

2024

HUDSON VALLEY
PATTERN
for
PROGRESS

CHILDCARE IN THE HUDSON VALLEY

→ www.Pattern-for-Progress.org



A regional analysis of the state of childcare in the Hudson Valley

Hudson Valley Pattern for Progress

Why should we care?

- High-quality childcare and early education yields measurable improvements for outcomes such as academic achievement, income, health, crime, and more.
- When there is not an ample supply of affordable childcare, the labor participation rate suffers → especially for working moms
- Childcare ranked as the top support service that Hudson Valley employers want to provide for their works but cannot
- Public and private employers throughout the region said that a dearth of childcare prevented them from hiring or retaining employees
- We have seen what happens just in the past month when childcare centers close in our communities
- Childcare in the Hudson Valley is dwindling, expensive, and struggling to remain viable under stress from demographics, economics, and shifting policies.

Sullivan County Head Start closes suddenly for lack of funding

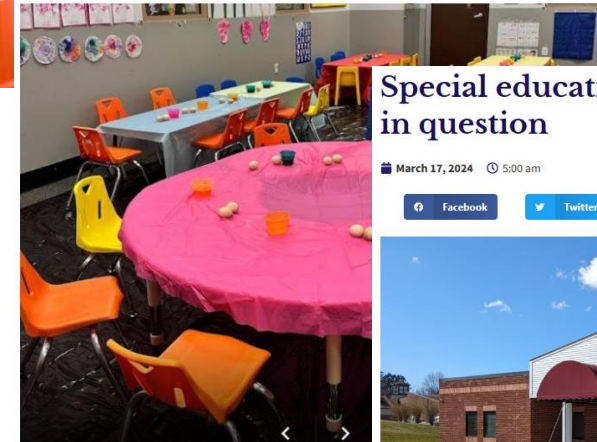
Executive director meets with county, state, and federal officials to solve crisis



Daycare center closing abruptly; leaves parents scrambling

February 22, 2024 5:32 am

Facebook Twitter LinkedIn Email Print



Special education preschool's future in question

March 17, 2024 5:00 am

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Educational Learning Experience's preschool located on Mount Hope Road in Middletown (MHNN photo)

MIDDLETOWN- Families of children attending the Educational Learning Experience special education preschools in Middletown and New Windsor are uneasy about the future of



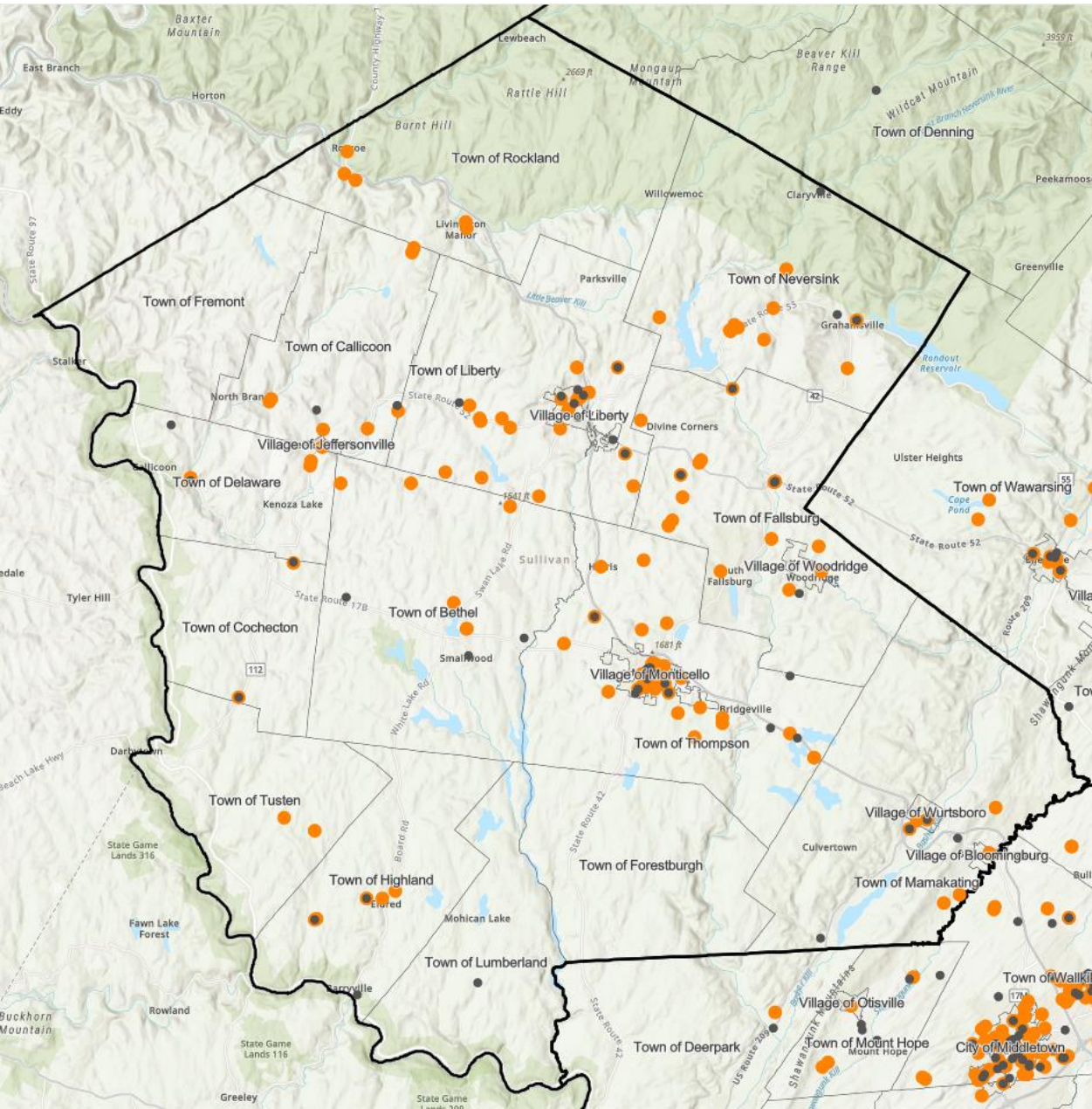
Where are we now?

- The number of license childcare providers in the Hudson Valley has declined by 27% in the past 15 years
 - Not including Westchester County, the decline has been exactly 40 percent
- Licensed childcare is declining faster than the proportion of total births in every county except Westchester
- Currently about one licensed seat for every 4-6 children living in the Hudson Valley
- About 82,000 licensed seats in the Hudson Valley
- About 292,000 kids under the age of 10

Year	# of Licensed Childcare Providers	Percent Change in Providers to Prior Year	# of Licensed Childcare Providers	Percent Change in Providers to Prior Year
	NYS		Hudson Valley	
2007	21,209	-	2,308	-
2010	21,992	3.7%	2,224	-3.6%
2015	20,534	-6.6%	1,937	-13.0%
2018	18,711	-8.9%	1,842	-5.0%
2023	16,443	-12.1%	1,685	-8.5%
07-23 % Change	-22%		-27%	

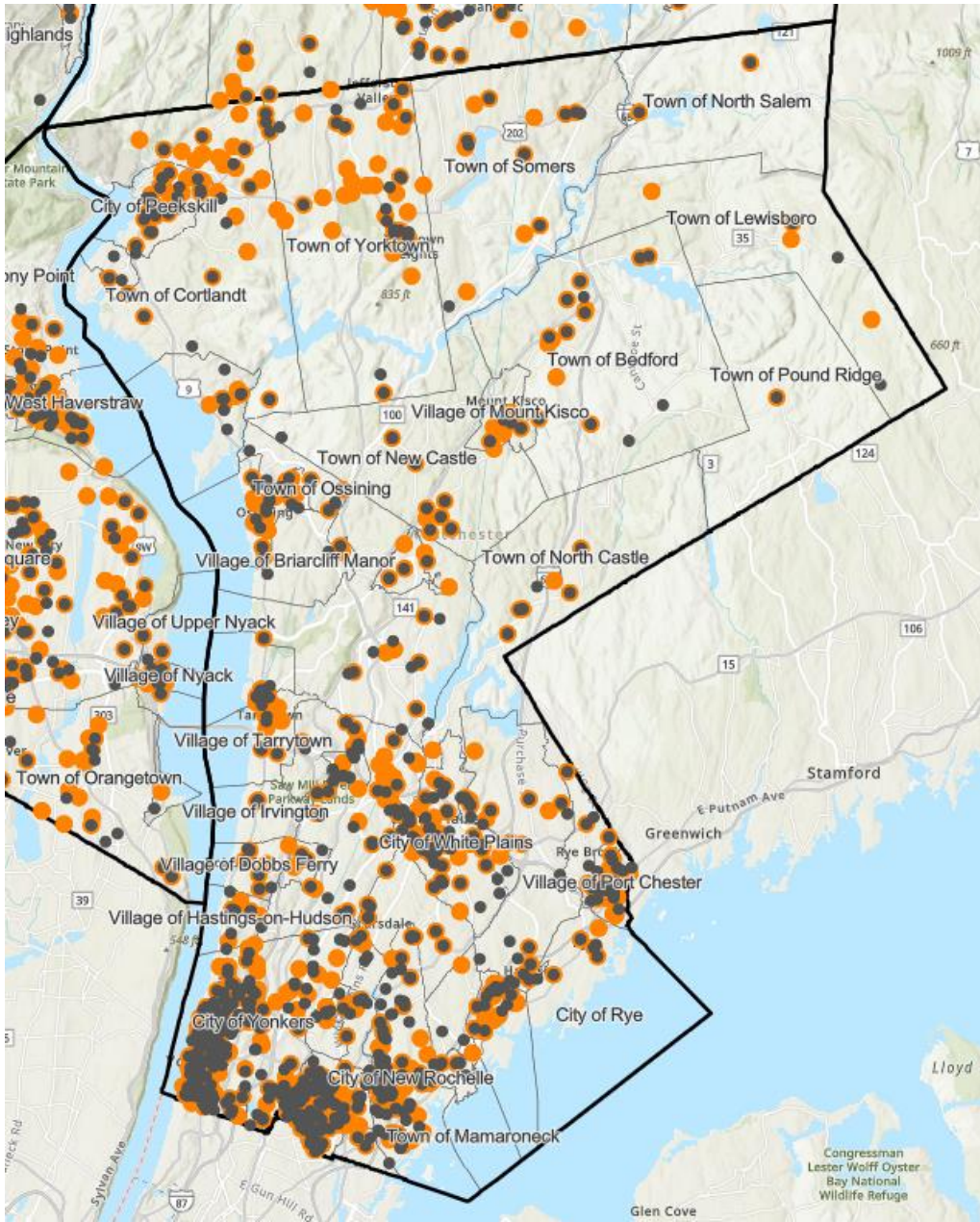
Counties	Percent Change Total Births 2007-2020	Percent Change in Providers 2007-2023
Columbia	-20.6%	-63.9%
Dutchess	-16.7%	-33.1%
Greene	-13.1%	-45.5%
Orange	-1.9%	-38.2%
Putnam	-19.8%	-34.1%
Rockland	19.1%	-32.1%
Sullivan	-8.5%	-61.9%
Ulster	-20.8%	-45.1%
Westchester	-18.7%	0.0%
Hudson Valley	-9.3%	-27.6%

A rural and urban challenge



City	City Population 2021	# of Providers 2007	# of Providers 2023	% Change 07-23	Number of Seats 2023 *	Children 10 and under 2021 *	Seat to Child Ratio
Beacon	13,713	19	15	-21.1%	582	1,461	.40
Hudson	5,964	13	5	-61.5%	470	563	.83
Kingston	23,972	58	24	-58.6%	759	2,760	.28
Middletown	30,086	40	20	-50.0%	1,137	3,994	.28
Mount Vernon	72,855	117	89	-23.9%	2,806	7,243	.39
Newburgh	28,834	26	10	-61.5%	730	4,312	.17
New Rochelle	80,685	58	68	17.4%	3,423	8,358	.41
Peekskill	25,304	27	24	-11.1%	1,182	2,285	.52
Port Jervis	8,772	6	10	66.7%	306	1,022	.30
Poughkeepsie	31,475	52	25	-51.9%	956	2,971	.32
Rye	16,459	5	5	0%	358	2,142	.17
White Plains	59,452	45	53	17.8%	4,002	6,190	.65
Yonkers	209,730	156	186	19.2%	7,344	23,869	.31

Westchester County



Westchester County

2023 Licensed Providers: 746
2007 Licensed Providers: 746
Change from 2007 to 2023: 0%

2023 Licensed Seats: 41,206
Population of Children 10 and Under: 113,182
Seats Per Child 0.36



Hudson Valley Totals:

2023 Licensed Providers: 1,685
2007 Licensed Providers: 2,308
Change from 2007 to 2023: -27%

2023 Licensed Seats: 82,301
Population of Children 10 and Under: 291,848
Seats Per Child 0.28

How did we get here? Fewer kids.

A well-established trend toward fewer children in the Hudson Valley will make it more difficult for private childcare businesses to survive because of dwindling demand for the service. The birth rate in New York has steadily declined and is now at 1.55.

Westchester down 12,500 infants and children in the past 12 years.

2010 to 2022 Change in Population of Children										
Age	Columbia	Dutchess	Greene	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester	Hudson Valley
Under 5 yrs.	-730	-2,376	-262	-156	-943	4,752	-152	-1,353	-4,818	-6,038
5 to 9 yrs.	-701	-4,105	-949	-1,467	-2,045	2,126	-8	-1,636	-5,355	-14,140
10 to 14 yrs.	-604	-3,889	-359	1,006	-1,508	3,259	-567	-1,938	-2,411	-7,011
2010 to 2022 Percent Change in Number of Children										
Age	Columbia	Dutchess	Greene	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester	Hudson Valley
Under 5 yrs.	-24%	-15%	-11%	-1%	-18%	20%	-3%	-15%	-8%	-4%
5 to 9 yrs.	-22%	-23%	-38%	-5%	-30%	9%	0%	-16%	-8%	-9%
10 to 14 yrs.	-16%	-19%	-12%	3%	-20%	13%	-11%	-18%	-4%	-4%

How did we get here? Market effects of UPK.

- Universal pre-K has unintentionally wounded the business model that childcare relies on to survive
- Business model is based on ratios
 - Infants are 1 staff : 4 children
 - 4-year-olds are 1 staff : 8 children
- 155,512 kids ages 3 and 4 in UPK across NY
 - One-third of them are in public schools, BOCES, of other facilities that did not previously serve them → out of the private market
- \$1,200 per month compared to free
- School district are required to solicit for community partners to provide UPK and program out at least 10% of the state money
 - Waivers available if no collaborators exist, none is interested, poor safety records

3 yr. olds and 4 yr. olds in UPK by Type of UPK Provider-Statewide - 2022-2023 School Year					
Type of Provider UPK	Half Day 3 yr. olds	Full Day 3 yr. olds	Half Day 4 yr. olds	Full Day 4 yr. olds	Total Students Funded by UPK
Public School	424	4,051	5,871	40,345	50,691
Daycare Center	81	17,762	2,342	27,200	47,385
Head Start	220	2,471	1,566	3,833	8,090
Family or Group Daycare	0	3,354	76	657	4,087
Nursery School	46	53	1,487	3,850	5,436
BOCES	11	14	126	188	339
Special Ed 4410 Preschool	28	176	126	855	1,185
Non-public School	154	3,586	1,980	10,336	16,056
Museum	0	0	0	15	15
Library	0	0	0	0	0
Other	1	396	384	3,849	4,630

UPK study by Cornell / Skidmore

"In particular, we found that in non-urban communities that implement public prekindergarten, capacity for infant and toddler child care has declined over time with the negative impact greatest in rural communities. Thus, communities that saw implementation of public prekindergarten, a program for 4-year-old children, also saw declines in the childcare capacity for younger children. One explanation for this decline stems from the typical way child care programs finance their business. Care for infants and toddlers, which is more expensive due to required higher staffing ratios, is partially subsidized by fees for preschool age children. If 4-year-old children leave child care to attend a free (for parents) prekindergarten program, revenue for the child care business as a whole can decline and lead to program closure and thus a decline in slots of infant and toddler childcare. Such scenarios are more likely in rural communities where smaller populations means small shifts in enrollment can have large impacts. It is important to note that this finding was most pronounced for rural areas, and less evident in locales with larger populations. As such, analyses conducted with state-level data that do not account for locale, could potentially miss these individual community level patterns."

How did we get here? Protected and dissuaded by regulations.

- The heft, complexity, and allegedly uneven application of New York State's childcare regulations were mentioned during every interview conducted for this study
- Balance between regulations and operations
- Protection of health and safety is essential
- Do tough regulations = high quality care?
- Significant concern about the uneven application of regulations based on which inspector / licensor shows up at a facility
 - Anecdote about Dutchess County provider that was 4 square feet short
- Tension between the state's desire to see more childcare built and rigid regulations on space
- In Ulster, Greene, Columbia, 8 of 35 childcare centers who closed since 2019 cited regulations as major consideration for shutting their doors

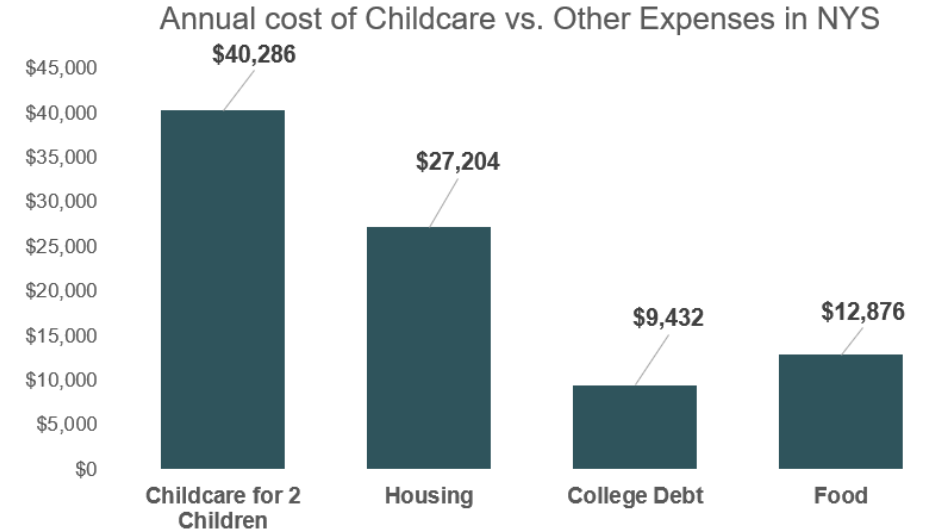
“

People definitely feel like they are at the will of the licensor. Whether or not something gets approved, or you receive a violation, depends on which person from OCFS shows up.”

A childcare center owner from Dutchess County

Concerns about cost

- Weekly cost is \$150-\$409 throughout the region, depending on location and age of the child
- Federal standard is to spend no more than 7% of income
- Hudson Valley median earners pay 13-15% for one child
 - Much higher for families with multiple kids, sub-median earners, and single parents
- Cost of childcare for two children is the single highest expense for households in the Middletown-Newburgh-Poughkeepsie MSA
- Average childcare and college debt = \$3,000 monthly

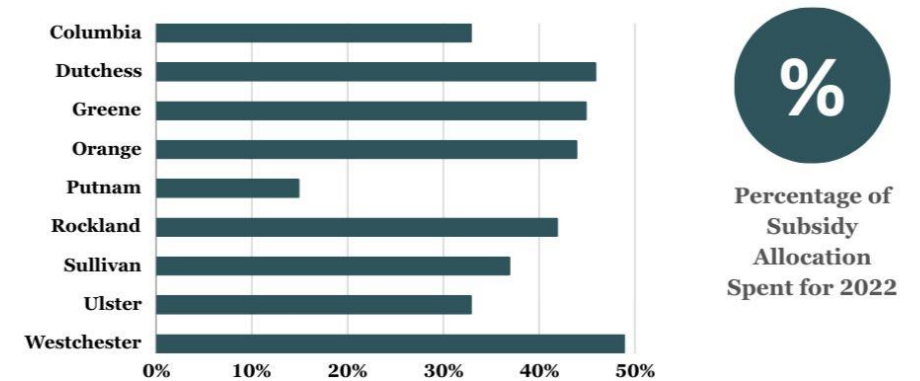


County	Columbia	Dutchess	Greene	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
2-person Household Median Income	\$94,737	\$94,495	\$75,942	\$90,292	\$113,672	\$110,511	\$74,634	\$85,764	\$111,589
Average Annual Childcare Costs under 1.5 yrs. old	\$13,910	\$13,390	\$12,168	\$13,390	\$16,562	\$16,562	\$12,168	\$13,390	\$16,562
Average Annual Childcare Costs 1.5 - 2 yrs. old	\$13,130	\$12,688	\$11,414	\$12,688	\$15,704	\$15,704	\$11,414	\$12,688	\$15,704
Average Annual Childcare Costs 3 - 5 yrs. old	\$12,350	\$11,856	\$10,816	\$11,856	\$14,716	\$14,716	\$10,816	\$11,856	\$14,716
Average Annual Childcare Costs 6 -12 yrs. old	\$10,946	\$10,946	\$10,166	\$10,946	\$13,520	\$13,520	\$10,166	\$10,946	\$13,520
Average Annual Cost of Childcare	\$12,584	\$12,220	\$11,141	\$12,220	\$15,125	\$15,125	\$11,141	\$12,220	\$15,125
Percent of Income for a 2-Person Household	13%	13%	15%	14%	13%	14%	15%	14%	14%

Underutilized assistance

- A host of federal programs allowed New York to expand its assistance program for childcare centers and those families paying for childcare
- Significant boost to the state's existing Child Care Assistance Program (CCAP)
 - Qualifying income raised to \$99,250 for a family of four
 - That's lower than the median wage for six of the nine Hudson Valley counties
 - Program hampered by problems related to marketing, implementation and ease of use
 - Every county utilized less than 50 percent of its subsidy allocation
 - Very little marketing outside DSS
 - Lack of a uniform application process
 - Documentation missing? Sent back by snail mail.
 - Slow reimbursements to childcare centers who could not afford the carrying costs and delays
 - Language barriers and hotlines that did not work
 - Previous state budget centralized the process back to Albany

Childcare Subsidy Claims for 2022

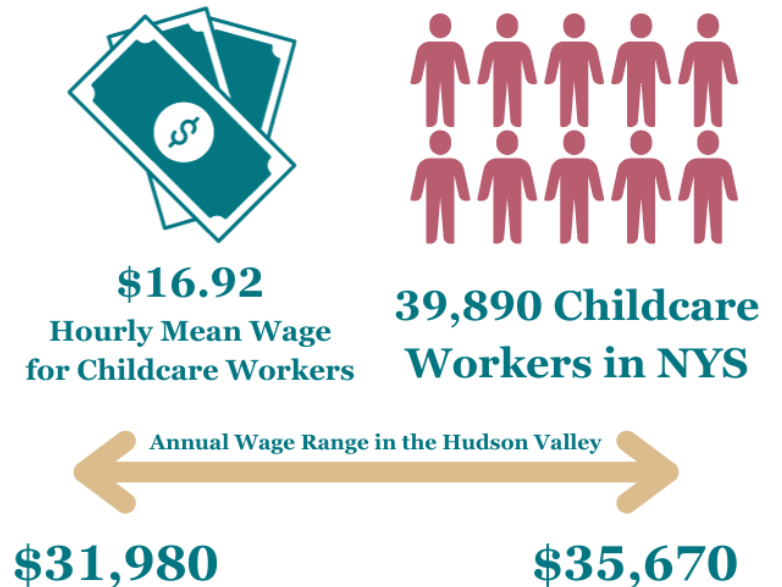


Data Provided from NYS Office of Family and Child Services

Near-poverty wages

- National median wage is \$13.71 per hour
- New York median wage is \$16.92
- Pay is so low that many childcare workers will be affected by the state increase to minimum wages in 2025/2026
- Nearly 20% of childcare workers leave employment in the sector every year
- Huge turnover can affect maintaining staffing ratios and keeping classrooms open
- 97% of childcare workers are women → 38% are women of color
- 53% of childcare workers are enrolled in at least one form of public assistance – food, heating, housing or health
- Poverty rate for childcare workers is 10.3%, more than double the rate for workers in all industries nationwide.

Childcare Worker Pay



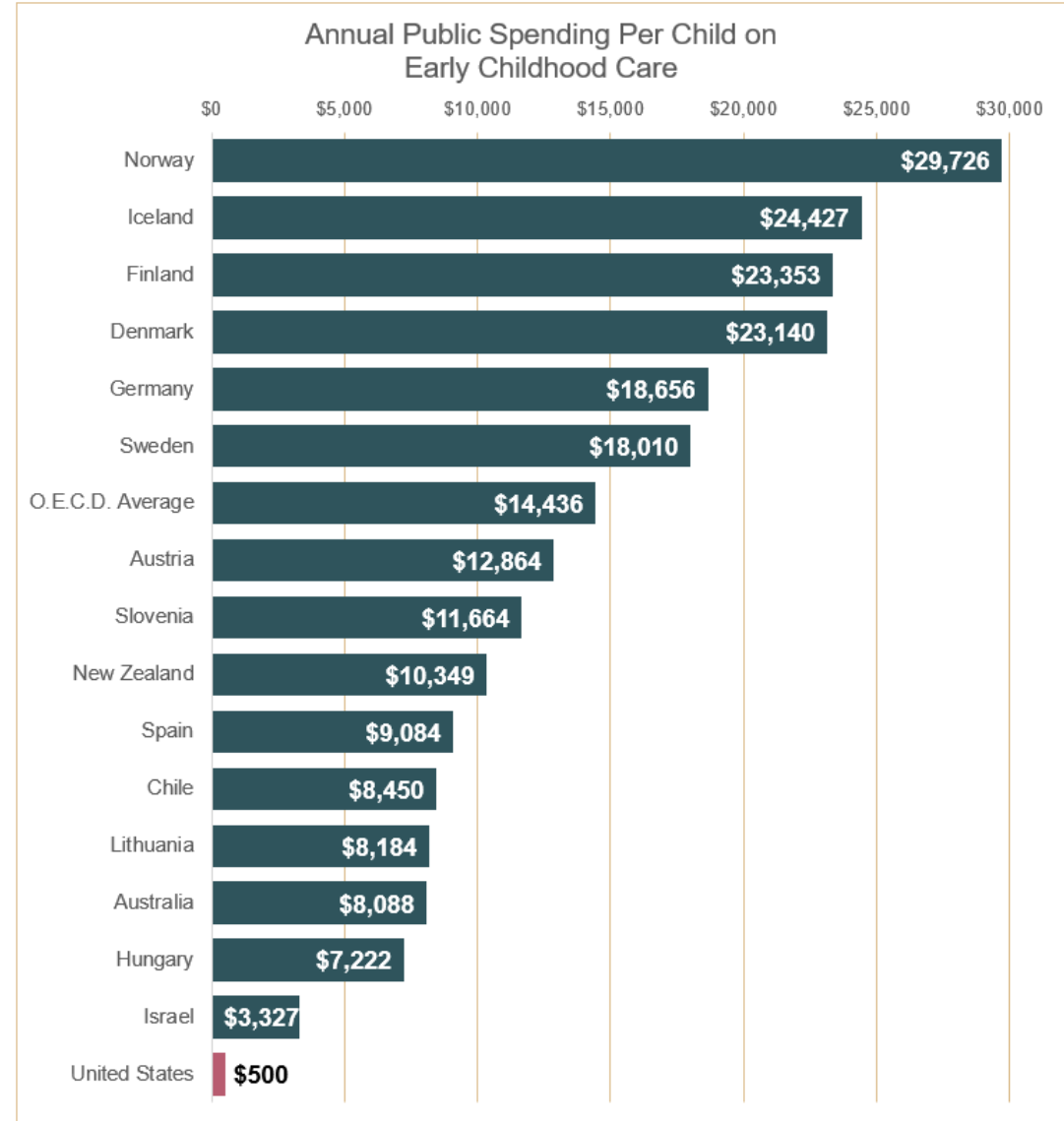
Effects on the workforce

- Regional labor pool will shrink somewhat quickly in the next 20 years → 100,000-130,000 fewer workers
- Need a high labor participation rate
- Employers ranked childcare as the No. 1 support service needed but unable to provide in the Hudson Valley
- Nationwide, 62% of businesses cited childcare as a factor in losing at least 1 employee
- 53% of adults ages 25-54 are working parents in the United States
- Labor participation drops by 17% once working women become mothers
- An estimated 1.3 million women left the labor force during the pandemic
- Several Hudson Valley businesses said they had considered a childcare stipend, or explored the idea of opening in-house childcare for their employees to combat the scarcity / cost

ESD/DOL Survey of Employers on Support Services Desired but Unable to Provide	
Hudson Valley	%
Childcare Assistance	41%
N/A	34%
Transportation Assistance	31%
Education/Tuition Asst. or Reimbursement	24%
Debt Repayment	22%
Mental Health Support	20%

Other childcare models

- New York State has mentioned that is studying the “Quebec Model”
- Publicly subsidized system in the province of Quebec that began in 1996
- Mix of public childcare centers and private centers
- Co-pay model that requires parents to pay \$10 per day
- Established an 86% labor participation rate for women ages 26-44 → the highest in the world
- Economists say the additional payroll taxes realized by high labor participation paid for the program
- Successful enough that other provinces in Canada now moving toward a similar scheme
- Difficulties with capacity
- Other countries have similar system of subsidies or more hefty tax credits that account for the true cost of care



Looking forward

All the information Pattern analyzed pointed toward one conclusion: Childcare in New York will continue to wither under demographic, economic, and policy-induced stress unless we pursue evidence-based models that can preserve care, education, and labor participation.

1 New York State will likely need to subsidize childcare through a program similar to the Quebec model or risk the private service steadily disappearing.

2 The state should study the financial implications of the UPK program on the childcare system.

3 The existing system of childcare financial assistance needs to be improved to expand its reach, impact, and accessibility.

4 The state's existing childcare task force – or a dedicated commission – should convene to recommend updates to regulations that protect health and safety while making it easier to start and operate childcare centers of various types.

- Pilot program for employee hosted childcare
- Expand the OCFS Office of the Ombudsman

5 New York needs more programs to support professionals who are passionate about early childhood education, training them well and highlighting viable career pathways to earn a living wage.

Change the staff-to-child ratios to be more consistent with New York City and other states?

What can you do to help?

1. Share the research: <https://bit.ly/HVChildcare>
2. Talk to your state lawmakers about the challenges and potential solutions
3. Ask your local childcare council about programs
4. Point people toward the state's childcare assistance program, even if they do not think they qualify

