The State of Local Childcare & Its Impact on Workforce Development
TOP 2 BARRIERS
FOR PEOPLE IN POVERTY TO GET A LIVING WAGE JOB

SKILLS

AFFORDABLE CHILDCARE
REGIONAL WORKFORCE STUDY
GREATER FARGO/MOORHEAD AREA
Regional Workforce Development Study Partners:

- Greater Fargo Moorhead Economic Development Corporation
- FM Area Foundation
- The Chamber
- Live United
- United Way
- North of Normal Fargo Moorhead | West Fargo

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UNITED for Child Care Coalition
According to the Regional Workforce Development Study:

**BY 2020 WE WILL NEED AN ADDITIONAL 30,000 WORKERS IN OUR COMMUNITY**
CULTIVATE: Strengthen the pipeline of local talent to support employers in the region.

ATTRACT: Enhance and coordinate efforts to bring new talent to the region.

BUILD: Develop a framework for financial self-sufficiency and upward mobility for workers in low-wage and basic-skill jobs.

INNOVATE: Encourage the development of innovative solutions to address the regions workforce-related challenges.
Employment Barriers

• Finding Affordable Housing Options

• Lack of Transportation
  • Hours and Location of Public Transportation

• High Quality and Affordable Child Care
  • High difficulty finding affordable, quality flexible child care

Source: Regional Workforce Development Study
UNITED for Child Care Coalition
UNITED for Child Care Coalition members
UNITED for Child Care Coalition

A group of local child care leaders and professionals & businesses led by United Way of Cass-Clay with a goal to create a unified approach to understanding, advocating for and investing in critical child care issues facing parents and child care providers.
Two Objectives of the UNITED for Child Care Coalition:

1) Provide more high-quality, affordable options for families

2) Provide more training and professional development opportunities to child care professionals, teachers and workers
Lack of Quality Child Care Affects Employers Bottom Line: *Child Care Aware: Parents & the High Cost of Child Care-2017 Report*

US Businesses lose approximately **$4.4 BILLION** annually due to employee absenteeism as the result of **CHILD CARE CHALLENGES**

Source: Child Care Aware of America
Lack of Quality Child Care Affects Employers Bottom Line: Child Care Aware: Parents & the High Cost of Child Care-2017 Report

Over a 6 MONTH period-almost ½ of PARENTS are ABSENT FROM WORK at least ONE TIME missing an average of 4 DAYS due to CHILD CARE CHALLENGES

Source: Child Care Aware of America
Lack of Quality Child Care Affects Employers Bottom Line: 
*Childcare Aware: Parents & the High Cost of Childcare-2017 Report*

2/3 of parents’ work schedules were affected by child care challenges 7 1/2 times during a six month period.

Source: Child Care Aware of America
Access to **QUALITY**, affordable child care plays a critical role in helping parents enter the workforce or seek added training and education.
What is Quality in Child Care?

- Research demonstrates that the quality of an early childhood program affects a child’s development across a range of skills, including language, math and social skills.

- The quality of child care and early education impacts school achievement and success in life.

- Great school years start with great early years – it’s that simple.
The Bright & Early ND 4-Star Rating System

• To maximize the learning that occurs in the early years, the North Dakota Department of Human Services launched Bright & Early ND statewide in 2015.

• The Bright & Early ND 4-Star Rating System helps parents and providers assess how a child care program supports a child's early learning and development.
What does quality mean?

According to ND Bright + Early & MN Parent Aware

- Health & Safety: Work to prevent injuries & reduce the spread of germs (starts with licensing)
- Space & Materials: Arrange a variety of toys to encourage play & learning
- Activities & Experiences: Design opportunities during the day to promote language, creativity, movement & learning
- Relationships & Interactions: Use positive interactions to give children the individual attention they need to learn
Why is QUALITY important?

Quality child care helps parents/guardians:

• Enter and remain in the workforce

• Access training and education to obtain jobs with a family-sustaining wage

• Prepares children to enter Kindergarten
Why does QUALITY matter?

Over 85% of children who arrive at school *without* the skills needed for success are *still behind* in 4th grade.
Cost of Quality-Compensation

In the Fargo-Moorhead area:

Median annual wage for a full time child care worker: $19,885 per year

Poverty level for a family of 2: $16,460 per year

Average annual cost of child care for 1 child: $10,052 per year

ND and MN are two of 33 states where infant care is more expensive than a year of college
Brittany (teacher) makes $19,885 per year

Brittany loves her job, but is struggling to make ends meet for her own family (Poverty = $16,460)

Carol (director) wants to keep Brittany as she is a great employee, but fears she will lose her as she can’t offer her a higher wage

If Carol wants to pay Brittany more, she would have to raise her rates, which means she would have to charge families more
• Carol knows that Brittany could make the same amount of money working at a local company like Burger King

• Carol already lost a great employee – Joann went to work at Burger King so she could make more money

• At Burger King, Joann now makes over $21,000 per year, but still struggles to afford child care (annual child care cost: $10,052)
Affordable housing =
Not spending more than
30% of your income on housing

Affordable child care =
Not spending more than
10% of your income on child care
Balancing Quality & Affordability
Balancing Quality & Affordability
The Problem: Supply vs. Demand

• Locally, 80% of children ages birth-5 have all parents in the Labor Force

Source: Child Care Aware of America
The Problem:

- Locally, according to a recent study conducted by the YMCA:

  Over 4,200 working families have difficulty affording QUALITY childcare for their infants and toddlers
Greatest need appears to be with infants and toddlers (0-3 years of age).

These are the levels of care that
(1) Are the most expensive to operate
(2) Have the highest out-of-pocket cost to parents and
(3) Are most likely to be needed by parents with the lowest incomes.
# Affordability

<table>
<thead>
<tr>
<th>Median Annual Household Income for Cass County, ND</th>
<th>$55,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent ($731 per month)</td>
<td>-$9,000</td>
</tr>
<tr>
<td>Child Care (2 children annually)</td>
<td>-$19,000</td>
</tr>
<tr>
<td>Remaining for utilities, food, clothing,</td>
<td>$27,000</td>
</tr>
<tr>
<td>transportation, healthcare, student loans,</td>
<td></td>
</tr>
<tr>
<td>savings</td>
<td></td>
</tr>
</tbody>
</table>

A family earning the median annual household income doesn’t qualify for assistance.

A family must make less than $54,444 per year to get assistance.

Source: Job Services & Child Care Aware of ND
Proposed Solution: Child Care Scholarships
CHILD CARE SCHOLARSHIPS

The benefits:

• Fill the gap between what families receive through child care assistance and getting quality care

• Provide additional assistance on behalf of families to high quality providers

• Allow families to CHOOSE what care is best
## Child Care Scholarships Fill the Gap

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child care assistance</td>
<td>$600</td>
</tr>
<tr>
<td>Cost for quality care</td>
<td>$900</td>
</tr>
<tr>
<td>Gap</td>
<td>$300</td>
</tr>
<tr>
<td>United Way Child Care Scholarship</td>
<td>$300</td>
</tr>
</tbody>
</table>

### Outcome:
- Low-income families seek cheaper lower quality child care because they can’t afford the $300 that child care assistance doesn’t cover.
- Low-income families can afford high quality child care because United Way fills the gap that child care assistance doesn’t cover.

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**United Way**

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**UNITED for Child Care Coalition**

[United Way logo]

[Force for good logo]
CHILDCARE SCHOLARSHIPS:

AN AVERAGE OF 75 CHILDCARE SCHOLARSHIPS ARE PROVIDED MONTHLY TO LOW-INCOME WORKING FAMILIES.
CHILD CARE SCHOLARSHIPS:

9 OUT OF 10 CHILDREN WHO RECEIVED SCHOLARSHIPS ARE DEVELOPMENTALLY ON TRACK IN THE AREAS OF LITERACY AND SOCIAL AND EMOTIONAL SKILLS.
REGIONAL WORKFORCE STUDY
GREATER FARGO/MOORHEAD AREA

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According to the Regional Workforce Development Study:

**BY 2020 WE WILL NEED AN ADDITIONAL**

30,000 WORKERS

**IN OUR COMMUNITY**
Summary
Child care is a workforce development issue

- Parents cannot take jobs needed if they do not have **AFFORDABLE, QUALITY CHILD CARE** options

- Your bottom line **IS** affected by childcare

- We know quality environments positively affect children AND their family
Summary
Child care is a workforce development issue

- There is a COST to QUALITY

- Our partnership works by strengthening existing systems and allows families to choose what care is best
The action we need to take a community:

Increase child care scholarships for working families