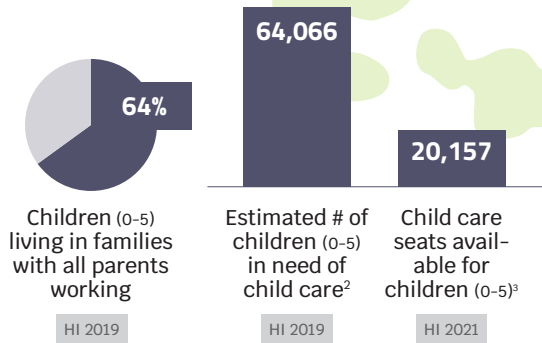


Child care is vital to a community's well-being but Hawai'i's fragile system has been devastated by the pandemic

An extensive body of research shows that a child's experiences in the first years of life have a measurable impact on brain development and later success in school and life. For more and more children, these early life experiences take place in child care. High-quality child care provides children with the learning environment that is critical for school readiness and leads to improved educational, economic, health and well-being outcomes for children, lasting into adulthood.¹



Hawai'i's supply of licensed/registered* child care is insufficient to meet the needs of working families.

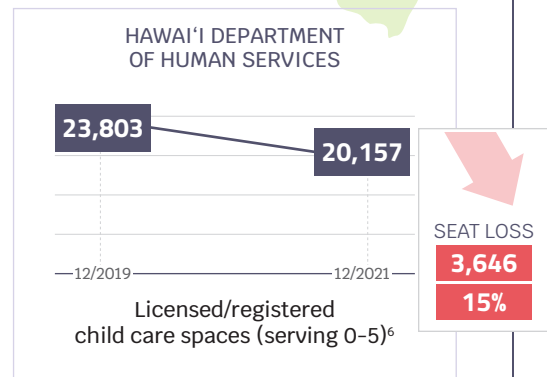
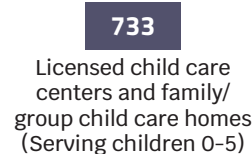
More than 3,600 child care spaces for children (0-5) have been lost during the pandemic in Hawai'i.

Pre-pandemic⁴

- Over half of Hawai'i's children (0-5) were in non-parental child care 10+ hours/week
- Hawai'i's child care industry generated some \$300 million in state-wide revenue each year

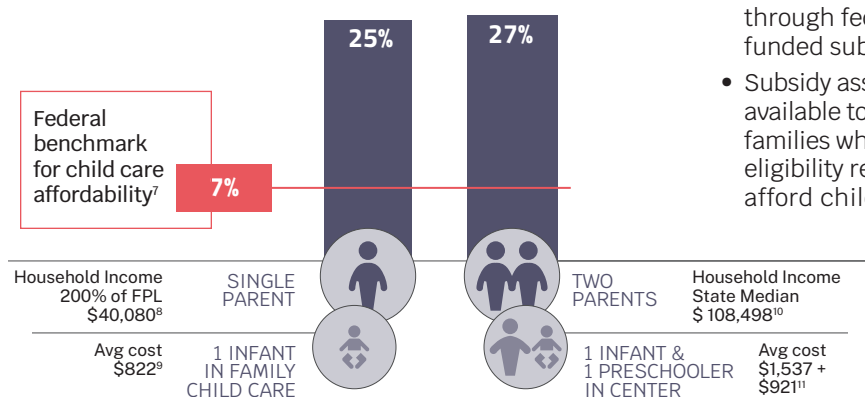
Pandemic related challenges lead to

- Increased costs to implement new health and safety requirements
- Loss of staff to other sectors
- Decreased revenue from limited enrollment and capacity



Where licensed child care is available, high tuition puts care out of reach for many families.

Percent of family income spent on child care



- Financial assistance is available through federal and state-funded subsidy programs
- Subsidy assistance is not available to a large number of families who do not meet the eligibility requirements but can't afford child care on their own

"True cost" of licensed child care is 42% more than the typical prices programs charge.¹²

Tuition rates do not represent the true cost of operating programs at high-quality standards, with fairly compensated teaching staff. Most child care programs operate with razor-thin margins which pose significant challenges to providing high-quality care and maintaining the business viability necessary to sustain capacity and services.

When it comes to child care, quality is essential and the workforce is key to quality.



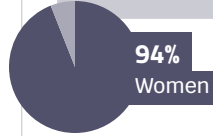
High-quality child care provides children with dependable, nurturing relationships and safe, stimulating environments that are critical for brain development.

Key indicators of high-quality child care include

- Low adult:child ratio
- Positive and meaningful adult-child interactions
- Strong environments and curricula

All of these depend on an effective, well-trained, and fairly-compensated workforce. This workforce, however, suffers from chronically low wages and turnover.

3,410
ACTIVE WORKFORCE,
HI 2020¹³



EC educators
turnover rate

26-40%

In licensed child
care facilities¹⁴

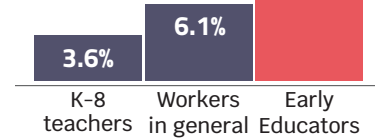
US 2021



HAWAII HOURLY RATE

Living wage for single adult + child	\$40.44
Living wage for single adult ¹⁵	\$20.61
Median wage for child care workers ¹⁶	\$12.43

The poverty rate for early educators in HI is 4.5 times higher as for K-8 teachers.¹⁷



The COVID-19 crisis has disproportionately impacted

- working mothers
- women who make up the vast majority of the child care workforce

Decline of workers in child care industry

111,000 **-11%**

In licensed child care facilities¹⁸

US 2020 to 2021

Women have traditionally been overrepresented in low-wage jobs, such as child care, many of which were disproportionately cut during the pandemic. In the first year of the pandemic, nearly 30% more women than men left the labor force, largely linked to the closure of child care programs and the shifting of child care responsibilities to mothers.¹⁹

Child care makes a significant difference in the economic health and security of families. It makes it possible for families to work, reduce their dependence on public assistance, and escape poverty. When low-income families receive assistance with child care, they are more likely to enter and remain in the workforce, work more hours, and improve earnings.²⁰



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The COVID-19 crisis has highlighted both the important role child care plays in enabling parents to work and the instability of child care businesses.

In order for Hawai'i to rebuild from the pandemic and meet the child-development, school-readiness, employment, and economic needs of the state, the state must support and sustain the child care sector and improve children and families' access to high-quality services.

1 Early Childhood Education: Quality and Access Pay Off, The Heckman Equation (2017)
 2 Table B23008, 2019 ACS 5-Year Estimates
 3 PATCH child care provider data, December 2021
 4 Child Care in State Economies. Committee for Economic Development, 2020 Update.
 5 PATCH child care provider data, December 2021 and December 2019
 6 Ibid
 7 Federal Register, Vol. 81, No. 190 (September 30, 2016) 6
 8 2021 Poverty Guidelines, Office of the Assistant Secretary for Planning and Evaluation, US DHHS
 9 PATCH child care rate data, based on reporting providers only, December 2021
 10 Table B19119, 2019 ACS 5-Year Estimates
 11 Ibid
 12 The True Cost of High-Quality Child Care Across the United States, Center for American Progress (2021)

13 Early Childhood Workforce Index 2020, Center for the Study of Child Care Employment (2020)
 14 "The Pandemic Has Compounded the Turnover Problem in Early Childhood Education". EdSurge, February 9, 2021
 15 MIT Living Wage Calculator
 16 Early Childhood Workforce Index 2020, Center for the Study of Child Care Employment (2020)
 17 Ibid
 18 Child Care Sector Jobs: BLS Analysis, Center for the Study of Child Care Employment, Jan 2021
 19 "In 1 year, women globally lost \$800 billion in income due to Covid-19, new report finds", CNBC, April 2021
 20 James Heckman, Jorge Luis García, Duncan Ermini Leaf and María José Prados, "Quantifying the Life-cycle Benefits of an Influential Early Childhood Program" National Bureau of Economic Research (2019)

*A Licensed or registered child care provider has received a certificate of approval issued by the State authorizing the operation of a child care facility and meets certain minimum health, safety, and training standards, including first aid and CPR training.