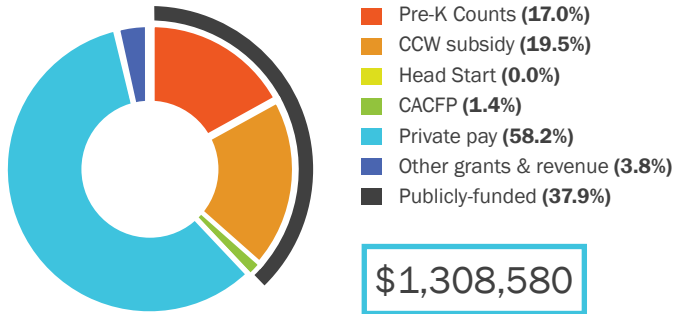
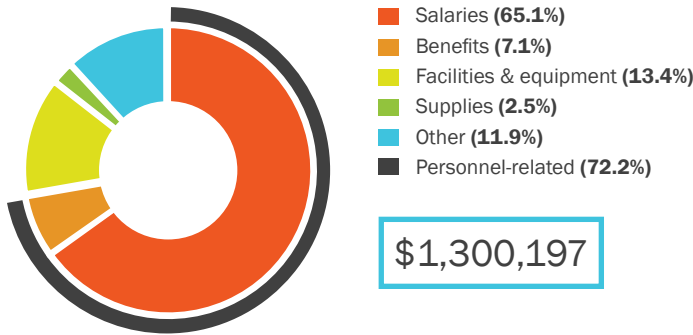


THE SETON CENTER

REVENUES

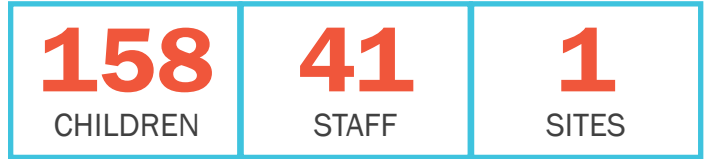


EXPENSES

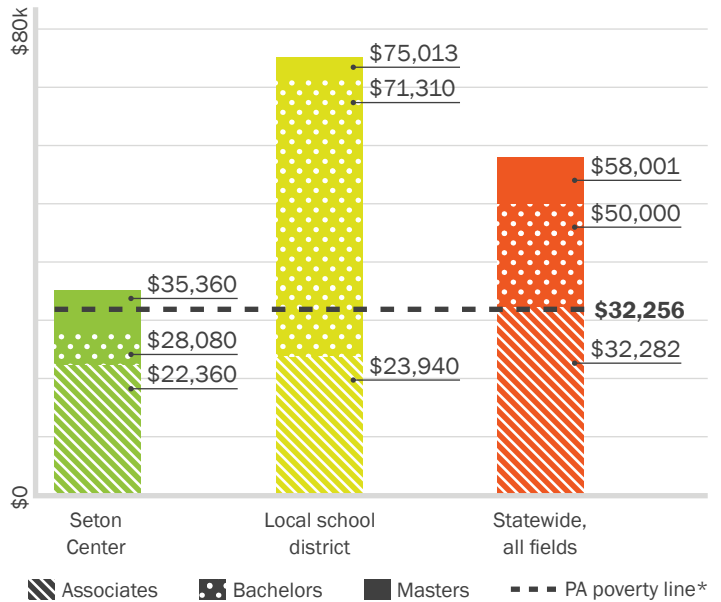


Located in Pittsburgh’s Brookline neighborhood, the Seton Center provides child care and before- and after-school programs to children from six weeks to 12 years old. But Seton Center isn’t just for kids; as longtime CFO Mary Ann Heneroty explains, “It actually started with just a senior center. Then there was a small child care program, and I always say, then they hired Sister Barbara and before you knew it there were three floors and a waiting list.”

Today, Seton Center’s programs also include adult care for seniors who can’t stay by themselves during the day. This unique combination builds intergenerational connections, something CEO Sister Barbara Ann Boss thinks benefits everyone involved. “The seniors just light up when the little children go over there. And it’s hugely beneficial for the kids too—they’re learning to build bridges across the generations and breaking down walls of fear.” It also creates a more diversified and stable financial model, one that can weather the volatility of enrollment changes and reliance on public funding that make child care such a tough business. As Heneroty explains, “It’s a cash



SALARY COMPARISONS

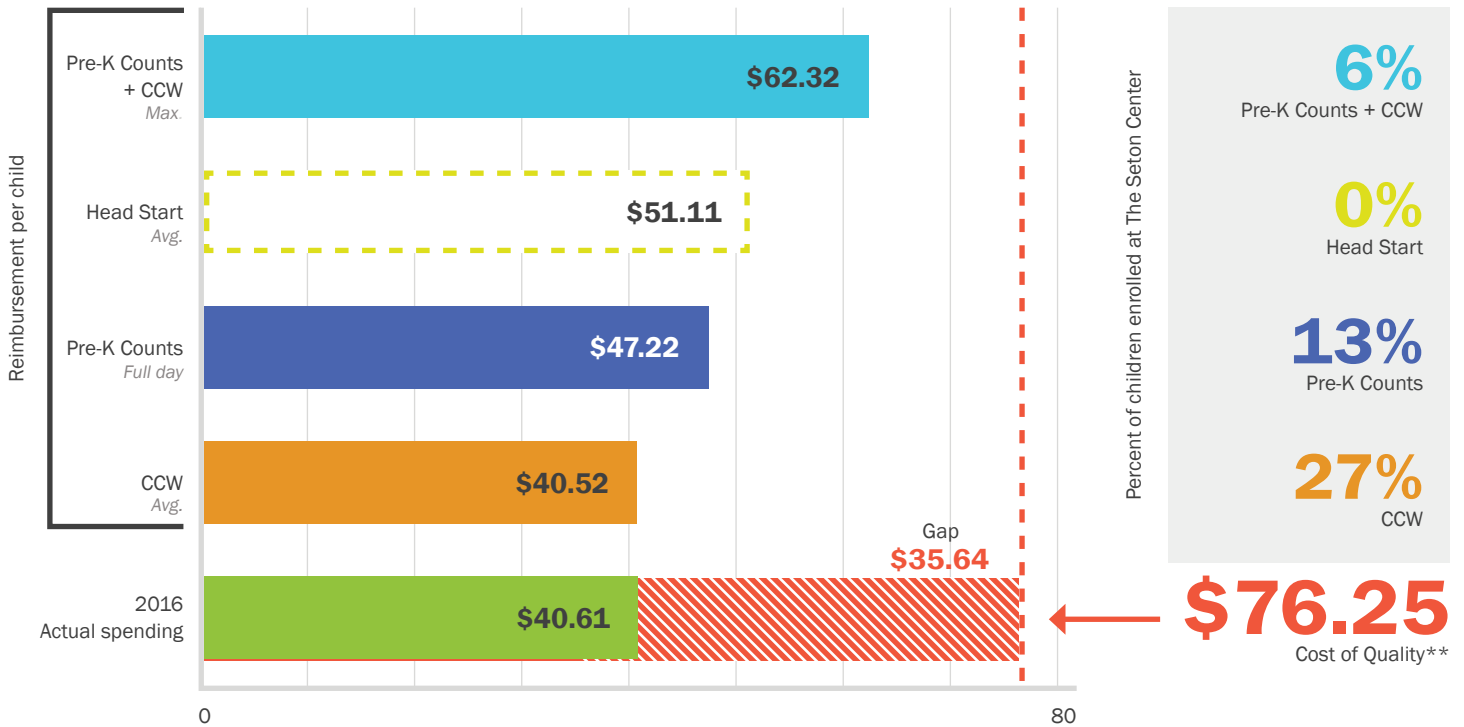


flow thing. The only thing that kept us alive during last year’s nine months budget impasse was the fact that we had a variety of programs here. If we would have been depending on one, we couldn’t have made it.”

Heneroty and Sister Barb have also been intentional about diversifying the ages of the children they serve in child care. “I don’t know how anyone makes enough money on infants and toddlers to cover the cost of those ratios, especially for children on subsidy,” says Sister Barb. “We do that as part of our mission.” Heneroty elaborates, “Mother Seton was the founder of the Catholic school system in the United States and her philosophy was that poor families should have equitable access to high-quality education. She and the Sisters of Charity were very practical. They were all about, how do we make this work for kids?”

So, how does the Seton Center make it work? They bring in enough revenue on pre-K programs, which benefit from funding through Pre-K Counts, and school-age programs, which are less costly overall, to balance the budget. They

DAILY REIMBURSEMENT RATES VS. COST OF QUALITY



*Represents SNAP eligibility for family of three in PA

**Estimate includes cost of wages increases competitive to local school districts and achieving NAEYC-recommended ratios

are also lucky. The Sisters of Charity own their building and charge them just one dollar a year for rent.

Unfortunately, the Seton Center still operates close to the breakeven point, and Heneroty and Sister Barb remain unable to pay their employees what they think they deserve. Even their highest paid staff, full-time pre-K teachers, are paid far

less than their counterparts who teach grades K-3 in the Pittsburgh School District, making turnover a challenge. “By the time we get them certified they’re very valuable to the public schools, so every September we hold our breath,” Heneroty laments. She’s also concerned with the ripple effects of low wages. “The future of this country is in the hands of these little children, and they in turn are in the hands of our staff every day. If we don’t pay them fairly for that work, that’s a whole other generation of poverty we’re creating.”

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Meanwhile, Sister Barb worries about the message it sends when they pay pre-K teachers substantially more

than teachers in the infant and toddler classrooms. “At Seton there is an educational component to every classroom, whether we call that teacher a pre-K teacher or not. Higher wages for certified pre-K teachers are a great thing, but without any attention to the rest of the workforce, we’re producing serious inequity.”

Unfortunately, no simple answer emerges. Higher wages would require more revenue. When Sister Barb heard recent rumblings about the passage of a \$12 per hour minimum wage bill, she asked Heneroty to do the math. “The bottom line is, it would cost us an additional \$198,000 a year. Where do we get that? Do we raise child care rates by 45 percent?”