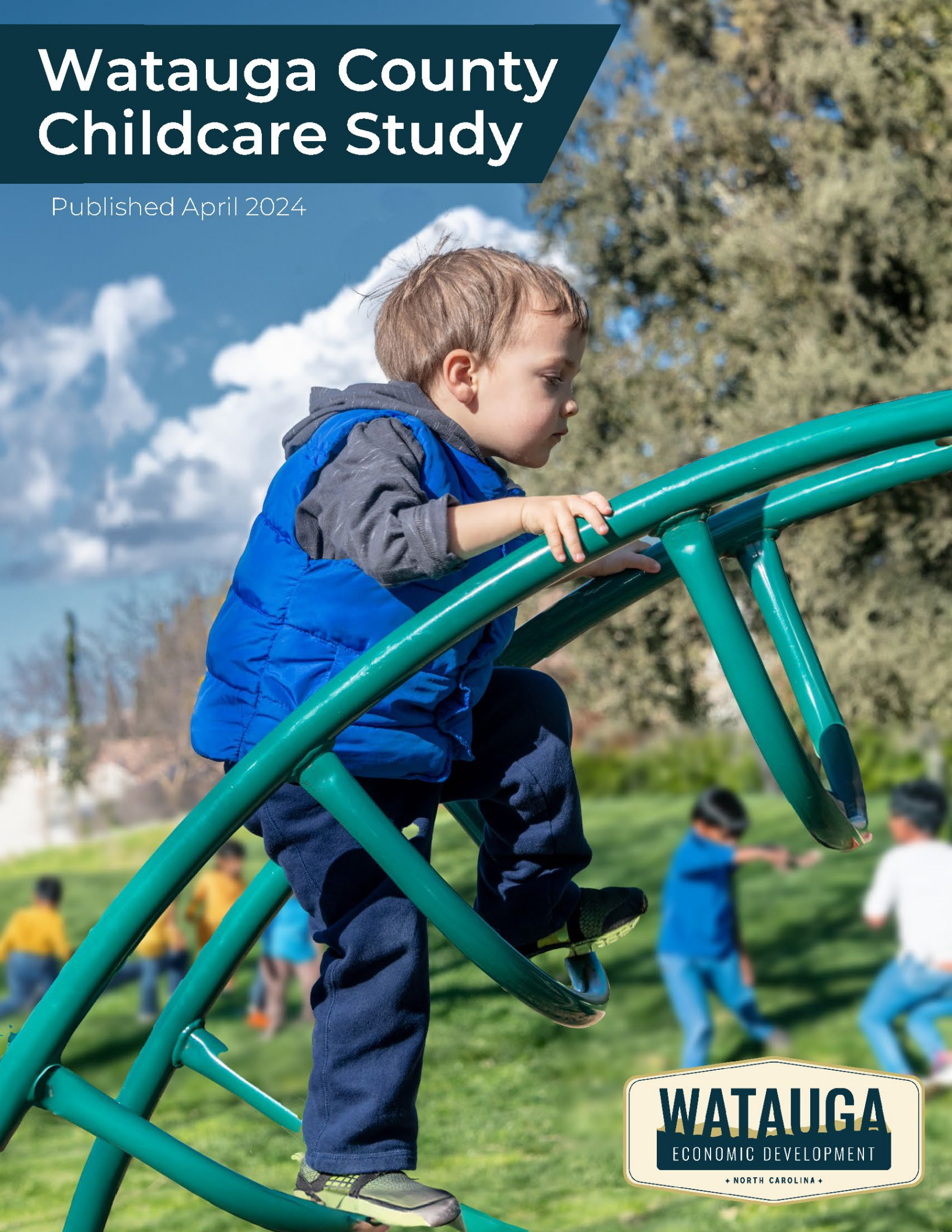


# Watauga County Childcare Study

Published April 2024



WATAUGA COUNTY CHILDCARE STUDY
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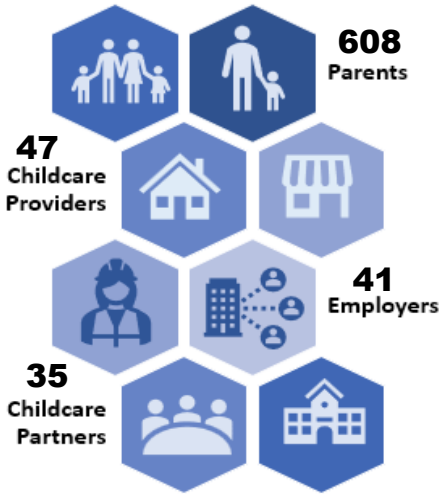


# 1. INTRODUCTION: SETTING THE SCENE

Watauga County lies in the scenic Blue Ridge Mountains of northwestern North Carolina and serves as a hub for the surrounding region. Appalachian State University (App State) is based in the county, drawing approximately 21,000 students to its campus in Boone. The community is flourishing and growing but faces a childcare crisis that affects the entire community. Watauga County is fortunate to be the home of forward-thinking early educators creating a solid base for the development of children’s minds including several App State-operated childcare centers. The trouble is that there are just not enough spots, hours, or flexibility, and childcare is not affordable for all working parents in Watauga County.

Watauga Economic Development Commission serves as a guide to growth in Watauga County, encouraging the creation of new jobs, retaining existing jobs, and promoting a balanced, stable, and vital local economy. This mission involves promoting workforce development and seeking ways to engage more of the talent in the region to meet the demands of today’s employers and future businesses.

Access to quality, affordable childcare can be a barrier to workers entering and staying in the labor force. To better understand this factor, the Commission engaged Cyndi Dancy, Dancy Research, and Dr. Pam Shue, Appalachian State University, to assess the existing childcare infrastructure in the county and its impact on the people and businesses throughout the county. The Watauga County Childcare Study is a project of the Watauga Economic Development Commission and Boone Area Chamber of Commerce in partnership with the Children’s County of Watauga County and with financial support from the Watauga County Board of Commissioners, Blue Ridge Energy, and Appalachian Commercial Real Estate.



Launched in the fall of 2023, the study engaged parents, childcare providers, businesses, and community partners to assess the current state of childcare in Watauga County. As a vital part of this study, more than 731 individual stakeholders were engaged via surveys, focus groups, and one-on-one interviews to learn about the needs, challenges, experiences, and preferences that affect childcare demand. .

Information gathered from stakeholders, combined with local, state, and national data, form the basis of the assessment of Watauga County and its economy, community, and childcare ecosystem. The resulting report outlines the current situation, findings, and recommendations for the Watauga County Economic Development Commission and its community partners to address the childcare crisis and enhance labor force participation.

## 2. WHY WATAUGA COUNTY MUST INVEST IN QUALITY CHILDCARE

Communities that want to grow and thrive must put sufficient resources towards early childhood care and education to benefit working parents, businesses, and the entire community. Right now, parents, businesses, and taxpayers are impacted by the lack of sufficient quality childcare choices in Watauga County. Throughout the nation, there is a childcare crisis that costs the U.S. economy an estimated \$122 billion a year. In North Carolina, that number is \$3.5 billion in loss of earnings, productivity, and revenue due to a lack of childcare.<sup>1</sup>

Research has shown that investments in childcare education deliver a significant return on investment for educational and health outcomes that impact long-term economic well-being. Not only does the investment improve the children’s life outcomes, but it also builds a workforce for the future to improve the community and its prospects for positive economic development and wealth-building for all residents.

### Current Childcare Crisis

The lack of accessible, affordable, and quality childcare is making a sizable economic impact. As mentioned above, the loss in earnings, productivity, and revenue is at \$122 billion for the nation and \$3.5 billion for North Carolina. This data is from Ready Nation’s report released in 2023, which also stated that the financial impact has more than doubled since 2018. Specifically, the study focused on the effects of insufficient care for children under the age of 3 (infant and toddler care) on parents due to lost earnings from lower productivity, job losses, and less time at work. Businesses face reduced revenue and the burden of extra hiring and training costs. Taxpayers are affected by lower income and sales taxes collected, and therefore, governments must contend with raising taxes or cutting back on services.

The Watauga County Childcare study included stakeholder engagement with local businesses, including a survey. In this survey, 76% of respondents observed employee challenges related to childcare in the form of late arrivals, frequent absences, distracted work, and job loss. More than one-third of respondents relayed that their employees cited childcare issues as their reason for leaving a job.

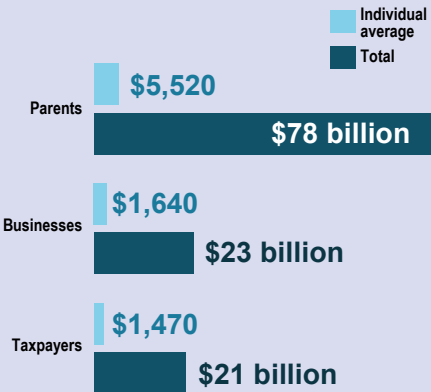
Employers also know that the 21st-century economy requires a different set of skills, and they know that high-quality early experiences prepare kids to succeed in school and to get ready to participate in that work.

And so a lack again of high-quality childcare high quality pre-k early childhood experiences means that the next generation is not getting prepared to succeed in school and not getting prepared to assume their place in our workforce.

Barry Ford, President & CEO  
Council for a Strong America

**\$122 billion**

U.S. loss in earnings, productivity, and revenue due to childcare issues



Annual aggregate economic burden each year a child is under age 3

ReadyNation, 2023







## Brain Development and Education

There are approximately 2000 days from the time a baby is born to when that child begins kindergarten. The science is clear, **90% of brain growth happens before kindergarten** and 80% of brain growth occurs between birth and 3 years of age.<sup>2</sup> The first 5 years of life are a crucial time to support the architecture of a child's brain.

Children's brains are built through everyday experiences and interactions with their parents and caregivers. The quality of those experiences determines what connections are made in the child's brain, which supports learning, behavior, and later life outcomes. Because responsive relationships are necessary to shape brain architecture, quality caregivers are a fundamental factor in a child's academic achievement, health, growth, and overall well-being and success.

### POSITIVE EVIDENCE THAT EARLY CHILDHOOD EDUCATION AFFECTS LIFE OUTCOMES

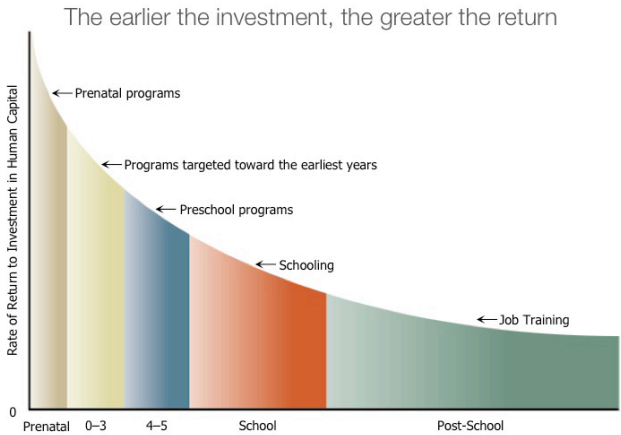
Few studies have followed young children from when they entered quality childcare until adulthood. The Abecedarian Project<sup>3</sup> started studying children in poverty in 1972 and followed this group for 42 years. The study examined the benefits of high-quality early childhood education. Children were either placed in a treatment group with high-quality education or a non-treatment group. The results of this study indicate children in the treatment group had cognitive, educational, employment, health, and behavioral benefits. The Abecedarian Project illustrated several impacts of quality early education:

-  Positive impact on cognitive skills and these findings persisted at all ages through 21 years, with improved reading achievement and math skills at ages 8, 12, 15, and 21.
-  Long-term impacts on adult social and economic outcomes. At age 30, the children who received high-quality early childhood education had more years of education and were almost four times as likely to have a college degree.
-  Increase the likelihood of being employed (75% treatment group vs 53% non-treatment group).
-  Reduced likelihood to receive welfare (81% were less likely for the treatment group).
-  Improved health impacts at age 34 found in the treatment group.
-  Reduced likelihood of reporting carrying a weapon, using illegal drugs, underage smoking, teen parenthood, or teen depression in the treatment group.

## Significant Return on Investment

In addition to these positive study results, Dr. James Heckman, a Nobel Laureate economics professor, conducted an analysis of the Perry Preschool program and was able to show that quality early education can have a **7-10% return on investment annually**<sup>4</sup>. He recommends investing in early childhood education will strengthen the economy and build stronger health and social outcomes for society. He states the return on investment is based on increased school and career achievement and reduced costs in remedial education, health, and criminal justice system expenditures.

Professor Heckman also analyzed the Abecedarian project, which he found yielded a **13% return on investment per child**.



Source: James Heckman, Nobel Laureate in Economics

**ROI** \$ Income      \$ Savings  
 Parents              Medical expenses  
 Student              Crime expenses

### Economic Development

Watauga County has a resident labor force of 29,969 and an employment base of 27,664 including self-employed individuals. More than 1,254 jobs have been added over the past five years thanks to economic development efforts. The economy of the county is largely service-based and is driven by people – tourism, education, recreation, and healthcare. All of these sectors require a talent pool that will fill today’s jobs and grow to replace an aging workforce. In early 2024, there were approximately **1,600 online job ads**<sup>5</sup> posted within a 30-day period in Watauga County, illustrating a competitive labor market.



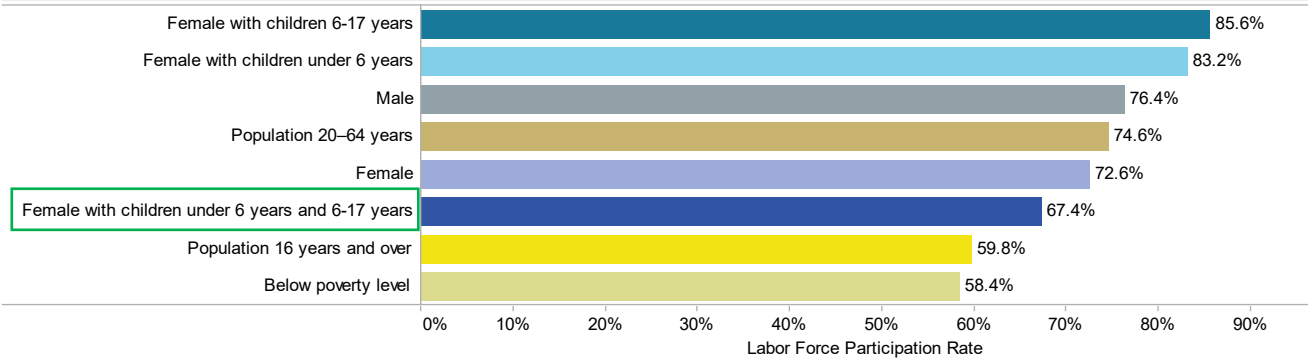
Source: JobsEQ, March 2024. Represents found online ads active within the last thirty days in the area.

The Watauga County Economic Development Commission has a mission to encourage the creation of new jobs and retain existing jobs that pay above-average wages. This requires the retention and attraction of talent to live and work in Watauga County. This becomes more challenging against a backdrop of housing shortages and is exacerbated by a lack of access to affordable, quality childcare where residents can leave their children while they are working or in school. Economic development is shifting strategies to build quality of place and address issues that affect the people that are essential for a vibrant economy.

Watauga County has approximately 30,000 residents in the labor force with several groups participating at a lower percentage. One of those groups is females with children both under 6 years and between 6 and 17 years living at home with a participation rate of 67.4% as of 2022. The cost and complication of at least two children in different age groups may keep some of these women out of the workforce. More accessible, affordable, and quality childcare spots may increase labor force participation.

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#### LABOR FORCE PARTICIPATION RATES, 2022



Improving the childcare ecosystem may engage more parents in the labor force. In families in which no parents are in the labor force as well as those with stay-at-home parents of two-parent households, there may be some who prefer to work outside the home. A Gallup poll in 2019 found that 58% of men who were not employed and had children under 18 at home desired to work outside the home.<sup>6</sup> For women in the same situation, the percentage was 30%. Modeling an estimate of parents not participating in the labor force, and the average percentage of parents that desire to work outside the home, there could be a potential of 300 workers added to the Watauga County labor force if more childcare resources were available.



Source: Gallup Community Survey, 2022 (5-Year Average). Retrieved from datacensus.gov. Calculations of potential workers based on census data and Gallup poll preferences of parents for working or staying home with children.

### 3. THE NEED FOR CHILDCARE: A GAP ANALYSIS

Childcare is essential in a community and working parents depend on it. Watauga County has multiple options for childcare, and this chapter will summarize the general situation in terms of operations, enrollment, and stakeholder feedback on which childcare options are utilized. According to the U.S. Census, Watauga County is home to approximately 6,600 children under 18 years old. Nearly 2,000 are from birth to 5 years old, and an estimated 4,600 are between 6 and 17 years old.



**6,600**  
Children Under  
18 Years

**2,000**  
Children Birth  
to 5 Years

**4,600**  
Children Age  
6-17 Years

#### CHILDCARE OPTIONS

Some parents choose to have a parent stay at home with their children until kindergarten or possibly home-school their child. Other parents work or are self-employed, and need to find childcare during work hours for those not old enough to attend school. This could be both parents or a single parent or other situation. When children are old enough to attend school, often school hours do not align with work needs. Childcare options are needed for these working parents.

**Programs that Do Not Require Licensing**

**RULE OF 4**

Childcare arrangements that operate for 4 hours or fewer per day does not require licensing.

Seasonal Recreational Programs that operate for fewer than 4 consecutive months per year are not required to obtain a license.

See the Appendix for more information.

Childcare options in Watauga County include:

- Licensed childcare centers,
- Licensed family childcare homes,
- Family, friends, and neighbors (FFN),
- Half-day, faith-based preschool,
- Head Start or NC Pre-K at local schools,
- Nanny at home, or
- Drop-in, unscheduled care.

#### Current Childcare System

**34**  
Licensed Childcare  
Operations

**913**  
Enrollment in Licensed  
Childcare/Pre-K

**193**  
Employees at  
Licensed Operations



#### LICENSED CHILDCARE

North Carolina requires a license for operating a year-round childcare operation that exceeds 4 hours a day or 4 consecutive months with more than two unrelated children. Licensing sets forth regulations centered on creating a quality, safe environment conducive to early education. This can be complex and feedback from stakeholders indicated that, although the goal of quality was desired, some rules (or the regulation of them) can be cumbersome to manage.



# WATAUGA COUNTY CHILDCARE STUDY

At the end of 2023, there were 34 licensed childcare operations located in Watauga County, with approximately 913 children enrolled.<sup>7</sup> Of these operations, 27 are considered childcare centers and have 863 children enrolled. Among these are App State-sponsored centers, Head Start, NC Pre-K for 4-year-olds, and after-school programs at elementary schools throughout the county.

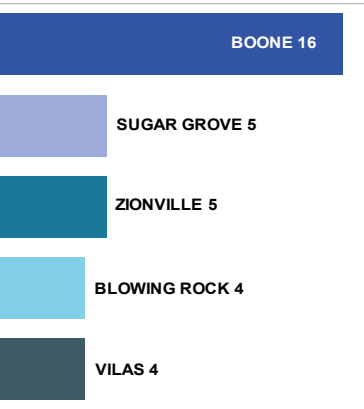
Seven licensed family childcare homes operate within a person’s home, each with fewer than 9 children. Enrollment for family homes is 50 children across multiple age groups. Most operations are located in Boone (or a Boone zip code) with other centers in Sugar Grove, Vilas, Blowing Rock, and Zionville.

The largest number of children, 355, are cared for within the local school system through after-school and NC Pre-K programs. Independent childcare centers have the next highest enrollment with 186 children enrolled in their private, unaffiliated operations. App State-sponsored centers in five different locations have the third highest enrollment with 172 children. Religious-sponsored programs have nearly 100 children enrolled at two different churches, while one private school has 37 enrolled and one Head Start program has 16 students.

### WATAUGA COUNTY LICENSED CHILDCARE BY TYPE, 2023

Type of Operations	Category	Operations	Enrollment	Employment
Center	College/University	5	172	57
	Head Start	1	16	4
	Independent	5	186	48
	Local Public School	13	355	45
	Private School	1	37	9
	Religious Sponsored	2	97	22
Family Home	Independent	7	50	8
<b>Total</b>		<b>34</b>	<b>913</b>	<b>193</b>

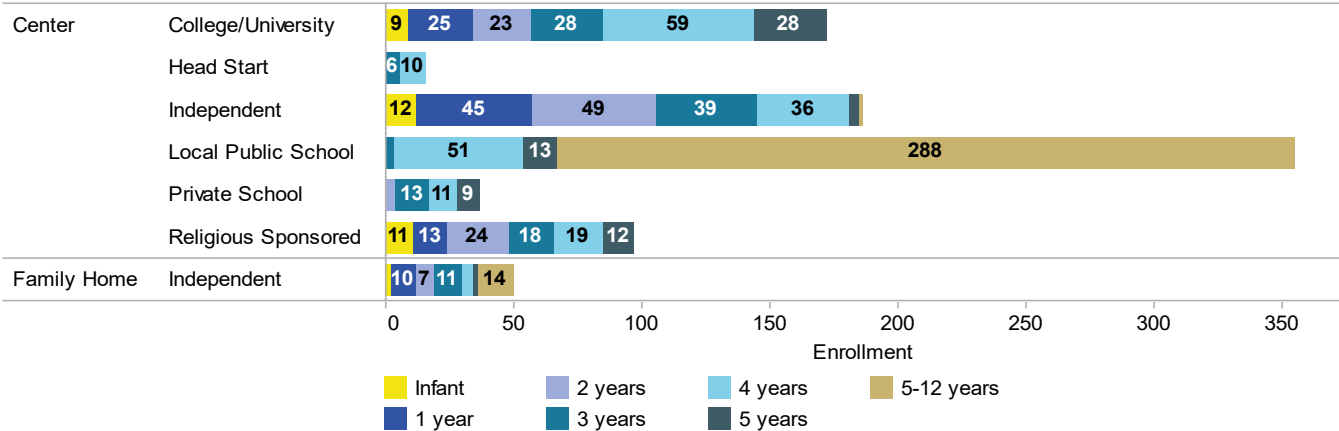
### OPERATIONS BY LOCATION



Analyzed by age, the after-school and family home programs care for children enrolled in kindergarten or elementary school (5-12 years). Four-year-olds were mainly in the NC Pre-K and App State programs, and those younger than 4 were distributed amongst all types of providers. There were very few infants in licensed care with only 34 as of December 2023.

### WATAUGA COUNTY CHILDREN IN CHILDCARE

*In Licensed by Type and Age Of Enrollment, 2023*





**WATAUGA COUNTY LICENSED CHILDCARE TREND**



Year	Childcare Centers	Center Enrollment	Home Enrollment	Home Operations	Total Operations	Total Enrollment
2013	23	871	51	8	31	922
2018	26	850	56	8	34	906
2023	27	863	50	7	34	913

The Watauga County licensed childcare trend has remained stable with relatively few changes in the last decade. Both the number of establishments and enrollment levels remained stable. That does not mean that the county’s caregivers have not felt the effects of trends across North Carolina and the U.S., particularly during and after COVID-19. Vigorous cleaning standards, supply chain issues, and sporadic schedule changes made life challenging. Additionally, this period saw many people reconsidering their career choices, which then affected the number of qualified staff available to work in childcare. The lack of qualified staff and other economic factors continue to be a challenge for childcare operations.

**WATAUGA COUNTY LICENSED CHILDCARE STAR RATING**

Quality is one of the greatest factors according to stakeholder feedback, with 78% ranking quality as the first or second most important reason to choose a childcare provider. North Carolina grants star ratings to childcare operations meeting all minimum childcare requirements as well as those choosing to meet higher standards. Ratings from one for meeting the state’s basic criteria to five for operations that garner quality points across several measures. Elements evaluated for star ratings include staff education and program standards.

**FAMILY, FRIENDS & NEIGHBORS CHILDCARE**

In addition to licensed childcare regulated by the state, there are other options for Watauga County families. Family, friends, and neighbor (FFN) care is a form of home-based childcare in which children are cared for by a family member, friend, or neighbor. An estimated 60% of U.S. children ages 0-5 are in FFN care. Nationally, the data also suggest that children of low-income or foreign-born and Limited English Proficient parents are more likely to be cared for by an FFN provider than in a childcare center outside of the home.<sup>8</sup>

The parent survey used in this study found that 9% of respondents with children under 5 years old had children in an FFN care situation. It is possible that Watauga County parents who prefer this care situation and do not have childcare challenges were not as likely to participate in the survey, and the real number of children in FFN is much higher than 9%. Anecdotal information seems to confirm that many children in Watauga County from birth to 5 years old are being cared for within an unlicensed home setting by their family members, friends, or neighbors. As mentioned earlier, not all care situations require state licensing and monitoring. A lack of licensing does not necessarily infer a lack of quality. Often FFN care is more affordable and flexible for situations beyond traditional hours.

The Children’s Council of Watauga County was awarded a \$250,000 grant from the Blue Cross and Blue Shield of North Carolina Foundation to support home-based childcare networks in Watauga County. This grant supported the creation of Blue Ridge Beginnings, which has a mission to provide resources, information, and support to Watauga County’s home-based caregivers. This effort will create community – linking providers together and offering learning opportunities, sharing resources, and creating intentional dialogue to ensure both the provider and children in these situations receive quality support.

### PART-TIME CHILDCARE

Other childcare is also available through half-day and drop-in programs for a variety of ages, along with after-school and summer camps to serve children during their time out of school. At least 5 half-day schools are in operation in Watauga County. Four schools are in area churches, with one of those a bilingual program – Imagine Bilingual. Additionally, the Diverse Unified Appropriate Learning School (DUAL) is operated by the Children’s Council of Watauga County.

Several diverse, experiential education programs are also available to serve children on a part-time basis. Wildwood Academy, a self-directed learning school, is open three days a week and accepts children 7 years old through teenage years. High Country Forest Wild is an environmental educational program that operates in 4-hour blocks or 3-hour blocks for students after school. Western Youth Network, a regional non-profit organization, hosts middle-school students in their after-school program.

Bizi-Bees is a privately operated drop-in childcare center accepting children ages 4 months through 12 years for a maximum of four hours in their Boone facility. Friday evenings are also open for parents' night out and Saturdays by reservation. Designed as a short-term solution for parents needing to run errands or have a date night, it is not meant as a childcare option during work. Another short-term care option is the Watauga Community Recreation Center, which offers scheduled, short-term childcare for its members engaging in programs or exercise at the facility.

## Developments & Changes

Watauga County leaders have been hard at work changing the childcare landscape and creating solutions for childcare challenges. During the course of this study the research team has learned of the following new opportunities.

- Blowing Rock Academy has opened a childcare center to serve the Town of Blowing Rock employees.
- Western Youth Network is planning a new facility that would have programs to serve up to 150 in various childcare, after-school, and evening activities.
- The Children’s Council of Watauga County created Blue Ridge Beginnings to work with home-based childcare operations.
- Kid Cove has bought the Lynhill Development Center and expanded its operations opening as Kid Cove at Lynhill.

## Childcare Markets

Childcare for younger children (birth to 5 years old) and school-age children (elementary and middle school), differ greatly in their needs and parental preferences; these childcare markets are presented separately in determining gaps in care.

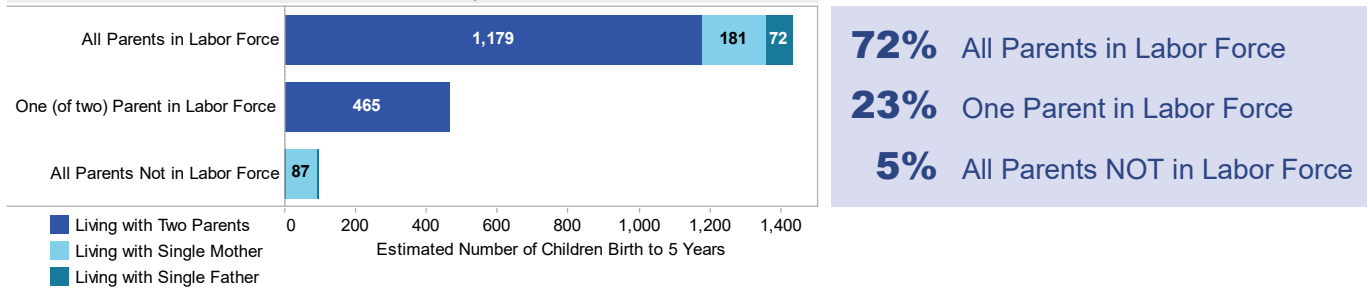
## Childcare Birth to 5 Years

The lack of adequate, quality childcare is a challenge in Watauga County, especially for families with working parents. Throughout the stakeholder engagement, parents recounted their struggle with the long waiting lists for childcare and the deficiency of open spots for their children. Finding full-day care was deemed a challenge for many. In the parent survey, 64% of respondents reported that finding childcare in Watauga County was “Very Difficult” while 27% said it was “Somewhat Difficult.”

To begin to analyze the gap in childcare for children from birth to 5 years, it is necessary to look at families and work in Watauga County. There are 1,989 children from birth to 5 years old living in a variety of family structures in Watauga County. A majority of those children are in two-parent families with both parents working (59%). Overall, 72% of children aged 5 and under are living in families where all parents at home are in the labor force. That is more than **1,400 children who need some form of childcare.**

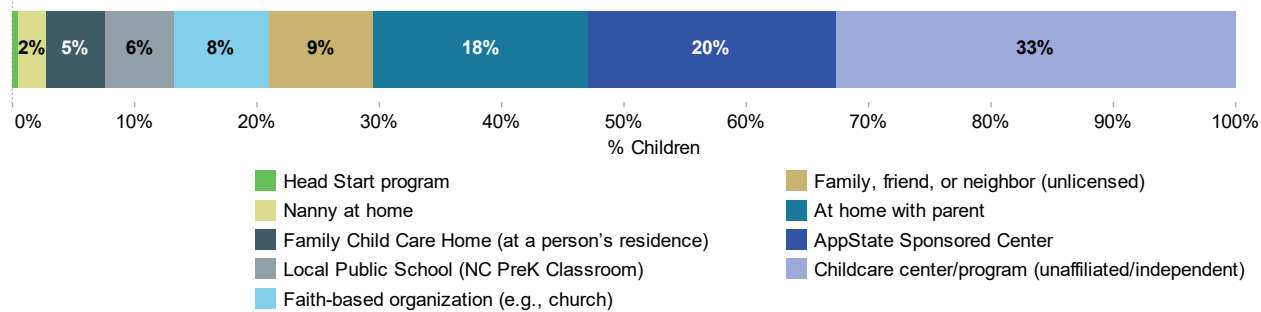
Additionally, 23% of children aged 5 and under lived in families with one parent not in the labor force, and 5% lived with all parents at home not in the labor force.

### CHILDREN BIRTH TO 5 YEARS AND PARENTAL EMPLOYMENT, 2022



### CURRENT CHILDCARE SITUATION FOR CHILDREN BIRTH TO 5 YEARS

Parent survey results

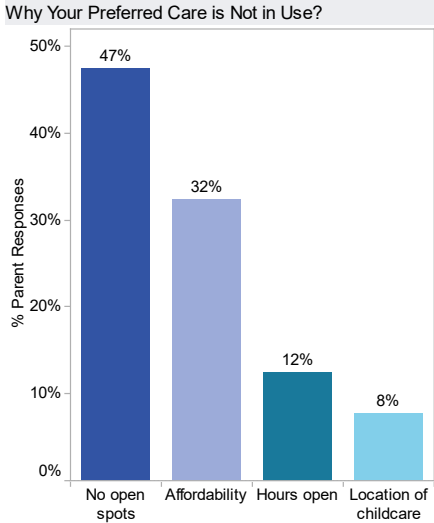
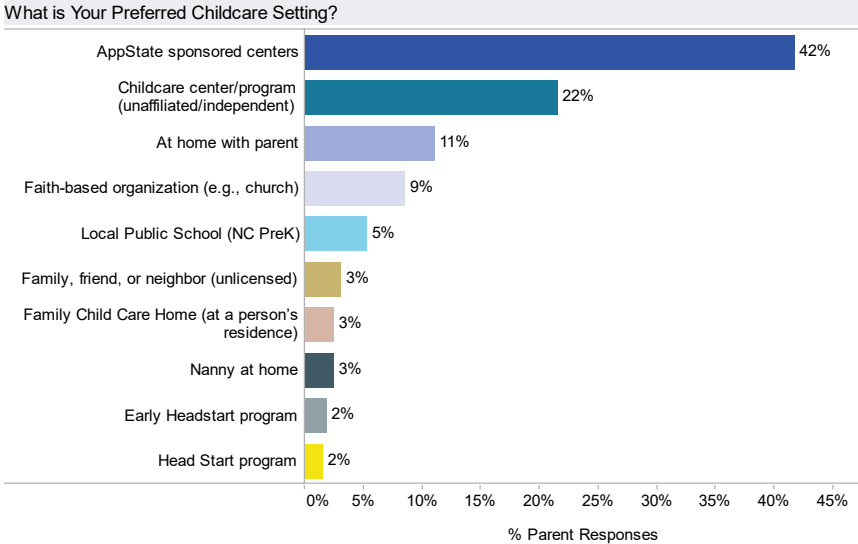


Thirty-three percent of parents who responded to the survey stated that their children are in an independent licensed childcare center. App State-sponsored centers such as the Child Development Center and Lucy Brock Child Development Lab were the location of 20% of respondents' children. Eighteen percent stayed at home with a parent and 9% in the care of family, friends, or neighbors. Childcare held at churches was the care option for 8% of respondents' children, compared to 6% for NC Pre-K classrooms and 5% for licensed family childcare homes.

**PREFERRED CHILDCARE SITUATION FOR CHILDREN BIRTH TO 5 YEARS**

*Parent survey results*

When parents were asked what type of setting they prefer for their children, the top choice was an App State-sponsored childcare center with 42% of responses to this question. The second most popular preferred setting is independent childcare centers, with 22% of parent responses. If parents were not using their preferred setting, the top reason was the lack of open spots(47% of responses). Affordability ranked as the second reason parents felt they could not have their children in a preferred childcare setting.



The challenges in childcare went fairly deep with parents recounting their experiences via the parent survey and focus groups. The availability of quality care was the top concern. Long wait lists for children to enroll in childcare was an experience many parents shared with frustration. There is a sizable amount of juggling parents perform to cobble together workable childcare. Sometimes two part-time solutions are used in tandem with transportation needed in between care options. This strategy is often used when waiting for a spot to open in their preferred care option.

Some of the challenges stated by survey takers with children birth to 5 years old focused on schedule/timing of care and commuting. Parents were concerned with the amount of time children spend in childcare, with some parents specifying long commutes – one mentioning that their long commute was due to lack of housing in Boone. Traffic in Boone at 5 p.m. was also presented as a challenge for being able to pick up children from childcare on time.

My husband quit working his full-time job to be a bartender in the evenings. It was the only way we could have childcare during the day so that I could work.

- focus group participant

I put my child on all available waiting lists for childcare when I was 8 weeks pregnant. I did not get into a full-time childcare situation until my child was 15 months old. When my maternity leave ended, we had to put her in a half-day program, leave work, pick her up, and [put her in different care]...it was an incredible stressor on my mental health as a new mother.

- survey participant

Finding childcare was the worst part of having a child and detrimental to my mental health!

- focus group participant



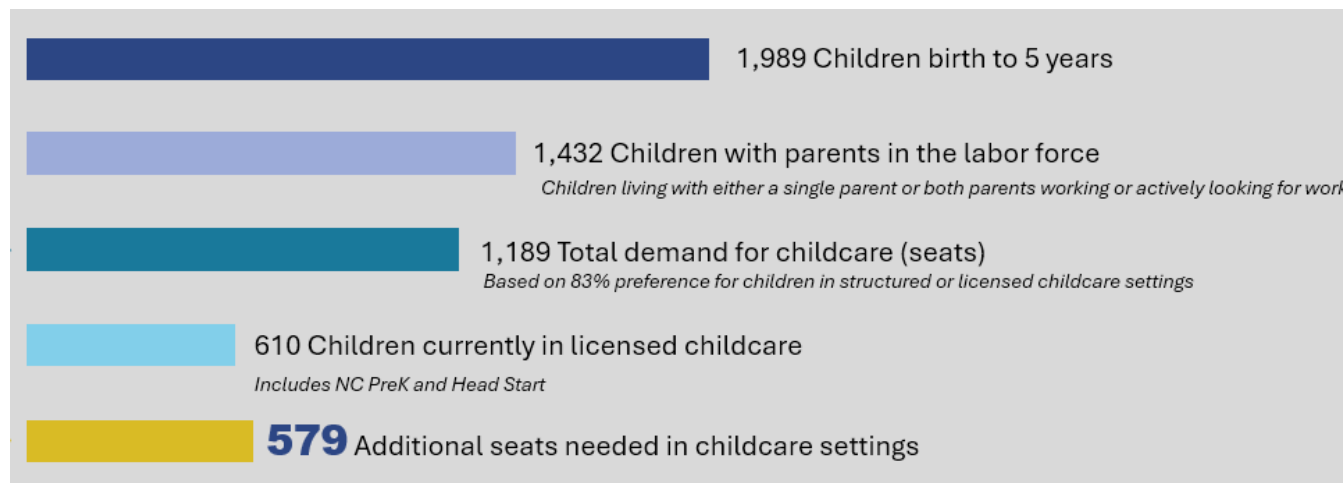
## THE GAP: ESTIMATING DEMAND FOR CHILDREN BIRTH TO 5 YEARS

Childcare options for children from birth to 5 years are limited in Watauga County. Based on feedback from parents, employers, and childcare providers, there are capacity issues at many centers due to space, staff, or cost of operation. While there may be some open spots in licensed care, on the whole, the experience of locating such care for parents is challenging.

To estimate the number of seats that may be needed to accommodate quality childcare for the children of working parents throughout the county, a model was created to assess demand. Using survey data and feedback, this model targets the need for available spaces in the childcare system based on survey respondents' preferences for their children to be in a center or program (from a licensed home to NC Pre-K).

Based on U.S. Census data, there are 1,432 children with two working parents or single working parents in Watauga County in need of childcare. It is assumed that different choices will be made for a parent to stay at home with children, or that family members care for young children. Collectively, 81% of parents in the labor force or attending university preferred a structured program or classroom setting for their children.

## ESTIMATED DEMAND FOR CHILDCARE FOR CHILDREN BIRTH TO 5 YEARS



The model is based on the following assumptions in Watauga County:

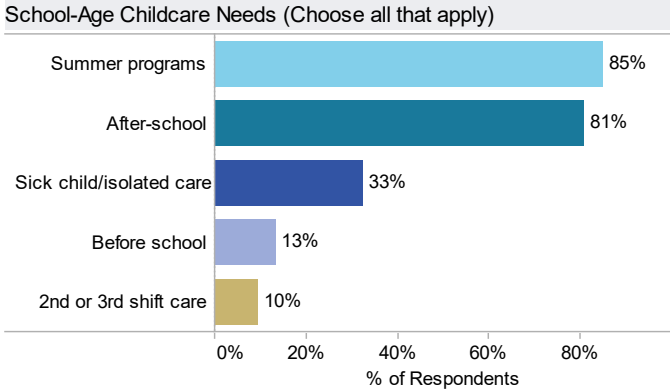
- 1,989 children from birth to 5 years old living in a variety of family structures
- 1,432 children from birth to 5 years live with two working parents or a single working parent
- 610 children birth to 5 years are enrolled in licensed childcare in Watauga County
- Parents choose a variety of care options including family or staying home with their children
- 81% of parents, in the labor force or attending university, who have children from birth to 5 years prefer childcare in a structured program or classroom setting.

**Considering these assumptions, the model estimates demand for 579 additional spaces are needed over and above those children already enrolled in licensed childcare.**

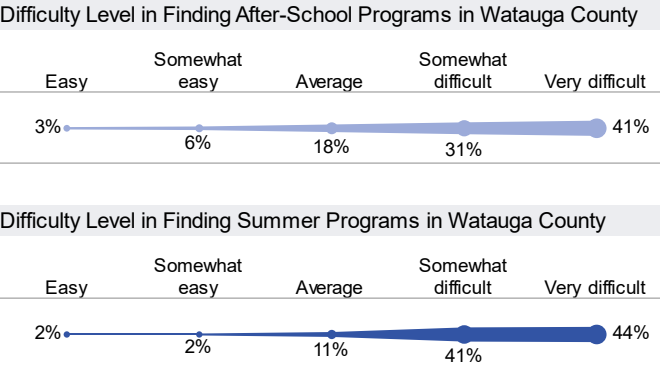
### School Age Care

Similar to care for children birth to 5 years, there is also a need for out-of-school care for elementary school and middle school students. Out-of-school care would include mainly after-school and summer programs, but could also be before school hours, 2<sup>nd</sup> or 3<sup>rd</sup> shift, or sick-childcare. In the parent survey, summer programs were the top need, with 85% of respondents choosing this, closely followed by after-school programs at 81%. While not a choice on the survey, parents shared that snow or weather days when schools are closed present hardships.

#### OUT-OF-SCHOOL CHILDCARE NEEDS

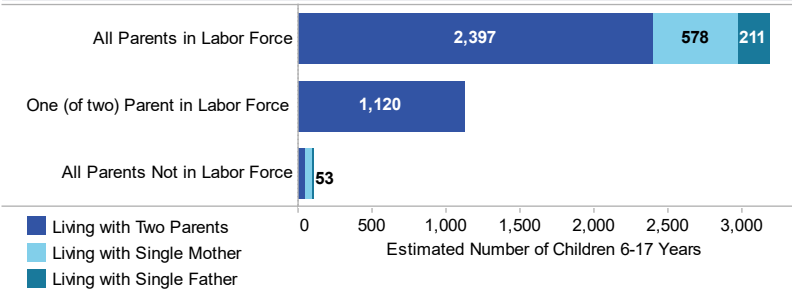


#### DIFFICULTY IN FINDING PROGRAMS



There are approximately 4,400 children from 6 to 17 years old living within families in Watauga County. Of those, 3,186, or 72% of children, had all parents living at home working or looking for work. Families with one parent at home made up 26% of children in this age group, while only 2% of children had parents who were not in the labor force.

#### CHILDREN 6-17 YEARS AND PARENTAL EMPLOYMENT, 2022



**72%** All Parents in Labor Force  
**26%** One Parent in Labor Force  
**2%** All Parents NOT in Labor Force

The data for working parents includes children in high school who are well beyond the need for childcare. Elementary school students are the core of children needing care; however, many parents expressed the need for out-of-school activities for middle school children in survey responses. In North Carolina, 74% of parents agree that after-school programs reduce the likelihood that youth will engage in risky behaviors according to the Afterschool Alliance.<sup>9</sup>

**75%**  
 NC parents agree that after-school programs keep kids safe and out of trouble

**74%**  
 NC parents agree that programs reduce the likelihood that youth will engage in risky behaviors

**81%**  
 NC Parents agree that programs provide kids opportunities to learn life skills, like the ability to communicate and work in teams

Afterschool Alliance

# WATAUGA COUNTY CHILDCARE STUDY

Since Census data on working parents for elementary and middle school is not available, a better tool to estimate the need for after-school programs is school enrollment. Watauga County Schools had more than 3,300 students enrolled in elementary and middle school in 2023. Private school enrollment for 2023 was 183, and nearly 1,000 children were in a home school environment.

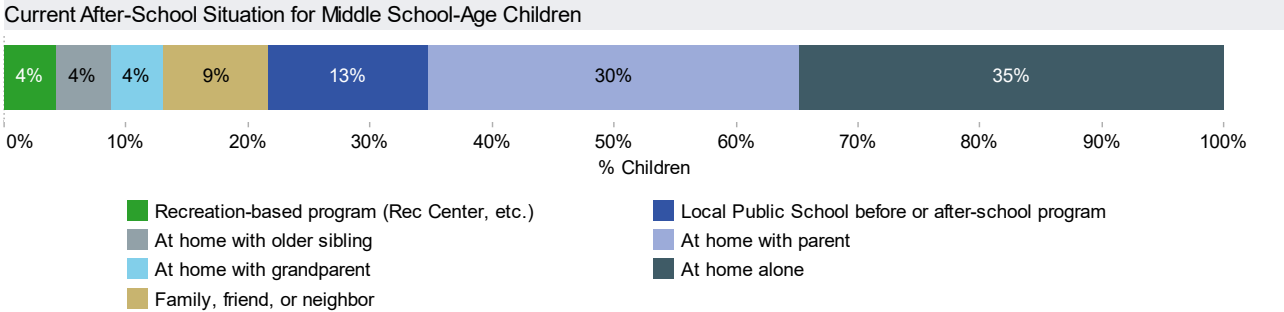
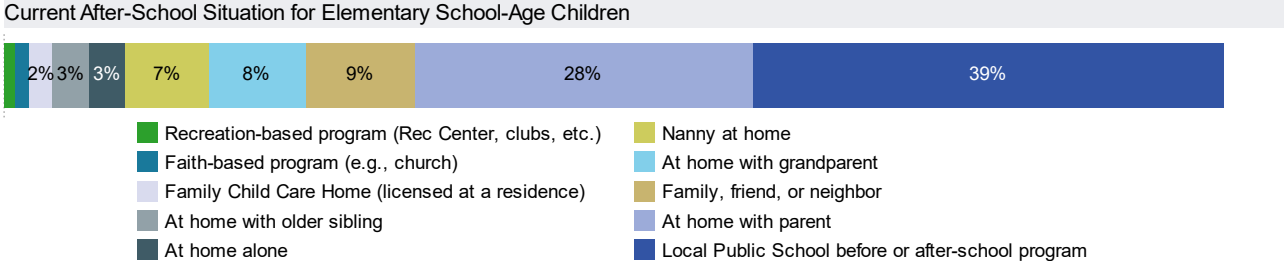
## SCHOOL ENROLLMENT

School-Level	Public School	Private School	Home School
Elementary	2,140	160*	
Middle	1,194	23*	
High School	1,576		
<b>Total Combined</b>	<b>4,910</b>	<b>183</b>	<b>978</b>

Source: NC Department of Public Instruction, 2023. NC Department of Administration, 2023  
 \*Estimated enrollment

## CURRENT AFTER-SCHOOL SITUATION FOR ELEMENTARY & MIDDLE SCHOOL CHILDREN

Parent survey results



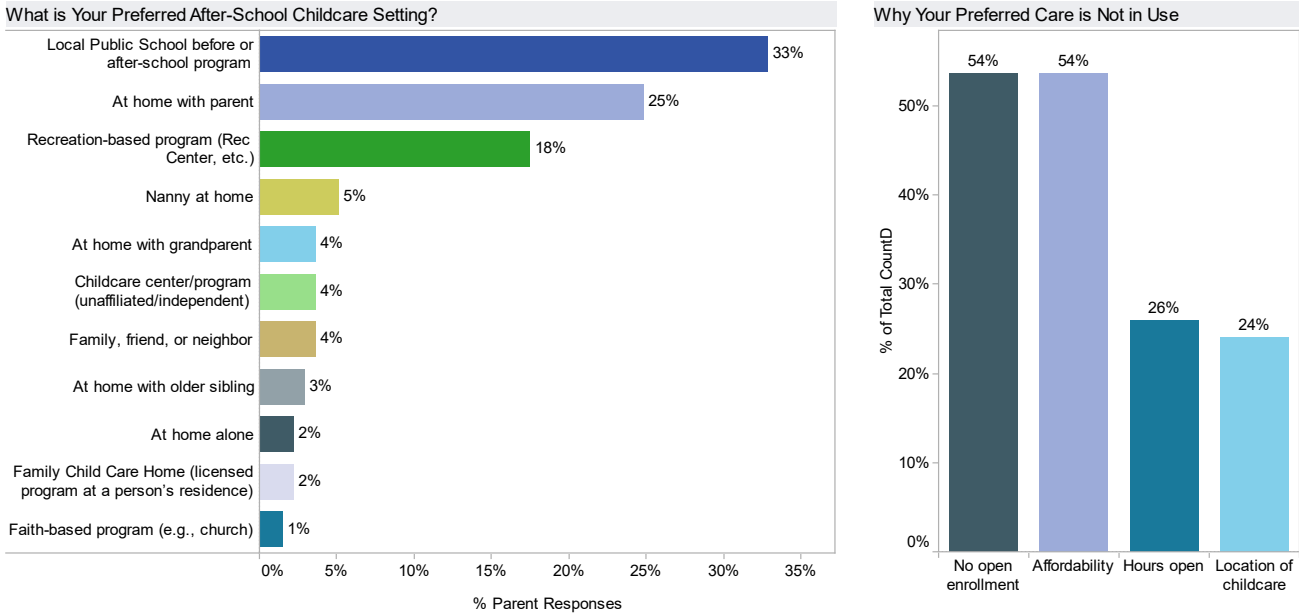
Of the children represented in the parent survey, 39% of elementary school children attended programs at their school. Parents were home with 28% of elementary children and 30% of middle school children. Staying at home alone was the top response for parents of middle school children (35%). Others were with family, friends, or neighbors (9% for both elementary and middle schoolers), and counted separately were those with a grandparent or older sibling.

## PREFERRED CHILDCARE SITUATION FOR ELEMENTARY & SCHOOL CHILDREN

As the primary year-round need for school-age children, after-school programs are the focus of estimating demand. Parents were asked what type of setting they prefer for their children; the top choice was at their school with 33% of responses. After that, 25% of parents preferred to be at home with their children and 18% wanted a recreation-based program for their children. If parents were not using their preferred setting, the main two reasons were the lack of open spots and affordability, each with 54% of responses.

**PREFERRED CHILDCARE SITUATION FOR ELEMENTARY & SCHOOL CHILDREN**

*Parent survey results*



**AFTER-SCHOOL PROGRAMS FOR PRE-K SCHOOL CHILDREN**

The study uncovered that children who attend NC Pre-K programs in Watauga County need more after-school options. NC Pre-K classrooms are located in Watauga public school settings, which means the children are dismissed around 2:00 p.m. NC Pre-K children do not participate in the after-school childcare program mainly due to differences in state licensing regulations. However, these children need a place to go after school so their parents can continue to work. Many parents who have NC Pre-K children must leave work early to pick up their child and drop them off in another program until the end of the workday, take the child back to work with them, or go home to finish work remotely. None of these solutions are optimal for a child's care or a parent's work productivity. Parents routinely mentioned this disrupted their workday or caused them to miss important meetings. This is a small population of children but a huge gap that needs to be filled in the community.

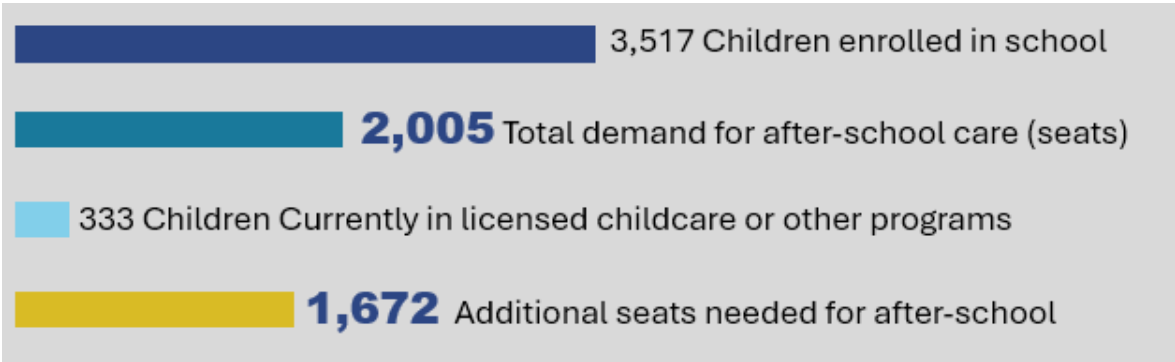
**THE GAP: ESTIMATING DEMAND FOR ELEMENTARY & MIDDLE SCHOOL CHILDREN PROGRAMS**

Watauga County parents want more options for after-school programming for their elementary and middle school children. Overwhelming feedback from parents in surveys and focus groups confirmed this fact. Existing programs at schools and the handful of other full-week options do not meet the demand based on responses received. To determine an estimated number of spots for after-school children, a model using school enrollment data and survey responses was developed.

Enrollment for public and private schools represents a base of 3,517 children in elementary and middle school. Home school students are not considered in need of care and are not included in this equation. Care choices will be different, as there is a great span of ages and maturity in this category of childcare needs. Collectively, 55% of parents responded that they prefer a structured program, recreation-based, or extended learning setting for their children to attend after school.



**ESTIMATED DEMAND FOR ELEMENTARY & MIDDLE SCHOOL CHILDREN**



The model is based on the following assumptions in Watauga County:

- 3,517 children are enrolled in public or private elementary and middle school
- Parents choose a variety of care options including family or staying home with their children
- 55% of parents with children enrolled in public or private schools at the elementary or middle school level prefer childcare in a structured program or classroom setting for their children.

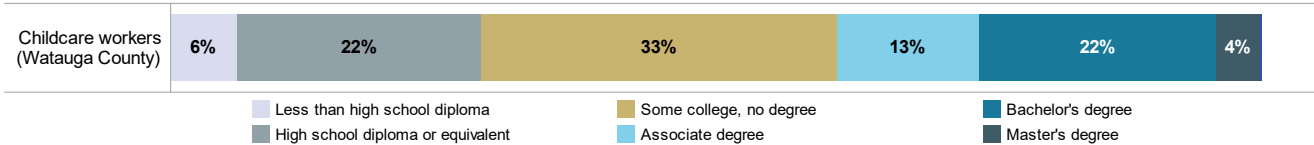
**Considering these assumptions, the model estimates demand for 1,672 additional spaces are needed over and above those already enrolled in licensed childcare.**

**Childcare Professionals**

When asked about the best thing about being a childcare provider, the overwhelming answer was that it was all about love for children and watching them grow and develop. Childcare educators are making a difference in the lives of children and their families.

Yet the pay is far under the average salary in the county and under other professionals with similar education levels. Approximately 26% of childcare workers in Watauga County are estimated to hold a bachelor’s or master’s degree. Additionally, 13% hold an associate degree while the largest portion of people in the role have attended some college but have not yet attained their degree. There is a strong presence of students from App State in the workforce.

**AVERAGE EDUCATION FOR CHILDCARE WORKERS IN WATAUGA COUNTY**



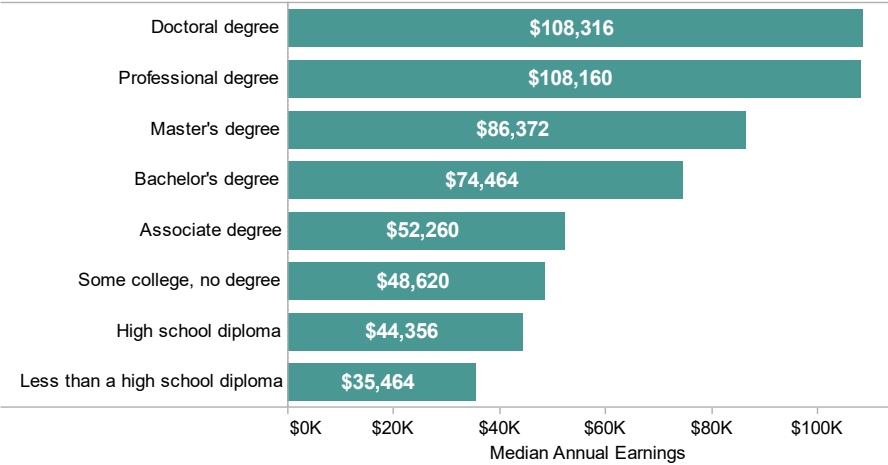
# WATAUGA COUNTY CHILDCARE STUDY

The Bureau of Labor Statistics publishes the median pay for the level of education achieved. The latest estimation for 2022 shows national pay scales beginning at \$35,000 for no secondary education completed and upwards to \$108,000 for a doctoral degree. The average for Childcare Workers in Watauga County is \$30,600 annually.

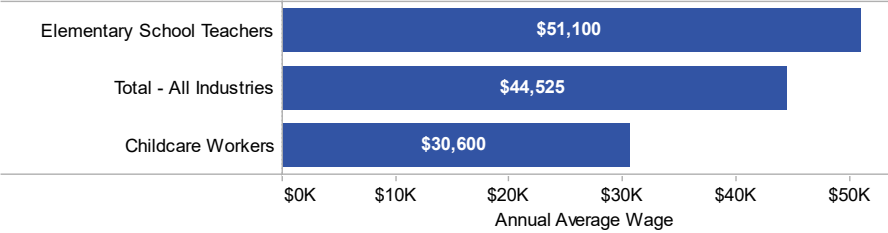
The average salary for Watauga County workers, in all industries and all roles, is \$44,535 annually as of 2023.<sup>10</sup> For comparison, an elementary school teacher makes \$51,100 annually.

Benefits are often not available for those working for an independent, faith-based, or other operator that is, essentially a small business. Results from the provider survey in this study found that 41% receive health care, 38% have sick leave, and 22% have reduced-fee childcare.

## MEDIAN PAY BY EDUCATIONAL ATTAINMENT



## WATAUGA COUNTY SAMPLE WAGES, 2023



Source: U.S. Bureau of Labor Statistics, 2023 JobsEQ, 2023

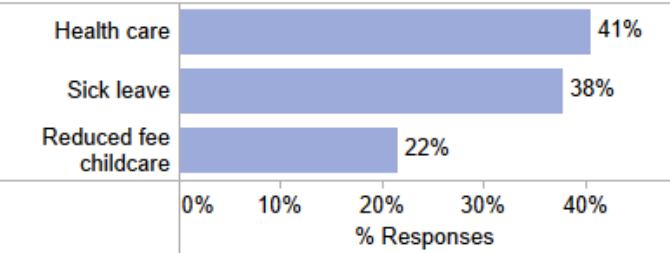
## CHILDCARE STAFFING CHALLENGES

Childcare staffing is at the top of the list of childcare concerns. Fifty four percent of childcare operators who responded to the survey shared that staff salaries are the top challenge. Additionally, 26% of these same childcare operators ranked staffing shortages as the second biggest challenge.

Salaries are a leading cause of the turnover of childcare workers. National and county estimates indicate that 17% of childcare workers will leave their jobs each year – a rate higher than the average turnover rate of 12% for all occupations.<sup>11</sup> Filling existing staff needs is compounded by those leaving their position during the year. At a time when young children most need stable, responsive relationships with early childhood educators, the salaries of most childcare workers cause a revolving door of staff.

A key piece to solving childcare shortages is to be able to pay a living wage to childcare workers. The living wage for a single adult household in Watauga County with no children is \$40,206, which is \$9,600 higher than the average childcare worker in the county. Unfortunately, the affordability issue between parents, providers, and childcare workers is a vicious cycle because childcare facilities typically have to raise rates to cover increased pay. Raising salaries could attract more workers and help solve staffing shortages, but it would aggravate the problem of affordability.

## EMPLOYEE BENEFITS (SURVEY)



**CHILDCARE BUSINESSES**

The bigger picture is that the model for childcare businesses is one with narrow margins for business owners and operators. Economists at the Minneapolis Federal Reserve estimate most childcare businesses operate at a less than one percent profit margin<sup>12</sup>. Survey results show that those in the industry are not working solely for profit, however, it is necessary to balance making a living and being affordable to parents who desperately need childcare. Some have established a good model and pay high enough wages to retain workers, but the costs for care are higher.

The hardest is the finances to pay staff what they deserve and the expenses to keep a facility running  
- survey participant

**Childcare Affordability**

The cost of high-quality early care and education is higher than most families can afford to pay. Costs routinely outpace even the high cost of housing, particularly when two children are in childcare programs. The COVID-19 pandemic heightened issues of supplies and staffing availability and cost. Many of those issues remain in place today causing the current crisis.

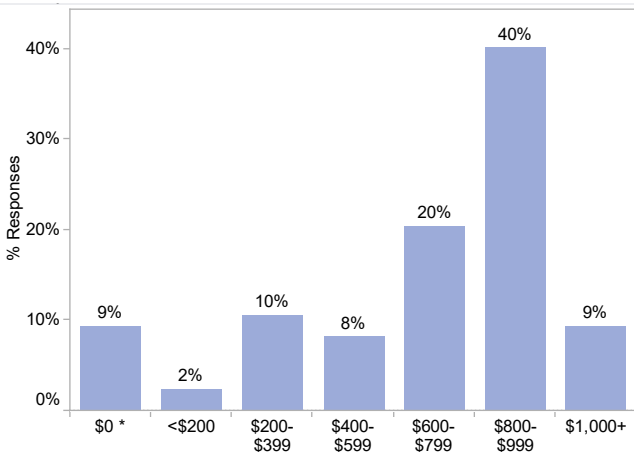
According to a Bank of America report released in 2023, the average childcare payment per household has risen over 30% since 2019, with middle- and upper-income families (annual income of \$100k-\$250k) seeing the biggest increase.<sup>13</sup> Utilizing internal bank data across the U.S., the study inferred that costs may be affecting the workforce participation of parents. Fewer dual-income households are paying for childcare in 2023 than there were in 2019.

The U.S. Department of Health and Human Services has estimated that **affordable care should cost no more than 7% of a family's total income**.<sup>14</sup> If the median family income in Watauga County is \$85,689 before taxes, that amount breaks down to **\$714 per month**. That amount is lower than the median monthly cost of childcare of **\$900** for children birth to 5 years according to the parent survey that informed this study.

Stakeholders cited the cost of childcare is affecting families' decisions to have a child or additional children.

**MONTHLY COST OF CHILDCARE (SURVEY)**

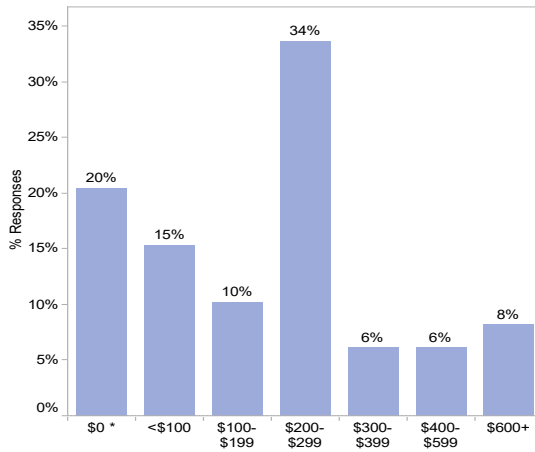
**BIRTH TO 5 YEARS**



**\$900**

Median Monthly Cost of Childcare Birth-5 Years<sup>15</sup>

**AFTER SCHOOL PROGRAMS**



**\$250**

Average Monthly Cost of After-School Childcare<sup>15</sup>

# WATAUGA COUNTY CHILDCARE STUDY

## SUBSIDIES

Funding is available to help parents pay for childcare, but not all centers accept subsidies and not all struggling families qualify. Standards for qualifying for childcare subsidies range from family income at or below the 200% federal poverty level for parents of children birth to 5 years to 133% of the federal poverty level for parents of children aged 6 to 11 years.<sup>16</sup> This means for a family of three to qualify for subsidy, if they have a child birth to 5 years they could not make over **\$49,716 annually**. If the family of three had a child 6-11 years they could not make over **\$33,060 annually** Currently, only 79 children in the county are receiving subsidized childcare assistance.<sup>17</sup>

Subsidies cover part of the cost of childcare, and a “market rate” or “subsidy rate,” as referenced in North Carolina legislation, represents the maximum amount that a childcare center or home may be paid with subsidy funding for childcare services.

## WATAUGA COUNTY MARKET RATES BY TYPE OF CARE AND AGE GROUP

Star	Centers				Home				
	Infants	2-Year Olds	3-5 Year-Olds	School-Age	Infants	1 Year Olds	2-Year Olds	3-5 Year-Olds	School-Age
Five Star	\$822	\$879	\$770	\$707	\$716	\$826	\$737	\$737	\$737
Four Star	\$802	\$787	\$731	\$669	\$689	\$679	\$589	\$688	\$572
Three Star	\$758	\$715	\$715	\$631	\$663	\$591	\$560	\$672	\$490
Two Star	\$445	\$410	\$386	\$363	\$443	\$443	\$374	\$351	\$351
One Star	\$424	\$390	\$368	\$346	\$422	\$422	\$356	\$335	\$335

Source: NC Department of Health and Human Services: Division of Child Development and Early Education, effective 2023

## AFFORDABILITY AND A LIVING WAGE

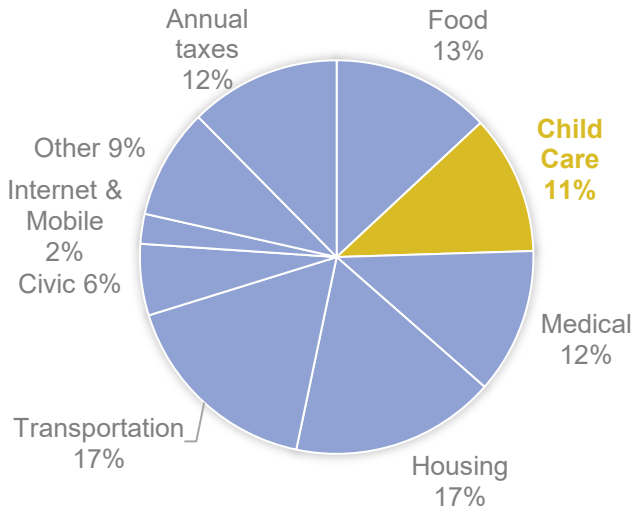
To illustrate affordability and the cost of childcare as a percentage of the family budget, the MIT living wage model was used to compare the Watauga County median family income with the living wage estimate for the county. The team at MIT established a budget that estimates eight basic needs – food, childcare, health care, housing, transportation, civic engagement, broadband, and other necessities – that make up the cost components of the living wage, including taxes. This is calculated for each geography, allowing for relative cost specific to Watauga County.

Based on the size of the family and the number of adults earning an income towards the combined family income, at the median income level of \$85,689 for Watauga County as of 2022, families are spending from 11% to 21% of their budget on childcare. In this example, for dual-income parents with two children in care, there is a \$17,455 deficit between income expenses. For a single parent paying for two children in care will spend 21% of the budget and have a deficit of \$6,513 annually. The difference between those seems counter-intuitive; however, since the budget covers the costs of adults and their food, transportation, and other expenses, one adult is cheaper than two.



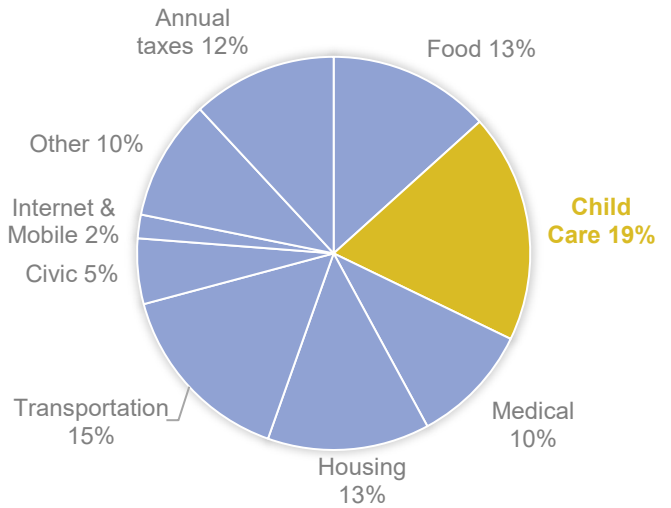
# WATAUGA COUNTY CHILDCARE STUDY

## FAMILY BUDGET BASED ON LIVING WAGE NEEDS



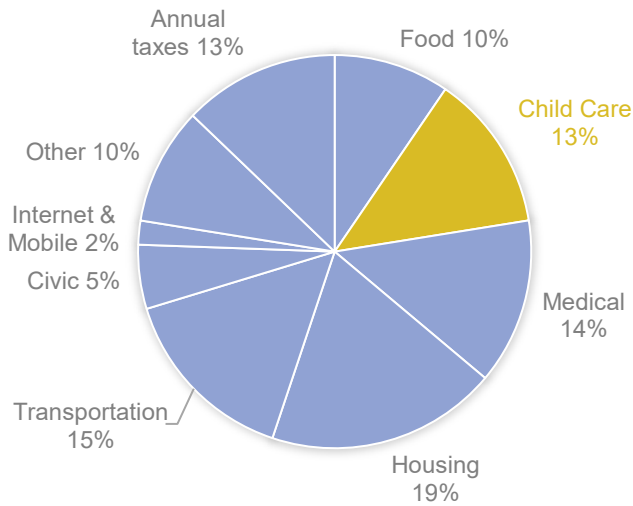
Two working adults and one child

\$85,689 Watauga County Median Family Income  
 \$81,706 Income needed  
**\$3,983 Difference in income**



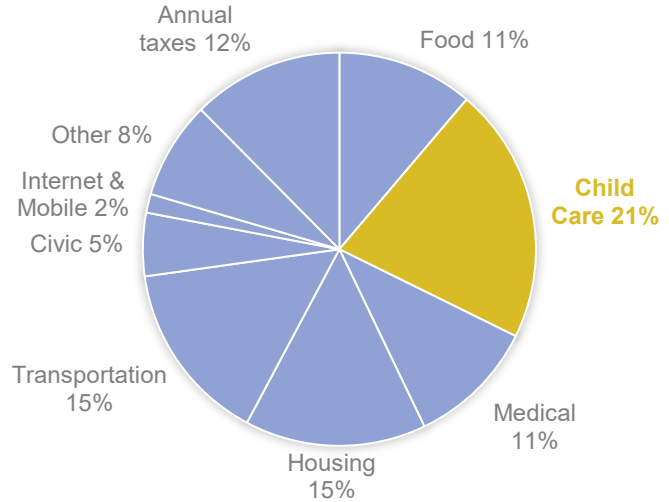
Two working adults and two children

\$85,689 Watauga County Median Family Income  
 \$103,144 Income needed  
**-\$17,455 Difference in income**



One working adult and one child

\$85,689 Watauga County Median Family Income  
 \$72,341 Income needed  
**\$13,348 Difference in income**



One working adults and two children

\$85,689 Watauga County Median Family Income  
 \$92,202 Income needed  
**-\$6,513 Difference in income**

### 4. PILLARS FOR BUILDING A QUALITY CHILDCARE ECOSYSTEM

A call to action is needed. To strengthen and sustain the childcare system, an investment in the economic future of Watauga County is necessary. The Watauga County Childcare Study confirmed what many in the community have experienced – there is a childcare crisis here. Several gaps have been identified that affect the local childcare landscape in Watauga County.

- There are not enough quality childcare options for children birth to 5 years in Watauga County. There is a gap of 579 seats for children needing quality childcare.
- There are not enough quality after-school and other out-of-school programs in Watauga County. There is a gap of 1,672 seats needed for quality after-school programs.
- There is an opportunity to re-engage parents of young children who are not in the labor force. There is the possibility to add 300 workers to the labor force in Watauga County.
- Childcare employees are paid low salaries and often do not have employer benefits after obtaining training or a degree in early education. This has led to workers leaving the profession and staffing shortages in the childcare field.
- Childcare providers are in business for the children and operate on narrow profit margins. This makes it difficult to raise pay for workers without raising the cost to parents.
- Parents in Watauga County struggle to afford childcare. Not all can get subsidies, and people are leaving the labor force and possibly making decisions to limit family size.

The recommendations offered in this chapter have short-term and long-term tactics that are organized into four core pillars. These are designed to generate outcomes that will enhance the childcare ecosystem to engage more parents in the workforce today and create successful citizens and workforce of the future.





**Childcare  
Workforce**

Recruit, Retain, and Build Quality

**Pillar 1. Childcare Workforce: Recruit, Retain, and Build Quality**

1. Create a coordinated **early childhood career pathway** including in high school, community college, and Appalachian State University, supporting students to enter and succeed in early childhood education careers. Having a childcare champion to work with a group such as “Gear Up NC Appalachian Partnership,” to help high school students gain early awareness of college, leading to increased enrollment in early childhood programs and building an educated workforce.

In addition, there are other efforts underway that support professional development in early childhood education, such as “Pathways to Accreditation” at the Children’s Council, which continue to connect and support childcare providers with the most current evidence-based practices and knowledge on early childhood education.

2. Identify a source of revenue and create a **Watauga Early Childhood Scholarship(s)** to attend Community College and/or Appalachian State University. A scholarship eases the financial burden and makes higher education attainable for those that would not normally have access. Also, encourage childcare workers to apply for [NC T.E.A.C.H.](#) scholarships that support college-level coursework in childcare professions.
3. Develop an **apprenticeship and creative service-learning** opportunities. This allows individuals to work in childcare and get paid as they receive on-the-job training and complete college courses. It provides an employee with the opportunity to learn and grow and for businesses to grow the quality of the workforce. Service learning allows students meeting qualifications (teacher aid to be 16 years old) to have volunteer hours and provide additional assistance in centers, as well as valuable experience for students.
4. Develop a **salary scale guide**, similar to a school system pay scale, or examine another pay scale of a profession that has similar education/experience requirements as the childcare workforce. Establishing a salary scale provides a clear framework for employees and employers to help establish equitable pay and budget planning based on expenses. This is meant to be used as a guide and a helpful tool for new and existing childcare enterprises.
5. Establish a **purchasing consortium** for buying supplies or food services. Ordering as a group helps to obtain better pricing for commonly used items. Additionally, this group can explore the ability to purchase affordable healthcare insurance. Only 41% of childcare workers responded that they have medical insurance coverage. Smaller businesses struggle to offer benefits similar to those of larger companies; however, many small companies are interested in banding together to enhance health benefits for their employees resulting in a heightened ability to retain workers.

6. Create a **Teacher’s Supply Warehouse** that coordinates and accepts donations of resources and materials that childcare teachers can “shop” for free classroom supplies. The warehouse can collect and organize donated and recycled goods that can encourage a young child’s creativity and imagination. The intent is to provide needed supplies and to cut down on how much a teacher spends out of their own pocket on supplies. This also offers an outlet for local organizations, clubs, and Greek organizations to build and sustain this grassroots work.



**Program example:** Guilford Supply Warehouse, Greensboro NC  
<https://guilfordeducationalliance.org/homepage/programs/for-teachers/>

7. Develop a plan for childcare operators to offer employees **free childcare** as a job perk for their child. Kentucky made all childcare employees eligible for free childcare – regardless of household income.<sup>18</sup> The State of Kentucky pays for all children of childcare workers in care. The program does come at a cost; however, the results are that operators have been able to fully staff their centers.

Watauga County should consider how such a policy could be created to support free or discounted childcare for those parents who work in childcare.

8. Provide **workforce incentives** for the childcare workforce such as stipends, store discounts, recognitions, or rewards programs. Incentive programs are designed to attract, engage, and retain employees and boost morale. Although there are stipend programs in place, a local program could supplement or replace other programs when they end.

Most significantly, it calls attention to the childcare workers and the importance of the work that they do for children, parents, employers, and the entire community. Similar campaigns for first responders and healthcare workers can offer inspiration.



**Affordable  
& Accessible**

**Coordinate, Fund, and Strengthen Childcare**

## Pillar 2. Affordability & Accessibility: Coordinate, Fund, and Strengthen Childcare

Childcare is an unstable industry, and there is not a single solution on who and how childcare is administered and supported in Watauga County. To address this specific issue, it is vital to examine sustainable funding opportunities, partnerships, and mixed delivery methods to fix the system and support the community.

1. **Coordinate and strengthen public-private partnerships** among schools, churches, businesses, childcare centers, childcare homes, recreation centers, and afterschool/summer programs.

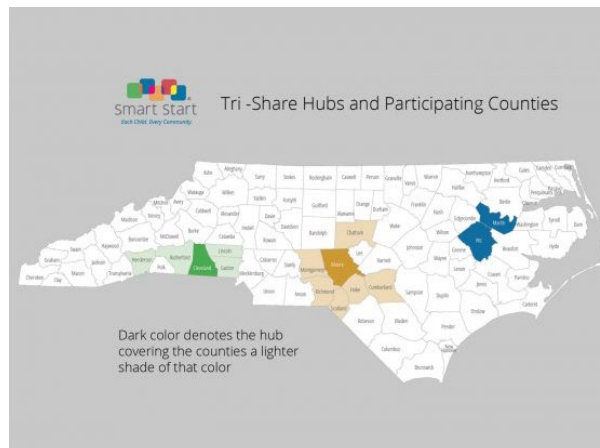
Partnerships between the government and private sector can ensure that each group brings its own set of resources and strengths to support childcare and address the challenges and gaps that a traditional delivery system may face. For example, maybe in one community a church or childcare provider can offer an afterschool program for children who attend NC Pre-K in the area and whose parents work until regular business hours.

Elevate Watauga may be the platform for additional initiatives recommended in this study to coordinate efforts.

2. **Blended funding sources** from two or more separate sources to support childcare services is another way to offer stability. Programs such as Head Start, NC PreK, subsidies, and Early Head Start receive financing through different grants, departments, or private endowments. The concept is to ensure stability as programs and financing can change over time. The end (or sometimes the threat) of programs often disrupts the ecosystem. Blended funding can allow programs to weather changes better and give a sense of permanency to essential programs.

An example of blended funding in programs could be a Head Start program operating in a public school with teachers from both the public and Head Start grantee. In this scenario, the classroom uses both federal and school district funds. Or an Early Head Start program partners with a family childcare home (FCCH). The FCCH meets the Early Head Start standards and receives a per-child amount of federal funds for the program.

- Public-Private Funding.** Parents are the primary funding source for childcare, and they can't pay the true cost for quality care. In Michigan, a Tri Share Model was created where the state, employer, and parent each pay one third of the monthly cost of childcare. This is a 66% savings for families. The State of North Carolina has learned from the Michigan initiative and has funded a two-year pilot program, implementing a Tri Share childcare model in three county hubs throughout the state. These pilot programs will be at the Cleveland County Partnership for Children, the Martin-Pitt Partnership for Children, and the Partners for Children and Families in Moore County.



Watauga County should watch these pilots closely and engage with the State of North Carolina for the next round of implementation should efforts be successful.

- Creation of an **Early Childhood Education Fund** either at the state or community level, that is directly tied to teacher salaries in a licensed 4-5 star childcare center.

In 2020, New Mexico’s legislature established the Early Childhood Education and Care Fund, which is funded by oil and gas revenue and dedicated to early childhood programs and services. The fund sent \$150 million to early care and education last year, and it is expected to send \$486 million annually by 2028. There is a need to create revenue streams that are directly tied to teacher salaries.



**Childcare Ecosystem**

**Build Availability, Sustainability, and Stability of Childcare**

## Pillar 3: Childcare Ecosystem: Build Availability, Sustainability, and Stability of Childcare

The childcare ecosystem needs wrap-around care and support from the Watauga County businesses, government, parents, and partners. A need has been identified for creating additional childcare spots for children under 5 years and for elementary and middle students during out-of-school time. Strategies in this pillar include ideas to encourage the creation of more childcare spots through expansion, start-up operations, and partnerships. Additional tactics aim to promote system organization and efficiency of benefiting both the providers and parents.

- Create after-school care/wrap-around services for NC Pre-K children.** During this project, it was discovered that students enrolled in NC Pre-K programs held at elementary schools in Watauga County were not eligible to attend the after-school program offered at the facility. Regulations for pre-school differ from K-12, and there are many sensible aspects to these regulations. It does mean that parents of NC Pre-K students must pick up their children at the school and stay home or transport them to another location. Parents relayed their challenge of juggling childcare locations, schedules, and expenses.



Options should be explored among Watauga County Schools, elementary school principals, NC Pre-K directors, and other childcare providers to create care for these NC Pre-K children on school grounds or with other community partners.

2. **Consider innovative, alternative childcare centers.** Touted as a “new wave” in care, intergenerational centers pair childcare and senior citizen support. This solution involves two populations that can benefit from interacting with each other. Serving two groups also offers cost savings of shared resources such as food service. A growing body of research suggests that grouping these two ages can be good for both.<sup>19</sup>

Generations Child Development Center is co-located with several senior citizen programs and an assisted living center. Another example is Bennett College in Greensboro, NC, which houses a five-star rated intergenerational center that can serve 50 students.

A modern take on innovative multi-generational can be found in House of Generations in Denmark. This project includes housing and programs for people of all ages, and abilities and offers an integrated daycare center in the community referred to as Children’s Island. A development such as this offers inspiration and could be an aspirational goal for Watauga County with a variety of possible funding sources due to the multiple audiences it serves.

Intergenerational care is not the only innovative approach; however, it does offer several examples near and far as well as great benefits that an aging population and younger citizens can share.



**Program examples:**

Generations Child Development Center: West Jefferson NC  
[asheaging.com/generations-child.php](http://asheaging.com/generations-child.php)

Martin Dixon Intergenerational Center: Greensboro, NC  
[www.bennett.edu/mdic/](http://www.bennett.edu/mdic/)

House of Generations: Aarhus, Denmark  
[generationerneshus.aarhus.dk//](http://generationerneshus.aarhus.dk/)

3. **Encourage expansion with start-up funds for Family Childcare Homes (FCCH) and Family Friends and Neighbors caregivers (FFN)** that support quality care, licensing, and sustainability.

As mentioned earlier in this report, the Children’s Council of Watauga County, with the support of a grant from the Blue Cross and Blue Shield of North Carolina, has established a new program called Blue Ridge Beginnings. This program was created to build a home-based childcare network to address childcare needs in the community. The purpose of this network is to provide support, information, and tools to help home-based care providers support the healthy growth and development of children in their care.



Advocates for in-home childcare believe expanding home-based care operations makes sense, particularly for rural areas, where many families already use informal childcare because of fewer centers. Watauga County has been stable with nearly the same number of licensed home-based care centers and about 50 enrolled children for the past decade. Most of these have 5-8 children at each center and have a single staff member to care for mixed ages. Additional centers would help with the demand for spots and also absorb displaced children should a center close or the owner retire.

Encouraging expansion and providing tools for enriching learning environments at home-based centers is important and the Blue Ridge Beginnings should be supported for the work to continue.

4. **Identify local provider(s) or third-party childcare service providers to partner with a community to expand childcare spots.** Third-party childcare service providers can assist in creating more spots for children in Watauga County through partnership. The most popular model is employer-sponsored childcare; however, there are other possibilities for a consortium to work with a local or third-party childcare operator to manage childcare services. National companies such as Bright Horizons or KinderCare operate hundreds of centers for a variety of ages; they offer backup care, sick childcare, and other options. A local or regional operator could be a good choice as well. Operators or childcare consultants may also offer services from planning an establishment of a center to evaluating an existing space for possible operations.

A champion for childcare should reach out to companies and other community partners that may have appropriate facilities in needed locations for childcare. Family Forward NC has information on the process of evaluating the possibility of sponsoring an onsite or consortium-sponsored center.

After-school care expansion advocacy should also be a priority because of the number of spots needed. Since this type of care would be less than 4 hours a day, it does not need to be licensed. The recommendation is to reach out to community partners to find possible locations for after-school care.

5. **Consider second shift as well as sick childcare partnerships.** In addition to identifying childcare operators for opening new centers, the option of having care for sick children, second shift, or possibly weather-related backup care should also be considered. Parents relayed challenges with this type of need in both the survey and in focus groups. In the survey, 20% of respondents stated they need sick childcare for their children under 5 years. Additionally, 13% need second-shift (midday to evening) care. Twenty-eight percent of parents in our survey reported they need sick care and 8% responded they need second-shift options.



***Program example:***

Get Well Place, Richmond VA  
[leafspringschool.com/get-well-place/](http://leafspringschool.com/get-well-place/)

6. **Create a substitute pool for childcare and after-school care professionals.** Early childhood professionals working in childcare need substitute teachers; however, most operations are small and face challenges in finding a trusted person to help. When childcare professionals are sick, need personal time off, or want to attend an educational opportunity, there is usually no one available to substitute for them. Many teachers come to work sick and forgo professional development.

Creating a local or even regional pool of qualified, vetted substitutes can make a difference to childcare providers. Retired childcare providers, teachers, or qualified students may be possible candidates for temporary work.

7. **Leverage technology to streamline and aid the efficiency and reliability of the local system.** Watauga County parents have been juggling childcare options for their children. Leveraging technology and platforms to help parents navigate childcare options and providers or support partners manage information. While this is already being done via the Children’s Council, it is recommended that a tool be identified to allow management and timely sharing of information for parents. The world has become more automated with cloud-based information ready instantly, and the childcare system of Watauga County should make efforts to develop an online system for efficiency in some matters.

The availability and coordination of summer camps is one area in particular where parents could use a singular place to look at the weekly options during the summer to piece together care.

Technology is also an area where childcare providers can find support via shared services such as accounting, managing regulation, or other needed services. Again, Watauga County is fortunate to have excellent childcare partners that can serve more with the aid of technology and third-party tools.

Examples are listed solely as information to explore tools. No endorsement of any one app is being made. The recommendation is to explore tools to aid in efficiency and communication with parents.

### **Platform examples:**



TOOTRiS:  
[tootris.com](http://tootris.com)

Procure Solutions:  
[www.procaresoftware.com/capabilities/child-care-mobile-app](http://www.procaresoftware.com/capabilities/child-care-mobile-app)

Brightwheel:  
[mybrightwheel.com](http://mybrightwheel.com)



## Voice & Policy

Advocate, Encourage, and Plan for Childcare

### Pillar 4: Voice and Policy: Advocate, Encourage and Plan for Childcare

1. **Create a business and childcare collaborative to specifically develop state legislative priorities surrounding job creation and growth for childcare.** Priorities should be workforce salaries, access, quality, and affordable childcare. Possible leaders in this space include chambers of commerce within Watauga County, the Watauga Economic Development Commission, or a business roundtable group.
2. **Promote expansion of families' eligibility for childcare benefits.** Subsidies and qualifications for sending your 4-year-old to NC Pre-K are considered too low for most families in need in Watauga County. Standards for qualifying for childcare subsidies range from family income at or below the 200% federal poverty level for parents of children birth to 5 years to 133% of the federal poverty level for parents of children aged 6 to 11 years. Currently, only 79 children are receiving subsidized childcare assistance in Watauga County according to the Division of Child Development and Early Education reports. Many families are earning too much to qualify for subsidies, but not enough to afford childcare – particularly when families have multiple children needing care.

There is a missing middle-income piece in childcare affordability. The recommendation is to either raise the income level for program eligibility at the state level or explore ways to assist families locally.

3. **Encourage family-friendly businesses** through the innovative Family Forward NC initiative. North Carolina is fortunate to have this organization focused on helping create policies that improve the state's competitive advantage by promoting family-friendly workplaces. Family Forward NC offers assistance in planning and also has a toolkit for businesses to leverage in building policies to benefit employees and form a family-friendly culture. Companies can become certified by the organization as family-friendly, signaling policies that may attract, retain, and benefit employees.

This recommendation can help in addressing the sizable loss of revenue and time that is experienced due to distraction, absenteeism, or decreased productivity related to childcare concerns. A family-

friendly summit for area businesses could provide a platform for companies to share ideas and challenges. Several businesses shared via stakeholder engagement that they sponsored a summer camp, and another firm provided discounted care during winter months. These programs are examples of family-friendly initiatives.



**Program Examples:**

The Children’s Council of Watauga County is a Family Forward NC Certified Employer.

The City of Greensboro is striving to become the first Family Forward NC Certified Community by 2025. The campaign is underway promotions may be seen on social media: <https://tinyurl.com/249txvus>

- 4. **Expand the infrastructure development definition should be expanded to include the childcare ecosystem.** Watauga County and towns within the county should consider childcare needs when planning for roads, schools, and transportation. Childcare needs to be included in the planning equation and be part of the community mindset as public entities prepare for the future.

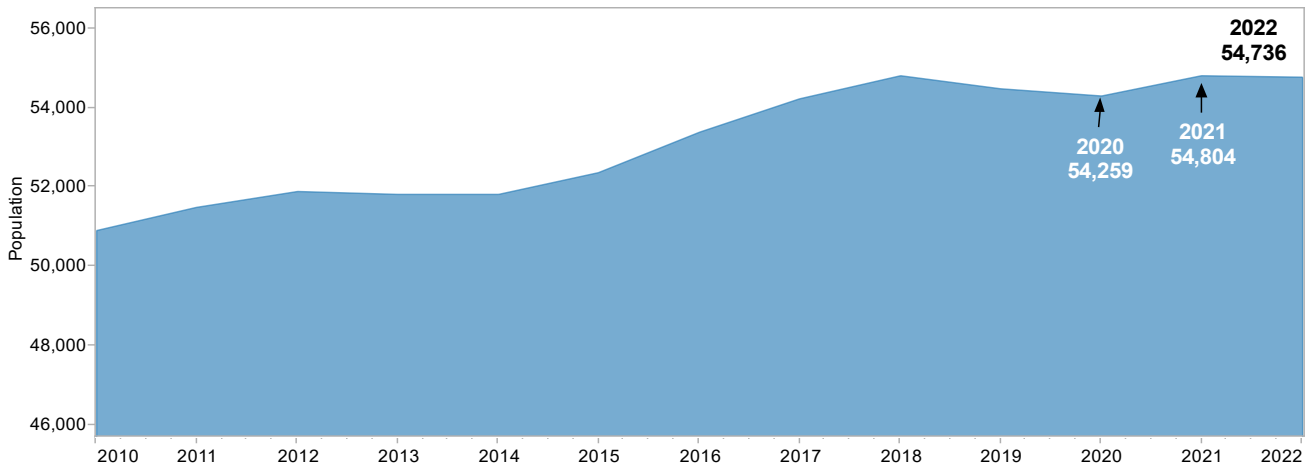
## 5. ECONOMIC OVERVIEW: THE CURRENT STATE OF WATAUGA COUNTY

### Population

Population growth is a key element in the analysis of a community and can be a significant factor in determining the health and talent potential of an area. Watauga County has a population of 54,736 as of 2022 according to the North Carolina State Demographer population estimates. In general, the county has experienced steady growth over the past five years, although there was a minor loss of 68 people between 2021 and 2022.

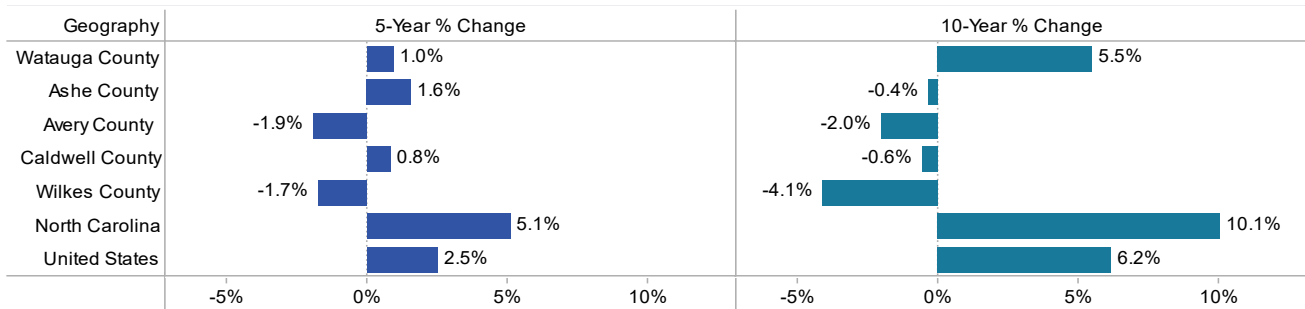
Over the past five years, the county grew by 1%, and over the past decade by 5.5%. Watauga County was the only one among neighboring counties to have gained population in the past ten years. Population gains are more through migration than natural increases (births minus deaths), as the Watauga County birth rate per 1,000 people was 5.8 in 2021 compared to a high of 7.2 in 2017. Approximately 21,000 students attend Appalachian State University (App State) and are counted in this population figure.

#### WATAUGA COUNTY POPULATION CHANGE



#### COMPARATIVE POPULATION CHANGE

Geography	2022 Population	1-year % Change	5-Year % Change	10-Year % Change
Watauga County	54,736	-0.1%	1.0%	5.5%
Ashe County	26,814	1.2%	1.6%	-0.4%
Avery County	17,395	0.3%	-1.9%	-2.0%
Caldwell County	81,587	0.3%	0.8%	-0.6%
Wilkes County	65,691	0.8%	-1.7%	-4.1%
North Carolina	10,705,403	1.3%	5.1%	10.1%
United States	333,271,411	0.4%	2.5%	6.2%



Source: North Carolina Office of State Budget and Management, State Demographer's Office, 2023

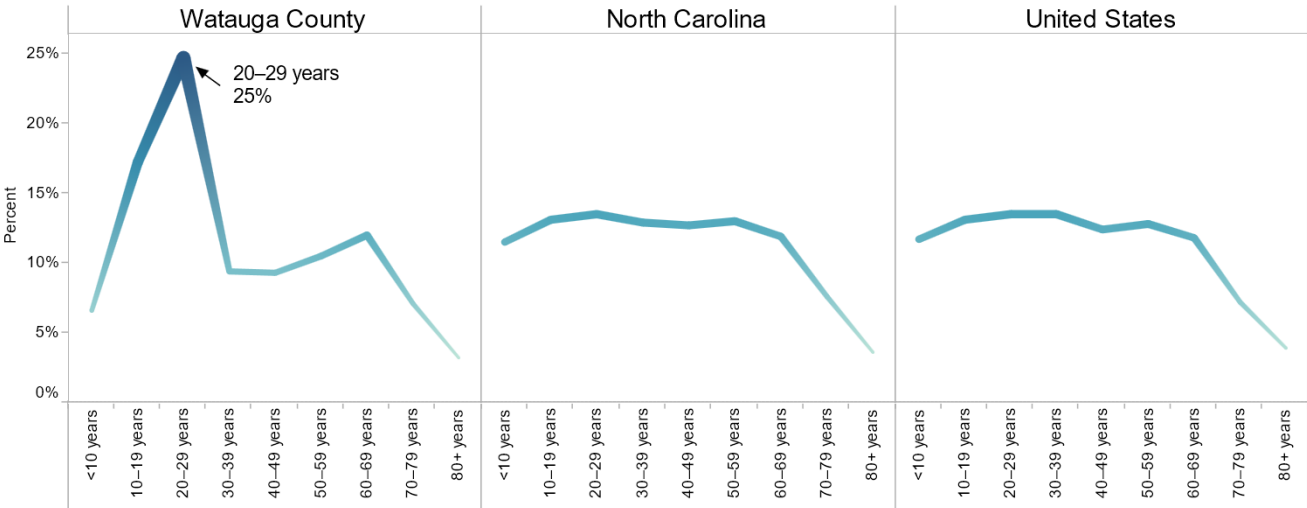


### Age Profile

The age composition of Watauga County is important to the evaluation of the current economic landscape in terms of talent availability and how the age distribution influences the needs of the community. The global trend of an aging population and declining birth rates is certainly evident in population distribution; however, as shown in the charts below, Watauga County's large number of college students is an outlier compared to North Carolina and the nation. I

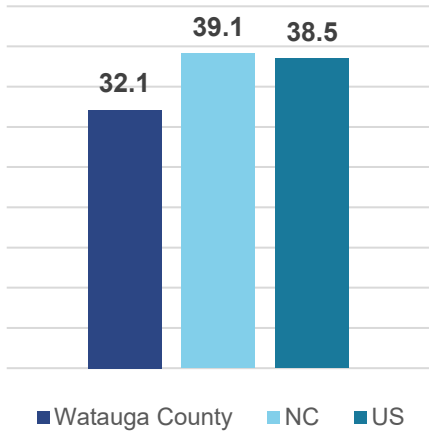
We can assume that this younger generation will age and begin stating families. This, in addition to migration patterns described in the section that follows, helps to show that support for the care of children will continue to be a need. Watauga County's largest age group is between 20 and 29 years, 25% of the total population. This makes the median age of 32.1 much younger than the state and nation. The predominance of younger people is a notable talent asset for economic development.

#### POPULATION BY AGE, 2022



	Watauga County (#)	Watauga County (%)	North Carolina	United States
<5 years	1,625	3.0%	5.6%	5.7%
5-9 years	1,977	3.6%	5.9%	6.0%
10-14 years	1,798	3.3%	6.4%	6.5%
15-19 years	7,556	13.9%	6.7%	6.6%
20-24 years	10,389	19.0%	6.8%	6.7%
25-29 years	3,098	5.7%	6.7%	6.8%
30-39 years	5,117	9.4%	12.9%	13.5%
40-49 years	5,073	9.3%	12.7%	12.4%
50-59 years	5,725	10.5%	13.0%	12.8%
60-69 years	6,516	12.0%	11.9%	11.8%
70-79 years	3,873	7.1%	7.6%	7.2%
80+ years	1,793	3.2%	3.6%	3.9%

#### MEDIAN AGE, 2022

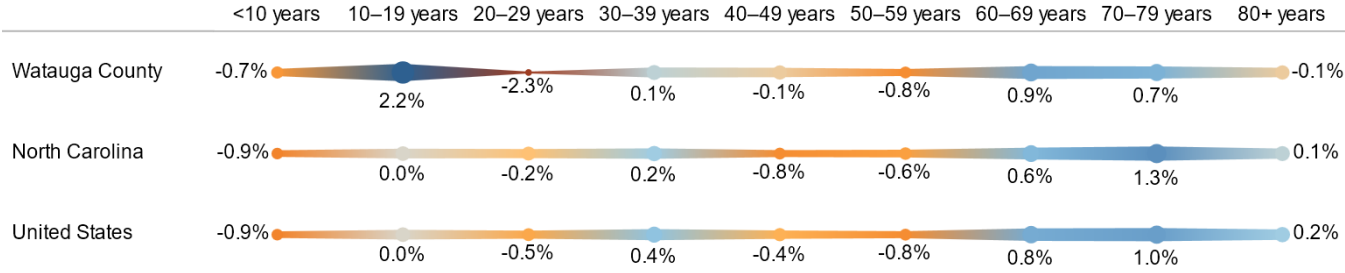


Source: U. S. Census Bureau American Community Survey, 5-Year Averages

# WATAUGA COUNTY CHILDCARE STUDY

Nationally, the population is aging, and Watauga County follows this trend with increasing numbers of residents between the ages of 60 and 79. However, younger groups are also growing, with those 10 to 19 years of age increasing by 2.2% between 2017 and 2022. Surprisingly, those aged 20 to 29 years fell by 2.3% on average during that same time period.

## CHANGE IN POPULATION BY AGE, 2017-2022



Source: U. S. Census Bureau American Community Survey, 5-Year Averages

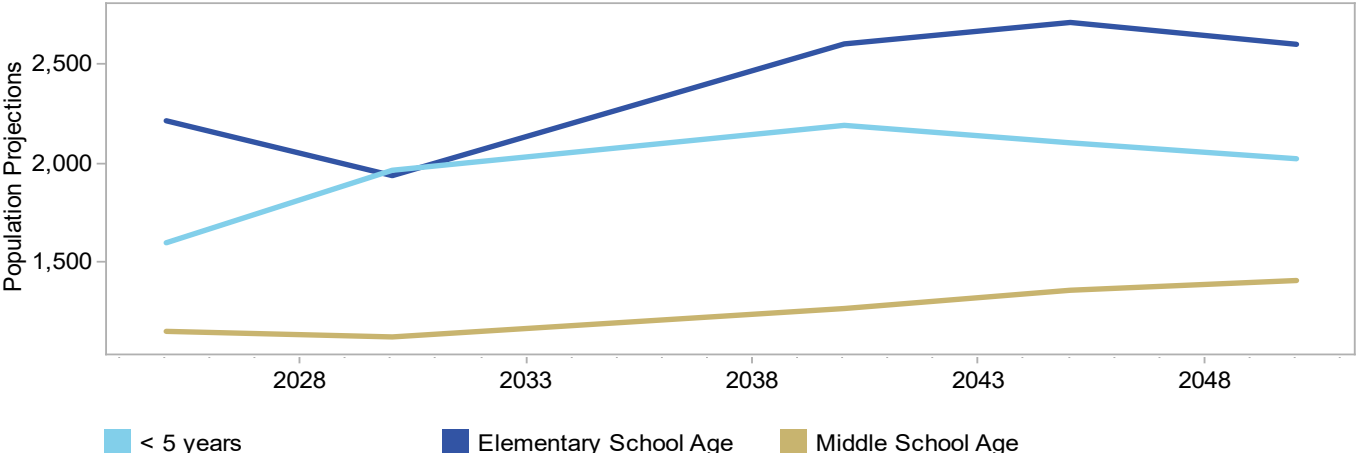
## POPULATION PROJECTIONS

The North Carolina State Demographer’s Office creates population projections to assist communities in long-range planning efforts. Watauga County is predicted to grow to 71,404 by 2050 with growth distributed across age groups. The table below shows estimated growth by age group while the line graph illustrates the pattern of change for younger and school-aged children. These figures, which are from different source data, cannot be compared to other population figures in this report and are used to illustrate projected growth among age groups.

## POPULATION PROJECTIONS BY AGE

Year	<5	5-9	10-14	15-19	20-24	25-29	30-39	40-49	50-59	60-69	70-79	80+	Total
2030	1,968	1,614	1,843	6,577	12,027	5,018	6,316	5,793	4,826	5,190	5,075	3,594	59,841
2040	2,194	2,175	2,099	6,502	12,567	4,662	8,700	6,555	6,137	5,004	4,729	4,569	65,893
2045	2,106	2,244	2,273	6,838	12,653	4,505	8,307	8,482	6,428	5,517	4,529	4,710	68,592
2050	2,026	2,152	2,347	7,058	13,201	4,530	8,688	8,954	6,916	6,257	4,577	4,698	71,404

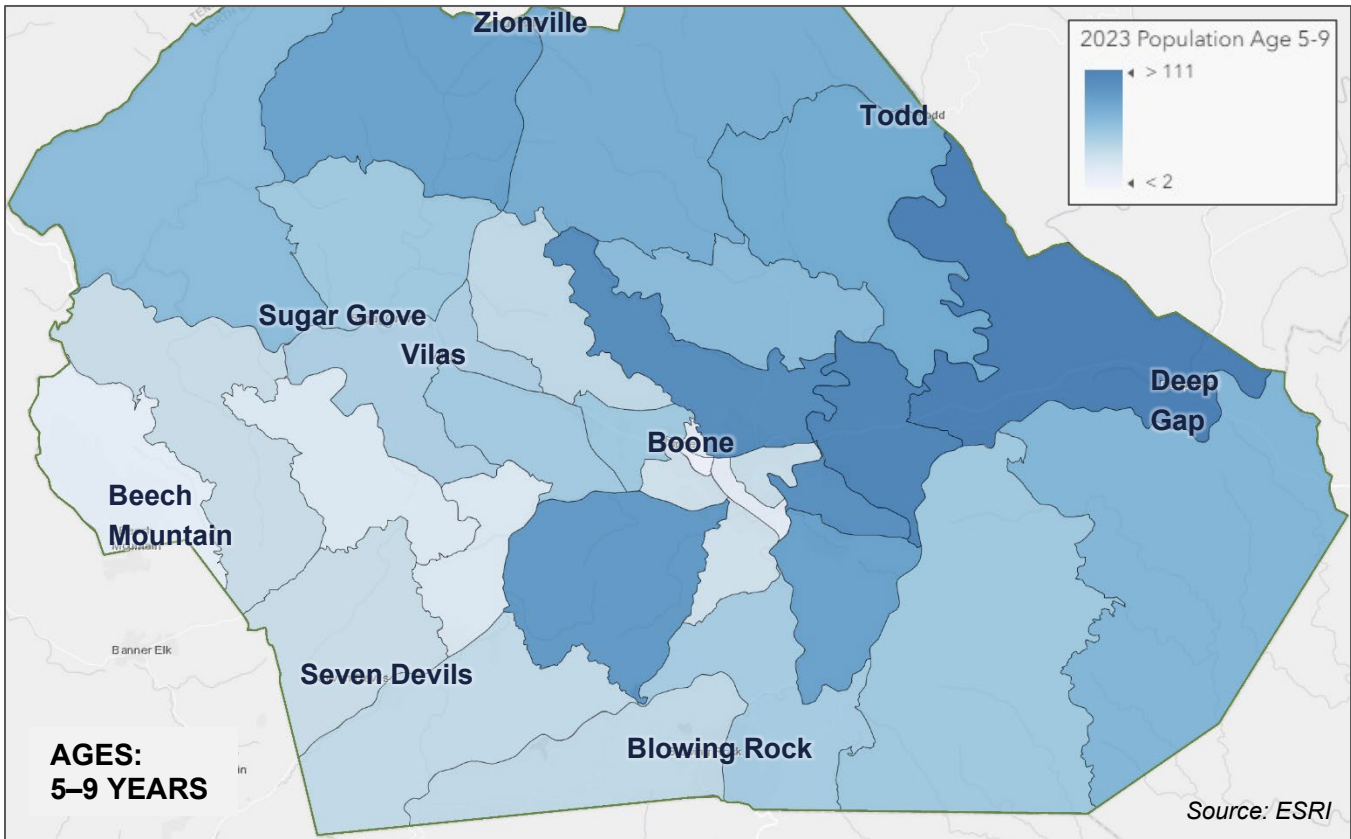
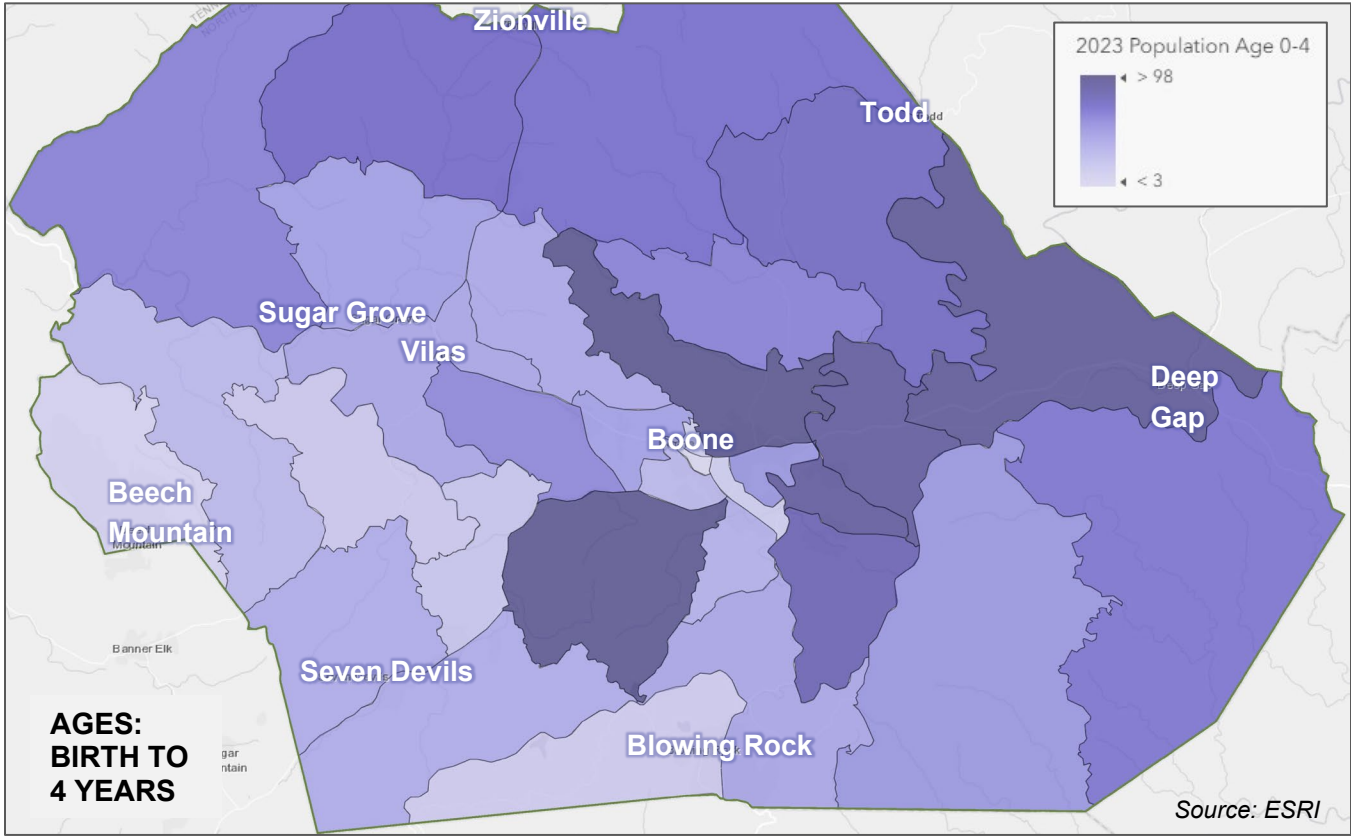
## POPULATION PROJECTIONS OF KEY AGE GROUPS



Source: North Carolina Office of State Budget and Management, State Demographer’s Office, 2023

# WATAUGA COUNTY CHILDCARE STUDY

## CONCENTRATION OF POPULATION ESTIMATES, 2023



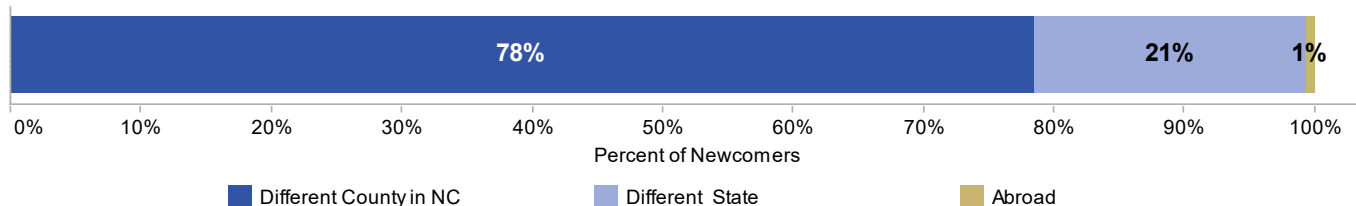
## Migration

Watauga County is a very desirable location and attracts new residents for a variety of reasons. App State is a big draw for its students and employees, Employers such as Appalachian Regional Healthcare System and Samaritan's Purse also draw residents to the county. Although the population has had a slight decline in 2022, there are, on average, 9,000 residents moving into Watauga County based on 2022 data. A majority of those residents (69%) were of college age from 18 to 24 years old. There were more than 400 residents under the age of 18 years or 5% of all people who moved into the county within the past year. This data serves as an indicator of new residents or “in-migration” but does not reflect any persons moving out of the county (out-migration). The number of younger people moving into Watauga County shows the ongoing need for childcare.

### IN-MIGRATION, 2022

Category	Different County, Same State	Different State	Abroad	Total New Residents
<b>Residents Who Moved into Watauga County</b>	<b>7,112</b>	<b>1,900</b>	<b>54</b>	<b>9,066</b>
% of New Residents	78%	21%	1%	100%
Median Age	19.8	22.8	25.7	
<b>New Residents By Age</b>				
1–4 years	49	37	8	95
5–17 years	179	144	0	324
18–24 years	5,441	854	17	6,312
25–34 years	434	355	17	806
35–44 years	156	186	10	352
45–54 years	395	91		486
55–64 years	260	120		380
65+ years	197	108	27	332

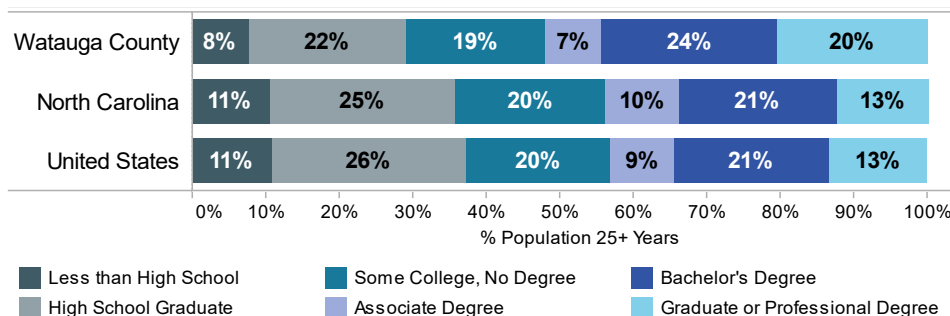
### NEWCOMERS, 2022



Source: U. S. Census Bureau American Community Survey, 5-Year Averages

## Educational Attainment

Of Watauga County’s population 25 years or older, 71% have some post-secondary education and 44% hold a bachelor’s degree or higher. Education levels are higher than the state and nation mostly due to the presence of App State.



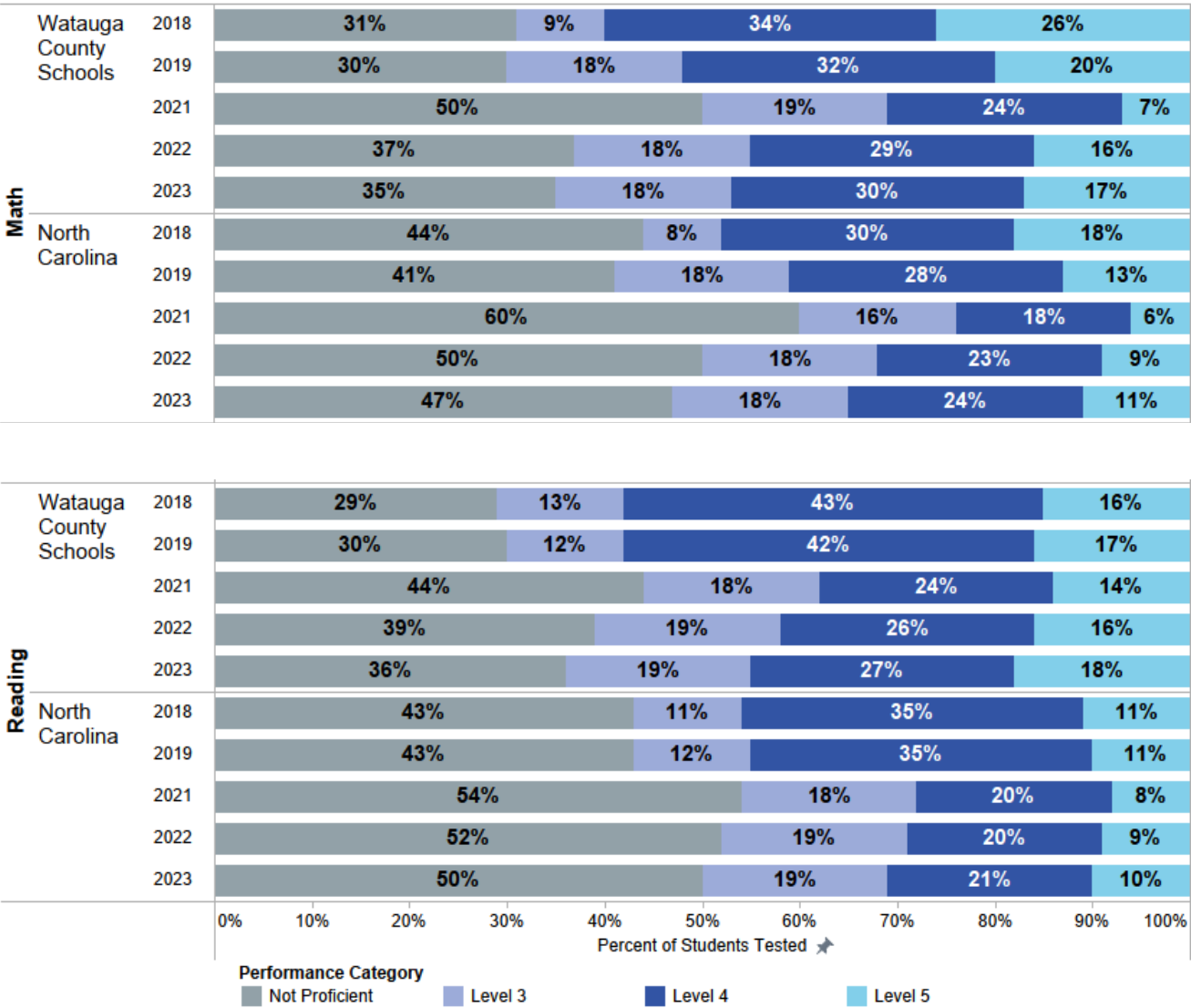
Source: U. S. Census Bureau American Community Survey, 5-Year Averages

### Public School Student Performance

Watauga County children primarily attend public schools, and test scores, while not the only measure of success, provide an indicator of student achievement. Looking at trends in student performance can measure the effectiveness of early childhood education, school system operations, and the preparedness of the county’s youth to enter the labor force or pursue post-secondary training or education options.

End-of-grade (EOG) assessments measure a student's performance on a variety of subjects. Math and reading tests were chosen as the indicators and are taken in grades 3–8. Level 3 is considered grade level proficient, while Levels 4 and 5 show advanced scores with students on track for career-and-college readiness. On the whole, Watauga County Schools students outperform the state on both math and reading EOGs. However, COVID-19 has affected scores, with 2020 omitted from EOG testing and proficiency levels slowly building back up toward pre-COVID scores.

#### END-OF-GRADE PERFORMANCE



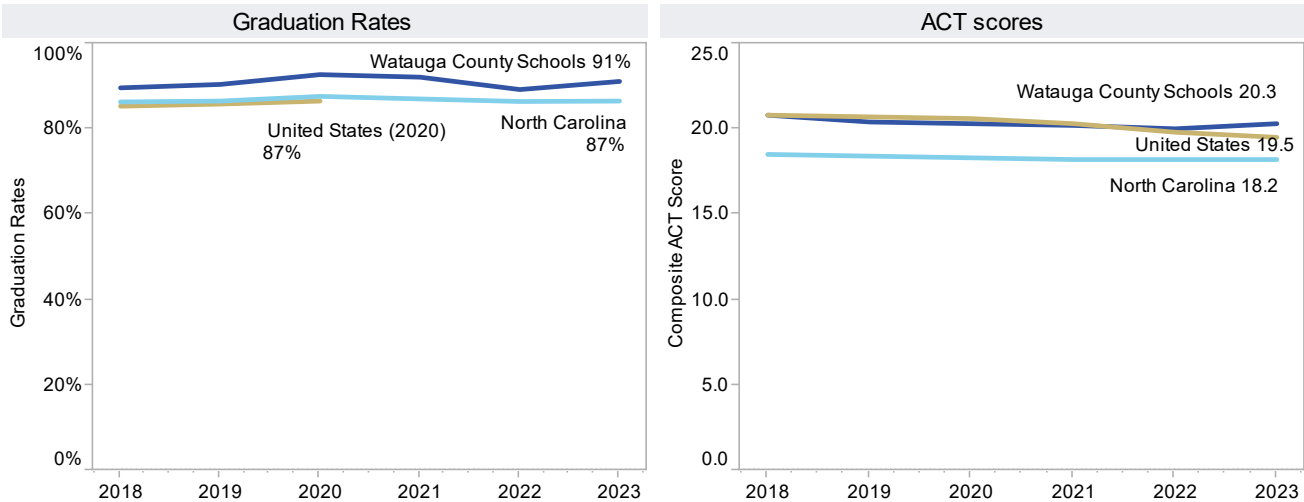
Source: North Carolina Department of Public Instruction, 2024



**HIGH SCHOOL PERFORMANCE**

Another indicator of public school system success is the share of high school students who graduate within four years of beginning ninth grade. This four-year graduation rate is an important measure of local schools as well as the education level of future workers and community members. Watauga County Schools had a graduation rate of 91% for the 2022-2023 school year, which far exceeds that of the state. The graduation rate trend for Watauga County has been higher than the state and nation, although it dropped to 89% in 2022 only to rise again in 2023.

The ACT exam is a standardized test for college readiness and is an indicator of education quality. North Carolina offers free ACT testing to high school students in their junior year. The Watauga Schools had a composite average score of 20.3 out of a perfect score of 36 for juniors taking the test in 2023. This is several points higher than the state-wide and national average score.

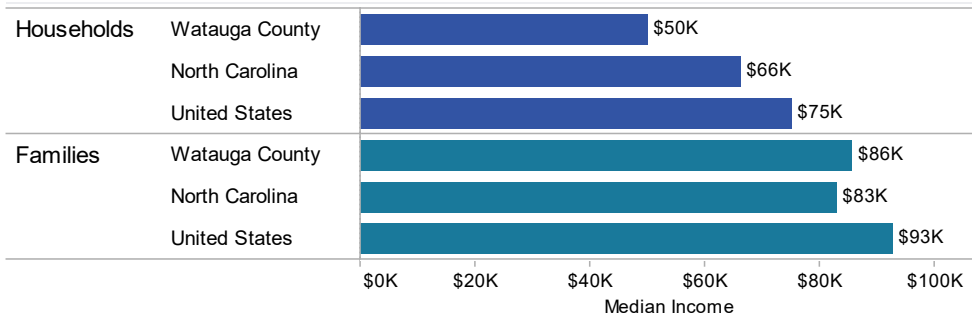


**Income**

Income and earnings are presented in several ways to help gain a perspective of affordability for childcare along with other costs of living. Household income represents the sum of earnings for all people 15 years or older – related or unrelated – who share the housing unit. This could include a household of college student roommates or a multitude of other living arrangements with unrelated people. Family income includes incomes for the same age range (15 years or older) but reflects households of related individuals.

**MEDIAN INCOMES, 2022**

Watauga County had a median annual income of \$50,034 for all households and \$85,689 for families. The county’s household median income is below that of the state and nation, but family income was greater than the state.

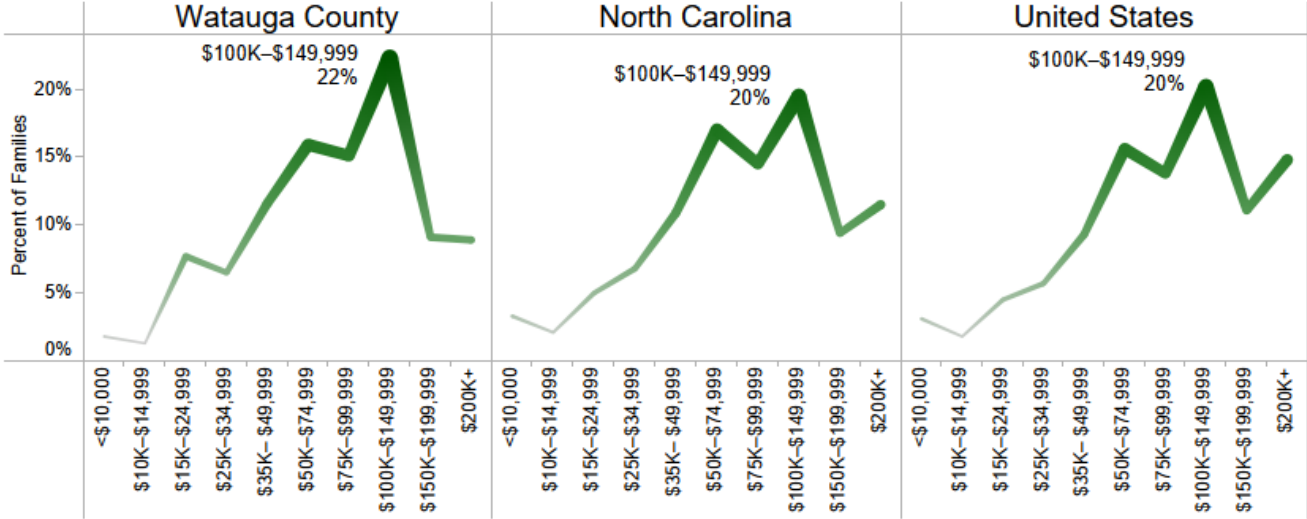


Source: U. S. Census Bureau American Community Survey, 2022 5-Year Average

# WATAUGA COUNTY CHILDCARE STUDY

Across the board, family income levels between \$100,000 and \$149,000 were the largest concentration of incomes within the geographies compared. Watauga County had the highest percentage in that category with 22% of families – two percent higher than the state and nation. This represents 2,400 families. More than half of the county’s families make more than \$75,000 annually as of 2022.

### FAMILY INCOMES, 2022



	Watauga County (#)	Watauga County (%)	North Carolina	United States
< \$10,000	189	1.8%	3.3%	3.1%
\$10K–\$14,999	136	1.3%	2.1%	1.8%
\$15K– \$24,999	827	7.7%	5.0%	4.5%
\$25K–\$34,999	702	6.5%	6.8%	5.7%
\$35K– \$49,999	1,247	11.6%	10.9%	9.3%
\$50K–\$74,999	1,714	15.9%	17.0%	15.6%
\$75K–\$99,999	1,630	15.1%	14.5%	13.8%
\$100K–\$149,999	2,400	22.3%	19.5%	20.2%
\$150K–\$199,999	977	9.1%	9.4%	11.1%
\$200K +	963	8.9%	11.5%	14.8%
Median Income		\$85,689	\$82,890	\$92,646

Source: U. S. Census Bureau American Community Survey, 2022 5-Year Average

## Living Wage

A living wage<sup>20</sup> model was developed by the Massachusetts Institute of Technology (MIT) as a market-based approach that draws upon a family’s likely basic expenditures and cost of living specific to a geography. The wage rate is intended to illustrate what an individual or couple must earn to support a household. The living wage in Watauga County is between \$14.01, as part of a dual-income household with no children, to \$56.63 as a single adult with 3 children. This wage rate helps establish affordability of childcare.

### WATAUGA COUNTY LIVING WAGE, 2024

Adults	Adults Working	0 Children	1 Child	2 Children	3 Children
1 Adult	1 Working	\$40,206	\$72,342	\$92,206	\$117,790
	2 Adults				
	1 Working	\$58,302	\$70,616	\$80,018	\$84,011
	Both Working	\$29,141	\$40,851	\$51,563	\$58,448

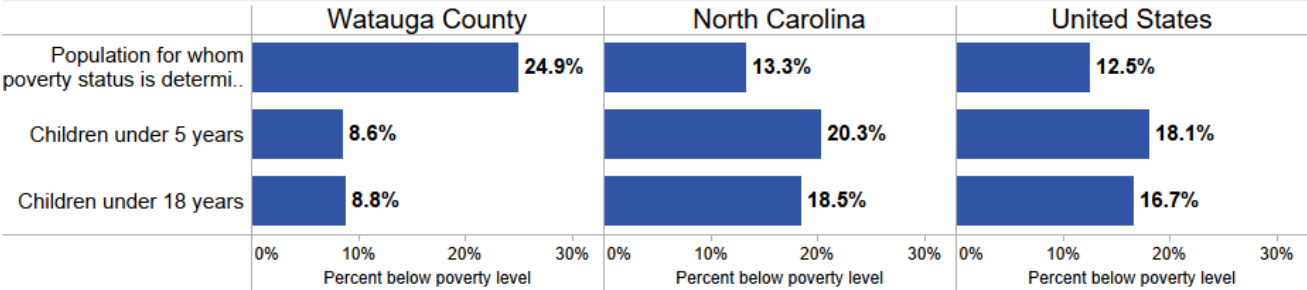
Source: MIT Living Wage Calculator. Assumption for full-time work at 2,080 hours annually per working adult.

**Poverty**

The measurement of poverty in a community helps to evaluate the well-being of the citizens and the state of the economy. Poverty is typically measured as the percent of the population that has an income below a threshold set by the federal government as the official poverty measure.

Watauga County’s poverty rate in 2022 was 24.5%, which is significantly higher than that of North Carolina and the nation. However, the poverty rate for children under 5 years and 18 years was 8.6% and 8.8%, respectively, a rate far below the state and national comparisons. This disparity between the high overall poverty rate and low childhood poverty rate is likely due to App State students. Research has shown that the presence of college students who live off campus raises the community’s poverty rate, particularly in smaller communities.<sup>21</sup> In 2016, the difference between the total poverty rate and the poverty rate excluding off-campus college students was 14.5 percentage points.

**POVERTY RATES, 2022**

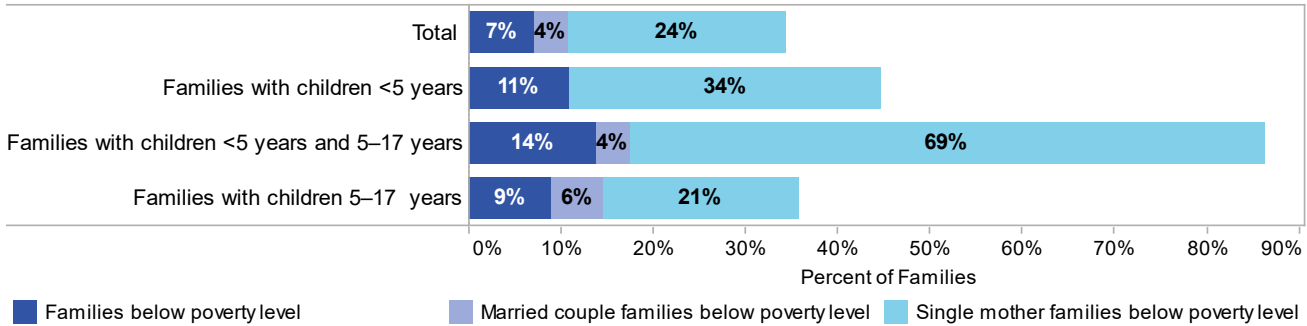


Another data point for poverty is to examine the poverty rate of families. Seven percent of Watauga County’s families live below the poverty level. The county’s poverty rates for married, single-mother, and all families are lower than that of the state and nation.

Single-mother families have the highest poverty rates in Watauga County, especially in families with children aged below 5 years and children aged 5 to 17 years under the same roof. The U.S. Census does not collect poverty rates for single fathers.

Families Below Poverty Level	Watauga County	North Carolina	United States
Total	7.0%	9.5%	8.8%
Married-Couple Families	3.7%	4.5%	4.5%
Single-Mother Families	23.6%	26.6%	24.1%

**WATAUGA COUNTY POVERTY RATES IN FAMILIES, 2022**



Source: U. S. Census Bureau American Community Survey, 2022 5-Year Average

## Labor Force & Participation

Talent pipeline, unemployment rate, and labor force participation are three key measures of a community’s economy. It is the people in the community who will work at area businesses, create new businesses, or educate the next generation. Watauga County’s labor force was 29,969 on average for 2023, reflecting residents currently working for a company, self-employed, or actively looking for work. The average unemployment rate for 2023 was 3%, the lowest rate in a decade.

Watauga County’s labor force grew by 5.2% in the past five years along with the number of residents who are employed (a 5.8% increase), which are both higher than the growth rate nationally but behind that of North Carolina as a whole.

### LABOR FORCE, 2023

	2023 Annual Average			5-Year Change (2018-2023)		
	Watauga County	North Carolina	United States	Watauga County	North Carolina	United States
Civilian Labor Force	29,969	5,231,638	167,116,417	5.2%	6.5%	3.1%
Employed	29,070	5,050,870	161,036,583	5.8%	7.1%	3.4%
Unemployment Rate	3.0%	3.5%	3.6%	-0.6%	-0.5%	-0.3%

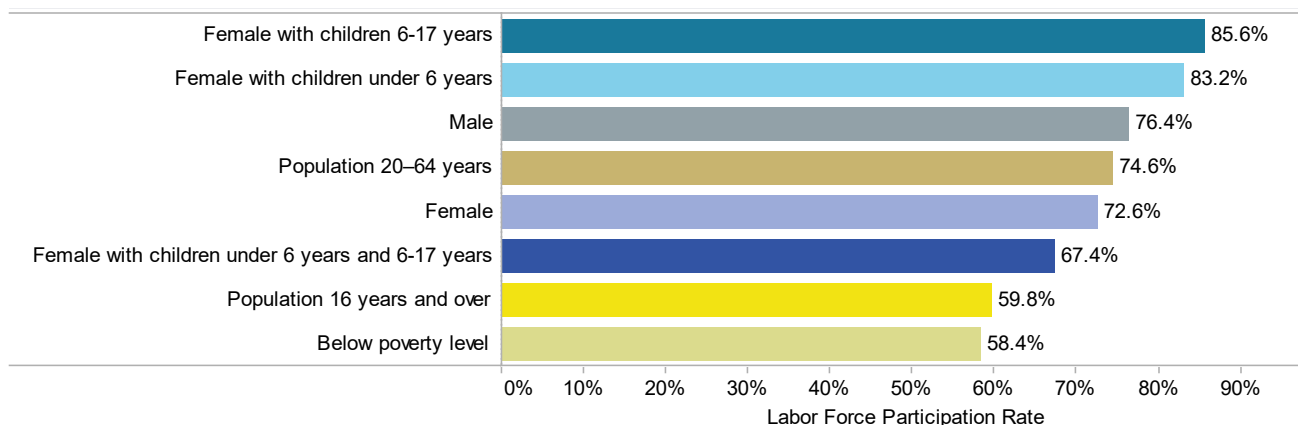
Source: NC Department of Commerce, Labor & Economic Analysis,

### LABOR FORCE PARTICIPATION, 2022

Labor force participation measures the percentage of people who are either working or actively looking for work. Watauga County’s overall average participation rate was 59.8%, below North Carolina and the nation. For prime working age, the county’s participation rate was 74.6%, a more robust figure but still below the state and national averages.

Labor Force Participation Rates	Watauga County %	North Carolina	United States
Population 16 years and over	59.8%	62.6%	63.5%
Population 20–64 years	74.6%	77.5%	78.3%
Male	76.4%	82.1%	82.7%
Female	72.6%	72.9%	73.8%
With children <6 years	83.2%	71.2%	72.8%
With children <6 years and 6-17 years	67.4%	66.8%	66.8%
With children 6-17 years	85.6%	78.5%	78.4%
Below poverty level	58.4%	47.9%	47.1%

### WATAUGA COUNTY LABOR FORCE PARTICIPATION, 2022



Source: U. S. Census Bureau American Community Survey, 2022 5-Year Average

## WATAUGA COUNTY CHILDCARE STUDY

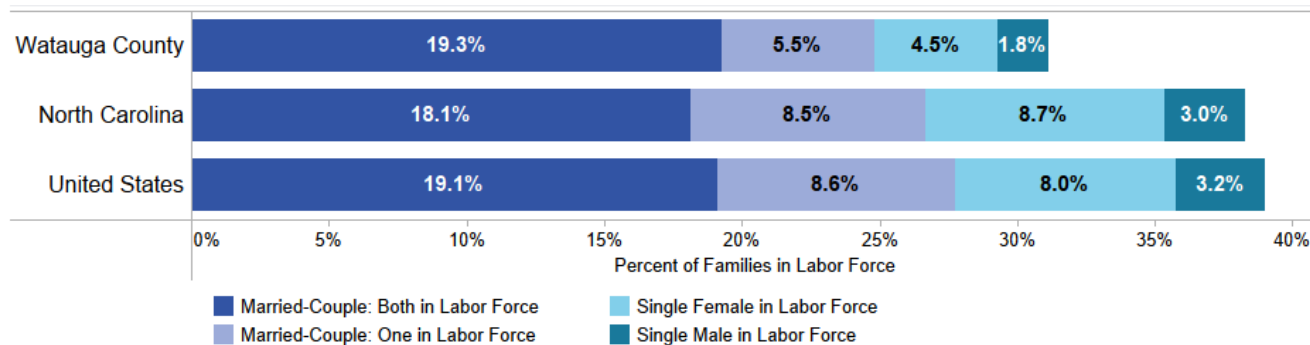
The group with the highest rate of participation in Watauga County's labor market is females with children aged 6-17 at home at 85.6% followed closely by females with children under 6 years living at home (83.2%). The data does not distinguish whether these groups are single parents or have a partner to assist in the care of children. Of particular note is the low participation rate of females with children both aged under 6 and 6 to 17 years at home (67.4%). These women may face challenges meeting the different needs of both age groups of children while also maintaining full-time work. Those with income below the poverty level were the least likely to participate in the workforce.

Watauga County's families with either parent working or actively looking for work make up 31% of all families in the labor force. Married couples with children under 18 years at home with both parents working were 19% of all families in the labor force. Collectively, single parents with children under 18 years at home were 3.2%. In 2022, married couples with both parents in the labor force, together with single parents in the labor force, comprised **2,700 families** with children under age 18. While these categories consist of a variety of living and working situations, this is an indicator of families that may need childcare options in the community.

### WATAUGA COUNTY FAMILIES AND PRESENCE IN THE LABOR FORCE, 2022

Label	Watauga County #	Watauga County %	North Carolina	United States
<b>Families with Children Under 18 Years Living at Home</b>				
Married-Couple: Both in Labor Force	2,078	19.3%	18.1%	19.1%
Married-Couple: One in Labor Force	598	5.5%	8.5%	8.6%
Single Female in Labor Force	484	4.5%	8.7%	8.0%
Single Male in Labor Force	198	1.8%	3.0%	3.2%
<b>Families with No Children Under 18 Years Living at Home</b>				
Married-Couple: Both in Labor Force	2,634	24.4%	18.4%	18.4%
Married-Couple: One in Labor Force	1,567	14.5%	13.1%	12.6%
Single Female in Labor Force	153	1.4%	5.0%	5.2%
Single Male in Labor Force	212	2.0%	2.3%	2.9%
<b>Total Families in Labor Force</b>	<b>7,924</b>	<b>73.5%</b>	<b>77.0%</b>	<b>78.1%</b>

### WATAUGA COUNTY FAMILIES WITH CHILDREN IN THE LABOR FORCE, 2022



Source: U. S. Census Bureau American Community Survey, 2022 5-Year Average



**Commuting & Labor Draw**

Resident workers are not always working within the area they live. Approximately 7,500 people live in the county but commute to jobs elsewhere. Watauga County serves as an employment center, attracting more than 10,500 workers along with the 9,800 people who both live and stay to work in the county. This provides a net inflow of workers that has increased over the past decade. In 2021, the latest available commuting data, Watauga County had a net inflow of nearly 3,000 people.

**WATAUGA COUNTY COMMUTING PATTERNS, 2021**

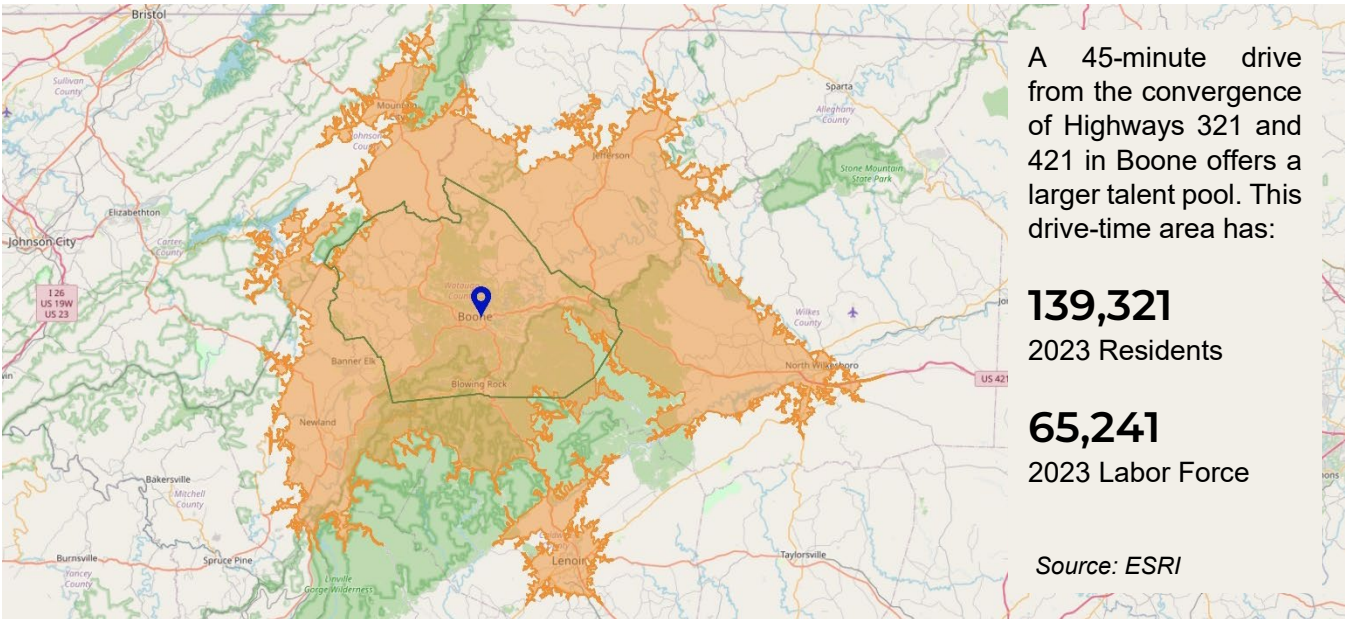


**WATAUGA COUNTY COMMUTING TREND**

	2011	2016	2021
Employed in County but Living Outside (In-Bound)	10,063	9,905	10,516
Living and Employed in County (Stay in County)	9,302	10,097	9,854
Living in County but Employed Outside (Out-Bound)	9,776	6,896	7,552
<b>Net Job Inflow</b>	<b>287</b>	<b>3,009</b>	<b>2,964</b>

Source: 2021 U.S. Census Bureau, Longitudinal Employer-Household Dynamics, includes primary jobs or one job per worker.

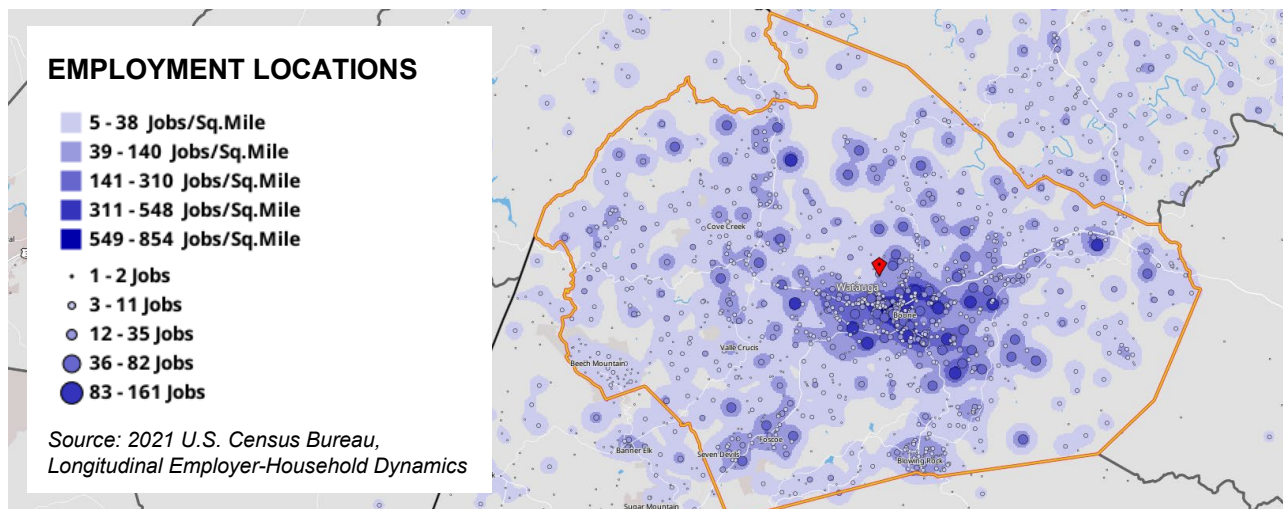
**WATAUGA COUNTY LABOR DRAW AREA**



## Watauga County Major Employers

Watauga County employers are part of the childcare equation in that they are affected by their workers who struggle with quality childcare issues. Parents comprise a large portion of the labor force and being able to work more effectively is a goal for both employees and their companies. Increasing childcare access in the short term leads to more workers who can be more productive. Investing in quality early childcare is shown to be a good investment resulting in more well-adjusted workers in the long term.

Company	Type of Business	Employment Range
Appalachian State University	Higher Education	1000+
Appalachian Regional Healthcare System	Healthcare	1000+
Samaritan's Purse	Non-Profit Humanitarian Aid	500-999
Watauga County Schools	Education	500-999
Watauga County	Local Government	250-499
Wal-Mart	Retail	250-499
Chetola Lodge	Hospitality & Recreation	100-249
Mast General Store	Retail	100-249
Town Of Boone	Local Government	100-249
Publix	Retail	100-249
Lowe's Home Centers	Retail	100-249
Tweetsie Railroad	Hospitality & Recreation	100-249
Appalachian Ski Mountain	Hospitality & Recreation	100-249
Beech Mountain Resort	Hospitality & Recreation	100-249
ECR Software Corporation	Technology	100-249
Food Lion	Retail	100-249
RHA Health Services	Healthcare & Social Services	100-249
Hound Ears Club	Hospitality & Recreation	100-249
Lost Province Brewing Company	Hospitality & Recreation	100-249
Mellow Mushroom	Hospitality & Recreation	100-249
Harris Teeter	Retail	100-249
Goodnight Brothers	Food Processing & Packaging	100-249
Modern Ford Of Boone	Auto Dealer	100-249
J. Crew Factory Stores	Retail	100-249
Stick Boy Bread Co	Bakery	100-249
Blue Ridge Rentals Holdings	Real Estate, Rental & Leasing	100-249



## Industry & Occupational Analysis

While the labor force is resident-based, industry analysis represents employment located in Watauga County, regardless of where workers live. Data includes those working for companies or self-employed individuals regardless of where they live. Watauga County has an employment base of 27,664 jobs with Leisure & Hospitality as the top sector at 20% of total jobs.

The next largest employment sector is Educational Services, which includes local schools, universities, and other training operations. Healthcare & Social Services and Retail Trade are both 14% of the employment mix, with nearly 4,000 jobs each. Drivers of the Watauga County economy include the university, healthcare, and tourism or experience-based operations. All of these draw people into the community and offer potential for worker retention.

Watauga County gained 1,252 jobs over the past five years with Healthcare & Social Assistance gaining the most jobs at 516. Professional & Business Services gained 374 jobs and Educational Services added 265 jobs to the county employment base. Several sectors experienced job loss with the largest losses being in Retail Trade (-69 jobs) and Manufacturing (-56 jobs). Some changes can be attributed to industry changes and automation/self-service options. Other sectors with losses below 30 include the Information, Construction & Utilities, and Leisure & Hospitality sectors. Knowing the types of businesses that employ people in Watauga County is an excellent tool to evaluate flexibility, times and days when child care is needed.

**27,664**

Watauga County Employment  
*(All employment based in county)*

**1,252**

New Jobs in Watauga County  
*(5-Year Growth for all sectors)*



**20%**

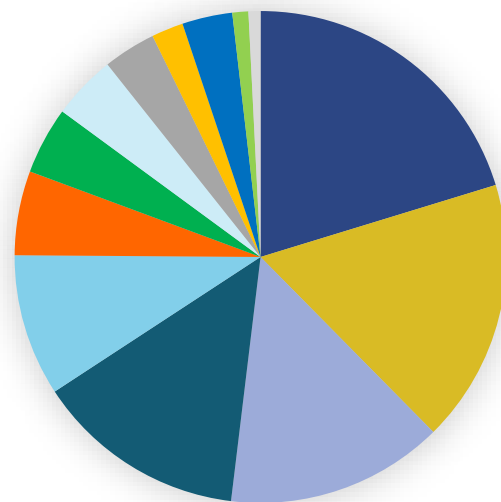
Leisure & Hospitality Employment  
*(Top employment sector)*

**516**

Healthcare & Social Assistance  
*(Top Sector, 5-Year Growth)*

### WATAUGA COUNTY INDUSTRY MIX, 2023

Industry	2023 Employment	% of Employment
Leisure & Hospitality	5,608	20%
Educational Services	4,794	17%
Healthcare & Social Assistance	3,960	14%
Retail Trade	3,835	14%
Professional & Business Services	2,581	9%
Construction & Utilities	1,532	5.5%
Finance, Insurance & Real Estate	1,225	4.4%
Other Services	1,170	4.2%
Public Administration	957	3.5%
Transportation, Warehousing & Wholesale Trade	913	3.3%
Manufacturing	579	2.1%
Natural Resources	291	1.1%
Information	218	0.8%



Source: JobsEQ, 2023 Q3

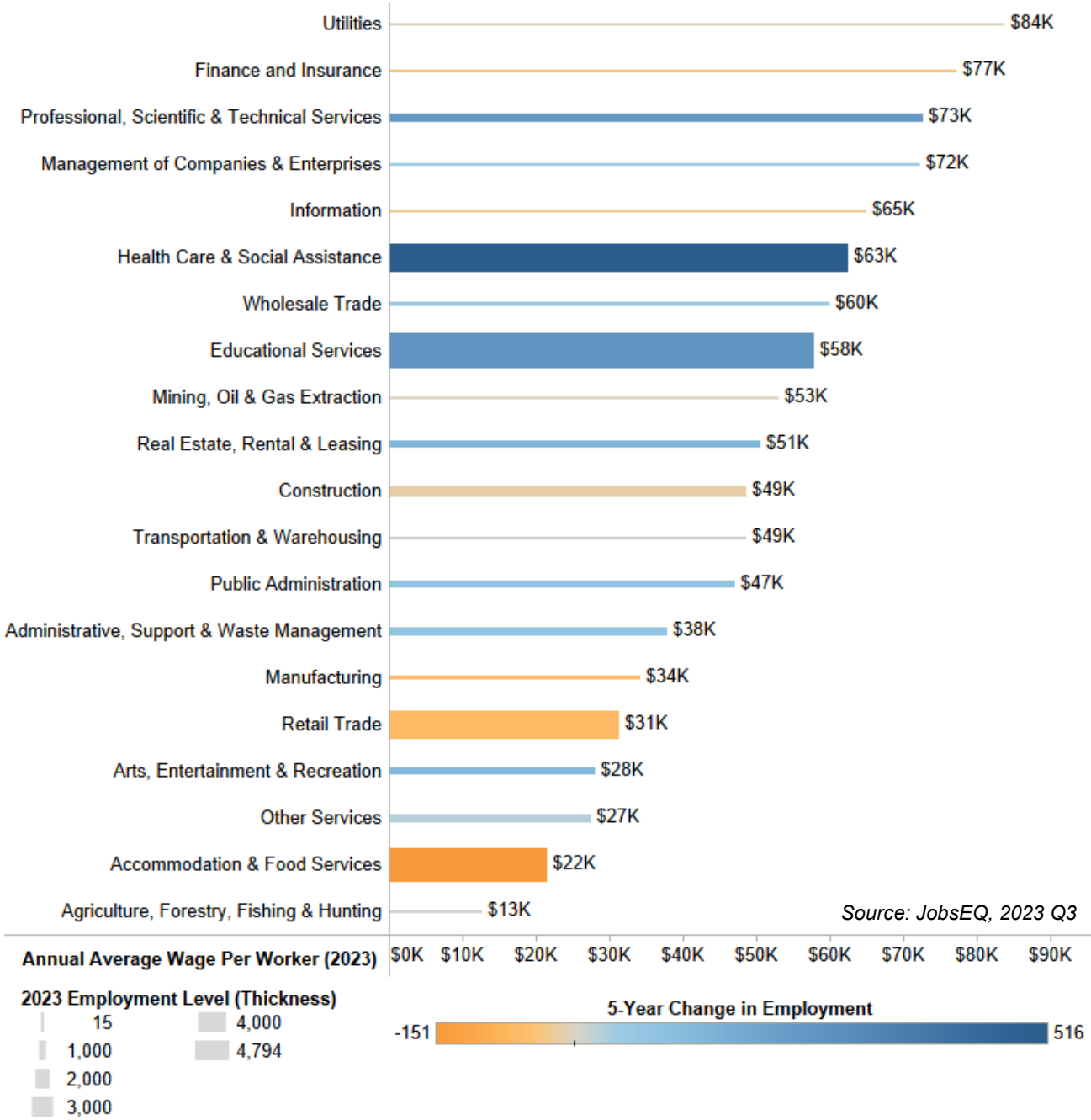
# WATAUGA COUNTY CHILDCARE STUDY

## WATAUGA COUNTY INDUSTRY SECTOR ANALYSIS

Ranked by Annual Average Wage per Worker, 2023

This chart illustrates industry sector change, employment, and average annual wages per worker as of 2023 third quarter. Ranked by annual average wage, the thickness of each bar represents the current employment level while the color of the shows the change in employment over the past 5 years.

The visual helps to associate incomes with industries that employ more workers and how they have grown or changed in the past 5 years. It is valuable to understand the sectors that are growing and employing people in Watauga County, and their relative wages, to assess the need and affordability of childcare.



## WATAUGA COUNTY CHILDCARE STUDY

Examining occupations helps to give a deeper understanding of the type of work people do in Watauga County. Each industry has a multitude of roles that further the product or service and offer different pay scales.

The occupation group employing the most people in the county is Food Preparation & Serving Related with 3,800 jobs making up 14% of the employment base. This is not surprising given Watauga County's large tourism industry with restaurants serving visitors and locals alike; however, this sector would also include any food-serving operations such as cafeterias at schools, universities, or hospitals.

Occupations with the largest gains over the past 5 years include Food Preparation (+1,562 jobs), Management positions (+312 jobs), Business & Finance Operations (+235 jobs), and Healthcare Practitioners & Technical (+235 jobs). Most occupational groups show gains over the past five years.

The occupational groups that lost jobs include Sales & Related positions declining by 126 jobs and Production roles down by 85 jobs. These were the only two groups with less employment than five years ago.

### OCCUPATIONAL GROUP MIX, 2023

Occupational Group	2023 Employment	% of Employment	5-Year Change	2023 Avg. Wage
Food Preparation & Serving Related	3,889	14%	1,562	\$51,600
Office & Administrative Support	2,933	11%	312	\$97,600
Sales & Related	2,891	11%	235	\$73,500
Education, Training & Library	2,375	9%	167	\$85,600
Management	1,986	7%	14	\$81,600
Transportation & Material Moving	1,800	7%	32	\$69,400
Healthcare Practitioners & Technical	1,563	6%	67	\$49,200
Business & Financial Operations	1,299	5%	20	\$87,100
Building & Grounds Cleaning, Maintenance	1,225	4%	184	\$61,800
Construction & Extraction	1,083	4%	19	\$56,800
Installation, Maintenance & Repair	1,000	4%	235	\$94,900
Healthcare Support	899	3%	-2	\$34,100
Personal Care & Service	764	3%	-2	\$41,100
Community & Social Service	725	3%	-2	\$30,300
Computer & Mathematical	651	2%	45	\$33,600
Production	574	2%	94	\$33,400
Arts, Design, Entertainment, Sports & Media	518	2%	-126	\$40,000
Protective Service	442	2%	100	\$39,900
Life, Physical & Social Science	307	1%	24	\$38,600
Architecture & Engineering	155	1%	8	\$46,700
Legal	142	1%	125	\$47,000
Farming, Fishing & Forestry	72	0.3%	-85	\$40,100

Source: JobsEQ, 2023 Q3

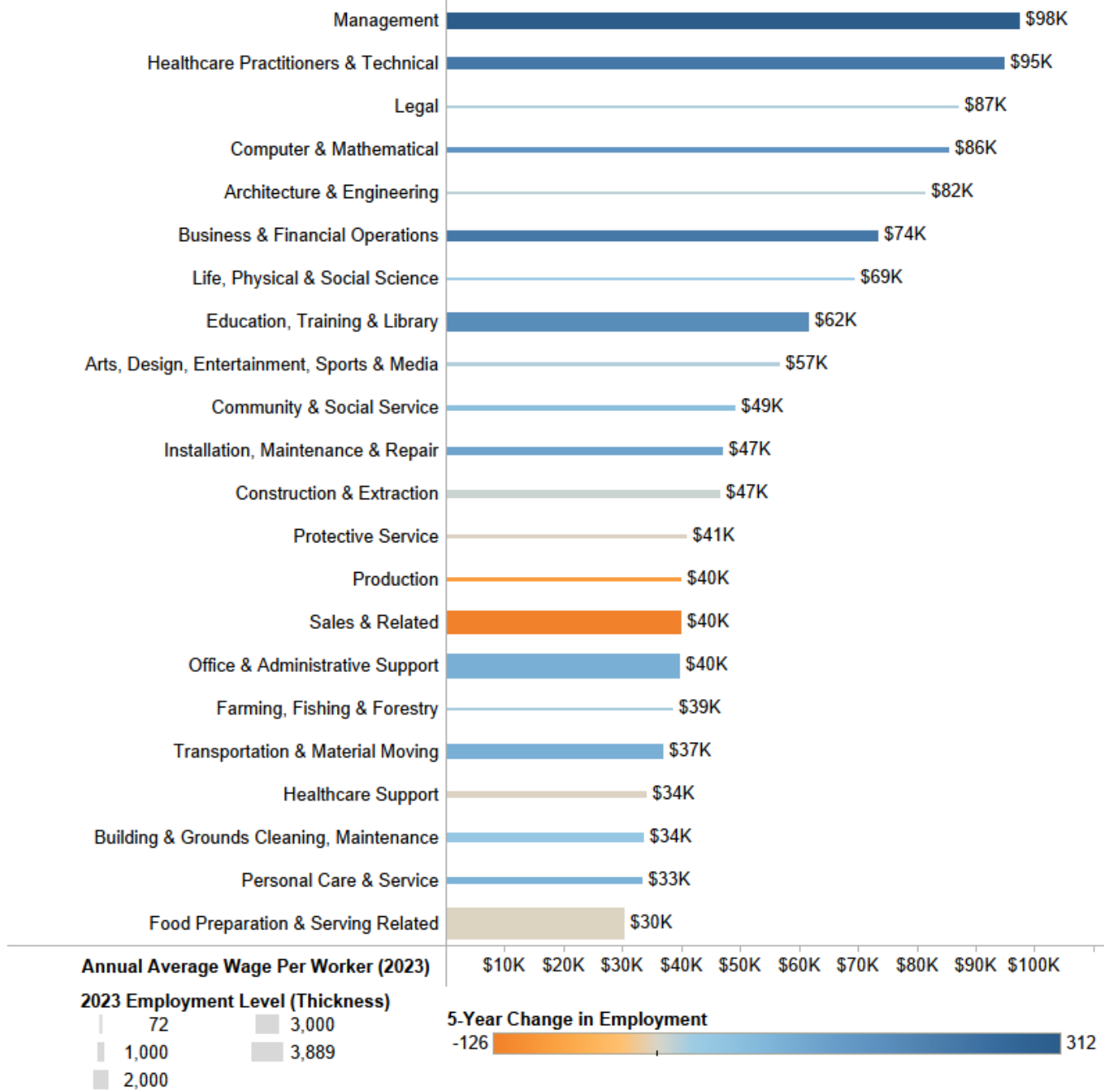


# WATAUGA COUNTY CHILDCARE STUDY

This chart illustrates occupational group change, employment, and average annual wages per worker as of the 2023 third quarter. Ranked by annual average wage, the thickness of each bar represents the current employment level while the color of the shows the change in employment over the past 5 years.

The visual helps to associate incomes with occupations that employ more workers and how they have grown or changed in the past 5 years. As mentioned in the section on industry employment, is valuable to understand the types of roles that are growing and employing people in Watauga County, and their relative wages, to assess the need and affordability of childcare.

## WATAUGA COUNTY OCCUPATIONAL GROUP ANALYSIS



Source: JobsEQ, 2023 Q3



*thank you*

The Watauga County Childcare Study team of Cyndi Dancy, Dancy Research, and Dr. Pam Shue, Appalachian State University, would like to thank the Watauga Economic Development Commission, the Boone Chamber of Commerce, and the Children's Council of Watauga County for their help and assistance on this report. Thank you to the Watauga County Board of Commissioners along with Blue Ridge Energy and Appalachian Commercial Real Estate for making this study possible.

Finally, to the stakeholders who took the time to share their experiences with childcare in Watauga County, we give our sincere thanks for trusting us with your stories. We hope that this effort provides the data and drive to assist Watauga County in creating a childcare ecosystem that works for all.





## APPENDIX A

## Overview of North Carolina Childcare Rules

State laws and regulations govern childcare to ensure safety and quality and address standards related to operators, staff qualifications, and curriculum. Key issues arising in this report are addressed below.

### LICENSURE

In North Carolina, a childcare license is required for keeping 3 or more unrelated children under 13 years of age regularly (at least once a week), for more than four hours per day.

North Carolina authorizes two types of childcare licenses:

- Family child care home. A child care arrangement located in a residence where, at any one time, more than two children, but less than nine children, receive child care.
- Child care center. A child care arrangement where, at any one time, there are three or more preschool-age children or nine or more school-age children receiving child care. This also includes a center located in a residence, where the program is in a residence and the licensed capacity is six through twelve children or up to fifteen school-age children.

*Head Start* is a federally funded preschool program serving three and four-year-olds and their families. Public schools and licensed nonprofits operate Head Start programs in North Carolina.

*NC Pre-K* programs are state-funded and designed to provide high-quality educational experiences for eligible four-year-olds at no cost to families. Public schools and private (including nonprofits) licensed providers operate Pre-K programs in North Carolina.

Programs not requiring a license. Any childcare arrangement that operates for four hours or fewer per day does not require licensing. These include half-day programs for preschool-aged children, after-school care, or drop-in/short-term care. Any child care program or arrangement consisting of two or more separate components, each of which operates for four hours or less per day with different children attending each component. Specialized activities or instruction such as athletics, 4-H groups, scouting, art or music lessons are also exempt.

Recreational programs operating less than four consecutive months per year (e.g., summer camps and vacation bible schools), and cooperative childcare arrangements between parents are also exempt. Religious sponsored programs are given the option to operate under a Notice of Compliance with childcare rules and laws rather than a childcare license. They meet the rules for a one-star license except that they are exempt from several rules including staff training requirements.

<https://ncchildcare.ncdhhs.gov/Services/Licensing/Child-Care-License-Overview>

### RATINGS

North Carolina implemented star ratings beginning in 2000 to recognize quality factors in childcare operations. The North Carolina Division of Child Development and Early Education Licensed centers gives star ratings based on staff education and program standards. Religious-sponsored childcare programs can operate without a star rating unless they choose to apply for this evaluation.

Training requirements. Administrators and teachers directly responsible for supervising children in licensed child care centers are required by law to meet certain education and experience qualifications depending on the setting in which they work.

<https://ncchildcare.ncdhhs.gov/Services/Licensing/Star-Rated-License>

## APPENDIX B

### Licensed Childcare Operations in Watauga County

As of December 2023

Name	Home or Center	Star	Category
Some Place Special Home Care, Inc.	Family Home	5	Independent
Small Blessings	Family Home	5	Independent
Small Ones Home Child Care Center	Family Home	6	Independent
Ms. Ingrid's House	Family Home	6	Independent
Almost Home Child Care	Family Home	1	Independent
Little Jewels Home Child Care	Family Home	5	Independent
Precious & Few	Family Home	4	Independent
First Baptist Church Child Development Center	Center	3	Religious Sponsored
Hardin Park Preschool	Center	5	Local Public School
Sugar Grove Developmental Day School	Center	5	Independent
Western TLC Head Start Center	Center	5	Head Start
Parkway Extended Learning Center	Center	5	Local Public School
Hardin Park Extended Learning Center	Center	5	Local Public School
Green Valley Elementary Preschool	Center	5	Local Public School
Valle Crucis Extended Learning Center	Center	5	Local Public School
Green Valley Extended Learning Center	Center	5	Local Public School
Blowing Rock Extended Learning Center	Center	5	Local Public School
Mabel Extended Learning Center	Center	5	Local Public School
Cove Creek Extended Learning Center	Center	5	Local Public School
Bethel Extended Learning Center	Center	5	Local Public School
Lucy Brock Child Development Lab	Center	5	College/University
Lucy Brock Collaborative Classroom At Parkway Elementary	Center	5	College/University
Valle Crucis Elementary Pre-kindergarten	Center	5	Local Public School
Merryland Academy and Child Care	Center	4	Independent
Sunny Side Academy	Center	4	Independent
Lucy Brock Collaborative Classroom At Blowing Rock	Center	5	College/University
Lucy Brock Collaborative Classroom At Cove Creek	Center	5	College/University
Bethel Preschool & Developmental Day	Center	5	Local Public School
Mabel Developmental Day	Center	5	Local Public School
Lynhill Child Development Center (Now KidCove at Lynhill)	Center	3	Independent
Kid Cove	Center	5	Independent
Greenway Baptist Child Development Center	Center	5	Religious Sponsored
Mountain Pathways School	Center	3	Private School
ASU Child Development Center	Center	5	College/University

Source: North Carolina Department of Health and Human Services, Division of Child Development and Early Education, Statistical Detail Report December 2023.

## APPENDIX C

### Known Unlicensed Childcare Operations in Watauga County

As of December 2023

#### PART-TIME OR DROP-IN CHILDCARE OPERATIONS

Name	Type of Operation	Sponsor
First Morning Out Preschool	1/2 Day preschool	First Presbyterian Church of Boone
Boone United Methodist Church Preschool (BUMP)	1/2 Day preschool	Boone United Methodist Church
Mom's Morning Out	1/2 Day preschool	Alliance Bible Fellowship
Kinderwood/ Imagine Bilingual	1/2 Day preschool (Bilingual)	Boone United Methodist Church
DUAL (Diverse Unified Appropriate Learning) School	1/2 Day preschool (ESL)	Children's Council of Watauga County
Wildwood Academy	Self-Directed Learning	Agile Learning Community
High Country Forest Wild	Environmental	Non-Profit organization
Bizi-Bees	Drop-In Childcare	Private
Western Youth Network	After-School	Non-Profit Organization
Watauga Community Recreation Center	Scheduled blocks	Watauga County Recreation Center