



The Honorable Nancy Pelosi, Speaker
House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Charles Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Senate Minority Leader
317 Russell Senate Office Building
Washington, DC 20510

February 25, 2021

Dear Speaker Pelosi, Senate Majority Leader Schumer, House Minority Leader McCarthy, and Senate Minority Leader McConnell:

We are a group of business associations from 13 states across the country – collectively representing more than 15,000 employers with a workforce of more than 3.6 million people – writing to urge you to include a significant investment in the nation’s childcare system in the FY21 Budget Reconciliation Bill. Specifically, we support the recommendation made by the House Committee on Education and Labor to allocate \$39 billion to childcare providers through the Child Care and Development Block Grant Program as well as an addition \$1 billion for the Head Start program to ensure families can continue to access quality early learning opportunities.

As research has consistently shown, and as the Covid-19 pandemic has laid bare, childcare and early education provide an economic imperative with extraordinary benefits to employers,

working families, and children. Survey after survey have shown that a vast majority of parents are concerned they will not be able to return to the workplace without formal and safe care arrangements for their children and that their quality of work will suffer due to childcare challenges.

A report from the U.S. Chamber of Commerce Foundation found that from June to October of 2020, two out of three working parents changed their childcare arrangement due to COVID-19, and the number of workers who left the workforce due to COVID-19 far exceeded what employers expected. This is consistent with an earlier survey in the Washington Post which found that more than three-quarters of mothers and half of fathers passed up work opportunities, switched jobs, or quit to take care of their children. And as we saw from a recent national jobs report, the U.S. economy lost 140,000 jobs in December of 2020, and all of them were held by women. As the country's economy struggles to regain its footing, affordable, accessible, high quality childcare is an essential enabler to people getting back to work.

Additionally, the childcare industry itself is under extreme duress, its already fragile business model pushed to the brink by diminished demand, increased costs, and severe losses in revenue due to Covid-19 safety protocols. With women, and particularly women of color, historically representing a disproportionate share of the childcare labor market, they are particularly vulnerable. Without greater funding, high quality childcare, already too limited, runs the risk of becoming more so, and burdening more women and people of color with additional roadblocks to advancing their careers.

Finally, the benefits of high-quality childcare to children is unmatched in its return on public investment. Nobel Laureate Economist James Heckman has established that high-quality early childhood education provides a 13% annual return on investment due to the significant economic benefits to participants and to the public, including: decreased costs in K-12 education (e.g. special education and remediation programs); increased earnings; and decreased antisocial behaviors, leading to savings to the public (e.g. health care and public safety). High-quality early childhood education leads to phenomenal academic and lifetime gains, such as vastly improved high school graduation rates (four times more likely to graduate) and college attendance rates (twice as likely to attend). Since 80% of brain development occurs during a child's first three years, and 90% by age five, missed opportunities during the earliest years of a child's life have significant impact.

Ready Nation has determined that insufficient early childhood development programming costs the United States \$57 billion annually due to loss of productivity, including \$37 billion to parents, \$13 billion to businesses, and \$7 billion to taxpayers -and these staggering losses were prior to the pandemic. Including the \$40 billion recommendation in the final FY21 Budget Reconciliation Bill is an essential and necessary investment to both reopening the national economy and stabilizing a system for the long term that provides incalculable benefits to employers, employees, providers, and children and families in every corner of the nation. We respectfully urge your support and thank you for your consideration.

Sincerely,

Jeff Donofrio, President & CEO
Business Leaders for Michigan

Debbie Brown, President
Colorado Business Roundtable

Chris DiPentima, President & CEO
Connecticut Business and Industry Association

Robert Perkins, Executive Director
Delaware Business Roundtable

Gary Kai, Executive Director
Hawaii Business Roundtable

Joe Murphy, Executive Director
Iowa Business Council

Michael Olivier, CEO
Louisiana Committee of 100

Brian Dulay, Executive Director
Maryland Business Roundtable for Education

JD Chesloff, Executive Director
Massachusetts Business Roundtable

Charlie Weaver, Executive Director
Minnesota Business Partnership

Kathryn Wylde, President & CEO
Partnership for New York City

Gene Barr, President & CEO
Pennsylvania Chamber of Business and Industry

Lisa Ventriss, President
Vermont Business Roundtable