

Child Care is Essential To Our Economy

STRATEGIC INVESTMENTS IN EARLY CHILDHOOD EDUCATION WILL TRANSFORM OUR ECONOMY

The impact of Vermont's child care crisis:

- » **CHILDREN ARE MISSING OUT ON A STRONG START:** 3 out of 5 of Vermont's youngest children don't have access to the child care they need. The first five years are the most critical and too many Vermont children are missing out on the opportunity for a strong start.
- » **FAMILIES CAN'T AFFORD TO STAY IN VERMONT:** Currently, many families spend more than **30% of their income** on child care. This financial burden dramatically impacts families' decisions to grow their families, participate in the workforce, and even stay in Vermont.
- » **WOMEN ARE EXCLUDED FROM THE WORKFORCE:** Women are **3 times more likely** to leave their jobs when their family can't find or afford child care, impacting their lifelong earnings and professional opportunities and negatively impacting the employers they are forced to leave. A woman earning Vermont's median household income of \$62,000 a year would **face a projected loss of \$650,000** if she had or adopted a child at age 35 and remained out of the workforce for 5 years. This figure represents the value of lost wages, lost wage growth over the woman's career trajectory, and lost retirement asset growth.
- » **EMPLOYERS CAN'T FIND QUALIFIED WORKERS:** Before the pandemic, there were an estimated **10,000 vacant jobs** open in Vermont each year. Vermont businesses struggle to find and retain qualified employees, impacting productivity and the potential for growth.
- » **EARLY CHILDHOOD EDUCATORS ARE LEAVING THE FIELD:** Early childhood educators earn an average of **\$38,870 a year**, often without benefits. That's about \$17,000 less than the average annual income for a kindergarten teacher with similar qualifications. Many early childhood educators simply can't afford to stay in the field.

3 out of 5

OF VERMONT'S YOUNGEST
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THE CHILD CARE THEY NEED.



It was easier to open a restaurant than it was to find child care. And every day, my restaurant is impacted by the instability of our child care system. I've watched my employees struggle to find child care and I've seen child care providers struggle to stay open because they don't make enough money. Most of them make less than I pay my line cooks, and they're taking care of our children. To me that's a problem.

Investing in our child care system is an investment in our children, our employees, and it creates the foundation for economic security for our businesses.

CARA CHIGAZOLA-TOBIN
Chef/Owner | Honey Road Restaurant

Funding affordable access to high-quality early childhood education in Vermont will provide an immediate financial boost for families with young children, rejuvenate our aging demographic, and help Vermont's economy to recover from the pandemic. Over time, sustained investments will support Vermont's education, health care, and corrections systems by addressing the root issues that drive up costs year over year.



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I believe that child care is an economic investment that will drive economic growth for my family business, our community, and Vermont's future. The most limiting factor for our business is a lack of qualified employees. Ensuring affordable access to high-quality child care will unlock a workforce that we desperately need.

Investing in our child care system will give businesses of all sizes a critical advantage as we work to attract and retain talented employees.

MICHELE ASCH
VP Leadership and Organizational
Development | Twincraft Skincare

The impact of a high-quality child care system on Vermont's economy:

- » **CLOSE OR ELIMINATE ACHIEVEMENT GAPS** caused by poverty, structural racism, and social inequity. By investing in early childhood education, we ensure that all of Vermont's children can succeed individually so that we can live, work, and thrive collectively.
- » **INCREASE ECONOMIC OPPORTUNITY** and ability for parents to advance in the workforce, for early childhood educators to advance in their profession, and for children to advance in their lives.
- » **CREATE MORE OPPORTUNITIES FOR WOMEN** to participate in the workforce, increase their lifelong earning potential, and improve their career trajectory.
- » **INVITE AND RETAIN YOUNG FAMILIES** to live, work, and raise their family in a state that prioritizes high-quality child care. Ensuring families spend no more than 10% of their annual income on child care means that many families will save thousands of dollars each year that they can dedicate to other critical needs like food, housing, student loan payments, and invest back into Vermont's economy.
- » **INCREASE THE NUMBER OF EARLY CHILDHOOD EDUCATORS** who enter and remain in the field, which will help to grow a sustainable workforce and increase the number of high-quality spots available.
- » **DECREASE SPENDING** in child welfare, special education, health care, crime, and substance abuse costs.
- » **INCREASE EARNINGS AND ASSOCIATED TAX REVENUES** of early childhood educators who earn a parity wage, parents who can return to the workforce, and young families who are incentivized to move to the state.



Expanding Vermont's early childhood education system would yield:

\$3 for every \$1 invested net benefits to our government and society.

\$1.3 BILLION NET BENEFITS TO VERMONT OVER THE WORKING LIFETIME (65 YEARS) OF THE CHILDREN SERVED.