

Family is part of our bottom line. The lack of a good, affordable child care system is crushing families, workers, and small businesses. This doesn't just hurt small businesses owners and our employees – it also contributes to inequality when it comes to race, gender, and wealth. Political leaders who care about small businesses, our employees, and our communities will support public solutions and a sustainable public revenue stream for affordable, quality child care for all.

THE FACTS



1/3 families report spending 20 percent or more of their annual household income on child care



The first five years of a child's life set them up to be good students and civic stewards later in life



65 percent of young children have all available parents in the workforce

\$17,000
PER YEAR

In many states, child care exceeds the costs of housing or college tuition

2
MILLION

parents of children age ≤ 5 have quit, declined, or changed jobs because of child care challenges



More than one-half of families in America live in child care deserts

THE SMALL BUSINESS CASE FOR CHILD CARE INVESTMENT

Good for employees, good for business: Access to stable, quality, affordable child care improves employee morale, reduces absenteeism, and increases business productivity. It creates a more stable workforce, reducing recruiting, training and turnover costs.

Leveling the playing field between small and large businesses: Small businesses operate on thin margins, making it nearly impossible to provide child care benefits to employees. In a tight labor market, that means losing potential employees to large corporations who wield the market power to provide child care benefits. When all employers abide by the same rules, the playing field is more level.

Racial and gender equity: High child care costs hit women and people of color the hardest, and expanding public investment in child care creates greater gender and racial equity.

Removing barriers to starting or expanding small businesses: Every tear in the social safety net prevents people from pursuing their dream of small business ownership, stifling innovation.

Investing in child care infrastructure: Increasing child care availability and quality creates regions conducive to business growth, making them more attractive to young families.

Valuing child care providers is valuing small business: Higher compensation and paid training opportunities for child care teachers and caregivers will help attract and retain a talented, dedicated workforce, leading to higher-quality child care while supporting the development of child care small businesses.



Jane and Andy Shannon, owners of Bench Pressed in Minneapolis, MN

GET IN TOUCH

For questions, please contact cynthia@mainstreetalliance.org. You can also find Main Street Alliance on the web at mainstreetalliance.org.

Child care needs have pretty much ruled my life since giving birth.

As a small business owner, I have had to make many schedule accommodations to revolve around my kiddo's care needs. I am lucky that I have close by family willing to help, but even with that, and my spouse, we still need outside care for our little boy. When we first began researching child care options we were shocked – that's-30%-of-our-income-for-half-day-care shocked! We have managed to cobble together a system that has worked so far, but I have definitely had days that I have had to bring my son to work, close early, or just have my business closed because of a lack of flexible, affordable child care options."



Rita Hudson-Evalt, owner of Union Rose in Portland, OR

A MAIN STREET SOLUTION FOR CHILD CARE

Ensure that no family pays more than 7 percent of their income, the U.S. Department of Health and Human Services' affordability benchmark.

Increase the availability of care for nontraditional hours, with the choice of a child care center or a home-based provider, to achieve the flexibility that small business owners and their employees need given complex work schedules.

Strengthen high-quality child care programs for infant to school age children and for children with disabilities, by promoting quality standards and fair compensation and giving child care providers the resources and the supports to improve.



Nicole Grenier, owner of Stowe Street Cafe in Waterbury, VT

Create well-paying care jobs in the child care industry by increasing compensation for child care providers, setting a wage floor, and creating wage parity between child care educators and k-12 teachers with similar levels of education, experience, and competency.

Support small business child care providers in starting and growing their businesses, particularly in child care deserts – areas with a severe undersupply of licensed child care – bolstering licensed care in underserved communities.

Ensure that small businesses also benefit from tax incentives for employer-provided child care, through tax credits and subsidies that support small business child care cooperatives, and small business pooling, in which small businesses collaborate with other area small businesses to provide on or near-site child care, and share the cost.

Generate a sustainable public revenue stream for child care investment by closing corporate tax loopholes, and creating a more a progressive income tax structure.

CHILD CARE FOR WORKING FAMILIES ACT

The Child Care for Working Families Act (CCWFA) would help families with children ages 12 and under afford high-quality, flexible child care. Families earning up to 150 percent of the state median income would be eligible for assistance and would spend no more than 7% of their income on child care.

How the CCWFA would work: A typical married couple, let's call them James and Michelle, live with their 1-year-old daughter and 4-year-old son in Grand Rapids, Michigan. James works as a mechanic and Michelle as a home health aide, bringing home a combined income of about \$81,000/year. About a quarter of their income currently goes toward paying for child care for their two children, and after paying for their mortgage, car payment, health insurance, and groceries, James and Michelle barely make ends meet each month. Michelle has considered leaving her job to stay home with her children instead of spending half of her salary on child care but worries about losing her income and falling behind in her career. Under the CCWFA, James and Michelle's child care payment for two children would be capped at \$32 each week. They would save nearly \$16,000 per year on child care—enough to pay for two years' worth of groceries for their family.

Source: Center for American Progress, Proposed Bill Would Help American Families Afford Child Care, September 13, 2018

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