

San Diego Child Care Cost Estimation Model (CEM) Overview

Key Takeways :

190,000

children in San Diego County lack access to licensed child care

\$107,358

income needed for a family of four to afford paying for child care out of pocket



Two-thirds of San Diego families live in a child care "desert"

There is No Simple Market Solution

The cost of providing care is often much higher than what tuition and subsidy rates cover. This puts providers in financially unstable positions and forces them to personally subsidize the system.

Operating on Slim Margins

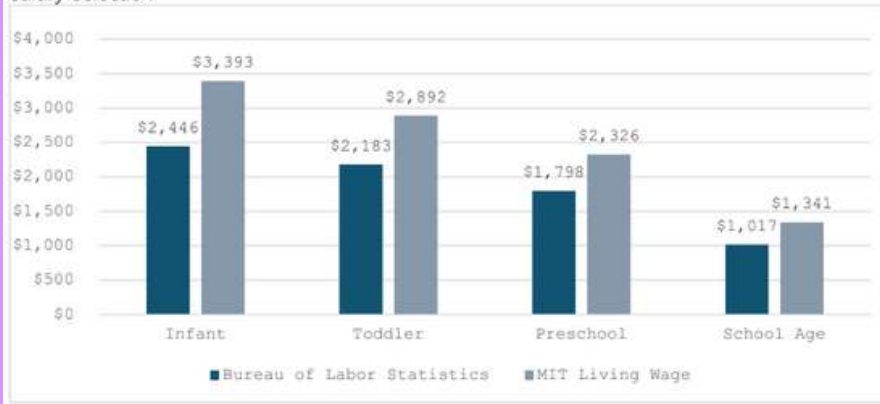
Child care providers understand that to keep their staff, they need to offer wages that are competitive with other industries. However, just like everyone else in the region, they're dealing with rising costs, and the current funding isn't enough to cover those expenses.

Cost of Care vs. Provider Pay

Infant care jumps from **\$2,446** (BLS wage) to **\$3,393** (MIT Living Wage)

Preschool care goes from **\$1,798** to **\$2,326**

Figure 4: Child care center meeting licensing standards: Monthly cost per child, by age and salary selection



Why Local Data Matters

This model uses real information from San Diego—like local wages, child care rules, and the actual cost of living—to show what it really takes to provide quality child care here. That way, the solutions we create are based on our community's real needs.

What This Means For Policy

The findings show that it's time to move away from setting child care rates based on what families can pay—and start basing them on what it actually costs to provide quality care. California is already working on this at the state level, and San Diego County can follow suit by making smart local investments.

Mismatch Between Costs and Reimbursements

The cost of providing care is often much higher than what tuition and subsidy rates cover. This puts providers in financially unstable positions and forces them to personally subsidize the system.

• **Market Rates vs. True Costs**

- In Central San Diego, center-based **infant care market rate** = \$428/week (~\$1,856/month)
- But true cost under MIT Living Wage = **\$3,393/month** (Figure 4)

Table 2: Average weekly market rates by type of care, age of children served, and geographic region as of July 2024

Regions	Family Child Care Homes			Centers		
	Infant	Preschool	School age	Infant	Preschool	School age
Central	\$320.39	\$295.56	\$248.58	\$428.65	\$299.61	\$208.09
East	\$310.71	\$276.68	\$254.66	\$372.18	\$263.97	\$226.43
North Central	\$345.25	\$318.87	\$280.81	\$413.43	\$318.53	\$271.86
North Inland	\$303.30	\$278.37	\$268.26	\$418.97	\$297.56	\$284.84
North Coastal	\$347.47	\$313.97	\$275.34	\$425.38	\$317.58	\$263.38
South	\$283.47	\$255.69	\$226.29	\$377.61	\$258.59	\$203.21
County	\$318.43	\$289.86	\$258.99	\$406.04	\$292.64	\$242.97

Summary provided by: Children First Collective San Diego

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@ChildrenFirstCollective

The Importance of a San Diego Cost Model

The **San Diego County Cost Estimation Model** (CEM) shows the true cost of child care in the San Diego region. It was developed as part of the county's broader **Child Care Blueprint**, and uses research from **Prenatal to Five Fiscal Strategies** in California. The model shows how much it really costs to provide child care in San Diego County—not just what parents pay, but what it takes to run a good, safe, and fair child care program. The team behind the report built a cost model that looks at all the things that go into running a child care program—like paying teachers, buying supplies, renting space—and tells you how much that should cost. Then they compare that to what families are actually paying and what the government pays. Their model finds the **actual cost is a lot higher than what programs receive**. This calculation makes it clear to policymakers and the public on **why we need to invest more** on child care to raise pay for child care workers, set fair funding levels, and help ensure child care quality and availability for families that want and need it.

- **Providers Know What's Needed:** Child care providers helped shape this model, making sure it reflects the real-life challenges of running programs in San Diego.
- **Funding Falls Short:** Right now, public funding does not cover what it actually costs to provide high-quality care. We need policy changes and more investment to close that gap.
- **Costs Vary by Region:** What it takes to run a child care program is not the same in every part of the county. That's why funding needs to be flexible and responsive to local differences.
- **We Need Local Long-Term Solutions:** To keep child care programs open and staff supported, we need sustainable, reliable funding—at all levels of government.



Conclusion

The cost model makes one thing clear: **there's a big gap between what it costs to provide quality child care and what programs actually receive**. By moving toward a funding system based on real costs, San Diego can make sure child care workers earn a living wage, families have better access to consistent, high-quality care, and our local economy grows stronger. **These findings give us the information we need to push for smart, lasting solutions that work for San Diego kids, families, and providers.**

About Children First Collective

We are child care providers, parents, agencies, community leaders, and advocates. We're working together to make sure our child care system benefits all children, families, and child care providers.

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We choose
care.