Berkeley

Child Care Industry

The City of Berkeley's child care industry provides a social and economic infrastructure that is critical to the City's overall economic vitality and quality of life. In 2001, the industry generated over $34 million in revenue, while supporting approximately 1,374 local jobs. In addition to 789 people employed directly in child care homes and centers, an additional 585 jobs (in construction, retail, manufacturing, etc.) are supported by the existence of the local child care industry. These jobs bolster the local tax base, while providing a necessary service that enables other Berkeley businesses to thrive. In addition, child care helps sustain the City's growing workforce by enabling parents to take new jobs, stay in existing jobs or training programs, or return to work after an absence.

The high cost of child care presents a challenge in realizing the full benefits that child care can offer local families and the greater Berkeley community. The cost for just one infant in a licensed center is 15% of the Berkeley median family income, and 13% of Berkeley's children live in poverty.

Demographics

Berkeley is a growing city

Population
Resident .......................... 102,743
Children under 14 ................. 11,355

Age breakdown:
Infant (0-2) ...................... 15%
Preschool (2-5) ................. 28%
School-Aged (6-13) ...... 57%
Children as percent of total population .... 11%
Expected population change by 2010 .......................... 4%
(4,600 new residents)

Family Economics
Median family income ............... $70,434
Median home value ............... $380,200
Median monthly rent ............ $740
Poverty rate among children under 18 .... 13.4%
Families with income less than $35,000 ... 23.2%
Children receiving public assistance ....... 1,664

Jobs Created by the Berkeley Child Care Industry in 2001

Direct Employment
Indirect Employment
Total Employment

Revenue Generated by the Berkeley Child Care Industry in 2001 (in millions)

Home-based Care $3.95
Center-based Care $29.07
Total Revenue $34.02

1. Based on employment multiplier for child care developed by the U.S. Department of Labor, Bureau of Economic Analysis.
2,3. Based on data provided by BANANAS, Inc., calculations by Alameda County LINCC.
5. Projections 2000, Association of Bay Area Governments.
7. Alameda County Social Services Agency (includes CalWORKs, MediCal, and Food Stamps).

What You Can Do

Local governments and businesses can play a critical role in strengthening the infrastructure for high-quality child care in their communities. For example:

• Contribute to the Alameda County Child Care Fund for child care facilities;
• Include child care in city and economic development planning efforts;
• Review and mitigate the impact of major new commercial and residential developments on child care.

For more information, call BANANAS, Inc., at (510) 658-7353 or the Alameda County Child Care Planning Council at (510) 208-9578 or (510) 208-9675, or visit www.acgov.org/childcare/index.shtml
Child Care Workforce

Child care workers are underpaid

2001 Average Annual Salaries

Child Care Assistant in North County ............... $20,540
Child Care Teacher in North County ............... $30,240
Child Care Director in North County ............... $47,380

Child care workers are more highly educated on average than workers in other industries, yet their salaries fail to reflect their level of education or responsibility.1

Child Care Cost

Child care is a significant portion of family income

Annual Child Care Costs in Alameda County

<table>
<thead>
<tr>
<th>Age</th>
<th>Family Child Care Home</th>
<th>% of Median Income</th>
<th>Child Care Center</th>
<th>% of Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>$7,349</td>
<td>10%</td>
<td>$10,891</td>
<td>15%</td>
</tr>
<tr>
<td>Preschool</td>
<td>$7,079</td>
<td>10%</td>
<td>$7,843</td>
<td>11%</td>
</tr>
<tr>
<td>School-Age</td>
<td>$5,218</td>
<td>7%</td>
<td>$5,115</td>
<td>7%</td>
</tr>
</tbody>
</table>

These costs are for one child. The consensus among experts is that 10% of a family's household income is the most families can "afford."6,7

In Alameda County, the cost to send a preschooler to full-time, center-based care is nearly double the cost of tuition for two semesters at the University of California, Berkeley. For an infant, the annual cost of full-time, center-based care is almost three times the cost of tuition.7

Child Care Capacity

Berkeley has a shortage of infant care

Demand for infant child care in Berkeley exceeds current supply. The city has a total of 5,417 licensed child care spaces, with shortages in infant care even under conservative estimates.

- **Demand Estimates**: Determining the true demand for child care is difficult because it is often unclear whether parents' choices reflect their true preferences or result from location and cost constraints. Therefore, these charts illustrate the gaps in Berkeley's child care supply by age group using two methodologies:
  - **Best Case**: This conservative estimate calculates demand based upon statewide utilization patterns for different provider types and income levels.
  - **Worse Case**: This broad estimate assumes that all families in which both parents or a single-parent-head-of-household works would demand licensed care.

- **Supply**: This is the total number of licensed spaces in a child care center or family home that are regulated by the state, according to BANANAS, Inc., the local child care resource and referral agency.

---