

CEO ACTION FOR RACIAL EQUITY

# EARLY CHILDHOOD EDUCATION REPORT

June, 2024



# INCREASE ACCESS TO EARLY CHILDHOOD EDUCATION

## Overview:

The Early Childhood Education (ECE) team had engaged with signatories to further their understanding of the importance of early childhood education and care. The purpose of this toolkit is to educate signatories around the racial equity challenges in ECE particularly the lack of access, affordability, and quality and to share leading practices companies can consider.

## Who we are:

Launched in October of 2020, the CEO Action for Racial Equity (CEOARE) Fellowship unites the talent and resources of over 100 signatory organizations from CEO Action for Diversity & Inclusion™ to advance racial equity through public policy and corporate engagement strategies that will address systemic racism and social injustice while aiming to improve societal well-being for 47+ million Black Americans.

## 86%

of primary caregivers said child care issues hurt their effort or time commitment at work. [1]

## \$12.7B

Annually, businesses lose approximately \$12.7 billion due to child care related issues. [1]

## 56%

A median-income Black family with two young children would have to spend 56% of their income on child care. [2]

## 70%

of employees indicate they are more likely to stay at their company if they offer childcare benefits. [3]

# THE ECE ISSUE

While demand for early childhood education and care services remains high, limited access, lack of affordability and low-quality programs leave children at a disadvantage during critical years of development and can impact Black parents' ability to participate in the workforce and accumulate wealth.

Lack of access to affordable quality early childhood education and care disproportionately affects the Black community. Even before the pandemic, Black and multiracial parents experienced child care-related job disruptions—such as quitting a job, not taking a job, or changing their job—due to problems with child care at nearly twice the rate of white parents.[2]



Regarding **affordability**, data from the US Department of Labor show the annual cost for care of just one child — whether infant, toddler, pre-school or school-age — can easily take up 15% to 20% of the median family income in many counties across the country. That is well above the 7% of family income that the US Department of Health and Human Services set as a federal benchmark for affordability. [4]

Regarding **access**, more than half of Americans live in “child care deserts,” where a ratio of more than three young children for every licensed child care slot constitutes a child care desert. [5]

Regarding **quality**, we know lifetime earnings were approximately 25% higher for children in quality child care [6], which is defined as a program that provides a safe and nurturing environment with a focus on the emotional, social, physical and intellectual development of young children.

We know that without reliable access to high-quality early learning, developmental gaps can be seen in children as young as 18 months [7]. Furthermore, reliable access to ECE and care, parents cannot fully participate in the workforce, furthering the inequity in income and attaining economic security. This is particularly difficult for Black families.

# THE BUSINESS CASE

## **For Businesses:**

Early childhood education and care impacts the business community in a variety of ways.

- Annually, businesses lose approximately \$12.7 billion due to child care related issues. These losses come in the form of lower employee output, absenteeism, extra cost to manage disrupted workers, and costs associated with a higher turnover rate [1].
- Businesses lose an average of \$1,150 per employee who does not have sufficient child care [1]. With 21 million parents, or 16% of the U.S. workforce, reliant on childcare to work this problem impacts every business.[8]

## **For Employees:**

For employees access to early childhood education and care plays a major role in where they work, the quality of their work, and how long they stay with a company. This problem is especially pronounced for women and specifically Black women.

- 86% of primary caregivers said child care issues hurt their effort or time commitment at work [1].
- 63% of employees have left work early, 56% have been late to work, 55% missed a full day of work, and 54% have been distracted [1].

The problem is particularly acute for Black parents. A median-income Black family with two young children would have to spend 56% of their income on child care [3]. Finding the right child care is also challenging as only 54% of eligible Black preschoolers are being served by Head Start preschool (3-5 yrs old), and only 6% are served in Early Head Start (0-3 yrs old) [1].

Despite the problems related to child care in the work force there are solutions to addressing the child care crisis that can help attract and retain top talent.

- 81% of employees find child care benefits important to their job consideration process and 70% of employees indicate they are more likely to stay at their company if they offer childcare benefits [4].

# LEADING PRACTICES

The first step towards addressing early childhood education and care issues within your organization is to understand your company's needs. Many organizations come to their understanding through employee surveys, regular performance reviews, and exit interviews.

Once you identified a starting lists of what your workforce is facing you can look at solutions. Below is a list of commonly found leading practices companies have incorporated into their business model.

## Leading Practices of Early Childhood Education and Care Employee Benefits

Paid Family Leave	Flexible working arrangements	Childcare subsidies/buy/reserve child care slots
Dependent care assistance programs (DCAPs)	Offering Childcare benefits to non-salaried employees	Back-up childcare
Childcare center discounts	Flexible Spending Accounts	Employee benefit seminars and assistance
	Employee assistance programs (To help Pick Early Childhood Education and Care facilities)	

# CALL TO ACTION TOOLS

Help promote the importance of access to affordable and quality early education and care by leveraging our videos on your website and social media channels:

## The Challenges of Equity in Early Childhood Education



[Main Flagship video](#) highlighting challenges of Early Childhood Education & Care

## Increasing Pay for Early Childhood Educators



[Short video #1](#) Learn why providing competitive salaries is critical to retention of ECE providers.

## Reducing the Burden of Education Costs for Early Education and Care Providers



[Short video #2](#) Reducing the burden of education costs for early education and care providers.

## What Does High Quality Early Childhood Education Mean to You?



[Short video #3](#) What does high quality Early Childhood Education and Care mean to you?

# HELPFUL RESOURCES

Resources to help employees find child care near them:

- [CARE.com](https://www.care.com) – can help employees access care near them.
- [Childcare Resource & Referral Agencies \(CCR&Rs\)](https://www.childcareaware.org) – national database from ChildcareAware of America can help employees access care near them.
- [Urban Sitter](https://www.urban sitter.com)– can collaborate with companies to bring child care resources to employees.
- [Bright Horizons](https://www.brighthorizons.com) (also Sittercity) can collaborate with companies to bring child care resources to employees.
- [Tootris](https://www.tootris.com) - can collaborate with companies to bring child care resources to employees.

## THANK YOU

Have questions? Please contact us at [EarlyChildhood@ceoactionracialequity.com](mailto:EarlyChildhood@ceoactionracialequity.com)



# Citations

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