



Early Care and Education is a Vital Component of Economic Development

FACT: The early care and education industry is a significant economic entity and a vital part of the state's economic and community development as well as the state's education and workforce development

The child care industry leaves a footprint in terms of revenue, jobs and spending. As an economic driver, the early care and education industry:

- Enables employers to attract and retain employees and increase productivity
- Allows parents of young children to maintain employment or obtain education/training
- Provides a significant number of jobs and generates considerable revenue in its own right
- Supports a strong economy by preparing children to enter K-12 education ready to learn the skills needed to succeed in school and life, and to become productive workers

FACT: In Sarasota County, the early care and education industry is comprised of 224 individual entities that employ 1274 individuals and provide care for 6314 children, allowing parents to work

- 224 local child care businesses that employ people, pay wages and make purchases
- 1274 individuals employed in the industry
- 6314 children currently in child care, with a total capacity up to 8500 (half of total children 0-5)
- 1650 additional children served in voluntary pre-kindergarten programs
- 47 -52 million in revenue with corresponding outputs as programs buy goods and services, rent buildings, purchase classroom materials, equipment, food, books, transportation, etc

FACT: The early care and education industry brings significant dollars into the community

- 11-12 million dollars of federal, state and local funds are brought to the community through the Early Learning Coalition
- 8-9 million in annual child care payments
- 3-4 million annually for financial subsidies to support working parents earning generally up to \$41,000 (family of 4)

Note: Additional funds also brought into the community for programs not administered by the Early Learning Coalition such as Head Start, Early Head Start, and/or school district based programs

FACT: The early care and education industry is a vital business throughout Florida

- In 2000, Florida working families (with children under 6) earned 5.6 billion
- The early care and education industry in Florida generated 3.87 billion in total revenue
- More than 1.37 billion is generated in the overall economy by the child care industry, including direct, indirect and induced effects
- Ripple effect in purchases creates 138 million in tax revenue: for every 1 million in child care revenue, 863,000 of additional revenue in the regional economy
- The child care industry spends 27 million in cleaning materials, paper supplies and plastic products; 23 million in books and magazines; 168 million in real estate; and 70 million in food



FACT: High quality early care and education, or child care, is a critical component for sustained economic development. Everyone has a vested interest in ensuring that there is quality, affordable and accessible child care

- Child care enables parents to work
- Child care is a large industry which contributes significantly to a state's economy
- Child care creates jobs, enables production, and has a ripple effect in the economy
- Child care increases household earnings
- Child care impacts future work force

FACT: Child care is critical to economic recovery following a disaster

- Extensive research has documented that the provision of child care services is essential to the economic health and vitality of a community
- In disaster situations, when the economic life of local communities virtually grinds to a halt, workers with young children cannot resume their jobs unless there is safe, secure child care for their children
- Without the timely reintroduction of child care services, communities struggling to recover in the aftermath of a major disaster face a roadblock
- Jump-starting local economies requires a reliable workforce and workers need safe, secure child care before they can get back to work
- The business community realizes that child care is a critical service

FACT: The early care and education system, though vital, still has many challenges to address

- Retaining a well educated child care workforce with comparable expected wages
- Ensuring quality care for all children; bridging the gap between the true cost of quality care and what families can afford
- Meeting fluctuating demands

FACT: The early care and education industry can benefit from economic development solutions. What can businesses/communities do?

- Integrate child care in economic planning
- Establish capital funds for child care facilities improvement
- Encourage use of small business funds and resources
- Modify local zoning regulations to assist childcare growth and remove barriers

- Identify resources in existing buildings for child care facilities
- Allocate space for child care facilities within business/commerce parks
- Initiate partnerships between business and government to establish innovative funding
- Use public relations to promote a tie in to business and child care, attract businesses etc
- Give tax credits to further public/private resource development
- Develop higher education model, with loans and scholarships
- Encourage employer supported childcare and work-life policies

FACT: State and local governments, business and employers all stand to benefit from a larger role in investing in and planning for improvements in the child care industry, support should come from both the public and private sectors and should be driven by economic necessity as well as positive outcomes for children

- *"The returns to early childhood development programs are especially high when placed next to other spending by governments made in the name of economic development"*
Art Rolnick, Senior VP and Director of Research, and Rob Grunewald, Regional Economic Analyst, Federal Reserve Bank of Minneapolis
- There is much research to support the importance of quality early care and education. In his new study published in May 2007, *"Enriching Children, Enriching the Nation, Public Investment in High-Quality Pre-kindergarten"*, economist Robert G. Lynch examines the costs and benefits of high quality pre-kindergarten programs and their positive impact over time on federal and state budgets. This study confirms prior research and demonstrates that investment in early childhood education, even when its benefits are not fully accounted for, is an effective public policy strategy for generating wealth and achieving a multitude of social and economic development objectives.

References: The following studies were used for background material and statements included in this report. Each one of those in turn cites numerous other reports and studies: The Economic Impact of the Early Care and Education Industry in Los Angeles County, January 2008, Center for Community Economic Growth; Benefits for All: The Economic Impact of the New Jersey Child Care Industry, The New Jersey Economic Impact Council 2006; Economic Impact of Oregon's Child Care Industry; The Economic Impact of the Child Care Industry in North Carolina, National Economic Development and Law Center, June 2004; The Florida Children's Forum publication, 2003 The Economic Impact of Child Care in Florida; and Issue Brief, Save the Children, June 2007