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This new day care center will help fund others for low-income families

By [Lisa Bertagnoli](#)



Concordia Day in Ravenswood.

Nonprofit Concordia Place has a plan for Concordia Day, the market-rate day care center it's opening Aug. 8.

The 6,000-square-foot center, across from Ravenswood's Metra station, is decked out in blond wood, leaf-green wainscoting and plenty of tiny furniture. All 18 staff members have degrees in early childhood education.

"This isn't babysitting," says Brenda Swartz, CEO of Concordia Place, a \$4.2 million nonprofit social services agency launched some 35 years ago out of Concordia Lutheran Church in North Center.

Proceeds from Concordia Day, which charges \$2,115 a month for infants, \$1,850 a month for toddlers and \$1,635 a month for 2- and 3-year-olds, will underwrite Concordia Place's programs for lower- and middle-class children, teens, adults and seniors.

It's social enterprise—a way for nonprofits to create a stream of reliable, unrestricted revenue and thus lessen their dependence on government funding. Swartz expected foundations to be eager to provide grants for the endeavor.

Except they weren't. Concordia Place usually enjoys a healthy 45 percent "yes" rate for funding asks. In this case, there were fewer funding sources to turn to, and fewer that said yes, Swartz says.

“This is being proactive. It's really thinking long term,” she says. “I would hope that Chicago's philanthropic community would see that and get on board.”

The lack of support surprises Eric Weinheimer, CEO at Forefront, a Chicago-based nonprofit that represents foundations and nonprofits. “My experience is that foundations are very eager to support innovation and ways for grantees to diversify revenue sources,” he says. “That's one of the key roles philanthropy plays—to fund innovation and provide that risk capital other sources aren't going to provide.”

Swartz's theory: The line between market-rate Concordia Day and Concordia Place is dotted, rather than solid. For instance, it's not exactly like Uptown's [Inspiration Kitchen](#), a restaurant that trains homeless people for careers in food service. The restaurant is scheduled to close July 31 due to funding issues.

“When (foundations) hear, 'This will offer market-rate day care,' they think it doesn't fit,” Swartz says. Foundations “fund the easy things,” she says.

Swartz and Concordia Place's board hatched plans for Concordia Day about five years ago. Last year, the board launched a \$1.8 million capital campaign to raise money to open three Concordia Day locations by 2020. Individual donors, plus grants from Chicago Community Trust and Thrivent Financial, an Appleton, Wis.-based financial advising firm with roots in the Lutheran Church, have helped raise \$720,000 to date. The campaign goes public Aug. 2.

Swartz is scouting locations in neighborhoods like Jefferson Park and Portage Park—places with families and reasonable rents—for the second and third locations. Each is expected to generate \$100,000 to \$150,000 in net, unrestricted income.



Brenda Swartz

That income will help pay for programs at the two Concordia Place locations, one in North Center and the other in Avondale, which serve about 800 children, teens and seniors annually. Concordia Place uses a sliding scale for tuition and also accepts state subsidies for child care; a family with a gross income of less than \$15,500 would pay less than \$20 a week for toddler care. Its programs for seniors, adults and teens are free.

Swartz hopes to open the first Concordia Day, which costs \$500,000 to open, with 26 children and eventually build to its 47-child capacity.

Meanwhile, she says she understands that even with upscale decor, trained teachers and a savvy location, Concordia Day is a risk.

“It's risky to open a new business, whether you're a for-profit or a nonprofit,” Swartz says.

Concordia Day will deal with the same issues as a for-profit business, including making payroll and paying the rent and utilities. “We face all those things,” she says. “People think if you're a nonprofit, you don't have to make money.”