



Orange County Child Care Landscape Update

Summer 2025

Key Findings

- The percentage of young children with all parents working has continued to rise since the last landscape scan in 2020
- Only 1 in 8 infants and toddlers has a licensed child care spot, making Orange County a child care desert for this age group
- State funding for subsidized programs has grown, but most increases cover only cost-of-living adjustments, and many children remain on the wait list
- The economic impact on employers and the economy has intensified
- Parents and caregivers of children with disabilities face far greater challenges in finding child care

Summer 2025



Table of Contents

- Population of Young Children in Orange County 5
- The Economic Impact of Child Care 9
- Supply & Price of Child Care 13
- Subsidized Programs 21
- Child Care for Children with Disabilities 27
- Bright Spots, System Challenges and Current First 5 Initiatives 32



Overview of this Report

This report provides a refreshed view of Orange County’s child care landscape, highlighting:

- The economic impact of child care
- Child care supply and pricing
- Subsidized programs
- Challenges parents/caregivers face in securing care for children with disabilities

Previous First 5 Orange County reports—*Phase I: Orange County Child Care Landscape Analysis (2020)* and *Phase II: Economic Impact of Child Care in Orange County (2021)*—laid the groundwork for this update. We have included comparisons to prior data where possible.

Data gathering was a collaborative effort, and we thank the organizations, providers and families/caregivers who shared their data and insights. These contributing organizations are cited throughout the report.

We hope this data guides planning, strengthens collaborative efforts, and informs policy. For more information, please contact first5oc@cfcoc.ocgov.com.

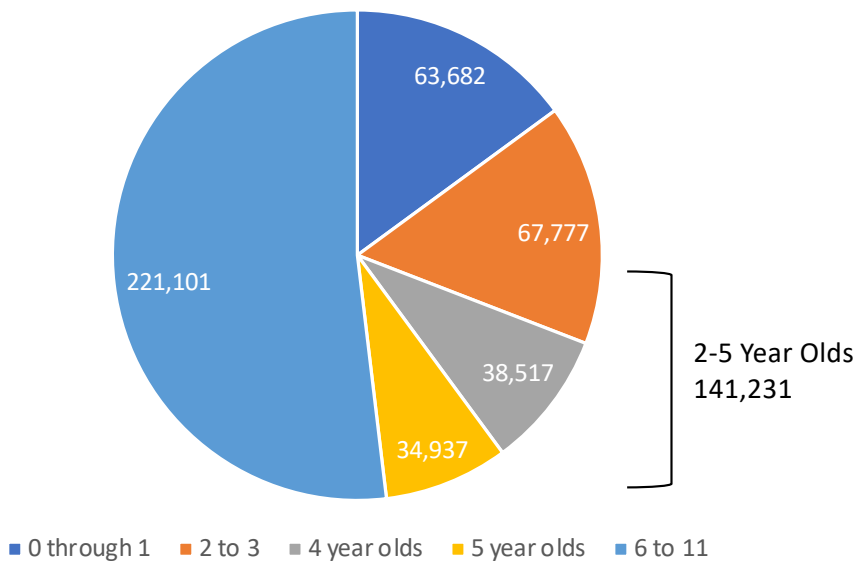
Population of Young Children in Orange County



Summer 2025

Population of Young Children

Total Children Ages 0-5 in Orange County = 204,913
(Decrease of ~9% since 2019/2020)



Sources: ACS 5-Year Estimates Public Use Microdata Sample (2023); PUMS



More Children Need Care

% of Young Children (under age 6) in California with All Available Parents in the Workforce

2019	61%
2023	68%

Historically, Orange County has mirrored state trends, and, if anything, has had a slightly higher percentage of all available parents working.

Sources: Center for American Progress: Early Learning Fact Sheet 2019 <https://www.americanprogress.org/wp-content/uploads/sites/2/2019/09/California.pdf> and A 2024 Review of Child Care and Early Learning in the United States <https://www.americanprogress.org/article/a-2024-review-of-child-care-and-early-learning-in-the-united-states/>

Summer 2025



Why Child Care Matters

- Quality child care not only enables parents/caregivers to work and improve economic mobility, but also helps children thrive
- Every dollar invested in quality early childhood development for children ages 0-5 from low-income families yields a 13% annual return, per child
- This significant return is linked to the rapid pace of early brain development
- Children who access quality child care/early learning achieve higher academic attainment and income, lower rates of involvement with drugs and the criminal justice system, and better mental and physical health

Sources: Rebekah Levine Coley, Elizabeth Votruba-Drzal, Melissa Collins et. al., "Comparing Public, Private, and Informal Preschool Programs in a National Sample of Low-Income Children," Early Childhood Research Quarterly, 3rd Quarter 2016; "Quality Early Childhood Education and Child Care from Birth to Kindergarten", Pediatrics, January 1, 2005; Andrew S. Griffen, "Evaluating the Effects of Child Care Policies on Children's Cognitive Development and Maternal Labor Supply," Publicly Accessible Penn Dissertations, 2012



Economic Impact of Child Care

Overview

- The US child care industry plays two important economic roles—it both generates significant employment and economic activity on its own, and increases employment and productivity in other industries by supporting working parents. In the words of Excel Christian Academy educator Davina Woods, child care is “the workforce that drives the workforce”
- Five years ago, the beginning of the COVID-19 pandemic demonstrated both the critical importance of Child Care and its vulnerability to economic downturns, as well as the disproportionate impact of this vulnerability on female workers
- A half-decade later, Child care remains expensive and in short supply, and the overall economic impact on employers and the economy has intensified

Child Care Problems Affect Working Parents/Guardians

- **1 in 5 arrive late** to work due to gaps in child care (Same as 2019)
- **1 in 6 have to leave work early** on a regular basis (Same as 2019)
- **1 in 8 are forced to reduce their hours or are not able to go into full-time positions** (worsened from 1 in 10 in 2019)
- **1 in 10 either choose to resign or lose their jobs** due to child care challenges (worsened from 1 in 11 in 2019)

Note: These are conservative estimates for working parents with children under 6

¹ U.S. Chamber of Commerce data; TCCG LLC analysis

The Resulting Impact to the Orange County Economy & Employers is Significant and Growing

- \$5.47 Billion annually in lost productivity and wages (+27% from 2019)
- \$536 Million annually in lost tax revenue (+44% from 2019)
- More than 71,600 lost jobs annually due to disruptions or gaps in child care (+7% from 2019)

Summer 2025

Note: The impact of child care combines economic impact on Orange County family and the overall Orange County Economy with impact on Orange County employers

Lightcast and U.S. Chamber of Commerce data; TCCG LLC analysis

Child Care Supply & Pricing

Licensed Child Care Providers in Orange County



Center-based Child Care

- 881 licensed centers (decrease from 2019)
- Offer full- and part-day care
- Before/after-school
- Limited nontraditional hours (e.g. weekends)
- Includes: nonprofit and for-profit providers, faith-based providers, K-12 school districts, and Community Colleges

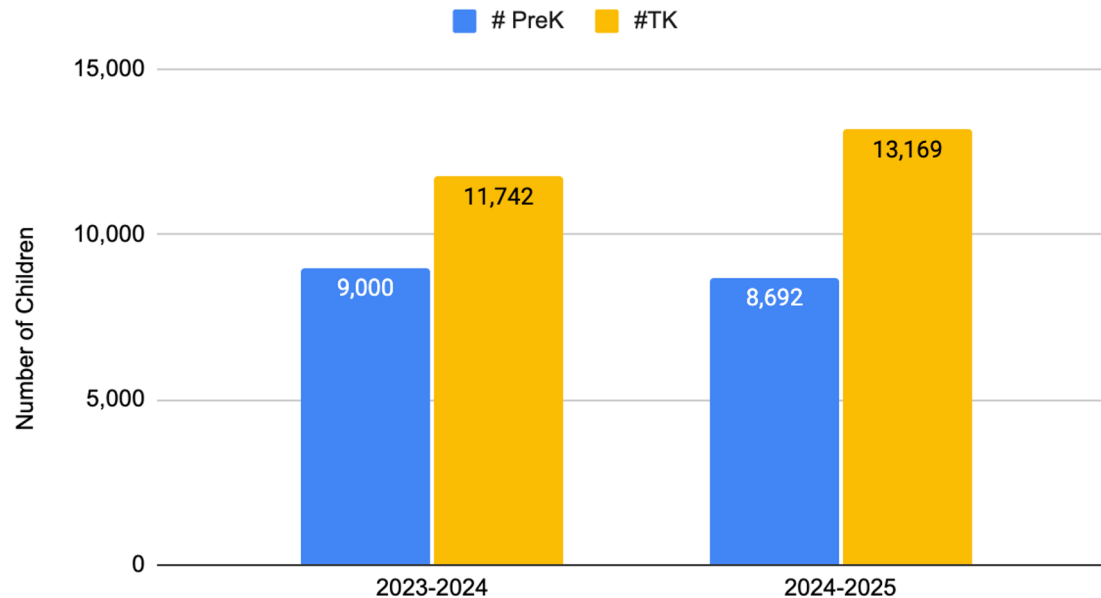


Home-based Child Care

- 998 licensed family child care homes (FCCH) (decrease from 2019)
- Offer full- and part-day care, before/after school, and nontraditional hours (nights, weekends)
- Providers are licensed as a large FCCH (up to 12 children; can be 14 if certain conditions are met) or small FCCH (up to 2 children; can be 8 if certain conditions are met)

School Districts Serving Growing Number of 4 and 5 Year-olds in TK

Orange County School Districts: # PreK and #TK



Note: PreK numbers include Learning Links, State Preschool (CSPP), and Fee-for-Service Preschool Programs

Source: First 5 Orange County survey with school district Early Learning Coordinators; data collected from all elementary school districts

Summer 2025

15

Supply/Capacity Compared to # of Children

	Infants/Toddlers (0 through 1)	Preschool-age Children (2-5 years old)
Number of Children in Orange County	63,682	141,231
Licensed Capacity in Orange County Licensed Centers Licensed Family Child Care Homes (est.)	7,652 licensed slots 5,368 (growth) 2,284 (growth)	59,097 licensed slots 53,637 (decline) 5,460 (growth)
Approx. Number of Children Per Licensed Slot	8.3	2.3
% of Children for Whom a Licensed Slot is Available	12%	42%

Sources: Demographic data – U.S. Census Bureau – [Public Use Microdata Sample \(2023\), 5-Year Estimates](#); Capacity data – Children’s Home Society 2025 data; Licensed Capacity in Family Child Care Homes – estimates for age breakdown based on prior years

Summer 2025

16

Orange County Continues to be a Child Care Desert for Infants/Toddlers

Even if only 2/3 of infants & toddlers needed child care¹, there would be more than 5 children per licensed slot.

A Child Care Desert is any area with more than 50 children under 5 and more than three times as many children as licensed child care slots.

¹ Based on new data re: the percent of children with all parents working

Sources: Demographic data – U.S. Census Bureau – [Public Use Microdata Sample \(2023\), 5-Year Estimates](#); Capacity data – Children’s Home Society 2025 data; Licensed Capacity in Family Child Care Homes – estimates for age breakdown based on prior years; Child Care Desert Definition – Center for American Progress

Significant Increase in the Price of Child Care in Orange County



\$23,373
Average Annual Price in OC of
Full-time, Center-based Care for 1
Infant/Toddler

\$16,417
Avg Annual Price in OC of Full-time
Center-based Care for 1
Preschooler



\$39,790
Total Avg Cost in OC for a Family
w/ 2 Young Children in Full-time
Child Care

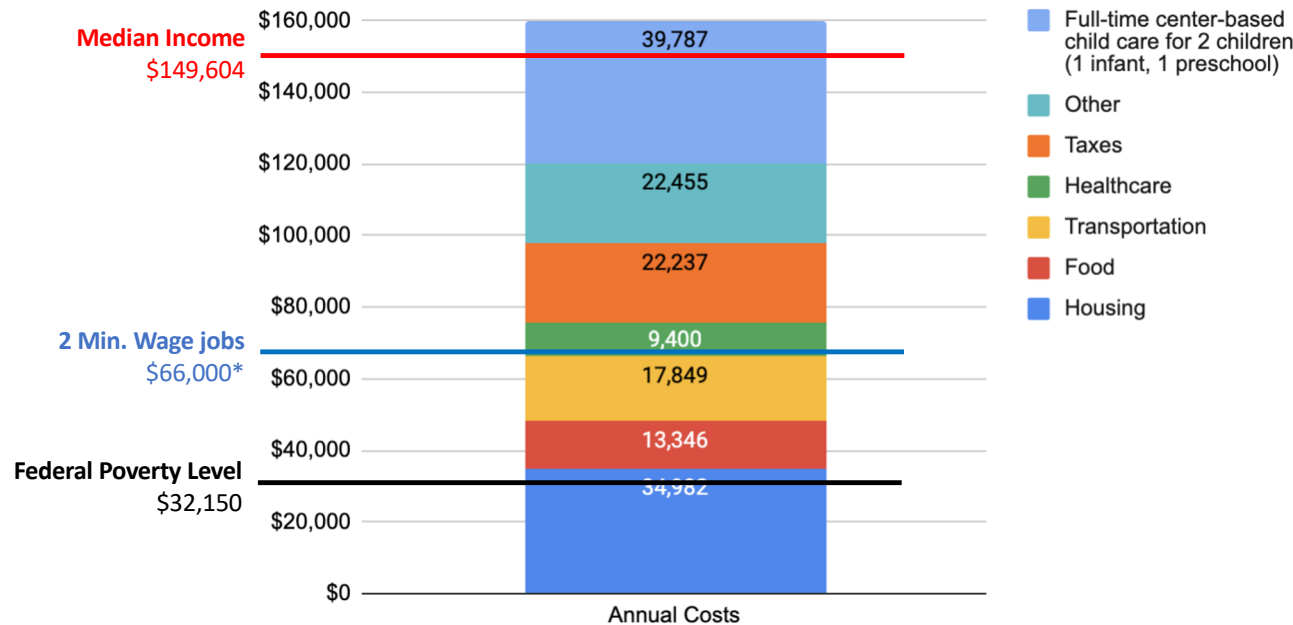
27%*
Share of Median Family Income
in OC for a Family with
w/Children

**Average cost for full time, center-based care for two children has increased
~50% since 2020**

*Based on Median Income of \$149,604 for a family of four with both parents working full-time; U.S. Census Bureau
Source for Child Care Costs: Children's Home Society (CHS)

Price of Child Care Continues to Break Most Families' Budgets

- Total annual costs for full-time center-based child care for a family with 2 children under 6: **\$39,787**



* Minimum wage calculation based on two people earning \$16.50, 40 hours/week, 50 weeks/year
Sources: MIT Living Wage Calculator 2025; Child Care Costs – Children's Home Society 2024/2025 data
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Costs to Deliver Infant/Toddler Care Pose Barriers for Providers

- The cost of providing quality infant/toddler care is high
 - Contributing factors: low teacher/child ratios, supplies needed for infants/toddlers
- Reimbursement rates do not cover costs and are a disincentive for providers, even if they want to serve young children
- Increases in requirements for teachers are often not met by increased reimbursement rates
- As a result, the sector relies on an underpaid workforce

Source: Phase I Child Care Landscape Analysis, Findings have not changed

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20

Subsidized Programs

Role of Subsidized Programs

- In Orange County, 1/3 of children are income-eligible and qualify for state or federal subsidy
- Subsidized programs provide the most vulnerable children with access to child care

Subsidized Programs & Key Players

Federal

Programs

- Head Start (HS)
- Early Head Start (EHS)

Eligibility

- Income: Annual income at or below the federal poverty guidelines; housing cost adjustment went into effect in 2024
- Also eligible: Families experiencing homelessness, children in foster care, families receiving ongoing CalWorks, Tribal TANF, or SSI, and children with disabilities (at least 10% of enrollment)
- HS: children ages 3-5
- EHS: Pregnant women and children from birth to age 3

Key Players

- Orange County Head Start (HS & EHS)
- Rancho Santiago Community College District (EHS)

State

- State Preschool (CSPP)
- Center-Based Child Care (CCTR)
- Voucher Programs (CalWorks & CA Alternative Payment Program or CAPP)
- CSPP is for 3 and 4 year olds who meet eligibility criteria, including income guidelines
- CCTR and CAPP income eligibility guidelines are the same
- For CalWorks, families must also have a need (e.g. in school, seeking employment, working, etc.)

- School Districts (particularly for CSPP and CCTR)
- Nonprofit, faith-based and for-profit providers
- Administration of Voucher Program: OCDE, Children's Home Society, OC Social Services Agency

Over 1,200 children 5 and under on the wait list

- While some providers have openings, there are still children on the wait list (Centralized Eligibility List or CEL)
 - Children on the CEL are income-eligible for subsidized care
- At a point-in-time (5/1/25), 1,261 children aged 5 and under were on the wait list
 - 764 0-2 Year Olds; 497 3-5 year olds

Source: Children's Home Society, point-in-time pull from the Centralized Eligibility List; May 1, 2025

Summer 2025

24

Public Funding for Subsidized Care Helps Some Families Offset High Price of Child Care; Increases in Funding Primarily for Cost-of-Living Adjustments

Funding Type & Source	2024/2025 Funding Amount for Orange County	Change From 2019/2020
State Preschool (CSPP) <i>CA Dept of Education</i>	\$98,871,545	Increase
Center Based Child Care (CCTR) <i>CA Dept of Social Services (all ages – infant through school-age)</i>	\$42,164,612	Increase
Vouchers: <i>CA Dept of Education & CA Dept of Social Services</i>		
Alternative Payment (CAPP)	\$121,916,741	Increase
CalWorks – Stage 1	\$8,880,751	Increase
CalWorks – Stage 2	\$8,212,724	Decrease
CalWorks – Stage 3	\$4,496,056	Decrease
Head Start/Early Head Start <i>Federal Government</i>	\$50,739,123	Increase

Sources: 2024/2025 CATS Report; Head Start/Early Head Start data from OC Head Start and Rancho Santiago Community College; CalWorks Stage 1 from the Orange County Social Services Agency
Summer 2025

Percent of Eligible Infants/Toddlers Accessing State & Federally Subsidized Programs

Age Groups	% Of Eligible Children Accessing State & Federally Subsidized Care
Less than 1	3%
1 Year	5%
2 Year	8%
3 Year	20%
4 Year	51%

Source: Local Planning Council Needs Assessment; 2025

Summer 2025

26

Securing Child Care for Children with Disabilities

Parents Face Major Barriers Securing Child Care for their Children with Disabilities

"We had so many challenges. Private daycare wasn't an option because my son wasn't potty trained at three, and he had behavioral issues....Between my work, child care challenges, and all the therapy appointments for my son, it was very stressful."

"I was brought to tears on several occasions trying to find child care for my son."

"As a single parent, I need child care embedded with therapies. And I need flexibility - the ability to call and say, 'hey he is having an issue this morning and I have to bring him in late'. For me, the most difficult part was that there were a lot of child care programs in OC - everywhere and different types - but not ones that would accept him. I was on the waitlist for a year. I have it worked out now, but it was very difficult for a long time."

Source: NP Strategies interviews Families

Summer 2025

28

Child Care Provider Needs

- Qualified staff with a desire to support children with disabilities and special needs
- Access to ongoing consultation with specialists (e.g., speech, occupational therapy, etc.)
- Behavior specialists on staff

“There is a HUGE shortfall in Orange County – children with disabilities really have nowhere to go for child care. Parents have to give up their jobs until children can go to school and even then, after school options are very limited. Staff are not equipped and don’t understand so they turn away those children”

– ABA Provider,
Orange County

Sources: Families and Providers: Providing High Quality Care for Children with Special Needs, January 2024, Early Childhood Mental Health Collaborative; NP Strategies interviews (for the quote)

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Existing Resources

- Provider training and infant & early childhood mental health consulting are available (Start Well and OCDE)
- Co-located therapy/child care exist and can serve as models (Beyond Blindness)
- Head Start must enroll at least 10% of children eligible for services under IDEA; regardless of income—they sometimes surpass 10%
- State subsidized programs (CSSP and CCTR) offer inclusion programs
- Some family child care homes and private providers serve children with disabilities, but better data is needed to fully understand county capacity, as parents report significant challenges

OC Providers Serving Children With Disabilities

Children's Home Society, Orange County's Resource & Referral Agency, asks providers to self-report whether they have or would care for children with special needs. The following data represents the number of providers that reported they can care for children with the following needs:

	Asthma	Behavioral Disorder/ Emotional	Developmental Delays	Diabetes	Visual/ Hearing Impaired	Learning Disorder	Non-Ambulatory	Physical Impairment	Seizures or Epilepsy	Speech & Language
FCC	147	101	127	63	9	52	38	64	8	113
Center-Based	189	113	128	80	28	75	74	68	32	133
Total	336	214	255	143	37	127	112	132	40	246

Source: Children's Home Society, 2025 data

Summer 2025

31

Bright Spots, System Challenges & Current First 5 Initiatives

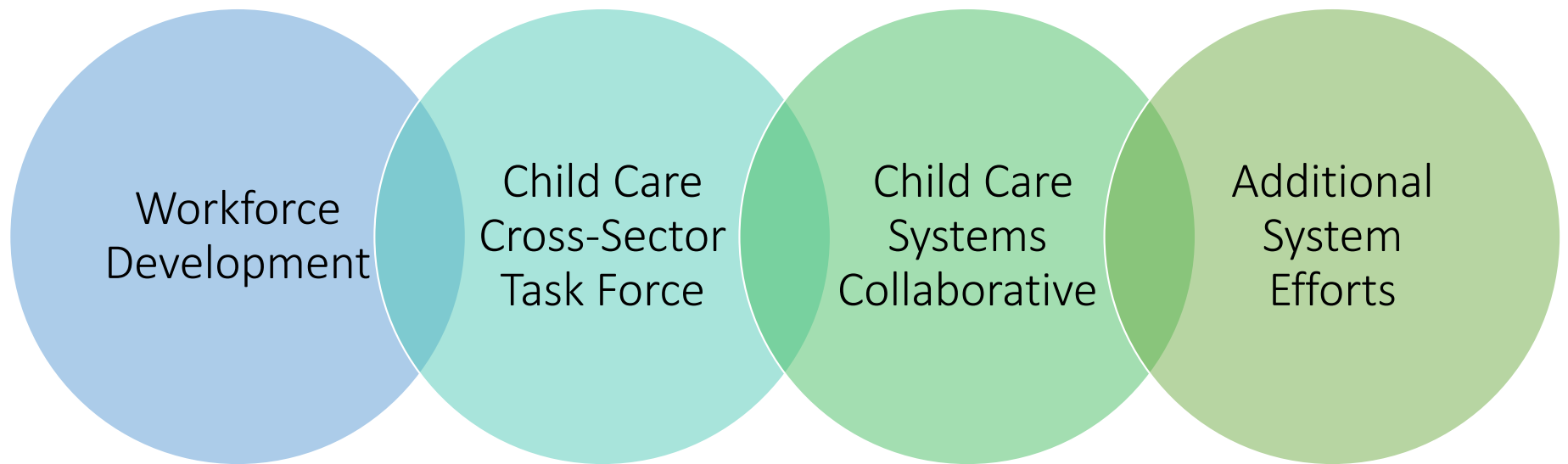
Bright Spots & System Opportunities

- Increased visibility and awareness outside the child care sector of the criticality of child care for working parents/caregivers
- Support from CA Jobs First
- Increased collaboration among child care system players and efforts underway to support child care workforce
- Innovative programs such as CIELO's Business Incubator Program that supports early childhood entrepreneurs
- For children with special needs, provider training and consulting exists, along with models such as co-located therapy/child care that can be learned from and expanded or replicated

System Challenges

- Need to consistently collect, analyze and share better data
- Critical need for access to up-to-date data on capacity, enrollment and wait lists continues to exist
- Cost to deliver and price of child is major barrier for providers and families
- Uncertain state and federal funding environment

First 5 OC's Child Care Initiatives



Workforce Development

- **OCBC Jobs First Sector Investment Coordinator**

- Jobs First- to support grantees funded by the Jobs First collaborative in projects revolving around child care

- **OC Pathways**

- OCDE- to create buy-in for apprenticeships and connect apprentice programs with potential employers - 2 employee partners and 4 partners in the pipeline

- **Business Cohorts**

- 55 participants trained, licensed to be quality child care providers with business skills; up to 220 infant and toddler slots and up to 330 including preschoolers; 24 participants in process of getting licensed

- **Quality Start OC**

- 327 private, in-home, and family, friend and neighbor providers received quality improvement training & strategies

Cross Sector Task Force

- **Housing Workgroup**

- Request for Information will create a list of child care operators that can be accessed by housing developers when creating child care spaces in their developments

- **Legislative Workgroup**

- Leverage city survey data to streamline city policies and procedures that impact opening new child care businesses

- **Communications Workgroup**

- Create campaign that will highlight businesses and agencies with exceptional family friendly practices

Systems Collaborative

- Intentional systems-level collaboration as new funding opportunities arise
- Resource guide that references the available services and supports available to ECE providers
- Social Media Campaign that distributes information about available ECE resources
- Increase Coordination of the Centralized Eligibility List (CEL)

Summer 2025





Additional System Efforts

- **Support for Houseless Families**
 - Streamline referral process and navigation supports by collaborating with 211, SSA, and CHS
- **Child Find**
 - Participate in the CalECSE Network
- **Streamline Processes for Children with Special Needs**
 - Convene districts and Regional Center to improve timely transition and families' access to supports
- **Universal Pre-Kindergarten (UPK) Opportunities**
 - Work with districts to build relationships with local providers and focus on family-centered care opportunities

Appendix

Changes in Licensing and Age Definitions

- Licensing data
 - 2025: No age break down due to statewide change.
- New age definitions:
 - 2020: Infant/Toddler = 0-35 months; Preschool = 36-60 months
 - 2025: Infant/Toddler = 0-23 months; Preschool = 24-71 months

10/15/25

41