



THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE
DECEMBER 17, 2024



NORTH CAROLINA
DEPARTMENT of
COMMERCE

AGENDA

- WHY CHILD CARE IS A CHALLENGE
- THE ECONOMIC DEVELOPMENT CASE FOR EXPANDING ACCESS TO CHILD CARE
- NC'S CHILD CARE BUSINESS LIAISON ROLE
- INCREASING BUSINESS SECTOR INVOLVEMENT IN CHILD CARE ACCESS AND AFFORDABILITY
- EMPLOYER ENGAGEMENT OPTIONS
- Q&A

THE CHILD CARE TRILEMMA

THREE KEY CHALLENGES:

CHILD CARE PROVIDERS

CAN'T AFFORD TO PROVIDE IT (TOO FEW SLOTS)

PARENTS

CAN'T AFFORD TO USE IT (EXPENSIVE TUITION)

EDUCATORS

CAN'T AFFORD TO STAY IN IT (LOW WAGES)

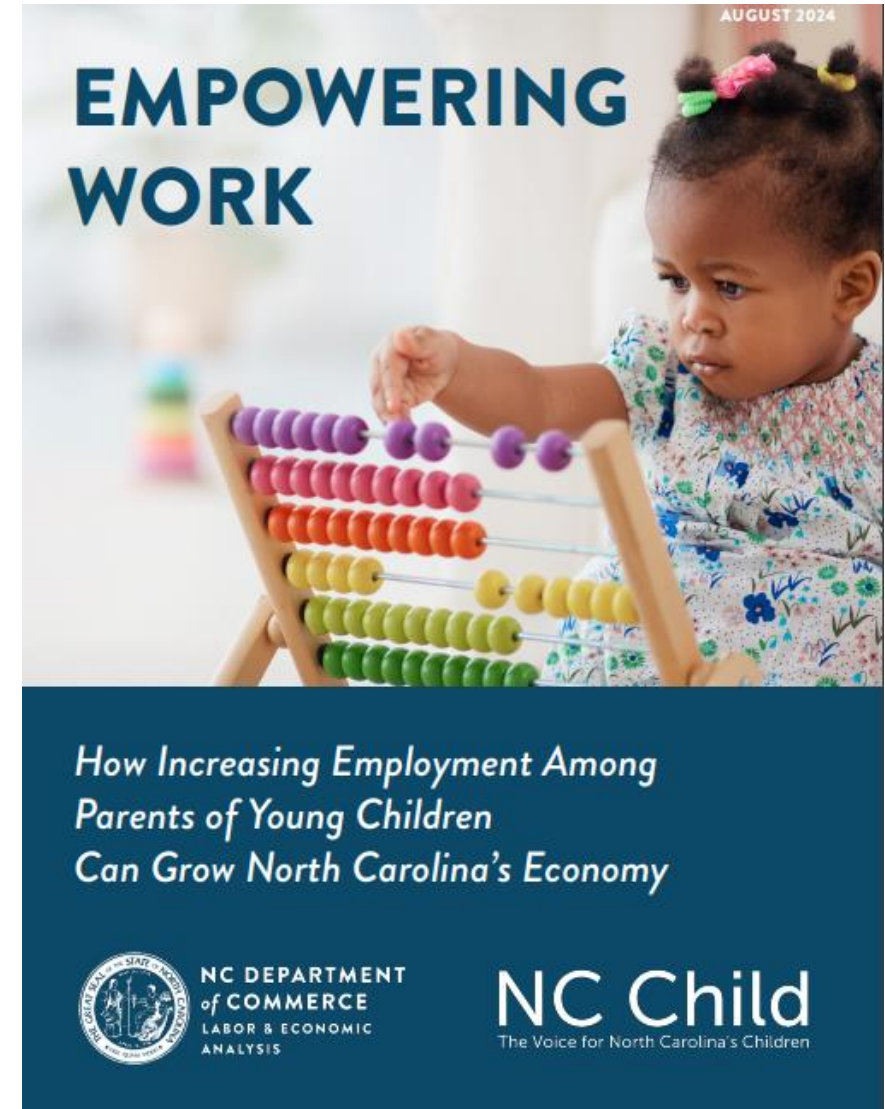


SOURCE: APRIL COX, ROCKINGHAM PARTNERSHIP FOR CHILDREN

THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

OUR ECONOMY SUFFERS WITHOUT IT

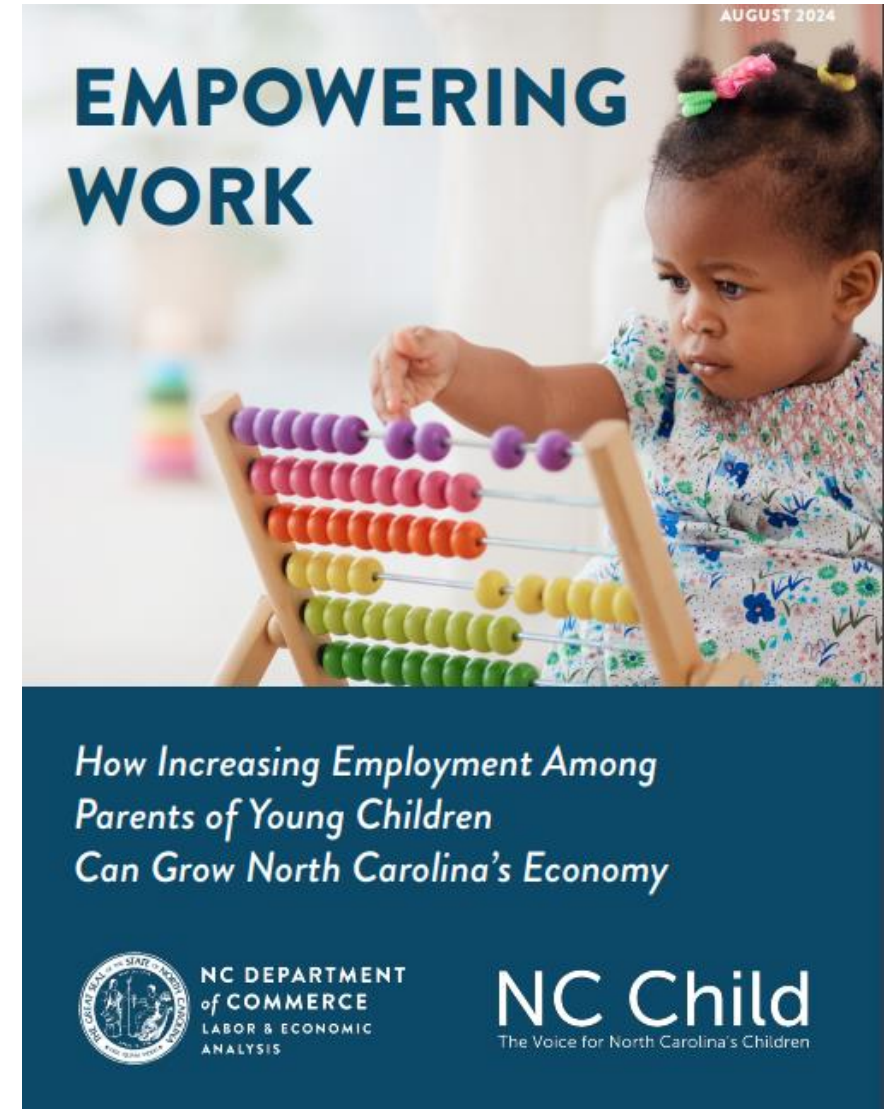
- EMPOWERING WORK REPORT (OCTOBER 2024)
- KEY TAKEAWAYS:
 - 1 IN 5 NC EMPLOYERS ATTRIBUTE HIRING CHALLENGES TO LACK OF ACCESS TO CHILD CARE
 - 100,000 FEWER WORKING-AGE PARENTS WITH YOUNG CHILDREN PARTICIPATED IN NC'S LABOR FORCE IN 2023 THAN IN 2019
 - ~14,498 – 31,067 WORKING-AGE NORTH CAROLINIANS WITH YOUNG CHILDREN COULD HAVE POTENTIALLY RETURNED TO THE WORKFORCE IN 2023



THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

OUR ECONOMY SUFFERS WITHOUT IT

- EMPOWERING WORK REPORT (OCTOBER 2024)
- KEY TAKEAWAYS, CONTINUED:
 - THESE LABOR MARKET ENTRANTS WOULD HAVE CREATED:
 - AN ADDITIONAL \$5.7 - \$13.3 BILLION IN ANNUAL ECONOMIC OUTPUT FOR NC
 - ~29,000-68,000 NEW JOBS STATEWIDE
 - A \$3.2 BILLION - \$7.5 BILLION INCREASE IN NC'S GDP



THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

BUSINESSES SUCCEED WITH IT



90% OF EMPLOYERS SAY
CHILD CARE

BENEFITS HELP THEM RECRUIT AND
RETAIN TALENT

88% OF EMPLOYERS AGREE
CHILD CARE BENEFITS

BOOST PRODUCTIVITY

[SOURCE: *THE EMPLOYEE BENEFIT THAT PAYS FOR ITSELF*, BOSTON CONSULTING GROUP AND MOMS FIRST (MARCH 2024)]

THE CHILD CARE BUSINESS LIAISON ROLE IN NC



- FIRST IN TALENT STRATEGIC PLAN PUBLISHED BY NC COMMERCE IN JULY 2021
- GOAL #1: PREPARE NORTH CAROLINA'S WORKFORCE FOR CAREER AND ENTREPRENEURIAL SUCCESS
 - STRATEGY #1: INCREASE ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION AND DECREASE CHILD CARE EXPENSES FOR WORKING FAMILIES

INCREASING BUSINESS SECTOR INVOLVEMENT IN CHILD CARE ACCESS

FUNDAMENTAL

CHILD CARE NEEDS ASSESSMENT

FAMILY-FRIENDLY POLICIES

ADVOCACY

INTERMEDIATE

TUITION COST SHARING

PURCHASING CHILD CARE SLOTS

CHILD CARE EXPANSION GRANTS

EARLY CHILDHOOD WAGE
ENHANCEMENT PARTNERSHIPS

ADVANCED

EARLY ED FLEX PLEX

CONSORTIUM CHILD CARE

ON-SITE / NEAR-SITE CHILD CARE

ENGAGEMENT OPTION 1

ON-SITE EMERGENCY BACKUP CHILD CARE

EMERGENCY CHILD CARE SERVICES OFFERED ON SITE WITHIN AN UPFITTED SPACE TO SERVE EMERGENCY CARE NEEDS FOR WORKERS WHOSE PRIMARY CHILD CARE ARRANGEMENT IS INTERRUPTED.

BENEFITS

- ✓ RELATIVELY LOW OPERATION COSTS
- ✓ PROVIDES SUPPORT FOR A SPECIFIC CHILD CARE CHALLENGE
- ✓ REDUCES UNPLANNED WORKER ABSENCES
- ✓ SIGNIFICANTLY IMPROVES TALENT RECRUITMENT AND RETENTION



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REQUIRED PARTNERS

- EMPLOYER
- BACKUP CHILD CARE PROVIDER
- NC DHHS (COMPLIANCE)

EXAMPLE

UPS PILOT IN CA, PA



 patch caregiving

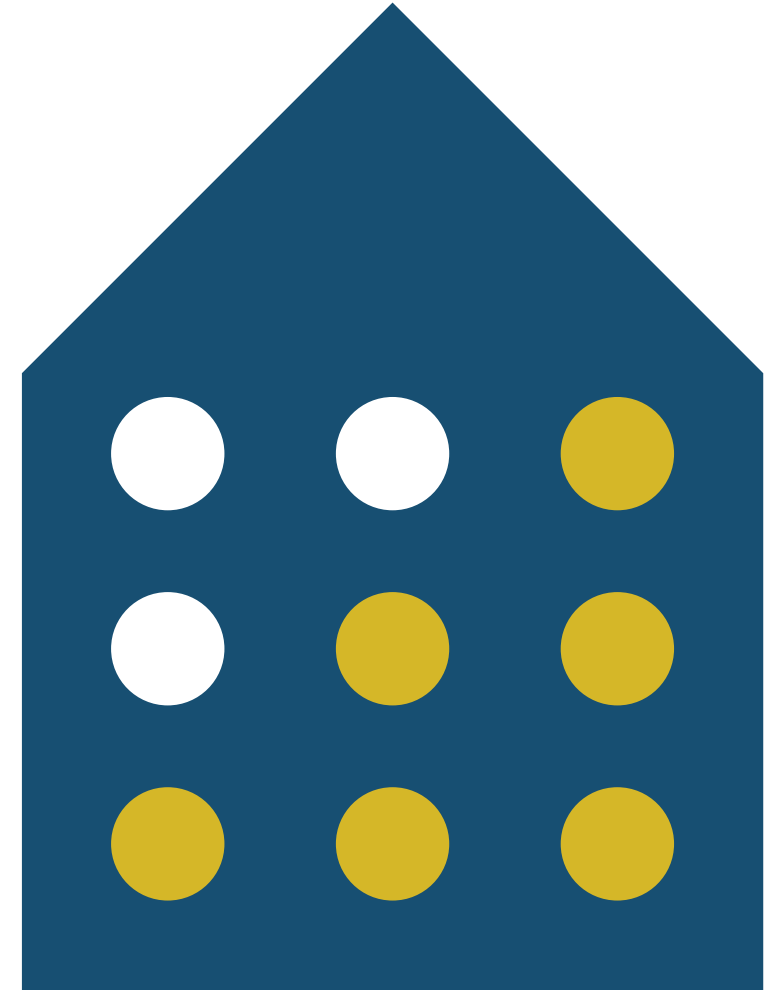
ENGAGEMENT OPTION 2

CHILD CARE EXPANSION GRANTS

PUBLIC-PRIVATE PARTNERSHIP ALLOWING EMPLOYERS TO SUPPORT ADDITION OF NEW CHILD CARE SLOTS IN EXISTING LICENSED CHILD CARE CENTERS.

BENEFITS

- WAITLIST PRIORITY FOR WORKERS
- EMPLOYERS CAN START AT ANY PRICE POINT
- NO NEW CONSTRUCTION REQUIRED
- CAN MEET SPECIFIC COMMUNITY NEED (INFANT / TODDLER SLOTS)
- MORE SLOTS CREATE SHORTER WAITLISTS FOR WHOLE COMMUNITY



ENGAGEMENT OPTION 2

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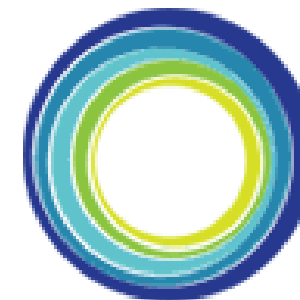
REQUIRED PARTNERS

- LEAD AGENCY (LOCAL PARTNERSHIP FOR CHILDREN)
- AT LEAST ONE LOCAL EMPLOYER
- LICENSED CHILD CARE PROVIDERS

EXAMPLE

BUNCOMBE COUNTY PILOT PROGRAM

BILTMORE®



Buncombe
Partnership
for Children

ENGAGEMENT OPTION 3

CHILD CARE TUITION COST SHARING

EMPLOYER SHARES THE COST OF CHILD CARE TUITION WITH THEIR WORKERS.

BENEFITS

- EMPLOYERS CAN OFFER COST SHARING AT ANY AMOUNT
- CAN SHARE COST OF VARIOUS FORMS OF CARE
- BOOSTS TALENT RECRUITMENT AND RETENTION



ENGAGEMENT OPTION 3

CHILD CARE TUITION COST SHARING

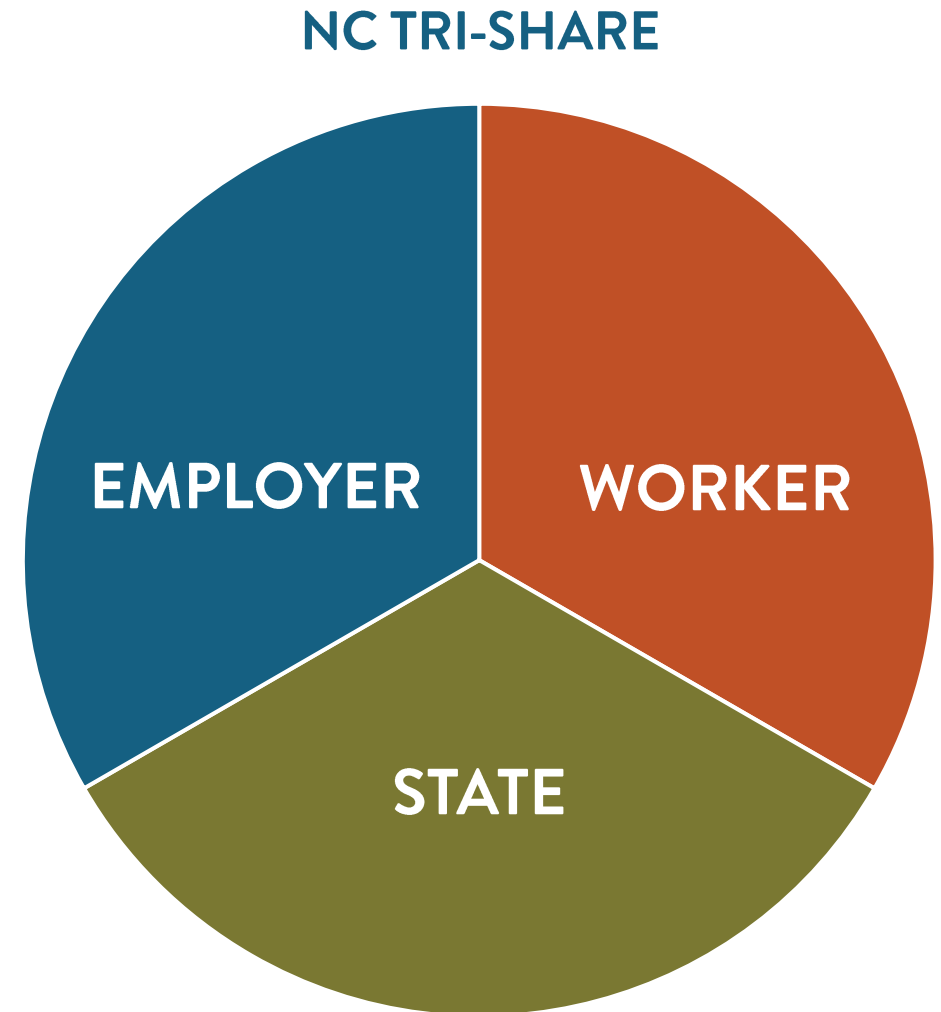
EMPLOYER SHARES THE COST OF CHILD CARE TUITION WITH THEIR WORKERS.

REQUIRED PARTNERS

- EMPLOYER + WORKERS
- BENEFITS ADMINISTRATOR
- COULD ALSO INCLUDE STATE/LOCAL FUNDING

EXAMPLE

NC TRI-SHARE

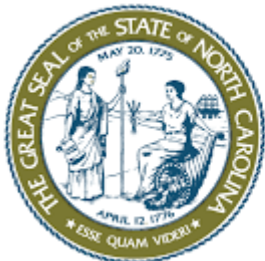


FOUR KEY TAKEAWAYS

1. CHILD CARE ISN'T JUST A FAMILY ISSUE – IT'S AN ECONOMIC DEVELOPMENT IMPERATIVE
2. EMPLOYERS HAVE MANY ENGAGEMENT OPTIONS TO CHOOSE FROM
3. THERE AREN'T PERFECT SOLUTIONS, BUT WE SHOULDN'T WAIT FOR ONE TO GET STARTED
4. WE NEED TO SEE SIGNIFICANT PUBLIC INVESTMENT IN CHILD CARE ACCESS ALONGSIDE PUBLIC-PRIVATE INNOVATIONS



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