

THE STATUS OF CHILD CARE IN NEW YORK STATE



March 2024



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ILR School

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EXECUTIVE SUMMARY

Policy changes in the FY 2021-2022 NYS Budget have had uneven results across New York State.

In the report, Buffalo Co-Lab researchers show that the initial influx of NYS funding helped to stabilize the child care industry during the pandemic. Since the pandemic, however, there has been little progress in the availability of and accessibility to child care in New York State. Our research shows an unevenly changing child care landscape, with minor gains in aggregate capacity since 2021, but meaningful losses in many areas across the state, particularly in upstate counties and low-income communities, where child care deserts and near- deserts already existed.

Child care workers remain underpaid and undervalued.

According to the Department of Labor's report, "Child Care in New York State, 2023," child care workers in the Child Day Care Services Industry earn a median wage of just \$32,900. When compared to the median wage of all New York workers, \$54,300, those who work in child care earn about 39 percent less on a yearly basis. Twelve percent of child care workers in New York State fall below the poverty line. Child care workers rank among the ten least paid professions in NYS.

Lack of Access to Affordable Child Care Takes New York Workers Out of the Economy

Among New Yorkers with children who responded to Cornell University's 2023 Empire State Poll (ESP) questions regarding their child care needs, more than two out of five respondents indicated that they or an adult member of their household decided to forgo employment outside of their home due to child care. In a follow-up question asking why these respondents turned down paid employment outside the home for reasons related to child care, more than half (53%) indicated that the biggest reason for their decision was the high cost of child care. Nearly one-quarter (23%) of respondents said that their biggest obstacle to employment was lack of accessible child care in their area. The remaining 24% of respondents indicated that the decision was linked to their personal child-rearing preferences (18%) or some other reason (6%).

Child care capacity is ticking up, but industry diversity may decline.

NYS's Office of Children and Family Services data show that, statewide, both the number of licensed child care providers and the number of slots available through providers increased modestly from 2021 to early 2024. In the aggregate, NYS experienced a net gain of 75 licensed providers and 18,731 slots at licensed child care providers – growth of 0.5% and 2.9%, respectively. The net increase in the number of licensed providers was driven almost

wholly by growth in Group Family Day Cares (GFDCs). Across New York, this type of provider increased by 501 establishments, and GFDCs netted 7,829 child care slots. At the same time, there was a net loss of 388 Family Day Cares (FDCs) and 2,938 FDC slots. Whereas these findings suggest that the provider landscape is potentially becoming less diverse, note that it is common for FDC providers to transition into GFDC providers in order to increase the number of slots at their establishments. Thus, even though there seems to be less diversity in the institutional landscape due to the net loss of FDCs, the broader class of “home-based” child care has become more significant due to expansion of GFDCs. These gains, though too small stabilize the industry, show that child care reform efforts are increasing capacity as designed.

New Yorkers Value Quality Child Care and Want to See Sweeping Investments into the Child Care industry

The overwhelming majority (79%) of 2023 ESP respondents indicated that they would support public funding for universal child care, making it a free public service akin to K-12 public education. By nearly the same margin (78% Yes, 22% No), New Yorkers expressed resounding support for taking measures to increase wages in the early child care industry – namely, by uplifting early child care workers’ wages to be on par with entry level salaries for elementary school teachers.

A child care compensation fund would raise wages for all child care workers.

To improve wages among child care workers, the New York State Child Care Compensation will institute a state-provider partnership to ensure that child care workers receive pay commensurate with other early childhood educators in the state. Per the Buffalo Co-Lab’s analysis, if all child care workers earning below \$23.55 per hour were elevated to that level, and if the few workers earning at or above that level were given 20 percent retention raises, then the median annual subsidy per worker would be on the order of \$13,000 per year. If the model called for a minimum wage of \$23.55 in the industry, then the total cost of raising wages for all [non-self- employed] child care workers would be nearly \$800 million per year (for wage supports only, not including the cost of fringe benefits).

Child care’s economic return on investment is high.

In January 2024, researchers at the Cornell University ILR Buffalo Co-Lab purchased economic multiplier data for (1) NYS and (2) Erie County from the Bureau of Economic Analysis’s (BEA’s) Type II Regional Input-Output Modeling System (RIMS II) program. These data report industry-level economic impact on a region. Per these data, investing \$1 billion into NYS’s child care industry would give rise to roughly 20,304 new jobs – the seventh-highest job creation rate out of 372 industries (98th percentile) in all of NYS.

Introduction

This report evaluates the status of child care and child care workers in New York State (NYS). It also marks the third phase in an action research project on the true cost of child care, coordinated by Cornell University's ILR Buffalo Co-Lab between 2021 and 2024. In each of these phases, Buffalo Co-Lab partnered with New York State legislators as well as Erie County child care providers and advocates to determine the "true" cost of child care. Since New York State was granting a subsidy to child care providers for households who qualified for financial support, Buffalo Co-Lab research sought to understand whether the NYS subsidy provided sufficient funding for child care providers to meet the cost of care for a child.

Buffalo Co-Lab research found that NYS subsidy rates (i.e., the means-tested public assistance that New York State households receive for child care) fell far short of covering the costs of child care in Erie County and in New York State. Moreover, child care providers who were interviewed unveiled a wide range of problems in the industry: a lack of access to child care services for many families; an entire sector of low wage work; forfeiture of workforce participation among parents; and persistent gender, racial, and economic inequality. In phase I and phase II of the true cost of child care studies, Buffalo Co-Lab offered concrete recommendations intended to stabilize and expand the Erie County (and perhaps NYS) child care industries.

Cornell ILR Buffalo Co-Lab's "True Cost of Child Care: Erie County" in 2022 impacted policy change. In the NYS budgets for 2022-2023 and 2023-2024, lawmakers implemented reforms that aligned with Buffalo Co-Lab recommendations. Among the budgetary changes were increases to the subsidy and an expansion of the number of families eligible to receive the child care subsidy. In 2023, Buffalo Co-Lab began to assess the impacts of policy change in child care. Researchers conducted quantitative analyses of economic and demographic data gathered from a wide range of sources, featuring survey data from Cornell University's Empire State Poll as well as data visualizations which map the economic status of child care providers and workers in various regions of NYS. With generous support from the Community Foundation of Western New York, Buffalo Co-Lab researchers also conducted qualitative research with 40 members of the Erie County child care community, including child care providers, advocates, and county and state officials.

In phase 3 of Buffalo Co-Lab's true cost of child care study, Buffalo Co-Lab researchers show that the initial influx of NYS funding helped to stabilize the child care industry during and immediately after the pandemic. Since the pandemic, however, there has been little progress in the availability of and accessibility to child care in New York State. Instead, research shows an unevenly changing child care landscape, with minor gains in aggregate capacity over the past 2.5 years, but meaningful losses in many areas across the state, especially in upstate counties and low-income communities, where child care deserts and near-deserts already existed.

In addition to showing the bleak economic status of the child care industry in NYS, this report showcases one of the proposed solutions for the crisis facing child care: a workforce

compensation fund (rather than temporary wage stabilization grants). The compensation fund would raise pay for workers in the industry to attract and retain new child care professionals. As a corresponding model, Buffalo Co-Lab analyzes Washington, DC's workforce compensation program. In the city of Washington, DC, the compensation fund provides direct payment of wages to child care workers. If implemented in New York State, a compensation fund would likely stem the tide of workers leaving the child care industry due to poverty wages. Moreover, Buffalo Co-Lab research shows that the return on investment would far exceed the cost of the program, creating tens of thousands of new jobs and activating new economic activity connected to the child care industry.

Part I: A Snapshot of the Child Care Workforce, 2022 to the Present

Child care workers earn notoriously low pay in New York State. Data suggest child care professionals earn among the lowest in wages and salaries among all New York State professions. According to the Department of Labor's report, "Child Care in New York State, 2023," child care workers in the Child Day Care Services Industry earn a median wage of just \$32,900.¹ When compared to the median wage of all New York workers, \$54,300, those who work in child care earn about 39 percent less on a yearly basis. Twelve percent of child care workers in New York State fall below the poverty line.²

The demographic composition of child care workers, as reported by the Department of Labor, deserves attention.³ In New York State, there are 69,109 child care workers, according to the report. Ninety-four percent of child care workers in New York State are female, suggesting strongly disproportional outcomes based on historical marginalization of women in the



United States. The median age of these workers is 40 years old. Racially, nearly half of child care workers are white Americans (not Hispanic or Latino). 22 percent are Hispanic or Latino. 18 percent are Black Americans (not Hispanic or Latino). Seven percent are other groups (not Hispanic or Latino), and six percent are Asian (not Hispanic or Latino) [sic].⁴

Who New York State child care workers are and how much they earn are questions critical to understanding the urgent need for workforce compensation policy. In New York State, the child care work force matches the racial demographics of the United States more generally. While its strength lies in diversity of the workforce, bleak wages deal a blow to child care workers. They also signal the pervasiveness of sex inequalities in earnings. In this instance, a workforce constituted by 94 percent women earn 39 percent less than the median income of New York State, resulting in 12 percent of the child care workforce living below the poverty line.

While the wage gap based on sex is narrow among the 16-24 year old population, it widens among older populations, the report explains, “in part reflect[ing] the disproportionate impact of family responsibilities on women’s careers, otherwise known as the ‘motherhood penalty.’”⁵ The motherhood penalty impacts perceptions of child care workers who experience “a general bias against caregivers.”⁶ The reality of low pay for child care workers, one might surmise, affirms to society more generally that care work is low value and for women.

Changes to NYS Child Care Policy in 2022

As a coalition of child care providers, advocates, parents, and state and county officials, the Live Well Erie Emergency Child Care Task Force won extraordinary political victories in 2022. As listed in the phase two of the “True Cost of Child Care: Erie County, NY” report, the task force negotiated the following additions to the New York State budget:

- subsidy increase from the 69th to the 80th percentile of the market rate
- expanded eligibility for subsidies up from 200% to 300% of the federal poverty level
- increased capital funding for providers
- stabilization grant funding aimed especially at increased wages
- increase in Universal Pre-K funding
- increase in Facilitated Enrollment Program funding
- cap on family co-pays to 10% of income above the federal poverty level
- funds for child care centers on SUNY campuses
- early notification of county allocations of funds⁷

The first four of these budgetary gains speak to the value of collaborative action research projects. First, the task force helped New York State expand the subsidy to child care providers. The subsidy was expanded from the 69th percentile of the market rate, which was based on below-true-cost reporting in the New York State Market Survey, to the 80th percentile based on true-cost data. “The hard data made it clear that the existing model for funding is inadequate

and directly linked to the increasingly limited availability of child care,” remarked a member of the Live Well Erie Emergency Child Care Task Force, “Although the state did not change the model, they dramatically increased the funding inside the existing model with specific attention to the wages paid to child care providers.”⁸

Further research would be needed to show the impact of other budgetary gains. Specifically, quantitative and qualitative analyses of budgetary gains would help to reveal the impacts of policies intended to expand access to affordable child care and to improve pay in the child care workforce. These policies included: expanded eligibility for subsidies up from 200% to 300% of the federal poverty level, increased capital funding for providers, and stabilization grant funding aimed especially at increased wages.

NYS Governor Hochul’s 2024-2025 Fiscal Year Budget Proposals for Child Care

At the end of 2023, Governor Kathy Hochul sent mixed signals about the direction of New York State child care policy. On December 20, 2023, Governor Hochul announced a \$100 million program purportedly to address the shortage of child care supply in New York State. This commitment included \$50 million in capital grants to developers seeking to build child care home and center-based programs, as well as \$50 million in tax credits to business owners (in and out of the child care industry) to expand access to child care services for employees. The child care enterprise approach gained momentum in the summer of 2023, when Governor Kathy Hochul and Micron Technology announced a plan to create child care services for the 50,000 new employees projected for their semiconductor manufacturing campus under construction in Clay, Onondaga County, New York. In August, Micron purchased a parcel of land to build an on-site daycare for their employees.⁹

On December 23, 2023, despite passing both houses of the New York State legislature with bipartisan support, Governor Hochul vetoed the Decoupling Bill, signaling to child care providers, advocates, and parents that expanding access to quality, affordable child care may not be a priority in 2024. Decoupling a worker’s hourly schedule from the time that she can use the child care assistance program resources will expand access to affordable child care. Right now, if a New Yorker qualifies for child care assistance, they can only use the subsidy at the exact time they are working. This regulation restricts access to assistance for New York’s parents and caregivers who work non-traditional hours. The Decoupling Bill would have helped parents, providers, and children by removing a major obstacle to accessing state resources.¹⁰

Despite recent efforts to stabilize the child care industry, Governor Hochul’s interventions have not been aimed at workforce compensation. As already noted, child care professionals in New York earn just a fraction of the state’s median income and rank among the least paid professions in NYS. In early December 2023, the Empire State Campaign for Child Care (ESCCC), a statewide coalition of child care providers, advocates, and parents, released their policy priorities for 2024 and at the top of the list was

increased pay for child care professionals. While the Hochul administration purports to have invested \$1.4 billion on stabilization and workforce retention grants since 2021, the qualitative and quantitative data featured herein show that child care workers remain underpaid and undervalued, stressing the need for a *permanent* child care worker compensation fund.

In fiscal year 2024-2025, Governor Hochul's Executive Budget seeks to expand two major programs, Employer-Supported Child Care (ESCC) and the Business Navigator Programs. In the ESCC program, NYS required employers to contribute a third of the cost of care for families between 85 percent and 100 percent of median income. To reduce costs for parents, NYS proposed to match the 1/3rd employer contribution, leaving the parents to pay 1/3 of the cost of child care in households which qualify for the Child Care Assistance Program. This pilot program purports to generate millions of dollars in state funding to support parents seeking affordable child care.¹¹

The 2024-2025 NYS Budget also will institute the Business Navigator program. The Business Navigator centralizes data on NYS licensed child care providers so that interested businesses in each of the 10 Regional Economic Development Council regions can coordinate with child care providers to support their employees' child care needs. Because these programs are in their infancy, their efficacy remains unclear; more data is needed to show if these programs will increase accessibility of child care for parents, improve the financial health of child care business, and enlist employers in efforts to support employees child care needs.¹²

Part II: Child Care Providers Speak on the Impacts of the 2022 NYS Policy Changes

In summer 2023, Buffalo Co-Lab researchers began phase 3 of the "True Cost of Child Care: Erie County, New York" report to learn from child care providers whether the budgetary wins of the previous year addressed the child care labor crisis. In June and July, a team of researchers from the Department of Sociology at the State University of New York at Buffalo in partnership with Buffalo Co-Lab conducted in-depth interviews and focus groups with 40 members of the Erie County child care community, including providers, advocates, and state and county officials. A chief focus of the study was understanding the extent to which increased state funding for providers and expanded subsidies for families in need impacted the local industry.

By conducting in-depth interviews and focus groups with child care providers in Erie County, researchers sought to contribute to a better understanding of the impacts which increases in child care funding in the 2022 New York State budget have had on the workforce and the childcare ecosystem generally. The researchers conducted a total of four focus groups and

15 interviews. We had a total of 40 participants. Focus groups lasted between 1 and 1.5 hours and varied in size from 4 to 20 participants. Focus groups were split up by “modality” including Center Based, School Age After School, Family, and Group Family Care providers. 15 Interviews took place and ranged between 30 minutes and 1 hour. Interviews included 4 state and country officials, 7 childcare advocates, and 4 childcare providers.

To evaluate the state of childcare in New York (NYS), researchers asked providers, advocates, and state/county officials to discuss their experiences of changes in NYS child care policy, chief among them affecting workforce retention and access to affordable child care. In the following analysis, the qualitative data from the focus groups, which were comprised exclusively of Erie County child care providers, will be synthesized to show impacts on workforce and the demand on child care services due to the expanded subsidy for parents. The analysis will present providers’ responses, irrespective of modality, to two questions during the focus group sessions pertaining to workforce and to expanded access, respectively.

Child Care Provider Perceptions of the Policy Changes in NYS Budget for FY 2022-2023

“I find more people are not willing to work”

When asked if gains in the NYS 2022-2023 budget had increased wages or increased the number of child care workers, respondents voiced concerns that the number of child care workers will continue to decrease due to low wages and the devaluation of child care workers in public perception. For example, one group family provider explained: “[Since the pandemic] I find more people are not willing to work. It is just hard to find staff really. And the funding is not out there to even hire, you know, staff because people want to get paid more than minimum wage.” This respondent noted that low wages hurt their ability to recruit additional workers, and, if they did, they would struggle to pay these workers more than minimum wage, in part because government support for workforce retention was difficult to access. Another group family provider argued more stridently that wages have resulted in work force shortages: “If they (the state) put some of that money to help us increases wages to help us begin to hire more staff, you know, then we can begin to provide the childcare. To me, it’s not that people don’t want to work. They don’t want to work for nothing. You know, they need to care for their own children.”

A third respondent linked low wages to lack of esteem for the field: “I don’t know how to encourage people who have a real passion and talent for working with young children. How do we encourage them to go into the field as a career if we don’t treat them as professionals?” This compounds the problem of low wages because employers in the child care industry acknowledge that their work positions are viewed as underpaid and undervalued. Public perception of child care professionals appears to be dissonant with the actual contribution they make to millions of households in the US.

“We’ve been able to use some of the money”

When asked how budgetary gains impacted wages, salaries, or other wage enhancements, there were ambivalent reports among providers. For some respondents, the stabilization grants were helpful in producing increased wages for their workers, but for others the grant funding was difficult to access and insufficient to meet the day-to-day demands for child care services. One provider, who expressed the helpfulness of New York State Stabilization grant 1.0, detailed the impact in terms of wages they offer to employees:

We have 35 staff. Most of them are full-time. The newest staff, we can't get them to stay longer than 4 or 5 months before they're gone. And we don't think our pay is so bad. We pay \$18.50 for a 4-year degree. People with a 2-year degree start at \$17.50 and we don't start anyone at less than \$16. So we've been able to use some of the money we got from the state (stabilization grant) to do this.

This provider offers tiered wages based on education, paying higher than the County average, and utilizing state resources to keep their entry-level positions above the state minimum wage.

Other providers have not been so fortunate. If, indeed, the child care reforms were intended to improve wages, salaries, then several providers, like this respondent, were unaware thereby unable to access state resources: “The pandemic definitely posed a financial crisis for my business [because] it wiped out my whole second shift...That’s 50 percent of my income gone. I still haven’t been able to bring back that second shift.” In this case, state’s efforts to stabilize the industry have not reached far enough. The loss of staffing and capacity during the pandemic reduced this provider’s income in half. New York State grant opportunities could have been helpful had the respondent known about them and received support gaining access to the grants.

Considering the staffing crisis child care providers faced, the changes to the New York State subsidy for parents seeking child care assistance, which increased the thresholds for assistance from 200 percent of the poverty line to 300 percent of the federal poverty line, seemed to have helped child care providers service more clients, particularly those who qualified for assistance due to financial hardship. When asked what impact the increased eligibility for child care subsidies in the NYS 2022-23 budget had on the number of children utilizing the subsidy, some child care providers remarked that, indeed, more families took advantage of the subsidy than before the pandemic. They viewed this as a net benefit of the child care policy reforms.

One respondent’s reflection captures the empathy many providers expressed for parents receiving the subsidy: “I only have one family right now that’s getting DSS [the subsidy] ... She found out through someone at her work that she was probably eligible and went downtown and did it fairly quickly ... I think it’s gotten a little better over the years to try and apply.” This

respondent shows that the expanded eligibility for parents seeking child care assistance had spread by word of mouth to many parents, and the application process, at least for one parent, had been streamlined for the mother and for the provider. These signs would indicate greater access to affordable child care for New York State parents, which was the goal.

“[providers] only have half their classrooms open”

Many child care providers, however, raised concerns that the new, expanded demand for child care services was growing too quickly and steadily for child care providers to address with limited resources to recruit and maintain new workers. One respondent put the dilemma succinctly: “I think that the subsidy makes childcare more available to more people,” they said, “but I don’t think that there’s nearly as many slots as there used to be.” According to this respondent, the “slots” that child care providers open to parents and care givers seeking child care have reduced, and the cause is not because they have no more room for clients, since they also acknowledged that some daycare centers “only have half their classrooms open.” The main reason for child care supply shortages, the respondent remarked, was “because they can’t staff them.”

The problem of workforce compensation seeped into discussions of expanded eligibility, as child care providers explained that the subsidy to parents was not enough to cover the true cost of child care for providers and, furthermore, expanded the demand beyond providers’ capacity to take on new client with the limited workforce available. “Now why would you take a subsidy [client who receives the subsidy from New York state],” asked one respondent rhetorically, “That’s only paying \$200 when the cost of care is, say \$275, and ... I can charge private paying families \$275.” Allegorically, this respondent is correct to state that the changes to New York State child care policy did not expand to cover the “true cost” of child care as delineated in the Buffalo Co-Lab, though the exact figures are inaccurate. Notably, this child care provider opined that the New York State subsidy would pay too little for the client’s care for the provider to turn a profit on the service. The subsidy was not enough, one might surmise, for providers to receive subsidized clients and still run a solvent business.

More than paying too little for providers to redeem the cost of care, the New York State expanded subsidy, as one provider stated, is akin to “putting the cart before the horse.” According to this respondent, expanding access to child care assistance ignores the workforce crises that obviate the ability for child care providers to offer services.

We’re having child care issues in terms of staff. Many of the daycares are not operating at full capacity because we don’t have the workforce. So the more people you tell are now eligible for child care, when they’re calling, looking for child care, they can’t find it. This is a really big problem. ... I get so many calls [from parents] and we can’t help them/ We can’t take them. ... Way before they increase the amount of subsidy for parents, ... we ... [must] take that money and find a way to increase the pay so that providers can hire more staff to care for these children.

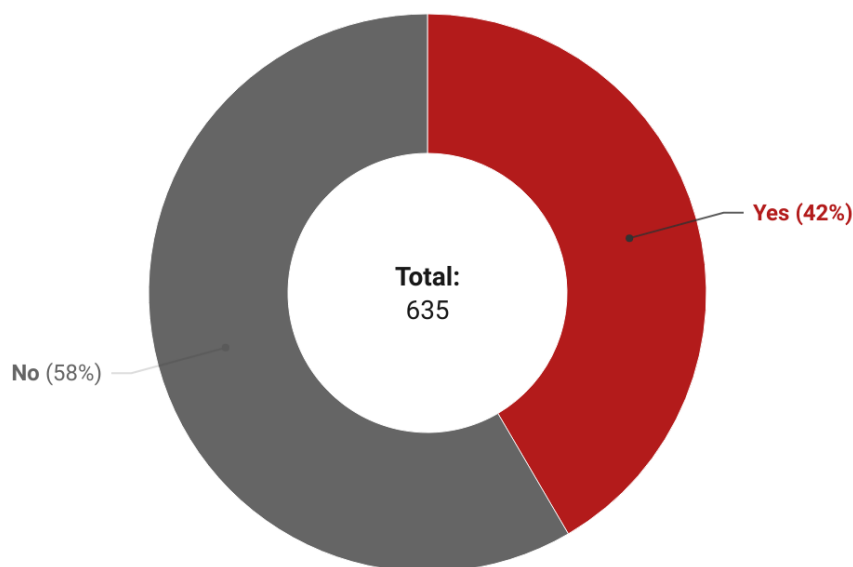
Part III: Findings from the 2023 Empire State Poll

In addition to qualitative interviews and focus groups, Buffalo Co-Lab collected survey data to understand more precisely the political economy of child care in New York State. The annual Cornell University Empire State Poll (ESP) is the only poll of its kind in New York State (NYS), with a focus on labor, employment, and work. Modeled on successful state polls such as the Ohio Buckeye Poll, the Minnesota State Survey, the Virginia Quality of Life Survey, and the Wisconsin Badger Poll, the ESP is custom-designed to provide a wide range of information on the experiences, priorities, and concerns of residents across NYS. To support ongoing Cornell-based research on child care and the care economy, the 2023 ESP added several new items that concern New Yorkers' experiences with, and opinions related to, child care. This section briefly summarizes key data points captured from these items.

Lack of Access to Affordable Child Care Takes New York Workers Out of the Economy

Among New Yorkers with children who responded to the 2023 ESP questions regarding their child care needs, **more than two out of five respondents indicated that they or an adult member of their household decided to forgo employment outside of their home due to child care.**

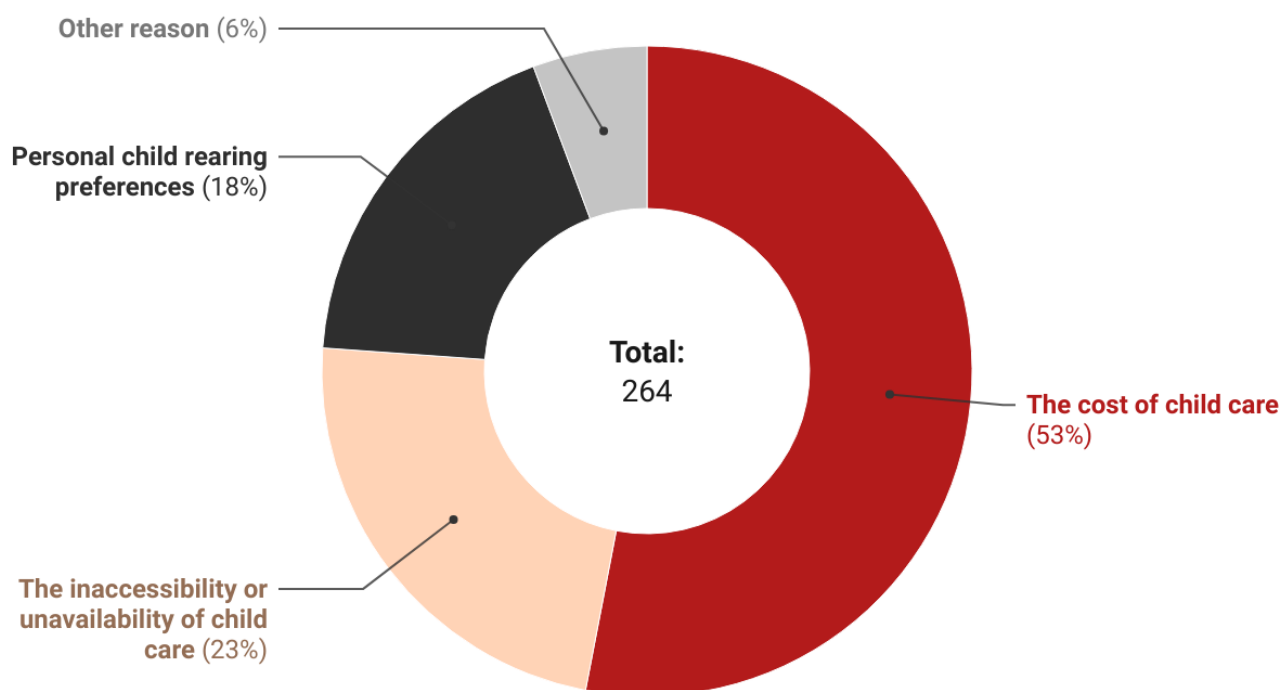
Have you or any other adult in your household decided not to be employed outside the home because of child care needs?



Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

In a follow-up question asking why these respondents turned down paid employment outside the home for reasons related to child care, more than half (53%) indicated that **the biggest reason for their decision was the high cost of child care**. Nearly one-quarter (23%) of respondents said that their biggest obstacle to employment was lack of accessible child care in their area. The remaining 24% of respondents indicated that the decision was linked to their personal child-rearing preferences (18%) or some other reason (6%).

Was the decision to forgo employment outside of the household primarily because of:

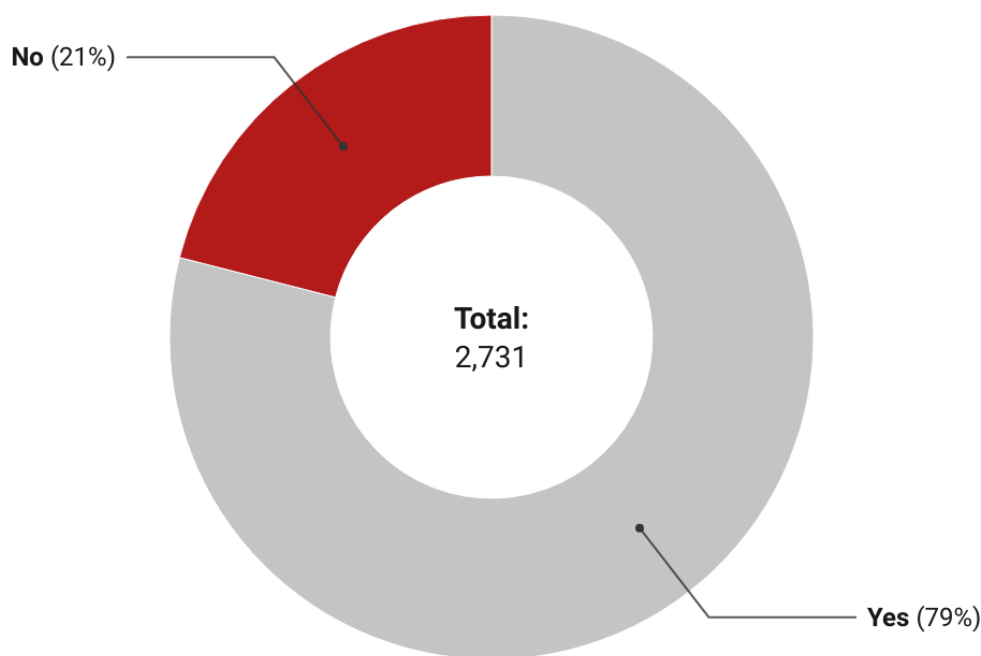


Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

New Yorkers Value Quality Child Care and Want to See Sweeping Investments into the Child Care Industry

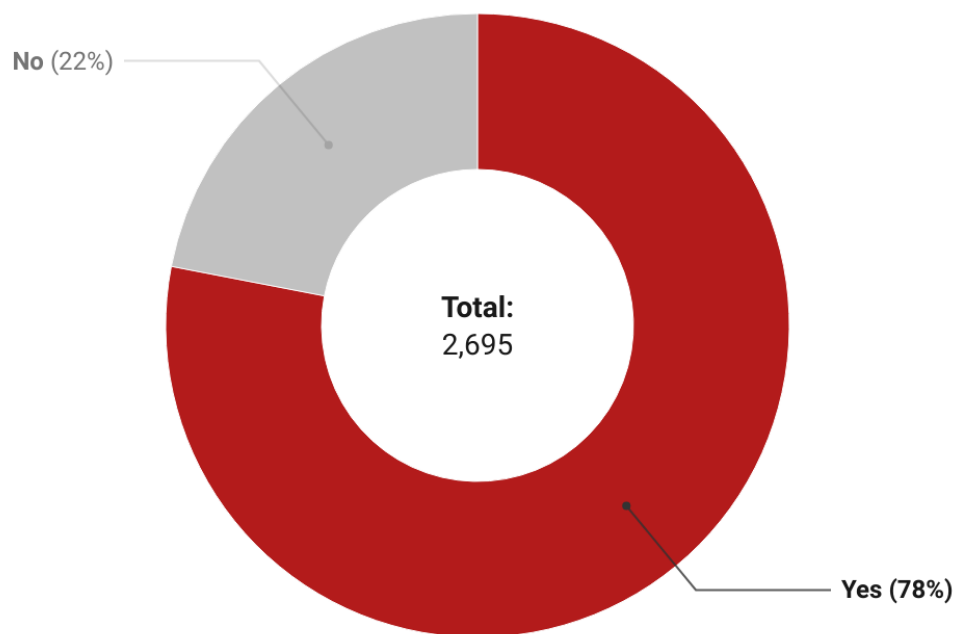
The overwhelming majority (79%) of 2023 ESP respondents indicated that they would support public funding for universal child care, making it a free public service akin to K-12 public education. By nearly the same margin (78% Yes, 22% No), New Yorkers expressed resounding support for taking measures to increase wages in the early child care industry – namely, by uplifting early child care workers’ wages to be on par with entry level salaries for elementary school teachers.

Would you support public funding for universal child care, making it a free public service, as is K-12 public education?



Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

According to the New York State Department of Labor, the median entry salary for early child care workers in New York State is \$30,928 per year, while the median entry wage for elementary school teachers is \$55,646 per year. Would you support an increase to early child care workers' pay that would allow them to earn salaries comparable to elementary school teachers?



Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

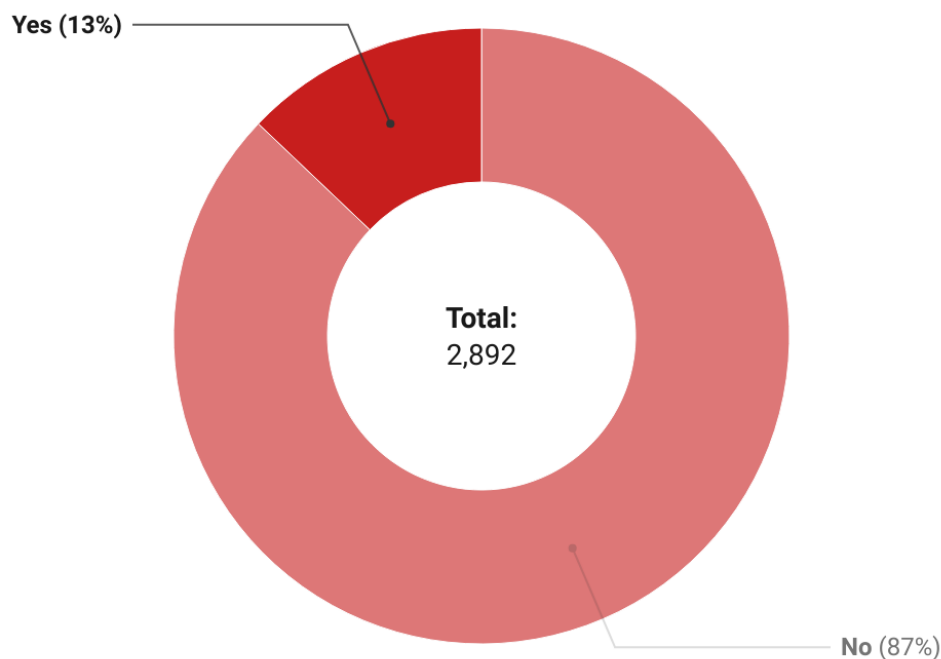


Even the Smallest Public Investments into Child Care Pay Large Dividends

The multi-year, multi-phase child care action research project coordinated by the Cornell University ILR Buffalo Co-Lab demonstrated that, at least in Erie County, the NYS child care subsidy provided to qualified (read: means-tested) households was and remains insufficient to cover the true costs of quality child care. Moreover, the research found that the reach of the subsidy is quite narrow, potentially making its way to just one in eleven (or fewer) households that may qualify to receive it.¹³

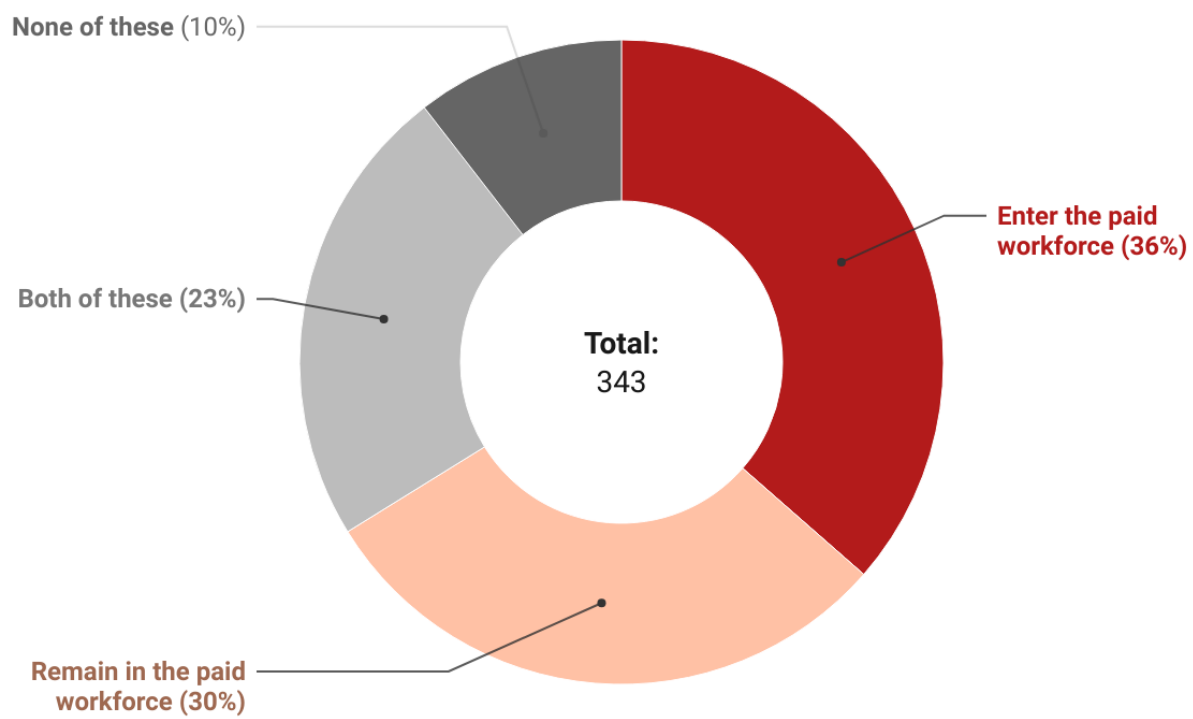
Despite these limitations, data from the 2023 ESP show, for the lucky households who do receive public child care assistance, the subsidy is impactful. Of the nearly 2,900 respondents who provided answers to the ESP question regarding whether one's household ever received a child care subsidy from NYS, only 13% indicated that they had received such assistance. Among those respondents who stated that they received child care subsidies, **90% of subsidy recipients were either able to enter the paid workforce, remain in the paid workforce, or some combination of these circumstances, because of the subsidy.** Only 10% of recipients indicated that the subsidy did not allow them to remain at work or seek out new employment. The clear takeaway is that public investments into quality, affordable child care spur additional economic activity through ushering parents and guardians into the labor force.

Have you or your family ever received New York State funding assistance for your child care costs?



Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

Did the state support/subsidy that your household receive for childcare allow a parent or other adult in your household to:

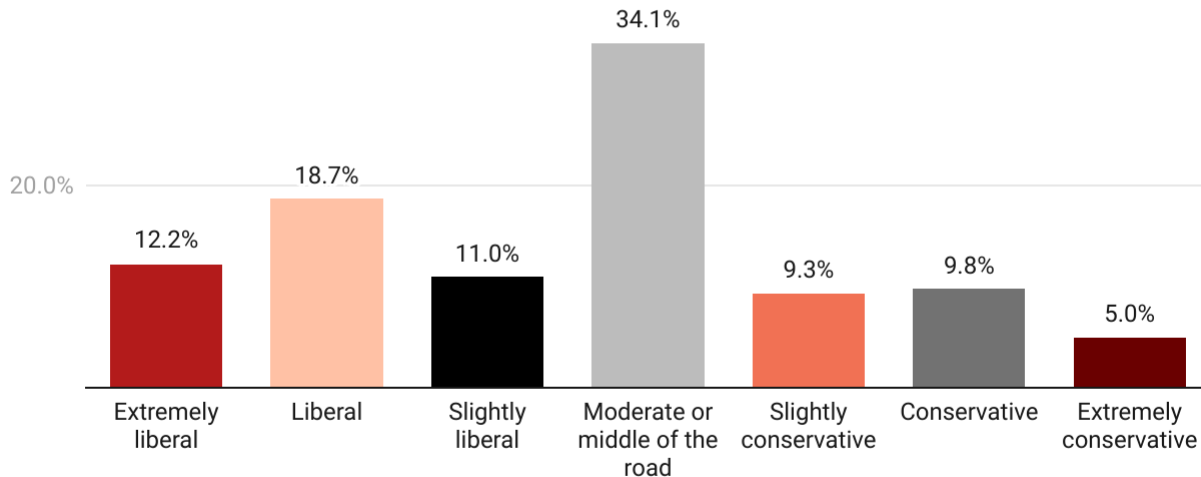


Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

The Support for Child Care is Bipartisan

Although it is beyond the scope of this document to discuss the ESP’s sampling methodology and level of representativeness, it is worth pointing out that ESP respondents were distributed relatively evenly – though leaning slightly liberal, as is expected in the “blue” state of New York – across the ideological spectrum. The plurality of respondents self-described as “Moderate or middle of the road”, with the remaining respondents spread out to the left and right of that category. Along those lines, the clear and decisive support for and concern over affordable, quality child care in NYS is bipartisan, backed by New Yorkers from all points along the ideological spectrum.

When it comes to social issues, do you usually think of yourself as extremely liberal, liberal, slightly liberal, moderate or middle of the road, slightly conservative, conservative, or extremely conservative?



n=2,602

Source: 2023 Cornell ILR Empire State Poll • Created with Datawrapper

Part IV. Recent Changes in the Availability and Capacity of Licensed Child Care Providers in New York State

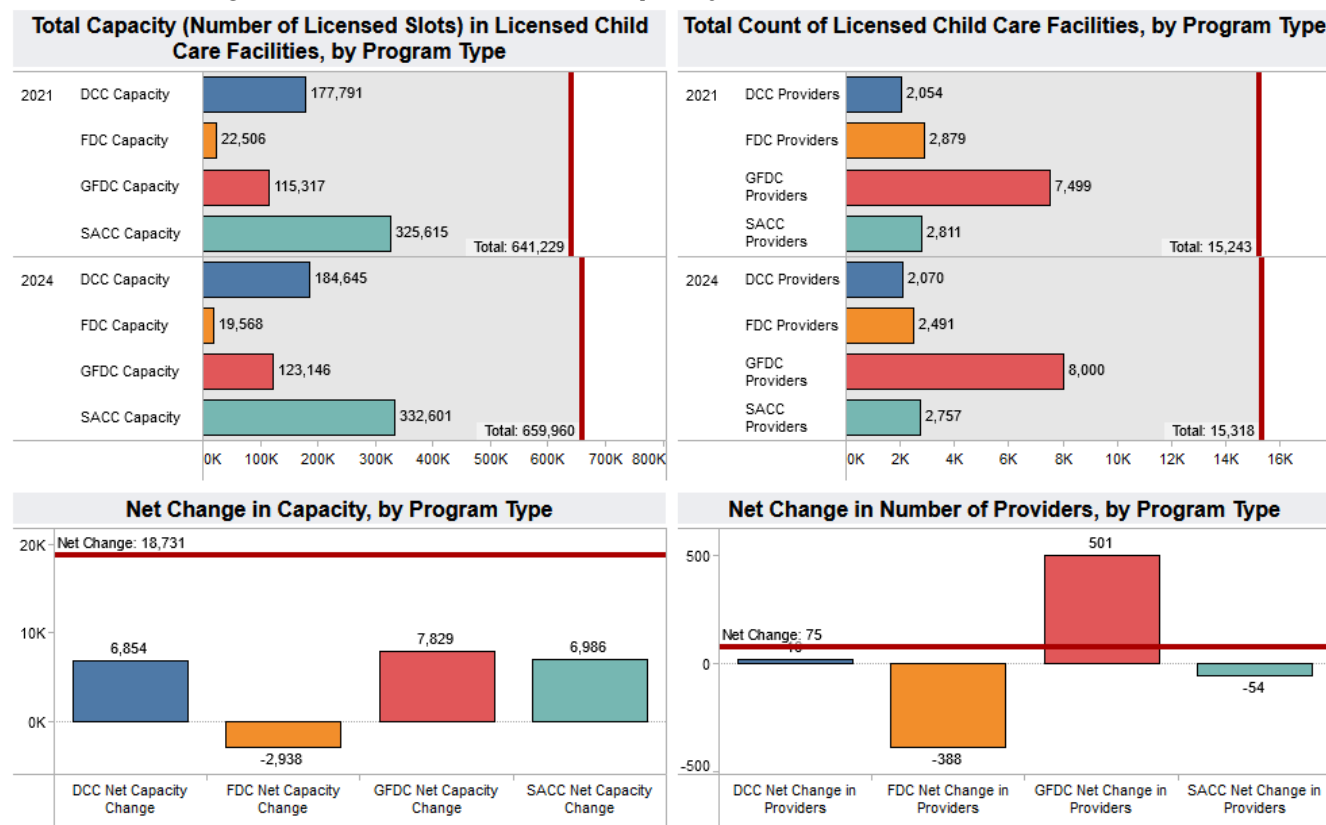
As part of the New York State (NYS) Open Data program, the NYS Office of Child & Family Services (OCFS) publishes a “Child Care Regulated Programs” dataset that lists all licensed child care providers across the State.¹⁴ The dataset is updated daily so that it is always current. Researchers at the Cornell ILR Buffalo Co-Lab obtained a version of this dataset in September 2021 to facilitate its ongoing child care research program.¹⁵ The same research team then downloaded an updated version of the OCFS provider list in January 2024 to examine changes in child care capacity across NYS over the past two-plus years. The remainder of this section summarizes observable changes in the NYS child care landscape over that time horizon.

Child Care Capacity Is Ticking Up, But Industry Diversity May Decline

To begin, the OCFS data show that, statewide, both the number of licensed child care providers and the number of slots available through those providers ticked up between late

2021 and early 2024. In the aggregate, NYS experienced a net gain of 75 licensed providers and 18,731 slots at licensed child care providers – growth of 0.5% and 2.9%, respectively.

Statewide Changes in Licensed Child Care Capacity and Facilities, 2021-24



Access this information on: childcarewny.org

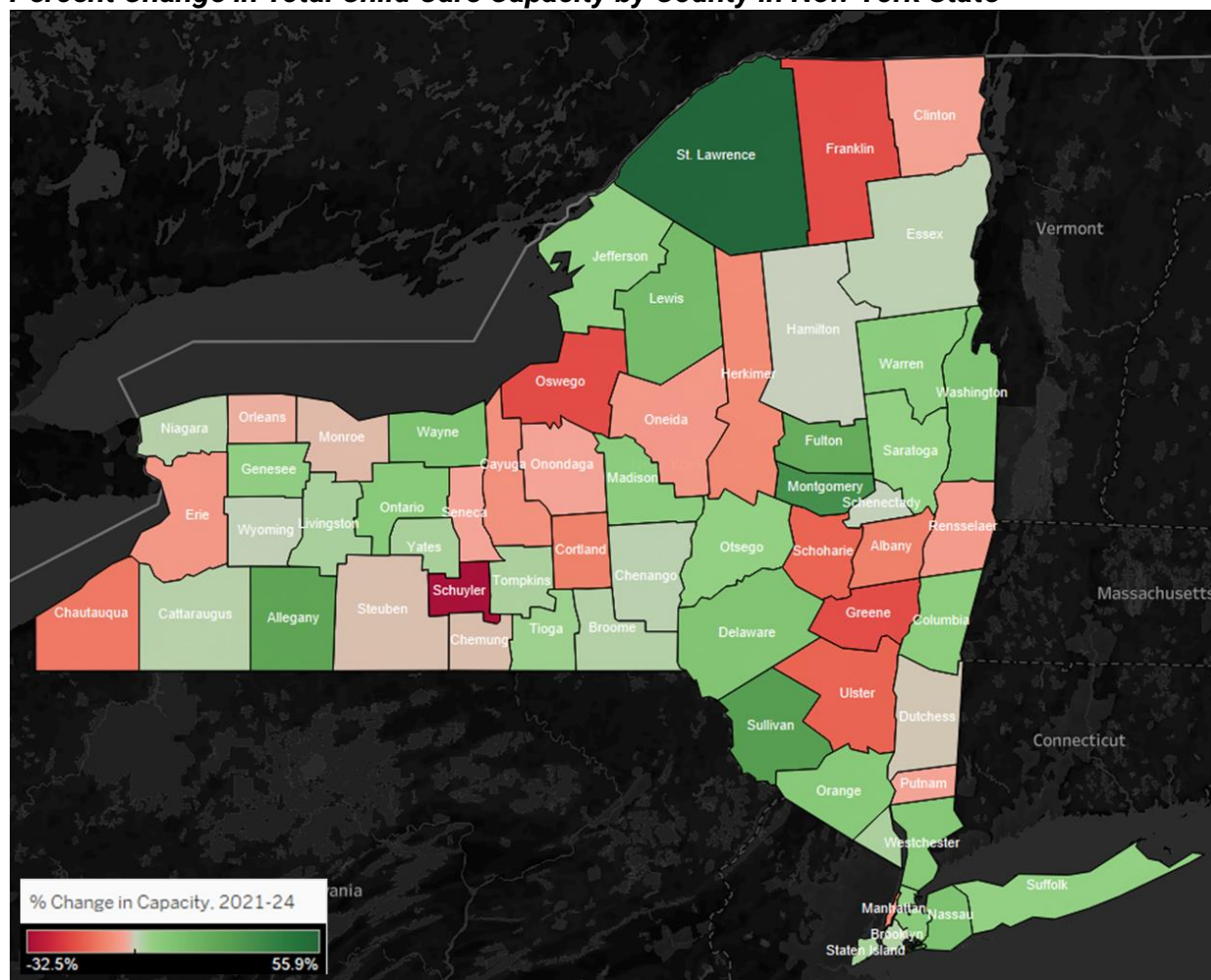
The net increase in the total number of licensed providers was driven almost wholly by growth in Group Family Day Cares (GFDCs). Across New York, the number of such establishments increased by 501 between September 2021 and January 2024, and GFDCs netted 7,829 additional child care slots over that timeframe. Meanwhile, there was a net loss of 388 Family Day Cares (FDCs) and 2,938 child care slots in the past two-plus years. Notably, FDCs are able to transition into GFDCs when they wish to increase their capacity beyond the eight licensed slots that are available to FDC providers. For that reason, the net loss in FDCs does not necessarily mean that hundreds of FDCs are closing their doors. Rather, many such providers may simply be expanding. At face value, even this outcome means that the NYS child care provider landscape is potentially becoming less diverse, as FDCs are now a smaller share of providers than they were in 2021. However, when one ignores the FDC/GFDC distinction, it is possible to say that the broader class of “home-based” child care has become more significant in NYS in recent years due to the observable and substantive expansion of GFDCs.

Alongside these changes to home-based care, the number of licensed School Age Child Care (SACC) programs in NYS experienced a net loss of 54 establishments, despite the number of slots in such programs increasing by nearly 7,000; and Day Care Centers (DCCs) added, on balance, almost 6,900 additional slots despite netting just 16 additional establishments. These patterns suggest that the institutional landscape of child care in NYS is potentially un-diversifying, with far fewer FDC options available to families while comparatively larger businesses (DCCs and SACCs) are ostensibly becoming even larger (as evidenced in capacity numbers).

Capacity Is Ticking Downward in Many Upstate Counties

Notwithstanding the overall, statewide trend of marginally higher capacity, 22 upstate counties – including Erie, home to New York’s second-largest City in Buffalo – saw the number of slots in licensed providers *decrease* over the past two-plus years.

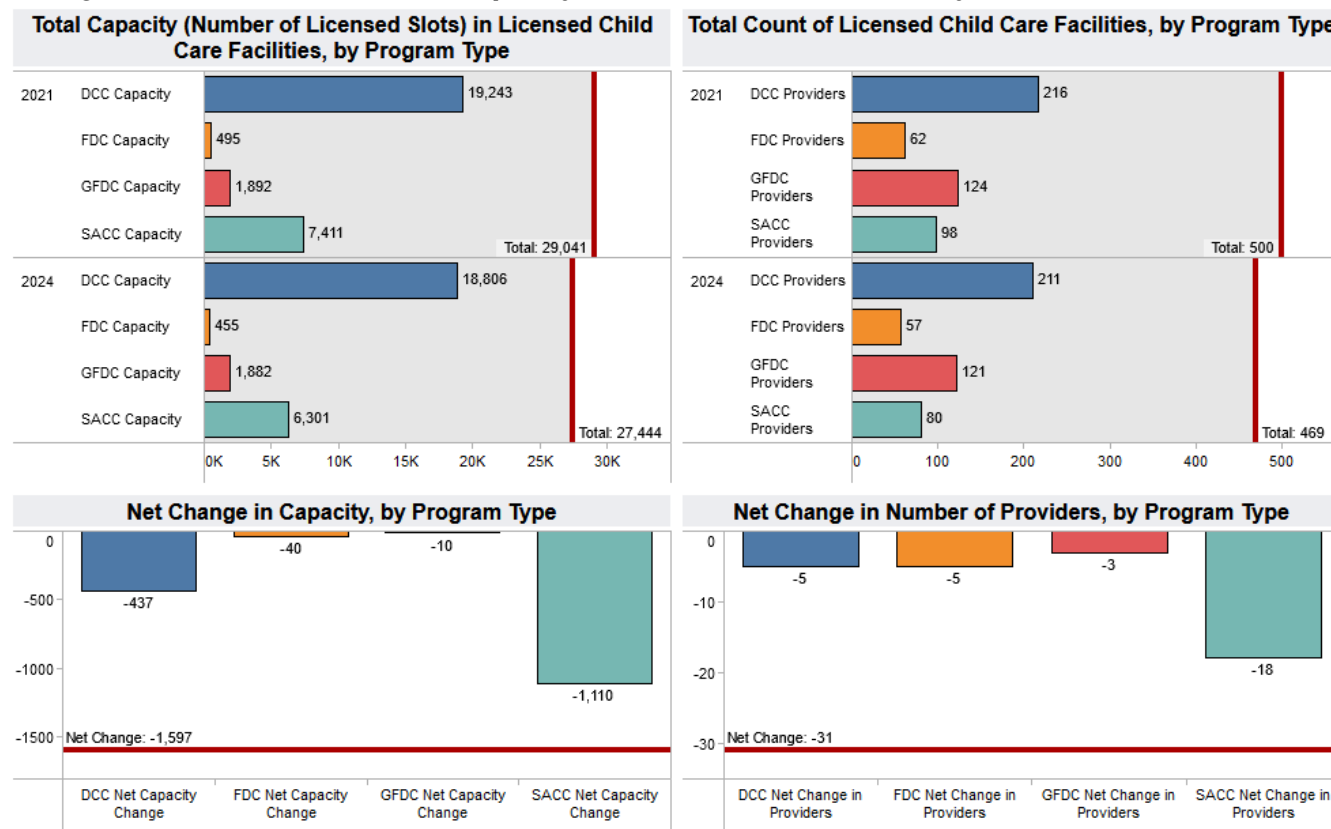
Percent Change in Total Child Care Capacity by County in New York State



Access this information on: childcarewny.org

Erie County, for example, has experienced a net loss of nearly 1,600 child care slots and 31 licensed providers since September 2021 – decreases of 5.5% and 6.2%, respectively.

Changes in Licensed Child Care Capacity and Facilities in Erie County, 2021-24



Access this information on: childcarewny.org

Areas With Higher Child Poverty Rates Were More Likely to Lose Capacity at Licensed Child Care Providers

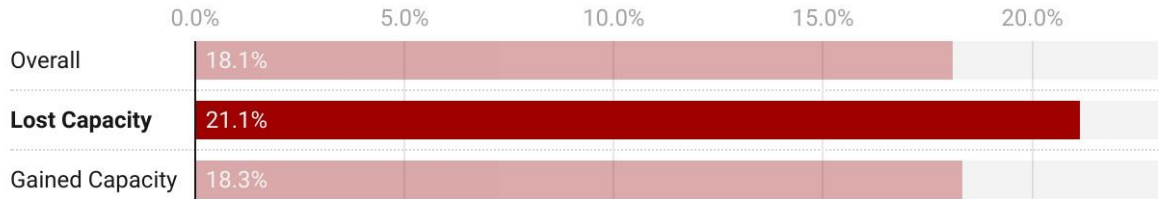
Because the vast majority (96.4%) of licensed child care providers represented in the OCFS public dataset make their physical addresses public, nearly all of the NYS [licensed] child care landscape can be mapped and joined with geographic data from other sources, like the U.S. Census American Community Survey (ACS).¹⁶ As just one example of this sort of data integration, the following figure shows the child poverty rate (i.e., the percentage of children – defined by the Census Bureau as persons under 18 years old – living in households with income below the federal poverty level) for selected NYS geographies. In addition to (1) showing the overall child poverty rates for these geographies, the figure shows the corresponding child poverty rates for all census tracts in the given geographic area (e.g., “Upstate”, “Erie County”, etc.) that (2) experienced a net loss in child care capacity, as well as all tracts that (3) experienced a net gain in capacity since September 2021.

As the graph confirms, areas that lost capacity were census tracts with, on average, higher child poverty rates than areas that gained capacity. In all cases represented in the figure, the child poverty rate in areas that lost slots in licensed child care establishments is 3-5 percentage points higher than the child poverty rates in tracts that added slots. Put another way, contraction of child care services occurred disproportionately in areas with higher needs (based on the single metric of child poverty), while expansion occurred disproportionately in areas with seemingly lesser (economic) needs. Among the geographies highlighted in the figure below, the most extreme example of this trend can be observed in Erie County. Collectively, Erie County census tracts that lost licensed child care capacity in the past two-plus years are linked to a 23.1% child poverty rate – 4.1 percentage points higher than the Countywide average (19.0% child poverty), and nearly five percentage points higher than the child poverty rate observed in tracts that have netted new child care capacity since 2021 (18.5% child poverty).

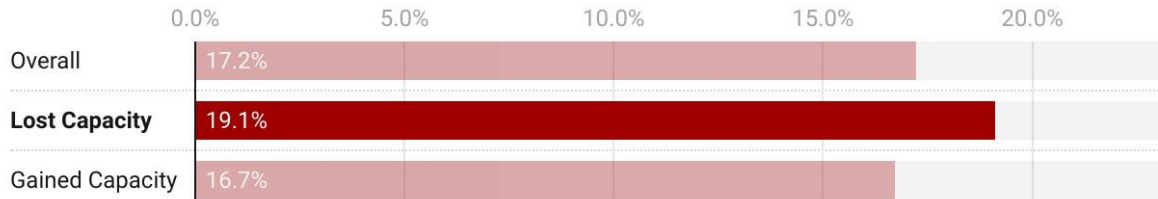


Child Poverty Rate for Selected Geographies in New York State, by Change in Child Care Capacity (2021-24)

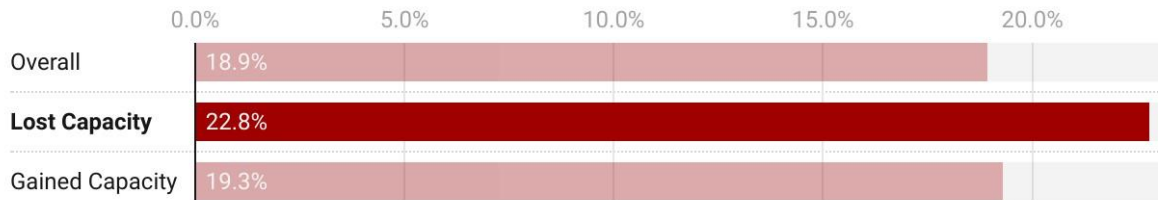
New York State



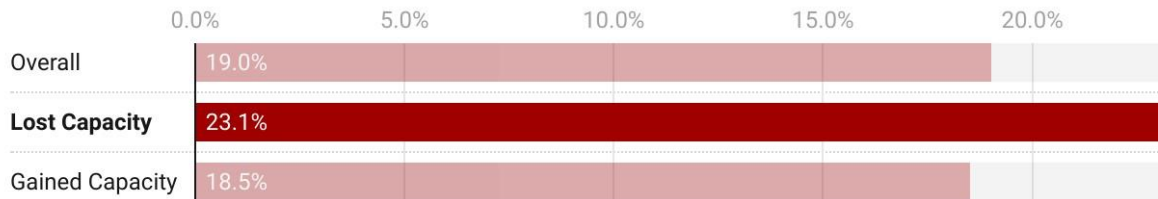
Upstate



Downstate (NYC and Long Island)



Erie County



Source: U.S. Census American Community Survey (2018-22) and Author's Analysis of September 2021 and January 2024 Licensed Child Care Provider Data from NYS OCFS • Created with Datawrapper

Takeaway: The Availability of Child Care in NYS Has Not Improved, and Has Even Worsened, In Many Parts of the State

Despite minor upticks in the aggregate number of licensed NYS child care providers, and the number of slots available at such providers, over the past two-plus years, the availability of licensed child care has not improved in NYS, even after new investments were made into the industry beginning in 2022. Across the state, Family Day Cares (FDCs) continue to struggle, resulting in a sizeable (net) exodus of such establishments from the NYS child care

landscape since late 2021. Heavy FDC losses serve to decrease the options available to families seeking child care, undermining the institutional diversity in the NYS child care industry. At the same time institutional diversity appears to be eroding, capacity in many upstate locations is dwindling. Roughly 22 upstate counties experienced net losses in licensed providers, licensed provider capacity, or both, between September 2021 and January 2024. Although this trend was not uniform – with many spaces across upstate realizing gains in child care capacity – the spaces that saw their child care landscapes shrink were disproportionately spaces with higher child poverty rates and, presumably, greater affordable child care needs. By contrast, areas where child care capacity expanded tended to have lower child poverty rates.

Taken together, these findings suggest that New York’s recent public investments into child care were not sufficient to fill the State’s evident child care gaps, were not properly targeted, or some combination of these possibilities. Indeed, data collected for this project suggest that, as of January 2024, **there are just 1.9 slots in licensed child care facilities for every 10 children** age 14 years or younger in NYS.¹⁷ Stated another way, if all 3.417 million New York children under the age of 15 needed some form of child care outside of the home, 80.9% of them – roughly 2.8 million children – would be out of luck. Only by advancing system-level changes (e.g., models with universally available public option, permanent public subsidization of the child care workforce, etc.) will New York begin to make authentic progress toward the goal of advancing quality, accessible, affordable child care for all who need it.

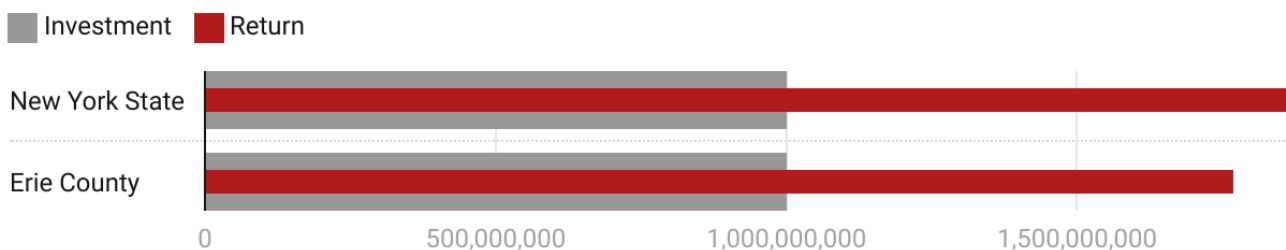
Part V. Child Care’s Economic Impact and Return on Investment

In January 2024, researchers at the Cornell University ILR Buffalo Co-Lab purchased economic multiplier data for (1) NYS and (2) Erie County from the Bureau of Economic Analysis’s (BEA’s) Type II Regional Input-Output Modeling System (RIMS II) program. These data, which were updated in 2023, report industry-level economic “multipliers that are used...to estimate the total impact of [an investment] on a region.”¹⁸

RIMS II data essentially allow decision-makers to get a sense for the total economic impact that a given investment will have on the area where the investment is made.¹⁹ At present, RIMS II tables for a specific region report a set of economic multipliers for 372 unique (“detailed”) industry codes. Across NYS, the industry with the highest overall economic multiplier is in finance, namely “Funds, trusts, and other financial vehicles”. A \$1 million investment into this industry is expected to generate roughly \$2.8156 million in total economic activity throughout the state of New York. Impressively, the multiplier for the child care industry (“child day care services”) ranks in the 84th percentile of all industries in NYS: a \$1 million investment into the child care industry is expected to produce \$1.8712 million in

total economic impacts across the State (hence, an investment of \$1 billion would generate \$1.8712 billion in economic activity) – a nearly two-to-one return on the initial investment.

Return on a \$1 Billion Child Care Investment



Source: Bureau of Economic Analysis, RIMS II • Created with Datawrapper

Perhaps even more important than this substantial return on investment in the child care industry, the RIMS II employment multiplier for child care – i.e., the expected number of total jobs generated by a \$1 million investment in the industry – is among the highest across all economic industries. Specifically, per the RIMS II data, investing \$1 *billion* into NYS’s child care industry would give rise to roughly 20,304 new jobs – the seventh-highest job creation rate out of 372 industries (98th percentile) in all of NYS. The industry with the largest employment multiplier in NYS is “Personal care services”, for which a \$1 billion investment is expected to generate 27,514 jobs throughout the NYS economy – underscoring the importance of unlocking the state’s economic potential by making strong public investments into the care economy.

At the local level, in Erie County, the child care industry is associated with the *fifth* highest employment multiplier out of 372 industries. A \$10 million investment into Erie County’s child care sector is expected to create roughly 190 jobs and produce \$17.665 million in total economic activity.

Bottom Line: Investing in Child Care is Popular, Good Politics, and Good for the Economy

As demonstrated with data from the 2023 Cornell University Empire State Poll (ESP), New Yorkers from across the ideological spectrum overwhelmingly support large-scale public investments into child care. They want higher wages in the child care industry and a universally-accessible public child care option. Perhaps even more fundamentally, though, they want to be able to fully participate in the NYS economy. More than two out of every five survey respondents who answered relevant child care questions indicated that they decided to forgo paid employment in order to meet their child care needs. For three-quarters of such respondents, the top reasons for withdrawal from the workforce were that child care was either too expensive or not accessible in their areas. That being said, the ESP also contained

hints that public investments into child care *work*: 90% of households that previously received a NYS child care subsidy were able to go to work or remain at work because of the subsidy.

It therefore stands to reason that even larger and deeper investments into NYS's child care infrastructure and workforce might have even farther-reaching and more substantial economic benefits. Data from the Bureau of Economic Analysis (BEA) bolster this claim. Out of 372 industries represent in NYS, child care is linked to the seventh-highest employment multiplier, and its overall economic multiplier ranks in the 84th percentile statewide. Investing \$1 billion in the industry is projected to generate more than 20,000 jobs and almost \$1.9 billion in total economic activity. Simply put, **investing in NYS's child care industry is popular, good politics, and good business.** Grounded in this observation, the final part of this report offers details on an immediate investment into the NYS child care industry that would likely have a far-reaching impact: a compensation fund to raise the wages of child care workers.

Part VI: The Case for a Child Care Compensation Fund in New York State

This report details the status of the child care workforce in New York State. Based on the rich qualitative and quantitative data summarized above, one practical strategy to improve the status of child care [work] would be to create and administer a New York State (NYS) child care worker compensation fund to help stabilize and expand the child care workforce in New York. If included in the 2024-2025 Budget, the Child Care Compensation Fund (CCCF) would enhance wages for child care workers and provide financial incentives to providers who offer work benefits to child care workers. The median annual salary for child care workers in New York State is approximately \$33,000 per year for a full-time employee. The median wage for workers in New York State is approximately \$54,000.²⁰ The proposed fund will correct this injustice and properly recognize child care workers as educators who deserve wages at parity with public school teachers as proposed in the Universal Child Care Act for New York State, Senate Bill S3245.²¹ By creating the Child Care Compensation Fund, New York State would ensure a more equitable wage for child care workers and help address the severe child care shortage in Erie County as well as other regions with similar child care industry needs.

Child Care Workers in New York State Receive Poverty Wages

Child care workers remain notoriously underpaid and undervalued. Buffalo Co-Lab research suggests that most child care workers across the state earn at or near the minimum wage (with a median wage of \$15.86 among child care workers).²² In a 2022 study of Erie County, New York child care workers and providers, Buffalo Co-Lab researchers found that some child care workers (especially family and group family service providers) worked 1200 hours of unpaid labor (e.g., buying supplies, cleaning their homes, and coordinating with parents before

and after hours). When added to the work hours these respondents provided, the calculation show that many of the respondents effectively earned less than \$15 per hour, that is, sub-minimum wages.²³

Because of low pay, thousands of New York child care workers are among the working poor in the United States. Twelve percent of child care workers in the state earn below the federal poverty level.²⁴ In other words, approximately 7,000 child care workers earn income so low that their households qualify for social service benefits. Though gainfully employed, child care workers, especially those at or below the federal poverty level, become a cost to the state instead of a positive source of economic activity. By increasing wages for child care workers through a workforce compensation policy as proposed, New York State could help lift child care workers out of poverty, as well as alleviate some of the financial burden on the state's social safety net programs.

The child care profession loses value as a source of work when the industry pays poverty wages. Child care is too valuable to the New York State economy to pay workers sub-minimum wages because these will push workers from the profession. Raising these wages to the level of similar early childhood education work positions will validate the invaluable care and educational work that this profession performs. In so doing, the industry will not only retain child care workers but attract new ones.

The New York State Workforce Relies on Child Care Workers

Working parents and child care providers depend on one another to earn a living. Notoriously low wages for child care workers has forced this open secret into the light. Parents can go to work *because* they secure child care for their young children during the work day. The child care workforce, therefore, facilitates the employment of the broader NYS workforce, which is comprised of countless parents with children between 0-3 years, who are too young for school but still need care and instruction. In this light, child care workers can and should be considered a cornerstone of the NYS labor market.

Without the workforce behind the workforce, the labor market could collapse. In the absence of quality, affordable child care, new parents might choose (or be compelled to choose) to forego employment to do the work of child care themselves. There are data which indicate that New York State has begun to lose adults in the statewide workforce due to child care issues. Recent survey data show that many New York State households choose parenting over employment because child care would cost too much. According to Cornell University's Empire State Poll for 2023, 42 percent of 635 respondents reported that at least one adult in their household decided not to find employment outside the house to stay home and care for kids. Within this subset of respondents, 53 percent cited the prohibitive cost of child care as the primary reason they opted out of employment outside the household.²⁵ Both data points indicate that, in New York State, child care needs inform employment decisions in households, and these decisions often result in fewer workers in the New York State labor market.

In other words, the cost of living in New York State is outpacing the wages workers are earning, and this affordability gap is exacerbated by child care costs for new parents in New York. The New York State labor market loses potential workers (and the economic activity they create) as a result. The state is losing at least one worker in 4 out of 10 households with new parents. It should be noted that staying home to care for a vulnerable member of the household remains a noble cause in US culture. This choice, however, is not always made freely; it is constrained by economic and financial conditions. More than half of the survey respondents (53 percent) with an adult at home who stays home to care for children, rather than find work outside the household, make this decision because they cannot afford to pay for child care.

The Washington D.C. Model

In 2022, the District of Columbia created The Early Childhood Educator Pay Equity Fund (Pay Equity Fund), a fund which supplements the wages of early childhood educators with dedicated public funding. The Pay Equity Fund's primary aim is to achieve pay parity between educators in licensed child care facilities and DC Public Schools. The creators of the DC model noted that many states, such as New York, boosted wages for early childhood educators, but noted that the models were in response to the COVID pandemic, and were temporary in nature. The DC Pay Equity Fund is designed to be permanent and is funded through a tax on DC's highest earners—those making more than \$250,000 a year—as reflected in the Early Childhood Educator Pay Equity Fund Establishment Act of 2021. Initially the Pay Equity Fund made direct payments to child care workers, but that model is moving to payment of child care providers to be used in paying their child care workforce.

While the Pay Equity Fund is relatively new, a recent study shows that it is meeting its goals of proving staff recruitment and retention and is improving the quality of care provided in the District of Columbia.²⁶ It is believed that the Pay Equity Fund's initial success deserves consideration as a means of providing an adequate supply of child care workers.

How the NYS Child Care Compensation Fund Will Help

To improve wages among child care workers, the New York State Child Care Compensation will institute a state-provider partnership to ensure that child care workers receive pay commensurate with other early childhood educators in the state. The CCCF will subsidize all child care workers in New York State working in the child care services industry. In the tables that follow, Co-Lab researchers analyzes the potential costs of two different models for establishing the CCCF. Model 1, or the “parity” model, seeks to elevate child care worker wages so that they are on par with entry level wages for Pre-Kindergarten (Pre-K) and Kindergarten (K) teachers in NYS. Based on Buffalo Co-Lab researchers' analyses of U.S. Census American Community Survey (ACS) Public Use Microdata Samples (PUMS) data, the median “entry” level wage²⁷ for Pre-K through K teachers in NYS is roughly \$23.55 per hour. By contrast, the median wage for non-self-employed child care workers is roughly \$14.68 per hour (ACS PUMS data were collected between 2017 and 2021, prior to the recent [January

2024] increase to a \$15 minimum wage upstate and \$16 minimum downstate). Under this parity model, \$23.55 would be set as a *target wage* for the industry. With this approach, qualifying child care workers would receive an annual income support.

Per the Buffalo Co-Lab's analysis, if all child care workers earning below \$23.55 per hour were elevated to that level, and if the few workers earning at or above that level were given 20 percent retention raises, then the median annual subsidy per worker would be on the order of \$13,000 per year. If the model called for a *minimum wage* of \$23.55 in the industry, then the total cost of raising wages for all [non-self-employed] child care workers would be nearly \$800 million per year (for wage supports only, not including the cost of fringe benefits). If, however, the model called for each [non-self-employed] child care worker to receive the median annual subsidy, or roughly \$13,000 per year, then the cost of moving the industry toward the *target wage* of \$23.55 per hour would be just under \$673 million per year (see the first row of Table 1 below).

Model 2 targets a flat wage of \$20 per hour for the industry – slightly less than the derived median entry wage for Pre-K through K teachers, but sufficiently higher than the statewide minimum wage to increase the industry's attractiveness to prospective workers. Under this model, if \$20 were set as an industry *minimum wage*, such that all [non-self-employed] workers had to be paid at that level, then the cost of elevating all non-self-employed child care workers to \$20 per hour (along with building in a 20 percent retention raise for the handful of workers earning at or above \$20 per hour) would be close to \$600 million per year. If, instead, \$20 were set as a *target wage* as described above, such that each worker were provided an annual income support equal to the median difference between what a child care worker currently earns and what they would earn if they were making \$20 per hour, then the annual cost of providing this support (\$10,000 per year) to non-self-employed child care workers would be roughly \$517 million (not including fringe benefits).

To include self-employed child care workers in the CCCF (note that most FDC and GFDC proprietors are considered to be "self-employed"), it is necessary to grapple with evidence from prior Buffalo Co-Lab research showing that self-employed providers often earn significantly lower wages than their counterparts working in business establishments. Indeed, most self-employed providers who participated in earlier waves of this research project indicated that they often earn sub-minimum, or even negative, wages after accounting for all of their time and expenses.²⁸ Buffalo Co-Lab analysis of ACS PUMS data confirms this assertion. Median earnings for self-employed child care workers are closer to \$10-\$11 per hour, well below the statewide minimum wage. As such, the annual compensation support such workers would need to reach the target wage in either model described above would be higher than it is for employees in child care business. Table 2 summarizes this information in the same way that Table 1 did for non-self-employed child care workers. Table 3 then adds the values from Tables 1 and 2 to show the total estimated annual cost under both the parity (\$23.55 target wage) and \$20 per hour (target wage) models. As shown, the annual cost of the proposed CCCF is likely to be in the range of \$970 million to \$1.25 billion, not including program administration costs.

One way to keep program administration costs in check would be to follow the Washington, D.C. model, which disperses funding directly into the child care workers' paychecks, administering these financial services for all child care workers who are registered with the compensation support program. Additionally, providers who offer their employees discounted health care insurance and professional development opportunities can apply to the CCCF, receiving tax incentives to support their businesses. They will also receive special consideration for workforce development grants offered by NYS due to their participation in the CCCF.

Although the CCCF will cost a significant amount of money, market data show that New York State stands to realize a 1.9-to-1 return on this investment, as funding for child care is linked to greater job creation and economic activity throughout the state. More specifically, recall that the Type II Regional Input-Output Modeling System data from the Bureau of Economic Analysis data suggest that a \$1 billion investment in child care in NYS will produce \$1.9 billion in economic activity, and 20,304 new jobs, throughout the state.²⁹ Factoring in program administration and other overhead costs, if the CCF were to cost NYS \$2 billion per year, that investment could create \$3.8 billion in total economic activity, along with 40,608 new jobs. By these measures, the New York State Child Care Compensation Fund could become an integral piece of a more equitable, accessible, and caring child care infrastructure in NYS, in turn making the care economy one of New York's economic engines moving forward.

Table 1. Estimated Cost of Two Models for Increasing the Compensation of New York State Childcare Workers Who Are Working in the Child Care Industry and Are **Not Self-Employed (n=51,753)**

Model	Minimum Wage Per Hour	Median Annual Subsidy	Estimated Total Cost for Existing Child Care Workers (Exact)	Median Annual Subsidy, Rounded to the Nearest \$1,000	Estimated Total Cost of Providing All Workers with the Median Annual Subsidy (rounded to the nearest \$1,000)
Parity	\$23.55	\$13,241	\$793,870,359	\$13,000	\$672,789,000
\$20/Hour	\$20.00	\$9,592	\$595,305,726	\$10,000	\$517,530,000

Table 2. Estimated Cost of Two Models for Increasing the Compensation of New York State Childcare Workers Who Are Working in the Child Care Industry and Are **Self-Employed (n=23,966)**

Model	Minimum Wage Per Hour	Median Annual Subsidy	Estimated Total Cost for Existing Child Care Workers (Exact)	Median Annual Subsidy, Rounded to the Nearest \$1,000	Estimated Total Cost of Providing All Workers with the Median Annual Subsidy (rounded to the nearest \$1,000)
Parity	\$23.55	\$24,190	\$712,080,767	\$24,000	\$575,184,000
\$20/Hour	\$20.00	\$18,970	\$579,981,166	\$19,000	\$455,354,000

Table 3. Estimated Cost of Combined Compensation Fund for All Child Care Workers (n=75,719)

Model	Minimum Wage Per Hour	Estimated Total Cost of Providing All Non-Self-Employed Workers with the Median Annual Subsidy (rounded to the nearest \$1,000)	Estimated Total Cost of Providing All Self-Employed Workers with the Median Annual Subsidy (rounded to the nearest \$1,000)	Total Estimated Cost of Model
Parity	\$23.55	\$672,789,000	\$575,184,000	\$1,247,973,000
\$20/Hour	\$20.00	\$517,530,000	\$455,354,000	\$972,884,000

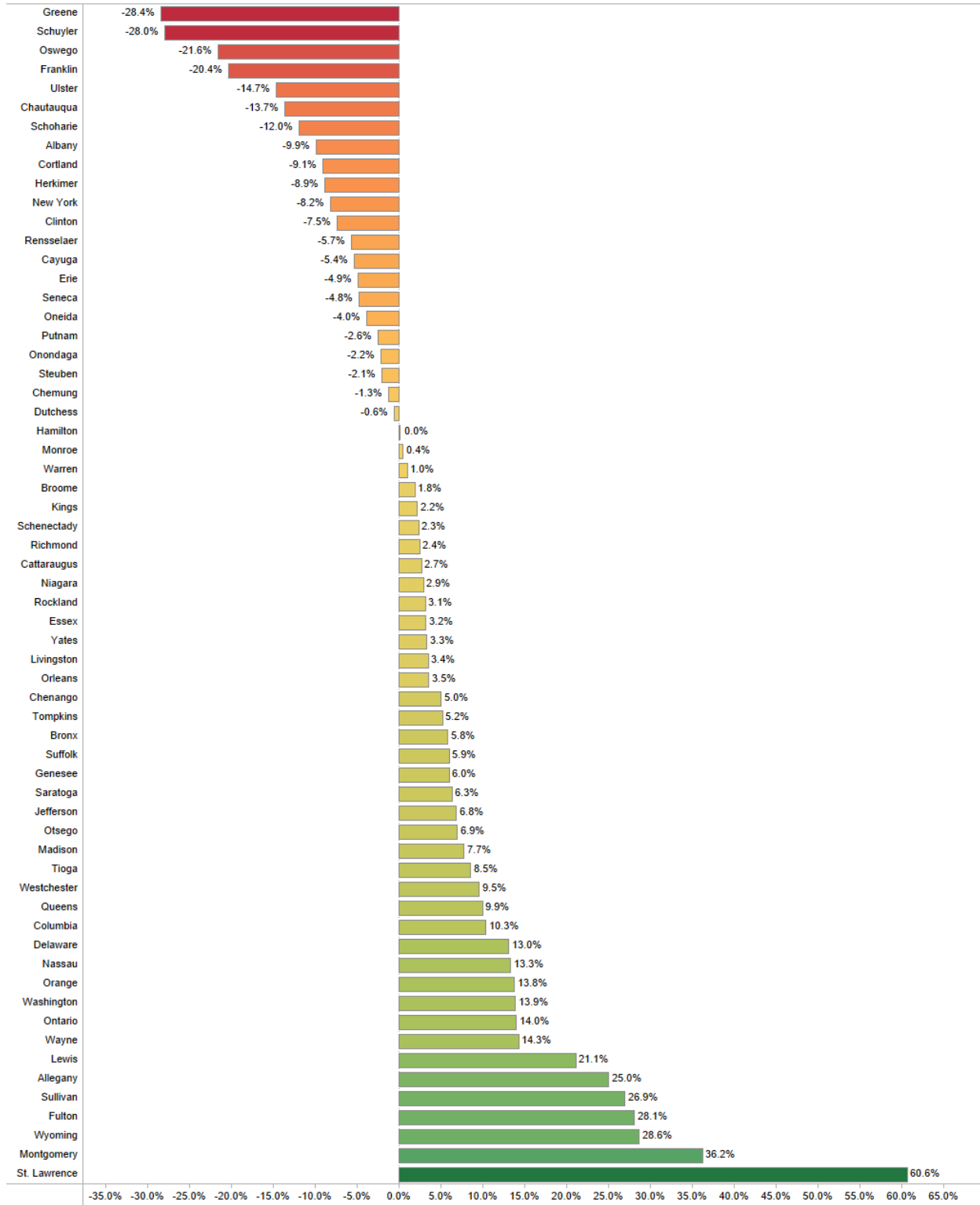
TOTAL ESTIMATED COST OF A WAGE SUPPORT PROGRAM FOR NEW YORK STATE CHILD CARE WORKERS: \$970 MILLION - \$1.25 BILLION PER YEAR

Appendix

Change in Child Care Capacity, 2021-24 – County Rankings

All the data collected and analyzed for this section are available in a public-facing interactive mapping and data visualization portal, hosted at www.childcarewny.org.³⁰ While users are encouraged to visit the website and explore the data for themselves, the figure below shows how each county in NYS compares to all other counties with respect to changes in child care capacity since September 2021. Greene and Schuyler Counties were associated with the largest percentage decreases in child care capacity, while capacity in St. Lawrence County in the North Country underwent the largest expansion.

% Change in Capacity (Number of Slots) at Licensed Child Care Providers, by County, 2021-24
(For Providers Whose Addresses Are Registered with OCFS)



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- ¹ “Child Care in New York State, 2023,” 2023 Childcare Report - NYS DOL Reports (accessed January 4, 2024). “Undervalued and Underpaid.” The report identifies the industry as “child and day care services.” Within this industry are teacher assistants, except postsecondary; preschool teachers, except special education; and child care workers. [sic]
- ² Ibid. “Undervalued and Underpaid.”
- ³ Ibid. “Undervalued and Underpaid.” The report identifies the industry as “child and day care services.” Within this industry are teacher assistants, except postsecondary; preschool teachers, except special education; and child care workers.
- ⁴ Ibid. For a comparable breakdown of the child care workforce in Erie County, refer to: <https://blogs.cornell.edu/wnychildcare/report-true-cost-of-child-care-in-erie-county/>
- ⁵ Ibid, “Child Care and the Gender Wage Gap.”
- ⁶ Ibid, “Child Care and the Gender Wage Gap.”
- ⁷ Ibid., 46.
- ⁸ Ibid., 46.
- ⁹ “Governor Hochul Makes Transformative Investments in Central New York to Prepare Students for Jobs in Growing Technology Manufacturing Industry | Governor Kathy Hochul.” n.d. www.governor.ny.gov. Accessed January 26, 2024. <https://www.governor.ny.gov/news/governor-hochul-makes-transformative-investments-central-new-york-prepare-students-jobs>; “Governor Hochul and Micron Announce Substantial Progress on Child Care Commitments in Central New York | Governor Kathy Hochul.” n.d. www.governor.ny.gov. Accessed January 26, 2024. <https://www.governor.ny.gov/news/governor-hochul-and-micron-announce-substantial-progress-child-care-commitments-central-new-york>; DesRosiers, Maggie. 2023. “Micron and Gov. Kathy Hochul Announce Plans to Address Childcare Scarcity in CNY.” WSTM. August 2, 2023. <https://cnycentral.com/news/local/micron-and-gov-kathy-hochul-announce-plans-to-address-childcare-scarcity-in-cny>.
- ¹⁰ “Inflated Cost Estimate for Child Care Could Draw Hochul Veto.” n.d. New York Focus. <https://nysfocus.com/2023/12/21/kathy-hochul-child-care-cost-inflation>; “Child Care: Underreported and Underappreciated.” n.d. Weave News. Accessed January 26, 2024. <https://www.weavenews.org/stories/2023/12/19/child-care-underreported-and-underappreciated>.
- ¹¹ “FY 2025 EXECUTIVE BUDGET BRIEFING BOOK.” n.d. Accessed January 26, 2024. https://www.governor.ny.gov/sites/default/files/2024-01/FY2025_NYS_Executive_Budget_Briefing_Book.pdf. See page 85.
- ¹² Ibid., 85.
- ¹³ <https://blogs.cornell.edu/wnychildcare/report-true-cost-of-child-care-in-erie-county/>
- ¹⁴ <https://data.ny.gov/Human-Services/Child-Care-Regulated-Programs/cb42-qumz/data>
- ¹⁵ See “Child Care Regulated Programs.” n.d. State of New York. Accessed January 26, 2024. <https://data.ny.gov/Human-Services/Child-Care-Regulated-Programs/cb42-qumz/data> and “Report: True Cost of Child Care in Erie County – WNY Child Care Mapping and Data Resources.” n.d. Blogs.cornell.edu. Accessed January 26, 2024. <https://blogs.cornell.edu/wnychildcare/report-true-cost-of-child-care-in-erie-county/>.
- ¹⁶ The remaining 3.6% of establishments whose addresses are withheld from the public OCFS data are necessarily omitted from all analyses that relate changes in child care capacity to geography-based Census Bureau data.
- ¹⁷ See: <https://blogs.cornell.edu/wnychildcare/new-york-states-changing-child-care-capacity/>
- ¹⁸ <https://apps.bea.gov/regional/rims/rimsii/>
- ¹⁹ Total economic impact in the sense of the direct impacts of the investment plus the indirect impacts that the investment generates (e.g., investing in a new retail establishment will directly increase economic activity in the retail sector, but it will also generate impacts in connected industries – e.g., local gasoline or food sales should raise as more customers travel to the new retail destination, etc.). These total impact estimates are available as “Type II” estimates from the RIMS II tables. Type I estimates look only at direct impacts.
- ²⁰ Dol, Nys. “2023 Childcare Report.” NYS DOL Reports, December 18, 2023. <https://nysdolreports.com/gwg/2023-childcare/>.
- ²¹ NYSenate.gov. “2023-S3245,” n.d. <https://www.nysenate.gov/legislation/bills/2023/S3245>.

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- ²² Department of Labor. "Minimum Wage," n.d. <https://dol.ny.gov/minimum-wage-0#:~:text=The%20state%20minimum%20wage%20is%20scheduled%20to%20increase,per%20hour%20for%20the%20rest%20of%20the%20state>.
- ²³ Cornell ILR Buffalo Co-Lab. "True Cost of Child Care: Erie County, New York," September 2022. https://www3.erie.gov/socialservices/sites/www3.erie.gov/socialservices/files/2022-09/the_true_cost_of_child_care_phase_two.layout_fordigital_september_2022.pdf.
- ²⁴ DOL, NYS. "2023 Childcare Report." NYS DOL Reports, December 18, 2023. <https://nysdolreports.com/gwg/2023-childcare/>.
- ²⁵ "Empire State Poll | Survey Research Institute at Cornell University," n.d. <https://sri.cornell.edu/sri/polls/esp.cfm>.
- ²⁶ "Toward Pay Equity: A Case Study of Washington DC's Wage Boost for Early Childhood Educators | Urban Institute." 2023. Wwww.urban.org. June 8, 2023. <https://www.urban.org/research/publication/toward-pay-equity-case-study-washington-dc-wage-boost-early-childhood-educators>.
- ²⁷ Defined as wages for workers who have approximately 0-5 years of experience, where years of experience are operationalized as a worker's combined years of higher education plus their apparent length of time in the workforce (i.e., their age less the number of years spent in postsecondary education).
- ²⁸ Cornell ILR Buffalo Co-Lab. "True Cost of Child Care: Erie County, New York," September 2022. https://www3.erie.gov/socialservices/sites/www3.erie.gov/socialservices/files/2022-09/the_true_cost_of_child_care_phase_two.layout_fordigital_september_2022.pdf.
- ²⁹ Cornell ILR Buffalo Co-Lab, "Child Care Factsheet, 2024."
- ³⁰ "WNY Child Care Mapping and Data Resources." n.d. Blogs.cornell.edu. Accessed January 26, 2024. <http://www.childcarewny.org>.



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