

The Business Case for Early Childhood Education Investment

The Louisiana Association of Business and Industry recognizes that a strong early childhood system is vital for fostering child development & empowering working families. For many Louisianans, the lack of access to affordable, high-quality early child care & education is a significant barrier to entering & remaining in the workforce.

Nearly 2/3 of Louisiana children aged 5 and under live in households where both or one parent is working.

More than a quarter of parents in Louisiana who are not working point to the lack of available and quality child care as the reason they have opted out of the labor force. The lack of access to early care and education is not just an issue for families with young children—the child care crisis has a ripple effect that is felt throughout the economy. This leads to a two-fold problem for the state: Louisiana is losing out on a key workforce population, and children are not able to build the foundation necessary for success as they grow.

A STUDY CONDUCTED IN 2017 FOUND THAT CHILD CARE ISSUES IMPACT PARENTS' WORKFORCE PARTICIPATION:

1 in 7



Louisiana residents with a child aged 4 or under turned down a promotion at work due to child care issues

almost 1/2



of respondents with a child under age 4 reported missing work regularly

1 in 6

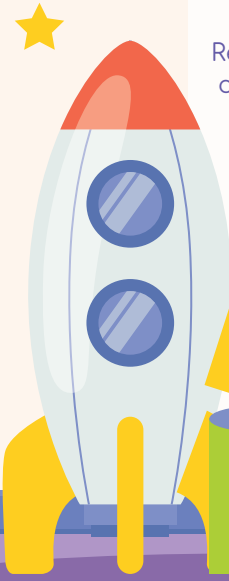


were forced to quit a job

1 in 13



were fired because of child care issues

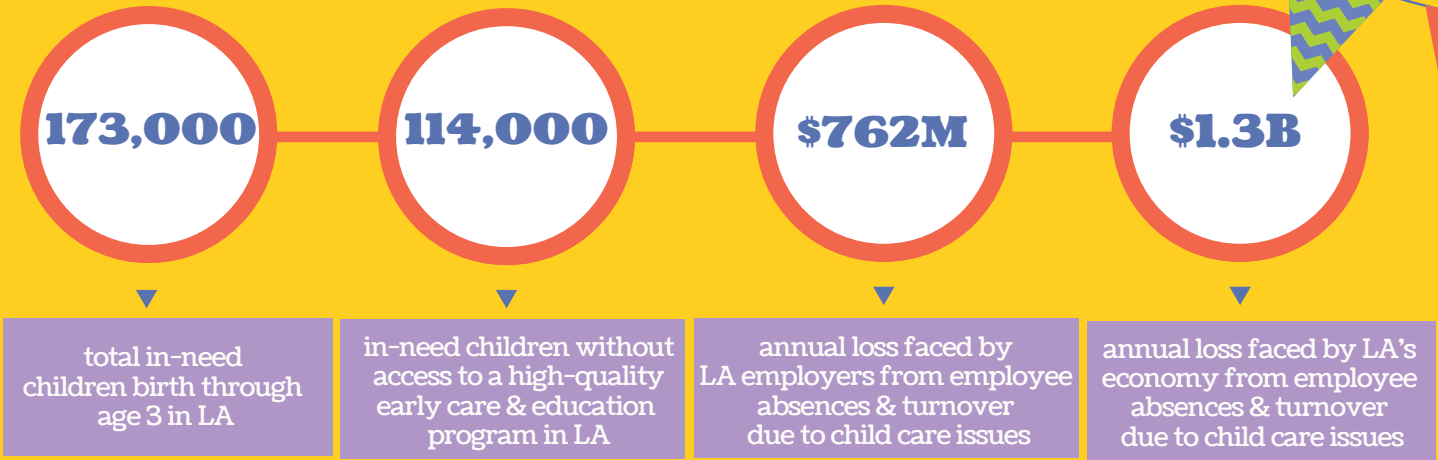


Research consistently demonstrates the significant long-term benefits and returns of investing in early childhood education. High-quality care and education leads to children entering kindergarten ready to learn, which leads to better graduation rates and success, in addition to a reduced likelihood of involvement in the criminal justice system. Employers have a stable, reliable workforce and more parents are able to enter and remain in the workforce.

Employers are taking note. In recent years, many businesses have addressed workforce retention challenges by offering childcare solutions as part of their benefits package—options ranging from financial assistance to employees or on-site child care.

Expanding high-quality child care solutions can have a transformative impact on the Louisiana economy by not only supporting the workforce of today but building the workforce of tomorrow.

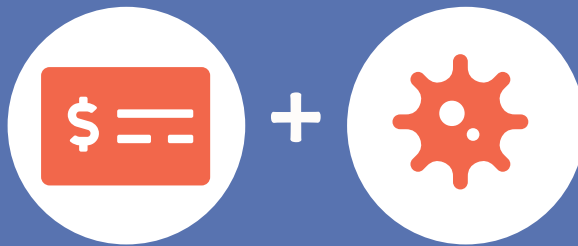
At First Glance:



Employee absences and turnover due to breakdowns in child care cost my business \$600,000 each year. Imagine the productivity & economic gain our communities could have if parents who want to work are reliably able to do so.

LOUISIANA STATE REP. KIM CARVER, SENIOR VICE PRESIDENT, GULF COAST BANK & TRUST COMPANY

Child Care & the Louisiana Economy



Child care costs almost as much as public college tuition in Louisiana, with infant care in a child care center costing over \$8,700 per year on average.

Lack of access to high-quality early care and education amplified these costs during the COVID-19 pandemic. Disrupted schooling, quarantines, and unexpected job changes have illustrated the necessity of quality, stable child care to both working parents and employers.

Early Investments Pay Off – Now & Later

With sustained investment in the early childhood education system, everyone wins.



Every dollar invested in high-quality birth-to-five early childhood education delivers a 13% annual return on investment.

Louisiana will lose a compounded \$12.1 billion over the next 10 years due to workplace absenteeism, productivity reductions, job turnover, household income losses, and decreased spending.



1%

Louisiana currently spends around 1% of state dollars on early care & education. The Early Childhood Care & Education Commission found that it will take an initial investment of \$86 million, with subsequent investments for 10 years, for Louisiana to ensure every at-risk child can access an early care & education program.



If we make that investment, and sustain it, Louisiana stands to see a \$1.8 billion economic gain.

