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Hearing on

“Examining the State of Child Care: How Federal Policy Solutions Can Support Families, Close Existing Gaps, and Strengthen Economic Growth”
before the United States Senate Committee on Finance

July 9, 2024

Chairman Wyden, Ranking Member Crapo, and distinguished Members of the Committee, it is an honor to submit written testimony regarding this critical issue. My name is Megan Pratt, and I am an Assistant Professor of Practice at Oregon State University, where I lead the Oregon Child Care Research Partnership¹. As a researcher, I work alongside local and state policymakers, practitioners, and other researchers to employ data and conduct policy-driven research to inform and evaluate efforts to improve the child care system. I hold an ongoing contract with Oregon’s Child Care and Development Fund (CCDF) Lead Agency, the Department of Early Learning and Care (DELIC). In this partnership, I lead a portfolio of annual and biannual studies and reports on the current and historical trends in the child care landscape. These reports provide stakeholders the information they need to develop a shared understanding of the field, and are used to inform private- and public-driven solutions to the state’s child care challenges².

My Perspective.

I approach this issue not only as a researcher but also as a former early learning educator and a mother of two young children. I started my career as a child care provider. I’ve worked with children in many settings, including a church nursery, a Migrant Seasonal Early Head Start, and in preschool settings.

My first full-time job was as an infant teacher in a center-based program in Portland, Oregon. A few months into the role, I found myself in a challenging position. On the one hand, I adored the families and children I served. The job provided me a great sense of purpose and meaning. On the other hand, I was working long, physically exhausting hours and making far less money than my peers working in different sectors. I also learned that the next step in the career ladder was to move into management; I watched the director and managers struggle to make do with limited resources and cope with high staff turnover, all the while doing their best to meet children’s developmental needs for safe, nurturing, and stable environments; a nearly impossible job. It was at that point I decided to leave the classroom and return to school, motivated to learn how to employ data and research to help policymakers understand the child care system realities and be a part of evaluating solutions to strengthen it.

¹ To learn more about the partnership, visit <https://health.oregonstate.edu/occrp>

² To see all of the Oregon Child Care Research Partnership (OCCRP) reports, visit <https://health.oregonstate.edu/early-learners>

Fast forward almost 20 years, I am now a full-time university faculty and mother of a 7- and 1-year-old. I am also the primary breadwinner of our family. I am living the other side of the story. Like parents across the country, my husband and I make hard choices about how our household engages in the labor market in light of the hard-to-find and expensive child care options available in our community. Like most with young children, we primarily rely on grandparents, friends, and neighbors to meet our child care needs. For my school-age child, we are currently navigating the patchwork of summer child care, which takes the form of week-long day camps. The demand for this type of care is so high that, despite my preplanning and 6am wake-up call, we still did not get all of the child care coverage we needed; the sessions were booked within minutes. Even with my privileges and expertise in the child care system, I struggle to access it. My experience is not unique.

Testimony Objective

The objective of this testimony is to provide the committee with an overview of key child care issues faced by families across the country, including:

- How child care plays a central role in the health of the nation's economy, yet there is not enough supply available to meet demand.
- That what is available is extremely expensive for parents, yet programs operate on razor-thin margins and struggle to stay afloat.
- Parents shoulder the bulk of the burden of funding the child care system. Although public investments help, they are limited in reach.
- Limited resources throughout the system keeps the child care workforce under-compensated, leading to high workforce turnover. The loss of workforce creates instability that can hurt child development.

Parents' labor force participation plays a central role in the health of the nation's economy.

Nationally, maternal employment is higher than ever³. In Oregon, nearly 70% of children have all available parents employed, while, in contrast, only 18% of children under 13 have access to formal child care, which includes a combination of regulated (i.e., licensed) center and home-based care settings⁴. Despite inadequate supply both in Oregon and across the country, parents their address care needs with creative problem-solving and a patchwork of formal and informal care options.

The National Survey on Early Care and Education (NSECE) is a rigorous, nationally representative study conducted to provide the federal government critical data on the availability and use of child care⁵.

³Lehner, J. (2023). Parents and the Labor Force, 2023 Update. <https://oregoneconomicanalysis.com/2023/10/10/parents-and-the-labor-force-2023-update/>

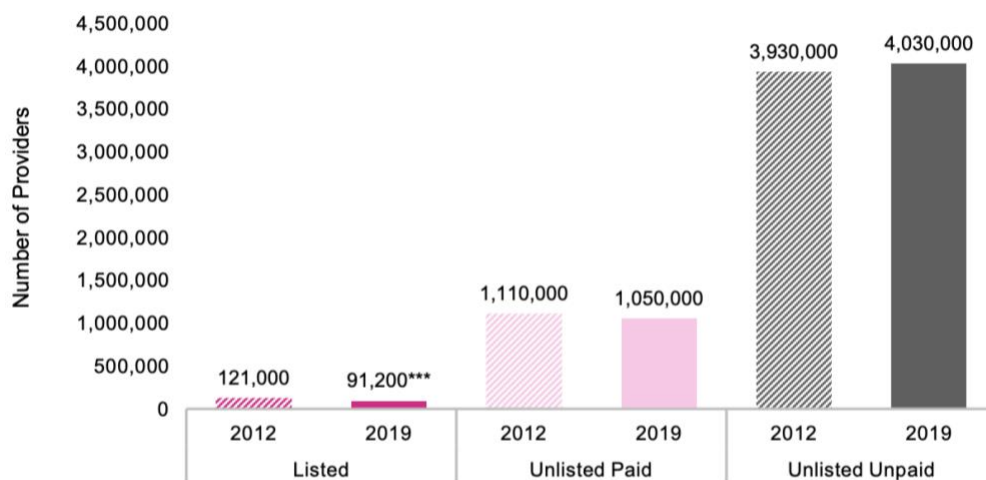
⁴Oregon Child Care Research Partnership (2023). Oregon Early Learning and Education Profile. https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/oregon_early_care_education_profile_2022_-_state_of_oregon.pdf

⁵National Study of Early Care and Education (NSECE) Study. To learn more about the study methods and results, visit <https://www.norc.org/research/projects/national-survey-of-early-care-and-education.html>

At last count, of the 11.3 million children under age 3 in the U.S., almost half (49%) spent at least five hours a week in a child care arrangement⁶. Among the 10.8 million children ages 3-5 years of age, the majority (68%) spent at least five hours a week in a child care arrangement.

Much of the child care solutions parents find and use are in home-based settings. As depicted in Table 1 below, there are over 5 million home-based providers regularly caring for young children, and less than 1% of those providers are included in on licensing or other state regulatory lists; and 4-million of those ‘unlisted’ providers are unpaid⁷. This illustrates that the vast majority of caregivers who are helping parents meet their child care needs are informal; many are caregiving for grandchildren and nearly all have a have prior relationship with the child(ren) they cared for.

Table 1. Number of Home-based Providers, by Type of Home-based Provider and Year⁷



Significance Testing: *** < 0.01, ** ≤0.05, * < 0.1 reflects differences between 2012 NSECE and 2019 NSECE within provider type.

Source: 2012 and 2019 NSECE home-based provider questionnaire, providers serving children under age 13.

Notes: The number of providers that served at least one child under age 13 who are not their own for at least 5 hours a week.

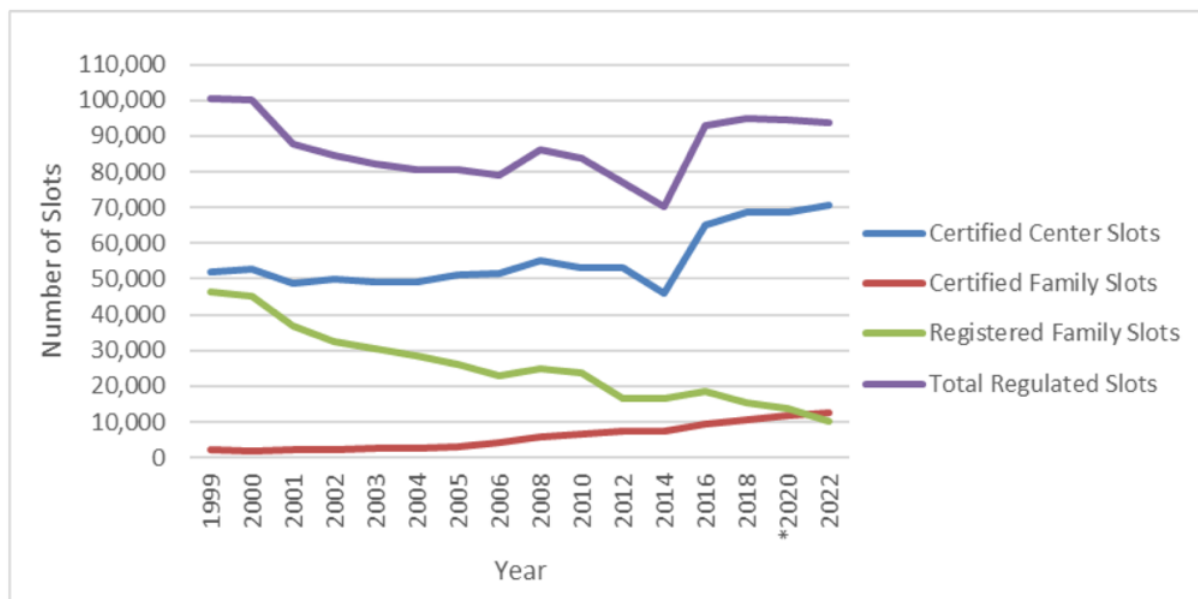
Formal child care options (i.e., those that are licensed or otherwise regulated in either center or home-based settings) are in short supply. Child care supply is a measure of how many child care slots or spaces in formal child care settings are potentially available in a specific geographic area. In Oregon, 75% of child care slots are in licensed centers and 25% are in licensed home-based care settings. The

⁶ Datta, A. R., Gebhardt, Z, Piazza, K, Zapata-Gietl, C. (2023). Participation in Child Care and Early Education in 2012 and 2019: Counts and Characteristics. OPRE Report No. 2023-118, Washington DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Available at: <https://www.acf.hhs.gov/opre/project/national-survey-early-care-and-education-2019-2017-2022>

⁷ Datta, A. R., Melesi, C., Srivastava, S., Zapata-Gietl (2021). NSECE Chartbook- Home based Early Care and Education Providers in 2012 and 2019: Counts and Characteristics. OPRE Report No. 2021-85, Washington DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Retrieved from https://www.acf.hhs.gov/sites/default/files/documents/opre/hbccsq_secondary_analyses_fs1_jan2023.pdf

OCCRP has been tracking state and county-level child care supply since the late 1990s⁸. Figure 1 below illustrates the historical trends in the state’s regulated (i.e., licensed) supply. Since 1999, the total number of formal care slots or spaces available for children under age 13 declined by approximately 6,600 slots, with the greatest loss experienced among small home-based slots (i.e., Registered Family Slots). Despite a modest growth in center and large home-based care, including modest growth from 2020 (pre pandemic) to 2022, this has not made up for the decline in small home-based care.

Figure 1. Regulated Oregon Child care Supply for Children Under Age 13 Over Time¹⁰



*2020 is pre-COVID

Families struggle to find care within child care deserts. A child care desert is a community with more than three children for every child care slot⁹. That is, 33% or fewer children in a community have potential access to a slot or space in a child care program. Oregon’s child care desert metric is defined by comparing the population of children in a county with the number of child care slots by age group. Oregon has been tracking child care deserts for young children since 2018.

As of 2022, child care deserts continue to be prevalent throughout the state, especially for infants and toddlers¹⁰. Statewide, there are three preschoolers each available child care slot. Half (18) of Oregon’s 36 counties are child care deserts for preschool-age children. There are six infant and toddler age children for each child care slot in the state. Thirty-five out of Oregon’s 36 counties are child care deserts for infants and toddlers.

⁸ To learn more about past child care supply reporting, visit <https://health.oregonstate.edu/early-learners/research/supply>

⁹ Malik, R., Hamm, K., Schochet, L., Novoa, C., Workman, S., & Jessen-Howard, S. (2018). America’s child care deserts in 2018. Retrieved from <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>

¹⁰ Pratt, M. E., Sektman, M. (May, 2023). Oregon’s Child Care Deserts 2022: Mapping Supply by Age Group and Percentage of Publicly Funded Slots. Oregon State University, College of Public Health and Human Sciences. <https://health.oregonstate.edu/early-learners/research/oregon-child-care-deserts-2022>

Supply is unevenly distributed across communities, and what is available may not be accessible.

Child care deserts are more severe in rural and low-income communities¹¹. Further, although the desert metric speaks to how much care exists and is potentially available, the care may not be accessible for many families. The factors shaping a family's child care access is multidimensional¹². High out-of-pocket costs to parents is a key barrier to access among families with young children in the US.

The care options available are too expensive for most parents to afford, yet programs operate on razor-thin margins and struggle to stay afloat.

According to the US Department of Health and Human Services, to be affordable, child care should cost a family no more than 7% of their household income¹³. With the median annual price of toddler care in a center coming in at \$18,000 a year, it would take between 37% and 65% of a minimum wage worker's annual income to cover this expense. In comparison, the median annual price of public university tuition in Oregon is \$9,704. A high child care cost burden (20% or more of household income) is most commonly experienced among families with incomes just above the poverty line (100-200% FPL) compared to households who are living further above and below the poverty line¹⁴.

Child care prices are higher than ever, outpacing family incomes. Child care prices have outpaced Oregonian household incomes, which have remained relatively stable over time. Figure 2 below illustrates that while inflation-adjusted child care prices have increased by 45% for both small family and center care in Oregon, inflation-adjusted household incomes have fluctuated and ultimately increased by only 14%¹⁵. Child care is even less affordable for single mothers and households with incomes just above the poverty line. Oregonian households headed by single mothers have median incomes that are less than half (41%) of the income of all households with children.

¹¹ Pratt, M. E., Weber, R., Sektnan, M., Caplan, S., & Houston, L. (September, 2020). Supply and Demand in Oregon: How Equitable is Child Care Access: Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/supply-and-demand-oregon-young-children>

¹² Paschall, K., & Maxwell, K. (2022). Defining and Measuring Access to Child Care and Early Education with Families in Mind. OPRE Report #2021-232. Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. https://www.acf.hhs.gov/sites/default/files/documents/opre/opre_defining-measuring-access-highlight_feb2022.pdf

¹³ Improving Child Care Access, Affordability, and Stability in the Child Care Development Fund. <https://federalregister.gov/documents/2024/03/01/2024-04139/improving-child-care-access-affordability-and-stability-in-the-child-care-and-development-fund-ccdf>

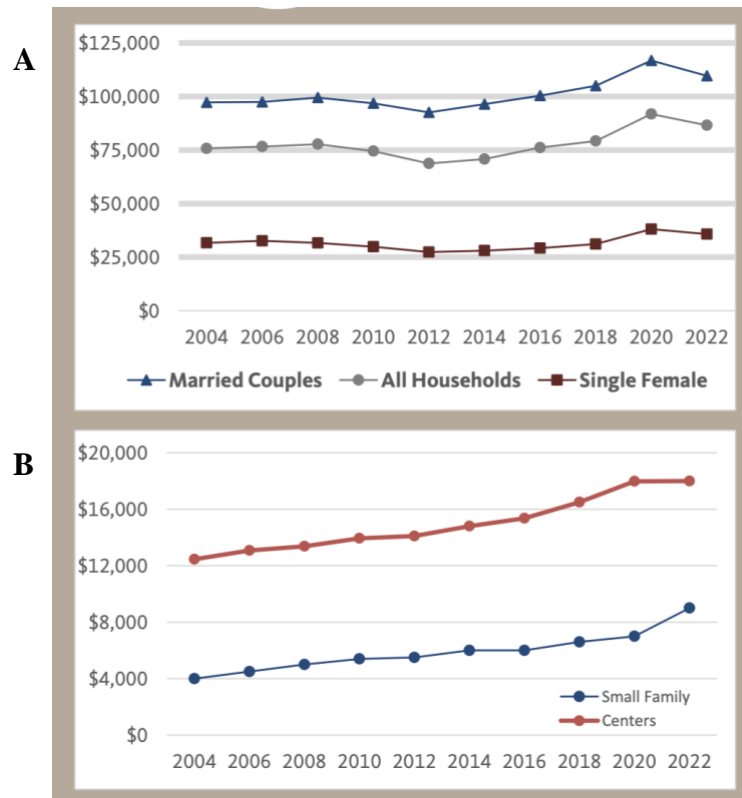
¹⁴ National Survey of Early Care and Education Project Team (2022): Erin Hardy, Ji Eun Park. 2019 NSECE Snapshot: Child Care Cost Burden in U.S. Households with Children Under Age 5. OPRE Report No. 2022-05, Washington DC: Office of Planning, Research and Evaluation (OPRE), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS). <https://www.acf.hhs.gov/sites/default/files/documents/opre/opre-2019-nsece-cost-of-care-jan2022.pdf>

¹⁵ Oregon Child Care Research Partnership (2023). Oregon Early Learning and Education Profile.

https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/oregon_early_care_education_profile_2022_-_state_of_oregon.pdf

Price data drawn from: Pratt, M. E., Sektnan, M., & Houston, L. (2023). Oregon Child Care Market Price Study 2022. Oregon State University, College of Public Health and Human Sciences. <https://health.oregonstate.edu/early-learners/research/oregon-child-care-market-price-study-2022>

Figure 2. Comparison of Changes in Oregon Household Median Income (A) & Child Care Prices (B)¹⁶



The system primarily relies on parents out of pocket costs. Although public investments help, they are limited in reach.

Parents are the primary funder of the child care system. A 2010 study of Oregon’s child care industry found that Oregon parents fund the majority (71%) of annual child care expenditures. An additional 19% of expenditures were paid by federal government, and 9% were paid by state government. Within the government-paid expenditures, tax credits made up 80% of government funding, while only 20% of spending is on early care and education programs such as Head Start or the Child and Adult Food Program¹⁷. Although credits hold potential for supporting the child care system, they are often underutilized by lower-income families and less tax-savvy individuals who would most benefit¹⁸.

¹⁶ Oregon Child Care Research Partnership (2023). Oregon Early Learning and Education Profile.

https://health.oregonstate.edu/sites/health.oregonstate.edu/files/early-learners/pdf/research/oregon_early_care_education_profile_2022_-_state_of_oregon.pdf

Price data drawn from: Pratt, M. E., Sektnan, M., & Houston, L. (2023). Oregon Child Care Market Price Study 2022. Oregon State University, College of Public Health and Human Sciences. <https://health.oregonstate.edu/early-learners/research/oregon-child-care-market-price-study-2022>

¹⁷Child Care Division, Oregon Employment Department (2010). The Economic Impact of Oregon’s Child Care Industry. <https://www.researchconnections.org/childcare/resources/20623>

¹⁸ Gong, X., & Breunig, R. (2017). Childcare assistance: are subsidies or tax credits better?. Fiscal Studies, 38(1), 7-48. <https://www.jstor.org/stable/26605583>

In Oregon, research shows that subsidized child care programming plays a limited, yet critical role in funding the child care system. Most of the government-funded subsidy programs target low-income families' access to care via either vouchers or contracts. Government supported programs are especially critical in supporting the system among communities where the private pay child care markets are weaker. For example, Oregon's publicly-funded contract-based child care programs account for about 20% of the overall supply across Oregon. Yet, in remote, more rural non-metropolitan counties, contract programs, like Head Start and State-funded preschool, account for over 50% of the community's supply¹⁹.

Oregon's CCDF subsidy program helps many families access child care and enables parents to engage in paid work and education, yet the reach of this program is limited. The Child Care and Development Fund (CCDF) is the largest federal funding stream for child care programming. Funds are used to assist low-income families in accessing child care so that they can engage in the workforce or attend training or education. Like across the country, Oregon's CCDF subsidy program (named Employment Related Day Care or ERDC²⁰) provides this support through vouchers (i.e., certificates). Vouchers support parent choice in selecting a provider in their local priced child care market that meets their child's needs.

Oregon's voucher system is designed to allow parents to purchase care and utilize programs that charge tuition (i.e., the priced child care market). Beyond the federal block grant contribution to Oregon's CCDF, Oregon has a long history of supplementing the subsidy budget with state dollars²¹. Even so, between 2006 and 2019, the percentage of eligible children served fluctuated from only 15-22% of the eligible population by Oregon Rules. By Federal Rules, which are less restrictive than state rules, the number of children served ranged from 10-14% of those eligible for the program²².

Although subsidy vouchers provide monthly revenue to programs, the voucher follows the child, such that the provider's revenue ends when the child leaves the program. As a consequence, child care programs often see taking on a subsidy-participating child as financially risky, and often refuse or limit how many children using subsidy they take on²³. In Oregon 40% of child care programs in the priced child care market do not serve any children on subsidy²⁴. Among the 60% that do serve at least one child

¹⁹Pratt, M. E., Sektnan, M. (May, 2023). Oregon's Child Care Deserts 2022: Mapping Supply by Age Group and Percentage of Publicly Funded Slots. Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/oregon-child-care-deserts-2022>

²⁰ To learn more about Oregon's CCDF subsidy program, visit <https://www.oregon.gov/delc/programs/pages/erdc.aspx>

²¹ Weber R., Pratt M. E., Houston L., (December, 2022). Child Care Subsidy Policies and Outcomes: Oregon Case Study: Oregon Case Study. Oregon State University, College of Public Health and Human Sciences. <https://health.oregonstate.edu/early-learners/research/child-care-subsidy-oregon-case-study>

²² Oregon Child Care Research Partnership (March, 2023). Eligible Children Served by Oregon's Subsidy Program, 2023. Oregon State University, College of Public Health and Human Sciences. <https://health.oregonstate.edu/early-learners/research/eligible-subsidy-children-2022>

²³ Pratt, M. E., Chandler, K. D., Barrett-Rivera, B. Thogmartin, A., Weber, R. (2020). Barriers to Accessing Child Care Subsidies in Oregon: Oregon State University, College of Public Health and Human Sciences.

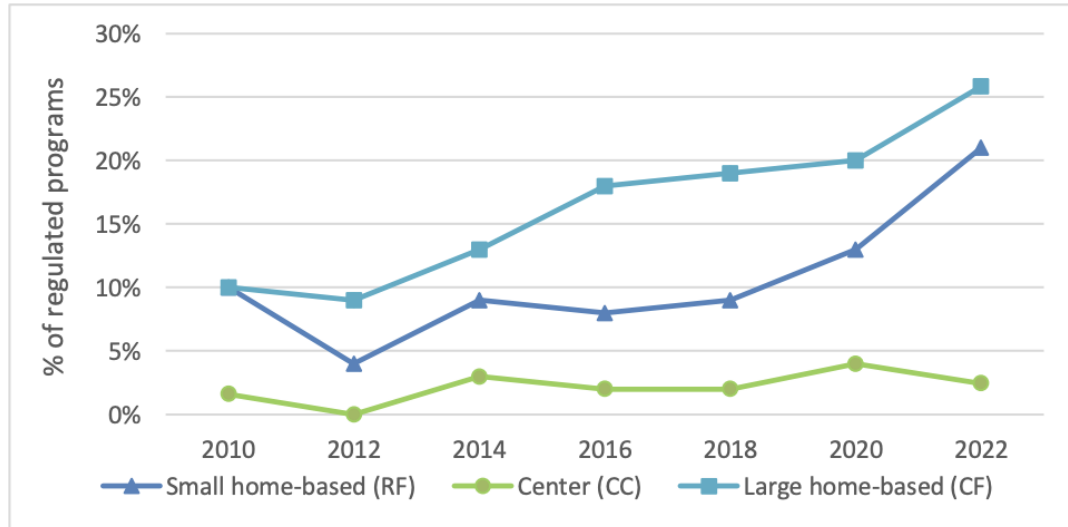
<https://health.oregonstate.edu/early-learners/research/barriers-accessing-child-care-subsidies-oregon>

²⁴ Oregon Child Care Research Partnership (May, 2023). Programs Caring for Children on Subsidy: Integration of Oregon's Subsidized Children, 2022. Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/programs-caring-for-subsidy-children-2022>

on subsidy, nearly all serve only a small fraction of children using subsidy. Figure 3 below illustrates how only 2% of centers serve primarily children on subsidy (i.e., 50% or more of their capacity), while 20-25% of home-based programs primarily rely on subsidy revenue²¹.

Figure 3. Percent of Regulated (i.e., Licensed) Programs Primarily Serving Children on CCDF Subsidy Over Time²⁵



In light of this payment instability along with other challenges of the voucher-based approach, the latest CCDF Final Rule requires states and other lead agencies to expand contract and grant offerings as a way to distribute their subsidy dollars²⁶. Oregon leadership is exploring how to do this in the coming years.

Government-funded contracts or grants are a key mechanism by which public investments can be used to build and retain child care supply. Rather than vouchers, where funding follows the eligible child from one program to another, contract-based programs create direct financial arrangements between a government agency (or other sponsor) and child care providers. They are viewed as “supply building” policy solutions as, better than vouchers, they can provide programs long-term predictable revenue (i.e., 1-2 year agreements). They can also compensate programs at a higher level than could be covered by private pay families, getting revenue levels closer to the actual cost of providing care and education services. In addition to federally-funded programming, such as Head Start and Early Head Start, Oregon has made substantial investments in contracted slots through state-funded contract programming, including Oregon Prenatal to Kindergarten²⁷ and Baby and Preschool Promise Programs²⁷.

²⁶ Health and Human Services Department (2024). Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF), Final Rule. [https://www.federalregister.gov/documents/2024/03/01/2024-04139/improving-child-care-access-affordability-and-stability-in-the-child-care-and-development-fund-ccdf#:~:text=The%20final%20rule%20amends%20the,%3B%20and%20\(3\)%20reduce%20program](https://www.federalregister.gov/documents/2024/03/01/2024-04139/improving-child-care-access-affordability-and-stability-in-the-child-care-and-development-fund-ccdf#:~:text=The%20final%20rule%20amends%20the,%3B%20and%20(3)%20reduce%20program)

²⁷ To learn more about the state’s contracted slot programs, visit <https://www.oregon.gov/delc/programs/pages/preschool-promise.aspx> and <https://www.oregon.gov/delc/programs/pages/head-start-opk.aspx>

Although contracted slot programming only makes up a quarter of all licensed child care across Oregon, without public slots, without these programs, all except for three of Oregon’s counties would become preschool-age child care deserts²⁸. In recognition of the utility of contracted slots for building and retaining child care supply, the state of Oregon has increased their funding investment in these programs. As a result, between early 2020 (pre-pandemic) and 2022, the number of publicly funded slots for infants and toddlers increased by 49% and for preschoolers by 30%²².

A common barrier reported by providers about participating in government-funded child care subsidy or contract programs are the burdens of navigating the administrative processes. In a study on Oregon’s child care subsidy program, providers reported they weight the benefits of participating with the burden of navigating the system when deciding on if they choose to participate²⁹. These barriers are especially pronounced among small centers and home-based programs with fewer resources and little to no office and administrative capacity. For example, in Oregon we have seen that even with the COVID-19 emergency policies and short-term funding supports designed to increase generosity and reduce administrative burden, providers expressed concern about short-term increases in funding; they expressed concern that once short-term funding ended, they would find themselves in an even more challenging financial position²⁹.

The child care workforce remains under-compensated, leading to high workforce turnover. The loss of workforce hurts child development.

Despite additional investments in the system, child care business owners and program leaders struggle to keep their businesses afloat. Oregon has been studying workforce compensation and turnover on an annual basis since 2012; this is not a new problem. However, keeping programs fully staffed has become increasingly difficult in recent years. Programs operate on razor thin margins (~2-3%), and around 70-80% of a child care center’s revenue goes to staff wages³⁰. This financial reality keeps wages low and contributes to high staff turnover. Losing child care staff and educators, especially when sudden, can have harmful impacts to young children as it indicates a break in an important attachment relationship with an adult caregiver³¹.

²⁸Pratt, M. E., Sektnan, M. (2023). Oregon’s Child Care Deserts 2022: Mapping Supply by Age Group and Percentage of Publicly Funded Slots. Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/oregon-child-care-deserts-2022>

²⁹ Pratt, M. E., Chandler, K. D., Barrett-Rivera, B. Thogmartin, A., Weber, R. (2020). Barriers to Accessing Child Care Subsidies in Oregon: Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/barriers-accessing-child-care-subsidies-oregon>

³⁰ Davies, P. & Grunewald, R. (2011) Hardly child’s play. Federal Reserve Bank of Minneapolis (2011).

<https://www.minneapolisfed.org/article/2011/hardly-childs-play>

³¹ Sandstrom, H., & Huerta, S. (2013). The Negative Effects of Instability on Child Development: A Research Synthesis, Low-Income Working Families Discussion Paper 3, Urban Institute,

<https://www.urban.org/sites/default/files/publication/32706/412899-The-Negative-Effects-of-Instability-on-Child-Development-A-Research-Synthesis.PDF>

Oregon's child care workforce (around 24,000 individuals) is similar in size to other Oregon industries, such as the state's wood product manufacturing sector (24,000) and the state's K-12 educator workforce (31,000). About 78% of Oregon's workforce works in child care centers and 22% in licensed home-based programs³². The workforce is comprised primarily of women, and more likely to be women of color than the overall adult Oregon population (30% vs. 22%, respectively). In comparison, just over 10% of Oregon's K-12 teacher workforce identifies as a person of color³³. Nearly 3 out of every 4 workforce members have completed at least some college, and on average, the workforce engages in anywhere from 15 to 30 additional training hours a year. Despite high rates of post-high school education and training, this skilled, dedicated workforce earns low wages. Lead teacher wages in Oregon's licensed centers range from a median low of \$16 per hours to a median high of \$22 an hour³⁴. Many people in the workforce earn far less, and the disparities are systematic. For example, a national study found that Black workforce members are paid on average \$0.78 less per hour than their white peers³⁵.

The pervasiveness of low wages contributes to the very high rate of staff turnover in the child care field³⁶. Oregon's workforce experiences a running average turnover rate of about 25% of the workforce from year to year²⁹. National estimates show that, across the country, 1 out of ever 3 centers (33%) serving young children experience high workforce turnover; high turnover is defined a program where more than 20% of the staff working with children left in the last 12 months³⁷. For-profit programs face especially high workforce turnover. Figure 4 on the next page illustrates how, nationally, nearly half of all for-profit centers (45-47%) experience high turnover, compared to 18-30% of nonprofit and government funded center programs³⁴.

³²Oregon Center for Career Development in Childhood Care and Education (OCCD) and Oregon Child Care Research Partnership (OCCRP). (December, 2023). Oregon early learning workforce: Nine years beyond baseline, Comparison of 2012 and 2021. Corvallis, Oregon: Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/oregon-early-learning-workforce-2021-report>

³³ Oregon Department of Education (2022). 2022 Oregon Educator Equity Report.

https://www.oregon.gov/tspc/about/Publications_and_Reports/2022_Oregon_Educator_Equity_Report.pdf

³⁴ Center for the Study of Child Care Employment (2020). Early Childhood Workforce Index.

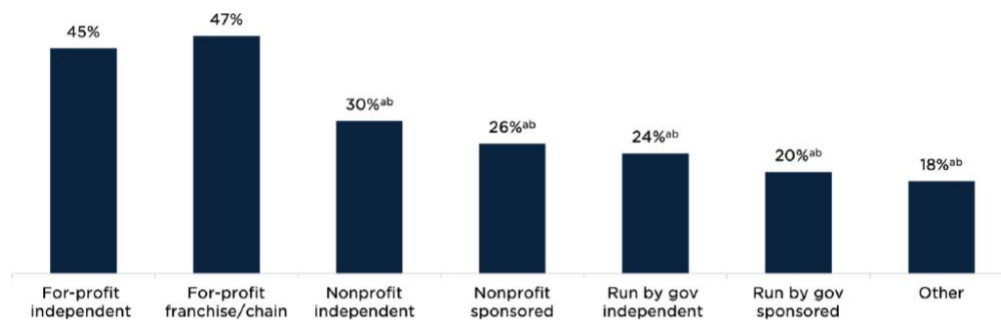
<https://cscce.berkeley.edu/workforce-index-2020/the-early-educator-workforce/early-educator-pay-economic-insecurity-across-the-states/>

³⁶ Oregon Center for Career Development in Childhood Care and Education (OCCD) and Oregon Child Care Research Partnership (OCCRP). (December, 2023). Oregon early learning workforce: Nine years beyond baseline, Comparison of 2012 and 2021. Corvallis, Oregon: Oregon State University, College of Public Health and Human Sciences.

<https://health.oregonstate.edu/early-learners/research/oregon-early-learning-workforce-2021-report>

³⁷Amadon, S., Lin, Y-C., Padilla, C.M. Turnover in the Center-based Child Care and Early Education Workforce: Findings from the 2019 National Survey of Early Care and Education. *OPRE Report #2023-061*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation.

Figure 4. *Proportion of Centers Characterized as High Turnover, by Auspice and Sponsorship*³⁸



Source: Results from the 2019 NSECE Center-based Survey.

Note: ^a Indicates significant differences from centers that were for-profit independent ($p < 0.05$).

^b Indicates significant differences from centers that were for-profit franchise/chain ($p < 0.05$).

Conclusion

In conclusion, as the committee considers federal policy solutions to improve the economic well-being of the country, it is critical to attend to the child care system and how it currently operates. Key takeaways include:

- The financial challenges faced by both parents of young children and child care providers are not new problems, however child care prices have increased more steeply in recent years.
- Formal (i.e., licensed or regulated) child care continues to be in limited supply, yet maternal employment rates are higher than ever. Informal caregivers, such as grandparents and family friends, are important players in the current child care system and supporting this population would be beneficial.
- Child care businesses operate on razor thin margins and struggle to retain staff because of low-wages. High turnover is most prevalent among for-profit centers (vs. non-profit and government sponsored programs). The loss or frequent change in caregivers has negative effects on child development.
- Federal and state public investments play a critical role in funding the child care system, but the bulk of burden of funding the system continues to lie with parents.

³⁸ Amadon, S., Lin, Y-C., Padilla, C.M. Turnover in the Center-based Child Care and Early Education Workforce: Findings from the 2019 National Survey of Early Care and Education. *OPRE Report #2023-061*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation.