

Final Report

Economic Impact of the Early Care & Education Industry in Larimer County

Report

July 11, 2003

Economic Impact of the Early Care & Education Industry in Larimer County

Prepared for

Larimer County Early Childhood Council

Prepared by

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Background

In 2002 the Early Childhood Council of Larimer County and the Early Care and Education Council of Boulder County developed the Early Care and Education Shared Vision Initiative. The Initiative grew out of a joint understanding between the two groups that meaningful changes to the early care and education (ECE) system to benefit young children could not occur until ECE advocates are successful in creating a shared vision of child care and preschool education as a community priority.

In early 2003, the Councils selected BBC Research & Consulting (BBC) to conduct an economic impact study of the ECE industries in Boulder County and Larimer County.

Objectives

The Early Childhood Council of Larimer County specified two primary objectives for this research.

- Characterize the early childhood education industry in Larimer County and compare it to other industries; and
- Estimate the economic impact of the early childhood education industry on the Larimer County economy.

Overview of the ECE Industry in Larimer County

The economy of Larimer County is large and dynamic, notwithstanding the recent recession. There are about 37,000 children under the age of 12 who may require paid child care if their parents participate in the labor force.

As of May 2003, the total number of utilized Full-Time Equivalent (FTE) slots for children is estimated at 6,900 with 17 percent being unlicensed providers. One FTE slot can be taken up by more than one child in part-time care.

The child care services industry employs roughly the same number of workers as gas stations and dentists' offices in Larimer County. Wages are comparable to those paid to taxi cab drivers and restaurant hostesses.

Economic Impact of the Larimer County ECE Industry

The total economic impact of the ECE industry is the sum of new dollars injected into the economy (direct impact) and the indirect impact of those dollars being re-spent within the economy. To model the total impact, BBC applied the Bureau of Economic Analysis RIMS-II multipliers for Larimer County to the direct expenditures of ECE providers and the wages that some parents would forgo if paid child care were no longer available.

The direct impact of expenditures by paid ECE providers exceeds \$30 million dollars. The indirect impact of these dollars circulating through the economy is nearly \$18 million, yielding a total impact of \$48 million.

The direct impact of the wages that some parents would forgo if paid child care were no longer available is more than \$140 million dollars, and the indirect impact exceeds \$110 million. The total impact of the additional disposable income of these parents exceeds \$253 million.

The total economic impact of the ECE industry on Larimer County in 2002 was \$302 million.

Background

In 2002 the Early Childhood Council of Larimer County and the Early Care and Education Council of Boulder County developed the Early Care and Education Shared Vision Initiative. The Initiative grew out of a joint understanding between the two groups that meaningful changes to the early care and education (ECE) system to benefit young children could not occur until ECE advocates are successful in creating a shared vision of child care and preschool education as a community priority.

The Councils believe that ECE advocates in each community must engage partners that have resources, influence, decision-making authority and community support in order to achieve the system changes needed. To engage those partners requires data demonstrating that the “business” of early childhood education contributes to the economies of the local community.

In early 2003, the Councils selected BBC Research & Consulting (BBC) to conduct an economic impact study of the ECE industries in Larimer County and Boulder County. This report presents the findings of the Larimer County study.

Objectives

The Early Childhood Council of Larimer County specified two primary objectives for this research.

- Characterize the early childhood education industry in Larimer County and compare it to other industries; and

- Estimate the economic impact of the early childhood education industry on the Larimer County economy.

Methodology

To complete the industry overview, BBC gathered data from the U.S. Bureau of the Census, the U.S. Bureau of Labor Statistics, the Colorado Department of Local Affairs, and the Fort Collins Chamber of Commerce and The Women’s Center Child Care Resource and Referral Program.

The study team created a customized economic impact model to estimate the total number of dollars that the ECE industry contributes directly and indirectly to the local economy. Inputs to the model included financial and operational data from child care centers, preschools and family group homes throughout Larimer County. Important information was also provided via a telephone survey of 200 Larimer County parents. Appendix A details the methodology used to develop the BBC Early Childhood Education Economic Impact Model.

Acknowledgements

The BBC Research & Consulting team gratefully acknowledges the assistance and input of members of the Shared Vision Initiative of Larimer County and Boulder County. Members included Maria Harper, Suzanne Helburn, Andrea Poniers, Steve Callander, Pam Patterson, Ule Logue, Larry Neal and Wendy Watson. These individuals coordinated the collection of important data about the local ECE industry. Additionally, the study team would like to thank the many ECE providers in Boulder and Larimer Counties who generously shared important financial and operational data. This research was funded by the Colorado Department of Education.

Contents of This Report

The next section presents a characterization of the ECE industry in Larimer County, including employment and wage information. It also compares the ECE industry with other industries in the county in terms of number of employees, annual wages and total payroll. Section III describes the impact that the ECE industry has on the local economy.

Appendix A details the methodology used to develop the economic impact model, and Appendix B provides detailed findings from the Larimer County Parent Telephone Survey.

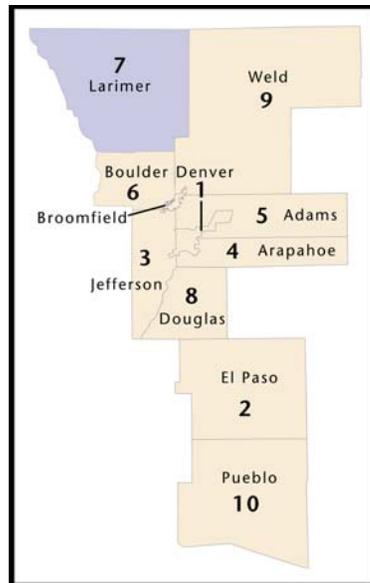
Section II. Overview of the ECE Industry in Larimer County

Located in north-central Colorado, Larimer County encompasses both urban and rural settings as it stretches to the Continental Divide and the Wyoming-Colorado border. The County is home to Colorado State University, and has many large employers such as Hewlett Packard.

What is Larimer County's Population?

The most current population estimates available show Larimer County as home to approximately 265,000 residents. Larimer County is the seventh largest county in Colorado. As demonstrated by Exhibit 1, all of the ten most populous counties in Colorado are along the Front Range.

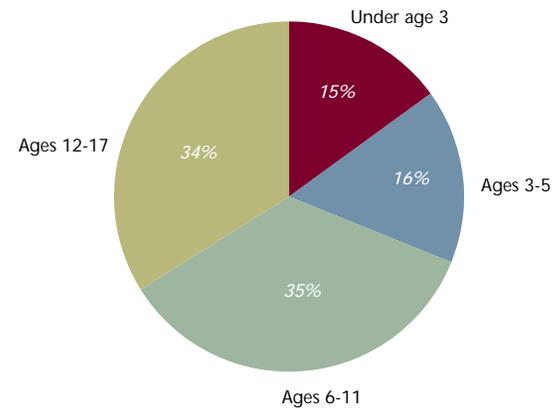
*Exhibit II-1.
Largest 10 Counties in Colorado, 2002*



Source: Colorado Department of Local Affairs, Demography Section, July 2002 Estimates.

There were more than 56,000 children living in Larimer County in 2000. Two-thirds (almost 37,000) of these children are under the age of 12 and thus young enough to be eligible for paid child care or preschool education. See Exhibit II-2.

*Exhibit II-2.
Age of Children in Larimer County, 2000*



Source: U.S. Census, 2000.

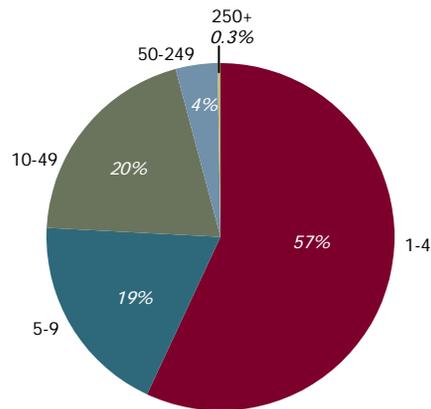
What is the Size and Nature of Larimer County's Economy?

In addition to being the seventh largest county in Colorado, Larimer is also the State's seventh largest economy in terms of employment. According to non-seasonally adjusted labor force statistics from the Colorado Department of Labor and Employment, total employment in the county was nearly 156,000 in March 2003. During that same time period, the County unemployment rate was 5.6 percent.

Section II. Overview of the ECE Industry in Larimer County

There are almost 8,200 business establishments in Larimer County. As shown by Exhibit II-3, the vast majority of businesses in the County are small businesses.

Exhibit II-3.
Distribution of Business Establishments by Employment Size



Note: Totals may not add to 100 percent due to rounding.
Source: U.S. Census, County Business Patterns 2001.

The largest businesses in the County are listed in Exhibit II-4.

Exhibit II-4.
Largest Employers in Larimer County, 2002

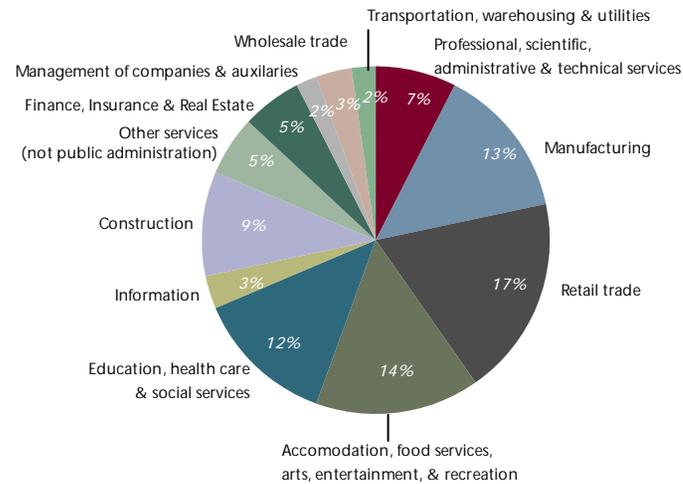
| Business Name |
|----------------------------|
| Colorado State University |
| Hewlett Packard |
| Eastman Kodak Colorado |
| Poudre R-1 School District |
| Poudre Valley Hospital |
| City of Fort Collins |
| Larimer County |
| Teledyne Waterpik, Inc. |
| LSI Logic |
| Anheuser Busch |
| Woodward Governor |
| Advanced Energy |

Source: Fort Collins Chamber of Commerce.

Section II. Overview of the ECE Industry in Larimer County

In terms of private-sector industry, the retail trade industry employs a larger proportion of workers than any other industry. Manufacturing; accommodation, food services, arts, entertainment and recreation; and education, health care and social services are also major industries in Larimer County, as demonstrated by Exhibit II-5.

Exhibit II-5.
Private-Sector Employment by Industry Larimer County, 2001



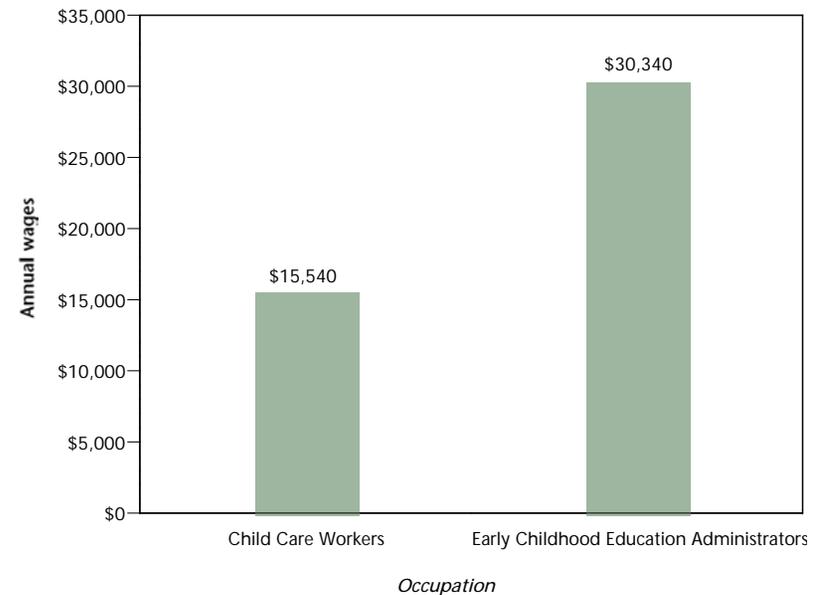
Note: Does not include public-sector employment or non-employer entities such as family farms.
Source: U.S. Census Bureau, County Business Patterns, 2001.

Relative to the rest of Colorado, men living in Larimer County have higher median earnings, while female residents of Larimer County have lower median earnings. In 2000, median earnings for men living in Larimer County and working full-time, year-round were approximately \$41,000 and for women they were about \$28,000. Statewide median earnings for men were approximately \$38,500 and for women were \$29,500.

What is the Size and Nature of the ECE Industry?

The ECE industry in Larimer County employed about 800 individuals who collectively earned \$9,830,000 in 2001, according to the estimates from the U.S. Census Bureau's County Business Patterns. Average annual wages in Larimer County for child care workers and administrators are described in Exhibit II-6. Most providers of child care are small businesses.

Exhibit II-6.
Average Early Childhood Education Wages Larimer County, 2001



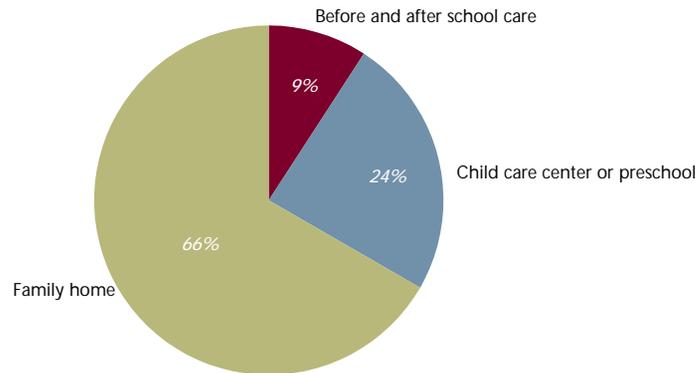
Note: The category of child care workers includes family child care providers and center staff positions with widely varying annual wages.
Source: U.S. Bureau of Labor Statistics, 2001.

Section II. Overview of the ECE Industry in Larimer County

There are many types of child care providers in Larimer County. ECE providers that are licensed by the State’s Division of Child Care include family homes, child care centers, preschools and after-school care on school property. Unlicensed providers include paid care provided by relatives, friends, nannies and neighbors.

As of May 2003, there were 435 licensed facilities in the County. Exhibit II-7 describes the distribution of child care providers in terms of type of facility.

*Exhibit II-7.
ECE Providers in Larimer County*



Source: The Women’s Center Child Care Resource and Referral Program.

According to the results of a telephone survey conducted with Larimer County parents in May 2003, about 5,900 licensed FTE slots are filled in the County. And, there are about 1,000 FTE slots that are being used in unlicensed forms of paid child care. Thus, the total number of utilized FTE slots is close to 6,900, as demonstrated by Exhibit II-8.

*Exhibit II-8.
ECE Usage in Larimer County*

| | |
|--------------|-------------------------------|
| 5,900 | Licensed utilized FTE slots |
| + | |
| <u>1,000</u> | Unlicensed utilized FTE slots |
| 6,900 | Total utilized FTE slots |

Source: BBC Research & Consulting from The Women’s Center Child Care Resource and Referral Program and Larimer County parent telephone survey 2003.

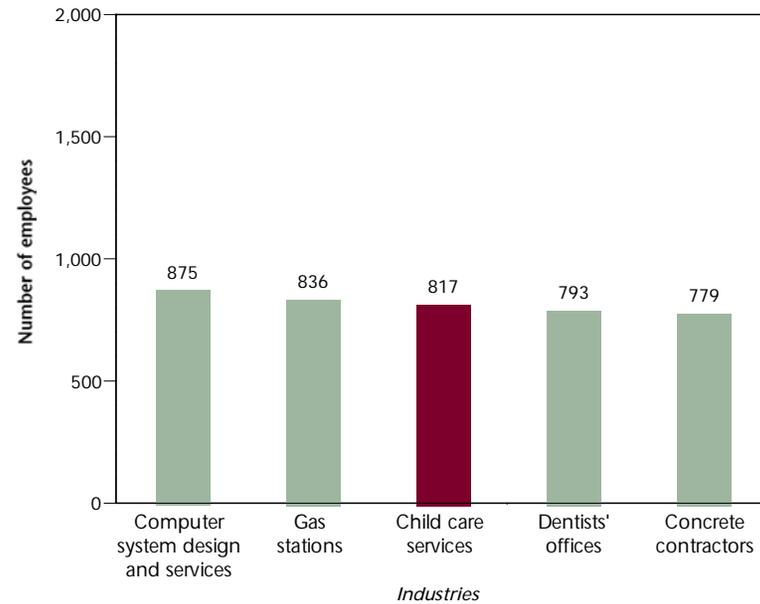
How Does the ECE Industry Compare to Other Larimer County Industries?

The importance of the ECE industry can be measured in many ways. In the next section of this report, the economic impact of ECE industry spending on goods and services is measured and described along with the economic benefits contributed by working parents.

Section II. Overview of the ECE Industry in Larimer County

Policy and decision makers may also find it helpful to understand how the ECE industry compares to other industries within Larimer County. Exhibit II-9 describes several industries that are similar to the ECE industry in terms of the number of persons employed.

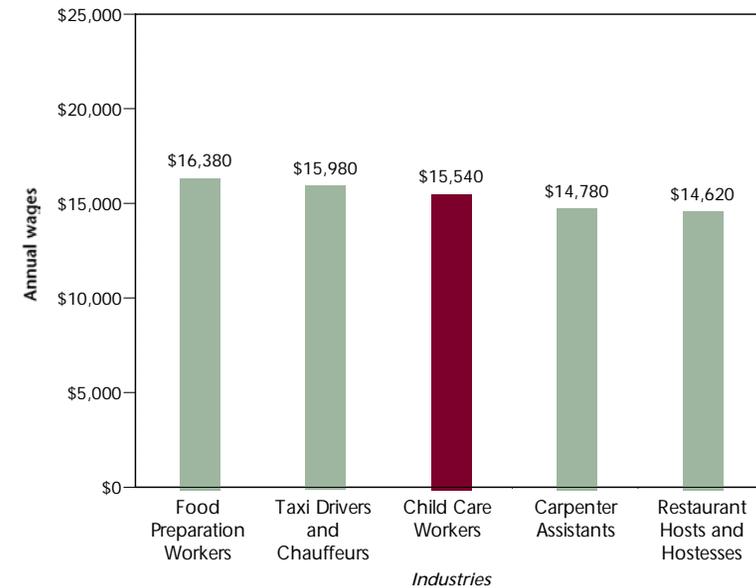
*Exhibit II-9.
Industry Employment Levels, Larimer County*



Source: U.S. Census Bureau, County Business Patterns, 2001.

Average annual wages for child care workers are below the median wages for full-time Larimer County workers \$41,000 for men and \$28,000 for women. As Exhibit II-10 demonstrates, child care workers earn wages similar to taxi drivers and restaurant hostesses.

*Exhibit II-10.
Industry Wages, Larimer County*



Source: U.S. Bureau of Labor Statistics, 2001.

ECE Education administrators who earn about \$30,000 on average have earnings similar to furniture finishers and substance abuse counselors.

Section II. Overview of the ECE Industry in Larimer County

Annual payroll brings together data on employment and wages. In looking at Exhibit II-11, we see that the ECE industry compares most closely to gas stations and amusement/recreation industries in terms of annual payroll for a smaller number of employees. Most of the other industries with similar payrolls in Larimer County employ fewer workers than the ECE industry. For example, carpentry contractors had an annual payroll of \$9,528,000 in 2001, but this payroll was distributed among just 381 employees.

*Exhibit II-11.
Industry Payrolls*

| Industry | Annual Payroll | Employment |
|--------------------------------------|--------------------|------------|
| Amusement & recreation industries | \$11,060,000 | 913 |
| <i>Child care services</i> | <i>\$9,830,000</i> | <i>817</i> |
| Gas stations with convenience stores | \$8,687,000 | 645 |
| Personal care services | \$8,757,000 | 702 |

Source: U.S. Census Bureau, County Business Patterns, 2001.

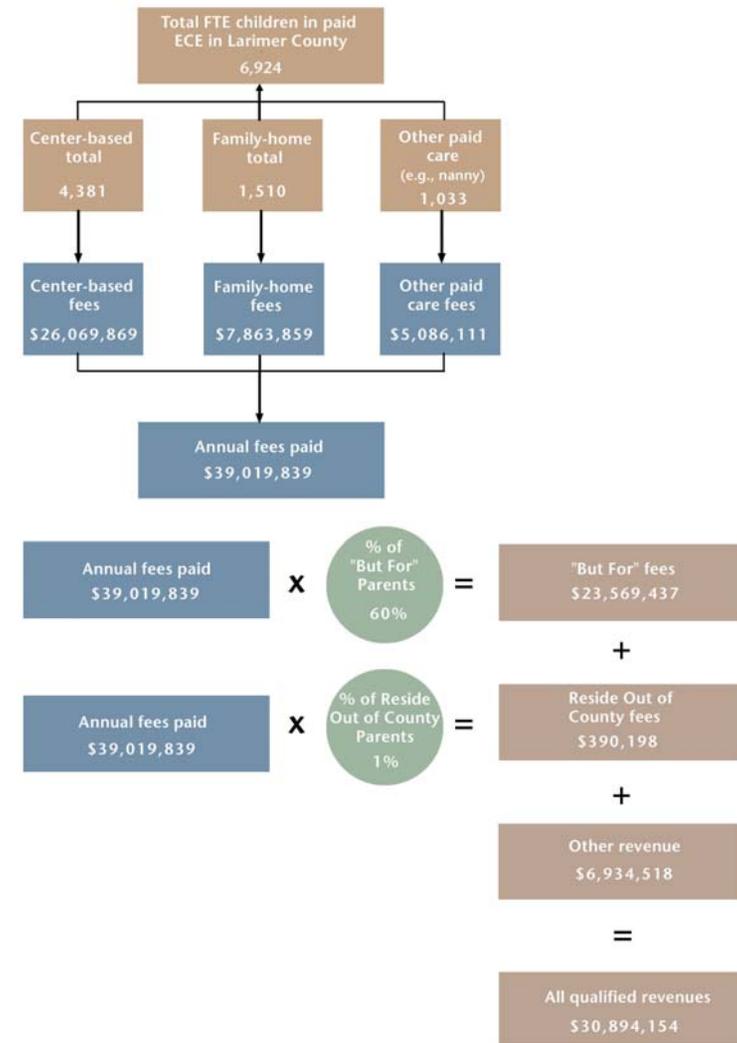
Economic Impact — Baseline Data

In Larimer County, nearly 7,000 FTE children participate in paid ECE (see Exhibit III-1). This translates into annual expenditures of more than \$39 million in ECE fees. As detailed in Appendix A, not all of these revenues qualify as new dollars being injected into the Larimer County economy. As a supportive industry, only the fees spent by parents who would change their labor force participation in the absence of paid child care qualify as true direct impacts on the economy (see Appendix A). In Larimer County, 60 percent of households with children in paid ECE have at least one wage earner who would alter their labor force participation if paid ECE were no longer available. These are the “But For” parents shown in Exhibit III-1. In addition, about 1 percent of the children in Larimer County paid child care reside outside of the County.

In addition to fees paid by parents, additional dollars flow to and are spent by child care providers in the local economy. These other revenue sources include the Colorado Child Care Assistance Program (child care subsidies for low-income families), the Colorado Preschool Program (preschool services for high-risk children) and the Child and Adult Care Food Program.

In total, more than \$30 million dollars qualify as new dollars being injected into the Larimer economy as a direct result of the paid ECE industry.

Exhibit III-1.
ECE Industry, Economic Impact Model, Qualified Revenues



Direct Impact

Paid ECE provider expenditures and the wages (net of child care expenditures) that “But For” parents would forgo in the absence of paid child care directly impact the Larimer economy. Exhibit III-2 on the following page details where child care providers spend the portion of their revenues that are paid by the “But For” parents and the total annual wages that would be forgone by “But For” parents. These are the **new dollars** that are spent and re-spent within the County.

Indirect Impact

When a new dollar (direct impact) is spent in the economy, it circulates (is re-spent) in the economy. The Bureau of Economic Analysis RIMS-II multipliers for Larimer County are used to calculate the indirect impact of new dollars. The multipliers (found in Appendix A) vary by type of expenditure, to allow for leakage when goods or services that are purchased outside the regional economy. The indirect impact of expenditures by households (consumers) is calculated using a single multiplier that is based on the typical bundle of goods and services purchased by households. The indirect impact measures the value of the circulation of new dollars throughout the economy. Refer to Exhibit III-3 on page 12.

Total Impact

The total economic impact of the paid ECE industry in Larimer County is equal to the sum of the direct and indirect impacts. As shown in Exhibit III-4, the total impact of expenditures by providers of paid ECE is more than \$30 million dollars annually. As a direct result of the paid ECE industry, “But For” parents continue their labor force participation. When the “But For” parents spend their disposable income (net of child care expenditures, to prevent double-counting) they make a substantial contribution to the Larimer economy — \$254 million annually.

The paid ECE industry’s economic impact on the Larimer County economy exceeded \$300 million dollars in 2002. Refer to Exhibit III-4 on page 13.

Exhibit III-2.
ECE Industry, Impact Model, Direct Impacts



Exhibit III-3.
ECE Industry, Impact Model, Indirect Impacts

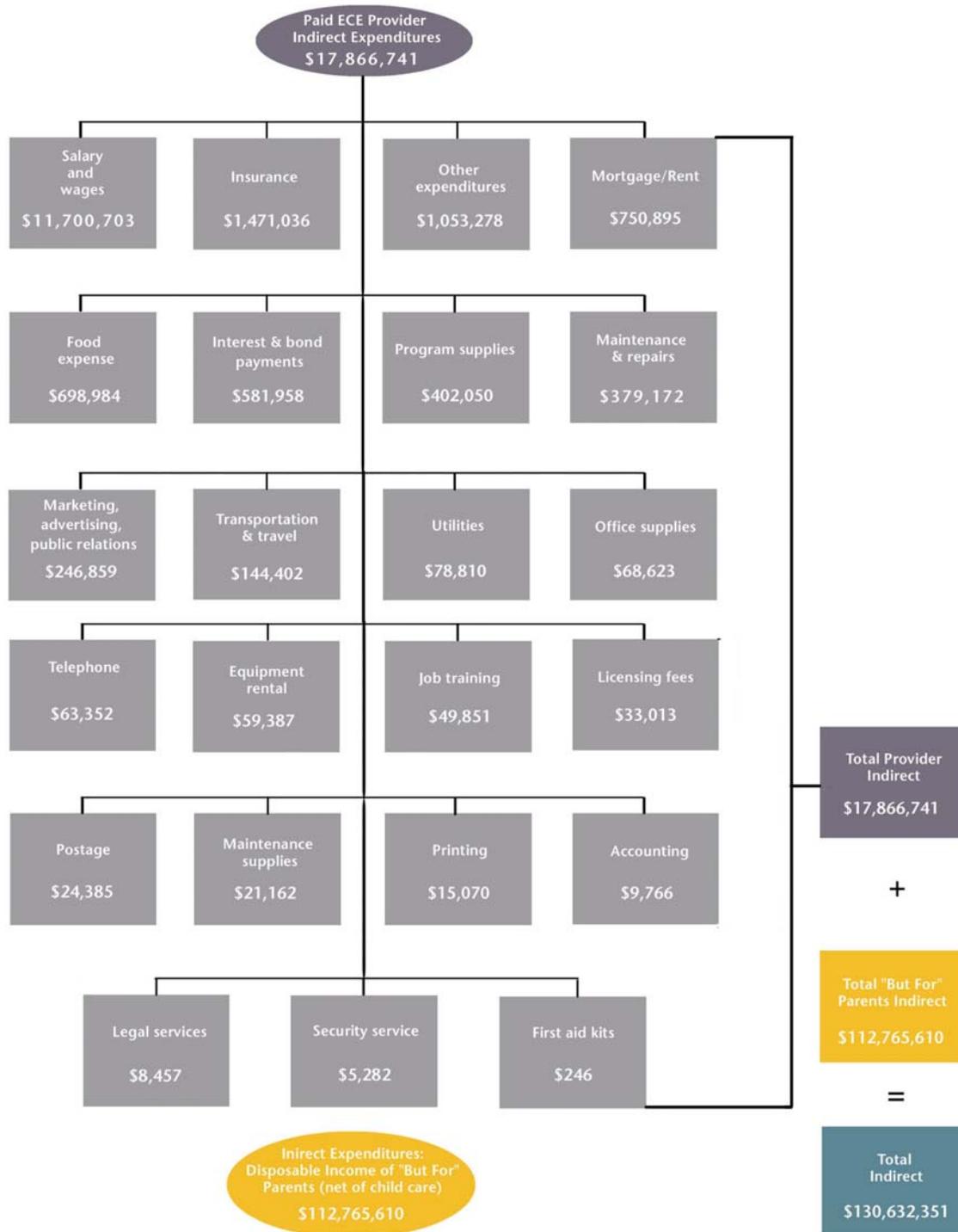
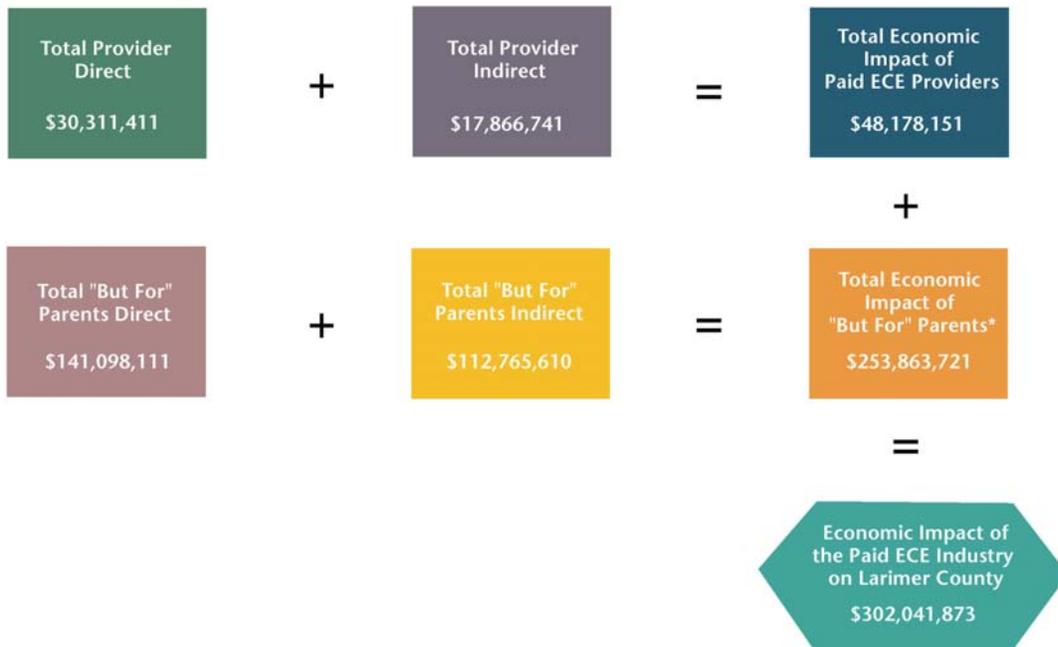


Exhibit III-4.
ECE Industry, Economic Impact Model, Total Economic Impact



APPENDIX A.
Larimer County Economic Impact Model
Methodology

Theory

Economic impact analysis using input-output models (such as RIMS-II or IMPLAN) **measures the contribution to economic growth** (injection of new dollars, expansion of the labor force, productivity gains) of an industry. The economic interpretation of this analysis is simplest when the industry of interest is a base or primary industry. These industries, by the nature of their work, bring **new dollars** into a regional economy. A typical example of a base or primary industry is mining. Here, minerals are extracted, processed and sold. Sales to buyers outside the region draw **new dollars to the local economy** that stimulate and support the local economy. Employees spend their wages in the local economy and the firm spends its dollars on services and supplies from within the local economy. These dollars in turn support employment and generate additional spending (though at a lower rate than the initial infusion of dollars).

The Early Care & Education industry falls into a different category — it is considered to be a secondary industry, supporting the larger economic base. As a supportive industry, not all dollars spent by ECE providers are actually new dollars to the local economy. Analyses that include all ECE revenues overstate the economic impact of the industry.

BBC's approach to measuring the economic impact of the ECE industry is based on the following premises:

- The pool of dollars (**ECE fees**) that should be included as **direct impacts** in the economic impact model must meet the following conditions:
 - Fees from working parents who would change their labor force participation (either exit the labor force or reduce their hours worked) BUT FOR the availability of paid ECE. The earnings that the BUT FOR parents spend in the local economy would be lost without paid care. Thus, their expenditures on paid ECE would not be substituted for other local goods or services.
 - Fees from any parents who live outside the regional economy [County] but have their children in paid care within the County. These are new dollars being spent in the local economy that directly result from paid care.
- Additionally, the **after-tax earnings net of ECE expenditures** (remaining disposable income) of BUT FOR parents are also new dollars that when spent on directly on local goods and services impact the local economy. This disposable income does not include dollars received from the child care tax credit.

- The model **excludes** the following dollars (ECE fees and parent income):
 - The fees paid by non-working parents who live in Larimer County. These expenditures could be substituted for other goods within the regional economy.
 - The fees paid by parents who would switch to informal, unpaid child care arrangements rather than change their labor force participation (either exit the labor force or reduce their hours worked) if their current paid ECE provider was no longer available.
 - The after-tax earnings (net of ECE expenditures) of those parents who would turn to informal, unpaid ECE arrangements rather than change their labor force participation (either exit the labor force or reduce their hours worked) if their current paid ECE were no longer available.
- **Parent data.** BBC surveyed 200 Larimer County parents with children in paid ECE in the County using random digit dial sampling. All sample surveys are subject to sampling error. At the 90 percent confidence level, the precision of the estimates (sampling error) from 200 completed surveys has the following ranges:
 - Percentages near 10% or 90%: +/- 3.5%
 - Percentages near 20% or 80%: +/- 4.6%
 - Percentages near 30% or 70%: +/- 5.3%
 - Percentages near 40% or 60%: +/- 5.6%
 - Percentages near 50%: +/- 5.8%

The survey data provided several key inputs to the economic impact model, including:

Data Sources

To develop the economic impact model, both primary and secondary data were collected.

- **Provider data.** A variety of types of ECE providers from across the country supplied BBC with detailed annual income statements, demonstrating sources of revenue and expenditures by category. Based on this data, BBC developed a pro forma of licensed provider expenditures.
- Estimates of the proportion of Larimer County households with one or more children in paid ECE;
- The distribution of County children in paid ECE by type of provider used (center, family home, alternative paid care arrangement);
- Expenditures on child care fees;
- The consequences on labor force participation that would result from the absence of paid ECE.

In addition to the data used in the economic impact model, the survey collected additional information about parents' use of paid child care, which is detailed in Appendix B.

- **Census data.** Census data were used to calculate the number of households in Larimer County with children age 12 and under living in the home.
- **County data.** The Women's Center Child Care Resource and Referral Program supplied BBC with data on licensed ECE providers. Information on Larimer County employers came from the Fort Collins Chamber of Commerce.
- **Bureau of Economic Analysis data.** The BEA's input-output model, RIMS-II, was the source of the Larimer County specific multipliers employed in the analysis. These industry expenditure multipliers, by category of expenditure, are included in Exhibit A-1 below. RIMS-II also includes a multiplier applied for spending by households, 1.7992.

*Exhibit A-1.
Table of Industry Multipliers, Larimer County*

| Expenditure Category | RIMS-II Multiplier |
|--|--------------------|
| Salary & wages | 1.6095 |
| Employee insurance | 1.7175 |
| Job training | 1.6761 |
| Rent or mortgage | 1.4178 |
| Utilities | 1.3668 |
| Maintenance & repairs | 1.5266 |
| Security service | 1.5188 |
| Licensing fees | 1.6510 |
| Insurance (fire, etc) | 1.7175 |
| Insurance (worker's comp) | 1.7175 |
| Office supplies | 1.3329 |
| Program supplies | 1.5059 |
| Food | 1.8531 |
| First aid kits | 1.4152 |
| Maintenance supplies | 1.3928 |
| Equipment rental | 1.4885 |
| Transportation & travel | 1.5189 |
| Telephone | 1.4989 |
| Postage | 1.6088 |
| Marketing, Advertising, Public Relations | 1.5969 |
| Printing | 1.4564 |
| Interest payments | 1.5321 |
| Audit services | 1.8225 |
| Legal services | 1.7123 |
| Theft bond | 1.5321 |
| Accounting | 1.8225 |
| Other expenses | 1.4806 |

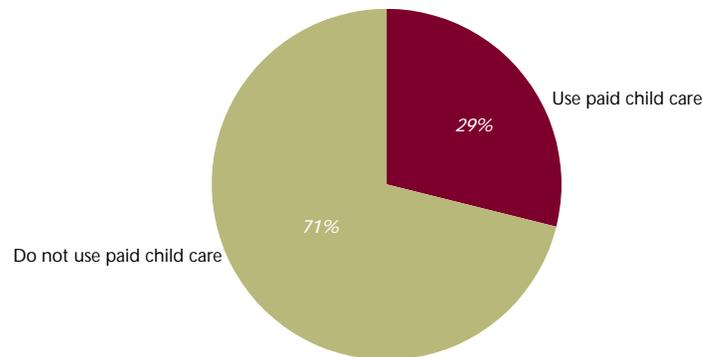
APPENDIX B.
Larimer County Parent Survey Findings

To complete the economic impact model for the ECE industry in Larimer County, a telephone survey with 200 parents with children in paid child care was conducted, using random digit dialing methods. (For additional details about the survey methodology, see Appendix A.) While the main purpose of the telephone survey was to collect data needed for the model, results also provide insight into the experience of Larimer County parents and children who use paid child care.

How Many Parents Use Paid Child Care?

Exhibit B-1 shows that 29 percent of Larimer County households with children under the age of 12 use some form of paid child care during the year. This means that approximately 9,100 households in the County use paid child care. For the 71 percent of households that do not report using paid care, the parents either assume all child care responsibilities or are assisted by unpaid relatives or friends.

*Exhibit B-1.
Use of Paid Child Care in Larimer County*

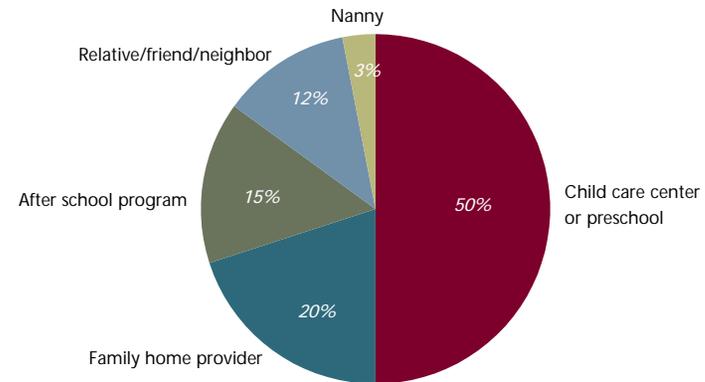


Source: Larimer County parent telephone survey, 2003.

What Type of Care Do Parents Choose?

The most common type of paid care chosen by parents is a child care center or preschool setting. Fifty percent of the children represented in the survey were in a child care center or preschool as compared to 20 percent who were in a family home. See Exhibit B-2.

*Exhibit B-2.
Type of Child Care Used in Larimer County*

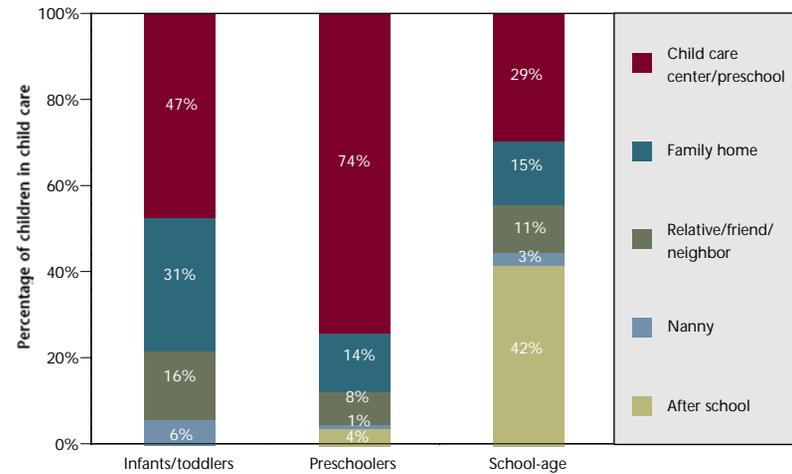


Source: Larimer County parent telephone survey, 2003.

As part of the telephone survey, parents were asked if their paid child care provider was licensed by the State of Colorado Division of Child Care. Eighty-one percent of the children whose parents participated in the survey had been placed with licensed providers.

A higher percentage of preschoolers are in child care centers or preschools as compared to infants and toddlers. As Exhibit B-3 shows, 47 percent of children between the ages of 0 and 2 are in child care center or preschool, versus 74 percent of preschoolers in the same environment.

Exhibit B-3.
Type of Child Care by Age in Larimer County



Note: Infants/toddlers are children from age 0-2; preschoolers are children from age 3-5; and school age children are between the ages of 6 and 12.

Source: Larimer County parent telephone survey, 2003.

When asked why they chose their current paid child care arrangement, the most common responses were:

- Convenience;
- Nothing else available;
- The desire for an emphasis on child development or education;
- The desire for a family or at-home environment;
- Wanting an environment that promotes socializing; and
- Already there (e.g., the child or perhaps other children in the family are already at that particular location).

Parents who wanted an emphasis on child development or education or who wanted an opportunity for their children to socialize typically chose a child care or preschool setting. Ninety-three percent of children whose parents wanted educational opportunities and 77 percent of children whose parents wanted socializing opportunities were in a child care center or preschool, as shown in Exhibit B-4. Parents who made their decision based on the desire for a family environment were more likely to have children in a family home setting or with a relative/friend.

*Exhibit B-4.
Reasons for Choosing Current Type of Care by Type of Care,
Larimer County*

| Reason | Child Care Center/Preschool | Family Home | Family/Friend | Nanny | After-School |
|--------------------|-----------------------------|-------------|---------------|-------|--------------|
| Convenience | 48% | 16% | 7% | 5% | 25% |
| Only Option | 41% | 38% | 9% | — | 12% |
| Education | 93% | 3% | — | — | 3% |
| Family Environment | 9% | 50% | 34% | 6% | — |
| Socializing | 77% | 3% | 10% | 3% | 6% |
| Already there | 40% | — | 10% | — | 50% |

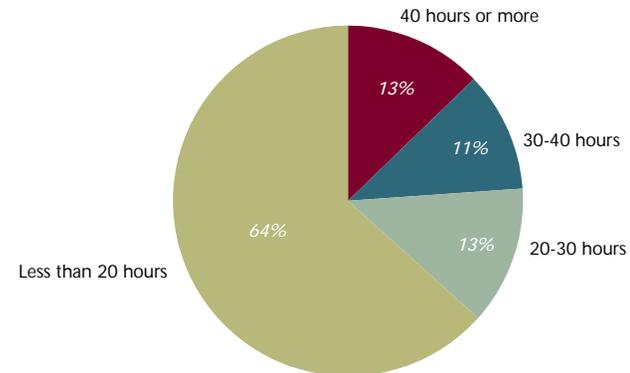
Note: Table should be read as follows: 48 percent of parents who chose their type of care because of convenience chose a child care center or preschool.

Source: Larimer County parent telephone survey, 2003.

How Much Time Do Children Spend in Paid Child Care?

According to the results of the telephone survey, 13 percent of children in paid child care are there for 40 or more hours a week. Exhibit B-5 shows that almost two-thirds of children are in paid child care for less than 20 hours a week. This includes school-age care, which is always part-time.

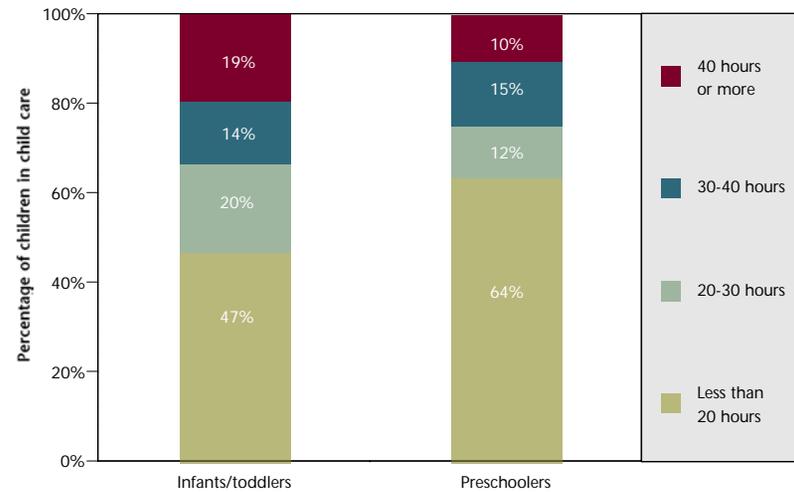
*Exhibit B-5.
Range of Hours for Children in Paid Child Care, Larimer County*



Source: Larimer County parent telephone survey, 2003.

In families utilizing paid child care, younger children tend to spend more time in care than do older children. As Exhibit B-6 shows, 47 percent of infants and toddlers are in care for fewer than 20 hours a week, versus 64 percent of preschoolers.

Exhibit B-6.
Range of Hours in Paid Child Care by Age, Larimer County



Note: (1) School age children are excluded because of possible confusion about hours in paid care versus hours in school.
 (2) Infants/toddlers are children from age 0-2; preschoolers are children from age 3-5.
 (3) Totals may not add to 100 percent due to rounding.
 Source: Larimer County parent telephone survey, 2003.

According to the survey, there is not a major difference in the amount of time spend in paid care between children in different types of settings. Exhibit B-7 shows that 15 percent of children in child care centers or preschools and 14 percent of children in family homes are there for 40 hours a week or more.

Exhibit B-7.
Relationship Between Type of Care and Range of Hours in Paid Care, Larimer County

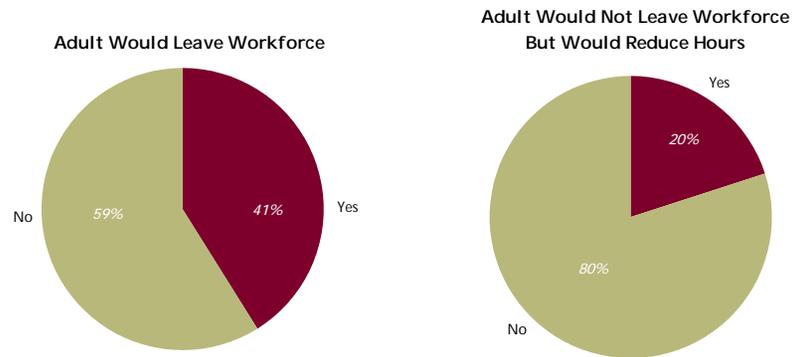
| Hours Per Week | Child Care Center/Preschool | Family Home | Family/Friend | Nanny | After-School |
|----------------|-----------------------------|-------------|---------------|-------|--------------|
| 40 or more | 14% | 15% | 15% | — | 2% |
| 30-40 | 11% | 20% | 6% | — | 2% |
| 20-30 | 14% | 8% | 29% | — | 9% |
| Less than 20 | 61% | 57% | 50% | 100% | 87% |
| Total | 100% | 100% | 100% | 100% | 100% |

Notes: Table should be read as follows: 14 percent of children in child care centers or preschools are there for 40 hours a week or more.
 Source: Larimer County parent telephone survey, 2003.

How Does Paid Child Care Serve Working Parents?

Forty-one percent of survey respondents indicated that a working adult in their household would have to stop working if paid child care were no longer available. In one out of five households, a working adult would have to reduce the number of hours worked each week. See Exhibit B-8.

Exhibit B-8.
Impact of Losing Paid Child Care, Larimer County

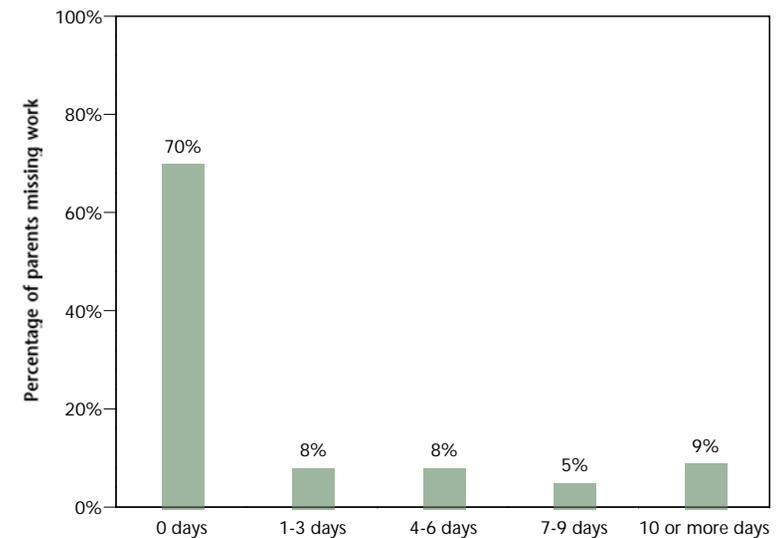


Source: Larimer County parent telephone survey, 2003.

While just 6 percent of Larimer County parents report that they have had to turn down a job or promotion because paid child care was inconsistent or unavailable, 17 percent say they have had to refuse overtime hours.

Exhibit B-9 describes the number of work days missed per year by parents because of inconsistent or unavailable child care. It is important to note that this does not include days missed because a child is sick. While just 9 percent of parents report missing 10 or more days a year due to inconsistent or unavailable child care, this 9 percent represents almost 2,900 households in Larimer County. In these households adults are missing a significant amount of work each year, two weeks worth, due to child care problems.

Exhibit B-9.
Annual Work Days Missed Because of Inconsistent/Unavailable Child Care, Larimer County



Source: Larimer County parent telephone survey, 2003.