

# Cities and Parishes Should Invest in Early Care and Education as a COVID-19 Response Measure

The COVID-19 pandemic has caused significant damage to communities statewide, and the one-time federal dollars that local governments will soon receive for COVID-19-related expenditures must be invested wisely. One key investment to aid with COVID-19 recovery is funding early care and education to ensure parents can return to work, young children can learn in a safe environment, and local businesses have a reliable workforce.

## The Facts

### Child care is essential for economic recovery.

**Investing in early care and education supports all other industries and helps the local workforce return to work as the economy reopens.** As businesses reopen, employers need a reliable workforce and employees with young children need child care in order to maximize their productivity at work. The early care and education industry, which allows all others to run, has been crippled by the pandemic. Many child care businesses, which already had razor-thin margins, have suffered devastating financial losses, staff layoffs, and closures.<sup>1</sup> Local investment in the early care and education industry would ensure that both businesses and workers can get back to work, providing stability to the local economy during the early phases of recovery.

### Parents need child care to look for work and be productive in the workforce.

**Parents can't work or look for work without child care.** Studies have shown that child care is often the most expensive item in a family's budget,<sup>2</sup> and that working parents face stark choices, including borrowing money or forgoing necessities, when trying to afford care for their young children.<sup>3</sup>

**The lack of reliable, affordable, quality child care has been a significant barrier to workforce productivity and participation, and cost local businesses millions of dollars.** Even before COVID-19, Louisiana businesses lost over \$700 million a year due to child care breakdowns, which also resulted in an \$84 million annual loss of state tax revenue. Employees reported missing work, leaving or changing jobs, coming in late, or leaving early because their child care situation was unreliable, unaffordable, inaccessible, or some combination of the three.<sup>4</sup>

### Investments in early care and education will have far-reaching impacts.

**Studies show a 13% annual return on investment on early care and education,** due to the enormous academic, social, and emotional benefits it provides for children.<sup>5</sup> For every dollar invested in early care and education, \$1.87 flows back into the local economy in purchased goods and services.<sup>6</sup> Nobel Prize winning economist James Heckman asserts that funding high-quality child care is one of the best investments a community can make.<sup>7</sup>

**Louisiana serves less than 15% of children below age three who are eligible for publicly funded early care and education programs.**<sup>8</sup> This is in sharp contrast to 4-year-olds in the state, where 90% have access through pre-kindergarten programs. With two-thirds of all Louisiana children having either both parents, or their single parent, in the workforce, there is a tremendous need for affordable child care options that serve infants, toddlers, and 3-year-olds.

1. [https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm\\_referrer=https%3A%2F%2Fwww.ch](https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm_referrer=https%3A%2F%2Fwww.ch)

2.

[https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm\\_referrer=https%3A%2F%2Fwww.ch](https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm_referrer=https%3A%2F%2Fwww.ch)

3. [https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm\\_referrer=https%3A%2F%2Fwww.ch](https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm_referrer=https%3A%2F%2Fwww.ch)

4. [https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm\\_referrer=https%3A%2F%2Fwww.ch](https://cdn2.hubspot.net/hubfs/3957809/2019%20Price%20of%20Care%20State%20Sheets/Final-TheUSandtheHighPriceofChildCare-AnExaminationofaBrokenSystem.pdf?utm_referrer=https%3A%2F%2Fwww.ch)

5. [https://heckmanequation.org/www/assets/2017/01/F\\_Heckman\\_CBAOnePager\\_120516.pdf](https://heckmanequation.org/www/assets/2017/01/F_Heckman_CBAOnePager_120516.pdf)

6. <https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>

7. [https://heckmanequation.org/www/assets/2017/01/F\\_Heckman\\_CBAOnePager\\_120516.pdf](https://heckmanequation.org/www/assets/2017/01/F_Heckman_CBAOnePager_120516.pdf)

8. [https://www.louisianabelieves.com/docs/default-source/early-childhood/eccc-ac--2020-presentation-slides---02-14-20.pdf?sfvrsn=29b19b1f\\_6](https://www.louisianabelieves.com/docs/default-source/early-childhood/eccc-ac--2020-presentation-slides---02-14-20.pdf?sfvrsn=29b19b1f_6)

For more information, visit [www.policyinstitute.org/local-ecce-covid-19-relief](http://www.policyinstitute.org/local-ecce-covid-19-relief)

