



# EXECUTIVE SUMMARY

## JULY 2020

### Budget

#### **Bolster support for child care to stabilize Ohio**

Federal relief is needed now to ensure parents have a safe place for their kids

#### **Will Petrik**

Ohioans work hard and deserve to make more than a decent living; we deserve to have a decent quality of life. This means our elected leaders must ensure all children are cared for in a high-quality child care setting that's affordable for all parents, regardless of income.

COVID-19 has had a disastrous impact on the child care industry in Ohio and across the country, including declines in capacity to serve children, declines in enrollment, closures and layoffs. The pandemic has also taken a major toll on mothers, who take on the majority of caregiving labor at home. Mothers are far more likely than fathers to leave the workforce due to the lack of high-quality affordable child care.

We find that COVID-19 is having a devastating effect on the child care industry in Ohio and nationally:

- 336,200 child care workers were laid off in April nationwide.
- The number of children served in Ohio through Publicly Funded Child Care decreased 87% from 117,000 before the pandemic to roughly 15,500 during the shutdown.
- Child care providers now serve fewer children in the same space and more staff are required to provide care due to new COVID-19 regulations.
- 64% of providers reported in a survey they may have to close permanently without public support to help pay rent and compensate staff.
- Ohio could lose over 204,000 child care slots without significant federal support.
- The CARES Act provided \$117.4 million to Ohio to support child care providers during the pandemic; this will be spent by the end of July and falls far short of what's needed.

We also find that high-quality child care is unaffordable for too many families, and child care workers don't make a living wage, in part due to a lack of state and federal investment:

- Parents struggle to find high-quality child care, due to cost and lack of options.
  - 39% of families in Ohio live in a child care desert, with limited or no access to quality care.
  - The average cost to care for an infant at a center-based provider in Ohio is \$10,009 per year.
- A working family of three making more than \$28,000 per year is not initially eligible for public child care support in Ohio.
- Policies that make child care more affordable and increase access to child care have positive effects on maternal workforce participation and work hours.
- The child care system is built on low-wage labor of women, who make a median wage of \$10.65 an hour in Ohio.

High-quality child care is a central pillar for the healthy growth and development of children. Child care also provides security for families by enabling parents, particularly mothers, to



participate in the workforce. Ohio lawmakers and Congress need to take action to meet the needs of children and families and to make sure child care providers can survive through the crisis.

**Immediate policy recommendations:**

- The child care system needs at least \$50 billion in the next federal relief package to ensure child care providers can keep their doors open, to help parents get back to work, and to ensure the safety of children and child care workers.
- State lawmakers need to appropriate an additional \$60 million from the available federal COVID-19 funds to help stabilize child care providers and prevent permanent closures and an even greater shortage of child care.

**Long-term policy recommendations:**

- More parents need to be able to afford high-quality child care. Ohio lawmakers need to increase initial eligibility for publicly funded child care from 130% to 200% of the federal poverty level.
- No child care worker should earn less than \$15 per hour. Ohio can improve wages for child care workers by increasing the minimum wage to \$15 by 2023.
- Increased labor costs would increase the overall cost of child care for parents and providers, so Ohio would also need to increase public funding to ensure parents are able afford care and providers stay in business as wage levels increase.
- Far more state and federal funding is needed to build a fair and equitable child care system for children, parents, and child care workers.