

CHILD CARE: THE BACKBONE OF A STRONG STATE ECONOMY

Now is the time to use available federal funds to help families access affordable, quality child care and get parents back to work.

Child care is key to a robust economy.

Businesses lose money when they can't find staff and when their employees don't show up to work. Parents' inability to access and afford reliable, quality child care is contributing to the statewide labor shortage, high rates of employee absence, turnover, and reduction of working hours.

There is a severe lack of reliable, high-quality child care options, particularly for infants and toddlers.

Child care programs face huge challenges paying competitive wages and attracting and retaining staff due to lack of adequate funding from private-pay families and the government. The staffing crisis closes classrooms, reduces operating hours, and causes disruptions in care. A recent national study found that 4 in 5 child care centers in the U.S. are understaffed. Understaffing and turnover can lead to health and safety issues, unstable caregiving relationships, and increased separation anxiety for children. The median wage for a child care educator in Rhode Island is \$12.11 per hour and most child care programs do not offer health insurance.

Families can't afford the child care they find.

Child care costs often exceed other essential costs of living, including rent and mortgage payments, putting many low- and middle-income families in the position of not being able to work because they can't afford care. Inadequate state and federal funding means that the number of Rhode Island families receiving a child care subsidy has dropped almost 66% since 2003.

The Pandemic has only made the situation worse.

Parents have always struggled to find and pay for reliable, quality child care but it has gotten much worse during the pandemic as programs struggle with staffing and public health requirements. It will take significant, on-going investments for the child care sector to get back on its feet and provide reliable, ongoing child care options for working parents.



RECOMMENDATIONS FOR RHODE ISLAND LEADERS

Use federal American Rescue Plan Act to:



Help more families pay for care by increasing the family income limit for a child care subsidy. Immediately restore family income eligibility for the Child Care Assistance Program to 225% FPL (\$49,410 for a family of 3) and enable those already in the program to remain eligible until family income reaches

300% FPL (\$65,880 for a family of 3).



Help child care programs compete for staff without increasing family fees.

Provide funding to increase all child care educator wages to \$15/hour right now, meeting the new goal for minimum wages before mandatory increases go into effect and preventing programs from hiking tuition to cover minimum wage increases scheduled for 2022, 2023, and 2024.



Stop the brain drain of qualified child care educators.

Allocate at least \$5 million to fund a statewide wage supplement to help child care programs retain qualified and effective educators with early childhood credentials and college degrees. At least 15 other states fund wage supplement programs to keep the most qualified and most effective educators working in the field.



Provide support to maintain and increase access to infant/toddler care for families with a subsidy.

Beginning January 1, 2022, add a \$20/week infant/toddler bonus payment to all reimbursement rates for children under age 3 in the Child Care Assistance Program. Many child care programs that serve infants and toddlers are scheduled to get a CCAP rate cut in January 2022.



Pass the Early Educator Investment Act.

Establish a statewide target wage scale for early educators and create goals and strategies to improve compensation across the entire sector.

SUPPORTED BY

Beautiful Beginnings Child Care Center Latino Policy Institute

Center for Early Learning

Professionals

Center for Southeast Asians

Child & Family Children's Friend

Community Provider Network of

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Comprehensive Community Action Inc.

Connecting for Children and Families Dr. Daycare/Kids Klub

Economic Progress Institute

Family Service of Rhode Island

Federal Hill House Genesis Center

Hamlet Learning Center

LISC Rhode Island

Meeting Street

Newport County YMCA Ocean Community YMCA

Over the Rainbow Learning Center

Parents Leading for Educational Equity Planned Parenthood of Southern New

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Reach Out and Read Rhode Island

Rhode Island Association for Infant

Mental Health

Rhode Island Association for the **Education of Young Children**

Rhode Island Child Care Directors

Association

Rhode Island Coalition Against

Domestic Violence

Rhode Island Head Start Association

Rhode Island KIDS COUNT

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Rhode Island Parent Information

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Rhode Island Working Families Party

SEIU 1199

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Smithfield YMCA

United Way of Rhode Island Women's Fund of Rhode Island

YMCA of Pawtucket

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*Organizations bolded are leaders of the Right from the Start Campaign