



## Child Care in Rural Wisconsin: Unique Challenges & Solutions



# Ruth Schmidt Executive Director Wisconsin Early Childhood Association

Wisconsin Rural Economic Summit February 22, 2022



# In Their Words: Challenges & Grassroots Efforts

### **Jackson County Child Care Taskforce**

What started as a lobby conversation with a couple of businesses in Jackson County kind of grew into this grassroots effort to really look at what are we having for child care issues and how is it impacting our workforce," said Marianne Torkelson, chair of Jackson County Child Care Taskforce and Co-op Credit Union's Vice President Business Development and Training.

#### Wisconsin Top Rural Development Initiative Award, 2020

"Wisconsin Rural Partners recognizes the need for child care services in rural communities and applauds Kickapoo Conversations and the WEESSN program as outstanding example of the many local efforts across the state to improve the lives of citizens in rural Wisconsin," said Sandy Decker, WRP President. "These types of projects are notable for showcasing the variety and breadth of successful local efforts to enhance the quality of life in the rural areas of our state."



### Challenges & Grassroots Efforts, Cont.









### The Landscape: What the Data Says

Potential Need: 288,430 Children

Supply: 171,040 Slots

Gap: 117,090 Slots

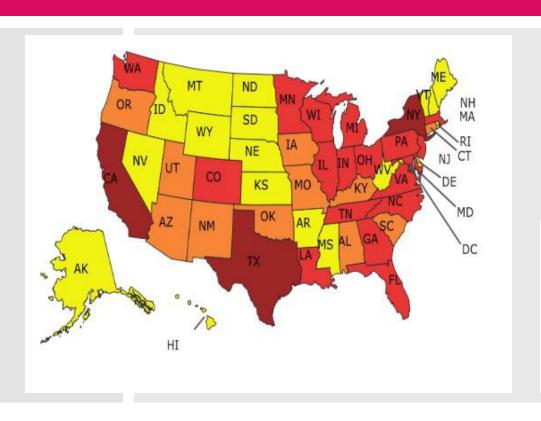
Percent Gap: 40.6% of Children vs. 31% Nationally

Economic Impact: \$2.5 to \$3.8 Billion

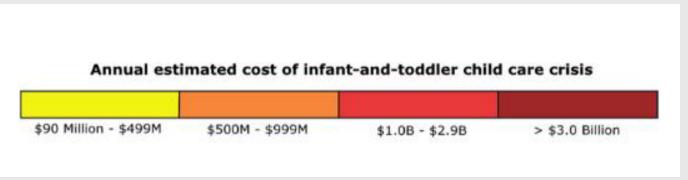




### The Landscape: What the Data Says, Cont.

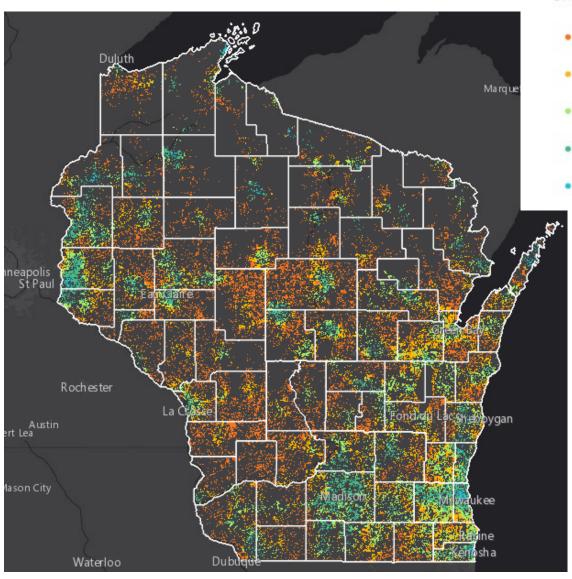


 In Wisconsin, the shortage of infant-toddler child care results in an annual economic loss of \$1.1 billion.





Rural Child Care "Deserts": Low Supply, High Demand



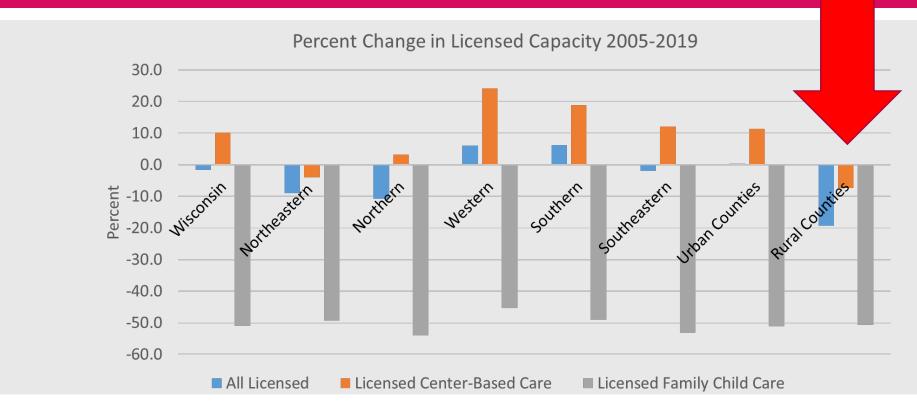
1 Dot = 1 household with children under 5

- More than 5 children per spot
- 3-5 children per spot
- 2-3 children per spot
- 1-2 children per spot
- Less than 1 child per spot

 More than 70% of rural Wisconsin is considered a child care "desert," where there is only one licensed child care slot available for three or more children under age 5.



### Trends in Child Care Capacity





### Child Care Cost & Affordability

#### High cost

- The average annual cost of infant care across Wisconsin child care settings is \$12,567, or \$1,047/month.
- Unaffordable for Wisconsin families
  - Infant care for one child would take between 18.5%-25% of a median family's income.
  - A typical family with two children would need to spend approximately 33% of their income for child care.
  - A single full-time minimum-wage worker would need to use nearly 83% of their annual income to pay for child care for an infant.



### Unique Rural Challenges



- Fewer children but much larger gap in available care.
  - Rural parents are significantly more likely to have to drive more than 10 miles to access child care. By comparison, for parents in urban areas, this was around 3.5 miles.
  - Nationally, rural areas are underserved far more often than urban areas.
    - Just 23.5% of need is met in rural communities.
    - Despite higher overall number of slots required, urban areas still meet approximately 75% of child care demand.



### Child Care Influences Work & Workforce Participation



- A staggering 86% of primary caregivers of infants and toddlers said problems with child care hurt their efforts or time commitment at work.
- Women's labor force participation is key to economic recovery.
  - Pre-pandemic, 70.2% of Wisconsin infants had mothers in the workforce compared to the national average of 61.6%.



### Rural Parent Perspective

- 45% of parents indicate they or a spouse provide care.
- Of those who use care outside the home, only 34% indicate using regulated care.
- Of rural parents who are not working, 80% indicate child care responsibilities influenced or significantly influenced their decision not to work.





### Child Care's Economic Ripple Effect

"To come back to where I started – there is a direct correlation between Wisconsin's economy and Wisconsin's childcare system. For the economy to be healthy, resilient, strong and growing, we must create a system that works for the children, the parents, the providers, and our businesses," said Missy Hughes, WEDC Secretary.

"The lack of child care is keeping people out of the workforce or forcing them to work part-time and that keeps the challenge of finding workers even greater than it is," said Chris Hardie, Executive Director of the 7 Rivers Alliance.



# Business & Economic Forums with Legislators

- WECA has organized forums of business and community leaders to share child care's impact with key legislators.
- Forums have taken place in several rural communities and districts at leading businesses.
- These discussions are critical and ongoing. More will take place in the coming months.



Senator Howard Marklein Forum Southwest Health, Platteville



Senator Mary Felzkowski Forum HSHS Sacred Heart Hospital, Oconto Falls



Senator Devin LeMahieu Forum Wisconsin Aluminum Foundry, Manitowoc



### Impact of COVID-19 Relief Funding

- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Coronavirus Response & Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARPA)



# Wisconsin Early Education Shared Services Network

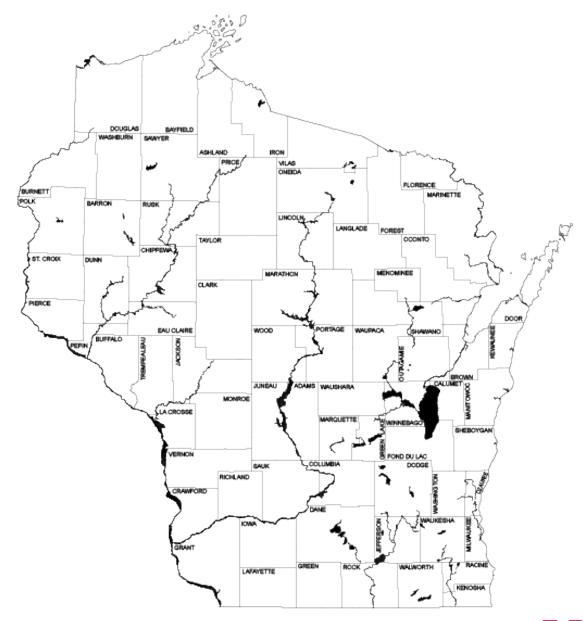
- Leverages community, state and national partnerships to benefit local child care providers
- Maximizes child care programming efficiencies
- Shares staffing and administrative expertise to reduce child care program expenses
- Advocates for system level change to benefit the child care sector







- State investments have been made to continue expanding WEESSN across the state
- 1,000 programs are enrolled







### Learn more at:

ProjectGrowth.Wl.gov



### Partner Up!

- Grant program
- Builds public-private partnerships via contracting for slots at the true cost of care
- Employers would contribute at least 25%
- Application period: February 28-April 4, 2022

### Dream Up!

- Grant program
- Fosters innovation and growth through community strategic planning, supply building and collaboration
- Businesses, child care providers, community orgs and early learning providers can apply
- Application period: February 28-April 4, 2022

Sign up for the upcoming February 28<sup>th</sup> webinar to learn more about each program. Starts at noon.

### Questions?

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