

Let's give mothers a real present by committing to provide good childcare ^[1]

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EXCERPTS

The United States cannot achieve its economic potential without the full participation of women entrepreneurs. The rate of growth in the number of women entrepreneurs is far higher than men's. When your starting point is small, there is lots of room for growth. The reality is that women are still less likely to start a business than men.

Female labor force participation rates are higher in countries, such as those in Scandinavia, New Zealand, Canada, Israel, Australia, and the United Kingdom than the US, according to Our World Data. These countries are doing more to ensure the full participation of women in the workforce, including becoming entrepreneurs.

The result is that 80% of Icelandic women work. In the US, the rate dropped from 60% in 2000 to 57% in 2016. The lack of accessible, good quality and affordable childcare is one reason. This impacts women becoming entrepreneurs and their ability to hire mothers. Because the US is so large, the solutions are more challenging and complex than in other developed countries, commented Linda Smith, director of Bipartisan Policy Center's Early Childhood Development Initiative.

Benefits Of Affordable Childcare Are Widespread

Childcare helps employees, employers, children, and society. "There's a multiplier effect," said Ariane Hegewisch, program director of Employment and Earnings at the Institute for Women's Policy Research, and scholar-in-residence at American University.

Employees benefit: The availability of good-quality and affordable programs enables more women entrepreneurs and their employees to participate fully in the labor market.

When women work, they will have more money for retirement in their pension plans and Social Security. They will be less likely to need public assistance. Parents using paid childcare also have more disposable income to spend.

Employers benefit: Good-quality, affordable childcare improves employee performance by reducing absenteeism, enhancing worker productivity, and increasing the motivation and commitment of the workforce. It reduces turnover and, as a result, lowers the cost of recruiting, vetting, training, and the ramp-up time until an employee is fully productive. Providing childcare can enhance the reputation of a company and enable a company to recruit a more diverse workforce.

Children benefit: The investment is good for the long-term health, wealth and happiness of the children who receive it. Studies have found that those who had access to early childhood education are healthier than those who do not. They are better educated as adults, less likely to be involved in crime, and more likely to have higher incomes.

The nation and local communities benefit: "Keeping experienced workers in the labor market helps the economy overall," said Hegewisch.

Increase the demand for childcare, and more jobs are created that cannot be automated or off-shored to other countries. In addition, childcare companies hire locally and make local purchases of food, and toys. Childcare workers spend much of their income locally. Good quality childcare also reduces future public spending on criminal justice, remedial education, unemployment and welfare spending.

Employers Seek To Support Employees With Children

Employers are recognizing that offering childcare solutions is a business-critical issue. This includes women-owned employer firms as well as the companies at which the other parent of these firms works.

Choosing the option that best meets your company's needs takes into account employee demand, business objectives and constraints, and the local childcare environment, according to Tackling Childcare: The Business Case for Employer-Supported Childcare by The International Finance Corporation.

There are a wide variety of childcare options, from back-up care to subsidies. They vary by resource intensity. Even small companies can

offer solutions that meet their objectives and budget as well as employees' needs and budget. They can provide informal arrangements, such as flexible work arrangements or pool their resources to provide childcare, commented Hegewisch.

The Role Of Government

Providing good-quality, affordable childcare is a complicated issue that requires government support, too. For example, care for infants is more expensive than older children. You need one adult per four children for infants. In major metropolitan areas, it costs about \$18,000 to \$20,000 per year, commented Smith. "Most parents can't afford this."

"We have a market-based system of childcare in the US," said Smith. Small childcare businesses offset the higher cost of infant care with the lower cost of caring for three- and 4-year-olds. However, when public pre K programs are offered, it takes 3- and 4-year-olds out of the mix, which means small in-home childcare services must raise their prices for infants. Their clients can't afford the cost. Subsidies are needed.

"Most people would agree that childcare [in the US] is in crisis," said Smith. Big cities like New York, Chicago and Boston as well as mid-sized cities, such as Tulsa, and local communities, such as Coffeyville, Kansas, are tackling the issue. States like Georgia and Washington are, too. They can not afford to do it themselves.

"Countries in the European Union spend about double the percentage of their GDP (gross domestic product) on childcare as the US does," said Smith. This is why there is bipartisan support to address the issue. The House Appropriations Committee recently approved Labor-HHS-Education Funding Bill for 2020 that includes historic levels for childcare and early childhood education, including an increase of \$2.4 billion for childcare funding to states. But, just because there is support for childcare in the appropriations committee doesn't mean that, when the overall budget is approved, a high level of commitment will remain.

How will you ensure that you and your employees will get the childcare services needed?

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