

Role of Early Care & Education in Alaska's Economy



Generates economic activity



Prepares children for school and life



Allows workforce participation



Improves Alaska's standard of living



Early Care & Education (ECE) - Empowering Alaska's Labor Force

Nearly **50,000** adults can work because care for their children is available.



\$4.6 billion

In earnings by adults because care is available.

For families, access to ECE services means:



\$89,400

Average earnings for a **single father** able to participate in the labor force.



\$78,500

Average earnings for a **single mother** able to participate in the labor force.



\$41,000 ↑

Average increase in earnings for **two-parent households** when the second parent participates in the labor force.

Families Benefit from Accessible, Affordable and Quality ECE Services in the following ways:



43%

Less stress



42%

Increase in income



14%

More stable employment



6%

More employment opportunities



5%

More family time

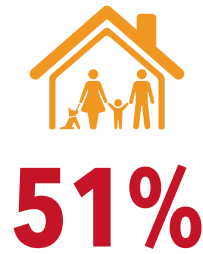


Additional Early Care & Education Services Could Allow **More People to Work**



Barriers to Finding Care

57% of families with children younger than 13 years of age **find it difficult or very difficult to find care.**



of families **cannot fully participate in the labor force** due to cost, availability, or quality of ECE services.

59%

Rural Communities

53%

Urban Areas



63%

children 0 through 5 years of age

52%

children 6 through 12 years of age

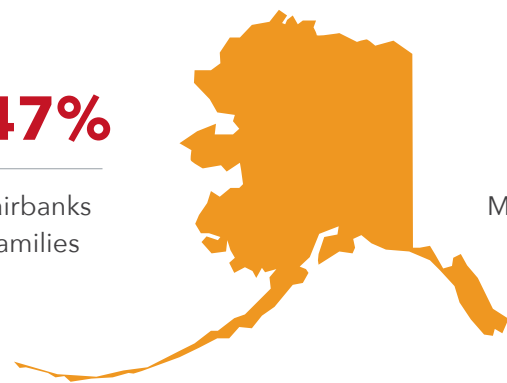
Quality, availability, or cost of ECE services impacts family members' ability to be employed or work more hours for:

46%

Anchorage families

47%

Fairbanks families



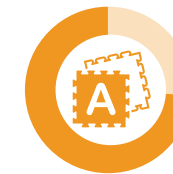
58%

Mat-Su Borough families

68%

Juneau families

Barriers for families searching for ECE services include*:



74%

Availability/
lack of providers



60%

Cost



27%

Quality

*Other barriers reported include location, convenience, schedule, and availability of transportation.

Difficulty accessing services negatively impacts working families:

39%

Worked fewer hours to provide care for a child.

14%

Changed jobs, rearranged schedule, or switched to remote work to accommodate child care needs.

14%

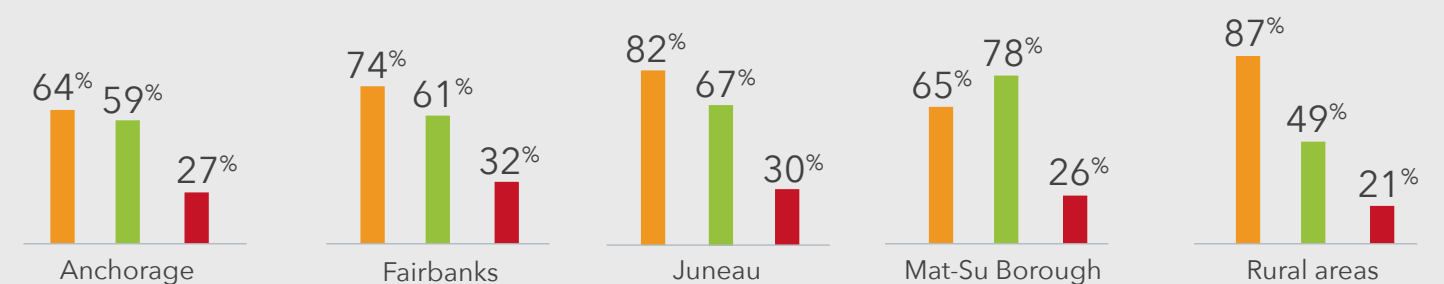
Had to quit their job to provide care for a child.

6%

Quit school or switched to online school to care for a child.

Why is finding care difficult?

● Availability ● Cost ● Quality



Early Care & Education is Everybody's Business



Employers are facing significant child care related challenges:



Absenteeism
related to child care issues



Loss of productivity
related to child care issues



Turnover
related to child care issues

Employers gain from providing child care benefits to employees:

60%

Decreased employee turnover and absenteeism

54%

An improved culture of trust

53%

Higher employee job satisfaction

45%

Increased employee engagement

38%

More women in management positions

29%

Competitive advantage when hiring

23%

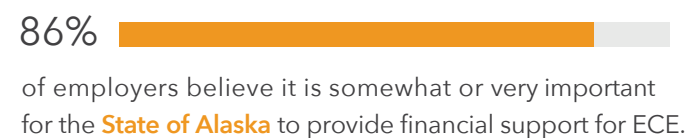
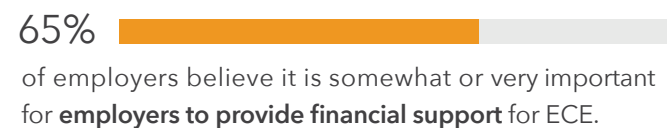
Increases in overall productivity

17%

Improved growth and/or profitability



More than 70% of adults in families with children younger than 13 years of age **report their employer is somewhat or very accommodating of their ECE needs.**



Who Pays for Early Care & Education?

Over **\$580 million** is spent on ECE services and programs in Alaska each year.



Note: Spending in the sector is likely higher, as these figures do not include U.S. Department of Defense spending in support of military ECE programs, local government spending, or business spending on child care assistance benefits for employees.

COVID-19 Stimulus Impacts on ECE in Alaska

The State of Alaska received **\$95.5 million** through the Coronavirus Response & Relief Supplemental Act and American Rescue Plan Act to help stabilize child care programs and keep families in the labor force during the COVID-19 pandemic.

Funds were distributed by **thread** and the Alaska Child Care Program Office (CCPO) in the form of Child Care Stabilization Grants with a focus on access, affordability, improvements, and infrastructure.



To date, an estimated **\$51 million** has been awarded to approximately **446** licensed child care programs serving **9,600** children statewide.

Early Care & Education Services are **Hard to Afford** for Many Families

The average price for full-time center-based care per child in Alaska is **\$13,695** annually. Thus, for a family with two children, care can cost over **\$27,000** per year.



Note: Averages include children in full-time, part-time, or occasional care.

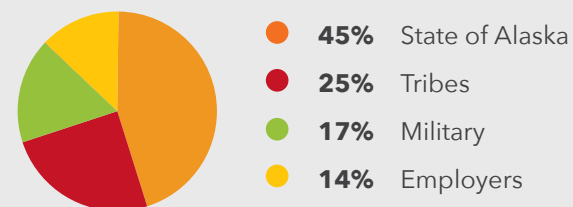
Annual cost of licensed center-based care averages **15%** of household income per child.

Average cost of care as a percentage of household income:



23%
Financial assistance from an employer or the government helps pay for ECE services for **23% of children**.

Child care assistance comes from:



Demand for Early Care & Education Services is Greater than Supply

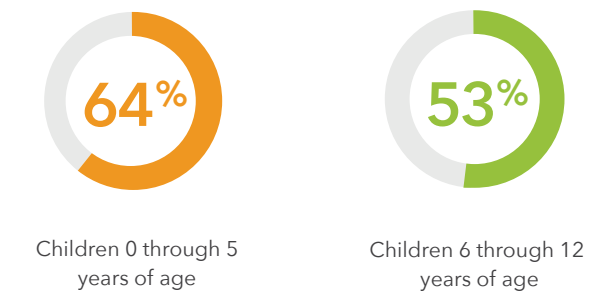


The number of licensed ECE programs in Alaska has **decreased by 20% since 2019**.

Children who need early care and education services so their family can participate in Alaska's labor force:

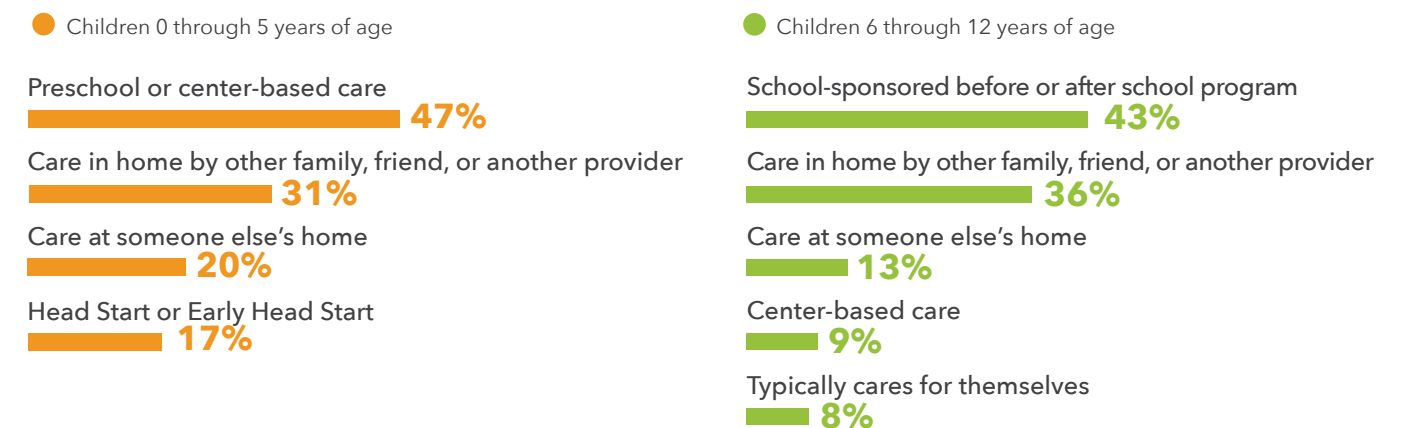


Children in ECE services by age*:



* This includes all types of care, not only licensed and approved.

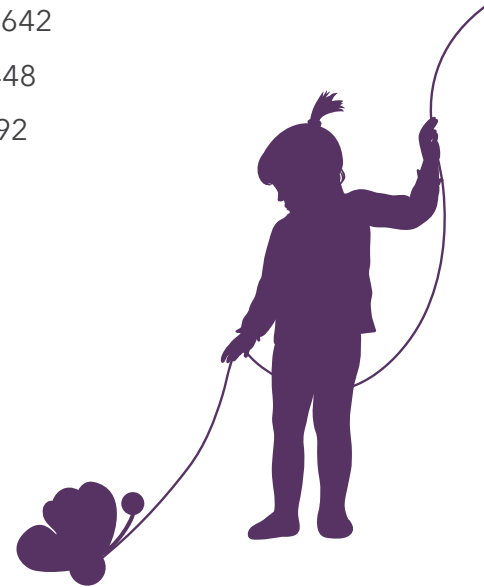
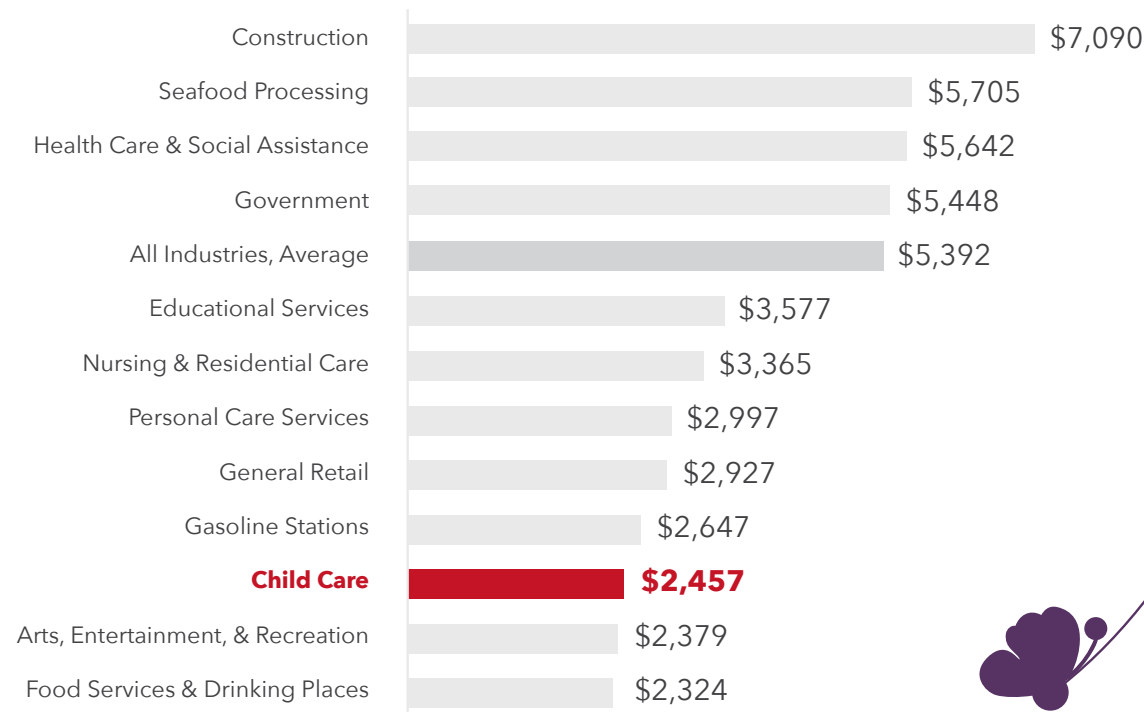
Type of ECE services varies by age:



Early Care & Education Workforce Essential but Underpaid:

Wages in the ECE sector are among the lowest in the economy, yet people employed in this sector are entrusted with children's care and education at a critical time of development.

Average monthly wages by sector:



Note: Most recently available data from Alaska Department of Labor and Workforce Development, 2023.

Early Care & Education Sector Economic Impacts:

Economic impacts of early care and education activities include:

- ▶ Direct jobs in the early care & education sector at day care centers, home care providers, and other settings
- ▶ Indirect jobs and wages supported when ECE providers buy goods and services from other Alaska businesses
- ▶ Induced jobs and wages supported as day ECE employees spend their wages in the local economy



8,000

Jobs in Alaska

Including direct, indirect, and induced impacts



\$400 million

In Labor Income in Alaska

Including direct, indirect, and induced impacts



\$700 million

In Economic Activity in Alaska

Including direct, indirect, and induced impacts



\$29,500

Average **annual earnings for child care workers in Alaska**. This not a livable wage and many child care workers struggle to support their own families.

6,900

The ECE services sector includes an estimated **6,900 full and part-time jobs** that are directly connected to providing ECE services in Alaska.

46%

Early care & education services sector employees earn **46% of the average wage** for all Alaska workers.

Benefits of Investment in Early Care & Education



Public and private investments are needed to support a sustainable and effective ECE workforce and affordable, high quality, and accessible ECE services. Opportunities for change include:

- ▶ Diversify early childhood system financing and ensure livable wages for early childhood educators.
- ▶ Maintain costs for ECE services at a level families can afford.
- ▶ Ensure children have access to high quality care that is safe, healthy, and playful.
- ▶ Support businesses that invest in ECE, family-friendly policies, and child care support for their employees.

ECE services are a critical aspect of Alaska's socioeconomic fabric and offer a range of benefits. These benefits:

- ▶ Fill a critical role in early childhood learning and brain development.
- ▶ Make it possible for thousands of people in Alaska to work.
- ▶ Prepare our future workforce.

Alaska's opportunity for change

Though there is growing recognition of the importance of quality ECE to Alaska families and the economy, little progress is being made in key areas:

- ▶ Access to quality child care continues to be difficult, especially for infants and toddlers.
- ▶ More than 50% of families are unable to fully participate in the workforce, due to lack of access to care.
- ▶ Families continue to bear most of the ECE cost burden.
- ▶ ECE labor force wages remain among the lowest in the economy.
- ▶ More licensed child care programs have closed than opened over the last three years.
- ▶ While more children are in care, fewer are in licensed quality child care.

Alaska's opportunity is to support meaningful levels of public and private investment in ECE that benefits children, families, communities, and the economy overall.

