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District of Columbia Families Continue to Struggle With a Lack of Affordable Child Care and Related Employment Woes

50-State Data Show Economy Loses \$122 Billion a Year as Child Care Challenges Cause Parents to Miss, Quit or Scale Back Work, Annie E. Casey Foundation Finds

WASHINGTON, DC (June 14, 2023)—Our country's lack of affordable and accessible child care short-changes, according to the 2023 KIDS COUNT® Data Book from Annie E. Casey Foundation. In the District, it significantly impacts parents' ability to work. The crisis causes parents in the District to frequently miss work or even quit their jobs, while those who can find care are paying dearly for it. Forty-one percent of children in the District of Columbia had parents who lacked secure employment in 2021, up from 32% in 2019.

The *Data Book*, a 50-state report of recent household data that analyzes how children and families are faring and also reports that many parents need help to secure child care compatible with work schedules and commutes. **Fourteen percent of children under age 6 in the District lived in families in which someone quit, changed, or refused a job because of problems with child care**, greater than neighboring Maryland (12%) and Virginia (8%). And *women are five to eight times more likely than men to experience negative employment consequences related to caregiving.*

"DC is a national leader in child care thanks to tremendous policymaker support," said **Kimberly Perry, executive director of DC Action, Washington DC's member of the KIDS COUNT network.** "However, with pandemic-support programs for child care and families ending, I am concerned about the level of their ongoing commitment because bigger budget issues like affordable housing call for more significant investment. We can't afford to backtrack on our progress."

According to one study, child care challenges cost the American economy \$122 billion annually in lost earnings, productivity and tax revenue. Estimates vary about the impact on the District's economy, with one suggesting that DC loses as much as \$769 million each year.

In a town where long waitlists are common, if parents can find an opening at child care near their home or employment, they often can't pay for it. The District's average cost of center-based toddler care in 2021 was \$24,396, more than 10% of the median income of a married couple and 73% of a single mother's income.

While the cost of care burdens families, child care teachers earn less than most other professions. In DC, they earned an average of \$31,950 per year, making it next to impossible for them to live in the communities where they work. The median national pay for child care workers was \$28,520 per year in 2022 or \$13.71 an hour in 2022.

The District took a groundbreaking step to address this issue by creating the Early Childhood Pay Equity Fund, which bolsters the income of infant and toddler educators. Over 3,000 early childhood professionals received payment during the 2022 fiscal year. It is a huge support for the sector and the children and families who rely on it. The scope of the problems made clear in the *Data Book* illustrates that the District must continue to build on this momentum by fully funding and implementing the Pay Equity Fund during the next fiscal year.

"The Pay Equity Fund has already made such a difference in the lives of child care teachers, especially with its inclusion of free health insurance," **stated Perry.** "DC is also addressing the affordability crisis by increasing the income limit on the child care assistance program to include an additional 2,100 children under age 5."

Each year, the *Data Book* presents national and state data from 16 indicators in four domains — economic well-being, education, health, and family and community factors — and ranks the states according to how children are faring overall. (The District of Columbia is not ranked among the states in the annual report.) The Casey Foundation highlighted child care data this year because families with young children will continue to struggle without it.

Transitioning from a faltering child care system to creating a flourishing one will take new thinking and investing at the local, state, and national levels. An executive order issued by President Biden in April aims to expand access, lower costs, and raise wages. It could prove to be a helpful framework, but more is needed:

- Federal, state, and local governments should invest more in child care. State and local governments should maximize remaining pandemic recovery act dollars to fund needed child care services and capacity. In the District, this means that the Office of the State Superintendent (OSSE) maintains the current reimbursement rate for child care providers who offer care to families participating in the child care assistance program.
- Public and private leaders should work together to improve the infrastructure for home-based child care, beginning by lowering the barriers to entry for potential providers by increasing access to start-up and expansion capital.
- To help young parents, Congress should expand the federal Child Care Access Means Parents in School (CCAMPIS) program, which serves student parents.

RELEASE INFORMATION

The 2023 KIDS COUNT® Data Book will be available at <u>www.aecf.org</u>. Additional information is available at <u>www.aecf.org/databook</u>. Journalists interested in creating maps, graphs and rankings in stories about the Data Book can use the KIDS COUNT Data Center at <u>datacenter.aecf.org</u>.

About DC Action

<u>DC Action</u> is a nonprofit, nonpartisan advocacy organization working to make the District of Columbia a place where all kids grow up safe, resilient, powerful, and heard. <u>DC Kids Count</u>, <u>Under 3 DC</u>, <u>DC Out-of-School Time Coalition</u>, the <u>DC Home Visiting Council</u>, and the <u>Youth Homelessness Advocacy Coalition</u> bring that power forward, creating space for all residents to raise their voices and make change.

ABOUT THE ANNIE E. CASEY FOUNDATION

The Annie E. Casey Foundation creates a brighter future for the nation's young people by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow. For more information, visit www.aecf.org. KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.