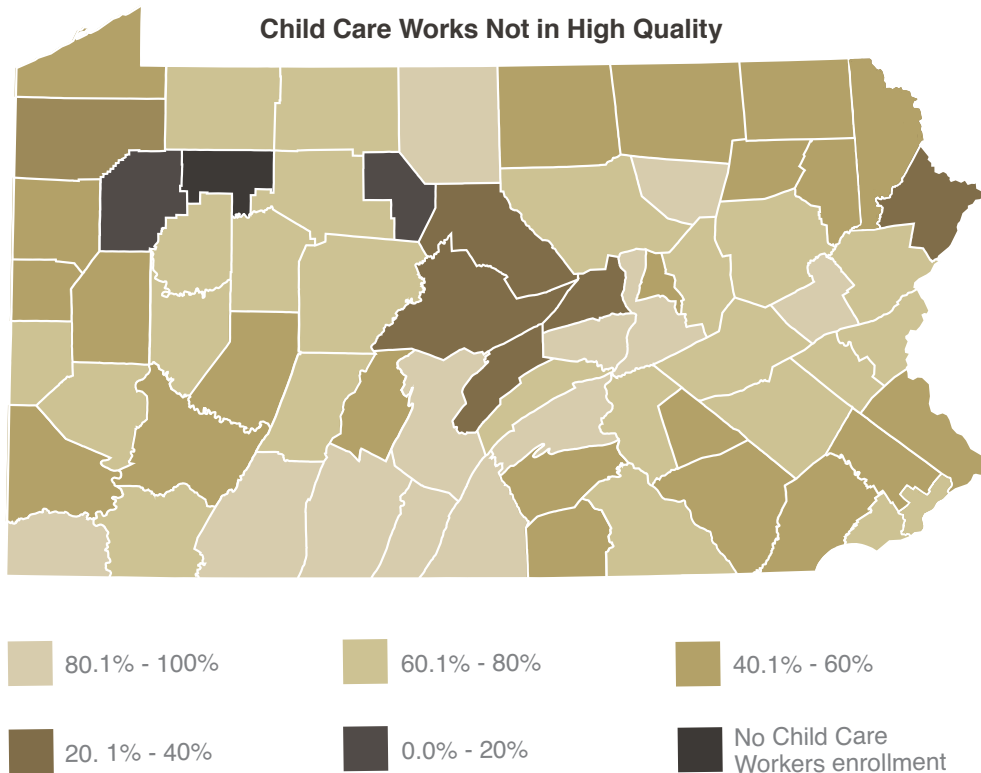




**PENNSYLVANIA
EARLY LEARNING**
INVESTMENT COMMISSION

The Power to Grow: High-Quality, Affordable Child Care for Today's Workforce and Tomorrow's

There is a critical need to make high-quality child care more affordable and available for Pennsylvania children and working families, as revealed in new data from Pennsylvania Partnerships for Children. Without action today, Pennsylvania will suffer the consequences. Many children will not enter school ready to succeed, and employers will face issues undermining worker reliability today and workforce capabilities in the future.



<https://www.papartnerships.org/report/child-care-in-pa/>



Why high-quality child care matters

High-quality child care impacts Pennsylvania's economic growth today and tomorrow.

Today: Investments in high-quality child care can increase Pennsylvania's workforce productivity and participation rate.

Groundbreaking studies now show that missed work days and high turnover caused by lack of reliable, affordable child care costs employers billions of dollars in reduced productivity and states millions in lost tax revenues.^①

Plus, as businesses struggle to find workers to fill the good jobs they offer, studies point to lack of access to high-quality child care and low child care subsidy rates as key barriers keeping people out of the workforce or within the working poor.^② Conflicts in child care force many workers to forgo the kind of educational opportunities and credentials that lead to higher earnings and higher tax payments.^③

Tomorrow: Child care is an important early learning setting for the majority of young children and high-quality significantly increases school readiness putting children on a path for higher educational attainment and workforce productivity in years to come. High-quality child care provides the enriching environment that stimulates brain growth and lays the foundation for cognitive and social-emotional growth and language development. Research shows that high-quality child care includes safe, stable, and nurturing relationships.

These nurturing relationships depend on personal attention developed through low staff: child ratios. While Pennsylvania sets minimum staff:child ratios for all providers, the impact of these low ratios is maximized when staff are well-trained to interact with children in a way that sparks the brain's neural development and when they are equipped with strong educational programs, safe classrooms, books and toys that encourage imaginative play.

“Child care is early education, regardless of the building it occurs in or what we call it. The question is only whether it’s advancing or impeding children’s learning.” -- “Workforce of Today, Workforce of Tomorrow: The Business Case for High-Quality Childcare”

- U.S. Chamber of Commerce Foundation, Center for Education and Workforce, June 2017



Limited access, little quality

In Pennsylvania, as many as 67.9 percent of all children under 5, or 485,230 children, need child care, as determined by those having all available parents in the workforce. Among those children, 42.2 percent come from families living under 200 percent of poverty.

The shrinking buying power of Child Care Works: Working families with incomes up to 200 percent of federally established poverty benchmarks and who meet eligibility requirements such as workforce and job training participation qualify for Child Care Works, the state program paying providers subsidies toward part of the cost of care, while family co-pays cover the remainder. Child Care Works helps parents better their career prospects and achieve self-sufficiency.

“Pennsylvania’s need for high-quality child care is critical. Without it, our workforce is less productive, our state is less competitive, and children miss the learning experiences that better prepare them to be good citizens and good workers as adults. Investments in the affordability and availability of high-quality child care yield returns in a stronger economy today and tomorrow.”

-Peter J. Danchak, PNC Regional President of Northeast Pennsylvania

However, the buying power of these subsidies has never covered the cost of high-quality care. According to 2017 data released by Pennsylvania Partnerships for Children, few parents can apply their subsidy toward care that’s high-quality, and many others who qualify don’t get subsidy at all:

70.8%

Of eligible children under 5 – or 145,120 Pennsylvania children -- are unserved by Child Care Works. In 45 counties, 80 percent or more children are unserved due to lack of funding.

65.4%

Of Child Care Works enrollment is not in high-quality, or 39,037 children. In five counties, zero young children in Child Care Works attend programs that have met high-quality standards. In seven additional counties, at least 80 percent of young children participating in Child Care Works are in programs that have not met high-quality standards. As seen on the map, Child Care Works Not in High Quality the issue touches every region. Find local level data at <https://www.papartnerships.org/child-care-in-pa>.



Scarce quality options statewide: For all families, whether enrolled in Child Care Works or not, high-quality child care spaces are few and far between:



Of child care capacity does not meet high-quality standards, as determined by providers earning or 4 Keystone STARS or national accreditations. That's 225,541 children, including those in the crucial birth-to-5 years, in programs that have not met high-quality standards.



Of children who need child care can be served in high-quality settings, under current capacity.



Children who need child care are not served in programs that meet high-quality standards.



Counties have no providers that meet high-quality standards. In another six counties, at least 80 percent of provider capacity doesn't reach high-quality standards.

Increasing affordability and availability

On average, infant care in Pennsylvania costs \$12,129 a year (significant regional differences exists).⁴ That rarely represents the cost of truly high-quality care, and yet, it's close to the \$14,436 in-state tuition to a Pennsylvania state university! Child care that consumes no more than 10 percent of family income is considered affordable by the U.S. Department of Health and Human Services.

To change course, Pennsylvania should:

Increase the supply of high-quality care. Increasing the supply will improve access to high-quality child care for families that need it. To do so, Pennsylvania should increase investments in improving the quality of existing providers as well as investing to encourage existing high-quality programs to expand to serve more children and to encourage new programs to open. Child care quality is dependent on quality staff. Investments must be



targeted at increasing compensation to attract and retain a well-trained child care workforce. Investments must also target facilities maintenance, expansion and construction in areas where supply is the lowest.

Increase the buying power of Child Care Works subsidies. A subsidy in hand is no guarantee of high-quality. Raising subsidy rates would give parents the purchasing power to buy better quality and providers increased revenue to provide it. Over time, as the supply of high-quality care increases, Pennsylvania’s child care subsidies should only be eligible for use in high-quality care.

“Investments in people make good companies great, and the same can be said for states. Closing the gap in the availability and affordability of high-quality child care strengthens Pennsylvania’s workforce today and prepares young children for lifetimes of learning that make them better employees tomorrow.”

- Stephanie Doliveira, Vice President of Human Resources, Sheetz, Inc.

Taking steps toward child care quality

The need to improve availability and affordability of high-quality child care is critical. Two steps taken right now can help close the gap:

- Support the governor’s proposed \$27 million increased investment in the 2018-19 Pennsylvania state budget.
- Utilize a historic increase for the Child Care and Development Block Grant in the 2018 federal budget for increasing the supply of high-quality child care in Pennsylvania.

High-quality child care is an early learning setting where approximately 485,230 Pennsylvania children should spend significant amount of their early lives. Unfortunately for most Pennsylvania children under 5, the experience is not one that maximizes their potential and yet still strains their families’ finances. By investing in high-quality child care, Pennsylvania strengthens the workforce today and prepares children to succeed in school and fill the jobs of tomorrow.

① http://www.marylandfamilynetwork.org/wp-content/uploads/2018/04/MarylandFamilyNetwork_Countingourlosses_FullReport_Hyperlinked_Singles.pdf, file:///C:/Users/Owner/Downloads/Losing%20Ground%20Report%20Louisiana%20(1).pdf
② https://www.aei.org/wp-content/uploads/2017/07/Workforce-of-Today-Workforce-of-Tomorrow_FINAL.pdf, p. 7
③ http://www.marylandfamilynetwork.org/wp-content/uploads/2018/04/MarylandFamilyNetwork_Countingourlosses_FullReport_Hyperlinked_Singles.pdf,
④ <https://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>