

PROVIDENCE BUSINESS NEWS

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OPINION

Proposed child care cuts would hurt R.I. work force

It's difficult to imagine a better return on a public investment than the positive outcomes that have been achieved for children, working parents and the state's economy through Starting Right, the state's child care assistance program.

State and federal funds allocated to this program support the current work force by providing stable child care resources for working parents. This funding is an investment in our future work force, as it provides quality early childhood education that promotes children's success in school.

The governor's budget proposal to eliminate child care subsidies for close to 4,000 children and freeze the rates paid to child care providers at 2002 levels not only undercuts his goal of making Rhode Island the "Education State," but will have serious implications for all working parents, the child care industry and, ultimately, our economy.

The demand for child care has increased significantly as economic necessities require more families to have two wage earners. According to the American Community Survey, in 2005 almost 70 percent of Rhode Island children under age 6 had both parents in the work force, meaning that these children spend at least some time in child care.

It is notable that Rhode Island had the highest rate of female labor force growth in New England between 2000 and 2005. State investments made in Starting Right since the mid-1990s have been vital to expanding the capacity to meet this growing demand among all working families, not just those using subsidies. The number of child care centers grew by 60 percent between 1997 and 2005, while the number of family-based child care providers almost doubled during this same time period.

The child care sector is an industry employing close to 7,500 Rhode Islanders – approximately 97 percent of whom are women. The R.I. Department of Labor and Training has ranked the child care industry among the top 20 with the largest number of projected openings between 2002 and 2012. It is an industry that offers a career path to its employees interested in entering the field of education. The availability of a career ladder and the fact that the child care industry is a "business that supports business" makes child care a perfect target industry for work force and economic development investments.

Despite the good news that the child care industry has expanded, creating thousands of jobs and allowing thousands of parents to go to work, the fact remains that child care is expensive, and the pay is low.

Today, the average cost of child care for a preschooler is more expensive than the average cost of tuition at a public college. Under the governor's proposal, a two-parent family earning \$40,000 per year, with a toddler and a school-aged child, would see the cost of child care more than triple, skyrocketing from \$367 per month (with subsidies) to \$1,283 per month.

The reimbursement rate paid to child care providers is based on a market survey conducted by the DLT every two years. The proposed budget denies a much-needed increase to providers, keeping rates at the 2002 levels. Child care providers are warning policymakers that if rates are not increased, the doors of many child care facilities across the state will be forced to close.

Business owners and other employers should be concerned about the impact these budget cuts will have on the stability of their work force. There are close to 7,000 low-income families in Rhode Island receiving child care assistance who work at local companies. There are thousands more who rely on the child care system that Starting RIte has helped to strengthen.

Access to affordable, quality child care reduces employee turnover, tardiness and absenteeism and, in turn, increases employee productivity and performance. If fewer parents are able to afford regulated care and rates are frozen, the child care infrastructure that has taken years to build will be severely weakened for all working parents.

Business leaders should strongly oppose the proposed cuts to the child care assistance program, which currently accounts for only 1.2 percent of general-revenue spending. Investments in child care give our youngest children a jump start on their education, provide jobs to thousands of women entering the work force and promote a stable work force. This is truly a high-yield investment.

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