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Economic stimulus for child care equals jobs

By Phyllis Kalifeh
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Congressional leaders continue to wrangle over the nation's \$850 billion economic stimulus package and key provisions are hanging in the balance. The Children's Forum has identified a part of the package that it says must be included because it will immediately stimulate Florida's economy, help working families with child care expenses, and quickly create more than 5,000 new jobs. Under both the House and Senate proposals, as currently written, \$105 million would come to Florida to pay for child care through the Child Care and Development Block Grant (CCDBG).

Child care expenses can consume up to 50 percent of take-home pay for low wage earners, leaving families feeling hopeless. Without help in paying at least a portion of the costs, parents are unable to seek or even maintain their jobs. Families receiving child care assistance pay about 7 percent of their net income for care, making it much more manageable. The amount of child care subsidy decreases as the parent's income increases. And when families are working, they are hopeful, contributing to the tax base and can eventually realize the goal of self-sufficiency.

But according to information obtained from the Florida Agency for Workforce Innovation, Office of Early Learning, the waiting list for child care financial assistance averaged more than 57,000 children for the first half of the state's fiscal year. These children need child care now and providing it will help struggling families pay for child care and will absolutely save jobs and create new jobs. Very importantly, it will result in children being safer and more ready to learn when they start school.

There's another positive angle on investing in child care. According to an analysis conducted by the Cornell University Department of City and Regional Planning, every \$100 spent on child care in Florida yields \$196 of total sales in the regional economy through the purchase of items such as food, toys and supplies for the children, creating positive effects on other industries.

Florida stands to gain more than \$105 million through the Child Care and Development Block Grant. The positive impact when considering the effects is exponential.

What effect would the infusion of \$105 million have on employment? By some estimates, for every 10 additional children in child care one job is created in the child care industry. The economic recovery proposals estimate that 20,880 more children will be served in Florida. Do the math — that translates to approximately 2,088 jobs for child care practitioners. According to analysts, the impact of child care job creation is 3,173 more new jobs in the Florida economy where goods and services are purchased by the child care industry.

The Children's Forum, along with other child advocacy organizations, is urging lawmakers to include the additional \$2 billion for the Child Care and Development Block Grant. Families and local communities stand to benefit not just in the short term, but for generations to come. It's good for business, good for children and a good strategy to keep Florida working.

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