

How to Start a Daycare With No Money

What “No Money” Really Means

Most programs still require some upfront costs (licensing steps, safety supplies, background checks, insurance). “No money” success usually comes from:

- **Reducing startup expenses**
- **Getting costs covered by funding or partners**
- **Opening in phases** (start smaller, grow as revenue starts)

Low-Cost Startup Paths (Choose the best fit)

Path A: Start Small (Home Daycare / Small Group)

- Lower rent/buildout costs
- Smaller equipment needs
- Easier to phase materials

Path B: Shared Space Partnership (Community/Church/School)

- Negotiate low-cost lease in exchange for services or fixed hours
- Ask for included utilities/maintenance

Path C: Employer-Supported Child Care



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- Local employers sometimes sponsor spots, supplies, or space to support staff

Path D: “Phased Opening”

- Open with one age group/one room first
- Add equipment/materials as enrollment grows

Funding & Support Sources to Check

Use these categories as a **search checklist** (no matter what state you’re in):

1. **State/local child care grants and quality funds** (often tied to quality improvement or workforce initiatives)
2. **Workforce programs** (training + career development funds; sometimes business supports)
3. **Community foundations and local business grants** (small grants for community services)
4. **Nonprofits supporting early childhood** (materials, coaching, or mini-grants)
5. **Food program support** (can reduce food costs once operating)
6. **Employer partnerships** (sponsored slots, supplies, or guaranteed enrollment)
7. **Donations & in-kind support** (equipment drives, wishlists, “adopt a classroom”)

Pro tip: Your local **CCR&R** (Child Care Resource & Referral) is often the fastest way to find what’s real and active in your area.



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What to Ask

Contact your **state child care lead agency** and ask:

“Are there any current funds to help start or expand a child care program (supply-building, quality grants, materials grants)?”

Contact your **CCR&R** and ask:

“Do you have start-up mini-grants, quality funds, or a materials program for new providers?”

Ask your local **SBDC/SCORE** for business planning help.



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