



The Child Care Industry of Lake County, California

is a \$12 million dollar industry that:

employs over 346 individuals in

129 small businesses,

pays \$4,241,000 per year in wages and benefits,

generates 401 additional jobs and

\$17.7 million in sales.

Caring for Children

The Economic Impact of the Child Care Industry in Lake County, California.

Caring for children is necessary in today's economy. Child care enables a single parent to work. Child care allows both parents of a two-parent household to hold jobs and improve their standard of living.

Although child care is frequently thought of as only serving children from birth to school-age, before and after-school child care serves children through their middle-school years.

Together these programs make child care available to children from birth to high school and contribute benefits to Lake County that cannot be measured in terms of dollars and cents.

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Child Care includes:

Licensed Care:

Infant Child Care Centers are licensed to care for a dozen or more infants.

Family Child Care Homes provide the widest range of care. Generally licensed for only 8 to 14 children, the age range of children accepted into these home settings ranges from infancy through 13+ years.

Migrant Child Care Centers offer child care to the migrant population of the state. These serve children of agricultural workers.

School-Aged Child Care Centers provide after-school services and programs for children.

Subsidized Child Care Centers, along with State Preschools and Head Start Programs are licensed for a larger number of children.

Unlicensed Care/Licensed-exempt Care:

Child Care which does not require a state license, such as care provided by friends and family members; parks and recreation programs; arts and sports programs.

Child Care: Generating Revenues and Expanding Opportunities for Employment

The child care industry directly contributes to the economy of Lake County. Annual revenues for the child care industry total over \$12,108,055

from 129 businesses. These businesses employ 271 workers and pay over \$2,602,000 in salary and \$967,000 in benefits each year.



Businesses and Employees

Licensed Child Care Businesses	129
Employees	271

Income and Benefits

Total Annual Wages	\$2,602,082
Benefits	\$967,291
Self employment Net Earnings	\$671,661
Total Salaries and Benefits	\$4,241,034

Source: Economic Impact Survey, 2005.

The following chart shows the approximate number of positions which receive benefits.

Program Director	4
Program Coordinator	3
Fiscal Specialist	2
Food Program Assistant	1.2
Director Private	2
Site Supervisor	28
Head Teacher	1
Teacher FT	35
Teacher's Assistant	20
Site Assistants	6
Literacy Coach	1
Cook	7
Family Support Specialists	4
Other Support Services	12



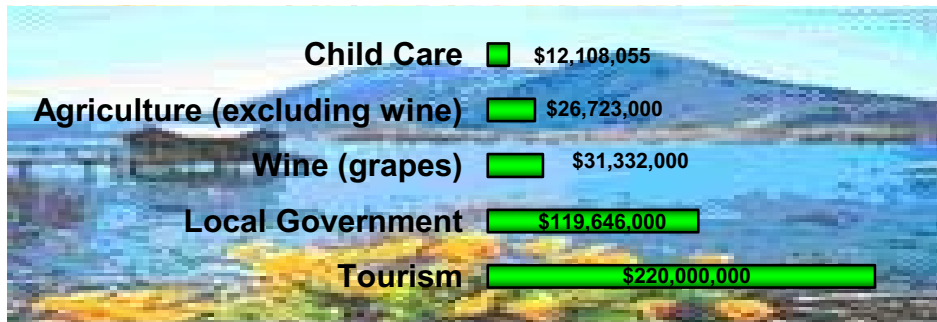
Full-time employees at subsidized child care centers receive benefits including health, vision and dental. Private child care centers occasionally provide health benefits. Those that do usually contribute a fixed amount and the employee pays the balance of the premiums.

Lake County Industry Comparisons

Gross Revenues

Major sources of economic activity in Lake County include: the Government sector, \$120 million; the Agricultural sector, \$58 million, of which \$31

million is generated by the wine grape industry; and the Tourism Industry, which generates approximately \$220 million annually



Source: Child Care: Economic Impact Survey, 2005. Wine grapes: Lake County 2003 Crop Report, Steven Hajik, Agricultural Commissioner, 2004. Agriculture; all crops: Lake County 2003 Crop Report, Steven Hajik, Agricultural Commissioner, 2004. Tourism: Lake County General Plan, URS Mintier & Associates, 2004. Local Government: Fiscal Year 2004/05 Final Budget Position Allocation, <http://www.co.lake.ca.us/countygovernment/auditor/budget0405/positionallocation.pdf>.

Employment

Licensed child care contributes to the economic infrastructure of Lake County by providing direct employment and self-employment to 346 individuals in Lake County. In addition, 362 license-exempt individuals provide child care through the Family Friend and Neighbor program. A total of 708 individuals provide child care, in either licensed and license-exempt capacities.



Job Titles in the Child Care Industry

Program Director: Supervise one site or a multiple-site program; provide instruction; coordinate curriculum and staff development.

Site Supervisor: Supervise a single site program; provide instruction; coordinate curriculum and staff development.

Master Teacher: Supervise Teachers, Associate Teachers and Assistants; provide instruction; coordinate curriculum and staff development.

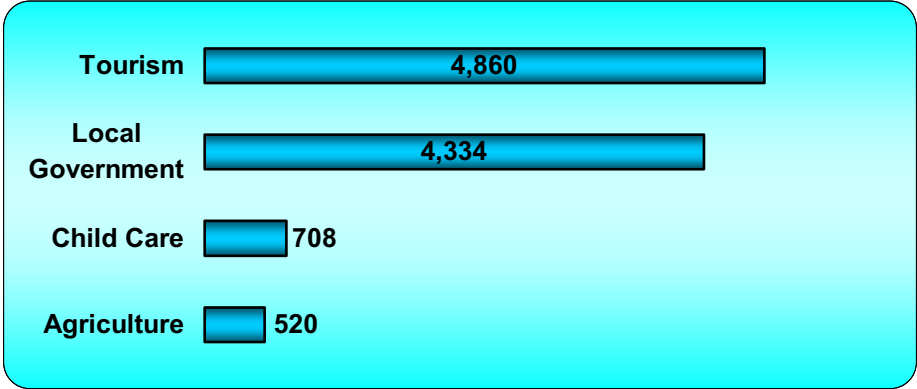
Teacher: Supervise Associate Teachers and Assistants; provide instruction.

Associate Teacher: Supervise Assistants and Aids; provide instruction.

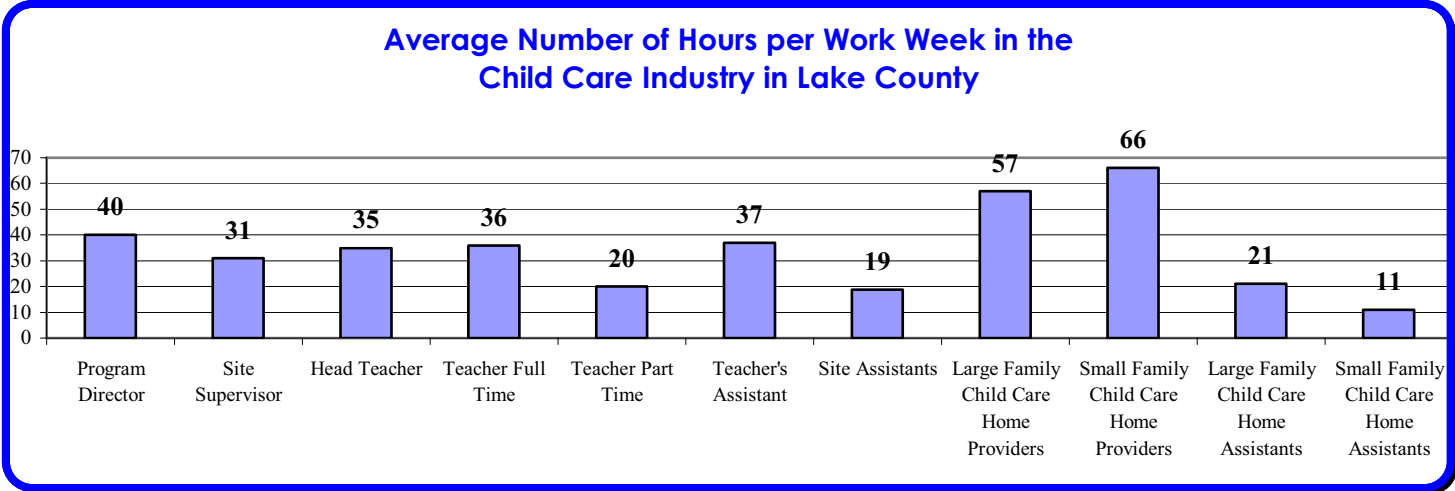
Assistant: Assist in the instruction of children.

Lake County Industry Employment Comparison

This chart compares employment in the child care industry with that of agriculture, tourism and the public sector in Lake County.



Source: Tourism: Lake County General Plan, URS Mintier & Associates, 2004. Local Government: Census 2000, DP-3. Profile of Selected Economic Characteristics, Census 2000 Summary File 3, Lake County, California. Agriculture: Census 2000, DP-3. Profile of Selected Economic Characteristics, Census 2000 Summary File 3, Lake County, California. Child Care: Economic Impact Survey, 2005, including Licensed and License-exempt unlicensed Child Care providers.



Program Directors typically paid to work a 40 hour week, while Site Supervisors are paid to work between 25 - 40 hours. Most Teachers and Teacher's Assistants work full-time as well.

Site Assistants usually work under 4 hours per day. Self-employed providers operating Family Child Care Homes with few or no assistants put in the longest hours, some up to 80 hours per week.

Assistants at Family Child Care Homes work between 10 and 20 hours per week. Most Small Family Child Care Home Providers do not employ assistants.

Multiplier Effects of Licensed Child Care in Lake County



Source: RIMS II Multipliers (1997/2002), Clearlake, CA Micropolitan Statistical Area, United States Department of Commerce

Child care is an important part of the economic infrastructure of Lake County.

Wages and self employment earnings are typically spent locally, contributing to the overall economy in the county, creating an additional 401 jobs and generating \$17,689,868 in sales.

Child care enables parents to work. For children between the ages of 0-5, approximately 51% of families where either both parents work or the single parent head-of-household is in the labor force utilize child care. When the children reach school age, the utilization rate of child care drops to 20%.

Source: Lake County Child Care Planning Council Needs Assessment, 2002

Approximately 1,489 parents in the workforce utilize child care in Lake County. Of these, about 864 are male and 625 are female workers. Their combined median income \$45,922,39

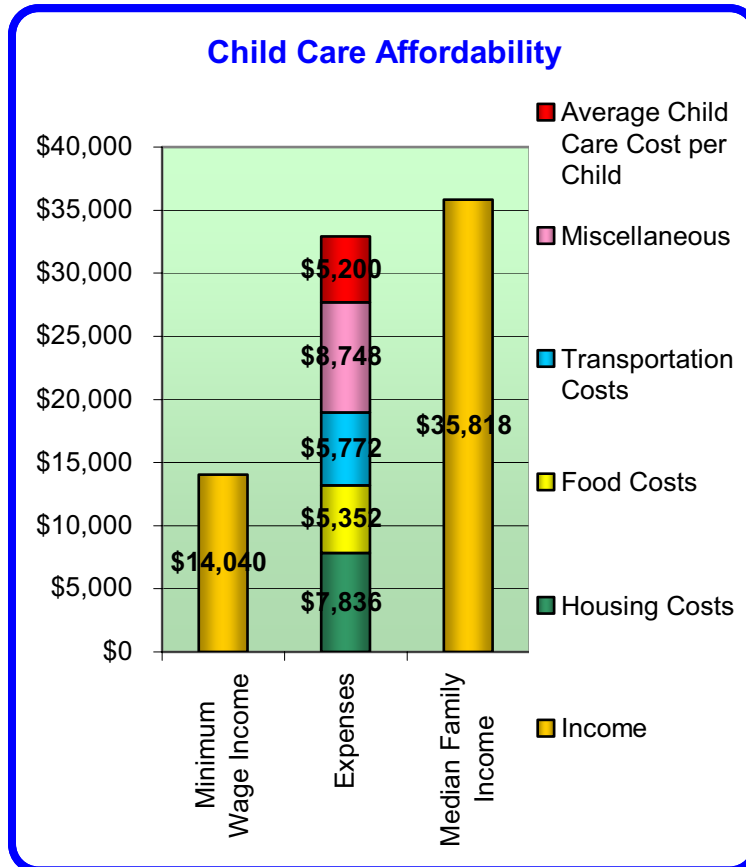


Child care enables nearly 1,500 parents to be in the work force earning \$45.9 million annually.

Source: Census 2000, Lake County, California, DP-3; P-44

State, Federal and Local Child Care Subsidies in Lake County Total \$8,095,285 Annually.

Affordability of Child Care in Lake County



Sources: California Minimum Wage January 1, 2004, <http://www.dol.gov/esa/minwage/america.htm#California>; Average Child Care Cost, Lake County Child Care Planning Council Needs Assessment, 2002; Housing, Food, Transportation, Miscellaneous Costs, Family of Two Adults and One Preschooler, The Self-Sufficiency Standard For Lake County, 2003, National Economic Development and Law Center, <http://www.nedlc.org/cfess/Lake.pdf>; Median Income/Rent, Census 2000, DP-3, DP-4.

Child care costs for one child amounts to 37% of the minimum wage income of \$14,040 earned by one person working 40 hours per week, 52 weeks per year and 14.5% of the median family income of \$35,818.



*Without subsidies
a single parent working at minimum wage
can not afford child care.*

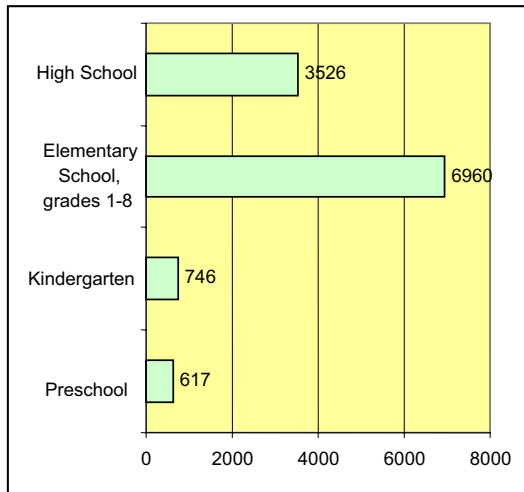


Lake County Demographics

Lake County is nestled in the coast range mountains about 100 miles north of San Francisco and 50 miles east of the Pacific Ocean. While the county is completely surrounded by mountains, its most prominent feature is Clearlake, the largest freshwater lake entirely within California. Lake

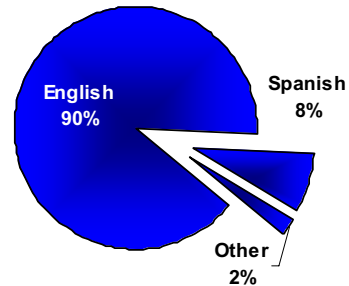
County is predominantly rural in character. Government is the largest employer in the county, followed by service and retail industries, especially those related to tourism. Agriculture is the fourth largest employer, with the wine grape industry being the most prominent crop.

Population of Children 3 and over Enrolled in School



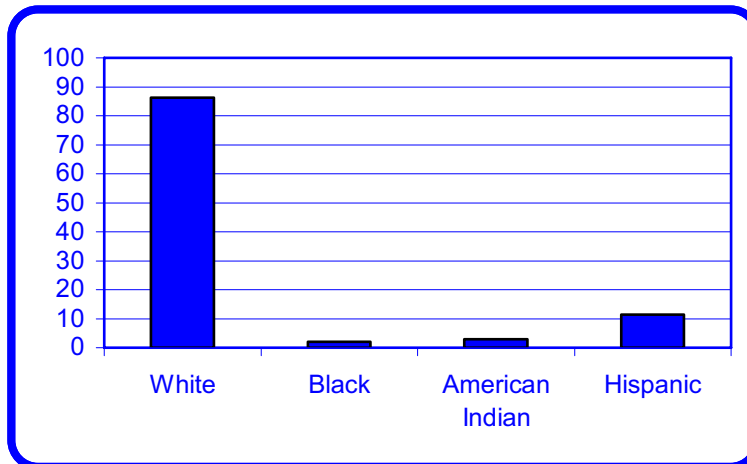
Source: Census 2000, DP-2

Primary Languages Spoken at Home



Source: Census 2000, DP-2

Race as a Percentage of Total Population in Lake County



Source: Census 2000, DP-1, Race as a percentage of total population..

Employment Outlook

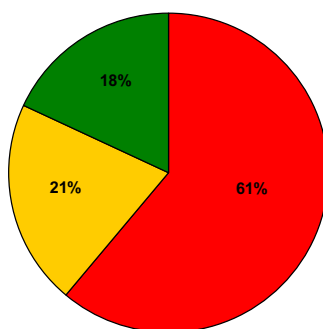
The Services industry is expected to have the largest growth in employment, followed by Retail Trade and Transportation.

Of all the jobs expected to be created, 61% will pay less than \$24,000 per year. Another 21% will pay between \$24,000 and the

County's median income of \$36,000. Only 18% of the expected new jobs will pay over the County median income.

*Source: County Snapshots, California Employment Development Department (2003)
<http://www.calmis.ca.gov/file/cosnaps/lakeSnap.pdf>*

The impact this will have on child care will be profound. Most of the new jobs created will not pay enough to cover child care costs.



■ Less than \$24,000 ■ \$24,000 to \$36,000 ■ \$36,000 +

Without subsidized child care, many parents will be unable to participate in much of the expected job growth in the county.

THE IMPACT of high quality child care cannot be overstated. The High/Scope Perry Preschool Study (2005) found that for every dollar invested in a high-quality preschool program the public received a return of \$17.07 and the individual participant received a return of \$4.17. The total return on an investment of \$15,166 per child was in excess of \$250,000. Of the savings, 88% came from crime savings, 7% from increased taxes due to higher earnings, 4% from education savings, and 1% from welfare savings.



The Economic Impact of Child Care in the State of California

“The child care industry has a significant and positive impact on California’s economy....Child care is an integral part of California’s economic development infrastructure, much like the roads that support our commerce and the electricity that powers our businesses.” - *Child Care and Its Impact on California’s Economy, 2001, National Economic Development and Law Center.*

The Licensed Child Care Industry in California:

- Generates between \$4.7 and \$5.4 billion in revenues,
- Directly employs over 123,000 people,
- Creates an additional 86,000 indirect jobs,
- Enables working parents to earn at least \$13 billion annually,
- Whose earnings create more than \$40 billion in total direct and indirect personal income, and support an additional 1.1 million jobs, and
- Contributes \$65 billion to the State’s gross annual product.

“The overall health of the state’s economy will be affected negatively if its child care infrastructure is not strengthened. A half-percent reduction in the state’s growth rate, caused by labor shortages created by an inadequate child care infrastructure, would result in a loss of approximately 85,000 jobs, and more than a \$5 billion reduction in personal income.” - *Child Care and Its Impact on California’s Economy, 2001, National Economic Development and Law Center.*

SUMMARY

The Child Care Industry in Lake County mirrors that of the State of California in that it is a crucial component of the economic infrastructure of the region. While this study looked only at the economic effects of Licensed Child Care, License-exempt care makes a significant, albeit unmeasurable contribution to the economy. The contributions of friends, relatives and neighbors to fill the gap between the need for child care and the affordable licensed child care spaces available are beyond the reach of this study.

Child care, for many parents, makes employment possible. Adding the direct revenues of the Licensed Child Care Industry of **\$12.1 million** to the indirect effects of **\$17.7 million** in sales and another **\$45.9 million** in earnings by parents in the workforce because of the availability and the resultant economic impact to Lake County is **\$75.7 million**.

RECOMMENDATIONS

Efforts to provide quality child care should be strengthened. The resultant return to the economy is measurable and significant. Subsidized child care is an absolute necessity for working parents in nearly all service sector jobs, which is where the majority of likely job growth is expected. Rather than viewing subsidized child care as an expense which drains taxpayer dollars, it should be viewed as an investment into the basic infrastructure of the economy, much the same as quality roads and other capital improvements.

Providing quality child care to working parents is the key to sustainable strong economic growth.

Lake County Child Care Planning Council

The Lake County Child Care Planning Council was formed in 1994 as a committee of the Lake County Child Abuse Prevention Council. Its original mission was to assess local child care needs and establish priorities for programs using federal Child Care and Development Block Grants.

The Welfare-to-Work Act of 1997 brought about a restructuring of local child care planning councils. Child care planning councils received new responsibilities, their structure was formalized and County Superintendents of Schools and other County governing bodies were authorized to appoint members. The Lake County Child Care Planning and Development Council was formed by the Lake County Board of Supervisors and the Lake County Superintendent of Schools.

The Mission of the Lake County Child Care Planning Council is to ensure the availability and accessibility of high-quality child care for the families and children of our community.

VISION:

In Lake County, quality child care will be:

- recognized as essential to the community
- actively supported by local agencies and decision-makers
- accessible to all families, and
- staffed by individuals who are committed to children's well-being, appropriately trained, and fairly compensated for their services.

Acknowledgements

Methodology

This report draws together data from various sources to provide a snapshot of the economic impact of child care in Lake County. The Economic Impact Survey, 2005 cited above was completed in preparation of this report. The response rate was over 90% from child care centers. A 25% sample was selected at random from the Family Child Care Homes. Results from the data collection were averaged and applied to the balance of the respective populations.

Data from Census 2000 and the Lake County Child Care Planning Council Child Care Needs Assessment were used whenever practicable to maintain consistency between this report and the Needs Assessment.

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