

Economic Impact of the Child Care Industry in Virginia

Prepared by Voices for Virginia's Children

Appendix

Working Parents

The number of working parents in Virginia is estimated using tax data. The first chart below shows that the percent of return by filing status is similar for Virginia and the U.S. The second chart shows the number and percent of people who elect the child care tax credit by filing status in the United States. Although we do not have the number or percent of people who elect the child care tax credit by filing status in Virginia we use the percent of U.S. filers to estimate the filing status by child care tax credit for Virginians since the overall filing status is similar to that of the U.S.

Tax Year 2001, United States Selected Income and Tax Items for Individual Income Tax Returns				
	Virginia Type of Return	Percent of All Virginia Returns	U.S. Type of Return	Percent of All US Returns
Total Returns Count	3,372,644	100.0%	130,977,219	100.0%
Joint Returns Count	1,368,157	40.6%	51,193,206	39.1%
Single Returns Count	1,502,270	44.5%	58,376,029	44.6%
Head of Household Count	421,082	12.5%	18,598,611	14.2%
Amount in Dollars	\$80,170,000		\$2,684,275,000	

Source: "Tax Year 2001, United States Selected Income and Tax Items for Individual Income Tax Returns: Forms 1040, 1040A & 1040EZ, By State and Size of Adjusted Gross Income, Filing/Processing Period: January 1, 2002 to December 31, 2002" (April 2003), Internal Revenue Service (IRS), Information Services, Martinsburg Computing Center, Master File Service Support Branch (Unpublished data). Available on the Web at <http://www.irs.gov/pub/irs-soi/01in47va.xls>.

Note: These data include Tax Year 2000 returns that were filed after December 31, 2001, for those taxpayers who were granted an additional extension of time to file because of the events of September 11, 2001.

Estimate of the Number of Virginia's Working Parents that Claimed the Federal Tax Returns that Claimed DCTC				
	Number of US Federal Tax Returns that Claimed DCTC	Percentage of All U.S. Returns	Estimated Number of Virginia's Federal Tax Returns that Claimed DCTC based on National Data	Estimated Number of Virginia's Working Parents that Claimed the Federal Tax Returns that Claimed DCTC
All Returns	6,184,507	100%	176,488	291,311
Joint returns of married persons	3,991,648	64.54%	113,905	113,905 * 2 = 227,811
Separate returns of married persons	31,851	0.52%	918	918 * 2 = 1,835
Returns of heads of households	2,028,478	32.80%	57,888	57,888
Returns of surviving spouses	6,321	0.10%	176	176
Returns of single persons	126,209	2.04%	3,600	3,600

Ribeiro's estimate

Children Served/ Number of Establishments

This table provides the number of child care establishments based on licensing data, the licensed capacity, and the estimated number of children served based on a vacancy rate of 25.9%.

The number of sole proprietor child care home businesses reported on tax documents (13,571) minus the number of regulated family child care day homes (6,019) reported by the Virginia Department of Social Services yields the unregulated family child care day homes (7,552). Family child care not reported on tax documents is not counted nor estimated.

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Types of Child Care Establishments in Virginia	Number of Establishments	Capacity	Number of Children Served ¹
Licensed Child Care Centers	2,640	232,717	172,443
Religious Institutions Exempt from Licensure	929	74,300	55,056
Family Child Care Day Homes (voluntarily registered, licensed, permitted, system approved and locally approved)	6,019	40,722	30,175
Unregulated Family Child Care Day Homes ²	7,552	37,760 ³	27,980
Total	17,140	385,499	285,654
Source: Virginia Department of Social Services 2004 Licensing Data and U.S. Census Nonemployer Statistics, 2001			

¹ This calculation reflects a statewide vacancy rate of 25.9%. Joint Legislative Audit and Review Commission (2004). *Special Report: Impact of Proposed Child Day Care Center Regulations in Virginia*. Available online <http://jlarc.state.va.us/meet04.htm>

² These homes are not registered or licensed but the providers pay taxes as sole business proprietors. The capacity estimate assumes the maximum (5) children per home.

³ This estimate assumes the maximum (5) children per home.

Other child care data collected for this report

Employee Wages

18,216 (Federal) 31,478 (State) 14,352 (Private)	Federal, State and Private - Covered Employment and Wages, 2002 http://www.bls.gov/cew/home.htm Data are available for cities and counties.
12,351	County Business Patterns, 2001. (Payroll/ #Employees) http://www.census.gov/epcd/cbp/view/cbpview.html
10,262	Economic Census, 1997. (Payroll/ # Employees) http://www.census.gov/prod/ec97/97s62-va.pdf
17,230 child care worker 22,410 preschool teacher 35,920 child care administration	Occupational Employment Statistics http://www.bls.gov/oes/2003/may/oes_va.htm Data available for Metropolitan areas.

Number of Establishments

13,571	US Census Bureau Nonemployer Statistics, 2001. http://www.census.gov/epcd/nonemployer/
1,441	Federal, State and Private - Covered Employment and Wages, 2002 http://www.bls.gov/cew/home.htm
1,694	County Business Patterns, 2001. http://www.census.gov/epcd/cbp/view/cbpview.html
1,483	Economic Census, 1997. (437 are exempt from taxes) http://www.census.gov/prod/ec97/97s62-va.pdf

Number of Employees

13,571(number of home child care establishments)	US Census Bureau Nonemployer Statistics, 2001. http://www.census.gov/epcd/nonemployer/
20,205	Federal, State and Private - Covered Employment and Wages, 2002 http://www.bls.gov/cew/home.htm
22,333	County Business Patterns, 2001. http://www.census.gov/epcd/cbp/view/cbpview.html
18,107	Economic Census, 1997. (437 are exempt from taxes) http://www.census.gov/prod/ec97/97s62-va.pdf

Gross Receipts

159,226,000	US Census Bureau Nonemployer Statistics, 2001. http://www.census.gov/epcd/nonemployer/
257,976,000 (taxable) 110,119,000 (exempt)	Economic Census, 1997. (437 are exempt from taxes) http://www.census.gov/prod/ec97/97s62-va.pdf

**Analysis of 2002 Market Rate Survey for the Economic Impact of Child Care Study
Virginia Department of Social Services - Office of Research Management**

	# Surveyed	# Responding	# of Usable Responses	Average Weekly Rate						
				Infant ³	Toddler ³	Pre-School ³	School Age ³	Before School	After School	Before & After School
Centers - All¹	2,982	2,706	2,159	\$152	\$139	\$114	\$112	\$38	\$51	\$69
Licensed Centers	2,170	1,969	1,749	\$159	\$144	\$120	\$117	\$39	\$52	\$71
Religious Exempt Centers	812	737	410	\$117	\$110	\$91	\$85	\$32	\$42	\$55
Family Providers²	2,503	1,690	1,514	\$108	\$101	\$95	\$89	\$37	\$45	\$61

¹ - Centers include licensed child care and religious exempt centers. Providers excluded are: Head Start; half day programs; Department of Education providers, unless licensed; short term programs (summer camps or programs operating fewer than 4 months in a 12 month period); pre-school; and providers not open to the general public.

² Family providers included: state licensed; system approved; voluntary registered; local department approved; and providers regulated under local ordinance. For most localities, 100% of the providers were surveyed; however, in larger localities a sample was surveyed.

³ All rates are full time. Age ranges are: Infant, 0 through 15 months; Toddler, 16 through 23 months; Pre-School, 2 through 4 years of age; and School Age, age 5+.