2025 - 2030

CHILDCARE

Childcare is foundational to a thriving community, empowering parents to pursue careers, businesses to retain a reliable workforce, and children to receive the nurturing care and early education they need to succeed. Investing in childcare is not just about supporting families, it's about strengthening our local economy, creating opportunities, and ensuring a brighter future for the next generation.

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INTRODUCTION

Problem Statement

There is not a sufficient number of childcare programs which meets the needs of Tuolumne County families, forcing many parents to reduce work hours, leave the workforce, or struggle with unreliable arrangements, negatively affecting the economy.

Theory of Change

If we invest in expanding childcare through strategic messaging, funding, business partnerships, policy improvements, and education initiatives, we will increase the number of high-quality childcare programs that meet the diverse needs of Tuolumne County families.

Overall Goal

- **Increase the Supply of Childcare Programs** – Expand the number of high-quality childcare providers by reducing barriers to entry, supporting new and existing providers, and encouraging business and community involvement.
- **Improve Affordability and Access** – Ensure that families, regardless of income or work schedules, have access to affordable, reliable, and flexible childcare options that meet their needs.
- **Strengthen the Local Economy** – Support working parents, increase workforce participation, and help businesses retain employees by providing dependable childcare solutions.
- **Enhance Quality and Provider Support** – Invest in training, resources, and business support for childcare providers to improve program quality, sustainability, and professional development.
- **Advocate for Policy and Funding Improvements** – Work with federal, state, and local leaders to secure funding, update regulations, and create policies that support childcare expansion and affordability.
- **Engage the Community in Childcare Solutions** – Raise awareness, foster collaboration, and promote public-private partnerships to develop sustainable childcare options that benefit families and the broader community.

NARRATIVE

Problem Identified

> *"What parents probably aren't considering is how their child care choices can reverberate throughout the U.S. economy. From a macroeconomic perspective, however, child care decisions writ large are hugely consequential, whether it's how families purchase care and what type of care to how these decisions affect the family breadwinners' employers and then, the broader economy."* – "The child care economy", Sam Abbot, September 15, 2021

In Tuolumne County, as in many regions across the nation, the lack of sufficient childcare is not merely a challenge for families but a fundamental issue that impacts the local economy. The childcare shortage presents significant hurdles for working parents, businesses, and economic development.

The 2021 Child Care Needs Assessment conducted by the Tuolumne County Child Care Council revealed that 44.25% of children in the county require childcare services. However, the number of available providers does not meet this demand. Many communities suffer from a lack of both childcare centers and home-based providers, leaving parents with limited, if any, options. The shortage of facilities and providers exacerbates the crisis, making it increasingly difficult for families to secure reliable childcare.

> *Licensed child care is hard to find. Roughly half of U.S. families live in "child care deserts," or U.S. Census Bureau tracts where there are three young children for every licensed child care slot.* – "What the research says about the economics of early care and education", Equitable Growth, September 2021

When parents cannot access affordable and reliable childcare, the economic repercussions extend beyond individual households. Families facing childcare challenges often have reduced disposable income, impacting their ability to support local businesses, such as restaurants, car dealerships, and retail stores. The inability to work consistently or advance in careers due to inadequate childcare options further limits household earnings and, in turn, decreases spending in the local economy.

A national study by ReadyNation highlights the severity of this issue. Their research found that America's infant-toddler childcare crisis costs the nation $122 billion annually in lost earnings, productivity, and revenue. This marks a substantial increase from their 2018 study, which estimated the economic loss at $57 billion per year. The compounding effects of the COVID-19 pandemic and insufficient policy action have worsened the situation, creating a greater strain on working parents, employers, and taxpayers alike.

> *"California's Gross Domestic Product (GDP) represents roughly 14 percent of the nation's GDP. That suggests that the lack of reliable child care for working parents of young children, up to age 3, could come to an estimated $17 billion in annual costs for California." – "The Growing, Annual Cost of the Infant-Toddler Child Care Crisis in California" StrongNation.org, April 17, 2024*

The childcare shortage is not an isolated problem but rather the result of multiple interwoven challenges that make it difficult to establish and sustain childcare services.

Many childcare providers operate during traditional business hours (8 AM – 5 PM), leaving parents working in non-traditional shifts, such as healthcare, manufacturing, or service industries, without viable options. Limited weekend and evening childcare options force some parents to reduce work hours, decline promotions, or leave the workforce altogether.

According to the 2021 Child Care Needs Assessment, childcare expenses can account for 25% to 41% of a family's annual income, making it financially unfeasible for many.

Limited childcare facilities mean parents must travel farther to access services, creating logistical challenges and increasing commuting time. For parents whose jobs require sudden schedule changes or mid-day check-ins, a lack of nearby childcare can present significant disruptions.

> *Balancing work and childcare responsibilities is a daunting task for many employees. The demands of parenting coupled with professional commitments often lead to stress and decreased productivity. According to the Center for American Progress, the difficulty of finding reliable and affordable childcare is a significant issue for many working parents. This struggle can lead to absenteeism, decreased job satisfaction, and high turnover rates. – Why Assistance With Childcare Is So Important to Employees, National Fund for Workforce Solutions , June 26, 2024*

Being a childcare provider is demanding, requiring patience, expertise, and dedication. However, low wages, limited benefits, and strenuous work conditions make it difficult to recruit and retain qualified professionals. Compounding this, high operational costs discourage providers from expanding their services, further exacerbating the shortage. The cost of childcare continues to rise due to increasing expenses, including rent, food, electricity, and labor.

Many providers face significant barriers, including inadequate employment resources such as health insurance, financial support, and business training. Without sufficient capital and infrastructure, providers struggle to sustain and expand their businesses, further constraining availability.

Opportunity

Despite the challenges, there are numerous opportunities to enhance childcare accessibility and support economic growth. There is a widespread recognition that childcare is essential, even if many are unaware of the full extent of the crisis. When the public becomes educated about the economic impact of childcare shortages, they tend to support initiatives and contribute to the cause.

> *"We must view child care as a critical infrastructure. We invest in roads and site development to prepare for business expansion. We need to invest in childcare so that companies can have workers to fill those buildings"* – Lisa Hurley, York County Development Corporation (YCDC)

Businesses also acknowledge that a lack of childcare has negatively affected their workforce, but they may not realize the role they can play in finding solutions.

> *When more child care options are available, labor force participation increases. A 2007 study using data from Maryland finds that when there are more child care options nearby, women's labor supply increases. For every 100 additional child care slots, the women's labor force participation rate goes up by 0.3 percentage points.*– "What the research says about the economics of early care and education", Equitable Growth, September 2021

Additionally, many local and statewide programs exist to support childcare providers, but awareness of these resources remains low. Some funding options allow individuals to be compensated for caring for children without requiring a formal license, offering an entry point for potential providers. Increasing outreach and education about these programs can help expand childcare availability.

> *The impetus for establishing the San Francisco Airport (SFO) near-site child care facility (Palcare), for example, came from media coverage of children sleeping in their parents' cars in the airport parking lot because the airline workers could not find child care that matched their evening, weekend, and graveyard shift work schedules.* – The Employer's Role in Establishing Child Care Facilities, California All Kids, Susan Muenchow and Jennifer Anthony

Furthermore, there is untapped potential in the workforce that could be leveraged to address the shortage. Many individuals may be interested in providing childcare but do not know how to get started. These include parents who already stay home with their own children, students seeking part-time work, and retired individuals who want to volunteer or supplement their income. With the right training and incentives, these groups could help expand the local childcare workforce and alleviate shortages.

Solution

To address the childcare crisis effectively, a strategic approach is needed that focuses on education, funding, policy changes, and business engagement. A targeted marketing strategy that highlights the benefits of childcare, raises awareness of available services, and calls for community support would make more individuals in the community aware of the issues and bring them into the conversation.

Educating businesses about the impact of childcare shortages on their employees and how investing in solutions can yield long-term workforce benefits is another critical step. Encouraging businesses to participate in discussions about childcare solutions—whether through direct support, employer-sponsored care, or financial contributions, could make a significant difference.

> *"Child care subsidies can increase employment among mothers. In one 2020 study, a 10 percent increase in child care subsidies was associated with a 2 percent increase in employment among married mothers. Prior research also indicates that a $100 increase in child care subsidies could increase employment among single mothers by 2 percentage points." .– "What the research says about the economics of early care and education", Equitable Growth, September 2021*

Additionally, expanding education programs that help individuals navigate the process of opening a childcare facility or becoming a provider can break down existing barriers. These programs could include training on business management, licensing requirements, and the use of childcare management software.

> *"Adequate funding is necessary for human capital development. Fully funding the subsidy programs and devoting resources for state-level agencies to assist providers in qualifying for subsidies are two ways in which greater public investment could increase child care availability and quality." – "The child care economy", Sam Abbot, September 15, 2021*

Increasing access to funding is another key component. Promoting and applying for grants, subsidies, and financial relief programs can help build and improve childcare facilities, making care more affordable and accessible for families.

> *"Child care expenses affect the ability of parents to go to work. According to a bipartisan poll conducted on behalf of FYFF, more than half (52%) of voters say they (or someone they know) has had to miss a shift or reduce hours at work or cut back on household essentials (51%) because of a problem with their child care situation." – "Fact Sheet: Child Care and the Economy", First Five Years Fund, March 6, 2024*

Finally, examining current laws and advocating for necessary legislative changes can create a more sustainable childcare infrastructure. Policies that provide financial incentives for providers, streamline licensing requirements, or support employer-backed childcare initiatives can play a crucial role in alleviating shortages.

> *Investing in the nation's children is one of the safest bets policymakers can make. Research on early care and education programs finds that $1 in spending generates $8.60 in economic activity. The work of Nobel Prize-winning macroeconomist Paul Romer and others suggests that spending on human capital is one of the most effective ways to use government dollars to strengthen the economy and should be a priority for policymakers who seek to spur economic growth.* .– "What the research says about the economics of early care and education", Equitable Growth, September 2021

Additional Benefits

Early childhood development and educational preparedness: High-quality early care and education provide critical socialization and learning opportunities when the brain is developing rapidly and is particularly responsive to the outside environment. Further, children who receive quality early childhood education are more likely to be prepared for school, reducing the need for remedial education later.

Parental and household well-being: Parents experience reduced stress, better mental health, and improved work-life balance when they have access to reliable childcare.

Community stability: Access to childcare supports stable employment, reducing workforce turnover and creating stronger, more engaged communities.

Improved public services: When parents working in the public sector have access to safe and reliable childcare services, government agencies can better recruit and retain employees, leading to cost savings and improved efficiency for the entire community.

> *"The estimated annual operating cost for each center is $2 million, while the average cost to recruit and train a single police officer is $200,000. In other words, if this helps keep even just ten officers in the ranks, it will have been worth it.* – "Innovation in child care is coming from a surprising source: Police departments", Rachel Cohen, Vox, July 5, 2024

STRATEGIES

To effectively address the challenges and capitalize on the opportunities, the following strategies should be implemented:

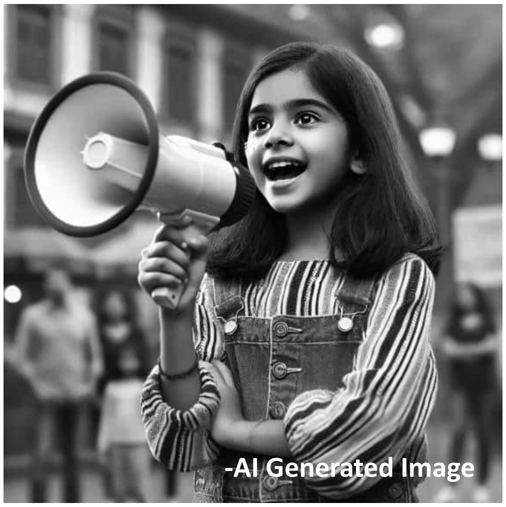
A

Messaging

A well-structured messaging campaign can play a crucial role in increasing the supply of childcare in the county. It can articulate why childcare is essential, clearly explaining the economic ramifications, its impact on childhood development, and the increased stress it places on parents. This can build public support and mobilize efforts to address the crisis.

Messaging can serve as an informational tool as well, reaching potential childcare providers and informing them of the career opportunities available in the field. Many individuals, including stay-at-home parents, students, and retirees, may be interested in becoming childcare providers but are unaware of how to enter the profession. A campaign highlighting the process, benefits, and available resources can encourage more people to join the workforce. Similarly, existing childcare providers may also not be fully aware of educational programs, financial aid, and business resources that can help them improve or expand their services.

Furthermore, parents seeking reliable childcare often struggle to find services due to a lack of information. A messaging strategy that highlights available programs and assistance can help parents access and sustain childcare services.



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B

Encourage Businesses to be Involved

It is essential to encourage businesses and organizations to take an active role in providing childcare benefits and even establishing new facilities. One way to achieve this is through education, such as offering a "How to Start a Childcare" class that provides businesses with a foundational understanding of what is involved in opening a childcare facility. This could help organizations navigate the legal, financial, and operational aspects of childcare services.

Partnerships with local businesses can also play a critical role in increasing childcare availability by encouraging companies to provide childcare benefits. Businesses that invest in childcare support not only strengthen their workforce but also improve employee retention, productivity, and overall workplace satisfaction.

> *"70% of working parents say they are more likely to choose an employer that provides child care benefits over one that does not."* – "Employee benefit trends: why employers are prioritizing care benefits to improve retention and productivity", Annie O'Conner, Care for Business, March 25, 2024

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C

Improved Communication Tools and Education Programs

Enhancing childcare availability and quality in Tuolumne County also requires improved communication tools and comprehensive education programs. One way to achieve this is through a short “pitch meeting” which introduces interested persons to the possibility of opening a childcare. This could give a short overview of the process and is intended to encourage them to start the entire training.

For existing providers, a class introducing expansion of the business would help allow a conversation for topics such as additional hours of operation, costs, billing methods, and legal requirements.

Parent workgroups could be established to foster better communication between parents and providers. These groups would help set realistic expectations for childcare services and provide guidance on how to discuss care-related issues, ensuring a more collaborative and understanding relationship between families and providers.

Another critical component of improving childcare operations is the integration of childcare management software. Such software can significantly enhance communication between providers, families, and staff. It also streamlines scheduling, billing, reporting, and enrollment processes while helping providers identify where additional support may be needed, such as janitorial, maintenance, or administrative services.

To further support providers, business education programs should be introduced, reinforcing the idea that childcare facilities are businesses that require proper management and financial planning. These classes could cover topics such as budgeting, marketing, staffing, and compliance with state regulations, ensuring that providers have the necessary skills to run a successful childcare operation.

Finally, an older adult volunteer program could be developed to encourage retired individuals to assist in childcare facilities. Training programs for older adults could help them understand the role they can play in supporting childcare services.

D

Provide Resources and Financial Assistance

Expanding and improving childcare services in Tuolumne County requires dedicated funding to support both providers and families. One way to enhance availability is through subsidies for off-hours childcare, ensuring that parents working nights, weekends, or non-traditional shifts have access to reliable services.

Grants for start-up costs, such as those used in Washington State, can help new providers establish safe and well-equipped childcare centers. Additionally, funds for employer-based childcare programs can encourage businesses to offer onsite or subsidized childcare options, making it easier for employees to remain in the workforce.

Beyond infrastructure, childcare providers require essential materials to create enriching learning environments. Funding for resources such as books, toys, and educational supplies can improve childhood development outcomes while reducing financial strain on providers. Similarly, subsidies to expand and renovate existing childcare centers can help accommodate more children and improve conditions.

To support the financial stability of childcare providers, collaborative efforts such as group health insurance purchasing can be pursued. By allowing multiple providers to buy health insurance as a group, costs can be lowered, making it a more viable option for childcare workers.

Additional programs, such as a Lending Library and Activity Kit system, can offer childcares access to rotating sets of educational materials and activities, enriching the learning experience without requiring providers to purchase new supplies constantly. Similarly, a food co-op where providers purchase food collectively can help reduce costs while ensuring that children receive nutritious meals.

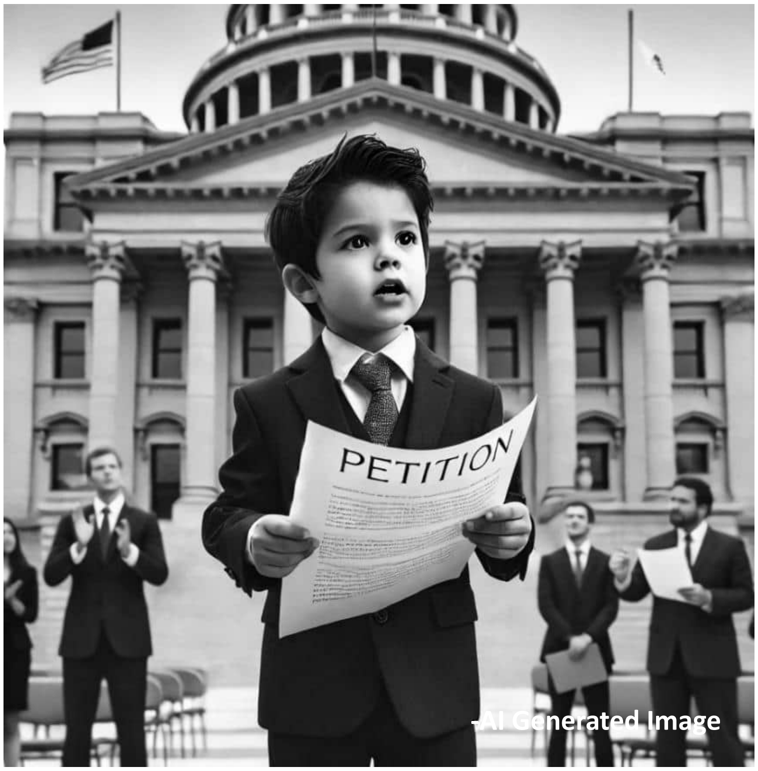
E

Explore How Federal, State, And Local Laws and Policy Can Be Updated

Updating federal, state, and local policies can play a crucial role in expanding childcare access and improving conditions for both providers and families. Policymakers should consider reducing bureaucratic barriers to opening childcare centers by streamlining licensing requirements while maintaining high safety and quality standards.

Expanding tax incentives or subsidies for businesses that offer employer-sponsored childcare can further encourage companies to invest in childcare solutions.

Increasing state and federal funding for childcare assistance programs can help lower costs for families and improve provider compensation, making childcare a more sustainable profession.



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CURRENT AND RECENT PROGRAMS AND PROJECTS

Numerous projects or programs in Tuolumne County and in the State are either being implemented or have recently been completed, which align with this strategy.

Infant/Child Enrichment Services (ICES)

Infant/Child Enrichment Services Inc. is a public benefit, non-profit corporation created in 1983 to provide a variety of child care and parenting support services to families in Tuolumne and Mariposa counties. The ICES vision is that all parents in the community have access to quality child care and parenting education.

Columbia College Child Care and Family Services Center

The Columbia College Child Care Center offers high quality child care for children ages birth to 5 years. The Center also serves as a lab site for the Child Development Instructional Program, allowing students to gain hands-on experiences by working directly with children and implementing material learned in their coursework.

Pitch Meeting

A coalition between Infant Child Enrichment Services (ICES), Mother Lode Job Training, Small Business Development Centers (SBDC), and Tuolumne County Economic Development was formed to highlight the options of starting a childcare business. A “Pitch Meeting” was designed to give a general overview of what was involved, and the core classes for providers was redesigned to include a section for business management.

Health Care

Unions, such as Child Care Providers United, provide the option for individuals to obtain benefits such as health insurance and retirement.

Universal PreKindergarten

The Universal PreKindergarten includes transitional kindergarten and the California State Preschool Program, as well as federally funded Head Start, private programs, and expanded learning programs. Families with four-year-old children can choose which pre-K program to enroll them in, but Transitional Kindergarten (TK) is the only program universally available and free of charge as part of California's public school system.

California's Master Plan for Early Learning and Care (Master Plan)

This plan identifies a shortage of facilities as a major obstacle to expanding access to child care for young children. The Master Plan recommends using the state's 2019–20 Early Learning and Care Infrastructure Fund as a vehicle for expanding child care facilities.