

Submitting - not
testifying



early care &
Learning COUNCIL

New York's child care resource network

**Joint Legislative Public Hearing on
2012-2013 Executive Budget Proposal:
Economic Development**

Submitted by
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Thank you for the opportunity to provide testimony and input on Governor Cuomo's proposed budget for New York State. The Early Care & Learning Council is a statewide, not-for-profit organization, whose mission is to promote excellence in early care and education with equal access for all families. We do this primarily through the support of, and in partnership with, a strong network of community-based organizations that provide Child Care Resource and Referral (CCR&R) services.

Across New York State, community revitalization is closely linked to economic development strategies that boost employment, housing, arts, entertainment and education. Increasingly, business and economic development leaders have recognized that a viable child care infrastructure improves the quality of life in a community and makes these areas more vital places to live and work. Ensuring that we have high quality early childhood programs for our business community is a key area of an economic development plan. Questions asked by those looking to relocate or expand are related to ensuring that systems are in place for early care and education.

Research tells us that the foundation for success in school and in life is developed well before a child enters kindergarten. In fact, a child's earliest experiences are responsible for wiring the brain for future use. Long term educational achievement is uniformly linked to participation in high quality early care and education.

Quality child care has both long-term and short-term returns.

- Short-term—it allows nearly 70 percent of our local workforce to go to work each day. Their productivity on the job keeps our businesses running and enables residents to buy homes and pay taxes to support our growing community.
- Long-term—it increases school readiness and lays the foundation for success in school and in life.

With lackluster test scores, a high dropout rate, and low GED pass rates, we must invest earlier in our students. We must invest, in fact, before they ever set foot in a school!

Many individuals overlook the fact that if the early care and education sector did not exist, there would be many parents who could not show up for work each day, as well as employers unable to operate or expand their businesses. Reliable, regulated, quality child care has been shown to increase employee attendance, punctuality and productivity. A study by the American

Business Collaboration reported that 63% of the employees surveyed reported improved productivity associated with quality dependent care. Bright Horizons, a prominent child care national chain, found in another study that 65% of parents are late to work or leave work early because of child care issues – an average of 7.5 times in a 6 month time frame.

The long-term impacts of a quality child care system are even more impressive and should be of interest to business leaders. Nobel economist James Heckman from the University of Chicago recently testified in front of the Senate Select Committee on Deficit Reduction, stating that “America has a substantial skills problem. The quality of our workforce is not what it should be and it is not improving. Budget deficits are created in large part by deficits in the skills of our workforce. Our country will be unable to compete in the global economy if it does not address the increasing numbers of children who are not prepared for success in school, career and life.”

A commitment to building a quality early childhood helps to build a better economic future. We know that 75% of brain growth and 85% of intellect, personality and social skills develop before age five. And research from institutions such as Harvard University, the National Economic and Law Center, and Committee for Economic Development all agree that early care and education is a proven strategy that closes the preparation gap for academic achievement and is the foundation to long-term success by way of higher graduation rates and post-secondary education, better paying jobs and more productive adults.

With brain architecture research so compelling, developing our future workforce begins early. Yet, significant public investment doesn't begin until a child is in school - after important social and emotional skills have already formed. The foundational skills required to grow a team-capable, job-ready workforce are built in the earliest years of life - between birth and age 5.

Research on investing in young children at risk shows that those who participate in early childhood development programs:

- Attain greater high school graduation rates and education levels, earn higher lifetime salary and pay more in taxes,
- Are more likely to own their own homes and have savings accounts and less likely to rely on public assistance, and
- Commit fewer crimes, generating substantial savings in incarceration costs and other areas.ⁱ

Child Care Resource and Referral agencies have the capacity to bring child care information and support to the work place and to assist directly with employers. Parents can utilize our comprehensive services so they quickly obtain reliable child care that meets their needs and the requirements of their employers. We know where regulated child care exists and where additional capacity has to be developed to support emerging or growing businesses or respond to changes in employer needs.

Quality child care IS good for business: the research and experience of many Fortune 500 companies shows that helping employees to balance their family and work roles by making child care available or supporting quality child care outside improves productivity, reduces absenteeism, cuts turnover and increases company value.

The Early Care & Learning Council is a co-convenor of *Winning Beginning NY*, the State's 200-member strong early care and development coalition. *Winning Beginning NY* believes that in this time of fiscal crisis our State must preserve, protect, and increase access to high-quality early care and learning programs. These programs are essential for children's success and our State's economic recovery. Therefore we urge the State to invest \$20 million for Year 1 implementation of QUALITYstarsNY (QSNY), to provide direct and indirect program improvement supports. QSNY is a star rating and improvement system created to drive current and future state investments toward quality improvements in early learning programs, a strategic approach to ensuring both public and private dollars are used most effectively and efficiently to promote better outcomes for children. This cost burden, as well as benefits, can be shared by multiple state agencies that are influential to the lives of our youngest citizens-our future workforce.

As the New York State government plans for the future, I hope it will think about including plans to support the development of a quality child care system and include this support for our community for both a both short term and long term successful economic future.

Thank you for the opportunity to provide our comments to you.



Why Should Employers Care? Relationship Between Productivity and Working Parents

- Employers surveyed report that child care services decrease employee absences by 20-30 percent and reduce turnover by 37-60 percent.¹
- An average business with 250 employees can save \$75,000 per year in lost work time by subsidizing care for employees' sick children.²
- Among the work-life and wellness benefits offered by SAS Institute, are two on-site child care centers, and two near-site Bright Horizons Centers for a total 700 child care spaces. They also offer subsidies for regional offices. Their turnover is the lowest in the software industry, and they are consistently in the top ranks of the 100 Best Companies for Working Mother Magazine, Fortune Magazine and by Computerworld.³
- U.S. companies lose \$3 billion annually as a consequence of child care-related absences, estimates the Child Care Action Campaign.⁴
- 85 percent of employers report that providing child care services improves employee recruitment.⁵
- Almost two-thirds of employers found that providing child care services reduced turnover.⁶
- 49 percent of employers reported that child care services helped boost employee productivity.⁷
- For every \$1 invested in high-quality early care and education, our communities save between \$4 and \$17 in future costs of remedial and special education, the juvenile crime system and welfare support.⁸

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¹ Karen Shellenback, *Child Care & Parent Productivity: Making the Business Case*, (Ithaca: Cornell Cooperative Extension, December 2004).

<http://government.cce.cornell.edu/doc/pdf/ChildCareParentProductivity.pdf>

² Patricia S. Reed and Shirley M. Clark, *Win-Win Workplace Practices: Improved Organizational Results and Improved Quality of Life* (n.p.: September 2004). [A report prepared for the U.S. Department of Labor Women's Bureau.] <http://choose2lead.org/Publications/Study%20on%20Win-Win%20Workplace%20Practices.pdf>

³ Ibid.

⁴ Jill Elswick, "More Employers Offer Back-Up Care." *Employee Benefit News*, June 15, 2003. http://www.accessmylibrary.com/coms2/summary_0286-23549740_ITM

⁵ Childcare Partnership Project, "Engaging Business Partners." http://www.nccic.acf.hhs.gov/ccpartnerships/facts_fs11.htm, accessed July 9, 2007.

⁶ Ibid.

⁷ Ibid.

⁸ Shonkoff, J. & Phillips, D. (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Nat'l. Acad. Press, Washington, DC).

What Effect Does Child Care Have on Working Parents?

Relationship Between Child Care and Productivity

- Work-Life Researcher Cindy Carillo observes: “The average American working parent misses nine days of work per year. As their children move through daycare and into elementary school, the number of days increases to thirteen.”⁹
- 29 percent of employed parents experience child care breakdowns, which are associated with absenteeism, tardiness, and reduced concentration at work.¹⁰
- 63 percent of employees surveyed in 2000 by the American Business Collaboration reported improved productivity associated with quality dependent care.¹¹
- AT&T found that 57 percent of female staff and 33 percent of male staff with children under age six lost time from work in the preceding month because of child care problems, including illness.¹²
- 45 percent of working parents miss at least one day of work every six months because of a breakdown in child care. The average was 4.3 days missed in a six-month timeframe.¹³
- 65 percent of parents are late to work or leave work early because of child care issues – an average of 7.5 times in a six-month time frame.¹⁴

What Effect Does Child Care Have on Children?

Relationship Between Quality & Outcomes

- The kind of care and education a child receives in his earliest years can impact his entire life. The Perry Preschool Project tracked a group of 128 children until they were 40 years old, half of whom received high-quality child care. At age 27, those who had received high-quality early care and education had a 44% higher high school graduation rate than those who had not participated in the program. The group that did not receive any early childhood education had on average 50% more teen pregnancies, which is often a major roadblock to achieving higher education.¹⁵
- Extensive evidence from longitudinal studies, including the Perry Preschool, Abecedarian Project, and Chicago Child-Parent Center studies, indicates that the cognitive, social and emotional skills developed during a child’s early years play critical roles in the attainment of key adult competencies and positive life outcomes.¹⁶
- A study conducted by Cornell University found that the availability of high-quality child care decreased employee absences by 20-30% and reduced turnover by 37-60%.¹⁷
- Nationally, 63% of children under five are in some type of child care arrangement every week. On average, young children with working mothers spend 36 hours a week in child care.¹⁸

⁹ Cindy Carillo, “A Totally New Way to Think About Back-Up Care,” *WRC Resources*, March 2004. <http://www.workfamily.com/Work-life/Clearinghouse/GuestColumns/CindyCarillo.htm>

¹⁰ Karen Shellenback, *Child Care & Parent Productivity: Making the Business Case*, (Ithaca: Cornell Cooperative Extension, December 2004). <http://government.cce.cornell.edu/doc/pdf/ChildCareParentProductivity.pdf>

¹¹ Ibid.

¹² Patricia S. Reed and Shirley M. Clark, *Win-Win Workplace Practices: Improved Organizational Results and Improved Quality of Life* (n.p.: September 2004). [A report prepared for the U.S. Department of Labor Women’s Bureau.] <http://choose2lead.org/Publications/Study%20on%20Win-Win%20Workplace%20Practices.pdf>

¹³ Bright Horizons Family Solutions, “Benefits of Employer-Sponsored Care,” http://brighthorizons.com/Site/Pages/benefits_employer.aspx, accessed July 9, 2007.

¹⁴ Bright Horizons Family Solutions, “Benefits of Employer-Sponsored Care,” http://brighthorizons.com/Site/Pages/benefits_employer.aspx, accessed July 9, 2007.

¹⁵ Shonkoff, J. & Phillips, D. (2000) *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Nat'l. Acad. Press, Washington, DC).

¹⁶ Child Care & Parent Productivity: Making the Business Case, December 2004

¹⁷ Ibid.

¹⁸ Overturf Johnson, Julia. (2005) *Who’s Minding the Kids? Child Care Arrangements: Winter 2002*. Current Population Reports, P70-101. (U.S. Census Bureau, Washington, DC).



Child Care is Essential to New York's Economy

- **New York's economy depends on quality child care.** The regulated child care sector in New York State is a \$4.7 billion dollar industry - more than the State's affluent Broadway Theater Industry. It provides nearly 120,000 jobs. And quality child care allows parents to work outside the home, providing a service essential to the success of the state's business community.
- Child care defines local small business. It not only helps families to work, but payments to child care providers and centers feed the economy because those workers and employees immediately turn around and use the income to pay mortgages, buy food and support other local services.
- According to the Bureau of Labor Statistics, the number of child care workers was projected to increase by 18 percent between 2006 and 2016, which is faster than the average for all occupations. In 2011, nearly 1 million children under the age of 6 in New York State were in need of child care.
- Given the role that child care plays in our communities, it is essential that during this time of economic recovery we protect vital child care programs. In the face of additional budget cuts, constituents are relying on their communities to advocate for the continued need for available and affordable high quality care. They are depending on your support of New York's child care community. Investing in quality child care initiatives helps both our economy and our children succeed in the long run.
- **Children's early experiences create the foundation for all future learning, behavior and health.** In New York, the responsibility of school readiness is shared among an early childhood system that includes families, professionals and the community with an exceptionally strong connection to local communities through a network of Child Care Resource and Referral (CCR&Rs) agencies that serve every county, coordinated by the Early Care & Learning Council in Albany.
- High-quality early childhood programs, starting at birth, provide the foundation that children need, ensuring that young children enter school healthy and ready to succeed and that businesses reduce absenteeism and improve productivity.
- **The Early Care and Learning Council's report Investing in New York: An Economic Analysis of the Early Care and Education Sector** is available for download at the ECLC homepage at: <http://www.earlycareandlearning.org/policy/policy-documents/documents/FullReport.pdf> The report provides additional details regarding how child care facilitates the success of the other industries in our state.