

Giving DC's Youngest Residents a Good Start is Good for Business

A productive workforce—and a competitive, thriving District of Columbia—requires reliable, quality child care, especially for our children under three. Immediate benefits can include increased job productivity and attracting residents as part of thriving, mixed-use communities. Longer-term, it promotes children's growth to be productive adults. DC has a solid legislative foundation on which to build the system that will support parents and children, but it must be funded. The business community needs to speak out on the importance of this crucial element of competitiveness and economic vitality.

Making DC a great place to live and work, including reopening downtown, requires more and better quality child care so parents can work and children can learn.

-William Alsup, former Senior Managing Director, Hines (retired)

Why is this a Business Issue?

More than 25,000 children under age three live in DC, with another child born [every hour](#)¹. We have no time to waste, and giving them a good start helps business in many ways:

- **DC becomes a talent magnet, attracting people to live in the District, including downtown.** Achieving the Mayor's goal of adding 15,000 downtown residents in the next five years requires quality and affordable child care for residents and front-line workers. Newly minted residential communities will require a variety of amenities to attract residents, including quality child care.
- **Supports employees to enter the workforce and be productive on the job.** [Studies](#)² show that unstable child care arrangements are a cause of worker absences and distractions that diminish productivity. More parents can work and be more effective on the job, at home or in offices, with high-quality services that keep their children safe and learning.

The sooner employers treat childcare with the same seriousness as health care and other aspects of business infrastructure, the faster employees can get back to full force.

-"Childcare is a Business Issue", Harvard Business Review³

- **Helps children grow to be productive adults.** [Abundant evidence](#)⁴ shows that early experiences shape children's later ability to learn, develop, and fulfill their potential. Investing early in children's education has among the biggest bang for the buck of any possible use of government funds. Young children and their families also need some essential elements of health care, such as mental health support and parent mentors who help them do their best.
- **Eases the financial burden on young families, giving them more disposable income.** Child care for one infant is about [\\$2000](#)⁵ per month, or 29% of median family income, which is impossible for most families. Infant care is about [three times the cost](#)⁶ of UDC's in-state tuition. DC's infant care is ranked the [most expensive](#)⁷ among the states. Sub-standard child care means poorer quality, high teacher turnover, and unstable, unreliable services for parents.
- **Strengthens the early education workforce and encourages more and better services.** Before the salary supplements, child care teachers only earned about \$18 per hour. An informal national [survey](#)⁸ of child care programs found that among newer DC programs, 45% of the educators were considering leaving their job or closing their family child care business, making it harder to provide quality care. Improving their incomes expands the workforce and encourages entrepreneurs to expand programs to increase availability and shrink waiting lists.



DC's downtown business community is facing many challenges. The solutions - converting offices to residences, encouraging in-migration, and bringing people back into hybrid work settings - are all supported by more and better quality child care.

Turnover as a result of lack of childcare costs businesses 20% of an hourly employee's salary and up to 150% of a manager's salary...Investments in high-quality early childhood education and care support our current workforce...and strengthen business today while building the workforce we'll depend on tomorrow and for decades to come.

-U.S. Chamber of Commerce Foundation

The Solution

- The Mayor's [Comeback Plan](#)¹⁰ would boost working families by raising the income level for child care support from 250% to 300% of poverty, helping another 3,400 children from birth to age four.
- We need to continue implementing the District's Birth-to-Three for All DC Act of 2018, which will provide all young children with a better foundation by ensuring early educators earn a wage commensurate with their expertise to improve the quality of care, putting a reasonable cap on the amount working families must pay for child care, and providing essential health care supports to the most vulnerable families.

Progress to Date and Plans for the Future

- DC is on track to be a model for the nation. In 2022, more than 3,100 teachers, 95% of those eligible, received the first salary supplements to move them towards a salary commensurate with their qualifications and impact. We are moving forward with proven solutions.
- In 2023, [Under 3 DC](#), a coalition of parents, educators, residents, and the business community, is advocating for funding to continue to implement the Act through salary supplements for teachers and other staff (such as center directors), expanding subsidies for middle-class families, and increasing access to vital health care services, such as mental health support and parent mentors.

Role of the Business Community

- The Mayor and Council need to hear from employers that investing in early education is good for business.
- Under 3 DC will support you in speaking out, through testimony, media, public statements, etc. Contact Kim Perry, Executive Director of DC Action (kperry@dckids.org) or Sara Watson, consultant to Under 3 DC (swatson.office@gmail.com).

1 Centers for Disease Control, National Vital Statistics Report, "Births: Final Data for 2020." February 7, 2022. <https://www.cdc.gov/nchs/data/nvsr/nvsr70/nvsr70-17.pdf>

2 Council for a Strong America, Want to Grow the Economy? Fix the Child Care Crisis, 2019 <https://www.strongnation.org/articles/780-want-to-grow-the-economy-fix-the-child-care-crisis>

3 Modestino, Alice Sasser et al., "Child Care is a Business Issue," Harvard Business Review, April 29, 2021. <https://hbr.org/2021/04/childcare-is-a-business-issue>

4 Economic Policy Institute, "Child Care Costs in the United States" <https://www.epi.org/child-care-costs-in-the-united-states/#/DC>

5 Child Care Aware, The U.S. and the High Price of Child Care, Appendices. 2019. https://info.childcareaware.org/price-of-care-extras?utm_referrer=https%3A%2F%2Fwww.childcareaware.org%2F

6 Economic Policy Institute, *ibid*.

7 National Association for the Education of Young Children, "Uncertainty Ahead Means Instability Now," December, 2022. https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/dc_naeyc_2022_fall_survey.pdf

8 Office of the Mayor of DC, "DC's Comeback Plan 2023." <https://www.obviouslydc.com/dcs-comeback-plan/home>

9 U.S. Chamber of Commerce Foundation, "The Bedrock of American Business: High-Quality Early Childhood Education." <https://www.uschamberfoundation.org/early-childhood-education/the-business-case>

10 Office of the Mayor of DC, "DC's Comeback Plan 2023." <https://www.obviouslydc.com/dcs-comeback-plan/home>