

**THE ECONOMIC IMPACT OF CHILD CARE
IN KERN COUNTY**

SUMMARY OF FINDINGS

Licensed Family Child Care, Licensed and License-Exempt Centers Contribution

This category includes homes and centers that are regulated and monitored by the California Department of Social Services and school-based child care programs.

As of July, 2001:

- **There were 1,074 licensed family child care providers.
873 providers had “small” licenses, allowing for care of 8 or fewer children.
201 providers had “large” licenses, allowing for care of up to 14 children.**
- **There were 198 licensed child care centers and 56 centers offering Head Start and state-funded child care programs.**
- **These facilities have the capacity to care for 28,092 children.**
- **Child care in this category contributes \$115,600,000 to the local economy.**
- **These child care facilities create a total of 14,385 jobs; 9,545 directly providing child care and 4,840 indirect jobs that exist because of the child care industry. The indirect jobs exist in industries that provide support functions (services and supplies) to the child care industry.**

License-Exempt Family Child Care Contribution

This category includes only license-exempt family child care providers who receive some form of subsidy payment (CalWorks or Alternative Payment). There are no records available for license-exempt family child care providers that are paid directly by private funds.

As of July, 2001:

- **There were 2,260 license-exempt individuals providing subsidized child care.**
- **These providers cared for 5,227 children.**
- **Documented exempt child care (those receiving subsidies) contributes \$25,200,000 to the local economy.**
- **License-exempt family child care creates at total of 3,406 jobs; 2,260 directly providing child care, and 1,146 indirect jobs.**

The Big Picture: The Total Contribution of the Child Care Industry

- A total of \$140,800,000 is contributed to the economy of Kern County.
This is comparable to the almond industry in Kern County, which contributes \$142,300,000 to the local economy, and is the fifth largest crop in the county.
- 17,791 jobs have been created and are sustained by the industry.
This is nearly as many people as are employed in the construction, finance, real estate and insurance industries combined in Kern County.
- Child care providers have the capacity to care for over 33,300 children.
- On July 1, 2001, there were 6,345 children on the centralized eligibility list for subsidized child care. The subsidy programs provide assistance to income-eligible families that meet income requirements and need criteria. The subsidy is designed to allow these parents access to the “child care infrastructure” so that they can enter and remain in the workforce.
- According to the Employment Development Department, ‘child care workers’ is one of the fastest growing occupations in Kern County.
- Contributing to the total revenues mentioned above is \$48,800,000 in state and federal dollars that comes into Kern County each year for early care and education programs.

Challenges Faced by the Industry

- The **average income** in Kern County is less than \$27,000. The median income is \$38,700. A single-parent household with two children needs nearly \$35,000/yr. to break even, and a family with two working parents needs over \$43,000.
- There is a need to address the **high vacancy rates** among licensed family child care providers in certain geographic areas.
- According to the *Fiscal Report* by the California Legislative Analyst’s Office, state revenues are expected to decline by 12%+ in the 2001-2002 fiscal year, the largest one-year decline since the end of World War II. The governor has initiated a hiring freeze, and mandated budget cuts in all state programs. **State budget cuts** may mean less money being allocated to the counties.
- As the economy was slowing in reaction to the stock market revaluation, the terrorist attack of Sept. 11, 2001 further weakened consumer confidence and placed a new financial responsibility on the federal government. A reallocation of **Federal funds** may impact the amount that states receive and how those funds are prioritized.
- Child care providers are bracing for higher insurance rates as a result of Sept. 11, 2001.
- At the time of this report, a larger number of **mothers with infants are choosing to stay home**. Only 55% of mothers with infants are entering the workforce, down from 59% in 1998. The effect of this trend is difficult to assess.
- Studies have shown that licensed child care is often of **higher quality** than license-exempt and the child care industry will continue to be challenged to educate and train providers to offer quality care and early childhood education opportunities.