

To revive NYC, invest in childcare ^[1]

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EXCERPTS

The economic fallout from the lack of affordable, accessible childcare in New York City and the United States is staggering — and COVID has made addressing it an urgent priority for policymakers and private-sector employers alike. New York City's Economic Development Corp. conducted research into the pandemic impact on local employment and found that more than twice as many women as men left the New York City workforce during the first three months of the pandemic alone.

Our findings make a clear case that improving childcare access will be central to the city's full economic recovery. At present, more than a half-million New York City metro area residents are not looking for work because they are too busy caregiving. According to research from city officials and the non-profit A Better Balance, more than half of New York City women who are also caregivers at home have cut back their working hours during COVID.

These alarming trends are not just a blow to women, their families and their lifetime financial footing — they pose a hit to the city's financial wellbeing overall. According to our research, New York City parents leaving the workforce or downshifting careers due to the dual impacts of COVID-19 and lack of access to childcare could cost \$2.2 billion per year in city tax revenues, or roughly 3.7% of those revenues this year alone. Over the next five years, this trend could cost the city \$60 billion in economic output and \$18.5 billion in disposable personal income.

Experts believe the city will rebound, but without concerted change towards stable and affordable childcare, some women's careers may not. COVID-related layoffs landed primarily on groups that are already economically vulnerable. According to our research, the industries that suffered the highest job losses — including health care, hospitality, retail and education — have a workforce that is 60% women and 67% Black, Hispanic and other people of color.

New York City must show up for its families in creative new ways, and it is precisely in these instances of disruption that change becomes possible. To help drive public-private solutions, NYCEDC has established, under our women.nyc program, the Childcare Innovation Lab, which, as a first step, has commissioned a robust study on private-sector employer decision-making around childcare benefits.

New York City has a long way to go to reach universal affordable childcare for every working parent. Before COVID, there were five infants under age two for every available spot in a childcare center or family day care provider in New York City, according to city research. In a wide range of neighborhoods such as Tottenville on Staten Island, Bushwick in Brooklyn and Woodside in Queens, there were more than 10 infants per available childcare seat.

Not only is childcare here scarce, it is costly: A 2017 report found center-based care was unaffordable to an astounding 91% of families with children under three. While not all mothers of infants choose to work outside the home (the nationwide number is around 60%), and not all who do so opt for center-based care, more families would choose center-based care if it were a more affordable, accessible option.

In some ways, the city is making progress. Mayor de Blasio moved swiftly following his 2014 inauguration to implement full-day free pre-K for 4-year-olds, earning NYC a gold medal from the National Institute of Early Education Research. His new budget builds on this by expanding free pre-K to all New York City 3-year-olds by September 2023.

But we can do more.

Fortunately, finally, there is powerful support from Washington. The Biden-Harris administration correctly frames childcare as an infrastructure need rather than a private family concern. There are federal proposals for paid family leave and tax credits for childcare and lower childcare costs, while the ailing childcare sector received a \$39 billion infusion. Biden's plan would also improve pay and career supports for childcare providers, another welcome idea.

Alongside government, the private sector must also play its part. Corporations have an opportunity to embrace a new normal, aided by expanded state tax credits for qualified childcare expenses. The economic case for providing employee childcare benefits is clear: They can decrease workforce absences by up to 30% and job turnover by as much as 60%. They're also a draw for talent: In another study from Care.com, 83% of millennials say they would consider leaving their jobs for one with more family-friendly benefits.

In the U.S., the will to improve caregiving now exists at every level of government as well as by eight in 10 American voters — and we will be a better, more inclusive city for harnessing it. If we are committed to a resilient, equitable economy, it's time to prioritize childcare not as a nice-to-do but as a must-do.

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