



CHILDCARE IMPACT ANALYSIS

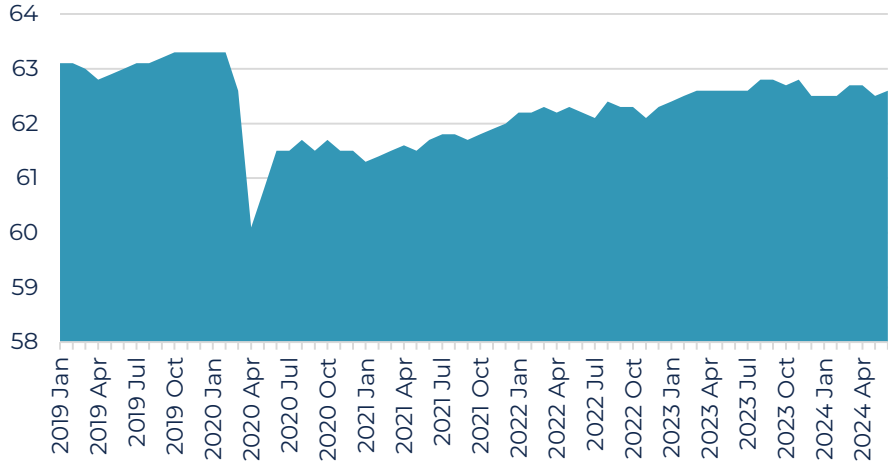
Addressing the Economic Impact of Work-Willing Parents in the Indiana Southwest READI Region

DATA ANALYSIS EXECUTIVE SUMMARY

TPMA Inc., in concert with Building Blocks and the Community Foundation Alliance, is pleased to present this analysis of the potential impact of expanding accessible, affordable childcare in the Indiana Southwest READI Region. Through a thorough, data-driven process, in the pages that follow, we illustrate the scale of the potential financial gains for parents, employers, state, and local governments when they work together to ensure fully adequate childcare for every parent who wants to return to the workforce on a full-time basis.

The Labor Force Participation rate, perhaps the best measure of the population's active engagement in the workforce, is increasing within the State of Indiana. In December 2019, the Indiana percentage of work-eligible individuals actively engaged in the labor force (either employed or unemployed but actively seeking employment) stood at 63.3%. The COVID-19 pandemic dramatically decreased the labor force participation rate nationally and statewide. As a result, many states have indicated growth at a standard pace since then. As of February 2024, that rate is 62.7%, suggesting economic recovery and resilience since the outbreak of COVID-19.

STATE OF INDIANA, LABOR FORCE PARTICIPATION RATE BY MONTH, 2019-2024, SEASONALLY ADJUSTED¹



Although Indiana has demonstrated at least a certain level of economic resiliency, there was a significant dip in the labor force participation rate during the onset and outbreak of the COVID-19 pandemic. The dip in labor force participation- and the stagnation highlighted in the figure above- translates into thousands of missing workers regionally. Employers in the Indiana Southwest READI Region (Gibson, Posey, Vanderburgh, Warrick) continue struggling to attract and retain all the staff they need across all industry sectors and occupational families. Additional economic investment in the region and established businesses' affiliated expansion and growth becomes challenging without an adequately sized workforce. But more than that, the lost wages and earnings, production drop-offs, and lagging sales figures translate into millions of dollars of lost revenue for the state of Indiana and county governments that rely partly on payroll, sales, and property taxes.

An untapped, significant pool of labor that has left the workforce are parents of young children who cannot afford and/or do not have access to childcare for their young children. Returning these parents to the workforce- many of whom are ready, willing, and eager to re-enter a full-time job if the financial gains outweigh the cost of childcare- can have an immediate and lasting impact on the labor force participation rate and, by extension, the economic vitality of a region. To quantify the potential impact of returning these parents to the workforce, we estimate how many there are in the area, which type of jobs they could fill, and the earnings, GRP gains, and taxes that can be realized through their full-time employment.

We refer to this collection of parents throughout this analysis as work-willing, which means that they are eager, willing, and able to rejoin the workforce on a full-time basis but cannot because they either cannot afford or/and do not have ready access to reliable childcare that will allow them to work full-time.

¹ Data for State-level Labor Force Participation rates from the Current Population Survey, conducted by the US Bureau of Labor Statistics in concert with Census. Accessible at: <https://www.bls.gov/data/home.htm>

Through a rigorous process that brings to bear data from myriad agencies and sources- including the Census, the US Bureau of Economic Analysis, and the US Bureau of Labor Statistics- we estimate that these benefits- in terms of increased GRP, higher sales/import and payroll taxes and worker wages- far outweigh the potential costs to employers, parents, and the state of Indiana, should they choose to collaborate in some fashion on the sharing of childcare costs. Using a rigorous methodological approach, we estimate that there are currently **1,635 work-willing parents** in Gibson, Posey, Vanderburgh, and Warrick Counties that encompass the Indiana Southwest READI Region. Collectively, should they return to the workforce full-time, we estimate they would earn between **\$61.8 Million to \$78.8 Million** annually. These earnings would be spent mainly within the region, fueling the purchase of homes, supporting local businesses, and creating additional jobs, earnings, and opportunities for employers and residents. The payroll taxes associated with the earnings of these 1,635 parents would generate between **\$1.9 and \$2.5 Million** in additional state **income tax revenue** for Indiana. In addition, these 1,635 parents would generate between **\$575 and \$733 Thousand** in additional **County income tax revenue**. Additionally, based on the output of the full-time work conducted by these 1,635 work-willing parents, the region stands to generate additional **Gross Regional Product (GRP)** of between **\$149 and \$215 Million**. This GRP could result in extra revenue for local, state, and federal governments in **property, sales, and import taxes**, estimated to range between **\$10.7 and \$12.6 Million annually**.

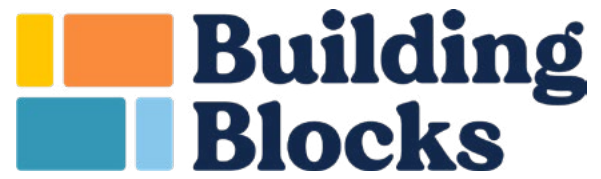
The opportunity to move the needle on childcare—a nationwide problem—is not only immediate, but the financial benefits for employers, parents, and governments are substantial. After analyzing the economic impact, TPMA includes recommendations for the next steps. The solution to the problem must be multifaceted and unique to each community. Formal collaboration and coordination on goals, metrics, strategies, and tactics is an almost universal first step.



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INTRODUCTION

INTRODUCTION

In the following pages, we utilize a rigorous, data-supported approach to estimate an ideal childcare environment- one where every work-willing parent finds the care they need to work full-time- will require. To illustrate the benefits of making this sizable investment, we also apply deductive, largely linear logic to estimate these benefits- in extra earnings, taxes, and GRP generated, that parents, the state, and employers would reap if this problem were fully solved. To accomplish this, we answer this collection of questions methodically and in order, specific to

- What is the region's current available capacity of childcare providers?
- What is the current cost of childcare in the region?
- What will the future need be for additional childcare seats in the region?
- If given access to affordable and accessible childcare options, how many parents would return to the workforce full-time?
- What will be the aggregated annual earnings of these parents (which we refer to as work-willing)?
- What will these Work-willing parents pay annually in state taxes?
- What will be the gain, in terms of Gross Regional Product (GRP), for regional employers who hire these Work-willing parents?
- What additional sales, import, and property taxes can be realized due to these gains in GRP?
- What recommendations and suggested next steps can be taken to return these parents to the workforce?

The following sections are organized around this set of questions, and each provides a defensible answer to inform policymakers and vested parties, using real numbers and a combination of national and regional trends.





**OVERVIEW: COSTS, CAPACITY, AND
PROJECTIONS OF FUTURE NEED**

OVERVIEW: COSTS, CAPACITY, AND PROJECTIONS OF FUTURE NEED

This analysis covers Gibson, Posey, Vanderburgh, and Warrick Counties. This section contextualizes the state of the childcare industry in the Indiana Southwest READI Region. First, it examines cost trends over the last decade. Tables I and II below display the cost for one day of childcare by provider Type and age for 2023.

Building Blocks provided 2024 County data in collaboration with TPMA. The remaining data was estimated utilizing 2024 ratios of Building Blocks Regional cost of care vs. State of Indiana cost of care.

The state of Indiana completed childcare market rate studies in 2016 and 2018. 2022 Data was gathered utilizing the 2022 Child Care Affordability Analysis by Child Care Aware. 2024 Market data was acquired utilizing the Indiana Brighter Future’s database. The latest market rates reported (circa 2016 and 2018) on the following page:

TABLE I: STATE VS INDIANA SOUTHWEST READI REGION., PRICES PER DAY BY AGE CATEGORY AND TYPE, 2016-2024 (SELECT YEARS)²

ALL FACILITY TYPES (CENTER, HOME, MINISTRY)

Year	Region	Infants	Toddlers	Preschool	Pre-Kindergarten
2016	STATE	\$26.83	\$26.01	\$24.91	\$24.91
	INDIANA SOUTHWEST READI REGION	\$19.11	\$16.69	\$20.91	\$26.12
2018	STATE	\$29.01	\$28.20	\$27.03	\$27.03
	INDIANA SOUTHWEST READI REGION	\$21.29	\$18.88	\$23.03	\$28.24

ALL FACILITY TYPES (CENTER, HOME, MINISTRY)

Year	Region	Infants	Toddler	Preschool	Pre-Kindergarten
2022	STATE	\$35.40	\$33.04	\$28.28	\$26.98
	INDIANA SOUTHWEST READI REGION	\$27.68	\$23.72	24.28	\$28.19
2024	STATE	\$31.72	\$31.72	\$26.10	\$19.93
	INDIANA SOUTHWEST READI REGION	\$24.00	\$22.40	\$22.10	\$21.14

State of Indiana data was gathered from the Office of Early Childhood Learning State of Indiana, Child Care Aware of America, and Brighter Futures Indiana Data Center. Gibson, Posey, Vanderburgh, and Warrick County

Market Rate Survey Report. Office of Early Childhood Learning and Development. 2016. [MR_Report_Indiana_20160321.pdf](#)

Market Rate Survey Report. Office of Early Childhood Learning and Development. 2018. [MR_Report_Indiana_2018.pdf](#)

Price of Care: 2022 Child Care Affordability Analysis. Child Care Aware of America. [2022_CC_Afford_Analysis.pdf \(childcareaware.org\)](#)

“Affordability.” 2024. Brighter Futures Indiana Data Center. [Data Center | Brighter Futures Indiana](#)

² Ministry data acquired from 2022 was calculated using cost data acquired from 2018 and 2024. Gibson, Posey, Vanderburgh, and Warrick County level data was acquired from Building Blocks. Data was calculated by averaged county costs.

To make the data more manageable, we calculate the average annual price per day by summing all daily costs for each age/type category (as reported in Table I above) and then dividing by the total number of categories. Additionally, because we could identify market study data from only 2016, 2018, 2022, and 2024, we estimated the costs for the missing years of 2017, 2019, 2020, 2021, and 2023. To do so, we assume a linear increase in the gap years, calculated by subtracting the average cost of the last available year from the average price of the next available year and then dividing by the number of years between reported rates. This value is added to the last available average cost and reported in the missing year.

From 2016 to 2024, the average daily rate for childcare in the state increased by \$1.82 (annually), while the rate in the Indiana Southwest READI Region increased by \$0.21 (annually)

TABLE II: STATE VS. INDIANA SOUTHWEST READI REGION AVERAGE PRICE PER DAY, WEEK AND YEAR, MODELED FOR ALL YEARS, 2013 – 2024

	2016	2017	2018	2019	2020	2021	2022	2023	2024
STATE AVERAGE DAILY COST	\$25.67	\$26.75	\$27.82	\$29.03	\$30.24	\$31.45	\$33.03	\$36.62	\$40.21
INDIANA SOUTHWEST READI REGION DAILY COST	\$20.71	\$21.79	\$22.86	\$23.64	\$24.42	\$25.19	\$25.97	\$24.19	\$22.41
	2016	2017	2018	2019	2020	2021	2022	2023	2024
STATE AVERAGE WEEKLY COST	\$179.69	\$187.25	\$194.74	\$203.21	\$211.68	\$220.15	\$231.21	\$256.34	\$281.47
INDIANA SOUTHWEST READI REGION AVERAGE WEEKLY COST	\$144.97	\$152.50	\$160.02	\$165.46	\$170.91	\$176.35	\$181.78	\$169.33	\$156.87
	2016	2017	2018	2019	2020	2021	2022	2023	2024
STATE AVERAGE ANNUAL COST	\$9,343.88	\$9,737.00	\$10,126.48	\$10,566.92	\$11,007.36	\$11,447.80	\$12,022.92	\$13,329.68	\$14,636.44
INDIANA SOUTHWEST READI REGION AVERAGE ANNUAL COST	\$7,538.44	\$7,929.74	\$8,321.04	\$8,604.05	\$8,887.06	\$9,170.07	\$9,452.46	\$8,805.16	\$8,157.24

To give some perspective to the parents who need to pay for full-time childcare, we next extracted the median household income for the state of Indiana (Table III below). We compared these values to the median household income for the Indiana Southwest READI Region (**Table IV**). We averaged the annual cost of each type of care among the three counties and provided a group average.

TABLE III: MEDIAN INCOME, HOUSEHOLDS WITH CHILDREN, STATE OF INDIANA³

	2016	2017	2018	2019	2020	2021	2022
MARRIED / PARTNER PRESENT	\$77,781	\$89,198	\$90,520	\$96,763	\$93,765	\$101,088	\$108,266
MALE HOUSEHOLDER, NO PARTNER	\$46,485	\$42,814	\$41,846	\$44,089	\$44,125	\$48,830	\$53,831
FEMALE HOUSEHOLDER, NO PARTNER	\$31,859	\$25,639	\$27,941	\$30,113	\$28,336	\$31,811	\$32,86

TABLE IV: MEDIAN INCOME, HOUSEHOLDS WITH CHILDREN, INDIANA SOUTHWEST READI REGION⁴

	2016	2017	2018	2019	2020	2021	2022
MARRIED / PARTNER PRESENT	\$77,854.75	\$91,080.50	\$93,915.25	\$99,528.75	\$100,338.00	\$107,506.75	\$117,486.00
MALE HOUSEHOLDER, NO PARTNER	\$46,665.75	\$47,701.25	\$48,369.75	\$50,275.75	\$48,075.75	\$52,926.50	\$53,250.50
FEMALE HOUSEHOLDER, NO PARTNER	\$29,700.00	\$25,196.25	\$26,425.25	\$29,734.75	\$30,398.75	\$34,991.00	\$39,034.50

³ American Community Survey, using 5-year estimates for the State of Indiana, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. Can be accessed: [Census Bureau Tables](#).

⁴ American Community Survey, using 5-year estimates for Gibson, Posey, Vanderburgh, and Warrick County, Indiana, 2016, 2017, 2018, 2019, 2021, 2022. Can be accessed: [Census Bureau Tables](#). Data was acquired for each County individually and then averaged to acquire a regional household median income.

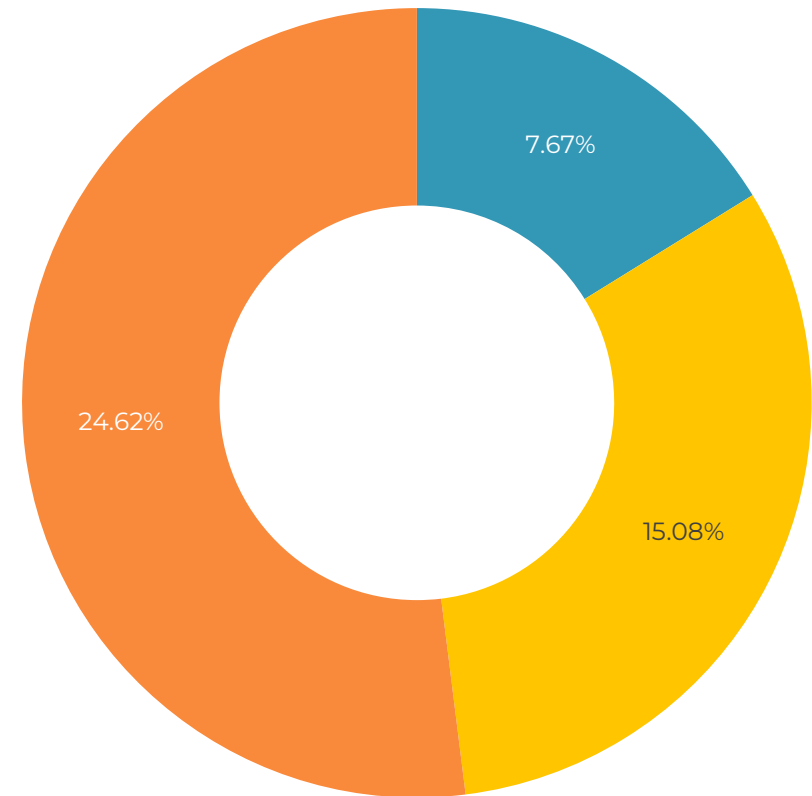
When the data in Tables IV and II are combined, a picture of the typical cost of care, as a percentage of median income, emerges in the Indiana Southwest READI Region. **Table V** below reports these percentages annually and by family structure, using income and childcare costs unique to the region.

TABLE V: AVERAGE ANNUAL COST OF CHILDCARE FOR 1 CHILD, AS PERCENT OF MEDIAN INCOME, HOUSEHOLDS WITH CHILDREN, INDIANA SOUTHWEST READI REGION, 2013 – 2022

	2016	2017	2018	2019	2020	2021	2022
MARRIED / PARTNER PRESENT	9.68%	8.71%	8.86%	8.64%	8.86%	8.53%	8.05%
MALE HOUSEHOLDER, NO PARTNER	16.15%	16.62%	17.20%	17.11%	18.49%	17.33%	17.75%
FEMALE HOUSEHOLDER, NO PARTNER	25.38%	31.47%	31.49%	28.94%	29.23%	26.21%	24.22%

In the most general terms, the upward pressure on wages since 2019 has led to slightly higher rates (as a percentage of income) for childcare vis-à-vis the 2016 cost. In 2016, a single parent (female) would have paid almost 25.38% of her earnings for full-time childcare; by 2022, this value has decreased to 24.22%. Including TWO children that require full-time childcare, Figure I below highlight the ratio of childcare cost to household earnings in the Indiana Southwest READI Region.

FIGURE I: INCOME VS. COST CARE, INDIANA SOUTHWEST READI REGION, 2016-2023 (TWO CHILDREN IN FULL-TIME CHILDCARE)



- Married / Partner Present
- Male Householder, no Partner
- Female Householder, no Partner

Figures II through IV on this page and the next contrast the differing impact of childcare costs for families of different types (2-parent, single-parent, and single-mother households). Beyond the scope of this analysis (well-examined and readily available elsewhere), female heads of household generally earn less than their male counterparts. Using data unique to the region, we find this relationship holds, represented graphically in Figure II below.

FIGURE II: COST FOR FULL-TIME CHILDCARE (2 CHILDREN) VS. MEDIAN HOUSEHOLD INCOME FEMALE HEAD OF HOUSEHOLD, NO PARTNER/SPOUSE

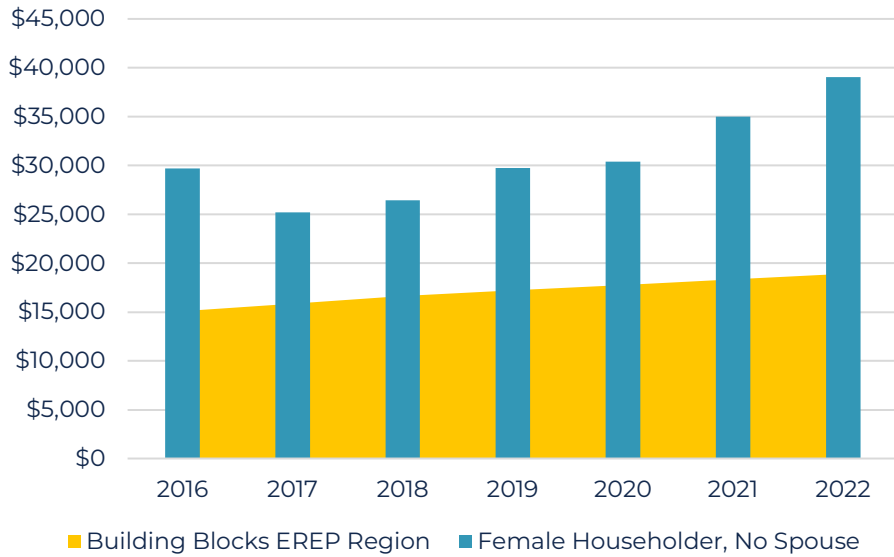


FIGURE IV: COST FOR FULL-TIME CHILDCARE (2 CHILDREN) VS. MEDIAN HOUSEHOLD INCOME 2-PARENT HOUSEHOLDS

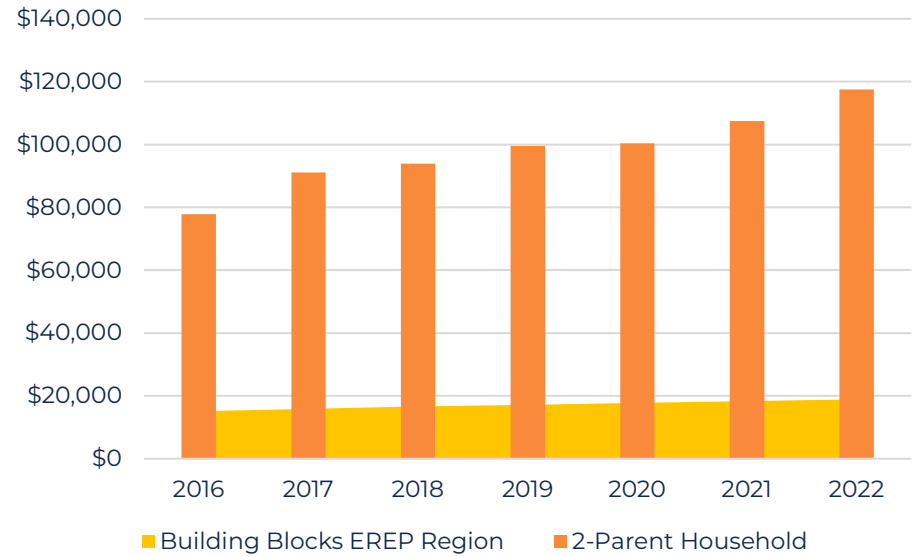
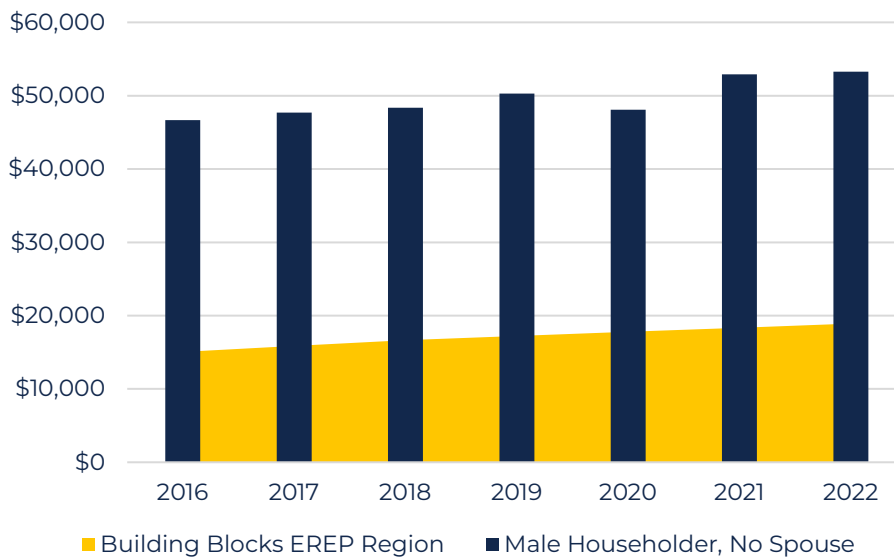


FIGURE III: COST FOR FULL-TIME CHILDCARE (2 CHILDREN) VS. MEDIAN HOUSEHOLD INCOME MALE HEAD OF HOUSEHOLD, NO PARTNER/SPOUSE



Turning now to the capacity of existing childcare providers in the region, we once again rely on data reported by the Indiana Office of Early Learning and Child Development, American Community Survey, and data acquired from Building Blocks on Gibson, Posey, Vanderburgh, and Warrick Counties for estimates of facilities, seats, and amounts of children under the age of 5. Both Table VI and Table VII below exhibit the number of children under five in Indiana and the Indiana Southwest READI Region.

TABLE VI: INDIANA POPULATION, CIRCA 2022⁵

Age Group	Estimated number of people
UNDER 5 YEARS	399,031
5 TO 9 YEARS	439,398
10 TO 14 YEARS	445,513
15 TO 19 YEARS	474,821
20 TO 24 YEARS	489,814
25 TO 29 YEARS	433,271
30 TO 34 YEARS	453,680
35 TO 39 YEARS	441,847
40 TO 44 YEARS	424,298
45 TO 49 YEARS	394,701
50 TO 54 YEARS	420,494
55 TO 59 YEARS	414,046
60 TO 64 YEARS	444,697
65 TO 69 YEARS	368,831
70 TO 74 YEARS	319,642
75 TO 79 YEARS	220,955
80 TO 84 YEARS	130,042
85 YEARS AND OVER	117,956

⁵ American Community Survey, using 5-year estimates State of Indiana. Can be accessed: [Census Bureau Tables](#).



TABLE VII: POPULATION AGED 5 AND UNDER BY YEAR INDIANA SOUTHWEST READI REGION⁶

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GIBSON	2,079	2,437	2,049	2,004	1,974	1,946	1,928	1,919	1,931	1,936	1,943	1,951	1,959	1,965	1,972	1,978
POSEY	1,392	1,176	1,356	1,306	1,224	1,184	1,147	1,114	1,092	1,071	1,051	1,033	1,014	996	980	966
VANDEBURGH	10,950	12,789	10,506	10,470	10,343	10,215	10,132	10,084	10,121	10,129	10,143	10,165	10,186	10,204	10,230	10,253
WARRICK	3,505	3,501	3,661	3,668	3,512	3,539	3,576	3,624	3,704	3,748	3,791	3,834	3,873	3,908	3,946	3,983
TOTAL	17,926	19,903	17,572	17,448	17,053	16,884	16,783	16,741	16,848	16,884	16,928	16,983	17,032	17,073	17,128	17,180

Next, we need current capacity estimates for the region’s childcare providers. This data is reported below in Table VIII and represented graphically in Figure V.

TABLE VIII: CURRENT SEATS, BY COUNTY AND PROGRAM, INDIANA SOUTHWEST READI REGION⁷

County	Home Licensed	Ministry	Center Licensed	All Categories
GIBSON	168	846	269	1,283
POSEY	343	36	12	391
VANDEBURGH	879	2,294	3,480	6,653
WARRICK	424	255	446	1,125
TOTAL	1,814	3,431	4,207	9,452

TABLE IX: CURRENT FACILITIES, BY COUNTY AND PROGRAM, INDIANA SOUTHWEST READI REGION

County	Center Licensed	Home Licensed	Ministry	All Categories
GIBSON	4	13	8	25
POSEY	5	1	1	7
VANDEBURGH	35	69	22	126
WARRICK	6	29	4	39
TOTALS	50	112	35	197



6 American Community Survey, 5-year estimates Gibson, Posey, Vanderburgh, Warrick County, 2019-2022. Can be accessed here; [Census Bureau Tables](#). Population Demographics. 2023 – 2033, accessed via LightCast™ 2020 Data was weighted utilizing Net Coverage Areas 2020. Adjustments are taken into consideration with Lightcast data.

7 Data for both seats and facilities was gathered from Building Blocks data analysis.

FIGURE V: CAPACITY DISTRIBUTION (SEATS) BY PROGRAM TYPE, INDIANA SOUTHWEST READI REGION, 2023

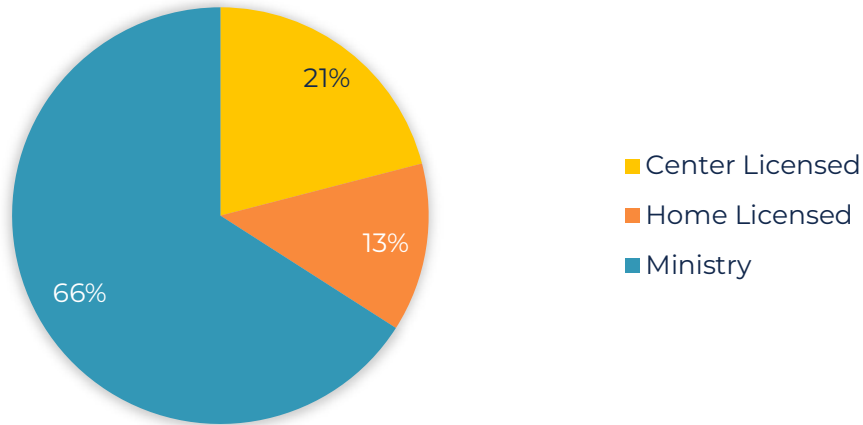
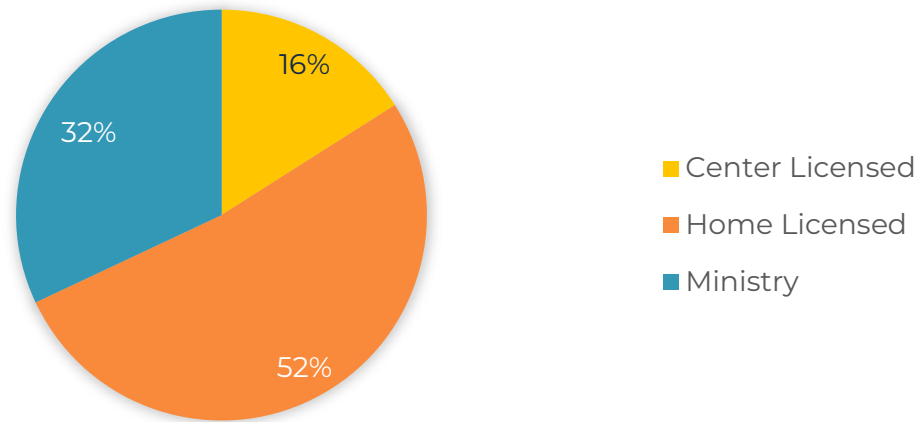


FIGURE VI: CAPACITY DISTRIBUTION (FACILITIES) BY PROGRAM TYPE, INDIANA SOUTHWEST READI REGION, 2023



To estimate the projected future need for additional seats, we slightly adjust the count of children in the region to account for not all families requiring childcare. Some will rely on grandparents, a stay-at-home parent, an older sibling, or parents who work opposite shifts to ensure there is always someone home with the child. While it is difficult to pinpoint a precise number, we know there will always be a set percentage of children who do not attend childcare or Head Start. To avoid overestimating future demand, we estimate that 10% of all young children will NOT require childcare, regardless of availability or cost.



Figure VII plots the current capacity and incremental annual changes to capacity against the current and future population of young children and the population that will require childcare through 2033. Based on our estimates, the region must **increase capacity by between 4 and 5% annually** to meet the total demand for access by 2033. A brief color-coded key below offers an additional explanation of the components of the gap graphing. Cumulatively, across the next decade, the region will need to add 5,099 new seats/slots to meet the expected demand for childcare fully.

- Full Population, Children Under Age 5, by year (projections for 2024-2033 from LightCast™).

- 90% of the Full Population; this is the estimated number of young children who will require childcare.

- ⋯⋯⋯ Current capacity (number of seats/slots) in the entire region, held constant through 2033.

- ⋯⋯⋯ Capacity if the region increases the number of seats by 2% year over year.

- - - Capacity if the region increases the number of seats by 4%, year over year.

- Capacity if the region increases the number of seats by 6%, year over year.

Based on our estimates, to reach a state of equilibrium between demand and capacity, the Indiana Southwest READI Region will need just over an additional **5,099 seats**. In terms of manageable actual goals, we included Tables X and XI below, which identify the number of seats that need to be added annually to reach this equilibrium (between 4 and 5% annual increase, highlighted in yellow). We also include figures for the 2% estimates for perspective.

FIGURE VII: CHILDREN UNDER 5, THOSE IN NEED OF CHILDCARE, AND CAPACITY (CONSTANT AND MODELED CHANGE), 2023 – 2033

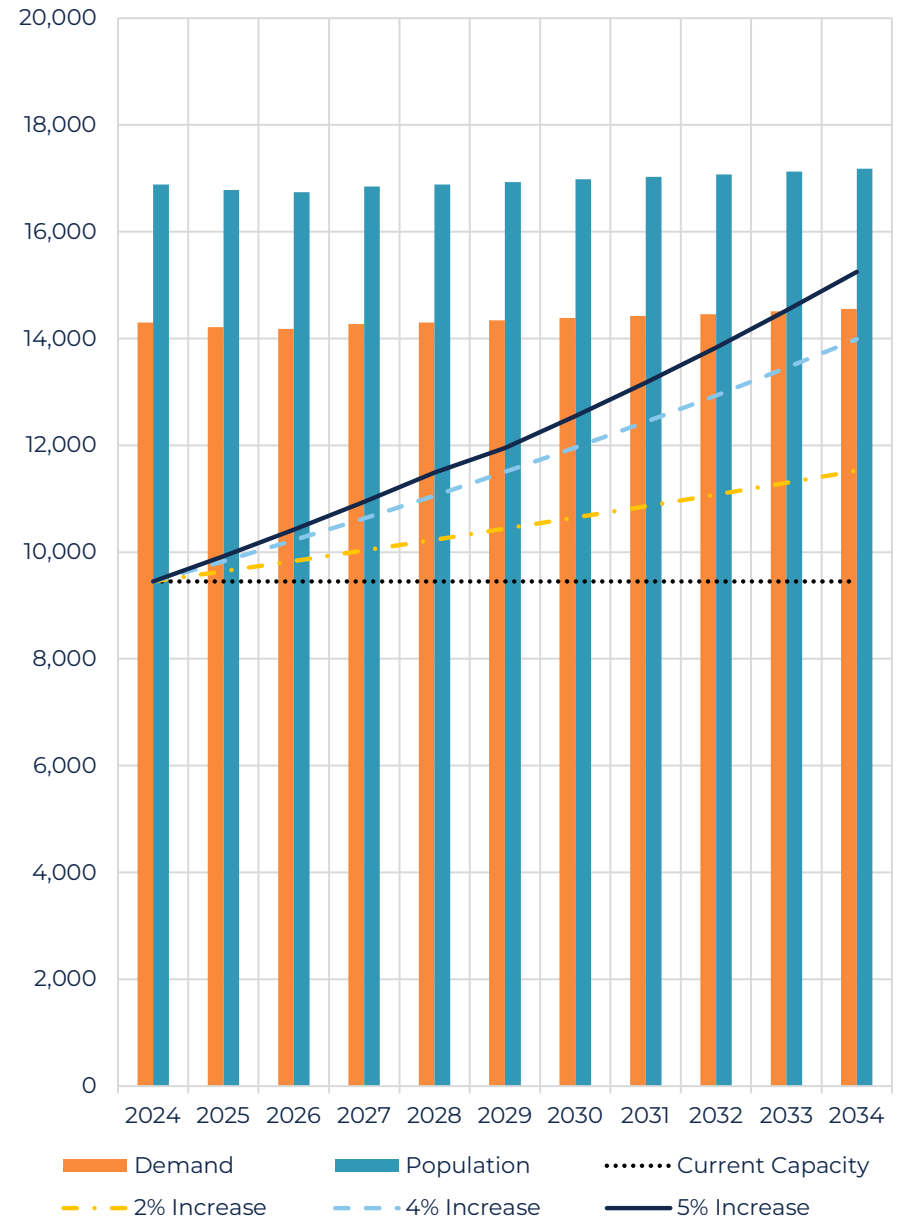




TABLE X: ANNUAL INCREASES IN TOTAL SEATS TO MEET DEMAND (2023 THROUGH 2034)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2% INCREASE	9,452	9,641	9,834	10,031	10,232	10,437	10,646	10,859	11,076	11,298	11,524
4% INCREASE	9,452	9,830	10,223	10,632	11,057	11,499	11,959	12,437	12,934	13,451	13,989
5% INCREASE	9,452	9,925	10,421	10,942	11,489	11,949	12,546	13,173	13,832	14,524	15,250

TABLE XI: ANNUAL INCREASES IN SEATS TO MEET DEMAND (2023 THROUGH 2034)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2% INCREASE	0	189	193	197	201	205	209	213	217	221	226
4% INCREASE	0	378	393	409	425	442	460	478	497	517	538
5% INCREASE	0	473	497	521	547	459	598	627	658	692	727

A photograph of several young children sitting at a yellow table in a classroom, engaged in an activity. One child in the center has braided hair. The background shows a person in a denim jacket. The image is partially obscured by a white curved shape at the top and a dark blue curved shape at the bottom.

**MODELING THE WORK-WILLING
PARENTS, THE INDIANA
SOUTHWEST READI REGION**

MODELING THE WORK-WILLING PARENTS, THE INDIANA SOUTHWEST READI REGION

To quantify the number of work-willing parents in the identified region and estimate the financial impact of their return to the workforce, we rely on an assortment of data from the US Census Bureau, the US Bureau of Labor Statistics, and the US Bureau of Economic Analysis. The model relies on a deductive approach, applying national trends identified in reputable studies and updating the models to account for changes during and after the COVID-19 pandemic. Figure VIII below provides a shorthand overview of how we identified work-willing parents.

FIGURE VIII: PROCESS FOR IDENTIFYING WORK-WILLING PARENTS

- 1 Collect Data on Population, Young Children in the Region
- 2 Translate Counts of Children into Household Composition Estimates
- 3 Identify and Review, Reputable, National Studies of Work-Willing Parents
- 4 Update and Expand Original Methodology to account Contemporary Changes (post-COVID)
- 5 Apply these Updated Models to the Indiana Southwest READI Region

A parent who is considered work-willing:

1. Is not currently in the Labor Force; that is, is neither employed nor actively seeking employment.
2. Is ready and able to return to the Labor Force, willing to take on full-time employment.
3. Despite this willingness, they cannot proceed because they cannot access suitable childcare of any variety due to a lack of availability (no open seats), area providers, and/or the inability to afford childcare if it were available.

“Affordable” childcare may vary from one parent to another. In a later section, we explore two unique scenarios to account for discrepancies in the earning power of work-willing parents, one where the returning parents skew heavily toward lower-paying occupations. First, however, estimating HOW MANY parents should be counted as work-willing in the region is necessary.

STEP 1: POPULATION ESTIMATES, YOUNG CHILDREN IN THE REGION

Based on the population estimates we used in the previous section to model supply and demand for childcare seats, we already have the data necessary to call Step 1 “complete.” However, this original data from LightCast™ was verified with the US Census Bureau’s American Community Survey, vintage 2022 to ensure consistency in the projections. Given the primarily equal distribution of these ages in the region, we divide the total children under the age of 5 in the region by 5, yielding estimates of children by age. Though tangential to calculating work-willing parents, this breakdown can prove instructive when planning seat expansions by age group. Table XII below includes estimates for the region, broken out by age and county.

TABLE XII: ESTIMATES OF CHILDREN UNDER THE AGE OF 5, BY AGE COHORT, CIRCA 2024, INDIANA SOUTHWEST READI REGION

County	Aged 4 to 5	Aged 3 to 4	Aged 2 to 3	Aged 1 to 2	Aged 1 and Under	All Children Under 5
GIBSON	389	389	389	389	390	1,946
POSEY	236	237	237	237	237	1,184
VANDEBURGH	2,043	2,043	2,043	2,043	2,043	10,215
WARRICK	707	708	708	708	708	3,539
TOTAL	3,375	3,377	3,377	3,377	3,378	16,884

In 2024, an estimated 16,884 children under the age of five will live in the region.

STEP 2: TRANSLATING COUNTS OF CHILDREN INTO HOUSEHOLD ESTIMATES

Collecting and validating the number of children eligible for childcare services in the region leads to translating these counts into households and, ultimately, parents who could rejoin the workforce if affordable, high-quality childcare were available. Of course, this ratio is not 1-to-1; we cannot assume that for each additional child placed in a childcare program, one unique, additional parent (re) will join the workforce. To ensure we are not overestimating the number of potential parents who would rejoin the workforce, we must carefully check for households with more than one child under the age of 5. To do this, we again return to American Community Survey data from the US Census Bureau to triangulate our estimates.

TABLE XIII: DISTRIBUTION OF HOUSEHOLDS WITH CHILDREN UNDER 6, BY NUMBER OF CHILDREN UNDER 5 IN SAME HOUSEHOLD, UNITED STATES

	Count	Percentage
HOUSEHOLDS WITH CHILDREN UNDER 5	14,196,000	100.00%
ONE CHILD UNDER 5	10,039,000	70.72%
TWO CHILDREN UNDER 5	3,613,000	25.45%
THREE OR MORE CHILDREN UNDER 5	544,000	3.83%

Based on the national level distribution of children under the age of 6, **Table XIII** tells us that 70.72% of all children under 5 live in a home with no other children in the same age category, 25.45% of all children under 5 live in a household with one other child in the same age group and 3.83% of all children under 5 live in a household with three or more other children, also aged under 5. Applying these percentages to our counts of children in the region, we get the estimates in **Table XIV** below. The bottom-line total gives us the ratio to estimate the entire universe of households with children under 5, controlling for those with more than one child in this age group. In short, for each child aged 5 or under in the region, 0.847 households could utilize early childhood learning/childcare services, not quite a 1-to-1 ratio. Translated into real numbers (in the table below), in the Indiana Southwest READI Region, **16,884** children aged 5 and under live in **12,627** unique households.

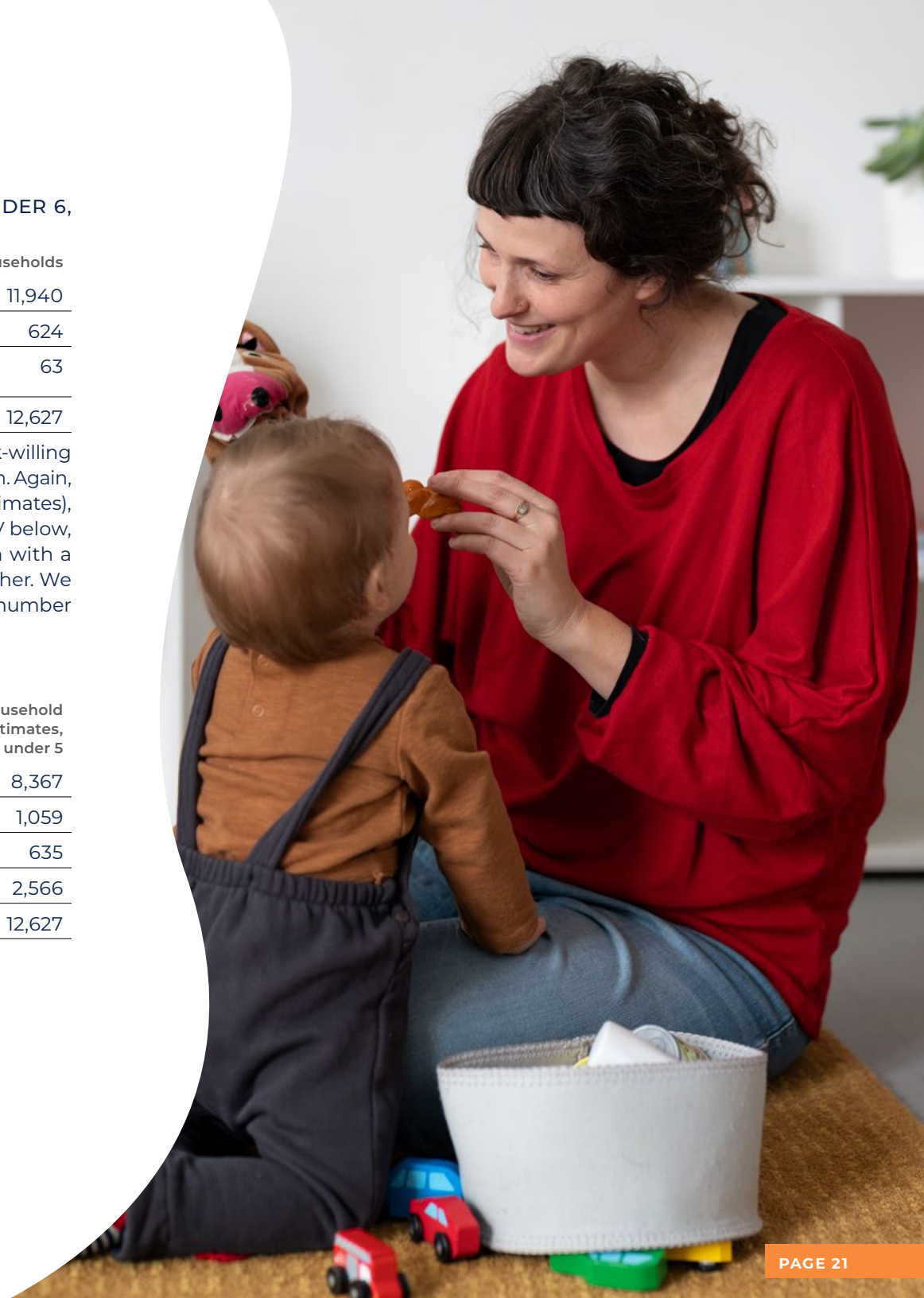
TABLE XIV: INDIANA SOUTHWEST READI REGION, CHILDREN UNDER 6, HOUSEHOLD ESTIMATES 2024

	Children	Households
WITH ONLY 1 CHILD UNDER 5 IN THE HOUSEHOLD	11,940	11,940
WITH 2 CHILDREN UNDER 5 IN THE HOUSEHOLD	4,297	624
WITH 3 OR MORE CHILDREN UNDER 6 IN THE HOUSEHOLD	647	63
ALL CHILDREN, UNDER 6	16,884	12,627

Before estimating how many of these 12,627 households contain a work-willing parent, we took additional steps to assess the household types in the region. Again, turning to American Community Survey data for the region (5-year estimates), we apply the reported percentages to our household counts in Table XV below, identifying the percentages and counts of households in the region with a married couple, a cohabitating couple, a single father, and a single mother. We will use this breakout in the remaining steps to further disaggregate the number of work-willing parents.

TABLE XV: HOUSEHOLDS WITH CHILDREN UNDER 5, BY TYPE

	Child(ren) Under 18	Percent of Households	Household Estimates, Child(ren) under 5
MARRIED COUPLE	45,233	67.43%	8,367
COHABITATING COUPLE	5,266	7.85%	1,059
MALE, NO PARTNER	3,257	4.86%	635
FEMALE, NO PARTNER	13,325	19.86%	2,566
TOTAL	67,081	100.00%	12,627



STEPS 3, 4, & 5: IDENTIFY ESTABLISHED STUDIES OF WORK-WILLING PARENTS (3), EXPAND AND UPDATE MODELING THROUGH 2022 (4) & APPLY TRENDS TO THE INDIANA SOUTHWEST READI REGION (5)

In this section, we quantify/develop four separate models of the unmet demand for childcare among work-willing parents throughout the stages of the pandemic. While ultimately, we will use the post-pandemic “Recovery” model to derive current estimates of work-willing parents in the region for use later in this study, it is essential to ground the estimates in reputable, national-level studies that track the impact of the lack of available, affordable childcare has on the workforce over time.

While it would be cleaner to break out this collection of steps into separate sections, it is more helpful to present the results FIRST (Table XVI below) and revisit the logic used to derive them using real numbers and supplemental, validating data from Census and BLS. With that in mind, the models we developed estimate that the number of households with at least one work-willing parent unable to rejoin the workforce due to childcare challenges ranged from **13.6% in 2019** to **18.79% in 2020**, then down to **16.59% in 2021**, settling back at **12.95% by 2022**. Using the best available data, we estimate that 12.95% of households with children under 5 translate to local parents willing but unable to work full-time due to a lack of affordable childcare.

TABLE XVI: ESTIMATES OF UNREALIZED WORKFORCE BY HOUSEHOLDS IMPACTED BY LACK OF CHILDCARE, INDIANA SOUTHWEST READI REGION WORK-WILLING PARENTS, 2019-2022

	Households with Children Under 5	2019, CEA Ratio, “Pre-Covid” Model (13.60%)	2020, “Peak Impact” Model (18.79%)	2021, Residential “Post Impact” Model (16.59%)	2022 “Recovery” Model (12.95%)
Married / Cohabiting	9,426	1,282	1,771	1,564	1,221
Male, no Partner	635	86	119	105	82
Female, no Partner	2,566	349	349	426	332
Totals	12,627	1,717	2,239	2,095	1,635

Baseline Study, 2019, CEA Childcare Impact Ratio:

A study commissioned by the *Council of Economic Advisers to the President*, released in December 2019- just before the pandemic- estimated the number of parents with children under six who would re-enter the workforce full-time if affordable childcare was available at 3.8 million⁸. Data from the US Bureau of Labor Statistics (see Table XVII below) for the same period estimated the number of parents of children under six eligible to join the workforce **27,932,000**. Dividing this population number (**27.932 million**) into the number of parents the CEA reports as not working due to childcare constraints (**3.8 million**) yields **13.60%**. Stated another way, 13.6% of all parents of children under 6 could not enter the workforce due to childcare constraints in 2019.

In Table XIV below, we use this percentage (13.6%) to determine the number of households with children under the age of 5 in the Indiana Southwest READI Region who were willing but unable to join the workforce due primarily to childcare barriers. In real numbers, across all age groups in **2019**, the region’s workforce was missing out on a potential **1,717** full-time employees who were not in the workforce due to a lack of childcare.

8 “The Role of Affordable Child Care in Promoting Work Outside the Home”. December 2019. *The Council of Economic Advisors, Executive Office of the President*. Available at: <https://trumpwhitehouse.archives.gov/wp-content/uploads/2019/12/The-Role-of-Affordable-Child-Care-in-Promoting-Work-Outside-the-Home-1.pdf>

TABLE XVII: BUREAU OF LABOR STATISTICS, ANNUAL ESTIMATES, PARENTS OF CHILDREN UNDER THE AGE OF 6 AND THE LABOR FORCE⁹

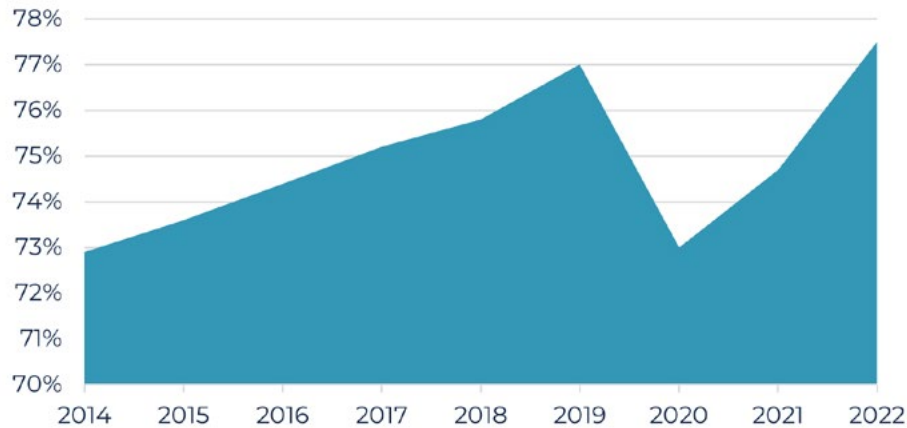
	2019 All	2019 Women	2019 Men
CIVILIAN NONINSTITUTIONAL POPULATION	27,932,000	12,672,000	15,260,000
CIVILIAN LABOR FORCE	22,175,000	12,042,000	10,133,000
PARTICIPATION RATE	79.4	95	66.4
EMPLOYED	21,502,000	11,777,000	9,725,000
FULL-TIME	18,695,000	11,319,000	7,376,000
PART-TIME	2,807,000	458,000	2,349,000
EMPLOYMENT-POPULATION RATIO	77	92.9	63.7
UNEMPLOYED	673,000	265,000	408,000
UNEMPLOYMENT RATE	3.0	2.2	4.0
ADDITIONAL POTENTIAL EMPLOYED ¹⁰	3,800,000	N/A	N/A
AS A PERCENT OF THE LABOR FORCE	17.14%	N/A	N/A
AS A PERCENT OF THE POPULATION	13.60%	N/A	N/A

2020- Peak Impact Adjustment: The pandemic, as is well documented, forced even more parents out of the workforce. To capture this impact- beyond the 13.6% application we used to estimate the impact in 2019- we looked at the year-over-year labor force participation for parents of children under age 6. To quantify a defensible measure of this specific impact, again standardized as a national percentage, we can use it in the Indiana Southwest READI Region. We looked to the Bureau of Labor Statistics data series for guidance.

The Current Population Survey tracks labor force participation for parents of children under 6 and reports this data annually. As **Figure IX** below highlights, the ratio of these parents who were employed to the population of all work-eligible parents fell sharply in 2020 and rebounded only partially in 2021. By 2022- the last available data from BLS as of this writing- that rate had fully recovered from the 2019 high. Based on these ratios- reported in **Table XVIII** below as well- in 2020, this ratio (73.0) fell by 5.19% from the 2019 ratio (77.0). We can use this percentage of 5.19 to estimate the additional impact of childcare constraints on parents in the Indiana Southwest READI Region. Having estimated the 2019 impact at 13.6% of the population, we add this additional 5.19% to the pre-covid impact, yielding a total impacted population in 2020 estimate of **18.79%**. In practical terms, in 2020, we estimate that 18.79% of all parents of children under 6 could not work due to childcare limitations. This 18.79% translated into **2,239** workers not in the Building Blocks labor force.

⁹ "Employment Characteristics of Families, 2019". 21 April 2020. News Release, Bureau of Labor Statistics, available at: https://www.bls.gov/news.release/archives/famee_04212020.pdf
¹⁰ As reported by The Council of Economic Advisers, December 2019.

FIGURE IX: ANNUAL EMPLOYMENT TO POPULATION RATIO¹¹, PARENTS OF CHILDREN UNDER 6



of parents not in the workforce due to childcare constraints in 2021 and 2022, we again utilize the employment-to-population ratios in **Table XVIII** above. Both common sense and our review of the literature above would imply that childcare access conditions in 2021 were better than in 2020 yet still more challenging than pre-COVID in 2019. This is precisely the trend the BLS data shows: the employment-to-population ratio in 2021 marked a 2.33% improvement over 2020 but remained 2.99% lower than in 2019. We can add the last percentage (2.99) to our original 2019 Impact Estimate (13.6), yielding a total estimated impact of **16.59%**. Translated into lost workers in the Indiana Southwest READI Region in 2021, an estimated **2,095** parents of children under 6 could not join the workforce due to childcare barriers. Extending this rationale out through 2022, the estimates from US BLS do point to a more-or-less full recovery of workforce participation by parents of children under 6 from its COVID collapse. We adjust slightly by a mere 0.65% to estimate the ratio of parents of children under 5 who are work-willing at 12.95%, the equivalent of **1,635** unfilled, full-time jobs in the region.

In summation, based on the latest available data and our review of national-

TABLE XVIII: ANNUAL CHANGE IN EMPLOYMENT/POPULATION RATIO, PARENTS OF CHILDREN UNDER 6

	2014	2015	2016	2017	2018	2019	2020	2021	2022
EMPLOYMENT / POPULATION RATIO	72.9	73.6	74.4	75.2	75.8	77	73	74.7	77.5
PERCENT CHANGE FROM THE PRIOR YEAR	1.53%	0.96%	1.09%	1.08%	0.80%	1.58%	-5.19%	2.33%	3.75%
CHANGE FROM 2019	N/A	N/A	N/A	N/A	N/A	N/A	-5.19%	-2.99%	0.65%

¹¹ Employment to Population Ratio, 2022, Bureau of Labor Statistics; Can be accessed here: [2021 Residual Impact Adjustment and 2022 Recovery: To measure the number](#)

level trends, we estimate that using 2024 population estimates for the region, there were **1,635** work-willing parents in the Indiana Southwest READI Region who are ready and willing to return to the workforce should childcare become affordable/available. This number serves as the basis for the economic impact section that follows.

TABLE XIX: WORK-WILLING PARENTS BY COUNTY INDIANA SOUTHWEST READI REGION

	Number of Children	Children Percentage in Region	Number of Households	Number of Work Willing Parents
GIBSON	1,946	11.53%	1,455	188
POSEY	1,184	7.01%	885	115
VANDEBURGH	10,215	60.50%	7,639	989
WARRICK	3,539	20.96%	2,647	343
TOTALS	16,884	100.00%	12,627	1,635



A photograph of children in a classroom setting, with a woman leaning over a desk. The image is partially obscured by a white curved shape at the top and a dark blue curved shape at the bottom.

**ECONOMIC IMPACT: RETURNING
WORK-WILLING PARENTS TO THE
LABOR FORCE**

ECONOMIC IMPACT: RETURNING WORK-WILLING PARENTS TO THE LABOR FORCE

For the final piece of our analysis, this section examines the economic impact of returning these 1,635 work-willing parents to the full-time workforce in the region. With reasonable confidence, we can estimate three unique economic components of returning these parents to the workforce: earnings, gross regional product (GRP), and tax revenue(s).



Earnings:

The annual wages paid to the parents who return to the workforce full-time. To calculate this figure, we rely on earnings data from the Quarterly Census of Employment and Wages (QCEW) program from the US Bureau of Labor Statistics, as reported by LightCast™.



Gross Regional Product:

GRP measures the value of new products and services generated/produced regionally annually, based on data from the US Bureau of Economic Analysis, as reported by LightCast™. Using a ratio of current employees to current GRP generated by industry, we isolate the GRP that an additional 1,635 employees could generate.



Tax Revenue:

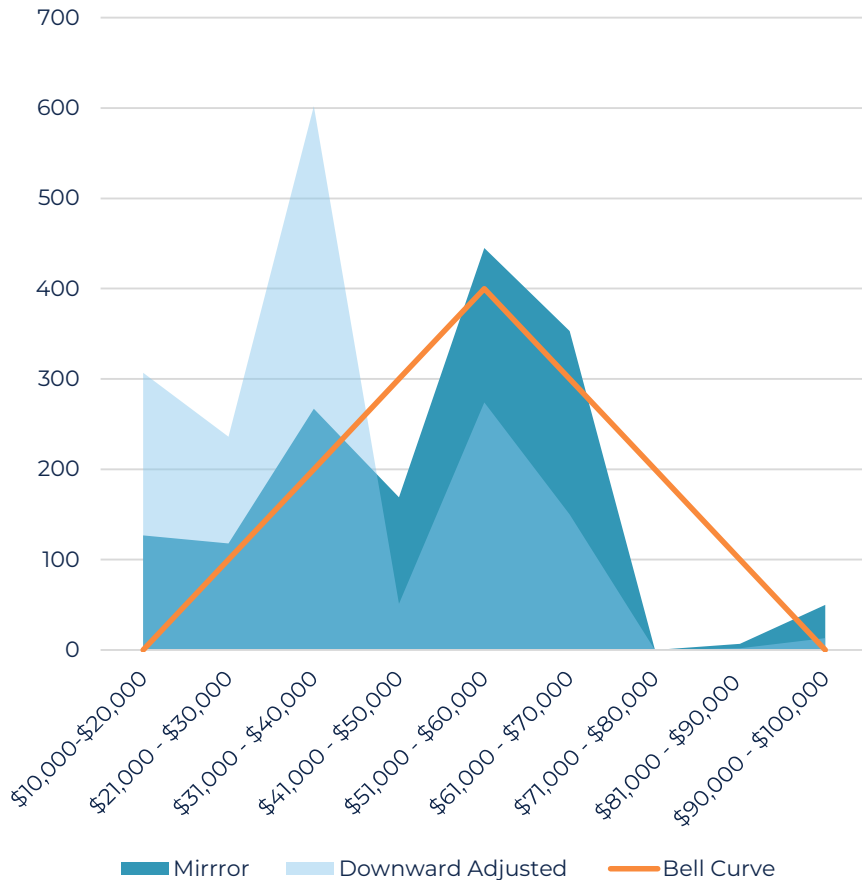
Comprised of 2 components, the first is an estimate of additional state tax revenue generated based on the earnings of the returning parents, and the second is the sales, import, and excise taxes paid by employers on the generated GRP in the region.

We take two unique approaches to determine a reasonable economic impact estimate as measured by these three factors. The first assumes an even distribution of parents across industries that reflects the current workforce distribution. For example, since 17.54% of all residents living in the Building Blocks are employed in the Manufacturing sector, we deduce that an identical percentage of the 1,635 work-willing (298 parents) will return to the labor force in retail sector jobs. This approach assumes that work-willing parents mirror the region's workforce, with the same distribution of industry employment and the average earnings of an industry's worker. We refer to this first option as the "Mirror Model" for shorthand reference in the following pages.

There is a risk, however, that assuming the average earnings of a work-willing parent will be equivalent to the average annual earnings of all workers in the region. The total sum will overestimate the economic impact of their return to the labor force. An argument could be made that if the average work-willing parent were qualified for a job that pays, on average, \$76k per year, then that individual would likely already be in the workforce and able to afford childcare. While the financial circumstances of everyone differ, and it may or may not be true that a salary that approaches this level allows a parent to pay for childcare, it is still vital that we establish an "adjusted down" model as well to ensure that we are not overstating the economic impact of returning these 1,635 parents to the workforce. To accomplish this, we re-assign the work-willing parents at a higher-than-average rate into the industries with lower average annual wages, with the bulk of the assigned jobs falling under \$60,000 in annual wages. Again, for shorthand reference, we refer to this as the "Downward Adjusted Model" in the following pages.

Figure X below shows the **Mirror** and **Downward Adjusted** Models, plotting the number of returning workers by income bracket. Also included, as a point of reference, is a bell curve approximation (**orange line**) that shows what a perfectly balanced distribution of workers around the salary midpoint would look like.

FIGURE X: MIRROR VS. DOWNWARD ADJUSTED MODELS, DISTRIBUTION OF WORK-WILLING PARENTS BY SALARY



Plotting these distribution models in the same graph highlights the significant difference between the 2. The blue shaded area, representing the Mirror Model, clearly skews the earnings of returning parents to the right of the graph, that is, towards jobs on the upper end of the region’s average industry pay scale. The yellow-shaded area, representing the Downward Adjusted Model, accomplishes the goal of skewing the average earnings of work-willing parents toward the lower end of the pay scale, with 1,171 of the 1,635 parents entering jobs making less than \$50,000 annually. Table XX below shows the number of assigned parents, by industry, of the 2 unique models, side-by-side, with the existing workforce distribution in the region (by percentage) and 2023 reported industry average earnings both included as points of reference.



TABLE XX: EMPLOYMENT DISTRIBUTION AND MEDIAN WAGES BY INDUSTRY, INDIANA SOUTHWEST READI REGION, 2023¹²

Industry Details				MIRROR MODEL			DOWNWARD ADJUSTED MODEL		
NAICS	Description	Percent of All Jobs in Region	Average Annual Pay	All Work Willing Parents	Single Mothers	Single Fathers	All Work Willing Parents	Single Mothers	Single Fathers
11	AGRICULTURE, FORESTRY, FISHING, AND HUNTING	5.05%	\$48,640	8	2	0	4	1	0
21	MINING, QUARRYING, AND OIL AND GAS EXTRACTION	0.12%	\$86,151	7	1	0	2	0	0
22	UTILITIES	0.44%	\$105,744	8	2	0	3	1	0
23	CONSTRUCTION	6.78%	\$69,501	86	17	4	43	8	2
31	MANUFACTURING	17.54%	\$52,116	298	61	15	100	14	7
42	WHOLESALE TRADE	1.80%	\$40,707	55	11	3	10	3	1
44	RETAIL TRADE	10.78%	\$32,032	157	32	8	332	78	17
48	TRANSPORTATION AND WAREHOUSING	2.70%	\$50,075	81	16	4	25	8	2
51	INFORMATION	0.82%	\$66,749	15	3	1	7	1	0
52	FINANCE AND INSURANCE	2.45%	\$49,815	47	10	2	12	2	1
53	REAL ESTATE AND RENTAL AND LEASING	0.87%	\$29,577	16	3	1	29	9	2
54	PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	1.96%	\$59,843	73	15	4	20	4	1
55	MANAGEMENT OF COMPANIES AND ENTERPRISES	0.29%	\$93,687	42	9	2	10	2	1
56	ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES	3.23%	\$58,008	74	15	4	154	31	6
61	EDUCATIONAL SERVICES	0.51%	\$41,784	33	7	2	10	3	1
62	HEALTH CARE AND SOCIAL ASSISTANCE	13.39%	\$61,612	252	51	13	100	20	6
71	ARTS, ENTERTAINMENT, AND RECREATION	0.32%	\$28,160	24	5	1	42	9	3
72	ACCOMODATION AND FOOD SERVICES	8.33%	\$18,562	127	26	6	307	56	13
81	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	3.66%	\$29,681	78	16	4	165	28	6
90	GOVERNMENT	18.96%	\$35,824	155	32	8	260	53	11
ALL	TOTALS	100.00%		1,635	332	82	1,635	332	82

¹² The Total of work-willing parents is based on rounded to the nearest whole number. Average annual pay is acquired utilizing Bureau of Labor Statistics. Gibson, Posey, Vanderburgh, and Warrick County numbers were acquired and then weighted based on number of employment.

These distributions of work-willing parents across industries in the region are the basis for the economic impact estimates that follow, with the interaction between several parents and the average industry wages yielding the first specific measure: parental earnings. Tables XXI (Mirror Model) and XXII (Downward Adjusted Model) below show the calculation of wages earned for each of the 2 models, breaking out single mother and single father earnings (as a subset of the entire work-willing population). Total earnings are calculated by multiplying the number of assigned industry workers by the average earnings per job.

Average annual pay is calculated utilizing the Bureau of Labor Statistics Average Annual Pay across NAICS 2-digit codes. Average annual pay was gathered for the State of Indiana, Gibson, Posey, Vanderburgh, and Warrick Counties, emphasizing the average annual pay of private firms. Unfortunately, the Bureau of Labor Statistics utilizes suppression, a data management technique in which information is restricted. In short, suppression is restricting data to limit the disclosure of protected identifiable information (PII). As a result of data suppression, average annual pay was either averaged, weighted, or utilized the State of Indiana average annual pay. In addition, government data was gathered from state average annual pay for the State of Indiana and local average annual pay for Gibson, Posey, Vanderburgh, and Warrick.

NAICS 11 - Agriculture, forestry, fishing, hunting, NAICS 21 - Mining, quarrying, and oil and gas extraction, NAICS 23 - Construction, NAICS 31 - Manufacturing, NAICS 44 - Retail Trade, NAICS 48 - Transportation and warehousing, NAICS 51 - Information, NAICS 52 - Finance and insurance, NAICS 53 - Real estate and rental and leasing, NAICS 56 - Administrative and support and waste management and remediation services, NAICS, NAICS 71 - Arts, entertainment, and recreation, and NAICS 72 - Accommodation and food services, NAICS 81 - Other Services, and NAICS 90 - Government were weighted and based on percentages of jobs per County.

NAICS 22 - Utilities, NAICS 42 - Wholesale Trade, NAICS 54 - Professional scientific, NAICS 55 - Management of Companies and Enterprises, NAICS 56 - Administrative and Support and Waste Management and Remediation Services and technical services, 61 - Educational services, NAICS 62 - Health care and social assistance utilized Indiana State Average Annual Pay because of suppression issues.



TABLE XXI: TOTAL EARNINGS BY INDUSTRY, WORK-WILLING PARENTS IN INDIANA SOUTHWEST READI REGION, MIRROR MODEL

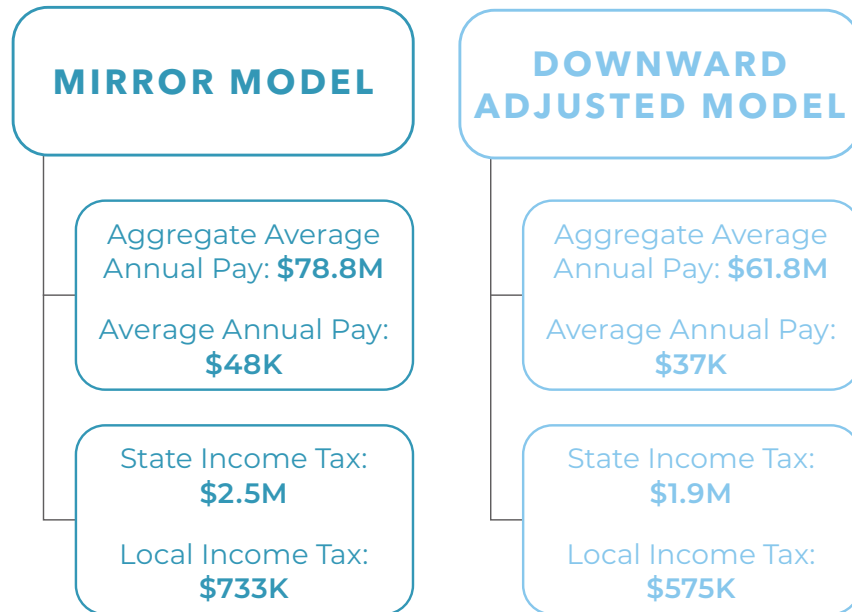
NAICS	Description	Average Earnings Per Job	All Work Willing Parents	Total Earnings	Single Mother	Single Mother Earnings	Single Father	Single Father Earnings
11	AGRICULTURE, FORESTRY, FISHING, AND HUNTING	\$48,640	8	\$375,706.89	2	\$76,290.33	0	\$0.00
21	MINING, QUARRYING, AND OIL AND GAS EXTRACTION	\$86,151	7	\$567,072.85	1	\$115,148.74	0	\$0.00
22	UTILITIES	\$105,744	8	\$813,340.73	2	\$165,155.43	0	\$0.00
23	CONSTRUCTION	\$69,501	86	\$5,947,908.34	17	\$1,207,770.99	4	\$298,304.88
31	MANUFACTURING	\$52,116	298	\$15,552,748.70	61	\$3,158,111.66	15	\$780,015.53
42	WHOLESALE TRADE	\$40,707	55	\$2,255,030.07	11	\$457,902.13	3	\$113,096.31
44	RETAIL TRADE	\$32,032	157	\$5,017,817.70	32	\$1,018,908.55	8	\$251,658.14
48	TRANSPORTATION AND WAREHOUSING	\$50,075	81	\$4,055,675.18	16	\$823,537.71	4	\$203,403.89
51	INFORMATION	\$66,749	15	\$977,356.25	3	\$198,460.11	1	\$49,017.26
52	FINANCE AND INSURANCE	\$49,815	47	\$2,335,288.54	10	\$474,199.26	2	\$117,121.50
53	REAL ESTATE AND RENTAL AND LEASING	\$29,577	16	\$470,163.82	3	\$95,470.57	1	\$23,580.08
54	PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	\$59,843	73	\$4,391,229.68	15	\$891,674.77	4	\$220,232.93
55	MANAGEMENT OF COMPANIES AND ENTERPRISES	\$93,687	42	\$3,925,285.24	9	\$797,060.98	2	\$196,864.46
56	ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES	\$58,008	74	\$4,277,537.23	15	\$868,588.60	4	\$214,530.92
61	EDUCATIONAL SERVICES	\$41,784	33	\$1,382,775.34	7	\$280,783.74	2	\$69,350.20
62	HEALTH CARE AND SOCIAL ASSISTANCE	\$61,612	252	\$15,535,571.39	51	\$3,154,623.67	13	\$779,154.04
71	ARTS, ENTERTAINMENT, AND RECREATION	\$28,160	24	\$683,879.27	5	\$138,867.23	1	\$34,298.53
72	ACCOMODATION AND FOOD SERVICES	\$18,562	127	\$2,357,441.82	26	\$478,697.67	6	\$118,232.56
81	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$29,681	78	\$2,308,038.96	16	\$468,666.02	4	\$115,754.86
90	GOVERNMENT	\$35,824	155	\$5,560,681.46	32	\$1,129,141.43	8	\$278,884.33
ALL	TOTALS		1,635	\$78,790,549.47	332	\$15,999,059.59	82	\$3,863,500.41

TABLE XXII: TOTAL EARNINGS BY INDUSTRY, WORK-WILLING PARENTS IN INDIANA SOUTHWEST READI REGION, DOWNWARD ADJUSTED MODEL

NAICS	Description	Average Earnings Per Job	All Work Willing Parents	Total Earnings	Single Mother	Single Mother Earnings	Single Father	Single Father Earnings
11	AGRICULTURE, FORESTRY, FISHING, AND HUNTING	\$48,640.00	4	\$187,853.45	1	\$38,145.16	0	\$9,421
21	MINING, QUARRYING, AND OIL AND GAS EXTRACTION	\$86,151.00	2	\$204,719.44	0	\$41,569.94	0	\$10,267
22	UTILITIES	\$105,744.00	3	\$293,624.81	1	\$59,622.90	0	\$14,726
23	CONSTRUCTION	\$69,501.00	43	\$2,973,954.17	8	\$556,008.00	2	\$149,152
31	MANUFACTURING	\$52,116.31	100	\$5,211,630.50	14	\$729,628.27	7	\$390,008
42	WHOLESALE TRADE	\$40,706.50	10	\$407,065.00	3	\$122,119.50	1	\$40,707
44	RETAIL TRADE	\$32,032.29	332	\$10,634,720.69	78	\$2,498,518.72	17	\$544,549
48	TRANSPORTATION AND WAREHOUSING	\$50,074.67	25	\$1,251,866.67	8	\$411,768.86	2	\$101,702
51	INFORMATION	\$66,749.33	7	\$488,678.13	1	\$99,230.05	0	\$24,509
52	FINANCE AND INSURANCE	\$49,815.33	12	\$597,784.00	2	\$99,630.67	1	\$49,815
53	REAL ESTATE AND RENTAL AND LEASING	\$29,576.67	29	\$857,723.33	9	\$264,453.49	2	\$65,317
54	PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	\$59,843.00	20	\$1,196,860.00	4	\$239,372.00	1	\$59,843
55	MANAGEMENT OF COMPANIES AND ENTERPRISES	\$93,687.00	10	\$936,870.00	2	\$187,374.00	1	\$71,070
56	ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES	\$58,008.33	154	\$8,933,283.33	31	\$1,798,258.33	6	\$348,050
61	EDUCATIONAL SERVICES	\$41,784.00	10	\$417,840.00	3	\$140,391.87	1	\$34,675
62	HEALTH CARE AND SOCIAL ASSISTANCE	\$61,612.00	100	\$6,161,200.00	20	\$1,232,240.00	6	\$389,577
71	ARTS, ENTERTAINMENT, AND RECREATION	\$28,159.50	42	\$1,182,699.00	9	\$253,435.50	3	\$95,007
72	ACCOMODATION AND FOOD SERVICES	\$18,561.50	307	\$5,698,380.50	56	\$1,039,444.00	13	\$241,300
81	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$29,680.57	165	\$4,897,293.89	28	\$831,055.93	6	\$178,083
90	GOVERNMENT	\$35,824.49	260	\$9,314,368.67	53	\$1,898,698.23	11	\$394,069
ALL	TOTALS		1,635	\$61,848,415.58	332	\$12,540,965.42	82	\$3,211,848

When comparing these last 2 tables, the modeling performed as expected. Under the mirror model, returning all 1,635 work-willing parents to the labor force results in cumulative earnings of **\$78,790,549.47**. By comparison, if we use the Downward Adjusted Model, these aggregate earnings for the same number of returning parents (1,635) fall to **\$61,848,415.58**. This represents a decrease in expected earnings of 21.5% for the Downward Adjusted Model, vis-à-vis the Mirror Model. The affiliated average annual salaries also fall in the Downward Model, falling to \$37,824.85 (\$48,189.94 in the Mirror Model). Armed with this total, we can estimate the affiliated income tax generated by returning these parents to the workforce. Details appear in the pages below, but Figure XI highlights the outcomes of our estimates for each model side-by-side.

FIGURE XI: MODEL COMPARISON EARNINGS AND INCOME TAX IMPACT



Of course, the earnings calculated above are subject to a flat 3.23% personal income tax rate in Indiana. Applying this rate to the aggregated earnings of all parents returned to the workforce will generate an additional \$1.9 to \$2.5 million in annual state income tax revenue.



TABLE XXIII: AGGREGATE EARNINGS AND STATE INCOME TAX, STATE OF INDIANA WORK-WILLING PARENTS

	MIRROR MODEL		DOWNWARD ADJUSTED MODEL	
	Annual Average Earnings	State Income Taxes	Annual Average Earnings	State Income Taxes
ALL WORK WILLING PARENTS (1,635)	\$78,790,549.47	\$2,544,934.75	\$61,848,415.58	\$1,997,703.82
SINGLE MOTHERS (332)	\$15,999,059.59	\$516,769.62	\$12,540,965.42	\$405,073.18
SINGLE FATHERS (82)	\$3,863,500.41	\$124,791.06	\$3,211,847.81	\$103,742.68

TABLE XXIV: AGGREGATE EARNINGS AND LOCAL INCOME TAX, INDIANA SOUTHWEST READI REGION WORK-WILLING PARENTS

County Details			MIRROR MODEL		DOWNWARD ADJUSTED MODEL	
	Percent of Employment	Local Income Tax Rate	Aggregate Average Annual Earnings	Local Income Taxes, 2023	Aggregate Average Annual Earnings	Local Income Taxes, 2023
GIBSON	13.97%	0.50%	\$11,007,045.24	\$55,035.23	\$8,640,227.96	\$43,201.14
POSEY	5.74%	1.00%	\$4,524,957.29	\$45,249.57	\$3,551,967.09	\$35,519.67
VANDERBURGH	68.54%	1.00%	\$54,001,164.34	\$540,011.64	\$42,389,429.65	\$423,894.30
WARRICK	11.75%	1.00%	\$9,257,382.60	\$92,573.83	\$7,266,790.88	\$72,667.91
TOTALS	100%		\$78,790,549.47	\$732,870.27	\$61,848,415.58	\$575,283.02

Additionally, we established a rate based on available County-level tax data to demonstrate local income tax. Gibson is the only county in which we utilized a .50% local income tax rate compared to Posey, Vanderburgh, and Warrick Counties that have a standard 1.00%. Applying this rate to the aggregated earnings of all parents returned to the workforce will generate an additional \$732,870.27 to \$575,283.02. In addition to the wages earned by these parents and the income tax derived from these earnings, returning all 1,635 parents back to the workforce on a full-time basis has an important financial impact on regional employers as well. Table XXV below quantifies exactly what this impact would be by industry, based on 2023 GRP data provided by the US Bureau of Economic Analysis and reported by LightCast™. To calculate the GRP per Employee, we assume a linear relationship between the 2, dividing the total annual industry GRP by the total average industry employment for 2023 (latest available data). To estimate the additional GRP generated by work-willing parents, we multiply this GRP per employee by the number of work-willing parents returned to the industry's workforce.



TABLE XXV: ESTIMATED GAINS IN GRP, MIRROR VS. DOWNWARD ADJUSTMENT MODELS

Industry Details				MIRROR MODEL		DOWNWARD ADJUSTED MODEL	
NAICS	Description	2023 GRP	GRP per Employee	Work Willing Parents	Additional GRP Generated	Work Willing Parents	Additional GRP Generated
11	AGRICULTURE, FORESTRY, FISHING, AND HUNTING	\$210,736,616	\$272,496.82	8	\$2,104,830.06	4	\$1,052,415.03
21	MINING, QUARRYING, AND OIL AND GAS EXTRACTION	\$707,166,368	\$1,073,050.35	7	\$7,063,153.34	2	\$2,549,875
22	UTILITIES	\$712,519,619	\$925,245.70	8	\$7,116,621.42	3	\$2,569,177
23	CONSTRUCTION	\$1,056,999,535	\$123,361.21	86	\$10,557,274.96	43	\$5,278,637
31	MANUFACTURING	\$6,886,276,956	\$230,477.21	298	\$68,779,897.15	100	\$23,047,721
42	WHOLESALE TRADE	\$1,355,011,117	\$244,304.42	55	\$13,533,804.39	10	\$2,443,044
44	RETAIL TRADE	\$1,345,292,430	\$85,776.21	157	\$13,436,734.48	332	\$28,477,702
48	TRANSPORTATION AND WAREHOUSING	\$755,535,246	\$93,172.27	81	\$7,546,260.02	25	\$2,329,307
51	INFORMATION	\$559,450,642	\$381,621.51	15	\$5,587,773.75	7	\$2,793,887
52	FINANCE AND INSURANCE	\$917,257,133	\$195,429.73	47	\$9,161,532.67	12	\$2,345,157
53	REAL ESTATE AND RENTAL AND LEASING	\$589,400,022	\$370,328.56	16	\$5,886,907.13	29	\$10,739,528
54	PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	\$850,294,127	\$115,737.32	73	\$8,492,708.46	20	\$2,314,746
55	MANAGEMENT OF COMPANIES AND ENTERPRISES	\$577,470,833	\$137,662.36	42	\$5,767,758.80	10	\$1,376,624
56	ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT ENTERPRISES	\$544,898,871	\$73,805.64	74	\$5,442,431.16	154	\$11,366,068
61	EDUCATIONAL SERVICES	\$135,953,305	\$41,032.24	33	\$1,357,896.93	10	\$410,322
62	HEALTH CARE AND SOCIAL ASSISTANCE	\$2,203,811,616	\$87,295.04	252	\$22,011,594.55	100	\$8,729,504
71	ARTS, ENTERTAINMENT, AND RECREATION	\$168,556,870	\$69,321.67	24	\$1,683,540.21	42	\$2,911,510
72	ACCOMODATON AND FOOD SERVICES	\$477,824,878	\$37,576.63	127	\$4,772,498.43	307	\$11,536,027
81	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$458,229,265	\$58,855.76	78	\$4,576,778.12	165	\$9,711,200
90	GOVERNMENT	\$1,076,106,709	\$69,244.36	155	\$10,748,116.76	260	\$18,003,535
N/A	ALL	\$21,588,792,158	\$4,685,795	1,635	\$215,628,113	1,635	\$149,985,987

Based on the estimates generated by these 2 models, returning 1,635 work-willing parents to the workforce will generate between \$149.9 Million and \$215.6 Million annually for the region-gained Gross Regional Product (GRP). These estimated GRP gains have attached to them additional sales, import, and property taxes which the federal, state, and local governments can recoup. Disaggregating these gains across the various government levels is limited due to how the data is

reported. However, based on the aggregated data collected by the US BEA, as reported by Lightcast™, we can estimate the total scale of these taxes across all levels of government. The table below provides the calculation details, but in short, with the addition of 1,635 work-willing parents to the labor force, there is an expected increase of between \$10.7 Million and \$12.6 Million annually in Sales, Import, and Property taxes.

TABLE XXVI: ADDITIONAL SALES, IMPORT, AND PROPERTY TAXES GENERATED VIA INDIANA SOUTHWEST READI REGION

Industry Details				MIRROR MODEL		DOWNWARD ADJUSTED MODEL	
NAICS	Description	2023 Taxes	Taxes per Employee	Work Willing Parents	Additional Taxes Generated	Work Willing Parents	Additional Taxes Generated
11	AGRICULTURE, FORESTRY, FISHING, AND HUNTING	\$3,399,642.62	\$4,395.97	8	\$33,955.51	4	\$16,977.76
21	MINING, QUARRYING, AND OIL AND GAS EXTRACTION	\$83,476,369.61	\$126,666.58	7	\$833,759.11	2	\$0.00
22	UTILITIES	\$100,154,156.06	\$130,055.65	8	\$1,000,336.26	3	\$361,132.22
23	CONSTRUCTION	\$17,379,903.38	\$2,028.39	86	\$173,589.88	43	\$86,794.94
31	MANUFACTURING	\$210,580,181.49	\$7,047.92	298	\$2,103,267.60	100	\$704,792.05
42	WHOLESALE TRADE	\$299,886,090.91	\$54,068.56	55	\$2,995,251.95	10	\$540,685.58
44	RETAIL TRADE	\$234,835,965.41	\$14,973.21	157	\$2,345,533.54	332	\$4,971,104.07
48	TRANSPORTATION AND WAREHOUSING	\$14,125,009.14	\$1,741.89	81	\$141,080.10	25	\$43,547.25
51	INFORMATION	\$39,807,325.43	\$27,154.02	15	\$397,594.20	7	\$198,797.10
52	FINANCE AND INSURANCE	\$15,686,686.41	\$3,342.19	47	\$156,678.08	12	\$40,106.24
53	REAL ESTATE AND RENTAL AND LEASING	\$35,291,031.90	\$22,173.87	16	\$352,485.61	29	\$643,042.11
54	PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	\$19,640,015.71	\$2,673.29	73	\$196,163.80	20	\$53,465.80
55	MANAGEMENT OF COMPANIES AND ENTERPRISES	\$10,730,076.10	\$2,557.93	42	\$107,171.63	10	\$25,579.26
56	ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES	\$12,321,603.09	\$1,668.94	74	\$123,067.75	154	\$257,016.83
61	EDUCATIONAL SERVICES	\$4,097,893.13	\$1,236.79	33	\$40,929.62	10	\$12,367.90
62	HEALTH CARE AND SOCIAL ASSISTANCE	\$39,171,358.48	\$1,551.61	252	\$391,242.18	100	\$155,161.42
71	ARTS, ENTERTAINMENT, AND RECREATION	\$22,953,045.41	\$9,439.80	24	\$229,254.23	42	\$396,471.65
72	ACCOMODATION AND FOOD SERVICES	\$65,491,433.84	\$5,150.31	127	\$654,126.19	307	\$1,581,146.09
81	OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$28,611,435.79	\$3,674.90	78	\$285,770.04	165	\$606,358.85
90	GOVERNMENT	\$0.00	\$0.00	155	\$0.00	260	\$0.00
N/A	ALL	\$1,257,639,223.91	\$421,601.81	1,635	\$12,561,257.27	1,635	\$10,694,547.12



SUMMARY OF IMPACT MODELING

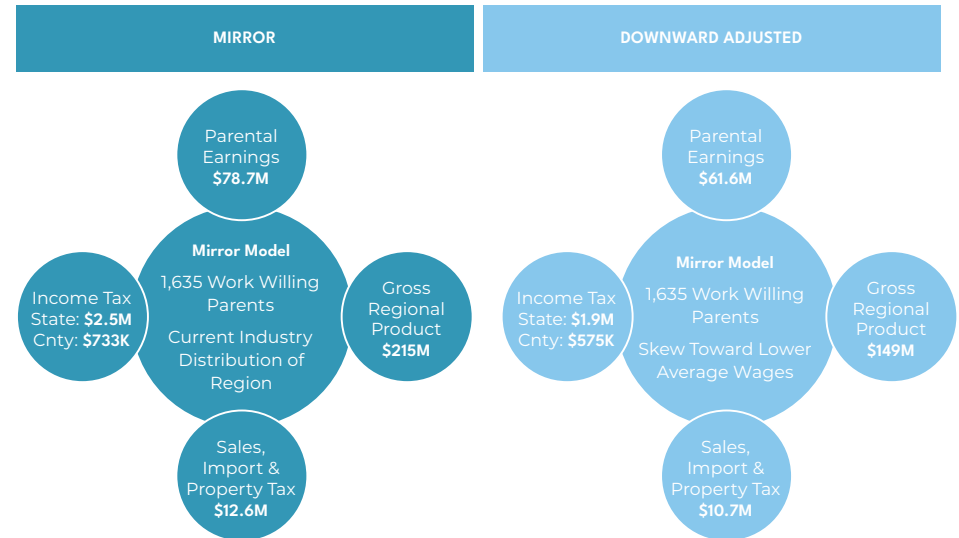
SUMMARY OF IMPACT MODELING

In review, we have calculated the economic impact of returning 1,635 work-willing parents to full-time jobs in Gibson, Posey, Vanderburgh, and Warrick Counties, Indiana. To ensure our estimates are accurate, we have used the latest available data from the US Census Bureau, US Bureau of Economic Analysis, US Bureau of Labor Statistics, with additional input from models and reporting by the data platform LightCast™. To estimate the final number of work-willing parents (1,635), we relied on a 2017 study from the President’s Council of Economic Advisors and, triangulating this initial study to Labor Force Participation rates for parents of children under 6, updated the methodology to reflect changes during, and after, the COVID-19 pandemic.

The economic impact itself was calculated in two unique ways, which we refer to as the **Mirror** and **Downward Adjustment Models**. The Mirror Model assumes that the population of work-willing parents will be a more-or-less perfect reflection of the currently employed workforce in the region. They are presumed to have the same distribution of skills and abilities as the population. They are distributed across the region’s existing industries to mirror the current industry distribution of all employees. For example, since 8.33% of all workers in the Indiana Southwest READI Region are employed in the Accommodation and Food Services Industry, we also assume that 8.33% of all work-willing parents (127) will re-enter the workforce as Accommodation and Food Services employees. To ensure that this model, which can skew average salaries higher, does not overstate the economic impact of these parents, we also include a Downward Adjustment Model. In this version, we overweight industries with lower average annual wages as likely entry points for returning parents. Again, considering Accommodation and Food Services as an example, in the Downward Adjustment Model, we assign 307 (18.78%) of all work-willing parents to the industry at a rate nearly 50% higher than the population.

Constructing two separate models allows for a reasonable range of projected economic impact between \$223.98 and \$309.63 million that can be unlocked by ensuring affordable childcare is available for the 1,635 local parents ready and able to return to the workforce full-time. Figure XVII below breaks out these gains, estimated by the two models.

TABLE XXVII: TOTAL IMPACT, WORK-WILLING PARENTS IN THE INDIANA SOUTHWEST READI REGION MIRROR VS. DOWNWARD ADJUSTED MODELS



SURVEY ANALYSIS

In addition to the data analysis and economic impact research above, this study emphasizes developing, implementing, and analyzing two different types of surveys relating to childcare impact in Gibson, Posey, Vanderburgh, and Warrick Counties. The first, a parent survey, seeks to understand the conditions of employed parents and their relationship with childcare. The second, an employer survey, aimed at understanding how the lack of reliable and affordable childcare impacts the workforce of the Indiana Southwest READI Region.



PARENT SURVEY TAKEAWAYS

TPMA, in collaboration with Building Blocks, completed a parent survey to understand the changes in parents' earnings, career prospects, and reliance on some form of public assistance because of access to childcare. In total, the parent survey had 315 attempted responses, with a total of 226 completed surveys.

Trends found throughout the parent survey include the following:

CHILDCARE RELATED RESPONSES

63.22% of respondents indicated their children attend school in Vanderburgh County, and

- 19.03% of respondents indicated their children attend school in Warrick County
- 16.77% of respondents indicated their children attend school in Posey County
- .97% of respondents indicated their children attend school in Gibson County.

53.79% of respondents indicated their children attend Vanderburgh County Public Schools, and

- 28.28% of respondents indicated their children attend Warrick County Public Schools
- 7.42% of respondents indicated their children attend Posey County Public Schools
- 2.07% of respondents indicated their children attend Gibson County Schools

95.52% of respondents indicated that they do have children currently in childcare.

- 64.54% of respondents indicated they have 1 child in childcare.

10.12% of respondents said they pay \$200 weekly for childcare.

38.54% of respondents indicated a regulated childcare program as the type of childcare they utilize.

- Other responses included: YMCA, After-school care, Head Start, Charter School, Grandparents, Preschool, Stay Home, and Work from home.

15.76% of respondents indicated that the barrier to childcare is cost and the unavailability of subsidies to offset said cost.

- Other responses included centers closing, finding quality daycare, and long wait lists.

51.49% of respondents indicated that their preference for childcare is an early learning center offering childcare services in a center or place of business.

40.64% of respondents indicated their place of employment is approximately 10-15 minutes away from childcare.

40.74% of respondents indicated that they often rely on a family member, nanny, or babysitter for childcare.

20.25% of respondents indicated that they often rely on after-school programs and summer camps for childcare.

19.83% of respondents indicated that they often left work early due to inadequate childcare coverage.

19.01% of respondents indicated they have used paid time off or unpaid leave due to inadequate childcare.

19.01% of respondents indicated that they missed work due to inadequate childcare.

71.9% of respondents indicated that they never received a written or verbal warning from an employer because of missed work time due to inadequate childcare.

69.42% of respondents indicated that they never missed out on a promotion or a professional development opportunity due to inadequate childcare.

54.34% of respondents indicated that quality childcare is their Top priority.

69.44% of respondents indicated that they are extremely satisfied with their childcare provider.

49.36% of respondents indicated that they have missed between 1-4 days because of childcare service falling through.

21.35% of respondents indicated that they care for children themselves when primary childcare arrangement falls through.

18.88% of respondents indicated that their spouses or themselves can access working parent benefits through their employers.

51.97% of respondents indicated that their household earnings allow their family to cover the cost of childcare, but sacrifices need to be made in other areas of their family's income.

82.89% of respondents indicated that they do not utilize public assistance dollars for early childcare coverage.

Qualitative responses were gathered from parents indicating any challenges or barriers they have experienced with childcare. General trends included:

Utilizing family and friends because of cost challenges.

Budgeting for childcare while cutting costs elsewhere.

Change work schedules, cancel work, and work from home to adapt to childcare cancellations.

Increased working hours because of high childcare costs.

Long waitlists for childcare seats in facilities.

Increased distance to childcare because of lack of facilities and seats.

In addition, many responses indicated that the respondent has not overcome these challenges or barriers.



DEMOGRAPHICS RELATED RESPONSES

66.21% of respondents indicated that they are a 2-parent/guardian household, both working full time, whereas 22.53% of Respondents indicated that they are a 1-parent/guardian household working full-time.

91.34% of respondents indicated that they work full-time.

24.38% of respondents indicated receiving \$121,000+ in household annual income.

- 12.94% of respondents indicated receiving \$0 - \$30,000 in total household annual income.
- 19.4% of respondents indicated receiving \$31,000 - \$60,000 in total household annual income.
- 16.42% of respondents indicated receiving \$61,000 - \$90,000 in total household annual income.
- 18.91% of respondents indicated receiving \$91,000 - \$120,000 in total household annual income

62.86% of respondents indicated white or Caucasian as the best category for race/ethnicity.

10.96% of respondents indicated they have an adult or child with a disability within the household.

57.27% of respondents indicated that they are within the 25-34 age group, whereas 31.28% of Respondents indicated that they are within the 35-44 age.

English was identified as the largest language spoken by respondents. Other languages included Gujarati, Spanish, Tamil, Telugu

85.53% of respondents identified their gender as Women.

37.46% of respondents indicated living within the City of Evansville.

15.87% of respondents indicated living within the 47630-zip code.

15.56% of respondents indicated that they live within the 47711-zip code.



EMPLOYER SURVEY TAKEAWAYS

TPMA, in collaboration with Building Blocks, completed an employer survey to understand the impact affordable childcare has on their day-to-day operations, the anticipated need for and willingness to participate in sponsored seats at local childcare facilities, estimates of lost days, missing shifts, or turnover because of the lack of affordable childcare to employees, and structured, focus group and one-on-one discussions with area employers and parents to augment the data collected via surveys. Overall, 31 participants started the employer survey, and 18 completed it.

Trends found within the employer survey respondents can be found below:

BUSINESS RELATED RESPONSES

Business Type of Industry

44% of respondents indicated Manufacturing and Production as their business industry type.

- 17% of respondents indicated Transportation and Warehousing as their business industry type.
- 11% of respondents indicated Education: Higher Education as their business industry type.
- 11% of respondents indicated Finance and Insurance as their business industry type.
- 11% of respondents indicated Health Care Services as their business industry type.
- 6% of respondents indicated Utilities as their business industry type.

67% of respondents indicated that they have 500+ employees at their business.



County where the business employs the most individuals.

- 45% of respondents indicated Vanderburgh County.
- 23% of respondents indicated Warrick County.
- 13% of respondents indicated Posey County.
- 7% of respondents indicated Dubois County.
- 6% of respondents indicated Gibson County.
- 3% of respondents indicated either Marion County or Spencer County.

44% of respondents indicated their typical days of operation are 5 days a week.

61% of respondents indicated that employees are on a scheduled shift basis, whereas 6% of respondents indicated that employees are on a per diem shift basis.

40% of respondents indicated that their typical shifts were 8 hours.

44% of respondents indicated that overtime is volunteer-based, whereas 17% indicated that overtime is mandatory.

EMPLOYER CHILDCARE-RELATED RESPONSES

77.78% of respondents indicated they provide parental leave to their employees.

61% of respondents indicated they paid parental leave.

39% of respondents indicated they are unsure how many employees are parents of children under 6.

72% of respondents indicated that their workforce struggles to find reliable and accessible childcare options.

50% of employers responded that they are unsure if they have been unable to hire or retain employees due to childcare challenges.

38.89% of respondents indicated that they have had employees take longer terms of absence because of childcare-related issues.

38.89% of employers responded that they are unsure if local K-12 decisions impacted their employees' workability.

Employers identified multiple childcare challenges, including overall availability, reliability, access, availability of the 2nd and 3rd shifts, and cost.

38.89% of employers were unsure if business productivity was affected due to childcare issues, whereas 38.89% of employers indicated yes.

56% of employers indicated that reliable childcare is rarely raised as a concern by a candidate for employment, while 33% indicated sometimes.

Employers identified benefits offered to employees prior to the COVID-19 pandemic, including providing employer-sponsored childcare for employees at or near a worksite (3.92%), arranging and/or paying for emergency or backup childcare (3.92%), providing flexibility in work scheduled or remote work (11.76%), offering employees Dependent Care Flexible Spending Accounts (DCFSA) (19.61%), increasing or providing more flexibility with paid time off (PTO) for childcare issues (5.88%), scheduling company days off to coincide with local school district days off (5.88%), and Other (35.29%).

83.33% of employers indicated they would be interested in learning about current and future funding opportunities for childcare assistance.

55.56% of employers indicated they would be interested in working with a group focused on childcare and early learning development assistance.



POLICY RECOMMENDATIONS

Below are policy recommendations and inform decision-makers on what actions to take to unlock the potential of Work-Willing parents, employers, and the workforce in the Indiana Southwest READI Region, including Gibson, Posey, Vanderburgh, and Warrick Counties.

Based on national, regional, and local reviews, we organize these potential policies into three levels: current Indiana Childcare Policies, Other State and National-Based Policies, and policy recommendations for work-willing parents, employers, and the general workforce.

These approaches will require further examination and planning before implementation. Recommendations provide avenues for discussion at local, regional, and state levels to prepare Building Blocks stakeholders for a path forward in addressing childcare impact challenges for working parents.

INDIANA 2024 REGULAR SESSION CHILDCARE LEGISLATION

House Bill 1102

According to the Indiana General Assembly¹³, House Bill 1102 revises the definition of “childcare home”; limits the number of children under twelve months of age who may be provided care in a childcare home; provides certain childcare programs are exempt from licensure; amends specific licensing requirements for Class II childcare home and a child care center; provides that particular childcare providers are eligible for voucher payments; and allows specific childcare programs at schools to provide services to business employees’ children when the business enters into a contract with the school and certain conditions are met.

Senate Bill 2

According to the Indiana General Assembly¹⁴, Senate Bill 2 Requires the Indiana Economic Development Corporation to annually report to the general assembly regarding funds dedicated to supporting childcare; defines an “out-of-school-time program”; requires the office of the secretary of family and social services (FSSA) to publish on the FSSA website a dashboard providing monthly information regarding state and federal child care subsidies available to Indiana residents; provides that a household is eligible to begin receiving assistance under the federal Child Care and Development Fund (CCDF) voucher program if the household, at the time of FSSA’s initial determination of the household’s income eligibility: (1) has a household income that does not exceed 85% of Indiana’s state median income for the household’s family size; (2) includes an individual who is employed by a licensed child care center, a licensed child care home, or a licensed or registered child care ministry; and (3) otherwise meets federal eligibility requirements for the CCDF program. Provides the individual with certification in cardiopulmonary resuscitation (CPR) always required to be present when a child is in the care of a childcare provider eligible to receive reimbursement through the CCDF program, that the individual is not required to be recertified in CPR annually.

Provides that: (1) the early learning advisory committee must commission a third-party evaluation to assess existing regulations for childcare providers not later than May 1, 2024 (rather than July 1, 2024, under current law); and (2) FSSA must initiate the process of amending FSSA’s rules in consideration of the findings of the third-party evaluation not later than July 1, 2024. Requires, not later than September 30, 2024, the early learning advisory committee to: (1) complete a study regarding compensation in Indiana for early childhood educators and caregivers at out-of-school-time programs; (2) create an online dashboard to allow access to compensation data; and (3) issue a report containing the committee’s findings and recommendations.

Amends provisions regarding the On My Way Pre-K voucher program to: (1) provide eligibility for children of childcare employees; and (2) amend references to funds provided to children under the program as prekindergarten vouchers, rather than grants.

13 Indiana General Assembly (n.d.). <https://iga.in.gov/legislative/2024/bills/house/1102/details>

14 Indiana General Assembly (n.d.). <https://iga.in.gov/legislative/2024/bills/senate/2/details>



Requires FSSA to establish a micro facility pilot program, under which FSSA shall: (1) develop a regulatory model that: (A) applies only to certain licensed or registered child care providers that provide child care for not less than three children and not more than 30 children for at least four hours per day (micro facilities); and (B) incorporates waivers or variances from FSSA's rules applicable to certain child care providers; (2) apply the regulatory model to at least three micro facilities and evaluate the operation of the micro facilities under the regulatory model; and (3) not later than October 1, 2026: (A) decide as to whether FSSA will adopt rules specific to micro facilities that incorporate some or all aspects of the regulatory model; and (B) submit to the general assembly a report regarding the pilot program.

It requires FSSA to do the following: (1) Amend FSSA's rules to define a "substitute educator" caregiver type for FSSA's rules for all categories of child care providers regulated by FSSA. (2) Amend FSSA's rules to allow an employee of a child care provider who: (A) is 16 or 17 years of age; (B) is assigned to a lead caregiver who supervises the employee at all times during which the employee is supervising a child; (C) is never left alone with a child; and (D) meets specified qualifications; to be counted in child/staff ratios for school-age child care rooms. (3) Amend FSSA's rules to allow an employee of a childcare provider who: (A) is at least 18 years of age; and (B) meets specified qualifications; to serve as the staff person in charge of an infant/toddler room. (4) Issue a report to the general assembly not later than October 31, 2024, documenting the results attributable to: (A) the employer sponsored child care fund; and (B) the employer child care expenditure credit. (5) Study, in collaboration with other specified state agencies, opportunities for resource sharing across state agencies and local units of government to facilitate the fingerprinting of individuals for purposes of conducting national criminal history background checks and issue a report to the governor and the general assembly regarding the results of the study. Makes technical corrections.

CURRENT INDIANA CHILDCARE POLICIES

In partnership with the Indiana Early Learning Advisory Committee, the Indiana Family and Social Services Administration (FSSA) developed the 2023 Committee Recommendations¹⁵ to reform early childcare in Indiana. The report identifies four priorities: Improving learning and kindergarten readiness, Increasing the supply and sustainability of high-quality providers, increasing affordability for families, particularly vulnerable families, and Improving and increasing system capacity.

FSSA Office of Early Childhood and Out-of-School Learning – Employer-Sponsored Child Care Grants

This \$25 million grant program provides seed funding for employers and local communities to expand employer-subsidized childcare benefits to address growing local childcare needs. Indiana hopes to increase childcare access and support for working Hoosier families. Warehouse Services, Inc. in Posey County was awarded \$200,000¹⁶ in the first round of funding.

The Indiana Afterschool Network¹⁷ is a state-wide organization committed to providing resources for schools to provide afterschool programming for their students. Tools, resources, and information help shape curriculum, engagement ideas, and lesson plans for after-school programs.

¹⁵ Indiana Early Learning Advisory Committee (n.d.). *2023 Committee Recommendations*. Family and Social Services Administration. Retrieved June 5, 2024, from <https://www.in.gov/fssa/carefinder/files/ELAC-Recommendations.pdf>

¹⁶ (n.d.). *Employer-Sponsored Child Care Grants*. Office of Early Childhood and Out-Of-School Learning. Retrieved July 8, 2024, from <https://www.in.gov/fssa/carefinder/files/6240-Employee-Sponsored-Child-Care-Fund-Awards.pdf>

¹⁷ (n.d.). Indiana Afterschool Network. <https://www.indianaafterschool.org/>

Early Learning Indiana Early Years Initiative

The Early Years Initiative¹⁸ aims to help organizations meet the developmental needs of infants and toddlers and provide resources to Indiana families to make the most of crucial years of learning. This includes programs and projects focused on the following areas:

- Parenting Prep and Support – strengthening families through home visiting and parenting education programs.
- Child Care Access and Effectiveness – ensuring access to supportive childcare.
- Early Detection and Intervention: Supporting the early detection of developmental needs or disabilities and implementing responsive interventions.
- Early Language and Literacy – promoting essential skills through early language strategies.

Grants are available with awards ranging from \$75,000 to \$500,000. Funding will focus on new, enhanced, or expanded programs and projects. Emphasis on projects that meet the needs of focus populations. 2024 grantees will be announced by September 30, 2024. In 2023, Building Blocks was awarded \$500,000, St. Vincent Early Learning Center was awarded \$443,100, and Foundation for Better Health was awarded \$494,100.¹⁹

Wabash County Discounted Child Care Program

The Community Foundation of Wabash County was awarded \$750,000 from the State of Indiana's Employer-Sponsored Child Care Fund.²⁰ For up to one year, licensed childcare centers, ministries, and homes in Wabash County will offer discounts on fees to families employed by Grow Wabash County or Manchester Alive members. Enrollment for the program began in April 2024.

18 (n.d.). *Early Years Initiative*. Early Learning Indiana. <https://earlylearningin.org/early-years-initiative/>

19 (n.d.). *2023 Grantees*. Early Learning Indiana. <https://earlylearningin.org/early-years-initiative/grantees/>

20 (2024, April 2). *Community Foundation of Wabash receives \$750,000 grant to make childcare more affordable*. WFFT. https://www.wfft.com/news/local/community-foundation-of-wabash-receives-750-000-grant-to-make-childcare-more-affordable/article_fb7fd10a-f108-11ee-a7eb-d7097403af67.html

Ivy Tech Fort Wayne Childcare Options for Students

In June 2023, the Ivy Tech Community College, Fort Wayne location, partnered with the YMCA of Greater Fort Wayne to bring the YMCA Childwatch Site, an on-campus childcare facility for parents enrolled at the college. This initiative was spurred by a 2022 student survey, which found that 95% of students who responded said there was a need for childcare options on campus.²¹

Butler University Early Childhood Educator Certificate Program

In the fall of 2023, Butler University of Indianapolis launched the Early Childhood Educator Certificate Program.²² This fast-tracks program aims to address the nationwide crisis in early childhood education, particularly in Indiana, where a significant percentage of children and families lack access to high-quality childcare services. The program consists of 12 courses, each four weeks, totaling 960 hours, and can be completed in approximately 15 months.

Northeast Indiana Early Childhood Coalition, Tri-Share Plus Program

The Northeast Indiana Early Childhood Coalition (NEIECC) introduced the Tri-Share Plus program²³, a groundbreaking initiative designed to provide more affordable care for employees in Northeast Indiana. With Tri-Share Plus, employers can split the cost of care in three ways: through grant funds, the parents, and the NEIECC. This innovative approach benefits employers by reducing their financial burden and supports childcare providers in delivering high-quality services. By partnering with NEIECC and implementing Tri-Share Plus, employers can ensure that their employees can access reliable and affordable childcare options, ultimately enhancing employee satisfaction and productivity.

The NEIECC is vital in building a comprehensive resource network for childcare providers, including the Indiana Early Learning Hub. This initiative supports early childhood educators by providing essential tools and information to enhance their teaching practices. The Indiana Early Learning Hub is a centralized platform where providers can access resources such as lesson plans, curriculum guides, professional development opportunities, and research-based strategies. By offering this robust network, the NEIECC is strengthening the quality of early childhood education in Northeast Indiana and empowering childcare providers to create enriching learning experiences for young children.

21 (2023, May 18). *Ivy Tech students now have childcare options at Fort Wayne campus*. Wane.com. <https://www.wane.com/news/local-news/ivy-tech-students-now-have-childcare-options-at-fort-wayne-campus/>

22 (n.d.). *Early Childhood Educator Certificate*. Butler University. <https://www.butler.edu/academics/butler-professional-education/individuals/ecec/>

23 NEIECC (2024, June 5). *New program to lower child care costs for northeast Indiana workers*. WFYI Indianapolis. <https://www.wfyi.org/news/articles/new-program-to-lower-child-care-costs-for-northeast-indiana-workers>

OTHER STATE AND NATIONAL-BASED POLICIES

Universal Early Child Care, New Mexico

In November 2022, New Mexico became the first state to guarantee a right to early childhood education.²⁴ A portion of the state's Land Grant Permanent Fund, nearly \$150 million annually, will be allocated to early childhood programs. Voters approved funding allocation and amended the state constitution to include the right to education for children ages zero to five.

Birth-to-Five Illinois, Illinois

In 2019, the State partnered with the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) to launch Birth to Five Illinois²⁵ and created "Birth to Five Illinois Action Councils" and Family Councils in all 39 Regions. Information gathered by these Councils aims to inform Illinois policy around birth-to-five programs over the next decade and beyond. In addition, Birth to Five Illinois Councils can serve as regional advocacy bodies to influence local policy, including funding opportunities.

MI Tri-Share, Michigan

In 2019, the country's first-ever tri-share program was piloted in Grand Rapids, Michigan. It became a national affordable childcare model during the COVID-19 Pandemic. Now, through MI Tri-Share²⁶ the cost of an employee's child care is shared equally among the employer, the employee, and the State of Michigan—a three-way split—with coordination provided regionally by a MI Tri-Share facilitator hub. The state has seen great success and has allocated over \$2.5 million to the program since 2022.

The January 2024 EdSurge article, "One State Rolled Out a Promising Child Care Model. Now Others Are Replicating It,"²⁷ covers the Tri-Share model and how other states have modeled their Tri-Share programs, including Noble County, Indiana.

24 (2022, November 9). *New Mexico is the First State to Guarantee a Right to Early Childhood Education. Universal Child Care Could Come Next*. Early Learning Nation. Retrieved June 24, 2024, from <https://earlylearningnation.com/2022/11/new-mexico-is-the-first-state-to-guarantee-a-right-to-early-childhood-education-universal-child-care-could-come-next/#:~:text=In%20April%2C%20New%20Mexico%20became%20the%20first%20state,for%20a%20family%20of%20four%2C%20and%20eliminated%20copays>.

25 (n.d.). *Amplifying the voices of families and providers to improve Early Childhood programs in Illinois*. Birth to Five Illinois. Retrieved June 24, 2024, from <https://www.birthtofiveil.com/about>

26 (n.d.). *MI Tri-Share*. Department of Lifelong Education, Advancement, and Potential. Retrieved June 24, 2024, from <https://www.michigan.gov/mileap/early-childhood-education/mi-tri-share-child-care>

27 Sullivan, E. T. (2024, January 30). *One State Rolled Out a Promising Child Care Model. Now Others Are Replicating It*. EdSurge. <https://www.edsurge.com/news/2024-01-30-one-state-rolled-out-a-promising-child-care-model-now-others-are-replicating-it>

2024 House Bill 561, Kentucky

House Bill 561, "AN ACT relating to child care," introduces a program to create "Certified Child Care Community Designation." This designation would foster support for local governments to identify zoning barriers and amend regulations to support existing or new childcare facilities for future expansions. The Certified Child Care Community Designation would cultivate opportunities for local elected officials, childcare businesses, major employers, and other key community stakeholders, like the LTADD, to address pressing childcare needs in Kentucky. House Bill 561 passed out of the Senate on March 21st.

The 2023 Child Care Bill (Act 76), Vermont

In June 2023, the Vermont Legislature passed the 2023 Child Care Bill²⁸, which includes long-term, sustainable public funding to support childcare challenges, including accessible, affordable, and high-quality childcare. This annual \$125 million investment expands childcare financial assistance to over 7,000 families, increases funding to support childcare staffing and capacity at the local level, and promotes minimum pay standards for early childhood education.

Kids on Campus Initiative

Community colleges nationwide can provide relief for working parents pursuing higher education by partnering with Head Start Programs. In February 2024, the Association of Community College Trustees (ACCT) and the National Head Start Association (NHSA) launched the Kids on Campus Initiative²⁹ to bring more Head Start programs to community college campuses. The program aims to connect community colleges with unused space and Head Start programs. For at least the next five years, through the Kids on Campus initiative, we will provide guidance and technical assistance to the campuses and programs as they navigate negotiations and renovations, turning an initial introduction into a thriving partnership.

In this March 2024 NPR article, "The new kids on campus? Toddlers, courtesy of Head Start."³⁰ The authors further describe the benefits of the partnership between community colleges and Head Start programs and how the program supports the pipeline of future childcare workers.

28 Let's Grow Kids (n.d.). *The 2023 Child Care Bill Passed into Law. Now What?* Retrieved May 29, 2024, from <https://letsgrowkids.org/vermont-child-care-bill-act-76-educators-families-kids>

29 (2024, February 6). *ACCT, NHSA Launch Kids on Campus Partnership to Expand Child Care for Student Parents*. ACCT. <https://www.acct.org/center-for-policy-practice/kids-on-campus>

30 Nadworny, E., & Lee, J. W. (2024, March 11). *The new kids on campus? Toddlers, courtesy of Head Start*. NPR. <https://www.npr.org/2024/03/11/1236619407/community-college-student-child-care-head-start>

RECOMMENDED STATE POLICY ALTERNATIVES

State coordination and current childcare policy remain a challenge in the childcare arena. Resources are sometimes spread across various agencies, creating burdens for providers and parents. Data research is often lackluster regarding capacity, affordability, access, and quality, creating burdens of predicting future needs. Although legislators nationwide are beginning to embrace the importance of the childcare industry, too often, it remains an overlooked part of economic vitality. Childcare, it can be argued, should be considered in concert with infrastructure investment (ensuring roads, bridges, and transportation networks are in good working order) as an essential part of “doing business” in the state. The following sections outline specific calls to action.

Access, Capacity, and Affordability

Increase funding for state agencies focused on early learning development, specifically the State of Indiana Family and Social Services Administration, with an emphasis on measuring access, capacity, and affordability of childcare within the State of Indiana.

Conduct annual market rate studies emphasizing data collection and analysis of the number of programs, facilities, facility capacity, program capacity, and cost of childcare on a state, regional, and local level. Update regularly and frequently to have the most up-to-date data and information.

Conduct in-depth geographical information systems mapping to identify childcare deserts throughout the State.

Advocacy, Coordination, and Support

Increase cooperation among state agencies focused on early learning development, education, economic development, and health.

Provide ongoing support for children, families, and communities from a financial and advocacy perspective. Provide regularly scheduled newsletters, webinars, or announcements to inform the public on policy changes and voucher availability.

Incorporate higher education childcare initiatives to assist parents enrolled in colleges or universities. Consider triangulating the cost with the university, parent, State, or other actors.



Childcare System Change

Refine early learning development resources into a state-wide resource hub that is easily accessible. Prioritize resources for parents, childcare providers, and childcare employees.

Redevelopment of the early learning development arena. Utilize academic research and nationwide resources, policies, and examples of successful childcare models to drive awareness and policy change statewide. Childcare models range in type, size, and operations. Several national examples include the Tri-Share model, childcare coalitions, college and technical university models, foundation-led, and employer-owned childcare programs.

Reevaluate State regulations and eligibility standards for CCDF vouchers. Increase the visibility of CCDF Vouchers through public relations campaigns, webinars, newsletters, or other resources.

Coordinate TANF and other public assistance programs to align with childcare assistance. Consider incorporating the cost of childcare as an eligible line item in state-provided public assistance programs.

Consider developing a financial mechanism to fund early learning development. Allocate finances towards early learning development from already functioning systems within Indiana. If those do not exist, consider creating new mechanisms to fund early childcare. Explore tax districts and possibly renewable energy to subsidize the costs of childcare.

Promote careers in childcare and early education. Coordinate with the Department of Education to create apprenticeship programs, vocational programs, or additional supplementary learning focused on early learning development across Indiana.

Employee and Employer

Reevaluate childcare wages and investigate reimbursement mechanisms for those actively working in early learning and child development.

Incentivize employer-provided childcare benefits by developing tax subsidization for companies participating in employer-sponsored childcare models.

Accelerate pipelines for the workforce by evaluating regulatory State policies on compliance, licensing, and quality. Ensure equity and equality among policy.



EMPLOYER-BASED POLICIES

IMPLEMENT EMPLOYEE ASSISTANCE PROGRAMS

Employee Assistance Programs (EAPs) are voluntary, work-based programs offering free and confidential assessments, short-term counseling, referrals, and follow-up services to employees with personal and/or work-related problems.³¹ Some businesses are beginning to formalize childcare and childcare support networks and resource hubs as part of a broader approach to the traditional EAP. This low-to-no-cost solution would provide a formal network of working parents to support each other and allow the business to gain feedback and insight into childcare-based challenges and solutions from its employees. By tapping into a potential forum for parents to express concerns and challenges- and crowd-source solutions- employers can remain a fully engaged participant in the ongoing dialogue and be at the forefront of new solution implementation.

PROVIDE FLEXIBLE SCHEDULING

The COVID-19 pandemic exposed a new wave of remote work and the potential for employers to adapt to a more flexible work environment. Flexible scheduling adjusts work shifts to accommodate the childcare needs of working parents. The U.S Chamber of Commerce Foundation suggests first determining the scheduling gaps of working parents and seeking out opportunities to implement flexibility. Once implemented, track the impact of flexible scheduling to understand how those changes retain working parents.³² Manufacturing employers, often running multiple shifts, have had some success with “micro-scheduling” and self-scheduling apps, allowing employees to work split or extended shifts, working together via a real-time scheduling app to ensure full coverage of all shifts. Employees who prefer to work a standard shift, with regular days off, retain that ability and often serve as the backbone of the scheduling process. The micro or split shift employees fill in the gaps in the calendar, allowing parents, for example, to be home before and after school or until their partner is available to look after their child.

OFFER CHILDCARE SUBSIDIES

Another opportunity to combat accessibility and cost is that employers can utilize childcare-based subsidies like *Dependent Care Flexible Spending Accounts* (DCFSAs) or vouchers for local/preferred childcare facilities. DCFSAs are considered pre-tax accounts used to pay for eligible dependent care. Additionally, providing working parents vouchers for childcare providers could reserve a certain number of spots, possibly with discounted employee rates.³³ The U.S Chamber of Commerce *Employer Guide to Childcare Assistance and Tax Credits*³⁴ has additional insight on other employer-provided subsidies and employee tax credit options. While certainly this would add an additional benefit, and affiliated expense, for employers and questions of reciprocity for employees without childcare needs should be considered, the net benefit- which we lay out above in terms of additional GRP generated- of attracting or retaining new employees not otherwise available/ possible will almost certainly outweigh the cost to employers.

EXPLORE NONTRADITIONAL SOLUTIONS FOR WORKING PARENTS

Although every industry faces some working parent challenges, frontline employees, shift workers, or parents working non-traditional hours are the most at risk of facing harsher barriers to accessible childcare. Employers engaging in non-traditional operating hours should consider non-traditional solutions for working parents to retain the labor force and increase employee productivity. Micro-shifts, self-scheduling, hybrid work schedules, and short-term childcare support options are all examples that could be explored, depending on the size, needs, and location of the employer.

31 (n.d.). *Employee Assistance Program (EAP)*. U.S Office of Personnel Management. Retrieved January 26, 2024, from <https://www.opm.gov/frequently-asked-questions/work-life-faq/employee-assistance-program-eap/what-is-an-employee-assistance-program-eap/>

32 (n.d.). *Employer Roadmap Childcare Solutions for Working Parents*. U.S Chamber of Commerce Foundation. Retrieved January 26, 2024, from https://chamber-foundation.files.svdcdn.com/production/documents/ECE-Employer-Roadmap_March-2022_web.pdf?dm=1704748799

33 (2022, April 28). *Employer Guide to Childcare Assistance and Tax Credits*. U.S Chamber of Commerce. Retrieved January 26, 2024, from <https://www.uschamber.com/workforce/employer-guide-to-childcare-assistance-and-tax-credits>

34 Shrove, J. (2022, April 28). *Employer Guide to Childcare Assistance and Tax Credits*. U.S Chamber of Commerce. Retrieved February 22, 2024, from https://www.uschamber.com/assets/documents/024285_Fed_Childcare-Guide_v2.pdf

ON-SITE/NEAR-SITE CHILDCARE CENTERS

On-site childcare addresses the access and affordability of working parents. Although this solution would require significant investment and time, it would provide long-term solutions for working parents- and provide a valuable perk to attract and retain talent for employers. The U.S Chamber of Commerce Foundation recommends first assessing the needs of working parents, creating a “task force” to oversee the initiative, thoroughly researching the internal capacity for an on-site center, launching the program, and tracking the facility’s impact. Additionally, consider how to offset the cost of the center by utilizing existing subsidies, grants, and tax credits and incentives.³⁵ Cooperative agreements between multiple employers to fund, for example, a childcare center as part of an industrial park are also viable options for splitting the cost among a consortium of employers, often in exchange for a guaranteed number of seats.

Locally, the Toyota North America facility in Gibson County has provided childcare for its employees since 2003. In the 2022 NAM article, “The Right Thing to Do”: Toyota Provides Overnight Child Care,”³⁶ NAM provides insight into how the company has successfully accommodated working parents and the benefits of supporting its employees.

PARTNER WITH BACKUP CARE PROVIDERS

Backup care provides for unforeseen or sudden changes that impact childcare arrangements and entails, in short, that the employer retains a pool of available, certified, and bonded in-home childcare providers. When the unexpected occurs, like a sick child being sent home from daycare or when the partner of the employee is unexpectedly detained at their job, the employee can request a free (or reduced cost) provider from the pool to step in and allow the employee to report to work, on-time. This short-term solution could directly impact absenteeism and missed shifts of working parents. Interested employers would need to identify if there is a direct need for backup care, providers, and the financial commitment to implement the program. Again, consortia of employers can pool resources to reduce the cost/burden of retaining such a service. Two examples of backup care include [Amazon](#) and [Johns Hopkins University](#).

35 (n.d.). *Employer Roadmap Childcare Solutions for Working Parents*. U.S Chamber of Commerce Foundation. Retrieved January 26, 2024, from https://chamber-foundation.files.svdcn.com/production/documents/ECE-Employer-Roadmap_March-2022_web.pdf?dm=1704748799
36 (2022, June 9). “The Right Thing to Do”: Toyota Provides Overnight Child Care. NAM. <https://nam.org/the-right-thing-to-do-toyota-provides-overnight-child-care-17824/?stream=workforce>

ADDRESS EQUITABLE RETURN TO WORK STRATEGIES

Since the COVID-19 pandemic, there has been a significant shift in the number of women and working mothers leaving the workforce. The National Women’s Law Center suggested 1 million fewer women in the workforce in January 2022 than in February 2020³⁷. Because of the national childcare crisis, many working mothers have not returned to work due to the lack of affordable, accessible, and reliable childcare. Because working mothers were (and still are) making less than men³⁸It made financial sense for mothers to remain at home as primary caregivers. To reengage working mothers, employers must reconsider equitable return-to-work strategies, including attraction bonuses and a transparent, equitable pay scale.

ELIMINATE BIAS IN THE HIRING PROCESS

Relatedly, because working mothers have been out of the workforce for a couple of years, if not more, they will most likely have employment gaps on their resumes. This can be an intimidating aspect for women during the application process that could ultimately lead to qualified candidates walking away from open positions. Human Resource managers, recruiters, and talent acquisitionists should review and be aware of any conscious and unconscious biases in the recruitment and hiring processes and job descriptions to support and hire working mothers.

37 Tucker, J. (2022, February 1). *Men Have Now Recouped Their Pandemic-Related Labor Force Losses While Women Lag Behind*. National Women’s Law Center. Retrieved February 22, 2024, from <https://nwlc.org/wp-content/uploads/2022/02/January-Jobs-Day-updated.pdf#:~:text=The%20most%20recent%20Bureau%20of%20Labor%20Statistics%20%28BLS%29,have%20caused%20continued%20school%20and%20child%20care%20disruptions.?msclkid=c3b59dbfb4d911eca4104e48711ae748>

38 (2023, January 25). *Median earnings for women in 2022 were 83.0 percent of the median for men*. U.S. BUREAU OF LABOR STATISTICS. Retrieved February 22, 2024, from <https://www.bls.gov/opub/ted/2023/median-earnings-for-women-in-2022-were-83-0-percent-of-the-median-for-men.htm>

OFFER “RETURNSHIPS” OR PROFESSIONAL DEVELOPMENT OPPORTUNITIES

“Returnships” are not a new talent engagement tool but have been a highly effective return-to-work strategy for targeting women and working mothers. The University of Texas defines returnships as “short-term engagements for professionals who want to re-enter the workforce after an extended period. Unlike internship applicants, returnship candidates are usually more experienced professionals with significant work history. They may need to reacquaint themselves with changes in their field or new technology, but they have a strong working knowledge of their discipline and are usually paid for their time.”³⁹ These initiatives give returning mothers and parents who have been away from the workforce for an extended period the chance to reacquaint themselves with their field. They also give employers a short-term opportunity to evaluate potential candidates and make offers of full-time, permanent employment based on first-hand reviews of performance and ability.

ESTABLISH EQUITABLE PAY IMPROVEMENT STRATEGIES

Because many working mothers were considered the lower-income providers to their male counterparts, many women left to be the primary caregivers for their children during the pandemic. To reengage with working mothers, businesses must focus on equal compensation for work of equal value. By conducting periodic pay equity audits, businesses can ensure employees of comparable experience and roles are paid the same regardless of gender or race⁴⁰.

39 The University of Texas at Austin (n.d.). *The Comprehensive Guide to Returnships: What They Are and How to Secure One*. University of Texas at Austin Boot Camps. Retrieved February 26, 2024, from <https://techbootcamps.utexas.edu/blog/the-comprehensive-guide-to-returnships/>
40 Schmidt, I. (2022, July 13). *Five Ways To Bring Women Back Into The Workforce After A Career Break*. Forbes. Retrieved February 26, 2024, from <https://www.forbes.com/sites/forbesbusinesscouncil/2022/07/13/five-ways-to-bring-women-back-into-the-workforce-after-a-career-break/?sh=46b06422543c>

ESTABLISH GENDER DIVERSITY KPI GOALS

By establishing gender diversity Key Performance Indicators (KPIs), businesses can actively address critical gender gaps and equal representation across their labor force and provide opportunities for working mothers to return to the workforce. To determine what KPIs could be established to support women in the workplace, the Boston Consulting Group recommends five key metrics⁴¹: Pay, Recruitment, Retention, Advancement, and Representation. In addition to developing action steps and gauging performance, the BCG also recommends that strong and active support should be driven by the business’s executive leadership, not just within the Human Resources activities. Intentionally engaging women and mothers as part of corporate planning initiatives ensures that solutions for the unique needs of parents of young children are a top-of-the-agenda concern.



41 Abouzahr, K., Krentz, M., Yousif, N., & Van Der Kolk, L. (2018, April 3). *Measuring What Matters in Gender Diversity*. The Boston Consulting Group. Retrieved February 26, 2024, from <https://www.bcg.com/publications/2018/measuring-what-matters-gender-diversity>

CHILDCARE FACILITY-BASED POLICIES

ADDRESS COMPENSATION AND FISCAL STABILITY

One opportunity to recruit and retain qualified, experienced educators is increasing early childcare caregivers' salaries and fiscal stability. However, this is challenging due to the complexity of balancing affordable childcare for working families and providing livable wages for caregivers while trying to operate a profitable childcare business. Compensation does, however, remain a critical flaw in the U.S. early childcare system, but it has received state and federal investments in recent years, and momentum is building across the country for governments to invest in the childcare infrastructure just as it would the physical infrastructure of the state: as a cost of doing business. States and local communities nationwide should utilize salary/wage scales for the early childhood educator workforce, remaining vigilant in their review of current wages to the rates of pay across the region. The scales are intended to provide states and cities with the knowledge to develop salary scales for the early childhood workforce that can improve the livelihood of childcare providers in concert with overall upward wage and/or inflationary pressure in the region.⁴²

42 Harriet Dichter and Ashley LiBetti, Improving Child Care Compensation Backgrounder October 2021, (The BUILD Initiative, 2021), available at <https://buildinitiative.org/resource-library/backgrounder-on-compensation-in-child-care>

SUPPORT CAREER ADVANCEMENT INITIATIVES

Another identified barrier to childcare workers is access to career advancement opportunities. For example, The National Center on Early Childhood Development, in their report *"The Early Childhood Workforce: Career Pathway Goals and Strategies for Developing, Improving, and Evaluating Higher Education Articulation Agreements"*⁴³ recommends two specific strategies to support career pathway development:

1. Strengthen competency-based qualification requirements for all care and education professionals working with children from birth through age 8.
2. Develop and implement comprehensive pathways and multiyear timelines at the individual, institutional, and policy levels for transitioning to a minimum bachelor's degree qualification requirement, with specialized knowledge and competencies, for all lead educators working with children from birth through age 8.

The report recommends that caregivers and childcare facilities develop professional development goals and strategies specifically built for career growth and development, within the industry. The study offers additional resources and examples to include in an implementation plan. Utilizing platforms like Early Learning Indiana⁴⁴ can provide solutions to providers interested in professional development opportunities.

In February of 2024, Warsaw Community Schools in Kosciusko County, Indiana, was awarded \$303,000 by the Kosciusko County Community Foundation in partnership with LaunchPad.⁴⁵ This investment provides onsite care for Warsaw Community Schools staff to offer training resources for early learning professionals and build childcare programs in the County. This includes a Child Development Associate (CDA) training program for Warsaw Area Career Center students that allows them to receive CDA through Ivy Tech and start a pathway to careers in childcare.

43 National Center on Early Childhood Development, Teaching, and Learning (n.d.). *Early Childhood Workforce: Career Pathway Goals and Strategies for Developing, Improving, and Evaluating Higher Education Articulation Agreement*. Retrieved February 1, 2024, from <https://eclkc.ohs.acf.hhs.gov/sites/default/files/pdf/early-childhood-workforce-articulation-strategies.pdf>

44 (n.d.). *Welcome Providers*. Early Learning Indiana. Retrieved June 24, 2024, from <https://earlylearningin.org/providers/>

45 Polston, K. (2024, February 29). *IMMEDIATE RELEASE: WARSAW SCHOOLS RECEIVES SIGNIFICANT FUNDING BOOST FOR CHILD CARE PROGRAM FROM KOSCIUSKO COUNTY COMMUNITY FOUNDATION*. Warsaw Community Schools. <https://www.warsaw.k12.in.us/article/1482925>

IMPROVE STAFF WELLNESS AND JOB SATISFACTION

The Administration for Children and Families recommends childcare facilities support staff wellness⁴⁶ by improving the work environment and creating a healthy and safe environment for staff and children. Strategies include addressing the importance of staff psychological well-being, maximizing job satisfaction opportunities, and developing a culture of overall organizational wellness.

CONSIDER EXPANDED SERVICES THROUGH CHILDCARE SERVICE NETWORKS

The Administration for Children and Families⁴⁷ recommends that childcare facilities develop local, regional, or state childcare networks to create opportunities for growth and support for childcare providers. By combining resources, services, or other integrations, childcare facilities can create a strong, unified network to expand shared resources of the existing early childhood care system. Some options can also be seen as gains via the efficiency of scale, driving down shared administrative costs for a network of providers. For example, a common payroll or HR team is one approach to reduce administrative overhead and, in some cases, better employee service.

In the Fall of 2022, in Rensselaer, Indiana, a partnership between Appleseed Childhood Education and Franciscan Health created a solution that addressed two challenges of the rural community: access to quality early childhood education and recruiting and retaining qualified healthcare professionals at a local hospital while supporting the town's ability to grow by attracting young families. In 2023, the partnership established a new \$1 million, 7,500-square-foot early childhood education (ECE) center that is the first licensed ECE option for families in the community since 2018.⁴⁸

⁴⁶ (2022, September 13). *Staff Wellness Initiatives*. Office of Early Childhood Development An Office of the Administration for Children & Families. Retrieved February 1, 2024, from <https://www.acf.hhs.gov/eecd/staff-wellness-initiatives>

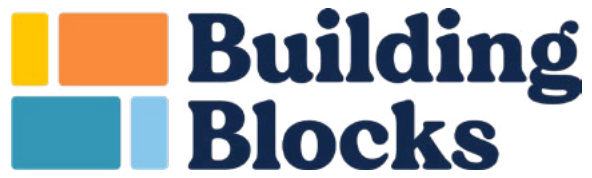
⁴⁷ (n.d.). *Expanded Services*. The Administration for Children and Families. Retrieved February 12, 2024, from <https://www.acf.hhs.gov/eecd/expanded-services>

⁴⁸ (2022, October 26). *A Nonprofit and a Health System in Rural Indiana Team Up to Solve Two Community Challenges with One Repurposed Facility*. IFF. <https://iff.org/appleseed-childhood-education-and-franciscan-health-team-up-to-bring-quality-ece-center-to-rural-indiana-community/>

EXPLORE OVERNIGHT/MULTIPLE SHIFT CARE SERVICES

Although beneficial for shift parents, overnight care is a challenging solution for providers to implement. Overnight care is simply an opportunity to leave children overnight or during non-traditional working hours with a credible childcare facility. Similarly to backup care, employers would need to identify the needs of employees and the impact of working with partners and providers to establish this care option. Additionally, working with other employers to identify overnight care needs could lead to developing partnerships and overnight care programs with local providers.



A photograph of children in a classroom setting, sitting at a yellow table and working with various supplies like pencils and notebooks. The image is partially obscured by a white curved shape at the top and a dark blue curved shape at the bottom.

APPENDIX A: PARENTAL SURVEY CHARTS

CHILDCARE RELATED RESPONSES

FIGURE XII: PARENTAL RESPONSES, COUNTY CHILDREN ATTEND SCHOOL (N=310)

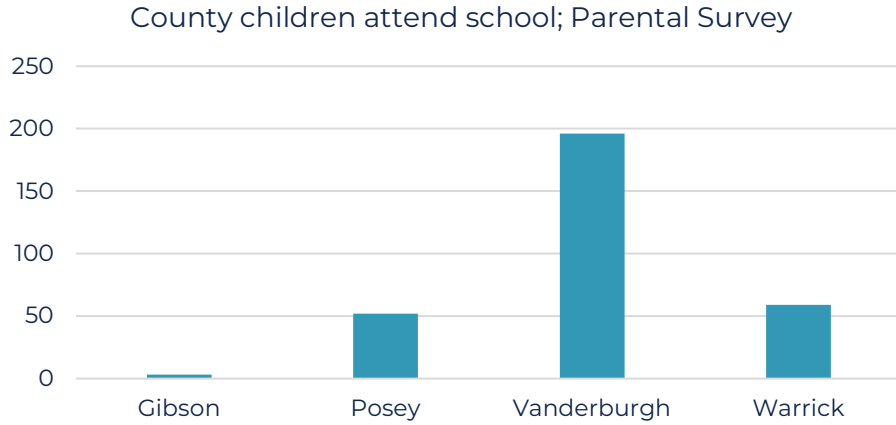


FIGURE XIII: PARENTAL RESPONSES, SCHOOL CHILDREN ATTEND (N=145)

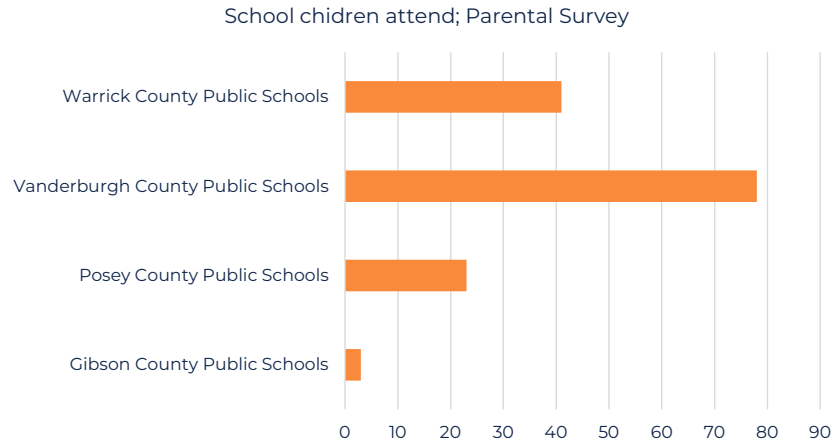


FIGURE XIV: PARENTAL RESPONSES, NUMBER OF CHILDREN (N=292)

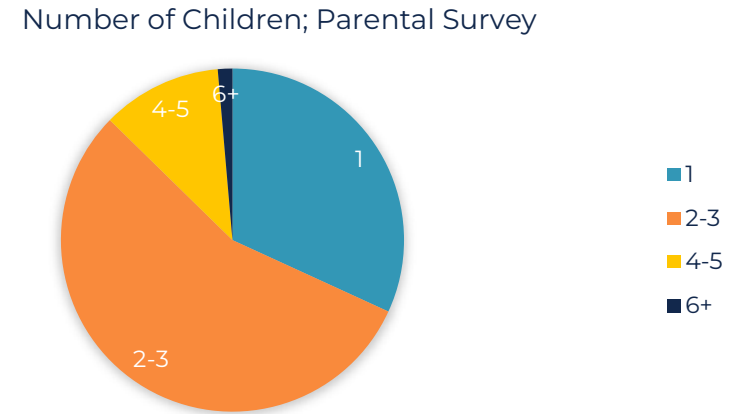


FIGURE XV: PARENTAL RESPONSES, ENROLLMENT (N=290)

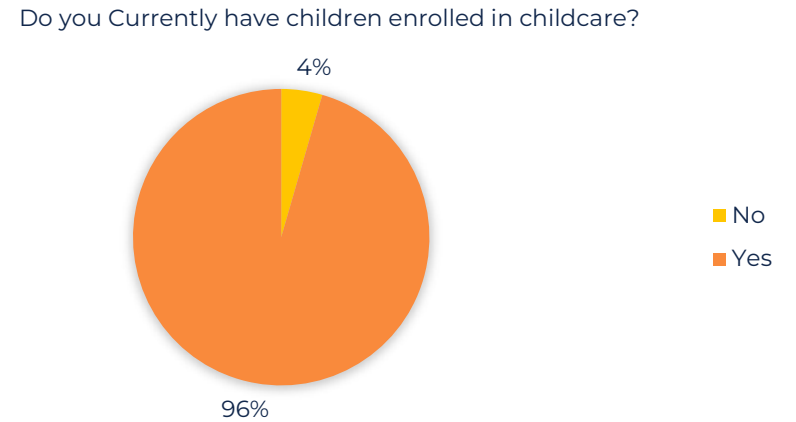


FIGURE XVI: PARENTAL RESPONSES, NUMBER OF CHILDREN IN CHILDCARE (N=282)

Number of Children in Childcare; Parental Survey

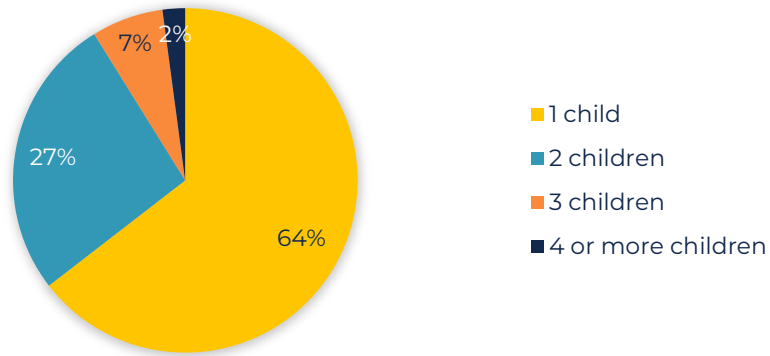


FIGURE XVII: PARENTAL RESPONSES, TYPE OF CHILDCARE (N=265)

How important is quality? Parental Survey

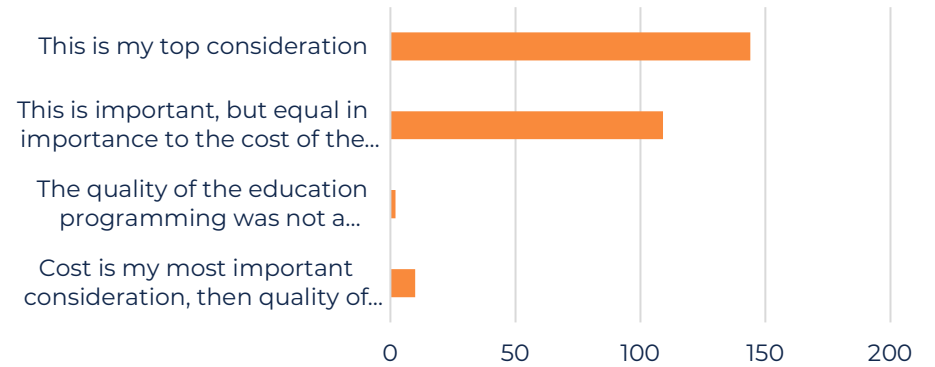


FIGURE XVII: PARENTAL RESPONSES, TYPE OF CHILDCARE (N=659)

What Type of Childcare do you Utilize?; Parental Survey

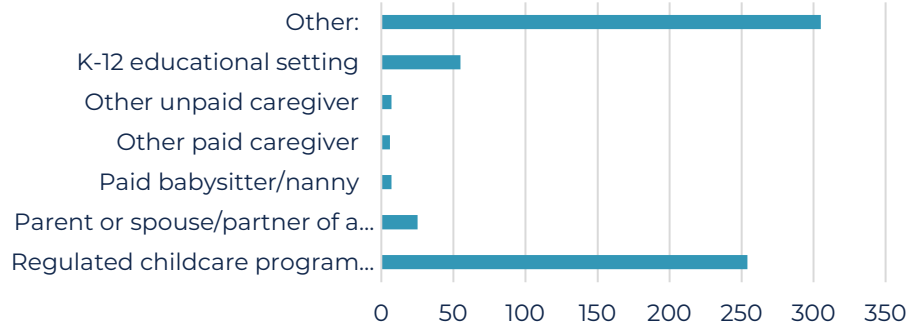


FIGURE XVIII: PARENTAL RESPONSES, TYPE OF EMPLOYMENT (N=251)

Which describes your place of employment best? Parental Survey

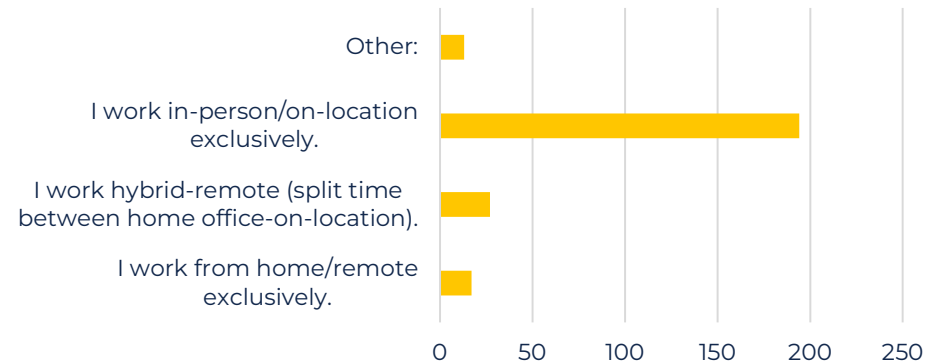


FIGURE XVIX: PARENTAL RESPONSES, CHILDCARE PREFERENCE (N=268)

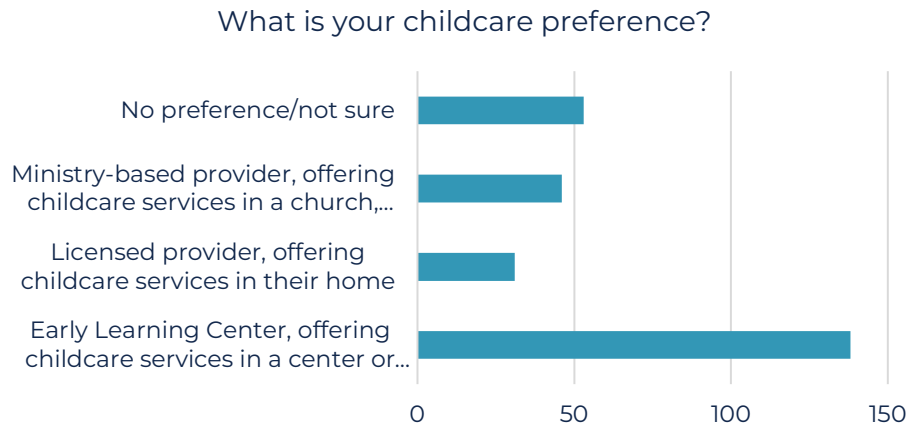


FIGURE XXI: PARENTAL RESPONSES, LEAVING WORK EARLY (N=242)

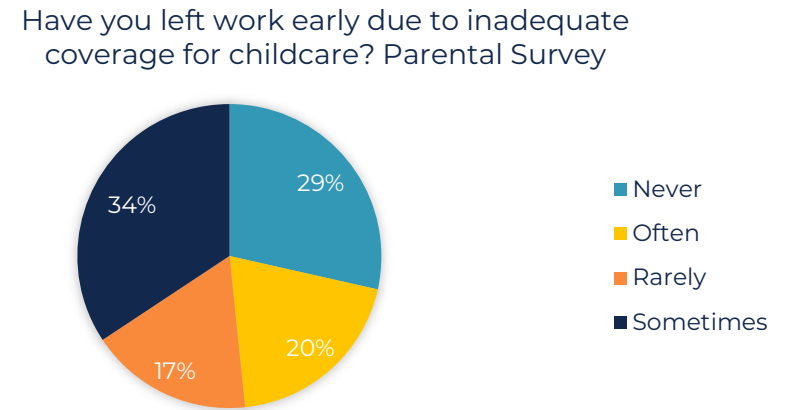


FIGURE XX: PARENTAL RESPONSES, DISTANCE FROM EMPLOYMENT TO CHILDCARE, MINUTES (N=251)

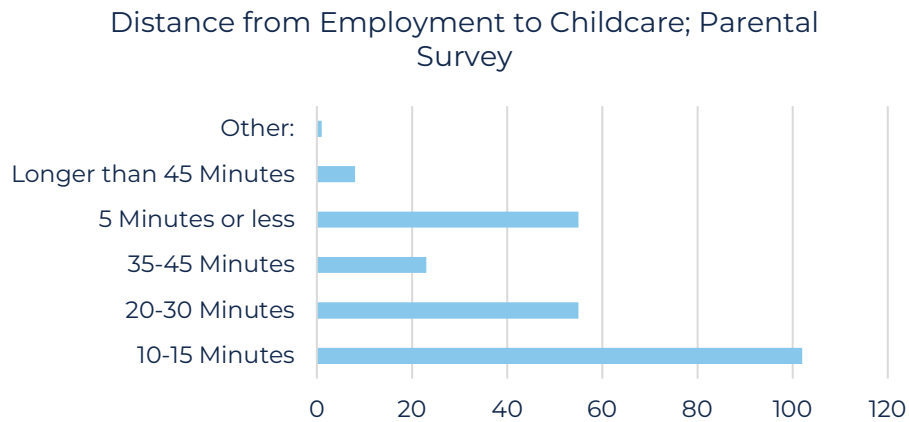


FIGURE XXII: PARENTAL RESPONSES, MISSING WORK EARLY (N=242)

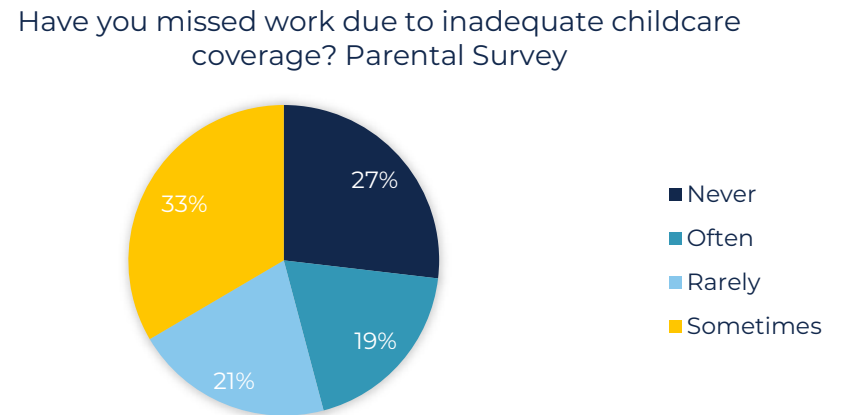


FIGURE XXIII: PARENTAL RESPONSES, RELYING ON FAMILY MEMBER, NANNY, OR BABYSITTER (N=243)

Have you relied on a family member, nanny, or babysitter for childcare? Parental Survey

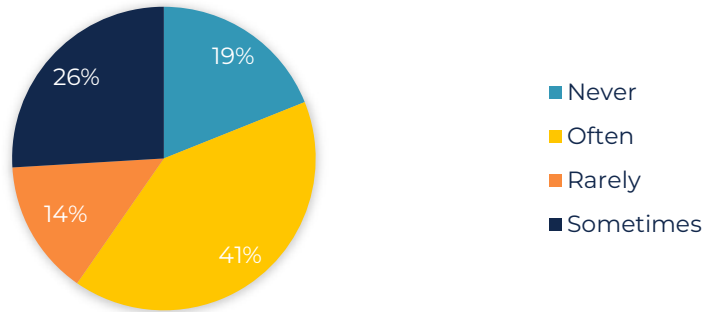


FIGURE XXV: PARENTAL RESPONSES, MISSING OUT ON A PROMOTION OR PROFESSIONAL DEVELOPMENT (N=242)

Have you missed out on a promotion or professional development due to inadequate childcare coverage? Parental Survey

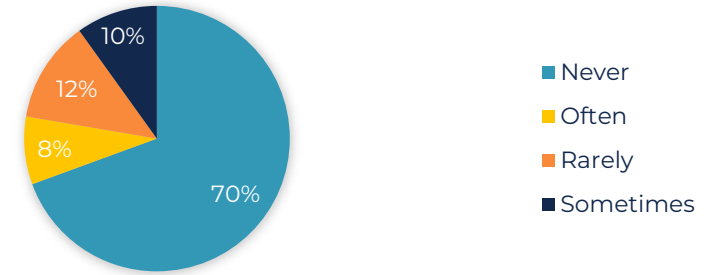


FIGURE XXIV: PARENTAL RESPONSES, RELYING ON AFTER-SCHOOL PROGRAMS, SUMMER CAMPS, ETC. (N=242)

Have you relied on after school programs, summer camps, etc. for childcare? Parental Survey

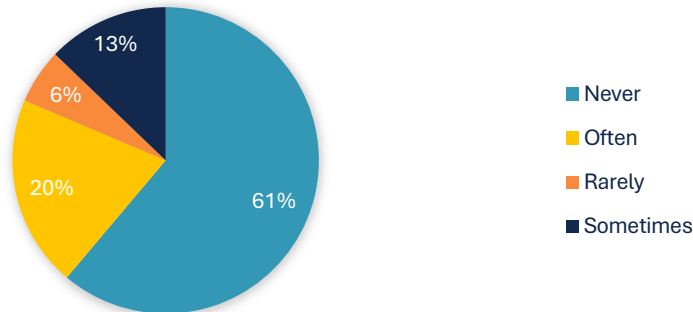


FIGURE XXVI: PARENTAL RESPONSES, RELYING ON PAID TIME OFF OR UNPAID LEAVE (N=242)

Have you relied on used paid time off or unpaid leave due to inadequate childcare coverage? Parental Survey

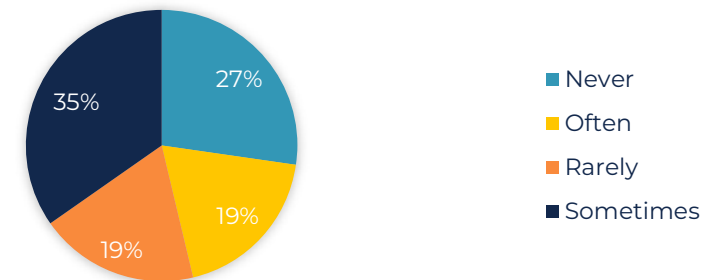


FIGURE XXVII: PARENTAL RESPONSES, RECEIVING A WRITTEN VERBAL WARNING AS A RESULT OF MISSED WORK TIME (N=242)

Have you received a written or verbal warning as a result of missed work time due to childcare?
Parental Survey

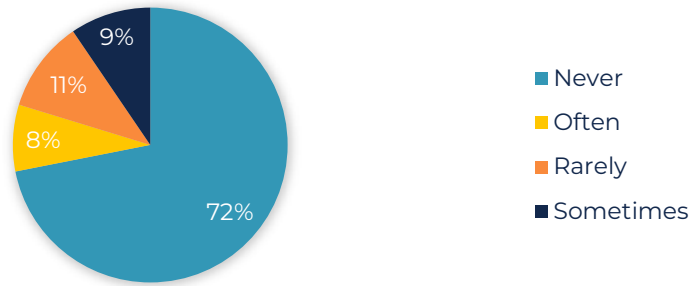


FIGURE XXIX: PARENTAL RESPONSES, CHILDCARE ALTERNATIVES WHEN PRIMARY CARE FALLS THROUGH (N=845)

What do you do when your primary childcare arrangements fall through? Parental Survey

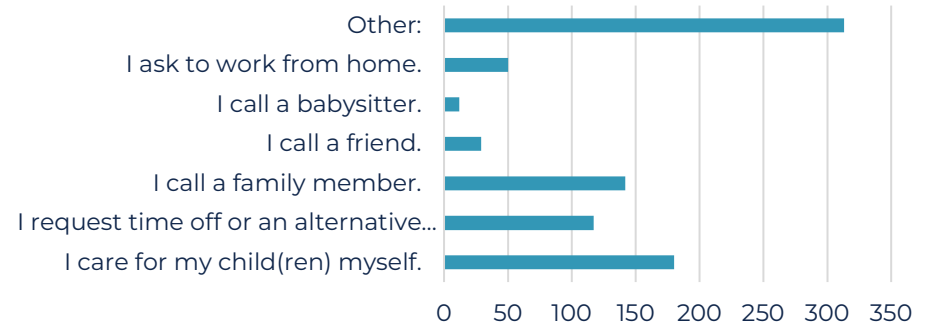


FIGURE XXVIII: PARENTAL RESPONSES, DAYS PER YEAR CHILDCARE SERVICE FALLS THROUGH (N=235)

How many days per year your childcare service falls through? Parental Survey

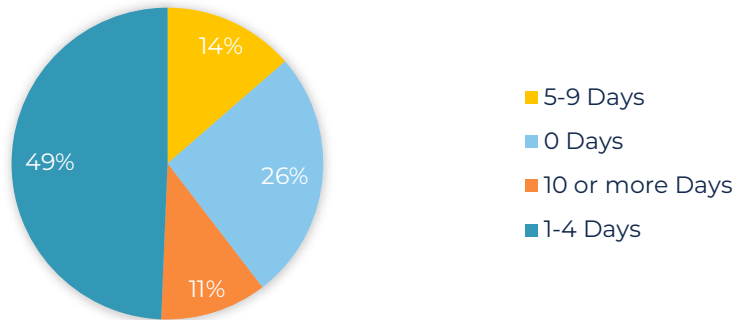
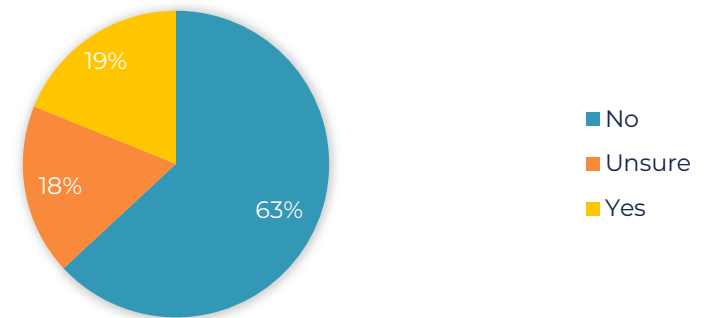


FIGURE XXX: PARENTAL RESPONSES, DAYS PER YEAR CHILDCARE (N=233)

Do you or your spouse/partner have access to working parent benefits? Parental Survey



DEMOGRAPHIC RESPONSES

FIGURE XXXI: PARENTAL RESPONSES, HOUSEHOLD TYPE (N=293)

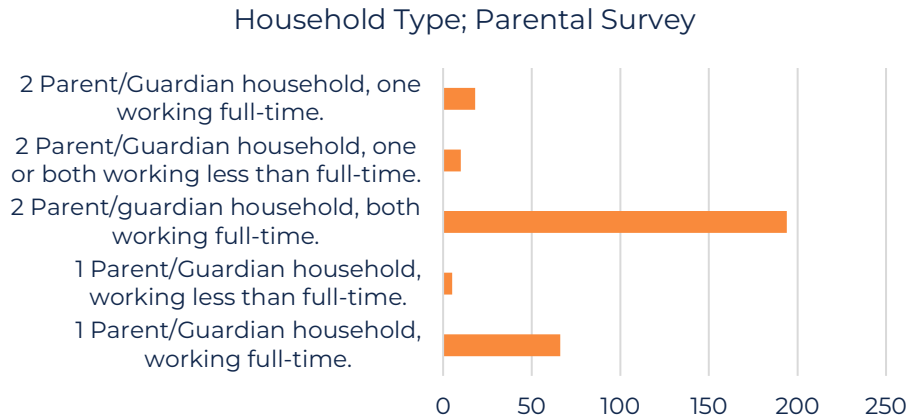


FIGURE XXXIII: PARENTAL RESPONSES, HOUSEHOLD MEDIAN INCOME (N=201)

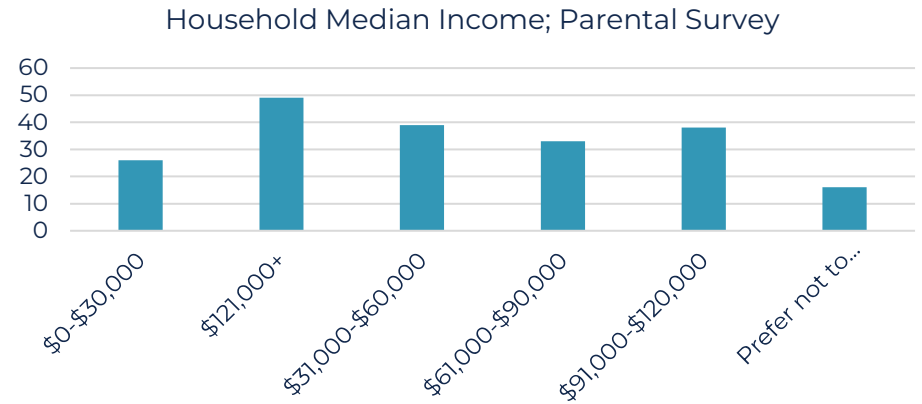


FIGURE XXXII: PARENTAL RESPONSES, EMPLOYMENT STATUS (N=254)

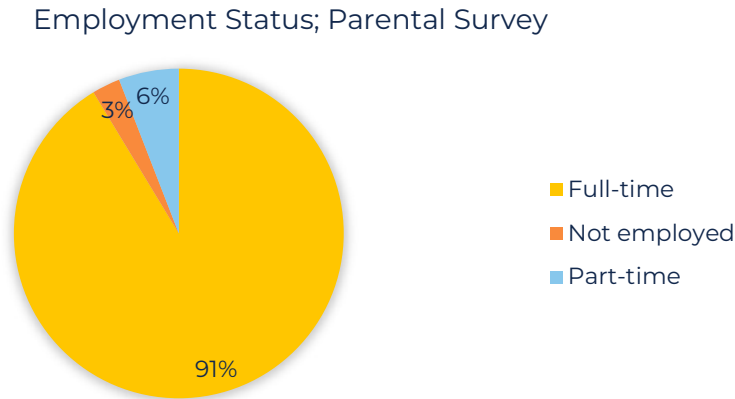


FIGURE XXXIV: PARENTAL RESPONSES, AGE (N=227)

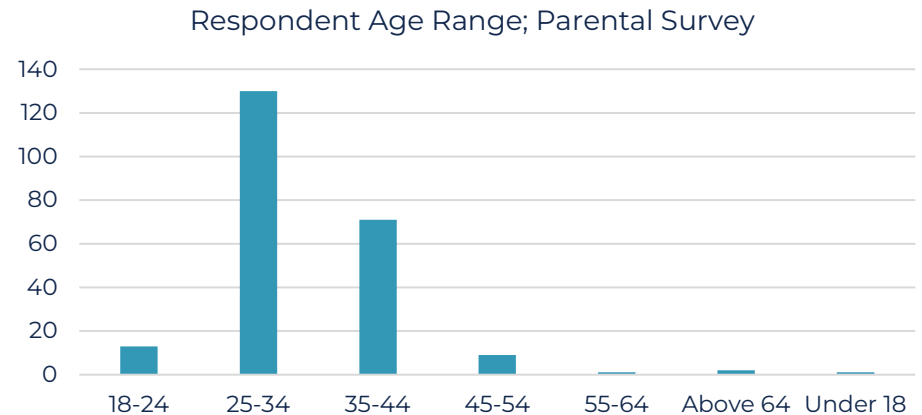


FIGURE XXXV: PARENTAL RESPONSES, LANGUAGE SPOKEN (N=315)

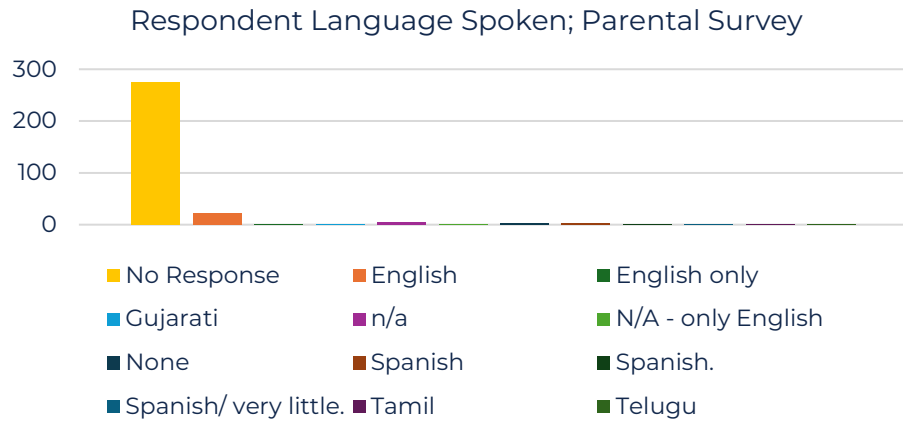


FIGURE XXXVII: PARENTAL RESPONSES, RACE/ETHNICITY (N=550)

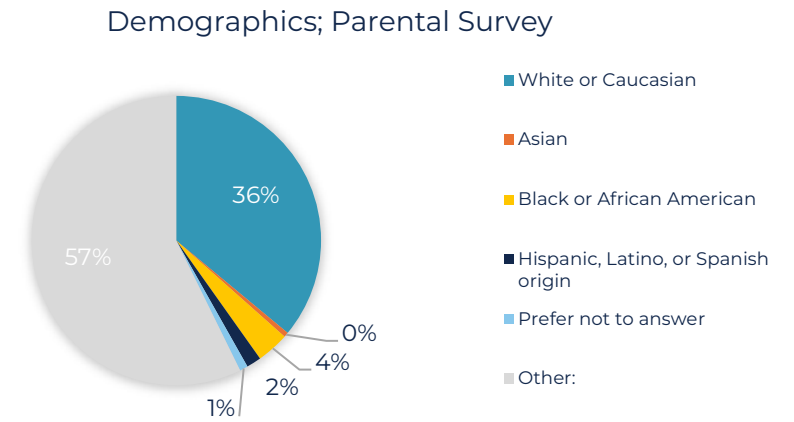


FIGURE XXXVI: PARENTAL RESPONSES, GENDER (N=228)

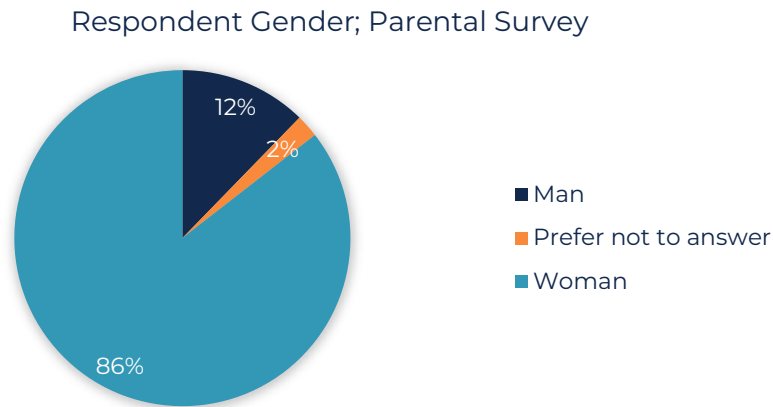
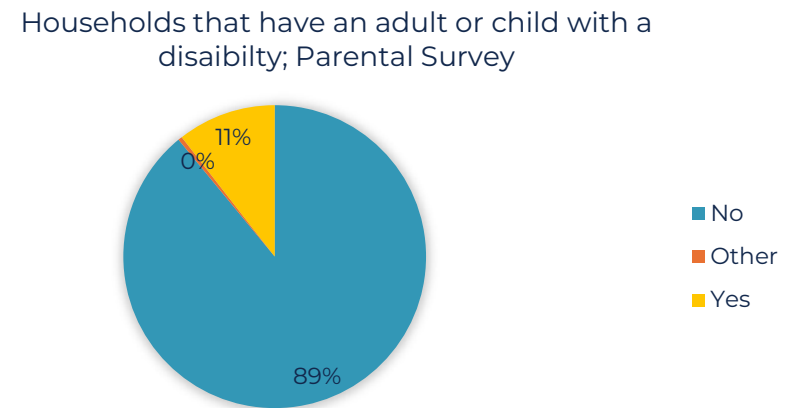


FIGURE XXXVIII: PARENTAL RESPONSES, HOUSEHOLDS WITH A DISABILITY (N=228)





**APPENDIX B:
EMPLOYER SURVEY CHARTS**

FIGURE XXXIX: EMPLOYER RESPONSES, INDUSTRY TYPE OF BUSINESS (N=18)

Industry Type of Business; Employer Responses

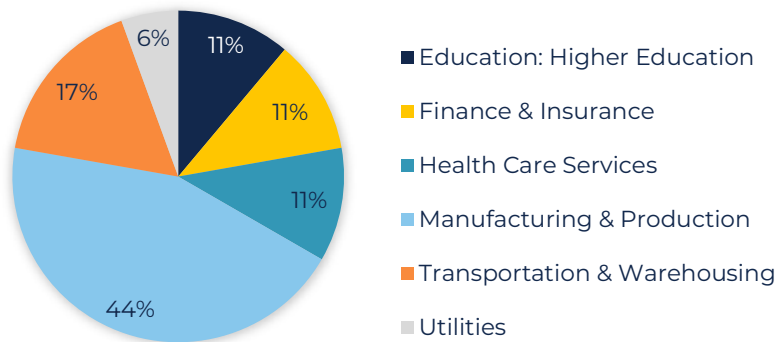


FIGURE XXXXI: EMPLOYER RESPONSES, COUNTY WHERE MOST EMPLOYEES ARE LOCATED (N=31)

County Employed; Employer Responses

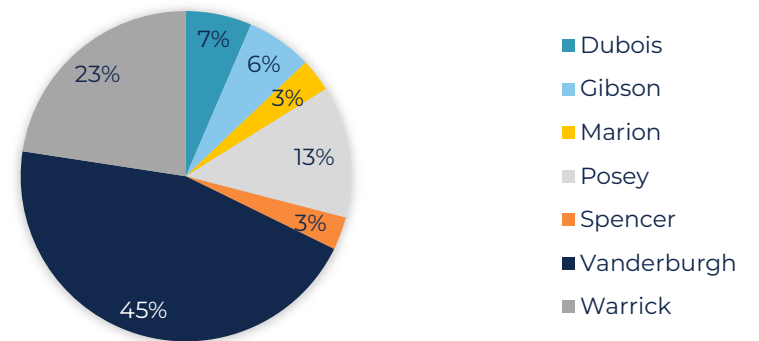


FIGURE XXXX: EMPLOYER RESPONSES, NUMBER OF EMPLOYEES (N=18)

Number of Employees; Employer Responses

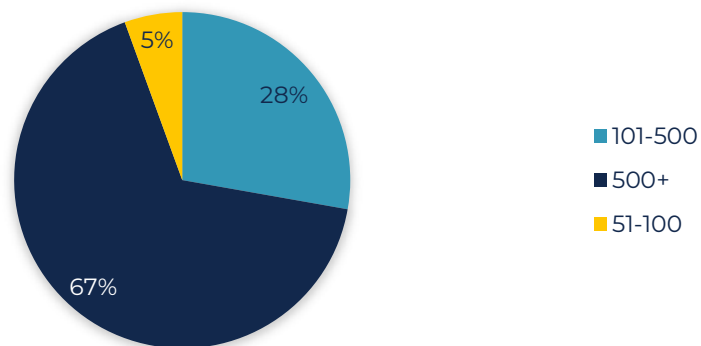


FIGURE XXXXII: EMPLOYER RESPONSES, TYPICAL DAYS OF OPERATION (N=18)

Typical Days of Operation; Employer Responses

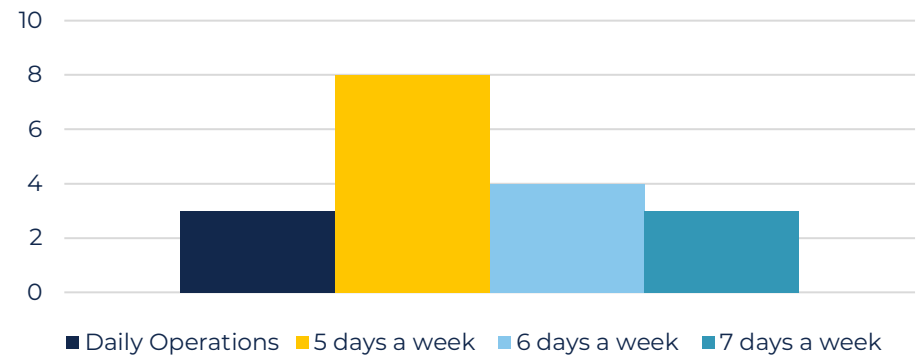


FIGURE XXXXIII: EMPLOYER RESPONSES, TYPE OF SCHEDULE (N=18)

Are Employees on a Scheduled Per Diem or Scheduled Shift Basis; Employer Responses

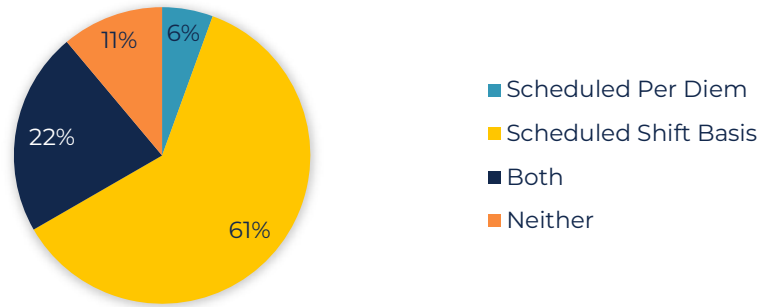


FIGURE XXXXV: EMPLOYER RESPONSES, TYPE OF OVERTIME (N=18)

Is overtime mandatory or volunteer-based? Employer Responses

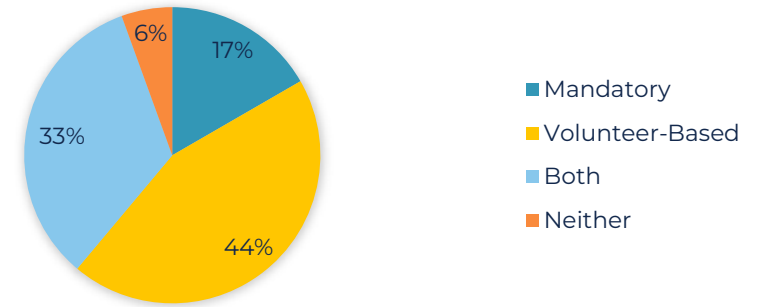


FIGURE XXXXIV: EMPLOYER RESPONSES, TYPICAL HOURS OF OPERATION (N=20)

Typical Hours of Operation; Employer Responses

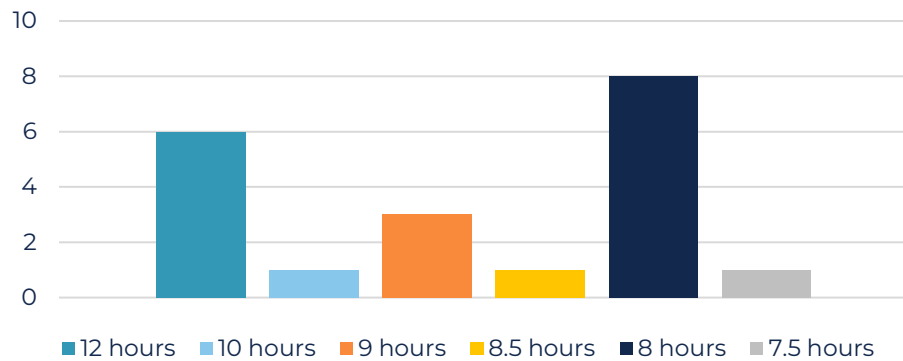


FIGURE XXXXVI: EMPLOYER RESPONSES, PARENTAL LEAVE (N=18)

Do You Provide Parental Leave to Employees? Employer Responses

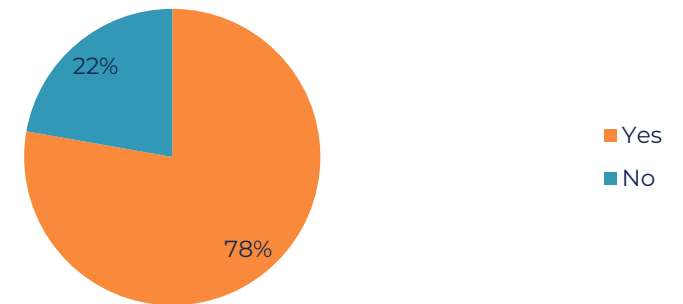


FIGURE XXXXVII: EMPLOYER RESPONSES, PAID PARENTAL LEAVE (N=18)

Is Parental Leave Paid? Employer Responses

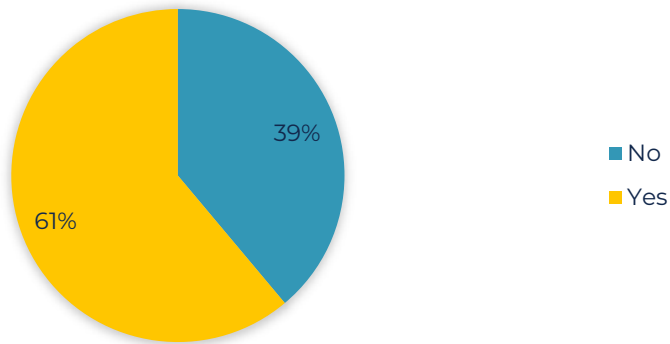


FIGURE XXXXIX: EMPLOYER RESPONSES, PARENT EMPLOYEES (N=18)

How Many of Your Employees are Parents of Children Under the Age of 6? Employer Responses

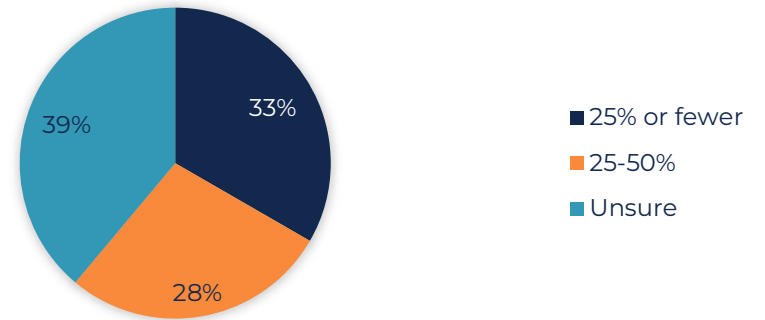


FIGURE XXXXVIII: EMPLOYER RESPONSES, PARENTAL LEAVE BENEFITS AND RETENTION (N=61)

On a Scale From 1-5, How Do Your Parental Leave Benefits Impact Retaining Employees? Employer Responses

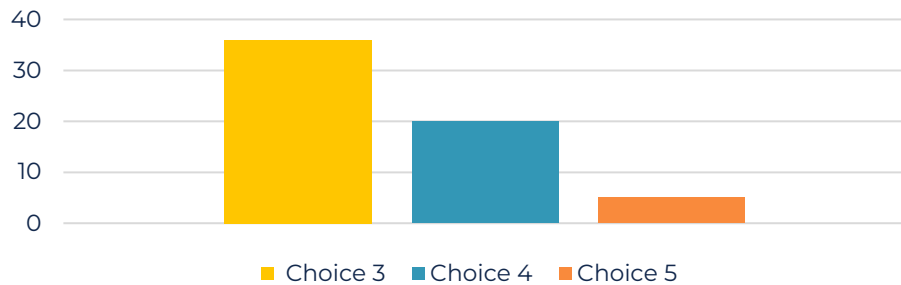


FIGURE L: EMPLOYER RESPONSES, WORKFORCE AND CHILDCARE (N=18)

Does Your workforce struggle to find reliable and accessible childcare options? Employer Responses

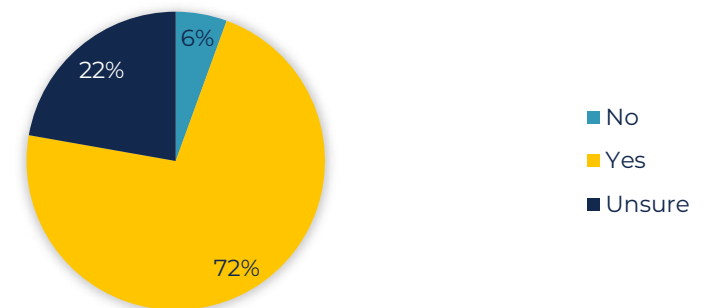


FIGURE LI: EMPLOYER RESPONSES, HIRING AND RETENTION (N=18)

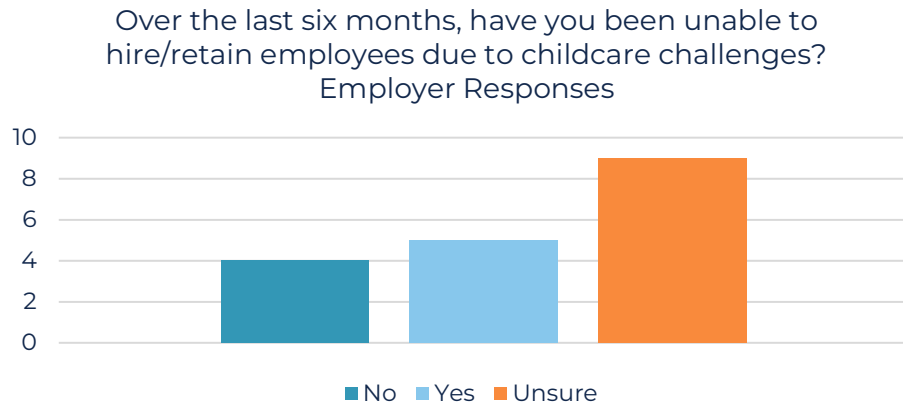


FIGURE LIII: EMPLOYER RESPONSES, K-12 IMPACT ON WORK (N=18)

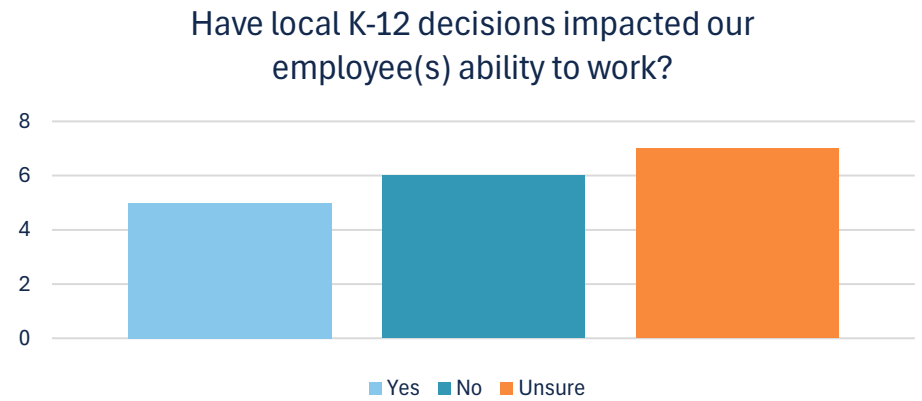


FIGURE LII: EMPLOYER RESPONSES, LONG-TERM ABSENCES (N=18)

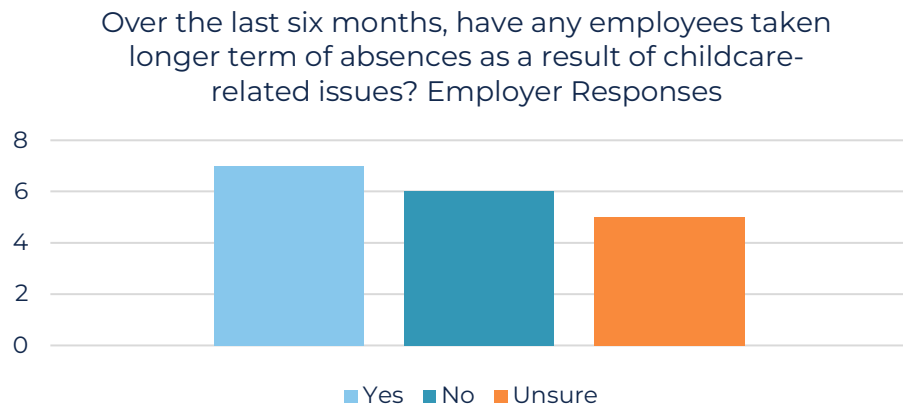


FIGURE LIV: EMPLOYER RESPONSES, CHILDCARE CHALLENGES (N=69)

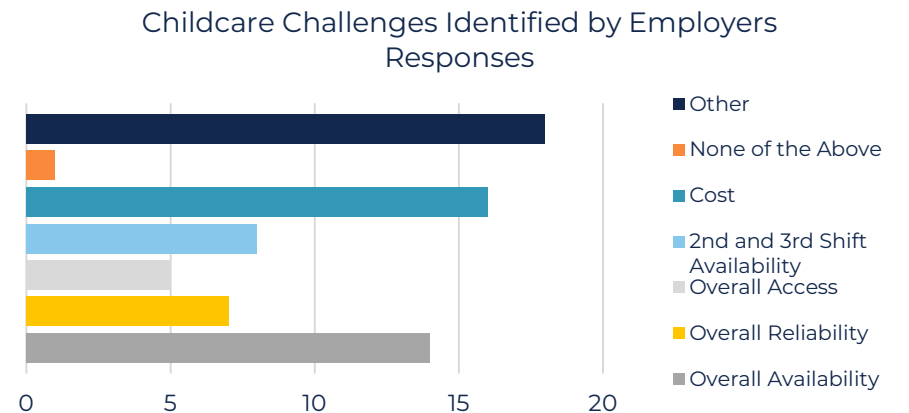


FIGURE LIV: EMPLOYER RESPONSES, PRODUCTIVITY (N=18)

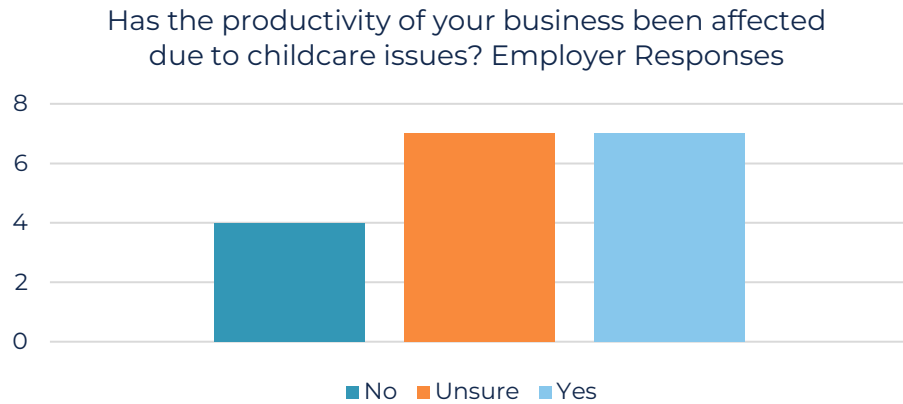


FIGURE LVI: EMPLOYER RESPONSE, ATTRACTION (N=62)

On a scale from 1-5, how do your parent leave benefits impact attracting employees?

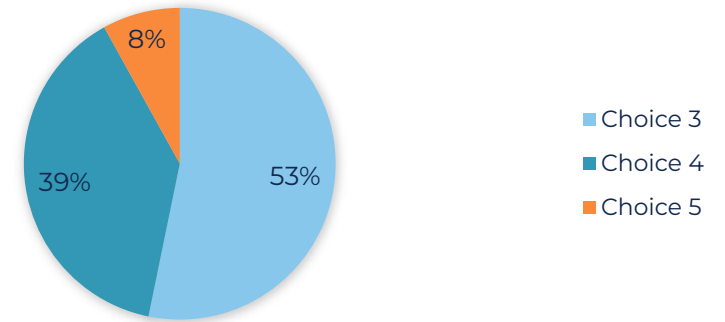


FIGURE LV: EMPLOYER RESPONSE, CANDIDATE EMPLOYMENT (N=18)

How often is reliable childcare raised as a concern by a candidate for employment?

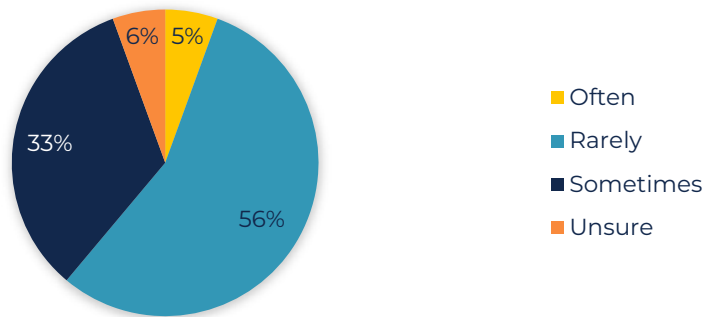


FIGURE LVII: EMPLOYER RESPONSE, EMPLOYEE BENEFITS (N=51)

Does your business offer any of the following benefits before the COVID-19 Pandemic? (Select All that Apply) Employer Responses

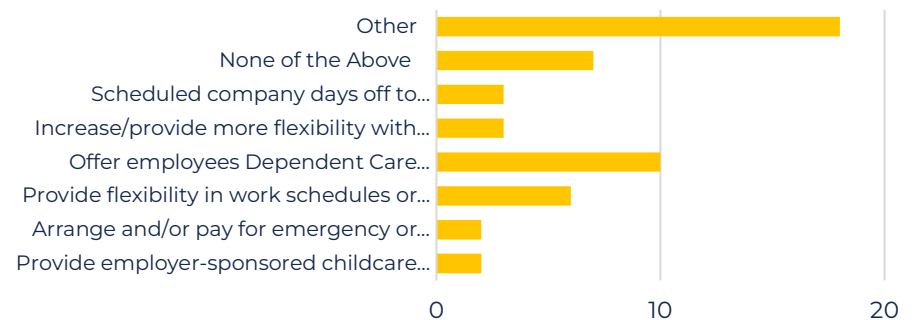


FIGURE LIX: EMPLOYER RESPONSE, CURRENT AND FUTURE FUNDING OPPORTUNITIES (N=18)

Would you be interested in working with a group focused on childcare and early learning development assistance? Employer Responses

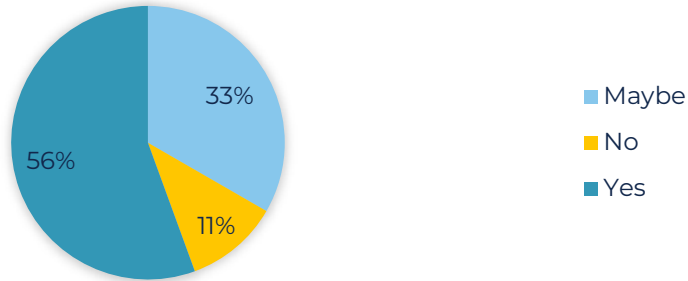
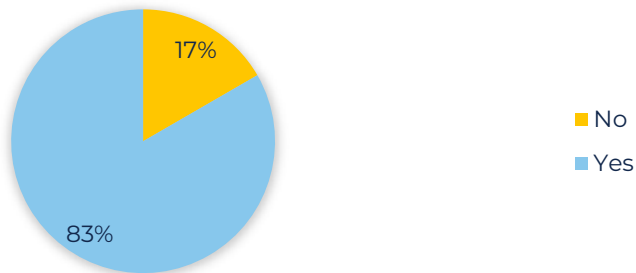



FIGURE LX: EMPLOYER RESPONSE, PARTICIPATION IN WORKING CHILDCARE GROUP (N=18)

Would you be interested in learning about current and future funding opportunities for childcare assistance? Employer Responses



The logo consists of four colored squares: a yellow square, an orange square, a teal square, and a light blue square, arranged in a 2x2 grid.

Building Blocks