

EARLY CHILDHOOD EDUCATION Trend Update

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Metropolitan Areas Most Amenable to Child Care

Projecting the demand for child care is not an exact science. We know that families at both ends of the income spectrum are more likely to use child care than are families in the middle. We know that families with more education and families where the mother is employed are more likely to use child care. But a myriad of other factors enter into the child care decision-making equation, such as the attitudes of grandparents, one's religious and cultural beliefs about the role of the mother, the availability of quality services in the community, and the accessibility of public or employer support.

In this Trend Report, we have taken some of the factors we know about the use of child care and factored these to rate the 100 largest metropolitan statistical areas in the United States in terms of their climate for child care. Given the complications noted above, we make no claims that these ratings are scientific or exact. In addition, the data we are using, from the U.S. Bureau of the Census' American FactFinder program, is based on surveys conducted in 2005 through 2007. Therefore, this

data comes before the economic chaos that is currently remaking the American business landscape. However, we are boldly putting out these ratings to stimulate creative thinking (and even harsh criticism) on how to improve these ratings for when the world finds a new normal.

How the Ratings Were Constructed

We collected data on the nine factors described below for the 100 largest metropolitan statistical areas and assigned a weighting to each factor. Then we analyzed the range of data for each factor and broke metros into five quintiles for each one and assigned a score of 5 to those in quintile 1, 4 to those in quintile 2, and so on. Then to arrive at a 'score' for each metro, we multiplied their rating for each factor (1, 2, 3, 4, or 5) against the weighting (X1, X2, or X3) for that factor.

The 30 Metros Most Amenable to Child Care

- | | |
|--------------------------|--------------------------|
| 1. Atlanta, GA | 16. Jacksonville, FL |
| 2. Raleigh, NC | 17. Omaha, NE |
| 3. Austin, TX | 18. Colorado Springs, CO |
| 4. Charlotte, NC | 19. Virginia Beach, VA |
| 5. Washington, DC | 20. McAllen, TX |
| 6. Denver, CO | 21. Orlando, FL |
| 7. Kansas City, MO | 22. Phoenix, AZ |
| 8. Salt Lake City, UT | 23. Cincinnati, OH |
| 9. Dallas-Fort Worth, TX | 24. Chicago, IL |
| 10. Des Moines, IA | 25. Nashville, TN |
| 11. Houston, TX | 26. Richmond, VA |
| 12. Minneapolis, MN | 27. Ogden, UT |
| 13. Boise, ID | 28. Memphis, TN |
| 14. Columbus, OH | 29. Charleston, SC |
| 15. Indianapolis, IN | 30. Columbia, SC |

The 15 Youngest Metros

- | | |
|--------------------------|---------------------|
| 1. McAllen, TX | 9. Phoenix, AZ |
| 2. El Paso, TX | 10. Boise, ID |
| 3. Ogden, UT | 11. Stockton, CA |
| 4. Salt Lake City, UT | 12. San Antonio, TX |
| 5. Bakersfield, CA | 13. Modesto, CA |
| 6. Fresno, CA | 14. Riverside, CA |
| 7. Dallas-Fort Worth, TX | 15. Austin, TX |
| 8. Houston, TX | |

Factor #1 — The prevalence of children under 5

There is a considerable range in the youthfulness of communities — 12% of the population of McAllen, Texas is under 5, whereas in Palm Bay, Florida just over 5% is. This is a fairly straightforward and significant factor in the need for child care, so we gave this a weighting of 3 in the rating process. The table above presents the 15 metros with the highest percentage of children under the age of 5.

Factor #2 — Parent Education

When it comes to parents who are paying for child care on their own (easily four out of five child care users), their level of education has been found to be a significant factor. Parents with higher levels of education are more likely to use child care outside of the home than those with less education. Because this is an accepted and measurable factor, we gave it a weighting of 3. The table below lists the 15 metros with the highest percentage of inhabitants with at least a bachelor's degree.

The 15 Most Educated Metros

- | | |
|----------------------|--------------------------|
| 1. Washington, DC | 9. Minneapolis, MN |
| 2. San Jose, CA | 10. Denver, CO |
| 3. Bridgeport, CT | 11. Seattle, WA |
| 4. San Francisco, CA | 12. New York, NY |
| 5. Madison, WI | 13. Colorado Springs, CO |
| 6. Boston, MA | 14. Atlanta, GA |
| 7. Raleigh, NC | 15. San Diego, CA |
| 8. Austin, TX | |

Factor #3 — Working Women

When women work outside the home, families are more likely to use child care. Again, there is a wide range in the likelihood that women will work: in Madison, Wisconsin, over 69% of females 16 and over are in the workforce, compared with just under 49% in Sarasota, Florida. We gave this factor a weighting of 3. The table below lists 15 metros with the highest percentages of working women.

The 15 Metros Where Most Women Work

- | | |
|--------------------|------------------------|
| 1. Madison, WI | 9. Portland, ME |
| 2. Minneapolis, MN | 10. Salt Lake City, UT |
| 3. Des Moines, IA | 11. Indianapolis, IN |
| 4. Omaha, NE | 12. Raleigh, NC |
| 5. Washington, DC | 13. Atlanta, GA |
| 6. Denver, CO | 14. Austin, TX |
| 7. Kansas City, MO | 15. Columbus, OH |
| 8. Charlotte, NC | |

Factor #4 — Fastest Growing Metros

Growing communities have an increasing demand for child care—not exactly rocket science. The data used in this report, however, may be less relevant given the economic downturn. Nonetheless, we assigned this factor a weight of 3 and believe it will be relevant again once the economy turns around. The adjacent table presents the 15 metros that demonstrated the highest percentage of population growth between 2000 and 2006.

Factor #5 — Single Moms

Single mothers, not having the option of having a spouse care for their young children, are more inclined to rely on outside the home child care options. We gave this factor a weighting of only 2, because the Census data counted single mothers with children under 18 and because single mothers often find it a challenge to afford child care. In McAllen and El Paso, Texas, over 12% of households are headed by single moms, compared with less than 5% in Sarasota, Florida and Madison, Wisconsin. The table below lists the 15 metros with the highest percentages of female headed households (no husband present) with children under 18.

15 Metros with Highest Prevalence of Female Headed Households

- | | |
|-----------------------|---------------------|
| 1. McAllen, TX | 9. Baton Rouge, LA |
| 2. El Paso, TX | 10. Columbus, SC |
| 3. Memphis, TN | 11. San Antonio, TX |
| 4. Jackson, MS | 12. Springfield, MA |
| 5. Bakersfield, CA | 13. Charleston, SC |
| 6. Augusta, GA | 14. Stockton, CA |
| 7. Fresno, CA | 15. Atlanta, GA |
| 8. Virginia Beach, VA | |

Factor #6 — Nursery School Enrollments

We look at nursery school enrollments because they tell us how likely families are to use child care. Unfortunately, the way the data is presented in the American FactFinder is not directly helpful as it tracks the percentage of inhabitants enrolled in nursery schools, not the percentage of all children under 5 enrolled in nursery schools. Therefore, it more directly reflects the number of under 5s in a community than the propensity for parents to select child care. For that reason we assigned this factor a weighting of 2.

Factor #7 — Wealthy Families

Given the perceived high cost of child care, parents with higher incomes are more likely to use child care than families with more modest incomes. And, community wealth varies widely — the median household income

The 15 Fastest Growing Metros

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|-------------------|---------------------------|
| 1. Fort Myers, FL | 9. Atlanta, GA |
| 2. Las Vegas, NV | 10. Orlando, FL |
| 3. Raleigh, NC | 11. Stockton, CA |
| 4. Phoenix, AZ | 12. Charlotte, NC |
| 5. Riverside, CA | 13. Bakersfield, CA |
| 6. McAllen, TX | 14. Houston, TX |
| 7. Boise, ID | 15. Dallas-Fort Worth, TX |
| 8. Austin, TX | |

in San Jose, California is over \$82,000, while in McAllen, Texas it is below \$29,000. We have given this factor a weighting of 2. The table below lists the 15 metros with the highest median incomes.

The 15 Wealthiest Metros

- | | |
|----------------------|---------------------|
| 1. San Jose, CA | 9. Honolulu, HI |
| 2. Washington, DC | 10. Minneapolis, MN |
| 3. Bridgeport, CT | 11. Baltimore, MD |
| 4. Oxnard, CA | 12. Seattle, WA |
| 5. San Francisco, CA | 13. San Diego, CA |
| 6. Boston, MA | 14. New York, NY |
| 7. Poughkeepsie, NY | 15. Worcester, MA |
| 8. Hartford, CT | |

Factor #8 — Prevalence of Poverty

This may seem like a contradiction to Factor #7. However, as noted above, the households most likely to use child care are those with the highest incomes who can afford to pay on their own, and those with the lowest incomes who qualify for public assistance. Not surprisingly, the prevalence of poverty varies considerably from metro to metro. Over 30% of all families with children under 5 in McAllen and El Paso, Texas live below the poverty line, whereas less than 6% of these families do so in Washington, DC. We gave this factor a weighting of 2. The table below presents the 15 metros with the highest proportion of families with children under 5 below the poverty line.

The 15 Metros with Most Poverty

- | | |
|--------------------|------------------|
| 1. El Paso, TX | 9. Memphis, TN |
| 2. McAllen, TX | 10. Augusta, GA |
| 3. Bakersfield, CA | 11. Syracuse, NY |
| 4. Fresno, CA | 12. Buffalo, NY |
| 5. Youngstown, OH | 13. Tulsa, OK |
| 6. Dayton OH | 14. Scranton, PA |
| 7. Greenville, SC | 15. Toledo, OH |
| 8. Albuquerque, NM | |

Factor #9 — Total Population

As a general rule, the size of a metro is not an indicator of that metro's propensity to use child care. However, with there being such a huge variation in population between the metro with the largest population — New York with 18.8 million — and the metro with the smallest — Madison, Wisconsin with just under .5 million — we need to consider this factor. If all factors were equal, New York would need 38 times more child care than Madison. We assigned total population a weighting of 1.

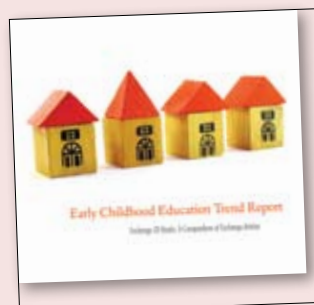
Other Factors

In this rating, we only considered factors in the Census Bureau's American FactFinder. However, there are many other factors that could be considered such as:

- mothers with children under 6 in the workforce
- state reimbursement rates
- state eligibility requirements
- state licensing requirements
- rate of job growth
- average family size
- households with two working parents

Your Feedback

Exchange will be conducting this rating annually and needs your help in making it as reliable as possible. Please share your opinions on the factors we have selected, as well as the other potential factors we have listed. What should be the correct mix of factors? What weighting should be applied to each of these factors? Should we consider all 336 metropolitan statistical areas in constructing these ratings? Send your much needed feedback to info@ChildCareExchange.com.



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