Child Care: Challenges, Opportunities, and a Vision for the Future

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What are the main workforce development challenges your company or the businesses in your community are facing?

1. Lack of available workers
2. Lack of available child care
Far too many parents and families can’t afford child care.

Wisconsin family with one infant
1/5 (20%) of their annual income

Typical family with an infant and 4-year-old
1/3 (33%) of their annual income

Source: Economic Policy Institute
It ranges from difficult to nearly impossible to find.

Child care “deserts” exist across more than 50% of the state and 70% in Wisconsin’s rural areas.

This means there are more than three children under age 5 for every licensed child care slot.

Source: Center for American Progress
Early educators are critical yet woefully undercompensated.

More than 80% of Wisconsin’s early childhood educators have some form of higher education, yet:

- Earn only an average of $11 to $13 an hour
- Rarely access standard benefits
- 26% of center providers and 34% of family providers receive at least one form of public assistance

*This leads to a more than 40% turnover rate.*

Source: Center for the Study for Child Care Employment; Institute for Research on Poverty (Studies of the Wisconsin Early Education Workforce)
The child care business model is broken.

Child care programs’ budgets are funded predominantly by parent fees and therefore operate on razor-thin margins.

The fees collected have to support:

- All staff salaries
- Rent
- Utilities
- Food
- Other operational needs
Child care challenges have workforce implications.

The long-term economic impact of Wisconsin’s child care crisis is estimated at $4.2 to $6.4 billion.

83% of employers say without affordable child care, WI businesses will face workforce shortages now and in the future.

80% of employers say WI’s economy is impacted by families’ ability to access child care.

73% of employers say providing employees with resources to support child care needs is a strategy all employers should consider.

71% of employers say it’s important for WI businesses to support child care for their employees.

Sources: Bipartisan Policy Center; Wisconsin Department of Children and Families, Wisconsin Economic Development Corporation, Wisconsin Employer Perceptions of Early Care
Child care faces a workforce exodus.

Survey data show relief funding has been essential for child care providers and programs:

- 60% say they will have to raise tuition when Child Care Counts Program ends
- 50% say they are serving fewer children than they could because they do not have enough staff
- 33% say they will have to cut wages or will be unable to sustain wage and salary increases when stabilization funding ends

Source: National Association for the Education of Young Children (NAEYC) Fall 2022 Field Survey, Wisconsin Results.
Raising Wisconsin is advocating for a $300 million state investment into child care in the 2023-25 biennium.
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Thank you!

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