



Final Report:

SNAPSHOT OF FINDINGS

San Mateo County

Child Care Needs Assessment 2022 and 2032:

Supply and Demand Summary

Prepared for

San Mateo County Child Care Partnership Council,

San Mateo County Office of Education, and San Mateo County Superintendent of Schools



Prepared by

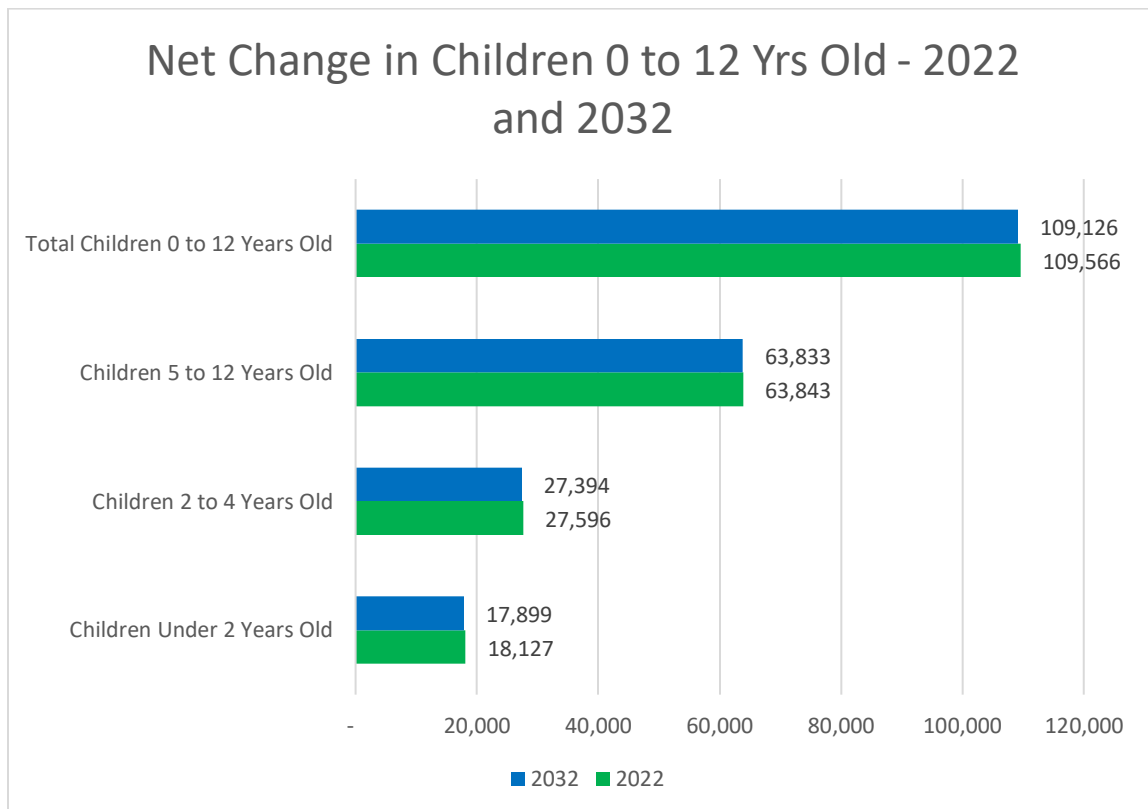
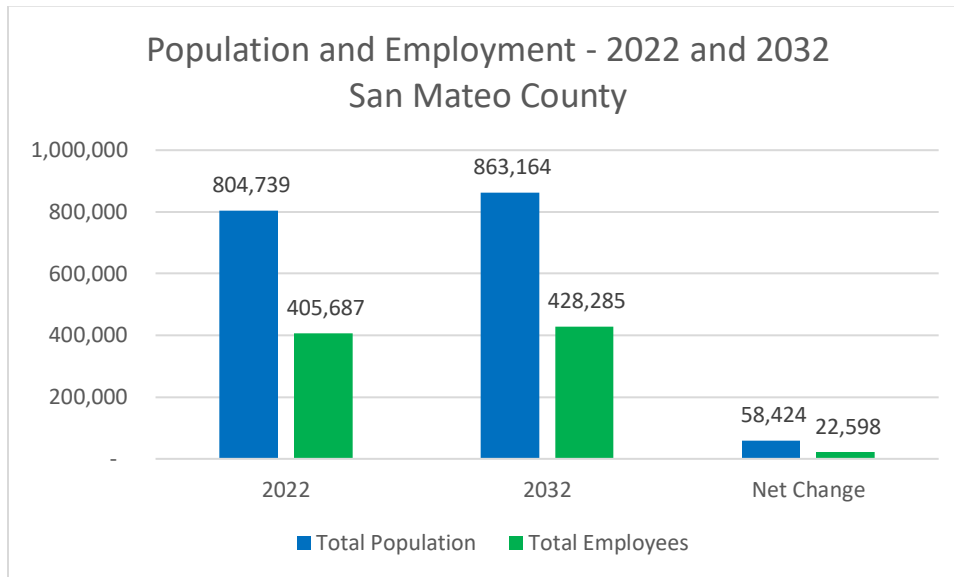
Brion Economics, Inc.

November 2022

2022 Child Care Needs Assessment – Snapshot of Findings

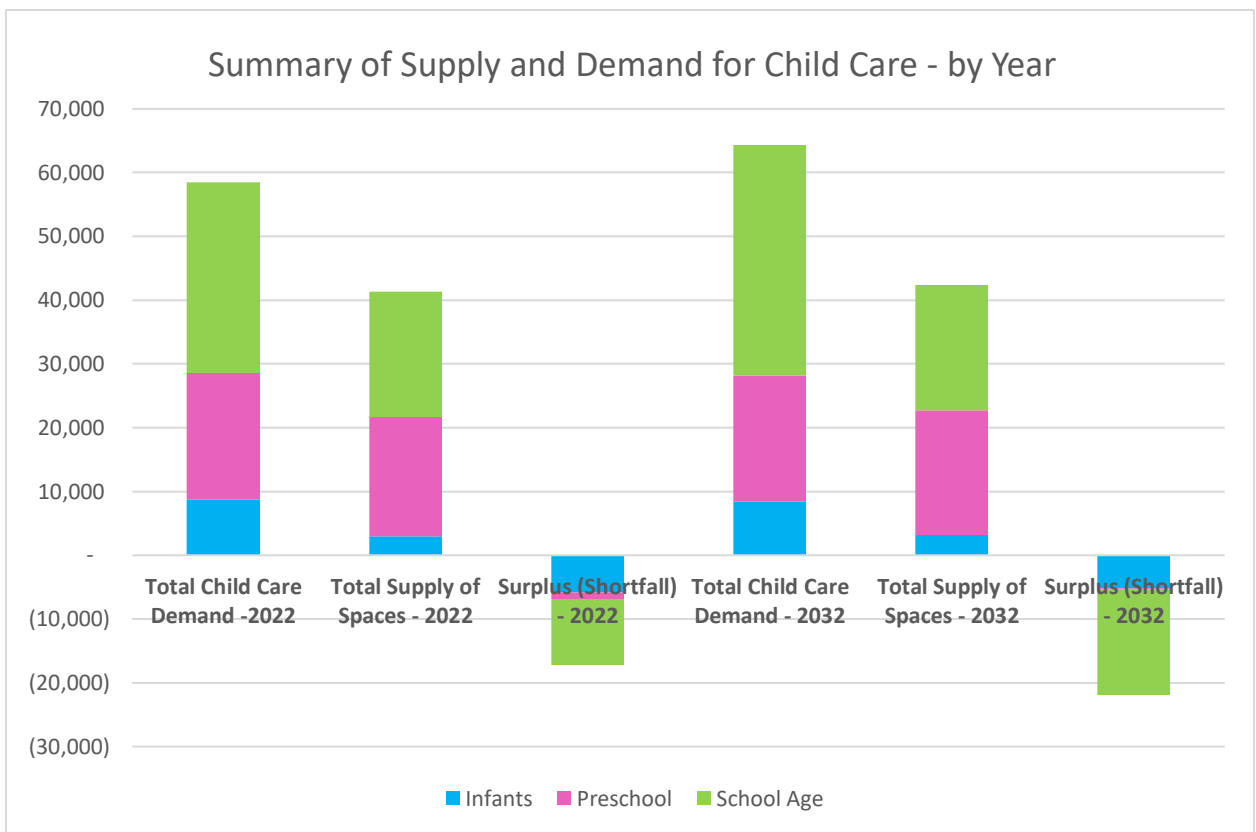
Key Findings: Supply and Demand

- **Overall Demographic Changes in San Mateo County – 2022 and 2032**



- Child Care Shortage 2022 and 2032:** As of 2022, the current shortage of child care spaces for children 0 to 12 years old is about 17,000 with 71% of the current demand met overall, countywide. By 2032, the shortage of child care spaces increases to about 22,000 spaces or 66% of demand being met. Shortages vary by city/region and age group, as shown below.

Estimated Surplus or Shortage by Year - San Mato County				
Age Group	Shortage of Spaces - 2022	% of Demand Met - 2022	Shortage of Spaces - 2032	% of Demand Met - 2032
Infants	(5,790)	34%	(5,191)	38%
Preschool	(1,107)	94%	(250)	99%
School Age	(10,260)	66%	(16,487)	54%
Total Surplus/(Shortage)	(17,157)	71%	(21,928)	66%

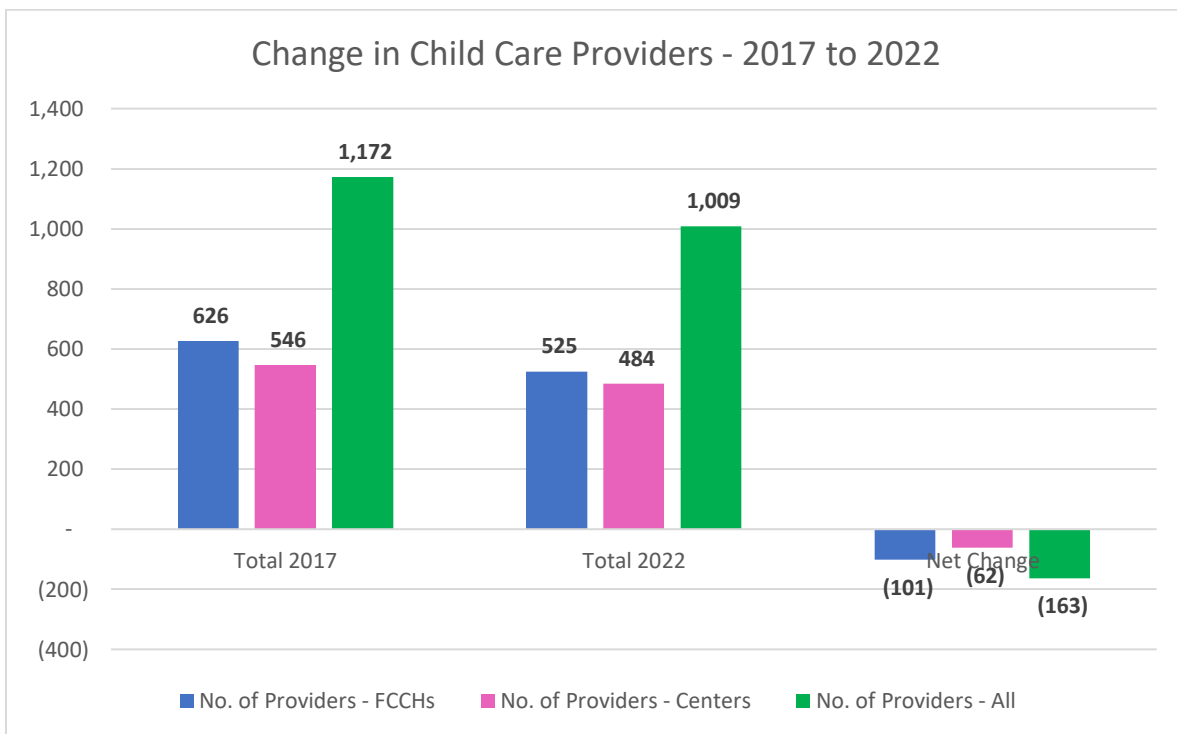


- Change in Family Child Care Homes (FCCHs) since 2017:** Between 2017 and 2022, there has been a loss of 101 FCCH providers and 897 spaces. This represents a 16% decline in providers and a 13% decline in the number of spaces. This loss is likely associated with the impacts of the COVID-19 Pandemic. It should be noted that not all licensed FCCHs are in operation; they may have closed temporarily and are holding onto their license.

2017 to 2022 Change in Supply of FCCHs - San Mateo County				
Age of Children	FCCH Spaces 2017	FCCH Spaces 2022	Net Change	% Change
Under 2 Years Old	2,332	1,334	(998)	-43%
2 to 4 Years Old	2,932	2,669	(263)	-9%
5 to 12 Years Old	1,399	1,763	364	26%
Total Supply	6,663	5,766	(897)	-13%
No. of Providers	626	525	(101)	-16%

- **Change in Center-Based Care since 2017:** Since 2017, there has been a decline in the number of center-based providers, but a net increase of child care spaces in center-based care, primarily due to a 19% increase in School Age spaces.

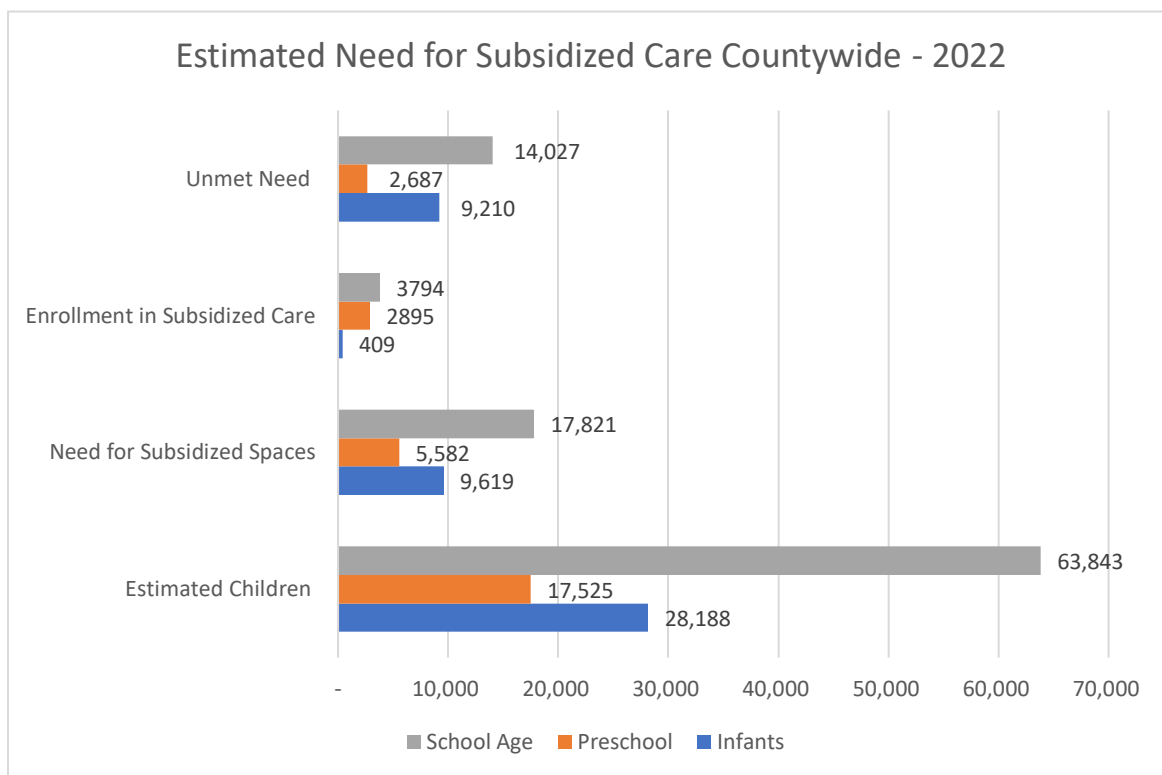
2017 to 2022 Change in Supply of Center-Based Spaces - San Mateo County				
Age of Children	Center Spaces 2017	Center Spaces 2022	Net Change	% Change
Under 2 Years Old	1,478	1,591	113	8%
2 to 4 Years Old	16,297	16,071	(226)	-1%
5 to 12 Years Old	15,090	17,919	2,829	19%
Total Supply	32,865	35,581	2,716	8%
No. of Providers	546	484	(62)	-11%



Key Findings: Subsidized Care

Countywide, only 21% of the subsidized care need is being met. About 33,000 children, 0 to 12 years old, need a licensed subsidized child care space, and only 7,000 exist currently.

- Countywide there is a shortage of about 26,000 subsidized spaces.
- Infants – only 4% of current demand is met
- Preschool – 52% of current demand is met
- School Age – 21% of current demand is met



Key Findings: Parent Needs and Preferences

As part of the Needs Assessment, a countywide parent survey was conducted in the fall of 2022. The survey provides important new data on the current use of care by age group and the preferred use of child care by parents. These data have been integrated into the supply and demand analysis.

- One of the most striking results is that **73% of survey respondents stated that they have turned down work due to a lack of child care.**
- Overall, parents prefer licensed care.

- About 37% of parents **use** licensed Infant care, 61% use licensed Preschool care, and 47% use licensed and license-exempt School Age care.
- About 35% of parents **desire** licensed Infant care, 69% desire licensed Preschool care, and 54% desire licensed and license-exempt School Age care.

Age Group	2022 Demand - Current Use	2032 Demand - Preferred Use	Difference
Infants - Under 2 Years	37.2%	35.0%	-2.2%
Preschool, 2-4 Years	61.2%	68.8%	7.7%
School Age, 5 or older	46.9%	54.0%	7.2%

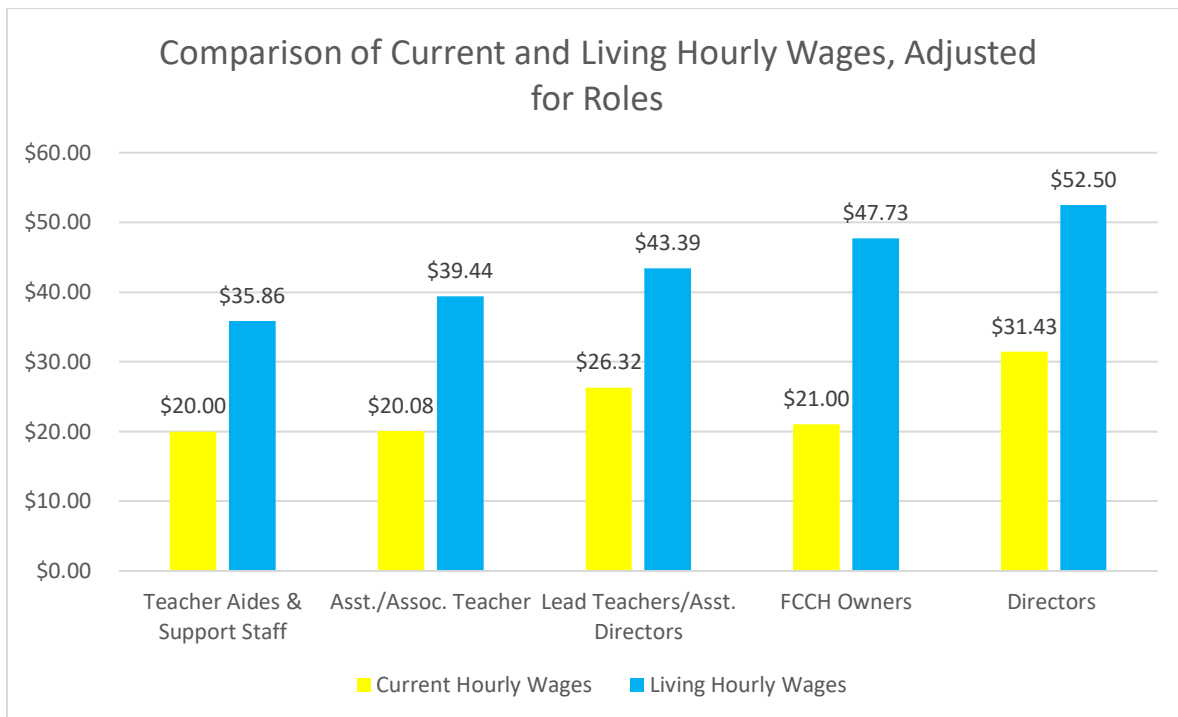
- Affordability of child care was the highest consideration for families;
 - **65% of respondents indicated that affordable child care was somewhat or very hard to find.**

Key Findings: Child Care Workforce

San Mateo County, like many counties in California, has a child care workforce shortage. Low wages play a key role in the lack of workforce, as possible workers find higher wages in other industries. In order to expand the supply of child care spaces in all age groups, there is an urgent need to increase wages for teachers’ aides, lead teachers, and administrators. Child care is an important function in the overall economy of San Mateo County. It allows parents to go to work, allows employers to have more stable employees, and generates overall economic benefits to the County. Young children benefit developmentally from early care and education and are more “ready” for kindergarten.

- Current child care workforce totals about 5,300, including teachers, aides, support staff, and owners/directors.
- To meet the current shortfall of child care spaces, 2,800 new staff are needed in 2022.
- Average wages range from a **low of \$20 per hour to a high of \$31 per hour** for directors; many FCCH workers make even less per hour.
 - **Living wages are \$36 to \$52 per hour**, given the cost of living in San Mateo County
- Wages need to increase 65 - 127% to equal a living wage in San Mateo County
 - An additional \$207 million per year is needed to bring current child care workers up to a living wage.
- 50% of community-based preschools need additional staff and have limited capacity due to staff shortages.
- In San Mateo County only 32 child development permits were issued in 2019-2020 and only 46 were issued in 2020-2021.

- In contrast, in 2009-2010, 308 permits were issued in the County.
- About 328 ECE workers who work with children 0 to 5 child do not have a BA degree, based on the Workforce survey conducted as part of this effort.
 - The cost of assisting these workers to achieve a BA or BS totals \$2.4 million, assuming 65% qualify for financial aid. This equals about \$7,300 per worker



Key Findings: True Cost of Care

Most child care providers do not have enough income from tuition (including State subsidies) to provide all the goods, supplies, wages, etc. that would equal quality care. The current cost of care does not reflect the rates needed to pay a living wage and most parents can't afford to pay more. Current State reimbursement rates do not cover the "true cost of care."

- The reimbursement rates for FCCHs are from 33% to 41% of the true cost of care for Infant and Preschool care and 61% to 72% for School Age Care.
- For Center-based care, reimbursement rates are 57% to 73% for Infant and Preschool care, while School Age center-based care is the only category where current reimbursement rates equal the true cost of care.
- Reimbursement rates for subsidized CCSP and CCTR care range from 54% to 85% of the true cost of care.

Item/Age Group	Title 22 Rates (AP, CalWORKs, etc.)			CCSP/CCTR
	Licensed Child Care Center	Small FCCH	Large FCCH	Title 5 Child Care Center
Living Wage Cost of Child Care				
Infants	\$42,800	\$54,800	\$44,500	\$57,800
Preschooler	\$27,700	\$54,800	\$44,500	\$37,400
School Age	\$16,159	\$27,400	\$23,000	\$21,900
2022 State Reimbursement Rates				
Infants	\$24,500	\$18,300	\$18,300	\$49,300
Preschooler	\$20,100	\$18,100	\$18,100	\$20,200
School Age	\$16,300	\$16,600	\$16,600	\$14,600
Reimb. Rates as % of Living Wage				
Infants	57%	33%	41%	85%
Preschooler	73%	33%	41%	54%
School Age	101%	61%	72%	67%

Note figures have been rounded to the nearest hundred.

Key Findings: Preschool Attendance, Kindergarten Readiness & Impacts of Pandemic

Preschool has the potential to improve kindergarten readiness – focus on proven literacy practices. The County’s Big Lift project, which has been operating in seven school districts for eight years reports reported some very positive outcomes.

- Independent evaluations of The Big Lift show that children attending The Big Lift Preschool are **22% more likely to be ready for kindergarten** than children with no Preschool at all, after controlling for socioeconomic differences.
- Readiness for most **districts increased from 2019 to 2021**, with the exception of Jefferson ESD, which experienced a very slight decline.
- There is a **49% difference in readiness rates between children** who attend Preschool and whose families are middle-to-high income and children who attend Preschool whose families are very low-income.
- Family data reveal a **13% drop in Preschool enrollment for incoming kindergarten families compared to before the pandemic**. In Fall 2021, 69% of incoming kindergarten families reported that their children had received at least one year of Preschool, compared to 82% before the pandemic.

- Impact of COVID Pandemic: 58% of incoming kindergarten families in the seven Big Lift districts experienced one or more of the following impacts: job or income loss (44%), trouble meeting basic needs (14%), mental health struggles (10%), and knowing someone who was very sick or died from COVID-19 (18%).

As of 2020, about 5,800 3- and 4-year-olds were eligible for California State Preschool, and Transitional Kindergarten (TK). In total, 2,165 3- and 4-year-old children were served by CSPP, TK, and other subsidized programs, or 38% of those eligible.

Study Acknowledgments and Funding

BEI would like to acknowledge the following organizations for their support in this effort:

- Sarah Kinahan, Project Manager, San Mateo County Child Care Partnership Council
- Child Care Coordinating Council of San Mateo County (also known as 4Cs)
- San Mateo County Office of Education
- Child Care Needs Assessment Ad Hoc Committee Members

Funding for this study was provided by:



About CCPC

The San Mateo County Child Care Partnership Council (CCPC) is a state-mandated local council under joint auspices of the San Mateo County Board of Supervisors and the San Mateo County Superintendent of Schools. The CCPC takes the lead in planning and advocating for quality care and early education for all children, from birth to 12, in San Mateo County. Learn more at <https://www.smcoe.org/about/child-care-partnership-council/>.