet.

Text: Customer Billing Form
Daily Cash Sheet

II. Responses to Individual Activities

1.

SMALL FRY - Parent Billing Form				
Parent:	Mrs. White			
Child:	Willie White			
Date	Dates of Service	Amount Charged	Payment Received	Balance Due
July 12	July 7 - 11	\$25	\$12.50	\$12.50

2. The daily cash sheet is a way of recording the cash sales (parent payments) for each day. It also lets the owner know how much money he or she has taken in and paid out each day. These records are used to find out what your profit and loss is at the end of each year.

The daily cash sheet includes the following information:

Cash Receipts (money taken in)

- a. cash sales
- b. credit accounts

Cash Payments (money paid out)

- a. salaries
- b. building expenses
- c. equipment and furniture
- d. inventory or supplies
- e. advertising
- f. other expenses

3.

DAILY CASH SHEET			
Cash Receipts		Cash Payments	
Cash Sales	\$1200	Salaries	\$700
Credit Accounts		Building Expenses	
		Equipment and Furniture	
		Inventory or Supplies	125
		Advertising	10
		Other (Food)	80
TOTAL CASH RECEIPTS	\$1200	TOTAL CASH PAYMENTS	\$915

III. Responses to Discussion Questions

1. Discussion should include items such as:
 - invoice from supplier and services such as printing, supply sources, lawyers, accountants and insurance agents
 - purchase order forms for suppliers
 - checks and check stubs
 - income tax and other government forms
 - time cards for employees
2. Discussion should focus on the service business needs. A restaurant owner would probably need credit card forms and receipts that a day care center might not use.
3. Discussion should be directed to include at least the following points:

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- The need to know how the business is doing for current and future planning (including decisions on pricing, services, and profits)
- The need for accurate records for accounting and tax purposes and for banking (e.g., for establishing a line of credit and obtaining loans)

IV. Group Activity

The purpose of this activity is to expose students to different types of financial recordkeeping forms and to help them see the similarities and differences in their format.

Unit 9 - Keeping Your Business Successful (1 class period)

- I. Case Study: The business has been operating for a year. Annie takes a look at its performance for the year and plans changes to make it more profitable.

Text: Keeping Track of Profit
Two-Year Profit/Loss Statement
Improving Net Profit
Changing Your Business to Increase Sales

II. Responses to Individual Activities

1. a. Make sure you have enough money on hand.
b. Keep profits up and costs down.
c. Make changes in your business whenever necessary.
2. Net profit is the amount of money left over from your gross profit after all your business expenses have been paid.

3.

TWO-YEAR PROFIT/LOSS STATEMENT				
	Year 1		Year 2	
	\$	%	\$	%
<u>Revenues</u>				
Cash Sales	<u>70,000</u>		<u>85,000</u>	
Credit Sales				
TOTAL	<u>70,000</u>	100%	<u>85,000</u>	100%
<u>Expenses</u>				
Salaries	<u>35,000</u>		<u>39,000</u>	
Rent and Utilities	<u>7,200</u>		<u>9,000</u>	
Food and Supplies	<u>8,000</u>		<u>9,350</u>	
Advertising	<u>800</u>		<u>1,400</u>	
Other	<u>4,900</u>		<u>5,000</u>	
TOTAL	<u>55,900</u>	Expense Ratio = <u>80%</u>	<u>63,750</u>	Expense Ratio = <u>75%</u>
		Profit Ratio =		Profit Ratio =
<u>Net Profit</u>	<u>14,100</u>	<u>20%</u>	<u>21,250</u>	<u>25%</u>

4. The second year--it had higher profits and a higher profit ratio.

5. a. increase services
b. raise prices
c. reduce expenses

Students may come up with other answers that are valid.

III. Responses to Discussion Questions

1. Annie wanted a successful business. Even though she still had profits, she was concerned about a downtrend. Full-time enrollment assured her of a certain profit.
2. Discussion should focus on the following.
 - a. Cut back employee hours or day care hours.
 - b. Cut back on number of children you are presently serving.
 - c. Offer additional services.
 - d. Offer a credit card payment system.
 - e. Charge for extra services presently given.

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3. Discussion should focus on the following:

- reduced demand for services
- families with children moving out of the area
- inability of parents to afford service
- schools close down in the area

IV. Group Activity

The purpose of this activity is to review some of the major points discussed in this module with respect to planning, opening, and operating a successful day care center. This exercise will help students integrate many of the facts, procedures, and problems encountered in operating a day care center. It will help them review their own personal interest in the day care business.

The content outline of this module will be useful in developing the list of activities that students will then rate. At the conclusion of the exercise you may wish to lead a class discussion to see whether students' feelings about owning and operating a day care center have changed as a result of studying the module.

Summary (15-30 minutes)

If desired, the Quiz may be given prior to summarizing the module and doing wrap-up activities.

The Summary section of the Student Guide covers the main points of the module. You may wish to discuss this briefly in class to remind students of major module topics.

Remind students that their participation in this module was intended as an awareness activity so they could consider entrepreneurship as a career option. Their introduction to the skills required for successful small business management has been brief. They should not feel that they are now prepared to go out, obtain a loan, and begin their own business. More training and experience are necessary. You can suggest at least these ways of obtaining that experience: one way is to work in the business area in which they would eventually want to have their own venture; another is to go to school (community colleges are starting to offer AA degrees in entrepreneurship).

This is a good time to get feedback from the students as to how they would rate their experience with the module. Could they identify with the characters portrayed in the case studies? How do they feel about the learning activities?

You may want to use a wrap-up activity. If you have already given the quiz, you can go over the correct answers to reinforce learning. Or you could ask class members to talk about what they think about owning a small business and whether they will follow this option any further.

Quiz, (30 minutes)

The quiz may be used as an assessment instrument or as an optional study tool for students. If you wish to use the quiz for study purposes, duplicate and distribute the answer key to students. In this case, student achievement may be assessed by evaluating the quality of students' participation in module activities.

Quiz Answer Key

1. d
2. a. like working with children
b. have a good personality
c. be patient and understanding of others
d. be a good judge of people
e. be willing to work hard and long hours
f. have a good business sense
3. a. offer babysitting service
b. offer delivery and pickup service
c. provide special fees
d. offer scholarships
e. offer a drop-in service
4. a. apply for a day care license
b. fire inspector
c. health inspector
d. plumbing inspector
5. f
6. d
7. c
8. \$36,065
9. a
10. b
11. a. friends and acquaintances
b. employment agencies
c. newspaper advertisement
d. personal application
12. c
13. f

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14. a. name of customer (parent)
- b. child's name
- c. date
- d. dates of service
- e. amounts billed and received
- f. balance due

15. a

16. Net profit = \$56,000
Profit ratio = 27%.
Expense ratio = 73%

SUGGESTED READINGS

General Entrepreneurship References

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GOALS AND OBJECTIVES

Goal 1: To help you plan your day care center.

Objective 1: Describe the services, customers, and competition of a day care center.

Objective 2: List three special personal qualities a day care center owner needs.

Objective 3: List two ways to help your day care center compete successfully.

Objective 4: List one or more special legal requirements for running a successful day care center.

Goal 2: To help you choose a location for your day care center.

Objective 1: List three things to think about in deciding where to locate your day care center.

Objective 2: Pick the best location for a day care center from three choices.

Goal 3: To help you plan how to get money to start your day care center.

Objective 1: Write a business description for your day care center.

Objective 2: Fill out a form showing how much money you need to borrow to start your day care center.

Goal 4: To help you select and manage the people with whom you work.

Objective 1: Given the general tasks of a day care center owner and several employees, decide how to divide the work.

Objective 2: Select from a list of day care center applicants those acceptable for your business.

Objective 3: List three ways to keep employees happy.

Goal 5: To help you organize the work of the day care center.

Objective 1: Given available employees and specific customer orders, fill out work order forms.

Objective 2: Given several tasks to do on a particular day, develop a work schedule for yourself or an employee.

Goal 6: To help you set prices for your day care center.

Objective 1: Given things to consider about the fees of a service, select the best prices.

Goal 7: To help you advertise and sell your day care center.

Objective 1: Choose the best way to advertise your day care center for a specific purpose.

Objective 2: Develop a printed ad for your day care center for the Yellow Pages or a newspaper.

Goal 8: To help you learn how to keep financial records for your day care service.

Objective 1: Given information about the services performed for a customer, fill out a customer billing form.

Objective 2: Given information about income and expenses on a single day, fill out a daily cash sheet.

Goal 9: To help you learn how to stay successful.

Objective 1: Given some information about a center's income and expenses, figure out the net profit (before taxes), profit ratio, and expense ratio.

Objective 2: Given a decline in profits, state one way to increase profits.

Objective 3: Given a specific problem of low sales, suggest a way to change your center to increase enrollment.