

WEBINAR:

APPLYING AN ECONOMIC DEVELOPMENT LENS TO CHILDCARE

11:00 AM ET
JANUARY 20



LUIS NIEVES-RUIZ

*Director of Economic
Development, East Central
Florida Regional Planning
Council*



JENNIFER GRANT

*Chief Executive Officer,
Early Learning Coalition of
Seminole County*



**DION
THOMPSON-DAVOLI**

Program Manager, NADO



EDD CoP





EDD CoP

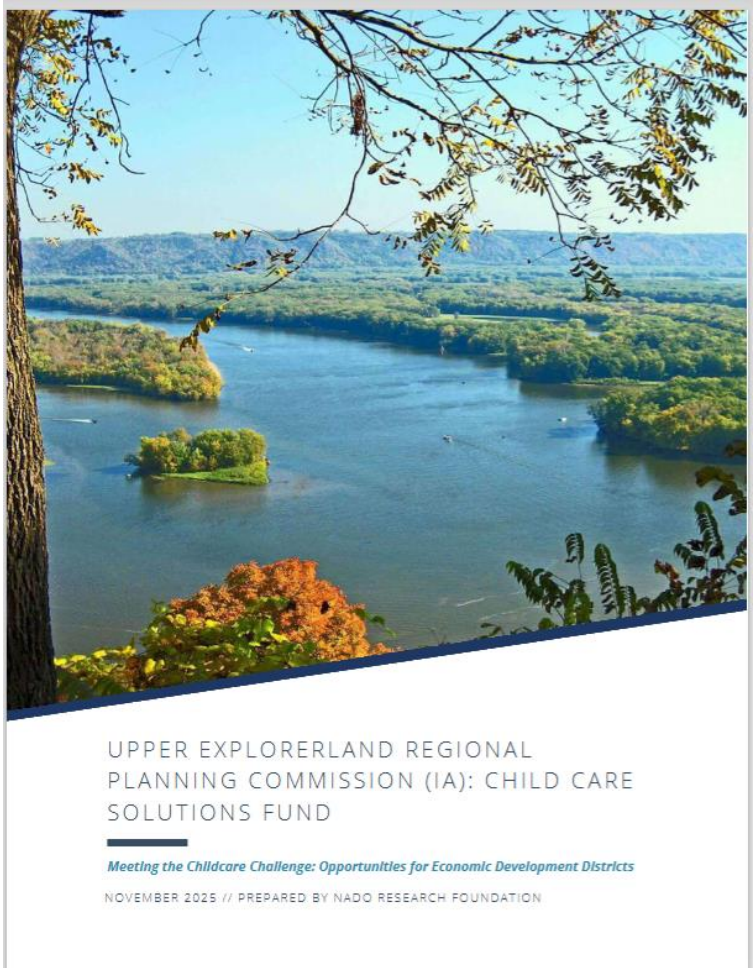
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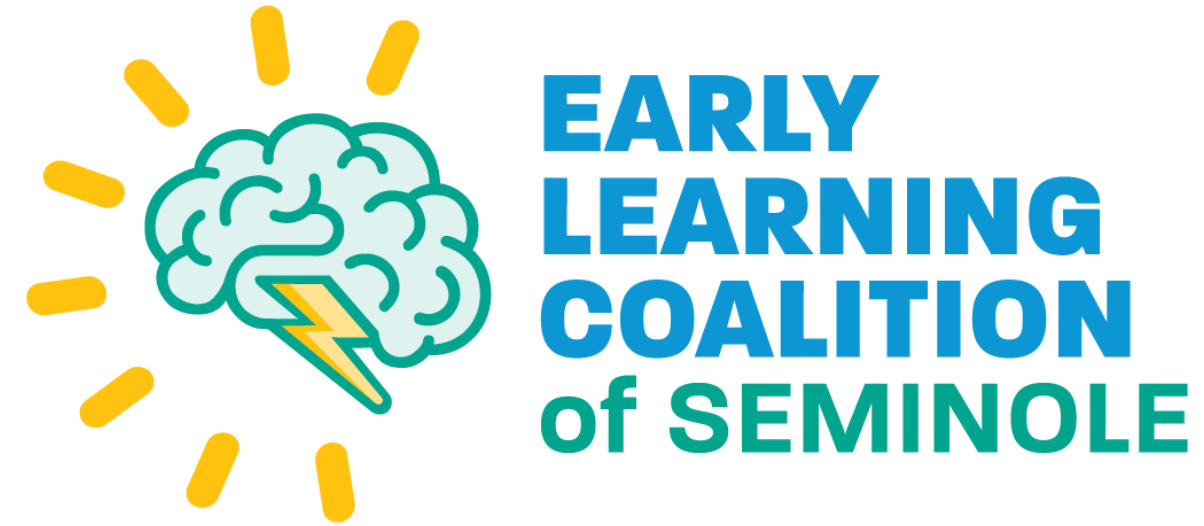
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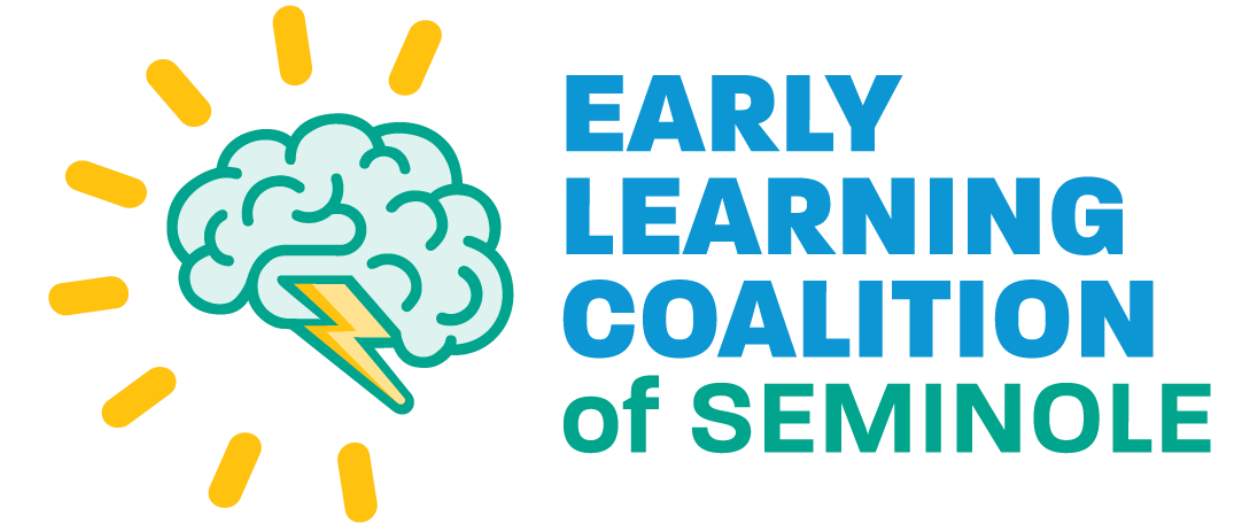
Why Early Learning?

Jennifer Grant, CEO

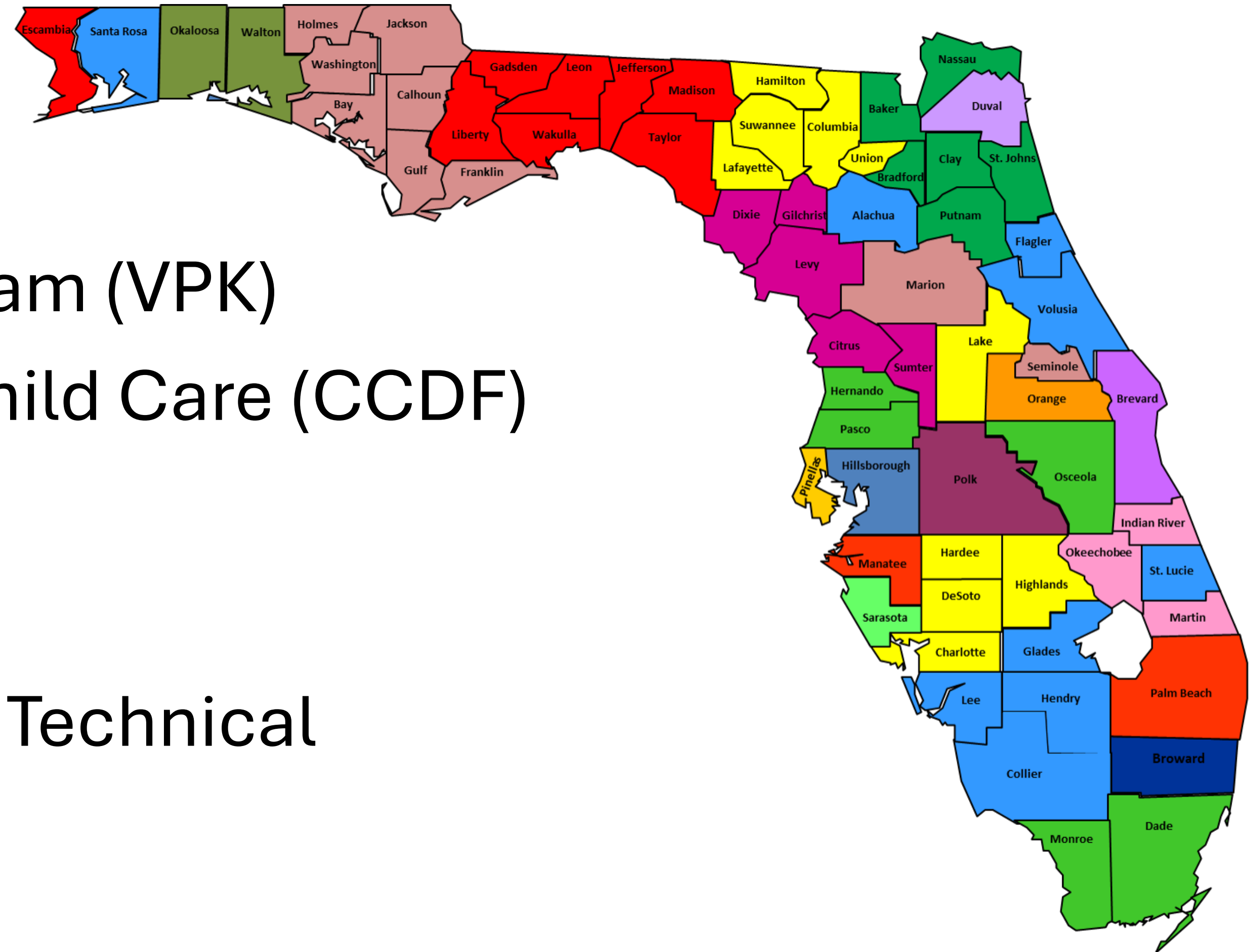
jgrant@elcseminole.org

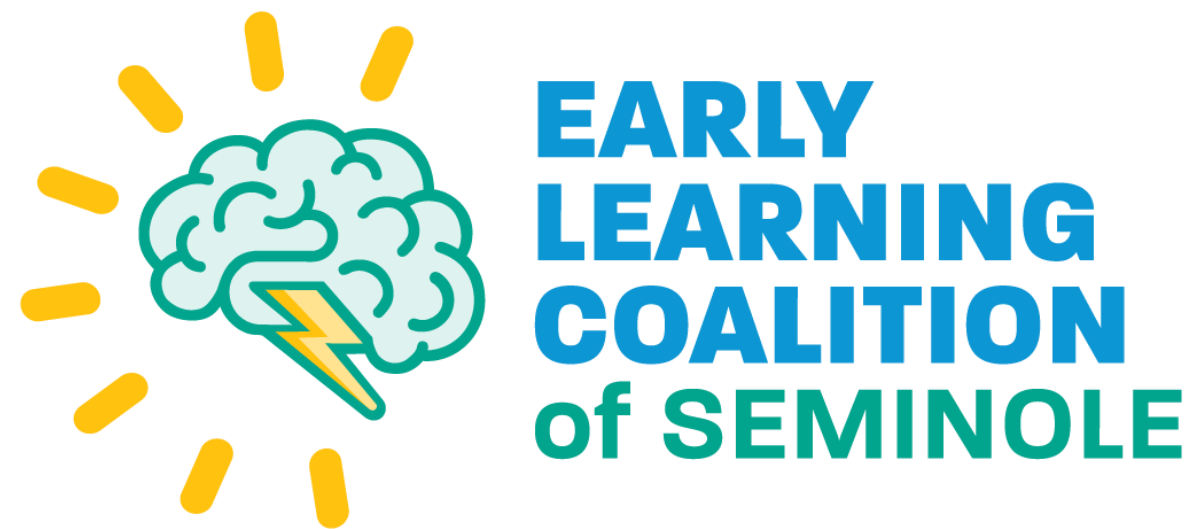
www.elcseminole.org

Early Learning Coalition of Seminole



- 1 of 30 in Florida
- Created through legislation
- Voluntary Prekindergarten Program (VPK)
- School Readiness Subsidized Child Care (CCDF)
- Family Supports
- Developmental Screenings
- Provider Contracts, Training and Technical Assistance

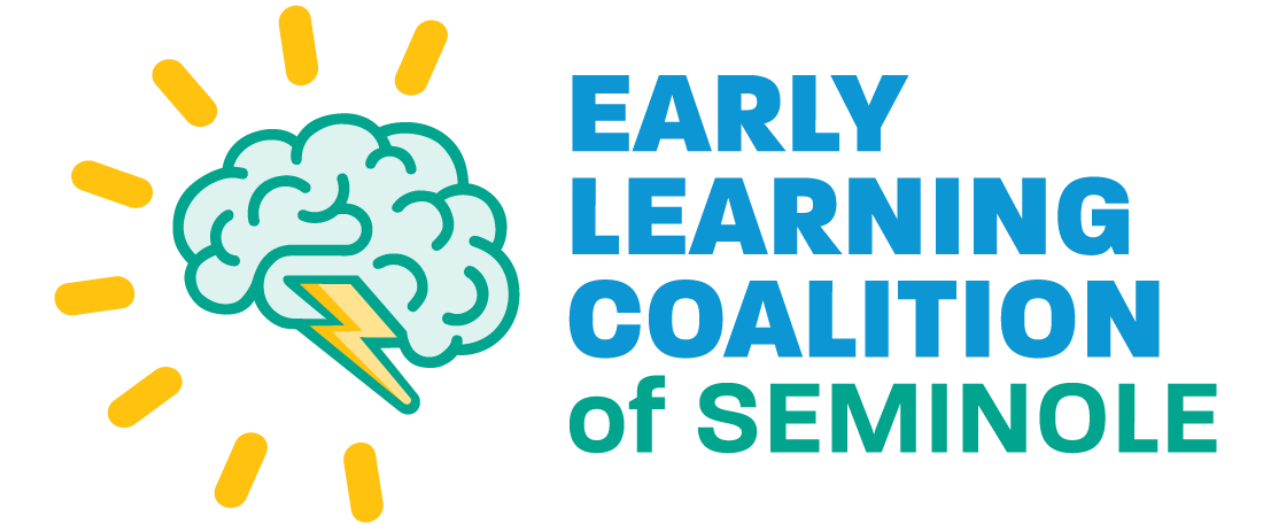




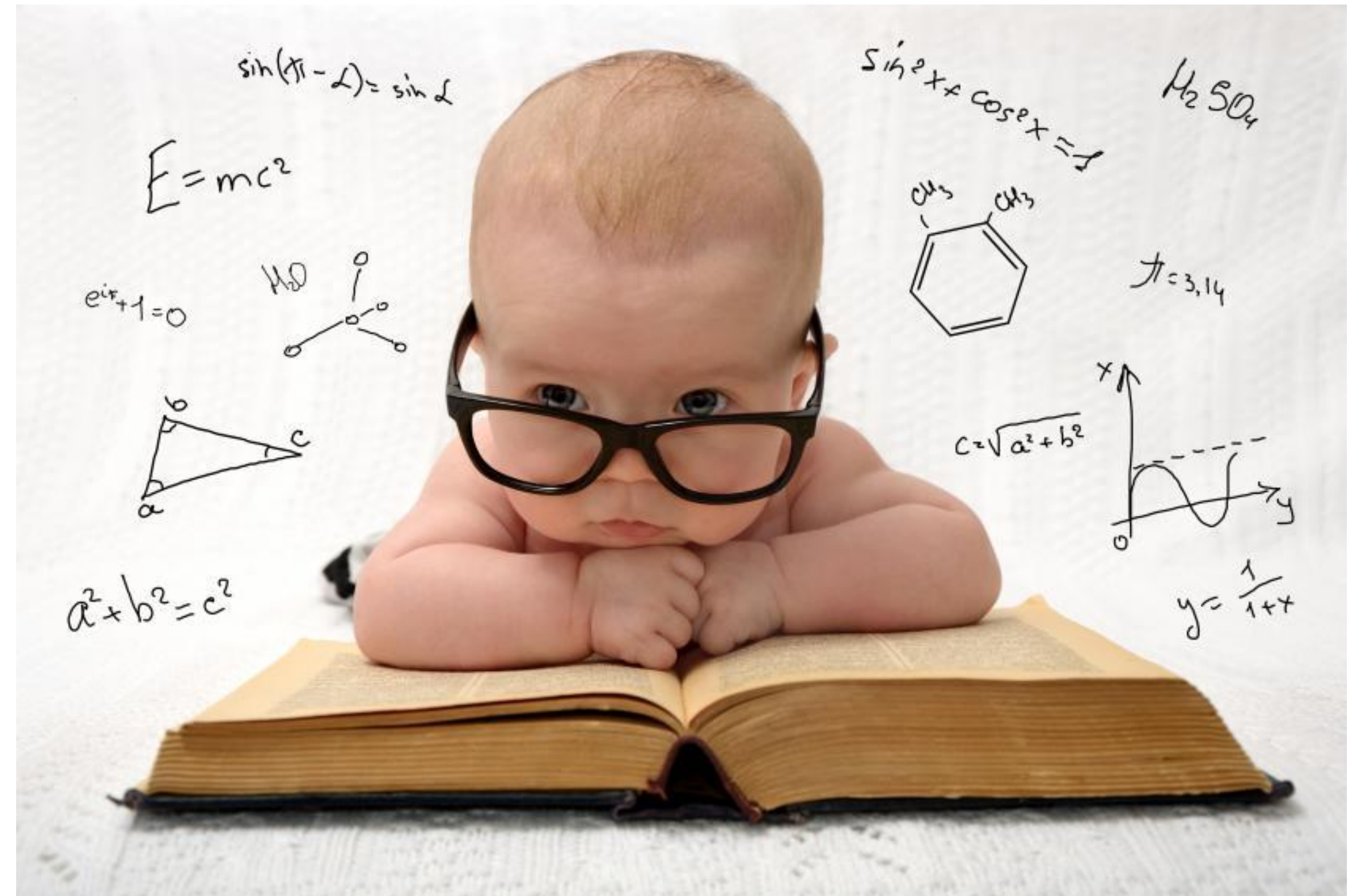
Seminole County

- 494,605 Population Estimate 2024
- “Florida’s Natural Choice”
- 67.1% Work outside county of residence 2024
- Unique in the Orlando-Kissimmee-Sanford MSA

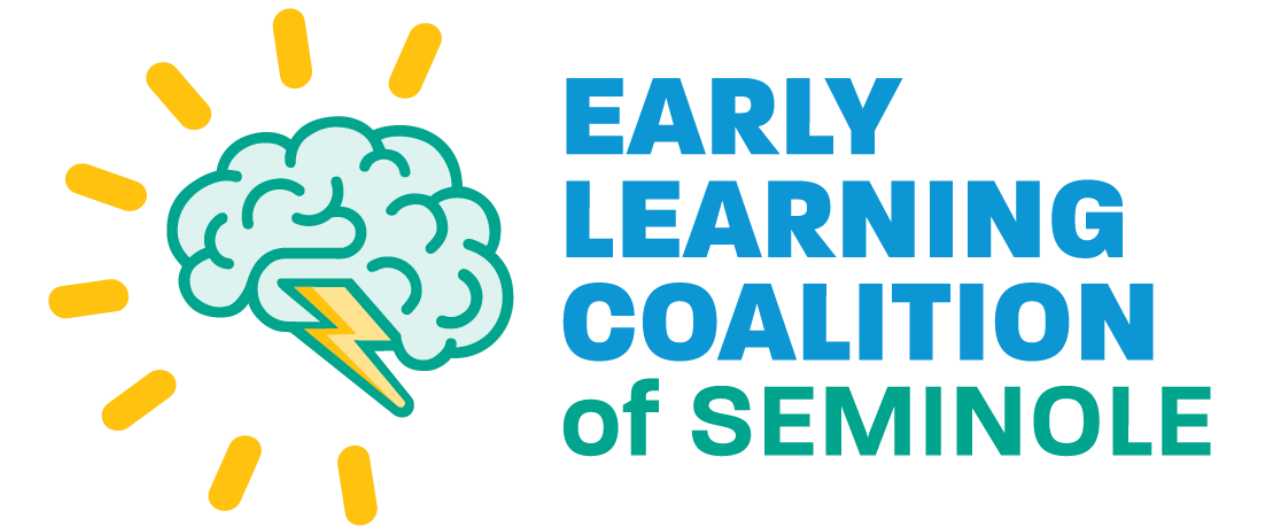
Market Failure



- Current system relies on private funding for most children
- 13% of income - one child under 5 years
- Industry margins are very low
- Labor provided by women and disproportionately women of color
- Low wages lead to high turnover
- Liquidity Constraints

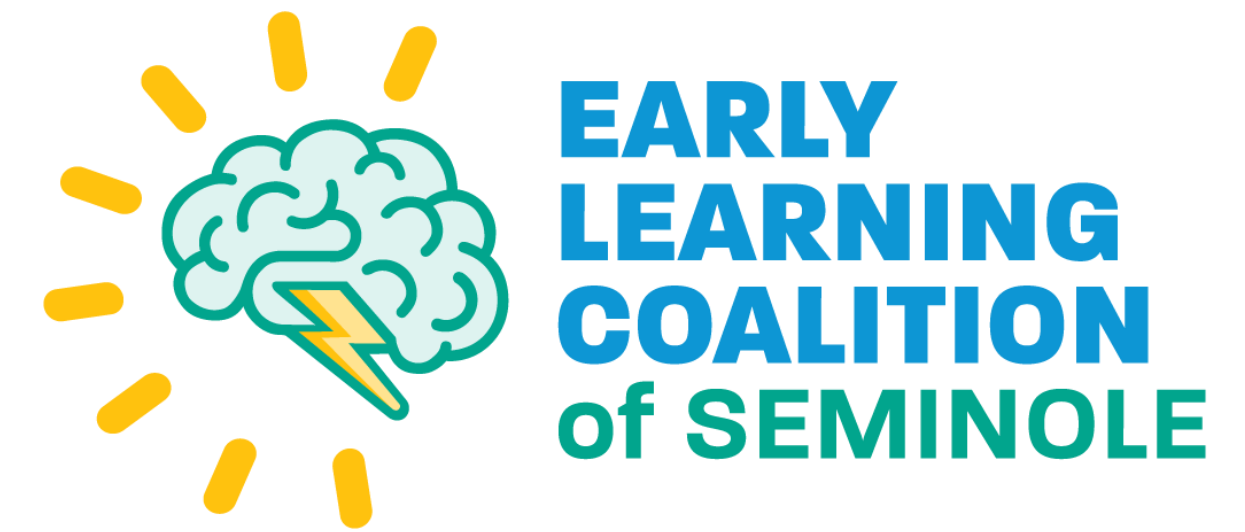


Industry Stressors



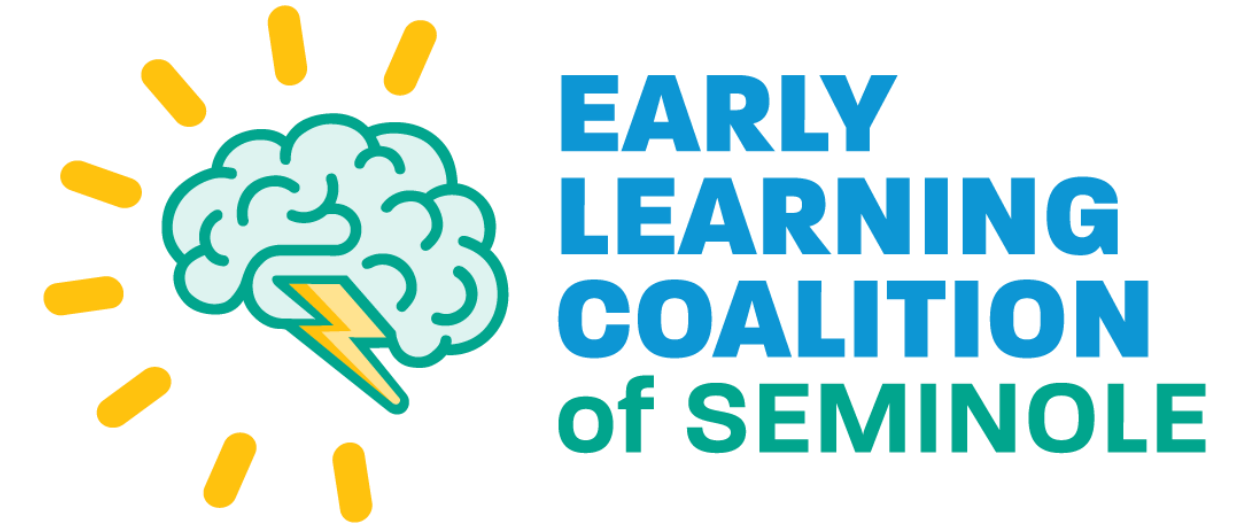
- *\$15/hour Minimum Wage*
- *Fiscal Cliff*
- *Pandemic accelerated impact*
- *Labor entry expense of \$150*
- *Benefits are uncommon*

COVID-19 Impact on Early Learning in Seminole County



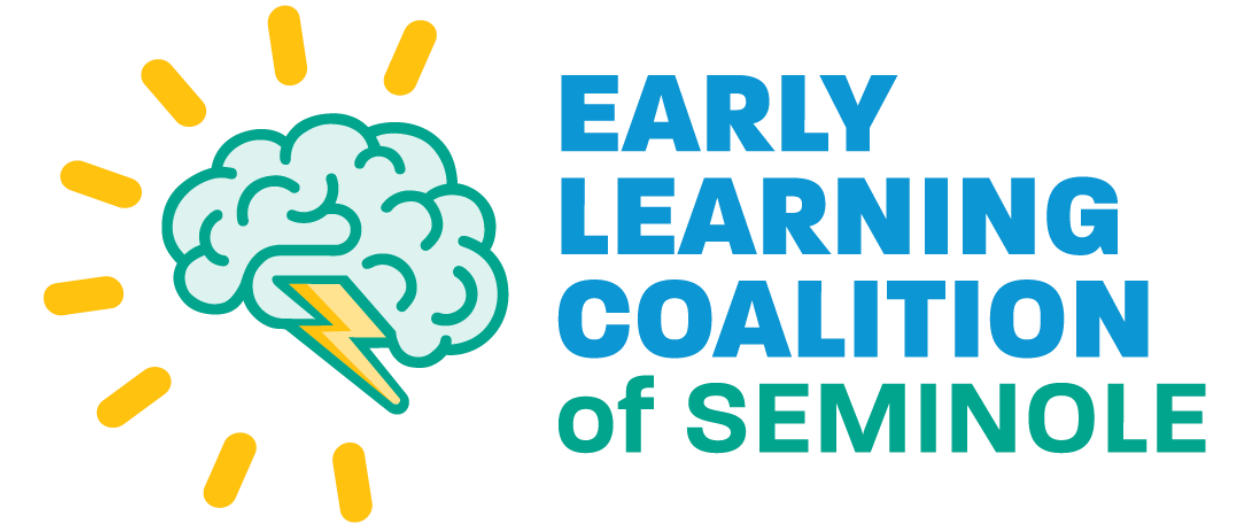
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- 24 Early Care and Education Providers Closed or Sold
 - Child Care Workers were not identified as Essential Workers
 - 45% did not have enough enrollment to remain open more than 6 months (April 2021)
 - 90% using personal credit cards, additional debt or personal savings to cover operational costs
 - 85% reported increased difficulties in recruiting and retaining qualified staff

Impact on Florida's Economy



- Labor force participation decreases
- Families also decreased hours or took paid/unpaid leave reducing productivity
- Impact was most pronounced among ages 25-39, females, high school education and incomes below \$50,000 per year

Report Goals



- Provide Data for Decision Makers Regarding the Economic Impact of Early Learning
- Share with Board of Directors
- Community Leaders
- County and State Level Decision Makers



APPLYING AN ECONOMIC DEVELOPMENT LENS TO CHILDCARE

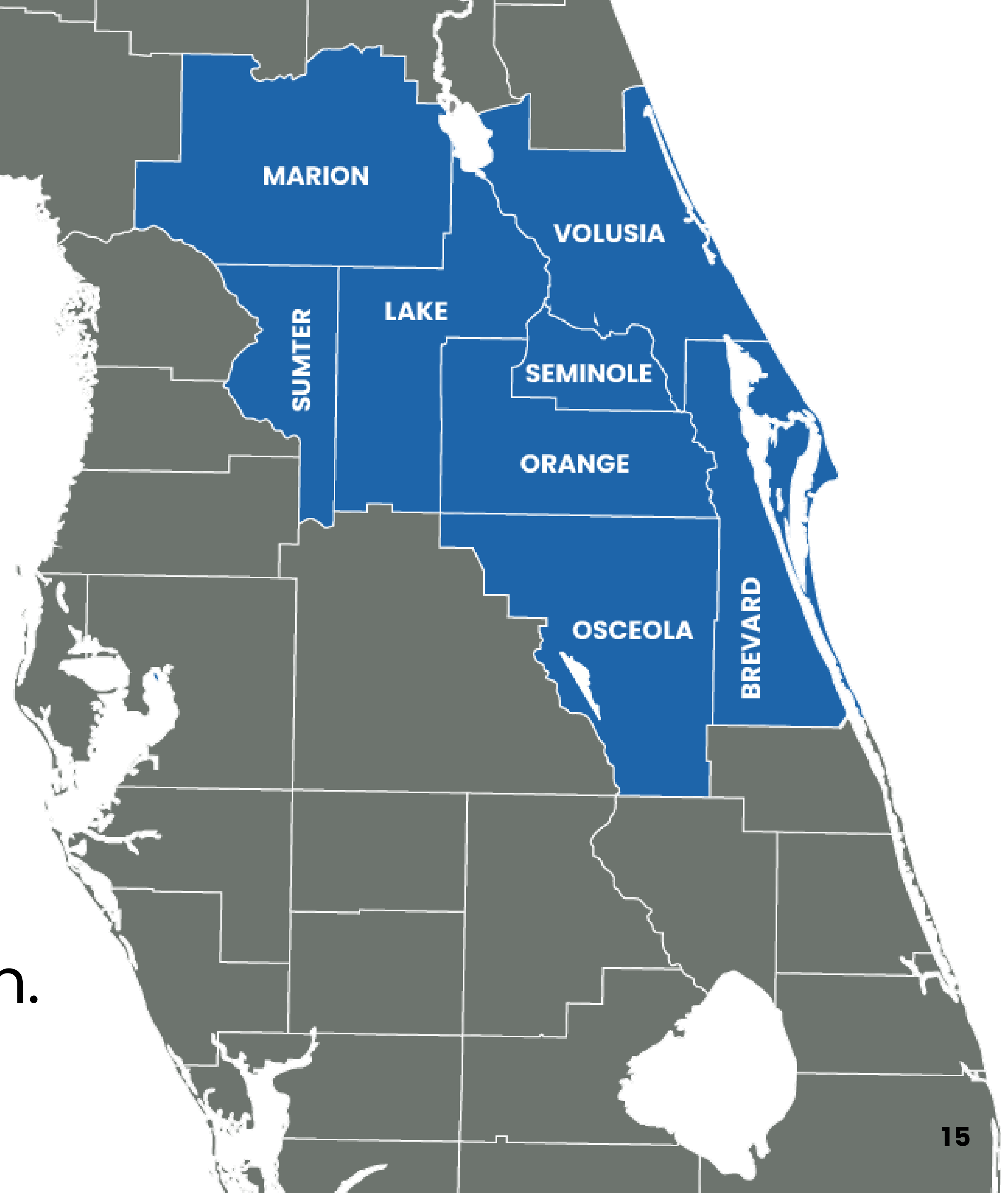
Luis Nieves-Ruiz, FAICP
Director of Economic Development



Who We Serve

Mission:

To identify and address regional issues through collaboration to create a healthy, sustainable, thriving, and resilient region.

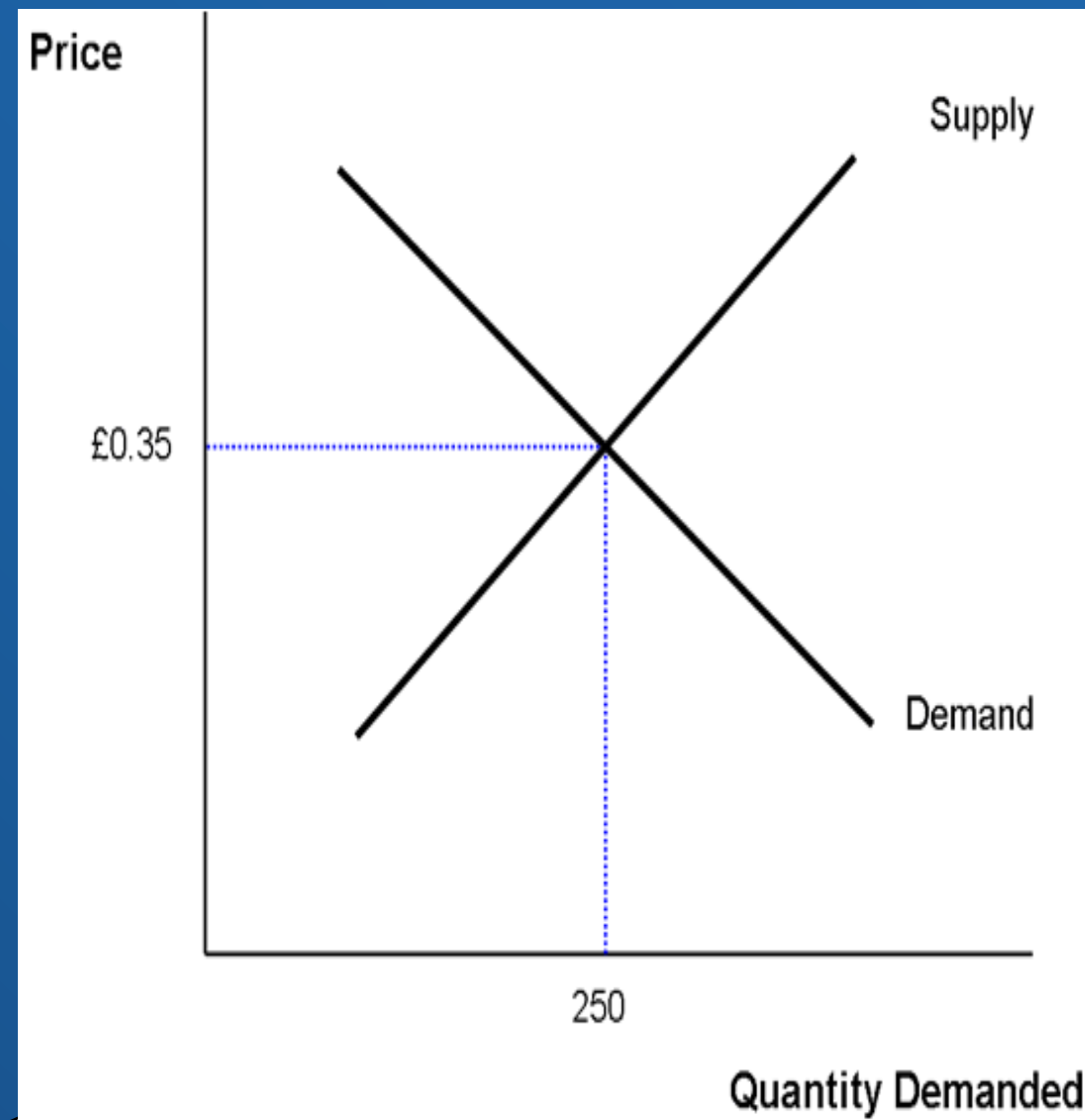




DEFINING THE PROBLEM AND CONTEXT



Nirvana



**Market
Equilibrium is
the point
where
demand
meets supply**



Janet L. Yellen

Secretary of the Treasury (2021–2025)



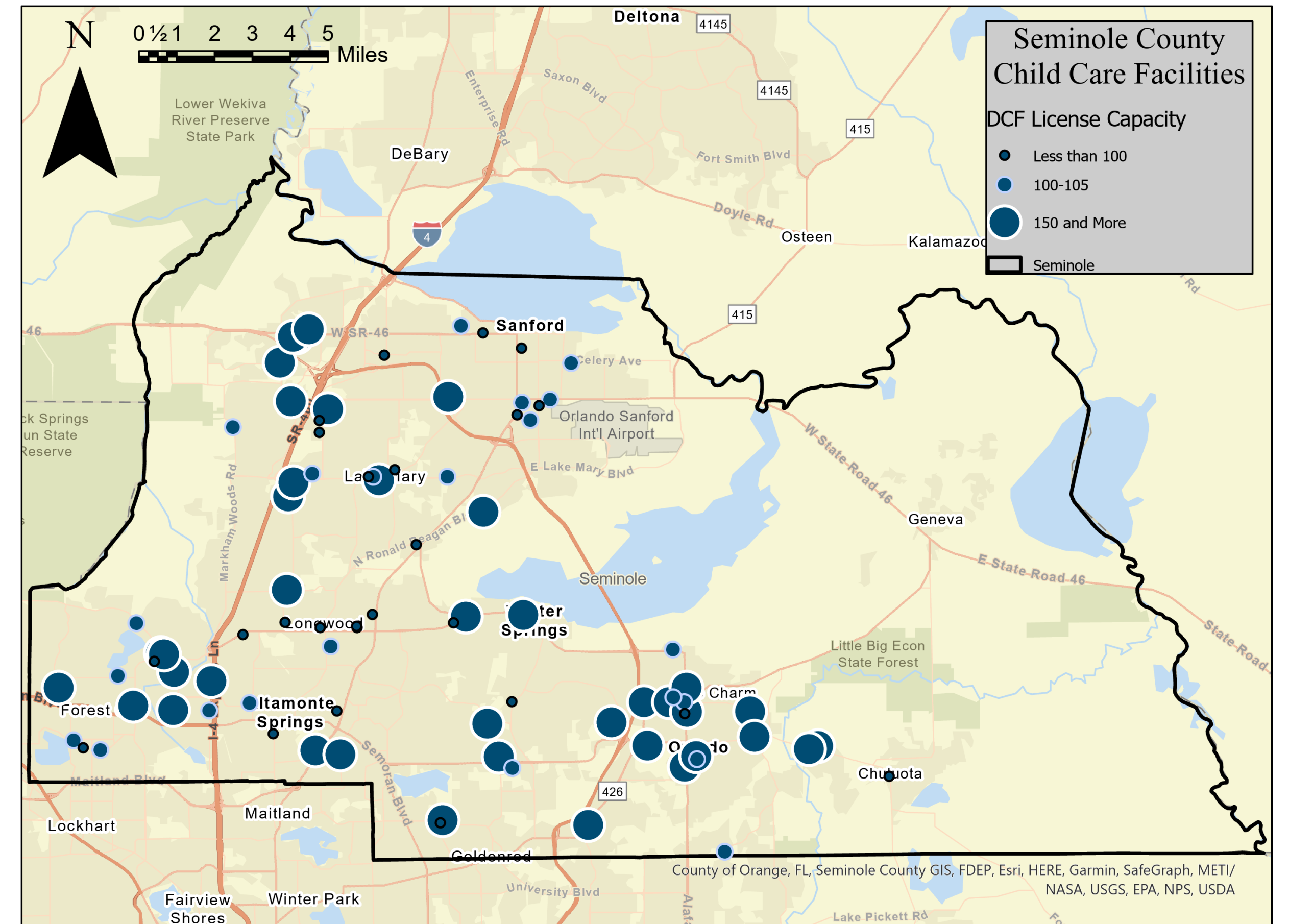
Childcare is a Textbook Example of a Broken Market...

Janet L. Yellen

Secretary of the Treasury (2021-2025)

Regional Context

- Wealthiest county in the East Central Florida region
- Seminole County has more than 25K children between the ages of 0 and 4
- County has 89 facilities with a capacity for approximately 12,000 children



Study

- Use the REMI PI+ model to estimate the contribution of childcare to Seminole County's economy
- Develop a series of economic variables and simulation scenarios that could help calculate this impact





ECONOMIC VALUATION ANALYSIS



Goals and Assumptions

- Child Care is Critical to Maintaining Healthy Level of Workforce Participation.
- Identify Number of County Residents Most Dependent on Child Care



Sources: www.asaecenter.org and www.theskimm.com

Data and Assumptions

**Families
with
Children
Children
< 6
0-17
Subtotal
Women
(20-39)**

Single Parent	Two- Parent	Total
2,417	5,467	7,884
1,857	4,373	6,230
4,274	9,840	14,114

Source: American Community Survey 2016-2020

Economic Impact Results

Economic Indicator	Total
Employment	-25,997
Output	-\$3.57 Billion
Personal Income	-\$2.84 Billion
Gross Domestic Product	-\$2.15 Billion

Source REMI PI+ East Central Florida v. 3.0



ECONOMIC IMPACT OF LOSS OF CHILDCARE WORKERS



Goals and Assumptions

- Annual median salary for childcare workers in Orlando MSA is +/- \$29,420
- High turnover rate because of low wages and competition from other industries
- What is the cost of this high turnover on the overall economy?

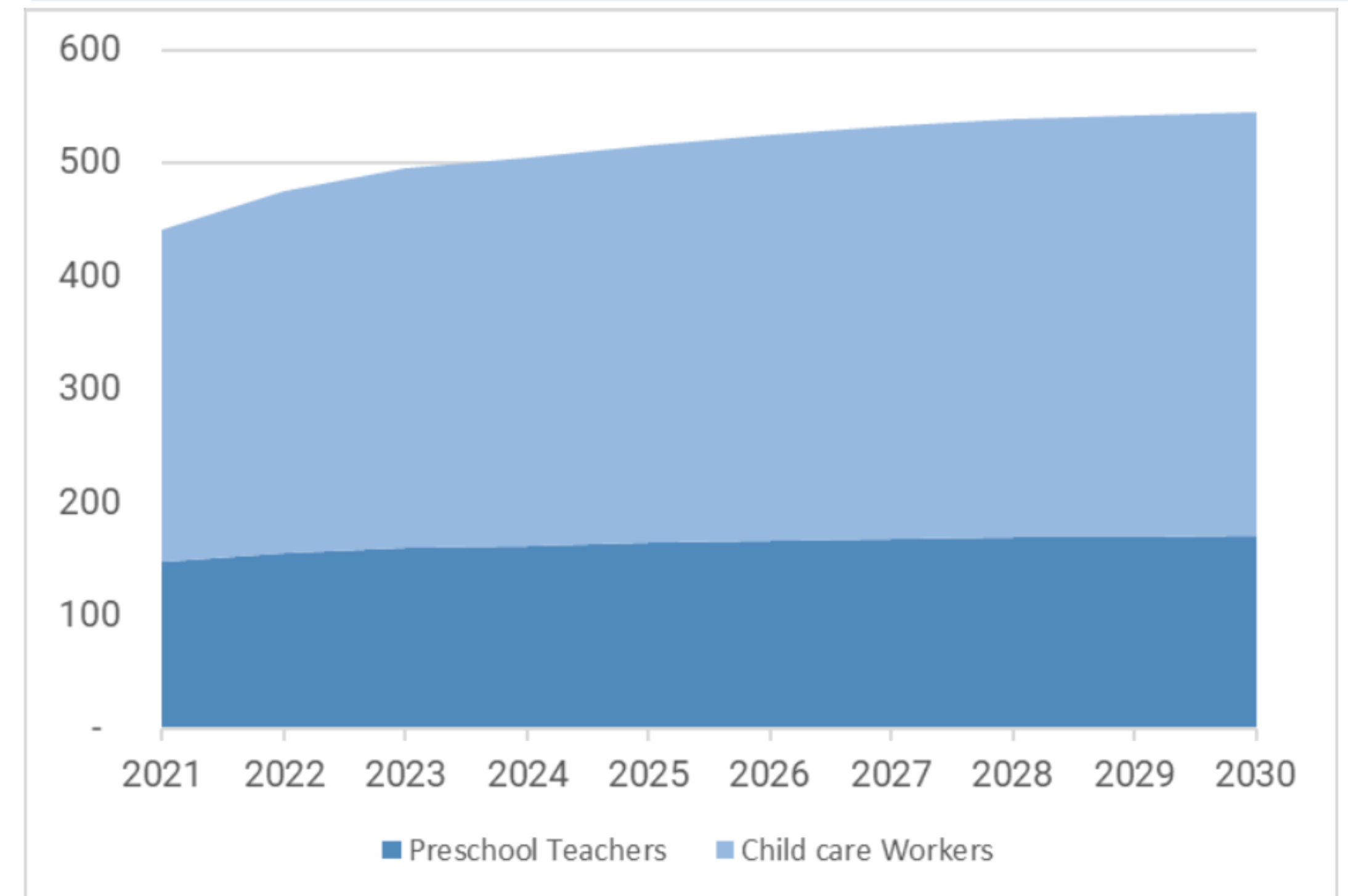


Source: under3dc.org

Data and Assumptions

- About 2,200 Early Learning Workers
- Assumed 21.1 % attrition rate (Minnesota Federal Reserve)
- Use state's child: adult ratios and average family size to determine number of affected families

Estimated Annual Loss of Early Childhood Education Workers by Type



Sources: Jobs EQ, REMI PI+ v 3.0 Forecast, Minnesota FED, and ECFRPC Calculations

Data and Assumptions

- 5,800 children could be affected annually
- On average 2,300 residents will be forced to leave the workforce to take care of children



Source: truthout.org

Economic Impact Results

Economic Indicator	Total
Employment	-4,800
Output	-\$672.1 Million
Personal Income	-\$537.6 Million
Gross Domestic Product	-\$404.6 Million

Source REMI PI+ East Central Florida v. 3.0

THANK YOU

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