

Good News

Bringing the Light of Christ to Missouri | March/April 2023

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In his State of the State Address, Governor Mike Parson addressed the struggles of child care for parents and businesses, and President Joe Biden brought up the need for affordable child care during his State of the Union speech. It's a pressing concern throughout our nation, and one that is being felt here in our home state. HB 870 is a bill that would establish several tax credits designed to improve access to affordable child care and help to stabilize the industry. Diedre Anderson, CEO of Kansas-City-based child care nonprofit Early Start, is one of many who recently testified in support of the bill. "If you do not do something, our entire sector of early care and education is just going to implode," Anderson said. It's a crisis that needs our attention, and in this *Good News*, we'll address the following questions: What is the child care crisis? Why is it important? What can be done to fix it?

What is the crisis?

There are many factors contributing to the child care crisis in Missouri. The number of child care centers has not recovered to pre-pandemic levels. According to the Missouri Department of Elementary and Secondary Education, before COVID-related shutdowns, there were more than 4,400 regulated child care programs in the state. At the peak of the pandemic, there were only 3,300 providers. The number has increased to 3,729 providers, with approximately 150 programs pending licensure. Prior to the pandemic, over half of Missourians lived in what is considered a child care desert. For rural families, the number is around 70 percent. To be considered a desert, a county must have three times as many children as the number of spots available.

Another issue is child care staffing problems. Anderson said employees are "leaving the field on a constant basis simply because the work is exhausting, yet the compensation isn't where it should be." The average hourly wage for a child care worker in 2021 was around \$12 an hour¹. "We, right now, are not charging any of our staff for the tuition of their own children, but I've had to fundraise in order to do that," Anderson said. When a child care facility wants to hire additional staff, the applicant must pass a background check, which can take several weeks for the state to process, further disincentivizing the prospective employee from taking that job.

At Anderson's centers, there are 1,000 children on the waiting list across three facilities, which is double what she would have expected just a few years ago. At the same time, seven of her classrooms are empty because of challenges in attracting and retaining staff. Anderson added that there is not a sufficient



*Continue reading
to learn more
about the child
care crisis*

¹Missouri Economic Research and Information Institute, <https://meric.mo.gov/data/occupation/occupational-employment-wages>



supply of child care for children under the age of three in Missouri. Childcare facility owners also face other issues such as the rising prices of utilities, groceries, gas, and other supplies. Kelly Schultz with the Missouri State Alliance of YMCAs testified, “we are at the point where we can’t invest in our child care programs or raise staff salaries without increasing tuition costs. We’ve met the max the parents can pay, and we’ve met the max that we can pay out, and there’s a gap in between what we need.” The YMCA is the largest provider of child care in the state of Missouri.

Another major factor is the cost of child care for parents. According to ReadyNation, the average cost of center-based child care for infants is more than in-state public college tuition in over 30 states. In Missouri, the average annual cost of child care for an infant is \$10,555. For a married couple making the state’s median income, infant child care would use 11% of the family’s income. For a single parent, the same child care would use 36% of the family’s income². “I will also say in my time in doing this work that there are families out there right now that are... having to decide whether or not they should work, and the child care they can provide is not of the level of quality that they are comfortable with, or they’re looking at living in poverty because they cannot afford child care,” said Emily van Schenkof, Executive Director of the Missouri Children’s Trust Fund

Why it Matters

Ninety percent of a child’s brain development happens before the age of five. In the first five years of life, experiences and relationships stimulate children’s development, creating millions of connections in their brains. Children’s brains develop connections faster in the first five years than at any other time in their lives;

therefore, the quality of child care is of the utmost importance.

Van Schenkof testified, “The child care crisis in our state right now is affecting very seriously the safety and security of Missouri’s children. I really believe that the lack of affordable and quality child care is imperiling the American dream and stopping many young families from being able to attain what we know they deserve and want in life. When families do not have access to affordable and accessible child care, it increases stress in families. Any time you increase stress in families, you increase child abuse and neglect.”

The issue is also a pro-life concern. Samuel Lee from Campaign Life Missouri testified, “There’s also growing awareness within the pro-life community and elsewhere that some women certainly chose not to have additional children because of lack of child care or even chose to have an abortion because child care is not available. I think everyone, whatever position you take on abortion, would agree that that’s a tragic decision that is made because of a lack of child care.” Jamie Morris, Executive Director of the Missouri Catholic Conference, agreed that in a post-*Dobbs* world this is a pro-life issue, and emphasized the need to look at policies that help support families to help them make the best decision for themselves. Non-profit child care centers do not just provide child care, they also provide other wrap-around services, such as food and energy assistance.

The crisis is also affecting the economy. Last year, Missouri’s economy lost an estimated \$1.35 billion because parents were not able to work due to a lack of child care, which equates to \$280 million of tax revenues that were not collected³. Kara Corches from the Missouri Chamber of Commerce and Industry said 80% of business owners in Missouri say the cost and the availability of child care is making it hard for them to recruit and retain

their workers. “What we have found, child care is not just an issue for working moms to figure out. This is a workforce issue and this is a state-wide economic issue.” Corches also said that nearly 10% of parents reported voluntarily leaving their job because of child care issues. “The workforce of all industries in Missouri really relies upon our child care workforce. ... And so we believe that child care workers are the backbone of our entire workforce”.

Possible Solutions

In his State of the State Address, Governor Parson announced the investment of nearly \$1 billion to improve our child care network and create more options for Missouri families, more than \$78 million to increase Child Care Subsidy rates to child care providers, and a plan to invest \$56 million to begin expanding Pre-Kindergarten options to all low-income Missouri children.

One of the first initiatives, the Innovation Start-up Grant, was rolled out in February by the Missouri Department of Elementary and Secondary Education’s Office of Childhood. The grants are meant to facilitate partnerships between child care providers and businesses to expand access in the state. The Governor’s Office plans to announce additional grant programs, funded by the federal American Rescue Plan Act in the coming weeks.

There are also several bills pending in the Missouri legislature that seek to help with the child care crisis. HB 870, sponsored by Rep. Brenda Shields (R-St. Joseph), would create three separate tax credit programs to help stabilize the industry: for donors to child care facilities, for employers who help pay for employees' child care,

and for child care providers. Rep. Shields hopes that the programs will encourage donations and investments that would be used to improve facilities, staff salaries, and training.

HB 1335, sponsored by Rep. Hannah Kelly (R-Mountain Grove), authorizes the Supporting Use of Child Care for Economic Stability and Security (SUCCESS) Tax Credit. The SUCCESS tax credit is intended to support the use of child care by Missouri parents who work or actively look for work, to promote economic stability and security.

SB 151, sponsored by Sen. Travis Fitzwater (R-Fulton), and HB 813, sponsored by Rep. Wendy Hausman (R-St. Peters), would each provide a property tax exemption for child care providers. This exemption would become effective upon the passage and approval by the voters of a constitutional amendment permitting such a property tax exemption.

²“Child Care Affordability in Missouri, ChildCare Aware, https://info.childcareaware.org/hubfs/2021%20Price%20of%20Care%20State%20Sheets/Missouri_Price%20Fact%20Sheet%202021.pdf

³“Untapped Potential in Missouri: How Childcare Impacts Missouri’s Workforce Productivity and the State Economy”, https://www.us-chamberfoundation.org/sites/default/files/EarlyEd_MISSOURI_2021_DIGITAL.pdf

Interested in knowing more about the child care situation in your area? Scan the QR code to visit childcaredeserts.com and search "Missouri" to get a visual of the current crisis areas in our state.



Please contact your state Senator and Representative to urge that these bills get passed! To find your legislators, visit www.senate.mo.gov or call the Missouri Catholic Conference at (573) 635-7239.



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Questions? Contact us!

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The Child Care Crisis by the Numbers

\$122 billion: annual
lost earnings for working
parents, lost productivity
for businesses, and lost tax
revenue.

1/3 of parents switched to
part-time work to cover child
care needs.

\$1.3 billion: annual loss in
MO from accessibility, quality,
and cost-related hurdles to
child care. 2021 report from
the U.S. Chamber of Commerce
Foundation

Nearly 2/3 of parents of
infants and toddlers facing child
care struggles reported being
late for work or leaving work
early, according to ReadyNation.

Nonprofit
Org.
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child care and adoption tax
credits, postpartum care,
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