

Testimony for the House Committee on Housing & Human Services  
February 20, 2019

Chair Keny-Guyer and Members of the Committee,

My name is Andrea Paluso, I am the Executive Director of Family Forward Oregon. We are an organization focused on strengthening the economic security of mothers and caregivers.

In our work with mothers, families and caregivers over the years, reliable access to high-quality, affordable child care has emerged over and over as one of the most pressing issues facing families all over our state.

With child care we see a clear example of a market failure. Quality child care is too expensive for many families to afford and yet child care professionals are some of the lowest compensated workers in our state. Even when you can afford it, it's hard for families to find a place with an opening.

We lack an effective and comprehensive system for dealing with these issues, and it has consequences:

- Child care providers — the vast majority of whom are women, and who are often mothers too — cannot afford the care they provide to others for their own children. They lack the supports and compensation they need to remain in the child care workforce, and often leave the field for higher paying jobs; contributing to the shortage of providers we see in most parts of our state.
- Our country's lack of investment in child care, as compared to other industrialized nations, has led to diminishing labor force participation by women — which means fewer families who experience economic security, fewer women participating in our economy, more financial issues for women as they age, and greater demand for other public services.
- And when parents lack reliable, high-quality child care they are less likely to show up to work ready to work, which has negative impacts on the businesses in our state who rely on this body to develop a robust child care system that keeps the rest of our workforce working.

You've probably heard that child care is unaffordable, but let me say more about what that means:

- Child care for two children — an infant and a 4-year-old — costs \$20,109. That's 2 times the average rent in Oregon.
- The Department of Health and Human Services created a standard that suggests that "affordable" child care means care that costs no more than 7% of a family's income. Even at a higher standard of 10% - only 22% of Oregon families have incomes high enough to access "affordable" infant care.
- Infant care in Oregon costs, on average, 31.4% more per year than in-state tuition for 4-year public college.

We are not doing what is needed as a state to make child care affordable to working families.

You will hear about this in a later panel in more detail, but Employment Related Day Care (ERDC) is not even meeting the needs of the families who qualify for assistance now, much less the families who will not meet the very low eligibility thresholds but still need help affording care. Fewer than 16% of currently eligible families — working parents with young children earning less than 185% of the Federal Poverty Level — are being served by ERDC currently. And given that families earning above that low-income threshold are still struggling mightily to afford high-quality care and stay in the workforce, we believe this program should be expanded to offer assistance across a wider income spectrum.

In addition, the low-income families receiving ERDC can be required to contribute 20-30% of their family's income as a co-pay to receive the state subsidy. That is far beyond most standards for affordability and is a reason many families cannot remain in stable care.

As you will hear today, all of Oregon's 36 counties have been deemed a "child care desert" for infants and toddlers — where there is only one child care slot for every three children who need care. Only nine counties are not considered deserts for preschoolers.

One of the strengths of our state's child care system is that we've acknowledged the importance of supporting care in a diversity of settings to support parent choice in finding the right fit for their child and their family. This includes supporting providers in providing high-quality care at centers and at in-home care settings as well as by friend/family/neighbor providers. The problem is that we simply don't have enough providers in any of these settings to meet the needs of our families.

We have to do more to develop the workforce we need, one that includes culturally and racially diverse providers who can meet the diverse needs of Oregon's children and families. It means ensuring we have sufficient evening and weekend care. It means ensuring we have sufficient, safe, high-quality and stable care in our urban areas and our rural areas - and everywhere in between.

Recruiting a high-quality workforce requires good compensation. Right now, average wages hover around \$10/hour.

- While child care and early education providers at a center typically make between \$25-35,000 annually, that is still only \$12-16/hour.
- Family child care providers' wages are substantially lower, with a median wage of around \$5.60 an hour for the work in their own homes caring for children other than their own.
  - These wages are below the minimum wage, but this is possible (and, in fact, common across the country) as in-home providers are running businesses and hence not "employees" that must be paid at least the minimum wage.

The state is an important actor in this market, both as a regulator and source of subsidies, and bears some responsibility for low pay in it.

The stability of our child care workforce affects our children's ability to feel secure and to establish the bonds they need to grow and thrive - not just while in care, but well into the future. Yet in Oregon, we see an annual turnover in the child care workforce of between 25-30%. We know this is primarily driven by low wages and the inability of providers to make ends meet, especially if the worker has a child of their own (which is quite likely as Oregon's child care workforce is 95% women. The average age is 37 years old.) So, we have a workforce that often needs child care but is unable to afford the quality care they are providing to other children.

Family Forward Oregon

P.O. Box 15146 Portland, OR 97293 | (503) 928-6789 | [www.familyforwardoregon.org](http://www.familyforwardoregon.org)

Oregon's underinvestment in our child care system represents a missed opportunity to strengthen the educational and economic prospects of our children, to promote parental work and boost household earnings, and to reverse compensation patterns that undervalue the child care workforce, which is disproportionately mothers and women of color.

The challenges facing our child care system are many and we are sure they cannot sufficiently be addressed in this hearing today. But we'd like for you to hear about the breadth and severity of this crisis from some people who work in this field and from parents and providers whose first-hand experiences will help illuminate some of challenges we need to face.

Know that the stories you hear today barely scratch the surface on how our lack of support for early education and care is failing children, families, teachers and business owners in Oregon. For too many Oregonians, this is an emergency.

We hope today is the start of a deeper and longer-term conversation about the state's role in addressing this crisis. You'll see that we'll be discussing a task force, which we believe is a critical next step in understanding where we're succeeding, where we're falling short - and what a blueprint for the child care system we need might be. Without a vision for where we're going, we cannot get there.

Thank you for your time today, and I welcome any questions you may have.