Testimony
Child Care Crisis Public Hearing
Senate Standing Committee on Children and Families
January 26, 2023

Presented by:
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Overview

Thank you to the chair and members of the Senate Committee on Children and Families for the opportunity to submit testimony regarding the child care crisis in New York State.

My name is Pete Nabozny, and I am the Director of Policy for The Children's Agenda in Rochester, NY. We are a children's policy and advocacy organization focused on improving the well-being of children prenatally through young adulthood. Through analysis, advocacy, and collaboration with partners locally and statewide, we support the implementation of programs and policies that address the serious challenges facing children and families.

The Children's Agenda is also an active member of the Empire State Campaign for Child Care, a statewide effort to ensure that all families throughout New York State have access to high quality care. I serve as one of the leaders of the Empire State Campaign for Child Care.

There are many challenges plaguing the child care sector in New York State. I will summarize a few in this testimony and share why now is the time to transform child care in New York State.

The State of Child Care in New York

At its best, child care is an essential support for families with young children. A trusted child care provider ensures that children get off to the best possible start to life, providing care to children while their parents work or pursue an education. High quality child care helps families achieve economic security and provides a nurturing environment for children to explore, play, and learn.

Unfortunately, for too many families in New York State, child care is a constant challenge to manage. Many families simply cannot find a care setting that meets their needs, or face long waitlists for the program near their home or work. Parents can't afford to pay more for child care, but providers can't afford to charge less. This

impacts both the capacity of the child care system and the quality of care that families receive.

The Cost of Child Care is Too High

Multiple factors make child care unaffordable for many New York families. According to Child Care Aware of America, the average price of center-based infant care in New York state in 2020 was $16,588 per year, nearly twice the tuition at a public university in New York ($8,500 per year).[1] New York is the fifth most expensive state in the country for infant child care, after adjusting for state median income. Child care is a labor intensive industry and up to 80% of program expenses are for personnel.[2] New York is appropriately committed to child care quality and low child-teacher ratios. The state's high costs of living, real estate prices, and other factors also contribute to the price of care. Together, these dynamics make child care unaffordable for many New Yorkers without leading to sustaining wages for child care educators.

Recent investments in New York's child care assistance program expanded eligibility to families making up to $69,090 for a family of three (300% of the federal poverty level). Nearly half of young children in New York now reside in a household that is income eligible for assistance. However, the cost of child care is still prohibitively expensive for thousands of families with incomes above that level. Low-income and middle class families alike are forced to grapple with difficult decisions about cutting hours, changing shifts, or leaving the workforce altogether to care for young children. Families with young children are likely to be especially stressed because younger parents are earlier in their careers and, consequently, at the lower end of their earning potential.

Given the current funding structure of child care in New York, child care providers' wages are dependent on the prices they can charge families. Wages can only rise substantially if costs to families also rise. But if prices rise too high, families cannot afford care. The rising cost of child care in the United States over the past several decades resulted in a 13% decline in workforce participation of mothers with young children.[3]

Wages Are Too Low

While child care is too expensive for many families, child care providers remain chronically underpaid. This is despite providing a service that is foundational for New York's economy and the healthy development of children. NYS Department of

[1] Child Care Aware of America. (2022). Demanding Change.
[2] Center for American Progress. (2018). Where does your child care dollar go?
[3] Washington Center for Equitable Growth. (2016). Is the cost of childcare driving women out of the U.S. workforce?

Labor data reveal that the median yearly wage for the industry ranges from $29,889 in the North Country to $35,788 in the Hudson Valley, significantly below the overall median wage for every region of the state.[4] It is estimated that nearly half of child care providers themselves receive some form of government assistance to support their families, about twice the rate found in the broader workforce.[5]

Despite their high skill, training, and value to children and families, child care educators make less than 97% of all other professions in New York.5 The systematic undervaluing of the critical roles they perform, largely provided by women of color, drives inequity and exacerbates gender and racial pay gaps. Low wages are linked to high rates of turnover. That leads to instability for families and the children who depend on stable, nurturing relationships with their caregivers for healthy growth and development.

Region	Child Care Median Annual Wage	Overall Median Annual Wage	% Occupations that Pay More than Child Care
New York State	$31,885	$50,850	97%
Capital Region	$30,680	$49,681	97%
Central New York	$30,036	$48,818	99%
Finger Lakes	$30,529	$48,132	96%
Hudson Valley	$35,788	$49,910	94%
Long Island	$32,752	$50,269	97%
Mohawk Valley	$30,971	$40,450	92%
New York City	$35,491	$62,820	98%
North Country	$29,889	$46,211	99%
Southern Tier	$31,181	$48,426	93%
Western New York	$30,326	$47,764	97%

[4] New York State Department of Labor. (2022). Occupational Wage Data.
[5] Paquette, D. (2016). *The Washington Post.* Half of America's childcare workers need food stamps, welfare payments or Medicaid.

A recent analysis of national survey data by the Federal Reserve Bank of Minneapolis demonstrates a clear relationship between wages and turnover.[6] Programs offering higher wages have substantially lower turnover than those paying lower salaries.

Capacity is Insufficient

Child care programs across the state were devastated by the COVID-19 pandemic, with temporary and permanent closures leading to widespread layoffs. Unlike many other sectors, the child care workforce has not yet recovered from this disruption. Current child care employment is 9% lower than the January 2020 level.[7] Without adequate staffing, child care programs must reduce capacity or shut down completely, making it even more difficult for families to access quality care.

A recent analysis by The Children's Agenda found that New York State had 1,326 fewer programs operating in July 2022 than at the start of the pandemic, representing a loss of 10,554 child care slots.[8] Rural/upstate communities, high poverty areas, and communities of color were particularly hard hit by these losses.

A recent field survey by the National Association for the Education of Young Children found that 46% of respondents were serving fewer children than they would like, and 38% indicated they had a longer waitlist than before the pandemic. The most common reason for programs serving fewer children was "Not enough staff because compensation is too low for recruitment and retention."[9]

An October 2022 poll by Raising NY revealed that about one in three families found it challenging to find a child care program and 41% of respondents reported that issues with child care have affected their ability to attend work, school, or other commitments two or more times in the last 30 days.[10] These figures were higher among families of color. The decrease in available slots is not simply a market reaction to low demand. Demand exists, but the market cannot sustain it.

Inadequate access to care leads to harmful disruptions for children's learning and development, as well as lost work and educational opportunities for families, potentially resulting in both short- and long-term economic consequences. A recent analysis of the Census Household Pulse Survey by the Center for New York City Affairs concluded that 350,000 New Yorkers were not working because they were

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[6] Federal Reserve Bank of Minneapolis. (2022). Examining teacher turnover in early care and education.

[7] New York State Department of Labor. (2022). Current Employment Statistics.
[8] The Children's Agenda. (2022). Rebuilding our Future.
[9] National Association for the Education of Young Children. (2022). Uncertainty Ahead Means Instability Now.
[10] Raising New York. (2022). New York's Child Care Crisis.

caring for children not in school or child care.[11] Helping some of those parents return to the workforce would do a great deal to relieve the state's labor shortages.

Higher Wages Lead to Higher Quality

High quality care is critical to the development of young children, but low wages limit quality care. High wages can decrease worker turnover and help early care educators make a career of working in the field. Children benefit from consistent nurturing relationships with trusted adults. Studies show that experienced workers can build stronger relationships with the children in their care and contribute to the health and development of young children.[12]

Research also indicates "the most important predictor of the quality of care children received... was staff wages,"[13] but staff wages are dependent on the financial capacity of families seeking care. High quality child care is therefore often limited to affluent families, despite considerable evidence that low-income children benefit the most from that care experience.[14]

The child care sector struggles with a wage compression challenge, in addition to low wages. This makes it difficult to incentivize staff to seek additional training or education. Child care educators who know it will be difficult to recoup the cost of higher education degrees and credentials may reasonably decide not to pursue those opportunities. This can further limit the availability of high quality care throughout New York.[15]

Child Care Assistance is Hard to Access

The existing child care assistance application process, without an online option or consistency across counties, is hurting families. In some communities, particularly large urban centers like New York City, families have experienced tremendous delays in their applications being processed and approved. This leads to harmful disruptions for children's learning and development, as well as lost work and educational opportunities for families, potentially resulting in both short- and long-term economic consequences.

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[11] Parrott, J. Center for New York City Affairs. (2022). Testimony to the New York State Assembly Labor Subcommittee on Emerging Workforce, Wage Increases Would Quicken Lagging NYS Recovery.
[12] Center for the Study of Child Care Employment. (2018). At the Wage Floor.
[13] Center for the Study of Child Care Employment. (2014).Worthy Work, STILL Unlivable Wages.
[14] Bustamante, A., Dearing, E., Zachrisson, H. D., Vandell, D. L. (2021). *Child Development*, Adult outcomes of sustained high-quality early child care and education: Do they vary by family income?
[15] Center for the Study of Child Care Employment. (2018). At the Wage Floor.

New York State's historic expansion of child care assistance in the 2022-2023 state budget and Governor Hochul's proposed expansions this year will only benefit children and families if they enroll in the program. Enrollment for child care assistance remains significantly lower than other benefit programs, reaching approximately 13% (70,000) of eligible children last year.[16] In contrast, SNAP reached 89% (1.5 million) of eligible New York families with children.[17]

The convergence of widespread economic upheaval and an unprecedented public health crisis have highlighted the inadequacies and inefficiencies of many government programs. People spend weeks and months trying to access supports for which they qualify and need, only to find themselves stuck in a maze of complicated, repetitive paperwork and unanswered phone calls and emails. The frustration and effort all amount to a time tax. This burden, describing the time Americans lose as they negotiate administrative hurdles, confusing paperwork, and waiting periods, is significantly more pronounced in government programs that are designed to benefit low-income individuals and families. Complex eligibility and enrollment processes, like those seen with Supplemental Nutrition Assistance Program (SNAP), Medicaid, the special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and child care assistance, are particularly harmful for those already facing adversity – including housing insecurity, language barriers, disability, and systemic racism – and too often form insurmountable barriers to access.

In her State of the State, Governor Hochul proposed several initiatives to streamline access to child care assistance. These efforts include the development of an online screening and application process for families seeking assistance as well as expedited enrollment for families receiving other benefits such as SNAP and Medicaid. The Children's Agenda supports these initiatives and believes New York should embrace additional reforms like presumptive eligibility[18] that would allow more New Yorkers to benefit from child care.

Transforming New York's Approach to Child Care

New York State has done a great deal to strengthen its child care system over the past several years. The State has expanded eligibility, raised reimbursement rates, reduced parent co-pays, begun reimbursing providers for child absences, and has administered several rounds of invaluable stabilization grants for providers still reeling from the effects of the COVID-19 pandemic. The initiatives announced by Governor Hochul in her State of the State will build upon those prior efforts.

[16] This participation estimate is inclusive of children enrolled in both the state's subsidy program (approximately 70,000 children) and New York City's contract care program (an additional 23,000 children)
[17] United States Department of Agriculture. SNAP Participation Rates by State.
[18] See Monroe County's approach to presumptive eligibility

And yet, the fundamental nature of New York's child care system remains flawed. Child care worker wages remain shamefully low and unreflective of the extraordinarily valuable work that these educators do. Too many families continue to be excluded from the system thanks to administrative barriers or programmatic exclusions. Child care remains completely unaffordable to many middle class families and is a tremendous economic burden to many others. OCFS's approach to monitoring and licensing child care providers is rigidly punitive rather than strengths-based and oriented toward quality improvement.

There is insufficient public investment to ensure that every child in New York State has the opportunity to benefit from a high quality early care and education experience. New York has the resources and opportunity to address this. Our state's leaders should commit to implementing universal child care within the next several years, and should couple that commitment with significant investments in the child care workforce and eligibility expansions this legislative session.

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