

Wisconsin Early Childhood Association: Wisconsin businesses, organizations support child care funding in state budget

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MADISON, WIS – This week, employers, economic development organizations and other key leaders from across Wisconsin sent a letter to the co-chairs of the Legislature’s Joint Committee on Finance in support of significant funding for child care in the state budget.

“Wisconsin families need access to high-quality, affordable child care to participate in the workforce, and our businesses need a stable workforce to operate efficiently and grow,” the letter states. “As such, the above- named employers, organizations, and leaders in Wisconsin’s business and economic development community are writing today to request your support for a strong state investment in child care in the 2023-25 biennial budget. We simply cannot afford to invest any less.”

The business case for public investment in child care is clear – Wisconsin faces \$1.9 billion in annual lost economic productivity due to child care challenges, and employers experience staffing and productivity challenges of their own when employees struggle to afford and find care for their children.

“Investing in early childhood education is the single best investment we can make to strengthen the vitality of our state. Without access to adequate childcare, thousands of parents cannot afford to work. Wisconsin businesses need a sustainable workforce to thrive,” said Sachin Shivaram, CEO of Wisconsin Aluminum Foundry, a more than 110-year-old Manitowoc-area manufacturing company. “More importantly, early childhood education has an outsize impact on determining life

outcomes for kids. The future of our communities is at stake.”

The letter continues, “At the same time, child care programs operate on razor-thin margins with budgets balanced on parent fees, which, despite being costly to families, do not cover the full cost of programs providing high-quality care. The pandemic placed a glaring spotlight on this long standing problem, and pandemic federal funding provided long-overdue relief to keep current child care programs open during the height of COVID-19. However, the federal relief did not, and was not, intended to address the flaws of the existing system. As a result, most child care programs are still struggling and remain at a critical breaking point, which, in turn, impacts their ability to recruit and retain employees.

The lack of accessible, high-quality child care impacts employers of every size and industry. Hiring demands across the state and across sectors continue to increase as Wisconsin’s economy grows, but the labor pool is not growing at the same rate. Child care challenges impact businesses in a variety of ways:

- High turnover,
- Frequent absenteeism,
- Productivity decline,
- Recruitment challenges for high-need, highly skilled professionals, and
- Scheduling and shift changes, especially for those who work during non-traditional hours.”

For the complete letter and a full listing of signers, visit the business sign-on page on Raising Wisconsin’s website. More information on the economic impact of child care is available [here](#).