

How Are Economic Development Organizations Attacking The Daycare Crisis?



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Defining The Problem



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Defining The Problem

The United States is facing a growing child care crisis.

Its economic impact has more than doubled since 2018, rising to a staggering \$122 billion annually in lost earnings, productivity and revenue last year. Meanwhile, the crisis itself threatens the future of the U.S.'s youngest minds and is hindering employment and educational advancement of the American workforce.

That's according to a new report from the bipartisan Council for a Strong America. In comparison to the economic impact seen in 2022, in 2018 the toll was estimated at \$57 billion per year. Both the pandemic and insufficient policy have exacerbated challenges, the report authors say.

The new report "is just one more finding that makes it clear that the status quo with child care is not working," said Anne Hedgepeth, chief of policy and advocacy at ChildCare Aware of America, which was not involved in the research.

"This is not just a problem for individual parents and families. It's a problem for all of us. It's impacting the economy, and it's impacting our communities," said Hedgepeth.

A variety of problems plague the child care industry. But according to advocates, federal and state investment can help address the challenges.

<https://thehill.com/changing-america/enrichment/education/3852987-whats-behind-the-uss-worsening-child-care-crisis/>



Defining The Problem

What's behind the crisis?

The crisis can be broken down into three key, interrelated challenges: affordability, accessibility and quality of care.

For infants, the average cost of center-based child care — or care provided in non-residential, commercial buildings — is more than in-state, public college tuition in 34 states and the District of Columbia, according to the report.

Data from ChildCare Aware show that in 2021, the average national price of child care was around \$10,600 each year.

Meanwhile, those in need of child care services are often young couples who may not have that much disposable income to spend, said Jack McBride, CEO of Contec, Inc. and member of the ReadyNation CEO Task Force. ReadyNation is one of the three groups that make up the Council for a Strong America.

<https://thehill.com/changing-america/enrichment/education/3852987-whats-behind-the-uss-worsening-child-care-crisis/>



Defining The Problem

“For families that are headed by a divorced parent, or in households of color, that price of child care is more than a quarter of the family’s income, up to as much as 60 percent of total household income. That’s just not sustainable for families,” said Hedgepeth.

“The increase in prices for child care have outpaced inflation for the past three years,” she added.

Several factors contribute to the high prices.

As a whole, the industry is labor-intensive and requires a high level of staffing, raising the financial burden on centers and increasing the costs of care. In addition, thin margins in the business can preclude child care centers from paying employees competitive wages, resulting in high turnover or staffing shortages which stretch centers’ financial resources. Regulations also mandate how many teachers need to be present per number of infants or toddlers.

Because taking care of children comes with a lot of liability, child care centers also bear insurance costs, boosting the price of care.

When the pandemic struck, parents kept their kids home out of fear of contracting COVID-19. This led to centers temporarily closing and workers leaving the sector for jobs that posed fewer health risks or were higher paying. And once workers leave the industry for such positions, they may not return.

The pandemic “eliminated basically 20 percent of the available child care centers,” said McBride.

“Nationwide, the workforce is 7 1/2 percent smaller than it was before COVID. So that’s a loss of about 80,000 providers,” added Sandra Bishop, chief research officer at Council for a Strong America and lead author of the report.

Research from the liberal think tank Center for American Progress shows just over half of U.S. residents live in child care deserts, or areas where there are more than three children under the age of 5 for every licensed child care slot.

“There just is not availability, period, and then you add on the piece that a lot of families can’t afford what the care costs, and then that just decreases the availability,” said Bishop.



Defining The Problem

Whether it's being late to work, leaving work early, or being distracted at work, these hardships manifest in parents' professional lives. A number of women, in particular, are dropping out of the workforce entirely to take care of children, McBride notes, so a more robust child care system would help female professionals move up in their careers and get promotions.

According to the Council's report, American families lose \$78 billion per year in foregone earnings and job search expenses as a result of the system's failures. Productivity challenges cost employers \$23 billion annually. As a result, taxpayers lose \$21 billion each year thanks to lower federal, state and local tax revenue.

<https://thehill.com/changing-america/enrichment/education/3852987-whats-behind-the-uss-worsening-child-care-crisis/>



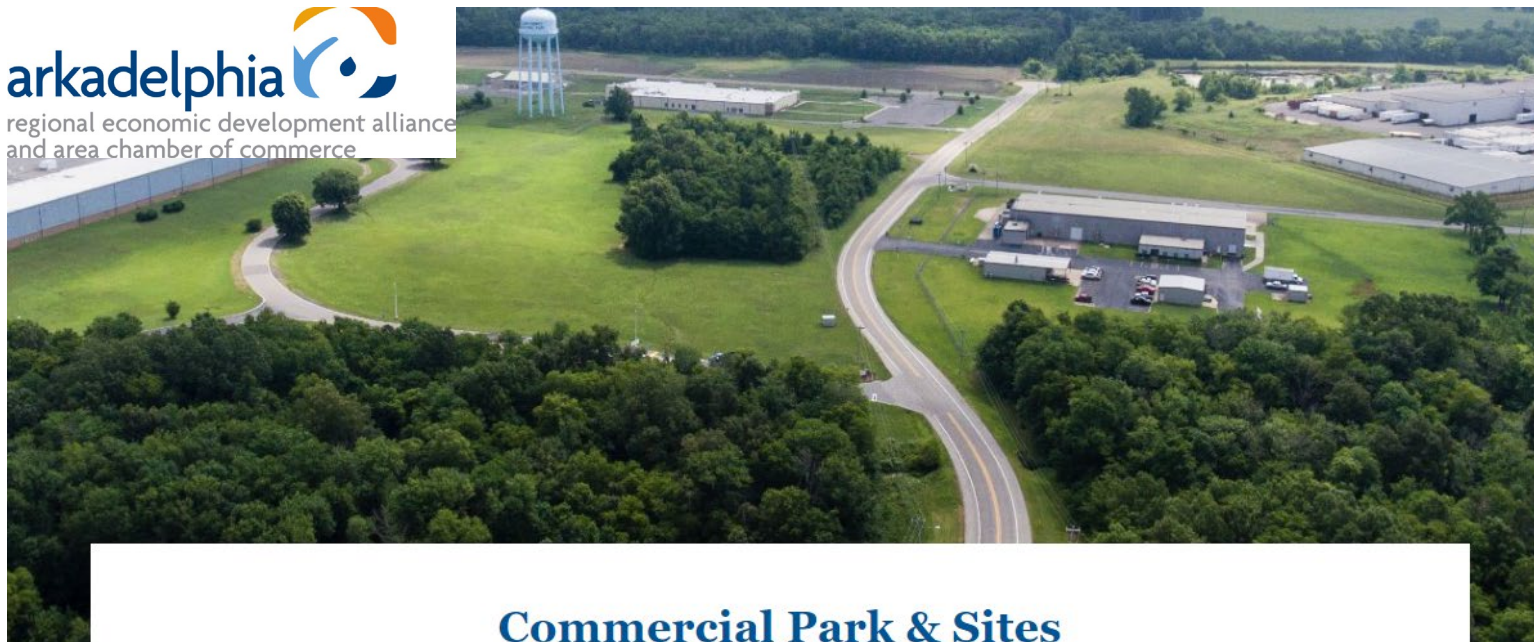
Proactive Examples Of EDO's Addressing The Problem



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Proactive Examples Of EDOs Addressing The Problem



Commercial Park & Sites

The Economic Development Corporation of Clark County (EDCCC) and the Clark County Industrial Council (CCIC) administer sites available for development in the Clark County Industrial Park and the adjacent Clark County Super Site.

Located five miles south of Arkadelphia on U.S. Highway 67, is the Clark County Industrial Park featuring site ranging in size from 4.5 acres to 122.3 acres. The park is less than two miles from Interstate 30 and has some available highway frontage along U.S. Highway 67. The Union-Pacific Railroad mainline track, which travels from St. Louis to Texas, is situated along the park's eastern edge.

The Clark County Industrial Park features a childcare facility to accommodate employees' needs and is one of the only facilities of its kind in the state. Clark County Child Care Center can serve up to 100 children per shift, and although the center is designed to serve children of industrial park employees, it is open to all children in Clark County. Yale University's "Schools of the 21st Century" educational programs are incorporated in the facility's curriculum.



Proactive Examples Of EDOs Addressing The Problem

Industrial Park childcare center proposed with 400-800 slots offered

By *Casey Williams* June 8, 2022 1:13 pm



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Source: Shutterstock

CLARKSVILLE, TN (*CLARKSVILLE NOW*) – Employees of the Industrial Park could soon have affordable childcare close to their workplace thanks to a new initiative by the Industrial Development Board.

Through the Industrial Childcare Facility project, the Clarksville-Montgomery County IDB plans to establish a childcare facility for 400-800 children in the South Industrial Park on International Boulevard near Exit 8.

IDB Executive Director Shea Hopkins told Clarksville Now that when she got to Clarksville she noticed a need for childcare in the industrial sector.

“Right now, in Clarksville-Montgomery County, the waitlist on childcare is about two years, so we identified that as a huge obstacle for people trying to re-enter the work force. You can’t go to work if you don’t have somewhere to place your child,” Hopkins said. “There’s not a lot available over there, and a lot of the folks that work in the Industrial Park may have transportation issues, so it really helps if childcare is near where you work.”

She added that employers could use childcare as a tool for employee retention.

“We’re hoping that a lot of our local industries will partner on this to make it affordable and accessible to their employees. We’re also hoping that they can use it as a retention tool.”

According to Hopkins, a new facility would have capacity for at least 400 students, but could be as high as 800. Documents provided by the IDB say 50% of the open spots will be allocated to Industrial Park partners.



Proactive Examples Of EDOs Addressing The Problem

IDB accepting proposals

The IDB is seeking a partner in the Industrial Childcare Facility project, and is accepting proposals.



All proposals must be received by July 1, no later than 5 p.m., for consideration in the project proposal selection process. RFP information can be found at clarksvilletned.com.

Proposals will be reviewed by Industrial Childcare Committee by July 20, with finalist interviews and proposal selection to follow.



Proactive Examples Of EDOs Addressing The Problem

Cherokee Nation to Build \$16M childcare center in Pryor

Published: March 29th, 2022

COMING SOON

Cherokee Nation Child Development Center with Head Start



Pryor Creek, Okla.-- Cherokee Nation is partnering with MidAmerica Industrial Park after donating land for the tribe to build and operate a \$16 Million childcare center in Mayes County.

MidAmerica Industrial Park dedicated 12 acres of land located on West 530 alongside Hwy 69A that will be used as part of the childcare center construction site.



Proactive Examples Of EDOs Addressing The Problem

Otter Tail County is awarding matching grants to new and existing child care providers. Grants are intended to support program needs for existing providers as well as increase child care slots for new or expanding full-day child care centers, licensed family providers, and multiple-provider pods in Otter Tail County. Applications are accepted on an ongoing basis, subject to availability of funds.

Otter Tail County appreciates the work that child care providers do every day to keep children safe, provide quality early childhood experiences, and support our communities.

[Apply to Program](#)

Grant Eligibility

Child care centers, family-licensed providers, and multiple-provider pod models are eligible to apply for the Child Care Capacity Grant Program if they meet the following.

- Located in Otter Tail County.
- Have a current active license and be in good standing or be in the process of completing licensure.
- Provide full-time child care (minimum 32 hours per week or 4 days per week).
- No current tax liens with the Minnesota Secretary of State.
- Be current on property taxes or any other obligations to Otter Tail County, as applicable.
- Remain in business for a minimum of 3 years providing direct child care services.
- 1:1 cash match is required. Applicant must demonstrate how they will pay for 50% of the project.



OTTER TAIL
COUNTY - MINNESOTA



Proactive Examples Of EDOs Addressing The Problem

Swift County, Minnesota:

1. The County's website has a resource page dedicated specifically to Daycare Providers:

https://www.swiftcounty.com/index.asp?SEC=3C662316-C015-4A3C-8947-B45D74F69BAB&Type=B_BASIC

2. Swift County offers a [Daycare Loan/Grant Program](#) where licensed daycares, both centers and in-home providers can apply for funding that can be put toward several priorities, including:

- Home/facility modifications or upgrades required to meet licensure requirements
- Educational curriculum and equipment
- Safety improvements (ie. Fence around play area)
- Needs to expand the number of children served (does not include operating expenses)
- <https://umvrdc.org/swift-county-daycare-loan-grant-program/>





Proactive Examples Of EDOs Addressing The Problem

Williston Economic Development's new childcare grant already helping local providers



FILE - childcare (KFYR)

By [Michael Anthony](#)

Published: Aug. 24, 2022 at 6:14 PM EDT | Updated: 23 hours ago



WILLISTON, N.D. (KUMV) - Local childcare providers in Williston are beginning to take advantage of Economic Development's STAR Fund to expand their services.

Last month, the department allowed providers to apply for grants up to \$17,050 to add new spots for children. So far, two businesses, Rock-A-Bye Bakken and Coyote Pups Learning Den, have been approved for the maximum amount to purchase additional equipment and space. Executive Director Shawn Wenko says more opportunities are needed to help the lack of available childcare throughout the region.

"We continue to add capacity, but it's still a challenge to try and get ahead of the game in the need of childcare slots. The positive side, what is it telling you? It's telling you that Williston is continuing to grow. More young families are coming into the area, and that is a good sign," said Wenko.

For more information on how to apply for the STAR Fund grant, contact Economic Development at 701-577-8110.



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TRAVIS COUNTY, TEXAS

Travis County is taking a multi-faceted approach to childcare assistance by growing the capacity in the area through increasing funds for subsidies, expanding contracts with partner organizations, **piloting a non-traditional work hours childcare program** and providing wage supplements for employees in the childcare workforce. These initiatives are supported by a \$2.4 million allocation from the Recovery Fund, and aim to both assist families in need and bolster the county's workforce, both of which are priorities set forth by ARPA.



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8/27/22, 3:36 PM

Outagamie County earmarks ARPA funds to fight child care crisis

Post Crescent.

EDUCATION

Outagamie County devotes 'unprecedented' ARPA funds towards youngest citizens, fighting child care crisis

Madison Lammert Appleton Post-Crescent

Published 6:00 a.m. CT Aug. 25, 2022 | Updated 9:05 a.m. CT Aug. 26, 2022

Outagamie County plans to use \$2.8 million of its remaining federal pandemic aid funds to improve the child care and early childhood development landscape in the county.

The funds come from a remaining pot of \$14.9 million in American Rescue Plan funding for external investments. The county board earlier this month agreed to earmark the funds to address local child care and early education issues. It's tied with behavioral and mental health services as the second largest expenditure authorized by the board after the \$3.5 million that will be used to address the area's shortage of affordable housing.

"This is unprecedented – we've never been handed (such a large sum of money) to go solve the housing crisis or make child care a little easier for working families," County Executive Tom Nelson said. "The county day-to-day, year-to-year is indispensable, but this is giving us additional resources that we can use to drill into these consistent problems that we've had for many years that have only been exacerbated by the pandemic."

More: Outagamie County sets aside \$14.9M in ARPA funds for affordable housing, child care development and expanding internet access

The allocations were largely influenced by the feedback received through focus groups and surveys of businesses and households conducted by the University of Wisconsin-Oshkosh. Among the issues identified by stakeholders relating to child care were lack of access, affordability and staffing shortages.

The county also worked with the Greater Fox Valley Child Care Alliance to enlist research on the issue from the University of Wisconsin-Madison's UniverCity Alliance program. Through the UniverCity Alliance, four students in the La Follette School of Public Affairs produced a report that focused on how the child care crisis rears its head in Outagamie County.

Kara Homan, the Outagamie County Development and Land Services Director who has been leading the external community investments analysis to decide how to use the funds, said the repercussions of a broken child care system extend well beyond the industry and the families who immediately rely on it.



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The \$2.1 million childcare facility, the Children's Center is set to open Sept. 26. Pictured are several instrumental project engineers, from left: Bill Monroe, fundraising chair, Sam Harding, head of construction, Children's Center assistant director Lisa Beyerink, executive director Cherie Cerveny and Children's Center board co-president, Jacque Andrew. JEFFERSON HERALD | BRANDON HURLEY

NEW, MULTI-MILLION DOLLAR CHILDCARE CENTER OPENS SEPT. 26

Wed, 09/21/2022 - 12:41 admin1

Special to the Jefferson Herald

After years of planning and more than 12 months of construction despite some supply chain delays, the new childcare center at 306 South Vine in Jefferson is ready to open its doors on Monday, September 26.

"We couldn't be happier to welcome children and families to our new center," said executive director Cherie Cerveny.

Parents toured the new center on Friday, Sept. 9, along with local media.

In addition to a new building, a new name will be used for the operation. Starting opening day, it will be The Children's Center.

"Our mission remains true, providing 'quality care in a learning environment'," said Cerveny. "After 17 years in operation, we wanted the name to reflect our focus on our primary purpose, 'the children'. We will continue to serve families throughout the county and well beyond. New building, new name and same genuine promise to children and families."

The nearly 9,500 square-foot facility is a massive upgrade in space, technology and safety. The old rooms averaged just 300 square feet, while the biggest room in the new facility is an impressive 650 square feet with plenty of natural lighting, private bathrooms, sinks and even individual cubbies.



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LOCAL NEWS

Mason City, St. Ansgar, Sheffield child care projects receive state grants

September 14, 2022 11:09AM CDT

f t SHARE



MASON CITY — Projects in Mason City, St. Ansgar and Sheffield are among 23 that were awarded almost \$27 million by Governor Reynolds this week to help businesses jumpstart new child care opportunities and make it easier for Iowans to find child care options through their employer.

The Child Care Business Incentive Grant awarded \$25.9 million to address 19 infrastructure projects, while four other projects are getting \$600,000 to support agreements between businesses and local centers that create new child care slots.

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- 3 Former Mason City Fast Food W Sentenced To Probation For Th



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Some businesses have taken it upon themselves to address child care affordability and accessibility gaps by securing slots in local centers for employees' children or investing in onsite child care.



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Clif Base Camp is an aptly-named, on-site child care center for the company that sells organic foods and drinks aimed at athletes. The center is run by the child care chain KinderCare and is also open to employees who work for LeapFrog and other businesses housed in the EmeryTech business center in Emeryville, California.



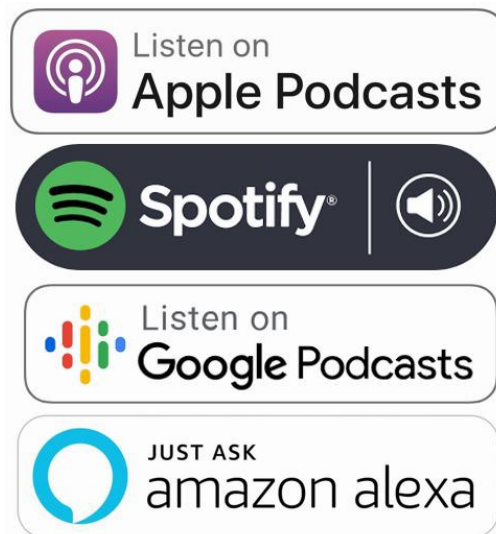
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