The Childcare Crisis: Assembling Your Alliance of Heroes

Every hero knows a great team can overcome any crisis

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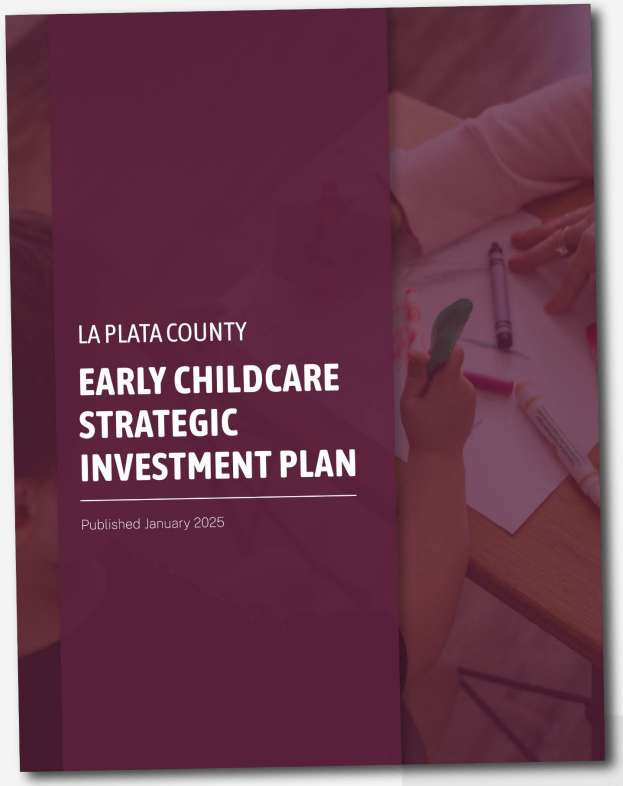
October 28, 2025



Developed by the **La Plata Economic Development Alliance**, the **Early Childhood Council of La Plata County**, the **Buell Foundation**, and the **City of Durango** in partnership with local consultants (Cass Walker Harvey of CWH Consulting, and Cyo Nystrom).

The plan incorporates extensive market research and input from the business and childcare communities.

La Plata Economic Development Alliance

OUR MISSION

To create a vibrant and resilient economy through the recruitment, retainment, and growth of business to preserve our quality of life. This mission is achieved by workforce development, enabling business capacity, supporting affordable housing for the community workforce that is essential for long-term economic sustainability, and fostering public and private partnerships.

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Early Childhood Council of La Plata County

OUR MISSION

The mission of the Early Childhood Council of La Plata County is to support families by increasing the availability, accessibility, and reliability of affordable high-quality comprehensive services for all children (birth to age 8) and their families in La Plata county.

Early Childhood Council
of La Plata County

ecclaplata.org

Buell Foundation

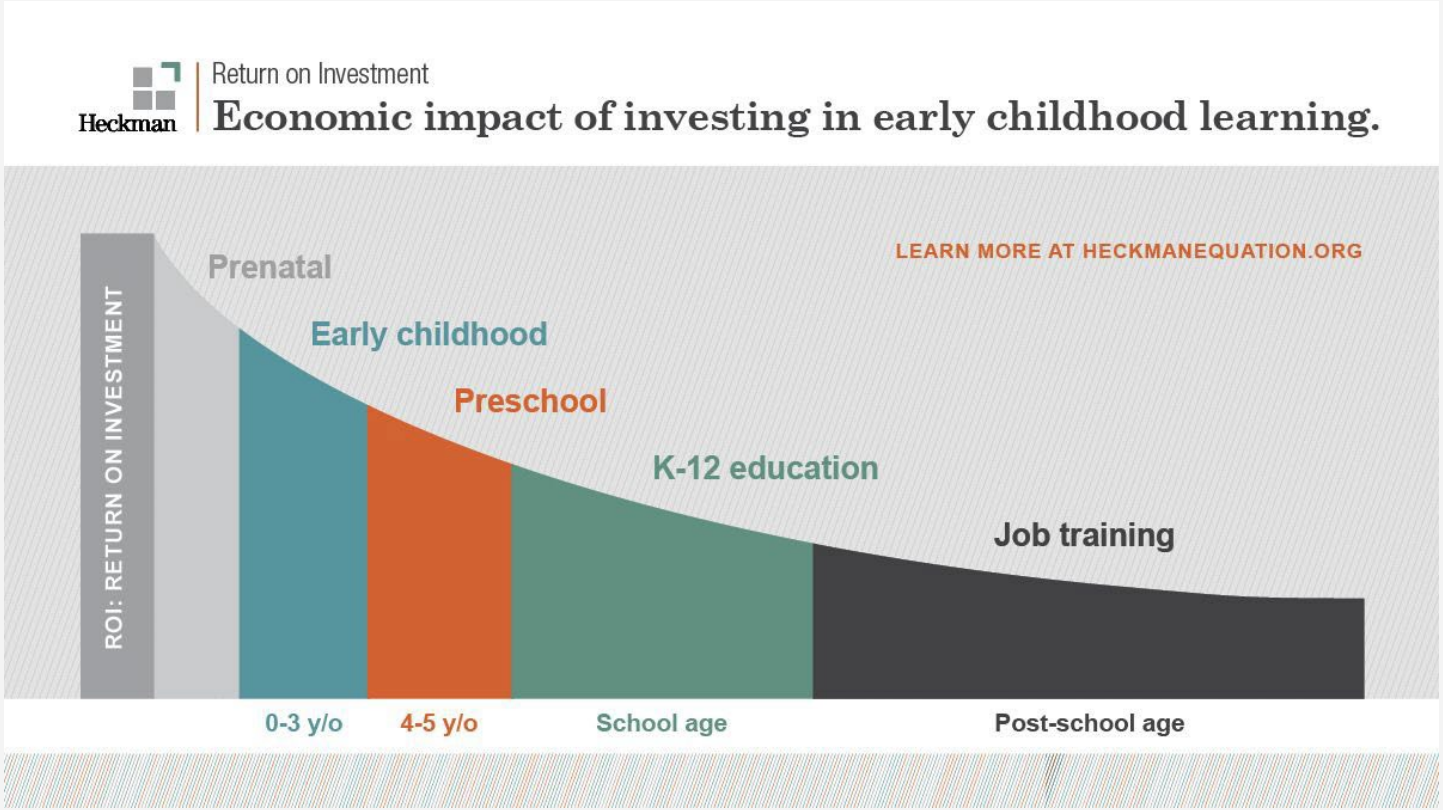
OUR MISSION

The Buell Foundation is a professional philanthropic organization supporting the positive development of children through grants and partnerships with other sectors of our community. The Foundation focuses primarily on the state of Colorado and concentrates its grantmaking on programs that benefit children.

BUELL FOUNDATION
Investing in Colorado's Future

buellfoundation.org

Early Childhood Is a Smart Investment



- 90% of a child's brain development occurs by age 5
- Investing in high-quality care leads to better school readiness, reduced special education costs, higher college going rates, reduced incarceration, etc.
- Childcare generates positive effects in maternal education, labor force participation, and parental income.

Childcare is Big Business

Yes, childcare is a business, that requires significant planning, startup costs, and management to be successful and profitable. These businesses are subject to regulations, and their unique cost structure of high labor costs and limited options for price increases makes them particularly challenging to manage profitably.

Colorado by the Numbers

- Child care revenue in Colorado is estimated at $1.3B
- 1,600 licensed centers
- 496 preschool programs
- 1,233 licensed homes
- Approximately 24,000 early childhood workers
- Avg annual cost for an infant is around $19,000. Families typically spend about 18% of their household income on child care.

Childcare is a Business and Businesses Run on Childcare

- Two-thirds of Colorado parents surveyed reported being late for work, leaving work early, missing full days of work or being distracted at work due to child care struggles.
- **Colorado families lose $1.52 billion** per year in forgone earnings and job search expenses
- Productivity problems cause **Colorado employers to lose $780 million** annually due to child care challenges faced by their workforce.
- **Colorado taxpayers, in turn, lose $358** million each year in lower federal and state/local tax revenue.

Businesses Run on Childcare

Impacts of insufficient child care in Colorado, 2019 vs. 2024

	2019	2024
Been distracted at work	59%	68%
Left work early	58%	69%
Missed a full day of work	57%	66%
Been late for work	56%	65%
Missed part of work shift	39%	45%
Reduced regular work hours	41%	50%
Changed from full-time to part-time work	32%	37%
Had pay or hours reduced	23%	34%
Been reprimanded by a supervisor	25%	35%

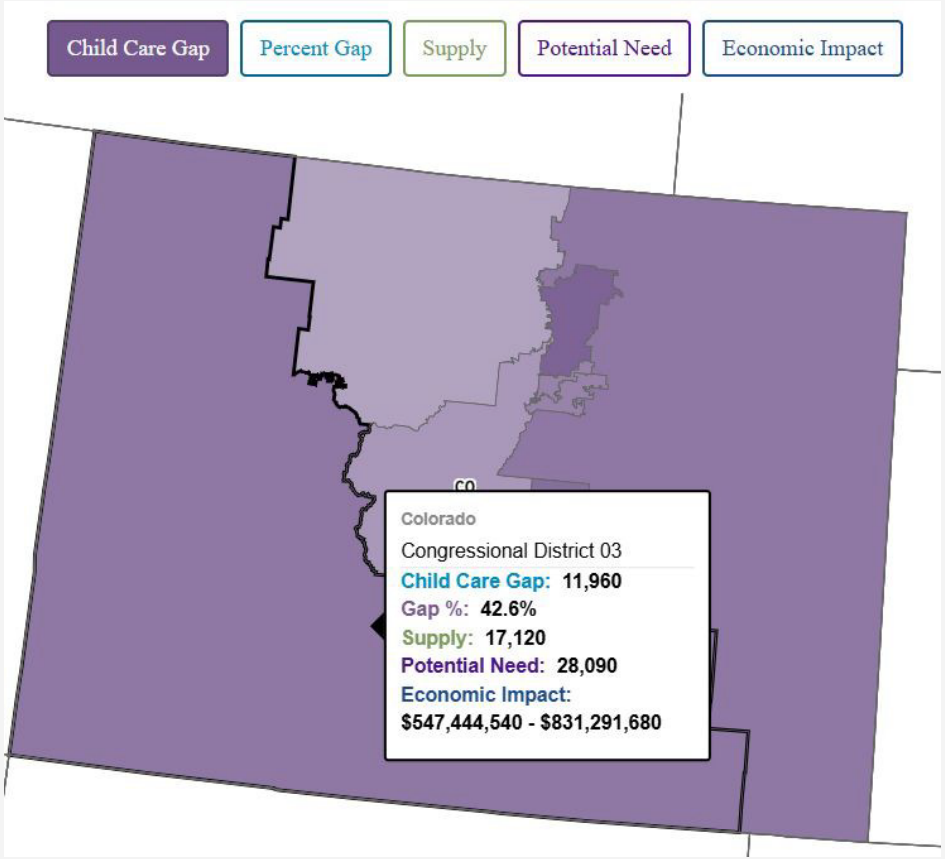
	2019	2024
Quit a job	29%	32%
Been demoted or transferred to a less desirable position	11%	21%
Been let go or fired	16%	20%
Turned down a new job offer	39%	44%
Turned down further education/ training	43%	43%
Had problems participating in education /training	31%	42%
Turned down a promotion/ reassignment	26%	35%

Labor shortages in childcare are colliding with elevated demand, resulting in higher prices. Women with young children in their prime working years are increasingly working part-time, missing work or leaving the labor force entirely. Those with a college degree are exiting the workforce the most.

Workers lose income, financial stability and career growth opportunities. Businesses lose productive and experienced workers and see a rise in employee burnout. The US economy as a whole grows more slowly.

Childcare is not an individual or personal issue; it is an economic and business imperative.

Economic Impact for Colorado



Source: childcaregap.org Buffet Early Childhood Institute

Challenges

- In 2019, there were 246,000 children under 6 in families where all parents worked, but licensed facilities only had capacity for about 152,000. **Between 70,000-80,000 licensed slots short of current need.**
- The demand for early childhood educators is expected to increase by nearly **25% over the next decade.**

Solutions

- DOLA childcare facility development program
- SBDC -childcare small business development program
- EPIC -Employer-Based Childcare
- Create a local or regional ECE workforce plan
- Use your voice and tools - advocate for career pathway development, provide startup funds, push for local funding

How can business leaders most effectively support comprehensive financing of children's services?

Lever	How business leaders can help
 FIND Develop the capacity to rigorously identify, track, analyze and forecast funding sources and funding needs for services that support children and youth.	Business leaders often have an arsenal of innovative tools that local government can utilize to improve data tracking systems and data presentation. Donate time, expertise or access to these tools to support communities. Finance the start-up phase of implementing new data collection and analysis tools and infrastructure.
 ALIGN Address gaps and overlaps in the existing funding landscape; Local government and private funders must be prepared to make adjustments in how funding is allocated, managed and accounted for within agencies.	Support and participate in a youth master planning effort. Align business donations or financial support with the results of the fiscal mapping effort by using shared language around outcomes across public and private stakeholders. Use private investments to enhance rather than replace public investments by providing targeted support to 'gap' areas revealed by the fiscal map.
 GENERATE Assess need, explore feasibility, facilitate community engagement, launch a campaign and plan the administration of new locally-generated funds to address gaps in meeting the needs of all children and youth.	Build public support for local dedicated fund campaigns and serve as a champion and ambassador to the private sector. Supplement foundation dollars with contributions to the campaign budget. Donate time and expertise where applicable (marketing, communications, polling, media, etc.)
 ACTIVATE Adopt measures to ensure maximum impact of funds.	Co-invest in pay for success initiatives to incentivize outcomes-based payment approaches with public dollars. Lend expertise and technology and expertise to the development of evaluation and continuous quality improvement systems. Provide the flexibility necessary for innovation by funding pilots of new programs and services backed by solid evaluation.

Source: https://childrensfundingproject.org/

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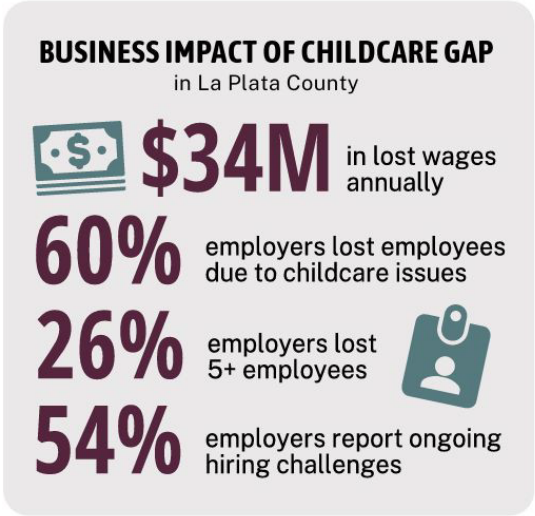
The business impact is immediate and measurable. 60% of employers have lost employees directly to childcare issues, while 54% face ongoing hiring challenges linked to childcare accessibility. More concerning, 26% of employers reported losing five or more employees in the past two years due to childcare gaps. **Only 6% of employers report adequate childcare access for their workforce**, leading some businesses to consider relocation due to workforce instability. These statistics highlight the critical need for systemic childcare solutions to ensure business stability and economic growth in La Plata County.

'We track exit reasons, and childcare is one of the top two reasons people leave."

–Participating Employer



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THE CRISIS:
Market Analysis & Economic Impact

Due to childcare shortfalls, La Plata County loses up to $34 million annually in unrealized economic potential, representing our share of Colorado's staggering $2.2 billion annual loss. These deficits have immediate, measurable impacts on business operations, talent retention, and growth potential across all sectors, including healthcare, education, and small businesses.

Half of Colorado parents report making sacrifices that affect their employment, including reducing work hours, taking unpaid leave, or entirely leaving their jobs due to lack of affordable childcare options.[2]

The Healthier Colorado 2023 Voter Opinion Survey revealed that **one-third of respondents limited their work hours** because of the high costs of childcare. [3]

Colorado would realize over $700 million in lost wages if the estimated 10,200 Colorado parents could secure childcare and re-enter the workforce. If this occurred, it would generate over $3.7 billion in GDP and create 29,000 new jobs. [4]

To replace an employee costs companies up to 2x an employee's salary [5], and productivity problems cause **Colorado employers to lose $780 million annually** due to childcare challenges their workforce faces. [6]

Since 2019, La Plata County has experienced **an 11% decrease in licensed childcare slots**, losing 147 slots over five years. If this trend continues, the county's **licensed childcare capacity will decline by approximately 23%, falling below 1,000 slots by 2030**. This worsening shortfall will further strain families, exacerbate workforce instability, and significantly hinder economic growth.

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Current Market Status

AGE GROUP	CURRENT LICENSED CAPACITY	NEED	GAP
Infants (0-18 months)	80	656	576
Toddlers (18-36 months)	244	629	385
Preschool (36-60 months)	822	850	28
Total Licensed Care	**1,146**	**2,137**	**991**
Additional FFN Care	250	-	-

Note: FFN Care refers to Family, Friends, and Neighbor Network care options, including informal arrangements with nannies, babysitters, relatives, and unlicensed providers. While these options supplement licensed care, they do not fully bridge the childcare gap.

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La Plata County Educator Wage Analysis

Understanding the wage structure is key to addressing workforce stability:

ROLE	WAGE RANGE
Assistant Teachers	$17.00 - $19.47/hr
Lead Teachers	$19.50 - $26.51/hr
Infant Teachers	$17.62 - $22.69/hr
Toddler Teachers	$16.98 - $21.00/hr
Assistant Directors	$18.11 - $20.00/hr
Directors	$31.03/hr or approx. $59,381/year

EARLY CHILDCARE WORKFORCE STATISTICS in La Plata County

260
employed as Early Childcare Educators

$40,560
median annual income early childcare employee

15.1%
live below poverty line

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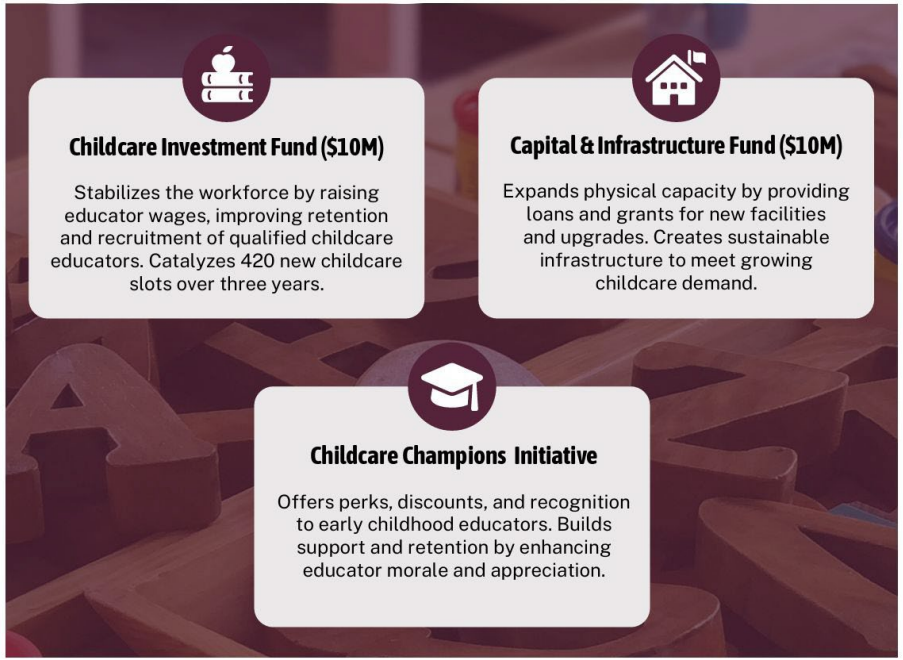
THE SOLUTION:
The Strategic Investment Framework

A $20M investment over five years will reimagine the childcare sector in La Plata County, doubling the number of childcare slots available for children aged 0-3.

Our $20M strategy addresses immediate business needs and long-term economic growth through three coordinated initiatives. Each component targets specific market failures identified through community engagement and economic analysis:



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Childcare Investment Fund - $10M

- Stabilizes the workforce through wages, tuition assistance, and benefits
- Immediate impact on retention and recruitment

Year	Investment	Funding Source	Outcomes
2026	**$2.2M total investment** $1.2M to increase wages for 260 early childcare educators $800,000 to catalyze new childcare providers. Priority projects for year one: • Bring existing facilities to capacity • Expansion of existing facilities • Creation of bilingual program • Creation of 3 new in-home/family providers • Creation of Bayfield center • Support to alternative providers $200,000 to complete strategic projects	**Public Sector:** $800,000 **Private Sector:** $1M **Philanthropy:** $400,000	Additional approx. 260 childcare slots created Increased wages by an average of $4000/year per educator -ensuring all educators are making at least $20/hour.

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Funding Source	Details
Public Dollars	Possible Sources: • La Plata County Lodgers Tax • Municipal Lodgers Tax • Special Tax Districts • Mill Levy • Sales / Property Taxes • Tax Exempt revenue bonds or Capital bonds
Employer Donations	Three year commitment
Gold Level	8 businesses contributing $50k+ each ($25k back in tax credits) • Priority access to childcare at designated partner provider after year 2 • Childcare contribution state and federal tax credits (50%) • Strategic partner recognition • Business network benefits • Economic impact tracking
Silver Level	8 businesses contributing $30k-45k each ($15k back in tax credits) • Childcare contribution state and federal tax credits (50%) • Strategic partner recognition • Business network benefits
Bronze Level	10+ businesses contributing $5k-10k each ($2,500 back in tax credits) • Childcare contribution state and federal tax credits (50%) • Community partner recognition
Philanthropy	Contributions from philanthropic organizations

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IMPLEMENTATION STRATEGY

Our four-phase implementation plan ensures measurable progress toward economic impact goals.

Phase 1: Market Foundation

January-August 2025

The first phase focuses on building the foundation for long-term childcare improvements by addressing immediate needs and laying the groundwork for implementation.

- Formation of the Childcare Coalition to coordinate cross-sector efforts and oversee progress.
- Completion of the geo-mapping project to identify expansion opportunities across Durango, Bayfield, Ignacio, and unincorporated areas.
- Conducting a childcare planning audit to identify regulatory barriers and opportunities for improvement.
- Development of strategic plans for childcare centers operating below capacity to optimize existing resources.
- Creation of fund guidelines, governance structures, and policies for both investment funds.
- Launch of the capital campaign to achieve the $20 million fundraising goal.

Phase 2: Fund Launch

August-December 2025

The second phase prioritizes deploying resources and solidifying partnerships.

- Launch of the Childcare Investment Fund and the Childcare Capital & Infrastructure Fund by December 2025.
- Identification and formalization of two to three housing partnerships through signed MOUs.
- Activation of the Childcare Champions Initiative to engage local businesses in supporting the childcare workforce.
- Establishment of measurement frameworks to evaluate the impact of both funds, including specific activation targets.

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EXPECTED OUTCOMES & ECONOMIC IMPACT

We project significant growth in La Plata County's childcare capacity through strategic investment and coordinated action.

Outcomes Include:

- Grow childcare capacity to 73% by 2029, including 15 new licensed centers or homes.
- Increase wages for all childcare workforce to at least a $20-$24/hour, and ensure all childcare educators have access to health benefits.
- Stabilize the childcare workforce, reducing the turnover rate to 25-30% and ensuring all facilities are fully staffed.
- Establish at least one bilingual Spanish option for families.
- Establish at least one licensed center for 0-3 in both Bayfield and Ignacio.
- Add at least $21M in additional earnings annually to La Plata's economy.

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How You Can Help Today

Employers: Pledge your support at the Gold, Silver, or Bronze tier to receive immediate tax benefits and ensure workforce stability

Municipal Leaders: Implement lodgers' tax reallocation, streamline zoning, and dedicate staff to participate in Childcare Coalition

Philanthropic Partners: Match employer contributions to the Childcare Investment Fund, targeting wages for educators and scholarships for children

Community Members: Advocate at council meetings, share personal stories, and champion local childcare as an economic priority.

Read the full strategy!

Your input is essential in shaping the future of childcare in La Plata County. Provide public comment and help refine the solutions that will support families, businesses, and our local economy.

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Lessons Learned

- It starts with economics. Early childcare is an industry and supports industry
- Project RUN creating an Early Childcare Certification
- Who to best partner with? Connect with local Early Childcare Council and be a stakeholder
- Public/Private/Philanthropic Partners is the trifecta for being able to understand this ecosystem and pull our levers together as needed
- The Alliance's role |continued support the ECC
- This is not simply a social issue, it is an economic development driver

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Early Successes

- Local investment Morovan Family Foundation ($50,000 seed in 2025 and $50,000 commitment in 2026)
- Commitment from La Plata County to allocate Lodgers Tax revenue ($150,000)
- Congressional Directed Spending earmarked for a childcare facility in Bayfield ($2.5M)
- Buell Foundation Matching grant $150,000 | $75,000 public partners and $75,000 private partners
- Durango City Council recently approved budget for the Early Childcare Investment Fund ($260,000)
- Philanthropic loan guarantee with state level foundation with our local CDFI First Southwest Bank ($1.1M)

Thank you!

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