Early Care & Learning in Alaska

It’s an essential investment, now and in the future.

- Prepares children for school and life - the foundation for tomorrow’s communities and economy
- Fundamental for workforce participation and a higher standard of living for Alaska families
- Directly generates jobs and income for Alaskans
- Economic benefits that far exceed costs

Greater investment will benefit children, families, employers, & communities.
Alaska’s Early Care & Learning Sector is an Economic Generator

Alaska’s ECL sector accounts for more than half a billion dollars of economic activity annually.

Over 8,200 Jobs
including direct & indirect jobs

$260 million
in labor income

$570 million
in economic activity

ECL sector economic impacts include:
- Jobs with ECL services and program providers
- Spending by ECL providers
- Spending of wages earned by ECL providers

Every dollar spent on ECL in Alaska generates $1.50 in economic activity!

Nearly $375 million is spent on ECL services and programs in Alaska

Households account for most ECL-related spending in Alaska.

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

Early Care & Learning Services Provide a Foundation for a Stable Workforce for Alaska

Alaska parents who participate in the workforce with the help of ECL services earn more than $2 billion in wages annually.

- Because of access to ECL services, 52,000 Alaskans can participate in the workforce.
- These workers earn an estimated $2.2 billion in wages (totaling $2 billion after accounting for spending on ECL services while they work).

ECL services make it possible for adults in families to be employed, earn more income, and have a higher standard of living.

- Average increase in earnings for a two-parent household with the second parent in the labor force: $35,000
- Average earning for a single father able to participate in the labor force: $64,000
- Average earnings for a single mother able to participate in the labor force: $50,000

16% of Alaska resident workforce can participate because of ECL services. A shortage in ECL services could contribute to a labor shortage in the future, impacting Alaska businesses’ ability to find and retain employees. Such a labor shortage could constrain the state’s economic growth.

22% of Alaska households with children under 13 years of age include an adult who cannot participate in the labor force or works less hours than they would like because of lack of access to ECL services.

Top barriers to ECL access for adults who cannot fully participate in the workforce:
- Cost
- Availability
- Quality

ALASKA EMPLOYER ACCOMMODATION OF ECL NEEDS

49% Very accommodating
32% Somewhat accommodating
11% Don’t know/refused
9% Not accommodating

ALASKA BUSINESSES SUPPORT ECL SERVICES

Some Alaska employers see value for their business in supporting employee access to ECL services through investment in the ECL sector directly or in benefits to employees such as:
- Operation of on-site ECL services, including free or reduced rates and priority access
- Secure spots with third-party ECL providers for children of employees
- Financial assistance to subsidize the cost of ECL services
- ECL referral services
- Flexible schedules
- Dependent Care Assistance Plans

15% of working parents in Alaska report receiving one of the above ECL-related employment benefits.

One in five households with children under 13 years of age cannot fully participate in the labor force. Employers can play an important role in breaking down that barrier by supporting employees with benefits and access to ECL.

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More than 100,000 children in 60,000 households are in need of ECL services in Alaska.

For 64% of households with children in ECL services, the most important factor in their decision to use ECL services is allowing adults in the household to be employed. For 31% it is social interaction, learning, and other enrichment for the children.

### Types of ECL Services Received

Type of ECL services received varies by age group. Results include children in multiple types of care.

**Under 6 years of age**
- Pre-kindergarten or center-based care: 51%
- Care at someone else’s home: 25%
- Care in child’s own home by family, friend, or other provider: 23%
- Early Head Start: 10%
- Other: 1%

**6 - 12 years of age**
- Care in child’s own home by family, friend, or other provider: 33%
- Care at someone else’s home: 28%
- School-sponsored before or after school programs: 22%
- Other before or after school programs: 20%
- Pre-kindergarten or center-based care: 7%
- Other: 5%

### Demand for Early Care & Learning Services is Greater than Supply Throughout Alaska

**Access to care is becoming increasingly difficult for Alaska families.**
- Finding suitable ECL services is difficult or very difficult for half (53%) of households with children in ECL services.
- Difficulty accessing services has increased since 2015: 46% to 57% under 6 years of age; 28% to 47% 6 - 12 years of age

### Cost of Early Care & Learning Services is a Financial Burden to Many Alaska Families

Alaska households with children spend on average $520 per month per child, or $6,200 per year, on paid ECL services.

Full-time center-based care for a family with two children can cost over $15,000 per year.

Cost of care averages 13% of household income each year for married couples and up to 35% of household income for single female households.

Full-time center-based care for a family with two children can cost over $15,000 per year.

Financial assistance from an employer or the government is used to help pay for ECL services for 12% of children.*
Alaska’s ECL industry includes over 6,900 workers who care for and educate young children when not with their parent or guardian, or other family member.

In terms of actual purchasing power, the average wage paid to early childhood educators in Alaska is 15% below the national average. Wages in the ECL sector are among the lowest in the economy, yet the people employed in this sector are entrusted with the care and education of children at a critical time of learning. Low wages result in:

- High employee turnover rates
- Difficulty recruiting and retaining trained and skilled educators
- Challenges providing continuity of care (impacting quality)

There are no easy solutions. The cost of providing quality early childhood programming exceeds the price families can afford. Thus, we must find creative solutions to diversify the early childhood system financing in order to ensure livable wages for early childhood educators while not increasing the costs for families. Early childhood educators deserve a wage and benefits equitable to those in Preschool and K-12. Quality ECL services with public and private investments are needed to support a valued, sustainable and high quality ECL workforce.
Benefits of Investment in Early Care & Learning

ECL services are a critical aspect of Alaska’s socioeconomic fabric. Quality ECL opportunities have a range of benefits, specifically by:

- Filling a critical role in early childhood learning, when brain development is occurring at a faster rate than any other time of life.
- Making it possible for thousands of Alaskans to join the labor force, be employed, and increase family income and living standards.
- Preparing tomorrow’s workforce.

Alaska’s Opportunity for Investment

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

- Access to quality care is getting more difficult, especially for infants and toddlers.
- More than 1 in 5 families is unable to fully participate in the workforce, due to lack of access to care.
- Families continue to bear most of the ECL cost burden.
- ECL labor force wages remain among the lowest in the economy.
- Only 15% of working parents in Alaska receive ECL-related benefits from their employer.

Alaska’s challenge is to support meaningful levels of public and private investment in ECL, benefiting children, families, communities and the economy overall.