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Ohio General Assembly
Publicly Funded Child Care and Step Up to Quality Study Committee
Co-Chairs Senator Jerry Cirino and Representative Andrea White
Submitted by Holly Hankinson, Women's Fund of the Greater Cincinnati Foundation
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Thank you, Co-Chairs Senator Jerry Cirino and Representative Andrea White and the Committee members for this opportunity to provide testimony.

My name is Holly Hankinson and I am the Advocacy Director of the Women's Fund of the Greater Cincinnati Foundation. The Women's Fund leads our community in ensuring the economic self-sufficiency of women in our region, and ignites a shared desire to improve it. We have more than two decades of deep involvement, understanding and building results to address women's self-sufficiency issues, and have spent the past decade researching the challenges of lower-wage workers and families.

The Women's Fund is testifying in support of maintaining affordable, accessible and high-quality child care in Ohio through strong publicly funded child care (PFCC) and the Step Up to Quality program. Ohio's child care system is a critical component of our economy. It is essential to keep Ohio working by helping parents afford child care and ensuring more children in low-income families have access to high-quality care.

Women in the Labor Force

This issue is particularly important to working mothers. Women are critical to our state because they do it all—they're both caretakers and breadwinners. Before the pandemic, over half of all mothers – including 85% of Black mothers and 61% of Latina mothers – were key breadwinners in their households.¹

¹ Center for American Progress. (2021). *Breadwinning Mothers Are Critical to Families' Economic Security*. Retrieved: <https://www.americanprogress.org/article/breadwinning-mothers-critical-familys-economic-security/>

COVID-19 had an oversized impact on these workers. Women lost a disproportionate number of jobs during the pandemic, due primarily to caretaking duties and over-representation in the industries hit hardest.² The lingering effects of this remain. Currently, women’s labor force participation is only 57.8%; the lowest it’s been since 1991.³

We are still recovering from this pandemic, and child care is necessary to ensure women can return to work and support their families. In a May 2021 nationwide survey, 57% of workers said child care impacted their ability to work, with lower-income parents losing more work on average than higher-income families.⁴

In Ohio specifically, 60% of mothers with young children who are either not working or work part-time reported that they would return to the labor market or increase their hours if they had access to affordable, quality child care.⁵

Low-Wage Workers Impacted the Most

While many working families have child care concerns, no one feels this more acutely than low-wage workers, who are also disproportionately women.

The journey to economic self-sufficiency is a long one, marked by complexity, economic fragility and frustration. As we talk with women across our region, we hear an innate desire to feel secure in their finances and provide for their families, without government or social service assistance. However, as hard as they work, they struggle to get ahead.

² Women were over-represented in industries such as leisure & hospitality and personal services. Wells Fargo. (2021). *She Means Business: A Larger Role for Women in the Post-COVID Recovery*. Retrieved: <https://wellsfargo.bluematrix.com/links2/html/89fa294c-14f9-4b9a-bcce-8bd2e36ceff5>

³ National Women’s Law Center. (2022). *Uptick in Women’s Labor Force Participation Still Leaves Rate at Level Last Seen in 1991*. Retrieved: <https://nwlc.org/wp-content/uploads/2022/01/December-Jobs-Day.pdf>

⁴ Bipartisan Policy Center. (2021). *Survey Results: How Work and Child Care are Changing*. Retrieved: <https://bipartisanpolicy.org/blog/work-child-care-post-covid/>

⁵ Groundwork Ohio. (2021). *Investing in Quality Child Care is Key to Getting Ohioans Back to Work*. Retrieved: https://www.groundworkohio.org/files/ugd/a395ee_fc8a6bc33d2c4510aa6c85f80e46a743.pdf

The public benefit system is meant to be a safety net for community members when they experience economic hardship, providing a pathway out of poverty without sacrificing basic needs like food, housing, and of course, child care. While the purpose is well-meaning, there are structural disincentives in the benefits system that make the journey to self-sufficiency longer without significant financial gain.

One of the most significant factors is the low eligibility threshold in our publicly funded child care system. Currently, a family is only eligible for child care if they make under 142% FPL. If the family enters the workforce making more, they receive no child care assistance at all.

Under the current system, Tami, a single mother with a pre-school age child, gets a job as a home health aide making \$12.25 per hour. She is eligible for child care benefits, and will maintain eligibility through raises and promotions until she makes over \$27.00 per hour, a very good and stable wage. In contrast, her next door neighbor Rachel works as a nursing assistant earning \$13.25 per hour. Although she makes just \$1.00 more than Tami, or about \$26,500 per year, she is over the 142% eligibility threshold. Rachel receives no child care benefits at all. With the average cost of care for a four-year old at over \$7,500 per year,⁶ this is a huge and nearly insurmountable burden for Ohio parents like Rachel.

It's important to note that the Federal Poverty Level is not the same as self-sufficiency, or the ability for a family to meet their basic needs without reliance on benefits.⁷ In Ohio, the threshold for self-sufficiency ranges from 189% FPL in rural Brown County to 261% FPL in urban Franklin County.⁸ Even in places with the lowest cost of living, affordable child care is simply out of reach for many families without public assistance.

⁶ Economic Policy Institute. (2020). *The Cost of Child Care in Ohio*. Retrieved: <https://www.epi.org/child-care-costs-in-the-united-states/#/OH>

⁷ Unlike the FPL, the Self-Sufficiency Standard measures the direct cost of basic family needs and considers geographical location and family makeup. Center for Women's Welfare, University of Washington. (2019). *The Self-Sufficiency Standard 2019*. Retrieved: <http://www.selfsufficiencystandard.org/>

⁸ This analysis measured the Self-Sufficiency Standard across five Ohio counties representing rural, suburban, and urban locations. The numbers listed here represent a single-parent household with one child. Women's Fund of the Greater Cincinnati Foundation. (2020). *The Cliff Effect and Other Disincentives in our Public Benefit*

Increasing the eligibility threshold for Publicly Funded Child Care would provide much-needed stability to low-wage families. *The Women's Fund recommends that this Study Committee evaluate the eligibility threshold in the context of the Self-Sufficiency Standard, and recommend to the General Assembly that Ohio increase the PFCC eligibility threshold from 142% to 200% FPL.*

Quality is Key

Affordable access to child care is one component, but equally important is ensuring children receive quality care. Evidence continues to demonstrate that quality early childhood education is critical to the long term success of our kids. It is linked to higher outcomes later in life and more successful and productive adults. And ultimately, the future of Ohio workers.

One critical factor impacting child care quality is worker wages. Several years ago, the Women's Fund conducted research studying the impact of child care wages on quality care.⁹ Child care workers are among the lowest paid in the workforce, with wages similar to parking lot attendants and manicurists. A word processor makes, on average, about \$12,000 more than a preschool teacher in Ohio.¹⁰

Lower child care worker wages are associated with higher turnover, less education and training of the workers, lower morale and higher stress. These all have a negative impact on care quality and child outcomes. For example, when there are lower turnover rates, the bond between the teacher and child is stronger and the teacher spends more time on developmentally appropriate activities. This in turn leads to healthier child development and stronger school readiness. To best support our kids, we must prioritize these workers,

System. Retrieved: <https://www.gcfnd.org/wp-content/uploads/2020/07/00.-2020-The-Cliff-Effect-and-Other-Disincentives-in-our-Public-Benefit-System.pdf>

⁹ Women's Fund of the Greater Cincinnati Foundation. (2016). *Pulse Briefing: Teacher Wages Critical to Quality Preschool*. Retrieved: <https://www.gcfnd.org/wp-content/uploads/2020/07/8.-2016-Teachers-Wages-Critical-to-Quality-Preschool.pdf>.

¹⁰ *Id.*

ensuring they are paid fair wages and receive good benefits to provide for themselves and their families.

Ohio's Step Up to Quality program provides a clear way for families to access affordable, high quality child care for their children. *We applaud this Committee for reviewing SUTQ, and encourage thoughtful recommendations that maintain and improve this important program.*

Conclusion

Thank you again for your commitment to this important issue. Maintaining affordable, accessible and high-quality child care is critical to Ohio's working parents and families, as well as the future of Ohio's children. I appreciate the opportunity to provide testimony today and am available to answer any questions.