

Child care advocate calling for greater state funding to avert looming funding cliff

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The director of the Wisconsin Early Childhood Association is calling for more public dollars for child care programs in the state to help avert a looming funding cliff.

“Child care is probably at the most fragile place that I’ve seen it at in 20 years,” Ruth Schmidt told WisconsinEye yesterday. “And I think that COVID has just exacerbated the issue, and the staffing shortage is really tough right now for people in the field.”

Based on projections from the Bipartisan Policy Center, the long-term economic impact of the state’s child care crisis is between \$4.2 billion and \$6.4 billion. That figure captures lost wages, tax base declines and loss of profitability for businesses unable to attract workers due to a lack of affordable child care options, Schmidt explained.

A typical family with one infant is spending about one-fifth of their annual income on child care, according to advocacy group Raising Wisconsin. For a family with one infant and one 4-year-old child, that rises to one-third of their income.

Schmidt noted the federal government provided about \$700 million to Wisconsin for child care support during the COVID-19 pandemic, but that funding is due to end in January 2024.

“We will see a complete cliff effect of this federal funding,” she said. “And what we see is that in Wisconsin, close to 30 percent of programs are saying without some sort of ongoing public support for their program, they will likely need to close their doors.”

Figures from Raising Wisconsin, a multi-sector advocacy coalition led by WECA, show that “child care deserts” already exist in 50 percent of all Wisconsin communities, and 70 percent of rural parts of the state. These areas have more

than three children under age 5 for every licensed available child care slot.

In hopes of bolstering the industry ahead of the funding drop-off, Schmidt says state officials should consider boosting revenue allocations for child care support. She said Wisconsin currently “puts in what we consider the minimum amount” of revenue to draw down the federal child care development block grant. The state’s \$16 million investment equals about \$50 per child under age 5 in the state, Schmidt said.

“I think we can do better, I think we need to do better, or this issue is going to continue to create increasing economic impact,” she said.

Watch the full interview here:

<https://wiseye.org/2022/12/20/newsmakers-economic-impacts-of-the-child-care-crisis-in-wisconsin/>

-By Alex Moe