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Montrose County *Childcare Needs* *Assessment*

PREPARED FOR:

Uncompahgre Valley Alliance Childcare Caucus
Bright Futures for Early Childhood and Families
Montrose County
City of Montrose

FINAL REPORT:

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Montrose County Childcare Needs Assessment: Executive Summary

The Uncompahgre Valley Alliance together with Bright Futures, Montrose County, and the City of Montrose contracted with Root Policy Research to conduct a countywide childcare needs assessment and parent/guardian survey to better understand the current and future need for childcare and early childhood education (ECE) in the region. The report is organized around three sections:

- **Section I. Demographic Trends and Childcare Options** summarizes relevant demographic and employment trends in the region, documents existing childcare options, and discusses the economic impact of childcare.
- **Section II. Parent Preferences and Needs** offers a detailed review of survey responses from parents/guardians of children under age six throughout the county.
- **Section II. Demand Analysis & Recommendations** contains the analysis of current and future demand for licensed childcare in Montrose County and provides recommendations to address gaps in the childcare system.

This Executive Summary highlights key findings from the assessment and outlines proposed recommendations.

Demographic Trends and Childcare Options

Demographic and economic context:

- Montrose is home to 9,241 total children (under 18) and 2,641 children under age 6—and the state demographer forecasts an increase in the number of children in the county over the next 30 years.
- Data show that 69% of children under the age of six in Montrose County, and 67% in the City of Montrose, have all parents in their household in the labor force.¹ These rates are higher than that of Colorado overall (64%) and reflect an increase from the Montrose County proportion in 2010 (63%). Given the high proportion of working parents in the county, it is not surprising that childcare is an issue of interest.
- The largest employers in the county are healthcare and social assistance (20% of workers), retail trade (13%), and manufacturing (9%).

¹ Two parents in the labor force for those children living in two-parent households and one parent in the labor force for single parent households.

Existing childcare options:

- Montrose County is classified as a “childcare desert” meaning there are more than three times as many children as licensed childcare spots.²
- Existing childcare centers, preschools, and licensed family care providers can serve a total of 741 children daily, most of which (612) are from childcare centers as opposed to licensed family care providers. The majority of the county’s licensed care providers are located in the City of Montrose.
- Providers primarily serve families within Montrose County, with some indicating that they occasionally serve families from Ridgway or Delta who commute to Montrose for work.
- Outside the structure of licensed childcare, families employ a number of strategies to provide care for their children including arranging work hours to accommodate care options, relying on friends, neighbors and family for care, and using a nanny or participating in a nanny-share.
- Interviews with providers (both licensed and non-licensed) highlighted the shortage of childcare available and the demand for additional capacity, particularly for infant and toddler care. Some providers expressed a desire to increase capacity but noted barriers to expansion as finding and retaining qualified staff, financial challenges, and zoning/permitting challenges. Unlicensed providers also faced barriers related to perceived bureaucracy of licensing.

Economic impact of childcare:

- The positive effects of early childhood education/childcare are well-documented in prevailing academic research. These impacts include individual benefits for the child and family as well as economic and social benefits realized by the broader community. Prevailing academic literature shows the full economic impact of early childhood education to range from \$4 to \$16 for every \$1 invested.
- A 2020 study by Ready Nation in Colorado estimates the annual costs of insufficient childcare on Colorado parents, employers, and taxpayers totals \$2.17 billion (in lost earnings, productivity, and tax revenue).

²Bishop-Josef, Sandra, Cook, Michael, and Garrett, Tom, “Want to Grow Colorado’s Economy? Fix the Child Care Crisis,” Prepared for Ready Nation & Council for Strong America, March 2020. Available online at <https://strongnation.s3.amazonaws.com/documents/1120/f40c30b2-32e4-4197-97bf-cb2b8c6fd8d4.pdf?1589292162&inline;filename=%22Want%20to%20Grow%20Colorado%E2%80%99s%20Economy%20Fix%20the%20Child%20Care%20Crisis.pdf%22>

- A 2017 report on the Economic Impact of Child Care in Colorado classifies the economic impacts in Colorado as follows:
 - The *immediate economic effect* in which spending on childcare services contributes to state/local employment and economic output (\$619 million in earnings and \$1.4 billion in sales/services);
 - The *enabling economic effect*, in which the provision of childcare allows parents to participate in the workforce (\$4.4 billion); and
 - The *investment effect*, in which childcare spending generates individual and community returns derived from higher lifetime incomes, lower incarceration rates, lower welfare expenditures, and improved worker productivity (\$832 million annually in Colorado).
- Applying the statewide multipliers discussed above to the Montrose spending estimate yields an estimated \$16 million in the immediate economic effect, \$50 million in enabling effect, and \$9.5 million in investment effect.³

Survey Results: Parent Preferences and Needs

The survey received 603 respondents representing 817 children aged six and younger. This reflects about half of all children age six and younger living in Montrose County. Broadly speaking, respondent characteristics were similar to County residents overall.⁴

- Overall, 66% of survey respondents regularly use some form of non-parent childcare and an additional 15% indicated they typically use non-parent childcare but currently do not only because of the COVID-19 pandemic.
- The type of care used by Montrose County families varies by the age of children in the household as well as other household characteristics (location, ethnicity, industry, etc.), but the most common types of care used are childcare centers, adult relatives, licensed family providers, and half- or full-day preschools.
 - Many households are using multiple types of care throughout the week: on average, children under 6 are using 2.8 different types of care per week. Households outside of the City of Montrose are piecing together even more care types, averaging 3.2 different types of care per week per child.

³ It is important to note that not all of these economic effects will be realized within Montrose County but they are attributable to the Montrose County early childhood infrastructure.

⁴ See Section II for additional details on representation by income, ethnicity, etc.

- Households living outside of the City of Montrose were also more likely to rely on informal care networks: 57% of families outside the city use family/friend/neighbor (FFN) care, compared to 49% in the city.
- 55% of Montrose County parents with children aged six or younger in childcare have spent time on a waitlist for one or more of their children.
- Among parents who do *not* regularly use non-parent childcare providers, 61% said they plan to (or would like to) use non-parent childcare in the future. The most common reason why parent care households do not have someone else regularly watch their children is affordability (21%).
- When choosing childcare, respondents indicated the most important factors were provider's values aligning with their own, an emphasis on childhood development and education, and reputation/referrals. Location also plays a key role in preferences: 71% of parents would choose care near their house over care near their work; and 61% value location over the type of provider.
- Overall, parents are relatively satisfied with their current care (53% rate their satisfaction between 7 and 9 on a 0-9 scale), but satisfaction rates vary:
 - Households in the City of Montrose are more satisfied with their childcare than those living outside the city: averages satisfaction rating of 6.8 among city residents compared to 5.8 for those living outside the City of Montrose.
 - Households with children under age three had a lower average satisfaction rating for their care provider (6.2) than the average rating (6.8) held by households with children ages three through six.
- In the past year, the vast majority (87%) of respondents experienced one or more challenges (excluding COVID) finding and using childcare in Montrose County.⁵
 - 53% of all respondents indicated that finding someone they trust is a challenge and 34% faced cost challenges;
 - 33% of households with children under two said finding infant care was a major challenge; and
 - 19% of Spanish speaking respondents indicated that they could not find provider information in their language. Relatedly, 26% of Spanish speaking respondents face challenges getting knowledge of what is available or needed more information (compared to 18% of English speakers).

⁵ Note that respondents were explicitly prompted to select challenges they have faced outside of a COVID environment, so these data do not necessarily reflect challenges parents faced during COVID.

- The most common aspects respondents said they wanted to change were finding care closer to home and work, followed by changing the hours or days care is offered.
 - Regardless of the age of child or type of care, 37% of parents need childcare earlier in the morning than currently offered and 23% need evening hours.
 - Many (35%) households with a member working in healthcare indicated the hours of care were a major challenge. Around 23% of households without healthcare workers indicated this was a major challenge.
 - About 24% of parents expressed a need for summer care and 19% expressed a need for hourly drop-in care.
- Affordability is a key concern among parents/guardians. On average, respondents spend \$720 per month per child for non-parent care and children are in care an average of 3.9 days per week. Costs are higher for those using care more than 3 days per week and costs are higher for younger children (under 3). Only half of all respondents said they were able to cover the cost of childcare without too much difficulty—29% said covering the cost is “difficult” or a “major challenge” and another 21% said they are only able to cover childcare costs because of assistance received.
- When asked about future plans for care, many households indicated they would need *more* childcare in the next 12 months, either because they were changing work schedules, having another child, no longer staying at home with children, or planned to use childcare after COVID risks decreased. This means Montrose County should expect an increase in demand in childcare in both the short- and long-term.

Demand Forecast

- Total current demand for licensed childcare spots in Montrose County is for 1,060 children, who would occupy an estimated 933 spots. Presently, there are only 741 spots available.
 - This includes 842 children in effective resident demand (occupying the 741 current daily spots)
 - And 218 children in latent demand (which includes waitlisted children, children who currently have exclusively parent-based care but whose parents will return to work, and families in non-licensed care who indicated they would like to change to licensed care).
- Current demand already outstrips supply (an estimated demand of 933 spots when there is only daily capacity 741) and the gap is likely to widen unless the supply of licensed care increase. This gap is particularly notable for infants.
- Total current demand is forecasted to increase to 1,149 children by 2028 and 1,460 children by 2035. Assuming the current proportion of children occupying each licensed

spot holds, this means licensed childcare spots would have to increase to 1,011 by 2028 and to 1,285 by 2035 to fully accommodate rising demand.

Recommendations

This report utilizes the best data available to project future demand for childcare. However, unknown variables—economic fluctuations, choices of residents (continuing to work/reside in Montrose County, fertility choices, etc.) and housing availability and affordability—will all influence future demand for childcare to some extent.

Based on the current circumstances and projects, Root Policy Research offers the following recommendations to address childcare needs and monitor demand in Montrose County. These recommendations are based on Root Policy's expertise and experience in other communities as well as input from the UVA Childcare Caucus and Bright Futures. Additional detail is available in Section III.

1. Continue to proactively track the key metrics for childcare demand.
2. Evaluate the potential for publicly funded childcare resources.
3. Develop and fund a scholarship program for income constrained households (exceeding state support through the Colorado Childcare Assistance Program (CCCAP)) to increase affordability of childcare services for parents/guardians.
4. Develop a pipeline of childcare professionals and support current professionals in the childcare industry.
5. Consider options for expanding licensed childcare in the region, with a focus on infant/toddler care.
6. Encourage large employers to provide on-site childcare facilities.
7. Identify and offer support to non-licensed childcare providers in Montrose County.
8. Provide more easily accessible information about CCCAP and available care options.

SECTION I.

DEMOGRAPHIC TRENDS & CHILDCARE OPTIONS

SECTION I.

Socioeconomic Trends & Childcare Options

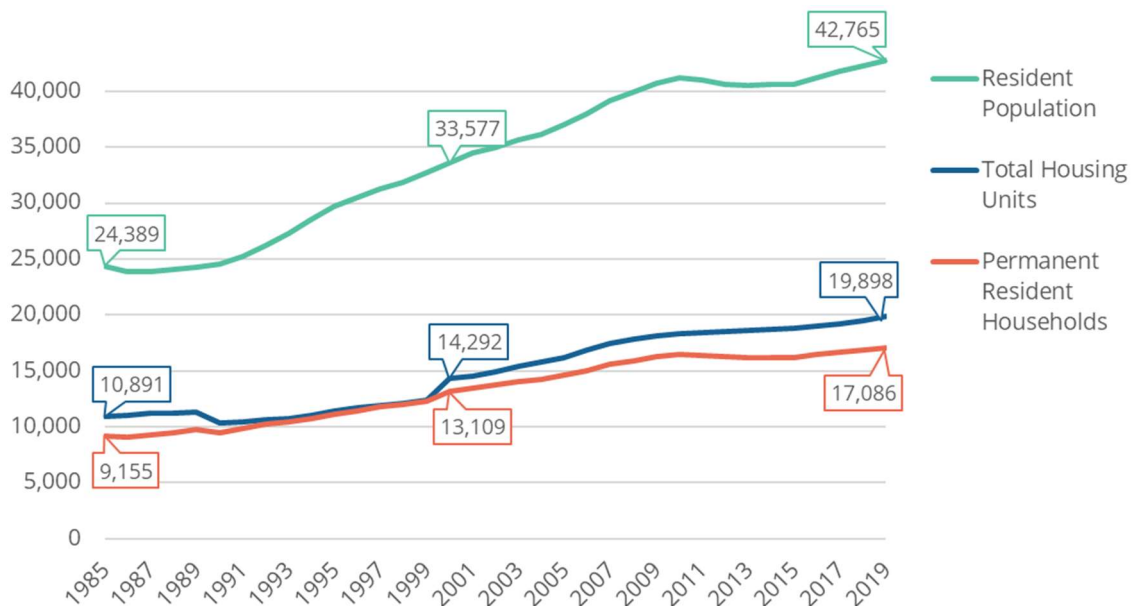
This section summarizes the demographic and employment trends in Montrose County and discusses existing childcare options to provide context for the childcare needs assessment. The section concludes with a discussion of the economic impact of childcare.

Demographic and Employment Profile

Montrose County includes the City of Montrose as well as Naturita, Nucla, Olathe, Paradox, and Maher. The following section summarizes socioeconomic trends in Montrose County to establish the context for discussing current and future childcare needs in the community. Where possible, data are provided for the county overall as well as for the City of Montrose.

Population and households. As of 2019, there were 42,765 residents occupying 17,086 households in Montrose County. Another 2,812 housing units in the county are not occupied by permanent resident households and are largely second homes and/or seasonal, recreational homes (including short-term rentals). Figure I-1 displays trends in population, housing units, and permanent resident households in Montrose County between 1985 and 2019.

Figure I-1.
Population and Households, Montrose County, 1985-2019



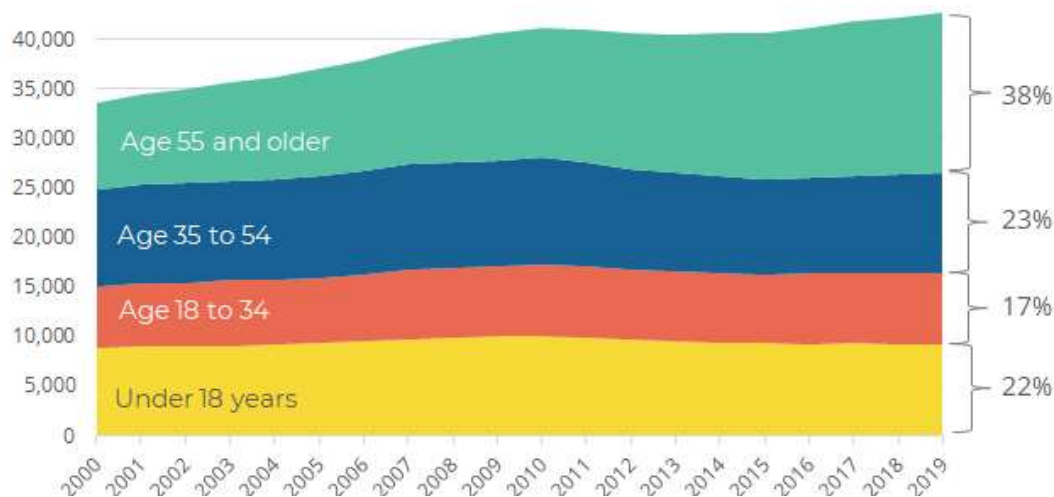
Source: Colorado Department of Local Affairs and Root Policy Research.

According to 2019 5-year American Community Survey (ACS) data, the City of Montrose has 19,238 residents, accounting for about 46% of the countywide population. Over half (53%) of the county's children under 5 years of age reside in the City of Montrose. The towns of Olathe, Naturita, and Nucla have a combined population of 2,791, about 7% of the county's total population. Six percent of the county's population under-5 population reside in Olathe, Naturita, or Nucla.

The county's population has steadily increased since 2000, with a slight decline lasting from 2011 to 2015. However, there has been a recent rebound for a total increase of 9,188 residents between 2000 and 2019. The gap between housing units and permanent resident households has increased slightly since the 1990s, indicating that there been an increase in the proportion of housing units being used for seasonal or recreational purposes. In 2019, 86% of all housing units were occupied by permanent residents and 14% were "vacant." Of these vacant, non-permanent resident households, 34% were for seasonal, recreational, or occasional use; 37% were currently for rent or for sale; and 29% were vacant for other reasons.¹

Age profile. The largest age cohort in Montrose County is residents aged 55 and older, accounting for 38% of the total population. This marks a substantial increase since 2000 when the older adult population accounted for just 26% of the total population. All other age groups declined as a percent of total population between 2000 and 2018, including the child cohort which was 27% in 2000 and 22% in 2019. Figure I-2 shows the change in population by age group in Montrose County.

Figure I-2.
Population by Age Montrose County, 2000-2018



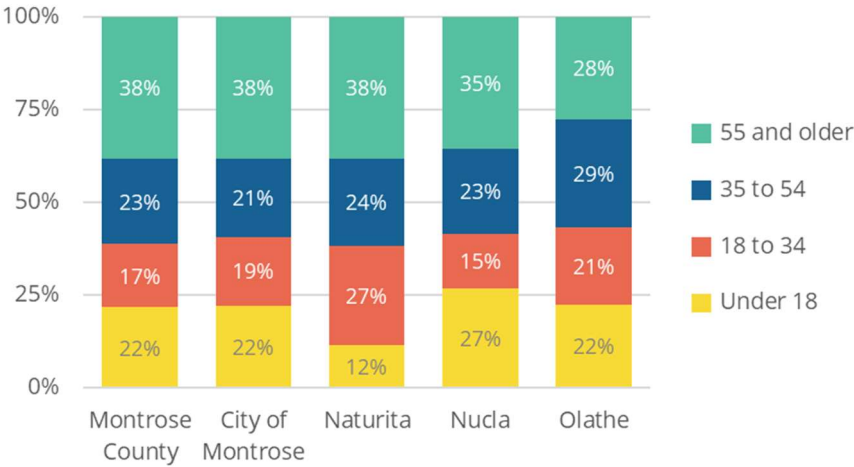
Source: Colorado Department of Local Affairs and Root Policy Research.

¹ Occupied and vacant units from Colorado Department of Local Affairs (DOLA); reasons for vacancy from 2019 5-year American Community Survey (ACS) data.

Figure I-3 compares the age distribution of the county overall with the City of Montrose, Naturita, Nucla, and Olathe. Both Montrose and Olathe have an age distribution similar to the County overall. Naturita has a lower representation of children (just 12% of the population) while Nucla has a higher representation of children (27%).

Figure I-3.
Age Distribution,
Communities in
Montrose County

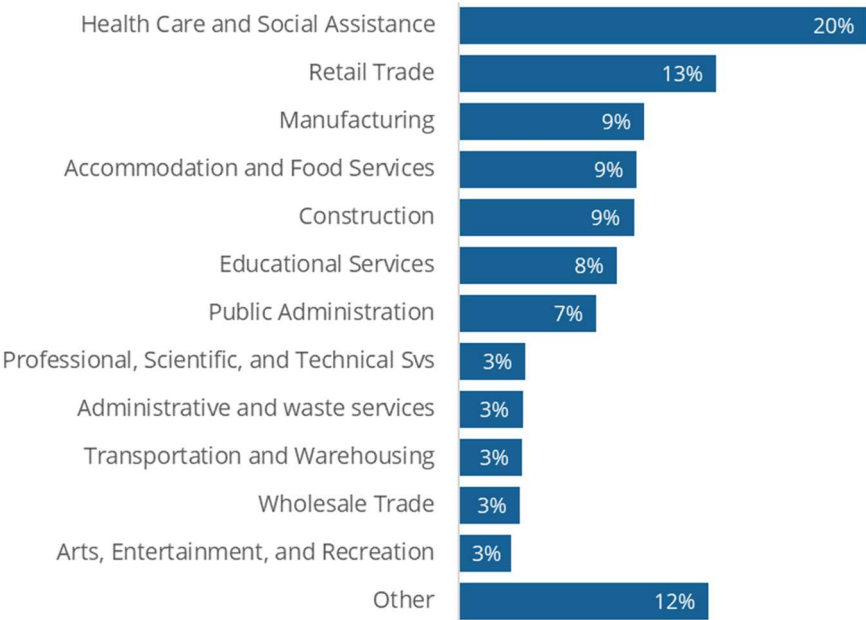
Source:
2019 5-year ACS and Root Policy
Research.



Employment and industry. The Census Bureau estimates that there are about 14,197 primary jobs in Montrose County. The largest industries in the county are healthcare and social assistance (20%), retail trade (13%), manufacturing (9%) and construction (9%). Most jobs in the county are concentrated along US Route 50 in Montrose and Olathe.

Figure I-4.
Jobs by Industry
in Montrose
County

Source:
Longitudinal Employer
Housing Dynamics.



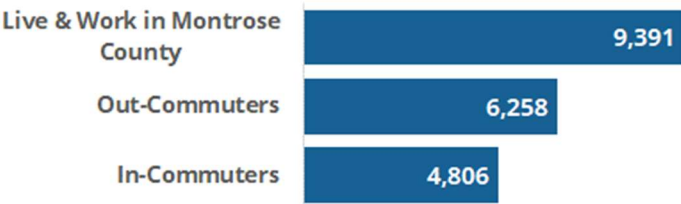
It is also worth noting that many households take on multiple jobs or have multiple earners to make ends meet. According to the survey conducted for this study (see Section II for details), nearly half (47%) of working adults have more than one job.

Commuting patterns. The majority of Montrose County workers also live in Montrose County, but there are still a high proportion of both in- and out-commuters, as shown in Figure I-5. A total of 9,391 workers both live and work their primary jobs in the county. That reflects 60% of working residents and accounts for 66% of all primary jobs located in the county. However, many county residents commute to work outside the county (6,258) and several workers from outside the county commute into Montrose for work (4,806). If, like in Montrose County, nearly 5% of households have a child under six, this means that an estimated 240 commuters into Montrose County have children under six.

Commuting patterns are particularly important for childcare demand as families and workers have different preferences about childcare proximity to home and work. These preferences are discussed in detail in Section II, Parent Preferences and Needs.

Figure I-5.
Inflow/Outflow of
Commuters in Montrose
County

Source:
2019 Longitudinal Employer Housing Dynamics.



Children with parents in the labor force. Data from the 2019 ACS show that 69% of children under the age of six in Montrose County, and 67% in the City of Montrose, have all parents in their household in the labor force.²

These rates are higher than that of Colorado overall (64%) and reflect an increase from the Montrose County proportion in 2010 (63%). Given the high proportion of working parents in the county, it is not surprising that childcare is an issue of interest.

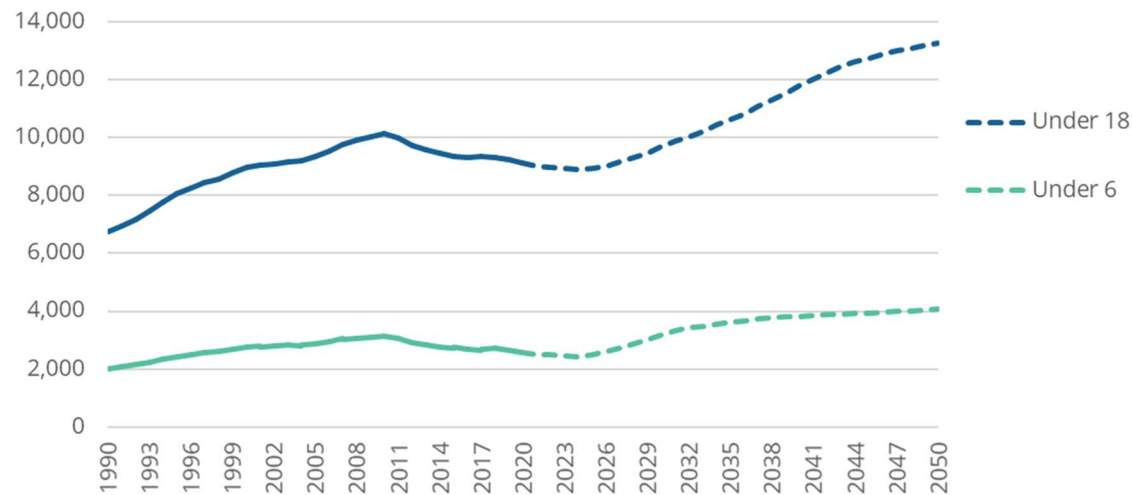
Presence of Children

As discussed previously, the proportion of children living in Montrose County declined between 2000 and 2019—from 27% of the population (8,978 children) in 2000 to 22% of the population (9,241 children) in 2019. However, the number of children has increased and will likely continue to increase over the next 30 years according to Colorado’s Department of Local Affairs (DOLA).

Figure I-6 shows the population of children (under 18) and the population of children under age six since 1990 and forecasts those populations from 2020 through 2050. Historical data are indicated by solid lines; forecasts are indicated by dashed lines. (Note that DOLA only provides forecasts at the county level).

² Two parents in the labor force for those children living in two-parent households and one parent in the labor force for single parent households.

Figure I-6.
Historic and Forecasted Population of Children, Montrose County, 1990-2050



Source: Colorado Department of Local Affairs and Root Policy Research.

As of 2019, about 22% of county households and 27% of households in the city included children. Four percent of households in the county and 6% in the City of Montrose include children under age 6. Figure I-7 shows recent trends for the presence of children in Montrose's population and households, along with forecasted changes through 2029.

Figure I-7.
Presence of Children, Montrose County, 2010, 2019 and 2029

	Montrose County			City of Montrose		
	2010	2019	2029	2010	2019	2029
Total Population	41,188	42,764	49,442	18,237	19,238	22,242
Under 18	10,124	9,241	9,470	3,191	4,280	4,386
Under 6	3,135	2,641	3,027	1,842	1,513	1,734
<i>Percent of population under 18</i>	25%	22%	19%	18%	22%	20%
<i>Percent of population under 6</i>	8%	6%	6%	10%	8%	8%
Total Resident Households	16,451	17,086	20,404	7,335	8,110	9,685
With children under 18	4,183	3,778	4,315	2,336	2,202	2,515
Under 6 years only	954	710	810	685	455	519
Under 6 years and 6 to 17 years	777	846	967	442	516	589
6 to 17 years only	1,888	2,015	2,302	1,209	1,231	1,406
<i>Percent of hh with children under 18</i>	25%	22%	21%	32%	27%	26%
<i>Percent of hh with children under 6</i>	6%	4%	4%	9%	6%	5%

Note: In Montrose County, age distribution in households apply ACS distribution to DOLA estimates. The City of Montrose estimates rely solely on ACS data. 2029 reflects forecast assuming consistent age distribution of children in households.

Source: DOLA population and household estimates and forecasts; 2010 and 2019 ACS; and Root Policy Research.

The DOLA estimate of 2,641 children under the age of six is consistent with birth rate forecasts for 2017 and 2018, which estimate about 440 births per year in the area. This is also consistent with Montrose County school district enrollment data, which lag birth rates.

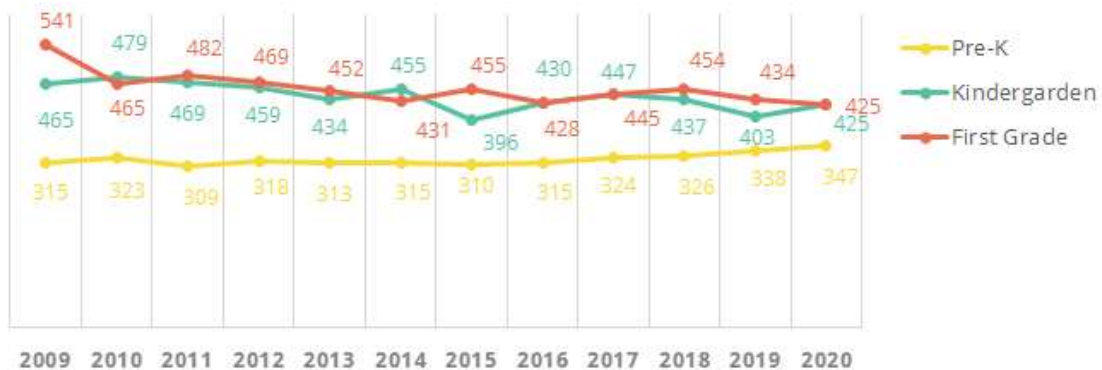
School enrollment. Figure I-8 displays total trends in school enrollment over the past 12 years in Montrose County, both overall and in elementary grades (K through 6th). This includes both school districts: Montrose County RE-1J and West End RE-2. The Montrose RE-1J school district consistently enrolls over twenty times as many students as the West End RE-2 school district. For example, in the 2019-2020 academic year, Montrose RE-1J had 6,215 total students enrolled (3,063 of them in K-6 grade) where West End RE-2 had 272 total students enrolled (131 of them in K-6 grade). Figure I-9 shows trends for Pre-K, Kindergarten and first grade enrollments.

Figure I-8.
School Enrollment in Montrose County



Source: Colorado Department of Education.

Figure I-9.
School Enrollment in Montrose County: Pre-K, Kinder, and 1st Grade



Source: Colorado Department of Education.

School district data indicate an average of 442 children per year entering Kindergarten from 2009 to 2020. This would equate to about 2,650 children under the age of six living in Montrose County, which serves as a useful verification of the DOLA estimate of 2,641 children under six living in the county.

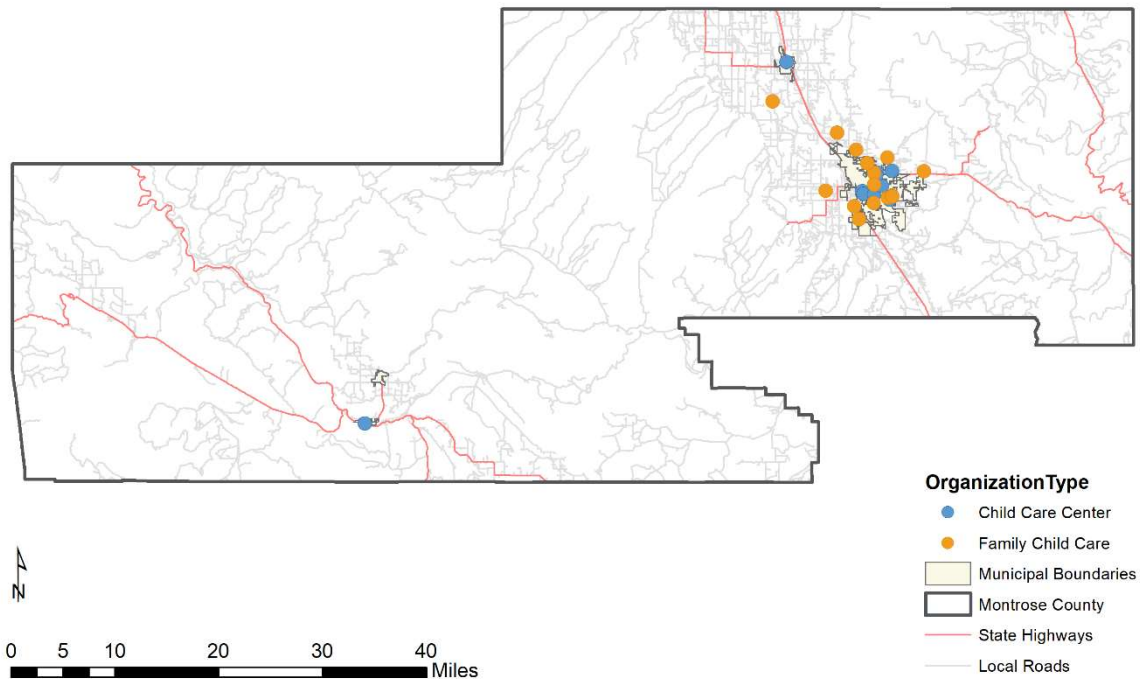
Existing Licensed Childcare Options

Montrose County's licensed childcare options for children six and under who are not yet in kindergarten are varied. There are ten preschools or childcare centers in the county, four of which serve infants (under age one).

Most childcare centers are in the City of Montrose, with only the Naturita Preschool and the Olathe and Johnson Early Childhood Centers located outside the city (see Figure I-10).

There are fifteen licensed family childcare homes (also called “in-home daycare” or “family care providers” licensed to provide care for between six to twelve children in their own home) in Montrose County. As shown in Figure I-10, the majority of licensed care providers are also located in the City of Montrose.

Figure I-10.
Location of Licensed Childcare Options in Montrose County



Source: Colorado Licensed Child Care Facilities Report in the Colorado Information Marketplace.

Capacity and enrollment. Figure I-11 shows the daily capacity of licensed childcare facilities by type and by age. Existing childcare centers, preschools, and licensed family care providers can serve a total of 741 children daily.

- Childcare centers and preschools in the county serve the majority, with up to 612 children daily. However, just 32 of those childcare spaces can be filled by infants under the age of one. Additionally, some care centers and preschools are not open 5-days a week or do not offer summer care.
- Licensed family care providers can serve up to 129 children daily, with 30 of those being infants. However, it is important to note that these figures represent providers' legal capacity, which often differ from enrollment. For example, through our interviews, we found that half of licensed family care providers chose not to take infants into their care, even though their state license permits two.

Most providers indicated their capacity could not keep up with demand. All but one of the providers were operating at full capacity and the majority (60%) had a waitlist, with many receiving calls from families who were pregnant or expecting a child and were anticipating childcare needs.

Figure I-11.
Existing Licensed Childcare Providers in Montrose County

Provider Type	Number of providers	Daily Capacity by Age		
		Infants (<1 year)	Toddlers & Preschoolers	Total
Early childhood center or preschool	10	32	580	612
<i>Centers providing infant care</i>	4	32	253	285
<i>Centers providing care for only toddlers and preschoolers</i>	6	0	327	327
Licensed family childcare	15	30	99	129
Total	25	62	679	741

Note: Infant capacity among licensed family care providers reflects licensed capacity of 2 infants per home. However, interviews indicate that a number of family care providers only accept toddlers/preschoolers. As such, stated infant capacity above is an upper bound.

Source: Colorado Licensed Child Care Facilities Report in the Colorado Information Marketplace, and Root Policy Research Childcare Provider Interviews.

Perceptions of Demand and Barriers to Providing Care

This section presents the results of Root Policy Research's outreach to existing providers—both licensed and non-licensed—and their perspectives on demand for childcare and barriers to providing care throughout the County.

Licensed provider perceptions. As part of the study, Root Policy Research conducted interviews with various Montrose County licensed providers to discuss perceptions of demand and barriers to providing care.

Nearly all providers noted that there is a severe shortage of infant and toddler care available in the county. Many also suggested that there is a need for night or weekend care, but most providers were unable to provide it. Some noted that parents working in healthcare often requested night/weekend care. Our survey results, discussed in Section II, indicate that 25% of households with children under six have at least one adult working in healthcare.

Providers primarily serve families within Montrose County, with some indicating that they occasionally serve families from Ridgway or Delta who commute to Montrose for work.

All providers accepted families using CCCAP, but some indicated several challenges that made it difficult for them to do so. For instance, some noted that CCCAP did not reimburse well and that

“Recently staffing has been the hardest thing—finding and retaining qualified staff. You need a lot of education, but the pay is not comparable to other fields of education. Providers cannot provide that pay to keep care affordable.” – Montrose County licensed care provider

providers needed to take cash-paying clients instead. Another noted that they thought children with special needs using CCCAP would have extra funding, but never received it. Other providers expressed a desire for CCCAP to have additional funding for supplies, activities, and transportation for the children, and some wished families using CCCAP would have a better understanding of the rules and expectations associated with the funding.

It is worth noting that

since these interviews were conducted, CCCAP has increased provider reimbursement rates lowered parent fees for families enrolled in CCCAP. Also, due to the pandemic, they have temporarily agreed to cover additional paid absences.³

Additionally, many providers expressed a desire to expand their capacity but indicated several barriers. For instance, finding and retaining qualified staff was a challenge for many providers: some found

“Many CCCAP families do not know the rules and expectations and it would be great to not have to be the middleman.”

– Montrose County licensed care provider

“You just lose money through CCCAP if kids do not show up.” – Montrose County licensed care provider

“I need a new fence for my yard and its \$5k...How am I going to come up with that? That is two months of my income. I applied for a grant. If I do not get it, I will need a loan. It feels like a no-win situation.” – Montrose County licensed care provider

³ www.acf.hhs.gov/sites/default/files/documents/occ/CRRSA_60_Day_Report_2021_Colorado.pdf

individuals lacking training or experience, others said that they could not pay qualified individuals enough to keep them. Several providers expressed a need for more affordable or virtual trainings, particularly ECE classes, nutrition classes, and free or affordable college-level classes required for center-care qualification. Other providers who wished to expand had issues obtaining special use zoning permits.

License-exempt childcare options and perceptions. Outside the structure of licensed childcare, families employ a number of strategies to provide care for their children including arranging work hours to accommodate care options, relying on friends, neighbors, and family for care, and using a nanny or participating in a nanny-share. Data on these options are limited but their use among survey respondents is discussed in Section II, Parent Preferences and Needs.

As part of the study, Root Policy Research conducted a focus group with local unlicensed providers, including family care homes serving fewer than five children and family/neighbors providing care. Discussions were focused on current service provision and barriers providers face in providing childcare services. Top themes shared by non-licensed childcare providers are discussed below.

- **Providing care out of necessity.** Multiple family members providing care indicated they were doing so primarily out of necessity. In other words, there were no available or preferred options other than a family member offering care. For some this was due to COVID (needing care for school-aged children and/or desire to minimize exposure) and for others it was related to scheduling (needing weekend and/or early morning care).
- **Overall perception of demand.** Broadly speaking, non-licensed providers all felt that demand for childcare was high across Montrose County and that current providers were not able to fully accommodate that demand. They echoed licensed provider perspective that infant demand was particularly high with relatively few providers. Other needs identified by non-licensed providers were Spanish or bilingual care, flexible hours (nights, weekends, and early morning), affordable care, and additional capacity for toddler care. Providers also acknowledged the financial challenges of providing childcare, which offers relatively low wages—licensed or not—and generally has high provider/staffing turnover as a result.
- **Experience with licensing.** Experience with state licensing varied among focus group participants with some previously pursuing licensing, some never having considered it, and at least one in the process of pursuing licensing. Those with experience expressed frustration with the bureaucracy and perceived inefficiencies in the system—for example, one participated noted having to pay for background checks twice to move from level 1 to level 2. One provider pursued licensing strictly to enable them to accept Colorado Child Care Assistance Program reimbursement but was

disappointed at the low rate of compensation—then \$18 per day—for Level 1 infant care.

- **Resources and supports.** Providers identified supports, resources and training that would benefit unlicensed providers and parents in the community, including additional activities/outings for children (e.g., experiential learning opportunities, meet-ups with other non-licensed providers to increase socialization) and free training and professional development opportunities for providers. Non-licensed providers noted that training opportunities should ideally be free (as they do not necessarily increase provider earnings) and should be accommodate the schedules of provider—either by offering online options, off-hours, or providing childcare.

Insufficient supply. In Colorado, 51% of residents live in a childcare desert. A childcare desert is defined as an area where there are more than three times as many children as licensed childcare spots.⁴ By this definition, with 2,641 children in Montrose County in 2019 and 741 licensed childcare spots, the county is a childcare desert.

The number of licensed childcare spots in Colorado for infants decreased by 11% between 2010 and 2018, which was mainly due to a decrease in home-based family care providers.⁵

Much of this decline in the childcare provider labor force has to do with low wages. The average annual salary for Colorado's childcare professionals in 2015 was \$25,065, which was 49% of the average annual income for all Coloradans in that same year (\$51,177). This salary also only just above the \$24,250 poverty threshold for a family of four in 2015.

Additionally, among professionals who stay in the childcare industry, many are facing additional stressors due to financial issues.⁶ Research finds that caregivers' stress affects the quality of the relationships they form with children in the classroom.⁷ For this reason, improvements in

"The pay is so low and has been the same for so many years. No benefits, no time off, no comp. It just doesn't add up." –
Montrose County licensed care provider

⁴Bishop-Josef, Sandra, Cook, Michael, and Garrett, Tom, "Want to Grow Colorado's Economy? Fix the Child Care Crisis," Prepared for Ready Nation & Council for Strong America, March 2020. Available online at <https://strongnation.s3.amazonaws.com/documents/1120/f40c30b2-32e4-4197-97bf-cb2b8c6fd8d4.pdf?1589292162&inline;filename=%22Want%20to%20Grow%20Colorado%E2%80%99s%20Economy%20Fix%20the%20Child%20Care%20Crisis.pdf%22>

⁵ Ibid

⁶ Smith, Sheila, and Sharmila M. Lawrence. "Early care and education teacher well-being: Associations with children's experience, outcomes, and workplace conditions: A research-to-policy brief." (2019).

⁷ Whitaker, Robert C., Tracy Dearth-Wesley, and Rachel A. Gooze. "Workplace stress and the quality of teacher–children relationships in Head Start." *Early Childhood Research Quarterly* 30 (2015): 57-69.

caregiver pay are not only important for retaining the workforce, but also for the quality of care provided to children and families.

Economic Impact of Childcare

The positive impacts of early childhood education/childcare are well-documented in prevailing academic research. These impacts include individual benefits for the child and family as well as economic and social benefits realized by the broader community.

Child development. Academic studies highlight the need for early intervention to support identified benefits based on the pace of brain development from birth through age six and the early development of noncognitive skills such as motivation, self-control, and time preference.⁸ The research is clear that the types of early experiences that help children thrive include “stable and nurturing relationships with caregivers, language-rich environments, and encouragement to explore through movement and senses;” while the types of experiences that negatively impact development include “poverty; exposure to violence, abuse or neglect; and an incarcerated or mentally ill parent.”⁹ Toxic stress, caused by these adverse experiences, has an immediate impact on children’s ability to learn and self-regulate but also has long-term mental and physical health impacts.¹⁰

In response to psychological, behavioral, and economic research on this issue, early childhood development programs are designed to create supportive environments and help foster healthy development from the earliest years. According to research from the Minneapolis Federal Reserve, “programs that offer enriched experiences for children and involve parents and other caregivers provide benefits for all children but have the strongest impact on children from disadvantaged environments.”¹¹ Public health experts have pointed out how Colorado childcare providers have prioritized children’s wellbeing in ways which set them up for social and economic success in the future¹².

Economic gains. The most prominent studies of early childhood education impacts are based on the Perry Preschool Project in Michigan (ages 3–4 years), the Chicago Child–

⁸ Douglas Clement, “Interview with James Heckman” The Region, Federal Reserve Bank of Minneapolis, 2005. Available online at www.minneapolisfed.org/publications/the-region/interview-with-james-heckman

⁹ Rob Grunewald, “Investments in Young Children Yield High Public Returns,” Federal Reserve Bank of Minneapolis, 2016. Available at www.philadelphiafed.org/community-development/publications/cascade/93/04_investments-in-young-children

¹⁰ Maxia Dong, Wayne H. Giles, Vincent J. Felitti, et al. “Insights into Causal Pathways for Ischemic Heart Disease: Adverse Childhood Experiences Study,” *Circulation*, 2004, 110(13). Available at <http://circ.ahajournals.org/content/110/13/1761.full>.

¹¹ Rob Grunewald, “Investments in Young Children Yield High Public Returns,” Federal Reserve Bank of Minneapolis, 2016. Available at www.philadelphiafed.org/community-development/publications/cascade/93/04_investments-in-young-children

¹² Eyler, Amy A., et al. “Adherence to Updated Childcare Nutrition Regulations in Colorado, United States.” *Frontiers in public health* 8 (2020): 102.

Parent Centers program (ages 3–4 years), the Carolina Abecedarian Project in North Carolina (ages 3 months through 4 years), and the Prenatal/Early Infancy Project in Elmira, NY (prenatal to age 2 years). These studies document the individual gains (both immediate and persistent) and the community benefits resulting from the provision of high-quality early learning programs—particularly those targeted to children from disadvantaged environments.¹³

- Individual economic benefits found in these studies include higher school achievement, educational attainment, and earnings along with health improvements such as reductions in smoking rates, heart disease and diabetes.¹⁴
- Societal economic benefits documented in these studies include reduced societal costs (e.g., reduced incarceration rates and reduced need for special education resources), increased tax revenue, increased labor force productivity, and higher labor force engagement among parents.¹⁵
- Benefit–cost ratios from the projects described above range from \$4 to \$16 returned for every dollar invested—and the public benefits measured were higher than the private benefits.

Prevailing academic literature shows the full economic impact of early childhood education to range from \$4 to \$16 for every \$1 invested—that equates to a 400% to 1,600% return.

Economic cost of insufficient childcare. Other studies have shown that inadequate access to childcare constrains local economic activity. For example, many scholars have found that presence of young children in the household reduces women’s likelihood of labor force participation, but a 2019 study found that this can be mitigated by childcare availability.¹⁶ Others have found that parent absenteeism and productivity reductions due to childcare breakdowns cost U.S. businesses more than \$3 billion annually.¹⁷

¹³ Ibid. and James J. Heckman, Rob Grunewald, and Arthur J. Reynolds, “The Dollars and Cents of Investing Early: Cost–Benefit Analysis in Early Care and Education,” *Zero to Three*, July 2006, 26(6).

¹⁴ Karen Shellenback. “Child Care and Parent Productivity: Making the Business Case,” *Linking Economic Development & Child Care Research Project*, Cornell University, 2004.

¹⁵ Rob Grunewald, “Investments in Young Children Yield High Public Returns,” Federal Reserve Bank of Minneapolis, 2016. Available at www.philadelphiafed.org/community-development/publications/cascade/93/04_investments-in-young-children

¹⁶ Conroy, Tessa. “The kids are alright: working women, schedule flexibility and childcare.” *Regional Studies* 53.2 (2019): 261–271.

¹⁷ Rob Grunewald, “Investments in Young Children Yield High Public Returns,” Federal Reserve Bank of Minneapolis, 2016. Available at www.philadelphiafed.org/community-development/publications/cascade/93/04_investments-in-young-children

Recent literature has found that mothers who moved to states with higher-than-average childcare costs had odds of employment that were 18% lower than mothers moving to states with average or less-than-average care costs. Colorado was one of 21 states with higher-than-average care costs in this study.¹⁸

In fact, Colorado is one of the top ten least affordable states for infant and four-year-old care. The cost of center-based infant care is more than 40% higher in Colorado than nationally, while the cost of home-based infant care is nearly 30% higher than the national

“The economic impacts of insufficient childcare on Colorado parents, employers, and taxpayers totals

\$2.17 billion

in annual costs to our

state” – 2020 Ready

Nation report: Want to

Grow Colorado’s Economy?

Fix the Child Care Crisis

average. The cost of care for a 4- year-old in either home- or center-based care is 26% higher in Colorado than it is nationally. The average cost of childcare statewide is 31% of the average income, meaning childcare is unaffordable for many families.¹⁹

Research has shown that productivity losses due to inability to find childcare have caused Colorado employers to lose an estimated \$680 million annually. Similarly, when parents earn less, they pay less in state taxes: an estimated \$420 in Colorado tax revenue is lost per parent due to childcare challenges.²⁰

Economic impact of Colorado’s childcare industry. A 2017 report on the Economic Impact of Child Care in Colorado classifies the economic impacts in Colorado as follows:

- The *immediate* economic effect in which spending on childcare services contributes to state/local employment and economic output (**\$619 million in earnings and \$1.4 billion in sales/services**);
- The *enabling* economic effect, in which the provision of childcare allows parents to participate in the workforce (**\$4.4 billion**); and

¹⁸ Landivar, Liana Christin, Leah Ruppanner, and William J. Scarborough. "Are States Created Equal? Moving to a State With More Expensive Childcare Reduces Mothers' Odds of Employment." *Demography* 58.2 (2021): 451-470.

¹⁹ Butler Institute for Families and Brodsky Research and Consulting, "Bearing the Cost of Early Care and Education in Colorado: An Economic Analysis," Prepared for Early Milestones Colorado, 2017. Available online at <https://earlymilestones.org/wp-content/uploads/2020/01/Bearing-the-Cost-of-ECE-in-Colorado.pdf>

²⁰ Bishop-Josef, Sandra, Cook, Michael, and Garrett, Tom, "Want to Grow Colorado’s Economy? Fix the Child Care Crisis," Prepared for Ready Nation & Council for Strong America, March 2020. Available online at <https://strongnation.s3.amazonaws.com/documents/1120/f40c30b2-32e4-4197-97bf-cb2b8c6fd8d4.pdf?1589292162&inline;filename=%22Want%20to%20Grow%20Colorado%E2%80%99s%20Economy%20Fix%20the%20Child%20Care%20Crisis.pdf%22>

- The *investment* effect, in which childcare spending generates individual and community returns derived from higher lifetime incomes, lower incarceration rates, lower welfare expenditures, and improved worker productivity (**\$832 million** annually in Colorado).²¹

“The early care and education sector is a key driver for the state’s economy... It adds **\$2.25 to the state economy for every dollar of services purchased in the industry, enables parents to participate in the state’s workforce, generating **\$4.4 billion** in earnings annually... [and] adds an additional **\$832 million** into the state economy in short- and long-term benefits.”** –*Bearing the Cost of ECE in Colorado*

While these data are not available at the local level, Montrose County certainly experiences the same types of benefits on a proportional scale.

The Montrose County Childcare Survey (discussed in detail in Section II) indicates that average monthly

spending on childcare services is \$720 per child. If we apply this spending to the 842 children currently using licensed care in Montrose County, the annual investment in childcare services is about \$7.3 million. Applying the statewide multipliers discussed above to the Montrose spending estimate yields an estimated \$16 million in the immediate economic effect, \$50 million in enabling effect, and \$9.5 million in investment effect. It is important to note that not all of these economic effects will be realized within Montrose County, but they are attributable to the Montrose County early childhood infrastructure.

²¹ Butler Institute for Families and Brodsky Research and Consulting, “Bearing the Cost of Early Care and Education in Colorado: An Economic Analysis,” Prepared for Early Milestones Colorado, 2017. Available online at <https://earlymilestones.org/wp-content/uploads/2020/01/Bearing-the-Cost-of-ECE-in-Colorado.pdf>

SECTION II.

PARENT PREFERENCES & NEEDS

SECTION II.

Parent Preferences & Needs

This section presents results from Montrose County Childcare Needs Survey of parents and guardians (Parent Survey) and examines:

- Current childcare choices;
- Childcare preferences and needs, including parent-only care and friend/family care;
- The cost of childcare; and
- Childcare needs for children under six years old.

Survey Methodology

Surveys were available online and in paper form in both English and Spanish and outreach efforts targeted households that have children under six—whether or not they utilize paid childcare. The survey was open to anyone (with children under six) interested in participating, which means the results are based on non-probability sampling methods. Specifically, responses were derived from convenience sampling and snowball sampling methods. Convenience sampling refers to promoting the survey to known individuals or organizations through direct contact (e.g., email invitation) or public relations and social media. Snowball sampling is when a respondent to the survey promotes the survey to their peers or social networks (e.g., sharing the survey link by email or social media).

The self-selected nature of the survey prevents the collection of a true random sample. (A true random sample is a sample in which each individual in the population has an equal chance of being selected for the survey). However, the high number of responses yields a robustness to the results that minimizes error around the estimates.

Root will monitored the survey as it progressed and compared demographic and socioeconomic indicators with the overall population and continually worked with the committee to adjust outreach efforts as necessary to make sure we were reaching all segments of the potential user population.

The survey received 603 respondents representing 817 children aged six and younger. This reflects about half of all children age six and younger living in the county. Socioeconomic characteristics of respondents are discussed in more detail in the following section but broadly speaking, respondents characteristics were similar to County residents overall, despite a slight underrepresentation of Hispanic respondents.

The survey was open to respondents during the months of April and May (2021). While some parents/guardians may have shifted their childcare usage during the COVID-19

pandemic, the survey instrument was carefully designed to ask respondents about non-COVID, or “typical” childcare experiences. As such, the results are intended to inform childcare preferences and needs in a non-pandemic environment unless otherwise noted.

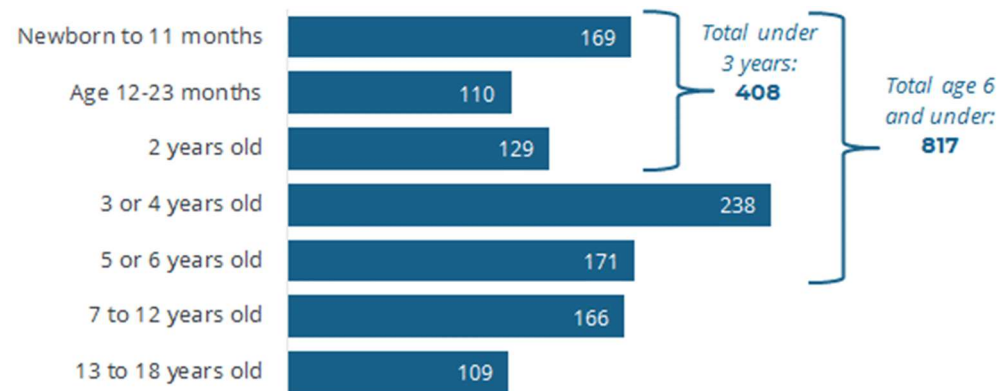
Profile of Participating Parents

A total of 603 parents (or soon-to-be parents) in households with children aged 6 or younger living or working in Montrose County responded to the Parent Survey.

- Most respondents (69%) live in the City of Montrose, consistent with the city’s share of county households with children under 6 (62%; see Section I for details). Another 12% of respondents live in Naturita and the remainder live in Olathe (8%), Nucla (3%), Paradox (2%), or elsewhere in Montrose County (3%). A small group of respondents (3%) live in neighboring communities, including Delta, Ouray, and San Miguel counties, but work in Montrose County.
- Overall, 95% of respondents have children aged six or younger while 5% are planning to have, adopt, or gain custody of a child under six un the next 12 months. The average household size of survey respondents is 3.6 members.
- On average, respondents’ household income is about \$51,000, similar to the County’s median household income reported in the ACS (\$50,489).
- Among survey respondents who disclosed their ethnicity, 15% identified as Hispanic, slightly lower than their overall representation in the county (21%), according to ACS data.

Children represented. A total of 1,092 children live in the households represented by Parent Survey respondents. As shown in Figure II-1, 817 children aged six and younger are included in the surveyed households. This reflects about half of all children age six and younger living in the county.

Figure II-1.
Number of Children, by Age, Living in Survey Respondent Households



Note: n=558 parent respondents.
Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

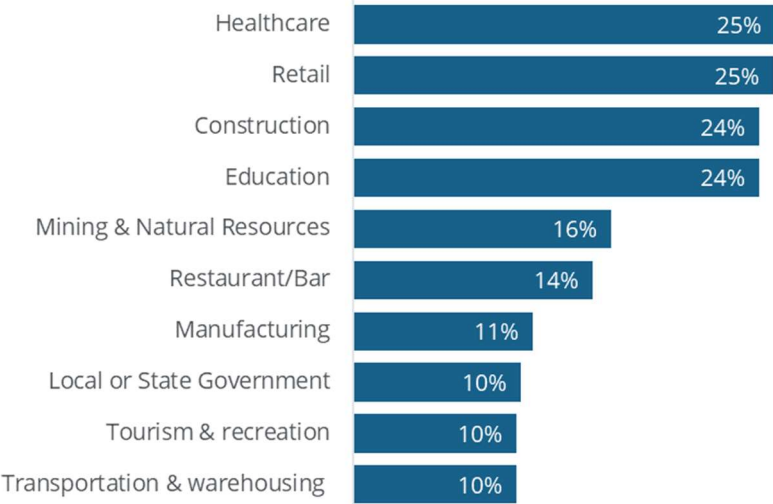
Employment. On average, there are 2.1 working adults in each of the Parent Survey households. A strong majority (89%) of the working adults represented work full time jobs and nearly half (47%) of the working adults have more than one job.

Respondents to the Parent Survey work in a wide variety of businesses and industries. Figure II-2 presents the top 10 business/industries where parents of young children are employed in Montrose County. Nearly one quarter of households have a member working in healthcare and similar proportions include an adult working in retail, construction, or education.

Figure II-2.
Top 10 Businesses or Industries of Parents of Young Children

Note:
n=418 households. Total sums to more than 100% because households may contain multiple working adults (in multiple industries).

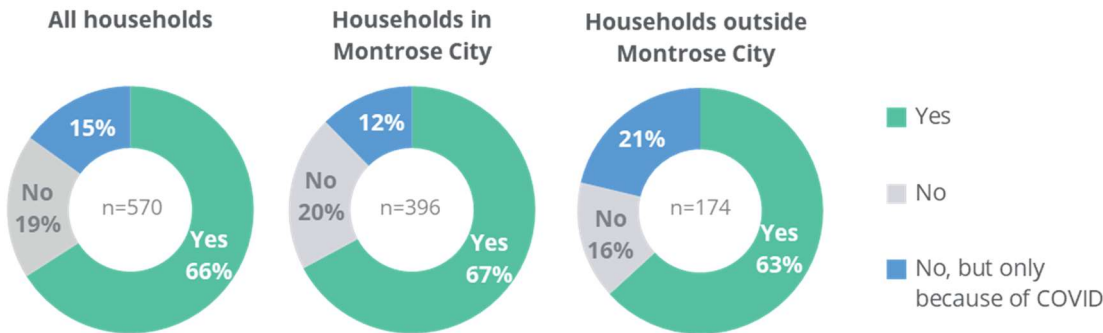
Source:
Root Policy Research from the 2021 Montrose County Childcare Needs Survey.



Current Childcare Choices

Overall, 66% of survey respondents regularly use some form of non-parent childcare and an additional 15% indicated they typically use non-parent childcare but currently do not only because of the COVID-19 pandemic.

Figure II-3.
Are any of your children aged six or under regularly in any type of childcare or preschool programs provided by someone other than their parent or guardian? This does not include occasional babysitting.



Note: n=570 parent respondents.

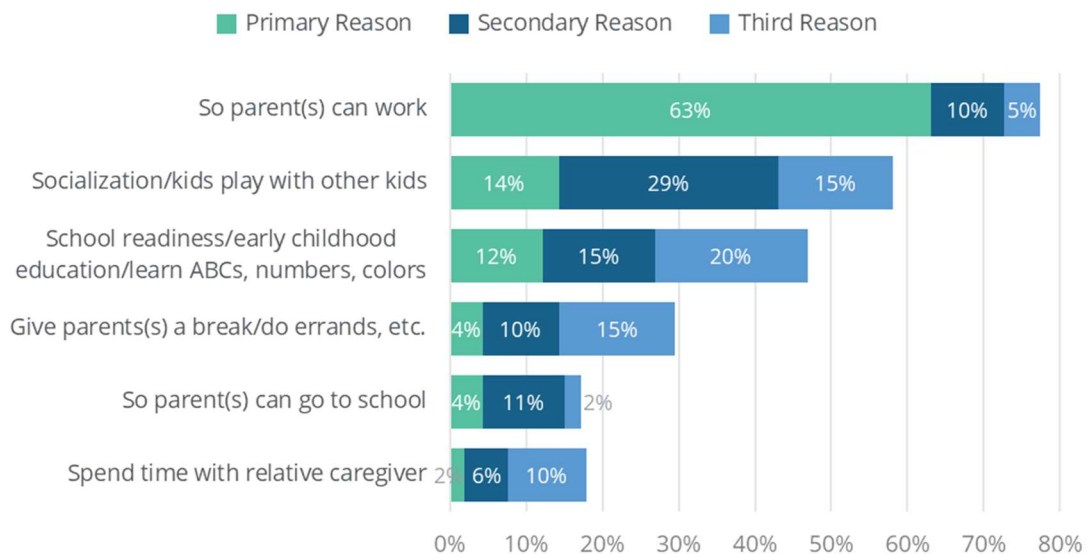
Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

The primary reason most parents (63%) use non-parent childcare is so that one or both parents can work (see Figure II-4). Socialization is the second most common reason for non-parent childcare followed by school readiness/early childhood education.

"I am worried my 3-year-old will never get socialized before kindergarten as we can't get into anything affordable." – Montrose resident, survey participant

Figure II-4.

What are the primary reasons that your child/children is/are in childcare (please rank your top three reason)?



Note: n=420 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

What types of care are parents using? Among households using at least some form of non-parent childcare, the type of care varies by the age of children in the household as well as other household characteristics (location, ethnicity, industry, etc.). Figure II-5 displays differences in type of care by age of child and Figure II-6 shows difference in type of care by other household characteristics.

Among children under 6 in Montrose County that use some form of non-parent care (see first column of Figure II-5):

- 42% use a childcare center;
- 35% use an adult relative;
- 34% use a licensed family provider;
- 33% use part-day preschool;
- 33% use full-day public preschool;

- 31% use a nanny or nanny-share;
- 30% use a family friend or neighbor; and
- 27% use older siblings in the household to care for younger children.

In addition to the forms of care listed above, one-third (33%) of childcare involves parents arranging their schedules or stay home with children part-time.

"I love our nanny-share, I just wish it was 5 days a week. Kindergarten can't come fast enough."
– Montrose resident

Note that the sum of these percentages is over 100 percent, which shows that many households are using multiple types of care throughout the week. In fact, households with children under 6 are using 2.8 different types of care per week on average. Those with children under 3 years old are using an average of 3.6 different types of care compared to 2.5 different types of care for households with children aged 3 to 6.

Households with infants/toddlers are much more likely use close family friends or neighbors (36%), arrange work shifts (39%), or use an adult relative (40%) for their children's care compared to households with three-to-six year-olds.

Figure II-5.
What types of childcare are Montrose County households using?

Type of Care	All Children Under Age 6 in non-parent care	By Age of Children in Household	
		Under Age 3	Ages 3 to 6
Childcare Center (daycare in a facility)	42%	47%	36%
Adult relative (grandparent/aunt/uncle/brother/sister)	35%	40%	27%
Licensed family childcare provider (in a provider's home)	34%	37%	29%
Part-day preschool program	33%	38%	26%
Full-day public preschool program (in a public school)	33%	37%	27%
Spouse/significant other and I arrange work hours so that one of us is with children	33%	39%	23%
Nanny or nanny-share	31%	36%	24%
Close family friend or neighbor	30%	36%	19%
Older sibling under age 18	27%	31%	19%
<i>Average number of different types of care used in a given week:</i>	2.8	3.6	2.5

Note: n=328 parent respondents. *Responses include Montrose residents using childcare centers and family childcare providers located outside Montrose County.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Households residing outside of the City of Montrose have to cobble together more types of care providers: households outside the city use 3.2 different types of care on average while those in the city use just 2.7 different types of care.

As indicated in Figure II-6, households outside the City of Montrose were slightly more likely to use close family friends or neighbors for care compared to those in the city: 32% of children outside the City of Montrose are cared for by a family friend or relative compared to only 29% of children in the city. Children outside the City of Montrose were less likely to be enrolled in a childcare center, to have a nanny, or to have the care of an adult relative.

Perhaps unsurprisingly, households with atypical work schedules (here defined as those working in healthcare, restaurant/bar, or tourism and recreation) were more likely than the general population to stagger their work schedules to care for children: 39% of children with parents in this group were cared for through staggered work schedules compared to 33% of the total population.

“Healthcare workers at the hospital can’t find childcare for the hours we need. My spouse only works part-time to cover care, but he would prefer to work more.”

– Montrose County resident

Hispanic respondents used fewer different types of care in general, but primarily used childcare centers, full-day public preschools, and licensed family care providers.

Figure II-6.
What types of childcare are Montrose County households using?

Type of Care	All Children Under Age 6 in non-parent care	Residence		Ethnicity	Industry
		City of Montrose	Elsewhere in Montrose County	Children of Hispanic respondents	HH with atypical work shifts
Childcare Center	42%	45%	37%	40%	42%
Adult relative	35%	37%	30%	24%	38%
Licensed family childcare provider	34%	36%	30%	25%	37%
Part-day preschool program	33%	34%	32%	23%	33%
Full-day public preschool program	33%	33%	34%	27%	32%
Spouse/significant other and I arrange work hours so that one of us is with children	33%	34%	32%	20%	39%
Nanny or nanny-share	31%	34%	27%	21%	34%
Close family friend or neighbor	30%	29%	32%	22%	30%
Older sibling under age 18	27%	27%	25%	22%	26%
<i>Average number of different types of care used in a given week:</i>	2.8	2.7	3.2	2.6	3.1

Note: n=328 parent respondents. *Responses include Montrose residents using childcare centers and family childcare providers located outside Montrose County.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Waitlist experience. Overall, 55% of Montrose County parents with children aged six or younger in childcare were on a waitlist for one or more of their children. Fifty-seven percent of households with an infant/toddler (under two years old) have been (or are currently) on a waitlist. The average amount of time spent on a waitlist was seven months, though many respondents (17%) indicated the waitlist was too long so they gave up.

Satisfaction with non-parent childcare. Parents using some type of non-parent childcare rated their satisfaction with childcare on a scale from “extremely unsatisfied” (rating of 0) to “extremely satisfied” (rating of 9). Figure II-7 considers parent satisfaction with their childcare overall as well as by types of care used by the household and ages of children in the household.

Overall, Montrose County parents that use non-parent childcare for children aged six or younger are relatively satisfied with the care: 53% rated their satisfaction between seven and nine. Just 13% indicated they were unsatisfied with a rating of zero through three. The average satisfaction rating overall was a 6.5 (on a 9-scale).

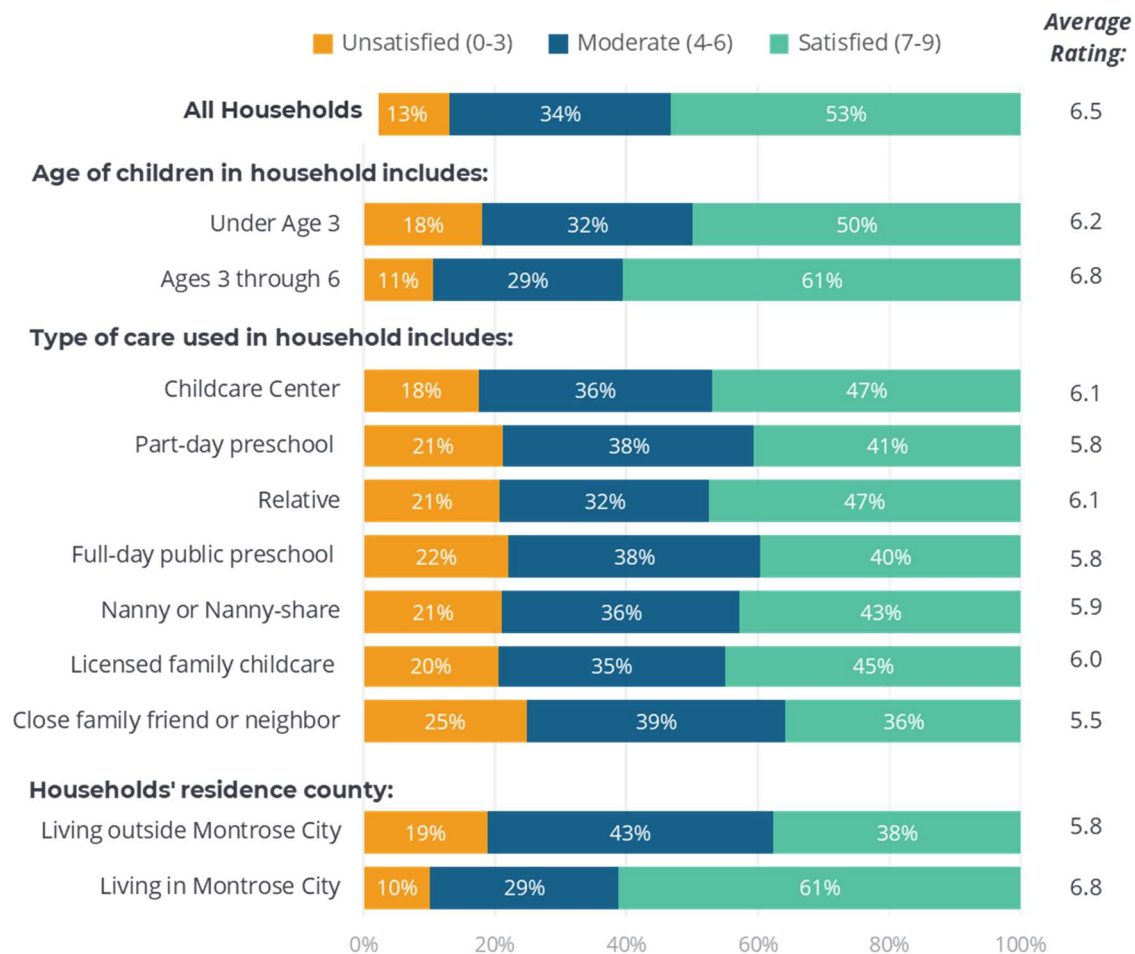
Average satisfaction ratings varied somewhat by age of child: households with children under age three were more likely to be unsatisfied (18%) and had a lower average satisfaction rating (6.2) than the average rating (6.8) held by households with children ages three through six.

Households whose care providers were a close family friend or neighbor were among the least satisfied: 25% of them were unsatisfied and their average satisfaction rating was just a 5.5. Families using full-day public school are also among the least satisfied: 22% of them were unsatisfied and their average satisfaction rating was 5.8. Similarly, 21% of parents using part-day preschool were unsatisfied and the average satisfaction rating among them was also 5.8. Households whose care providers include a childcare center or a relative were among the most satisfied.

On average, households in the City of Montrose are more satisfied with their childcare than those living outside the city: average satisfaction rating of 6.8 among city residents compared to 5.8 for those living outside the City of Montrose.

Figure II-7.

On a scale from 0 to 9, where 0 is “Extremely Unsatisfied” and 9 is “Extremely Satisfied,” how satisfied are you with the childcare provided to your children?



Note: n=404 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

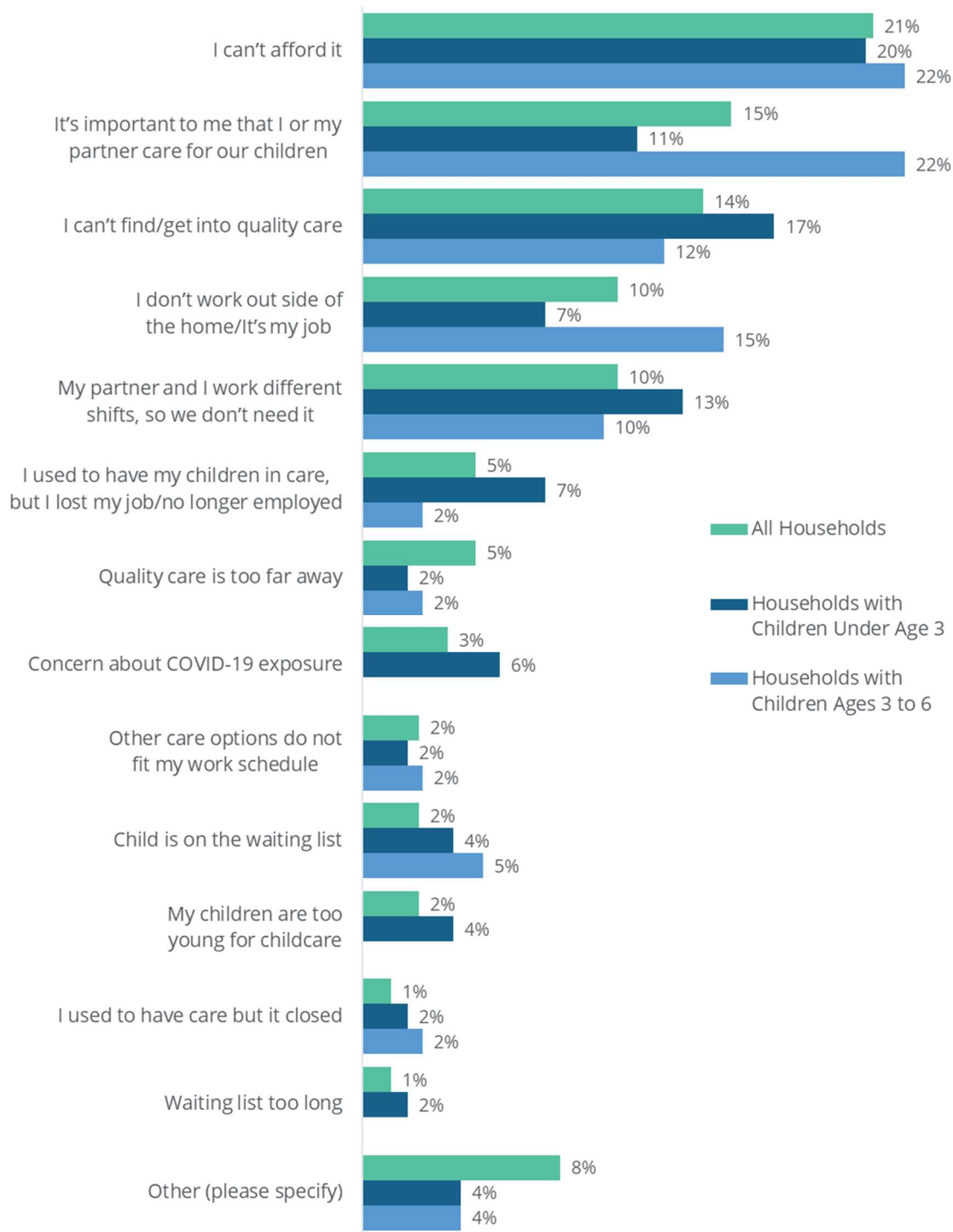
The respondents that were “unsatisfied” with their childcare cited a variety of reasons including scheduling, limited choice, high cost, and poor quality of care.

Parent-only care. About one-third (34%) of Montrose County parents with children ages six or younger do not regularly use non-parent childcare providers, even outside of COVID-19. Among those households, most (61%) said they plan to (or would like to) use non-parent childcare in the future. Twenty two percent said they have no plans to use non-parent childcare in the future, and 17% weren't sure.

As shown in Figure II-8, the most common reason why these households do not have someone else regularly watch their children is affordability (21%). Other top reasons were “it’s important to me that I or my partner care for our children” (15%), and “I can’t find/get into quality care” (14%).

Figure II-8.

What is the primary reason why you do not have someone else regularly care for your children age 6 or younger?



Note: n=87 households. "Other" responses included having a child with special needs, not having children yet, or needing care soon.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Cost was the primary factor regardless of age of children in the household. The factor with the biggest variation by age was “it’s important to me that I or my partner care for our children” which was a primary reason for 22% of households with children aged three to six, but only 11% for households with children under three.

The survey also asked parents what type of care arrangement would work best if they needed care. The most common preference for children under three was a childcare center or preschool (29%) followed by a family/friend/neighbor providing care in the respondent’s home (27%) or a family/friend/neighbor providing care in their home (13%). For children aged three to six, the most preferred arrangement was also a childcare center or preschool (24%) followed by a family/friend/neighbor providing care in the respondent’s home (22%) or a family/friend/neighbor providing care in their home (12%). Hispanic respondents were more likely than others to prefer family/friend/neighbor-based care in their home (30%).

Childcare Preferences & Needs

Parents with a child in some type of non-parent childcare responded to a number of questions related to their childcare preferences, including important factors in choosing a provider and desire to change childcare arrangements. They also provided information on their preferred location, types of care, and schedule.

Important factors. Parents with a child in some type of non-parent childcare rated the importance of 17 factors in their decision to select a childcare provider. These factors range from trust and safety to child development opportunities.

Figure II-9 shows the average rating of each factor by age of child in household and type of care used in household. The top three factors for each category are outlined in gold.

On average, parents rate factors associated with the provider’s values aligning with their own, an emphasis on childhood development and education, and reputation/referrals as the most important factors.

Figure II-9.

Think about the factors you considered when you were evaluating different childcare providers for your child/children. Please rate the importance of each of the following factors on a scale from 0 to 9, where 0 means not important at all and 9 means very important.

	All Households using Non-Parent Care	Age of children in household includes:		Type of care used in household includes:		Income level		Ethnicity
		Under Age 3	Ages 3 through 6	Center-based Care	Home-based non-Parent Care	Less than \$35,000	\$35,000 or more	
Values/comfortable with this provider	6.9	6.5	7.2	6.6	6.6	6.2	7.5	7.5
Wanted an emphasis on child development/education	6.7	6.4	7.1	6.6	6.4	6.3	7.1	7.1
Reputation/referrals	6.5	6.3	6.8	6.3	6.3	5.9	6.9	7.4
Affordability/cost	6.4	6.2	6.7	6.3	6.2	6.1	6.6	7.1
Socialization for child	6.4	6.1	6.8	6.3	6.1	5.8	6.8	7.4
Hours of operation	6.4	6.1	6.7	6.1	6.2	6.0	6.7	7.2
Wanted a licensed provider	6.2	5.9	6.6	6.3	5.9	5.9	6.4	6.6
Location/convenience (e.g. close to home or work)	6.1	5.8	6.4	6.0	5.9	5.8	6.2	6.5
Wanted a family/home environment	5.8	5.5	6.1	5.4	5.8	5.7	5.6	6.1
Wanted one-on-one care	5.2	5.2	5.2	4.9	5.4	5.6	4.8	5.9
They were able to accommodate my child's special needs or disability	5.1	4.6	5.4	5.1	4.9	5.6	4.5	6.7
Wanted child to be cared for by a relative, friend, or neighbor	5.1	5.1	5.3	4.7	5.3	5.3	4.8	5.2
Wanted more than one adult with child	5.1	4.9	5.4	5.0	4.9	5.5	4.5	5.7
Only type available/nothing else available	4.8	4.5	5.0	4.7	5.0	4.9	4.5	4.3
Provider accepts CCCAP	4.6	4.4	4.7	4.6	4.8	6.0	3.3	4.3
My other children are already with this provider/went to this provider	4.5	4.2	4.6	4.5	4.6	5.0	3.9	4.6
They speak a language other than English	4.2	4.0	4.2	4.1	4.3	5.2	3.2	5.0

Note: n=417 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

These factors vary somewhat by age of child: households with children aged 3 through 6 ranked socialization for the child over reputation/referrals by a slim margin, while households with children under 3 ranked reputation/referrals as their third most important factor. Between the two age groups, the factors which showed the biggest difference by age were the ability for care providers to accommodate a special need or disability and socialization for the child.

There were also some differences by the types of care the household uses. Both center-based care users (those using childcare centers, part-day preschool, or full-day public preschool) and home-based non-parent care users (those using friends, neighbors, relatives, nannies, an older sibling, or licensed in-home care providers) rate comfort with the provider and childhood development as most important. Socialization for the child was ranked third most important among center-based care users while home-based users ranked reputation/referrals as third most important.

The starkest differences between type of care users —those having the widest margin in average ratings—are in preferences for licensed providers, preferences for one-on-one care, and preferences for friend/relative/neighbor care.

When comparing households making less than \$35,000 to those making more than \$35,000, lower income households had much stronger preferences for providers accepting CCCAP, providers speaking a language other than English, and providers their other children already utilized. The upper income households valued comfort with the provider, reputation, and socialization at much higher rates.

Compared to the total sample of households, Hispanic respondents valued a provider who could accommodate special needs or disabilities and their child's socialization at higher rates. They also valued reputation/referrals, hours of operation, and fluency in a language other than English at slightly higher rates than the overall sample.

Location. Fourteen percent of respondents using non-parent care live more than 10 miles from their primary childcare provider and 22% work more than 10 miles from their primary childcare provider. On average, households residing in the City of Montrose live much closer to their care providers than those residing outside the city: 20% of those outside the city live more than 10 miles from their provider compared to only 10% of those inside the city. Households in the City of Montrose also work closer to their care providers: only 16% of households living in the city work more than 10 miles from their providers compared to 33% of those living outside the city.

Given the choice, 71% of parents would choose care near their house over care near their work. This preference was stronger among those living outside of the City of Montrose: 76% of county residents living outside the city preferred care closer to their home compared to 68% of city residents.

Over half of respondents (61%) value childcare location over type of provider.¹ Again, this preference was much stronger among those living outside of the City of Montrose: 77% of them valued location over type of provider compared to just 53% of city residents.

Desire to change childcare arrangements. Overall, 78% of Montrose County parents of children aged six or younger would change something about their current childcare/preschool arrangement if they could. Desire to change some aspect of their care arrangement varies by age of children in the household and by type of care provider:

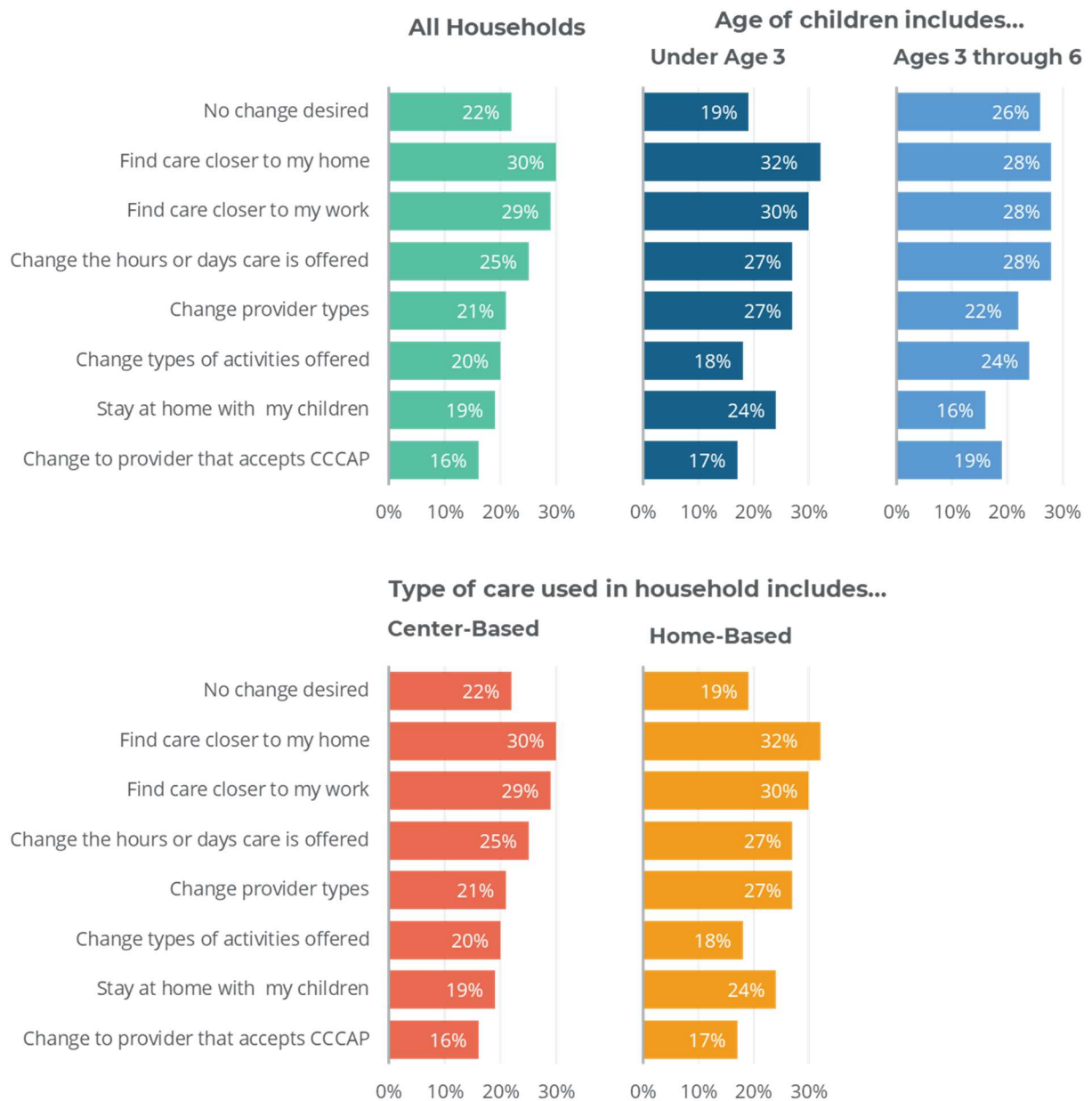
- 81% of households with children under three years old desire a change;
- 74% of households with children ages three through six desire a change;
- 78% of households using some type of center-based care desire a change; and
- 81% of households using some type of home-based, non-parent care desire some type of change.

The changes respondents indicated they would like to make are shown in Figure II-10. The most common aspects respondents said they wanted to change were finding care closer to home and work, followed by changing the hours or days care is offered. Note that percentages do not sum to 100 because respondents could select more than one desired change.

Households with children under three are more likely to want to find care closer to their home or work than households with children ages three through six. They are also more likely to report wanting to stay at home with their children. Households with children aged 3 to 6 are more likely to want to change the types of activities offered at their current care provider. Households that currently use home-based care are more likely than those using center-based care to want to change the types of activities offered and to change provider types.

¹ When asked if they had to make the choice in a scenario analysis, 61% said they would pick their preferred location and 39% said they would pick their preferred provider.

Figure II-10.
If you could change your childcare arrangements, would you....



Note: n=385 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Hours and days of week care is needed, but not provided. Only one-third of households with children aged six or younger have access to childcare during all hours and days of week needed. Figure II-11 presents the additional hours and days of week needed by the type of care used by the household.

"My schedule changes week to week, the daycare should allow for that flex without threatening to drop you as a client." – Montrose resident, survey participant

Regardless of the age or type of care, 37% of parents need childcare earlier in the morning than currently offered and 23% need evening hours. About 24% of parents expressed a need for summer care and 19% expressed a need for hourly drop-in care.

Households using home-based care are slightly more likely to need overnight care or weekend care compared to households using center-based care. Households using home-based care are less likely to need summer care.

Households outside of the City of Montrose were less likely to have all the hours and days of care coverage needed. They were much more likely to need earlier morning care, probably because of earlier commute

"Half day (care) does nothing for me when my husband and I work all day." – Montrose resident, survey participant

necessities. They were also much more likely to need overnight care.

Households with at least one member working in healthcare, restaurant/bar, or tourism and recreation were also more likely to need overnight care compared to the general population.

"I need care on Mondays and during school closure days." – Montrose resident, survey participant

Figure II-11.

Are there hours and/or days that you need childcare for children six or under to accommodate household members' work schedule and it is not provided?

	All Households using Non-Parent Care	Type of care:		Location:		Industry:
		Center-based	Home-based	City of Montrose	Elsewhere in Montrose County	Atypical work schedule
No – the hours offered by my provider meet my needs	32%	33%	32%	35%	28%	37%
Yes – I need earlier morning hours	37%	41%	40%	31%	48%	40%
Yes – I need summer care	24%	25%	22%	20%	31%	30%
Yes – I need evening hours	23%	25%	25%	21%	28%	28%
Yes – I need drop-in hourly care	19%	21%	20%	20%	18%	19%
Yes – I need night shift or overnight hours	18%	19%	21%	10%	34%	28%
Yes – I need weekend hours	18%	17%	21%	18%	17%	21%

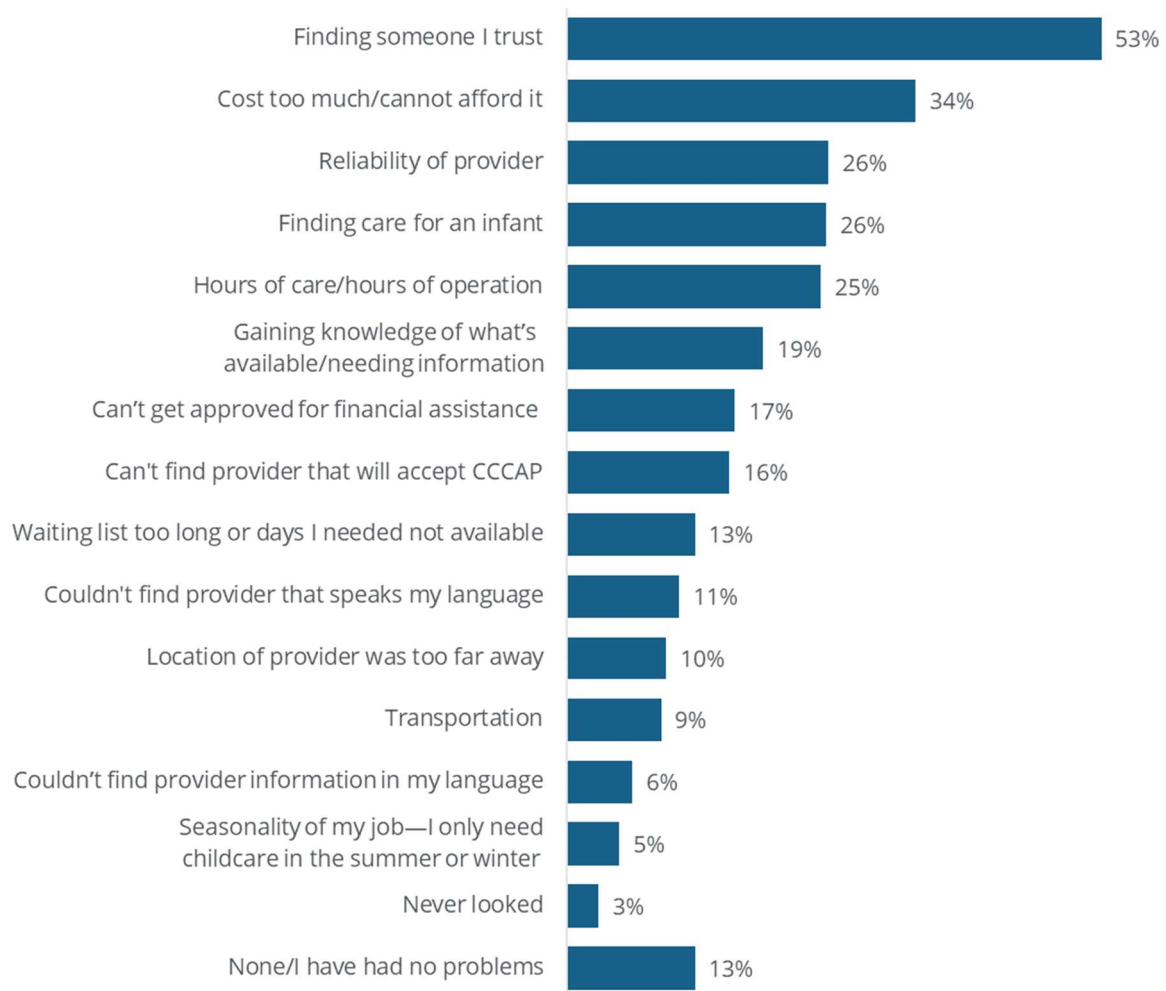
Note: n=386 total parent respondents. 271 respondents using center-based care, 236 using home-based care. 236 in-city respondents, 130 out-of-city respondents. 150 respondents working in healthcare, restaurant/bar, or tourism and recreation.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Biggest challenges in finding and using childcare. In the past year, the vast majority (87%) of respondents experienced one or more challenges finding and using childcare in Montrose County. Figure II-12 displays the biggest challenges parents faced. Note that respondents were explicitly prompted to select challenges they have faced outside of a COVID environment, so these data do not necessarily reflect challenges parents faced during COVID.

Figure II-12.

In the past 12 months, what were the biggest challenges, if any, you had in finding and using childcare/preschool for your children?



Note: n=386 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

More than half of all respondents indicated that finding someone they trust is a challenge and 34% faced cost challenges. This is comparable to data from other childcare studies: for instance, nearly half of parents in Clear Creek County, Colorado faced cost challenges and

40% indicated they had a hard time finding someone they trust. In the Estes Valley, 30% had a difficult time finding someone they trust and 26% said cost was a major challenge.

A quarter of all respondents faced challenges in finding care for an infant, finding a reliable provider, and in the hours of care provided. Finding care for infants was particularly challenging for households with children currently under 2 years old: over 33% of them listed this as a top concern compared to just 21% of households with older children.

Transportation was a much bigger issue for county residents living outside of the City of Montrose: 17% of those outside the city identified transportation as a major challenge compared to only 5% of households in the city.

Over 19% of Spanish speaking respondents indicated that they could not find provider information in their language. Relatedly, 26% of Spanish speaking respondents face challenges getting knowledge of what is available or needed more information. English speaking respondents faced this issue at lower rates (18%).

Households with adults working in health care were more likely to report available hours of care as a major challenge. Thirty-five percent households with a member working in healthcare indicated the hours of care were a major challenge compared to 23% of households without healthcare workers.

Family/Friend/Neighbor Care

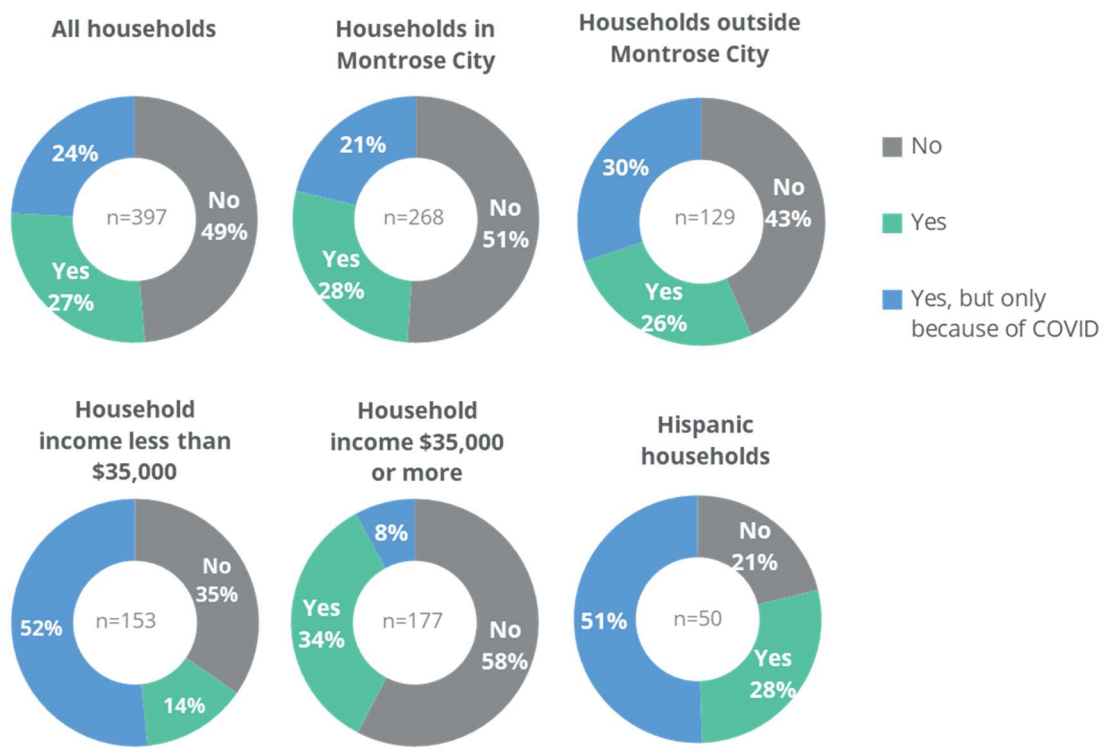
Overall, half (51%) of households with children six and under using some type of non-parent childcare use family, friend, and/or neighbor (FFN) care. However, the use of FFN care was largely affected by COVID: half of the Montrose County households currently using FFN care were only doing so because of COVID (see Figure II-13).

- Households living outside of the City of Montrose were more likely to rely on these informal care networks than those in the city: 49% of families in the city use FFN care compared to 57% of those outside the city.
- Households with incomes greater than \$35,000 were least likely to be using FFN care just because of the pandemic: 8% were using this type of care just during COVID.
- Lower income households (those with household incomes less than \$35,000) and Hispanic households were most likely to be relying on relative/neighbor/friend care because of COVID-19.

“Infant care was a huge hassle to find and keep. We've used 2 different stay-at-home moms, but they didn't pan out or had to find a job. Not sure what would have done without a grandparent to watch as each kid from 0-3yo.”

– Montrose resident, survey participant

Figure II-13
Do you use relative/neighbor/friend care? Is it typical?



Note: n=397 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Grandmothers (60%), grandfathers (59%), aunts (21%), and cousins (17%) comprise the majority of FFN childcare providers used by Montrose County households.² In fact, according to 5-year ACS data from 2019, 7% of households with children in Montrose County have a grandparent present in their home and over one third of them (34%) are responsible for care of their grandchildren. This is also comparable to studies in Estes Valley and Clear Creek, where grandmothers were the predominant caregivers in FFN households: with 44% providing the FFN care in Estes Valley and 68% providing the FFN care in Clear Creek.

“We moved my mother-in-law from Vegas so we could have childcare because it was over a year of being on waitlists not able to get childcare.” – Montrose resident, survey participant

For the majority (82%) of parents using FFN care, having a friend or relative care for their child was their first choice (18% said it was *not* their first choice). Among households who

² Percentages add to more than 100% because households use multiple friends/family providers for childcare.

were only relying on family/friend/neighbor care because of COVID, nearly all (94%) indicated that it was their first choice.

- Among households that said it was their first choice, the primary reasons they selected friend/family care were trust (64%), wanting family to take care of their child (54%), flexible hours (34%), and affordability (31%).
- Among households that said it was *not* their first choice, the primary reasons they chose friend/family care anyway were flexible hours (48%), trust (44%), and that it was their only option (36%).

While relying on informal care may be advantageous, it comes with several drawbacks. These can include lack of childcare training, relationship strain, and missed labor force participation opportunities for caregivers. When asked what types of training or child development education they wished their friend/family provider had, the greatest proportion of households identified child development (55%), followed by CPR/first aid (33%) and by health and safety training (32%). When asked if they thought their friend/family caregiver would take up this training if offered, 70% said yes. Others were not sure (15%) or said they would not participate in training (15%).

“Mis hijos no están en ninguna guardería mamá los cuida 7 días 24 horas al día.” (*My children are not in daycare, my mother takes care of them 7 days, 24 hours a day*) – Montrose resident, survey participant

Cost of Childcare

Childcare spending. Parents responding to the survey shared the monthly amount they spend per child on childcare services. Figure II-14 presents the average monthly cost per child of childcare; note that the cost data are total household spending per child, regardless of the number/type of providers used in the course of a week.

“Up until my oldest moved up into preschool, I was paying \$1,550 a month. It was breaking us financially. I came from a job where there was free preschool and a daycare within the school. The cost is a major hardship.”
– Montrose resident, survey participant

On average, parents spend \$720 per month per child for non-parent care and children are in care an average of 3.9 days per week. Not surprisingly, the monthly cost is higher for children using care three or more days per week (\$929 per month on average). Average childcare costs are also higher for families with children under 3 years of age (\$843 per child per month)

compared to families with children aged 3 to 6 (\$681 per child per month). Childcare costs are substantially higher for families living outside the City of Montrose: those in the city spend an average of \$681 per month while those outside the city spend closer to \$977.

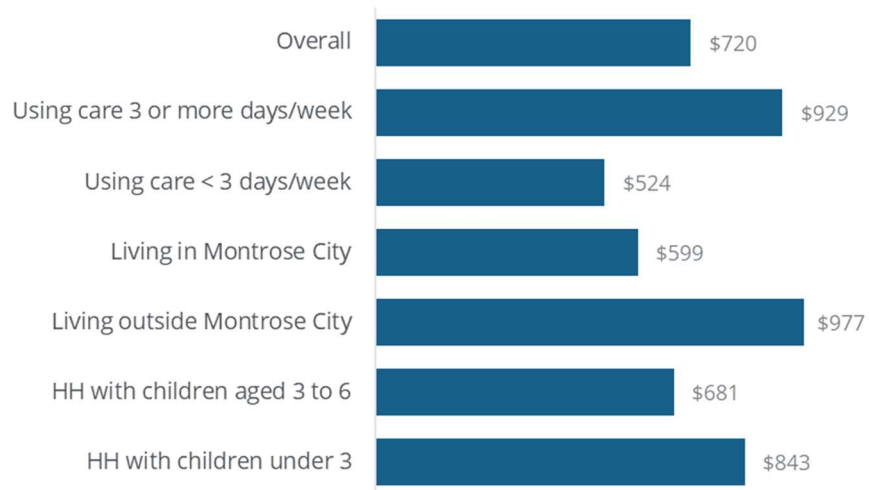
It is important to note that these data do include children that are attending preschool at public elementary schools where tuition is subsidized by district funds and, in some cases, the Colorado Preschool program.

These cost estimates in Montrose County are on par with those statewide. According to the Economic Policy Institute, the average monthly cost of infant care in Colorado is \$1,277 while the average monthly cost for care of a four-year-old is \$1,032.³

Figure II-14.
Average
Monthly Per-
Child Cost of
Childcare

Note:
n=274 households.

Source:
Root Policy Research from
the 2021 Montrose County
Childcare Needs Survey.



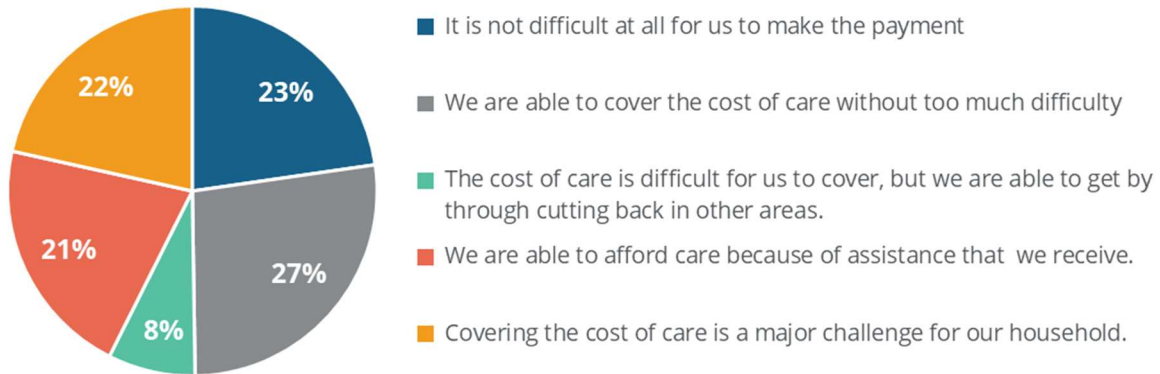
Managing costs. As shown in Figure II-15, 50% of households are able to cover the cost of childcare without too much difficulty (“it is not difficult at all” or “we are able to cover the cost of care without too much difficulty”). Twenty-nine percent said covering the cost of care is “difficult” or a “major challenge,” however, half (53%) of these respondents indicated that this difficulty was related to economic impacts from COVID. Twenty-one percent of all households said they are only able to cover childcare costs because of assistance received. Of those who indicated that they pay for care by cutting back in other areas, many indicated that they reduce spending on entertainment, eliminate savings, or rely on credit card debt.

“I couldn’t afford traditional daycare with monthly bills.”

– Montrose resident, survey participant

³ “The cost of child care in Colorado” from the Economic Policy Institute, 2020. Available at: <https://www.epi.org/child-care-costs-in-the-united-states/#/CO>

Figure II-15.
How would you characterize the amount you pay for childcare/preschool per month?



Note: n=418 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

If they couldn't afford the cost of care, parents would adopt a variety of strategies to manage:

- 36% would find resign from their job and/or find another job;
- 20% would seek alternative care if they could not afford childcare;
- 15% would work more hours;
- 13% would change their work shift(s)
- 10% would apply for financial assistance (i.e., CCCAP); and
- 4% would move from Montrose County.

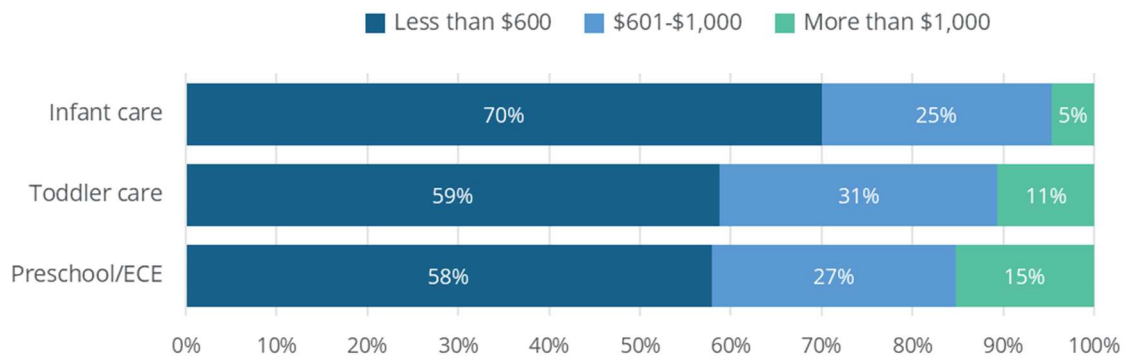
"I resigned from my job because I couldn't find childcare." – Montrose resident, survey participant

When asked what an affordable cost of full-time care would be, most parents said "less than \$600 per month."

As shown in Figure II-16, parents' with infants more frequently indicated that lower-cost care would be affordable to them, as compared to parents' of toddlers or preschool-aged children.

Figure II-16.

What would be an affordable cost of full-time care for your household per child per month?



Note: n=347 parent respondents.

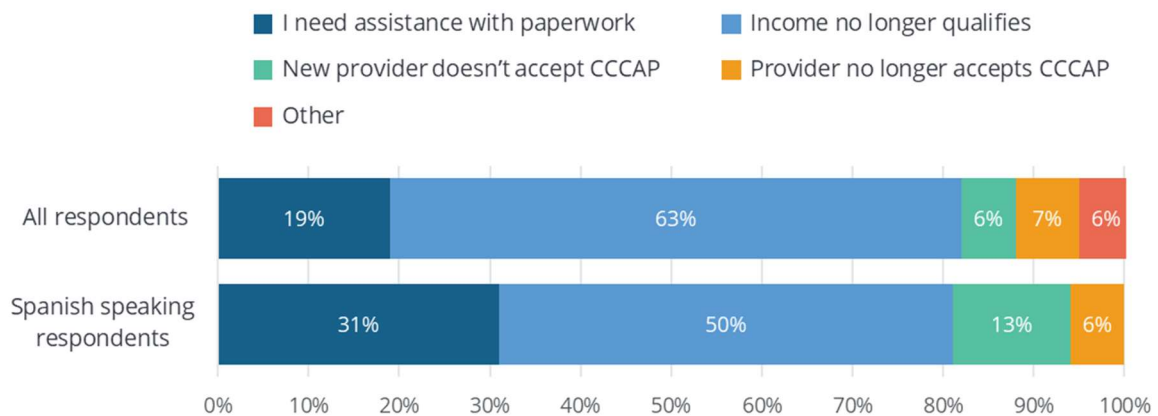
Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

Colorado Child Care Assistance Program. Two-thirds (67%) of respondents to the survey were familiar with Colorado Child Care Assistance Program (CCCAP), which provides financial assistance to qualifying families for childcare costs. Of those who were familiar with the program, 34% currently use CCCAP, 33% have used it in the past, and 33% have considered applying.

As Figure II-17 presents, among those who no longer participate in CCCAP, 63% no longer participate is because their income no longer qualifies. An additional 19% indicated they needed help with the paperwork. However, this proportion was much higher among Spanish speakers who no longer participate in CCCAP, 31% of whom indicated they needed assistance with the paperwork.

Figure II-17.

What is the primary reason you no longer participate in CCCAP?



Note: n=72 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

"I already struggle with payment amount and I receive assistance, as a single parent it is almost impossible to work and afford childcare." – Montrose resident, survey participant

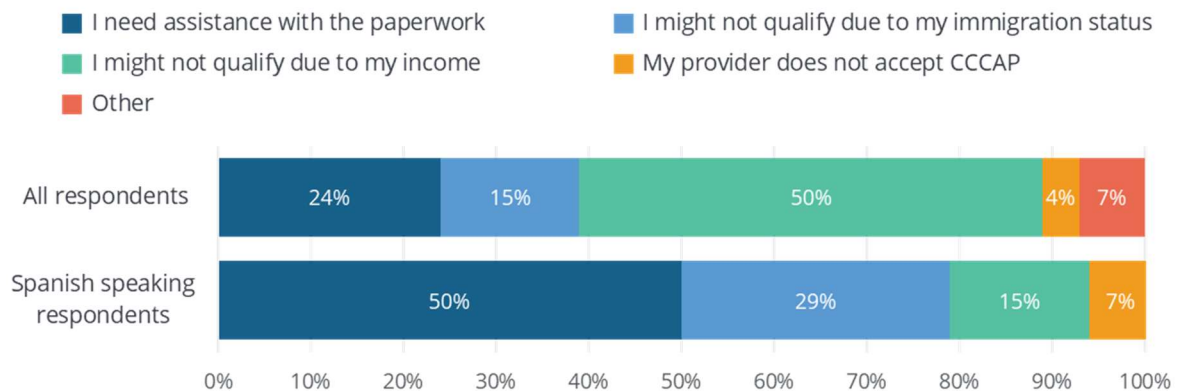
Those who have considered applying for CCCAP were asked why they have not. Figure 18 indicates that many (50%) said they might not qualify due to their income. However, given CCCAP eligibility requirements in Montrose County, we estimate that 50% of these respondents likely qualify based on the household income and household size information provided in the survey.⁴

Others who have not applied to CCCAP indicated that they needed assistance with paperwork (24%) or thought they might not qualify due to their immigration status (15%).

Again, Spanish speaking respondents were more likely to indicate these reasons: 29% of Spanish speaking respondents who provided a reason for not applying to CCCAP worried they might not qualify due to their immigration status, while 50% indicated they needed assistance with the paperwork.

"We've applied for assistance. We make too much before taxes. I'm looking at other jobs and areas currently." – Montrose resident, survey participant

Figure II-18.
What is the primary reason you decided not to apply for CCCAP?



Note: n=68 parent respondents.

Source: Root Policy Research from the 2021 Montrose County Childcare Needs Survey.

⁴ Family income qualification guidelines for CCCAP eligibility from the Colorado Department of Human Services, accessed July 2021.

Missing work or leaving the labor force. The challenges that families face related to childcare have impacts beyond their household—they also affect employers and

“When I can’t find care, I work with my child at home and lose productivity and performance.”

– Montrose resident, survey participant

the economic health of local communities. For instance, when Montrose County parents were asked what they do as a result of not finding childcare on a given day, 38% said they miss out on going to work and 26% said they bring their child to work. The average survey respondent

missed 10 days of work per year as a result of their inability to find childcare on a given day. At average county-wide wages, this equates to \$2,110 in lost wages each year for each of those households.⁵

In addition to wage losses because of missed work, absences or bringing a child to work may negatively affect parents’ promotion potential. Studies have suggested a ‘child penalty’ to mothers’ wages, where they are perceived as not being as committed to their jobs as childless counterparts.⁶ This perception was especially exacerbated during the pandemic.⁷

Further, faced with high childcare costs, some households often choose to keep an adult out of the labor force in order to provide care in the home instead. Academic research conducted across the United States estimates that a 10% reduction in the price of childcare would lead to a 0.5 to 2.5% increase in mothers’ employment.⁸ Our study indicates that many Montrose County parents (36%) would consider quitting their jobs or finding another job if childcare became too expensive, which would negatively affect their present and future earnings.

“I need dependable care to get a job.” – Montrose resident, survey participant

⁵ Wages based on Bureau of Labor Statistics Quarterly Census of Employment and Wages which reports \$1,055 as the average weekly wage in Montrose County in Quarter 4 of 2020.

⁶ Burgess, N. (2013). The Motherhood Penalty: How Gender and Parental Status Influence Judgements of Job-Related Competence and Organizational Commitment.

⁷ Kouki, A., & Sauer, R. M. (2020). Child Health, Remote Work and the Female Wage Penalty.

⁸ Morrissey, Taryn W. "Child care and parent labor force participation: a review of the research literature." *Review of Economics of the Household* 15.1 (2017): 1-24.

Looking Ahead: Care Needs Next Year

The vast majority (81%) of survey respondents indicated that their childcare needs were likely to change over the next 12 months.

Figure II-19 indicates that among all respondents, 43% indicated that their children would be starting preschool or kindergarten. Many (19%) also indicated they would be changing their employment or work hours and would need more childcare coverage. Others (17%) said they would be having another child.

Among households relying on non-parent care, some indicated they would need less childcare coverage because of a changing work schedule (16%) or because they would no longer work at all (13%).

Many households (51%) relying exclusively on parent-based care often indicated that they would be changing employment or work ours and would need more care coverage.

Figure II-19.
Why are your
childcare
needs likely
to change in
the next 12
months?

Note:
n=465 parent
respondents.

Source:
Root Policy Research
from the 2021 Montrose
County Childcare Needs
Survey.

	All Respondents	Households using:	
		Non- parent	Parent- only care
Child will start kindergarten	24%	42%	12%
Changing employment/work hours and will need more childcare coverage	19%	25%	51%
Child will start preschool	18%	28%	21%
Having another child	17%	27%	21%
Changing employment/work hours and will need less childcare coverage	9%	16%	5%
Will use childcare after COVID exposure risk goes down	9%	15%	5%
Moving from area	8%	15%	7%
Will no longer work/will stay at home with child	7%	13%	-
Will no longer stay at home with child	3%	-	21%
Other	3%	4%	9%

Overall, many households indicated they would need more childcare in the next 12 months, either because they were changing work schedules, having another child, no longer staying at home with children, or planned to use childcare after COVID risks decreased. This means Montrose County should expect an increase in demand in childcare, which we discuss more explicitly in the subsequent section.

SECTION III.

DEMAND ANALYSIS & RECOMMENDATIONS

SECTION III.

Demand Analysis & Recommendations

This section contains the results of an analysis of current and future demand for licensed childcare in Montrose County. It begins with a discussion of current usage and then projects demand for childcare through 2035. The demand analysis focuses on licensed childcare demand (which includes childcare centers, private and public preschools, and licensed family childcare providers).

Recommendations to address the childcare needs highlighted throughout this report follow the demand analysis.

Current Usage

As discussed in Section I, the daily capacity in Montrose County for licensed childcare is 741 spots, including an estimated capacity of 62 infant spots. The majority of licensed childcare spots are in childcare centers or preschools, with their total capacity of 612. The largest childcare centers in the county were Maslow Academy, with a daily capacity for 154 children, and the Montrose Early Childhood Center, with a daily capacity for 165 children.

Many care providers allow children to attend part-time (for half-days or part of the week), meaning that different children may fill a provider’s capacity on different times during the day and the week. For this reason, providers’ total enrollment numbers (number of distinct children served) are often greater than their daily capacity. Enrollment data based on interviews indicate that there are an estimated 842 total children using licensed childcare in Montrose County.

Collectively, children using licensed childcare in Montrose County account for about 27% of all children under age six county wide. However, just 13% of infants count-wide are in licensed childcare. Figure III-1 shows the number of children by age in licensed childcare centers, preschools, or family care providers.

Figure III-1.
Current Usage of Licensed Childcare among Montrose County Resident Children

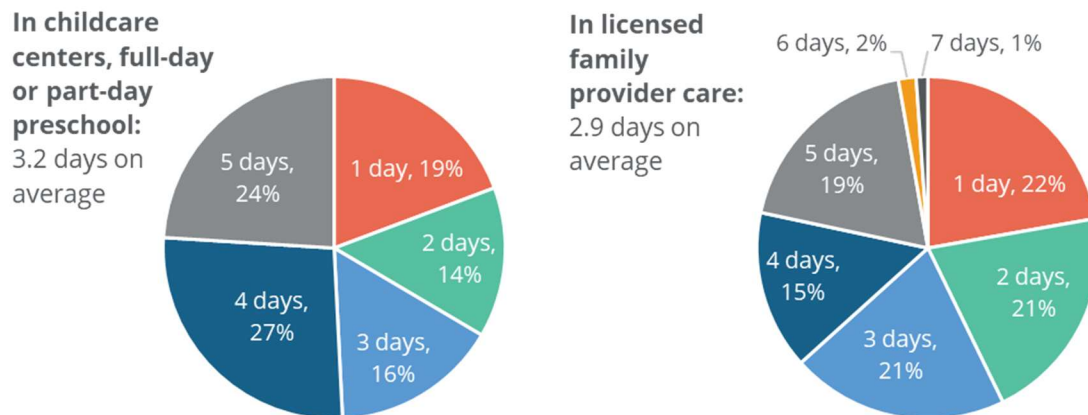
Source:
Childcare provider data and Root Policy Research.

	Age of Child		Total under 6
	Infant	Ages 1 to 6	
Licensed childcare enrollment	54	788	842
<i>Using childcare center/preschool</i>	32	675	707
<i>Using licensed family provider</i>	22	113	135

Montrose County households using licensed childcare are in some type of care an average of 3.7 days per week. Children getting care in childcare centers, full-day public preschools, or part-day preschools are in those centers 3.2 days per week on average. Children in the care of licensed family providers are there 2.9 days per week on average. Figure III-2 illustrates that children in licensed family providers are more likely to utilize those services for just 1, 2, or 3 days per week than children in care centers and preschools.

Figure III-2.

Current Daily Demand for Licensed Care Spots in Montrose County



Source: Root Policy Research.

Demand Model

To quantify growth in demand for facility-based childcare in Montrose County through 2035, Root Policy Research developed a custom childcare demand model. This section describes the assumptions and methodology used to create the model. Results from the demand modeling effort follow.

Methodology. The Montrose demand model was constructed to estimate current and future demand based on two primary drivers of demand:

- Effective resident and in-commuter demand, as measured by the current usage of licensed childcare facilities in Montrose County; and
- Latent resident demand, which includes the number of children currently on waitlists for licensed care providers, the number of children with stay-at-home parents who indicated they would be entering the labor market soon and need licensed childcare, and households exclusively using unlicensed care who indicated they'd like to switch to licensed care.

After analyzing current demand based on the factors listed above, Root Policy Research also applied population and employment forecasts from the Colorado Department of Local Affairs (DOLA) to estimate long-term demand for licensed childcare in the county. As part of the long-term forecast, we include a sensitivity analysis that considers shifts in demand over time.

Current demand. As discussed earlier in this section, there are 135 children in the care of licensed family care providers and 707 in early childhood centers or preschools, so effective resident demand is estimated to be from 842 children occupying 741 daily spots. This current usage comprises our estimate of current “effective demand.”

Current latent demand includes waitlisted children and others who anticipate using—or would prefer using—licensed childcare in the future.

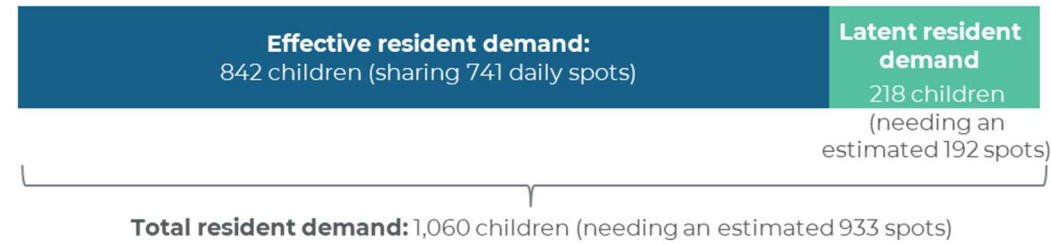
- There are an estimated 136 children on the waitlist for licensed care, 20 of whom are infants. Ninety-seven are on the waitlist at care centers and 39 are on the waitlist for family care providers. We include these children in our estimate of latent demand.
- Also included in latent demand is an estimate of children whose current care is exclusively a stay-at-home parent, but the parent will soon return to paid work and the family desires licensed care. According to the parent survey, 15% of families with toddlers or preschool aged children in Montrose County have a stay-at-home parent and 32% of families with infants have a stay-at-home parent. Of those families, many indicated they planned on no longer staying home with their children or would be working more and would require care services, within the next year: 27% of parents of infants and 18% of toddler/preschool parents indicated this. Of those who would no longer stay at home with their children, over 40% desired licensed care options. Applying these percentages to the population of children in Montrose County suggests that 14 infants and 42 children between ages 1 and 6 will desire licensed care in the next twelve months.
- The final calculation included in latent demand is an estimate of households currently using exclusively non-licensed care who indicated they would like to change to licensed care. Five percent of survey respondents indicated they were exclusively using a nanny, relative, friend, or neighbor for childcare and were never using licensed care options. Of these families, 19% indicated they would like to switch to licensed care. Applying these proportions to the population of children in the county suggests that 26 more children would be in licensed care if it were available to them. None of the survey respondents with infants in exclusively unlicensed care indicated they would like to change to a licensed care option, so all 26 of the children in our estimate are children aged 1 to 6.

Summing the children on the waitlist, the children whose stay-at-home parents will soon require care, and the children whose parents would prefer to switch to a licensed care option instead of an unlicensed option gives an estimated 218 children with latent demand for licensed childcare; 34 of these are infants. Many of these children likely only require care part-time. Therefore, assuming they would share spots in equal proportions as children currently being served, those 218 children would occupy an estimated 191 slots.

Total current demand. Figure III-3 summarizes current daily demand for licensed childcare center options Montrose County based on the methodology described above.

Total current demand for licensed childcare spots in Montrose County is for 1,060 children. Presently, there are only 737 spots available.

Figure III-3.
Current Daily Demand for Licensed Care Spots in Montrose County



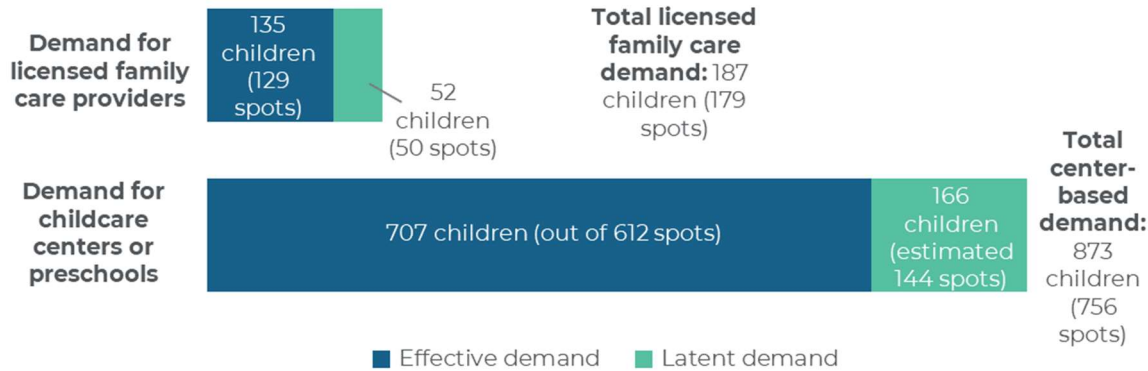
Source: Root Policy Research.

Infant demand accounts for about 8% of overall demand; however it is important to note that the ratio of latent to effective demand is higher in infant care. While the care centers and family care providers in the county are licensed for 62 total infant care spots, many family care providers choose not to accept infants. This means that, while there is technically more license capacity than enrollment, the actual availability of infant care is sparse.

- Effective infant care demand: 54 infants (out of 62 licensed spots).
- Latent infant care demand: 34 infants (needing an estimated 15 additional spots).
- Total infant care demand: 88 infants (needing an estimated 77 spots).

Current demand by licensed care type. Figure III-4 disaggregates current demand for licensed providers by the type of provider: childcare center/preschool or licensed family care provider. Total demand for licensed family care provider care is 194 children, but there are currently only 129 spots. The gap in demand for childcare centers and preschools is much wider: total demand for centers and preschools is 912 and there are currently 612 spots.

Figure III-4.
Current Daily Demand for Licensed Care in Montrose County, by Type of Care



Source: Root Policy Research.

It should be noted that this estimate of demand is likely a lower bound. While it does represent the most current and accurate assessment of use, many families participating in the parent survey indicated they would use licensed childcare if they could afford to do so or if it accommodated the hours they needed or if infant care was available. Any changes to cost or schedule could impact this demand estimate.

Future demand. To determine future childcare needs among residents, Root Policy Research applied current effective and latent demand among residents to DOLA population and employment projections through 2035. Combining the DOLA forecasts with the proportion of children in licensed childcare centers provided a baseline demand projection for future childcare capacity needs among Montrose County residents.

Figure III-5 shows the baseline forecast as described above. Total current demand of 1,060 children for childcare center use is forecasted to increase to 1,149 children by 2028 and 1,460 children by 2035. Demand for infant care represents over 9% of the 1,460 care spots in 2035. Current demand already outstrips supply (an estimated demand of 933 spots when there is only daily capacity 741) and the gap is likely to widen unless the supply of licensed care increase. This gap is particularly notable for infants.

**Figure III-5.
Projected Daily
Demand for
Childcare Center
Spots in Montrose
County by Age of
Child, 2020, 2028,
and 2035**

Source:
Root Policy Research.

	2020	2028	2035
Montrose County Residents			
Infants	401	538	614
Children ages 1 to 6	2654	2773	3593
<i>Total under 6</i>	<i>3055</i>	<i>3311</i>	<i>4207</i>
Montrose County Residents Needing Care			
Infants	88	118	135
Children ages 1 to 6	972	1031	1325
<i>Total under 6</i>	<i>1060</i>	<i>1149</i>	<i>1460</i>
Total number of children demanding licensed care	1060	1149	1460
Estimated number of necessary childcare spots	933	1011	1285

These baseline forecasts represent a best estimate of demand for childcare spots but do include some margin of error. To provide a range of results, Root also modeled two alternate scenarios:

1. A lower capture rate of latent demand that assumes a 50% overlap of children on waitlists. In other words, we assume half of the children on waitlists are also on another waitlist within the county's licensed care providers. This reduces the current waitlist estimate of 136 to 68, thus reducing current latent demand from 218 to 150.

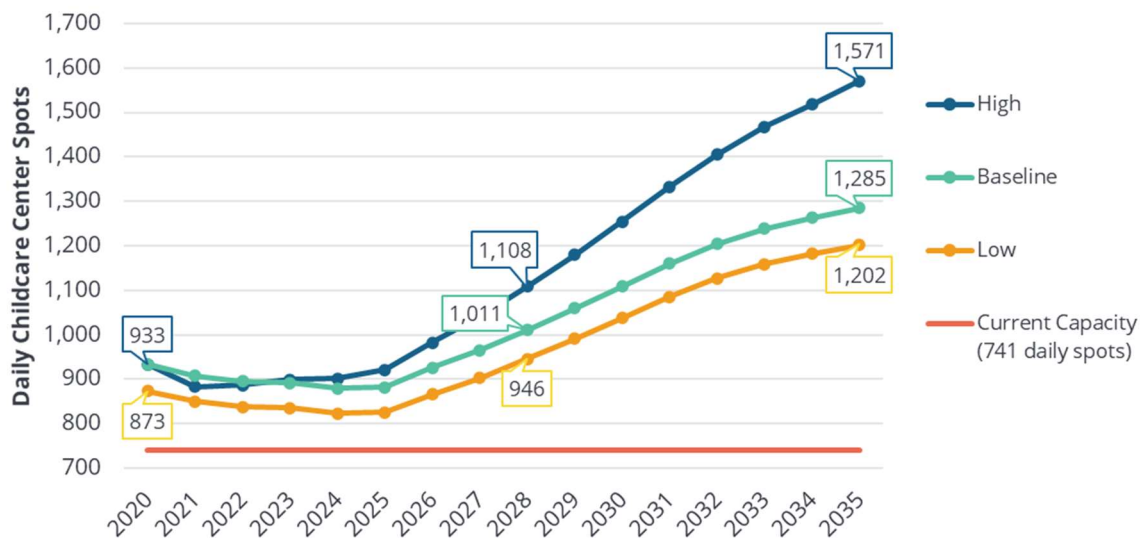
2. An upper estimate of demand which assumes increases in future usage rates of licensed care as childcare infrastructures improve. Instead of using Montrose County's current usage rate of licensed care (28%) for every year, we assume an increasing licensed care rate reaching 38% by 2035.¹

Figure III-6 displays these upper and lower bound estimates along with the baseline projection through 2035. The county's current childcare center capacity of 741 daily spots is also shown for reference.

Even under the lower capture rate scenario ("low"), demand currently exceeds existing capacity by 132 spots. By 2035 demand exceeds capacity by 461 spots (demand for 1,202 spots compared to current daily capacity of 741 spots).

Under the "high" scenario which assumes a growing percentage of residents taking up licensed childcare, there is demand for 1,571 childcare spots by 2035, a gap of 830 assuming current daily capacity remains at its current level of 741.

Figure III-6.
Licensed Full-Day Childcare Demand Scenarios and Capacity Comparison, Montrose County, 2020-2035



Source: Root Policy Research.

¹ According to our resident survey, 66% of households with children use some form of non-parent childcare. We assume 28% of these households would continue to use unlicensed care by 2035. We also assume symmetrical decrease in latent demand as childcare infrastructures become more robust.

Recommendations

This report utilizes the best data available to project future demand for childcare. However, unknown variables—economic fluctuations, choices of residents (continuing to work/reside in Montrose County, form families) and housing availability and affordability—will all influence future demand for childcare to some extent. Based on the current circumstances and projects, Root Policy Research offers the following recommendations to address childcare needs and monitor demand in Montrose County. These recommendations are based on Root Policy’s expertise and experience in other communities as well as input from the UVA Childcare Caucus and Bright Futures.

1. Continue to proactively track the key metrics for childcare

demand: Tracking demand and capacity can help target future investments and needs in the county’s childcare infrastructure and ensure efficient deployment of subsequent strategies.

- Track significant changes in care options and enrollment/waitlists for existing options. This includes new in-home care licenses and new or expanding school-based ECE programs or childcare centers. Changes in market alternatives such as in-home care in the region may impact demand for facility-based care.
- Track changes in county demographics including number of permanent resident households, age, and family status of residents and trends in employment and commuting patterns.

2. Evaluate the potential for publicly funded childcare resources.

Similar to K-12 education, early childhood education and childcare are increasingly viewed as public goods that merit public funding—as evidenced in the economic impact discussion in Section I. Typical mechanisms for funding at the local level are General Fund transfers, dedicated sales tax, and/or dedicated property tax mill. The City of Seattle Washington uses a foundation match to bolster childcare funding—the city matches every \$2 of foundation funding with \$1 of city funding (up to a set limit). Some of the Colorado communities currently providing government funded early childhood initiatives include Denver, Aspen, Boulder County, Summit County, the Town of Breckenridge, San Miguel County, and Elbert County.

In addition to dedicated local funding, the City of Montrose and Montrose County should consider the use of American Rescue Plan funding for childcare resources and continue to monitor state and federal program and grant options (e.g., SB19-063, SB21-236, etc.). Mayors, city council members, and county commissioners can also be effective advocates for increased federal and state funding for early childhood programs.

Specific use of financial resources is discussed in subsequent recommendations—successful implementation of some strategies is contingent on resource allocation.

3. Develop and fund a scholarship program for income constrained households (exceeding state support through CCCAP) to increase affordability of childcare services. As illustrated in the survey results, local parents face a number of affordability challenges in securing childcare. Though CCCAP does provide some support for income-qualified families, it is a statewide program and substantial changes to the program would have to take place at the state level. A local program allows for more flexibility regarding income qualification, paperwork barriers, and reimbursement rates. Examples of similar successful programs are the Tuition Assistance Program in Breckenridge, Colorado as well as the Chattanooga Early Learning Scholarship in Chattanooga, TN. Programs can be structured to create additional incentives for providers addressing top needs such as serving children with special needs, providing infant care, Spanish language care, and/or accepting CCCAP.

4. Develop a pipeline of childcare professionals and support current professionals in the childcare industry. Consistently low wages among early childcare providers have made turnover rates especially high. Childcare professionals earned only 51% of the average annual kindergarten teacher salary in Colorado in 2015. Even preschool teachers in school-sponsored settings with bachelor's degrees earn only 80% of comparably educated kindergarten teachers.² With care professionals leaving the industry for other, higher paying jobs, this creates high turnover costs for providers which negatively affects their profitability and ability to sustain the enterprise. Retaining current professionals and developing the pipeline new professionals is critical to increasing the supply of childcare services in the region.

"At one point I was working childcare from 6am to 11pm to make ends meet. Pretty soon there will be no home care licensed providers."
– Montrose County licensed provider

Strategies to promote professional development and retention of existing childcare professionals include:

- Providing sponsored insurance, paid-time-off, and retirement funds for licensed childcare providers would improve the benefits structure for current providers, and may encourage others to join.
- Professional tax credits that award refundable, graduated tax credits to early childhood educators with increasingly higher levels of education and credentials.³

² Butler Institute for Families and Brodsky Research and Consulting, "Bearing the Cost of Early Care and Education in Colorado: An Economic Analysis," Prepared for Early Milestones Colorado, 2017. Available online at <https://earlymilestones.org/wp-content/uploads/2020/01/Bearing-the-Cost-of-ECE-in-Colorado.pdf>

³ Ullrich, R., Hamm, K., & Schochet, L. (2016). Six policies to support the early childhood workforce. Washington, DC: Center for American Progress.

- Coaching, technical assistance, and training to help providers improve their rating. Rating improvements not only indicate improvements in care quality, but also allow providers to receive higher reimbursement rates from CCCAP. Note that Bright Futures is already working with some providers on this effort through the Colorado Shines Quality Improvement Rating Support program.
- Making Spanish translation services available for providers so that they can provide care to primarily Spanish-speaking households. For example, assistance with translating enrollment materials or with family communication would be useful. Establishing a partnership with local Spanish speakers or organizations (like the Hispanic Affairs Project) might allow providers and Spanish-speaking families to better connect.
- Continue to monitor state programs offering workforce support grants to childcare providers impacted by the COVID-19 pandemic.

"If the State could provide a paid sub for us to get medical and dental care, it would be wonderful."

– Montrose County licensed provider

Strategies to develop the pipeline of potential childcare professionals include:

- Concurrent enrollment programs for high schoolers and scholarships for those entering early childhood professional development programs;
- Partnership with Colorado Mesa University's Montrose Campus to offer local early childhood classes, reinstate the certification program for childcare providers at the Technical College of the Rockies, or sponsor a mentor program where local providers are paid to mentor up-and-coming providers; and
- Increase access for potential providers to state support for new programs (or license expansions) through the Colorado Shines Quality Improvement Rating Support program, CIRCLE grants, and/or other state programs in development from SB21-236.

Note that subsequent recommendations related to expanding childcare capacity will be much more effective when paired with the above strategies to promote professional development and the pipeline of childcare professionals.

5. Consider options for expanding licensed childcare in the region, with a focus on infant/toddler care. As indicated by the demand analysis, current demand for licensed childcare spots already exceeds capacity in Montrose County. Expansion of existing facilities or creation of a new facility is likely to be supported under current market conditions,⁴ but will be most effective if paired with affordability measures for parents (see Recommendation #3). Though demand exceeds supply across age groups, the lack of infant care was particularly apparent. Infant care is one of the most challenging types of care to provide as the financial requirements for care provision are high relative to the revenue generated from provision (and families ability to pay for care). Any potential expansion of the childcare network in the county should make all possible efforts to include infant and toddler care as a cornerstone of its services.

A strategic planning effort and resource analysis should consider the most realistic and impactful options for increasing licensed capacity in the county, which could include:

- Offer incentives for those providing infant care by helping with capacity building, training, and navigating licensing requirements;
- Offering incentives for new childcare centers or expansion of existing facilities. This could include fee waivers, zoning variances, etc. Note that Montrose County has already taken steps in this regard by waiving fees associated with special use permits for childcare facilities and have updated zoning ordinances to comply with HB 1222.⁵ Incentives could be tiered to provide additional support for infant care.
- Encouraging further development of home-based licensed care. Home-based care is a cost-effective and fast way to scale up care capacity. Supporting home providers through coaching and mentoring as well as providing grants for startup and renovation costs will support new and existing home care providers.
- Targeting financial subsidies to support infant/toddler care (through direct reimbursements for care (see Rec #3), in-kind contributions, or capital subsidies for construction/expansion of facilities to accommodate infant/toddler care).

⁴ Academic research suggests that expanding or starting universal preschool programs does not crowd out other care providers. In fact, introducing universal childcare programs had the largest positive effect on the formal childcare sector in more rural areas. See Bassok, Daphna, Maria Fitzpatrick, and Susanna Loeb. "Does state preschool crowd-out private provision? The impact of universal preschool on the childcare sector in Oklahoma and Georgia." *Journal of Urban Economics* 83 (2014): 18-33.

⁵ HB 1222 requires local governments to treat family childcare providers as residential property, thus reducing red tape. https://www.montrosepress.com/news/coronavirus/county-gives-daycare-facilities-a-break-on-special-use-permit-fees/article_461d00b8-6b23-11ea-abed-ab6817a71825.html

6. Encourage large employers to provide on-site childcare facilities.

As noted in the economic impact discussion (Section I), childcare is an important economic driver and has a substantial impact on employee recruitment, retention, and productivity. It follows that encouraging large employers to be part of the childcare solution will benefit both the community, the economy, and the specific employers. School districts, particularly in rural areas, are starting to explore this option for their staff and a number of hospitals or other large employers also offer this service in other areas.⁶ The City and County should encourage or incentivize employers to provide childcare as possible. Incentives could include grant funding, tax incentives or other benefits. Consider working with Montrose Memorial Hospital and the School District—two of the larger employers in the County—on a pilot program for on-site childcare utilizing funding from Colorado SB21-236.

7. Identify and offer support to non-licensed childcare providers in Montrose County.

Childcare options that do not require licensing will inevitably continue to be part of the childcare infrastructure of the county and provide an important option for parents seeking care. As indicated in Section II, half of survey respondents with children under six rely on some type of family, friend, or neighbor care. In order to help foster parental trust in all childcare options and to access the full economic and social benefits of early childhood education, it is important to offer education and supportive services to all local providers, including informal childcare, friend/family care, and stay-at-home parents. Many survey respondents indicated they would prefer if their unlicensed care providers (like family, friends, and neighbor) had training in child development, CPR, first aid, and health and safety training. Seventy percent of respondents using these informal care networks indicated that their provider would likely take training if offered. Offering such training to community members who are unlicensed care providers may be a way to connect with them and improve their service.

8. Provide more easily accessible information about CCCAP and available care options.

The Colorado Department of Human Services (CDHS) has estimated that only 13% of the CCCAP-eligible children in Colorado currently receive the subsidy at some level throughout a year.⁷ In Montrose County, both parent survey respondents and interviewed care providers alike suggested that there were many issues with paperwork for the CCCAP system. Only two-thirds of parent survey respondents were familiar with CCCAP. Of respondents who previously participated in CCCAP, many of them (19%) no longer participated because they need help with the paperwork and others never applied because they needed help with the paperwork (24%). This rate was much higher among Spanish speaking parents. Providing bilingual information about CCCAP and offering assistance with the process would alleviate a

⁶ https://coloradosun.com/2021/08/26/rural-schools-child-care-teachers/?mc_cid=27db901604&mc_eid=8c4fff63eb

⁷ Hardin, J. & Fulton, B. (2017). Colorado Child Care Assistance Program stakeholder convening series final report. Denver, CO: Civic Canopy.

burden not only on parents, but also on caregivers, many of which expressed exhaustion at being the “middleman” and explaining the CCCAP process to parents.

Additionally, some parents indicated that they had a hard time figuring out which care options were available in the county, especially those tracking which accept infants. A comprehensive communication campaign or a central hub of information would likely be beneficial to Montrose County parents and caregivers. For example, in Lansing, Michigan there are family resource centers that provide home visits, parent education, parent-child playgroups, and information and referrals.⁸ Such information should be available in both English and Spanish as the survey indicates 19% of Spanish speaking respondents could not find provider information in their language (see also Recommendation #4 for Spanish translation services). The Family Resource Center may be a good starting point for creating an information hub about childcare services in Montrose.

“Montrose County should provide more information about the daycares available. If I had to start looking for a daycare I would not know where to start.” –Montrose County resident & survey respondent

⁸ <https://www.nlc.org/wp-content/uploads/2016/12/early-childhood-action-kit-apr07.pdf>