

December 13, 2022



PENNSYLVANIA
EARLY LEARNING
INVESTMENT COMMISSION

The Business Case for Childcare Part II

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The information, analyses, and conclusions set forth are those of the presenters and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

Agenda

9:00 AM

Welcome and Opening Reflections

- Julia Klein, Chairwoman and CEO, C.H. Briggs Company, Inc.; Board Member, Federal Reserve Bank of Philadelphia; Commissioner, Pennsylvania Early Learning Investment Commission

9:20 AM

The Dimensions of “Why” Briefing

- Moderated by Andrea Heberlein, Executive Director, Pennsylvania Early Learning Investment Commission

9:50 AM

Investments in a Caring Pennsylvania

- Andrea Heberlein, Executive Director, Pennsylvania Early Learning Investment Commission

10:20 AM

Break

10:30 AM

Targeted Systems Initiative Panel

- Moderated by Steve Wray, Senior VP and Principal, Econsult Solutions, Inc.

11:15 AM

Generating Collaborative Opportunities Panel

- Moderated by Mary Graham, Executive Director, Children’s Village

12:15 PM

Lunch and Final Commitments

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Who's in the room?

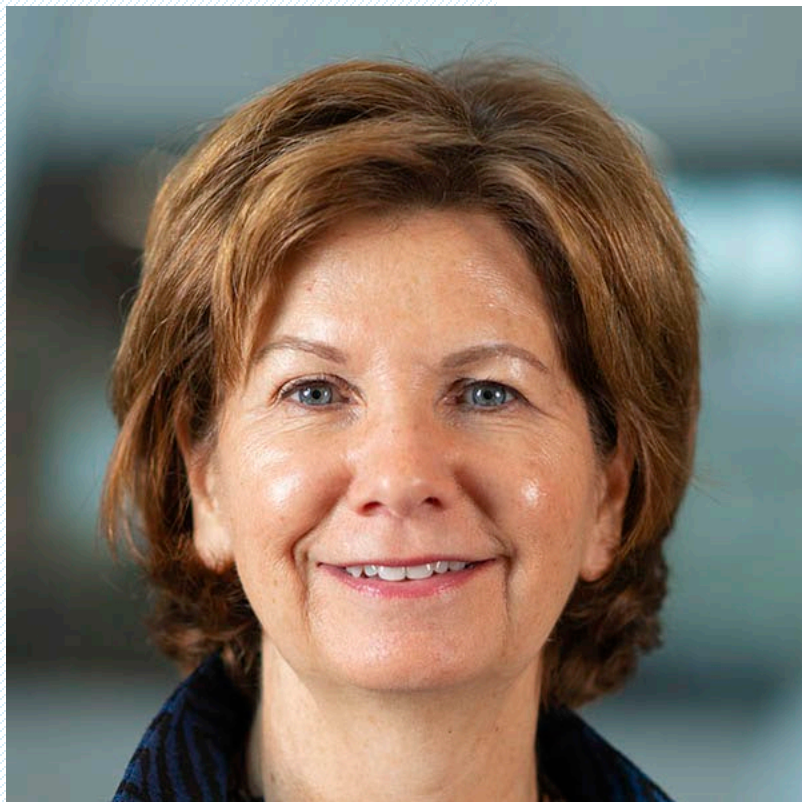
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Who's in the room?

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Opening Reflections



Julia Klein

Chairwoman and CEO, C.H. Briggs Company, Inc.

Board Member, Federal Reserve Bank of
Philadelphia

Commissioner, Pennsylvania Early Learning
Investment Commission

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The Dimensions of “Why”

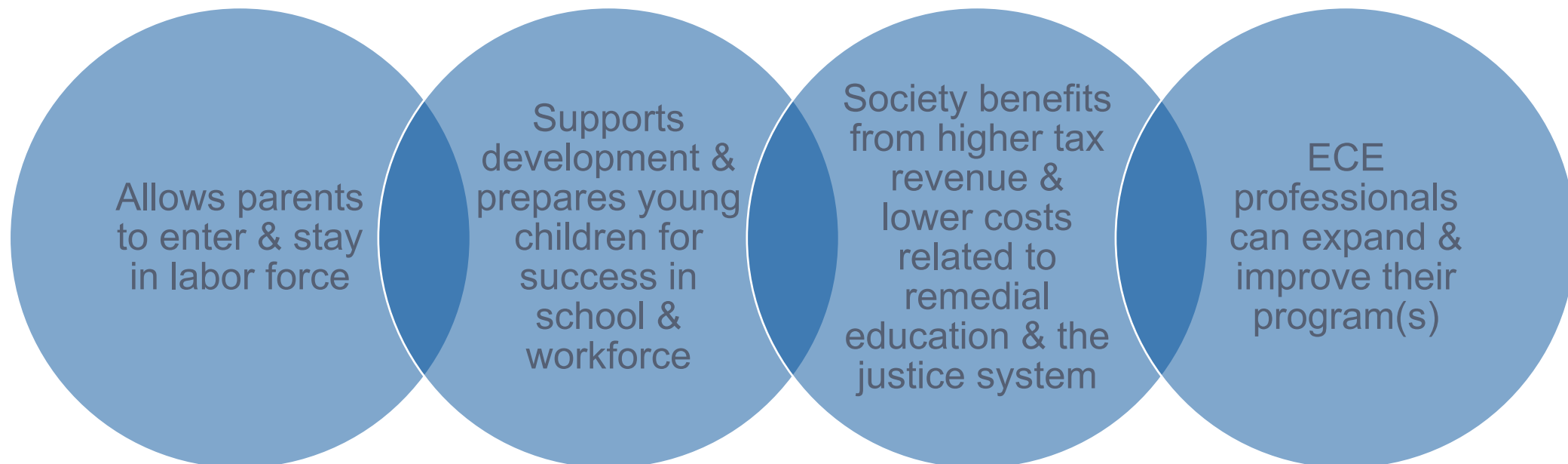
A conversation between Andrea Heberlein and local leaders about the different elements of early care and education and how the sector interacts with the different facets of the workforce infrastructure.

- **Moderator:** Andrea Heberlein, Executive Director, Pennsylvania Early Learning Investment Commission
- Sloane Kaiser, Community Engagement Associate, Federal Reserve Bank of Philadelphia
- Renee Androckitis, Coordinator, Economic Competitiveness, Chamber of Commerce for Greater Philadelphia
- Kristina Valdez, TBD, Along the Way

Multiplicative Investment in ECE

Investing in high-quality ECE can achieve a high financial return for the public

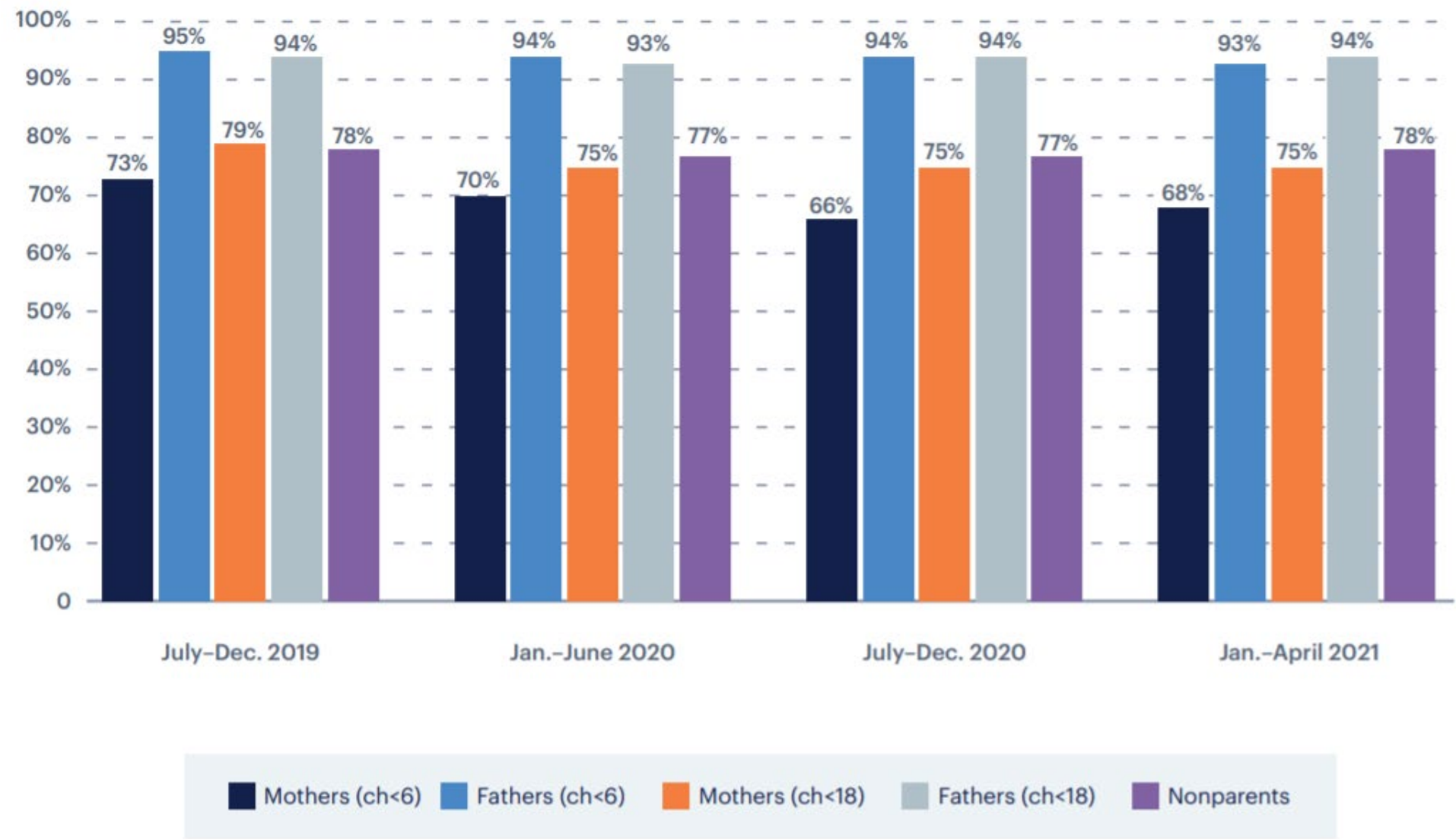
- **Particularly for investments targeted to low- and moderate-income families**
- These benefits are only obtainable from high-quality programs



A Constrained U.S. Childcare Market

- **\$57 Billion:** the annual national cost of lost earnings, productivity, and revenue due to the childcare crisis (pre-pandemic).
- **57 percent** of people in Pennsylvania live in a childcare desert.
- High-income families spend about **6.7 percent** of their income on childcare.
- Families with low incomes spend about **39.6 percent**.
 - For low-income families with only young children, the proportion spent on childcare moved up to over **50 percent**.
- Only **14 percent** of eligible families received subsidies in 2017 (U.S. DHHS ACF 2017).

Labor Force Participation by Parental Status in Third District States

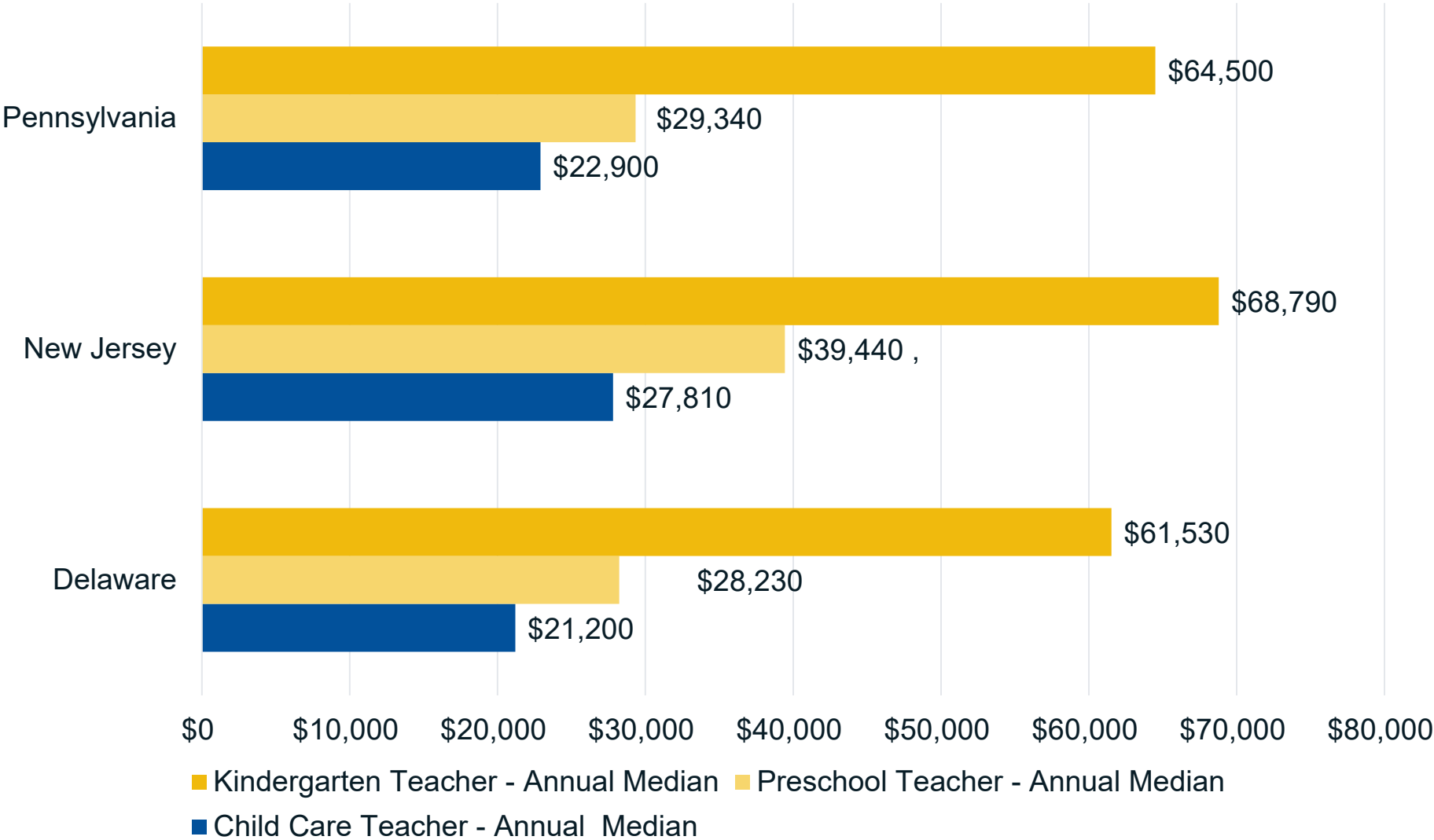


Source: Author’s analysis of CPS basic monthly samples (July 2019–April 2021), retrieved from IPUMS-CPS, University of Minnesota, www.ipums.org

The Cost of Quality Early Care

- The majority of revenue at most childcare centers, home-based family childcare, and private preschool programs comes from family tuition payments.
- Despite over 60 percent of expenses at center-based programs being related to personnel costs, **wages are relatively low** for ECE professionals.
 - In 2020, U.S. childcare teachers were paid on average \$12.24/hour.
 - Black and Latino ECE teachers earn less than White ECE teachers.
- Providers also pay building expenses, including mortgage, rent, insurance, utilities, and maintenance.

Early Education is Low-Paying Work



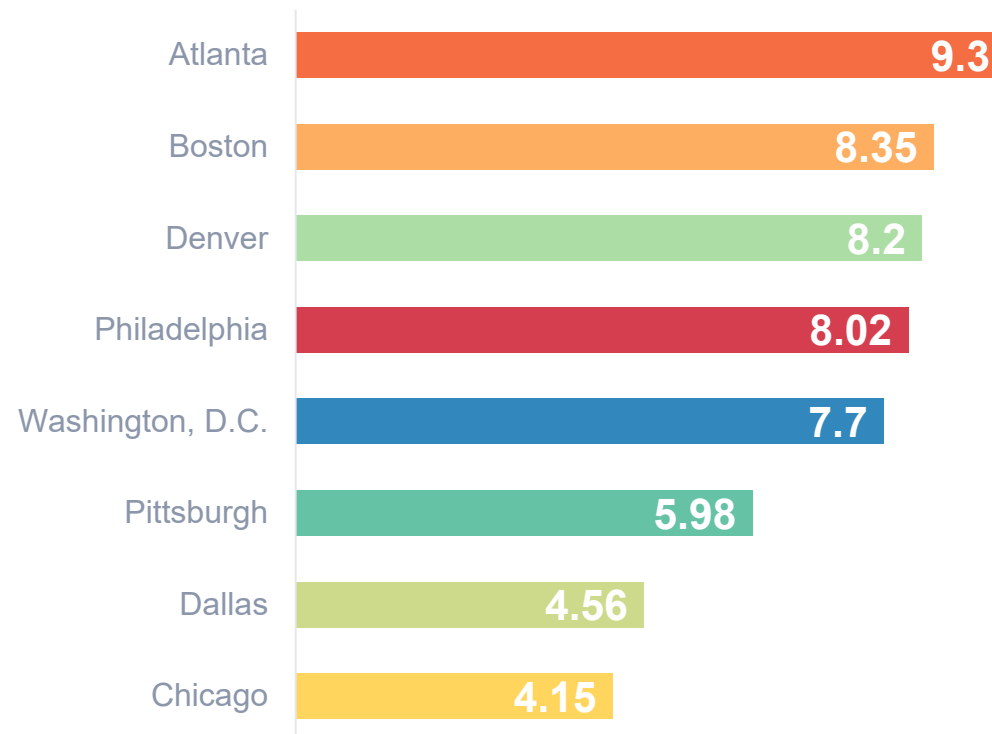
Source: Bureau of Labor Statistics. (2020). Occupational Employment Statistics (OES) Survey. (May 2020). Regional average of state medians shown.

Childcare Availability

Number of childcare facilities per 1,000 children aged 5 and under.

Key Takeaways

- Lower numbers indicate the presence of childcare deserts that frequently result in employment disruptions
- **Regional strengths:** free and reduced pay child care programming
- **Regional opportunity:** increasing the number of available facilities to pre-pandemic numbers and collective advocacy to address structural gaps



Source: County Health Rankings (2021)

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Economic Impact Calculator Along the Way

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What's your why?

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What's your why? (Select Two)

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Employers and Child Care



THE NEED

**Families need quality child care to work.
Employers need quality child care to ensure
their workforce needs are met.**

Children, **our future workforce, need high-
quality care and early education to help prepare
them for school and life success by supporting
them during a critical period for brain
development—prenatal to age five.
Child care teachers and staff need fair,
equitable compensation and benefits to ensure
child care businesses are sustainable.**



Why Do Employers Care About Care?

Child care in Pennsylvania is cost prohibitive and hard to find, and it's forcing parents and caregivers to cut back on work, leave the workforce or stop plans to advance their education. Employers, including child care businesses, are losing workers, which impacts our state economy.

Child care issues cost our state's businesses and economy **\$3.47 billion annually** in direct employer costs and tax revenue.

INVESTMENTS
IN CARING PA



Investments in Caring PA

Pennsylvania's toolkit for businesses, industries, and communities of all sizes to support working families.

InvestmentsInCaringPA.com



Presented By : PA Early Learning
Investment Commission

Investments in Caring PA: Overview

In the toolkit you'll find:

- ❑ data and resources to help you determine and understand need
- ❑ Templates and calculators
- ❑ information you can share with families about their children's development
- ❑ links to organizations across the state that can help you and your employees access quality care
- ❑ Technical assistance
- ❑ Ways to advocate





The Need & Impact in Pennsylvania ▾

Business Strategies That Work ▾

Invest to Increase Access ▾

Advance Quality Care ▾

Re

It's Time to Care About Care

Welcome to Pennsylvania's toolkit for businesses, industries, and communities of all sizes to support working families. Investments in Caring PA is Pennsylvania's resource for employers to assist their employees in finding access to quality care. This toolkit provides information and resources to identify new or expanded ways to strengthen your workforce and your bottom line.

Investments in Caring PA is an initiative of the Pennsylvania Early Learning Investment Commission.

HELP EMPLOYEES FIND QUALITY CHILD CARE

Why Do Employers Care About Care?



Where Do I Start?

**The Need & Impact
in Pennsylvania**

**Business Strategies
That Work**

**Invest to Increase
Access**

**Advance Quality
Care**



The Need & Impact in Pennsylvania

On Business & PA's Economy

- **Statistics: Impact on Businesses**
- **Recent report from PA ELIC & PA Chamber of Commerce**
- **Sample Employee Needs Survey**
- **Creative Child Care Solutions: Consulting**

On Working Families

- **Statistics: The Impact on Working Families**
- **Can Your Employees Afford Child Care?**
- **Your Essential but Struggling Worker**

On Children

- **Statistics: The Impact on Children**
- **State & Local Data on Quality Early Learning**

On the Child Care Workforce

- **Statistics: The Impact on the Child Care Workforce**
- **Impact Report: Start Strong PA**

Business Strategies That Work

HR Policies & Benefits

- Flex Scheduling, Paid Leave, EAPs, Flex Spending Accounts, Subsidies & More
- Small Business Strategies
- What Can My Business Do?

Provide Information

- Find Quality Child Care
- What is Quality & Where Can I Find Help Paying for it?
- Early Childhood Development Resources
- Tax Information

Business Tax Credits

- Employer Provided Child Care Facilities & Service Tax Credit
- Community Reinvestment Act
- Pre-K EITC



Invest to Increase Access

Increase Capacity

- Contracted Slots
- Back-up, On-site, or Near-site Child Care
- How to Open a Child Care Facility
- Creative Child Care Solutions: Consulting

Advance Equity

- Resources on Implementing DEI Principles
- Equitable Compensation for the ECE Workforce
- Equity in Child Care is Everyone's Business

Invest in the Workforce

- Invest in the Work of the PA ELIC
- Invest & Change
- U.S. Chamber: The Business Case for High-Quality Child Care

Invest in Regional Work

- Business Examples of Investments in Caring
- Case Studies
- How Can I Support On-going Work in my Region?



Advance Quality Care

What is Quality Care in PA?

- A Guide to Pennsylvania's Early Care & Learning System

Advocate

- Learn Ways to Advocate in Pennsylvania for Increased Public & Private Investments in Quality Early Care & Education

Apprenticeships

- Support ECE Apprenticeships or Pre-Apprenticeships in Your Community

Innovative Solutions



Case Studies in Caring:

How – and Why – Pennsylvania Businesses Support Innovations in Child Care

The Innovators:

The Housing Authority of the City of Pittsburgh, ABK Learning & Development Center, and Duquesne University

CASE STUDY

The ABK Collaborative, Tearing Down Employment Barriers While Teaching the Teachers

The Housing Authority of the City of Pittsburgh (HACP) offers programs that help residents build job skills, but HACP discovered a problem. For parents working nontraditional hours or looking for new jobs, lack of access to child care created a significant barrier to participation. That gap inspired creation of the ABK Collaborative, a multi-faceted public-private partnership that offers families access to quality care while giving college students studying early education real-life experience in the art of dynamic learning.

The Need: Focus groups and surveys revealed that lack of child care options hindered HACP residents working second- and third-shift jobs or looking for new and better jobs from joining job training and employment programs. In fact, problems with child care, including the lack of care outside the 8-to-5 workday and the need for working parents to cobble together arrangements, costs the Pennsylvania economy \$3.47 billion a year, according to the U.S. Chamber of Commerce Foundation. Those problems also force parents to leave their jobs or postpone training and education that could advance their careers.

The Business Investment: The collective convenes three unique institutions. HACP provides high-quality housing for 20,000 Pittsburghers while also helping them achieve self-sufficiency. ABK Learning & Development Center is a Keystone STARS 4 provider located in HACP's Bedford Dwellings community – and a rare provider of 24/7 child care. Duquesne University's Leading Teacher Program, within the School of Education, instills students with a foundation of leadership, diversity, and technology.



- **The Innovation:** ABK owner Lesley Crawford was inspired, in part, to offer child care 24/7 by the plight of her daughter, a certified nurse assistant and young mother forced to work late shifts because her more senior colleagues had dibs on daylight hours. The addition of drop-in care supports parents who need reliable child care while they take job training or attend interviews. The collaborative further enhances the quality of ABK's care with Duquesne undergraduate and graduate students in early childhood education who work as teachers and also develop educational curriculum, activities, and materials.
- **How It's Done:** Duquesne's preservice teachers learn asset-based mindsets as they build hands-on experience in engaging students and finding the strengths in every community. ABK Learning & Development Center receives invaluable support from Duquesne and HACP with training, technology, academics, and connecting families with resources. Working parents participating in HACP training and job programs have access to child care at the ABK Center.
- **How It's Funded:** Funding is provided by the Heinz Foundation and HACP/Clean Slate E3 nonprofit affiliate funds.
- **The Impact:** HACP removed a barrier for families working nontraditional hours or seeking job advancement. Duquesne



The Creative Child Care Solutions team can provide supports to keep your employees on the job.

- Employee Education Programs
 - Defining quality child care
 - How to Select High Quality Child Care
 - Options for Subsidized Child Care
 - Understanding Relative Care and its benefits
- Pre-tax Deductions
- Dependent Care Assistance Program
- Vouchers for Staff Accessing Child Care
- Brokered Discounts with Local Child Care Facilities
- Brokered Child Care Slots for Employees at Local Child Care Facilities
- Employer Sponsored Child Care
 - On-site
 - Off-site
 - Consortium of several smaller businesses



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Questions?

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What are you Investing in a
Caring PA Toolkit takeaways?

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**What are your Investments in Caring
PA toolkit takeaways? (Select two)**

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Targeted Systems Initiatives Panel

A conversation between Steve Wray and local leaders about initiatives and partnerships for stakeholders to deploy in order to address childcare challenges in their organization and at the systems level.

- **Moderator:** Steve Wray, Senior VP and Principal, Econsult Solutions, Inc.
- Rashanda Perryman, Senior Manager, Philanthropy, Vanguard
- Suzann Morris, VP for Policy and Partnership Development, Teachstone
- Mai Miksic, Director of Early Childhood Education Policy, Children's First

Q & A

Generating Collaborative Opportunities Panel

Local childcare providers and partners share insights on investing in the infrastructure of early care and education and discuss narrative shifts that are needed to ensure equity in solutions.

- **Moderator:** Mary Graham, Executive Director, Children's Village (center)
- Amanda Atkinson, Managing Director, Child Development and Family Services, PHMC
- Adrienne Briggs, Owner, Lil' Bits Family Child Care Home (home-based)
- Naeemah Suluki, Owner, TBD (home-based)
- Jacob Rosch, Research Associate, The Reinvestment Fund

Q & A

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Lunch Discussion

What is your #1 takeaway?

What did you learn today that you want others to know?

What is an immediate next step?

What is moving you to action?

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commitments?

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What is your next step? (Select all that apply)

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Thank you.