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Expanding child care options will boost our economy

By LOU MOLITOR SPECIAL TO THE KENOSHA NEWS Jan 27, 2019



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As the head of our Chamber of Commerce, I've always been concerned about how the inability to find affordable, high-quality child care impacts our workforce. As of this month, I

and taxpayers as well.

It's a big number — \$57 billion nationwide is being squandered as a result of the nation's child care crisis every year. The number comes from a new report, "Want to Grow the Economy? Fix the Child Care Crisis," from ReadyNation, a national bi-partisan organization of more than 2,300 business leaders.

The report is the first to look at the financial burden employers face based on lower productivity, revenue and absenteeism when parents of infants and toddlers struggle to find affordable care, and the extra hiring costs when people quit because they don't have good child care. The cost amounts to nearly \$13 billion every year.

The problem is also a burden for taxpayers, who lose about \$7 billion due to lower GDP and lower sales and consumption taxes when work performance is compromised by child care struggles.

The biggest burden falls on parents themselves, who lose about \$37 billion every year from lower earnings due to lower productivity and diminished career opportunities. In some cases, the situation becomes even more dire. About 13 percent of the parents of infants and toddlers who were surveyed for the report had to quit jobs due to insufficient child care, and one-in-five were reprimanded when their work performance suffered as a result of child care problems.

As a member of ReadyNation, an organization that examines ways to improve child care and early childhood education, I see two key opportunities to make quality child care more affordable and available.

The first is to boost funding for Wisconsin Shares, our state's child care subsidy program, so we can increase the number of families who can obtain child care using the subsidy. Funding for the program has steadily declined to the point where families receiving the subsidy can only afford to access about 15 percent of the child care slots available across the state.

That's a far cry from what federal recommendations recommend, which is a reimbursement rate that would enable families to afford about 75 percent of the available child care slots.

Early childhood advocates estimate funding should increase by about \$62 million annually to enable enough families to access the care that's available. But it's important to look at the benefits, which would include many more parents being able to stay in the workforce and contribute to our tax base, more financial benefits for our employers, and better long-term

We also need to do much more to increase the number of quality child care providers, particularly in rural communities where care can be almost impossible to find.

One business-friendly way to do this is to create a refundable tax credit to incentivize providers to obtain more education and training, and to improve retention of child care educators by paying them more. Both measures would enhance the quality of our child care, which will ultimately help more working parents to be freed from worries about the welfare of their kids while they're on the job.

This last point is especially important given the stakes for young children themselves. Research shows a child's brain undergoes its most crucial period of development from birth to the age of three, when more than one million neural connections are produced each second.

That's good news for the youngsters who head off to high-quality child care as their folks head off to work — and a significant challenge for those who languish in low-quality environments because that's all their parents can find or afford.

For these reasons and more, lawmakers at the state and federal level should do everything possible to expand the availability of affordable, high-quality child care to strengthen our workforce today and our economy in the years to come.

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