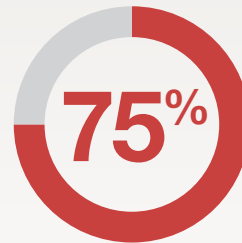




IOWA WOMEN'S  
FOUNDATION

# POLICY BRIEF 2020

*Child care is not just a family issue, it encompasses business success and community viability as well. Iowa leads the nation in the number of families with parents working outside the home.*



**75% OF CHILDREN UNDER AGE 6 IN IOWA**

have all parents working outside the home

**IT IS GETTING WORSE**

There is a shortfall of more than

**361,000**

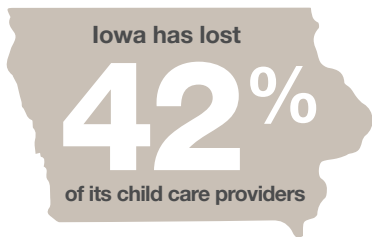
child care slots across the state.

**In many Iowa communities, child care has become unaffordable, inaccessible, or nonexistent.**

- Almost 25% of Iowans live in a child care desert where there is a shortage of licensed or registered child care options. That number is even higher when looking at the shortage of infant, toddler and 2nd and 3rd shift child care options
- Iowa has lost 42% of its child care providers over the past five years
- Estimates show there is currently a shortfall of more than 361,000 child care slots

**As a result, working parents miss work, drop shifts, are less engaged on the job, switch employers, or leave the workforce altogether.**

- In Iowa because of child care issues: 17,915 parents quit a job, did not take a job or greatly changed their job (2016) and 12,773 women reported they could not accept full-time work (2017).
- 83% of millennials say they would leave their jobs for one with more family-friendly benefits
- 63% of parents say child care costs influence their careers
- Working parents are absent from work nearly two weeks per year because of child care issues
- 65% of working parents have their schedules affected 15 times a year on average causing them to be late or leave early because of problems with child care



Iowa has lost

**42%**

of its child care providers

over the past five years

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

- For working parents with children under age 3, the U.S. child care crisis costs \$57 billion annually in lost earnings, productivity and revenue for working parents, employees and tax payers.
- Due to an employee shortfall, there is an estimated \$675 million in unrealized annual GDP for the state of Iowa
- When companies provide child care, employee absences decrease by up to 30% and job turnover declines as much as 60%



**83%** of millennials

say they would leave their jobs for one with more family-friendly benefits



Research consistently shows that increasing workers' access to affordable, high-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 is critical to sustaining a strong workforce and economy.

Sources available at [www.iawf.org/policy](http://www.iawf.org/policy)

## To address Iowa's Child Care Crisis, the IWF has created bold initiatives with community partners.

We created the Building Community Child Care Solutions Collaborative (BCCCS) with Early Childhood Iowa (ECI), Child Care Resource and Referral (CCR&R) and other local partners. Comprised of individuals from Iowa communities, the BCCCS collaborative's purpose is to improve the availability of quality affordable child care through increased awareness and feasible community-specific solutions.

We established the Child Care Solutions Fund (CCSF). The CCSF is a "field of interest" fund designated to specifically improve the availability of, and access to, quality affordable child care in Iowa. These CCSF funds are invested in organizations and institutions focused on innovative and sustainable strategies/solutions ensuring access to affordable quality child care and demonstrate the ability to increase women's economic security across Iowa.

We are now publishing this 2020 policy brief, offering four specific recommendations for how the state of Iowa can increase the availability of quality affordable child care, strengthen the Iowa Workforce and continue to make smart investments in Iowa's communities.

### TOP RECOMMENDATIONS FOR 2020

#### 1. Increase support of Early Childhood Iowa (ECI)

- Increase funding to ECI for early childhood programs grant account by \$500,000. Apply the funding to a private public partnership for the purposes of increasing the availability and access to quality affordable child care.

#### 2. Adopt HF 771

- Enact HF 771, which passed the Iowa House 97-1 in 2019. HF771 would benefit Iowa's working parents by expanding the eligibility for child care and dependent care and early childhood development tax credits.

### ADDITIONAL RECOMMENDATIONS FOR 2020



1. **Increase funding to Iowa Association for the Education of Young Children to adequately support and expand WAGE\$ state wide by codifying this program.**

2. **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.**

#### 3. Tax credits

- **Business Tax Credit:** Provide 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:** Support families based on child care expenses, 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:** Reward 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 at a level 2 or above, 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:** Provide a credit for businesses matched to the amount donated to Resources and Referral agencies up to \$5,000.

#### 4. Make child care a priority in Future Ready Iowa

- Continue funding the Employer Innovation Fund focusing on child care workforce and facilities.
- Recognize child care workers as a high demand occupation and a critical workforce within the Future Ready Iowa initiative.



Sources available at [www.iawf.org/policy](http://www.iawf.org/policy)



P: 319.774.3813 • [www.iawf.org](http://www.iawf.org)

[www.facebook.com/iowawomensfoundation](https://www.facebook.com/iowawomensfoundation)

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