

The Economic Impact of Child Care in St. Lawrence County, NY

A First Look – December 2011

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["Quality Child Care ... Good Beginnings Never End!]

"The mission of the St. Lawrence Child Care Council, Inc. is to coordinate, assist, strengthen and expand child care services in St. Lawrence County with an emphasis on education and networking to promote quality child care environments for all children regardless of income, race, ethnic heritage or family configuration.

Child care ... when conversations turn to this subject people naturally start thinking of children playing, painting and having fun. Some will discuss the frustration they experienced while trying to find quality affordable child care for their children or stressful stories friends and family members have shared with them. Some will inevitably discuss the importance of the early years, critical brain development, social and emotional development and school readiness. But how often will those conversations speak about how quality child care stimulates the local, state or national economy?

The facts are clear. Child care is an industry in St. Lawrence County like so many readily identified industries we consider the mainstay of the region. Are we implying child care is an industry like tourism, agriculture, health care and education? Yes we are. Early care and education is an industry comprised of many small businesses that purchase goods and services from area businesses, create job opportunities for hundreds of individuals and supports thousands of working parents right here in St. Lawrence County.

The Early Care and Education Industry in St. Lawrence County ...

- *\$17 million industry*
- *120 small businesses*
- *Over 400 employed*

These statistics were compiled by the St. Lawrence Child Care Council drawing upon

statistics from “Investing in Child Care; A Report on the Status of the Child Care Industry in St. Lawrence County” by the Clarkson Consulting Group (Clarkson University School of Business), IMPLAN 2008 and other resources on the economic impact of child care in similar rural communities.



In a county where tourism, agriculture, health care and the education professions dominate the employment scene it is easy to see why child care would not be on everyone’s immediate radar screen. However, if one were to consider the impact upon those industries if quality affordable child care were not available it would quickly become clear. What impact would that have upon our largest area employers? Worse yet, what impact would that have upon the more typical small business owner where one employee could easily represent 25% of that businesses staff? The impact would be devastating.

This is exactly why child care must be seen as an integral part of the “hidden infrastructure” within any community or region seeking to increase economic development opportunities. Industries cannot thrive or expand without technology, transportation and a well trained workforce. A well trained workforce cannot perform to its potential if parents are worried about who is going to care for their newborn infant or their seven year old after school until they get home from work. Some in the business community would say this is an issue the family must deal with. More progressive leadership might think otherwise and consider child care as important as roads, bridges and high speed internet technology in our rural communities.

Early Care and Education Rivals Many Industries and Employers in St. Lawrence County

If you consider employment opportunities in this county one would naturally think of our larger employers such as United Helpers, Alcoa, St. Lawrence and Clarkson Universities, SUNY Potsdam and SUNY Canton Colleges or the Claxton-Hepburn Medical Center and Canton-Potsdam Hospital. The early care and education industry directly employs over 400 individuals which would rival many more commonly thought of employers. If we were to include legally exempt home based providers who are exempt from regulation this number would increase significantly to over 600 individuals.



Early Care and Education ... A Potential \$17 Million Dollar Industry in St. Lawrence County

The early care and education industry is a multi-million dollar economic engine and nearly all of these dollars remain in the county. Gross receipts for tuition and vouchers are estimated to generate approximately \$13.6 million dollars annually and the income doesn't end there.

The economic impact of the early care and learning industry in St. Lawrence County extends beyond gross receipts and direct employment. Child care businesses and employees spend money in the county and stimulate economic activity in other industries otherwise known as a multiplier effect. Those who work in the economic development field

use a program called IMPLAN to calculate the ripple effect from spending in an industry. Indirect spending effects applies to money a child care business or owner spends to purchase goods or services from local supplies. Induced effects are when employees of these programs use their wages to stimulate the local economy when they purchase goods or services from local businesses.

The IMPLAN multiplier for child care in St. Lawrence County is 1.32. Applying this multiplier to the estimated \$13.6 million in gross receipts for child care services results in an adjusted local economic impact of \$17.95 million dollars.

Early Care and Education Keeps St. Lawrence County Working

Exact data on the number of working parents who purchase child care services in St. Lawrence County is not available. However, thousands of parents in St. Lawrence County are able to work as a direct result of having child care arrangements. This ability further enhances the significant impact early care and learning has upon the local economy.

A 2004 Cornell University study entitled "Child Care & Parent Productivity: Making the Business Case" references and identifies many key issues for employers including:

- 29% of employed parents experienced some kind of child care breakdown in the past three months that were associated with absenteeism, tardiness and reduced concentration at work.
- The average American working parent misses nine days of work per year. As children move through day care and school the number of days increases to thirteen.

Lost employee productivity resulting from child care issues is a significant problem for employers. On September 27, 2011 the Executive Director of the St. Lawrence Child

Care Council met with representatives from several larger St. Lawrence County employers at the Job Fair & Career Expo hosted by Senators Patty Ritchie and Joseph Griffo. Those discussions revealed local employers are keenly aware of lost productivity as a direct result of child care issues their employees experience.

“Economists and planners are beginning to recognize the important contributions that the child care sector makes to the regional economy in both the long and short term.”

*Ribero and Warner
Cornell University, 2004*



Quality Affordable Early Care and Education in St. Lawrence County is Essential for Economic Growth

When economic experts speak about a healthy economy they always stress the need for skilled, educated workers. How is early care and education linked to this statement?

Early childhood research now confirms the critical importance of brain development during the early years of a child’s life. We grow, develop and learn more in the first five years of our lives than any other time. Quality early care experiences result in significantly reduced incidences of delayed or impaired learning. The keys to a quality early care experience include having trained caregivers, small group sizes and low caregiver to child ratios. We must acknowledge what the experts have confirmed

and demand initiatives and funding to support our most precious resource, our children.

This brings us back to the fundamental needs of our economic experts. Early care and education is an industry that has not been adequately represented at the economic development round table. It is ironic that our very economic development future is linked to a skilled, educated workforce. If early care and learning initiatives are adequately funded, expanded and supported at local, regional, state and national levels we will experience a new generation of children who will be capable of reaching their full potential. When that occurs our economic experts may never have to worry about having a skilled, educated workforce to support future economic development initiatives.

“Child care in St. Lawrence County is a large multi-million dollar industry, but perhaps more significant than that is the foundation child care establishes for a greater economic development future.”

*Bruce Stewart, Executive Director
St. Lawrence Child Care Council*



If you would like additional information regarding the economic impact of early care and education or services we offer to local businesses and their employees please contact us at:

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