

# Infant and Toddler Child Care Access

ORANGE COUNTY IS FACING A SIGNIFICANT LACK OF CHILD CARE FOR CHILDREN IN THE FIRST THREE YEARS OF LIFE, WHAT IS AVAILABLE IS NOT AFFORDABLE FOR MOST FAMILIES.

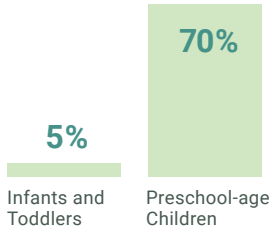
Child care impacts our local economy and parents' ability to work and provide for their families. The economics of offering infant and toddler care, particularly with the advent of universal transitional kindergarten, makes it difficult for Orange County child care providers to meet the need. It is possible to make the economics of providing infant and toddler care more sustainable, and in the process increase slots for infants and toddlers, make them more affordable, and retain family child care choice.



# THE FACTS

## Availability

Child Care Licensed Slots available in Orange County (a percentage of population)



A 2020 analysis of the Orange County Child Care Landscape reveals there are **only enough licensed slots for 5% of OC's population of infants and toddlers.** By comparison, **there are slots available for 70% of preschool-age children (3-4 years of age).**

\* First 5 Orange County Child Care Landscape



21

infants and toddlers for every licensed care slot available in Orange County

## Costs to Families (price of care)



\$15,650

Child care in the first three years of life is costly. **The average annual price of full-time, center-based care in Orange County for 1 infant/toddler is \$15,650.** For families that are just above the eligibility threshold for a subsidy, the burden is significant.



6%

of Orange County infants and toddlers eligible for child care subsidies receive them

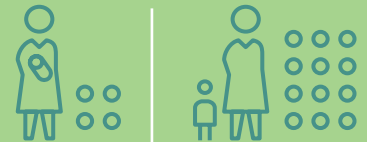
## Economic Realities for Child Care Businesses

The economics of providing child care for infants/toddlers are a challenge for child care businesses

- It costs more to serve infants and toddlers than preschool-age children due to higher provider-to-child ratios
- Providers can't charge the true cost of infant/toddler care because it is unaffordable for most families.
- Providers must enroll preschool-age children to subsidize the cost of providing infant/toddler care.
- As families shift their 4-year-old to no-cost public transitional kindergarten, private providers are increasingly struggling to balance the books while continuing to serve infants and toddler

Reimbursement from the state for subsidized care can help make care more affordable, but infant/toddler reimbursement rates are currently insufficient as calculated. Reimbursement rates are set at 75% of the regional market rate for care depending on the age of the child. Regional market rates are determined by measuring the prices charged by child care providers and paid by parents within a given child care market region. But because providers cannot charge families the true cost of providing infant/toddler care, the regional market rates for infant/toddler care are artificially low and therefore reimbursement rates are also unrealistically low for this age group.

For instance, required staff ratios are three times higher for infant/toddler care than for preschool-age care, but the reimbursement rate for infant/toddler care is only 1.4 times higher than for preschool-age care.



Provider-to-child ratio for center-based care for infants aged 0-2 years is 1:4 and 1:12 for children aged 2-6

# THE IMPACT

## On the Orange County Economy:

A 2021 economic analysis quantifies the impact of child care issues on the Orange County economy.



**67,000** jobs  
lost annually due to  
disruptions or gaps  
in child care



**\$4.3 billion**  
annual productivity  
and wages lost



**\$372 million**  
annual tax  
revenue lost

\* First 5 Orange County Child Care Landscape

*"Lack of adequate affordable child care is taking working parents out of the workforce talent pool. There is a gap with women leaving the workforce. Many working mothers are working to just pay the cost of child care."*

City of Irvine Staff

## On Orange County Families:

In 2021 First 5 Orange County conducted a survey of Orange County families that indicates that child care issues impact parents and guardians. More than 40% of Orange County parents and guardians report that the cost and/or lack of child care has prevented them from working at some point.

*"Most of my income pays for childcare – it doesn't make much sense, but I am working so that when they are older and don't need childcare, I have a job".*

OC Parent

**1 in 5 parents arrive late to work** due to gaps in child care.

**1 in 6 parents have to leave work early** on a regular basis.

**1 in 10 parents chose to resign** or lost their jobs due to child care challenges.

**1 in 11 parents are forced to reduce their hours** or can't take full-time positions.

As of January 2021, **4x as many women than men left the workforce**

**Female labor force participation is declining, and was hit particularly hard by the pandemic.**

**4 times**

as many women as men left the workforce in January, 2021

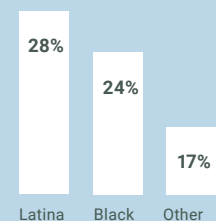
**1980**

female labor force participation has fallen to its lowest point since the 1980s

\*National Women's Law Center Feb 2021 Fact Sheet.

**Women of color have been hit particularly hard**

Women involuntarily working part-time  
(As of January 2021)



## On Orange County Providers:



Private providers are struggling to stay in business in the current child care market. For center-based, faith-based, and family-home settings, offering care for infants and toddlers increasingly does not pencil out. This puts private child care providers out of business, reducing available slots and child care choices for families.

*"We would like to be able to serve more infants and toddlers, but we can't because the costs for infants is toddlers is higher and our preschool-age children make it possible for us to serve the babies. If we lose preschool kids, it reduces our ability to serve infants and toddlers."*

OC Child Care Provider

# STRATEGIES AND SOLUTIONS

First 5 Orange County is working with partners to:



## Expand access to affordable quality infant/toddler child care and education

- Increase funding and expand eligibility for subsidies through the California Alternative Payment Program (CAPP).



## Increase Infant and Toddler Slots

- Expand subsidized care through the state General Child Care and Development (CCTR) programs
- Convert current preschool slots to infant and toddler care



## Ensure Family Choice

- Help families better understand the choices available to them and how to navigate to what they need



## Provide Business Assistance

- Fund technical assistance for child care businesses and entrepreneurs to support the opening, stability, viability, and expansion of quality child care



## Advance Economic Viability

- Advocate for increased reimbursement rates for child care providers to help cover the high costs of infant and toddler care and pay for necessary renovations of facilities
- Ensure that private child care providers have access to funding on par with public providers/transitional kindergarten

For more information visit <https://first5oc.org/childcare/>