



Child Care Challenges Undermine North Carolina's Strength

Quality child care can help grow the economy, increase public safety, and enhance national security

Quality child care can strengthen the current and future workforce, contribute to a strong economy and public safety, and enhance national security. However, North Carolina's working parents, particularly those with infants and toddlers, know how difficult it is to find quality child care that's accessible and affordable, while the state's employers know the negative economic impact of these child care challenges.

A 2020 study examining North Carolina's child care crisis described the dire economic consequences: a staggering annual cost of \$2.4 billion in lost earnings, productivity, and revenue.¹ COVID-19 increased these losses to \$2.9 billion.

The stakes are enormously high for North Carolina families. Parents depend on child care to be able to work. Young children need nurturing, stimulating environments for healthy brain development, as their brains

develop more in the first three years of life than at any other stage of development.

And there are other consequences. Our national security relies on qualified young adults who are ready, willing, and able to serve in the U.S. military. However, educational deficits, obesity, substance abuse, and crime currently prevent 72 percent of North Carolina youth from qualifying for service.² Healthy development in the earliest years sets the stage for children's future success. Without improvements to the child care system, our nation risks having an even smaller recruiting pool in the future.

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\$11,046
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care in North Carolina.

Further, North Carolina's jails are full of people serving time for serious and costly crimes. It doesn't have to be that way. Providing children with high-quality early learning opportunities can help reduce the human and fiscal costs of crime in the future.

North Carolina lawmakers must expand programs that enhance the affordability and availability of quality child care, including increased investments in child care subsidies and subsidy rates. A fundamental feature of child care quality is highly-qualified teachers who need to be adequately compensated.

Most parents of young children are in the workforce and need child care.

Two-thirds of North Carolina mothers with children under age 6 work outside the home.³ As a result, many young children are in child care.

North Carolina's child care system does not currently meet the needs of children, families, educators, or employers.

Several interrelated challenges render the child care system less than optimal:

Access

Prior to the pandemic, nearly half (44 percent) of North Carolinians lived in a child care desert, where there are more than three children for every licensed child care slot.⁴

Affordability

Infant care in a North Carolina center averages \$11,046 per year, 52 percent more than in-state public college tuition (\$7,260).⁵ NC Pre-K and Child Care Subsidy Assistance help working families with low incomes afford child care, but these programs only serve a fraction

of eligible children, and reimbursement rates for providers don't cover the cost of providing quality care.

Workforce

Despite these high costs to families, North Carolina early care teachers are poorly compensated, with annual mean wages of \$24,820, compared to \$48,770 for kindergarten teachers.⁶ Low wages contribute to teacher turnover and staffing shortages, creating instability for child care programs, parents, and children.

Beyond the negative effects on infants, toddlers, older children, families, and teachers, problems with child care exact a huge economic toll: a staggering annual cost of \$2.4 billion in lost earnings, productivity, and revenue.⁷ COVID-19 increased these losses to \$2.9 billion.

Research shows that quality child care supports children's cognitive, social, and emotional development.

For example, a longitudinal study of more than 1,300 children found that children in higher-quality child care were better prepared for school at age 4 compared to children in lower-quality child care. At age 15, they were still performing slightly above their peers and had significantly lower levels of behavior problems.⁸

A study of North Carolina's Smart Start and More at Four (now known as NC Pre-K) initiatives found that the children in counties that spent more per student were two months ahead in reading and 1.5 months ahead in math by fifth grade when compared with children in counties that spent less. These results were maintained at least through

eighth grade, with both programs leading to increased math and reading test scores.¹⁰

Policymakers should promote access to affordable, quality child care.

Specifically, there must be increased investments in child care subsidies and in supporting the child care workforce, including funds for the Child Care WAGES program statewide. Policymakers must fund a new child care subsidy rates structure so all 100 North Carolina counties have adequate and equitable funding that will allow child care programs to serve more young children and families, especially infants and toddlers and families in rural, low-wealth counties. Support for high-quality child care is an investment in North Carolina's economic well-being, public safety and our nation's security.

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Endnotes

- 1** Belfield, C. (2020, December 15) Early education in the time of COVID-19: An economic analysis for North Carolina. https://buildthefoundation.org/wp-content/uploads/2020/12/Early-Education-in-the-Time-of-COVID-19_Final-1.pdf
- 2** Department of Defense. (2017, November). Qualified Military Available (QMA). Data acquired from the Office of the Under Secretary of Defense for Personnel and Readiness. Also see Jordan, M. (2014, June). Recruits' ineligibility tests the military. Wall Street Journal. <https://www.wsj.com/articles/recruits-ineligibility-tests-the-military-1403909945>
- 3** KIDSCOUNT (2019). Children under age 6 with all available parents in the labor force in North Carolina. <https://datacenter.kidscount.org/>
- 4** Center for American Progress (2021, December 14). Early learning in the United States: 2021. <https://www.americanprogress.org/article/early-learning-in-the-united-states-2021/>
- 5** Child Care Aware (2022). Demanding change: Repairing our child care system. <https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/>
- 6** Bureau of Labor Statistics (2021, May). State occupational employment and wage estimates North Carolina. https://www.bls.gov/oes/current/oes_nc.htm
- 7** Belfield, C. (2020, December 15) Early education in the time of COVID-19: An economic analysis for North Carolina. https://buildthefoundation.org/wp-content/uploads/2020/12/Early-Education-in-the-Time-of-COVID-19_Final-1.pdf
- 8** Vandell, D. L., Belsky, J., Burchinal, M., et al. (2010). Do effects of early child care extend to age 15 years? Results from the NICHD Study of Early Child Care and Youth Development. Child Development, 81, 737-756. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2938040/>
- 9** Dodge, K. A., Bai, Y., Ladd, H. F., & Muschkin, C. G. (2016). Impact of North Carolina's early childhood programs and policies on educational outcomes in elementary school. Child Development. <https://onlinelibrary.wiley.com/doi/abs/10.1111/cdev.12645>
- 10** Dodge, K. D., Bai, Y., Ladd, H. F., & Muschkin, C. G. (2019, January). Evaluation of North Carolina early childhood programs among middle school students. <https://duke.app.box.com/s/ospjbc5z1021crd5i1cn48vzj3htu57g>

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