

Minority Views
H.R. 6156, The Child Care Small Business Insight and Improvement Act

Affordable, high-quality childcare is essential for working families. Today, 60 percent of children have parents in the workforce,¹ and of the 60 million children under 14 in the United States, (pre-pandemic) 12 million were placed in paid childcare.² When quality, affordable childcare is readily available, the benefits are felt not only by families, but by small businesses, as well.

Access to affordable and quality childcare has a positive impact on workforce participation, allowing small firms to access a larger pool of workers and maintain a reliable workforce. Employers report fewer absences, less turnover, increased stability, and generally greater satisfaction among workers who have access to childcare.

On the other hand, a lack of access to affordable, quality childcare for children under the age of three costs \$122 billion each year, resulting in a staggering economic toll on working parents, their employers, and taxpayers. A recent study found nearly two-thirds of parents of infants and toddlers face childcare issues that affect their productivity at work, resulting in \$78 billion in forgone earnings and job search expenses for families, \$23 billion in workforce shortages for employers, and \$21 billion in lower federal, state, and local tax revenues.³

Unfortunately, quality childcare services and programs have been in short supply in the United States, and the COVID-19 pandemic further exacerbated the shortages within the industry. In 2019 there were 675,000 childcare establishments producing \$47.2 billion in revenue and employing 1.5 million workers.⁴ However, in 2021, there were only 595,366 childcare businesses, producing \$58.4 billion in revenue and employing 1.3 million workers.

Expanding access to quality childcare services is critical to families, small businesses, and local economies. The Small Business Administration is well-poised to deliver critical assistance, particularly through its entrepreneurial development ecosystem. Requiring the SBA to conduct a study on the needs and challenges for for-profit childcare providers is an important first step that will provide policy makers with the information needed to meet the labor needs of small businesses and working families.

Sincerely,



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Ranking Member

¹ *Economic Role of Paid Childcare*, COMMITTEE FOR ECONOMIC DEVELOPMENT (Feb. 2022), https://www.ced.org/pdf/Economic_Role_of_Paid_Child_Care._Part_I_-_Final.pdf

² *Id.*

³ *\$122 Billion: The Growing, Annual Cost of the Infant Toddler Child Care Crisis*, READY NATION COUNCIL FOR A STRONG AMERICA (February 2023) <https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;%20filename=%22%24122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf%22>

⁴ *Child Care in State Economies*, COMMITTEE FOR ECONOMIC DEVELOPMENT (2019), <https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>