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To: House Committee on Commerce & Economic Development

From: Aly Richards, CEO, Let's Grow Kids  
Michael Seaver, Vermont President, People's United Bank

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### **Testimony on Investing in Vermont's Early Care & Education System and Workforce**

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Good morning. My name is Aly Richards, and I'm the CEO of Let's Grow Kids. I'm excited to be here today to talk to you about the connection between high-quality child care and Vermont's workforce crisis.

I'd also like to introduce Michael Seaver, Vermont President of People's United Bank, who will speak to why this is such a critical issue for his organization and economic development generally.

Vermont is in crisis. We have an aging and shrinking population, we lack the critical mass of workers to meet the needs of Vermont businesses, and our credit has been downgraded. Let's Grow Kids believes early care and education is a linchpin in how we flounder or solve Vermont's economic challenges.

We hear from employers, planners, and developers around Vermont that the lack of accessible, affordable – and high-quality – child care for employees is a fundamental barrier to growth, affecting employee recruitment, retention, productivity and job satisfaction. Make no mistake, this is a problem on the same scale as affordable housing, and if we succeed in making child care affordable, it helps families better afford housing and other necessities. Let's Grow Kids is working in communities across the State to build out that capacity in collaboration with employers and communities to unlock the growth of our workforce.

In the longer term, it is also clear from empirical evidence gathered over the last 58 years that children who participate in high-quality early care and education before age 5 are healthier, more resilient to adverse experiences, and more successful in school.<sup>1</sup> They are less prone to violence and incarceration, earn more, and have higher job satisfaction.<sup>2</sup>

Let's take a moment to unpack that, because it's a bold and important claim. Brain science and epigenetic studies show that these are the most critical years for developing intelligence, emotional intelligence, social and emotional bonds, and problem solving skills – and there is huge difference in the lives of children who receive the loving care that comes a high quality experience and those who don't that can be measured for the rest of their lives.<sup>3, 4</sup>

With all of that said, as I will explain momentarily, the promise of high-quality, affordable child care is gated and constrained by the need to grow, nurture, and support our early childhood education workforce. If we don't address this challenge, if we don't get it right for child care workers, we will be unable to build out this system and all that it promises. The good news is that there are some specific steps you can take to provide needed supports.

Last month, I had the privilege to stand with business leaders, early childhood educators, parents, and Chair Marcotte to discuss how we, as a state, can work together to strengthen our early care and education system to ensure the long-term economic success of our families, communities, and our economy.

In a recent study of Vermont families with young children, 4 out of 5 of families with all available parents in the labor force said that the availability of child care impacts how much they work.<sup>5</sup> However, 3 out of 5 Vermont infants likely to need child care don't have access to regulated child care programs.<sup>6</sup> Vermont needs more child care to meet the needs of families, but the supply of child care relies entirely on one sector of our state's workforce – Vermont's early childhood educators.

We have incredibly passionate early educators who want to support the development and growth of our youngest children – a job I argue is the most important vocation in our society. But they aren't making enough to stay in the field. Nationally, early childhood educators are the lowest paid college graduates in the country, and in Vermont, the median annual wage for a child care worker is only \$29,430; less than half of the median annual salary for a kindergarten teacher.<sup>7, 8, 9</sup> Furthermore, it's estimated that Vermont needs at least 2,090 additional early childhood educators in order to meet current demand for child care, let alone what demand might be if child care was more accessible and more affordable.<sup>10</sup>

If we want to move Vermont's economy forward, we need to make immediate investments in our early childhood education workforce to recruit, retain, and sustain our early educators. There are three, concrete ways we can do this:

- First, we need to increase our state's investment in the T.E.A.C.H. Early Childhood scholarship program. T.E.A.C.H. is a national, evidence-based model, administered in our state by the Vermont Association for the Education of Young Children, that supports early childhood educators currently working in the early care and education field with advancing their training and education. Unfortunately, the Governor's proposed budget would significantly reduce funding for this program. In order to meet current program demands and expand to offer scholarships to those seeking bachelor's degrees, the program needs an appropriation of \$653,000.
- Second, in order to retain new early childhood educators graduating from Vermont colleges and universities and attract new early childhood educators to our state, we propose creating a student loan repayment support program. Such a program would help new early childhood educators balance repaying the high cost of obtaining their bachelor's degree in early childhood education with the low wages currently offered across the state.
- Third, we propose establishing a temporary wage supplement program for early childhood educators working in regulated child care and early education programs in Vermont while we work to address the root causes of low wages. A number of other states have created such programs and achieved significant outcomes for their early care and education systems. On average, states that have implemented such a program have seen turnover rates amongst early childhood educators fall to 11%.<sup>11</sup> Currently, early childhood educators in Vermont have one of the highest turnover rates in the state.<sup>12</sup> Successful programs structure wage supplements to represent a portion of the current wage gap between an early childhood educator role in the early care and education field and a comparable position in the public education system and tier payments based on an early childhood educator's credentials.

Additionally, Let's Grow Kids has seen significant outcomes through our Make Way for Kids grant program, a program designed to support existing early care and education programs in expanding their capacity and help new programs launch. Based on the success of this model, we propose creating a pilot program through the state that brings together employers, early childhood educators, and community partners to strategically expand child care capacity in communities throughout the state.

Together, these strategies will strengthen Vermont's workforce, support businesses and their employees, and work towards advancing Vermont's economy.

But you don't have to take this from me alone. After all, I am the CEO of Let's Grow Kids. I spend all day working on this because of my deep-felt, personal belief that we are not only going to get this done,

but when we do, it is the key to so many positive developments. That's why I asked Michael Seaver to join me here today.

Thank you for inviting me. My name is Michael Seaver, and I am the President of People's United Bank. I am glad that you'll hear from Lisa Ventriss, the President of the Roundtable, next. I have worked closely with Lisa for years and was the recent past chair of the Roundtable, where early child care and learning was a topic we championed. I have also held leadership roles at statewide organizations and institutions including serving as a trustee of Mayo Healthcare, chair of the Vermont Banker's Association, vice president of the board of the United Way of Chittenden County and trustee of St. Michael's College. Although child care might not seem relevant to each of these organizations, like the Roundtable, it often emerged as a fundamental pillar needed to help other institutions thrive.

As Aly said, ensuring that every child has access to high-quality early child care is the most important thing we can do for Vermont. In my personal and professional life, I have seen one thing to be abundantly clear: when you engage with children and invest in them at a young age, their opportunity for success skyrockets – in school, work, and life.

- It reduces the cost of special education and incarceration
- It provides stability and opportunity for every family
- And it gives each child the opportunity to become their best self

Nearly every one of my business colleagues knows that childcare is a crucial issue to our workforce. As the president of People's United Bank, I have watched employees struggle with access to quality child care. They all want the best early education services for their children, but too often they cannot find or afford or access good, stable care. As a trustee at Mayo Healthcare, we see how the shortage of childcare directly impacts the ability to recruit and retain health care professionals. And my peers across industries all have stories about how child care breakdowns lead to:

- absenteeism, decreased productivity, and stress for the entire team
- qualified employees leaving the workforce – not because they want to, but simply because they cannot find or afford child care.
- stress and struggles for families, our businesses, and our economy.

Positioning Vermont as a place where each child receives the best early care and education will serve Vermont families today, and it will attract young families for years to come.

- It is the smartest economic incentive we can offer our young workforce.
- A thriving child care system will benefit our employees, our businesses, and the state's economic future.

However, we can't count on that system to grow and thrive, if the early educators who provide this service aren't taken care of. As a trustee of St. Michael's College, I see firsthand how they struggle to attract early educators into a profession that simply does not pay enough while the center itself struggles to stay afloat due to the challenging business model. St. Michael's child care center, like others across the state, is a fundamental support for many of the employees at the college. If it suffers, their workforce suffers too. It is urgent that we tackle this together to create a more meaningful career path, to bring early educators' earning potential in line with K-12 counterparts, and support these, mostly women, who do this critical work for all of us!

- As leaders in the business community we have the opportunity, to stand together – each doing what we can for our own employees – to support high quality child care for them and every family in Vermont. This also means supporting the child care workforce that makes this happen.

Back to Aly:

Research has shown that if more child care was accessible, approximately 1,400 parents who are currently not in the labor force might enter. And that's a conservative estimate. Imagine the positive impact we could have in communities across the State if we could build out this system to accommodate their needs and attract other families with young children Vermont.

Thank you very much for your attention to this critical issue, and the work your do to make Vermont the best place work and live. We are really excited that the House Commerce committee is on the job!

## References

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