
**TESTIMONY OF LEA J.E. AUSTIN
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EMPLOYMENT
UNIVERSITY OF CALIFORNIA, BERKELEY
BEFORE THE CALIFORNIA STATE SENATE
Committee on Budget and Fiscal Review
ON
“California’s Early Care and Education Landscape”
February 13, 2023**

Good morning. My name is Lea Austin, and I am the Executive Director of the [Center for the Study of Child Care Employment](https://cscce.berkeley.edu) at the University of California, Berkeley.

Thank you, Chairwoman Skinner, and members of the Budget Committee for the opportunity to speak with you today about the critical role of child care to California’s economy.

I would be remiss if I didn’t start with the early care and education [workforce](#) itself - if our child care system does not work for them, then the system doesn’t work as a whole.

- Nearly all members of the ECE workforce in family child care homes and child care centers are women (98%), and most are women of color.
- They are a highly experienced workforce - more than half of family child providers and lead teachers in child care centers have 10 or more years of experience.
- They are highly knowledgeable about their craft. Most have college degrees. Among center-based teachers, 56% have earned a bachelor’s degree or higher, and another 24% have an associates degree. 30% of family child care providers have a bachelor’s degree, and another 23% an associates degree.

- Yet, their median pay hovers in the range of \$20 an hour, and is even lower for small family child care operators.¹

Despite the expansion of quality improvement initiatives and investments in child care over the last 15 years, little has been done to address wages for most of this workforce. For example, wages of center-based teachers in California with college degrees [declined](#) in actual wages between 2006 and 2022, despite a 35-percent increase in the state minimum wage over the same period, undermining the ability to recruit and retain a stable workforce, effectively letting many investments in quality spill away.²

The lack of stable, quality child care certainly impacts, but also extends well beyond the learning and development of children.

Nationally, it has been estimated that:

- businesses lose [\\$12.7 billion](#) a year due to child care challenges among employees.³
- parents - mostly mothers - lose about \$37 billion in income each year because they reduce work hours or drop out of the workforce entirely because of child care issues, translating into a loss of tax revenue from forgone wages to about \$4.2 billion a year;⁴ and further,
- a rise in child care price has been found to correlate with [reduced parental employment](#), especially for mothers, while expansions in publicly funded child care have been found to increase labor force participation among mothers.⁵

In California:

- Based on the current [price](#) of child care and the median income for a single parent family, that parent would spend nearly 35% (34.9%) of their income on child care for one infant attending family child care or 52% if attending a child care center; for a two-parent household, they would spend about 11% of their income for one infant in family child care or 17% in a center. This is per child - not all children from whom they may need services.⁶
- The price and limited availability of publicly funded early care and education means many families pay more than they can reasonably afford, forgo employment, or they make less than their ideal choices.

In a [study currently underway](#) of parents and family, friend, and neighbor providers, our preliminary findings suggest that for most parents in our study, cost is a leading factor in their child care decisions. Further, only about 20% of respondents reported they had their ideal child care arrangements in place; notably, for Black parents of preschool-age children, less than 10% reported they were in their ideal child care arrangement.

In addition to forgone wages because of child care challenges, inadequate child care also means a loss of economic activity generated by the provision of services. For example, shortly before the pandemic, my colleagues at the Labor Center reported on the [economic benefits](#) and found that:

- While \$13.5 billion dollars was paid for the delivery of ECE services in California, these services generated \$25.4 billion of economic activity across the state through direct and indirect output - with the largest share coming from the ECE workforce spending on housing, food and other goods and services; effectively yielding \$1.88 of economic output for every dollar spent on child care.⁷

Given the loss of child care jobs and the shrinking of California's child care system -- we've lost at least [4,400 child care jobs](#) since March 2020, and the Resource and Referral Network has reported a [loss of 18,000 child care spaces](#) over a similar period -- we can reasonably expect a ripple effect on economic activity, maternal employment, and loss of productivity to other businesses.^{8,9}

There are additional costs of the severe underfunding that are uniquely borne by the ECE workforce. Economic insecurity is rampant, and the consequences are especially harsh for Black and Latine women, and immigrant women.

- California's ECE Workforce experiences poverty at twice the rate of other California workers and 6.7 times the rate of K-8 teachers;¹⁰
- Among the ECE workforce, Black educators have been 50% more likely to experience poverty than their White peers.¹¹

Further, our study of the California ECE workforce found that:

- While food insecurity is relatively high across the workforce - about a third report being food insecure - this jumps to 39 percent for center teachers who are women of color and 42% among those who are immigrants.
- Among family child care providers -- 71 percent of whom are people of color and about 40 percent of whom are immigrants -- two-thirds reported the only way

they could manage to cover an unexpected \$400 expense was to take on debt. If you know anything about the emergencies that arise when operating a child care business, you can imagine the level of debt people carry is high.

- In fact, in a study we conducted in the early months of the pandemic, about a third of family child care providers in California had taken on credit card debt to cover program expenses, and 1 in 5 had already missed a payment on their mortgage or rent.¹²

These financial consequences of today have long term impacts. We found that only half of lead teachers and administrators in child care centers and only 21 percent of family child care providers have any [retirement savings](#). By way of comparison, 87% of kindergarten teachers have retirement savings.¹³

The health of the early care and education system has far reaching effects. Dependable, long-term investments that support the true cost of ECE services, and decouple what parents can afford from what workers are paid is key to ensuring that child care programs are able to stay open, and to recruit and retain staff who can meet California's child care needs.

I appreciate the opportunity to appear before this committee. I look forward to answering questions you may have. Thank you.

Endnotes

¹ Data drawn from multiple reports generated by the 2020 California Early Care and Education Workforce Study, conducted by the Center for the Study of Child Care Employment.

<https://cscce.berkeley.edu/projects/california-early-care-and-education-workforce-study/>

² Montoya, E., Austin, L.J.E., Powell, A., Kim, Y., Copeman Petig, A., & Muruvi, W., (2022). Early Educator

Compensation: Findings From the 2020 California Early Care and Education Workforce Study. Center for the Study of Child Care Employment, University of California, Berkeley.

<https://cscce.berkeley.edu/publications/report/early-educator-compensation/>

³ Bishop-Josef, S., Beakey, C., Watson, S., & Garrett, T. (2019). *Want to Grow the Economy? Fix the Child Care Crisis*. Council for a Strong America.

<https://strongnation.s3.amazonaws.com/documents/602/83bb2275-ce07-4d74-bcee-ff6178daf6bd.pdf>.

⁴ Gould, E. & Blair, H. (2020). *Who's Paying Now? The Explicit and Implicit Costs of the Current Early Care and Education System*. Economic Policy Institute.

<https://cscce.berkeley.edu/publications/report/whos-paying-now-the-explicit-and-implicit-costs-of-the-current-early-care-and-education-system/>

⁵ Schochet, L. (2019). The Child Care Crisis Is Keeping Women Out of the Workforce. Center for American Progress. <https://www.americanprogress.org/article/child-care-crisis-keeping-women-workforce/>

⁶ Child Care Aware of America. (2022). Price of Care: 2021 Child Care Affordability Analysis. <https://info.childcareaware.org/hubfs/Child%20Care%20Affordability%20Analysis%202021.pdf>

⁷ Anna Powell, Sarah Thomason, and Ken Jacobs, Investing in Early Care and Education: The Economic Benefits for California. UC Berkeley Center for Labor Research and Education, May 2019. <https://laborcenter.berkeley.edu/investing-early-care-education-economic-benefits-california>.

⁸ Center for the Study of Child Care Employment. (2023). Child Care Sector Jobs Report. <https://cscce.berkeley.edu/publications/brief/child-care-sector-jobs-bls-analysis/>

⁹ California Child Care Resource & Referral Network. (2022). Press Release. https://rrnetwork.org/research/child_care_portfolio

¹⁰ McLean, C., Austin, L.J.E., Whitebook, M., & Olson, K.L. (2021). Early Childhood Workforce Index – 2020. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/workforce-index-2020/states/california/>

¹¹ Gould, E., Whitebook, M., Mokhiber, Z., & Austin, L.J.E. (2019). Breaking the silence on early child care and education costs: A values-based budget for children, parents, and teachers in California. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley and Washington, DC: Economic Policy Institute. <https://cscce.berkeley.edu/publications/report/breaking-the-silence-on-costs/>

¹² Data drawn from multiple reports generated by the 2020 California Early Care and Education Workforce Study, conducted by the Center for the Study of Child Care Employment. <https://cscce.berkeley.edu/projects/california-early-care-and-education-workforce-study/>

¹³ Powell, A. (2022). California’s early educators can’t afford to retire. Center for the Study of Child Care Employment, University of California, Berkeley. <https://cscce.berkeley.edu/blog/californias-early-educators-cant-afford-to-retire/>

Biography

Dr. Lea J.E. Austin is an expert on the U.S. early care and education system and its workforce. As Executive Director of the Center for the Study of Child Care Employment at the University of California, Berkeley, she leads the Center’s research and policy agenda aimed at securing the well-being of our nation’s early educators. She has extensive experience in the areas of workforce compensation, preparation, working conditions, and racial equity, and most recently the effects of COVID-19 on the child care workforce. She is a co-author of numerous papers focused on the preparation, working conditions, and compensation of educators, including the *Early Childhood Workforce Index*, *Racial Wage Gaps in Early Education Employment*, and numerous policy statements and recommendations. Her interest in ECE workforce research, policy, and activism was spurred by her first job in the sector working with early educators at First 5 Alameda County and later Mills College, where she developed leadership programs in higher education and community settings, and implemented professional development and advocacy initiatives. Dr. Austin earned her Bachelor’s degree in Sociology from UC Berkeley, a master’s degree in Public Administration from California State University, Hayward, and a master’s degree and Ed.D. in Educational Leadership from Mills College.