

Raising Wages & Benefits for Child Care Workers (HB 46)



The Problem:



- Persistent low wages and benefits result in high turnover and inadequate supply of child care workers.
- Low wages/benefits discourage investment in quality instruction.
- Under-supply of child care is terrible for Alaska's economy



A shrinking workforce is hobbling Anchorage's economic recovery, report says

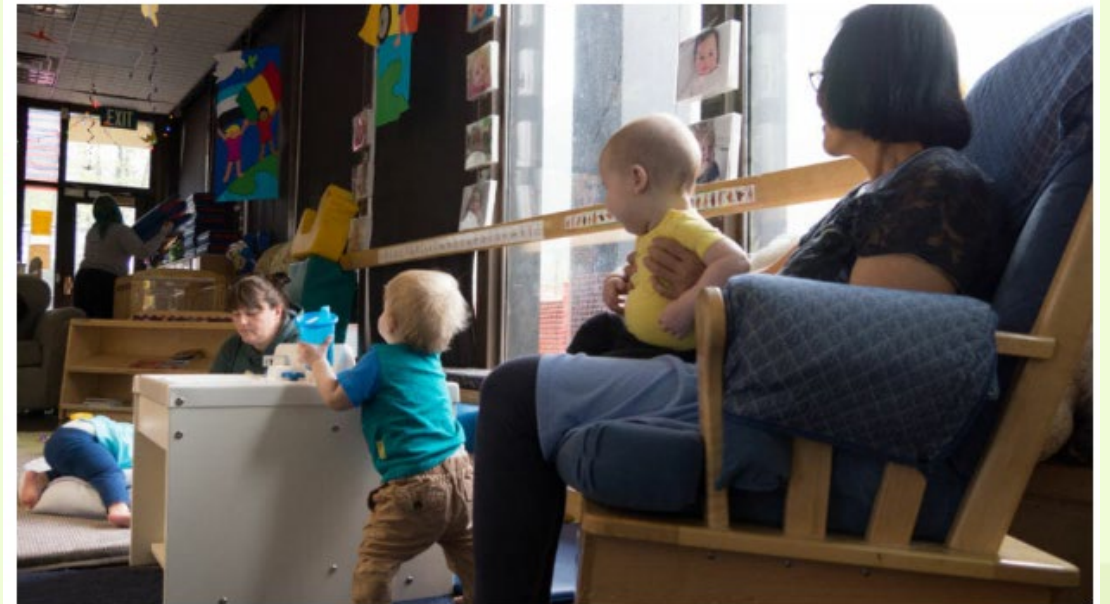
By Alex DeMarban
Updated: 1 day ago
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Downtown Anchorage, photographed on Sunday, March 14, 2021. (Loren Holmes / ADN)

Juneau already had a childcare shortage. Then two more centers closed

January 18, 2023 by Katie Anastas, KTOO



Childcare workers interact with infants at Gold Creek Child Development Center in Juneau on May 11, 2018. (Photo by Jeremy Hsieh/KTOO)

Two of Juneau's childcare centers are closing after months of trying to hire new administrators. The closures will worsen Juneau's [shortage of childcare options](#), particularly for infants and toddlers.



Employment in social assistance (childcare centers, housing relief services, and others) fell by 274 (-7%) in the first half of 2022 as employers continued to face challenges filling open positions. Reduced availability particularly in the childcare sector has a critical impact on workforce availability in Anchorage; permanent closure of several licensed day cares in 2022 have worsened childcare challenges that pre-date the pandemic. Statewide, average employment in child day care services remained 9% below pre-pandemic levels through the first half of 2022.



Why Does It Matter?

OPINION: We're in trouble if we don't fix Alaska's outmigration problem

By Larry Persily
Updated: January 11, 2023
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Downtown Anchorage, photographed on Tuesday afternoon, Nov. 22, 2022. (Loren Holmes / ADN)

For the 10th year in a row, more Alaskans moved out in 2022 than new residents moved in.

- Alaska needs to attract and retain high-earners including parents with families (currently losing population among age 30-50).
- Early childhood education has greatest impact on human capital development, and highest ROI.



Live. Work. Play. Areas of Focus

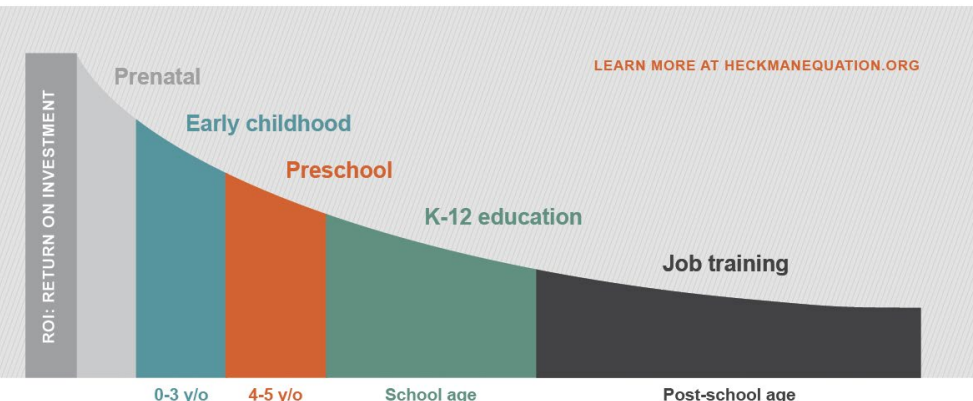
The Anchorage Economic Development Corporation has a bold vision: to make Anchorage the #1 city in America. AEDC strives for this goal through a grassroots movement called Live. Work. Play. The rationale for such a vision goes beyond the traditional economic development model and responds to a shift in paradigm – people are no longer going where the jobs are, instead people are going to places they want to live and jobs are going where they are.

The AEDC Board of Directors recognized this paradigm shift in 2010 and has since built robust alliances with businesses, community organizations and government entities through LWP. Over the years, the initiative has shown increasing success and continues to draw community-wide support.



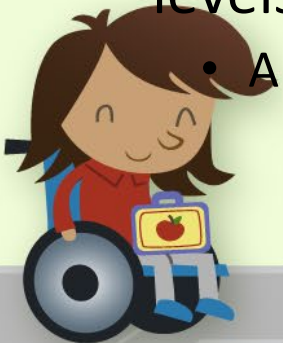
Return on Investment

Economic impact of investing in early childhood learning.



Lessons from other States/Nations

- 11 U.S. states have established bargaining structures for home-based child care providers to bargain with state to establish livable wages and benefits that expand supply of child care providers.
 - First state: Illinois, 2005. California most recent state to adopt model.
- Other states have passed a broad range of legislation to raise wages & expand supply of child care
- European countries directly subsidize child care centers for parents of all income levels, and provide tax credits.
 - And Northern Europe uses sectoral bargaining to set wages/benefits.



Key Goals:

- Raise wages/benefits so workers have living wage, more workers enter industry and fewer leave, thus increasing supply of quality child care.
- Don't raise prices on parents.
- Ensure economics work for employers.
- Provide a structure for industry to adapt to changing circumstances in partnership with state.



Why Now?

- With moderate housing costs, short commutes, good work life balance, Alaska can be a great place to raise a family. But we're not there yet and need to be.
- Many communities lack any child care at all, including Valdez and Prince of Wales
- A broad range of community & business groups are pushing legislators to tackle this issue:
 - Northwest Arctic Leadership Team
 - Southeast Alaska Association for Education of Young Children
 - Alaska Chamber of Commerce
- The need to stabilize child care is urgent & well-documented by a wide range of business & advocacy groups

