



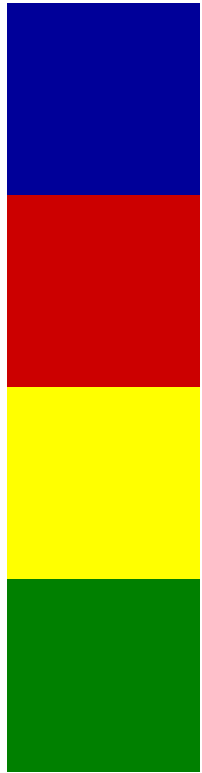
Buffalo Child Care Means Business

**Community Collaboration for Quality
Child Care in Downtown Buffalo, New York**

Cornell University ILR ■ Child Care Resource Network
UB Law School ■ Success By 6: United Way

November 16, 2006

Overview



*“Investment in human capital breeds economic success not only for those being educated, but also for the overall economy...**investment in early childhood development yields an extraordinary return, far exceeding the return on most investments, private or public.**”*

Arthur J. Rolnick and Rob Grunewald, Federal Reserve Bank

The Knowledge Base Grows

High Quality Early Care and Education...

critical infrastructure for economic development

Investment with a high public return

- Children: future workforce
- Parents: current workforce and employers
- Regions: early childhood education an important economic sector

Key to quality business environment

- Knowledge-driven creative economy
- Attracting and retaining younger workers

Professor Mildred Warner, Cornell University

Linking Economic Development and Child Care Research Project



On the Action Front

- Growing network of local initiatives across New York State
- Coordinated policy proposals and actions
- Coordinated quality improvements
- Entrepreneurial response to needs for child care facilities
- Creative local solutions and innovations

In a NYS survey:

- 8 out of 10 economic development professionals think child care should be part of economic development policy and planning
- Over 80% agree that affordable quality child care boosts worker productivity
- Only 19% think there is sufficient, affordable quality care in their community



Cultivating Connections

Between Economic Development and Child Care

Creating *new partnerships*

- employers
- civic leaders
- non-profit organizations
- economic developers and planners
- educators
- unions
- child care resource and referral agencies



Buffalo Project Built on Both...

Broader Collaboration...

Thanks to Quality Child Care Team
and **growing** list of local partners

- Cornell ILR
- Child Care Resource Network
- UB Law School
- Success By 6: United Way
- John R. Oishei Foundation
- Federal Reserve Bank
- M&T Bank
- Quality Child Care Advisory Committee



Buffalo Project Built on Both...

Better Information...

■ Action Research Project

September 2004

March 2005

July 2005

November 2005

January 2006

June 2006

September 2006

November 2006

Presentation to WNY Legislative Delegation

Federal Reserve Bank Conference

Child Care Study Funded by Oishei Foundation

First Advisory Committee Meeting

Cornell University SRI conducts employer survey

Cornell University Conference in Ithaca

Second Advisory Committee Meeting

Public Release: *Buffalo Child Care Means Business*

■ The Study

■ The Survey



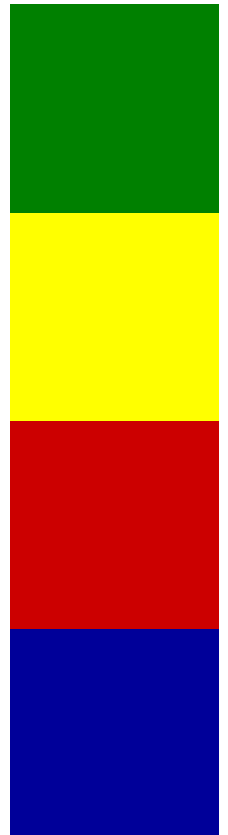
The Study

Buffalo Child Care Means Business

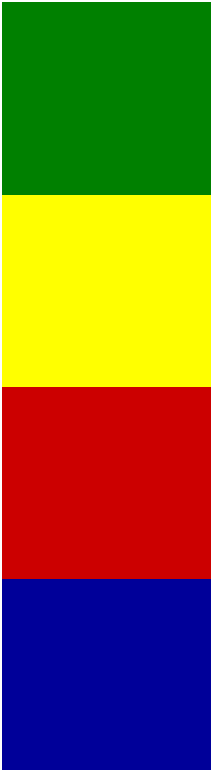
Table of Contents

- Overview and Genesis of the Project
- Downtown Employer Survey
- Measuring the Costs of Deficient Child Care and Early Education in Buffalo
- Quality Child Care as a Development Tool for Downtown Buffalo
- Conclusions and Recommendations

Full study available on the web December 2006 at
www.ilr.cornell.edu/wied/economicdevelopment/childcarecoalition/



The Survey



Conducted by Cornell University
Survey Research Institute

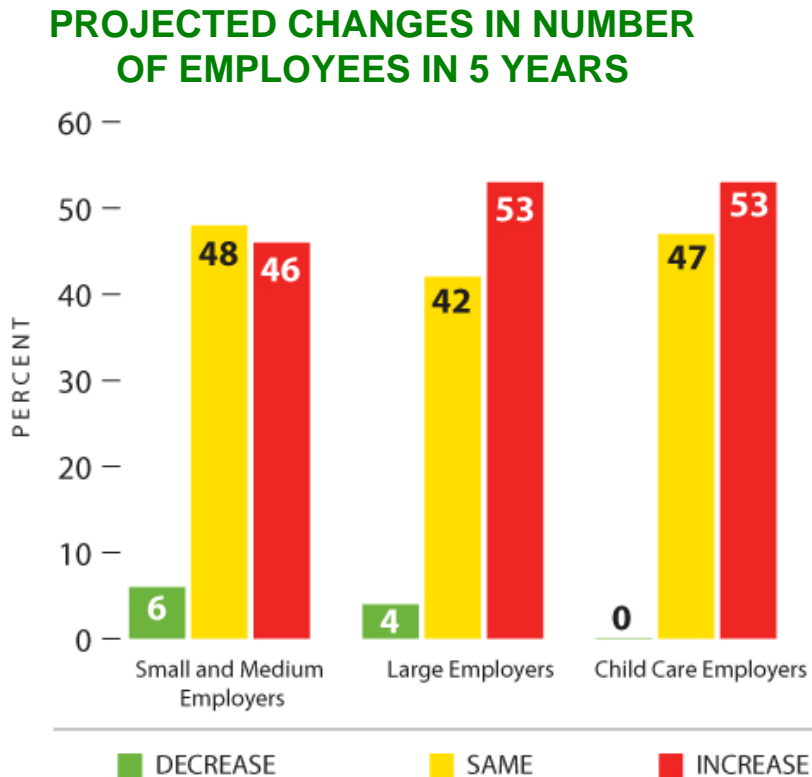
Phone interviews of chief operating officers or
human resource directors of Downtown Buffalo
employers in Zip codes 14201-02-03-04

Small, medium and large employers

- Public and private sectors
- Child care employers
- 117 total employers surveyed

Downtown Buffalo Employment

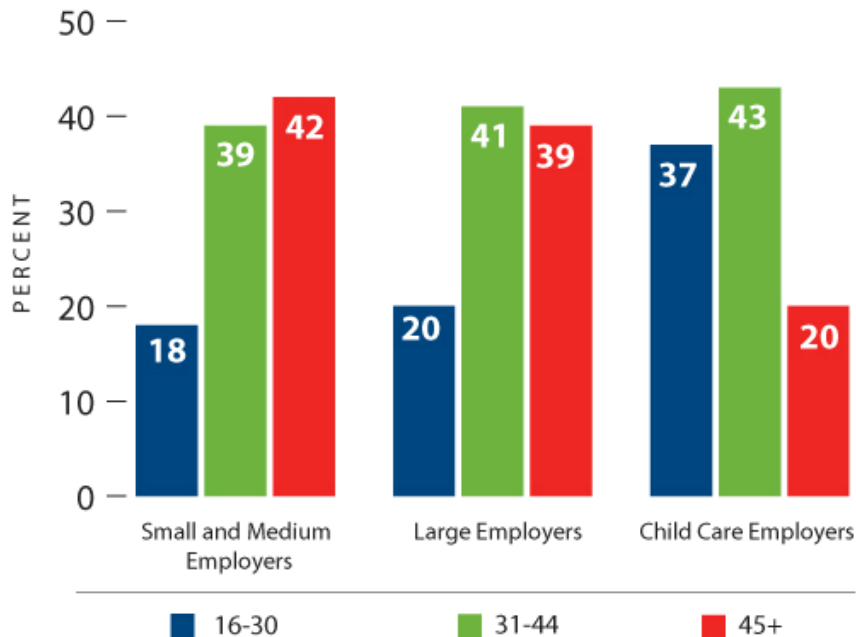
Promising Projections for Growth...



- **50%** of surveyed employers expect **increases** over the next **five years**
- **One-third** reported expectations of **increased employee turnover**, as well

Age of Workforce

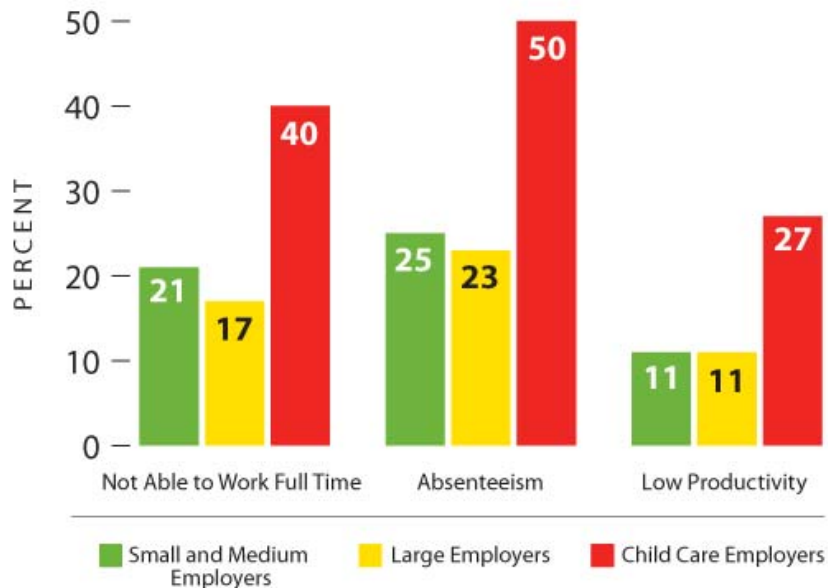
AVERAGE PERCENTAGE BY AGE RANGE



- **Aging workforce** reflects **lack of** employment **growth** in recent years
- **60% of downtown workers** are of an age (16-44) to be in **need of child care services**

Child Care a Workplace Issue...

MODERATE TO GREAT IMPACT OF CHILD CARE ISSUES ON...



- Child care issues seen by employers to have **“moderate” to “great”** impact on **absenteeism** for nearly **one-fourth** of their workforce
- Employers recognize the **impact** of child care issues on **employee performance and career**

...and a Work-Life Challenge

Survey Snapshots

Women in the Majority

- Women make up more than half of downtown workforce
- Small and medium employers average 58%; large employers 55%

Part-time Workers

- Small and medium employers average 18%, large employers 19%



Economics of Quality Child Care



Percentage of U.S. families experiencing a **plunge of 50% or more in annual income** when they experience the...
...birth of a child



1970-1979:	4.5%
1980-1989:	8.7%
1990-2000:	11.2%

In New York State:



tuition in state colleges **less than \$6,000** a year

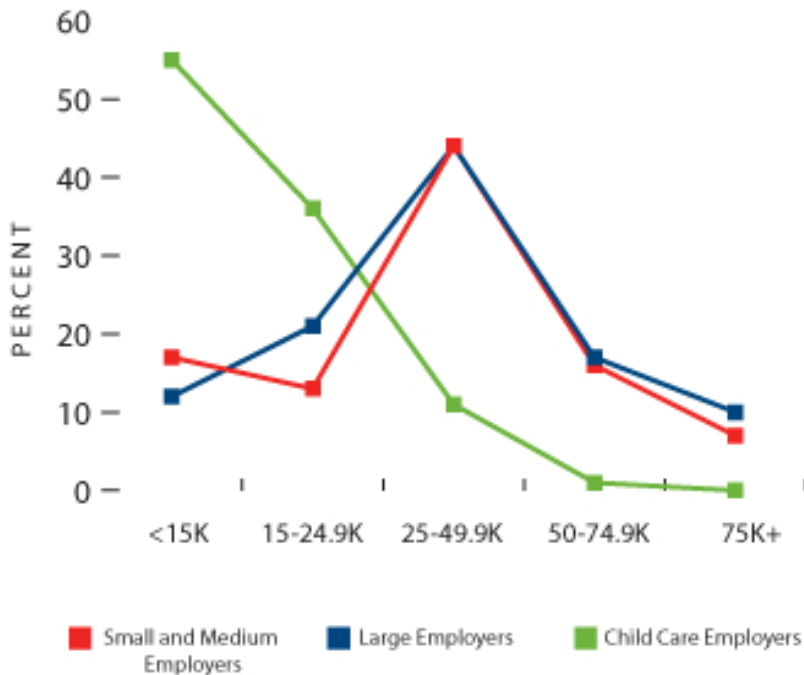
quality child care likely **more than \$11,000** a year



Cost of full-time infant care ranges from **\$160 to \$200 per week** locally in Buffalo – often **out of the range of possibilities** for low and moderate income families

Economic Realities

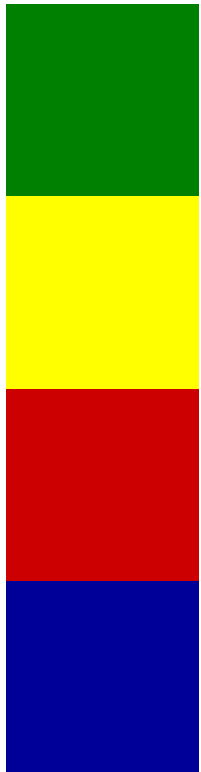
ANNUAL SALARIES/WAGES
AVERAGE PERCENTAGE BY EARNINGS RANGE



- **Less than one-quarter** of full-time workers in downtown Buffalo earn annual wages or salaries of \$50,000 or greater – **more workers earn less than \$25,000** annually than earn over \$50,000
- Nearly **90% of full-time child care workers earn less than \$25,000**

Economic Opportunities

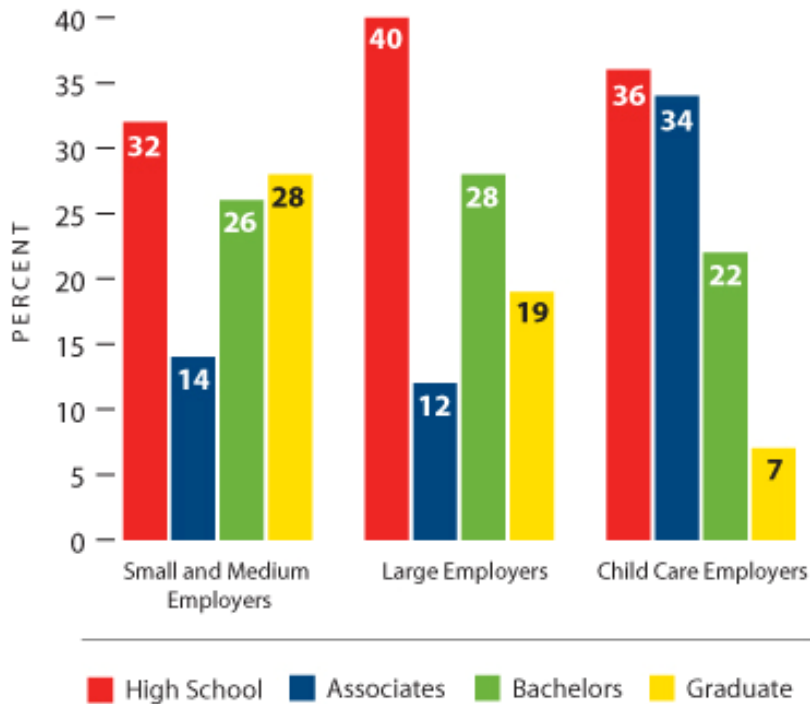
Regional Economic Benefits Generated by Local Child Care Industry...



- Buffalo-Niagara Falls MSA has **highest child care multiplier impact** in NYS
- \$2.06 **additional economic activity** for every \$1.00 spent on child care locally
- 1.56 other **jobs created** by every additional child care job

Challenges Along the High Road

EDUCATION OF WORKFORCE
AVERAGE PERCENTAGE BY ATTAINMENT LEVEL



- **97%** of downtown **employers** report **no employees without** a high school diploma or GED
- **20%** of Buffalo residents age 25 years and over **do not have a high school diploma or equivalency**
- **14%** of Buffalo youths **are school dropouts**

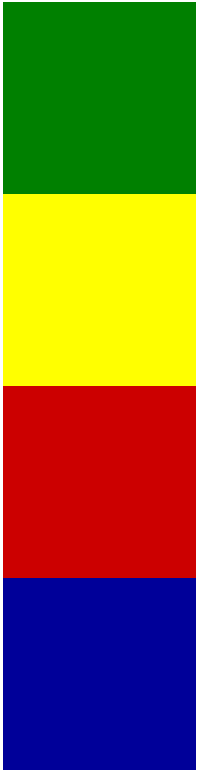
Education...a Workplace Benefit

Survey Snapshots

- 67% of downtown employers provided or paid for training and support for continuing education
- 93% of all child care employers reported this as a workplace benefit



Education...an Economic Asset



- Education becomes ever **more important** in a knowledge-driven creative economy
- Vibrant **diversified** downtown **economy** will **create jobs** in many occupations
- Educational portrait of the **downtown workforce** – a **labor market in transition**

Costs of Missed Opportunities

More than Money...the real costs are in lives

Buffalo School District high school **graduation rate in 2004 was 62%**.

Those 976 students who failed to graduate with the Buffalo Class of 2004 will **forego \$253 million in earnings over their lifetimes**.

Median household income in Buffalo is **\$27,311**.

27% of Buffalo residents, 38% of children under 18, **live below the poverty level**.

71% of all 4-year-olds in Erie County **do not have** access to publicly funded **pre-K programs**.

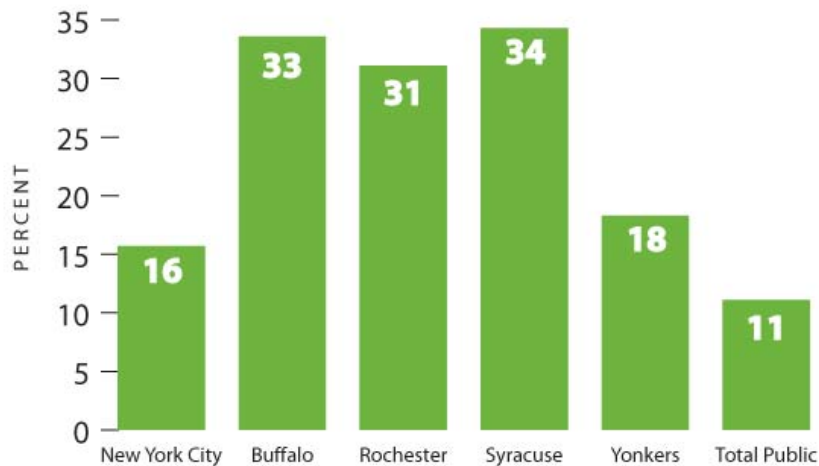
Universal early childhood education programs **can reduce special education expenditures by 12% and grade repetition by 21%**.



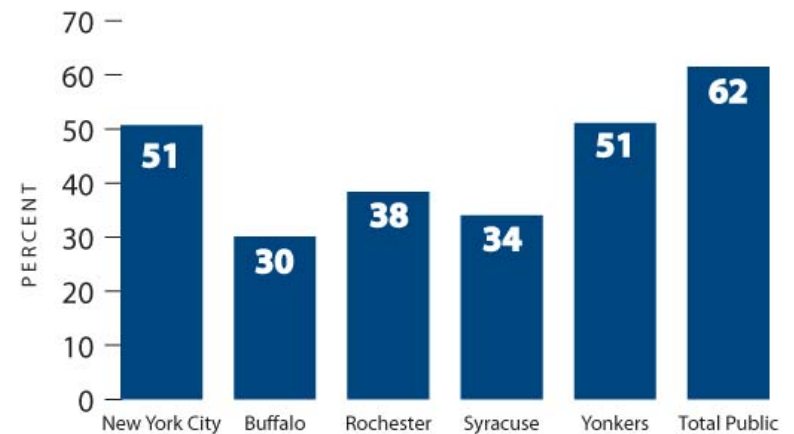
Educational Performance

2006 PERFORMANCE ACROSS ALL GRADES 3-8 FOR BIG 5 CITIES

MATHEMATICS PERCENTAGE OF STUDENTS SCORING AT LEVEL 1*



ENGLISH PERCENTAGE OF STUDENTS SCORING AT LEVELS 3 AND 4*



*Student scores on required State tests (or approved alternatives) converted to four achievement levels, from Level 1 (indicating no proficiency) to Level 4 (indicating advanced proficiency).

Costs...

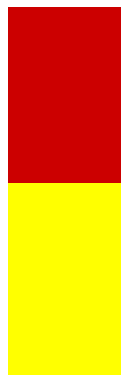
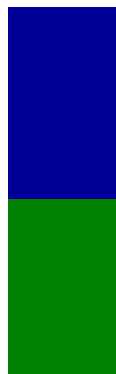
...Benefits

Without Quality Child Care...

- Increased special education intervention
- Use more public benefits
- Suffer from abuse and neglect
- Become pregnant as teens
- Commit crimes and go to prison

On the Other Hand...With Early Care and Education...

- Better health and nutrition
- Improved cognitive skills and IQ scores
- Enhanced social, emotional and behavioral abilities
- More likely to finish school and enroll in college
- More successful long-term employment
- Higher lifetime earnings
- Greater ability to contribute to community welfare



A Visible Work in Progress

Signs of Downtown Buffalo Renaissance

- Downtown makes up 40% of the city's tax base
- Approximately 60,000 people comprise the downtown workforce
- Downtown residence boom attracts people of all ages
- Health and bioscience center of excellence
- Thriving arts, culture and entertainment sector
- Erie Canal, Cobblestone District and waterfront development
- Accessible public transportation
- Wired for 21st Century information infrastructure
- Real estate attracting developers and investment capital



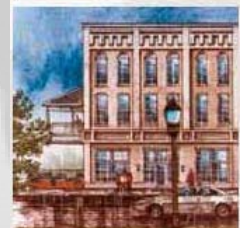
Build a Bridge

...to the Future

...to the Neighborhoods

...to More Successful Economic Development

*Economic Development
with a Human Face*



Community Coalitions for *Local Solutions*



Investing Today in the *Hopes of Tomorrow*



Recommendations for Action

Advocacy

Spread the Message *Become a Buffalo Child Care Champion*

- Distribute the *Buffalo Child Care Means Business* report
- Build the business case for quality childcare; promote best practices
- Join/promote/utilize a Speakers Bureau for awareness and education



Advance Public Policy

- Join and participate in NYS advocacy organizations
 - Winning Beginning NY*
 - Child Care That Works*
- Support legislation to expand investments, improve incentives and assure quality
- Secure for the child care industry benefits/supports government extends to small businesses and other sectors identified for economic development



Recommendations for Action

Employer Based Education and Action

Create/distribute an *Employer's Guide for Supporting Quality Child Care*

- Provide workplace education to expand access to employee child care benefits
- Facilitate development and full utilization of family friendly Flexible Spending Accounts
- Identify and maximize use of available subsidies for child care



Enlist support of other employer, employee and workplace organizations

- Explore pooled child care tuition subsidy fund for small employers
- Link child care organizations with the business and employer communities
- Explore health benefits for child care workers through pooled employer or employee organizations



Recommendations for Action

Other Coordinated Efforts in Downtown Buffalo

Strengthen the child care sector

- Create scholarships for education and training of child care workers
- Explore ways to use workforce development resources to improve educational qualifications of child care workers
- Facilitate better utilization of services of local organizations for improving child care quality

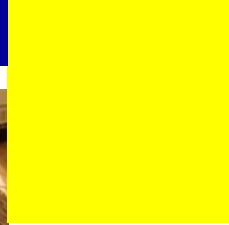
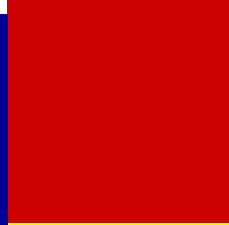
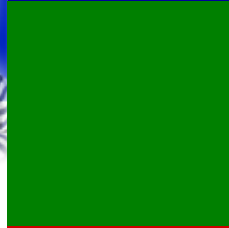


Facilitate effective practices with local government and economic development agencies

- Secure more timely subsidy payments from Erie County Department of Social Services
- Secure eligibility for funds and services from local IDAs for child care enterprises



Link with Buffalo Public Schools and other educational institutions



***Think Creatively and Act Seriously on Local Opportunities
Together we can make quality child care and early education the
Jewel of Buffalo Downtown Renaissance.
It's well within reach.***



Buffalo Child Care Means Business

a research and action project with promise for...

- sustainable downtown development

- the current and future workforce

and...

- our most treasured
little assets!

