

COMMUNITY CHAMPIONS: ECONOMIC DEVELOPERS' ROLE IN ALLEVIATING CHILDCARE SHORTAGES

BY GOLDEN SHOVEL AGENCY



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DEAR COMMUNITY LEADERS AND ECONOMIC DEVELOPERS,

Projections from the Center for American Progress suggest that without significant intervention, the childcare shortage will worsen over the next decade. The demand for quality childcare is expected to increase, exacerbating existing challenges. **Failure to invest in childcare could lead to long-term consequences for workforce participation, particularly among women, hindering economic growth.**

Over the past two years, we have engaged with many of you. The lack of childcare facilities and providers has put a strain on communities throughout the country. Rural, suburban, and urban - no community is immune to the impacts caused by a lack of childcare capacity.

While once considered an area for nonprofits and the education industry to tackle, the lack of childcare capacity has become an economic concern because it's preventing people from entering the workforce or working full-time. **As companies have seen a reduction in the available workforce, they are putting pressure on you, as an economic development and community leader, to solve the problem.**

We know this is a big challenge, and the pressure to solve it is real. **The Golden Shovel Agency team is here to support you and make it easier to increase childcare capacity in your community.** We have interviewed leaders nationwide, gathering best practices so you can learn from what's working. This whitepaper is the culmination of those efforts. In addition, Golden Shovel will be hosting a series of childcare webinars and panel discussions community leaders can attend at no cost.

For those looking to engage stakeholders and develop their own strategy for solving the childcare crisis, Golden Shovel's strategy team can assist with that as well. We thank you for the trust you have put in us and look forward to helping you succeed in your community.

Best Regards,

Bethany Quinn, Executive Vice President • Golden Shovel Agency

UNDERSTANDING THE ISSUE: WHAT THE DATA TELLS US ABOUT THE CURRENT CHILDCARE CRISIS

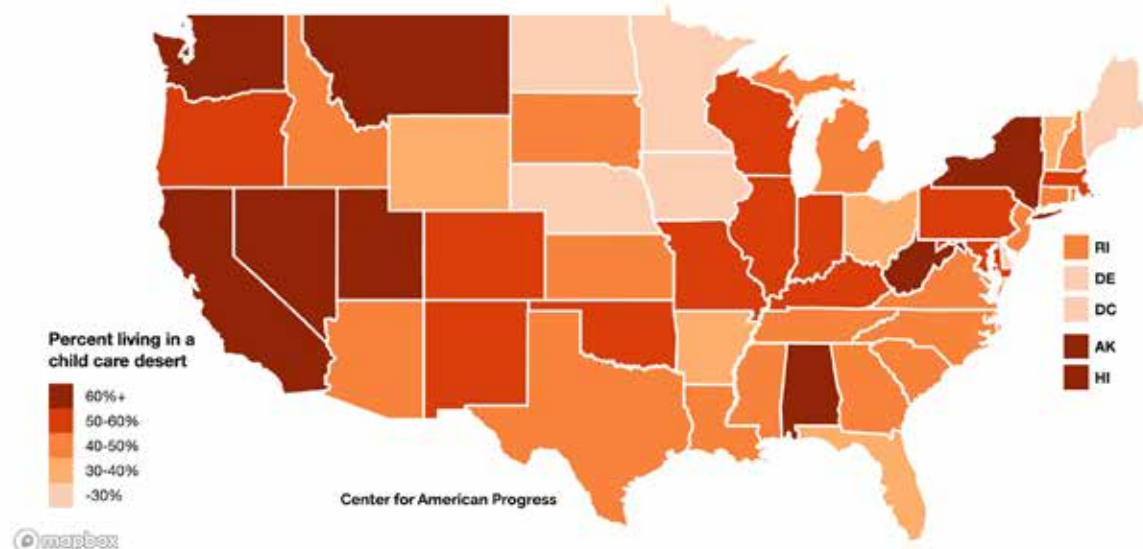
Childcare shortages in communities across the United States have reached critical levels, leaving families struggling to secure affordable and quality care for their children as they attempt to earn a living and contribute to the local economy.

But how does one make a living if they have to care for a young child at home? According to the [National Association for the Education of Young Children \(NAEYC\)](#), nearly 50 percent of Americans live in “childcare deserts,” where at least three children need childcare for every available spot—residing in one forces people to stay home and care for their children instead of having a job to support their family.

Beyond childcare deserts, [51 percent of the U.S. population lives in a county with an insufficient number of childcare options](#), according to the Center for American Progress. This shortage is particularly acute in rural areas, where access to childcare facilities is even more limited.

But the number of open childcare spots doesn't tell the entire story. [Care Aware of America](#) highlights that the shortage is not only in terms of the number of providers but also the quality of care. Many areas lack high-quality childcare options, impacting children's overall well-being and development. This hurts not only parents but also the future workforce of the entire country.

Creating quality childcare capacity is critical for ensuring that today's parents can enter the workforce and maintain their employment, but also for the workforce of tomorrow. If we do not solve the childcare crisis collectively today, the negative impact could be felt in the long term.



UNDERSTANDING THE ISSUE: WHAT THE DATA TELLS US ABOUT THE CURRENT CHILDCARE CRISIS

UNDERSTANDING CHILDCARE SHORTAGES: IT'S A NUANCED ISSUE

More attention has been placed on the childcare crisis due to long-term worker shortages that have reached critical levels post-pandemic. The shortage of childcare capacity was felt more acutely as 20% of working parents had to leave work or reduce their work hours because of a lack of childcare. But, the childcare crisis was not created by the pandemic. To tackle daycare shortages effectively, it is essential to understand the underlying causes, which are varied and diverse. Several factors contribute to this issue, including:

#1 Insufficient Capacity: Many communities simply do not have enough daycare centers or home-based providers to meet the growing demand. Limited capacity exacerbates the shortages and leaves parents with few options.

#2 Scheduling Conflicts: Most daycare hours support parents working the traditional 9-to-5 day shift. People working the swing or night shifts, such as manufacturing and healthcare workers, may find securing childcare during those hours impossible. The same issue exists for parents working weekend hours.

#3 High Costs: The cost of daycare can be prohibitively expensive for many families, making it difficult for them to access quality childcare. High costs can deter providers from establishing new facilities or expanding existing ones.

#4 Location: Daycare facilities may not be located near a parent's place of employment. Driving in one direction for daycare and another for work may be impractical or impossible if the daycare is open for limited hours.

#5 Lack of Infrastructure: Daycare providers require suitable infrastructure, including appropriate facilities and equipment, to operate effectively. A lack of infrastructure can hinder the establishment and growth of daycare centers in a community.

#6 Workforce Challenges: Recruiting and retaining qualified childcare professionals is a persistent challenge. Low wages, limited benefits, and demanding work conditions contribute to the shortage of skilled providers.