

Overview of Economic Impact Report

The licensed child care industry, long considered to have an important social and educational value for California's families, also makes significant economic contributions to the local economy and is a key part of its economic infrastructure.

This snapshot, based on the Capitol Regional Resource Center's 10-County Child Care Economic Impact Report, shows that the child care industry generates millions of dollars in revenues, creates thousands of jobs and generates substantial productivity gains that represent millions of dollars for families, businesses, and government in Sacramento County. Among the report's findings:

- The licensed child care industry in Sacramento County generated approximately \$325,894,640 in annual gross receipts which is similar in size to the combined revenue from livestock, poultry, milk, field crops, fruit, nut, vegetable and nursery.
- The licensed child care industry in Sacramento County generated \$103,843,701 through government sources. Parents contributed an additional \$222,050,939 through child care fees — \$121,443,013 from private centers, and an another \$100,607,926 from family child care programs.
- The licensed child care industry in the Sacramento Metro Area (El Dorado, Placer, Sacramento) provides jobs for 18,565 people. The industry directly employs 9,327 workers. This is almost equal to workers employed by the region's cities and over twice as many employees as the farming industry. Licensed child care also generates 9,238 indirect jobs through goods and services purchased by the industry and its employees.
- An example of indirect financial impact is when a child care worker goes to a local restaurant and pays the bill with money earned from her job. Therefore, the local economy receives the financial impact from that monetary exchange that indirectly comes from the child care industry.

Download the Capitol Regional Resource Center's 10-County Child Care Economic Impact Report at www.crrconline.org

Child Care Keeps Sacramento Working

- To secure a job and to work productively, parents require safe, reliable child care for their young children. Sacramento County has licensed child care that is available for only 35% of the children with parents in the labor force. (2003 CA Child Care Portfolio)
- Quality child care improves a child's readiness for school. A landmark study of low-income families issued in 1999 by the US Department of Education showed that early childhood education improves a child's readiness for school, especially in the areas of reading and math. Participants consistently outperformed their peers in cognitive and academic tests, were more likely to attend college or hold high-skilled jobs and were less likely to become parents by age 21.

Two agencies support and direct the development of child care in the County:

- **Sacramento County Child Care and Development Planning Council** is State funded to collect and disseminate child care planning data, oversee the child care needs of specific populations and administer the staff retention program known as CARES. Website: www.sac-lpc.org
- **Child Action, Inc.** administers multiple programs to support parents and providers. Among their services are child care resource and referral, subsidy programs, and programs to recruit, train, and support child care providers. Website: www.childaction.org

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ECONOMIC IMPACT OF CHILD CARE IN SACRAMENTO COUNTY

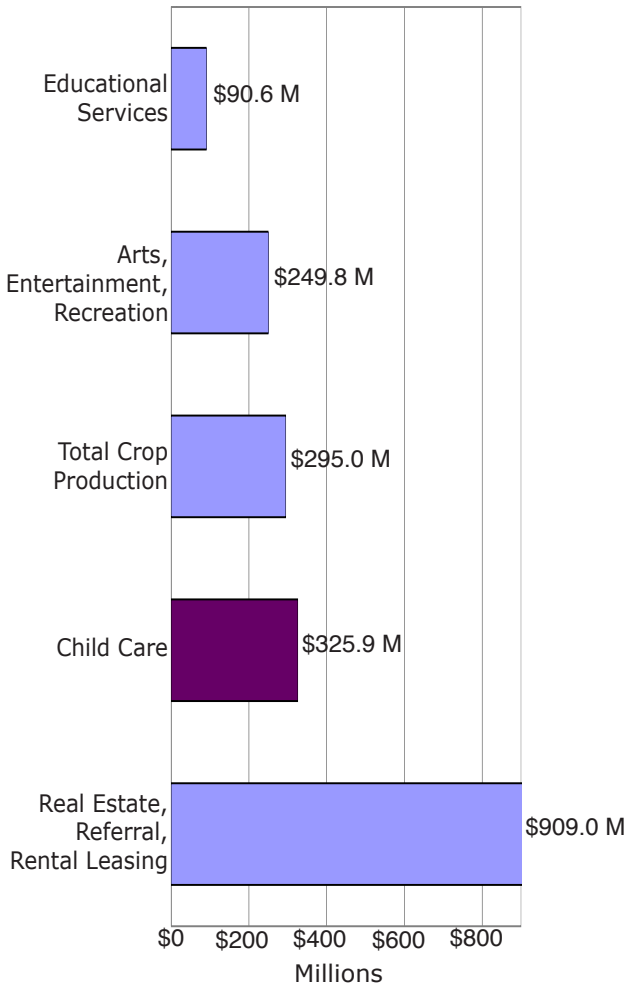
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Contribution of Child Care To Local Economy

The Child Care Industry in Sacramento County generated approximately \$325.9 million in annual gross receipts.

Annual Gross Revenue Comparison Sacramento County

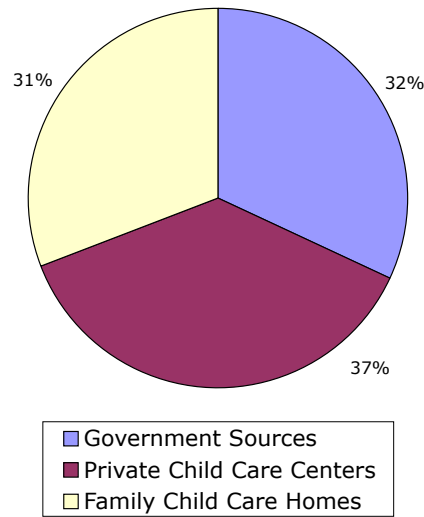


Source: US Economic Census, 1997
Sacramento County Crop Report, 2002

Capture of State, Federal & Private Pay Revenue by Child Care Services

The Child Care Industry in Sacramento County earned \$103.8 million from government sources and \$222 million from parent-paid child care.

Child Care Revenue: \$325,894,640



Child Care Economic Contribution: \$609,687,288

The direct financial impact of child care in the Sacramento Metro Area is the gross revenue it produces — \$422,885,955. The indirect financial impact of \$186,801,333 is calculated by the US Department of Commerce Bureau of Economic Analysis to estimate how child care economic activity supports demand for services, purchases, and employment among other local industries.

Contribution of Child Care to Regional Employment & Commerce

The Child Care Industry in the Sacramento Metropolitan Area employs 9,327 workers, contributing \$609.7 million to regional commerce.

Selected Industry Workforce Comparison

