

Childcare Market Analysis Carroll County



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United Way of
Southwest Virginia

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Project Purpose & Scope

The childcare ecosystem has been unduly strained by the COVID-19 pandemic which has ultimately impacted the working families in counties of Southwest Virginia. The purpose of this analysis is to evaluate and quantify the child care needs of the workforce with children from birth to five years of age in Carroll County.

This report first defines childcare options and explains key differences between different types of options, defines other important terms found in this analysis, and outlines relevant state and regional statistics.

Characteristics of the residents, the childcare landscape, and the experiences of working parents of Carroll County are then detailed. Numbers provided in this report are based on the most current information available.



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Childcare Options

The Virginia Department of Education (VDOE) oversees childcare in the Commonwealth. A child day care program in Virginia refers to a regularly operating service arrangement for children where, during the absence of a parent or guardian, a person or organization has agreed to assume responsibility for the supervision, protection,

and wellbeing of a child under the age of 13 for less than a 24-hour period.

There are several types of child day care programs. Out-of-home care (centers) includes child care providers operating in non-residential buildings, schools, or faith-based organizations. In-home care (family day homes)

takes place in a residential building or private home. Two other child care programs have eligibility criteria: Headstart is a national program serving income-eligible children ages birth to 5, and The Virginia Preschool Initiative (VPI) serves at-risk preschoolers by placing eligible children in high-quality preschool programs.



Childcare Programs Fall into Different Categories of Licensure

- Licensed child care programs have requirements including background checks for providers, trainings, and health and safety. These programs are inspected at least twice a year to ensure compliance.
- Unlicensed but Regulated programs vary in requirements but have some form of standard procedures to ensure safety. Religiously exempt child day centers are common examples of Unlicensed (but regulated) in Southwest Virginia and are required to complete background checks on their employees and annually self-certify compliance with health and safety standards.
- Unlicensed and unregistered do not have background checks, training, or health and safety requirements.

Headstart programs are required to be licensed, VPI programs are not.

Helpful Key Terms

The Child Care Cost Burden (or Burden Rate) is a measure that determines the percent of a two-child household income going toward childcare costs. The Department of Health and Human Services has considered child care affordable if the expense consumes less than 10% of household income, and more recently proposed an affordability threshold set at 7% of household income.

VQB5 is a statewide measurement and improvement system that focuses on the quality of all publicly-funded classrooms serving ages birth through five and supports families so they can choose quality programming across different program types. VQB5 measures the quality of infant, toddler and preschool teaching and learning based on two nationally-recognized quality indicators: Teacher-Child Interactions and the use of a state approved curriculum. The goal of VQB5 is to ensure that all children have quality teaching and learning experiences that meet their unique needs. VQB5 sets shared expectations for measuring quality and supporting teachers

in all publicly funded, birth to five programs across the Commonwealth of Virginia. Regionally, this effort is guided by United Way of Southwest Virginia who acts as the lead agency for Ready Region Southwest. Ready Region Southwest is one of nine regional hubs who connect and collaborate with existing state-wide agencies and organizations to support Early Childhood Education (ECE) programs with their quality improvement goals.

A.L.I.C.E. is an acronym that stands for Asset Limited, Income Constrained, Employed. These are households with an income that is above the Federal Poverty Level but still below the basic cost of living. The most recently-available data is from 2018, two years before the global COVID pandemic. Provided ALICE numbers should be taken with consideration of the negative impacts the pandemic had on the region.

The Childcare Infrastructure Development Index (CIDI) is a number produced by staff at United Way of Southwest Virginia as a tool for communities to know,

generally, how they are doing when it comes to meeting the childcare needs of its youngest citizens. Scores encompass workforce participation trends and childcare quality measures and affordability considerations. Because communities vary greatly in size and scope, this index utilizes ratios so that communities can compare their scores to any locality in Southwest Virginia. Possible scores range from 0 to 10, with higher scores representing more developed infrastructure to serve its youngest citizens.

FEE is a child care subsidy program that subsidizes child care for recipients who meet the income eligibility threshold and are employed, seeking employment, or in an approved education or training program.

Families served by Temporary Assistance for Needy Families (TANF) funds can receive support for child care access through this program.

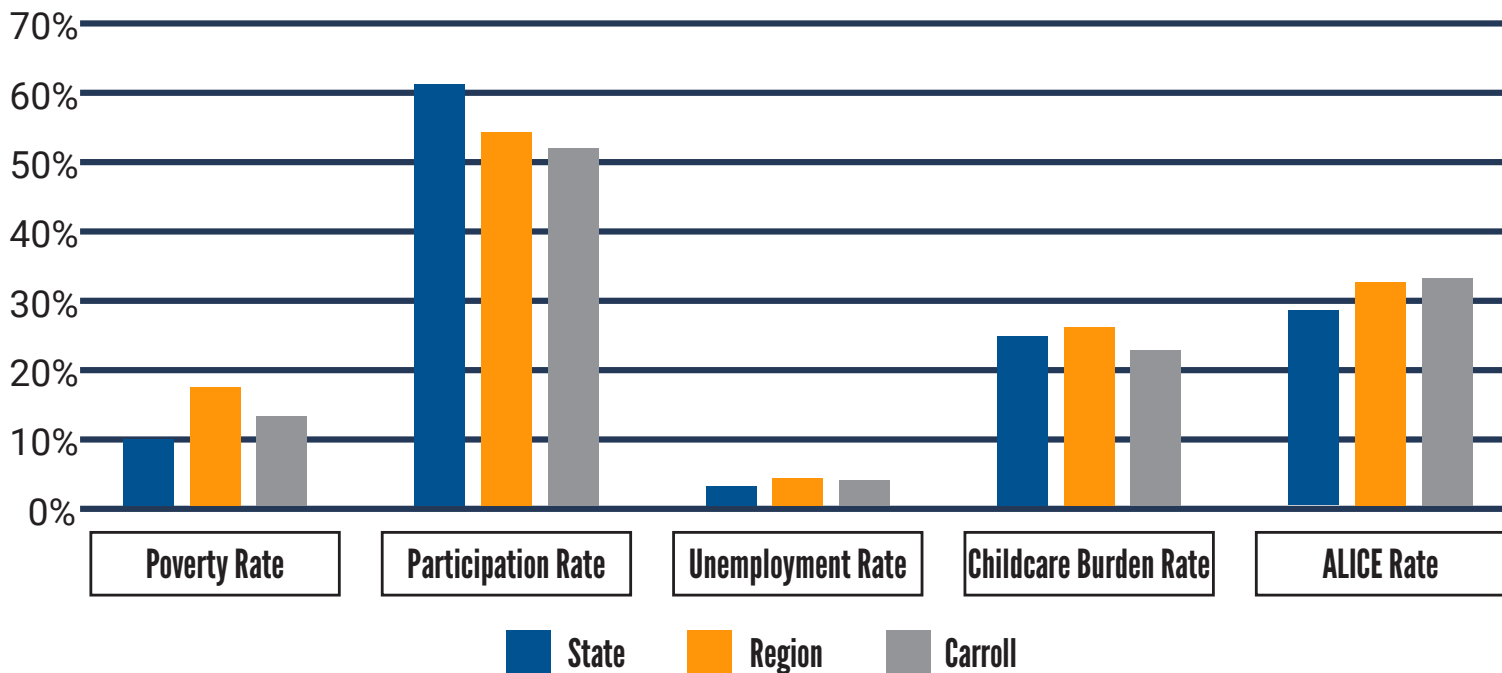
Mixed Delivery Program provides public funding to serve young children in private, community based (non-school based) birth to 5 classrooms.



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Population Overview



Virginia State Population Overview

The state of Virginia has a population of 8,642,274 residents. The median income is \$80,268 and 10.2% of the population is living below the poverty line. The state has a workforce participation rate of 61%⁵ and an unemployment rate of 3.9%⁴. The Childcare Cost Burden Rate for the state of Virginia is 25%². 29%, or 3.17 million households, are ALICE families³.

Southwest Virginia Population Overview

The Southwest Region of Virginia has a population of 552,831. The median income of the region is \$41,540 with a poverty rate of 17%. The region's workforce participation rate is 54%⁵ and the unemployment rate is 4.2%⁴. The region's Childcare Cost Burden Rate is 26%². 32% of the region's 224,346 households are ALICE families³.

Carroll County Population Overview

Carroll County has a population of 29,155 residents. The median household income is \$45,220 and a poverty rate of 13.2%¹. The county has a workforce participation rate of 51.1%⁵ with an unemployment rate of 4%⁴. The Burden Rate for Carroll County is 23%². 4,156 households are ALICE families; ALICE households account for 33.6% of all households within the county³.

Carroll County Child Care Inventory

21 Providers

7 Child Care Centers

5 Family Day Homes

7 VPI Programs

2 Head Start Centers

There are 1,905 children five years and younger in Carroll County⁶. Approximately 230 children are toddler-aged and 705 are preschool-aged⁷. 1,213 (63.7% of all children birth to five) of those children have parents in the workforce, highlighting a critical need for available and accessible child care in this county⁶.

There are a total of 21 child care providers in Carroll County: 7 child care centers, 5 family day homes, 2 Head Start programs, and 7 VPI programs. 14 providers are participating in VQB5. Provider's hours of operation vary across programs, overall ranging from 6:00am as the earliest opening hours until 6:00pm as the latest closing hours. 7 providers are licensed with a total maximum licensed capacity of serving 600 children. 2 providers are religiously exempt serving a total maximum of 66 children. The VPI program offers 120 slots throughout Carroll County public schools. 10 providers serve infants (0 to 2 years of age), 12 providers serve toddlers (2 to 3 years of age) and 21 serve preschoolers (3 to 5 years of age)⁸.

Carroll County has a reported ability to serve 786 children. Notably, licensed capacity reporting may be overestimates of actual capacity due to reporting variations including; staffing issues, including afterschool program numbers, and licensure based on square footage of a center. With these three reporting variations taken into consideration, at maximum assumption of childcare capacity, 65% of children with working parents, or 41% of all children, can be served.

At maximum assumption of childcare capacity, 65% of children with working parents can be served.

The CIDI score for Carroll County is 6.07. The county succeeds in measures of quality, but has the opportunity to develop pathways for better utilization and affordability.



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Carroll County Subsidy Information

The annual costs of childcare in Carroll County is approximately \$9,360^{9,10}. Family Day Homes often offer lower rates to parents compared to Child Care Centers⁹. To help families cover the cost of childcare, there are state and federal programs that offer subsidies to families in need who meet eligibility requirements (e.g., FEE, TANF, Mixed Delivery Program). Child care centers that participate in the Mixed Delivery Program can receive an annual maximum reimbursement rate of \$21,840 for infants, \$18,980 for toddlers, and \$13,620 for preschoolers⁶.

1 provider in Carroll County is participating in the Mixed Delivery Program, serving 4 preschoolers and 10 infants and toddlers. 9 of the 21 (43%) child care programs in Carroll County are subsidy providers. Child care subsidy funding streams combined can serve up to 165 children in Carroll County. 140 children (85%) are currently authorized and participating in child care subsidy utilization. \$1,333,665 is allocated to subsidizing child care. In 2022, average spending of subsidy dollars was \$45,505 (3%) each month⁸.

Annual childcare cost
in Carrol County is
approximately \$9,360^{9,10}



Child Care Needs and the Workforce

The availability and accessibility to child care is integral to the sustainability of the workforce. This includes both keeping current workers employed, and allowing others to enter or re-enter the workforce. In Carroll County, the most common occupations that employ county residents are Manufacturing, Health Care and Social Assistance, and Retail Trade¹¹.

86% of employers reported employees missing work due to child care issues.

A survey conducted by United Way of Southwest Virginia and the Carroll County Chamber of Commerce asked employers of Carroll County to identify the make-up of their workforce, challenges they faced due to childcare strain on their employees, and potential avenues either currently in practice or possible considerations to alleviate such strain. 7 businesses responded to the survey. While a sample of this size is small, it did provide insight into workforce challenges in this county.

Employer size ranged from small businesses with under 10 employees (14%) to large businesses employing over 100 individuals (71%). While most employers (86%) did not report facing challenges in hiring and retaining their employees due to

childcare struggles, 86% did report employees missing work due to childcare issues, as often as on a monthly or weekly basis (33%). Despite these frequent struggles due to childcare strain, none of the responding businesses offer child care benefits of any kind. Yet, 57% of employers reported that, if financial assistance were made available, they would consider some avenue of child care support, particularly by offering tuition assistance or childcare stipends

to aid in the high costs of child care. 71% of employers reported that they employed individuals who would benefit from one of these employer-sponsored programs, potentially positioning the employer as a starting point to reducing barriers to childcare. Although childcare access affects employers differently, the issues do impact the working families. As one employer reported: *"We aren't struggling to hire due to childcare but it's definitely a huge problem. It's expensive and the waitlists are long. The main issues are affordability and access."*

57% of employers reported that they would consider child care support if financial assistance were available.

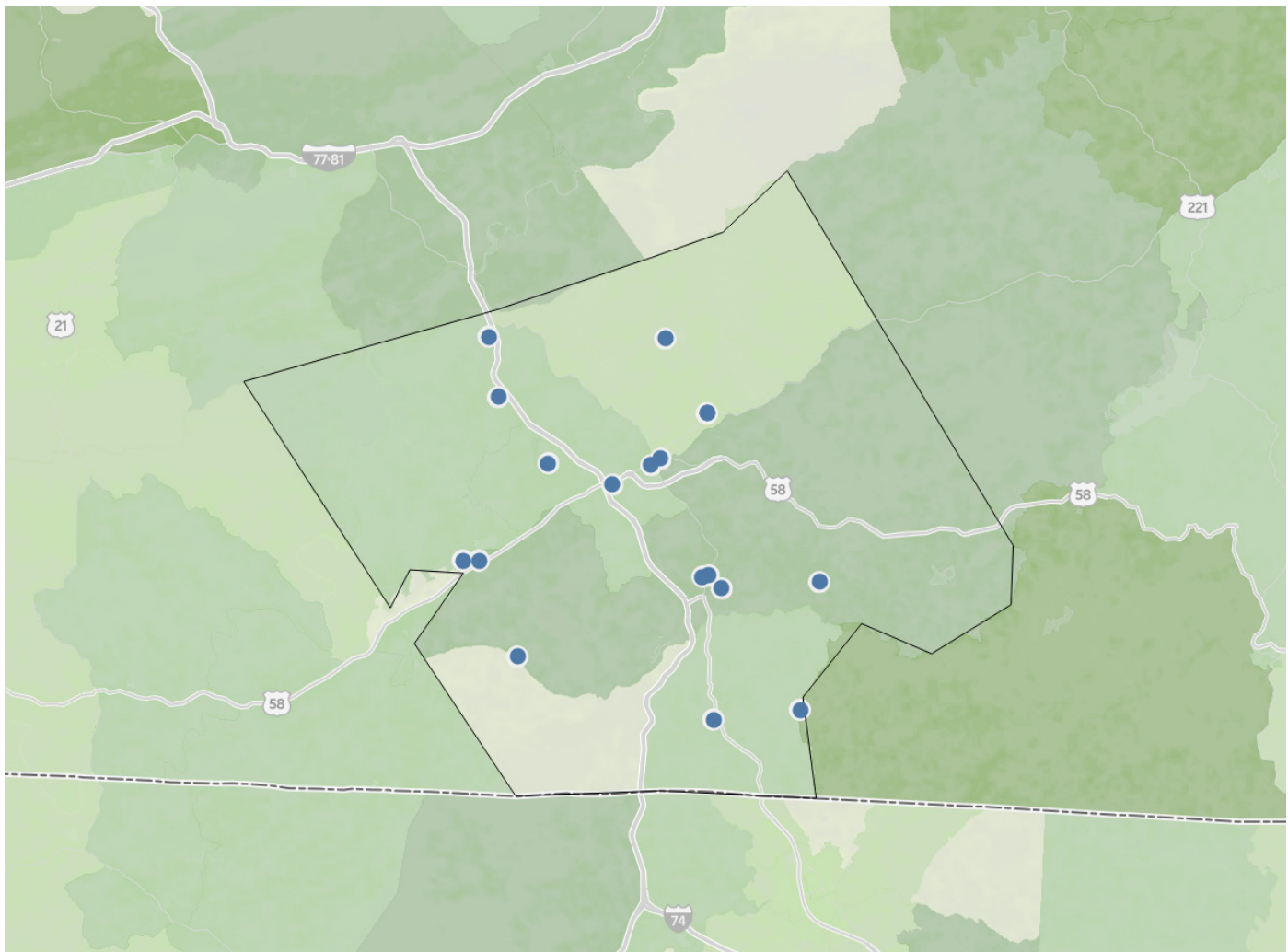


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Child Care Providers Map

Centers by Population



Census tract level

Lower population density

Higher population density



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“We aren't struggling to hire due to childcare but it's definitely a huge problem. **It's expensive and the waitlists are long. The main issues are affordability and access.**”

-Regional Employer

Ongoing Initiatives - Carroll County

Impact Area	Program	Description
Childhood Success	Rural Summit	The Rural Summit brings together leaders, practitioners, educators and community members to provide strategies that can be employed locally in any rural community. Topics focus on engagement in the classroom, early child care, resilience, youth success, and workforce development.
	Ready Region Southwest	United Way of Southwest Virginia serves as the lead for our Ready Region. This state-wide public-private partnership ensures that every child and family in our region benefits from the efforts to expand access to quality child care. This includes programs such as Mixed Delivery and classroom quality initiatives like VQB5.
	Virginia Infant & Toddler Specialist Network	From the time babies are born, their brains are developing. Most of a child's brain development happens before he or she is three years old, setting patterns for success or failure in the workforce from an early age. United Way of Southwest Virginia serves as the Western Regional Office for the statewide Virginia Infant & Toddler Specialist Network (VA ITSN). VA ITSN delivers on-site consultations, trainings, mentoring, feedback, and support to program providers that care for children birth-36 months, and helps providers make connections to existing community resources.
Thrive	Trauma Informed Schools and Community Network	As the anchor entity of the Trauma-Informed Community Network (TICN) in Southwest Virginia, we guide the region to help critical stakeholders realize the public health crisis we are experiencing because of Adverse Childhood Experiences (ACEs) and childhood trauma. United Way works with cross-sector partners to build a more unified trauma-informed system to build resilience in children, families, and child-serving systems across the region. The Trauma-Informed Schools Initiative offers participating school divisions the opportunity to engage in an initial Pilot Cohort that will create a unified Trauma-Informed System through a multi-tiered systems approach to address trauma and Adverse Childhood Experiences (ACEs) in schools.



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Ongoing Initiatives - Carroll County (continued)

Impact Area	Program	Description
Youth Success	Careers Expo for Youth	As one component of the United Way of Southwest Virginia Ignite Program, the Careers Expo for Youth is an annual event for over 4,000 7th grade students from Southwest Virginia. Students move through four zones filled with hands-on activities presented by more than 100 volunteers from regional employers. At this annual event, seventh grade students see first-hand what it's like to participate in a chemistry experiment, climb a utility pole, practice CPR, or use a 3D printer – directly from industry professionals located in Southwest Virginia.
	Early Childhood Career Pathway	The Early Childhood Education Career Pathway project is recruiting, training, and placing new early childhood educators, as well as providing professional development and training to existing childcare workers. The program is also increasing engagement with the emerging workforce to build a pipeline of future workers pursuing careers in early childhood education. A Shared Services Alliance will provide back-office support and services to providers, leading to an increased occupational capacity for centers and reduced costs for families. The community partnerships with local Workforce Development Boards, Community Colleges, four-year Colleges and Universities, Childcare Center Operators, and United Way of Southwest Virginia will allow individuals and Childcare Centers to have access to resources, career on-ramp training, and education needed to enter the workforce or expand capacity at current Childcare Centers.
	Ignite	Across the United Way of Southwest Virginia service area Ignite is sparking almost 30,000 students' interest in career opportunities by connecting schools and students with employers and employees through career development software, career guidance, soft skills training, a Careers Expo for Youth, Reality Stores and Educators in Industry.
	Major Clarity	In Virginia, all seventh-grade students are required to complete a career plan. However, many of these students have no idea what careers are available or what skills they need to have to be successful in the workforce. United Way of Southwest Virginia provides an individualized career planning and exploration software to more than 30,000 students across Southwest Virginia to help students prepare for the workforce.
	Summer Internships	United Way of Southwest Virginia's Ignite Program provides our region's high school students with a four-week summer internship component designed to teach critical workplace skills and prepare students for the workplace through hands-on work experience. Internships bridge the gap between the worlds of learning and work by connecting students and schools with employees and employers.
Financial Stability	ALICE	ALICE, an acronym coined by United Way, stands for Asset Limited, Income Constrained, Employed and represents men, women, and families who work hard and earn more than the official Federal Poverty Level, but less than the basic cost of living. The ALICE rate, combined with a 24% poverty rate, shows that as many as 59% of the region's households cannot afford basic costs of living. Because of this, United Way of Southwest Virginia is developing programs and services that help ALICE become economically mobile through financial stability initiatives and assistance for working families.
	MYFREETAXES	United Way and H&R Block have partnered since 2009 to promote MyFreeTaxes to help support the health, education, and financial stability of every person in every community. Families and individuals who earn \$64,000 a year or less are able to file state and federal returns for free, which helps them maximize their tax refunds.

Analysis Summary

Carroll County has a large workforce in need of childcare for their young children. For Carroll County, the cost and *availability* of childcare may be a potential barrier to workforce entry and retention. With a total of 21 childcare providers in the county, maximum estimates indicate that 65% of young children with working parents, or 41% of all children, can be served. However, parents of infants and toddlers have half as many options for childcare compared to those with preschoolers. Employers experiencing workforce disruption due to childcare specifically note the lack of options and limited hours that may not align with some of the working population: *“There’s a lack of child care facilities in the area, and [limited] hours of operation. [Our plant] runs 24/7”*. With many employers open to supporting their workers with child care costs, Carroll County offers potential opportunities for both the expansion of child care programs, particularly for infants and toddlers, and the possibility of partnering with organizations to assist in making child care more affordable for working parents.



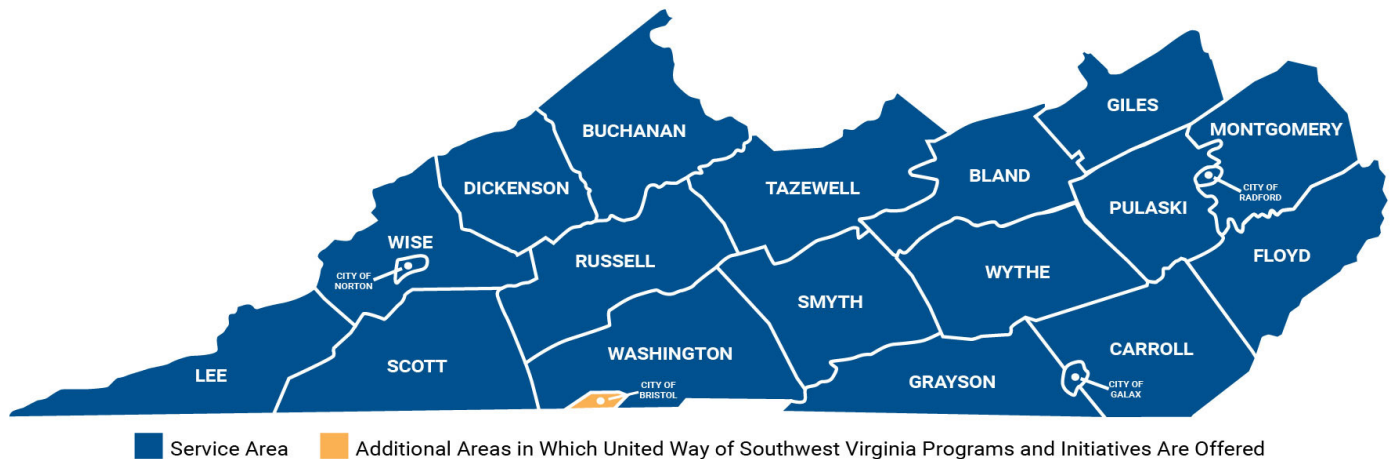
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fights for the health, education and financial stability of every person in Southwest Virginia because they are the building blocks for a good quality of life. Through an initiative-based cradle-to-career approach, United Way of Southwest Virginia is creating sustainable solutions to address the challenges facing tomorrow's workforce. United Way convenes cross-sector partners to make an impact on the most complex problems in our region. Through collaboration with government, business, nonprofit and individuals, United Way innovates for positive, lasting social change. With a footprint that covers nearly 20% of the state of Virginia, United Way of Southwest Virginia programs and initiatives serve the counties of Bland, Buchanan, Carroll, Dickenson, Floyd, Giles, Grayson, Lee, Montgomery, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe, and the cities of Bristol, Galax, Norton, and Radford.



REFERENCES

- 1 - U.S. Census Bureau (2021)
- 2 - County Health Ranking (2022)
- 3 - United for ALICE (2022).
- 4 - FRED Economic Data (2021)
- 5 - VA Careerworks (2021)
- 6 - Virginia Department of Education 2021-2022 (parent in workforce data reporting 2019 numbers)
- 7 - Virginia Department of Social Services Live Birth Data 2017-2020 (data not available for infants)
- 8 - Virginia Department of Social Services (2022)
- 9 - Childcare Aware (2022)
- 10 - Internal United Way SWVA survey (2022)
- 11 - Data USA (2020)

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