

Business-Child Care Partnership Tool Kit

MODULE 6 – Why Should Businesses Partner with Child Care?



**PROJECT
GROWTH**
WISCONSIN FAMILIES ARE A GOOD INVESTMENT

An Introduction to Wisconsin's Child Care Landscape

As of March 2022, Wisconsin has 4,575 regulated child care programs, including 2,220 group child care centers and 2,027 licensed and certified family child care providers. These programs provide approximately 246,570 child care slots for Wisconsin children, allowing their primary caregivers the flexibility to retain or pursue employment while raising the newest generation of Wisconsinites. The [Wisconsin Shares](#) child subsidy program supports eligible families by funding (through the federal Child Care Development Block Grant) a portion of the cost of child care while their primary caregivers are working or participating in an approved activity. In January 2022, Wisconsin Shares supported the costs of child care for 29,562 children in 16,888 Wisconsin families.

While these numbers mean some families in Wisconsin have access to and assistance in paying for child care, a stark gap remains for families and communities where affordable, accessible care is out of reach. The impacts are felt across the state:

- 40% of Wisconsin children live in families who cannot access regulated child care. This “gap in care” (the number of children who potentially need care, but whose families cannot reasonably access formal care by driving) is larger than the national average.¹
- Rural communities in the state suffer the brunt of this gap, as visualized in [this map of child care deserts in Wisconsin](#). **Note:** a child care desert is defined as more than three children under the age of 5 years for every one slot at a regulated child care center in a zip code.

¹ [The Supply of, Potential Need For, and Gaps in Child Care in Wisconsin in 2019](#), Bipartisan Policy Center (BPC)

In This Module

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Tool Kit Modules

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- Module 2 – Building Successful Business-Child Care Partnerships
- Module 3 – Best Business Practices for Child Care
- Module 4 – Moving Forward: Rules and Regulations for Opening or Expanding a Child Care Site
- Module 5 – Sustaining Child Care in My Community
- **Module 6 – Why Should Businesses Partner with Child Care?**

Tool kit modules will be released on a rolling basis. For a full list, visit www.ProjectGrowth.WI.gov.





MODULE 6 – Why Should Businesses Partner with Child Care?

- The average monthly price of full-time child care in Wisconsin is \$915 per child,¹ which annualizes to \$10,980. This compares to the \$10,722 cost of in-state tuition and fees for one year at UW-Madison, or \$8,404 at UW-Stevens Point.
- Married couple families in Wisconsin pay, on average, 13% of their income for child care. Single-parent families pay, on average, 34% of their income for child care.²
- In order for a Wisconsin family to pay the recommended affordability benchmark (as determined by the U.S. Department of Health and Human Services) of no more than 7% of a household's income, the household would need an annual income of \$156,852 to cover the average cost of care in Wisconsin.

This module explores how access to affordable, quality child care, in addition to being good for Wisconsin families, also benefits Wisconsin businesses.

The Business Case for Partnering with Child Care: How Does Quality, Accessible Child Care Benefit my Business?

In addition to impacting the ability of families to access safe, stable, and affordable care for their young children, the economic impact to our state of the current “gap in care” is enormous; the estimated economic impact (long term loss) of this gap in care is between \$4.2 and \$6.4 Billion.³ This impact includes “direct productivity losses such as hours of foregone worker productivity and continual pay and benefits paid to employees when they are not working, as well as future lost earnings from turnover costs and the delayed ability to capitalize on growth opportunities”¹ in addition to household and tax revenue impacts.

[*Wisconsin Employer Perceptions of Early Care and Education: 2021 Research Snapshot*](#), a survey from the fall of 2021, provides insight from more than 1,000 Wisconsin employers and their employees into the importance of considering the impact of child care on doing business. Key data points include:

- 89% of employees surveyed agreed “Wisconsin’s economy is impacted by families’ abilities to access affordable, high-quality child care.”
- 86% of employees agreed that “[w]ithout access to affordable early child care, Wisconsin businesses will face workforce/labor shortages now and in the future.”
- 58% of employers surveyed indicated COVID-19 had decreased their employees’ access to quality child care, contributing to:
 - Employees changing or reducing hours (45%)
 - Difficulty hiring new employees (43%)
 - Employees leaving the workforce (34%)
 - Lost revenue due to staffing shortages (20%)

¹[Child Care Aware of America Data Center](#)

²[Child Care Aware of America Data Center](#)

³[The Supply of, Potential Need For, and Gaps in Child Care in Wisconsin in 2019](#), Bipartisan Policy Center (BPC)



In addition to addressing the issues noted above, business support of affordable, quality child care can also benefit Wisconsin businesses by:

- Reducing worker shortages by allowing more parents to work
- Increasing employee retention, especially of women
- Retaining community members
- Preventing “brain drain”
- Attracting new businesses and residents to the area
- Receiving tax incentives and/or write-offs

What Do Businesses Bring to Child Care?

The ability of Wisconsin businesses to support child care providers is virtually unlimited. A number of opportunities for engagement are explored in other modules of this tool kit, but this [one-page document](#) from the Wisconsin Department of Children and Families distills them into four main categories:

- **Subsidizing costs**
 - Providing on-site child care
 - Offering a child care subsidy to employees
 - Purchasing child care slots in a local child care program
- **Investing in child care programs**
 - Providing grant funding for capital improvements
 - Offering matching funds to apply for additional funding sources
 - Identifying facilities/buildings, support services, or other resources of benefit to local child care programs
- **Supporting child care staff**
 - Identifying ways to increase wages and benefits for teacher/staff retention
 - Establishing funding to pay for continuing education or outstanding loans for child care staff
- **Advocacy**
 - Using your voice and influence to create sustainable improvements through state and local policies that benefit Wisconsin children and families



Read

- [*Childcare is a Business Issue*](#), Harvard Business Review
- [*The Parent Trap: Making Child Care Cheaper Could Help Fix Labor Woes*](#), The Cap Times

Watch

- [*Invest in Our Kids Early*](#), an interview with David Moore, City of Janesville Police Chief
- [*Investing in the Future of Child Care: Supporting the Workforce with Early Care and Education Services*](#), a webinar from the Federal Reserve Bank of San Francisco

Do

- Explore the [Risk and Reach Dashboard](#), which provides information about community risk factors and the reach of publicly funded programs designed to support children and families.
- Explore the [Wisconsin PDG Sandbox](#), which includes information on location of regulated care and child care deserts by county in Wisconsin.
- Use the [Child Care Aware Data Center](#) to learn about and compare child care access and affordability across the state and by county.

Sources

1. [*The Supply of, Potential Need For, and Gaps in Child Care in Wisconsin in 2019*](#), Bipartisan Policy Center (BPC)
2. [Child Care Aware of America Data Center](#)



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