

An investment in young children is an investment in the economic strength and future success of Ohio.

The child care crisis facing our state is among the primary challenges in recruiting and retaining reliable and productive workers.

Parents' decisions about work are greatly impacted by whether they have access to quality, affordable child care. The harsh reality is, in our state, they all-too-often do not.

Nearly 40 business and community leaders from across Ohio signed on to a letter to strongly urge our legislature to increase the accessibility and affordability of quality early education.

Our state and our businesses are in dire need of strategic state investment in early childhood education, as expanding access to publicly funded child care will help more people enter and remain in the workforce. Not only will it address the current workforce challenges, but access to quality early childhood education is a two-generation workforce approach—which also prepares the future workforce for school, career, and lifelong success.

Prioritize Investments in Child Care in the State Budget
AN OPEN LETTER TO OHIO POLICYMAKERS

Dear Members of the Ohio General Assembly,

For business to prosper, grow, and succeed—and for Ohio's economy to thrive—we must build a strong workforce foundation and pipeline for tomorrow's participating professionals.

The child care crisis facing our state is among the primary challenges in recruiting and retaining reliable and productive workers. Parents' decisions about work are greatly impacted by whether they have access to quality, affordable child care. The harsh reality is, in our state, they all-too-often do not.

As stated by the Ohio Chamber of Commerce, child care costs in Ohio are an average more costly than most, with the most costly among the worst in the nation. There is a real threat of child care availability with 40% of rural Ohioans and 50% of all Ohioans living in a "child care desert"—our state with more than 10 million under-five and preschoolers, or an area with three times as many children as licensed child care slots.

While we understand it is a crisis that also brings up our economy, to lack the lack of quality child care for children causes our economy to stagnate by costing our country \$1.8 billion a year in lost earnings, productivity, and innovation, and Ohio economy loses an estimated \$3.9 billion per year due to child care issues, according to the Council for a Strong Economy. Budgetary support from February 2023.

Specifically, the lack of quality, affordable child care is a significant contributor to ongoing workforce challenges and labor shortages, which, according to the National Federation of Independent Business, remain among the top problems facing business. U.S. Chamber of Commerce studies show that half of all workers and nearly 60% of parents who lack all child care at their homes for leaving the workforce, and for a large number of women are not returning to the workforce because they must provide care for a family member.

Our state and our businesses are in dire need of strategic state investment in early childhood education, as expanding access to publicly funded child care will help more people enter and remain in the workforce. Not only will it address the workforce challenges of today, but access to quality early childhood education is a two-generation workforce approach that also prepares the future workforce for school, career, and lifelong success. Research shows that investments have a positive effect, with each step up the ladder of income—high school graduation to postsecondary attainment, ultimately public policy to improve outcomes for our youngest Ohioans will also ensure the workforce of tomorrow is prepared to excel and contribute to a thriving economy for the future.

That is why we—business and community leaders from across the state of Ohio—are strongly urging our state legislature to protect and pass through the upcoming budget bill the new investment to improve accessibility and affordability of quality early education proposed by Governor DeWine. This includes the following measures:

- Child Care Quality:** An investment of 100 million of state funds to provide child care scholarships and to increase infant and toddler child care capacity in communities throughout the state.
- Child Care Eligibility:** An expansion of the state's publicly-funded child care program from 50% of the Federal Poverty Level (FPL) to 50%, which would result in more than 15,000 children and families gaining access to care.
- Preschool:** An additional \$40 million per year in Early Childhood Education grants, estimated to expand preschool to an additional 11,500 children under 300% FPL.

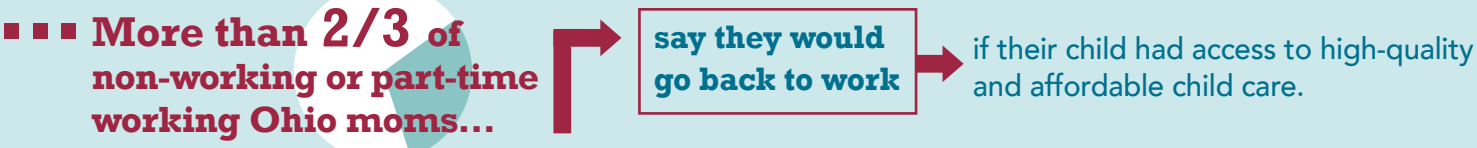
Even with these targeted investments, too many children and their families will still be left out. That is why the urgency of action is needed to truly address the child care crisis facing life, parents, and Ohio business, but they are a vital step in the right direction.

Sincerely,

Paul Hise Chairman Ohio Chamber of Commerce	Steve Shivers Chairman Ohio Restaurant Association	Steve Kuehn President Ohio Retailers Association
Gordon Deugh President Ohio Manufacturers Association	John Butler President Ohio Farm Bureau	Kristin Muller President Ohio Retailers Association
Andrew Gray President Ohio Retailers Association	Tommy Gentry President Ohio Retailers Association	John Gentry President Ohio Retailers Association
Kathy O'Reilly President Ohio Retailers Association	Kevin Miller President Ohio Retailers Association	Dennis F. Seaver President Ohio Retailers Association
Rick Baizer President Ohio Retailers Association	Kevin Miller President Ohio Retailers Association	John Gentry President Ohio Retailers Association
Bob Schmitt President Ohio Retailers Association	Kevin Miller President Ohio Retailers Association	John Gentry President Ohio Retailers Association
Robert S. O'Hall President Ohio Retailers Association	Kevin Miller President Ohio Retailers Association	John Gentry President Ohio Retailers Association
John Pepper President Ohio Retailers Association	Kevin Miller President Ohio Retailers Association	John Gentry President Ohio Retailers Association

www.ohiochamber.org/letter

Expanding access to publicly funded child care will help more people enter and remain in the workforce.



And the news media has a lot to say about it too.

Dayton Daily News
‘Workforce behind the workforce’ challenged by low pay even as child care becomes less affordable

THE WALL STREET JOURNAL.
ECONOMY
Pricy Child Care Is Keeping Many Parents Out of the Workforce
Roughly 380,000 workers aged 25 to 54 left jobs since pandemic began, study finds
By Harriet Torry | Photographs by Kim Raff for The Wall Street Journal
March 10, 2023 9:30 am ET



In December 2022, Governor DeWine announced 14 projects expected to create over 1,600 new jobs statewide. Yet, the struggle for Ohioans to find accessible, and affordable child care—which was made worse by the pandemic—is a serious problem, particularly in rural areas of Ohio. It is costing Ohio’s families and the state economy billions of dollars, it is worsening the labor shortage challenges for Ohio businesses, and it is causing children to fall further behind.



The lack of investment in Ohio’s young children and child care...

➔ ...leaves Ohio’s young children behind and jeopardizes our future workforce.

All of Ohio’s young children need early learning opportunities to ensure they can reach their full potential and a lifetime of success.

“We want our children to grow, learn, and ultimately live and work right here in Ohio! Keeping our young people in Ohio has never been more important, as we create jobs faster than we can fill them.”

~ Governor DeWine’s
State of the State Address, 2023

WITH ONLY **41%** of Ohio kindergartners entering the classroom ready to learn,

AND ONLY **55%** of Ohio students proficient in 8th grade math,

workforce readiness is in jeopardy.

➔ ...restricts Ohio’s workforce today and in the future.

A strong child care industry means parents can go back to work today knowing their child is receiving early learning experiences while building and strengthening the workforce of tomorrow.

“As an Ohio-based employer, our team members cannot and will not come to work if they do not have safe, quality child care for their children. Every one of our team members’ successes at work greatly depends on the well-being of their children.”

~ Jane Grote Abell
Chairwoman of the Board of Donato’s Pizza

83% of Ohio small business owners say access to child care is a barrier to workforce participation

Only 17% say there are **more than enough or the right amount** of high quality, affordable child care options in their community.

➔ ...directly impacts a working mothers’ ability to provide for her family.

This plays a foundational role in stabilizing business, rebuilding our economy, and helping all families thrive.

“The Ohio Chamber urges this committee to reconsider funding for child care scholarships and to increase infant and toddler child care capacity in communities throughout the state.”

~ Rick Carfagna
Senior Vice President, Ohio Chamber of Commerce

4-in-10 Ohio working parents have cut back on their work hours to care for their children because of child care barriers.

THIS MEANS...

800,000 working parents in Ohio have cut back their work hours.

➔ ...impacts Ohio’s ability to attract new business investment across the state.

Right now, Ohio parents are forced to choose between taking on full-time, full-year work or stay un- or under-employed because they cannot afford the high cost of child care.

“Ohio’s **10,000+** businesses and workers are facing long-simmering challenges—and finding reliable, affordable, and safe child care is one of the most pressing. The business community can and will step forward to help, but we need additional federal investment as well. No Ohio worker should have to choose between family and work.”

~ Steve Stivers
President & CEO, Ohio Chamber of Commerce

OHIO’S ECONOMY **LOSES** approx. **\$3.9 BILLION PER YEAR** due to child care issues.



Nationally, the annual cost is **\$122 BILLION** in lost earnings, productivity, and revenue.

“Child care is a two-generation workforce issue. Just as I want our customers to see us at our best, Ohio needs to focus on the highest quality of care for the dollars it invests. This means you don’t cut corners—you invest to get results.”

~ Kevin McDonnell
President & CEO of Skyline Chili

Groundwork Ohio FY24-25 Budget Agenda

We look forward to working with the Ohio House and Senate to strengthen the Governor's vision, continuing to build and improve upon it to ensure all Ohio children and families can reach their full potential.

We ask the state legislature to support the following investments in early childhood that greatly impact the potential for children's future success and well-being:

- 1 Restore** the Governor's proposed \$150 million in fiscal year 2024 to establish child care scholarships for critical occupations and other direct service professionals and increase access to child care programs for infants and toddlers.
- 2 Restore** the \$10 million cut by the House to the Governor's proposed investment to support early childhood mental health credentialed counselors and consultation services.
- 3 Restore** the nearly \$20 million cut by the House to the Governor's proposed investment for the state evidence-based home visiting program, Help Me Grow.
- 4 Maintain** the \$30 million grant as passed by the House to increase capacity of local communities, specifically Appalachian and communities with high infant mortality rates, to provide safe and developmentally appropriate child care for infants and toddlers.
- 5 Maintain** the increased funding for the state's preschool Early Childhood Education grants as passed by the House.
- 6 Maintain** the increase in eligibility for publicly funded child care from 142% to 160% of the FPL as passed by the House.

Lack of investment is currently costing Ohio billions of dollars each year. Instead, accessible and affordable child care would...

- ➔ Ensure children are healthy and ready to learn—with more parents fully employed.
- ➔ Address the expanding and evolving workforce needs of employers across Ohio.
- ➔ Support the growth and development of the state's economy—today and into the future.

Sources

- Groundwork Ohio's Early Childhood Dashboard (2023)
- www.goldmansachs.com/citizenship
- Blueprint for Ohio's Economic Future, Ohio Chamber of Commerce, 2022
- Council for a Strong America ReadyNation Report, February 2023

    @GroundworkOhio

GroundworkOhio.org

Groundwork Ohio is a non-profit nonpartisan advocacy and policy organization with a mission to ensure all young children are healthy and ready to learn.

For more information or to schedule a legislative meeting, contact:
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