

CHILD CARE

IS EVERYONE'S BUSINESS





www.PhiladelphiaFed.org | [@PhiladelphiaFed](https://twitter.com/PhiladelphiaFed)

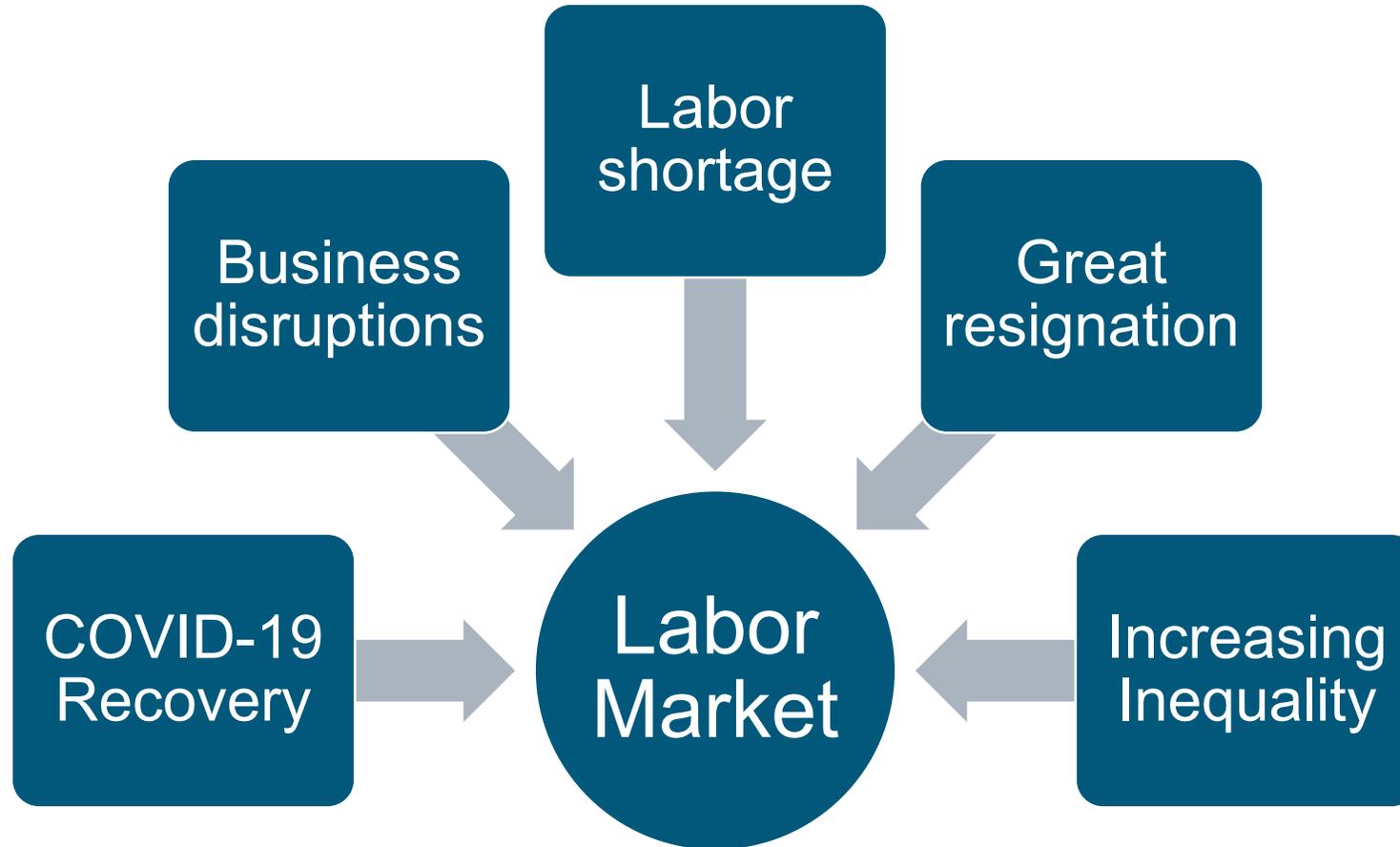
FEDERAL RESERVE BANK  PHILADELPHIA
Economic Growth & Mobility Project

Early Care as an Economic Investment

Ashley Putnam

The views expressed here are those of the presenters and do not necessarily reflect those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

A Critical Moment for Our Economy:



LABOR MARKET RECOVERY

While pressures on the Early Childhood Education sector existed long before the pandemic, the business closures and labor market that occurred as a result of COVID-19 further exacerbated a critical need.

Workforce Context

LABOR FORCE PARTICIPATION

Nearly 2.3 million women left the workforce since the beginning of the pandemic.

CHILDCARE COSTS

20% of the median household income is spent on one child attending child care.

BUSINESS IMPACTS

Small businesses, including child care providers, are struggling to find workers in recovery.



FEDERAL RESERVE BANK
PHILADELPHIA

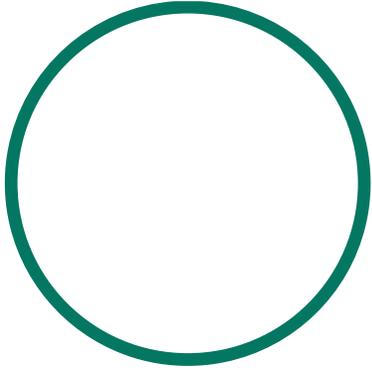
Economic Growth & Mobility Project



By leveraging the research produced by the Federal Reserve System and others, EGMP will convene **Research in Actions Labs**: catalytic partnerships among public, private and philanthropic stakeholders in the Third District that address specific issues of economic mobility.



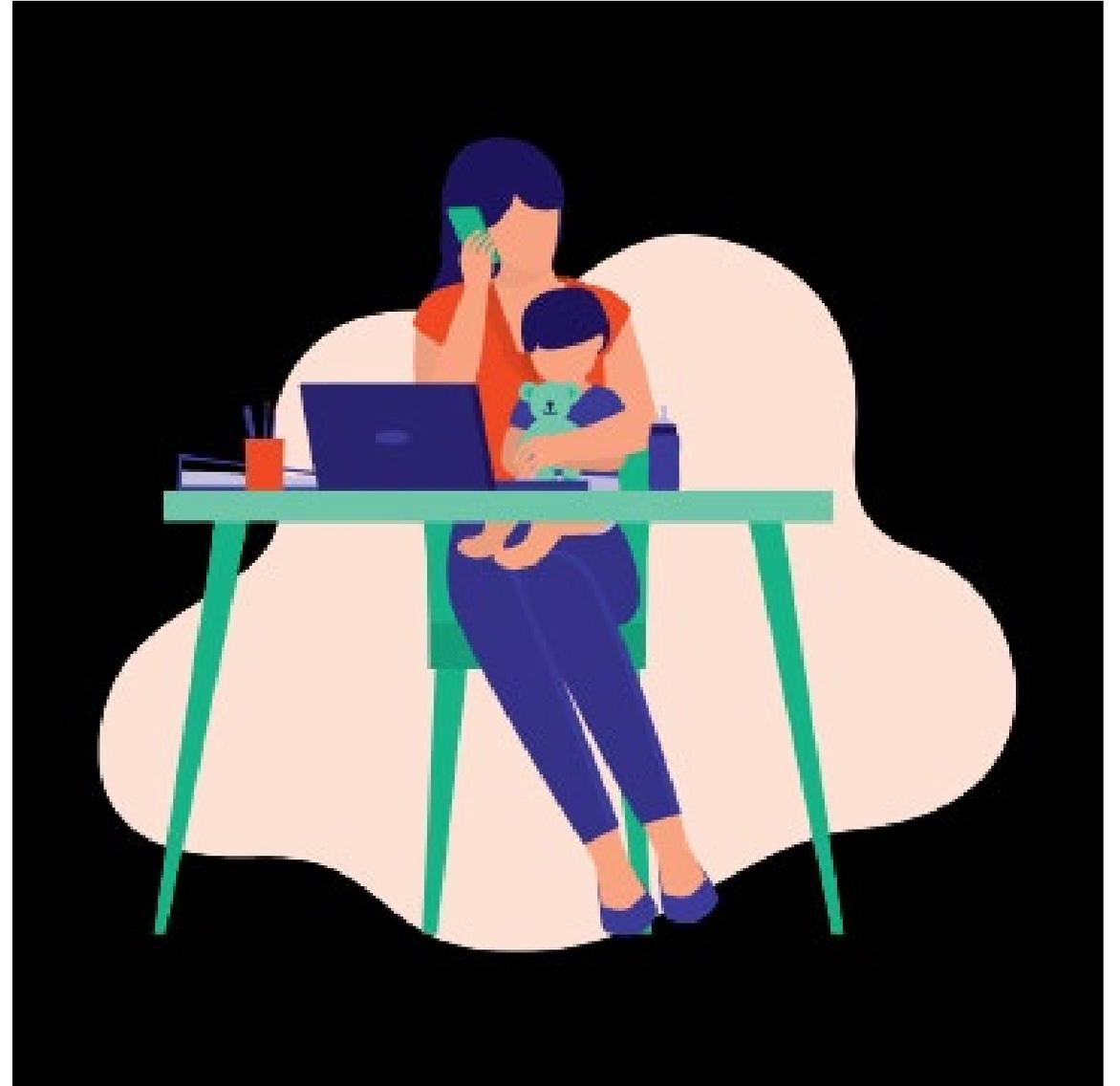
A **Research in Action Lab** is a **PROCESS** not a **PRODUCT**:



- **The partnership** launched between the Delaware State Chamber of Commerce, Rodel, and the Delaware Department of Education.
- **Localized research** including a PolicyMap data tool, market analysis, and interviews with small businesses and providers informed this work.

Early Care is Vital to a Strong Regional Economy

- Research shows that investing in high-quality ECE can lead to higher economic returns for a region, particularly for LMI families
- Two generational workforce strategy, allowing parents to fully participate in the economy, while preparing the region's future workforce for success in school and better job opportunities



The Supply Side: The ECE Workforce

A shortage of licensed care in Delaware:

- Approximately **25 percent** of Delaware residents live in a child care desert¹³
- There is a mismatch between the total licensed capacity (**35,481**) across Delaware¹⁴ and the total number of children ages 0–5 (**54,261**)¹⁵
- Licensed capacity¹⁶ in each of Kent and Sussex counties is only one-fifth of the licensed capacity in New Castle County¹⁷

A shortage of ECE professionals in Delaware:

- **Ninety-six percent** of Delaware child care centers are experiencing a staffing shortage¹⁸
- Half of the child care centers are turning families away because of staffing shortages and underinvestment¹⁹
- ECE wages are of the lowest in the state and the reason why **73 percent** of the centers say they can't hire²⁰
- The pipeline of ECE-focused students from Delaware's higher education institutions is declining²¹

A majority of providers aren't able to operate at their licensed capacity because of staff-to-child ratio requirements and staffing shortages, implying an even larger gap between the supply of and the demand for care.



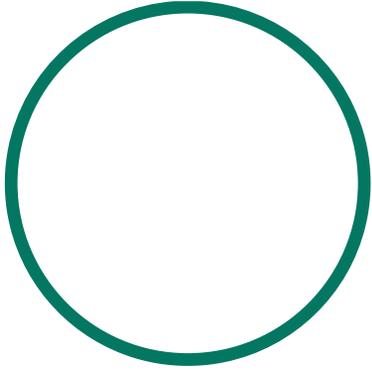
The Demand Side: Working Parents and the Business Community

An unmet need for accessible child care programs in Delaware:

- **Seventy-one percent** of young children (ages 0–5) in Delaware have all available parents in the labor force²²
- **24 percent** of Delaware’s workforce has school-aged children²³
- Workers between the ages of 18 and 54 make up **75.3 percent** of Delaware’s total workforce²⁴
- Delaware families spend about **20 percent** of the median household’s income for one child’s care;²⁵ the U.S. Department of Health and Human Services recommends no more than **7 percent**²⁶
- The female labor force participation rate for women in Delaware has not recovered to its pre-pandemic level as of December 2021²⁷
- Families are leaving Delaware at a higher rate than the national average,²⁸ despite a growing number of jobs in Delaware between 2015 and 2019 (an increase of about **6 percent**)²⁹



A **Research in Action Lab** is a **PROCESS** not a **PRODUCT**:



- **The partnership** launched the Delaware State Chamber of Commerce, Rodel, and the Delaware Department of Education.
- **Localized research** including a PolicyMap data tool, market analysis, and interviews with small businesses and providers informed this work.
- **Cross-sector solutions** are necessary next steps to work between business, government and non-profits to foster an inclusive recovery.

Upcoming DSCC Events

❖ **Superstars in Education & Training Awards Ceremony**

Monday, May 9th @ Wilmington University

4:45pm – 7:00pm

❖ **Networking Breakfast**

Wednesday, May 11th @ STAT International

7:30am – 9:00am

❖ **Workplace Wellness Webinar**

Tuesday, May 17th

11:00am -12:00pm