

Child Care Stabilization for a Strong Humboldt Economy and Healthy Families

Background

Child care has been the backbone support to working families since World War II, when the federal government established a system of free, onsite child care to workers in shipyards and factories across the United States. The system shut down at the end of the war, but many women stayed in the workforce amid growing economic pressure. As more families have become dependent on two incomes, those working parents have spurred productivity in the US (Reich, September 2010). One-third of the US workforce has at least one child under age 14. Even before the pandemic, inadequate childcare was costing working parents in the US \$37 billion a year in lost income and employers \$13 billion a year in lost productivity (Harvard Business Review, April 2021).

Child care's role in supporting the economy has only grown and become achingly apparent during the pandemic. Even with COVID-19 supplemental paid sick leave in California, 26% of adults in households with a disruption in care took *unpaid* time off to care for children who were unable to attend child care. Similarly, 18% of adults in households with children either left their job or were fired from their job because of a disruption in care (California Budget Center, September 2021). Local employers have shared their frustration about the lack of child care impacting the success of their businesses. In Humboldt County we have lost many, many childcare openings due to program closures and professionals leaving the field, leading to an unprecedented weakening of the local child care system.

Child care programs operate under state-established licensing standards, ratio limitations, worker education requirements, and multiple configurations. Informal child care arrangements also provide a key resource to families. Each child care provider can provide care, according to licensing regulations, for one to 12 children, depending on the child's age, the educational qualifications of the provider, and the child care setting.

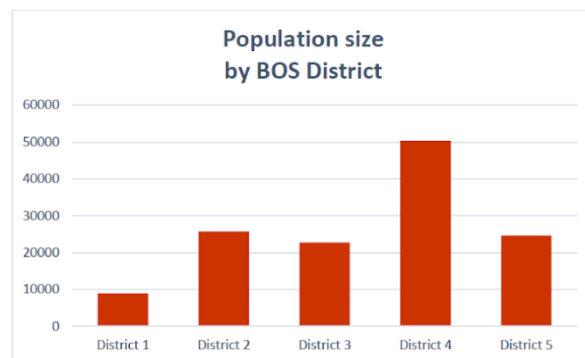
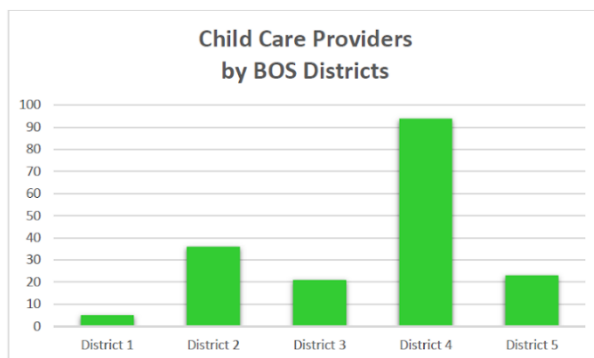
Since April, 2020, Changing Tides Family Services has been convening the Humboldt Emergency Response and Rebuild Child Care Task Force. Providers and stakeholders have constructed this child care brief to address long-standing challenges to Humboldt's economic health.

The children, families, communities, and early childcare workforce of Humboldt County are facing a crisis brought on by years of inadequate resources and the impact of the Covid 19 pandemic. Families have struggled to find child care for young children and those who provide care have struggled to make a living doing it. Humboldt County was already losing child care openings and Early Childhood Care and Education (ECCE) professionals when the pandemic hit. The pandemic has forced child care programs to operate at reduced capacity, centers and homes have closed and ECCE professionals have left the field. The Berkeley Center for the Study of Child Care Employment reports in its 2020 analysis, "The poverty rate for early educators in California is 17 percent, much higher than for California workers in general (8.7 percent) and 6.7 times as high as for K-8 teachers (2.5 percent)" ([CSCCE](#), 2020).

The Governor's budget proposal provides no support for providers past this current fiscal year. It does not provide resources to rebuild child care. Simply triaging and trying to sustain our current situation will not support parents and families, promote economic recovery, or provide a foundation for economic growth in Humboldt County. In the absence of state leadership, we need a systemic and comprehensive local approach to this accelerating crisis, so that we can rebuild and grow an economy that supports our Humboldt families.

Critical Considerations

- Each child care provider enables up to twelve workers to work outside the home, providing a workforce to staff Humboldt's businesses and generating additional earned income, which ripples out in expanded economic growth. Without child care, many workers find themselves unable to work.
- Child care businesses and families were struggling even pre-pandemic. Since March, 2020, Humboldt County has seen roughly a 30% closure rate of available child care, with at least 6% closing permanently, leaving our workforce struggling for viable options so they can return to work.
- Changes to transitional kindergarten in California, which will be implemented this fall, will have deep impacts on child care stability, due to licensing, staffing, fiscal and qualifications factors.
- Based on economic multipliers for child care ([CED](#), Child Care in State Economies, 2019), for every \$1 dollar invested in child care in our community, the return is over \$2 dollars (Randy Weaver, October 2021).
- Many Humboldt child care providers are expecting to leave the field in 5 years because they see the future as untenable: a landscape of inadequate income, inadequate supports, and decreased opportunities.
- Many child care services in outlying areas are informal. There is tremendous opportunity in these areas to support these informal child care providers and stabilize their services through small business incubation. Small business technical assistance and incubation support would provide them with a solid foundation for becoming small business owners while providing a critical service in these outlying communities.
- Child care is an equity issue. Approximately 12% of child care workers are Black, Indigenous and people of color (BIPOC) (as of 1/27/22, CTFS MCCP database) and have been disproportionately impacted by the pandemic.
- Child care impacts all of Humboldt County. The crisis is not centered in the population centers; instead, it is felt in all corners of the county. Because child care options are fewer in outlying areas, the effects of closures can be more catastrophic in the more rural areas.

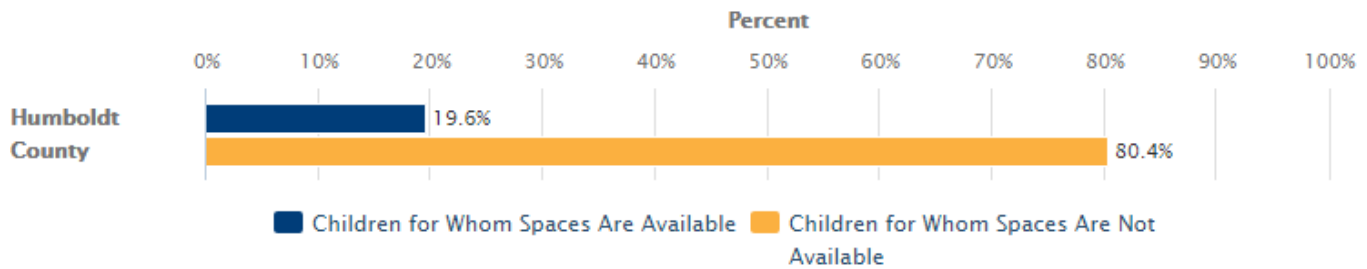


Preliminary local data, CTFS

- Child care isn't available for working families who need it. 80% of Humboldt's working families who are looking for child care are unable to find a licensed space. The pandemic has only worsened this situation.

Availability of Child Care for Humboldt Working Families: 2019

(Availability of Spaces: All)



Definition: Estimated percentage of children ages 0-12 with parents in the labor force for whom licensed child care spaces are available and unavailable (e.g., in 2019, licensed child care spaces were available for 24.5% of children with working parents in California).

Data Source: [As cited on kidsdata.org](https://kidsdata.org), California Child Care Resource and Referral Network, California Child Care Portfolio (Apr. 2020); U.S. Census Bureau, American Community Survey public use microdata (Oct. 2020).

A Plan to Build Humboldt's Economy by Stabilizing Child Care

Immediate Business Supports	Stabilization	Growth/Sustainability of a Healthier Child Care System
<p>Employers report that child care is unavailable to their workers</p> <ul style="list-style-type: none"> Develop of child care industry partnerships with business interests and workforce development Continue outreach on available resources through existing programs, especially Changing Tides Family Services Encourage business to connect employees with existing resources such as Changing Tides Family Services, First 5 Humboldt, Family Resources Centers, and other services available to families 	<p>Employers are reporting that workers either cannot find child care, can't afford care, or are hesitant to work more hours because of the increased burden of child care fees</p> <ul style="list-style-type: none"> Relieve some of the burden of child care costs on families. Provide child care subsidies to local families and stipends to businesses to pay for employee child care (public-private partnerships) for individual employees and/or employer-sponsored child care 	<p>Families report that child care fees are such a heavy burden that they often have to choose between child care and paying for housing, food, or other necessities</p> <ul style="list-style-type: none"> Create a system of subsidies of child care fees for Humboldt families, including middle income families who don't qualify for existing supports
<p>Child Care Programs are facing a critical staffing shortage, reducing the number of child care slots available to workers.</p> <ul style="list-style-type: none"> Provide child care employee hiring bonuses <p>Child care employee turnover is extremely high, exacerbating the existing child care shortages. Child</p>	<p>As Universal Transitional Kindergarten (UTK) decreases the enrollment of 4 year olds in local child care programs, the traditional business model of child care will be further jeopardized because of licensing limitations.</p> <ul style="list-style-type: none"> Facilitate the transition of some programs to infant-toddler care. ECE staff drain and/or start up 	<p>Universal Transitional Kindergarten (UTK) will drain local programs of their highly qualified staff as staff migrate to the better paying/better benefitted positions in UTK, furthering child care staffing shortages.</p> <ul style="list-style-type: none"> Educational loan forgiveness for child care employees and/or educational expense

<p>care providers are closing programs because they can find more stable, better paying employment elsewhere, leaving parents with few options for care.</p> <ul style="list-style-type: none"> • Provide child care employee retention bonuses 	<p>costs to open new infant-toddler care. This would include funding for building requirement changes, equipment and materials, and bridge funding as programs absorb the reduction in revenue, as licensing requirements require more staff and fewer children to be served in infant/toddler programs.</p>	<p>reimbursement and incentives for increasing professional qualifications</p> <p>District LCAP are working to include planned partnerships and/or contracts with child care providers for before and after care and TK</p>
<p>Child care supply is in short supply, severely impacting other industries</p> <ul style="list-style-type: none"> • Fund start-up costs for new child care businesses, primarily for equipment purchases and some business infrastructure such as software • Fund enhanced technical assistance for start-up 	<p>Child care programs report challenges in recruiting parents, record-keeping, marketing when they have openings, and developing productive partnerships.</p> <ul style="list-style-type: none"> • Provide enhanced technical assistance for business incubation 	<p>Child care programs report difficulties in adapting to changing regulations, maintaining outreach, and accessing resources that could strengthen their programs.</p> <ul style="list-style-type: none"> • Fund technical assistance for sustainability and sustained support of a business mentorship model
<p>Child care lacks a sustainable funding model that does not unduly burden families with extremely high costs. When families can't reliably meet the cost burden, they can be forced to make decisions that impact our local economy and their family's health and well-being.</p> <ul style="list-style-type: none"> • Leverage new and one-time funding sources, including American Rescue Plan Act funds, to stabilize the child care system and family burden 	<p>On a mid-term basis, new funding must be identified to provide business and families reliable, high quality child care options that promote optimal child development.</p> <ul style="list-style-type: none"> • Fund a comprehensive local business, child care and workforce study to guide future planning and policy decisions and to facilitate grant applications for additional funding for local business and child care needs 	<p>On a long term basis, new solutions must be realized to provide business and families reliable, high quality child care options that promote optimal child development.</p> <ul style="list-style-type: none"> • Establish a Humboldt Child Care Sustainability Task Force, made up of business leaders, policy makers and child care experts, to develop solutions for a stable Humboldt Child Care System which will report with a plan by January 2024

An Unprecedented Local Opportunity

Humboldt County has a unique opportunity to leverage recovery of our local economy and emerge stronger from the COVID pandemic. By targeting American Rescue Plan Act funds to address a key priority for local business and families, Humboldt can create an economy where all families can succeed.

Further Reading

[CED Child Care in State Economics](#)

[Child Care is a Business Issue, Harvard Business Review](#)

[COVID drives women from workforce](#)

[Women's Well-Being Index, Economic Security, Cost of Humboldt Child Care](#)

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