

Hello, my name is Heather Martin. I am the director of a childcare center in Proctor VT and I have 14 years experience as a director, 20 in the field of early childhood education. I am here today in support of H. 194 because that bill has the potential bring change to the current crisis going on in childcare, offer economic benefits to Vermont's families, and even recruit more professional workers to the state. Young families consider care for their children to be of the utmost importance and if our state does not offer easily accessible, high quality care...they will look elsewhere.

The 2018 report put out by Building Bright futures clearly outlines a VT basic needs budget on page 21. Childcare is the most expensive monthly cost to families, avg cost between 1255-1411 per month for 2 children, and many families have more than 2. The Report estimates 84K-91K needed in order to cover basic needs. This does not include money to repay student loans, credit cards, medical emergencies, or go on vacation.

The VT Dept of Labor Wage distribution report for 2017 has 75% of workers in VT in all occupations making less than \$27.91 per hour (58K annually). That means that 75% of workers in any profession cannot pay for childcare on their own. In addition, VT already has a tiny workforce and all employers are struggling to fill vacancies, they need 2 parents in the workforce. We also need VT families to have children to help our aging population. So 2 parents must work, how can we make this affordable?

Incidentally, the average wage for an early education teacher is 12.71 per hour in the state, about 24K less per year than an average kindergarten teacher. Early childhood educators now have similar job requirements to elementary school teachers. They need teaching licenses, must provide a state approved curriculum, do regular assessment reports, and even parent-teacher conferences, among many other responsibilities.

Early educators that make an average of 12.71 per hour cannot afford to put their own children in child care. The ones lucky enough to live in a 2 parent household often do not qualify for Childcare financial assistance and fall off the "benefits cliff". Which can literally mean that childcare tuition can equal more then their paycheck. In my years as director, I have seen this happen often when staff hit \$14 an hour. That is usually high enough to eliminate some or all of their financial assistance. This means that they often opt to stay home, or switch to another profession. For Example, I have seen a significant number of childcare teachers quit the profession to work as housekeepers for \$20 an hour. Being a child care teacher requires constant classes on nights and weekends for a very low wage, usually with no benefits. Being a housekeeper does not require the constant time away from family on nights and weekends, pays better, can have benefits and has literally become a better job than being an early educator.

This very situation is leading to current childcare centers having to close classrooms or the entire center due to lack of staff; as they advertise for months with no qualified applicants to fill vacant teaching positions. Centers are also not receiving adequate financial support to meet all the current licensing and education requirements. They cannot afford to have staff get free childcare, so that's not an option either.

H. 194 offers financial support to families by helping more families to qualify for financial assistance, and also offers some incentives for early childhood educators, such as tax credits, scholarships, and tuition forgiveness. We cannot afford to not pass this bill, we need to get Early Childhood professionals and back into the labor force.

# Family Economic Well-Being



Family economic well-being considers whether families have adequate, sustainable financial resources to meet their needs.

## Overview

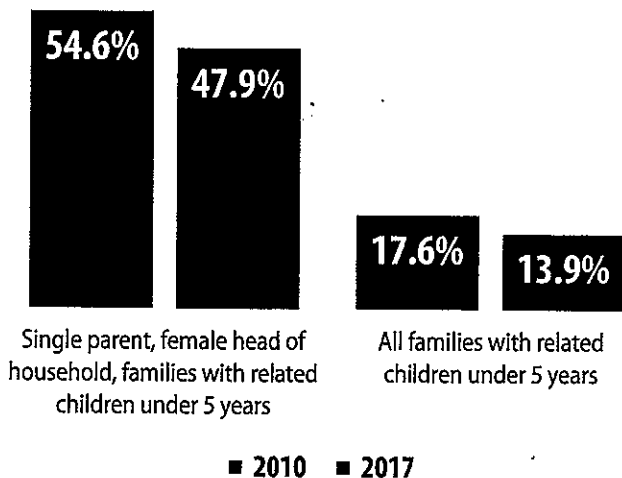
Many families with young children face challenges to their economic well-being. The impact of poverty on children and families is far reaching and found to have lasting negative effects.<sup>56</sup> In fact, poverty is identified as the single biggest threat to a child's well-being.<sup>57</sup> Vermonters are challenged to try to make ends meet while still giving their children access to high quality and enriching opportunities.

## Poverty

Since 2009, the percent of children under 5 living in families in Vermont with incomes below the federal poverty level has decreased. However, the percent of single mothers with children under 5 living below the federal poverty level continues to be more than three times greater than the percent of all families with children under 5.<sup>58</sup>

**FIGURE 15: FAMILIES WITH INCOMES BELOW THE FEDERAL POVERTY LEVEL**

Vermont, 2010 vs. 2017<sup>F19</sup>



## Vermont Basic Needs Budget

While the rate of families living below the federal poverty level is decreasing, affording basic needs remains an issue for many Vermonters. Every two years, the Joint Fiscal Office publishes Vermont's Basic Needs Budget, detailing what it costs for households to afford a set of key items including food, housing, healthcare and childcare (*Table 6*).

**TABLE 6: 2016 VERMONT BASIC NEEDS BUDGET<sup>T13</sup>**

CATEGORY	Two working parents with two children (rural), Cost estimates per month	Two working parents with two children (urban), Cost estimates per month
Food	\$997	\$997
Housing (including utilities)	\$984	\$1,395
Transportation	\$1,089	\$917
Child care	\$1,255	\$1,411
Personal & household expenses	\$735	\$735
Health & dental care	\$610	\$610
Insurance & savings	\$350	\$369
Taxes	\$1,036	\$1,183
<b>MONTHLY*</b>	<b>\$6,021</b>	<b>\$6,435</b>
<b>ANNUAL*</b>	<b>\$84,674</b>	<b>\$91,416</b>

\*Monthly and annual totals include other costs not shown in the table. See table source for detailed information.

## Vermont Wage Distribution 2004 - 2017

All Industries and All Occupations

Occupational Employment Statistics Survey

Percentile <sup>1</sup>	Hourly Wage														Annual Wage								
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2017	2016	2015	2014	2013	2012	2011	2010	2009
10th	10.97	10.45	10.05	9.75	9.57	9.43	9.32	9.27	9.17	8.96	8.67	8.39	8.11	7.87	22,820	21,740	20,900	20,280	19,910	19,610	19,400	19,290	19,060
25th	13.43	13.05	12.66	12.28	12.05	11.73	11.55	11.44	11.42	11.22	10.79	10.40	10.03	9.80	27,940	27,150	26,320	25,550	25,060	24,390	24,030	23,800	23,750
50th (Median)	18.57	18.23	17.81	17.39	17.01	16.61	16.36	15.97	15.73	15.31	14.81	14.19	13.68	13.43	38,640	37,920	37,040	36,170	35,380	34,540	34,030	33,220	32,720
75th	27.91	27.12	26.42	25.85	25.46	24.94	24.43	23.81	23.38	22.79	21.87	20.85	20.10	19.62	58,050	56,400	54,960	53,780	52,950	51,870	50,810	49,530	48,620
90th	39.91	38.85	37.74	36.74	36.41	36.26	35.75	35.16	33.98	32.65	31.05	29.54	28.20	27.63	83,010	80,800	78,510	76,420	75,730	75,420	74,370	73,120	70,680
Mean <sup>2</sup>	23.48	22.90	22.15	21.41	21.18	21.00	20.71	20.21	19.68	19.12	18.30	17.48	16.86	16.52	48,840	47,620	46,060	44,540	44,060	43,680	43,080	42,030	40,940

1 - The percentile wage shows the percentage of workers that earn less than a given wage and the percentage that earn more.

The hourly wage estimates in 2017 indicate that:

10% of employees earn less than \$10.97 per hour; therefore the remaining 90% earn more than \$10.97 per hour.

25% earn less than \$13.43; 75% earn more than \$13.43.

50% earn less than \$18.57; 50% earn more than \$18.57 (The 50th percentile is also the Median).

75% earn less than \$27.91; 25% earn more than \$27.91.

90% earn less than \$39.91; 10% earn more than \$39.91.

2 - The mean wage is an average wage. The mean wage estimate is calculated by summing the wages of all the employees and then dividing the total wages by the number of employees.

The Occupational Employment Statistics (OES) survey is a twice a year survey measuring occupational employment and wage rates for wage and salary workers in nonfarm establishments in Vermont. OES estimates are constructed from a sample of over 5,000 establishments. Forms are mailed to approximately every May and November over a 3-year period. Wage rates in previous panels are updated to the latest survey period using the Bureau of Labor Statistics Employment Cost Index (ECI).

For the 2017 estimates, 5,010 establishments were sampled from November 2014 - May 2017, response rate was 83 percent, and wage rates in all but the latest panel were adjusted to May 2017.

More information available at [Technical Notes for OES Estimates](#).

Source - Vermont Department of Labor, Economic & Labor Market Information, Occupational Employment Statistics (OES) program in cooperation with the U.S. Bureau of Labor Statistics - released April 2018.

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