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To: House Human Services Committee

From: Janet McLaughlin, Interim CEO and Chief Programs Officer, Let's Grow Kids

Testimony on Vermont's Early Care & Learning System

Overview

Thank you for the opportunity to be here today to discuss the important role that Vermont's early care and learning system plays in the lives of Vermont children and families, our communities, and our economy.

Let's Grow Kids' mission is to achieve affordable access to high-quality child care for all Vermont families by 2025. This mission may sound familiar to you if you're familiar with the Permanent Fund for Vermont's Children or Vermont Birth to Five. In the past year, we have fully integrated our work, and now we have one name too, but we've always been one organization. Together, we have over 30,000 Vermonters who support our mission for Vermont's children, including parents, early educators, business and health care leaders, partner organizations, and community members.

The link that unites these 30,000 Vermonters is the belief that all Vermont families should have affordable access to high-quality child care. Research has shown that high-quality early care and learning programs support healthy child development, can be an effective multigenerational intervention that helps to mitigate the impacts of adverse childhood and family experiences, and supports the success of employers and a state's economy.^{1, 2}

Unfortunately, our state faces a child care crisis: child care can be hard to find and hard to afford, and these challenges have direct impacts on our state's economy.

Vermont's Child Care Crisis

Far too many children and families in our state do not have access to any regulated child care or early learning programs, let alone high-quality programs. Every two years, Let's Grow Kids, in partnership with Vermont's Child Development Division, Building Bright Futures, the Vermont Association for the Education of Young Children, and the Vermont Child Care Providers Association, releases an analysis of the supply of and demand for child care in our state. Our last analysis, released in February of 2018, found that:

- 51% of infants and toddlers likely to need child care do not have access to regulated child care programs; and
- 77% of infants and toddlers likely to need care do not have access to high-quality, regulated programs.

And in some counties, more than 90% of infants and toddlers likely to need care do not have access to high-quality, regulated child care programs. This is a significant challenge for families, and for employers.

If families can find a regulated child care or early learning program, it can often be unaffordable. The median family income for a 4-person family in Vermont is just over \$86,000. For a family with two young children earning this income, they would likely spend almost 30% of their gross annual income on child care.³

The affordability issue also extends to Vermont's early educators – the heart of our early care and learning system. The median wage for a Vermont child care worker is \$26,440—less than Vermont's livable wage.^{4,5} National research has also found that college graduates who earn bachelors' degrees in early education earn the least of any college degree, including the least of any education-related degree.⁶ It's hard to raise a family on a low-paying job, which can make it really hard for qualified early educators to stay in the early care and learning field, especially when balancing repaying student loans on top of other basic expenses. This means that it can be hard to attract and retain qualified early educators. In addition to my role with Let's Grow Kids, I also serve as the Chair of Building Bright Futures' Early Learning and Development Committee. The Committee has a focus on the state of Vermont's early care and learning workforce, and the qualitative and anecdotal evidence that has been shared with our group points to a shortage of qualified early educators in our state. This shortage further exacerbates the first issue I raised – a lack of access to quality child care.

These challenges have a real impact on our economy. A recent, national survey found that 63% of parents said the cost of child care had influenced their career decisions.⁷ For parents who can't afford or find care, this can have lasting economic impacts on their family and our economy as a whole. A working mother earning Vermont's median income of \$56,990 would face a projected loss of \$610,050 if she had or adopted a child at age 35 and remained out of the workforce for 5 years, until the child could enroll in Kindergarten. This figure represents the value of lost wages, lost wage growth over the woman's career trajectory, and lost retirement asset growth.⁸

These challenges are not sustainable for families or early educators, and it is not acceptable for our children. Vermont-specific research has shown that if we can address these challenges, Vermont children, families, and our economy will see significant gains. In fact, a study commissioned by the Vermont Business Roundtable found that the state would receive a return of over \$3 for every additional dollar invested in developing a high-quality early care and learning system in our state.⁹

Identifying Solutions

Recognizing the importance of investing in our youngest children, Let's Grow Kids is already taking action to address our child care challenges by supporting Vermont's early education workforce and investing financial, human, and technical resources to increase access to quality child care throughout the state. I want to share more information about two of these initiatives with you – our Make Way for Kids program and Shared Services Vermont – but our work also encompasses supporting regional early childhood cooperatives, early educator professional networks, pathways to teacher licensure, training on financial management for child care programs, technical assistance for programs that want to start, grow, or improve, and piloting child care program management software.

The first program that I want to discuss with you is our Make Way for Kids program. Through Make Way for Kids, Let's Grow Kids is investing philanthropic dollars to provide direct financial and technical assistance from experienced early education leaders to early care and learning programs to help them increase their program capacity and quality. In its first year (2018), Make Way for Kids invested approximately \$450,000 in grants plus significant staff resources in projects that resulted in the creation of 262 new child care and early learning slots and helped programs increase the quality of 239 additional slots over the course of approximately 8 months in 12 Vermont counties. We expect that an additional 101 new slots will be created, and 190 slots will improve their quality as a result of the investments that were made last year. We are still finalizing our grant and technical assistance awards for this year, but we anticipate that our 2019 investments will yield an additional 340 new child care slots and 230 improved quality slots by January 2020.

In addition to providing financial and technical support, Let's Grow Kids has invested in programming initiatives to support and sustain the business operations of child care programs. A key initiative in this work is Shared Services Vermont, a customized web platform that acts as a one-stop-shop for early care and learning program resources and discounts on services such as educational materials, child care management software, and job postings. The site includes parent handbook templates, newsletter templates, budget forms, and more; all editable for use in any early care and learning program. Additionally, the website offers access to key state guidance and regulatory documents including Vermont's child care licensing regulations, the Vermont Early Learning Standards, Vermont's early care and learning quality recognition system resources, and the funding guidelines for Vermont's universal, publicly-funded pre-K program.

Additionally, putting my Chair of Building Bright Future's Early Learning and Development Committee hat back on, Building Bright Futures has recommended exploring additional early care and learning workforce supports, at the urging of our Committee, in addition to the other recommendations that Carolyn Wesley will highlight.

We need to take bold action to address the challenges Vermont's families and early care and learning providers face. Each year that passes by is a missed opportunity to improve the developmental wellbeing of our kids, support strong, healthy families, and improve our struggling economy. We know that members of the Legislature, including many members of this committee, are working on solutions, and we look forward to working with you this session and in the coming years to continue to address these challenges. Speaking on behalf of Let's Grow Kids and the Building Bright Futures Early Learning & Development Committee, we are more than happy to be a resource for you over the coming weeks as your committee continues to explore this issue.

We greatly appreciate your commitment to Vermont's children and families and thank you for your consideration of this important topic.

Citations

- ¹ Diaz, Jose. *Vermont's Early Care & Learning Dividend*. (February 2017). Wilder Research: Saint Paul, MN. Retrieved from http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport_2017.pdf.
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- ⁴ Vermont Department of Labor. (2018). *ELMI Occupation Report: Child Care Workers (2017)*. <http://www.vtmi.info/oic3.cfm?occcode=39901100>.
- ⁵ Vermont Joint Fiscal Office. (February 1, 2017). *Vermont Basic Needs Budget and the Livable Wage*. Vermont Joint Fiscal Office: Montpelier, VT. Retrieved from <https://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Human%20Services/Reports%20and%20Resources/W~Joint%20Fiscal%20Office~Basic%20Needs%20and%20the%20Livable%20Wage~2-7-2017.pdf>.
- ⁶ Carnevale, Anthony, Cheah, Ban, Hanson, Andrew. (2015). *The Economic Value of College Majors*. Georgetown University Center on Education and the Workforce: Washington, DC. Retrieved from <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/The-Economic-Value-of-College-Majors-Full-Report-web-FINAL.pdf>.
- ⁷ Care.com Editorial Staff. (July 17, 2018). This is how much child care costs in 2018. Retrieved from <https://www.care.com/c/stories/2423/how-much-does-child-care-cost/>
- ⁸ Analysis calculated using <https://interactives.americanprogress.org/childcarecosts/>. Assumed parent is female and age 34, earning an annual salary of \$56,990 per year and planning to welcome a new child at the age of 35 and remain out of the workforce for 5 years. Assumed that employee began working at age 22 and contributes 5% to an available 401(k) and that the employer also contributes 5%. Also assumed retirement age of 67 and a life expectancy of 82 years.
- ⁹ Diaz, Jose. *Vermont's Early Care & Learning Dividend*. (February 2017). Wilder Research: Saint Paul, MN. Retrieved from http://vtroundtable.org/wp-content/uploads/sites/31/2017/02/VermontECLDRReport_2017.pdf.