

**North Carolina  
Department of Commerce  
Division of Community Assistance**

**Beverly Eaves Perdue, Governor  
Joe Crocker, Assistant Secretary**

**J. Keith Crisco, Secretary  
Gloria Nance-Sims, Director**

## Memo

**To:** Macon County Child Care Issues Task Force  
**From:** Kristy Carter  
**Date:** 7/22/2009  
**Re:** Childcare and Economic Development Resources

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Below you will find links to the resources I accessed while preparing for the presentation made to the Macon County Child Care Issues Task Force.

**This report is the one the most comprehensive and has some case studies that may interest you:**

Warner, M., Adriance, S., Barai, N., Hallas, J., Markeson, B., Morrissey, T., et al. (2004). [Economic Development Strategies to Promote Quality Child Care](#). Cornell Cooperative Extension, Cornell University, Department of City and Regional Planning. Ithaca: Linking Economic Development and Child Care Research Project.

**This report summarizes the return on investment on dollars spent on early childhood education:**

[Parks, G. \(2000\). The High/Scope Perry Preschool Project](#). Washington, DC: US Department of Justice, Office of Juvenile Justice and Delinquency Prevention. Additionally, there is lots of information about the High/Scope Perry Preschool project [here](#).

**Others:**

Warner, M., Ribeiro, R., & Smith, A. E. (2003). [Addressing the Affordability Gap: Framing Child Care as Economic Development](#). *Journal of Affordable Housing*, 294-313.

NC Smart Start (2008). [The Economic Impact of the Child Care Industry in North Carolina](#). Raleigh: NC Smart Start.

**North Carolina: The State of Minds**

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**Projects:**

This is the project at Cornell University that I mentioned. You will be linked to LOTS of research and information when you click the Research tab from the main page.

- ▶ [Linking Economic Development and Childcare \(Cornell Cooperative Extension Project\)](#)

**Data:**

- ▶ HUD Median Family Income Limits:
  - ▶ [http://www.huduser.org/datasets/il/il2009/select\\_Geography\\_mfi.odb](http://www.huduser.org/datasets/il/il2009/select_Geography_mfi.odb)
- ▶ American Community Survey, Macon County:
  - ▶ [http://factfinder.census.gov/servlet/ADPTable?\\_bm=y&-geo\\_id=05000US37113&-context=adp&-ds\\_name=ACS\\_2007\\_3YR\\_G00\\_&-tree\\_id=3307&-lang=en&-\\_caller=geoselect&-format=](http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=05000US37113&-context=adp&-ds_name=ACS_2007_3YR_G00_&-tree_id=3307&-lang=en&-_caller=geoselect&-format=)

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Macon County  
Childcare Issues Committee

July 13, 2009

Contact Information

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[www.nccommerce.com/wro](http://www.nccommerce.com/wro)

31 College Place, Building B

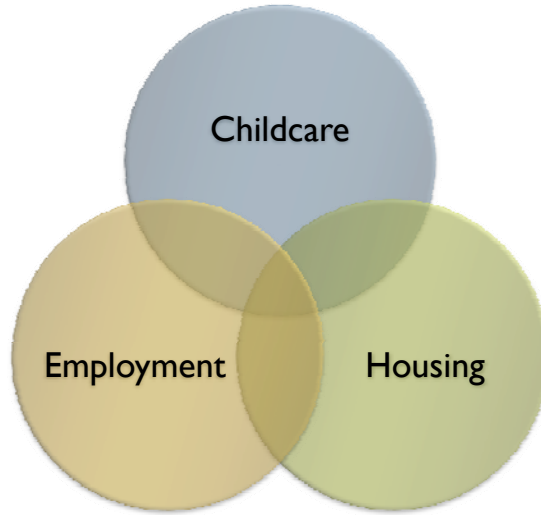
Asheville, NC 28801

Phone: 828.251.6914

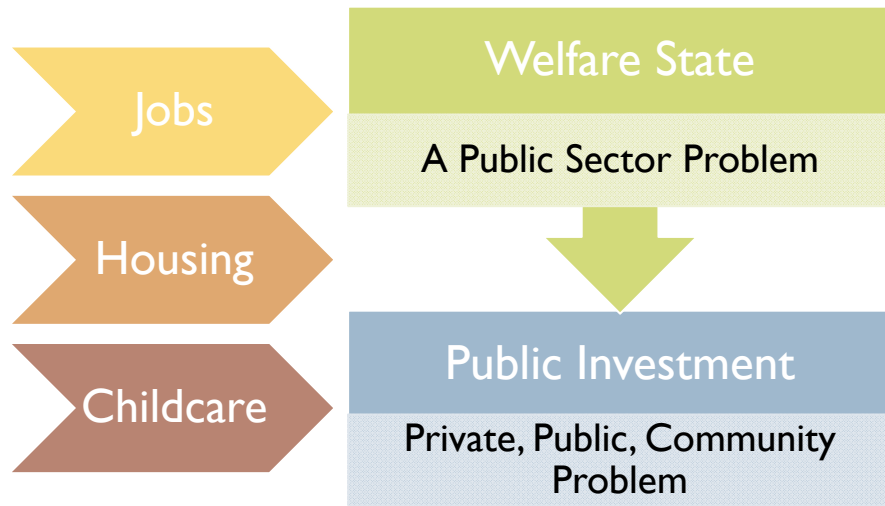
Email: [kcarter@nccommerce.com](mailto:kcarter@nccommerce.com)

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Available, Affordable, Quality



Shifting Frame of Reference



## Similarities Between Childcare and Affordable Housing

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- ▶ Quality= Expensive
  - ▶ Subsidies are needed
- ▶ Can't raise prices/rent
  - ▶ Costs are as high as most families can afford



## Economic Development and Childcare: Provider Side

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- ▶ Very low wages for childcare workers (raising wages = raising cost of care)
- ▶ Low profits to providers
- ▶ High worker turnover
- ▶ Labor Intensive: Mandated staff/child ratios
- ▶ Workers are often poorly trained: Lack of career ladder
- ▶ Often have traditional hours, growing service sector = non traditional hours

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▶ Source: Warner, et. al., 2003, Warner, et. Al, 2004

## Economic Development and Childcare: User (Parent) Side

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- ▶ Lower worker productivity
- ▶ Mothers are more likely to quit jobs when affordable and trustworthy childcare is unavailable
- ▶ Subsidies needed by most, but not available to all

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▶ Source: Warner, et. al., 2003, Warner, et. Al, 2004

## Economic Development and Childcare: Community Side

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- ▶ \$1 invested in early child care = \$7 return
- ▶ Need childcare for business growth.
  - ▶ Business growth = greater tax base = community improvement
- ▶ Childcare = business competitiveness and quality of life.<sup>1</sup>

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▶ Sources: Warner, et. al., 2003; Warner, et. al, 2004  
Parks, 2000

## Macon County Housing Snapshot

*(2005-2007 American Community Survey)*

Housing Units	
Rental Units	3,478
Owned Units (w/mortgage)	5,898
Owned Units (w/o mortgage)	5,295
Vacant Units	8,170
Total Units	22,841

▶ Source: US Census Bureau, American Community Survey

## Subsidized Housing in Macon County

Low Income Housing Tax Credit	Other Subsidized (Source)	Housing Choice Vouchers (Section 8)
Orchard View , Family, 48 Units	Oak Forest, Family, 32 Units (HUD 202)	Serves approximately 224 families annually (Feb. 2008)
Holly Haven, Family, 48 Units	Ulco Bluffs, Family, 38 Units (USDA Rural Development)	
	Group homes, family care homes, etc.	

Macon County has NO public housing projects!

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## Income / Housing Connection

- ▶ Housing is affordable when a family spends 30% of their family income on housing costs (rent/mortgage, utilities).

2009 HUD Median Family Income	Monthly Income	30% of Monthly Income (Housing Allowance)
\$48,200	\$4,016	\$1,205

Median Gross Rent (ACS)	Monthly Income Needed	Annual Income Needed
\$625	\$2,083	\$25,000

Median Mortgage (ACS)	Monthly Income Needed	Annual Income Needed
\$915	\$3,050	\$36,600

- ▶ Sources: US Census Bureau, American Community Survey  
HUD, 2009 Area Median Income Limits

## Gross Rent

(2005-2007 American Community Survey)

Renter Occupied Units		
Total Number		3,478
What Renters Pay		
Less than \$200	102	3%
\$200 to \$299	55	2%
\$300 to \$499	461	13%
\$500 to \$749	1491	43%
\$750 to \$999	602	17%
\$1,000 to \$1,499	146	4%
\$1,500 or more	18	1%
No cash rent	603	17%
Median (Dollars)		\$625

- ▶ Source: US Census Bureau, American Community Survey

## Mortgage Rate

(2005-2007 American Community Survey)

<b>Units With a Mortgage</b>		
Total Number of Units with a Mortgage		5,898
<b>What Home Owners Pay</b>		
Total Number		5,898
<b>Mortgage Rates</b>		
Less than \$300	111	2%
\$300 to \$499	298	5%
\$500 to \$699	1149	19%
\$700 to \$999	1824	31%
\$1,000 to \$1,499	1414	24%
\$1,500 or 1,999	634	11%
2,000 or more	468	8%
Median (Dollars)		\$915

► Source: US Census Bureau, American Community Survey

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## At Risk Households

- ▶ Renters
  - ▶ 1,020 (27%) of renters spend 30% or more of their household income on rent.
- ▶ Homeowners
  - ▶ 2215 (36%) of mortgage holders spend 30% or more of their household income on mortgage payments
  - ▶ Homeowners have access to more resources.

▶ Source: US Census Bureau, American Community Survey

## Job and Wage Growth

Industry	% of Total Employment	Total Employment Growth Over Time	Annual Average Wage	Annual Average Wage Growth
Retail Trade	17.04%	3.17%	\$ 22,741.65	0.82%
Health Care and Social Assistance	12.56%	16.56%	\$ 31,830.95	-0.61%
Construction	11.98%	22.61%	\$ 29,499.22	0.96%
Accommodation and Food Services	9.21%	12.84%	\$ 14,396.18	1.20%
Manufacturing	9.12%	-13.49%	\$ 33,110.60	-0.75%
Public Administration	7.10%	-3.12%	\$ 32,851.79	1.87%
Educational Services	6.73%	23.09%	\$ 31,407.66	-1.37%
Professional and Technical Services	5.66%	47.15%	\$ 32,850.94	-4.58%
Other Services Ex. Public Admin	4.34%	-7.62%	\$ 22,977.59	0.66%
Arts Entertainment and Recreation	2.78%	15.19%	\$ 25,647.38	1.66%
Finance and Insurance	2.71%	18.34%	\$ 41,281.99	-0.21%
Administrative and Waste Services	2.57%	40.83%	\$ 26,490.52	2.42%
Transportation and Warehousing	1.81%	-6.19%	\$ 33,094.58	0.94%
Information	1.42%	25.49%	\$ 27,936.26	-0.80%
Real Estate and Rental and Leasing	1.17%	83.50%	\$ 30,668.24	-3.20%
Wholesale Trade	1.08%	41.22%	\$ 31,327.00	3.42%

▶ Source: NC Employment Security Commission

## Job and Wage Growth

Industry	Annual Average Wage	Monthly Housing Allowance	% of Total Employment
Retail Trade	\$ 22,741.65	\$ 569	17.04%
Health Care and Social Assistance	\$ 31,830.95	\$ 796	12.56%
Construction	\$ 29,499.22	\$ 737	11.98%
Accommodation and Food Services	\$ 14,396.18	\$ 360	9.21%
Manufacturing	\$ 33,110.60	\$ 828	9.12%
Public Administration	\$ 32,851.79	\$ 821	7.10%
Educational Services	\$ 31,407.66	\$ 785	6.73%
Professional and Technical Services	\$ 32,850.94	\$ 821	5.66%
Other Services Ex. Public Admin	\$ 22,977.59	\$ 574	4.34%
Arts Entertainment and Recreation	\$ 25,647.38	\$ 641	2.78%
Finance and Insurance	\$ 41,281.99	\$ 1,032	2.71%
Administrative and Waste Services	\$ 26,490.52	\$ 662	2.57%
Transportation and Warehousing	\$ 33,094.58	\$ 827	1.81%
Information	\$ 27,936.26	\$ 698	1.42%
Real Estate and Rental and Leasing	\$ 30,668.24	\$ 767	1.17%
Wholesale Trade	\$ 31,327.00	\$ 783	1.08%

► Source: NC Employment Security Commission

## Sources

- American Community Survey, Macon County:
  - [http://factfinder.census.gov/servlet/ADPTable?\\_bm=y&-geo\\_id=05000US37113&-context=adp&-ds\\_name=ACS\\_2007\\_3YR\\_G00\\_&-tree\\_id=3307&-lang=en&-caller=geoselect&-format=](http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=05000US37113&-context=adp&-ds_name=ACS_2007_3YR_G00_&-tree_id=3307&-lang=en&-caller=geoselect&-format=)
- Warner, M., Adriance, S., Barai, N., Hallas, J., Markeson, B., Morrissey, T., et al. (2004). *Economic Development Strategies to Promote Quality Child Care*. Cornell Cooperative Extension, Cornell University, Department of City and Regional Planning. Ithaca: Linking Economic Development and Child Care Research Project.
- Warner, M., Ribeiro, R., & Smith, A. E. (2003). Addressing the Affordability Gap: Framing Child Care as Economic Development. *Journal of Affordable Housing*, 294-313.
- Parks, G. (2000). *The High/Scope Perry Preschool Project*. Washington, DC: US Department of Justice, Office of Juvenile Justice and Delinquency Prevention.
- HUD Median Family Income Limits:
  - [http://www.huduser.org/datasets/il/il2009/select\\_Geography\\_mfi.odb](http://www.huduser.org/datasets/il/il2009/select_Geography_mfi.odb)
- [Linking Economic Development and Childcare \(Cornell Cooperative Extension Project\)](#)