

Connecticut Child Care Program Trends: Capacity and Availability

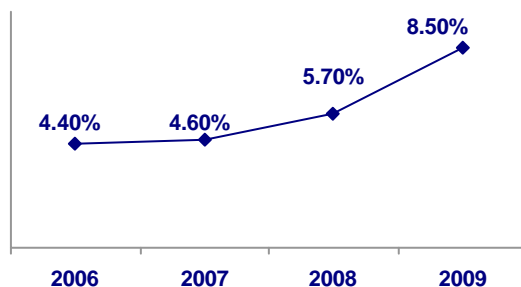
Context

- The child care industry is directly and quickly impacted by changes in economic conditions. When people are laid off they often no longer can afford or need child care, thus impacting child care facilities. At the same time, higher unemployment rates can lead to people establishing family day care homes as a way to find employment. In 2009:
 - Connecticut experienced a 3% decline in the number of Child Care Centers from the previous year. The capacity of Child Care Centers increased 1.2%, while vacancies increased 16%.
 - The number of Family Day Care homes increased 5%, while capacity increased 4% and vacancies increased 18%.

Economic Indicators

- Connecticut, similar to most parts of the country, is experiencing its highest unemployment rates in several decades (Figure 1). The unemployment rate is currently 8.5%.

Figure 1 - Connecticut's Unemployment Rate 2006 to 2009



- Connecticut is experiencing increases in participation rates in programs that support low income individuals and families (Table 1):
 - The number of families receiving Temporary Family Assistance increased 8.4% in 2009 from the previous year.
 - The number of individuals receiving SNAP benefits increased 32% in 2009.
 - The number of individuals receiving State Administered General Assistance increased 5%.

Table 1 – State Administered Financial Assistance Programs – Percent Change

	Percent Increase, last 5 years	Percent Increase, last 3 years	Percent increase, 2009/2008
Temporary Family Assistance	-13%	1.5%	8.4%
SNAP/Food Stamps	58%	51%	32%
State Administered General Assistance	21%	17%	5.3%

Source: Connecticut Department of Social Services

Child Care Centers

- The number of Child Care Centers declined 3% in 2009 from the previous year.
- The capacity of Child Care Centers increased 1.2%.
- The number of vacancies increased 16% in 2009 from the prior year.

	Child Care Centers			
	2006	2007	2008	2009
Total # of Programs	2,071	2,064	2,174	2,107
% Change of Programs		-0.3%	5.3%	-3.1%
Total Capacity	134,175	136,231	142,010	143,740
% Change of Capacity		1.5%	4.2%	1.2%
Vacancies	10,573	10,250	13,774	15,952
% Change in Vacancies		-3.1%	34.4%	15.8%

Source: 2-1-1 Child Care

- The percent of child care centers that close each year has been relatively flat during the past several years.

	Child Care Centers			
	2006	2007	2008	2009
Number of Closed Programs	108	99	101	134
<i>% of Programs that Closed</i>	5.2%	4.8%	4.6%	6.4%

Source: 2-1-1 Child Care

- “Business Not Profitable” continues to be the main reason for the closure of Child Care Centers.

	Child Care Centers			
	2006	2007	2008	2009
Business not profitable	65%	52%	56%	56%
Moved	4%	21%	18%	19%
Lack of Benefits	--	--	--	15%
Regulatory reasons	23%	28%	22%	8%
Other	8%	--	4%	2%

Source: 2-1-1 Child Care

Family Day Care Homes

- The number of family day care homes has been steadily decreasing during the past decade however, the number of homes increased 5% in 2009. Capacity increased 4% while vacancies increased by 18% for that same time period.

	Family Day Care Homes									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Number of Programs	3,791	3,636	3,304	3,292	3,048	2,918	2,757	2,732	2,632	2,766
<i>% Change of Programs</i>		-4.1%	-9.1%	-0.4%	-7.4%	-4.3%	-5.5%	-0.9%	-3.7%	5.1%
Total Capacity				28,119	25,977	24,216	23,420	23,126	22,303	23,197
<i>% Change of Capacity</i>					-7.6%	-6.8%	-3.3%	-1.3%	-3.6%	4.0%
Vacancies				6,702	6,146	7,402	6,297	6,306	7,010	8,256
<i>% Change in Vacancies</i>					-36.7%	20.4%	-14.9%	0.1%	11.2%	17.8%

Source: 2-1-1 Child Care

- The percent of homes that close annually typically ranges from between 11% and 14% of all homes and has been relatively steady.

	Family Day Care Homes			
	2006	2007	2008	2009
Number of Closed Programs	315	357	374	360
<i>% of Programs that Closed</i>	11.4%	13.1%	14.2%	13.0%

Source: 2-1-1 Child Care

- “Career Change” continues to be the main reason for Family Day Care Homes closure. A higher percent closed due to “Business Not Profitable” in 2009 than in 2008.

	Family Day Care Homes			
	2006	2007	2008	2009
Career change	39%	29%	34%	35%
Business not profitable	6%	18%	10%	19%
Medical reasons	8%	4%	6%	12%
Retired	15%	13%	17%	11%
Regulatory reasons	16%	15%	11%	9%
Moved	10%	15%	15%	9%
Other	6%	6%	7%	5%

Source: 2-1-1 Child Care