



# Child Care and Sustainable Communities: The Big Picture

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# The Economic Importance of Early Care and Education

**Children** - Human development

**Parents** – Labor mobilization, career ladders

**Regional Economy**

Critical social infrastructure

Sector has 1000s of small businesses and employees






# Care Crisis: Recession will Reduce the Formal Care Sector

Most of the Iceberg Lies Below the Water Line

**1.7 million  
paid workers**  
(CPS 2000)



**800,000 paid workers** (BLS 2000)

**900,000 additional paid workers** (CPS 2000)

**800,000 additional paid workers**  
(Burton, et al 2002)

**2.4 million unpaid care workers**  
(93% unpaid relatives) (Burton, et al 2002)

## **Unpaid Parental Care**

(12% of total U.S. Paid Work Time, 2005 ATUS:  
Approx. 17 million worker equivalents)



# Recession – Impacts on Child Care

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## Expectations

- Formal center care supply will shrink
- Family and informal care supply will expand
- When economy rebounds, informal care will contract as providers return to work in the formal sector
- Crisis – Child care supply will contract precisely when economy is expanding
  - » Will exacerbate labor shortage
- Need thoughtful infrastructure investment now<sup>4</sup>



## What Can Planners Do?

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- 2008 APA survey on role of planners in creating family friendly communities
  - » Changing Attitudes
  - » Local Innovation – apply planning tools to improve services: child care, transportation, housing, economic development
- Coalitions of Child Care, Business and Economic Development Leaders (over 70 across the country)
  - » 83% of Chamber and business leaders see child care as part of economic development strategy (New York Survey, 2006)
  - » Child care is a critical social infrastructure for economic development





# Families Are Important To Communities

(APA survey 2008)

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- Families are important to growth, sustainability, and diversity. (97%)
- Families represent a valuable consumer population. (97%)
- Communities that keep people for the whole life cycle are more vibrant. (90%)
- The needs of families are similar to the needs of the elderly with regards to the physical environment. (64%)



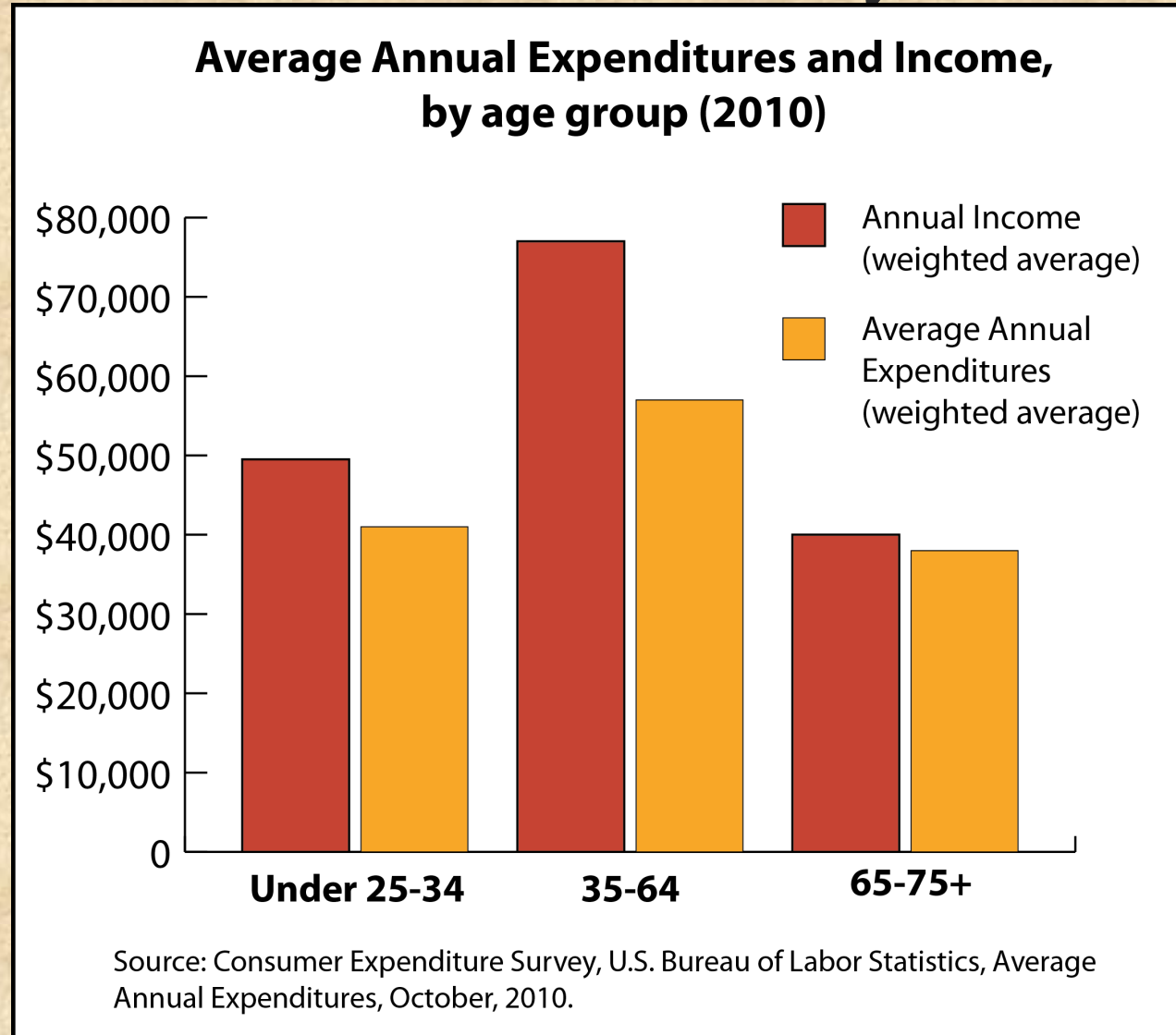
# The Service Cost/Tax Revenue Challenge

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- Most families do not generate sufficient tax revenue to cover the cost of services they demand. (53%) (APA survey 2008)
- Many cities pursue young professionals “Creative Class” and empty nesters, or retirees, as groups that will enhance the local tax base but not require expensive local services.
- But this view may be short sighted.



# Family Spending Stimulates the Local Economy



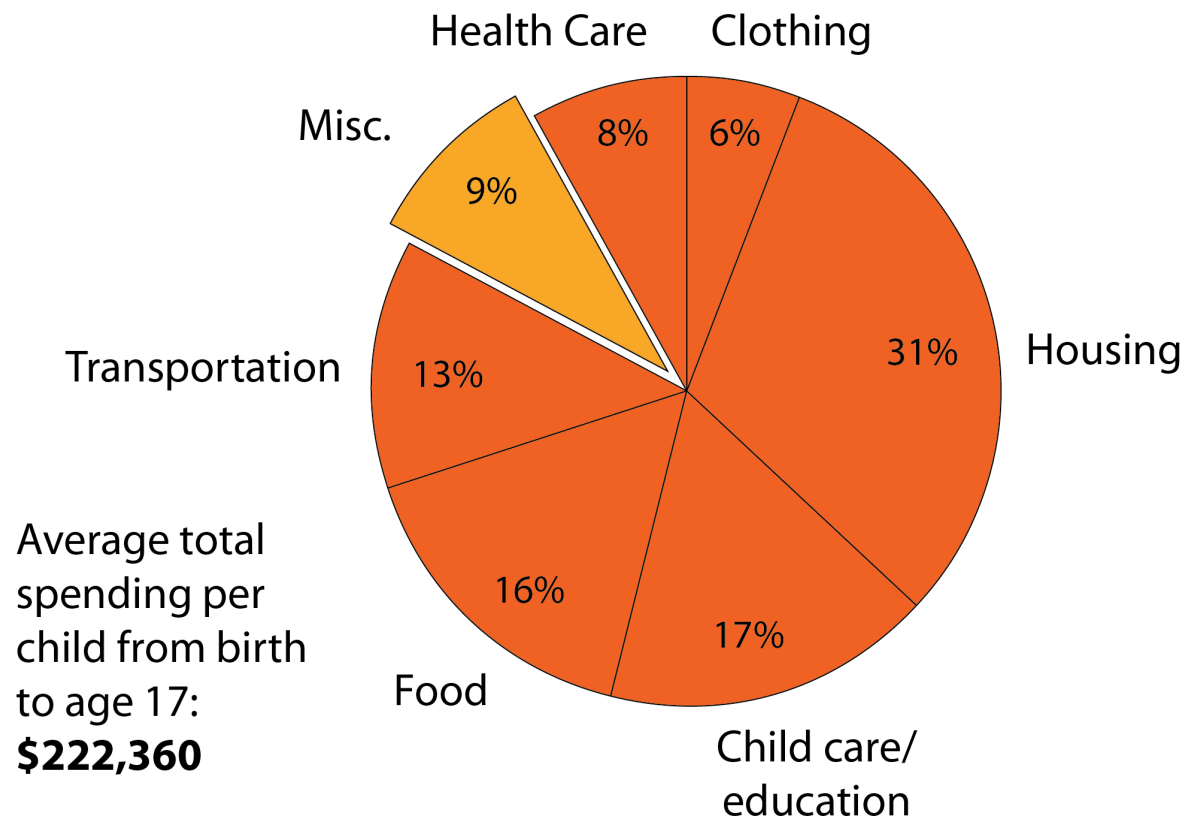




Expenditure  
is local.

The  
multiplier  
effect  
stimulates an  
additional \$1  
for every \$1  
spent

## Family Expenditure shares on a child from birth to age 17, as a percentage of total child-rearing expenditure (2009)

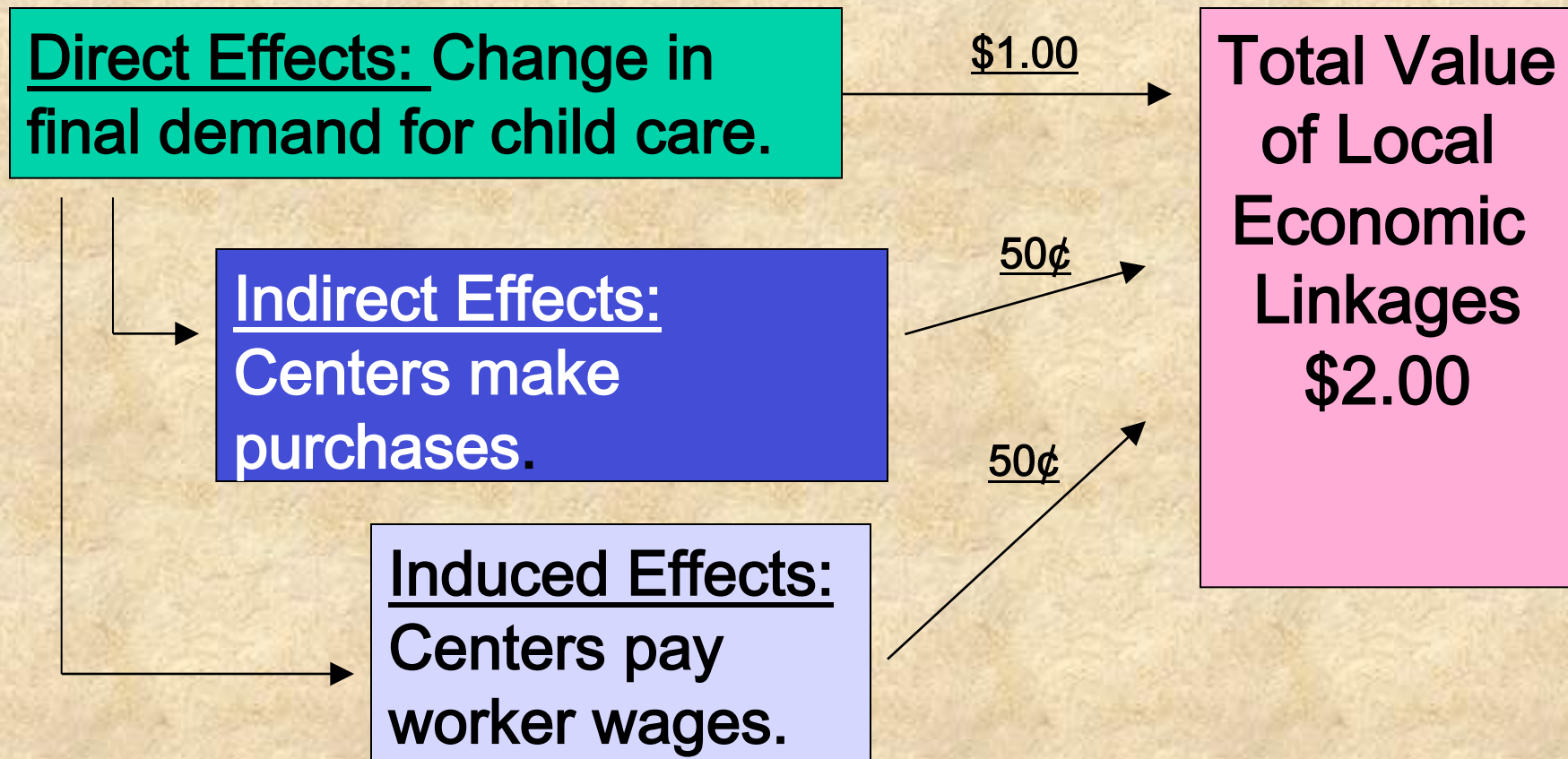


Average total  
spending per  
child from birth  
to age 17:  
**\$222,360**

Source: Lino, Mark. (2010). Expenditures on Children by Families, 2009. U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. Misc. Publication No. 1528-2009.



# Calculating Linkage Effects in the Regional Economy



See Warner, 2009 Child Care Multipliers: Stimulus for the States.



# The Child Care Sector Compared to Other Infrastructure Sectors, 2000

Child Care Type II Output multipliers are similar to education and training, and larger than water, sewer and transportation.

State	Child care multipliers	Elemen. and Secondary Schools	Job Training and Related Services	Colleges University and Schools	Water Supply and Sewage Systems	Local Interurban Passenger Transit
<b>50-State &amp; D.C. Average</b>	<b>1.91</b>	<b>1.91</b>	<b>1.84</b>	<b>1.84</b>	<b>1.67</b>	<b>1.72</b>

Source: IMPLAN Multipliers 2000 - 50 States plus DC analysis





# What's wrong with the child care market?

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- Parents lack effective demand – need subsidies
- Hard to differentiate quality for providers and parents
- Low profitability yields insufficient supply of affordable, quality care
- Fragile businesses – few economies of scale
- Recession reduces formal supply



# What can be done?

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Economic Development Assistance – loan funds, business management, shared services

Planning – Zoning reforms, planning linking child care to transportation, housing and employment

Employer/community partnerships – to expand services, promote public entrepreneurship

Public and Employer Subsidies – to increase access



# Lack of Awareness about Child Care (APA survey 2008)

Most planners do not realize that there is an inadequate supply of quality, affordable child care

	Yes	No/Don' t	Know
• Community has an adequate supply of quality, affordable child care		20%	80%
• Community maintains data on child care (location, cost, enrollment)		18%	82%
• Community has a local child care plan		5%	95%





## Limited Support from Zoning and Finance Tools (APA survey 2008)

### Zoning Allows:

	Yes	No/Don't Know
• Family child care in residential units by right	34%	66%
• Family child care in residential units by special permit	46%	55%
• Siting child care centers	41%	59%

### Community:

• Provides financial support for development or operation of child care facilities	14%	86%
• Assesses Impact fees to subsidize child care facilities and pre-K programs	7%	93%
• Routinely uses local, state, or federal funding to support child care	21%	79%



## Family Friendly Branded Communities (APA Survey, 2008)

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- 41% of planners work in communities that brand themselves “Family Friendly”
- These communities are more likely to:
  - » include families in comprehensive plans
  - » advance the interests of families in zoning regulations & site plan reviews
  - » design child friendly environments – streets, housing, services and child care
  - » use a broad array of financial tools
  - » involve families in the planning process



# Additional Resources

<http://economicdevelopmentandchildcare.org>

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Israel, Evelyn and Warner, M.E. 2009. Planning for Family Friendly Communities, *Planning Advisory Service Memo*, Am. Planning Assoc.

Warner, M.E. 2009. Child Care Multipliers: Stimulus for the States.

Warner et al. 2004. *Economic Development Strategies to Promote Quality Child Care*, Cornell: Ithaca, NY.

Multigenerational Planning: Linking the Needs of Children and Elders, Mildred Warner, George Homsy, and Esther Greenhouse, *Planning for Family Friendly Communities Briefing Paper*, April 2010.

Child Care and Community Development, Kristen Anderson and Ellen Dektar, *Planning for Family Friendly Communities Briefing Paper*, April 2010