

# CHILD CARE

## IS EVERYONE'S BUSINESS





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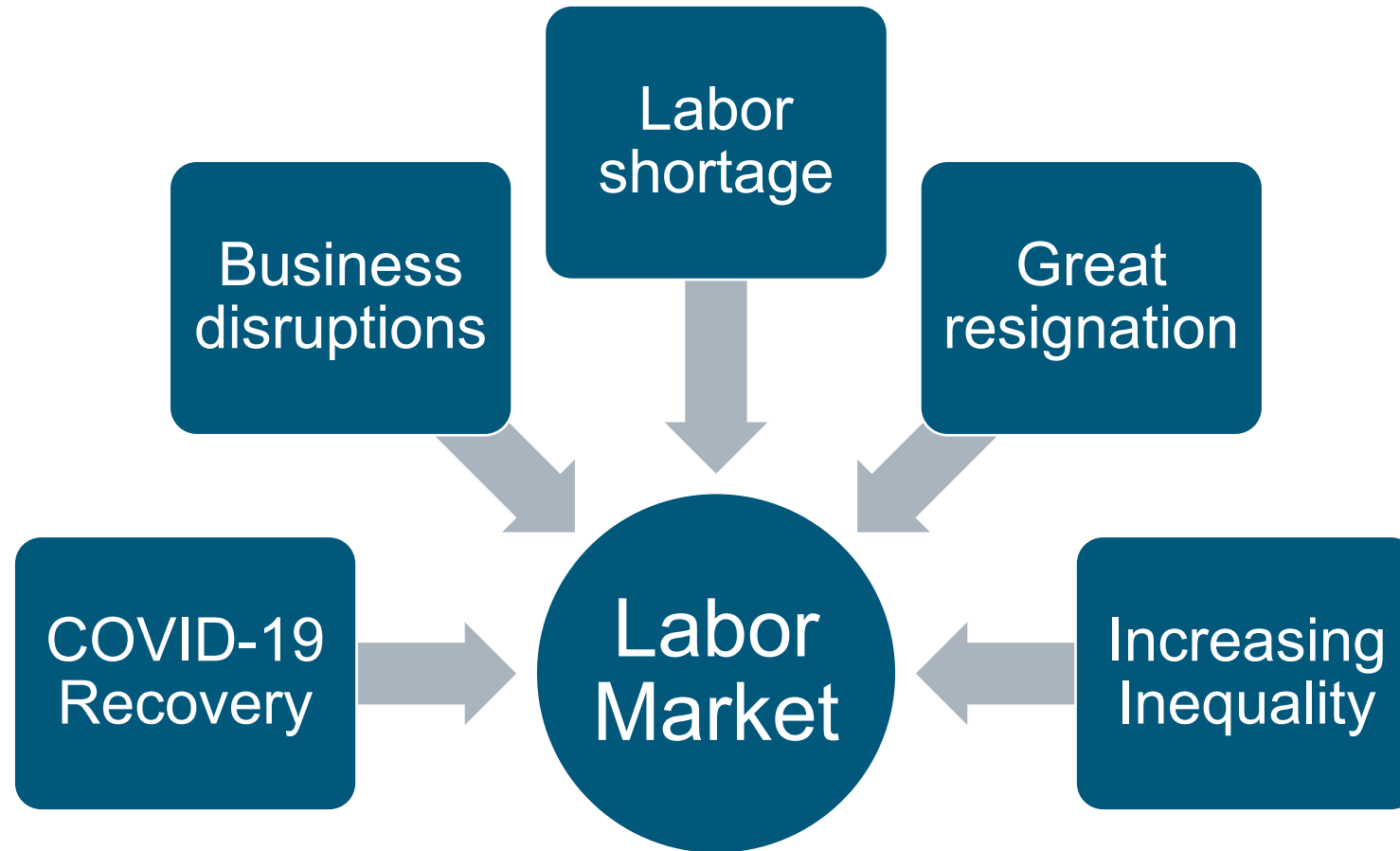
# Early Care as an Economic Investment

Ashley Putnam

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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.





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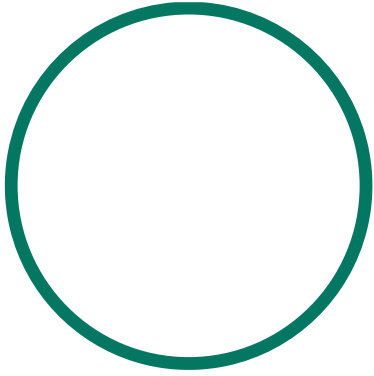
**Economic Growth & Mobility Project**



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**:



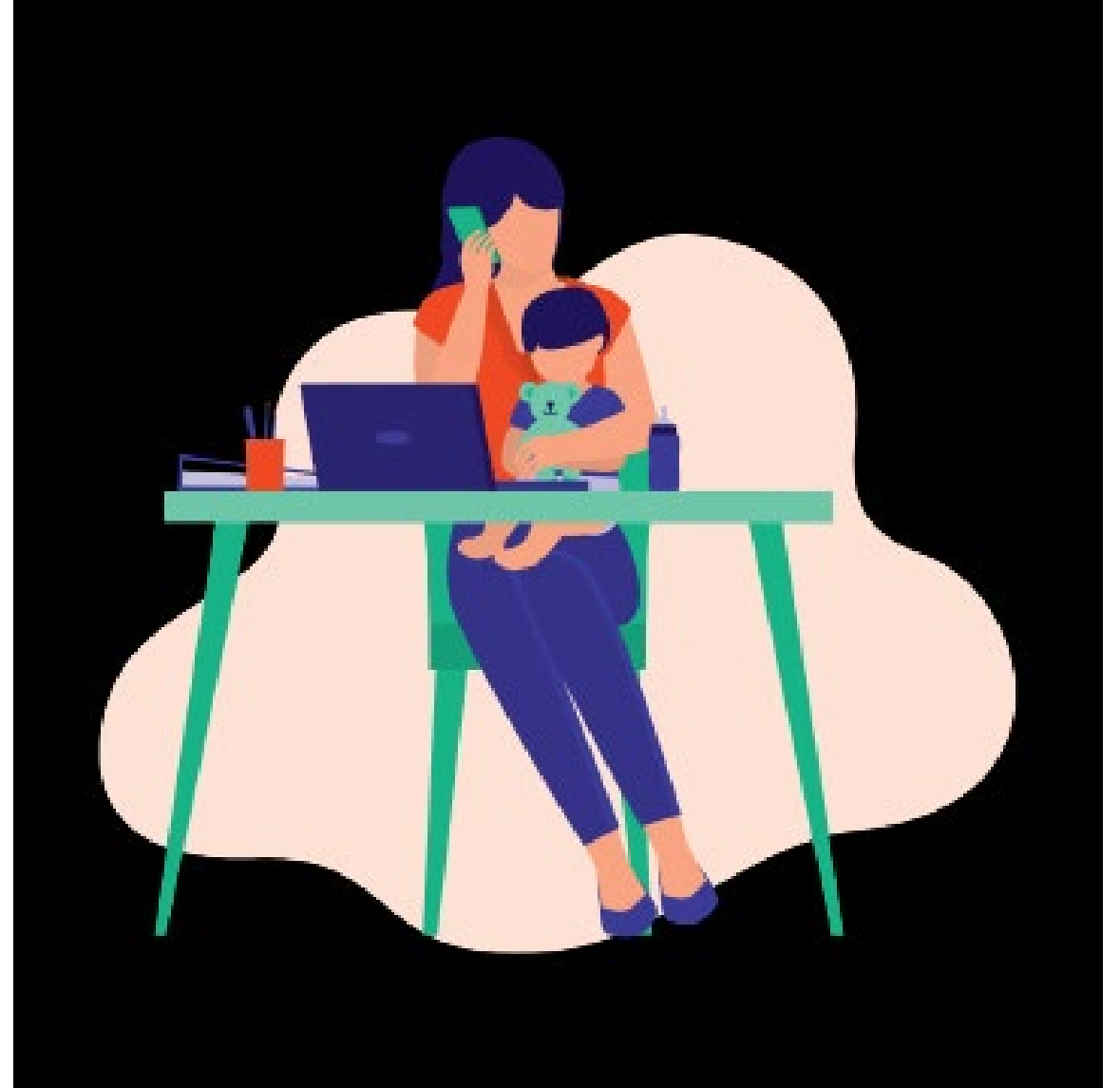
- **The partnership** launched between the Delaware State Chamber of Commerce, Rodel, and the Delaware Department of Education.
- **Localized research** including a PolicyMap data tool, market analysis, and interviews with small businesses and providers informed this work.



# Early Care is Vital to a Strong Regional Economy

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- 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 desert<sup>13</sup>
- There is a mismatch between the total licensed capacity (**35,481**) across Delaware<sup>14</sup> and the total number of children ages 0–5 (**54,261**)<sup>15</sup>
- Licensed capacity<sup>16</sup> in each of Kent and Sussex counties is only one-fifth of the licensed capacity in New Castle County<sup>17</sup>

## A shortage of ECE professionals in Delaware:

- **Ninety-six percent** of Delaware child care centers are experiencing a staffing shortage<sup>18</sup>
- Half of the child care centers are turning families away because of staffing shortages and underinvestment<sup>19</sup>
- ECE wages are of the lowest in the state and the reason why **73 percent** of the centers say they can't hire<sup>20</sup>
- The pipeline of ECE-focused students from Delaware's higher education institutions is declining<sup>21</sup>

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.



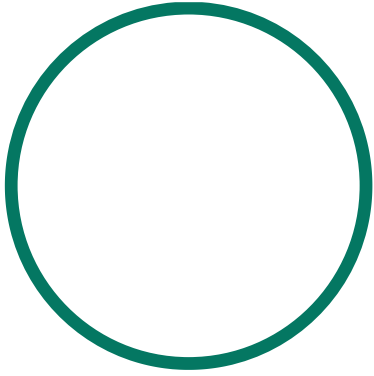
# The Demand Side: Working Parents and the Business Community

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 force<sup>22</sup>
- **24 percent** of Delaware's workforce has school-aged children<sup>23</sup>
- Workers between the ages of 18 and 54 make up **75.3 percent** of Delaware's total workforce<sup>24</sup>
- Delaware families spend about **20 percent** of the median household's income for one child's care;<sup>25</sup> the U.S. Department of Health and Human Services recommends no more than **7 percent**<sup>26</sup>
- The female labor force participation rate for women in Delaware has not recovered to its pre-pandemic level as of December 2021<sup>27</sup>
- Families are leaving Delaware at a higher rate than the national average,<sup>28</sup> despite a growing number of jobs in Delaware between 2015 and 2019 (an increase of about **6 percent**)<sup>29</sup>



# 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 9<sup>th</sup> @ Wilmington University

4:45pm – 7:00pm

❖ **Networking Breakfast**

Wednesday, May 11<sup>th</sup> @ STAT International

7:30am – 9:00am

❖ **Workplace Wellness Webinar**

Tuesday, May 17<sup>th</sup>

11:00am -12:00pm