



Child Care: A two-generation solution for boosting Oregon's workforce

High-quality, safe and affordable child care supports a productive workforce

Acknowledgements

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ReadyNation: Business. Kids. Workforce.

Business executives building a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life.

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169,000

the approximate number of young, Oregon children who have both parents (or a single parent) working outside the home.

A skilled, productive workforce is essential for a strong Oregon economy. High-quality, affordable child care supports a productive workforce, both now and into the future. Sixty-two percent of Oregon’s young children—ages five and under—have both parents or a single parent who works outside the home, and many of these children are not in high-quality child care. This situation is detrimental to current productivity and also puts our future workforce at risk. Without continuing improvements in the child care system, our state will not have the strongest possible workforce to compete and succeed in the global marketplace.

Most American mothers are in the workforce and many children are in child care

The majority of mothers, single or married, with children from infants to adolescents,

are now in the workforce.¹ Most of these mothers are employed full-time. Two-thirds of children under the age of five in the U.S.—nearly 15 million children—have both parents or a single parent who work outside the home.² Nearly two-thirds of Oregon’s children (169,000 children under the age of six) have all available parents participating in the workforce.³

As a result of the dramatic increase in maternal employment over the past several decades, many children are in child care.⁴ For example, 21 percent of infants under one year of age are cared for by non-relatives, and by age four the figure is 65 percent.

Child care is a critical context for early brain development

There is scientific consensus that brain development from birth to age five sets the foundation for children’s future success.⁵ During these years, **more than one million new neural connections form every**

second.⁶ This early foundation informs children’s cognition, health, and behavior throughout life. Thus, it is essential that child care consist of responsive, quality environments that nurture early brain development.

The current child care system falls short of adequately meeting the needs of families and employers

Several interrelated challenges render the child care system less than optimal for Oregon children, families and businesses:

- **Access:** Nearly one-third of parents across the U.S. (32 percent) report difficulties finding child care.⁷ Availability is especially limited for families who work evening and night shifts or live in rural areas.⁸
- **Affordability:** In Oregon, the annual cost of center-based child care for children ages birth to four (\$6,000-13,000)⁹ is similar to the average cost of in-state college tuition (\$10,357).¹⁰ This high cost

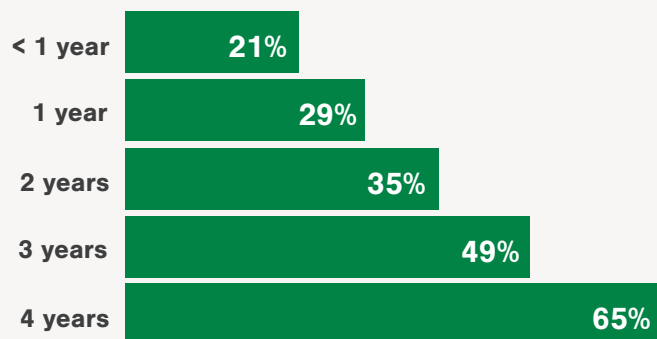
makes child care unaffordable for many families, particularly those with low incomes: Only about 10 percent of Oregon children aged five and under, at or below 185 percent of the federal poverty level, receive Oregon’s Employment-Related Day Care (ERDC) subsidy.¹¹ The ERDC subsidy has a monthly **\$5.8 million local economic impact** through payments to providers.¹² Some other highlights of the program include increasing the number of families accessing quality, licensed child care, increasing the number of families leaving TANF who use ERDC, and increasing provider health and safety standards, and provider rates.¹³

- **Quality:** Only 11 percent of child care is accredited, nationwide.¹⁴ (In Oregon, the accreditation figure is four percent of child care centers and just one percent of family child care homes.¹⁵) A recent report characterizes American child care as “a patchwork system that is mediocre at best”.¹⁶ Among the shortcomings in quality are high rates of provider turnover, resulting in a lack of stable, consistent caregiving for young children. Of course, quality does bear a cost—and thus is inextricably linked with affordability and access.

These problems have negative effects on children, families, and employers. For example, in a national survey, 14 percent of respondents reported that in the previous year, someone in the family had to quit a job, not take a job, or greatly change a job because of problems with child care.¹⁷ With regard to impact on businesses, research shows that parents dealing with child care challenges take an average of five to nine days off work annually and resulting costs to employers top \$3 billion a year.¹⁸

Young children in child care by a non-relative

Percent of young children, ages birth–4, who are placed in child care by a non-relative



Source: Child Trends DataBank, 2016

High-quality, affordable child care can support a productive workforce—now and into the future

Research demonstrates that women who have access to child care subsidies reap many employment-related benefits: They are more likely to work, are able to work more hours, have more stable employment, and earn more.¹⁹ Improving access to high-quality child care will likely increase workplace stability for parents, bolster productivity by limiting absences and “presenteeism” (being on the job, but not fully focused).

Some studies have also shown the benefits of high-quality child care for children. For example, a recent, randomized control study of more than 200 children found that high-quality, full-day child care had a positive impact on their language development at age two.²⁰ Further, compared with those not in the program, children in child care enjoyed more positive parent-child relationships and their parents reported fewer child behavior problems. An earlier longitudinal study of more than 1,300 children found that children in higher-quality child care were better-prepared for school at age four than children in lower-quality child care. At age 15, they were still performing slightly above their peers and also experienced significantly lower levels of behavior problems at age 15, compared with children in lower-quality child care.²¹

Particularly in combination with high-quality preschool, child care can have an even greater impact on children’s achievement. One study examined North Carolina’s Smart Start (child care) and More at Four

Child care as a business sector in Oregon



10,200+
child care programs

(9,110 sole proprietors and 1,110 centers)



18,900+
people employed

(7,012 additional jobs supported in other sectors)



\$403.6 million
in revenue

Source: Committee for Economic Development
<https://www.ced.org/childcareimpact>

(preschool) programs. It found that children in counties that spent more per child were two months ahead in reading and 1.5 months ahead in math, by fifth grade, when compared with children in counties that spent less.²²

It’s clear from these studies that high-quality child care benefits the current workforce through increased worker participation, stability, and productivity. In addition, high-quality child care’s impact on children’s academic outcomes bodes well for the development of the future workforce.

Child care benefits state and local economies

For every dollar invested in child care, Oregon's state and local economies receive a \$1.91 return, as a result of sales of local goods and services. Child care as an industry generates at least as much economic activity as investments in most other economic sectors, including manufacturing, construction, and transportation.

Source: www.ced.org/childcareimpact

Aiming for ever-higher quality

In child care, quality—like access—is critical to achieving the best possible outcomes for children. The bar on quality and safety can never be too high, especially if you want to see results that translate to academic and career success later in life.

One tool that Oregon uses to promote safety in child care is fingerprinting. In November 2014, Congress reauthorized the Child Care Development Block Grant (CCDBG) with strong bipartisan support, passing the U.S. Senate 96-2.²³ One of the health and safety provisions was the fingerprinting requirement to conduct a

national criminal background check on employees who have direct contact and unsupervised care of children.²⁴ Since then, Oregon has required child care providers to enroll in the state's Central Background Registry.²⁵

In order to continue making progress towards affordable, safe and high-quality child care for Oregon's children and families, Oregon's state policymakers should:²⁶

1. Allow the Office of Child Care (OCC) to take action regarding expired licenses, providers with significant licensing violations, impose conditions on licenses, cease and desist orders, civil penalties against illegal care, and increase civil penalties under current law.²⁷
2. Create a consistent standard for licensing across all types of care.
3. Increase licensing staff to lower caseloads and to continue increasing the number of unannounced visits to child care providers.
4. Facilitate collaboration between the OCC and the Department of Human Services (DHS) through an interagency agreement that allows data sharing, joint investigations of abuse or neglect, and grants the OCC investigative authority.
5. Create new lead testing regulations in water sources of all licensed child care providers and regulated subsidy providers.

Conclusion

The business leaders of ReadyNation Oregon call on the state's legislature to support families' access to affordable, safe and high-quality child care through the aforementioned policy asks. The yield will be a more productive workforce, both now and into the future.

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