

The Economic Impact of Early Care and Learning in Alaska

October 10, 2019



NO
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MATTER

A SUMMIT
ON THE
ECONOMIC
IMPACT OF
EARLY CARE
AND
LEARNING



2019 McDowell Group ECL Research

- Economic impact analysis update
- Alaska parent survey
- Labor force profile
- AK Employer survey and national scan
- Data dashboard update





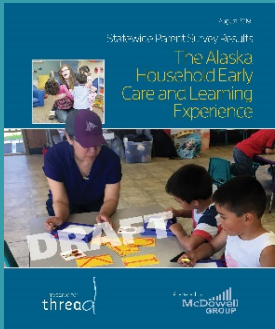
Need for ECL in Alaska

- 86,000 children under 13 in Alaska households in which all available adults are in the labor force, residing in 55,000 households
- **More than 100,000 in need of care**, including children in households where adults are not able to be fully employed due to lack of access to ECL



2019 Alaska Parent Survey

- 868 randomly selected households with 1,613 children under 13
- Representative of 84,000 Alaska households with 62,000 children under 6 and 75,000 children 6 to 12
- Survey fielded in April/May 2019, focus on March ECL
- Similar surveys conducted in 2006 and 2015
- Supplemental analysis is Anchorage, Mat-Su, Fairbanks and Juneau



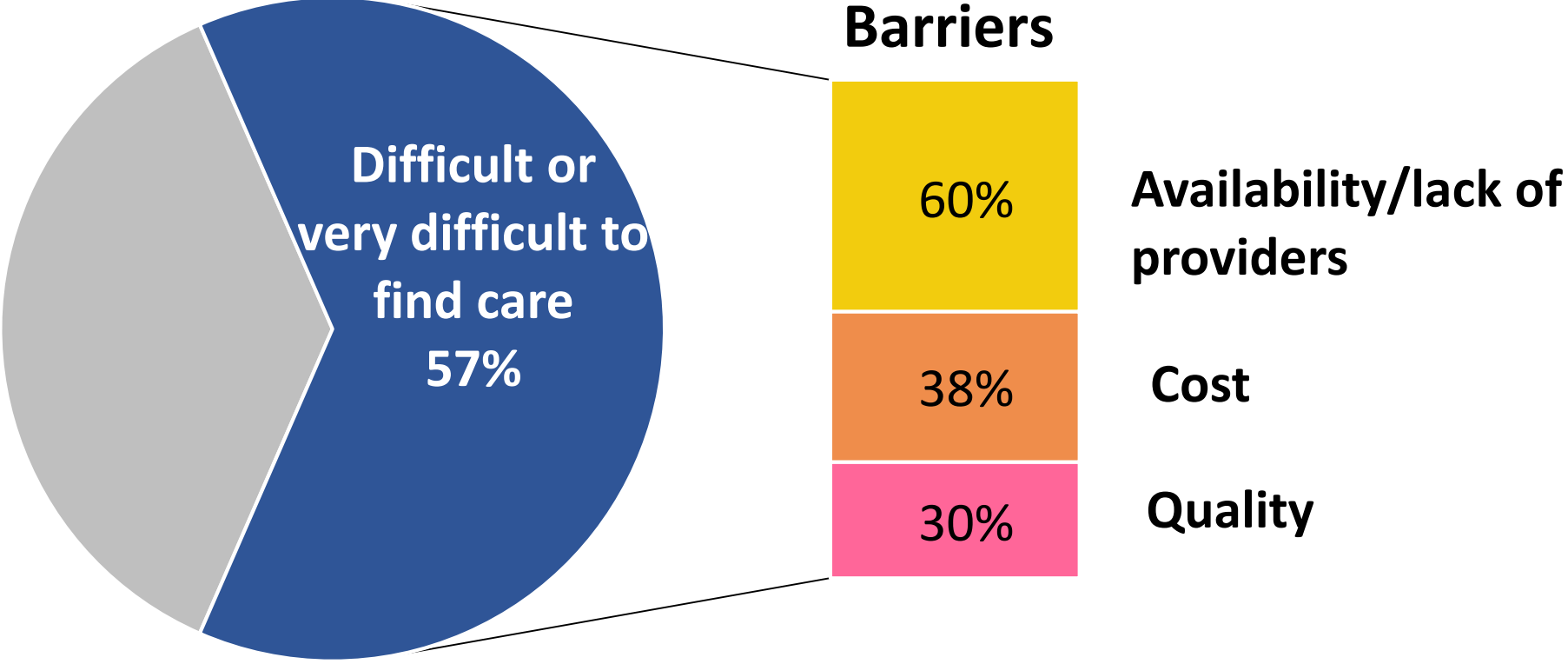


2019 Alaska Parent Survey: Key Findings

- 52% of children under 6 are typically in ECL services
 - *Ave. of 105 hours/month, \$652/month*
- 30% of children 6 to 12 are typically in care
 - *Ave. of 47 hours/month, \$319/month*
- Time in care and cost vary widely across the state



2019 Alaska Parent Survey: Key Findings



Difficulty finding care has increased since 2015 when 46% found it difficult or very difficult



2019 Alaska Parent Survey: Key Findings

- **1 in 5 households (22%) report that at least one member is unable to be employed, or is working less than they would like, due to lack of access to ECL**
 - *Cost, availability, and quality are all noted as barriers, with cost being the greatest barrier for most parents*





ECL Sector Economic Impacts

- **\$375 million in total spending**
 - *\$215 million from households*
 - *\$115 million in federal spending*
 - *\$44 State and Tribal spending*
 - *Plus local gov't and private*
- *Decrease in household spending since 2015, increase in federal and state spending*





ECL “Industry” Economic Impacts

- 6,900 direct jobs
- *8,200 total jobs (incl. multiplier effects)*
- \$186 million in direct labor income
- *\$260 million in total labor income*
- \$375 million in direct spending
- *\$565 million in total economic activity*





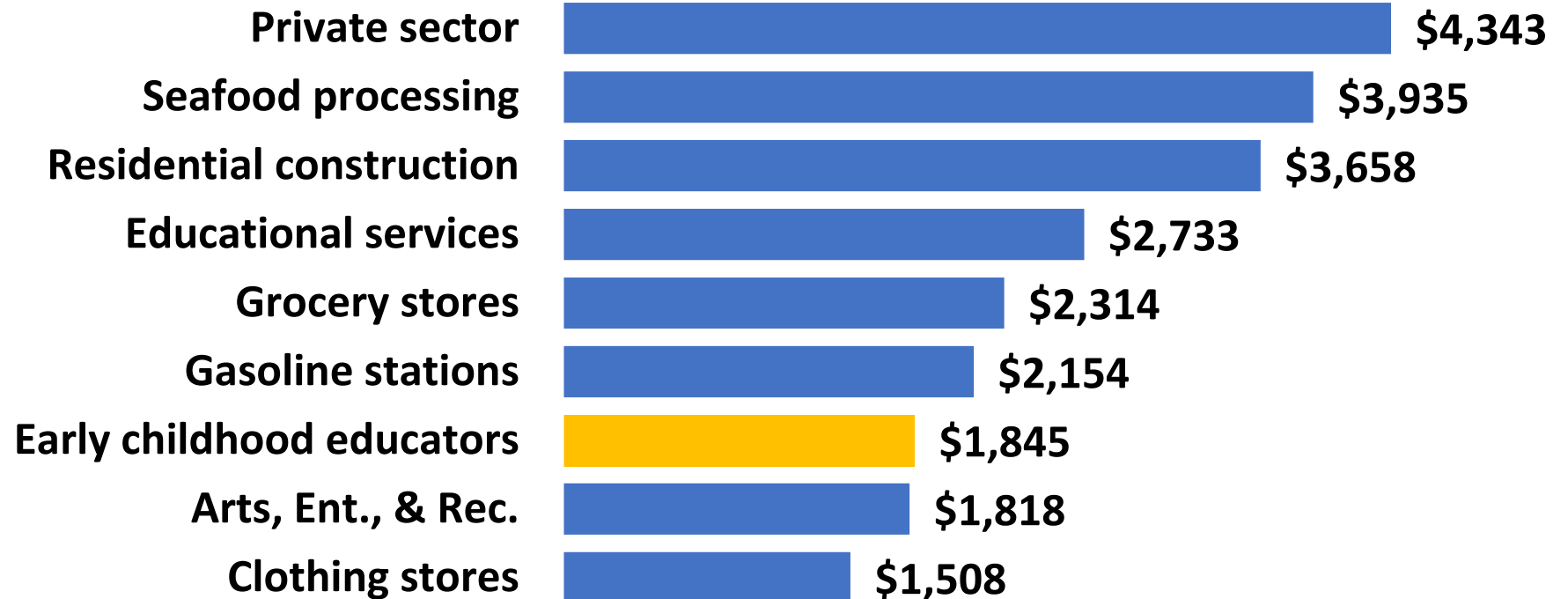
ECL Workforce and Household Economic Impacts

- 52,000 Alaskans can work because they have access to ECL services
 - *These Alaskans earn \$2.2 billion in annual wages*
- ECL services make possible greater family income and higher standard of living

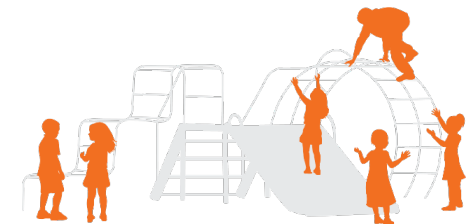
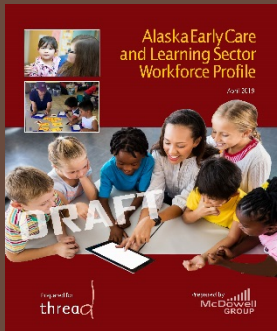


ECL Workforce Profile

Average Monthly Wages



Alaska's ECL workforce earns less than their peers nationally, in terms of purchasing power





ECL Workforce Profile

- High workforce turn-over
 - Among all workers employed in 2015, 43% were not with the same employer in 2016. 62% were not with the same employer in 2017
- Among those employed in 2017, 37% worked more than one job





ECL Workforce Profile

- Impact of low wages:
 - High turn-over
 - Difficulty recruiting and retaining the suitably skilled workers
 - Challenges providing the continuity of care that is a key aspect of high-quality ECL

We must align the importance of quality ECL with the public and private investment needed to support a valued, high-quality ECL workforce





What can employers do to support the ECL system?

Financial
Support

Child Care

Organizational
Culture and
Policies

Flexibility



Employer Provided Financial Support

- **Dependent Care Assistance Plans**
- **Vouchers to pay for care**
- **Paid maternity/paternity leave**
- **Scholarships for children of employees**
- **Financial assistance for adoptive parents**
- **Cover healthcare premiums for employee families**
- **Paid leave to care for seriously-ill family members**
- **“Baby Bonding Bucks”**

Financial
Support



Examples of Employer-Provided Child Care

- Childcare resource / referral information
- On-site childcare
- Babies-at-work policy
- Children-at-work policy
- Pay for a traveling caregiver to accompany a parent who travels for work
- Child care for school-age children in summer or holidays

Child Care



Examples of Employer Practices to Create a Family Friendly Workplace

- Meeting time policy

Example: No meetings prior to 9:30 or after 4:30 to accommodate child care drop-offs and pick-ups

- Encourage supervisors to support employees with families
- Provide a suitable space for nursing mothers to pump or nurse
- Offer flexibility where possible

Organizational
Culture and
Policies

Employer Practices that Offer Flexibility

- **Flex time and place.** *Employees can...*
 - Change start and end times on a daily basis or within some range of hours
 - Compress their work week (working longer on fewer days)
 - Work some regular paid hours at home occasionally or regularly
- **Leave:** *Employees can...*
 - Gradually return to work following an extended family-leave
 - Take extended career breaks for caregiving and receive special consideration upon returning.
- **Time-off:** *Employees can...*
 - Take time off during the day to attend to family needs without loss of pay
- **Reduced time:** *Employees can...*
 - Move from full- to part-time and back while remaining at the same position / level
 - Work a reduced schedule for at least part of the year.

Flexibility





Benefits to Employers

- Improved firm-level productivity and organizational performance
- Increased stock prices
- Improved company reputation
- Competitive advantage when hiring
- Decreased employer absenteeism and turnover
- Increased employee engagement and culture of trust
- Cost-neutral or positive return on investment
- More women in management positions

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Key Messages From the Research

- *Access to quality care is getting more difficult*
- *1 in 5 families are unable to fully participate in the workforce, due to lack of ECL access*
- *Families bear most of the cost burden of ECL*
- *ECL wages remain among the lowest in the economy*





Return on Investment

Greater investment in ECL is an opportunity and an economic imperative.

Greater investment in ECL will...

- *Allow more parents to work and earn more income*
- *Enhance ECL workforce recruitment and retention;*
- *Improve continuity of care and program quality*
- *Increase school readiness*
- *Enhance lifetime achievement*



More Research

- *Alaska employer survey*
- *Updated data dashboard*
- *Final reports:*
 - *Parent survey*
 - *ECL workforce profile*
 - *Revised summary brochure*



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