

Buyer Checklist

Questions to Ask Before Buying a Child Care Center

Buying a child care center can be exciting. It can also be risky if you do not know what questions to ask.

A center may look warm, busy, and inviting, but the real business story is found in licensing, enrollment, staffing, finances, operations, and reputation.

Use this checklist before you fall in love with a building, playground, or asking price.

1. What market am I targeting?

Before reviewing centers, get clear on location.

Ask yourself:

- What state or city am I interested in?
- Am I open to multiple locations?
- Do I want a center near my home or office?
- Am I looking in a high-growth area?
- Do families in this area need more child care options?

Tip: A strong location can support enrollment, staffing, and long-term growth.

2. What is my budget?

Know your price range before serious conversations begin.

Ask:

- What is my total acquisition budget?
- Do I have cash available?
- Do I need financing?
- Is my financing ready or still in progress?
- Do I have funds for improvements after purchase?



Reminder: The purchase price is not the only cost. You may also need money for legal review, accounting, repairs, staffing, marketing, training, and working capital.

3. Is the child care license active and in good standing?

Licensing is one of the most important areas to review.

Ask:

- Is the license active?
- Are there any recent violations?
- Are there pending corrections?
- When is the next renewal?
- Is the licensed capacity clear?
- Would the license transfer, or would I need a new application?

Tip: Licensing rules vary by state, so do not assume the process will be simple.

4. What is the licensed capacity compared to current enrollment?

Capacity and enrollment tell you how the business is performing.

Ask:

- What is the licensed capacity?
- How many children are currently enrolled?
- What age groups are served?
- Is there a waitlist?
- Has enrollment gone up or down recently?
- How many children are full-time vs. part-time?

Example: A center licensed for 80 children but enrolled at 35 may have growth potential, but it may also have enrollment or reputation challenges.

5. What does staffing look like?

Staffing can make or break the transition.

Ask:

- How many staff members work at the center?
- Is there a director in place?



- Are teachers qualified and trained?
- How long have key staff been employed?
- Are staff likely to stay after the sale?
- Are wages competitive?
- Are there open positions?

Tip: A strong director and stable teachers can be one of the biggest assets in a child care acquisition.

6. What do the financial records show?

Do not rely only on what someone says the center earns.

Ask to understand:

- gross revenue
- tuition rates
- payroll costs
- rent or mortgage costs
- food and supply costs
- insurance costs
- maintenance costs
- profit and loss history
- tuition collection practices

Reminder: Always have qualified professionals review legal and financial documents before making a final decision.

7. What is included in the sale?

Make sure you know exactly what you are buying.

Ask:

- Is the business only for sale?
- Is real estate included?
- Are furniture, toys, supplies, and equipment included?
- Are vehicles included?
- Are curriculum materials included?
- Are phone numbers, websites, and branding included?
- Are contracts or vendor relationships included?

Tip: Do not assume anything is included unless it is written clearly.



8. What is the center's reputation?

A child care business depends on trust.

Ask:

- How long has the center been operating?
- What do families say about it?
- Are online reviews strong?
- Does the center have referral relationships?
- Are families likely to stay after ownership changes?
- Has the center had public complaints or concerns?

Reminder: Reputation can affect enrollment quickly.

9. What repairs or improvements may be needed?

A center may need updates after purchase.

Look at:

- classrooms
- bathrooms
- kitchen or food service areas
- playground
- flooring
- roof
- heating and cooling
- safety systems
- fencing
- parking and drop-off flow
- accessibility

Tip: Repairs can affect your budget and your ability to operate smoothly.

10. What will my role be after purchase?

Buying the center is only the beginning.

Ask yourself:

- Will I work in the center daily?
- Will I hire a director?
- Do I understand child care operations?



- Do I need staff training support?
- Do I need help with licensing or compliance?
- Do I have a transition plan for families and staff?

Reminder: The right center for a hands-on owner may be different from the right center for an investor.

Ready to explore buying a child care center?

If you are interested in buying a child care business, expanding your portfolio, or learning what kind of opportunity may fit your goals, **request your FREE consultation**. Complete the [Private Child Care Business Buyer/Seller Interest Form](#).

Your answers help ChildCareEd better understand your target location, budget, timeline, and next step.

