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**Lack of Quality Child Care a Threat to State's Economic Recovery
Four Times as Many Children Need Care as Spaces Available, Says New Report**

SACRAMENTO—Despite its importance to California's economic recovery, the health of the state's licensed child care industry remains in serious condition, according to *The 2003 California Child Care Portfolio*, a county-by-county survey of child care released today by the California Child Care Resource & Referral Network.

Child care generates substantial state revenues, supports and creates local jobs, and makes important contributions to the state's overall economic health. But according to the *2003 Portfolio*, finding child care continues to be a challenge for most families, with an especially limited supply of care during the critical infant and toddler years as well as during off-hours – when an increasing number of parents are commuting on traffic-congested roads and/or working in services, the state's largest industry. High turnover among child care professionals – partly due to low wages, decreasing reimbursement rates for providers, and rising operational costs – has also contributed to the lack of supply.

“The continuing shortage of quality child care is a serious threat to our state's economic success,” says State Sen. Liz Figueroa, Chair of the Legislative Women's Caucus, who will help present findings of the *2003 Portfolio* at a press conference today at the State Capitol. “Child care is an integral part of our economic infrastructure. The many challenges facing child care, including the lack of supply and the high cost of care parents pay, must be addressed as part of our efforts for economic recovery.”

Assemblywoman Judy Chu, chair of the state's Assembly Appropriations Committee, supports continued funding for child care programs. "California has made a significant investment helping our lowest income families achieve economic stability and providing positive child development experiences for their children. The data in this report challenges us to a greater commitment to sustaining our child development programs despite the current budget challenges we are facing," she says. "If we don't act, we will give new meaning to being penny wise and pound foolish."

According to the *2003 Portfolio*, licensed child care is available to only 25 percent of all children ages 0-13 with working parents. Only 5 percent of slots in child care centers are licensed to serve infants and toddlers, despite an ever-growing body of research that shows critical brain development takes place during a child's first three years of life. And although an estimated 20 percent of the state's labor force works during non-traditional hours – early in the morning, swing shift, or at night – only 4 percent of child care centers offer care during these hours and on weekends. More family child care homes offer care during off-hours, but they make up only 36 percent of the state's total licensed capacity.

Also, the cost of child care continues to remain out of reach for many California families. Statewide, the combined annual cost of housing (rent for a two-bedroom apartment) and child care (care for a preschooler in a child care center) is more than the annual salary of a family at minimum wage. For families earning \$30,000, combined housing and child care costs would be more than half their annual income.

"The need for affordable, quality child care is essential for the well-being of all children, and for the economic well-being of communities," says Patty Siegel, executive director of the California Child Care Resource & Referral Network. "Our governor is committed to jobs, jobs, jobs – and we believe that child care is a critical part of the state's economic equation. This report underscores the need for making access to child care a top priority."

Siegel says there are some promising efforts, and that child care leaders are working with community groups, policy leaders, and others to improve the quality and supply of child care in the state. Statewide programs like CARES (Compensation and Retention Encourage Stability) provide incentives for child care professionals to continue their education and stay in the profession. Proposition 10, the state's tobacco tax, is dedicated to supporting early childhood programs for children ages 0-5. And the California Child Care Initiative Project is helping to increase the number of licensed child care slots. Meanwhile, universal preschool – voluntary programs for all three- and four-year-olds – early education, and school readiness have become top policy discussion topics.

The *2003 Portfolio* is the latest in a biennial series of statewide and county-by-county statistical reports about child care costs, supply, and demand. Data for the report was gathered and analyzed by the nonprofit California Child Care Resource & Referral Network, a statewide organization of state-funded local R&Rs working to improve the availability, quality, and affordability of child care in all 58 counties. Resource and referral agencies (R&Rs) connect parents, providers, and policymakers in each community. They help parents find child care by providing licensed child care referrals to parents, and by offering parents important information on how to recognize and choose quality care. R&Rs help all types of child care providers by offering training in child development, safety, and business skills. And they help policymakers by gathering standardized data, identifying key areas of local need, and participating in policy discussions. The entire Portfolio with county by county data about supply and demand is available at rnetwork.org.

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