



“By laying the crucial groundwork for tomorrow’s workforce and promoting a strong workforce today, high-quality childcare provides a powerful two-generation approach to building the human capital that a prosperous and sustainable America requires.”

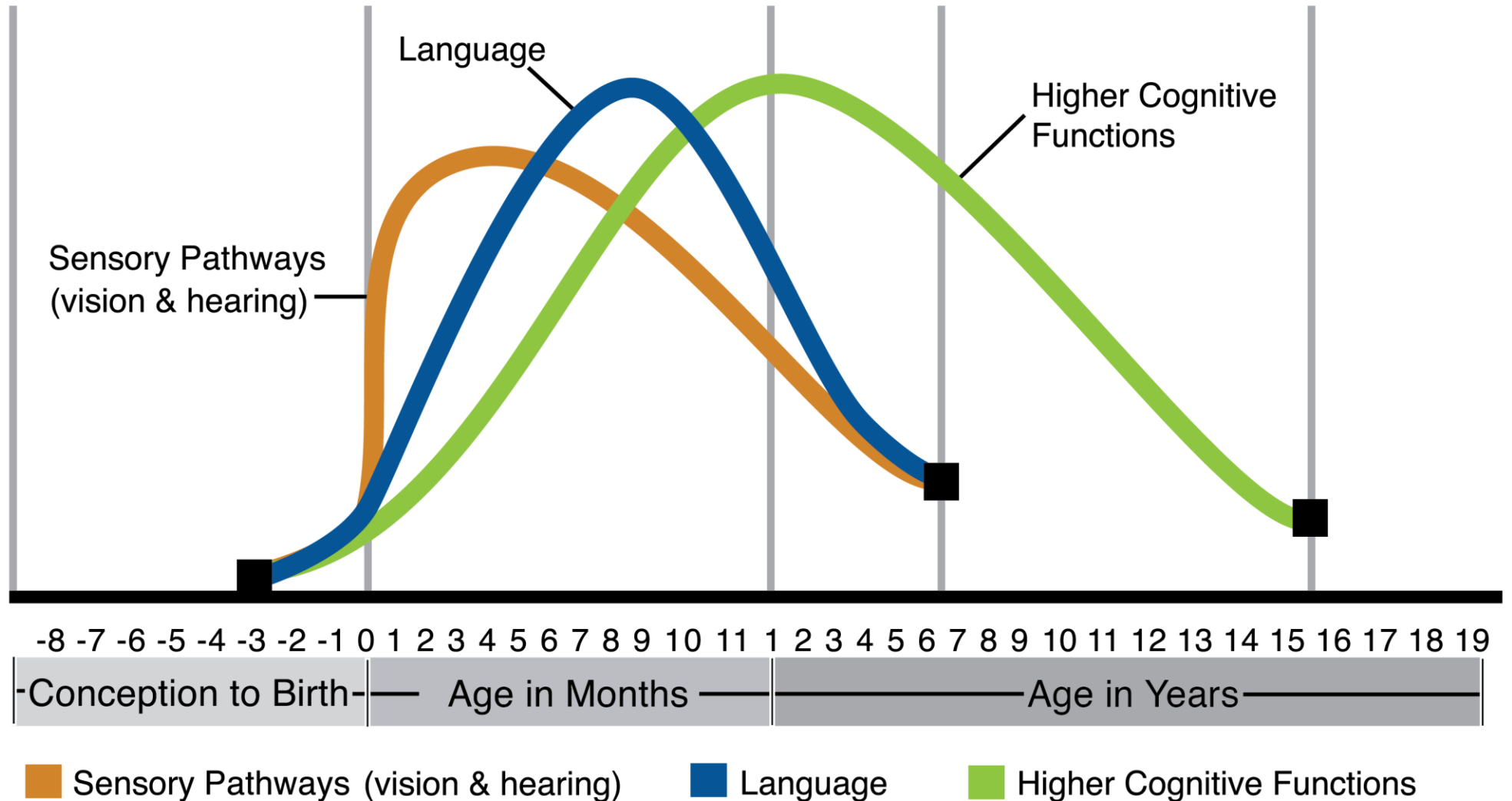
U.S. Chamber of Commerce Foundation: Workforce of Today;
Workforce of Tomorrow

Welcome



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Early experiences form brain architecture.



In Austin/Travis County

More than **one in three**
children under six living in Travis County
**live in households with
low income.**



32,000

children under six in Travis County

**live in households
with low income.**

90%

of children under
six from households
experiencing poverty
are children of color.

Today in Austin

15,000 babies are born in Austin/Travis County each year.

95%

of families have physical, mental, or social-emotional health needs within the first few weeks of a baby's birth.

14%

of African-American infants born in Austin/Travis County are born early, and 12% are born at low birth-weight.

17%

of children under 18 experience food insecurity.

Today in Austin

33%

of two-parent families with low income have both parents working.

80%

of single-parent families with low income are working and are still unable to meet their basic needs.

Only 9% of children 0-3 receive research- and evidence-based home visiting or parent-education services.

1,376

children younger than six are confirmed victims of child abuse or neglect.

Today in Austin

The cost of high-quality infant care ranges from \$15,000 per year on Austin's east side to \$20,000 on the city's west side.

52%

of programs serving children from households with low income are high quality.

Child care workers earn \$10.67 to \$14.07 an hour, but our city's living wage is \$15.

1 in 4

potential students are served by Austin ISD Pre-K3, and children from families with low income who attend Pre-K are more than twice as likely to be school ready.

Today in Austin

Austin/Travis County invested

\$241

in early childhood last year per child under 6 from low-income households.

San Antonio invested

\$472

per capita

\$776

per capita

Philadelphia invested

Portland spent

\$1,021

per capita

\$1,833

per capita

Denver budgeted

more than 7x what Austin spends

Child Care in Austin is Broken

- **Demand > Supply**
- **Families** who need childcare cannot afford it. Tuitions equivalent to College; Highest expense for families behind housing
- **Costs and Personnel:**
 - Real estate market squeezing costs for facilities (rent/mortgage)
 - Wages do not attract and retain quality employees.
 - **\$8.50 to \$16.86 per hour**
 - **56% receive public income supports**
- Lack of accessible and affordable childcare is a barrier to the creation of middle-skill employment in Austin . Among the nonworking poor with young children, **70% cite lack of child care as a key reason they are not in the workforce.**

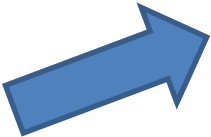
All Child Care is NOT equal

Quality is determined by both measures of structure and process

- Structure: Group size, teacher : student ratio

| | Texas Ratio | Quality | Texas Group Max | Quality Group Max |
|------------------|-------------|---------|-----------------|-------------------|
| 2 year olds | 1:11 | 1:6 | 2:22 | 2:12 |
| 3 or 4 year olds | 1:18 | 1:10 | 2:35 | 2:20 |

- Process: Teacher qualifications, curriculum, quality of student/teacher interactions
 - Texas allows HS Education and **24 h**ours of preservice training
- Texas Licensing Standards: Ranks **45**/50 in the US in measures of child care quality

High Quality  Strong positive impact on development and later school success

Low Quality  Behaviors that are protective responses but have a negative impact on development and later school success

Texas Data: Share of Children under age 6 in families with NTH-working parents

- 39% of all children
- 48% families with low incomes (under 200 percent of FPL)
- 51% families of Black children
- 42% families of Latino children
- 31% families of White children
- 53% families with parents with HS education or less
- 64% of families with a single working parent

In ATX:

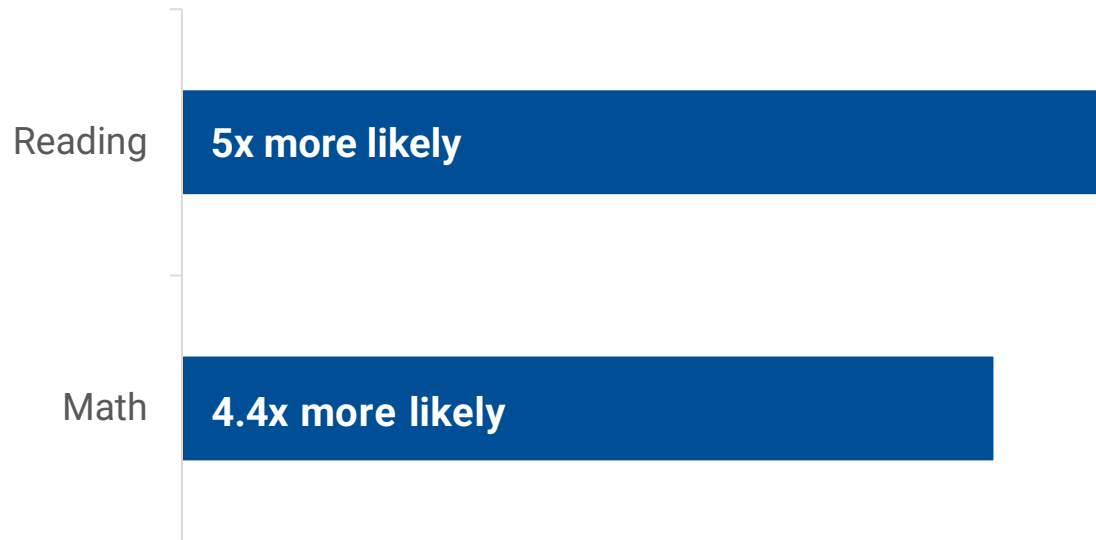
Weekend Care: 1 drop in center; 3 licensed homes, 6 registered homes (4 accept subsidy); 6 listed homes

Nighttime Care: 1 drop in center, 3 registered homes (2 accept subsidy)

Data source: <https://www.urban.org/>

Starting Behind Often Means Staying Behind

School readiness predicts how likely kids are to pass their 3rd Grade STAAR test:



Source: E3 Alliance

Students living in poverty who *DO NOT* receive high-quality early childhood development are less likely to be productive citizens and workers.

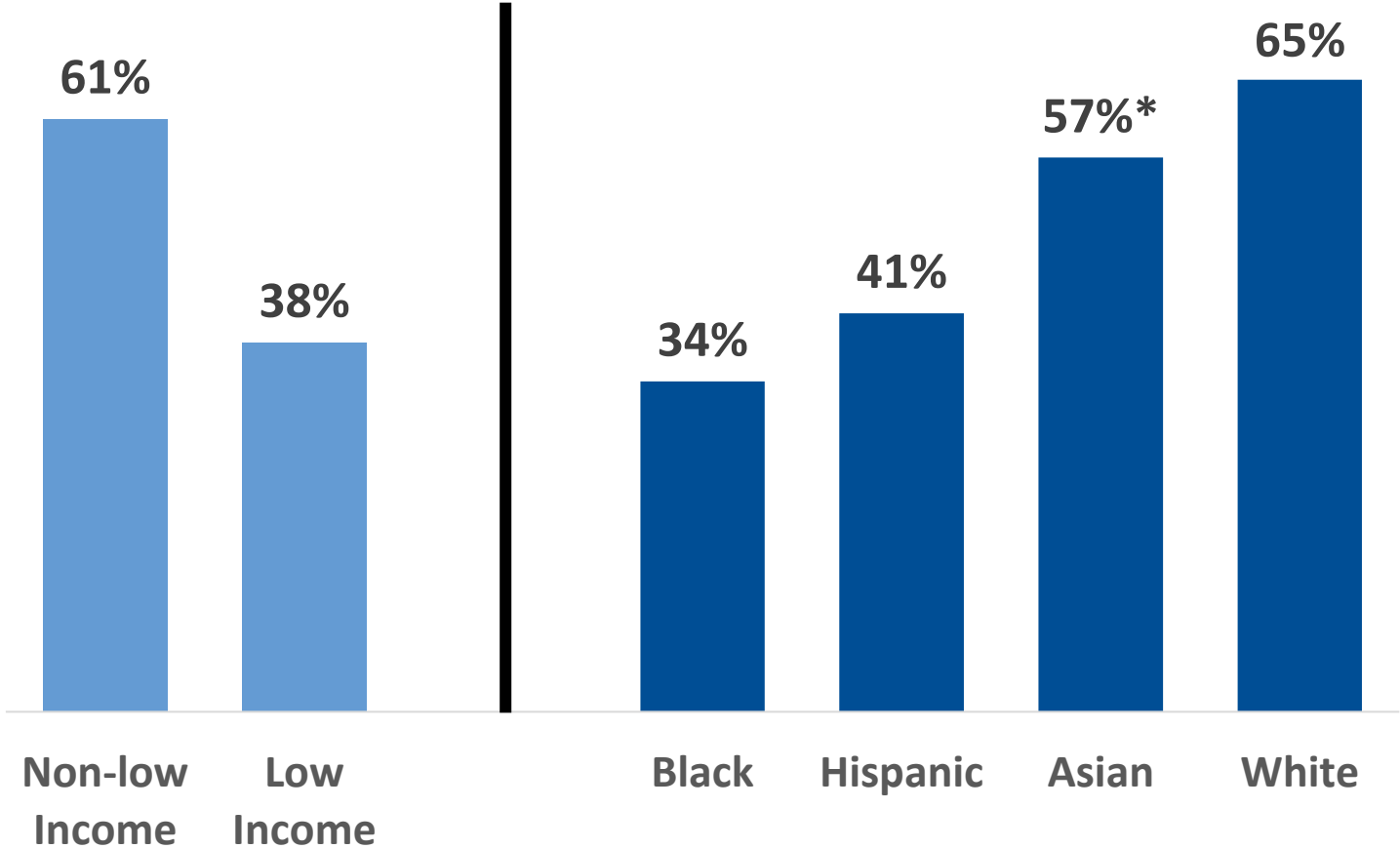
They are:

- 25% more likely to drop out of school;
- 40% more likely to become a teen parent;
- 50% more likely to be placed in special education;
- 60% less likely to attend college;
- 70% more likely to be arrested for violent crime

Source: Dallas Regional Education Partners

Many Children in Austin Already Behind by Age 6

2019 - 2020 Travis County Kindergarten Readiness



only
36%
of children under four from households with low income are receiving any early learning services at all.

Investing Early and Strategically Pays Off

In fact, every \$1 invested in early childhood programs
results in \$7 return-on-investment



A \$3000 difference in parents' income
=
a 17% increase in a child's future earnings

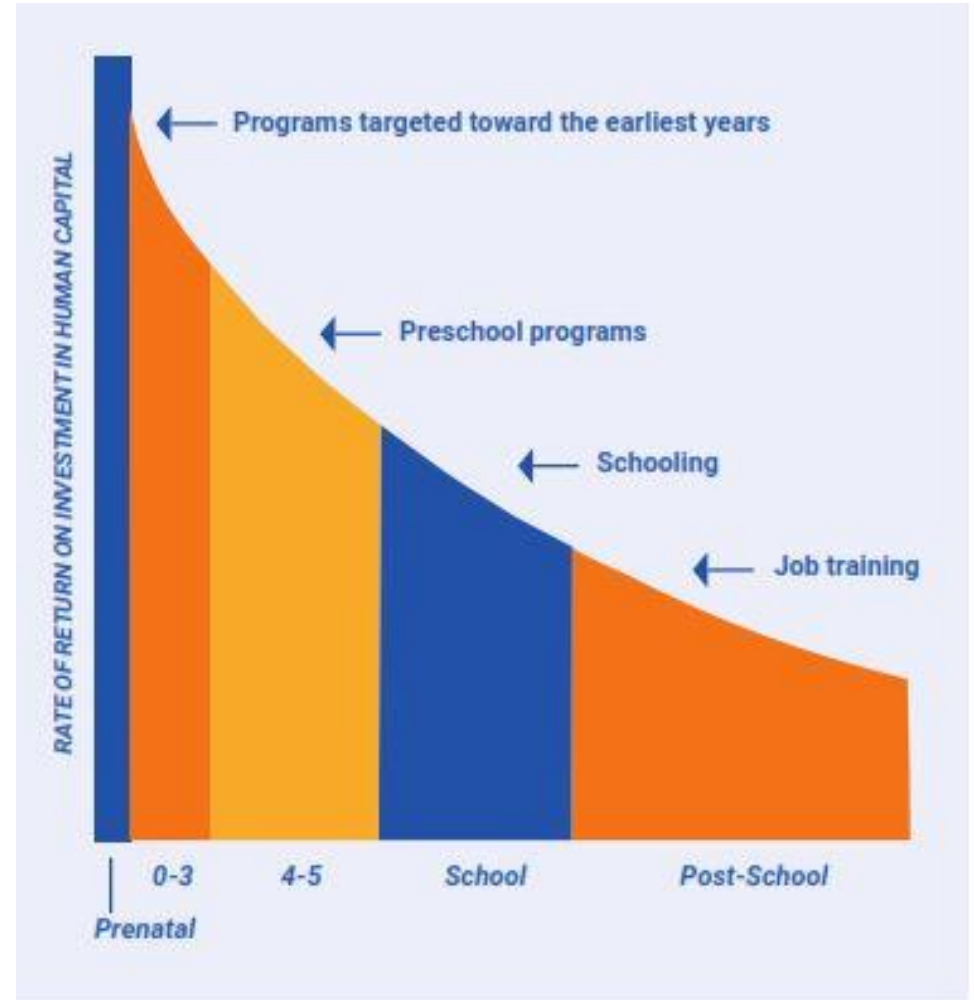
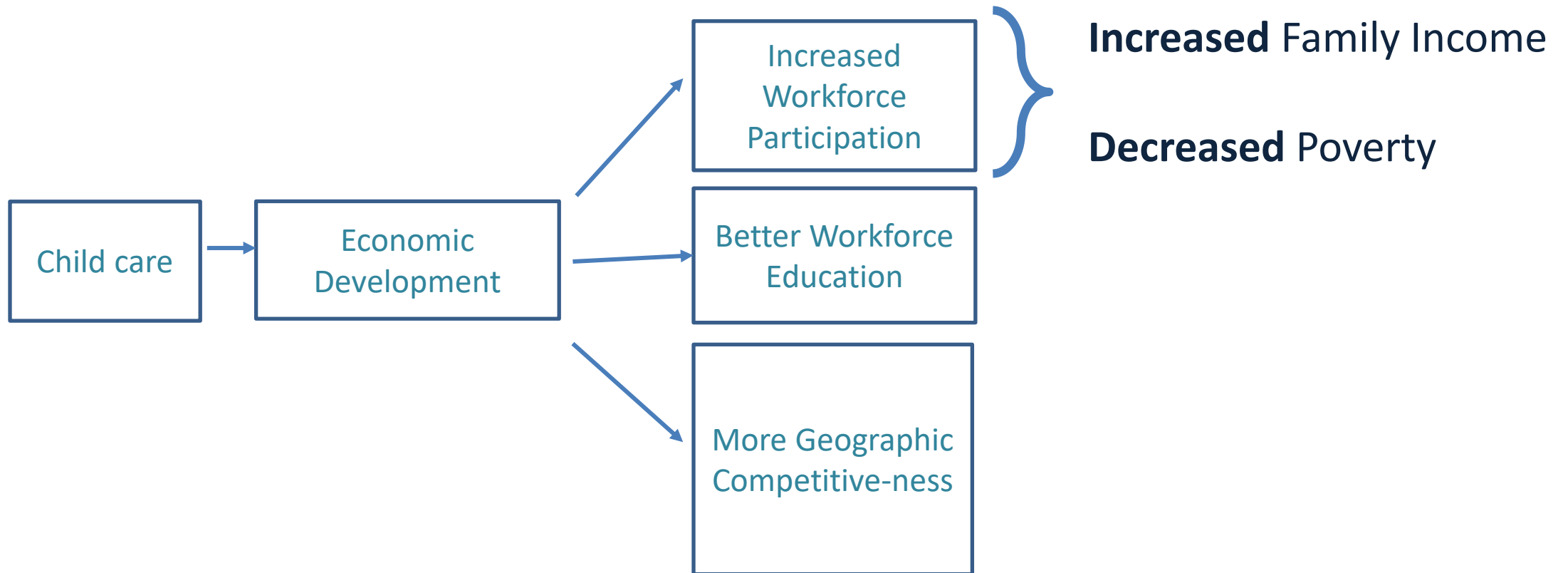


Figure adapted from <https://heckmanequation.org>

Economic Development and Child Care: Building Blocks



Economic Development and Child Care: Labor Participation and Income

Figure 9. Paid Child Care Usage and Women's Labor Force Participation Rate (2016)

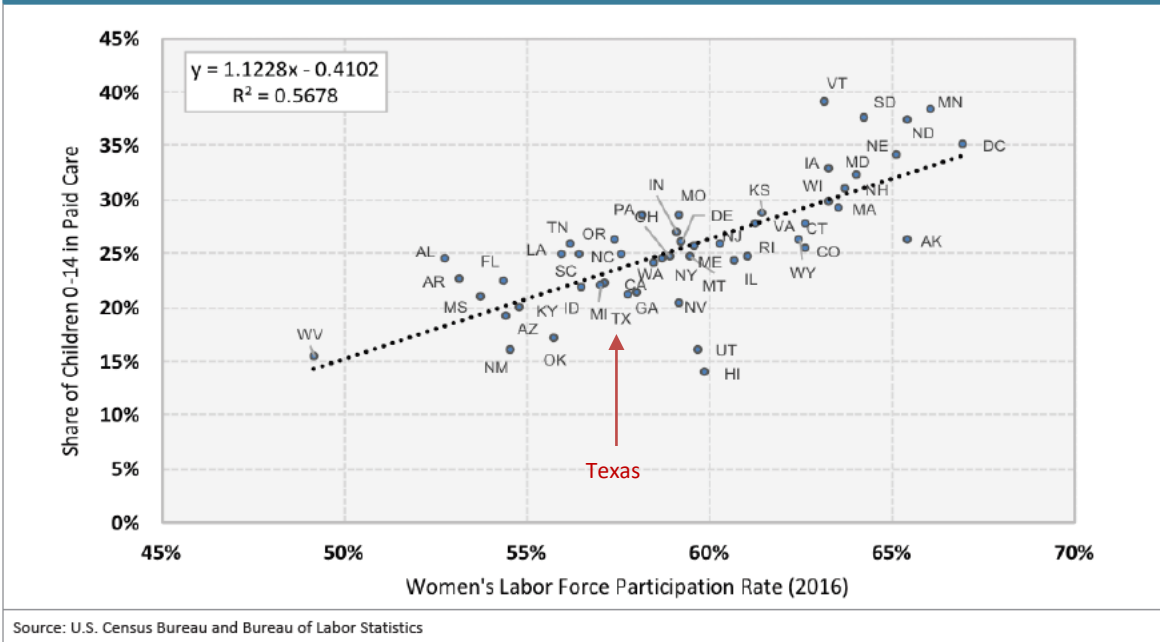
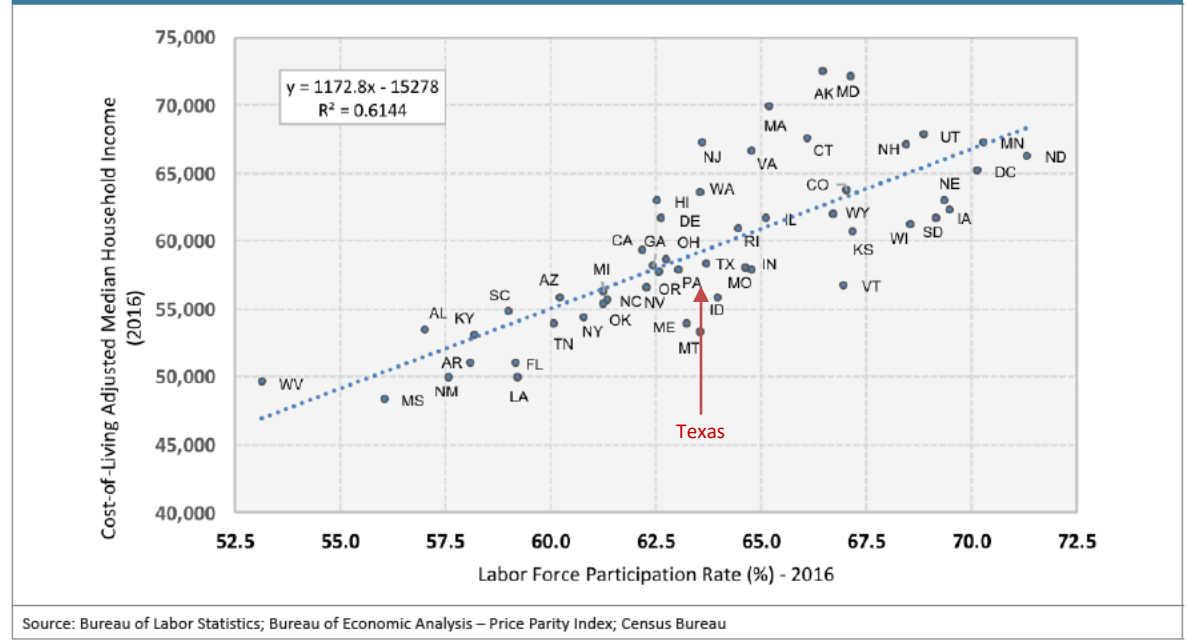


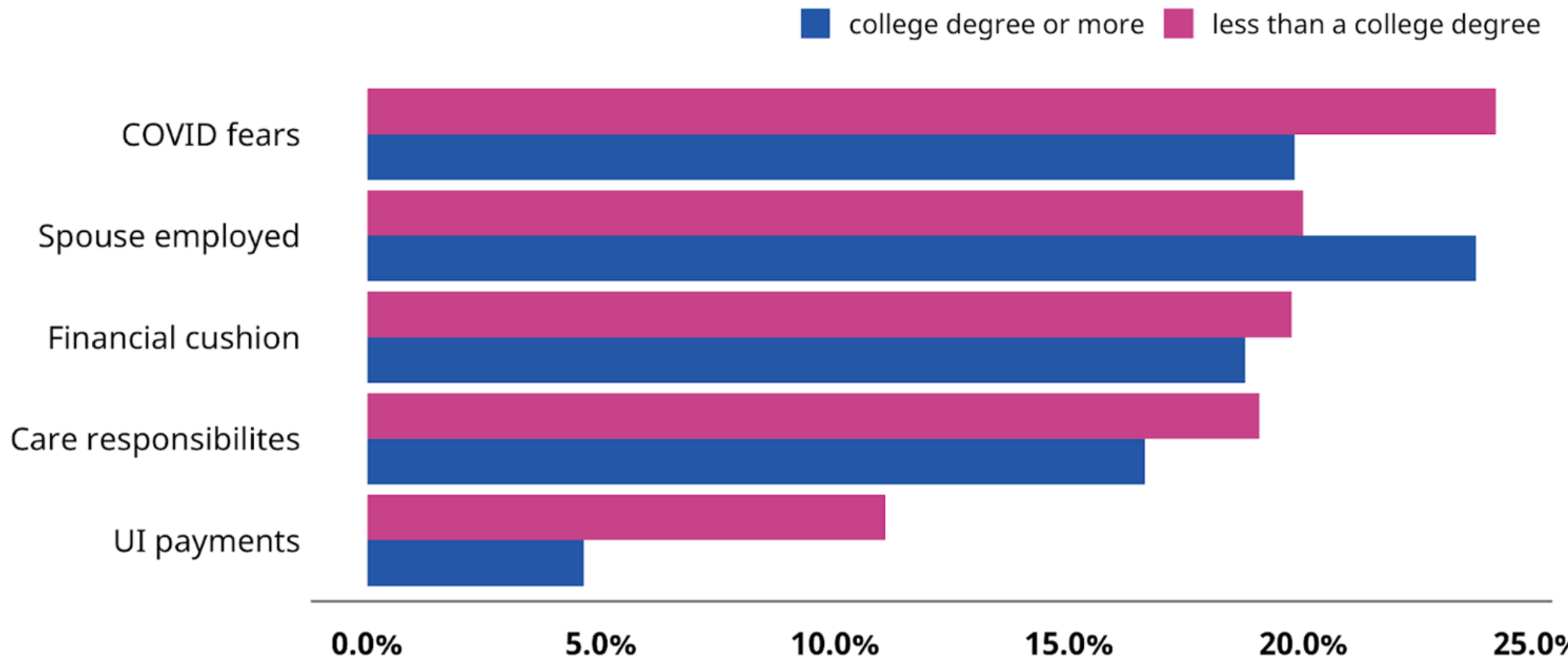
Figure 30. Labor Force Participation and Income



> Child Care > Participation > Income

COVID-19 is the biggest factor for non-college unemployed

Reasons for 'not urgent' job search by education



3 MILLION WOMEN

LEFT THE U.S. LABOR FORCE

IN THE LAST YEAR.

Pandemic Disproportionately Affecting Women

Austin/Travis County:

- 30% of licensed child care capacity has been lost due to program closures.

Texas:

- 54% of child care supply may be lost, this equals more than 480,000 child care seats.

Nationally:

- 22% of all women have left the workforce during the pandemic.
- 42% of women with children under the age of two have left work.

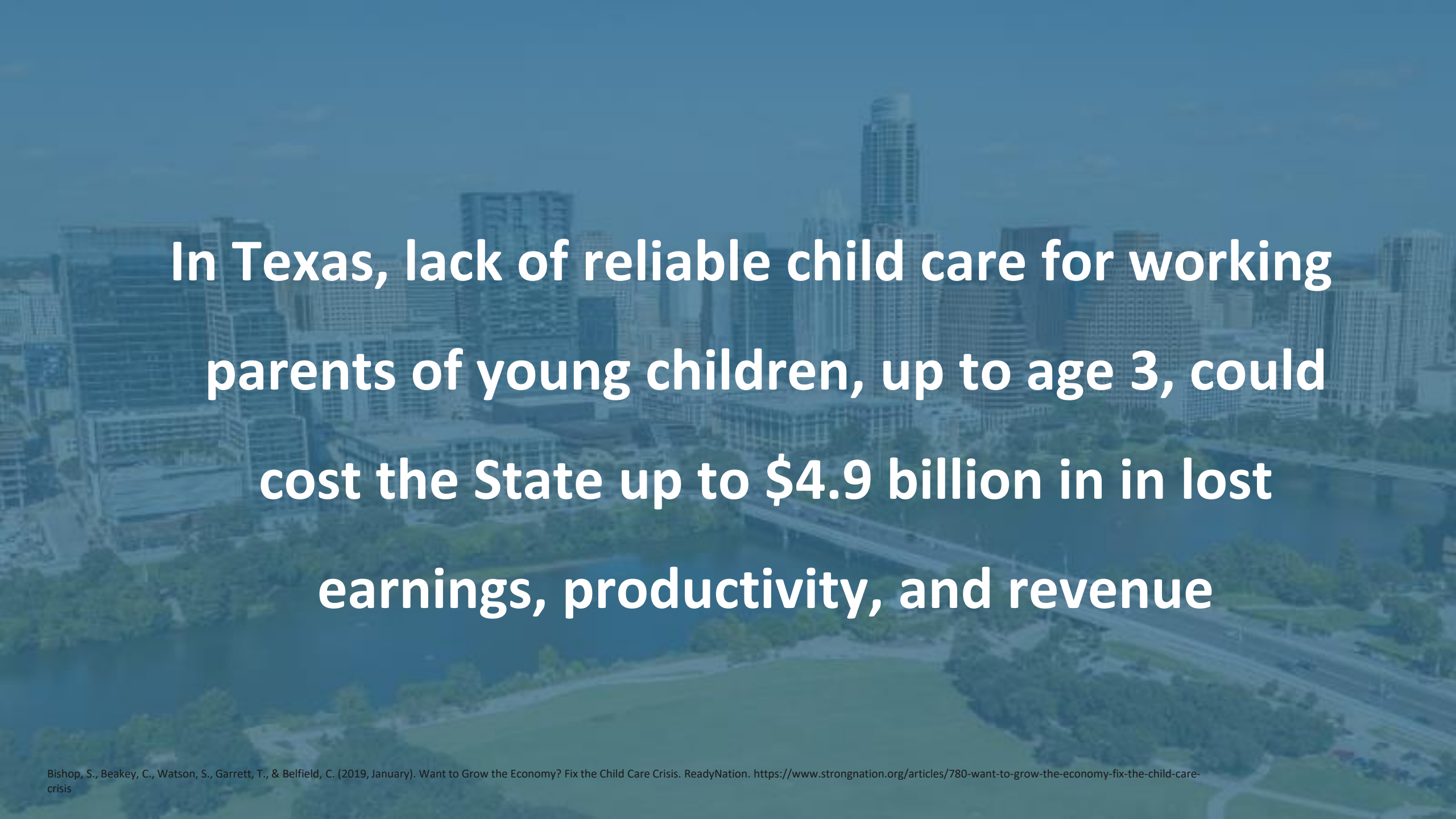
Caregiving demands are a key factor behind these numbers.

Insufficient child care = huge negative economic impact

Nationally, each year a child is under age three without sufficient child care it costs **\$57 billion in lost earnings, productivity, and revenue nationwide.**

- Families lose an average of \$3,350 per working parent, in lost earnings and in more time looking for work. Across the 11 million parents of children under age three, this burden is **\$37 billion per year.**
- Businesses lose an average of \$1,150 per working parent in reduced revenue and in extra hiring costs. In aggregate, the annual burden on business is **\$13 billion.**
- Taxpayers lose an average of \$630 per working parent in lower income tax and sales tax revenue. In aggregate, this amounts to **\$7 billion each year.**

Bishop, S., Beakey, C., Watson, S., Garrett, T., & Belfield, C. (2019, January). Want to Grow the Economy? Fix the Child Care Crisis. ReadyNation. <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>



**In Texas, lack of reliable child care for working
parents of young children, up to age 3, could
cost the State up to \$4.9 billion in in lost
earnings, productivity, and revenue**



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Want to strengthen the Texas economy, support the workforce of today and build the workforce of tomorrow?

Fix the Child Care Crisis.

Levers to Influence for Increasing Access to High Quality Child Care

Federal: Child Care Subsidy / Pre-K

- *Existing subsidy funding covers only 1/10 eligible children
- *Universal Pre-K/Pre-K expansion destabilizes existing (broken) child care economic model
- Lack of Paid Parental Leave

State: Texas Workforce Commission/Legislature/TEA

- *Texas adds no General Revenue to supplement federal funds
- *Tension between access & quality = low reimbursement rates
- Austin/Travis County = 3,000 seats (birth to 13)

Levers to Influence for Increasing Access to High Quality Child Care

City/County/Local Workforce Board:

***Align with SX6 Strategic Plan**

***2023 SD: Economic Mobility & Affordability**

***SAVES Relief Fund**

ARPA Investments (through 2024)

- Expanded Child Care Subsidy
- Improve supports for Family-Based Child Care
- Shared Services Hub to Improve Business Efficiencies
 - Expand Pre-K Partnerships
 - Wage Stipends/Tuition
- Pilot for non-traditional hour care

Who Is Missing: Chambers of Commerce

New: Child Care Industry Partnerships

Levers to Influence for Increasing Access to High Quality Child Care

Fix the Funding Model (Federal/State)

Education begins at birth & child care is 2Gen Economic Infrastructure

Expand paid leave (Reduce need for infant care)

Allow Mixed Delivery Pre-K (Pre-K Partnerships)

Generate a Dedicated Local Revenue Stream (ATX)

PreK4SA Sales Tax

Multnomah County Oregon Wealth Tax

Philadelphia Soda Tax

Incentivize Public/Private Partnerships (State/ATX)

Economic Development Incentives: What about Tesla?

Michigan Tri-Share (\$3K/\$3K/\$3K)

Co-location with Affordable Housing/City Departments

Other cost reductions – Construction!



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www.earlymattersgreateraustin.org



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Early Matters Greater Austin is an alliance of current and retired business professionals focused on the critical relationship between access to high-quality early education and our state's long-term economic success.

Three Pillars of Work



**Promoting Best Places for
Working Parents™**



Influencing Public Policy



**Advancing Innovation &
Education**



- Engaging over 100 Austin-area businesses in the Best Place for Working Parents™ initiative to promote research-proven policies that benefit families and have a positive impact on businesses' profitability.



- City of Austin earmarks \$11 Million of American Rescue Plan Act funding to early childhood investments. Travis County allocated \$3M.
- Successfully advocated for the passage of several bills during the 87th Legislative session to strengthen early childhood systems in TX.
- During COVID, City of Austin established a \$15M SAVE(S) fund to provide relief to vital economic sectors, which included \$5M for child care.



- In October 2020, Austin City Council approved the creation of an Austin Economic Development Corporation (AEDC) that can support vital sectors through new public/private partnerships. The proposed bylaws included creating a Board of Directors that includes representation from the early childhood sector.







In January 2020, EMGA launched Best Place for Working Parents™ in Austin.

- Partnering with Ft. Worth, Dallas, Houston and San Antonio
- Implementing a first-of-its-kind business self-assessment
- Promoting research-backed policies that benefit working parents and business' bottom line

Why focus on family-friendly workplace policies

- 70% of non-working middle skilled parents cite child care as one of the top 5 reasons for not participating in the workforce.
- 83% of millennials say that they would leave their jobs for one with more family-friendly benefits.
- Turnover can cost an employer up to 150% of the base salary of the replaced employee.

Promoting policies that benefit working parents AND businesses' bottom line

| CATEGORY | FAMILY-FRIENDLY POLICY |
|--|---|
|  <p>CORE BENEFITS</p> | <ol style="list-style-type: none"> 1. Company-Paid Healthcare Coverage 2. Paid Time Off 3. Maternity/Paternity Leave |
|  <p>FAMILY RESOURCES</p> | <ol style="list-style-type: none"> 4. Onsite Child Care 5. Child Care Assistance 6. Backup Child Care |
|  <p>FLEXIBILITY</p> | <ol style="list-style-type: none"> 7. Flexible Hours 8. Remote Work/Work from Home |
|  <p>COMPANY CULTURE</p> | <ol style="list-style-type: none"> 9. Nursing Benefits 10. "Best Place" Designation |

Economic Development and Child Care: Austin/Texas Competitiveness with City/State ‘Peers’

Higher early learning levels are also necessary for Texas to be competitive with peers. Over the past decade, reading proficiency rates have improved across the U.S., but not in Texas. Between 2005 and 2019, Texas dropped from 36th to 46th among states in fourth-grade reading proficiency rates on the national assessment.^[02-34] Today, Texas is ranked last among its Peer States.^[02-35] And by student demographics, Texas still lags its Peer States, ranking 10th out of 12 in reading proficiency rates for Hispanic students, 11th for black students, and 12th for economically disadvantaged students.^[02-36]

Source: Texas 2036 Strategic Framework



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Successby6atx.org
EarlyMattersATX.org