



Tulare County
Office of Education
Tim A. Hire, County Superintendent of Schools



2024

EARLY CARE AND EDUCATION ECONOMIC BENEFIT STUDY

Tulare County



Prepared for
Tulare County
Office of Education
Early Childhood
Education

Prepared by

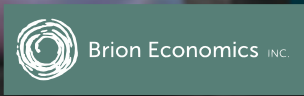


Table of Contents	Page
I. Introduction and Background	1
1. Purpose of Study	3
2. Study Approach and Methodology	3
3. Economic Benefits of ECE - Literature Review	7
4. Statewide Challenges Facing ECE Workforce	12
5. Study Organization	14
II. ECE Needs and Demographics	16
1. County Demographic Highlights	16
2. ECE Supply and Demand	26
3. ECE Workforce in Tulare County	31
III. Countywide Baseline Economic Conditions	43
1. Overview of Major Industry Sectors in the County	43
2. County Employment and Income by Industry	47
3. County Unemployment	55
IV. Economic Benefits of ECE Industry	58
1. Economic Benefit or Multiplier Analysis	58
2. Estimate of ECE Industry Spending	59
3. Economic Benefits or Impacts of ECE	65
4. ECE Compared to Other Industries	73
5. Economic Benefits of Addressing ECE Shortfall	77
V. Findings and Recommendations	79
1. Overall Assessment and Study Findings	79
2. Study Recommendations	88

Appendices (Under Separate Cover)	92
Appendix A: IMPLAN Economic Model Data and Detailed Results	A-1
Appendix B: ECE Facility Needs, Costs, and Funding Options	B-1
Appendix C: ECE Facility Cost Estimates by Type of Facility	C-1
Appendix D: Changes since the 2010 Study	D-1

List of Tables, and Exhibits

Tables

Table II-1	Estimated Population by City/Area in Tulare County as of January 1, 2023	17
Table II-2	Estimated Population and Children in California and Tulare County – 2023 and 2030	18
Table II-3	Population in Tulare County and California by Race and Ethnicity – 2022	19
Table II-4	Labor Force Participation Rates by Age Group in Tulare County and California – 2022	20
Table II-5	Mean and Median Household Income in Tulare County and California– 2022	23
Table II-6	Families Below Poverty Level in Tulare County and California – 2022	25
Table II-7	Countywide ECE Providers by Type and Spaces by Age Group	28
Table II-8	Countywide Demand for and Shortage of ECE Spaces by Age Group – 2023	29
Table II-9	Estimated Adult to Child Ratios Based on California State Licensing Requirements	32
Table II-10	Estimate of ECE Workforce (Teachers and Other Staff) in Tulare County – 2022	33
Table II-11	Sustainability Living Costs by Type and Size of Household in Tulare County – 2022	34
Table II-12	Estimated Living Wages by Household Size and Status for Tulare County	34
Table II-13	Comparison of Data on ECE and School Teacher Hourly Wages in Tulare County – 2024	36
Table II-14	Estimated Wage Rate Increase to Living Wage Rate for ECE Workers in Tulare County	37

Table II-15	Estimated Current Wages of ECE Workforce in Tulare County and Living Wage Estimate	37
Table II-16	Comparison of Current Full-Time Annual Pay to Living Wage Salaries for ECE Workforce in Tulare County	38
Table II-17	Monthly Maximum Reimbursement Rates for Tulare County – 2022	40
Table II-18	True Annual Cost of Quality ECE in Tulare County Compared to Annual Reimbursement Rates – 2022	41
Table II-19	Estimated New Required ECE Workers to Meet Current Shortfall of ECE Spaces in Tulare County – 2023	42
Table II-20	Required Living Wages for ECE Workforce and Funding Gap to Meet Current Shortfall of ECE Spaces in Tulare County	42
Table III-1	Gross Domestic Product by Industry in Tulare County – 2022	44
Table III-2	Current IMPLAN Data by Industry for Tulare County – 2022	47
Table III-3	Average Wages by Industry in Tulare County – 2022	49
Table III-4	Mean Hourly and Annual Wage by Occupation in Tulare County – 2022	51
Table III-5	Year-over-Year Employment by Sector in Tulare County – 2022 and 2023	53
Table III-6	Unemployment Rate in Tulare County and California – December 2023	55
Table III-7	Unemployment Rate by Social Characteristics in Tulare County – 2022	56
Table IV-1	Children Served and Subsidies Received on County Level	61
Table IV-2	Temporary Supplemental Funding or Cost of Care Payments – 2024	62
Table IV-3	Average Monthly Cost of Care by Age Group and Facility Type – FY 21/22	62
Table IV-4	Estimated Annual Non-Subsidized ECE Expenditures by Type	63
Table IV-5	Annual Expenditures for Agencies Related to ECE – 2023	64
Table IV-6	Estimated Annual ECE Revenue and Supply by Type of Program	65
Table IV-7	Economic Multiplier Effects from Annual Direct ECE Spending in Tulare County	68
Table IV-8	Key Industries Impacted by the ECE Industry – Indirect Effects	71
Table IV-9	Key Industries Impacted by the ECE Industry – Induced Effects	72
Table IV-10	Similar Sized Industry Sectors Compared to ECE Sector In Tulare County	74

Table IV-11	Top 20 Occupational Effects Associated with the ECE Industry	76
Table IV-12	Additional Economic Benefit of Total Demand for ECE Spaces Being Met	78

Exhibits

Exhibit II-1	Tulare County Labor Force Participation Rates Compared to California's - 2010 to 2022	21
Exhibit II-2	Labor Force Participation Rates by Age Group in Tulare County and California – 2022	21
Exhibit II-3	Labor Force Participation Rates by Sex and Age of Children in Tulare County – 2022	22
Exhibit II-4	Tulare County Poverty Heat Map	26
Exhibit II-5	Tulare County Child Care Deserts	30
Exhibit III-1	Gross Domestic Product in Tulare County by Industry – 2022	45
Exhibit III-2	Top 10 Industries in Tulare County by GDP in \$ Millions – 2022	46
Exhibit III-3	Total Output of Top 10 Industries in Tulare County in \$ Millions - IMPLAN – 2022	46
Exhibit III-4	Average Monthly Employment by Top 15 Industries in Tulare County – 2022	48
Exhibit III-5	Average Annual Wage and Monthly Employment by Industry in Tulare County – 2022	50
Exhibit III-6	Average Annual Wage by Occupation in Tulare County – 2022	52
Exhibit III-7	Seasonal Changes in Employment in Agriculture and Unemployment in Tulare County - Monthly Averages for 2015 - 2023	54
Exhibit IV-1	Annual ECE Industry Jobs by Type in Tulare County	69
Exhibit IV-2	Annual Labor Income by Type in Tulare County in \$ Millions	69
Exhibit IV-3	Total Output - Economic Activity by Type in Tulare County \$ Millions	70
Exhibit IV-4	Tax Revenue Generated by ECE by Type	73
Exhibit IV-5	Comparison of Total Output of Similar-Sized Industry Sectors to the ECE Sector in Tulare County (in \$ Millions)	74
Exhibit IV-6	Total Direct Jobs in ECE Compared to Other Industries in Tulare County	75

Acknowledgments

BEI would like to acknowledge the following individuals, agencies, and organizations for their support in this effort:

- Samantha Terry, Child & Youth Development Council Manager, Tulare County Office of Education, Early Childhood Education Program
- Eric Sonnenfeld, Assistant Administrator, Tulare County Office of Education, Early Childhood Education Program
- Stergios Roussos, PhD, MPH, Director, Community Initiatives for Collective Impact
- Elvira Barron, Program Coordinator, Resource and Referral Program, Tulare County Office of Education, Early Childhood Education Program
- Virginia Sepeda, Region 7 Lead, Systems of Support for Expanded Learning, Tulare County Office of Education
- Heather Kellerhals, Program Coordinator, Connections for Quality Care, Tulare County Office of Education, Early Childhood Education Program

Tulare County Council on Child & Youth Development Members

Member Name	Affiliation or Organization
• Elvira Barron	Tulare County Office of Education
• Stephanie Caldera	Tulare County Office of Education
• Lorena Castillo	Tulare County Office of Education
• Stephanie Clayton	Parenting Network
• Cheri Doria	Lindsay Unified School District
• Denise Egge	ChristKids Preschool & Child Care
• Dr. Casie Ennis	Tulare County Health & Human Services Agency
• Sherri Glenn	Tulare County Health & Human Services Agency
• Laura Harris	College of the Sequoias

- Joe Iniguez CASA of Tulare County
- Rebecca Della Porterville Unified School District
- Christina Osorio Woodlake Family Resource Center
- Monica Pilkinton ECE Consultant
- Timberly Romero First 5 Tulare County
- Christina Saucedo First 5 Tulare County
- Amy Sullivan Tulare County Office of Education
- Brandy Villarreal Tulare County Resource Management Agency

I. Introduction and Background

The goal of this study is to educate the public, local business leaders, and policymakers about the importance of early care and education or child care¹ in the economy of Tulare County. It places the early care and education (ECE herein) industry in the context of other large industries in the County and demonstrates its importance, especially in more agricultural communities such as Tulare County.

In addition to the direct benefits for children’s development and well-being, ECE supports families and children, keeps parents working, and drives local economies. Quality ECE allows parents to feel comfortable being away from their children and is shown to reduce employee absenteeism and turnover, which is a direct benefit to employers and businesses.² Overall, ECE assists in creating a stable workforce for local businesses and supports a larger workforce than would exist if ECE were not available. Throughout the State and country, many public agencies offer ECE on-site to public employees because they recognize the importance of ECE to quality of life and its potential to increase worker productivity.

“High-quality early care and education for children from birth to kindergarten entry is critical to positive child development and has the potential to generate economic returns, which benefit not only children and their families but society at large. Despite the great promise of early care and education, it has been financed in such a way that high-quality early care and education have only been available to a fraction of the families needing and desiring it and does little to further develop the early care-and education (ECE) workforce.”³

Investing in children at an early age generates life-long benefits for children and society as a whole. Children who have experienced high-quality ECE are more likely to have increased behavioral and academic readiness, which can lead to greater success in grades K-12, including higher test scores and graduation rates. This, in turn, leads to fewer public dollars spent on remedial education and a more prepared workforce to support the local economy. ECE can also decrease public spending by lowering

¹ The ECE industry represents a diverse system of individuals, educators, teachers, support staff, and public and private entities with a focus on supporting children ages 0 to 12 years old. For this study, “ECE” and the “ECE industry” are used broadly to include child care, early care and education (ECE), after-school care, early care and learning (ECL), and programs offered through local school districts, including Transitional Kindergarten (TK) and before and after-school programs. Please refer to **Section I.2.** for a more detailed definition.

² California for All Kids (2022): *The Employer’s Role in Establishing Child Care Facilities*.
https://californiaforallkids.chhs.ca.gov/assets/pdfs/Employer_Role_in_Establishing_Child_Care_Facilities.pdf, accessed March 8, 2024.

³ La Rue Allen and Emily P. Backes, Editors (2018): *Transforming the Financing of Early Care and Education*,
<https://nap.nationalacademies.org/catalog/24984/transforming-the-financing-of-early-care-and-education>, accessed April 8, 2024, p. 1.

criminal justice costs from youth delinquency and reducing welfare use.⁴ According to Professor James Heckman, an economist at The University of Chicago, the longer we wait to intervene in the life cycle of the child, the more costly it is to remediate.⁵

Unfortunately, most California communities have a shortage of ECE providers and spaces. Even where ECE is available or there is a surplus of ECE, many families cannot afford it. For many families, ECE costs comprise 20% to 40% of their gross income. For single female heads of household, the cost of ECE often makes working impossible without the skills and education to secure higher-paying jobs. Households in Tulare County experience similar costs associated with ECE, particularly if they do not receive subsidized care. Current studies show that Tulare County does not have enough ECE spaces to meet parent demand, as discussed in **Chapter II**.

Some in the local business community in Tulare County have recently recognized the importance of ECE in being able to recruit and retain a stable workforce. In particular, the City of Visalia's Economic Development Department is concerned about the lack of ECE and their ability to attract tenants to a large industrial park. Across the country, these new business insights have been exemplified during the COVID-19 Pandemic when many ECE providers had to close, and the lack of ECE impacted multiple sectors both, locally and across the nation.⁶ ECE workforce decreased by 11% in the U.S. since the start of the COVID-19 pandemic through December 2021, with over 98,200 workers leaving the industry during this period.⁷

Branching out and building more relationships with Tulare County industry leaders and large business owners will be important to secure both a sufficient supply of ECE and local employees for the growing economy in the coming years.

⁴ Executive Office of the President of the United States (2014): *The Economics of Early Childhood Investments*. https://obamawhitehouse.archives.gov/sites/default/files/docs/the_economics_of_early_childhood_investments.pdf, accessed March 8, 2024.

⁵ "Upstream Investments to Reduce Long-Range Demand for County Criminal Justice Strategic Plan Project #27." Report to the Board of Supervisors, Tulare County. January 11, 2010, p. 38.

⁶ Doocy, Sean; Kim, Yoonjeon; Montoya, Elena (2020): *California ECE in Crisis. The Escalating Impacts of COVID-19 as California Reopens*. Center for the Study of ECE Employment, University of California, Berkeley. <https://cscce.berkeley.edu/publications/data-snapshot/california-child-care-in-crisis-covid-19/>, accessed April 12, 2024.

⁷ See Evans, S., Gascon, C.S., Hernández Kent, A. and Tran, N.: *Economic Impact of Child Care by State*. <https://www.stlouisfed.org/community-development/child-care-economic-impact>, accessed July 11, 2024.

I.1 Purpose of Study

The purpose of this study is to quantify the economic impact or benefit of the ECE industry in Tulare County as of 2024 and help underline the crucial role of ECE for the local economy by providing County-specific data and analysis. It represents an update and expansion of a similar study prepared for the County in 2010.⁸ The Tulare County Child & Youth Development Council of Tulare County (Council) retained Brion Economics, Inc. (BEI) to conduct this study. BEI worked closely with the Council's Manager, other Council consultants, and key Tulare County Office of Education staff for this effort. The Council will use this study to communicate to the broader Tulare County community the economic need for and benefits of ECE. This study responds to two important issues facing Tulare County:

- Concerns from the Tulare business community in the County concerning their inability to attract workers, due to the lack of ECE in the County.
- Improving the stability of the workforce by having a range of ECE providers available to families and children.

The overall goals of the study can be summarized as follows:

- To provide data and evidence that supports the need to expand ECE supply.
- To quantify the direct and indirect economic benefits of the ECE industry in Tulare County.
- To estimate the current ECE workforce in the County and the workforce shortage to meet the current need for more ECE spaces.
- To review and compare wages and salaries in the ECE industry to other key industries and evaluate the living wage gap.
- To quantify the cost of building new ECE facilities, increase ECE wages, and possible funding mechanisms.
- To provide potential recommendations and solutions to increase the supply of ECE and to provide more funding for both providers and ECE workers.

I.2 Study Approach and Methodology

The study provides an assessment of the size of the ECE industry relative to the overall economy. The economy of Tulare is summarized in this study to show the baseline economic conditions in which the

⁸ Tulare County ECE Planning Council (2010): *Economic Impact of ECE Tulare County*. Prepared by FJ McLaughlin & Associates and Applied Economics.

ECE industry operates. The study estimates how the ECE industry itself generates additional economic benefits in the economy or what is called the multiplier effect. It quantifies the size of the ECE workforce, the wages associated with the workforce, and the need for higher wages. The shortage of ECE spaces as well as the additional workforce needed to support the space shortage is quantified.

The most up-to-date data, which was collected from the fall of 2023 through the spring of 2024, is used for the analysis.⁹ The study summarizes data from a variety of public sources, including the California Department of Finance, the US Census, the California Economic Development Department, the California Resource and Referral Network, the Bureau of Economic Analysis, the Bureau of Labor Statistics, various academic studies regarding ECE, child care, Tulare County data and studies, including the *Draft Tulare County 2024 Early Care and Education Needs Analysis* currently being prepared by Community Initiatives for Collective Impact (Ci4Ci) as well as information provided directly by the Tulare County Office of Education. No original data collection, such as surveys, was conducted for this effort.

For this study, “early care and education” or “ECE” and the “ECE industry” are used broadly to include what is commonly called child care,¹⁰ early care and education (ECE), early care and learning (ECL), and programs offered through local school districts including Transitional Kindergarten (TK),¹¹ and before and after school programs. For this study, it does not include Kindergarten or regular school between the ages of 6 to 12 years, but only before and after school programs. Some ECE programs are subsidized by the State and federal governments, such as State Preschool, migrant programs, Head Start, etc.¹² The ECE industry encompasses a wide range of workers, including caregivers, family, friends, and neighbors (FFNs), teachers, assistants, educators, administrators, owners, and directors of ECE programs, including Family Child Care Homes (FCCHs). ECE programs can be run by community non-profits, school districts, and privately and publicly funded programs. In sum, the ECE industry represents a complex and diverse system of individuals, educators, teachers, and support staff, in both private and public settings, all with a focus on caring for and educating children ages 0 to 12 years old.

The study includes the following data, assumptions, and approach:

1. Current **population and children** as estimated by the California Department of Finance.

⁹ Data ranges from 2021 to 2024 and is the most currently available data, although most data are from 2023.

¹⁰ For studies and articles that use the term child care, we have kept that reference for consistency with the cited source.

¹¹ TK is relatively new in the ECE landscape and offers free ECE to 4-year-olds throughout the State. The program should be fully implemented by FY 25-26. However, not all 4-year-olds are participating in TK. TK does not offer full-time care. In 2024, there are an estimated 2,923 children in TK and a total of 7,137 4-year-olds in the County, or a current participation rate of 41%.

¹² For a specific list of all subsidies received by ECE programs in Tulare County, see **Table IV-1**.

2. Current estimates of the **supply of ECE providers and spaces** by type of provider and age groups, including:
 - a. Infants/Toddlers, Preschool and School Age (before and after care) by provider type
 - b. Licensed Family Child Care Homes (FCCHs)
 - c. Licensed Center-Based Providers
 - d. Transitional Kindergarten (TK) Programs
 - e. License-Exempt Providers associated with After School and Education Safety (ASES) and 21st Century programs offered at local school sites
 - f. Unlicensed Family, Friends, and Neighbors (FFNs)
 - g. Subsidized ECE spaces by age group and program type
3. Estimates of the **demand for ECE spaces and the current shortages** by age groups.
4. Data on **monthly market rates or tuition and State reimbursement rates** by age and type of provider.
5. Wage data for the ECE field by occupation.
6. **Economic data for the County**, including Gross Domestic Product (GDP) data by industry, employment data by industry, wages by industry and occupation, household income data, and unemployment rates.
7. The study uses the **IMPLAN iCloud software** with 2022 data to estimate the economic multiplier effects or benefits associated with the ECE industry.

The study includes an estimate of the ECE workforce by occupation type, the **current wages associated with the industry, and the living wage gap** in the ECE field.¹³

The economic benefit analysis estimates the **direct benefit** of the ECE industry combined with the indirect and induced effects. **Indirect effects** are the value of the goods and services the industry needs to purchase to function, and the **induced effects** are the spending impacts in the local economy from the wages and salaries associated with the ECE workforce. The **total output** or benefits are the combined effect of the direct spending on ECE, the indirect effects, and the induced effects. This total impact (direct, indirect, and induced effects) is often referred to as the multiplier effect, highlighting how an initial investment in ECE ripples through the economy and generates additional economic activity.

¹³ The first estimate of workforce is based on the supply of ECE spaces and adult to staff ratios. The second method is provided by the IMPLAN model results. Both methods result in an estimate of about 3,070 workers, countywide.

To further illustrate and compare the economic benefit of ECE, local industries are examined and compared to the ECE industry, in terms of:

- The size of the industry, as reflected in output or gross receipts
- The total direct employment of the industry
- The extent of the industry's local economic integration, as reflected in indirect and induced employment
- The capture of federal and State monies designated for ECE
- The economic effects of investments in new ECE supply to meet current shortages

Overall, this study focuses on the quantifiable economic benefits of ECE. Other benefits of ECE, as they relate to the quality of life for the children and families concerned, are difficult to quantify in general or on the county level specifically. These more qualitative benefits of ECE are discussed in a summary of recent studies in **Section I.3 below**.

Qualifications Regarding Changes in the Delivery System

The ECE field and industry are currently experiencing large changes and shifts in how and who delivers ECE services. The State of California introduced Transitional Kindergarten (TK) for 4-year-olds in 2012 and hopes to have it fully implemented by Fiscal Year 2025-2026. Whether that is feasible is beyond the focus of this study. However, the availability of free part-day TK will have an impact on how private ECE providers structure their programs and what ages they serve. The State has awarded Universal Preschool Kindergarten (UPK) mixed delivery grants to assist counties in developing a plan for wraparound care for TK children so that full-day care is available to meet the needs of working parents. These changes will have significant benefits for families in that there will be ECE available for 4-year-olds at no cost. This will allow more parents to enter the workforce. How these changes in the delivery of care will impact existing providers is uncertain, and how they might change the Economic Impact Model assumptions is unknown at this time and beyond the scope of this study.¹⁴

¹⁴ The IMPLAN economic model is based on Bureau of Labor Statistics data and based on 2022 data; whether BLS has accounted for TK in California's data is unclear at this time.

I.3 Economic Benefits of ECE – Literature Review¹⁵

Experts agree that investing in high-quality ECE or child care yields high annual rates of return and produces long-term societal rewards. Access to high-quality ECE programs has been shown to yield significant immediate long-term benefits for children. Frequent and enriching experiences for children help them with their personal success and future roles within the community as engaged residents, employees, and parents.¹⁶ Research indicates that participation in quality early childhood programs can increase cognitive scores by 0.35 standard deviations on average, bridging nearly half of the achievement gap between different demographic groups. Moreover, longitudinal studies suggest that ECE can lead to earning increases of 1.3% to 3.5% in adulthood, outweighing the costs of such programs. Public investment in high-quality early childhood programs yields an income return of about \$9,200 to \$30,900 over a child's career, surpassing the initial costs of the program. Additionally, investments in ECE have been linked to reductions in involvement with the criminal justice system and decreased need for remedial education, resulting in substantial cost savings for society.¹⁷ According to the work of James Heckman, Nobel Laureate, and many other economists, investing in high-quality ECE programs for disadvantaged children can deliver a 13% annual return on investment,¹⁸ improving personal and social gains.¹⁹ Although there is extensive information substantiating the value of investing in ECE, public policy has yet to align with the science and economics of investing in ECE.

For working parents, access to affordable and high-quality child care is essential for maintaining employment and economic stability. Workers' productivity is decreased when they have to worry about their children's safety and wellbeing.²⁰ A nationwide survey in 2022 found that 53% of working parents with children under three were distracted at work, reducing productivity. In the worst case, this can lead to being reprimanded (30% of respondents) or being let go (23%). Parents frequently turn down

¹⁵ Note: Many of the studies cited in this section use "child care" in referring to what is called the ECE industry in this study.

¹⁶ Temple, J. A., & Reynolds, A. J. (2007): *Benefits and Costs of Investments in Preschool Education: Evidence From the Child-Parent Centers and Related Programs*. *Economics of Education Review*, 26(1), 126-144; as cited in: Tulare County Council on Child and Youth Development. (April 2024). *Tulare County Needs Assessment of Early Care and Education*. Visalia, CA: Tulare County Office of Education.

¹⁷ Executive Office of the President of the United States (2014): *The Economics of Early Childhood Investments*. https://obamawhitehouse.archives.gov/sites/default/files/docs/the_economics_of_early_childhood_investments.pdf, accessed March 8, 2024.

¹⁸ Return on investment is a metric that investors often use to evaluate the profitability of an investment or to compare returns across a number of investments. In this reference, investment refers to payments made by the public and private sector investing in ECE.

¹⁹ Heckman, J. (2014): *Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy*. <https://heckmanequation.org/>

²⁰ Reed, P. S., & Clark, S. M. (2004): *Win-win Workplace Practices: Improved Organizational Results and Improved Quality of Life*. A Report to US Department of Labor Women's Bureau, Chose, 2; as cited in: Tulare County Council on Child and Youth Development. (April 2024): *Tulare County Draft Needs Assessment of Early Care and Education*. Visalia, CA: Tulare County Office of Education.

job opportunities (41%), promotions (28%), or further education (36%) due to the lack of child care. Another 44% stated that they reduced their work hours because of child care responsibilities.²¹ Further, studies have found an additional wage gap between mothers and childless women beyond the gender pay gap. Providing public funding for ECE can help close this gap. **Every 10% increase in the number of children under 3 in publicly-funded ECE leads to a 1% decrease in the wage gap for mothers with children.** This translates to significant pay raises for families and a reduction in child poverty.

By providing a safe and nurturing environment for children, child care programs enable parents to focus on their professional responsibilities, resulting in improved productivity and job retention. Accessible and affordable child care can also reduce absenteeism and turnover rates among employees. Studies estimate that lack of access to adequate child care results in billions of dollars in business costs and losses annually.²² One estimate is a combined cost of \$1,150 per working parent each year due to turnover and absenteeism as a result of insufficient ECE for working parents' children. Investments in child care, in turn, contribute to business efficiency and profitability. Research shows providing ECE decreased employee absences by 20% to 30% and reduced turnover by 37% to 60%.²³ Patagonia, for example, estimates that it recoups 91% of its investment in child care, including 50% in the form of federal tax deductions, 30% in reduced turnover among employees, and 11% in employee engagement. "Patagonia is absorbing the other 9%, which is well worth it," according to the director of the company's global family services. "Well worth it because of ... the community glue that it provides."²⁴ A recent study of five companies with child care benefits, including well-known brands such as UPS and Etsy, showed a return on investment for these companies ranging from 90% up to 425%. These numbers are the combined result of better recruitment and increased retention rates, increases in productivity and presence, increased rates of job satisfaction, and positive impacts on career progression.²⁵

²¹ Ready Nation (2023): *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*.

[https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;filename=%22\\$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22](https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;filename=%22$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22), accessed May 17, 2024.

²² Shellenback, K. (2004): *Child Care and Parent Productivity: Making the Business Case*. Cornell University. December; as cited in: Tulare County Council on Child and Youth Development. (April 2024). *Tulare County Needs Assessment of Early Care and Education*. Visalia, CA: Tulare County Office of Education.

²³ Powell, A., Thomason, S. and Jacobs, K. (2019): *Investing in Early Care and Education: The Economic Benefits for California*. UC Berkeley Labor Center. Available at: <https://laborcenter.berkeley.edu/pdf/2019/Investing-in-Early-Care-and-Education.pdf>, Accessed July 10, 2024.

²⁴ California for All Kids (2022): *The Employer's Role in Establishing Child Care Facilities*. https://californiaforallkids.chhs.ca.gov/assets/pdfs/Employer_Role_in_Establishing_Child_Care_Facilities.pdf, accessed March 8, 2024.

²⁵ Moms F1rst and BCG (2023): *The Employee Benefit That Pays For Itself*. https://momsfirst.us/wp-content/uploads/2024/03/The-Employe-Benefit-That-Pays-for-Itself_March-2024-2.pdf, accessed April 11, 2024.

On a socioeconomic level, investments in child care contribute to higher parental workforce participation rates, leading to increased household incomes and tax revenues. It means more jobs and more inclusive economic growth.²⁶ Specifically, higher child care prices have been shown to negatively impact maternal employment. A 10% increase in prices could result in a 1% to 4% reduction in maternal employment rates, especially detrimentally impacting mothers with lower wages.²⁷ Recent research shows that Labor Force Participation Rates (LFPRs) for women dropped significantly lower during the COVID-19 pandemic and have been slower to return to pre-pandemic levels than for men, citing the closure of child care programs during the pandemic and the higher costs of child care as the main reasons.²⁸ It is estimated that about two million women left the labor force during the pandemic, many of them because of the lack of child care.²⁹ According to the U.S. Chamber of Commerce, 58% of parents leaving the workforce during the pandemic did so because of the lack of child care and 26% because they could not afford child care.³⁰ While it is difficult to quantify and estimate the increase of female LFPRs through expanded access to quality, affordable ECE, studies within the US and other countries point consistently to increased LFPRs for mothers, with increases ranging from 4% to 10%. These increased female LFPRs drive economic growth and provide financial stability for children and families.³¹

“[I]t’s time to start treating child care as essential infrastructure—just as worthy of funding as roads and fiber optic cables. In the long term, this will help create more productive and inclusive post-pandemic economies.” – Bill and Melinda Gates Foundation³²

²⁶ Yamini Atmavilas, Senior Program Officer, Gender Equality, Bill & Melinda Gates Foundation (2022): *Investing in affordable child care: good for families, children, and economic impact*, <https://www.gatesfoundation.org/ideas/articles/investing-in-child-care-good-for-economic-growth>, accessed March 8, 2024.

²⁷ Landivar, L.C., Graf, N.L. and Rayo, G.A. (2023): *Child Care Prices in Local Areas*. Women’s Bureau. U.S. Department of Labor. Available at: https://www.dol.gov/sites/dolgov/files/WB/NDCP/508_WB_IssueBrief-NDCP-20230213.pdf, accessed 3.8.24.

²⁸ Kartik B. Athreya and Sierra Latham, Federal Reserve Bank of Richmond (2022): *The Pandemic, Child Care and Women’s Labor Force Participation*. https://www.richmondfed.org/publications/research/economic_brief/2022/eb_22-16, accessed March 22, 2024.

²⁹ Council of Economic Advisors. The White House (2023): *Did Stabilization Funds Help Mothers Get Back to Work After the COVID-19 Recession?* <https://www.whitehouse.gov/wp-content/uploads/2023/11/Child-Care-Stabilization.pdf>, accessed March 22, 2024.

³⁰ Stephanie Ferguson and Isabella Lucy. U.S. Chamber of Commerce (2022): *Data Deep Dive: A Decline of Women in the Workforce*. <https://www.uschamber.com/workforce/data-deep-dive-a-decline-of-women-in-the-workforce>, accessed March 22, 2024.

³¹ Powell, A., Thomason, S. and Jacobs, K. (2019): *Investing in Early Care and Education: The Economic Benefits for California*. UC Berkeley Labor Center. Available at: <https://laborcenter.berkeley.edu/pdf/2019/Investing-in-Early-Care-and-Education.pdf>, Accessed July 10, 2024.

³² Yamini Atmavilas, Senior Program Officer, Gender Equality, Bill & Melinda Gates Foundation (2022): *Investing in affordable child care: good for families, children, and economic impact*,

Ready Nation recently quantified the effects of the lack of infant/toddler care on a national and state level. In their survey, almost three-quarters of working parents report that access to child care is a challenge and more than half of parents stated that it is a significant challenge to find child care that is either affordable or high-quality. The negative economic impacts of this lack of child care for working parents, businesses, and tax revenues are summarized as follows:

- **Working Parents:**
 - Lost earnings through lower productivity and less time in the workforce
 - Extra costs associated with job searches to find work compatible with their child care needs
 - Lost future career earnings through less job experience and fewer skills
- **Businesses:**
 - Lost revenue now through a reduction of output by their employees
 - Extra workforce costs associated with disruptions, absences, turnover, and hiring
 - Lost future revenue through a reduction of the value of their workforce
- **Tax Revenues:**
 - Reduced revenues because of reduced income levels and a smaller federal, state/local tax base
 - Reduced revenues in the future because of weaker economic growth

Nationwide, the costs of the lack of adequate infant/toddler care are estimated at a total of \$122 billion annually, comprised of:

- **\$5,520 per working parent** in lost earnings and in more time looking for work. For the 14.1 million parents of children under age 3, this burden is **\$78 billion** per year.
- **\$1,640 per working parent** in reduced revenue and extra hiring costs. In aggregate, the annual burden on business is **\$23 billion**.
- **\$1,470 per working parent** in lower income and sales tax revenue. In aggregate, this amounts to **\$21 billion** each year.

In California, these three impacts combined, result in an estimated loss of **\$17 billion** annually. In its 2019 study *Investing in Early Care and Education: The Economic Benefits for California* the Labor Center

<https://www.gatesfoundation.org/ideas/articles/investing-in-child-care-good-for-economic-growth>, accessed March 8, 2024.

of the UC Berkeley³³ summarized the positive economic effects of investing in ECE in the State of California by conducting an economic multiplier analysis (i.e., input/output analysis) and extensive literature review. Even without increasing funding levels for ECE, each dollar invested generates as much as \$1.88 in increased economic activity through the economic activity (output) of ECE providers alone. In 2019, California's ECE industry generated **\$13.5 billion** in gross receipts. Cumulatively, the ECE industry in California generated **\$25.4 billion** in economic activity or output, as well as **\$1.1 billion** in State and local tax revenue.

In summary, investments in ECE have far-reaching implications for societal well-being and equity that go well beyond the economic impacts analyzed and quantified in the later parts of this study. By narrowing achievement gaps and promoting social mobility, ECE programs contribute to a more equitable distribution of opportunities and resources within society. Moreover, quality ECE fosters positive social behaviors and reduces the likelihood of involvement in criminal activities, leading to safer and more cohesive communities.

“Beyond its impact on the workforce and economy today, the infant-toddler child care crisis damages the future workforce by depriving children of nurturing, stimulating environments that support healthy brain development while their parents work.”³⁴

U.S Chamber of Commerce – Innovation Summit

In recognition of the inextricable relationship between the availability of child care and the economy, President Biden's *“Executive Order on Increasing Access to High-Quality Care and Supporting Caregivers”* (Care EO) from 2023 directed all cabinet-level agencies to explore how they can incentivize or even require federal funding applicants to provide supportive services, including child care, for their workers. The Care EO expanded efforts to provide supportive services in building a robust American workforce as part of major infrastructure investments, such as the Investing in America (IIA) agenda or CHIPS and Science Act grants.

This approach is already being implemented across various government agencies. The Environmental Protection Agency (EPA) allows grantees within its major IIA investments, such as the Solar for All and Climate Pollution Reduction Grant programs, to utilize funds for supportive services, including child

³³ Powell, A., Thomason, S. and Jacobs, K. (2019): *Investing in Early Care and Education: The Economic Benefits for California*. UC Berkeley Labor Center. Available at: <https://laborcenter.berkeley.edu/pdf/2019/Investing-in-Early-Care-and-Education.pdf>, Accessed July 10, 2024.

³⁴ Ready Nation (2023): *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*. [https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;%20filename=%22\\$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22](https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;%20filename=%22$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22), accessed May 17, 2024, p. 3.

care. Similarly, the Department of Energy (DOE) permits recipients of its \$24 million funding opportunity to establish new Industrial Assessment Centers to use the funds for caregiving assistance, enabling students to participate in DOE-supported training programs.³⁵

Further supporting this initiative was the inaugural National Child Care Innovation Summit in June 2024, a collaborative effort between the U.S. Chamber of Commerce, its Foundation, and the U.S. Department of Commerce. This pioneering event served as a call to action, emphasizing the pivotal role of accessible and affordable child care in strengthening economic competitiveness and supporting working families. The Summit brought together diverse stakeholders from both the public and private sectors, fostering critical dialogue, and driving innovative solutions. It aimed to inspire tangible actions and policy initiatives, ultimately positioning **child care as a catalyst for economic growth** through emerging models, employer approaches, and public-private partnerships. This event underscored the vision of the private sector as a key partner and force multiplier in establishing child care as an essential economic infrastructure.³⁶

I.4 Statewide Challenges Facing the ECE Workforce

Investments in ECE will need to go hand in hand with improving the working conditions of ECE workers to attract qualified caregivers and retain them in the field. A recent study by the Center for the Study of Child Care Employment (CSCCE) at the University of California, Berkeley, highlights the significant stress experienced by educators, exacerbated by inadequate compensation and a lack of workplace support, including access to health benefits and retirement plans.³⁷ Center teaching staff had the highest proportion (65%) of perceived stress scores of six or more, which are considered high-stress. Furthermore, a substantial portion of educators exhibit symptoms of depression, and sleep deprivation is prevalent among educators (around 50% for directors and teaching staff in Centers and FCCHs), with

³⁵ The White House (2024) *FACT SHEET: On One-Year Anniversary of President Biden's Care EO, the Biden-Harris Administration Celebrates New Progress toward Providing Care and Other Supportive Services for Workers*. <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/17/fact-sheet-on-one-year-anniversary-of-president-bidens-care-EO-the-biden-harris-administration-celebrates-new-progress-toward-providing-care-and-other-supportive-services-for-workers/>, accessed: July 2, 2024.

³⁶ U.S. Department of Commerce (2024) *U.S. Secretary of Commerce Gina Raimondo Announces First-of-its-Kind National Child Care Innovation Summit*. <https://www.commerce.gov/news/press-releases/2024/04/us-secretary-commerce-gina-raimondo-announces-first-its-kind-national>, accessed: July 2, 2024.

U.S. Chamber of Commerce Foundation (2024) *Introducing The National Child Care Innovation Summit*. <https://www.uschamberfoundation.org/education/introducing-the-national-child-care-innovation-summit>, accessed: July 2, 2024.

³⁷ These findings are based on a survey conducted among 540 FCCH providers, 510 center directors, 445 center teaching staff, and 345 TK teachers, but does not include elementary school teachers.

Black educators reporting the highest rates. Additionally, more than half of early educators report having at least one chronic health condition.³⁸

The CSCCE further unpacked racial bias within California's ECE workforce based on results from a statewide workforce survey conducted in 2020.³⁹ Findings revealed that White educators are consistently paid more than Latine and Black educators regardless of educational attainment when comparing median wages. Among lead teachers, median hourly wages are highest among Asian educators (\$20.90), followed by White (\$19.50), Latine (\$19.00), and Black educators (\$18.00). Education pay premiums are not applied equitably across racial and ethnic groups. Black teachers, despite **higher educational attainment** than their White or Latine counterparts, were paid the lowest hourly wages. Latine educators are the least likely among all racial and ethnic groups to hold a Bachelor's degree, which could reflect the structural barriers and lack of support in the higher education system for this population.

The study also shed light on racial disparities in job roles. White educators were found to be disproportionately represented in leadership positions like directors and lead teachers, while Black and Latino educators were concentrated in lower-paying roles. White staff hold more than half (54%) of leadership positions, yet only comprise about one-third (35%) of the overall ECE workforce. Latino teaching staff was least likely to hold a lead teacher position (64%, compared to 81% for White staff). **This unequal distribution highlights a systemic bias that limits career advancement opportunities for educators of color within California's ECE system.**

Policy recommendations emphasize the need for systemic changes to address disparities and promote workplace well-being strategies funded by evidence-based approaches. *The Bold on Early Educator Compensation Learning Community* suggests implementing a salary scale based on qualifications and experience to address inequities. Defining funding mechanisms can stabilize upfront funding, which is essential for programs, especially those under-resourced. The study also stresses the importance of

³⁸ Muruvi, W., Powell, A., Kim, Y., Copeman Petig, A., & Austin, L.J.E. (2023): *The Emotional and Physical Well Being of Early Educators in California: Early Educator Well-Being Series*. Center for the Study of ECE Employment, University of California, Berkeley. <https://cscce.berkeley.edu/wp-content/uploads/2023/12/california-ece-workforce-emotional-physical-well-being.pdf>, accessed April 5, 2024.

³⁹ Kim, Y., Austin, L.J.E., & Hess, H. (2024): *The Multilayered Effects of Racism on Early Educators in California: An Examination of Disparities in Wages, Leadership Roles, and Education*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/wp-content/uploads/2024/02/The-Multilayered-Effects-of-Racism-on-Early-Educators-in-California.pdf>, accessed April 2, 2024.

This study is focused on the early care and education sector, i.e., does not include data on TK, Kindergarten or teachers paid by school districts.

comprehensive workforce data collection. Recognizing the urgency of reform, the community emphasized the need for action before American Rescue Plan (ARP) funds expire in 2024.⁴⁰

Addressing these systemic inequities requires a comprehensive approach. The value of ECE services is often overlooked because society tends to see mostly female and lower-income workers as unskilled.⁴¹ This bias, influenced by systemic inequalities beyond the ECE field, leads to lower wages, fewer opportunities for career growth, and a lack of respect for the profession, continuing gender inequality.⁴² The emotional skills of ECE workers are essential to their job, but these skills are often undervalued and unpaid. Recognizing these and other strengths⁴³ of ECE providers could help move forward discussions on better compensation and professional recognition. Solving this issue requires a multifaceted approach, including collaborative strategies involving partnerships between the County Office of Education and unions⁴⁴ in the care industry such as the United Domestic Workers (UDW), the Service Employees International Union (SEIU), and the Child Care Providers United (CCPU).

I.5 Study Organization

The study is organized into five chapters, including:

I. Introduction and Background

- This chapter provides an overview of the purpose of the study, the approach to the analysis, the benefits of ECE, an ECE literature overview, the current challenges and issues facing the ECE industry broadly, including Tulare County, and the report organization.

II. ECE Needs and Demographics

- **Chapter II** presents information and data on the demographics of the population, including children in Tulare County, which is used in the analysis but also sets the scale and magnitude of the current conditions in the County. It includes a current estimate of ECE supply and demand. It

⁴⁰ Dade, A., & McLean, C. (2023). *Bold on Early Educator Compensation Learning Community 2022: Lessons From States Taking Action*. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/wp-content/uploads/2023/02/Brief-Bold-on-Early-Educator-Compensation-Learning-Community-2023.pdf>, accessed April 2, 2024.

⁴¹ Andrew, Y. (2015). *Beyond professionalism: Classed and gendered capital in childcare work*. *Contemporary Issues in Early Childhood*, 16(4), 305-321. <https://doi.org/10.1177/1463949115616322>

⁴² Osinaike, P. T. (2023). *Developing and sustaining a gender-balanced early childhood teaching profession*. *International Journal of Social Science and Human Research*, 06(02). <https://doi.org/10.47191/ijsshr/v6-i2-39>

⁴³ Yosso T (2005) *Whose culture has capital? A critical race theory discussion of community cultural wealth*. *Race Ethnicity and Education* 8(1): 69–91.

⁴⁴ Collins, C., Gomez, A. L. (2023, April 4). *Unionizing Home-Based Providers to help Address the Child Care Crisis*. CLASP. <https://www.clasp.org/publications/report/brief/unionizing-home-based-providers-to-help-address-the-child-care-crisis/>

includes an estimate of the ECE workforce, a living wage analysis, and an estimate of the shortage of ECE workers.

III. Countywide Baseline Economic Conditions

- **Chapter III** presents baseline economic data as a context for the following in-depth analysis of the ECE industry, including the size and value of Tulare County industries (e.g., gross domestic product), wages and salaries by industry, and unemployment rates by type of worker or household.

IV. Economic Benefits of ECE Industry

- **Chapter IV** estimates the economic value of the ECE industry in terms of the annual spending on ECE. It then presents the economic impact analysis (using IMPLAN software) and compares this impact to other industries in the County.

V. Findings and Recommendations

- **Chapter V** presents an assessment and key findings of this study, as well as recommendations for policy changes that could be considered to help grow the ECE industry in the County. This Chapter also includes the recommendations from the 2010 study and whether they are still relevant today.

This study also includes the following Appendices:

Appendix A: IMPLAN Economic Model Data and Detailed Results

- Provides detailed IMPLAN data for the County and related the ECE Industry analysis for each of the 556 industry sectors.

Appendix B: ECE Facility Needs, Costs, and Funding Options

- Provides estimates of the cost of building new ECE facilities to serve infants and toddlers and evaluates two countywide methods of financing these improvement costs, i.e., a sales tax add-on and a parcel tax. These two methods have been successful in other communities in providing significant funding to address the gaps in ECE services, facilities, and wages.

Appendix C: ECE Facility Cost Estimates by Type of Facility

- Provides detailed cost estimates by type of ECE facility used in **Appendix B**.

Appendix D: Comparison of 2010 Economic Impact Study Findings

- Provides a detailed comparison of this study's results to the 2010 economic study.

II. ECE Needs and Demographics

This section summarizes key data and information regarding children, families, and the ECE field in Tulare County. These data are used in the analysis of the economic benefits, the estimate of the shortage of ECE spaces, and provide an overview of key demographic conditions in the County. This section presents the current conditions in the County related to children, population, and other socio-economic data. Some of this information is taken from the County's *Tulare County 2024 Early Care and Education Needs Analysis*, being prepared by Community Initiatives for Collective Impact (Ci4Ci).

II.1 County Demographic Highlights

Current Population and Children

Table II-1 provides estimates of the population distribution across various cities/areas within Tulare County as of January 1, 2023. The total population in the County is estimated at 469,680 by the California Department of Finance E5 Report. Visalia is the most populous city, with an estimated household population of 141,583, constituting approximately 30% of the total County population. Other large cities include Tulare, with 69,329 residents (15%), and Porterville, with 61,234 residents (13%). Overall, the majority of the population lives in incorporated areas, i.e., formal cities (72%), while only 28% live in the rural or unincorporated areas of the County.⁴⁵

Table II-2 presents estimates of the total children population in the County for the years 2023 and 2030 from the California Department of Finance P2B Projections.⁴⁶ Children as a percent of the total population is relatively high compared to urban counties, and the State as a whole. Children as a percent of the total population is estimated currently at about 20% or 97,376 children. It is estimated to decline slightly to about 19%, or 96,502 children, by 2030, while the total population of Tulare County is projected to increase by 5.7%.

The ratio of children to total population is high compared to the State overall, which is currently 15.4% and projected to decrease to 13.7%. This measure means that Tulare County has a much higher proportion of children relative to total population compared to the State average and many urban counties. In essence, there are relatively more children needing ECE in proportion to the total

⁴⁵ Tulare County oversees and manages the unincorporated areas of the County and provides services to these areas; incorporated cities have their own decision making bodies and provide most of their own public services.

⁴⁶ Note the total population in Table in Table II-1 is slightly different that in Table II-2; Table II-1 data is current estimates, and Table II-2 data is based on projections, and includes estimates of children, which is needed for this analysis.

population in Tulare County than in the State. The average size of households is also higher in Tulare County than in the State (see **Section VI.1** for more discussion).

Table II-1
Estimated Population by City/Area in Tulare County as of January 1, 2023
ECE Economic Benefit Study - Tulare County 2024

City/Area	2023 Estimated Household Population	% of Total
Dinuba	25,266	5.4%
Exeter	10,093	2.1%
Farmersville	10,151	2.2%
Lindsay	12,354	2.6%
Porterville	61,234	13.0%
Tulare	69,329	14.8%
Visalia	141,583	30.1%
Woodlake	7,711	1.6%
Balance of County	131,959	28.1%
Incorporated	337,721	71.9%
Tulare County Total	469,680	100.0%

Sources: CA Department of Finance - E5 Report; Brion Economics, Inc.

Across California, many families are having fewer children and women are choosing to postpone having children or not have them at all. This impacts the number of children by age. In the near term, Tulare County is expected to see a reduction of 4.9% in the number of School Age children but not Infants/Toddlers or Preschool-age children. In 2023, the population of Infants/Toddlers was 18,358 (19% of the total children 0-12 years old), which is projected to increase to 19,358 by 2030 (20% of total children), reflecting a 5.4% increase. Preschool-age children numbered 20,749 in 2023 (21% of total children) and are expected to rise to 21,713 by 2030 (23% of total children), or a 4.7% increase. This suggests that the need for ECE serving children 0 to 5 years old will increase over current conditions in Tulare County.

This increase in children 0 to 5 years old, which will total almost 2,000 children by 2030, will increase the demand for ECE spaces, further aggravating the current shortfalls, discussed further below.

Table II-2

Estimated Population and Children in California and Tulare County - 2023 and 2030

ECE Economic Benefit Study - Tulare County 2024

Age Group	2023 Estimated Population	% of Total	2030 Estimated Population	% of Total	Change 2023- 2030	% Change
Tulare County						
Infants/Toddlers (1)	18,358	18.9%	19,358	20.1%	1,000	5.4%
Preschool (2)	20,749	21.3%	21,713	22.5%	965	4.7%
School Age (3)	58,270	59.8%	55,431	57.4%	(2,839)	-4.9%
Total 0 to 12 Years Old	97,376	100.0%	96,502	100.0%	(874)	-0.9%
Total Population	488,748		516,810		28,062	5.7%
Children, 0-12 Years Old, as % of Population		19.9%		18.7%		-1.3%
California						
Total Population	38,990,487		39,430,871		440,384	1.1%
Total 0 to 12 Years Old	6,016,965		5,384,216		(632,749)	-10.5%
Children, 0-12 Years Old, as % of Population		15.4%		13.7%		-1.8%

(1) Infants and Toddlers are defined as 0 up to 2.7 years old.

(2) Preschool children are defined as 2.7 to 5.5 years old.

(3) School Age is defined as 5.5 to 12 years old.

Sources: CA Department of Finance - P2B Report, Brion Economics, Inc.

Ethnicity of Children

Table II-3 provides an overview of the racial and ethnic composition of the population in Tulare County as of 2022, according to the American Community Survey (ACS) from the US Census. This serves as a proxy for the ethnicity of the children, 0 to 12 years old. Individuals identifying as White constituted the largest proportion, accounting for about 51% of the total population, followed by individuals identifying as some other race at about 25% and bi-racial and multi-racial individuals at 17.5%. Additionally, Hispanic, or Latino individuals, regardless of race, comprised a significant portion of the population at 66% or two-thirds of the population. This is a marked difference from the State of California as a whole, where the Hispanic population amounts to 40%. Economic conditions and other measures can vary significantly by the ethnicity of the population, as discussed further in **Chapter III**.

Table II-3
Population in Tulare County and California by Race and Ethnicity - 2022
ECE Economic Benefit Study - Tulare County 2024

Item	Tulare County		California		% Difference Tulare to CA
	Total Amount	Percent	Total Amount	Percent	
Total Population	473,446		39,356,104		
Race and Hispanic or Latino Origin					
White	240,811	50.9%	18,943,660	48.1%	2.7%
Black or African American	7,695	1.6%	2,202,587	5.6%	-4.0%
American Indian and Alaska Native	6,492	1.4%	394,188	1.0%	0.4%
Asian	16,955	3.6%	5,949,136	15.1%	-11.5%
Native Hawaiian and Other Pacific Islander	718	0.2%	150,531	0.4%	-0.2%
Some Other Race	117,855	24.9%	6,388,999	16.2%	8.7%
Two or More Races	82,920	17.5%	5,327,003	13.5%	4.0%
Total Population	473,446	100.0%	39,356,104	100.0%	
Hispanic or Latino (of any race)	312,954	66.1%	15,617,930	39.7%	26.4%
Not Hispanic or Latino	160,492	33.9%	23,738,174	60.3%	-26.4%
Total Population	473,446	100.0%	39,356,104	100.0%	
White alone	125,362	26.5%	13,848,294	35.2%	-8.7%
Sex					
Male	238,140	50.3%	19,708,947	50.1%	0.2%
Female	235,306	49.7%	19,647,157	49.9%	-0.2%
Total Population	473,446	100.0%	39,356,104	100.0%	

Sources:

U.S. Census Bureau. "ACS Demographic and Housing Estimates." American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP05, 2022, [https://data.census.gov/table/ACSDP1Y2022.DP05?q=population by ethnicity tulare county and california](https://data.census.gov/table/ACSDP1Y2022.DP05?q=population%20by%20ethnicity%20tulare%20county%20and%20california)
[https://data.census.gov/table/ACSDP5Y2022.DP05?q=demographic and housing&g=040XX00US06&y=2022&d=ACS 5-Year Estimates Data Profiles](https://data.census.gov/table/ACSDP5Y2022.DP05?q=demographic%20and%20housing&g=040XX00US06&y=2022&d=ACS%205-Year%20Estimates%20Data%20Profiles) . Accessed on February 28, 2024.

Brion Economics, Inc.

Labor Force Participation Rates

ECE is a key service that allows parents to go to work and contribute to the local economy. Labor force participation rates are shown in **Table II-4**. The County has relatively low labor force participation rates for working parents with children (LFPRs) according to data from the US Census. LFPRs are used in ECE studies to estimate the need for licensed ECE spaces.⁴⁷ The State Child Care Resource and Referral

⁴⁷ This measure is collected for single parents with children and two parents with children under 6 years old and for 6 to 17 year old children by the US Census.

Agency estimates that all working parents need licensed ECE. The LFPR for parents with children under 6 years old is 56.8%. For children between the ages of 6 to 17 years, the LFPR rises to 67.4%.⁴⁸ These rates are lower than most urban areas and lower than the State averages, especially for children under the age of 6. In Tulare County, this means that fewer parents with children under 6 are working compared to the State, indicating the lack of early childhood care. As shown in **Exhibit II-1**, Tulare County’s LFPRs have been lower than California’s except for a few points in time.

Table II-4
Labor Force Participation Rates by Age Group in Tulare County and California - 2022
ECE Economic Benefit Study - Tulare County 2024

Item	Total Number of Children	Children with Both Parents or Single Parent in Labor Force	LFPR as Percent
Tulare County			
Children under 6 Years	38,619	21,953	56.8%
Children between 6 to 17 Years	96,047	64,764	67.4%
California			
Children under 6 Years	2,442,371	1,617,412	66.2%
Children between 6 to 17 Years	5,637,504	3,918,850	69.5%

Sources:

U.S. Census Bureau. "Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B23008, 2022, <https://data.census.gov/table/ACSDT1Y2022.B23008?q=B23008: Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents&g=050XX00US06107>. Accessed on January 15, 2024.

Brion Economics, Inc.

In analyzing the LFPRs in Tulare County in more detail, one can see the highest LFPR in workers between 25 and 59 years old. There are little differences in LFPRs within this age range between Tulare County and California or roughly 78%⁴⁹ (see **Exhibit II-2**). The lower rates for workers between 16 and 24 years old are related to people pursuing education. There is seemingly no evidence of people having children and starting a family when looking at LFPRs by age group. This is different when comparing LFPRs by sex and then further broken down by the presence and age of children (see **Exhibit II-3**).⁵⁰

⁴⁸ These rates may not include seasonal workers or those working in informal sectors in the County.

⁴⁹ Note: These LFPRs are in a different range from Table II-4 because of a different methodology.

⁵⁰ Please note that the US Census does not collect separate data for males by presence and age of children.

Exhibit II-1⁵¹

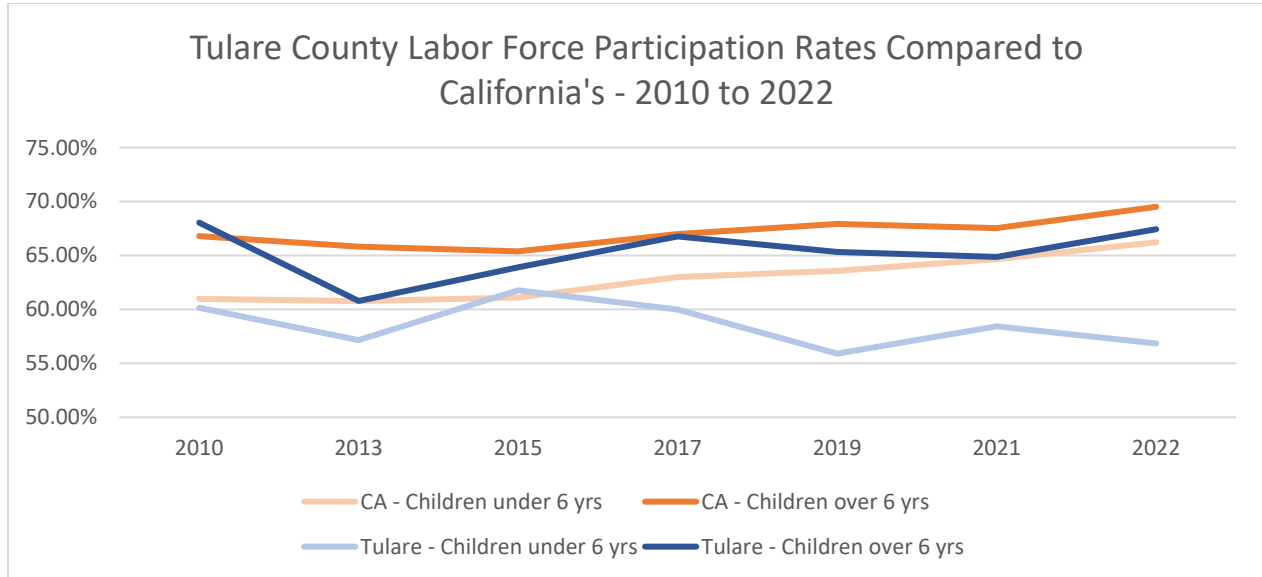
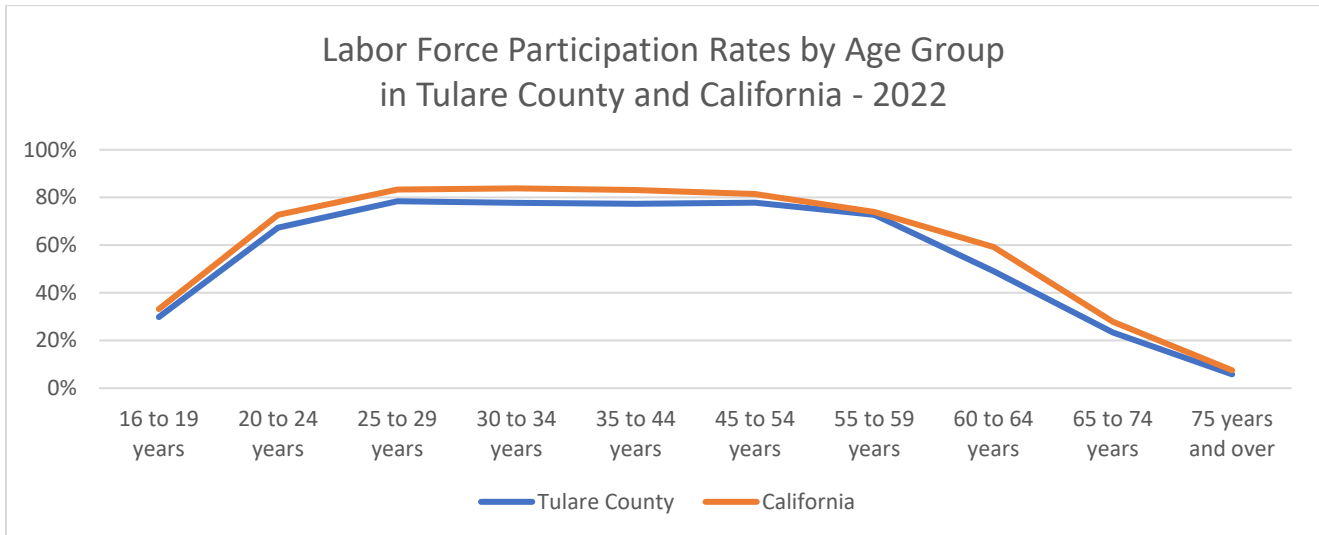


Exhibit II-2⁵²



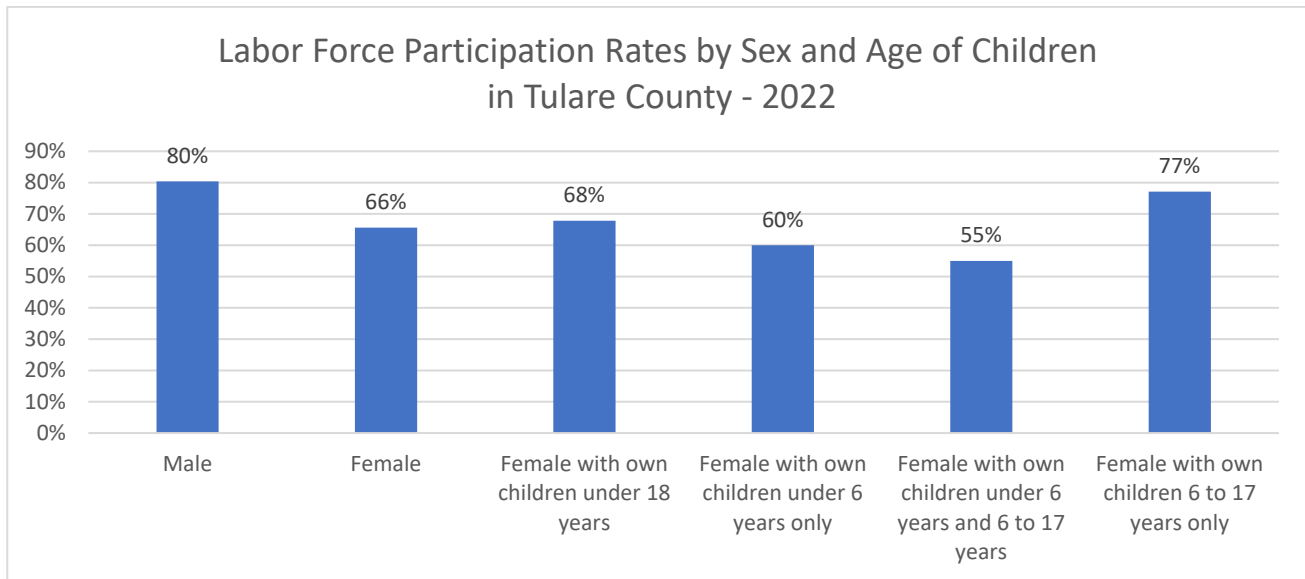
⁵¹ Sources: U.S. Census Bureau. "AGE OF OWN CHILDREN UNDER 18 YEARS IN FAMILIES AND SUBFAMILIES BY LIVING ARRANGEMENTS BY EMPLOYMENT STATUS OF PARENTS." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B23008 for the years 2010, 2013, 2015, 2017, 2019, 2021, and 2022, accessed on May 30, 2024.

⁵² Source: U.S. Census Bureau. *Employment Status*. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2301, 2022, [https://data.census.gov/table/ACSST1Y2022.S2301?q=employment status tulare county&g=040XX00US06_050XX00US06107](https://data.census.gov/table/ACSST1Y2022.S2301?q=employment%20status%20tulare%20county&g=040XX00US06_050XX00US06107), accessed on May 31, 2024.

While the LFPR for males is at 80%, it is at 66% for females overall. For women with children, the LFPR is the lowest at 55%, and if they have children under 6 years old and for women with children between 6 and 17 years old, the highest at 77%. Both exhibits provide statewide data in comparison.

The significant differences in LFPR between men and women point to the potential of increasing women’s participation in the economy by providing affordable and accessible ECE as described in **Section I.3**.

Exhibit II-3⁵³



Household Income Data

Based on US Census data, **Table II-5** shows that both the mean and median household income⁵⁴ in Tulare County are well below the average income levels of the State of California. The mean household income in Tulare County stands at \$86,599, which is approximately 66% of the statewide mean income of \$131,504. Similarly, the median household income in Tulare County is \$64,722, equivalent to 71% of the median income statewide, which is \$91,551. A lower median household income compared to the mean (the difference in Tulare County is approximately \$22,000) indicates income inequality in the

⁵³ Source: U.S. Census Bureau. *Employment Status*. American Community Survey, ACS 1-Year Estimates Subject Tables, Table S2301, 2022, [https://data.census.gov/table/ACSST1Y2022.S2301?q=employment status tulare county&g=040XX00US06_050XX00US06107](https://data.census.gov/table/ACSST1Y2022.S2301?q=employment%20status%20tulare%20county&g=040XX00US06_050XX00US06107), accessed on May 31, 2024.

⁵⁴ Mean household income is the average total income of all households in a given area. Median household income is the income level where half of households make more and half make less.

County. It means that a larger portion of households fall below the average income, while a smaller portion makes significantly more, increasing the average.

The mean family income for Tulare County is \$91,096 compared to \$147,628 in California, or 62% of the State mean figure. The median income for a family with children is \$61,910, or 61% of the State median income. Further breakdowns based on the number of earners within households are also provided in **Table II-5**. The mean income of a family with one earner is 60% of the State's mean figure. For Tulare County families, this means less income overall for services such as ECE.

Table II-5
Mean and Median Household Income in Tulare County and California - 2022
ECE Economic Benefit Study - Tulare County 2024

Item	Mean Income			Median Income		
	Tulare County	California	Tulare as % of CA	Tulare County	California	Tulare as % of CA
Household Income	\$86,599	\$131,504	66%	\$64,722	\$91,551	71%
Family Household Income	\$91,096	\$147,628	62%	\$67,807	\$104,823	65%
with own children of householder under 18 years	NA	NA	NA	\$61,910	\$101,682	61%
1 earner	\$67,169	\$112,609	60%	\$49,119	\$71,861	68%
2 earners	\$106,860	\$165,181	65%	\$89,304	\$133,967	67%
3 or more earners	\$127,869	\$176,378	72%	\$113,946	\$148,892	77%

Sources:

U.S. Census Bureau. "Median Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1903, 2022.

U.S. Census Bureau. "Mean Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1902, 2022, [https://data.census.gov/table/ACSST1Y2022.S1902?q=income in california](https://data.census.gov/table/ACSST1Y2022.S1902?q=income%20in%20california). Accessed on February 2024.
Brion Economics, Inc.

Federal Poverty Levels

Overall, Tulare County has higher poverty rates⁵⁵ than the State of California. **Table II-6** focuses specifically on families below the poverty level and shows significant disparities among different household types. Among all families, Tulare County has 15.5% living below the federal poverty level, while the statewide average is 8.6%. Families with related children under five years old are particularly affected (20.6%), with rates more than double the State average (9.6%). Poverty rates also vary by

⁵⁵ The Census Bureau uses income thresholds varying by family size and composition to define the federal poverty level. These thresholds do not vary geographically but are updated for inflation. For this purpose, money income before taxes and but not capital gains or noncash benefits (such as public housing, Medicaid, and food stamps) are counted. The weighted average threshold for a family of four in 2022 was \$29,950 annual household income.

ethnicity in Tulare County, with households of Hispanic origin experiencing higher poverty rates (19.3%) compared to White households (8.9%). Furthermore, poverty rates increase with the number of related children under 18 years, with families having three or more children experiencing substantially higher poverty rates than those with fewer children. Poverty levels among married couples are generally lower, while the poverty levels among families headed by a single female householder are shockingly high. Across all household compositions, 30.8% of all single female-headed families are below the poverty level. These levels increase to 52.3% for families with children under 5 years and between 5 and 17 years old.

Economic implications of higher poverty levels include less income for the support of goods and services in the local economy, including less income to pay for ECE services. Lower-income households qualify for subsidized ECE programs, such as Head Start and Migrant subsidized care. However, according to data from the County's 2024 Needs Assessment, only 40% of the need for subsidized care is being met in the county.⁵⁶ Lack of affordable ECE for these families can be a hindrance to increasing their income as discussed in Section I.3 of **Chapter I**.

“Children experience poverty through hardships like hunger and inadequate nutrition, insufficient access to health care, unstable housing and homelessness, and the toxic stress experienced by their parents, whose struggle to survive without adequate supports hampers their ability to consistently care for and nurture their children. The impacts of childhood poverty are immediate and dire: impaired cognitive and emotional development, behavioral challenges, and a lack of school readiness.”⁵⁷

⁵⁶ The estimate of eligible children is from FY 20-21 and the ELNAT database and is compared to the current estimate of subsidized spaces in the County collected for this study in 2024.

⁵⁷ Indivar Dutta-Gupta (2023): *The Enduring Effects of Childhood Poverty*. The Center for Law and Social Policy, August 14, 2023. <https://www.clasp.org/blog/the-enduring-effects-of-childhood-poverty/>, accessed June 4, 2024.

Table II-6
Families Below Poverty Level in Tulare County and California - 2022
ECE Economic Benefit Study - Tulare County 2024

Item	All Families			Married-Couple Families			Single Female Householder		
	Tulare	California	% Difference	Tulare	California	% Difference	Tulare	California	% Difference
Families Below Poverty Level	15.5%	8.6%	6.9%	10.3%	5.2%	5.1%	30.8%	19.9%	10.9%
with related children of householder under 5	20.6%	9.6%	11.0%	8.9%	3.8%	5.1%	41.5%	29.6%	11.9%
with related children of householder under 5 and 5 to 17 years	29.1%	18.9%	10.2%	21.5%	11.0%	10.5%	52.3%	44.5%	7.8%
with related children of householder 5 to 17 years	18.6%	11.1%	7.5%	12.0%	5.9%	6.1%	35.0%	24.5%	10.5%
Families Below Poverty Level by Ethnicity of Householder									
Householder of Hispanic origin (any race)	19.3%	12.6%	6.7%	14.5%	7.9%	6.6%	33.4%	24.6%	8.8%
White Householder (not Hispanic)	8.9%	4.9%	4.0%	5.3%	3.1%	2.2%	23.5%	13.9%	9.6%
Families Below Poverty Level by Number of Related Children under 18 years									
No child	7.6%	5.4%	2.2%	6.1%	4.2%	1.9%	14.4%	9.7%	4.7%
1 or 2 children	17.4%	10.1%	7.3%	12.6%	5.0%	7.6%	29.6%	24.3%	5.3%
3 or 4 children	31.9%	20.4%	11.5%	17.8%	12.1%	5.7%	62.1%	45.2%	16.9%
5 or more children	24.4%	35.0%	-10.6%	16.0%	22.8%	-6.8%	57.5%	62.4%	-4.9%

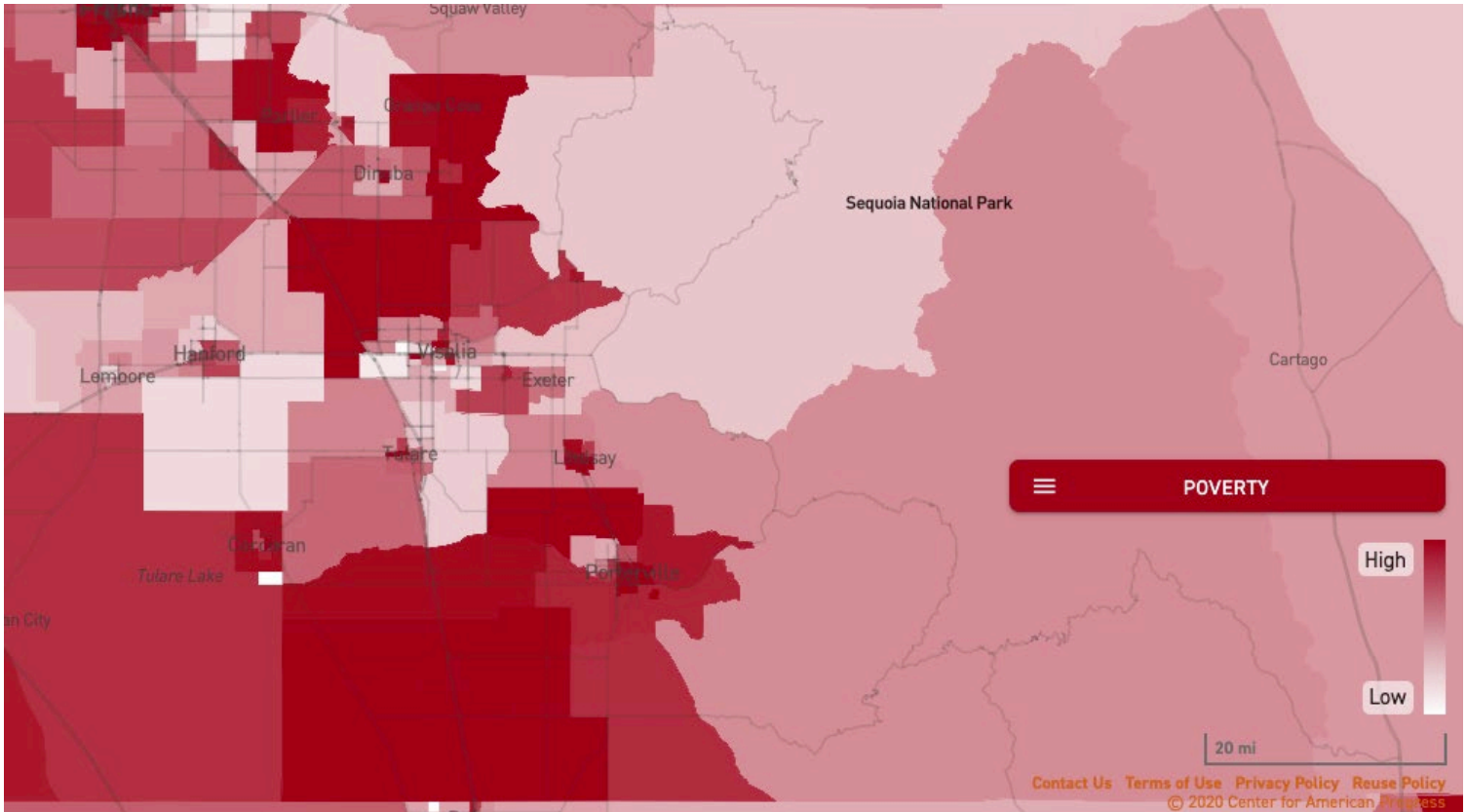
Sources:

U.S. Census Bureau. "Poverty Status in the Past 12 Months of Families." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1702, 2022, [https://data.census.gov/table/ACSST1Y2022.S1702?q=Poverty levels tulare county&g=040XX00US06&y=2022](https://data.census.gov/table/ACSST1Y2022.S1702?q=Poverty%20levels%20tulare%20county&g=040XX00US06&y=2022). Accessed on May 21, 2024.

Brion Economics, Inc.

A visual presentation of poverty rates is provided in **Exhibit II-4**. A map published by the Center for American Progress in 2020 shows the geographical distribution of poverty levels in Tulare County. Poverty levels are particularly high in the rural area southwest of Porterville and between Dinuba and Visalia.

Exhibit II-4⁵⁸ Tulare County Poverty Heat Map



II.2 ECE Supply and Demand

Table II-7 provides a detailed breakdown of ECE providers⁵⁹ and their number of ECE spaces categorized by age group in Tulare County. Currently, there are 797 ECE providers, including school sites offering Transitional Kindergarten (TK) and ASES and 21st Century school age programs.⁶⁰ There are also an additional 372 Family, Friends, and Neighbors (FFNs) serving children in the County; however, the ages of children being served by this provider type are not available. Overall, the total licensed and license-exempt ECE spaces available in Tulare County amount to 26,644.⁶¹ With FFN children served, the total

⁵⁸ This map is accessible under <https://childcaresdeserts.org/?lat=36.268458949361516&lng=-118.77699100000001&zm=8.492117052946528&lyr=ccpoverty>

⁵⁹ ECE providers represent the individual businesses or programs that provide ECE services; the ECE workforce includes the owners of ECE businesses, directors of ECE businesses and programs along with the teachers and other staff that support programs.

⁶⁰ For this analysis, each school site offering one of these programs is counted as one provider.

⁶¹ This supply data is slightly different from the latest County's Draft Needs Assessment as more recent information that was collected for this study.

is 27,201, ages 0 to 12 years old.⁶² Within Family Child Care Homes (FCCHs), there are 467 small and large FCCH providers offering a total of 5,212 spaces for children aged 0 to 12 years. Licensed ECE centers, comprising 101 providers, offer a total of 5,509 spaces. About 100 school sites offer TK to 2,923 4-year-olds. License-exempt care includes before – and after-school programs like 21st Century and ASES and is offered at 129 school sites serving 13,000 children.⁶³ More detailed information on other license-exempt providers, such as ELOP, was not available.

Table II-8 summarizes the countywide demand for ECE spaces by age group in Tulare County as of 2023. The demand estimates prepared for this study focus on the children with working parents. There are 10,436 Infants/Toddlers (17% of demand), 11,795 Preschool children (19%), and 39,291 School-Age children (64%) needing care, comprising a total of 61,521 children, 0 to 12 years old, needing ECE. In terms of the supply of ECE, a total of 26,644 licensed and license-exempt ECE spaces are currently available, of which 1,409 serve Infants/Toddlers, 10,211 serve Preschool children, and 15,024 serve School-Age children. There is a substantial shortage of spaces with only 43% of the overall demand being met. There are significant differences between the age groups with only 14% of the demand for Infant/Toddler spaces being met while the majority of Preschool children are being served, or 87% of total demand. For School-Age children, 38% of demand is currently met. This means that the availability of ECE for Infants and Toddlers is severely constrained in the County, making it challenging for families with small children to work.

⁶² FFNs, by definition, are considered unlicensed care.

⁶³ This excludes ELOP spaces, data for which is not available.

Table II-7
Countywide ECE Providers by Type and Spaces by Age Group
ECE Economic Benefit Study - Tulare County 2024

Item	No. of Providers	Estimated ECE Spaces by Age Group			Total 0 to 12 Years	Percent of Spaces
		Infants/Toddlers	Preschool	School Age		
Family Child Care Homes (1)		1,180	2,360	1,672	5,212	20%
Small FCCBs	221	442	884	442	1,768	
Large FCCBs	246	738	1,476	1,230	3,444	
ECE Centers (2)	101	229	4,928	352	5,509	21%
Transitional Kindergarten (TK) (3)	100	NA	2,923	NA	2,923	11%
License-Exempt ECE (4)	129	NA	NA	13,000	13,000	49%
Total ECE Providers & Spaces	797	1,409	10,211	15,024	26,644	100%
Unlicensed Care						
Family, Friends and Neighbors (FFNs) (5)	372				557	
Total Supply with FFNs	1,169	1,409	10,211	15,024	27,201	

(1) For large FCCBs assumes 3 infants, 6 preschool, and 5 school age licensed spaces.

For small FCCBs assumes 2 infants, 4 preschool, and 2 school age licensed spaces.

Figures represent licensed capacity and not necessarily desired capacity.

(2) From California Childcare Resource and Referral Network, data as of February 20, 2024.

(3) Transitional Kindergarten (TK) spaces are shown under Preschool; the number of sites is not known for TK.

Currently there are 100 school sites with TK programs, out of a total of 197 elementary school sites in the County.

(4) Includes ASES and 21st Century Programs; there are 107 school sites with ASES programs and 22 school sites with 21st Century Programs.

(5) There are 372 FFNs in the County serving 557 children 0 to 12 years old; the breakdown of these children by age group is not available and therefore not included in age group totals. Data from 2021-22 taken from the recent Needs Assessment prepared for the County by Community Initiatives for Collective Impact (Ci4Ci).

Sources: Tulare County Office of Education; California Childcare Resource and Referral Network; Community Initiatives for Collective Impact (Ci4Ci); US Census; Brion Economics, Inc.

This analysis and results are slightly different from the County’s recently prepared Draft ECE Needs Assessment due to the use of more recent demographic and supply data and a different methodology.⁶⁴ Both analyses find a significant shortage of ECE spaces. This study prepared its own supply and demand analysis with specific assumptions and data points needed in later parts of the study, such as the current supply of subsidized spaces by program and age group, the need for additional ECE workforce in the County, and the cost of new ECE facilities needed to address the shortfall.

⁶⁴ The State mandate for Needs Assessment requires the use of older data from AIR.org through the Early Learning Needs Assessment Tool (ELNAT). The ELNAT data currently labeled 2020 but based on 2019 census data.

Table II-8
Countywide Demand for and Shortage of ECE Spaces by Age Group - 2023
ECE Economic Benefit Study - Tulare County 2024

Item	Estimated ECE Spaces by Age Group			Total 0 to 12 Years
	Infants/Toddlers	Preschool	School Age	
Total Children - 2023 (1)	18,358	20,749	58,270	97,376
% Distribution	19%	21%	60%	100%
Labor Force Participation Rates (2)	56.8%	56.8%	67.4%	64.4%
Children w/ Working Parents	10,436	11,795	39,291	61,521
Distribution of Children with Working Parents	17%	19%	64%	100%
Total Supply of ECE Spaces (3)	1,409	10,211	15,024	26,644
Surplus or (Shortage) of ECE Spaces	(9,027)	(1,584)	(24,267)	(34,877)
% of Demand Met as of 2023	14%	87%	38%	43%
% of Demand NOT Met as of 2023	86%	13%	62%	57%

(1) See Table II-2.

(2) See Table II-4. Uses the LFPR for children under 6 years for Infants/Toddlers and Preschool children and the LFPR for children between 6 and 17 years for School Age children.

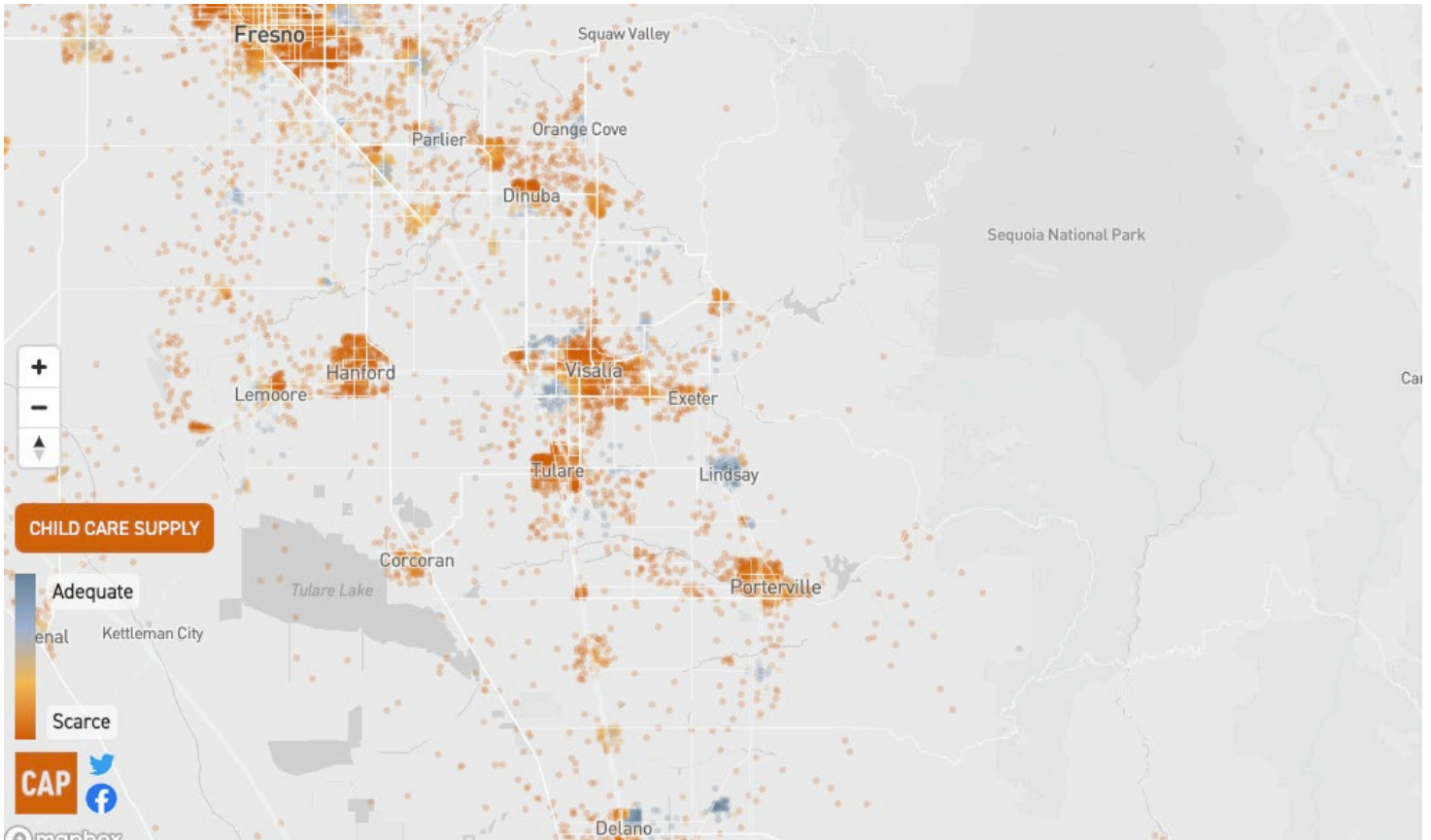
(3) See Table II-7.

Sources: County Office of Education, Tulare County; Brion Economics, Inc.

Child Care Deserts

A GIS heat map, published by the Center for American Progress in 2020, visually shows the regional shortages of child care, called Child Care Deserts, across the County. **Exhibit II-5** clearly shows that child care is scarce in most cities in the County with the exception of Lindsay and certain areas in Visalia. The regional distribution of ECE is important as programs and spaces in one part of the County cannot necessarily serve the shortages in another part.

Exhibit II-5⁶⁵ Tulare County Child Care Deserts



General Plans in Tulare County and Child Care

Looking for the words “child care”, 369 out of 482 cities and 48 out of 58 counties in California mention it in their General Plans.⁶⁶ In Tulare County, child care is mentioned in the General Plan of the County only 3 times, once in the chapter on land use and twice in summary tables for available federal and state funding sources as a service that could be funded.⁶⁷ The cities of Porterville, Farmersville, and

⁶⁵ This map can be accessed under <https://childcaredeserts.org/?lat=36.33520224463359&lng=-118.22538590899705&zm=8.389410000707466&lyr=ccpoverty>

⁶⁶ This research was conducted using the General Plan Mapping Tool and database from Aniket Banginwar, Dexter Antonio, Mirthala Lopez, Lindsay Poirier, Sujoy Ghosh, Makenna Dettmann, & Catherine Brinkley. (2023, January 6). General Plan Database Mapping Tool (v3.0). Zenodo. <https://doi.org/10.5281/zenodo.7508689>.

Note that this database does not always include the most recent versions of General Plan documents available. Where possible, further research has been done to find the latest documents and provide direct links to the more current documents.

⁶⁷ Tulare County (2012): 2030 Update. *Tulare County General Plan*.

<https://generalplan.co.tulare.ca.us/documents/GP/001Adopted%20Tulare%20County%20General%20Plan%20Materials/000General%20Plan%202030%20Part%20I%20and%20Part%20II/GENERAL%20PLAN%202012.pdf>, accessed April 12, 2024.

Visalia also refer to child care in their planning documents. Porterville refers to it once as an example of specialized school facilities and references two policies regarding child care or ECE.⁶⁸ Farmersville mentions two city-operated child care centers in their land use chapter but makes little mention of child care in their General Plan aside from that.⁶⁹ Only the City of Visalia dedicates a separate section to child care services in its General Plan Update from 2014.⁷⁰ Visalia's infill incentive program mentions daycare services as a community benefit that can be included in real estate development to qualify for this program.⁷¹ Child care is mentioned again in the context of zoning and air pollution. Lastly, it was proposed that affordable child care options be coordinated with the Recreation Department.

II.3 ECE Workforce in Tulare County

This section analyzes the wages associated with the estimated ECE workforce and compares this data to what is considered a "living wage" for Tulare County based on different household sizes. The analysis shows how the ECE workforce is paid on average less than other industries in the County and less than what is considered a wage high enough to meet the basic needs of sustainability, including ECE costs for households with children. This analysis indicates one reason why the ECE industry struggles to find new workers to fill positions.

The total workforce is estimated based on the ECE spaces currently available in the County (**Table II-7**) and the adult-to-child ratios for providers in the State, including Title 22 and Title 5, as summarized in **Table II-9**. Title 22 includes the requirements for licensed ECE providers, and Title 5 is for providers that contract with the State to offer subsidized care.

⁶⁸ Porterville (2007): *General Plan. Land Use*.

https://cms9files.revize.com/PortervilleCA/Document_Center/Department/Community%20Development/General%20Plan%20Update/Chapter2LandUse_000.pdf, accessed April 12, 2024.

Porterville (2007): *General Plan. Parks, Schools & Community Facilities*.

https://cms9files.revize.com/PortervilleCA/Document_Center/Department/Community%20Development/General%20Plan%20Update/Chapter5Parks_SchoolsandCommunityFacilities_000.pdf, accessed April 12, 2024.

⁶⁹ Farmersville (2002): *General Plan Update*. <https://www.cityoffarmersville-ca.gov/DocumentCenter/View/387/Part-I-The-General-Plan>, accessed April 12, 2024.

⁷⁰ City of Visalia (2014): *General Plan. Parks, Schools, Community Facilities, and Utilities*.

<https://www.visalia.city/civicax/filebank/blobdload.aspx?BlobID=30477>, accessed April 12, 2024.

⁷¹ City of Visalia (2014): *General Plan. Land Use*. <https://www.visalia.city/civicax/filebank/blobdload.aspx?BlobID=30474>, accessed April 12, 2024.

Table II-9
Estimated Adult to Child Ratios based on State Licensing Requirements
ECE Economic Benefit Study - Tulare County 2024

Title/Age Group	Adults Per	# of Children	Notes
Title 22/Child Care Centers			
Infants (1)	1	4	
Preschool	1	12	
School Age	1	15	
Title 5/Subsidized Care			
Infants (1)	1	3	or 4 children in 0-3 classrooms
Preschool	1	8	
School Age	1	14	
Small Family Child Care Homes (2)			
Infants (1)	1	4	Normally provide 6 or 8 spaces
All Children	1	6	may include up to 3 infants
Or	1	8	may include up to 2 infants and must include at least 2 children over the age of six
Large Family Child Care Homes (2)			
12 Spaces Homes	2	12	Normally provide 12 or 14 spaces up to 4 infants
14 Spaces Homes	2	14	may include up to 3 infants and must include at least 2 children over the age of six

(1) Infants are considered to be children under the age of 2.

(2) Provider's own children under the age of 10 must be included in adult to child ratio.

Sources: Community Care Licensing Division, California Department of Social Services; Brion Economics, Inc.

Table II-10 estimates the number of ECE workforce staff by type of provider and age group. In total, there are an estimated 1,835 teaching staff working in the ECE field in the County. These include FCCH owners/operators who also serve as staff. There are an additional 330 directors, based on the total number of center-based programs and license-exempt providers, and 660 support staff/aides. Overall, this brings the total estimated workforce to 3,071 ECE workers. This represents about 2% of the County's total employment base or the number of jobs in the County in 2023 (see **Table III-3**).

Table II-10
Estimate of ECE Workforce (Teachers and Other Staff) in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

Item	Small FCCHs Spaces	Large FCCHs Spaces	Center-Based and License-Exempt				Combined Totals
			Infant/Toddler Spaces	Preschool Spaces	School Age Spaces	Totals	
No. of Providers (1)	221	246				330	797
Licensed Spaces (1)	1,768	3,444	229	4,928	352	5,509	10,721
License-Exempt Spaces (1)	NA	NA	NA	2,923	13,000	15,923	15,923
Licensed Space Teachers (1)	221	246	65	493	24	583	1,050
License-Exempt Teachers (2)	NA	NA	NA	244	542	785	785
Total Required Teachers	221	246	65	736	566	1,368	1,835
Estimated Center Directors (3)	NA	246	NA	NA	NA	330	576
Aides and Support Staff (4)	NA	NA	NA	NA	NA	660	660
Estimated Total Staff	221	492	65	736	566	2,358	3,071

(1) See Table II-7 for estimate of supply of ECE spaces and providers. Based on the average Title 22 and Title 5 teacher ratio requirements. 3.5 per children per teacher for Infant/Toddler; 10 children per teacher for Preschool; 14.5 children per teacher for School Age.

For FCCHs, the one teacher accounts for one owner/director.

(2) For TK spaces assumes 1 teacher per 12 TK students; for other license-exempt assumes 1 teacher per 24 students.

(3) One director per center-based provider. FCCH directors serve as teachers too. Large FCCHs require one additional assistant teacher.

(4) Assumes two support staff / aides per center-based provider.

Sources: Community Care Licensing Division, California Department of Social Services; Brion Economics, Inc.

Living Wage Scale for ECE Workers

This section analyzes the cost of bringing current staff up to a living wage and compares this to current wages. The estimated living wage data is from The Living Wage Calculator from the Massachusetts Institute of Technology (MIT). For this analysis, the living wage is defined as “the hourly rate that an individual in a household must earn to support themselves and/or their family, working full-time, or 2080 hours per year.”⁷² These living wages vary by size and type of household and number of children present, as shown in **Table II-11**. It also lists the specific amount per expense category assumed per household type. For this study, we have calculated the average hourly rate for all household types and sizes. The average hourly rate is \$34.46 per hour (see **Table II-12**). Current wage data for the analysis was collected from the Bureau of Labor Statistics (BLS) and the Center for the Study of Child Care Employment (CSCCE) at UC Berkeley, which conducted a California-wide Workforce Study in 2020.⁷³

⁷² The Living Wage Calculator was first created in 2004 by Dr. Amy K. Glasmeier, Massachusetts Institute of Technology. For Tulare County Data; data cited is as of 2024, see <https://livingwage.mit.edu/counties/06107>.

⁷³ See here: <https://cscce.berkeley.edu/projects/california-early-care-and-education-workforce-study/> for more information.

Table II-11
Sustainability Living Costs by Type and Size of Household in Tulare County (1) - 2024
ECE Economic Benefit Study - Tulare County 2024

Budget Item	1 Adult (1 Working)			2 Adults (1 Working)			2 Adults (Both Working)		
	0 Children	1 Child	2 Children	0 Children	1 Child	2 Children	0 Children	1 Child	2 Children
Food	\$4,078	\$6,012	\$9,017	\$7,477	\$9,307	\$11,986	\$7,477	\$9,307	\$11,986
Child Care (ECE)	\$0	\$10,167	\$20,333	\$0	\$10,167	\$20,333	\$0	\$10,167	\$20,333
Medical	\$2,702	\$8,773	\$8,661	\$6,164	\$8,661	\$9,124	\$6,164	\$8,661	\$9,124
Housing	\$11,785	\$15,669	\$15,669	\$11,929	\$15,669	\$15,669	\$11,929	\$15,669	\$15,669
Transportation	\$11,169	\$12,925	\$16,281	\$12,925	\$16,281	\$18,734	\$12,925	\$16,281	\$18,734
Civic Engagement (2)	\$3,032	\$5,335	\$6,715	\$5,335	\$6,715	\$7,776	\$5,335	\$6,715	\$7,776
Internet & Mobile	\$1,624	\$1,624	\$1,624	\$2,218	\$2,218	\$2,218	\$2,218	\$2,218	\$2,218
Other	\$4,739	\$8,459	\$8,994	\$8,459	\$8,994	\$12,431	\$8,459	\$8,994	\$12,431
Required Annual Income after Taxes	\$39,128	\$68,962	\$87,293	\$54,507	\$67,844	\$77,938	\$54,507	\$78,011	\$98,271
Annual Taxes	\$6,375	\$8,313	\$10,776	\$7,231	\$7,845	\$7,791	\$7,231	\$9,424	\$11,295
Required Annual Income before Taxes	\$45,502	\$77,275	\$98,070	\$61,738	\$75,690	\$85,729	\$61,738	\$87,435	\$109,566
Child Care (ECE) as % of Income	0%	13%	21%	0%	13%	24%	0%	12%	19%

(1) From Living Wage Calculation for Tulare County, California, by Dr. Amy K. Glasmeier — professor of Economic Geography and Regional Planning at MIT’s Department of Urban Studies and Planning (DUSP) — and Dr. Tracey Farrigan, a graduate student at the time. Today, the data featured on the Calculator is produced and donated by the Living Wage Institute.

<https://livingwage.mit.edu/counties/06107> accessed on February 21, 2024.

(2) The cost of civic engagement includes means for audio-visual equipment; education; fees and admission; other entertainment; pets; reading; and toys, hobbies, and playground equipment.

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; Brion Economics, Inc.

Table II-12
Estimated Living Wages by Household Size and Status for Tulare County (All Occupations)
ECE Economic Benefit Study - Tulare County 2024

Item	1 Adult Household & No. of Children - 1 Adult Working				2 Adult Household & No. of Children - 1 Adult Working				2 Adult Household & No. of Children - 2 Adults Working			
	0	1	2	3	0	1	2	3	0	1	2	3
Living Wage	\$21.88	\$37.15	\$47.15	\$62.77	\$29.68	\$36.39	\$41.22	\$44.42	\$14.84	\$21.02	\$26.34	\$30.66
Poverty Wage	\$7.24	\$9.83	\$12.41	\$15.00	\$9.83	\$12.41	\$15.00	\$17.59	\$4.91	\$6.21	\$7.50	\$8.79
Min. Wage in CA (1/1/2024)	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Min Wage as % of Living Wage	73%	43%	34%	25%	54%	44%	39%	36%	108%	76%	61%	52%
Average Living Wage per Hr. by Type of Household (1)				\$42.24				\$37.93				\$23.22
Overall Average Wage per Hour, All Households	\$34.46											

(1) The average living wage was calculated for groups of household types.

These data are for Tulare County as of Feb. 2024. See <https://livingwage.mit.edu/counties/06107>

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; Brion Economics, Inc.

Table II-13 provides a comparison of hourly wages for ECE and school teachers in Tulare County, according to the two sources (BLS and CSCCE). Highlighted figures are used in the analysis. The wages have been adjusted for inflation using the CPI Inflation Calculator of the BLS. Data on the level of Inyo, Kern, and Tulare counties is noted as non-representative according to the CSCCE due to the limited number of respondents in those counties.

Table II-14 summarizes the current hourly wages by type of ECE worker, the required hourly living wages, and the net change or increase required to bring ECE workers to a living wage. As shown, the required increase is significantly more than ECE workers currently make. For this analysis, the base living wage is estimated at **\$34.46 per hour**, irrespective of education and occupation level or household size, as discussed above. To adjust for these differences, we apply a 10% increase factor to each staff level above a teacher's aide/support staff role. The net increase in hourly rate required to get to a living wage is more than workers currently make per hour for most of the positions. The percent increase in wages needed ranges from 76% for directors to 128% for FCCH owners, who have a very low relative hourly wage despite owning their own business.

Table II-15 estimates the actual cost of bringing currently licensed ECE workers (FCCHs and center-based workers) up to a living wage. Using the hourly rates calculated in **Table II-14** and the number of ECE workers in Tulare County in **Table II-10**, total current wages are \$65.6 million per year. Using the living hourly wages for the same number of staff generates an annual cost of \$138.2 million per year, or a net gap of \$72.7 million per year or an increase of 111% overall from current wages.⁷⁴

⁷⁴ Note that the wages for school district TK teachers are not included here, as their current wages are higher than the average sustainable living wage per hour. TK teachers earn about \$45 per hour, while the average living wage in the County is \$35 per hour. TK programs and teachers are included in all other analyses in the study, however.

Table II-13
Comparison of Data on ECE and School Teacher Hourly Wages in Tulare County - 2024
ECE Economic Benefit Study - Tulare County 2024

Occupation	2024 Adjusted Mean (1)	2024 Adjusted Median (1)	Source (2)	Location (3)	Date of Original Data
Directors		\$31.07	CSCCE	California	2020
		\$28.73	CSCCE	Central CA	2020
		\$23.90	CSCCE	Inyo/Kern/Tulare	2020
K-6 Administrator		\$75.29	CSCCE	California	2020
Education and Childcare Administrators, Preschool and Daycare	\$29.74	\$30.73	BLS	Visalia-Porterville, CA	May 2022
Preschool Teachers, Except Special Education	\$20.44	\$20.15	BLS	Visalia-Porterville, CA	May 2022
Center-Based Teacher		\$20.20	CSCCE	California	2020
		\$20.69	CSCCE	Central CA	2020
		\$16.79	CSCCE	Inyo/Kern/Tulare	2020
Teaching Assistants - ECE only		\$19.12	CSCCE	California	2020
		\$17.93	CSCCE	Central CA	2020
		\$16.73	CSCCE	Inyo/Kern/Tulare	2020
TK Teacher		\$44.98	CSCCE	California	2022
Kindergarten Teachers		\$51.29	CSCCE	California	2019
Elementary School Teachers		\$58.92	CSCCE	California	2019
K-6 Teacher		\$49.00	CSCCE	California	2020
Substitute Teachers, Short-Term	\$24.07	\$25.00	BLS	Visalia-Porterville, CA	May 2022
Educational Instruction and Library Workers, All Other	\$34.01	\$32.49	BLS	Visalia-Porterville, CA	May 2022

(1) Wages have been adjusted for inflation using the CPI Inflation Calculator of the BLS: https://www.bls.gov/data/inflation_calculator.htm

(2) BLS = Bureau for Labor Statistics; CSCCE = Center for the Study of Child Care Employment

(3) Data on the Level for Inyo, Kern and Tulare counties is non-representative according to the CSCCE due to a limited number of respondents in those counties.

Sources:

Bureau of Labor Statistics, Department of Labor. Occupational Employment and Wage Statistics (OEWS) Survey. <https://www.bls.gov/oes/special-requests/oesm22ma.zip>, accessed February 23, 2024

Powell, A., Montoya, E., Austin, L.J.E., Kim, Y., Muruvi, W., & Copeman Petig, A. (2023). Teachers of Preschool-Age Children in California. Center for the Study of Child Care Employment, University of California, Berkeley. <https://csce.berkeley.edu/publications/brief/teachers-of-preschool-in-california>, accessed February 23, 2024.

Montoya, E., Austin, L.J.E., Powell, A., Kim, Y., Copeman Petig, A., & Muruvi, W., (2022). Early Educator Compensation: Findings From the 2020 California Early Care and Education Workforce Study. Center for the Study of Child Care Employment, University of California, Berkeley. <https://csce.berkeley.edu/publications/report/early-educator-compensation/>, accessed February 23, 2024.

Powell, A., Austin, L.J.E., Montoya, E., Kim, Y., Copeman Petig, A., & Muruvi, W., (2022). Early Educator Compensation: Technical Supplement: Non-Representative County Wage Estimates in California, 2020. Center for the Study of Child Care Employment, University of California, Berkeley. <https://csce.berkeley.edu/wp-content/uploads/2022/08/County-Supplement.pdf>, accessed February 23, 2024.

Center for the Study of Child Care Employment. State Profile - California. Early Childhood Workforce Index. https://csce.berkeley.edu/workforce-index-2020/wp-content/uploads/sites/3/2020/11/2020-Index_StateProfile_California.pdf, accessed February 23, 2024.

Brion Economics, inc.

Table II-14

Estimated Wage Rate Increase to Living Wage Rate for ECE Workers in Tulare County

ECE Economic Benefit Study - Tulare County 2024

Item	Current Hourly Wage (1)	Living Hourly Wage (2)	Adjustment for Ed. & Title (3)	Net Change	Percent Increase
Teacher Aides & Support Staff (4)	\$16.00	\$34.46	\$34.46	\$18.46	115%
Assistant Teacher	\$17.93	\$34.46	\$37.91	\$19.98	111%
Lead Teachers/Asst. Directors	\$20.69	\$34.46	\$41.70	\$21.01	102%
FCCH Owners (5)	\$20.11	\$34.46	\$45.87	\$25.76	128%
Directors	\$28.73	\$34.46	\$50.45	\$21.73	76%

(1) See Table II-13 for more details.

(2) Based on average living wage for all household types and sizes in Table II-11 as the base living wage.

(3) Assumes a 10% increase for each increase in education/title by position from teacher aides and support staff up to directors.

(4) Assumes Teacher Aides and other support staff make minimum wage.

(5) Assumes FCCH owners make 70% of Directors' hourly rate based on other BEI workforce studies.

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; BLS; CSCEE; Brion Economics, Inc.

Table II-15

Estimated Current Wages of ECE Workforce in Tulare County and Living Wage Estimate

ECE Economic Benefit Study - Tulare County 2024

Item	Current Average Hourly Wage	Living Hourly Wage (2)	Estimated Wage Increase	Estimated Staff (3)	Percent Distribution	Current ECE Annual Wages, All Staff	Wage Gap to Living Wage	Total ECE Living Wages by Staff Type
<i>(in millions of dollars)</i>								
Estimated ECE Workforce (1)								
Teacher Aides & Support Staff	\$16.00	\$34.46	\$18.46	202	13%	\$6.7	\$7.8	\$14.5
Assistant Teacher (4)	\$17.93	\$37.91	\$19.98	414	26%	\$15.4	\$17.2	\$32.7
Lead Teachers/Asst. Directors (4)	\$20.69	\$41.70	\$21.01	414	26%	\$17.8	\$18.1	\$35.9
FCCH Owners	\$20.11	\$45.87	\$25.76	467	29%	\$19.5	\$25.0	\$44.6
Center-Based Directors	\$28.73	\$50.45	\$21.73	101	6%	\$6.0	\$4.6	\$10.6
Total Teachers and ECE Staff				1,599	100%	\$65.6	\$72.7	\$138.2
Wage Percent Increase							111%	

Note assumes all positions are Full Time Equivalent (FTEs).

(1) These estimates include only the licensed ECE sector and excludes the license-exempt sector (TK and after-school programs) organized by local school

(2) Assumes Living Wage from MIT; see Table II-12. Assumes a 10% increase for each increase in education/title by position from teacher aides and support staff up to directors.

(3) See Table II-10 for an estimate of current ECE workforce. Excludes TK and license-exempt programs which are located on local school sites, which offer higher wages closer to living wages. Includes center-based teachers and large FCCH assistant teachers.

(4) The estimate of teachers is divided equally between assistant teachers and lead teachers/asst. directors.

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; BLS; CSCEE; Brion Economics, Inc.

Table II-16 summarizes the average annual salaries and net increase in annual salaries needed to attain a living wage for ECE workers (assuming full-time work). The overall average living wage salary is about \$87,500 for all current ECE workers. The overall current average salary of all ECE workers is \$43,000 per year for all licensed ECE workers, assuming the reported hourly rate is applied to full-time work (i.e., 2,080 hours per year). **Overall, salaries need to increase by 49% to equal a living wage, according to sustainable living wage data presented above.**

Table II-16
Comparison of Current Full-Time Annual Pay to Living Wage Salaries for ECE Workforce in Tulare County
ECE Economic Benefit Study - Tulare County 2024

Item	Living Wage Salary (1)	Current Average Salary by Type of Worker (1)	Current Salary as % of Living Wage
Teacher Aides & Support Staff	\$71,677	\$33,280	46%
Assistant Teachers	\$78,844	\$37,284	47%
Lead Teachers/Asst. Directors	\$86,729	\$43,026	50%
FCCH Owners	\$95,402	\$41,828	44%
Directors	\$104,942	\$59,754	57%
Average for All Workers	\$87,519	\$43,034	49%

(1) See current hourly rates in Table II-14 multiplied by 2,080 hours per year for a FTE salary.

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; BLS; CSCEE; Brion Economics, Inc.

Reimbursement Rate Reform and Living Wage Analysis

The California Department of Social Services (CDSS) is currently working together with P5 Fiscal Strategies to change its methodology of determining the statewide reimbursement rates. The CDSS intends to move away from average market rates and instead use a tool estimating the true cost of care when setting these rates.⁷⁵ For this purpose, P5 conducted a study evaluating the impact of a living wage for child care providers, combined with benefits, normally required business expenses for a variety of provider types by different age groups, and consideration of CA Title 22 and Title 5 requirements. The authors call this the “true cost of care” as opposed to the current market price of care and cost of care. As discussed at the beginning of the 2022 P5 Study:

⁷⁵ See CDSS. (2024). Rate Reform and Quality. <https://www.cdss.ca.gov/inforesources/child-care-and-development/rate-reform-and-quality>

“The prevalent method of setting reimbursement rates for publicly funded child care is through a market rate approach, which relies on a study of market prices for child care through a market rate survey. Data from the market rate survey are then used to set maximum reimbursement rates for subsidized child care. The problem with this approach is that the market rates reflect the prices providers charge families, which in turn reflects what families can afford.”⁷⁶

Many parents have limited income to spend on ECE and cannot afford to pay more. As shown above, in **Table II-11**, ECE costs average between 12% to 24% of household expenses in Tulare County. Some ECE advocates suggest that ECE should not exceed 7% of a family's household income. Depending on a family's household income and whether there are one or two workers directly impacts the family's ability to afford ECE. Providers are, therefore, constrained from charging their true cost, which would include higher wages and benefits for staff and more dollars for supplies and equipment.

From the ECE provider's standpoint, the lower-than-true-cost reimbursement rates cap what they can afford to spend on wages and benefits (if any) and limit the amount of income that can be spent on non-labor costs. ECE is a labor-intensive business. There are high and justifiable teacher-to-child ratios required by the State to ensure the safety of children. These labor requirements cannot be worked around or automated. ECE generates very little profit for most programs except perhaps for the top of the market associated with corporate providers such as Bright Horizons.

The results of the P5 study show that the actual cost of child care is significantly higher than current reimbursement rates in California. For most types of ECE, the true cost is more than double the reimbursement rates. This system reinforces current inequities and inadequacies in the market.

The same is true in Tulare County. **Table II-17** shows the current reimbursement rates in the County. Using recently released data from the P5 Study, the true cost of child care by type of provider and age group is shown in **Table II-18** and compared to the current 2022 reimbursement rates on an annual basis for center-based care and FCCHs. Depending on the type of provider, California's maximum reimbursement rates range from 1) **25% to 41% of the true cost** of care for Infant care; 2) **22% to 43% of the true cost** of care for Preschool care; and 3) **39% to 67% of the true cost** of care for School Age care.

The true cost of care data used here is for Central California, and not Tulare County specifically, but these costs are likely reflective of the true cost of care in Tulare County, given current living expenses, lease rates, and other operating costs. This situation directly impacts what wages providers can offer

⁷⁶ Living Wage Cost of Care is from "Understanding the True Cost of Child Care in California: Building a Cost Model to Inform Policy Change" Prepared by Prenatal to Five Fiscal Strategies - Jeanna Capita, Katie Fallin Kenyon, and Simon Workman, August 2022, p. 4.

the ECE workforce, the types of benefits they can offer workers, and the types of facilities they can afford to rent or own to provide care.

Table II-17
Monthly Maximum Reimbursement Rates for Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

Type of Care	Infants/Toddlers	Preschool	School Age
Center-Based Care (1)			
Center Full-Time Maximum Reimbursement	\$1,160	\$817	\$731
Center Part-Time Maximum Reimbursement	\$830	\$661	\$470
Family Child Care Home (1)			
FCCH Full-Time Maximum Reimbursement	\$806	\$722	\$669
FCCH Part-Time Maximum Reimbursement	\$657	\$551	\$515

(1) Maximum reimbursement cost data from <https://rcscm.adm.dss.ca.gov/index.aspx> accessed January 18, 2024 and current as of January 1, 2022.

Sources: California Department of Social Services (CDSS); Brion Economics, Inc.

New ECE Workforce Needs

Table II-19 provides estimates for the required workforce in ECE to address the shortage of spaces as calculated in **Table II-8**. **To meet this shortfall of 34,877 spaces, a total of 4,411 additional teachers are required, with 2,579 for Infants/Toddlers, 158 for Preschool, and 1,674 for School Age children.** Additionally, an estimated 617 FCCH owners and Center directors are needed, along with 1,235 aides and support staff. This analysis assumes the shortage will be addressed by licensed care only and thus, might slightly overestimate the number of teachers required. New FFNs could also meet some of these needs but given that they serve just a few children, often only 1 or 2, this will not represent a large percentage of the workforce need. In total, **an additional 6,263 ECE workers** are needed to address the current shortfalls of ECE spaces.

Table II-18
True Annual Cost of Quality ECE in Tulare County Compared to Annual
Reimbursement Rates - 2022
ECE Economic Benefit Study - Tulare County 2024

Item/Age Group	Licensed Child Care Center	Average FCCH
Living Wage Cost of ECE (1)		
Infants/Toddlers	\$34,267	\$38,848
Preschool	\$22,898	\$38,848
School Age	\$13,162	\$20,347
2022 State Reimbursement Rates (2)		
Infants/Toddlers	\$13,920	\$9,672
Preschool	\$9,804	\$8,665
School Age	\$8,769	\$8,031
Reimb. Rates as % of Living Wage		
Infants/Toddlers	41%	25%
Preschool	43%	22%
School Age	67%	39%

(1) Living Wage Cost of Care is from "Understanding the True Cost of Child Care in California: Building a Cost Model to Inform Policy Change" Prepared by Prenatal to Five Fiscal Strategies - Jeanna Capita, Katie Fallin Kenyon, and Simon Workman, August 2022, pages 27-29. Data for Central Area of California.

Note this study uses ages 6 to 13 for School Age.

(2) See Table II-17. The BEI study uses ages 5 to 12 for School Age.

Source: P5 Fiscal Strategies, California Cost of Quality Care Model, 2022; Brion Economics, Inc.

Using the living wage data from above, the 6,263 workers, needed to fill the current shortfall, would receive total wages of \$515.5 million per year (see **Table II-20**). If these workers were paid at the current level, the total annual wages for these new ECE workers would amount to \$249.6 million per year.

Table II-19

**Estimated New Required ECE Workers to Meet Current Shortfall of ECE Spaces in Tulare County - 2023
ECE Economic Benefit Study - Tulare County 2024**

Item	Infants/Toddlers	Preschool	School Age	Totals
Shortage of Spaces (1)	9,027	1,584	24,267	34,877
No. of Teachers Required (1)	2,579	158	1,674	4,411
Estimated Owners Directors (2)	na	na	na	617
Aides and Support Staff	na	na	na	1,235
Estimated Total Staff	2,579	158	1,674	6,263

(1) See Table II-7 for the estimated overall shortage of ECE spaces. This analysis assumes the shortage will be met by licensed care (as opposed to license-exempt care with higher student-teacher ratios) and might thus slightly overestimate the number of teachers required.

(2) Includes owners and directors. Two directors per center-based provider.

Sources: Community Care Licensing Division, California Department of Social Services; Brion Economics, Inc.

Table II-20

**Required Living Wages for ECE Workforce and Funding Gap to Meet Current Shortfall of ECE Spaces in Tulare County
ECE Economic Benefit Study - Tulare County 2024**

ECE Workforce Type	Current Average Hourly Wage	Living Hourly Wage (1)	Estimated Wage Increase	Estimated Staff Shortage to meeting Full Demand (2)	Percent Distribution	New Staff Costs, At Current Wages	Wage Gap to Living Wage	Total ECE Living Wages by Staff Type
<i>(in millions of dollars)</i>								
Teacher Aides & Support Staff	\$16.00	\$34.46	\$18.46	1,235	20%	\$41.09	\$47.4	\$88.5
Assistant Teacher	\$17.93	\$37.91	\$19.98	2,205	35%	\$82.23	\$91.7	\$173.9
Lead Teachers/Asst. Directors	\$20.69	\$41.70	\$21.01	2,205	35%	\$94.89	\$96.4	\$191.3
Directors/FCCH Owners	\$24.42	\$48.16	\$23.74	617	10%	\$31.36	\$30.5	\$61.8
Total New ECE Workforce				6,263	100%	\$249.6	\$265.9	\$515.5

Note assumes all positions are Full Time Equivalent (FTEs).

(1) Assumes Living Wage from MIT; see Table II-14; each level increases 10% above teacher aides/support staff.

(2) See Table II-19 for estimate of staff needed to meet current shortage of ECE spaces.

Sources: 2022 Dr. Amy K. Glasmeier and the Massachusetts Institute of Technology; BLS; CSCEE; Brion Economics, Inc.

III. Countywide Baseline Economic Conditions

This chapter presents countywide baseline economic data and conditions in the County as the backdrop to the analysis of the economic benefits of the ECE industry. It describes the context within which the ECE industry functions. The ECE industry itself is relatively small in direct comparison to other sectors of the economy, but it provides an important service to parents in the workforce who work in all the industry sectors in the County and helps to create a stable workforce for local businesses, as discussed in **Chapter I**.

III.1 Overview of Major Industry Sectors in the County

Table III-1 summarizes data from the Bureau of Economic Analysis on the Gross Domestic Product (GDP) by industry for the year 2022 in the County. Industries are identified by the North American Industry Classification System (NAICS) codes, which categorizes businesses into different industries based on their primary activities and products. The current GDP of the County totals \$22.8 billion. As both **Table III-1** and **Exhibit III-1** show, agriculture constitutes a major part of Tulare County's economy with a GDP of \$4.6 billion and 20% of the County's GDP. This is followed by public administration and government enterprises at \$3.7 billion or 16.2%, the real estate sector at \$2.2 billion or 9.7%, manufacturing at \$1.8 billion or 8.0%, and wholesale trade at \$1.80 billion or 8%, and retail trade at \$1.7 billion or 7.4%. These six sectors together comprise nearly three-quarters of the economy in the County. **Exhibit III-2** compares the top 10 industries in the County regarding their GDP with each other. While agriculture constitutes a relatively larger portion of the economy than in the State of California as a whole (at 1.24% statewide⁷⁷), Tulare's economy is diverse with two-thirds comprised of service sector industries.

Table III-2 presents 2022 data from IMPLAN, the software used in **Chapter IV** to conduct the economic impact analysis. The table shows the economic data, which will be used in the analysis in **Chapter IV**, including the total output in millions of dollars, the number of employees per industry, employee compensation, proprietor employment, proprietor income, and other property income.⁷⁸ In IMPLAN's data, the Manufacturing sector is first before the Agriculture sector in terms of economic output. Manufacturing has a total output of \$9.6 billion and agriculture comes second with \$7.1 billion (see **Exhibit III-3**). IMPLAN includes ECE under "Child day care services," which are nested in the category of Health Care and Social Assistance. In the IMPLAN baseline data, the total output of this sector was \$31.3 million. This study estimated a total of 3,071 ECE workers (see **Table II-10** above) and a total output of \$369.5 million based on current data collected for this effort (see **Table IV-7**). This clearly

⁷⁷ Bureau of Economic Analysis. SQGDP2 Gross domestic product (GDP) by state 1 for California in 2022.

⁷⁸ See Chapter IV for IMPLAN's exact definition of these terms.

shows how the model does not accurately portray the ECE industry, likely due to its complexity and variety of providers. **Chapter IV**, therefore, starts with a series of tables showing how this study calculated the total output of the ECE industry, which was then used to run IMPLAN’s model.

Table III-1
Gross Domestic Product by Industry in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

NAICS Code	Industry Name	Current GDP in Millions	Percent
11	Agriculture, Forestry, Fishing & Hunting	\$4,613.0	20.24%
21	Mining, Oil & Gas	\$25.6	0.11%
22	Utilities	\$287.2	1.26%
23	Construction	\$1,077.9	4.73%
31-33	Manufacturing	\$1,832.4	8.04%
42	Wholesale Trade	\$1,794.5	7.87%
44-45	Retail Trade	\$1,684.8	7.39%
48-49	Transportation and Warehousing	\$1,020.7	4.48%
51	Information	\$371.1	1.63%
52	Finance and Insurance	\$480.4	2.11%
53	Real Estate, Rental & Leasing	\$2,220.6	9.74%
54	Professional and Technical Services	\$384.0	1.68%
55	Mgmt. of Companies and Enterprises	\$85.4	0.37%
56	Adm., Support, Waste Mgmt. & Remediation	\$628.6	2.76%
61	Educational Services	\$89.9	0.39%
62	Health Care and Social Assistance	\$1,311.6	5.75%
71	Arts, Entertainment & Recreation	\$61.0	0.27%
72	Accommodation and Food Services	\$647.4	2.84%
81	Other Services (except Gov. and Gov. enterprises)	\$494.5	2.17%
92	Government and Gov. Enterprises	\$3,683.6	16.16%
	All Industry Total	\$22,794.2	100.00%

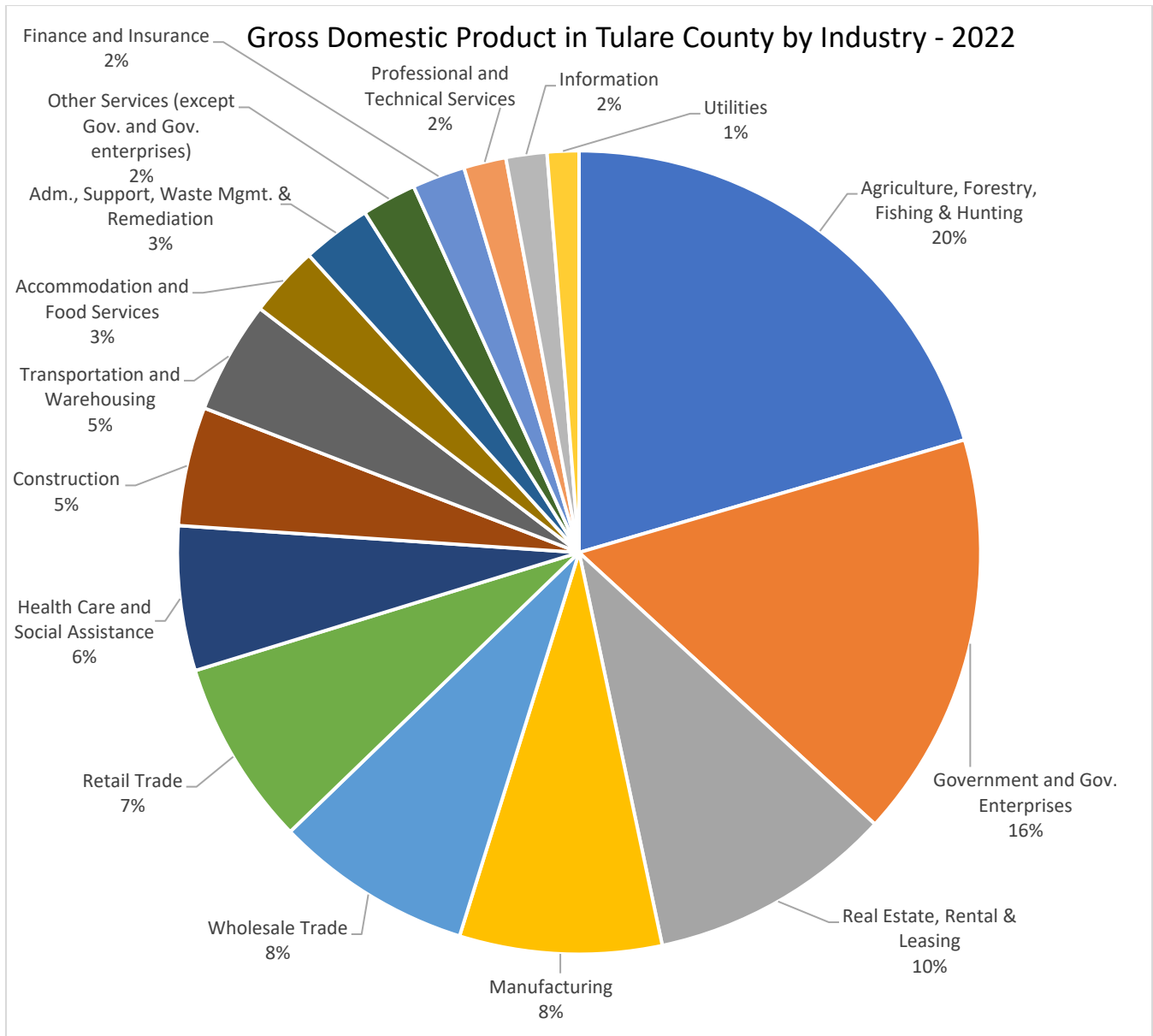
Note ECE is included in Health and Social Assistance.

Sources: Bureau of Economic Analysis. Regional Economic Accounts: Gross Domestic Product (GDP). CAGPD2: GDP in Current Dollars by County and MSA; Brion Economics, Inc.

Comparing IMPLAN’s data to the other data sources presented below regarding employment, it is noteworthy that IMPLAN includes all government employees in the NAICS category 92 for Government and Governmental Enterprises, while other data sources include government employees who work in

Educational Services and Health Care and Social Assistance in those respective industry categories. Other significant differences between the two data sources include the Retail Trade, Arts, Entertainment & Recreation, Professional and Technical Services, and Utilities sectors.⁷⁹

Exhibit III-1



⁷⁹ Gross output has the potential to be a powerful complementary tool to GDP, but gross output is not a substitution for GDP. GDP measures all economic activities once, but only once; aggregate gross output counts some economic activities multiple times.

Exhibit III-2

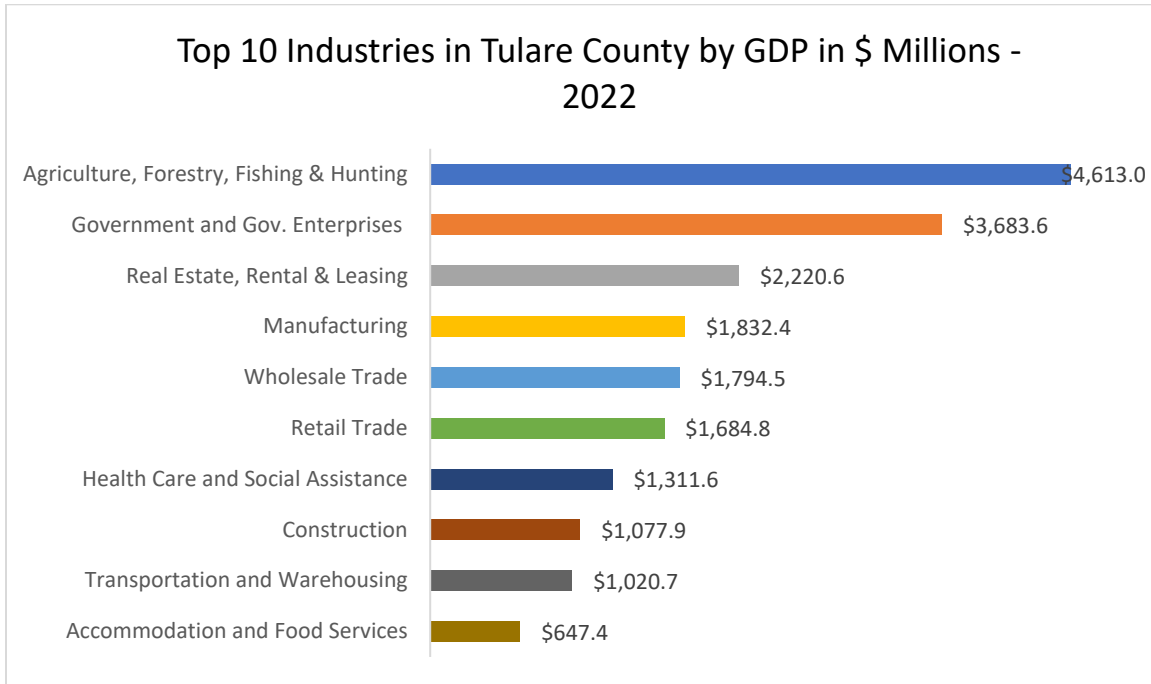


Exhibit III-3

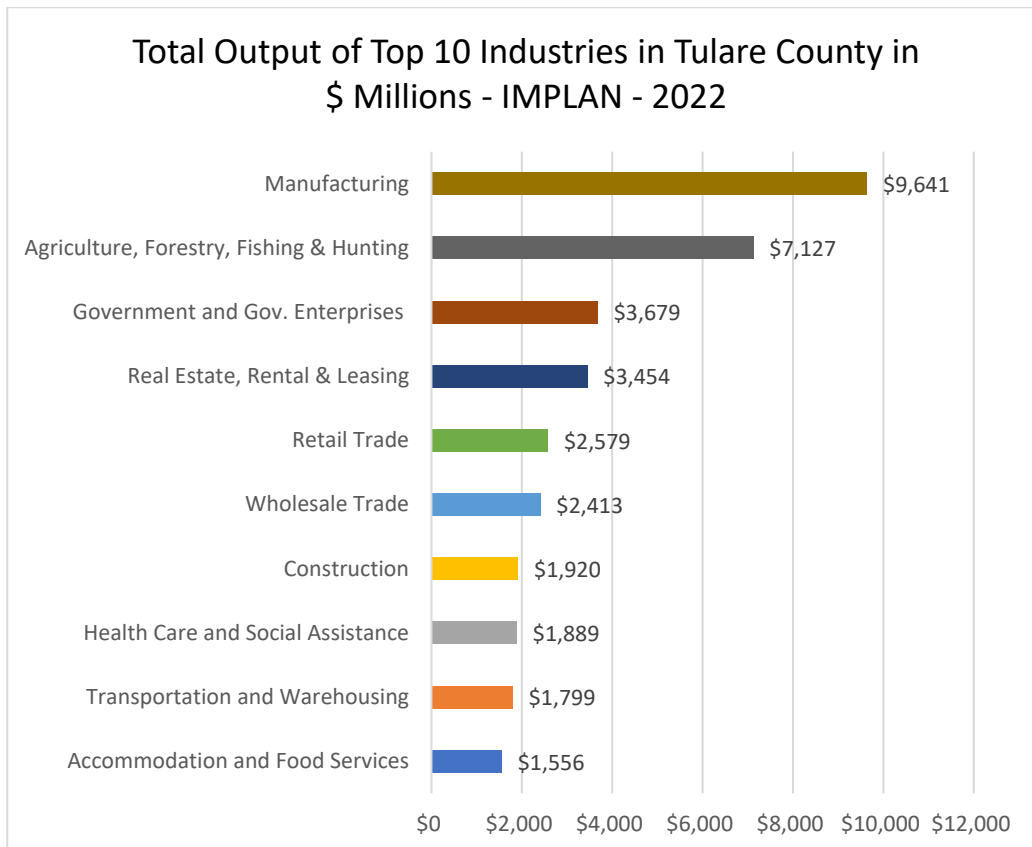


Table III-2
Current IMPLAN Data by Industry in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

NAICS Code	Description	Total Output in Millions	Wage and Salary Employment	Employee Compensation in Millions	Proprietor Employment	Proprietor Income in Millions	Other Property Income in Millions
11	Agriculture, Forestry, Fishing & Hunting	\$7,127.3	37,186	\$1,620.6	5,138	\$980.1	\$1,405.0
21	Mining, Oil & Gas	\$53.3	72	\$5.7	29	\$0.9	\$18.9
22	Utilities	\$883.2	655	\$125.4	36	\$1.0	\$226.8
23	Construction	\$1,919.6	8,376	\$553.9	2,595	\$206.4	\$255.2
31-33	Manufacturing	\$9,640.9	13,698	\$1,061.1	1,823	\$52.5	\$740.3
42	Wholesale Trade	\$2,412.5	4,621	\$409.1	318	\$58.1	\$257.7
44-45	Retail Trade	\$2,579.3	15,131	\$638.3	3,723	\$108.8	\$472.0
48-49	Transportation and Warehousing	\$1,799.2	8,777	\$662.3	3,623	\$125.0	\$284.5
51	Information	\$441.9	657	\$53.2	104	\$13.3	\$82.7
52	Finance and Insurance	\$1,386.7	2,883	\$235.2	3,060	\$33.8	\$184.6
53	Real Estate, Rental & Leasing	\$3,453.8	1,626	\$93.3	5,410	\$150.7	\$1,753.8
54	Professional and Technical Services	\$1,000.2	3,996	\$307.0	1,953	\$83.2	\$108.2
55	Mgmt. of Companies and Enterprises	\$140.2	610	\$70.0	2	\$0.6	\$10.5
56	Adm., Support, Waste Mgmt. & Remediation	\$1,354.8	9,381	\$503.6	2,630	\$55.1	\$146.2
61	Educational Services	\$105.9	1,199	\$57.0	273	\$2.7	\$1.9
62	Health Care and Social Assistance	\$1,888.8	17,998	\$1,012.6	2,787	\$122.3	\$88.7
71	Arts, Entertainment & Recreation	\$109.9	968	\$29.3	678	\$8.9	\$8.7
72	Accommodation and Food Services	\$1,556.2	14,473	\$459.2	1,304	\$52.3	\$171.9
81	Other Services (except Gov. and Gov. enterprises)	\$1,043.4	10,087	\$452.4	3,394	\$157.0	-\$112.8
92	Government and Gov. Enterprises	\$3,679.5	32,107	\$3,047.1	-	\$0.0	\$389.2
	All Industry Total	\$42,576.6	184,501	\$11,396.2	38,880	\$2,212.8	\$6,494.1

Sources: IMPLAN, Economic & Planning Systems, Inc., Brion Economics, Inc.

III.2 County Employment and Income by Industry

As **Exhibit III-4** clearly shows, the agricultural sector is the most important employer in the County with a total of 1,221 establishments and 37,573 workers on average in each month, which equals 21% of employment. Agriculture is followed by the Health Care and Social Assistance sector with a total of 5,505 establishments and 24,963 employees, or 14% of employment. Ranked in third place is Educational Services with 264 establishments and 17,945 employees, or 10% of employment.

Table III-3 provides a comprehensive overview of employment-related statistics in Tulare County in 2022 from the California Employment Development Department (CA EDD). These data provide the context for the employment statistics of the ECE presented in **Chapter IV**.

Exhibit III-4

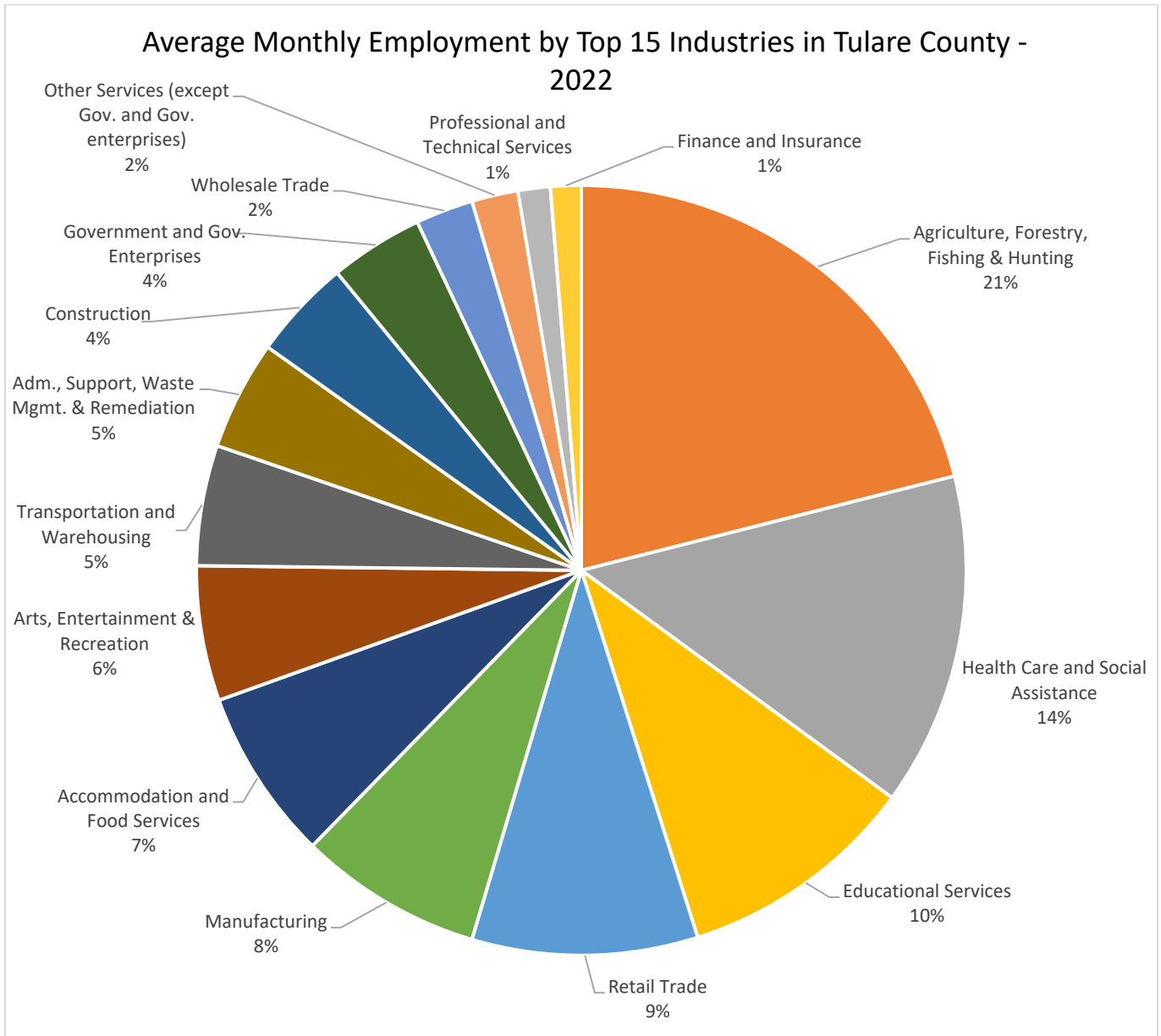


Table III-3
Average Wages by Industry in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

NAICS Code	Industry Name	Establishments	Average Monthly Employment	Total Wages in Millions (All Workers)	Average Hourly Wage	Average Annual Wage (1)
11	Agriculture, Forestry, Fishing & Hunting	1,221	37,573	\$1,366.6	\$20.40	\$36,400
21	Mining, Oil & Gas	4	72	\$4.6	\$30.90	\$64,400
22	Utilities	56	901	\$107.5	\$48.23	\$119,300
23	Construction	710	7,520	\$473.4	\$31.55	\$62,900
31-33	Manufacturing	288	13,779	\$850.2	\$29.68	\$61,700
42	Wholesale Trade	320	4,319	\$310.7	\$34.58	\$71,900
44-45	Retail Trade	1,064	16,911	\$596.9	\$13.93	\$35,300
48-49	Transportation and Warehousing	419	9,018	\$543.3	\$25.80	\$60,200
51	Information	46	630	\$41.0	\$31.30	\$65,100
52	Finance and Insurance	325	2,292	\$161.0	\$36.38	\$70,300
53	Real Estate, Rental & Leasing	338	1,411	\$67.5	\$21.34	\$47,900
54	Professional and Technical Services	456	2,422	\$154.7	\$30.46	\$63,900
55	Mgmt. of Companies and Enterprises	25	599	\$57.9	\$46.48	\$96,700
56	Adm., Support, Waste Mgmt. & Remediation	402	8,201	\$346.5	\$20.30	\$42,200
61	Educational Services	264	17,945	\$1,107.2	\$25.96	\$61,700
62	Health Care and Social Assistance	5,505	24,963	\$1,269.9	\$26.06	\$50,900
71	Arts, Entertainment & Recreation	1,076	6,000	\$370.2	\$29.17	\$61,700
72	Accommodation and Food Services	726	12,868	\$300.8	\$12.48	\$23,400
81	Other Services (except Gov. and Gov. enterprises)	585	3,467	\$141.6	\$19.29	\$40,800
92	Government and Gov. Enterprises	66	7,017	\$526.5	\$33.59	\$75,000
1029	Unclassified	7	5	\$0.7	\$65.98	\$130,400
	Grand Total	12,901	173,457	\$8,474.1	\$30.18	\$63,900

(1) Rounded to nearest \$100.

Sources:

California Employment Development Department. Quarterly Census of Employment and Wages (QCEW). Annual Averages for 2022.

https://data.ca.gov/dataset/3f08b68e-1d1a-4ba4-a07d-1ec3392ed191/resource/ca165fad-4f16-48c7-808e-8b5222bc4182/download/qcew_2020-2023q1.csv,

Brion Economics, Inc.

Exhibit III-5 compares average annual wages with the monthly employment averages by industry. It shows that the industries with the highest number of employees are at the same time offering relatively low annual wages. The average annual wage for a worker in Agriculture is \$36,400, in Health Care and Social Assistance, \$50,900, and in Education, \$61,700. Retail Trade at \$35,300 and Accommodation and Food Services at \$23,400 are the only two industries offering lower annual wages than Agriculture. The MIT study cited in **Chapter II** estimates the minimum annual living wage for one adult living alone in Tulare County at \$45,502 (see **Table III-10** for more detailed numbers for different types of households).

Exhibit III-5

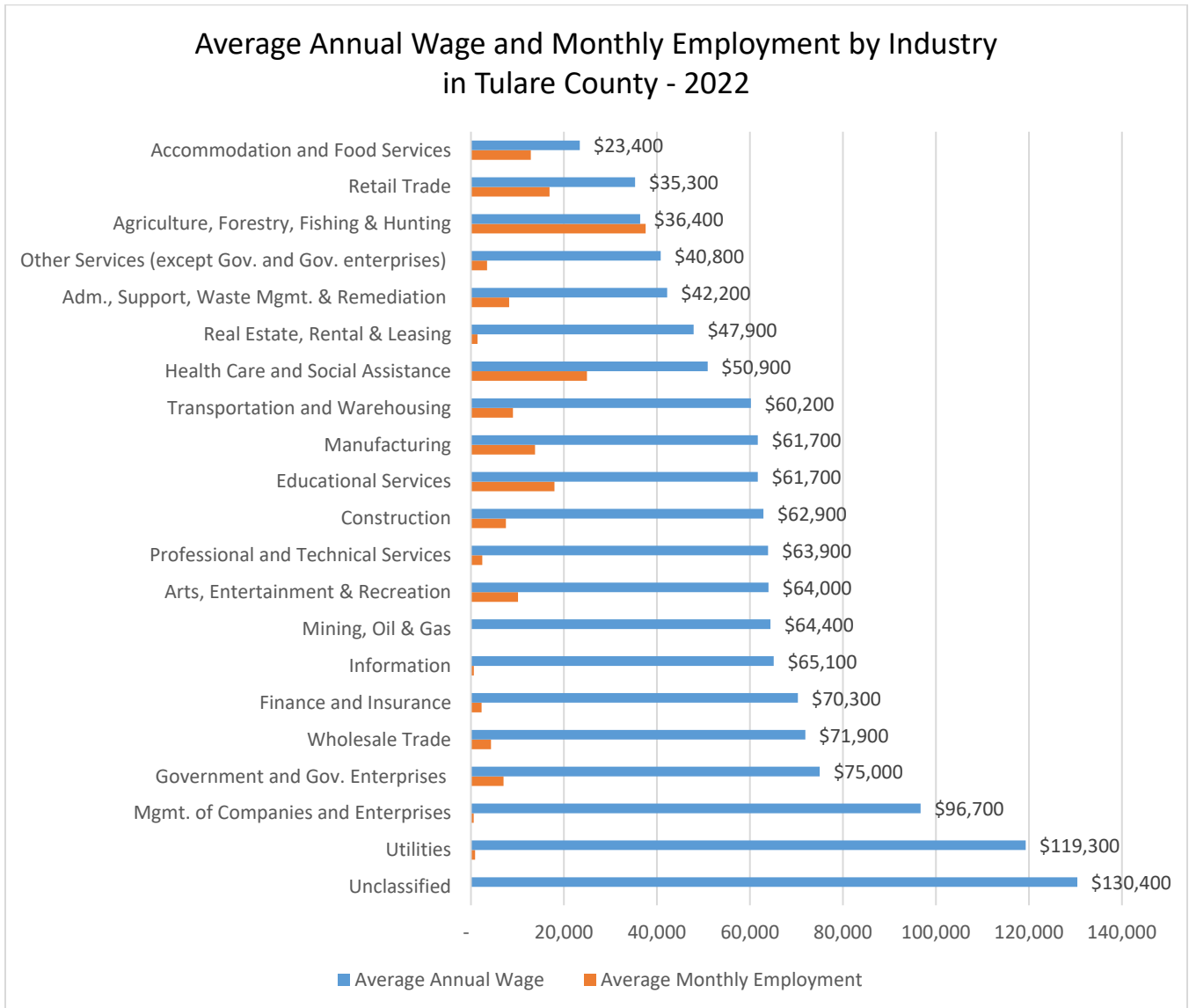


Table III-4 presents mean hourly and annual wages by occupation using the Standard Occupational Classification system (SOC) of the Bureau of Labor Statistics (BLS). The data is from the CA EDD. There are some noteworthy differences compared to the statistics by industry, like the lower total of employees (161,590 compared to 173,457 in **Table III-3**) and a lower average annual and hourly wage (\$26.27 compared to \$30.18 in **Table III-3**). These differences are likely explained by different methodologies and definitions. At the same time, the general trend of lower wages in occupations related to food and services, agriculture, healthcare support, and personal care services is also reflected in this data (see **Exhibit III-6**). Some ECE workers fall into the Code for Personal Care and

Services, while others, such as Kindergarten or Preschool Teachers and Teaching Assistants, would be in the Code for Educational Instruction and Library.

Table III-4
Mean Hourly and Annual Wage by Occupation in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

SOC Code	Occupational Title	May 2022 Employment Estimates	Total Wages in Millions (All Workers)	Average Hourly Wage	Average Annual Wage (1)
11-0000	Management	6,770	\$804.3	\$57.11	\$118,800
13-0000	Business and Financial Operations	5,070	\$384.8	\$36.51	\$75,900
15-0000	Computer and Mathematical	1,340	\$126.2	\$45.30	\$94,200
17-0000	Architecture and Engineering	960	\$87.5	\$43.79	\$91,100
19-0000	Life, Physical, and Social Science	1,500	\$115.7	\$37.05	\$77,100
21-0000	Community and Social Service	3,050	\$184.2	\$29.05	\$60,400
23-0000	Legal	430	\$46.8	\$52.31	\$108,800
25-0000	Educational Instruction and Library	12,710	\$918.9	\$34.78	\$72,300
27-0000	Arts, Design, Entertainment, Sports, and Media	990	\$62.2	\$30.21	\$62,800
29-0000	Healthcare Practitioners and Technical	8,280	\$898.4	\$52.19	\$108,500
31-0000	Healthcare Support	9,780	\$366.8	\$18.04	\$37,500
33-0000	Protective Service	2,790	\$174.4	\$30.03	\$62,500
35-0000	Food Preparation and Serving Related	12,320	\$432.4	\$16.87	\$35,100
37-0000	Building and Grounds Cleaning and Maint.	4,400	\$176.9	\$19.30	\$40,200
39-0000	Personal Care and Service	2,040	\$80.0	\$18.87	\$39,200
41-0000	Sales and Related	12,460	\$555.7	\$21.43	\$44,600
43-0000	Office and Administrative Support	15,160	\$717.1	\$22.75	\$47,300
45-0000	Farming, Fishing, and Forestry	22,940	\$825.8	\$17.34	\$36,000
47-0000	Construction and Extraction	5,520	\$334.0	\$29.07	\$60,500
49-0000	Installation, Maintenance, and Repair	5,650	\$332.2	\$28.25	\$58,800
51-0000	Production	9,460	\$435.2	\$22.10	\$46,000
53-0000	Transportation and Material Moving	17,960	\$781.3	\$20.90	\$43,500
00-0000	Total All Occupations	161,590	\$8,840.5	\$26.27	\$54,600

(1) Rounded to nearest \$100.

Sources:

Employment Development Department. Labor Market Information Division. Occupational Employment (May 2022) & Wage (2023 - 1st Quarter) Data. Occupational Employment and Wage Statistics (OEWS) Survey Results. Published: July 2023.

[https://labormarketinfo.edd.ca.gov/file/occup\\$/oeswages/CA-OEWS-Visalia-Porterville%20MSA-2023.xlsx](https://labormarketinfo.edd.ca.gov/file/occup$/oeswages/CA-OEWS-Visalia-Porterville%20MSA-2023.xlsx), accessed January 15, 2024.

Brion Economics, Inc.

Exhibit III-6

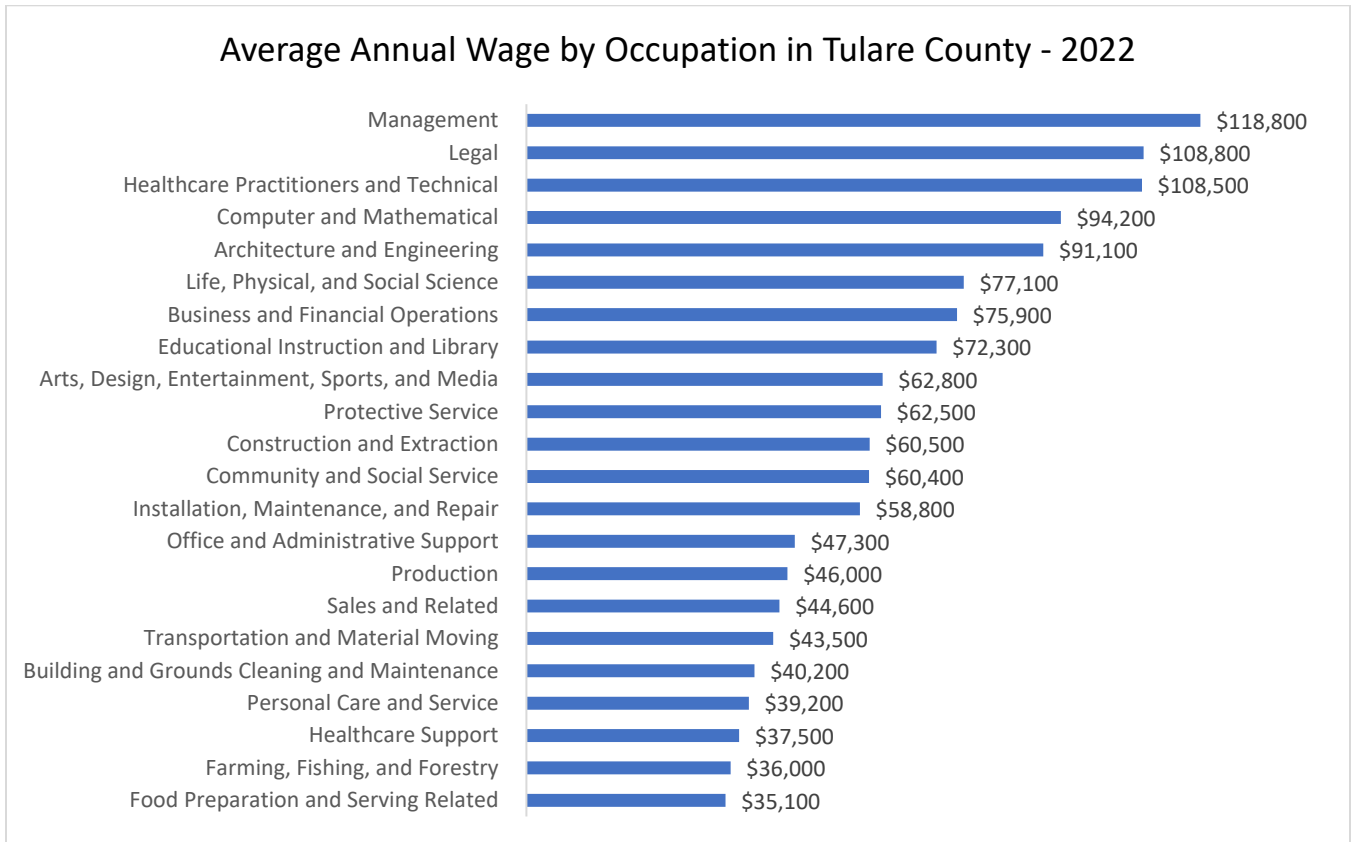


Table III-5 illustrates year-over-year employment changes by sector in Tulare County for the years 2022 and 2023 using data from the CA EDD, which uses its own classification of industries based on the NAICS for these statistics. Focusing on key sectors of the local economy, from 2022 to 2023:

- Total farm employment saw a slight decrease of 1.7%.
- Manufacturing experienced a modest increase of 2.8%.
- Private Education and Health Services employment increased by 7.4%.
- The Leisure and Hospitality sector saw an increase of 3.7% in employment.
- Other services also increased by 6.8%.

In **Table III-5**, ECE falls in the category of Private Education and Health Services.

Table III-5
Year-over-Year Employment by Sector in Tulare County - 2022 and 2023
ECE Economic Benefit Study - Tulare County 2024

Series Code	Industry Title	Current Employment (as of 11/23)	Percent	Annual Average 2022	Annual Average 2023	YOY Difference	YOY Percentage Difference
11000000	Total Farm	36,600	20.3%	37,691	37,055	(636)	-1.7%
15000000	Mining, Logging and Construction	7,600	4.2%	7,627	7,564	(64)	-0.8%
30000000	Manufacturing	14,200	7.9%	13,800	14,182	382	2.8%
31000000	Durable Goods	3,400	1.9%	3,345	3,400	55	1.6%
32000000	Non-Durable Goods	10,800	6.0%	10,455	10,782	327	3.1%
32311000	Food Manufacturing	7,700	4.3%	7,382	7,627	245	3.3%
40000000	Trade, Transportation, and Utilities	31,800	17.6%	30,673	30,600	(73)	-0.2%
41000000	Wholesale Trade	4,300	2.4%	4,400	4,318	(82)	-1.9%
42000000	Retail Trade	17,700	9.8%	16,855	16,700	(155)	-0.9%
43000000	Transportation, Warehousing, and Utilities	9,800	5.4%	9,418	9,582	164	1.7%
50000000	Information	600	0.3%	618	600	(18)	-2.9%
55000000	Financial Activities	3,900	2.2%	3,782	3,818	36	1.0%
55520000	Finance and Insurance	2,500	1.4%	2,400	2,500	100	4.2%
60000000	Professional and Business Services	11,900	6.6%	11,455	11,691	236	2.1%
65000000	Private Education and Health Services (1)	21,600	12.0%	19,491	20,927	1,436	7.4%
70000000	Leisure and Hospitality	14,300	7.9%	13,773	14,282	509	3.7%
70710000	Arts, Entertainment, and Recreation	1,200	0.7%	1,027	1,209	182	17.7%
70720000	Accommodation and Food Services	13,100	7.3%	12,745	13,073	327	2.6%
70721000	Accommodation	900	0.5%	882	918	36	4.1%
70722000	Food Services and Drinking Places	12,200	6.8%	11,864	12,155	291	2.5%
80000000	Other Services	4,200	2.3%	3,855	4,118	264	6.8%
90000000	Government	33,700	18.7%	33,064	33,609	545	1.6%
90910000	Federal Government	1,000	0.6%	1,000	1,009	9	0.9%
90920000	State Government	1,600	0.9%	1,636	1,664	27	1.7%
90930000	Local Government	31,100	17.2%	30,427	30,936	509	1.7%
90932000	Local Government Excluding Ed. Services	14,000	7.8%	13,745	13,964	218	1.6%
90932994	Special Districts plus Tribes	7,600	4.2%	7,391	7,518	127	1.7%
90940000	Total State and Local Government	32,700	18.1%	32,064	32,600	536	1.7%
0	Total Nonfarm	143,800	79.7%	138,136	141,391	3,255	2.4%
50000000	Total Private	110,100	61.0%	105,073	107,782	2,709	2.6%
60000000	Goods Producing	21,800	12.1%	21,427	21,745	318	1.5%
70000000	Service-Providing	122,000	67.6%	116,709	119,645	2,936	2.5%
80000000	Private Service Providing	88,300	48.9%	83,645	86,036	2,391	2.9%
10000000	Total Wage and Salary	180,400	100.0%	175,827	178,445	2,618	1.5%

(1) ECE is included in this Industry sector.

Sources:

California Employment Development Department. Current Employment Statistics (CES) Monthly. https://data.ca.gov/dataset/2a5f872d-f7fe-49f2-9581-8f1b17ce5b90/resource/98b69522-557e-464a-a2be-4226df433da1/download/ces_2014-2023_monthly_20231222.csv, accessed January 15, 2024.

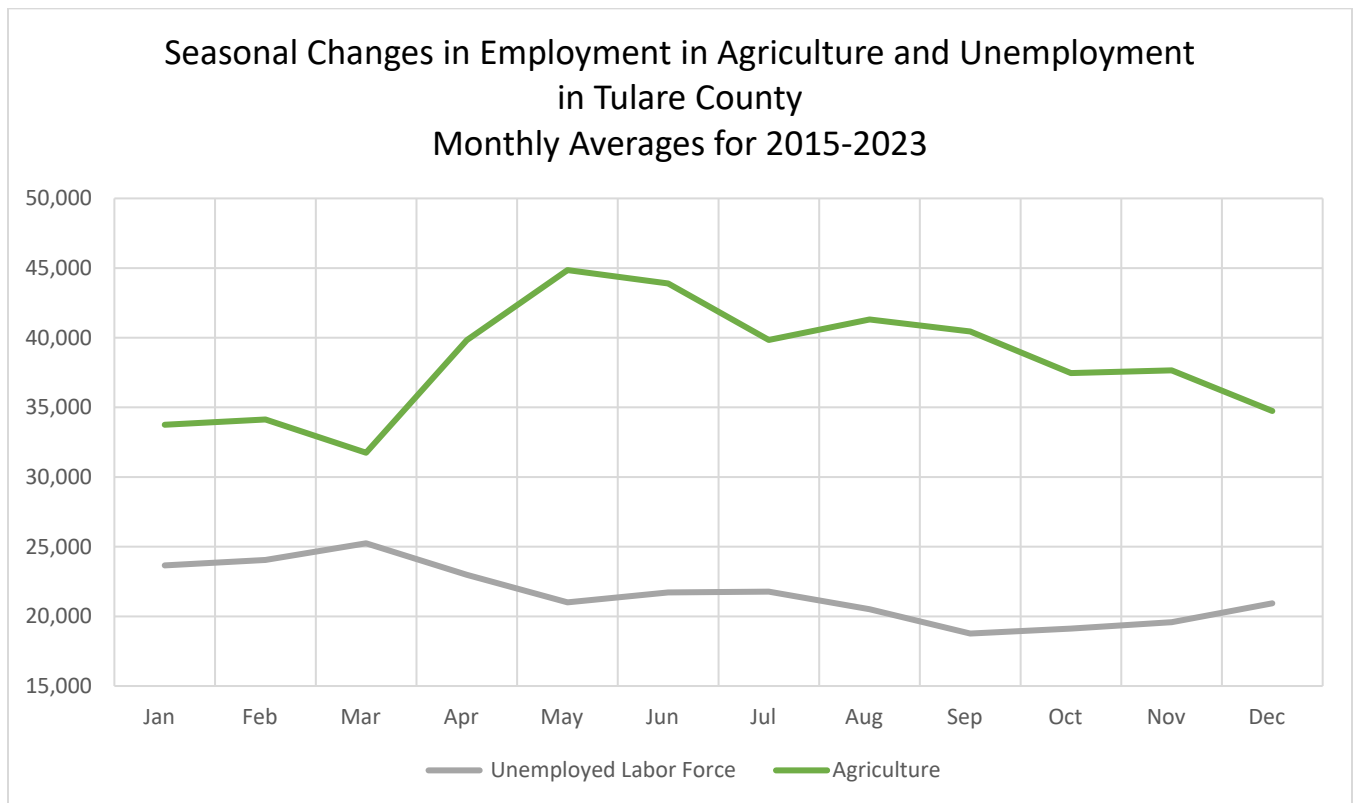
California Employment Development Department. [https://labormarketinfo.edd.ca.gov/file/lfmonth/visa\\$pds.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/visa$pds.pdf), accessed February 13, 2024.

Brion Economics, Inc.

Employment in Tulare County experiences significant seasonal changes, mostly in the agricultural sector. **Exhibit III-7** is based on the average employment numbers per month from the years 2015 to 2023 provided by the CA EDD. Agricultural employment is at its lowest in March at an average of 31,700 workers and reaches its peak in May at 44,850 workers on average. Based on these calculations, the seasonal workforce can be estimated at roughly 13,150 workers. The graph further shows the correlation of seasonal employment in agriculture with a seasonal reduction in unemployment. Unemployment is highest in March, with an average of 25,200 workers, and at its lowest in September with 18,800, a difference of 6,400.

The seasonal agricultural workforce generates an additional seasonal need for ECE. Further, some of these agricultural workers are migrants who do not live in the County permanently. Migrant-specific ECE programs, such as Migrant Child Care and Development Programs (CMIG), Migrant Head Start, and Migrant Alternative Payment Program (CMAP), address these specific needs to some extent.

Exhibit III-7



III.3 County Unemployment

Comparing Tulare’s unemployment rate with the State of California and the US in general, significant differences are clear. In December 2023, the County had an unemployment rate of 11.2%, more than double the unemployment rate in California at 5.1% and triple the unemployment in the US as a whole at 3.7% (see **Table III-6**).

Table III-6
Unemployment Rate in Tulare County and California - December 2023
ECE Economic Benefit Study - Tulare County 2024

	California	Tulare County
Civilian Labor Force (1)	19,356,900	209,100
Civilian Employment	18,373,900	185,700
Civilian Unemployment	98,300	23,500
Civilian Unemployment Rate	5.1%	11.2%
Rate as Percent of State Rate		219.6%
US Unemployment Rate	3.7%	

(1) Civilian labor force data are by place of residence; include self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

Sources:

California Employment Development Department.

[https://labormarketinfo.edd.ca.gov/file/lfmonth/visa\\$pd.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/visa$pd.pdf), accessed February 13, 2024.

California Employment Development Department. Labor Force and Unemployment Interactive Map.

<https://labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>, accessed February 22, 2024.

Brion Economics, Inc.

Within the County, unemployment is relatively higher for Native Americans, women with their own children under 18 years old, individuals with a disability status, and individuals with lower degrees of education (see **Table III-7** for more details). This data is based on US Census information, which uses a different survey design and data collection to the data from the CA EDD in **Table III-6**, rendering a lower unemployment rate of 9.0% for the County. Looking at the relative differences in unemployment rates for the groups mentioned above:

- the unemployment rate of American Indians or Alaska Natives alone is 4.2% higher than the general unemployment rate,
- for Native Hawaiians and other Pacific Islanders, it is 7.1% higher, and
- for women with children under 6 years it is 5.4% higher.

Table III-7
Unemployment Rate by Social Characteristics in Tulare County - 2022
ECE Economic Benefit Study - Tulare County 2024

	Unemployment Rate	Difference to Overall Rate
Unemployment Rate for the Population 16 Years and Over (1)	9.0%	
Race and Hispanic or Latino Origin		
White alone	8.7%	-0.3%
Black or African American alone	9.2%	0.2%
American Indian and Alaska Native alone	13.2%	4.2%
Asian alone	9.4%	0.4%
Native Hawaiian and Other Pacific Islander alone	16.1%	7.1%
Some other race alone	9.1%	0.1%
Two or more races	9.2%	0.2%
Hispanic or Latino origin (of any race)	10.1%	1.1%
White alone, not Hispanic or Latino	6.7%	-2.3%
Sex		
Male	8.1%	-0.9%
Female	9.6%	0.6%
With own children under 18 years	10.5%	1.5%
With own children under 6 years only	14.4%	5.4%
With own children under 6 years and 6 to 17 years	12.8%	3.8%
With own children 6 to 17 years only	8.3%	-0.7%
Disability Status		
With any disability	13.6%	4.6%
Education Level		
Less than high school graduate	13.0%	4.0%
High school graduate (includes equivalency)	10.6%	1.6%
Some college or associate's degree	5.7%	-3.3%
Bachelor's degree or higher	3.2%	-5.8%

(1) Employment and unemployment estimates vary from the official labor force data released by the Bureau of Labor Statistics because of differences in survey design and data collection.

Sources:

U.S. Census Bureau. "Employment Status." American Community Survey, ACS 5-Year Estimates Subject Tables, Table S2301, 2022, [https://data.census.gov/table/ACSST5Y2022.S2301?q=unemployment in Tulare county](https://data.census.gov/table/ACSST5Y2022.S2301?q=unemployment%20in%20Tulare%20county).

Accessed on February 22, 2024.

Brion Economics, Inc.

On the other hand, for women, whose children are between 6 and 17 years old, a lower-than-average unemployment rate is observed, or 8.3%, while women with children under 18 rate is 9.6%. This is generally due to having children that attend school, which allows more women to enter back into the workforce. In comparison, the unemployment rate for women with children under 6 years old is 14.4 %, or 58% higher than women with school age children.

IV. Economic Benefits of ECE Industry

This Chapter includes two technical analyses: an estimate of the ECE industry spending or revenue and an economic multiplier or what is called benefit analysis for this study (i.e., Input/Output Analysis using IMPLAN software). This type of analysis quantifies the economic relationships of spending and funding associated with the ECE industry and quantifies how this direct spending ripples through the local economy in the County, benefiting children, families, and local businesses.

IV.1 Economic Impact or Multiplier Analysis

This economic and employment analysis of the ECE industry uses IMPLAN Online software to analyze data for Tulare County. Input/Output analyses are generally prepared at the county level, as the IMPLAN model is structured at the county level.⁸⁰ There are 556 industry sectors in the IMPLAN model for Tulare County and the data is for 2022, which is the latest version of the model available. The baseline economic data for Tulare County, as available in IMPLAN, is presented in **Chapter III (Table III-2)**.

The potential economic impact or benefit of any project or industry depends directly on the complexity of the local economy and the presence of the goods and services that an industry or activity requires. For example, a California sales tax initiative to fund mass transit had only a small multiplier effect, because very little mass transit equipment (i.e., trains, buses, and ferries) is manufactured in California. In general, manufacturing has a broader economic multiplier effect than the activities of a dentist or some other type of customer or personal service such as ECE. The reasons are that ECE is a labor-intensive industry, and as discussed above, many of the jobs are low-paying. ECE tuition is constrained by what parents can pay and what the State and federal government will fund in terms of ECE subsidies.

The IMPLAN model estimates direct, indirect, and induced economic impacts. Direct impacts include **dollars spent on ECE services by parents and subsidies provided by public agencies**. Indirect impacts are the **goods and services required by the ECE industry** to offer care, such as accountants, toys, equipment, food, sundries, etc. Induced impacts are the impacts that **wages and salaries paid to ECE industry employees and business owners** create in the local economy, including spending on housing, food, personal services, health care, transportation, vehicles, etc.

⁸⁰ While more detailed levels are available, i.e., zip code, the data is not meaningful at this level as the economies at the zip code level are not complex, except in large urban areas.

IV.2 Estimate of ECE Industry Spending

This section describes the base information of direct ECE spending in the local economy, which is used in the Economic Multiplier Analysis for this study. It uses information BEI collected for this effort, combined with available published data and data provided by County staff and other consultants. The steps involved in estimating the total spending associated with the ECE industry in Tulare County are:

1. Estimate the **supply of ECE spaces** and the number of providers by age group;
2. Estimate the **total amount of dollars spent** on subsidized ECE programs by program type and source;
3. Estimate the number of **subsidized ECE spaces** by program type;
4. Estimate the number of **non-subsidized** or parent-funded (private) **ECE spaces** by subtracting subsidized spaces from the total supply by age group;
5. Calculate the **average tuition by age group** and apply it to the estimate of private sector ECE spaces by age group;
6. Estimate **public agency and non-profit organization spending** on ECE in the County by entity or program;
7. Summarize the spending by type of care and estimate **total annual spending on ECE** in the County.

Table II-7 (in **Chapter II**) summarizes the current supply of ECE by age group and type in the County, which is used in the estimate of the value of the ECE industry in Tulare County. To summarize, there are:

- 221 Small Family Child Care Homes (FCCHs) and 246 Large FCCHs with a combined total of 5,212 spaces serving children 0 to 12 years old.
- 101 ECE centers, serving a total of 5,509 children 0 to 12 years old.
- 2,923 Transitional Kindergarten (TK) spaces serving 4-year-olds, and about 100 school sites offer TK in the County.
- 13,000 license-exempt School Age spaces offered through the ASES and 21st Century programs in total.⁸¹

⁸¹ The Expanded Learning Opportunities Program (ELOP) also provides some after-school spaces but data on the number of spaces is not available.

- 557 children aged 0 to 12 years, served by 372 Friends, Family, and Neighbors (FFNs), which are considered unlicensed care.

In total, there are 1,169 FFNs, FCCHs, Centers, and license-exempt providers in the County.⁸² Infant/Toddler spaces total 1,409, while Preschool spaces total 10,211, and School Age spaces total 15,024. In total, there are currently 26,644⁸³ ECE spaces in the County and 27,201 with FFN spaces.

Table IV-1 summarizes the number of subsidized ECE spaces in the County by type of program as well as the annual spending by program. As shown, there are 15 different sources of subsidized funding in the County, with a total of **\$155.8 million** in funding. This amount of funding serves 955 Infants/Toddlers, 7,823 Preschool children, and 14,786 School Age children, for a total of 23,564 children 0 to 12 years old. In total, 559 children are in subsidized programs targeted for migrant children, a specific need in Tulare County based on the presence of seasonal agricultural workers (see **Section III.3**). These data are used to estimate the number of non-subsidized or privately funded ECE spaces in the County.

Table IV-2 gives a detailed view of the recent Cost of Care supplemental payments from the State Department of Social Services (DSS) received in the County. These payments originate from the State of California's General Fund and are intended to supplement the subsidized ECE reimbursement rates. This funding is available from December 2023 to May 2025 on a monthly per-child basis. The reimbursement rates vary by region in the State. The table shows the rates for the Central Region in which Tulare is located. Based on current data, Tulare will receive \$4.78 million in additional payments in 2024 based on 3,015 ECE spaces that qualify for this funding.

Table IV-3 shows the regional monthly market rates for full-time ECE per age group and type of provider. These data are reported by the California Resource & Referral Network each year by county and are as of 2021. The monthly rate for Infant/Toddler care is \$1,188 for center-based care and \$886 for FCCH care. For Preschool-age children, the monthly center-based rate is \$752, and the FCCH rate is \$756. For School Age children, the monthly market rates are at \$731 for center-based care and \$669 for FCCH care.

Table IV-4 estimates the non-subsidized or parent-funded number of spaces by age group. This is calculated by taking the total supply of spaces by age group minus the estimated subsidized spaces per age group. As shown, there are 454 privately or parent-funded Infant/Toddler spaces, 2,388 Preschool spaces, and 238 School Age spaces for a total of 3,080 privately funded spaces. Next, the average

⁸² School sites with these programs are used as a proxy for the number of providers of license-exempt programs.

⁸³ This excludes the number of children served by age group by FFNs as this data is not available.

annual market rate per age group is applied to this estimate of spaces. This results in an estimated annual spending of **\$29.3 million** per year on non-subsidized ECE in the County.

Table IV-1
Children Served and Subsidies Received on County Level
ECE Economic Benefit Study - Tulare County 2024

Program	Annual Subsidies Received (1)	Children Served (2)			
		Infants/Toddlers	Preschool	School Age	Total 0-12 Years
CA State Preschool (CSPP, Title V) Full-Time and Part-Time (3)	\$25,557,899	-	3,144	-	3,144
General Child Care and Development Programs (CCTR) (3)	\$4,635,926	106	54	27	187
CalWORKs Stage 1 (4)	\$6,381,708	142	194	-	336
CalWORKs Stage 2 (5)	\$4,196,222	52	169	240	461
CalWORKs Stage 3 (5)	\$6,596,445	56	184	598	838
California Alternative Payment Program (CAPP) (5)	\$20,604,206	86	252	689	1,027
Migrant Child Care and Development Programs (CMIG) (5)	\$2,718,240	31	58	63	152
Head Start (3)	\$17,348,303	87	735	-	822
Early Head Start (3)	\$5,489,633	215	-	-	215
Migrant Head Start (3)	\$1,691,394	9	48	-	57
Migrant Alternative Payment Program (CMAP)	\$3,200,000	138	49	163	350
CDSS Foster Bridge	\$1,866,721	33	13	6	52
Transitional Kindergarten (TK) (6)	\$32,009,773	-	2,923	-	2,923
After School Education and Safety (ASES) (7)	\$21,172,681	-	-	9,422	9,422
21st Century (8)	\$2,340,577			3,578	3,578
Totals	\$155,809,728	955	7,823	14,786	23,564

(1) Provided by Tulare County Office of Education as of December 5, 2023.

(2) Based on the data for the Draft Tulare County 2024 Needs Assessment. Data is from the Needs Assessment is 2021-2022 and other data collected directly from each program as of 2023 and 2024.

(3) Data from 2021-22 as collected for the 2024 Needs Assessment prepared for Tulare County by Community Initiatives for Collective Impact (Ci4Ci).

(4) Based on the first 6 months of Fiscal Year 2023-2024. Information provided by Samantha Terry, Tulare County Office of Education, via email on January 11, 2024.

(5) Data for Fiscal Year 23-24 provided by Eric J. Sonnenfeld, Assistant Administrator- Early Childhood Education, Tulare County Office of Education, via email, April 3, 2024.

(6) See <https://www.cde.ca.gov/fg/aa/pa/pa2324rates.asp>

(7) Funding per Student for Fiscal Year 2021-2022 is applied to total ASES spaces for FY 23-24. Data provided by Virginia Sepeda, Tulare Office of Education, March 14, 2024, via email.

(8) Data provided by Virginia Sepeda, Tulare Office of Education, March 14, 2024, via email.

Sources: Tulare County Resource & Referral Agency; Tulare County Office of Education; Community Initiatives for Collective Impact (Ci4Ci); Brion Economics, Inc.

Table IV-2
Temporary Supplemental Funding or Cost of Care Payments - 2024
ECE Economic Benefit Study - Tulare County 2024

Program	Children Served		
	License-Exempt, FFN	Center & FCCH	Total, All Providers
General Child Care and Development Programs (CCTR)	-	187	187
CalWORKs Stage 2	-	461	461
CalWORKs Stage 3	-	838	838
California Alternative Payment Program (CAPP)	557	470	1,027
Migrant Child Care and Development Programs (CMIG)	-	152	152
Migrant Alternative Payment Program (CMAP)	-	350	350
Total Children Enrolled	557	2,458	3,015
Monthly Payment per Enrolled Child (1)	\$98	\$140	-
Total Annual Payments	\$655,032	\$4,129,440	\$4,784,472

(1) These monthly payments are paid from Dec 2023 to May 2025 to supplement subsidized ECE reimbursement. For more information, see here: <https://cdss.ca.gov/inforesources/child-care-and-development/child-care-provider-resources/provider-payments>.

Sources: Tulare County Office of Education; CDSS; Brion Economics, Inc.

Table IV-3
Average Monthly Cost of Care by Age Group and Facility Type - FY 21/22
ECE Economic Benefit Study - Tulare County 2024

Type of Care	Infants / Toddlers (1)	Preschool (1)	School Age (2)
Center-Based Care			
Center Full-Time Average Market Rate	\$1,188	\$752	\$731
Family Child Care Homes			
FCCH Full-Time Average Market Rate	\$886	\$756	\$669

(1) According to the 2021 Child Care Portfolio for Tulare County by the California Resource & Referral Network.

(2) No Regional Market Rates for School Age care were available. The Maximum Reimbursement Rates for Tulare County as of January 1, 2022 are used as a proxy.

Sources: California Child Care Resource & Referral Network; CDSS; Brion Economics, Inc.

Table IV-4
Estimated Annual Non-Subsidized ECE Expenditures by Type
ECE Economic Benefit Study - Tulare County 2024

Item	Estimated ECE Spaces by Age Group			Total 0 to 12 Years
	Infants/Toddlers	Preschool	School Age	
Total Licensed Spaces	1,409	7,288	2,024	10,721
Total License-Exempt Spaces	-	2,923	13,000	15,923
Total Spaces	1,409	10,211	15,024	26,644
Total Subsidized Spaces	955	7,823	14,786	23,564
Estimated Non-Subsidized Spaces (1)	454	2,388	238	3,080
Average Annual Market Rates				
FCCHs	\$10,632	\$9,072	\$8,031	
Center-Based Care	\$14,256	\$9,024	\$8,769	
Average Rate	\$12,444	\$9,048	\$8,400	
Estimated Expenditures	\$5,649,576	\$21,606,624	\$1,999,300	\$29,255,500

(1) Preschool spaces exclude children in TK as these spaces are funded through school districts.

Sources: Tulare County Office of Education; California Resource & Referral Agency; Brion Economics, Inc.

Table IV-5 summarizes indirect spending on ECE in the County from agencies and non-profits that support the ECE field in the County. The total annual spending associated with the ECE industry in Tulare County is estimated at **\$97.1 million**, from nine (9) programs, organizations, or agencies. This includes the \$90 million per year Tulare County receives in Expanded Learning Opportunities Program (ELOP) funding.⁸⁴ This amount does not include most of First 5 Impact’s spending or budget, which totals over \$6 million per year; rather, it includes the administration budget of First 5 and ECE provider grants made recently..

⁸⁴ This funding can support after school programs but the number of children served by this program is not available.

Table IV-5
Annual Expenditures for Agencies Related to ECE - 2023
ECE Economic Benefit Study - Tulare County 2024

Program	Annual Expenditures 2023
Resource and Referral Agency	\$406,881
CSPP Quality Rating and Improvement System (QRIS)	\$1,029,950
Quality Counts California (QCC)	\$203,014
First 5 Impact Administration	\$532,028
First 5 Impact Child Care Related Grants (1)	\$87,597
California Child Care Initiative Project (CCIP)	\$37,273
Local Planning Council	\$129,596
Cost of Care Adjustments (2)	\$4,698,792
Expanded Learning Opportunities Program (ELOP) (3)	\$90,000,000
Totals	\$97,125,131

(1) First 5 Tulare County, Local Annual Report 2022-2023.

https://www.first5tc.org/_files/ugd/5ae96d_6ebdaf0e2a1c4c0ea665da2ce4c1676b.pdf, accessed February 15, 2024.

(2) These monthly payments supplement the subsidized ECE reimbursement and are paid directly to providers. See Table IV-2 for more details.

(3) ELOP is State funding allocated to each County for enrichment programing, which can be used for after-school programs; the number of children served with this funding is not readily available. Provided via email Virginia Sepeda, Tulare County Office of Education, April 2, 2024.

Source: Tulare County Office of Education, Local Planning Council; Brion Economics, Inc.

Table IV-6 summarizes the total estimated annual spending by type in the County on the ECE industry, including direct spending in terms of subsidies, parent spending, and indirect services spent to support the ECE industry in the County. As shown, the total spending equals about **\$282.2 million** per year. This figure is run through the IMPLAN software to estimate the additional benefits this spending generates in the County’s economy in the next section.

Table IV-6
Estimated Annual ECE Revenue and Supply by Type of Program
ECE Economic Benefit Study - Tulare County 2024

Type of ECE	Children Served - 2023				Estimated Annual Revenue/Spending
	Infants / Toddlers	Preschool	School Age	Total 0-12 Years	
Subsidized Programs (1)	955	7,823	14,786	23,564	\$155,809,728
Non-Subsidized Programs (2)	454	2,388	238	3,080	\$29,255,500
Total Program Spaces (3)	1,409	10,211	15,024	26,644	
Agency Spending on ECE (4)					\$97,125,131
Total Annual Revenue/ECE Spending					\$282,190,359

(1) See Table IV-1.

(2) See Table IV-4.

(3) Excludes 557 children served by FFNs as the age breakdown of these children is not available.

(4) See Table IV-5.

Sources: Tulare County Office of Education; California Resource & Referral Agency; Brion Economics, Inc.

IV.3 Economic Benefits or Impacts of ECE

Overview of Economic Multiplier or Input/Output Analysis

Input-output modeling is a method of estimating how economic activity in one sector, such as ECE, is supported through interactive relationships with other sectors. The calculations are done using an analytical software application, or IMPLAN® online software. These buyer-supplier relationships include all of the outside vendors and service providers necessary for an individual business to operate. In ECE, the buyer is the parent paying tuition or the agency funding a subsidized space, and the supplier is the ECE provider. These ancillary effects, or how the spending ripples through the local economy, are otherwise known as “multipliers,” that is, how direct spending or effect in one sector will have an indirect positive benefit or effect on other sectors. In addition, the multiplier effects include the labor income or induced economic benefits that result from local spending by ECE employees and business owners.

This analysis reports economic activity in the following ways:

- **Economic Benefits or Total Output:** All economic activity, including direct spending in a particular industry such as goods and services (commodity inputs), wages and salaries (labor income), property income, business profits, and other spending components.
- **Employment:** the number of jobs supported annually as a result of each economic activity.
- **Wages and Salaries or Labor Income:** the wages and salaries associated with each industry's operations.

The multiplier effect of each economic activity includes direct, indirect, and induced benefits or effects, which combined equal total output, as defined below.

- **Direct Effects** represent the economic response of a given industry to final demand⁸⁵ for that same industry, such as a change in employment.⁸⁶ Direct effects in the ECE industry are, for example, the employment of ECE workers as a result of the direct spending from State and federal dollars coming into the County for subsidized care, parent tuition, and other public funding, such as grants to ECE providers and agency spending that supports the industry.
- **Indirect Effects** represent the economic response by all local industries created by the industry in question's purchasing from other industries. An example of indirect effects is the number of jobs and other impacts that are generated throughout Tulare County when the ECE industry purchases goods and labor to provide ECE services. This includes food and sundries, cleaning supplies, toys and art supplies, furniture, equipment, etc., that are directly needed to provide ECE services.
- **Induced Effects** represent the economic response of all local industries caused by the expenditures of **new household income generated by the direct and indirect effects** of final demand for a given industry. That is, ECE workers spend their wages in the local economy. These induced benefits most typically occur in housing and retail and other local-serving industry categories such as education, health care, and personal services.

⁸⁵ Final demand refers to the total demand for goods and services in an economy for final consumption, investment, government spending, and exports (minus imports). Final demand excludes intermediate goods and services.

⁸⁶ The set of expenditures applied to the predictive model (i.e., I/O multipliers) for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond economically to these initial changes.

- **Total Output or Benefit** is the total multiplier effect of a given economic activity, which is the **sum of the direct, indirect, and induced effects** as defined above. It represents the entire economic response of local industries to the economic activity of the ECE industry for this study.

This analysis thereby measures how every dollar spent or generated by the ECE industry creates an additional economic benefit in the County.

Estimated Economic Benefits of ECE

The first task in the analysis is to estimate the total current direct spending in the ECE industry in the County, which was done above in Section IV-2. **Table IV-6** shows the total ECE expenditures in Tulare County, amounting to **\$282.2 million** or direct output. This amount was then used in the Input-Output or economic analysis using the IMPLAN software. The direct effects of this analysis are shown in **Table IV-7**. The IMPLAN model estimates nearly 3,068 direct jobs supported by ECE expenditures.⁸⁷ This is based on an average industry economic benefit (output value) of about \$92,000 per ECE worker for Tulare County. The annual direct labor income or wages and salaries from these jobs totals about **\$119.0 million**, or **\$38,800 per worker** on average.

After accounting for the multiplier effects, the jobs supported by ECE expenditures in Tulare County total nearly 3,600 positions. About 194 of the jobs are indirect jobs and result from business-to-business or other enterprise support purchases. This includes spending on food, sundries, equipment, cleaning supplies, toys, art supplies, and other goods or services needed to provide ECE services. Services include accounting, property management, building maintenance and repair, etc. Another 332 jobs are “induced,” and those jobs come from the additional household spending generated by ECE worker wages and salaries (labor income).

Exhibit IV-1 summarizes these data. As shown, the majority of the jobs related to the ECE industry are direct jobs serving children. The multiplier value for employment is 1.17. This means that every ECE job in Tulare County will generate another 0.17 jobs is supported elsewhere in the county across other industry sectors (see **Table IV-8 and IV-9** for industries affected by direct spending on ECE). This could include a handyman who provides building maintenance, a gardener, a retail job in a store that sells art supplies, a bookkeeper or tax consultant who works for an ECE business. The total wages and salaries (labor income) associated with ECE expenditures equal \$142.4 million, including \$8.1 million in indirect labor income effects and \$15.3 million in induced effects (see **Exhibit IV-2**). For labor income, the

⁸⁷ This figure is similar to the estimate of the ECE workforce in the County using adult to child ratios and assumptions about directors, owners, and support staff shown in Table II-10 or 3,071 workers.

multiplier value is 1.20, which indicates that every dollar earned by workers will generate an additional \$0.20 in labor income for Tulare County workers in other sectors.

The industry output for ECE expenditures totals **\$369.6 million**, with **\$34.9 million in indirect output effects** and **\$52.5 million in induced output effects** (see **Exhibit IV-3**). The multiplier value for industry output is 1.31, which means that every dollar of ECE expenditure will create another \$0.31 in economic activity in Tulare County for other industry sectors.

As shown in **Table IV-7**, the majority of the economic activity associated with the ECE industry is direct. This is because the industry is a “service” component of the economy and the majority of the industry expenses are labor costs. The industry also pays lower than average wages in the County, which in turn provides less household buying power in the local economy. The detailed effects by industry section of direct ECE spending are shown in **Appendix A**.

Table IV-7
Economic Multiplier Effects from Annual Direct ECE Spending in Tulare County
ECE Economic Benefit Study – Tulare County 2024

Type of Benefit/Impact	Direct Effect (1)	Indirect Effect (2)	Induced Effect (3)	Total Effect (4)	Multiplier (5)
Employment	3,068	194	332	3,594	1.17
Percent Distribution	85.4%	5.4%	9.2%	100%	
Labor Income	\$118,950,608	\$8,118,555	\$15,317,082	\$142,386,245	1.20
Percent Distribution	83.5%	5.7%	10.8%	100.0%	
Output	\$282,190,359	\$34,913,009	\$52,471,148	\$369,574,516	1.31
Percent Distribution	76.4%	9.4%	14.2%	100.0%	

(1) Represents the direct economic activity of the ECE industry in the County, including number of jobs, labor income and total spending.

See Table IV-6 for a summary of annual ECE spending by source.

(2) Represents the economic activity associated with ECE in terms of goods and services the industry uses or purchases.

(3) Represents the jobs and spending in the local economy from the spending of direct wages and salaries associated with ECE workers.

(4) The combined benefit or impact of direct, indirect, and induced activity.

(5) The additional economic activity generated by the ECE industry for every dollar spent or direct job in the industry.

Source: IMPLAN Cloud; Tulare County Office of Education; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Exhibit IV-1

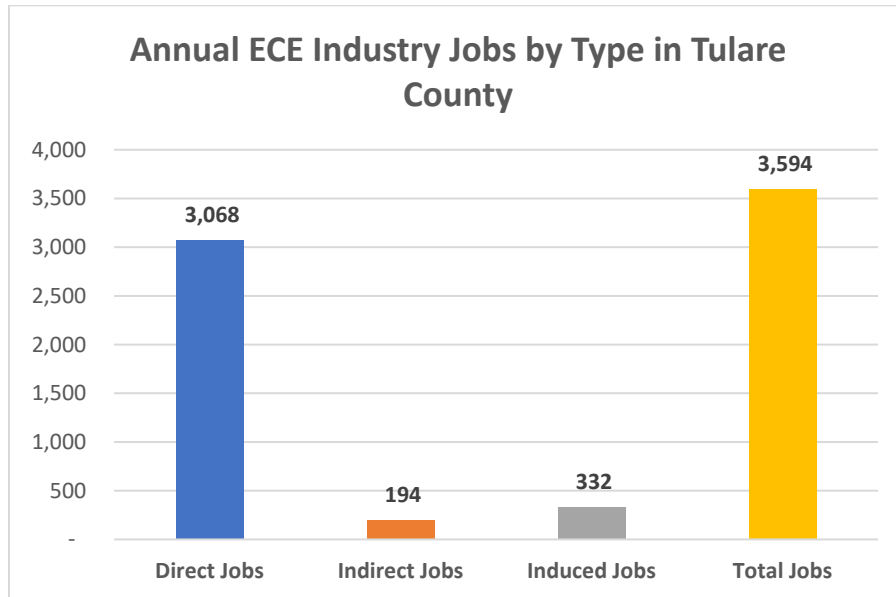


Exhibit IV-2

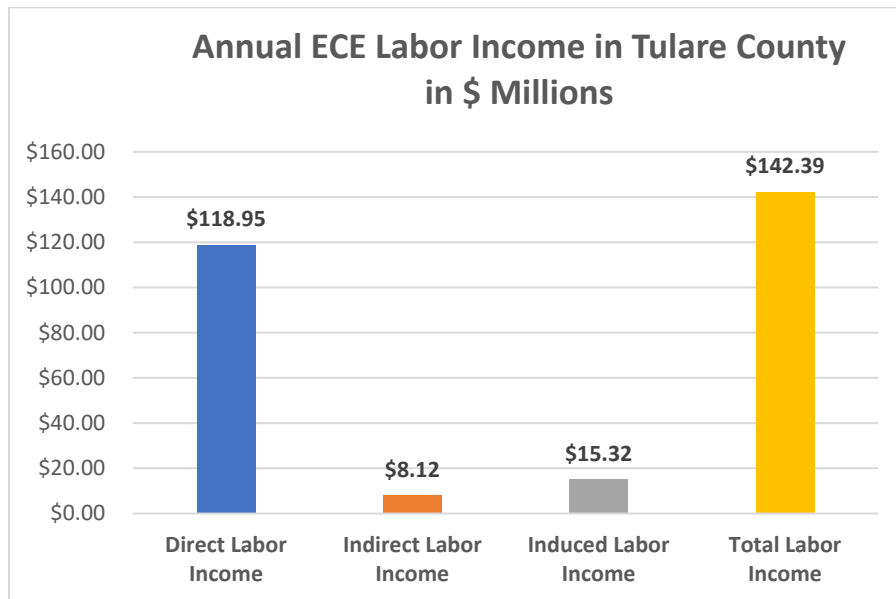
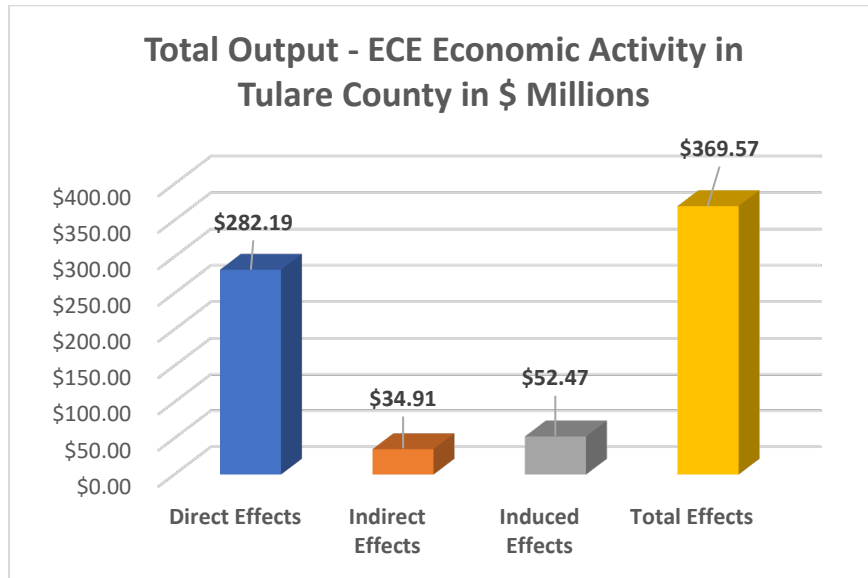


Exhibit IV-3



The top industries that benefit from indirect spending associated with the ECE industry are shown in **Table IV-8**. Indirect spending is the dollars spent on the goods and services needed to operate ECE programs and facilities. The top 22 industries directly benefit in terms of total effects or output, indirect jobs supported, and indirect labor income. As discussed above, the total indirect output associated with the ECE industry is about \$34.9 million. Other real estate ranks number one in terms of output, jobs, and labor income, followed by other local government enterprises, employment services, services to buildings, and maintenance and repair. These industries account for 64% of the indirect benefits in terms of total output and total jobs. About 56% of the total indirect labor income is associated with these five industries. The full detailed effects of indirect spending associated with the ECE Industry are shown in **Appendix A**.

Table IV-8
Key Industries Impacted by the ECE Industry - Indirect Effects
ECE Economic Benefit Study – Tulare County 2024

IMPLAN Code	Industry Sector	Indirect Effects	Indirect Labor Income	Indirect Jobs
<i>Rounded to \$1,000s</i>				
447	Other real estate	\$17,310	\$2,915	93.2
534	Other local government enterprises	\$1,639	\$401	5.2
472	Employment services	\$1,237	\$523	11.2
476	Services to buildings	\$1,215	\$425	11.0
60	Maintenance and repair construction of nonresidential structures	\$997	\$262	3.9
509	Full-service restaurants	\$990	\$336	10.5
456	Accounting, tax preparation, bookkeeping, and payroll services	\$591	\$227	4.2
441	Monetary authorities and depository credit intermediation	\$553	\$103	1.2
445	Insurance agencies, brokerages, and related activities	\$549	\$115	2.1
511	All other food and drinking places	\$539	\$236	6.6
444	Insurance carriers, except direct life	\$534	\$56	1.1
84	Fluid milk manufacturing	\$479	\$51	0.6
417	Truck transportation	\$469	\$161	1.9
477	Landscape and horticultural services	\$459	\$192	4.5
47	Electric power transmission and distribution	\$436	\$54	0.3
398	Wholesale - Grocery and related product wholesalers	\$326	\$119	1.1
457	Architectural, engineering, and related services	\$315	\$136	2.0
48	Natural gas distribution	\$308	\$42	0.2
469	Management of companies and enterprises	\$278	\$140	1.2
12	Dairy cattle and milk production	\$237	\$25	0.3
396	Wholesale - Other durable goods merchant wholesalers	\$211	\$46	0.6
442	Other financial investment activities	\$204	\$25	1.5
	All other industry sectors	\$5,036	\$1,527	29.4
	Total Indirect Effects Associated with ECE Industry	\$34,913	\$8,119	194

Indirect Effects represent the economic response by all local industries caused by the industry in question purchasing from other industries.
Source: IMPLAN Cloud; Tulare County Office of Education; Brion Economics, Inc.; Economic & Planning Systems, Inc.

The top industries that benefit from induced spending associated with the ECE industry are shown in **Table IV-9**. Induced benefits are derived from the wages and salaries generated by the ECE industry workers and how their spending ripples through the economy. The top 21 industries directly benefit in terms of total induced effects or output, induced jobs supported, and induced labor income. As discussed above, the total induced output associated with the ECE industry is about \$52.5 million. Owner-occupied dwellings rank number one in terms of induced output, followed by limited-service restaurants, offices of physicians, non-store retailers, other real estate, full-service restaurants, financial institutions, etc. The top 11 industries benefiting from induced spending account for 48% of the induced benefits in terms of total output and about one-third of the total jobs and the total induced labor income are associated with these ten industries. The full detailed effects of induced spending are shown in **Appendix A**.

Table IV-9
Key Industries Impacted by the ECE Industry - Induced Effects
ECE Economic Benefit Study – Tulare County 2024

IMPLAN Code	Industry Sector	Induced Effects	Induced Jobs	Induced Labor Income
		<i>Rounded to \$1,000s</i>		<i>Rounded to \$1,000s</i>
449	Owner-occupied dwellings	\$9,392	0.0	\$0
510	Limited-service restaurants	\$2,898	28.4	\$786
483	Offices of physicians	\$2,113	14.3	\$1,393
413	Retail - Nonstore retailers	\$2,063	8.4	\$161
447	Other real estate	\$1,664	9.0	\$280
509	Full-service restaurants	\$1,487	15.8	\$505
441	Monetary authorities and depository credit intermediation	\$1,250	2.7	\$233
406	Retail - Food and beverage stores	\$1,226	11.0	\$519
411	Retail - General merchandise stores	\$1,182	9.6	\$388
486	Outpatient care centers	\$1,087	8.7	\$705
534	Other local government enterprises	\$1,034	3.3	\$253
521	Religious organizations	\$857	11.2	\$548
409	Retail - Clothing and clothing accessories stores	\$790	6.1	\$164
444	Insurance carriers, except direct life	\$779	1.7	\$81
512	Automotive repair and maintenance, except car washes	\$772	7.4	\$468
511	All other food and drinking places	\$759	9.2	\$332
417	Truck transportation	\$742	2.9	\$255
445	Insurance agencies, brokerages, and related activities	\$704	2.7	\$148
493	Individual and family services	\$698	19.1	\$489
491	Nursing and community care facilities	\$698	8.0	\$403
472	Employment services	\$678	6.1	\$286
	All other industry sectors	\$19,594	146.4	\$6,918
	Total Induced Effects Associated with ECE Industry	\$52,471	331.9	\$15,317

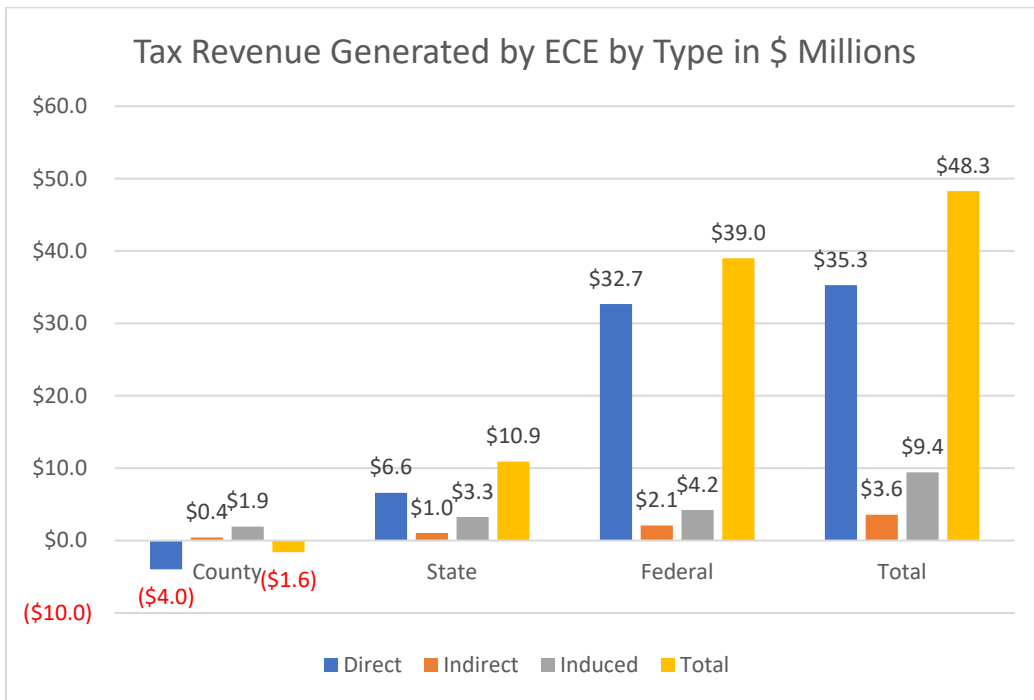
Induced Effects represent the economic response of all local industries in Tulare County caused by the expenditures of new household income generated by the direct and indirect effects of final demand for a given industry.

Source: IMPLAN Cloud; Tulare County Office of Education; Brion Economics, Inc.; Economic & Planning Systems, Inc.

ECE and Tax Revenues

The IMPLAN software also estimates the local, state, and federal tax revenue generated by a particular industry. **Exhibit IV-4** summarizes the tax revenues generated by the direct, indirect, and induced activities of the ECE industry in Tulare County. The total net tax revenue generated by all ECE activities in the County equals **\$48.3 million**. The negative numbers associated with County taxes have to do with tax refunds or credits. For every \$1 of total direct ECE spending, another \$0.17 is generated in local, State, and federal tax revenues.

Exhibit IV-4



IV.4 ECE Compared to Other Industries

This section compares the ECE industry or sector to other economic sectors in Tulare County for context. **Table IV-10** compares the total output and direct jobs for eight similarly sized sectors based on total output or economic activity in the County. The corresponding jobs associated with these industries are also shown and vary relative to the total output. These sectors vary in terms of the type of economic sector or activity, including religious organizations, nut tree farming, and retail food and beverage stores. The total output in dollars combined with the total jobs associated with the output (total economic activity, including direct, indirect, and induced spending) is shown. The percentage of total dollars and direct jobs to the ECE sector is shown. In some cases, the total direct jobs are lower than in the ECE sector while the dollars associated with the sector are higher, or vice versa.

Exhibit IV-5 summarizes the total output or spending by sector compared to the ECE sector and **Exhibit IV-6** compares total direct jobs.

Table IV-10
Similar Sized Industry Sectors Compared to ECE Sector in Tulare County
ECE Economic Benefit Study – Tulare County 2024

Sector Number	Sector Name	Total Output	Total Jobs	Percent Compared to ECE Output	Percent Compared to ECE Jobs
<i>Rounded to \$1,000s</i>					
494	ECE Industry (1)	\$369,575,000	3,594	100%	100%
521	Religious organizations	\$285,949,000	3,707	77%	103%
464	Scientific research and development services	\$320,884,000	1,371	87%	38%
406	Retail - Food and beverage stores	\$364,429,000	3,200	99%	89%
509	Full-service restaurants	\$371,010,000	3,894	100%	108%
5	Tree nut farming	\$373,007,000	2,069	101%	58%
57	Construction of new single-family residential structures	\$381,677,000	2,200	103%	61%
411	Retail - General merchandise stores	\$394,045,000	3,163	107%	88%
48	Natural gas distribution	\$449,696,247	331	122%	9%

(1) Based on results of the Input/Output analysis; all other sector data is baseline data from the 2023 IMPLAN model.
Source: IMPLAN Cloud; Tulare County Office of Education; Brion Economics, Inc.; Economic & Planning Systems, Inc.

Exhibit IV-5

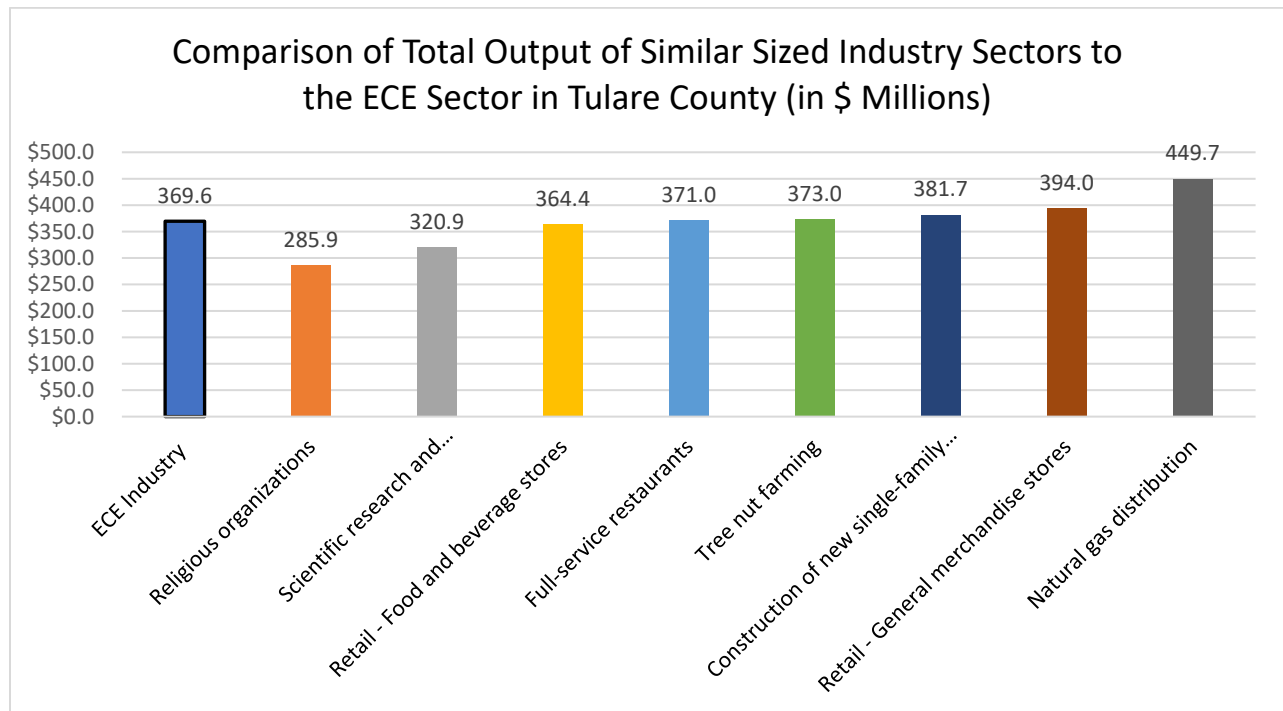
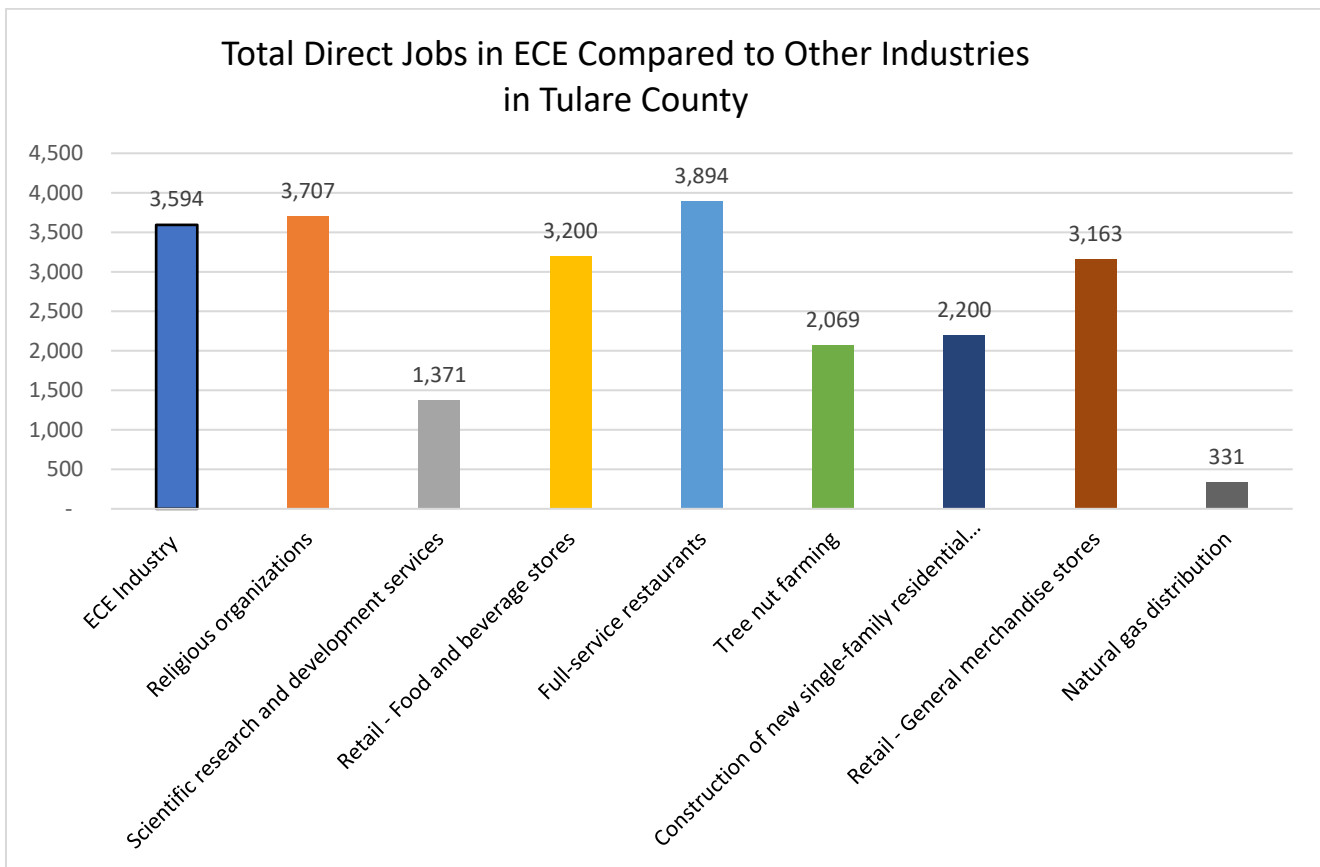


Table IV-11 summarizes the total occupational benefits associated with the ECE industry in Tulare County. The top 20 occupations are listed and include public and private teachers, educators instructors and librarians, managers, directors, various service workers, etc. Total hours worked equal 4.68 million hours per year or, on average, 1,525 hours per worker per year.⁸⁸ The total employee compensation associated with these occupations equals \$129.1 million per year. This figure includes \$106.8 million in wages and salaries and an additional \$22.3 million in supplemental income.

Exhibit IV-6



⁸⁸ Note: Full-time work is considered 2,080 hours per year for 52 weeks per year.

Table IV-11
Top 20 and Total Occupational Effects Associated with the ECE Industry
ECE Economic Benefit Study – Tulare County 2024

SOC Occupation Code	Key Industry Sector	Wage and Salary Income	Supplements to Wages and Salaries	Employee Compensation	Hours Worked
		<i>In \$1,000s</i>	<i>In \$1,000s</i>	<i>In \$1,000s</i>	
25-2000	Preschool, Elementary, Middle, Secondary, and Special Education Teachers	\$34,241	\$7,211	\$41,453	1,506,902
39-9000	Other Personal Care and Service Workers	\$19,280	\$4,059	\$23,340	1,085,494
25-9000	Other Educational Instruction and Library Occupations	\$12,689	\$2,672	\$15,361	574,985
11-9000	Other Management Occupations	\$8,510	\$1,781	\$10,291	272,688
35-2000	Cooks and Food Preparation Workers	\$1,895	\$380	\$2,275	117,283
21-1000	Counselors, Social Workers, and Other Community and Social Service Specialists	\$2,527	\$531	\$3,058	98,940
43-9000	Other Office and Administrative Support Workers	\$1,579	\$327	\$1,906	74,345
39-1000	Supervisors of Personal Care and Service Workers	\$2,092	\$443	\$2,536	81,742
25-3000	Other Teachers and Instructors	\$1,483	\$311	\$1,794	66,200
35-3000	Food and Beverage Serving Workers	\$869	\$140	\$1,009	47,117
37-2000	Building Cleaning and Pest Control Workers	\$1,010	\$204	\$1,214	60,673
43-6000	Secretaries and Administrative Assistants	\$1,489	\$307	\$1,797	60,185
41-2000	Retail Sales Workers	\$750	\$143	\$893	39,247
53-3000	Motor Vehicle Operators	\$1,030	\$219	\$1,249	48,168
11-1000	Top Executives	\$2,707	\$555	\$3,261	58,000
31-1100	Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	\$579	\$122	\$701	39,735
29-1000	Healthcare Diagnosing or Treating Practitioners	\$2,561	\$533	\$3,094	39,526
43-4000	Information and Record Clerks	\$765	\$155	\$920	33,698
53-7000	Material Moving Workers	\$725	\$145	\$870	31,752
13-1000	Business Operations Specialists	\$1,237	\$249	\$1,486	36,546
	All Other Occupations	\$8,805	\$1,764	\$10,569	299,239
	Total Occupations	\$106,825	\$22,252	\$129,077	4,672,464

The Occupational Effects include the direct effects associated the ECE Industry. It does not include the indirect or induced effects.

Source: IMPLAN Cloud; Tulare County Office of Education; Brion Economics, Inc.; Economic & Planning Systems, Inc.

IV.5 Economic Benefits of Addressing ECE Shortfall

This section evaluates the additional economic activity that could be generated by meeting the current shortfall of ECE spaces and facilities in the County. As discussed in **Chapter II**, there is currently a significant shortfall of ECE spaces in the County to serve children with working parents.⁸⁹ Currently, there is an estimated shortfall of about 34,877 ECE spaces serving children 0 to 12 years old. The current estimate of the supply of ECE spaces equals 27,201 spaces, including 557 children served by FFNs through the Alternative Payment Program.

As shown in **Table IV-12**, the current average economic value per ECE space is \$13,587 per year. The current labor income (wages and salaries) value per ECE space is \$5,235 per year. Applying these two figures to the current shortfall of ECE spaces results in an additional economic output of \$473.9 million per year, including \$182.6 million of labor income or new wages and salaries associated with new ECE workers. For context, the total employee compensation in the County is \$11.4 billion. Currently, ECE labor income represents about 1.25% of total employee compensation in the County. If the current shortfall of ECE spaces was addressed completely, ECE wages and salaries would more than double and represent 2.85% of all employee compensation in the County.

The total economic benefit from **all ECE spaces needed** for working parents would equal **\$843.4 million per year**, including **\$325 million in labor income** or an increase of 128% overall. This would allow a minimum of **35,000 additional working parents to work, assuming one working parent per ECE space** and that ECE was affordable to parents of various incomes. If an ECE space served two working parents, the increase in working parents would be higher. Currently, there are an estimated 23,500 unemployed workers in the County for context (see **Table III-6**).

The economic loss of not having enough ECE to support working parents totals **\$473.9 million**.

The current average Gross Domestic Product (GDP) per worker in the County is about \$131,400.⁹⁰ Applying this figure to the additional 35,000 workers that could go to work would generate a 20% increase in the County's current GDP **or an additional \$4.5 billion**. This represents a rough estimate of the opportunity costs of not having enough ECE supply in Tulare County.

Another way to characterize the impact of not having enough ECE spaces is to consider its impact on LFPRs. Assuming a 10% increase in LFPRs for working parents with children under 18 due to the

⁸⁹ Note that this analysis estimates the demand for ECE based on Labor Force Participation Rates of parents with children, either single parents with children or two working parents with children, ages under 6 and from 6 to 17 years of age. This is a standard method of estimating the need for ECE throughout the State.

⁹⁰ See total GDP in **Table III-1** and total average monthly employment in **Table III-3**.

expanded availability of ECE would allow an additional 13,000 parents to go to work in the County. That is, if LPFRs were to increase to 67% for working parents with children under six, and to 77% for working parents with children 6 to 17 years old (see **Table II-6**).

Table IV-12
Additional Economic Benefit of Total Demand for ECE Spaces Being Met
ECE Economic Benefit Study – Tulare County 2024

Economic Benefit Category	Totals	Amount per ECE Space
Current Conditions		
Current ECE Spaces (1)	27,201	
Current Total Output (2)	\$369,574,516	\$13,587
Current Total Labor Income (3)	\$142,386,245	\$5,235
Unmet Demand Being Met		
Unmet Demand for ECE Spaces (4)	34,877	
Additional Total Output (2)	\$473,868,788	
Additional Total Labor Income (3)	\$182,567,776	
Total Economic Benefits with Unmet Demand Met		
Total Supply of ECE Spaces	62,078	
New Total Output (2)	\$843,443,304	
New Total Labor Income (3)	\$324,954,021	
% Increase over Current Conditions	128%	

-
- (1) See Table II-7 for estimate of current supply of ECE spaces; current supply of spaces includes children served by FFNs and Alternative Payment Program.
 - (2) Output is the total activity including direct, indirect, and induced economic activity. See Table IV-7
Labor income is a subset of total output and part of the economic benefits of ECE associated with the wages and salaries of workers. See Table IV-7
 - (3) and salaries of workers. See Table IV-7
 - (4) See Table II-8 for estimate of current shortfall.

Sources: Economic & Planning Systems, Inc.; Brion Economics, Inc.

V. Findings and Recommendations

This Chapter includes an overall assessment and findings from this and a set of recommendations. Many of the recommendations included in the 2010 study continue to be pertinent today. A discussion of the changes in the ECE industry in Tulare County since 2010 is provided in Appendix C and compares the findings of a 2010 economic study to the findings of this study.

V.1 Overall Assessment and Study Findings

This section of the report synthesizes the findings and assesses the data from the analysis of the study. This study outlines significant challenges facing the ECE industry in general, and analyzes these challenges specific to Tulare County, most notably:

- Low wages and benefits in the ECE industry
- Significant shortages of ECE providers and ECE spaces
- Gap between current wages and sustainable or living wages
- Lower than average labor force participation rates in the County
- Higher ratio of children (percent of total population) compared to statewide levels
- Unemployment rates by type of worker
- High poverty levels in the County, particularly for women with children

The study analyzes the economic benefits and their multiplier effects on the ECE industry and compares those benefits to other similar-sized industries in the County. While the ECE industry directly benefits the local economy, it also provides an essential service that allows parents with children 0 to 12 years old to work.

The study estimates the current workforce associated with the ECE industry including owners, directors, administrators, teachers, assistant teachers, aides, and support staff, and quantifies the direct spending in the ECE industry, including state and federal ECE program funding that flows into the local economy, which is significant.

This Study provides estimates of the cost of building new ECE facilities to serve infants and toddlers and evaluates two countywide methods of financing these improvement costs, i.e., a sales tax add-on, and a parcel tax (see **Appendix B.**) These two methods have been successful in other communities in providing significant funding to address the gaps in ECE services, facilities, and wages.

A comparison of this 2024 study to the results of the *Economic Impact of Child Care Study – 2010* (see **Appendix D**) shows that while some improvements have occurred, overall, there has been a loss of ECE providers, and overall total output associated with the industry has declined since 2010.

The ECE field in California is undergoing significant changes, with the introduction of Transitional Kindergarten (TK) for 4-year-olds and Universal Preschool Kindergarten (UPK) Mixed Delivery grants to assist counties in planning for wrap-around care for working parents. These changes will have significant benefits for families, but their impact on existing providers and economic assumptions is uncertain and beyond the scope of this study.

Key findings along with an assessment of the implications of the findings are presented below by Chapter.

ECE Needs and Demographics

This section summarizes key demographic findings that directly affect the ECE industry of Tulare County. As part of this analysis, the ECE workforce in the County was estimated based on the supply of ECE spaces by age group and type. An estimate of current wages in the ECE field is compared to “living” wages needed for household sustainability and the wage gap is estimated. The amount of additional workforce needed to support the shortage of ECE spaces is also calculated.

- **Children as a Percent of Total Population:** The ratio of children to total population, currently 20% and projected to decrease to 19%, is high compared to the State overall. This means that there are more children per household in the County that require some form of ECE and support than in many other counties in the State.
- **Changes in Children’s Ages:** There will be an increase of Infants/Toddlers and Preschool age children of 5% each by 2030 or a net increase of 2,000 children, and a net reduction of about 3,000 School Age children by 2030, or 5% reduction. Total children 0 to 12 years old currently number 97,400 and will decline slightly to 96,500 by 2030. This means proportionately more children needing ECE in the 0 to 5-year-old age groups. This increase in children 0 to 5 years old, which will total almost 2,000 children by 2030, will increase the demand for ECE spaces, further aggravating the current shortfalls.
- **Ethnicity and Language:** Tulare County is an ethnically diverse community. About 66% of the population in Tulare County identifies as Hispanic. About 50% of the population identifies as White, 25% as some other race, and 18% identify as two or more other races. However, this diversity can also manifest in striking disparities. Hispanic households are more than twice as likely as White households to be under the federal poverty level (19% versus 9%).

As the 2024 Draft ECE Needs Assessment finds 47% of children speak Spanish as their first language. A diverse ECE workforce is needed to address all the needs of children in Tulare County.

- **Labor Force Participation Rates (LFPs):** This is a key measure related to ECE planning and the demand for ECE in all communities. In Tulare County, the LFPR of parents with children under 6 is 57%, or almost 10% less than the State average. This could be a function of the lack of ECE near employment centers, a preference for some parents to stay out of the workforce due to the cost of ECE, or the lack of available jobs that meet the education and skill levels of the workforce, etc. Often the combination of lack of subsidized care near employment centers keeps many parents, particularly female parents, out of the labor force until their children go to elementary school.

The LFPR for working parents with children 6 to 17 is higher at 67.4%, or more than 10% higher than working parents with children under 6. How the availability of TK, which is free to all families with 4-year-olds, will change LFPRs is not known yet.

- **Households with Children Income:** The median household income of households with children under 18 is about \$62,000 or 61% of the State average. For one-earner households, the median income is \$49,000. The average annual ECE costs for families with one child is about \$10,000 per year (without subsidies), and \$20,000 per year for families with two children. Compared to the median household income of families with children under 18, this equals 16% of gross household income for families with one child and 32% for two-children households. For single-earner households, ECE costs an average of 20% of household income for one-child households and 41% of total income for households with two children. ECE costs represent a significant portion of families' income. Without ECE subsidies many families simply cannot afford ECE.
- **Poverty Levels:** About 15% of all families in Tulare County live under federal poverty levels, including 20% of families with children under 5 and 29% of families with children 0 to 17 years old. For single-female headed families, these figures are much worse at 31% overall and 52% for families with children 0 to 17 years old. While these families qualify for subsidized ECE in most cases, such as Early Head Start or Head Start, there is a shortage overall of about 21,100 subsidized spaces in the County for children 0 to 12 years old or 40% of the eligible children do not have a subsidized space available.⁹¹ Currently, there are 1,037 Early Head Start and Head Start spaces countywide.

⁹¹ The estimate of eligible children is from FY 20-21 and the ELNAT database and is compared to the current estimate of subsidized spaces in the County collected for this study in 2024. See Table IV-1 for current estimates of subsidized care.

- **Number of ECE Providers:** Currently, there are 797 ECE providers, including 100 school sites offering TK, 129 school sites offering ASES and 21st Century school age programs, 101 ECE centers, and 467 Family Child Care Homes.⁹² There are also an additional 372 Family, Friends, and Neighbors (FFNs) serving children in the County. There are additional ELOP programs at many school sites in the County but the exact number of children served is not available.
- **Supply of ECE Spaces:** Overall, the total licensed and license-exempt ECE spaces available in Tulare County amount to 26,650 and with FFNs, the total is about 27,000.
 - Infant/Toddler spaces total about 1,400
 - Preschool spaces total about 10,200
 - School Age spaces total about 15,000 (excluding ELOP spaces)
- **Demand for ECE Spaces:** Total demand for all age groups equals about 61,500 based on the number of children with working parents in the County. The demand by age group includes:
 - 10,400 Infant/Toddler spaces
 - 11,800 Preschool spaces
 - 39,300 School Age spaces
- **Shortage of ECE Spaces:** The chart below summarizes the shortage of ECE spaces by age. School age shortages are likely less due to ELOP programs which serve as after-school care for many students.

Item	Shortage of Child Care Spaces by Age Group			Total 0 to 12 Years
	Infants/Toddlers	Preschool	School Age	
Surplus or (Shortage)	(9,027)	(1,584)	(24,267)	(34,877)
% of Demand Met as of 2023	13.5%	86.6%	38.2%	43.3%
% of Demand NOT Met as of 2023	86.5%	13.4%	61.8%	56.7%

- **Child Care Deserts:** Many areas in the County are considered child care deserts, which are defined as areas with more than 3 children under 5 for every ECE space within a 20-minute drive radius.⁹³

⁹² For this analysis, each school site offering one of these programs is counted as one provider.

⁹³ See Center for American Progress (2020): *The Coronavirus Will Make ECE Deserts Worse and Exacerbate Inequality*. <https://www.americanprogress.org/article/coronavirus-will-make-child-care-deserts-worse-exacerbate-inequality/>, Accessed on June 10, 2024.

- **ECE Workforce:** There are currently about **3,070 ECE workers** in the County based on teacher-to-child ratios required by the State. This includes owners, directors, administrative assistants, all types of teachers, and support staff. This represents about 2% of the total employment in the County for 2023. While this is a small percentage of the overall employment base of the County, these workers allow many parents to go to work and provide an essential labor and services in the County.
- **Average ECE Wages:** Wages in the ECE field are very low. Teacher aides in the ECE industry earn a minimum of \$16 per hour, on average. Assistant teachers are paid about \$18 per hour. Lead teachers earn about \$21 per hour, FCCH owners about \$20 per hour, and Directors of ECE programs about \$29 per hour. In contrast, TK teachers make about \$45 per hour, and elementary school teachers about \$59 per hour. Many ECE workers also do not receive benefits such as health insurance and paid time off.
- **Wage Gap in ECE:** Current total annual wages associated with ECE workers (about 1,600) not working in the public school system is estimated at **\$65.6 million per year**. If these workers were to receive a living wage, the total wages would equal \$138.2 million per year. Overall, ECE workers currently earn 47% or half of what a living wage for Tulare County. In annual salary terms, ECE workers currently make \$43,000 per year on average compared to a living wage of \$87,500.
- **Reimbursement Rates per Child Compared to True Cost of Care:** In Tulare County, State reimbursement rates for subsidized care equal from 22% to 67% (depending on age group and type of provider) of the “true cost of care” assuming providers made a living wage, received benefits, and had enough money for all necessary supplies and maintenance.
- **ECE Worker Shortages:** The current shortage of ECE spaces would require an additional **6,232 ECE workers** with annual wages of \$250 million at current wage rates and \$515 million at living wage rates. These additional wages would have significant economic benefits in the County through increased spending on goods and services and support additional jobs. Overall, Tulare County has a large shortage of ECE spaces, particularly for Infants and Toddlers. The estimated Preschool shortage will hopefully be addressed by TK with wrap-around care through the UPK Mixed Delivery system that is currently being rolled out. The LFPRs reflect this shortage of ECE and are lower than State averages. The challenges associated with significantly increasing supply include the need for **funding for facilities**, hiring **new workers**, providing **higher wages** in the ECE field to attract and retain workers, **land for new facilities**, etc. There are many economic benefits to addressing these ECE shortages as outlined further below.

Countywide Baseline Economic Conditions

This section summarizes **Chapter III**, which presents baseline economic conditions in the County, including the composition of the economy by industry, number of jobs by industry, wages by industry, unemployment rates by social characteristics.

- **Gross Domestic Product (GDP):** The GDP of **Tulare County is \$22.8 billion** as of 2022. Of that, 20% is associated with the Agriculture, Forestry, Fishing, and Hunting industry followed by Government Agencies and Enterprises at 16%. While the County has a reputation for being an agricultural economy, the economy is quite diverse, with a wide range of service industries and some manufacturing. Service-oriented industries make up about two-thirds of the County's economy, similar to the US economy.
- **IMPLAN Total Output:** The IMPLAN software used to estimate the economic multiplier effects of the ECE industry estimates the total output of the local economy **at \$42.6 billion**. Manufacturing represents 23% of the total output in the local economy due to the value-added aspect of the manufactory industries. Agriculture follows with 17% of the County's total output.
- **Employment:** The County has about **12,900 business establishments with about 173,500 jobs** as of 2022. Agriculture has about 22% of the total jobs, followed by health care and social assistance at 14%, education at 10%, and then retail trade with 9% of total jobs. As of November 2023, total employment is estimated at 180,400.
- **Average Wages:** The average wage for all industries in the County is about **\$30 per hour, or about \$64,000 annually**. This wage is \$12.50 lower than the average wage in California. This results in higher-than-average poverty rates in the County. By occupation, the average hourly rate in the County is \$26 per hour or \$54,600 per year.
- **Sustainability Wages:** For single heads of households with children, the sustainable living wage needs to be **\$49 per hour or 40% higher than the average wage overall**. For households with two adults with children, including one working adult, the wage needs to be \$41 per hour. For two working-parent households with children, the living wage is \$26 per hour each or within the average hourly wage in the County.
- **Seasonal Workforce:** In May and June, **seasonal workers average 13,000 based on data from 2015 to 2023** and then taper off through the summer to fall seasons. As would be expected, unemployment in the County declines during the growing season. These seasonal workers require ECE similar to all working parents. Currently, 559 ECE spaces serve migrant parents with

subsidized care but the need is much higher. The current supply only serves the needs of about 15% of migrant children.⁹⁴

- **Unemployment Rates:** In Tulare County the current **unemployment rate is 11.2%** or over twice that of California, as of December 2023. By ethnicity, unemployment rates vary from 6.7% for non-Hispanic Whites to 16.1% for Native Hawaiians and Other Pacific Islanders. For women with children under 6, the unemployment rate is about 14.5%. This is consistent with the lower-than-average LFPRs of parents with children.

Economic Benefits of ECE Industry

This section summarizes two technical analyses: an estimate of the ECE industry spending or revenue and an economic multiplier or impact analysis (i.e., Input/Output Analysis using IMPLAN software). This type of analysis quantifies the economic relationships of spending and funding associated with the industry and how this direct spending ripples through the local economy. Benefits are measured in terms of jobs, labor income, and total economic benefit (output), and direct, indirect, and induced effects.

- **Current Direct ECE Spending:** Direct spending on ECE in the County totals **\$282.2 million per year**. This includes the tuition parents pay, subsidies from State and federal agencies, grants to providers and ECE workforce, and other related public agency spending. This includes \$155.8 million in State and federal subsidy monies that support subsidized ECE, \$97.1 million on agency and program budgets that support the industry, including \$90 million associated with the Early Learning Opportunities Program (ELOP) at local school districts. The remainder is associated with private and non-profit ECE providers offering unsubsidized care, which is estimated to total \$29.3 million annually.
- **Subsidized Spaces:** An estimated **23,600 ECE spaces are subsidized** in total or partially in the County, or 87% of total ECE spaces for all age groups, 0 to 12 years old, including FFN spaces.
- **Employment Benefits:** The total jobs supported by ECE expenditures in Tulare County equal **nearly 3,600 positions countywide**. The multiplier value for employment is 1.17. This means that every ECE job in Tulare County will generate another 0.17 jobs elsewhere in the County across other industry sectors.

⁹⁴ As of 2021, there are an estimated 3,800 migrant children, according to the Tulare County Office of Education (TCOE), Migrant Education Program of Tulare County. Communication received from TCOE staff.

- **Wages and Salary Income Benefits:** The total wages and salaries (labor income) associated with ECE expenditures **equals \$142.4 million per year**. The multiplier value is 1.20, which indicates that every dollar earned by workers will generate an additional \$0.20 in wages and salary (labor income) for Tulare County workers in other sectors.
- **Total Economic Benefit:** The ECE industry's economic benefit (output) from **ECE expenditures totals \$370 million**, with \$34.9 million spent on goods and services (indirect output effects) and \$52.5 million in wages and salary income spent in the local economy (induced output effects).
- The multiplier value for ECE industry output is 1.31 or **another \$0.31 in economic activity benefiting other industry sectors for every direct dollar spent**. This means that for every dollar spent directly on ECE, another \$0.31 benefits other businesses in the County.
- **Benefiting Industries from Indirect Spending on Goods and Services:** ECE benefits **"other real estate"** the most in terms of output, jobs, and labor income, followed by **"other local government enterprises,"** employment services, services to buildings, and maintenance and repair industries.
- **Benefiting Industries from ECE Wages and Salaries (Induced) Spending:** Owner-occupied dwellings (i.e., homes) rank number one in terms of induced output, followed by limited-service restaurants, offices of physicians, non-store retailers, other real estate, full-service restaurants, and financial institutions. Food stores, auto repair, insurance, and medical services also benefit.
- **Similarly Sized Industries to ECE:** In terms of total output or economic activity, the ECE industry is similarly sized to other local industries, including religious organizations, tree nut farming, retail food and beverage stores, construction of single-family homes, and natural gas distribution.
- **Total Economic Benefit and Wages and Salaries per ECE Space:** With about 27,200 total ECE spaces in the County currently, the current average output value per ECE space is **\$13,587 per year**. The current labor income value per ECE space is **\$5,235 per year**.
- **Federal, State, and Local Tax Revenue from ECE:** Currently, the ECE industry generates **\$48.3 million per year** in local, State, and federal tax revenue.
- **Addressing ECE Shortfall:** The total economic benefit, i.e., from all ECE spaces needed for working parents (those met and unmet), would total **\$843.4 million per year**, including **\$325 million in labor income** or an increase of 128% over current conditions. This would allow a

minimum of **35,000 working parents to work, assuming one working parent per ECE space** and that ECE was affordable to parents of various incomes.

- **Direct Economic Loss:** The economic loss of not having enough ECE to support working parents totals **\$474 million**.
- **Economic Impact of ECE Space Shortfall:** The direct impact of not having enough ECE spaces on the County's local economy is estimated at **\$4.5 billion in lost GDP**, assuming 35,000 additional workers could work in the economy and an average GDP per worker in the County of about \$131,000 per worker.

In conclusion, this study estimates that **\$282.2 million** in direct spending or input does not merely trigger an equivalent level of output within the ECE industry, but rather generates a total of \$370 million of economic activity throughout the County. This means that every dollar spent yields a multiplier of \$1.31 in economic output. This analysis shows that increasing public investment in ECE – resulting in, for instance, increased teacher compensation and retention – would cause a similar ripple effect.

Overall Findings

ECE is a complex ecosystem or industry with a myriad of delivery methods as this study demonstrates. ECE as an industry generates very little profit for providers and many of the programs are subsidized by the State and federal government in Tulare County. The economics of ECE are equally challenging for the workforce and families. Tuition costs need to be set so parents can afford the service given all other living costs. This analysis demonstrates that ECE costs make up a substantial part of working families' household income. Tuition costs and reimbursement rates are constrained by what families can afford and do not represent the “true cost of care,” assuming workers are paid a living wage. The State is looking at adjusting reimbursement rates for State-funded programs based on actual true costs, including living wages. This should, in turn, allow providers to pay higher wages. As discussed, the wages of TK and elementary teachers are substantially higher than ECE workers through the State school system.

While the economic multiplier effects of ECE are not as high as industries such as manufacturing and technology, the indirect benefits of allowing parents to go to work, while challenging to quantify, are extremely important to the overall function of the economy. The overall impact of the lack of ECE spaces is estimated at \$4.5 billion in GDP.

Since COVID-19, more businesses, and the State and federal governments are recognizing the importance of ECE to the functioning of the overall economy. State efforts including Transitional

Kindergarten (TK), Universal Preschool Mixed Delivery grand funding, and increases in reimbursement rates for providers as well as increased income thresholds for families to qualify for subsidized care demonstrate the importance of ECE. As discussed in Chapter I, the Biden Administration’s “*Executive Order on Increasing Access to High-Quality Care and Supporting Caregivers*” (Care EO) from 2023 directed all cabinet-level agencies to explore how they can incentivize or even require federal funding applicants to provide supportive services, including child care, for their workers. Ready Nation has quantified the impact of the lack of infant/toddler care on parents, businesses, and public tax revenues at \$122 billion, combined.

The benefits of ECE on the development of young children are multi-faceted and ripple through a child’s life, society, and the economy. Despite the proven positive economic impacts of ECE, it is a rare community that has a surplus of ECE. The majority of ECE Needs Assessments prepared throughout the State find a shortage of ECE, often of significant numbers. Tulare County is no different in this regard. The solutions to these shortages require a multi-faceted policy approach.

V.2 Study Recommendations

Nothing happens without vision, political will, and focused action. Tulare County has a dedicated pool of ECE experts working at a variety of levels and sectors to draw from. These individuals, departments, and organizations are a tremendous resource for this effort. This study outlines the economic benefits of ECE in the local economy. The benefits of ECE to parents, businesses, and children’s growth and development are many and significant. Each player, including local government, businesses, parents, workers, and non-profits. in the County has a role to play in the delivery of an increased supply of ECE spaces. Some of the ideas presented in this study need further evaluation, such as a sales tax add-on or a new parcel tax for ECE. Several pilot projects could be started to test the effectiveness of some of these ideas.

Recommendations based on the analysis and findings in this study are summarized below.

1. Create an **ECE Development and Financing Strategy** that addresses the needs of the industry, workers and providers, families, and businesses.
 - a. **Appendix B** presents an analysis of possible funding mechanisms that could address the shortage of ECE supply, including countywide approaches and mechanisms that can be adopted by local cities, such as development agreements and community benefit programs. Employer-based care is also another great way to increase the supply of ECE.
2. Evaluate all possible **funding mechanisms** that could support ECE facilities and an increase in ECE workforce wages, including a parcel tax, sales tax add-on, and ECE developer impact fees,

by conducting market research and polling to assess the feasibility of getting a parcel tax or sales tax add-on passed by voters.

- a. **Alameda County** recently passed a 0.5% sales tax initiative that will both fund ECE facilities and provide funding for providers, children, and families. The measure is expected to generate about \$150 million per year. First Five Alameda County will manage and administer the funds.
 - b. **San Mateo County** has an additional 0.5% sales tax levy that was approved in November 2012 as Measure A. In November 2016, Measure K was approved by voters, extending the Measure A sales tax for an additional 20 years to 2043. The current Measure K is generating approximately \$80 million per year, some of which benefits ECE, and was originally estimated to generate \$60 million per year.
 - c. The **City of Oakland** adopted a parcel tax to fund ECE needs in the city in 2018. The Oakland Children’s Initiative collects an annual parcel tax to support ECE and preschool programs in the city, as well as to provide some money for college access. It is estimated that the parcel tax raises over \$30 million annually. The money goes toward expanding access to high-quality preschool, initially prioritizing programs for young children in Oakland Unified School District and the City of Oakland Head Start.
 - d. **California cities** that have adopted a developer impact fee for child care facilities include the cities of South San Francisco, San Mateo, Palm Desert, Berkeley, and San Francisco to name a few. This type of mechanism is useful where there is a large amount of expected growth and development. Impact fees can only fund the facility needs (or capital costs) of new development and not existing deficiencies and cannot be used for wages and salaries as they are operating costs.
3. Create a “**Build Up Tulare County**” project, or some similarly named initiative, modeled after that of San Mateo County and Build Up California, which is solely focused on ECE facilities and increasing the ECE supply in the County. Set a goal for the number of spaces targeted for the next five years and hire a staff person to manage the project. A Built-Up project could also advocate for funding for new compensation support for ECE workers.

- a. San Mateo County set a goal of developing 3,000 ECE spaces in 2018, and by 2022, they have 2,200 spaces either completed or in progress.⁹⁵
 - b. First Five Riverside County funds Build Up Riverside County (BURC), an initiative of the Low Income Investment Fund. The purpose of Build Up Riverside County is to increase access to and improve the quality of ECE throughout Riverside County. Cities and the County are vital partners in this work.
4. Prepare “**ECE City Profiles**” of supply and demand that can help each city understand its specific needs and shortages and develop local policies and strategies to address these needs.
 - a. The 2022 San Mateo County Child Care Needs Assessment includes summary profiles of child care needs for each city and some of the unincorporated communities.⁹⁶
 5. Conduct **Land Use and General Plan Audits** of all cities in the County to identify ECE-friendly policies and make recommendations on how cities can be more ECE-friendly. Collect data on the number of ECE centers funded or operated by each city. Review land use policies and zoning to ensure they are ECE-friendly.
 - a. Riverside County just released this comprehensive study of land use policies and zoning related to child care and ECE.⁹⁷
 6. Convene a “**City, Business, and Developer Summit**” to discuss the potential to add ECE facilities to planned and proposed housing projects, including market-rate and affordable housing projects, and large commercial projects.
 7. **Support Unionization** of ECE providers and workforce is crucial to addressing the historic underinvestment in a workforce predominantly composed of women, immigrants, and people of color. Achieving significant structural changes and large-scale investment in the ECE industry requires shifting power dynamics and organizing ECE workers on a large scale. Union power is a vital component of this effort. Therefore, one of the most effective strategies the County could implement to improve workforce compensation and working conditions is to support the

⁹⁵ See <https://buildupsmc.com/> for information on the overall Build Up project and https://www.smcoe.org/assets/files/About_FIL/Child%20Care%20Partnership%20Council_FIL/Needs%20Assessment_FIL/MC%202022%20Child%20Care%20Needs%20Assess%20Final%20Report.pdf for a discussion of the Build Up San Mateo project, page 80 of PDF. This report was the precursor to the Build Up San Mateo County project formation and was prepared after the 2016 *Child Care Needs Assessment* prepared by Brion Economics, Inc. for the San Mateo County Office of Education. <https://www.siliconvalleycf.org/sites/default/files/publications/2017-ChildCarePreschool-FacilitiesReport.pdf>

⁹⁶ See <https://www.smcoe.org/about/child-care-partnership-council/needs-assessment.html>

⁹⁷ See *Riverside Land Use Survey - BuildUpCA* for the full report and summary.

unionization efforts of Child Care Providers United (CCPU) and local allied unions, like the United Domestic Workers (UDW) and Service Employees International Union (SEIU).⁹⁸

8. Evaluate the potential for **local hospitals to add ECE facilities** to their sites or sponsor new centers near their sites and create a partnership with those willing to build new ECE facilities. Medical centers and hospital staff have unique needs for ECE that became extremely apparent during the COVID-19 pandemic. Staff work long hours and shifts, and hospitals function 24 hours per day.
9. Meet with **large employers in the County** to evaluate how to increase the amount of employer-sponsored ECE in the County with a focus on early care for children 0 to 3 years old.
10. Convene a series of **workshops with existing providers interested in expansion** to explore how to support such efforts and identify key needs of providers.
11. Evaluate the potential for existing Preschool providers to **convert some of their unfilled Preschool classrooms to Infant/Toddler classrooms** if these rooms are underutilized.
12. Evaluate the feasibility of **expanding the number of Family Child Care Home providers** in the County to increase the supply of spaces.
 - a. Consider adopting a program that purchases homes for FCCH providers and helps them generate equity and eventually buy the homes. Mission Drive Finance’s innovative CARE project has two such pilot projects, one in Las Vegas County, Nevada, and one in San Diego County.⁹⁹
 - b. Another possible solution is to provide downpayment support to FCCH owners who want to purchase their own homes.
13. Once ECE capital funding is secured, **fully fund a grant decision-making authority** that functions as a single coordinating body at the County level and one that works with all cities in the County to administer any funding secured or raised for ECE.
14. Promote new and expanded **Paid Family Leave policies** and programs for public employees and larger corporate employers as a means of reducing the need for infant care in the first few months of children’s lives.

⁹⁸ Collins, C., Gomez, A. L. (2023, April 4). Unionizing Home-Based Providers to help Address the Child Care Crisis. CLASP. <https://www.clasp.org/publications/report/brief/unionizing-home-based-providers-to-help-address-the-child-care-crisis/>

⁹⁹ See <https://www.missiondrivenfinance.com/invest/early-care-education/care-investment-trust/>.

Appendices (Under Separate Cover)

Appendix A: IMPLAN Economic Model Data and Detailed Results

Appendix B: ECE Facility Needs, Costs, and Funding Options

Appendix C: ECE Facility Cost Estimates by Type of Facility

Appendix D: 2010 Study Comparisons

Appendices (Under Separate Cover)

Appendix A: IMPLAN Economic Model Data and Detailed Results

Appendix B: ECE Facility Needs, Costs, and Funding Options

Appendix C: ECE Facility Cost Estimates by Type of Facility

Appendix D: 2010 Study Comparisons