

CHILD CARE WORKERS ARE ESSENTIAL TO THE ECONOMY



The Early Care and Education (ECE) workforce, or child care workers, who serve Los Angeles County preschools and its broader child care infrastructure is facing a crisis. The ECE workforce sector continues to face chronic recruitment and retention challenges. The pandemic has only exacerbated matters. But behind this setback lies an opportunity to link state funding for ECE workforce wage subsidies to local development initiatives. CA's Master Plan for Early Learning and Care is a starting point that serves as a roadmap for building a comprehensive early learning system that is good for families, working guardians, employers and our future workforce.

UNITE-LA commissioned Beacon Economics, an independent economic research consulting firm, to prepare *The Economic Benefits of a Professional Early Care and Education Workforce in L.A. County*, a report on the economic effects of paying ECE workers wages that match qualifications. This is a snapshot of the findings.

WHY IS CHILD CARE CRITICAL TO REOPENING THE ECONOMY?



Essential workers need access to care and many workers returning to the workplace no longer have child care options as a result of temporary/permanent closures.



According to the National Women's Law Center, of the 1.1 million people who have left the workforce during the pandemic, more than 800,000 are women.



California's child care system will break if policies and system changes do not effectively address challenges leaving working parents with limited child care options.

POSITIVE ECONOMIC IMPACT OF PAYING ECE WORKFORCE WHAT THEY DESERVE

Increasing the pay of ECE workers in L.A. County to be in line with kindergarten teachers would support:



Every \$1 invested into higher wages for ECE workers would yield:



1.9x

A **1.9** multiplier effect across the economy in terms of economic output



1.3x

A **1.3** multiplier effect for additional labor income in L.A. County

In L.A. County, this added public spending on ECE programs would generate up to:

47,000-55,000 JOBS

ANNUAL ECONOMIC OUTPUT

\$ 5.2-8.1 BILLION

ANNUAL LABOR INCOME

\$ 3.5-5.5 BILLION

FEDERAL, STATE AND LOCAL TAX REVENUE

\$ 1-1.5 BILLION

RAISING PAY FOR THE ECE WORKFORCE IS AN EQUITY ISSUE

The current pool of ECE workers in L.A. County largely comprises immigrant women of color from low-income households. COVID-19 has only exacerbated the situation, as essential workers with young children are increasingly reliant on ECE services. ECE workers who are vulnerable to chronic economic stresses under normal circumstances face severe challenges now.



36 percent of the County's child care centers closed

Nearly **50 percent** of ECE worker households were considered low-income:

ECE workers are paid considerably less than their K-12 counterparts

47 percent of early educators' families participate in one or more public income support programs

Low wages, coupled with high housing costs, could discourage potential ECE candidates

Households with at least one member in the County's ECE workforce are **1.5** times as likely to receive food stamps

THE NEED TO PROFESSIONALIZE THE ECE WORKFORCE

Bachelor's degree holders who major in early childhood development studies are almost the lowest earning among college graduates.

Job turnover rates are extremely high. The ECE workforce cannot attract and retain high-quality candidates as a result of losing them to K-3 grades.

Raising wages is only one of many steps necessary to professionalize the County's ECE workforce.

Additional steps must include:

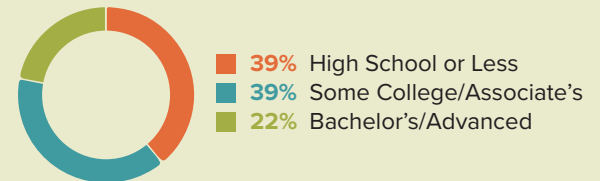
- Establishing standards and credential-granting bodies
- Expanding paid professional development programs

\$22,322 Average annual ECE worker wage

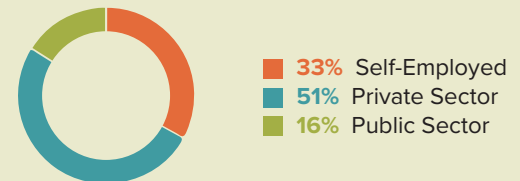
vs.

\$66,000 Average annual kindergarten teacher wage

Workers by Educational Attainment



ECE Employment by Class of Workers



WHAT THE ECE WORKFORCE LOOKS LIKE AND WHAT THEY DEMAND

41% Only **41 percent** of the ECE workforce demand among children zero to five whose parents are in the labor force has been met:

- Of the 440,190 children with ECE needs, **259,000 (60 percent)** have not gotten spaces.
- Only **seven percent** of child care slots are dedicated to children under two.
- Just **11 percent** of needs of children under two have been met, compared to 55 percent for children ages two to five.
- This yields an estimated overall shortage of **54 percent** in staffing needs for toddlers and infants in L.A. County.

L.A. County needs about **61,800** full-time staff – or an additional 33,600 workers – to supplement the estimated 28,200 existing ECE workers and to meet the needs of 440,000 children ages zero to five.



More than **34,000** workers in L.A. County are in the ECE industry. Most work in private child care centers



The L.A. County workforce represents **one-third** of ECE workers statewide

Age Distribution of L.A. County's ECE Workforce

