

Our Local Childcare Crisis

Judy Nagel, Upward Mobility Signals Team

Upward mobility is driven by policy – which can catalyze or sabotage. In the United States, due to our policies, it takes five generations to move from low income to the middle class. Denmark achieves this in two generations. Norway, Sweden and Finland do it in three generations. All four countries rank in the **top five nations in social mobility**, according to the World Economic Forum. And here's what they all have in common: **Each has created a solid foundation for early childcare and development.**

For an example stateside, let's consider the state of Nebraska. The Nebraska Bureau of Business Research hired James Heckman, Nobel Laureate economist, to determine the economic fallout of childcare gaps in Nebraska. Here are some of the losses he identified in relation to inadequate childcare availability:

- Working parents lose \$489 million in annual income.
- Businesses lose \$234 million per year in reduced productivity and increased costs.
- Nebraska state income tax revenues fall by \$21 million annually.
- Multiplied effects of inadequate childcare cost Nebraskans \$639 million in income, \$731 million in business output, 3337 jobs lost, and \$26.4 million in income tax revenue annually.

Nebraska has a population of 1.9 million, whereas Wisconsin is 5.7 million residents, so we Wisconsinites can expect the economic impact to be compounded. In Wisconsin, according to WECA, Wisconsin Early Childhood Association, the need and access to childcare is particularly in crisis in the Appleton, Green Bay and Fond du Lac areas.

Local childcare providers have reached out to resources beyond local and state government for critical assistance. Working in partnership, childcare providers in Brown, Calumet, Outagamie, and Kewaunee counties applied to Rotary International for a grant to build an *Ages and Stages Questionnaire Survey* (ASQ) database. This ASQ annual development survey will give parents information that identifies early childhood developmental issues. Once part of *Ages and Stages*, our local areas will have access to national evidencebased data.

This grant was funded by two Appleton Rotary clubs and three Green Bay clubs. But a Rotary International grant requires support from a *foreign* partner. Three clubs from India also helped finance this project. This is a good step forward for Brown, Outagamie, Calumet and Kewaunee counties, but so much more is needed. Three experts in childcare, Lynn Coriano, Paula Breese and Sarah Inman, will give you insight into the *local* challenges for our economy, labor force and parents. Read their reports below.

We'll Solve the Problem Together

Lynn Coriano, Executive Director, Basic Needs Giving Partnership and
Convener of the *Greater Fox Valley Child Care Alliance*

The Greater Fox Valley Child Care Alliance is a network of partners across a 10-county region in Northeast Wisconsin – spanning from Oconto to Winnebago Counties – that is committed to making it easier for children (birth to 5) and their families to access the high-quality, affordable child care, education, and supports they need to thrive. We work to address the challenges facing early care and education (ECE) by aligning resources, advocating for policy changes, and promoting a sustainable ECE system that benefits children, families, and care givers.

Across dinner tables and workplaces, conversations around available and affordable child care proliferate. While many believe building more child care centers will alleviate the problem, it's an insufficient solution because **a main driver of the lack of available care is the inability to attract and retain staff due to the low wages child care providers receive.** The Alliance has been working to educate the region about the dynamics behind the child care business model so that partners, policy makers, and business leaders will work together to support collective action, policy change, and sustained investment.

While the urgency is growing, the child care crisis has been building for many years, and many would say is at a critical tipping point. This affects not only families with children, but our workplaces, the businesses we frequent, and the services we receive.

You may wonder why you should be paying attention to the challenges in the child care sector, especially if you don't have children of your own or if they are already grown up. Child care availability actually impacts us all.

Stories abound from employers who have watched employees leave or have seen an offer to a top recruit fall through when child care in a community can't be secured. We may not realize the impact to us until we look a little deeper: Can our community secure the oncology specialist that may go on to treat us, or our families, friends, and neighbors? Can our communities maintain and attract the manufacturing workforce it needs to keep the economic engine of our region functioning?

In addition to the economic and workforce needs of our communities, an abundance of research underscores that when children and families have access to high quality care during their first five years, we see:

- Better long-term health outcomes
- Improved educational outcomes
- Increased workforce participation
- Contributions to family stability and prosperity
- Improvements in public safety

Simply put, positive, healthy interactions with other children and adults at the start of a child's life help them AND our communities thrive. So having easy access to high quality care that's affordable and responsive to family needs is a critical building block to healthy communities. We're grateful for the many partners who make up the Greater Fox Valley Child Care Alliance – especially Brown County United Way and FCRNEW who

will speak to the work they are doing in the region to change the odds for children and families in the Greater Green Bay area.

Solutions through Partnerships

Sarah Inman, Brown County United Way

Creating transformational change in community conditions requires innovation and the courage to take risks. Often, it may also require policy solutions. That's why, as a cornerstone of Brown County United Way's refreshed strategic direction in 2019, we increased emphasis on advocacy to support policy solutions. We also established a nonpartisan Advocacy Council, providing a forum for shared learning and collective action. Early on, BCUW affirmed childcare equity as a top policy priority – in full alignment with community voice and our longstanding commitment to early education and care which has proven, positive impacts on the lives of children, their families, and the economy.

Our work centers on the 1 in 3 households living below the ALICE Threshold (Asset Limited, Income Constrained, Employed) – either at or below the Federal Poverty Level (FPL) or earning just above it, but below the basic cost of living. This affects nearly 40,000 Brown County households who are forced every day to choose between necessities like quality childcare, rent, or groceries.

Childcare access and affordability for families and low wages for childcare professionals, coupled with an unstable childcare industry model, contribute to a nationwide crisis.

- The Council for a Strong America estimates the childcare crisis costs Wisconsin families, businesses, and governments a combined \$1.9 billion every year.
- Nearly 9 in 10 working parents say childcare impacts productivity at their jobs.
- Locally, accessing quality childcare can require a year-long wait or more, especially for infant and toddler care.
- 62% of individuals with children responding to a recent BCUW survey were dissatisfied with the childcare options available to them.
- 36% of income is spent on childcare for two children by the average household. For families living below the ALICE Threshold, the burden is much greater.

BCUW partners with local, regional, and state level partners to advocate for policy changes to strengthen Wisconsin's early childhood system. In tandem, we are co-creating initiatives and providing funding to help turn the curve against the worsening childcare landscape in Brown County. Through partnerships with Family & Childcare Resources of Northeast Wisconsin (FCRNEW), COMSA, Casa ALBA Melanie, and others, examples include:

- Training nearly 80 culturally diverse individuals to work in the childcare field with the goal of improving culturally responsive childcare options; and
- Providing financial support and mentoring to open more than 100 new childcare slots in Green Bay alone.

Grants BCUW received from the American Family Insurance Dreams Foundation and the City of Green Bay's ARPA fund have been instrumental in supporting these collaborative efforts.

Effective advocacy strategies are guided by the lived expertise of community members closest to the issues, cross-sector collaboration, and trust among everyone involved. I have been privileged to work alongside many

childcare champions in the fight for childcare equity for all, including the authors whose work you are reading here.

Progress on the Horizon

Paula Breese, Executive Director, Family and Childcare Resources of NEW

In Northeastern Wisconsin, the childcare crisis continues. In our area **we have a shortage of childcare slots that stems from a shortage of childcare workers, along with a shortage of childcare programs.** The shortage predates COVID-19 but was exacerbated as workers left the field during the pandemic. According to the statewide needs assessment conducted in September of 2022, over the last decade 68% of regulated family providers were lost. By July 2020 the childcare workforce was only 79% as large as before the pandemic (National Women's Law Center). 73% of childcare programs in Wisconsin are operating below their full capacity because of a massive shortage of early care and education providers (NAEYC, 2021).

Apparently many licensed programs have reduced capacity because of the childcare staff shortage. **In Northeastern Wisconsin 36% of our zip codes are classified as a childcare desert** according to data from the Wisconsin Department of Children and Families. Only 57 childcare slots exist per 100 children whose parents work (CCAOA). Currently, wait lists in Northeastern Wisconsin for infants and toddlers span more than a year. This childcare worker shortage disproportionately impacts women, rural areas, and other underserved populations.

Family & Childcare Resources of Northeast Wisconsin (FCRNEW) has made a concerted effort to increase the number of regulated childcare programs since before the pandemic, but, with funding through ARPA grants and the local community foundation, we have been able to specifically target efforts to bring more programs and staff into the field. This project has a 3-tiered approach to building the childcare workforce:

- Hiring a part time Recruitment Specialist to enhance recruitment and support new providers
- Creating a startup support program to significantly reduce the cost of opening a regulated program
- Providing free/reduced entry level classes and support for fingerprinting, background checks, developmentally appropriate materials and furniture, etc.

Our Recruitment Specialist directs locally responsive recruitment strategies, including targeted outreach, building on agency partnerships such as Brown County United Way, public schools, and Wisconsin Department of Children and Families, that support recruitment and other supports for newly regulated providers. To prioritize the needs of underserved populations, recruitment efforts emphasize individuals opening family childcare, but prospective group childcare programs are supported as well.

Regulated Family Childcare is a childcare program operated in a provider's home and can be certified through the county for up to 6 children or licensed by the state for up to 8 children. Licensed Group Centers are licensed by the state, and the capacity varies depending on the square footage of the center.

This project is a coordinated NE Wisconsin effort, with braided funding to support recruitment efforts and prospective providers that reflect broader solutions to workforce and childcare needs. Since the start of this project and support of several funding sources, FCRNEW has been able to support 14 newly regulated family childcare programs and an additional 4 new group childcare programs that collectively have the capacity to

serve an additional 341 children in our service delivery area. In addition, our agency is now supporting 19 family and 3 group childcare programs currently in the process of becoming regulated.

In the past 18 months we have seen some growth among childcare centers and family childcare. While those [levels fall well short](#) of the overall need for childcare, the growth trend must be sustained. The continued decline in FCC homes requires attention, but the current relatively slower pace of decline may point to strategies for future success. Without continued and increased funding for childcare and childcare recruitment, the small positive trends seen will not continue – leaving families with fewer options for accessible, affordable and high-quality childcare.