



## Child Care Workforce

Compiled February, 2023

### ***Notable national data points***

- Child care sites across the country are facing immense challenges hiring and retaining staff amid a shortage of good jobs - leaving parents struggling to find care and placing increasing stress on the workers that remain in the industry.
- According to a 2022 report, staffing challenges have negatively impacted providers' emotional wellbeing, and widespread burnout has affected their ability to provide high-quality care. Many providers have considered leaving the child care workforce, which will only exacerbate the lack of child care available to parents and the lack of staff and resources available to child care providers.
- Nationally, over the past three years 16,000 licensed child care programs have closed. And according to the Bureau of Labor Statistics, there are 79,600 fewer child care workers than there were before the pandemic.
- As of February 2022, two-thirds of providers reported a staffing shortage that affected their ability to serve families; of those, 52% were forced to serve fewer children while 37% had a long waiting list.
- During every month from January to October of 2022, over three quarters of parents surveyed looking for child care had difficulty finding any center-based, home-based, or other type of care. The majority of parents using child care (over half during every month from January to October 2022) said that disruptions in that care were impacting their work. By October of 2022, this number had risen to 85% of these parents.
- Child care issues (closings of locations, lack of capacity/child care deserts, waiting lists, and staff shortages) has a significant impact on the United States economy. According to one report, approximately 57 billion is lost every year (revenue, wages, productivity) due to persistent child care issues.
- Over three-quarters of center-based providers and over two-thirds of home-based providers have reported difficulty in recruiting and retaining staff. Recruitment and retention are very clearly related to low pay.
- According to the Bureau of Labor Statistics (BLS), the broad occupational category of "services," (that includes child care) has the lowest earnings of all occupational classifications, and the racial gap is magnified. Black women, for example, employed in service occupations make, on average, \$594 dollars a week, whereas white men in "service" occupations make \$822 dollars a week – over \$200 dollars more a week.



- Nationally, according to a 2022 report, full-time child care workers are paid, on average, \$14.01—less than half the wage of kindergarten teachers. And Black and Hispanic women are paid even less, at \$11.27 and \$12.59 per hour, respectively.
- A 2021 national survey revealed that 25% of child care workers reported needing a second job to meet their basic needs. The same survey revealed that 23% of child care providers face hunger and food insecurity on a regular basis.
- Child care workers in center-based care are twice as likely as the general workforce to have no form of health insurance, and only 1 in 10 child care workers have retirement benefits.
- The child care industry is not “rebounding” like other industries. As of July, 2022, only 76% of child care services jobs lost during the pandemic that have since been recovered versus 103% of private-sector jobs that had been recovered. Thus, even with the touted pandemic recovery and record low unemployment, child care providers are significantly under-staffed.

### **Direct quotes/excerpts from *THE TRUE COST OF CHILD CARE: ERIE COUNTY, NY* (2022)**

- Child care work in Erie County is low-wage, precarious, gendered, and racialized work.
- Nearly nine out of every ten child care workers identify as women. Child care is driven by women and persons of color, with women of color playing an especially outsized role in Erie County's care economy.
- Child care workers are much more likely than other members of the workforce to receive government benefits like Medicaid, Food Stamps, and public assistance income – and much less likely to receive workplace benefits like employer-provided health coverage.
- In Erie County, child care is low-wage, non-family sustaining work. Data from the first three quarters of 2021 show that mean wages for child care workers were \$23,972 (in 2021 dollars). Because wages and benefits are so low in this profession, it cannot attract adequate numbers of full-time workers. By contrast, the average wage for all jobs in Erie County through the third quarter of 2021 was: \$58,300. Therefore, average wages in the child care industry are just two-fifths of average wages in the countywide economy.
- In a survey of Erie County providers, nearly seven of every ten workers at their establishments (67.6%) earn at or below \$15/hour.
- Approximately four out of five (80%) child care workers in Erie County earn below their calculated living wage, compared to just 45% of all other members of the County's workforce. Higher salaries and better benefits for current staff are the top priority for providers in Erie County.



- Upward pressure on wages in other traditionally low-paying industries (e.g., retail and food service) might be acting as a pull factor – pulling workers out of child care and into higher paying jobs. At the same time, financial strains on providers, made worse by the pandemic, are concurrently pushing workers out of the industry via temporary or permanent layoffs or business closures
- Although it is too early to say exactly how the pandemic will impact the NYS child care industry in the long-term, in the short run, much of the steady employment growth of the last decade was undone in equally rapid fashion by COVID-19 and ensuing economic crises.
- Final Bureau of Labor Statistics figures for 2020 reported just 61,166 workers in 5,929 child day care service establishments in that year – a year-over-year loss of more than 15,000 jobs (-20%), essentially erasing the last ten years of growth and putting the industry back to 2010 employment levels.
- While the industry appears to be slowly regaining jobs lost to COVID-19, employment in NYS child care is still only at about 80% of pre-pandemic (2019) levels.
- Child care providers who reported operating below capacity pointed to a lack of qualified workers as the main reason why.
- Licensed care facilities in NYS only have enough capacity to serve one in five children in the overall population. More precisely, child care providers in NYS are licensed to accommodate 643,601 children between zero and 13 years of age. Across the state, there are roughly 3.14 million children in those age groups, meaning that the current supply of licensed child care only covers 20.5% of the total population.
- Erie County's providers only have license to accommodate fewer than three in ten children whose adult household members all work.
- Further, facilities serving more financially disempowered children are themselves more financially disempowered. 80% of subsidized providers do not generate enough revenue to provide desired levels of care, compared to just 50% of their counterparts who rely more heavily on other funding sources (especially parent private pay).
- Without child care, a massive chunk of economic activity in NYS and Erie County would quickly come to halt. Between 18 and 28% of workers in all major economic industries in Erie County fall into the “likely child care demand universe.” The County's leading employment sector – health and social services – is near the top at 27%.