



## THE COLORADO CHILD CARE CHALLENGE: Capacity for Infants & Toddlers

The demand for child care across Colorado exceeds its supply.<sup>1</sup> This problem is especially acute for families with infants and toddlers. The number of licensed child care spaces for infants and toddlers has increased in recent years, but not enough to keep pace with the increasing number of children who need care. In fact, many parts of Colorado have been designated as “child care deserts”, or areas where licensed child care is especially scarce.<sup>2</sup>



**Child care capacity** refers to the total number of children who can be cared for by a child care provider. We measure this for Colorado by counting all the spots available among licensed child care providers.

Infants and toddlers include children ages 0 to 35 months.



### INFANTS AND TODDLERS IN COLORADO

**187,000**

2023

**200,000**

2026

### The Infant-Toddler Population is Growing

In 2023, there were roughly 187,000 infants and toddlers in Colorado.<sup>3</sup> By 2026, that figure is expected to approach 200,000.<sup>3</sup> In the coming years, the number of babies born is projected to increase, along with the number of people moving to the state.

### Most Families Need Child Care

There is no statewide count of the number of families who need child care for their infants and toddlers. The best estimates come from labor force participation rates among parents with young children. An estimated two-thirds of young children (under age 6) in Colorado have all parents in the workforce.<sup>1</sup> We assume these families need some amount of child care so parents can work.

# What We Do and Don't Know About Capacity

## What We Know

The state of Colorado regulates child care primarily through licensing. Some providers must be licensed, while others can legally operate without a license. For licensed providers, we know the exact number of infants and toddlers they can serve. These providers include, for example, licensed Child Care Centers and licensed Family Child Care Homes (FCCHs).

## What We Don't Know

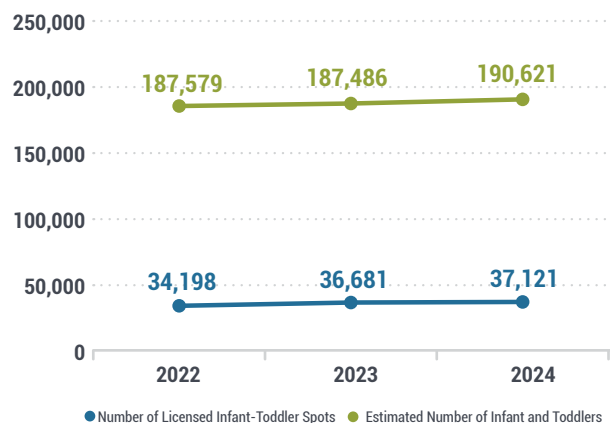
However, the official infant-toddler capacity among licensed providers does not represent the number of infants and toddlers those providers actually serve. Providers may not have all their available spots filled for various reasons. Child care centers, for example, often cannot fill their infant-toddler spots because they cannot recruit enough staff to care for those children.<sup>4</sup>

We also lack information about unlicensed providers. This includes many "home-based" providers, such as license-exempt Family Child Care Homes (FCCHs) and Family, Friends, and Neighbors (FFNs) who care for small groups of children who are often related or known to them. Since unlicensed providers operate outside the official system, we do not know how many there are or how many children they care for. Some estimates suggest that more than half of Colorado families with young children use an unlicensed provider.<sup>5</sup>

## The Child Care Gap

Among licensed child care providers in Colorado, there are only enough spots available to cover roughly 20% of the infant-toddler population. That means that 4 out of 5 infants and toddlers will need to be cared for by a parent or caregiver that is not a licensed provider.

### Colorado Infant-Toddler Population Compared to Licensed Child Care Spots



NOTE: The number of licensed infant-toddler child care spots includes the total capacity reported among home- and center-based providers. These figures were calculated by Early Milestones using publicly available data from the Licensed Child Care Facilities report, downloaded from the Colorado Information Marketplace.<sup>6</sup> The estimated number of infants and toddlers in Colorado come from the Colorado Department of Local Affairs State Demography Office, State and Regional Single Year of Age Lookup tool.<sup>3</sup>

There are **three issues** that make infant-toddler child care in Colorado a difficult problem to solve.

- 1. Finding the workforce to care for infants and toddlers is challenging.** These jobs are demanding, and individuals are often poorly compensated for the critical work that they do.<sup>4</sup>
- 2. Infant-toddler child care is expensive for families, because it requires more staff.** Even many middle income families in Colorado have difficulty affording child care for their young children.<sup>7</sup>
- 3. Child care is a difficult business to go into.** Profit margins are slim for most providers.<sup>8</sup> Staying financially solvent can be challenging amid fluctuations in staffing and enrollment. Most providers need to maintain full enrollment to stay afloat.

These three issues are linked. Infant-toddler providers have low wages partly because higher pay would mean raising tuition. Raising tuition would make child care even more expensive for families. If families can't afford it, enrollment drops, and providers struggle to stay in business.



# What We Do and Don't Know About Capacity

## Resources

- <sup>1</sup> Colorado Children's Campaign. 2023. *Kids Count in Colorado 2023! Building Understanding: Youth Mental Health and Well-Being in Colorado*. <https://www.coloradokids.org/data/kids-count-archive/2023-kids-count/>
- <sup>2</sup> Center for American Progress. *Interactive Map of U.S. Child Care Deserts*. Retrieved June 12, 2024, from <https://childcaresdeserts.org>
- <sup>3</sup> Colorado Department of Local Affairs, State Demography Office. *State and Regional Single Year of Age Lookup*. Retrieved June 12, 2024, from [https://demography.dola.colorado.gov/assets/lookups/region\\_coc\\_lookup.html](https://demography.dola.colorado.gov/assets/lookups/region_coc_lookup.html)
- <sup>4</sup> Colorado Department of Early Childhood & the Early Childhood Leadership Commission with support from Early Milestones Colorado. 2024. *Pathways to Success: Colorado's Comprehensive Early Childhood Workforce Plan*. <http://www.earlychildhoodcolorado.org/ec-workforce-2020-plan>
- <sup>5</sup> Colorado Department of Early Childhood & Colorado Health Institute. 2019. *Colorado Shines Brighter: Opportunities for Colorado's Early Childhood System. The Colorado Birth Through Five Needs Assessment*. <https://dcfs.my.salesforce.com/sfc/p/#410000012sr-R/a/4N000000AGxx/QPNqI9n15kNbYRhObm7zKcWoPajUElvqWkrdaeSJdHY>
- <sup>6</sup> Colorado Information Marketplace. *Colorado Licensed Child Care Facilities Report*. Retrieved June 12, 2024, from [https://data.colorado.gov/Early-childhood/Colorado-Licensed-Child-Care-Facilities-Report/a9rr-k8mu/about\\_data](https://data.colorado.gov/Early-childhood/Colorado-Licensed-Child-Care-Facilities-Report/a9rr-k8mu/about_data)
- <sup>7</sup> The Bell Policy Center. 2023. *Affordability of Care in Colorado*. <https://www.bellpolicy.org/2023/05/05/affordability-of-care-in-colorado/#:~:text=The%20program%20helps%20low%2Dincome,paid%20directly%20to%20the%20provider>
- <sup>8</sup> Common Sense Institute & Executives Partnering to Invest in Children. 2022. *The Growing Strain on the Child Care Business Model: Impact of COVID-19 on Women Economic Impacts and Opportunities for in the Workforce in 2020 Improving Affordability and Access*. <https://commonsenseinstituteco.org/growing-strain-on-child-care-business-model/>

