



# THE STATE OF EARLY CHILDHOOD

Grand County





**Katy Hale**  
Executive Director  
Grand Beginnings

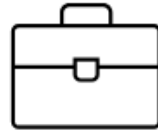


## Early Childhood Systems Building

- Early Childhood Workforce & Program Supports
- Family & Caregiver Supports
- Child Health & Development
- Early Childhood Mental Health Supports

# Child care is a workforce and economic imperative

Population, Job &  
Industry Growth



Skilled Talent & Workforce



Child Care  
Access & Affordability



OCTOBER 2024

**UNLOCKING WORK:** IMPACTS  
OF IMPROVING ACCESS TO  
AFFORDABLE CHILD CARE

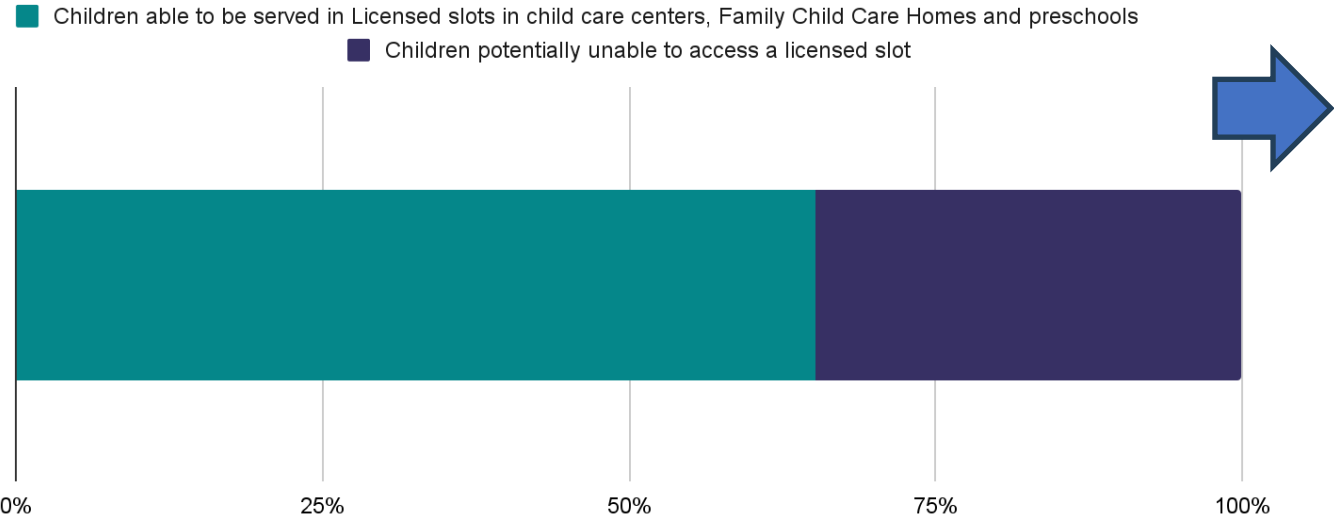


**\$3.7B GDP** potential  
growth from adding 10,000  
mothers back into the  
workforce

# Child care supply does not meet current need of working families

Capacity in Colorado's licensed child care centers and family child care homes is only sufficient to serve two-thirds of the young children estimated to need care.

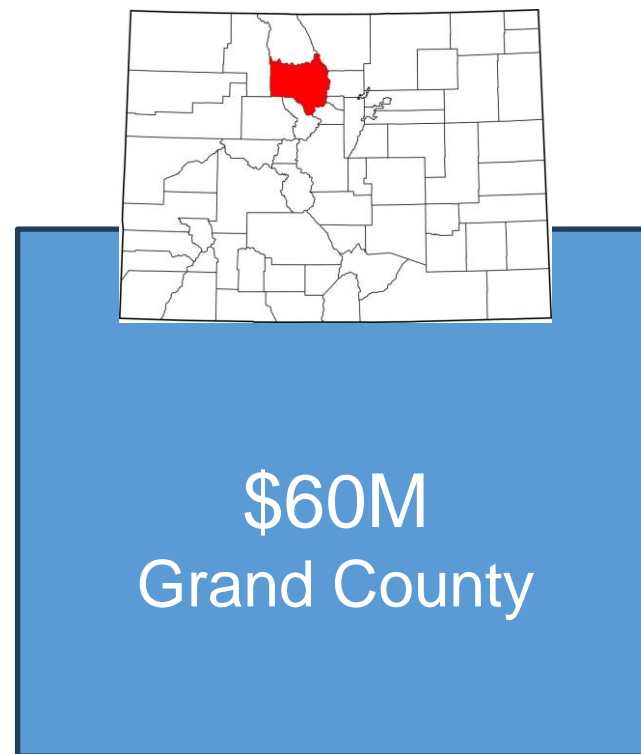
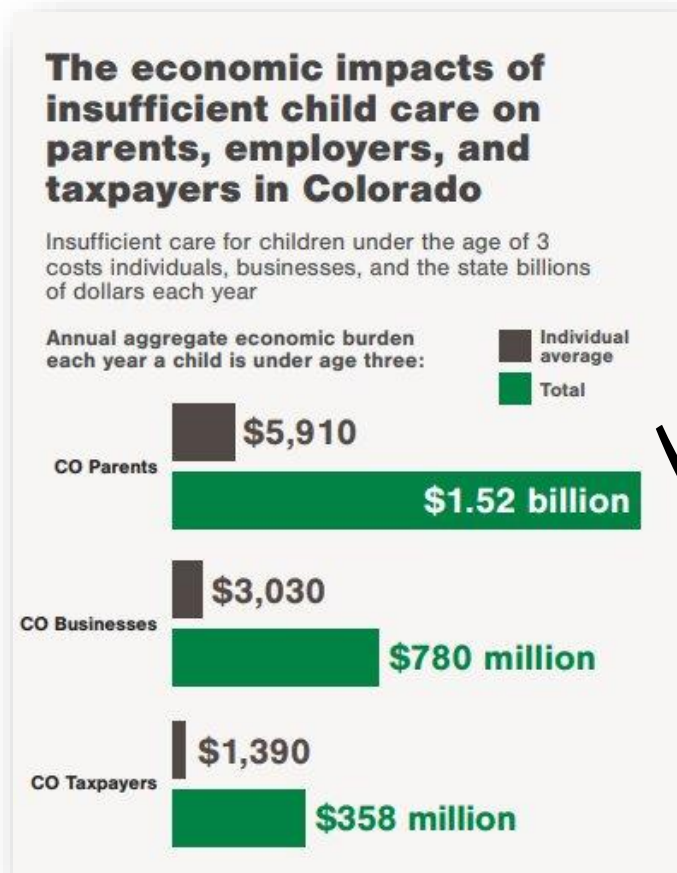
Licensed Child Care and Preschool Capacity as a Percent of Colorado Children Under Age 6 with All Available Parents in the Labor Force



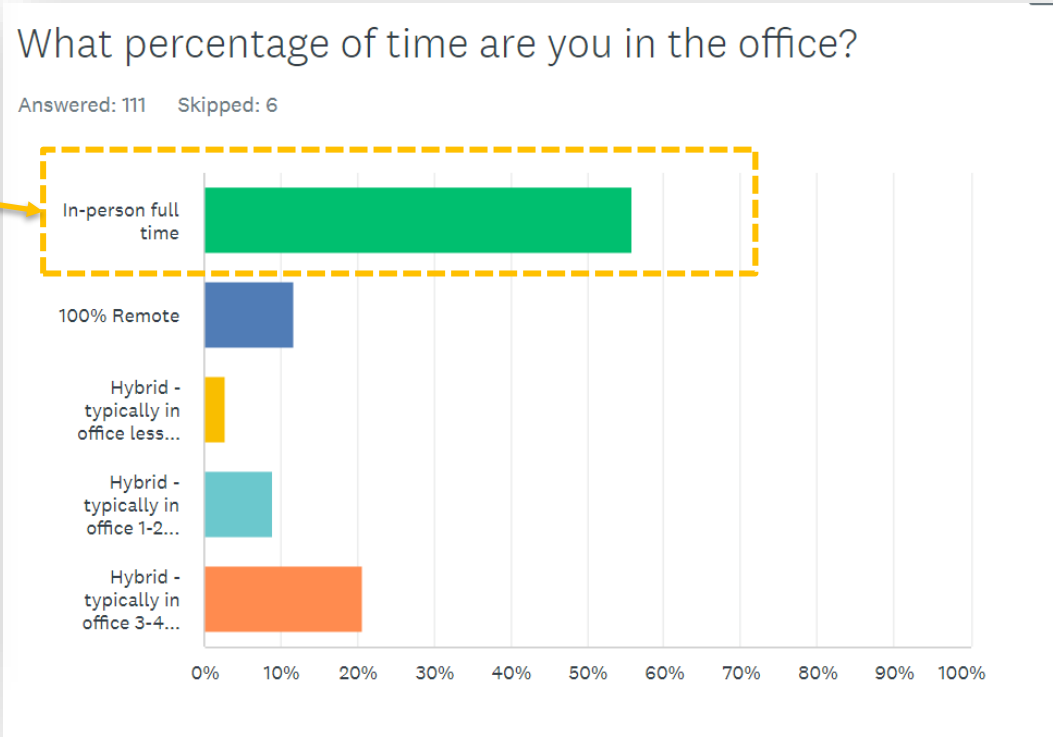
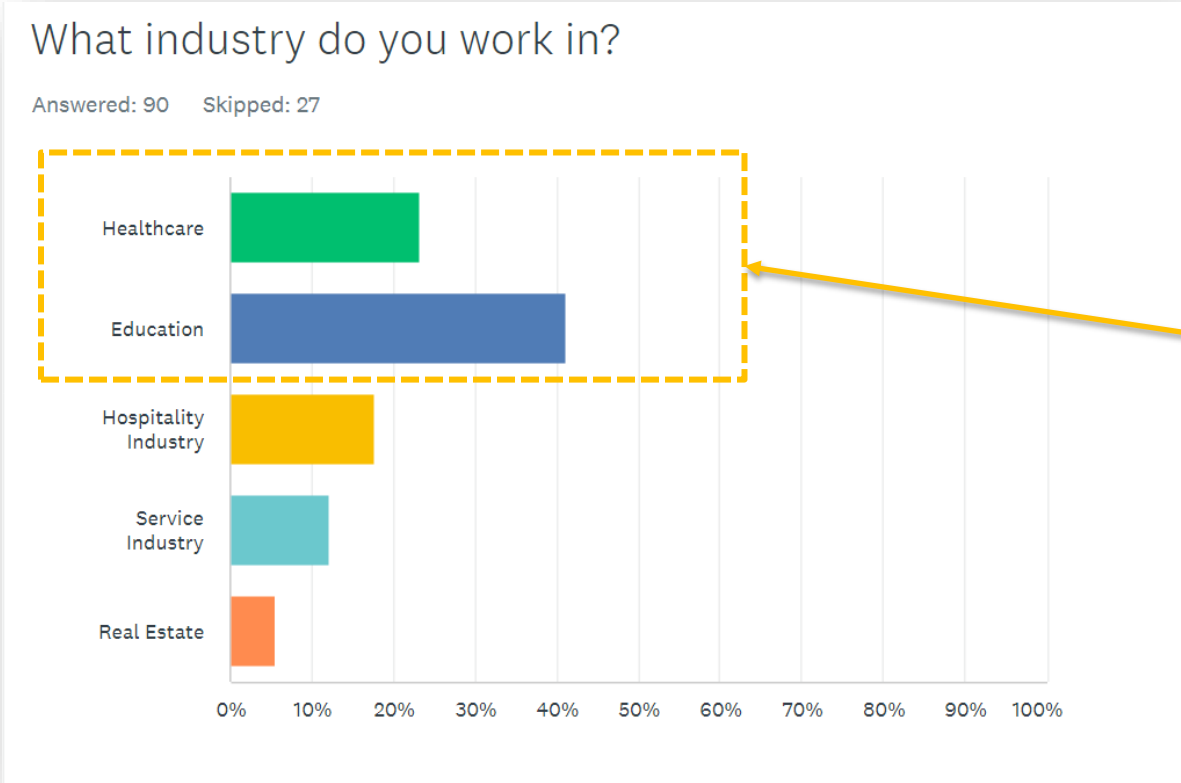
	Approx. Population of Children Under Age 5	Number of Children in Licensed Care	% of Pop. Under Age 5 Served in Licensed Care
Grand County	660	276 (10 centers and 2 family child care homes)	41.8%

Grand County falls below the state average

# Economic losses due to child care shortages



# Intensive child care needs within the local in person workforce



# The Business Case for Child Care Support

The crippling shortage of early childhood education puts strain on working caregivers and employers alike. Under increasing burdens, the workforce experiences loss of productivity, greater absenteeism, and turnover.

**Supporting employees with child care can improve retention and reduce employee absences. A recent study has shown that reducing turnover can even lead to a positive ROI for companies investing in child care.**



**4-16**

Average annual absences avoided due to child care benefits across five participating companies.



**1-12%**

By retaining roughly 1% to 12% of eligible employees, employer covers the cost of providing child care benefits.



Steamboat Ski  
Resort was a  
featured  
employer in this  
report



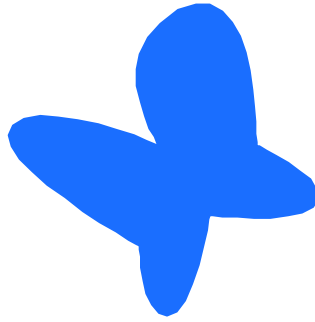


What are our biggest  
areas of local need?





# Our Biggest Pain Points



We have a:

1. Significant Lack of Business Stability among Current Programs
2. Unaffordability Problem for Families
3. Infant and Toddler Capacity Crisis

These pain points are often  
interdependent



# Children Served by Age:

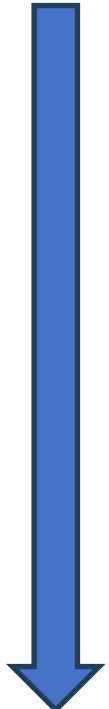
Currently, there are more than 250 unduplicated children on waitlists in Grand County.



	Number of Children in Licensed Pre-K Care	% of Pre-K Pop. Served in Licensed Care	Number of Children in Licensed Toddler Care	% of Toddler Pop. Served in Licensed Care	Number of Children in Licensed Infant Care	% of Infant Pop. Served in Licensed Care
Grand County	209	75% (trending upward)	54	25% (trending upward)	17	15% (trending downward)



# Children Served By Location:



	Number of Licensed Centers	Number of Licensed Family Child Care Homes	Number of Pre-K Children in Licensed Care	Number of Children in Infant & Toddler Licensed Care
East Grand (WP through Granby)	8	0	148 (trending upward)	55 (trending downward)
West Grand	2	2	57 (trending upward)	16 (trending upward)



# Cost drivers often exceed revenue in the child care business model



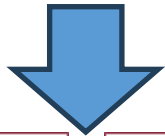
Age group	Classroom staff	Center staff	Facility	All other	Total cost/child	% of cost that is staffing	Revenue per child	Difference between cost of care and per child revenue	Subsidy by age group
Infant (6 wk-18 mo)	\$14,708	\$19,264	\$3,009	\$3,878	\$40,859	83%	\$25,116	-\$15,743	-\$119,644
Toddler (12 mo-24 mo)	\$12,420	\$16,268	\$3,009	\$5,318	\$37,014	78%	\$23,481	-\$13,534	-\$121,802
Toddler 2 (24 mo-36 mo)	\$10,350	\$13,556	\$3,009	\$5,318	\$32,233	74%	\$21,781	-\$10,452	-\$112,884
Mixed age PreK (30 mo-6 yr)	\$7,306	\$9,569	\$3,009	\$5,318	\$25,202	67%	\$20,472	-\$4,729	-\$72,360



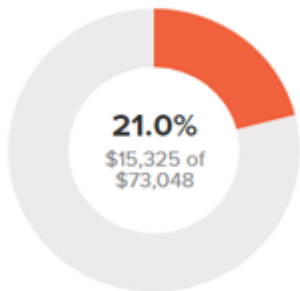
# Tuition exceeds families' ability to pay



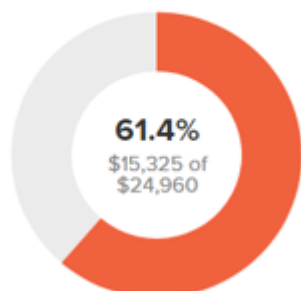
Colorado families spend an average of 18% of their household income on child care expenses.



For a median family with children



For a minimum-wage worker

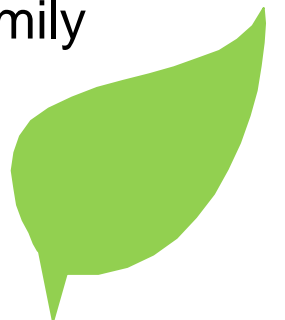


For Grand County:

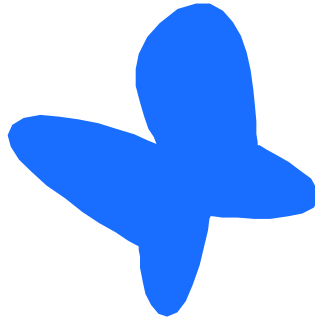
Age of Care	Average Cost to Families	Estimated True Cost to Provide Care
Infant Care	\$64/day (range \$40-\$90) = \$13,056/year for 4 days/week	\$31,984/year
Toddler Care	\$60/day (range \$40-\$85) = \$12,240/year for 4 days/week	\$27,857.50/year
Pre-K Care	\$48/day (range \$31-\$75) = \$9,792/year for 4 days/week	\$17,618/year

Cost of living to be self-sufficient: **\$107,484/yr** for family of 4 with young children.

Average wages (not income) = **\$50,648/yr**



Initial Simplified Cost  
Estimate to **Stabilize**  
**Current EC Industry** and  
Improve Affordability for  
Families



# Assumptions for Cost Estimate



- Assumption 1: Level 4 true costs of care as modeled by Brookings Institute for Colorado

		Level 1	Level 2	Level 3	Level 4	Level 5	
Infant	→	Age 0-12 mo.	\$23,272	\$24,226	\$25,184	\$31,984	\$33,173
Toddler	↗	Age 12-24 mo.	\$23,287	\$24,242	\$25,200	\$32,006	\$33,195
	↘	Age 24-36 mo.	\$18,310	\$19,026	\$19,746	\$23,709	\$24,550
Pre-K	↗	Age 3 years old	\$14,568	\$15,105	\$15,645	\$18,166	\$18,775
	↘	Age 4 years old	\$13,129	\$13,597	\$14,068	\$17,070	\$17,634

*Cost of care based on Colorado Shines quality level, using affordable housing wage standard*



# Assumptions for Cost Estimate



- Assumption 2: Current Enrollment & Tuitions as Reported by Grand County Licensed Programs in 2024

Age of Care	Average Cost to Families
Infant Care	\$64/day (range \$40-\$90) = \$13,056/year for 4 days/week
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- Assumption 3: Cost change over time mirrors CPI Inflation Index
- Assumption 4: UPK funds effectively reduce fund discrepancy for pre-k





# The Math

These are conservative estimates and should be part of larger cost analysis



Infants:  $\$31,984 - \$13,056 = \$18,928 \times 17 \text{ infants} = \$321,776$

Toddler:  $\$27,857.50 - \$12,240 = \$15,617.50 \times 54 \text{ toddlers} = \$843,345$

Preschool:  $\$17,618 - \$9,792 = \$7,826 \times 209 \text{ preschoolers} = \$1,635,634 - \$866,518.21 \text{ (UPK funding Grand County)} = \$769,115.79$

**TOTAL Annual Estimated Cost to Stabilize Current System:  
\$1,934,236.79/year with 3.3% CPI average increase annually**



# Our Biggest Pain Points



We have a:

1. Significant Lack of Business Stability among Current Programs
2. Unaffordability Problem for Families
3. Infant and Toddler Capacity Crisis



# Initial Simplified Cost Estimate to Increase Infant Toddler Capacity to Serve Current Waitlist



# Current waitlist in Grand and Jackson Counties

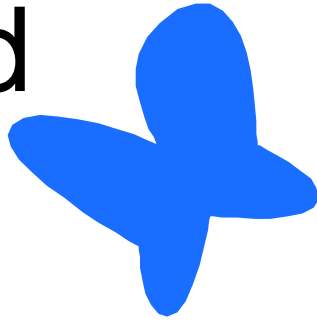
Approx. 120

38 infants  
81 toddlers

Large underestimate since long term lack of accessible care keeps families from even getting on waitlists.



# Scenario A: Invest in licensed family child care homes



- Identify 10-20 residences (definition variable)
  - Purchased by city, county, REIT, or other investment structure to be discussed.
  - Existing child care home in need of subsidy or support
  - Retrofit or renovate to house child care
- 6-12 child capacity with a focus on infant and toddler space
  - Could be modular, existing or new build
- Opportunity for operator to buy back home after set term and/or designate home as child care use for X years in future

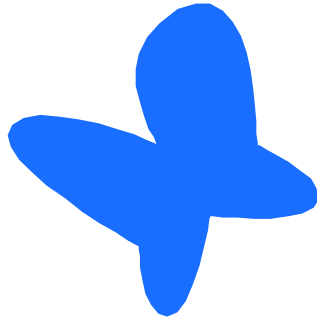


# Scenario B: Expand center-based capacity



- 2-3 centers
  - Construct, renovate or retrofit local buildings to operate child care
  - Align with current workforce needs and existing expansion efforts
- Key Activities
  - Engage in pro forma financial modeling process to determine 5 year financial and operational support needs to stabilize current supply (staffing, facility, tuition etc.)
  - Revisit expansion efforts in progress and quantify start up and ramp up needs for operational growth





**Katy Hale**  
**Executive Director**  
**970-725-3391**

**[katy@grandbeginnings.org](mailto:katy@grandbeginnings.org)**  
**[www.grandbeginnings.org](http://www.grandbeginnings.org)**



# Sources



- Grand Beginnings, Grand and Jackson County Licensed Program Child Care Resource and Referral Survey, 2023.
- Quantifying the Life-cycle Benefits of a Prototypical Early Childhood Program Jorge Luis García, James J. Heckman, Duncan Ermini Leaf, and María José Prados NBER Working Paper No. 23479 June 2017, Revised February 2019.
- Colorado Children's Campaign, Kids Count in Colorado, 2023.
- The Self-Sufficiency Standard for Colorado 2022, November 2022, Center for Women's Welfare, University of Washington School of Social Work.
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