



NORTH AMERICAN CHILD CARE SECTOR BENCHMARK SURVEY 2017



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INTRODUCTION

2017 marks the second year of HiMama's benchmark survey of child care organizations in North America. As with the previous survey, the goal is to help those in the child care and early learning sector to assess their financial and operational performance relative to their peer group, as well as provide forward-looking insight into growth plans and outlook for the coming year.

In the writing of the 2017 report, we were able to expand upon the methodologies and sampling of the 2016 inaugural survey. In this most recent study, we have included additional breakdowns of company size, location and profit status where more relevant insights could be gained from the survey information in this format.

Should you wish to provide feedback or are interested in learning more about this publication or about our services to the child care sector, we will be pleased to hear from you.

Sincerely,

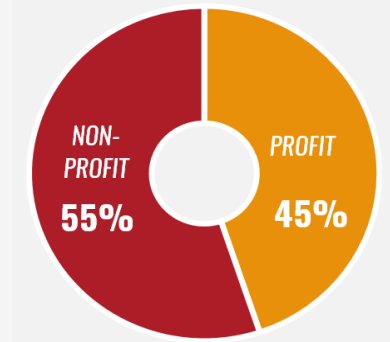


Ron Spreeuwenberg

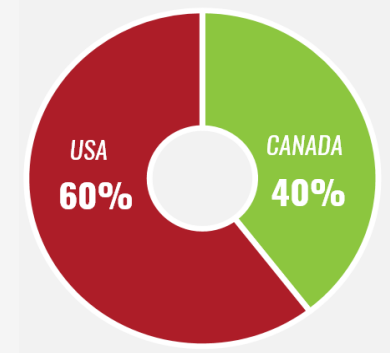
HiMama Chief Executive Officer

Survey Demographics (% of respondents)

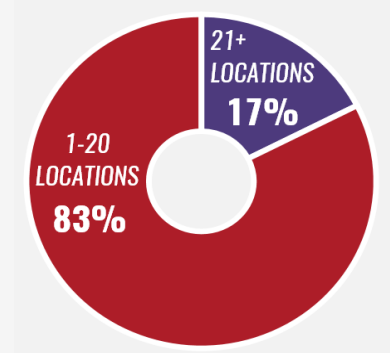
Profit Status



Country



Number of Locations



2016 IN REVIEW

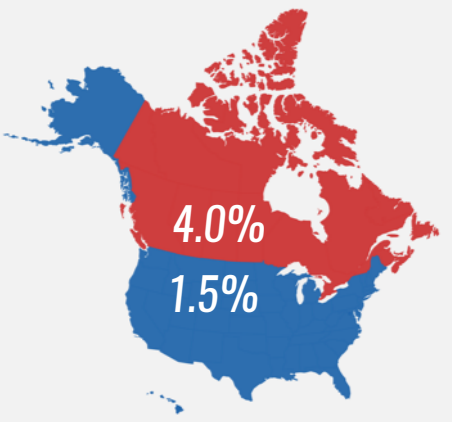
An overwhelming trend of 2016 was the increasing recognition of the importance of early childhood education in improving children's futures. James Heckman, economist and Nobel Laureate, published a study that expands upon previous work investigating the return on investment into early childhood education. He found that high quality programs for disadvantaged children can have a 13% return due to a variety of improved life outcomes, such as higher graduation and employment rates, lower drug use, and even lower blood pressure ^[1].

In both Canada and the U.S., there has been a heightened focus on early childhood education in politics. Universal child care became a talking point in both federal elections, through Hillary Clinton and the Democrats in the U.S., and Thomas Mulcair and the NDP in Canada (though late 2015).

Head Start programs in the U.S. got an overhaul in 2016, with a \$570 million increase in funding, program expansion, and contracted regulations. Perhaps the most impactful change was the addition of a requirement for centers to offer full day, full school year programs, while being provided additional funding to support the increase in hours ^[2].

In Canada, rising child care costs in large cities has been a major concern. According to a study from the Canadian Center for Policy Alternatives (CCPA), fees for toddler programs have increased by 8% each year between 2014 and 2016 – over three times faster than inflation over the period. Despite the increasing costs, over 70% of centers were reported to maintain a wait-list, making it both financially and logistically difficult to secure child care spots ^[3].

Child Care Industry Growth



Canada's child care industry has been growing at 4.0% over the past 5 years, and it's no wonder: according to the 2011 census, the 0-4 age group grew at the highest rate in 50 years at 11% per year ^[4].

The U.S. child care industry has grown by 1.5% on average since 2011. In 2016, industry revenue was expected to increase to \$47.8 billion in revenue as private disposable income and government funding became more accessible to centers across the country ^[5].

“The best way to improve the American workforce in the 21st century is to invest in early childhood education, to ensure that even the most disadvantaged children have the opportunity to succeed alongside their more advantaged peers”

– **James Heckman**

