

Growth in U.S. day care businesses ^[1]

Author: Biery, Mary Ellen

Source: Forbes ^[2]

Format: Article

Publication Date: 15 Jun 2014

EXCERPTS

The U.S. Bureau of Labor Statistics projects that day care businesses will have some of the fastest employment growth of all industries through 2020, and, according to new data from Sageworks, child day care businesses in the U.S. have consistently grown sales in recent years, even as many other industries struggled in the economic recession and subsequent recovery.

Sales among privately held firms providing child day care services (NAICS 6244) have grown nearly 9% over the last 12 months, according to a financial statement analysis by Sageworks. Perhaps more impressive is that businesses in this category grew sales, on average, by 6% to 7% annually between 2008 and 2012 - even during the recession. Other privately held companies saw a decline, on average, of 5% in 2009.

Sageworks' data also show profitability for child day care businesses has improved since the recession, but industry experts say operating a child day care business can be an ongoing struggle to balance expenses with parents' ability to pay.

In addition to handling increasing demand, owners of child day care services must also focus on industry regulations, since scrutiny from customers (parents) and government agencies comes with the territory. Arkansas, for example, is considering proposed changes for child care providers that cover a range of issues, from safety, such as the ratio of staff to children, to psychological (eliminating behavior charts), according to a published report.

Regulations can add to costs - sometimes before operators are able to recover the increase through higher fees.

.... Read the full text online at Forbes ^[2]

Region: United States ^[3]

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