For every dollar ($1) that has been invested in the CalWORKs Stage 3 Child Care program, about $4 is invested back into the Los Angeles County economy. Families who have been off of welfare have benefited by working and having access to quality early education and child care programs. On Friday, October 8, 2010 Governor Schwarzenegger in his completion of the 2010 to 2011 Budget, eliminated child care services for low income working families in CalWORKs Stage 3. This single act destroys California’s 15 year investment in moving families from welfare to work and places thousands of California families on the unemployment and welfare rolls and leaves over 17,100 of Los Angeles County children without access to safe quality child care.

The immediate impacts of these cuts will include:

- **Over 11,700 families** who are currently working, paying taxes and contributing to Sacramento’s struggling economy will be forced to make difficult decisions between caring for their children or maintaining their employment.
- **Nearly 6,000 of providers** paid, including licensed family child care homes and child care centers throughout the County will lose payment for services placing their businesses, already hard hit by the struggling economy at risk for closure.
- **Over $400 Million annually** of economic input will be lost to Los Angeles County.

The massive elimination of child care services will result not only in lost employment for low income working parents and their child care teachers and providers, but also in endangered child safety and lost learning opportunities for over 17,100 young children who will be removed from their child care programs beginning November 1, 2010.

Child care providers are already struggling with high vacancy rates due to the 13% unemployment rate in Los Angeles County. The loss of an additional 17,100 children from these programs will place many licensed child care programs in very difficult financial positions and potential closure.

Further, these cuts will have a ripple effect of employers losing employees who are no longer able to come to work, closure of already struggling child care businesses which will impact all working families who depend upon child care services to go to work.

$400 Million economic impact was calculated based on average monthly income of working Stage 3 parent ($2,000 a month), payments made to providers and early educators on a monthly basis, and the income lost to employees working at agencies who will lose their jobs.