



Iowa Women's Foundation Building Community Child Care Solutions

Talking Points

Why Child Care

Our research and community conversations tell us, Iowa is in a child care crisis. This crisis is not just a family issue but a workforce, business and community issue as well.

75% of Iowa households with children under the age of 6 have all parents working outside the home. There is a shortfall of 361,677 spaces and on average 1 in 2 children go without access to affordable quality child care.

The Midwest is the only region of the United States where there are more job openings than there are job seekers. On indeed.com you can find over 34,000 open jobs in Iowa.

In many Iowa communities, child care has become unaffordable, inaccessible or nonexistent. As a result, working parents miss work, drop shifts, are less engaged on the job, switch employers, or leave the workforce all together.

Iowa has lost 42% of its child care businesses over the past five years.

Child care is an essential and under emphasized tool for our state to develop, grow and sustain a reliable work force.

Research consistently shows that increasing workers' access to affordable, quality child care options isn't simply a benefit for parents; it improves the economy. Providing access to quality affordable child care positively impacts the bottom line of Iowa Companies and its critical to sustaining a strong workforce and economy.

Consequences of the Child Care Crisis

Families

- Almost 18,000 parents are quitting a job, did not take a job or greatly changed jobs because of child care problems
- Over 12,750 women reported they are not working full-time due to child care problems
- Lost wages and retirement savings

Businesses

- Iowa businesses are losing \$675 million in unrealized annual GDP
- Over a 6-month period, almost half of parents are absent from work at least one due to child care issues, missing an average of 4.3 days and are late to work/leave early on average 7.5 times

- Businesses lose on average \$1,150 per working parent with a child under age 3 in reduced revenue and costs to rehire quits and cover absenteeism. In aggregate, the burden on business is \$13 billion annually.
- 63% of parents say that child care costs influence their careers, with a majority of working parents (85%) say they wish their employer offered child care benefits, such as discounted child care or access to back up care.
- When companies provide child care, employee absences decrease by up to 30% and job turnover declines by as much as 60%

Communities

- Decreased population
- Less self-sufficient families
- Higher crime and incarceration rates
- Lost economic activity and tax revenues

State-wide Collaboration

Through collaborative work, 22 communities across Iowa, with more than 500 stakeholders, are now exploring innovative ways to exchange ideas among business and community leaders, employees, and organizations to promote child care investments that support children’s healthy development and a competitive businesses environment, both in the short and long term.

The collaborative efforts are based on community-led change. Through listening and learning, educating and engaging, the collaboration ultimately supports economically secure families, a stronger Iowa workforce and thriving communities across our state.

Stakeholders represent businesses, economic development, educational institutions, nonprofit organizations, elected officials, local Early Childhood Iowa boards and the funding community.

Collaborating Communities Include:

Ames	Ida County	Muscatine
Carroll/Glidden	Iowa City	Ottumwa
Cedar Rapids	Iowa Falls	Red Oak
Clinton	Jefferson	Sioux City
Decorah	IKM-Manning	Storm Lake
Dubuque	Lee County	Waterloo
Fairfield	Lone Tree	Waukon
Fort Dodge	Marshalltown	Waverly
Grinnell	Mason City	Webster City

Community Solutions to Address the Child Care Crisis

- Building and Expanding
- Child Care Entrepreneurs
- Businesses & Child Care
- Before and After School
- Community Colleges & Child Care
- 2nd and 3rd Shift Care

Public Private Partnership

A long term collaborative between public and private sectors to increase awareness and funding of child care solutions that increase the availability of quality affordable child care.

- **Iowa Women’s Foundation** has committed \$40,000 to the Child Care Solutions Fund (CCSF). These CCSF funds are invested in organizations and institutions across Iowa focused on innovative and sustainable strategies/solutions ensuring access to affordable quality child care.
- **Iowa Businesses** can financial support the state work through the CCSF or their local Building Community Child Care Solutions Collaborative
- **Community Foundations and philanthropists** can support the state work through the CCSF or their local Building Community Child Care Solutions Collaborative
- **Iowa** can invest in the state work by:
 - **Increase support of Early Childhood Iowa.** Matching funds – Specify government funding \$1 million match for public-private partnerships through ECI to be used for supporting partnerships within communities to support and promote quality child care and its workforce.
 - Increase funding to ECI for early childhood programs grant account. To be used by early childhood Iowa areas for the purposes of adding quality child care capacity as gap financing tool for viable renovations or new facility construction.
 - Reinstate the Before and After School Grants program that was established in 2007 to create a state funding stream for high-quality before school, after school, and summer programs.
 - **Tax credits:**
 - ✓ **Business Tax Credit:** Provides a credit for businesses that have donated funds to child care centers to support eligible child care expenses, based on the quality rating of the center.
 - ✓ **Family Tax Credit:** Supports families based on child care expenses, income federal child care tax credit, state child care tax credit, and the quality rating of the center at 100% deductibility for child care expenses
 - ✓ **Provider Tax Credit:** Rewards centers based on their quality rating and the number of Child Care Assistance Program or foster care children that are served. Centers become eligible if they participate in the statewide quality rating system, and their benefits increase with the proportion of at-risk children they serve.
 - ✓ **Teacher and Director Tax Credit:** Recognize teachers and directors for their professional education and commitment to the field
 - ✓ **Child Care Resource and Referral Tax Credit:** Provides a credit for businesses matched to the amount donated to Resources and Referral agencies up to \$5,000
 - ✓ **Make child care a priority in Future Ready Iowa** Fund the Employer Innovation fund and recognize child care workers
 - **Where can the funding come from to support the above recommendations:**
 - ✓ **Corporate income tax cut** – Work with the business community to preserve some of the corporate income tax revenue for child care investments (e.g., business tax credits, parent tax credits, expand foundation tax credits specific for child care). This would help businesses just as much as the tax cuts.
 - ✓ **Increase sales tax** – Monitor penny sales tax increase discussion and if appears to get traction ensure a portion of revenue is earmarked for early childhood opportunities.