

Written testimony for New York State Senate Standing Committee on Children & Families
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My name is Cathy Creighton, I am the director of the Cornell University ILR Buffalo Co-Lab. Last year, at the request of NY Assembly Members Monica Wallace, Karen McMahan and Erie County, Cornell University conducted a study to ascertain whether NYS's child care subsidy was adequate to meet the costs of providing child care. We prepared our findings in two phases, both of which are attached hereto. Our research found that the Child Care Subsidy provided to parents was not sufficient to pay for the True Cost of Child Care-- not by a long shot.

Our office has been researching the Western NY child care industry for two decades. In a 2006 report, we found that business sector's reliance upon high-quality child-care services was a necessary component to workplace recruitment, productivity and stability. Also, that for each state dollar invested in child care in New York State, \$1.52 was generated.

Fifteen (15) years later, we have reached a number of findings which are of concern, not just to child care workers and parents, but to the NY economy as a whole. Here are some of the findings:

- After rising for about 10 years prior to the pandemic, employment in child care is currently only 80% of what it was in 2018. Erie County lost 20% of its child care workforce.
- Low wages are the reason for the exodus. And, this is not because child care workers want to leave. In fact, they are passionate about the career they have chosen, and are broken hearted at leaving the industry, but when child care pays less than fast food, they often feel they have no choice.
- Child care workers are among the lowest paid workers in NYS, and in Erie County 80% of all child care professionals earn below the living wage, compared to 45% of all other workers.
- Child care professionals are among the working poor. 31% of child care workers rely on Medicaid. 19% are eligible for public assistance income. 18% receive SNAP benefits.
- These low wage workers are almost all women, and disproportionately people of color.
- Due to the reduction in the Child Care Workforce, licensed care facilities in NYS only have enough capacity to serve *one in five children* in the overall population of infant to 13 years old where all parents in the household work.
- As child care providers fail to retain or attract employees, they cannot accept children into their programs, resulting in long waitlists of families desperately in need of quality child care. Parents who cannot find child care cannot return to work, and are forced to quit their jobs, adding to labor shortages in the economy. Given the foundational role

that child care work plays in support of the entire workforce system, allowing these dynamics to play out uninterrupted has multiplying, and devastating, effects throughout society and the economy.

Where We Are and What is Needed

The problems illustrated by our research explain why Treasury Secretary Janet Yellen described the US child care system as “a textbook example of a broken market.” While the new rates and increased eligibility in the NYS 2022 budget were a step forward, they did not result in child care workers earning close to a living wage, and they did not fix the fundamental problems of the child care system.

The market cannot fix this problem because parents cannot pay enough to cover the actual costs of child care. And we are now all painfully cognizant of the fact that when child care suffers the economy suffers. This week the US Dept of Labor Women’s Bureau released a report finding that child care costs are out of reach for most parents and that where childcare prices are high, mothers are less likely to be employed outside the home. Here in NYS we cannot have a robust economy and avoid labor shortages when there are barriers to parents entering the workforce.

Public funding and a systems change are required. We need to collectively re-create child care, not just find a temporary fix to a historic emergency. Cornell’s Buffalo Co-Lab stands ready to continue to work with child care providers, child care advocates (some of whom are in this very room), and government leaders such as Senator Brisport. We are mindful that the decisions made must include all child care modalities, and recognize that the racial and other diversity advantages of more community-rooted child care system.

Thank you for having me.