

# LOSING GROUND



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## **Lack of quality child care access disadvantages Louisiana employers and employees to tune of more than \$1 billion a year**

As the State of Louisiana considers for the eighth year in a row a budget that decreases funding for quality early child care and education, a sobering report by LSU's Public Policy Research Lab, the Louisiana Policy Institute for Children (LPIC), Entergy and Loyola University New Orleans documents the major economic costs to Louisiana employers and working families caused by child care instability.

The first-of-its-kind study in Louisiana found the following:

- Employee absences and turnover costs due to child care issues cost Louisiana employers \$816 million a year;
- Childcare issues result in a \$1.1 billion loss annually for Louisiana's economy;
- Louisiana loses almost \$84 million annually in tax revenue due to lost workplace productivity;
- Over 40 percent of workers with young children missed work in a 90-day period due to child care issues.
- One in six Louisiana workers with young children quit a job due to child care issues;
- One in 13 Louisiana workers with young children are fired due to recurring child care issues;

"The State of Louisiana could reverse this trend by restoring funding to the Child Care Assistance Program (CCAP) for children under the age of four years so their parents can be productive employees," said LPIC Director Melanie Bronfin. The State of Louisiana has actually reduced its funding for CCAP by almost 70 percent since 2008.

Legislators appear willing to support the Louisiana School Readiness Tax Credits and possibly expand them during the 2017 Legislative Session, said Ms. Bronfin. The tax credits, which provide support to working parents of young children, as well as incentives to quality child care providers and teachers, also help secure over \$80 million in federal funds each year.

"What we have documented in this report with LSU, Loyola and Entergy's help is how critical these programs are to our employers and employees. Six out of every 10 mothers with an infant will return to work in the first year of the child's life. Nearly seven out of 10 children age five and under have both parents or their single parent in the workforce and rely on child care," said Ms.

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Bronfin. “Yet the lack of stable, accessible programs in our state greatly impacts their productivity as well as their employer’s.”

Seventeen percent of Louisiana’s 1.6 million workers are parents with children age four and under, according to the report. Thus, even minor child care issues can accumulate to create major workplace disadvantages for employers in Louisiana.

The report has other potential legislative impacts due to these findings:

- Louisiana employees in urban areas are more likely to rely on professional early child care and education providers rather than family;
- Working women and single working parents are more likely to make workplace decisions that impact their earning and promotion potential due to childcare issues.

“If Louisiana is serious about providing its businesses with a greater economic advantage over their out-of-state competitors, the return on investment of quality child care funding becomes very clear. Improved productivity, as well as educational and societal outcomes, are a proven result of quality early child care,” said Ms. Bronfin.

The report also advocates for early child care components such as quality teaching standards, low student-teacher ratios, and curriculum standards, among other proposals.

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To download a full copy of the report go to [policyinstitutela.org](http://policyinstitutela.org).

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