

Equity in Child Care Is

# *Everyone's Business*



#ChildCare



The Education Trust



U.S. Chamber of Commerce  
Foundation



## **TABLE OF CONTENTS**

EXECUTIVE SUMMARY.....	4
HOW COVID-19 IS AFFECTING CHILD CARE PROVIDERS .....	7
COVID-19'S IMPACT ON SMALL BUSINESSES.....	8
THE EDUCATION TRUST AND THE U.S. CHAMBER OF COMMERCE FOUNDATION JOINED FORCES TO IDENTIFY OPPORTUNITIES FOR ACTION .....	9
WHAT WE HEARD FROM CHILD CARE PROVIDERS AND STATE AND LOCAL CHAMBERS .....	13
CHILD CARE PROVIDERS IDENTIFIED 4 KEY CHALLENGE AREAS.....	28
FIVE WAYS STATE AND LOCAL CHAMBERS CAN SUPPORT WORKING FAMILIES BY SUPPORTING FEMALE PROVIDERS OF COLOR.....	29
ACKNOWLEDGMENTS .....	30
ENDNOTES.....	31

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## ABOUT THIS REPORT

The COVID-19 crisis has not only exacerbated existing inequities in child care access for families, but has also decimated the finances of child care providers, many of whom are women of color already economically disadvantaged by systemic racism and sexism. State and local chambers of commerce are uniquely positioned to offer urgently needed small business resources to child care providers, while also acting as powerful connectors among community leaders interested in supporting families with young children. The Education Trust and the U.S. Chamber of Commerce Foundation interviewed child care providers and state and local chamber leaders across the U.S. to identify opportunities for supporting working families with young children by supporting female providers of color. Many child care providers told us that amid the COVID-19 crisis, they have faced funding challenges, safety and health concerns, and barriers to talent acquisition and professional development. Several providers reported that racial and gender bias has posed challenges within their local business community. Many said they felt less supported than other businesses due to their race. State and local chamber leaders noted that they and their business members are facing several challenges during the pandemic related to child care and outlined several ways that state and local chambers could support providers of color and help align the needs and services of providers with those of their communities. This report describes these challenges and opportunities and offers recommendations for how state and local chambers of commerce can support working families by supporting female providers of color.

# FIVE WAYS

## STATE AND LOCAL CHAMBERS CAN SUPPORT WORKING FAMILIES BY SUPPORTING FEMALE PROVIDERS OF COLOR

BY SUPPORTING THE PROVIDERS WHO CARE FOR OUR YOUNGEST LEARNERS, STATE AND LOCAL CHAMBERS CAN, IN TURN, SUPPORT WORKING FAMILIES AND STRENGTHEN THE WORKFORCE AS WE EMERGE FROM THE COVID-19 CRISIS.

State and local chambers should begin by seeking input from local female providers of color about the challenges they are facing, the supports they need, and the programs they are offering, while employers can collect information about their employees' child care needs and preferences. State and local chambers can then use the following five strategies, uncovered in our interviews, to provide critical support that will strengthen business communities, working families, and our youngest learners:



### SHARE RESOURCES AND INFORMATION

with providers about funding opportunities, health insurance, and COVID-19-related health and safety resources for small businesses. State and local chambers frequently share these types of resources with local small businesses, and providers are often searching for such resources but have difficulty finding them.

### STRENGTHEN DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

, including leadership and professional development opportunities for female providers of color. State and local chambers can proactively invite female providers of color to join their organizations and other networks. They can provide information about business coaching and mentorship programs specifically designed to support small businesses owned by women and people of color.



### OFFER NETWORKING AND MARKETING OPPORTUNITIES

for providers and employers. State and local chambers can create opportunities for providers to connect with chamber members and community leaders, such as those from local financial institutions, business advisers, and community members offering professional development opportunities, higher education resources, and marketing and growth strategy supports.

### LIST CHILD CARE RESOURCES AND REFERRAL INFORMATION

on existing state and local chamber websites to better connect child care supply with demand. State and local chamber websites often offer a multitude of resources for the local business community. Chamber leaders can help to align child care supply and demand by listing local providers, availability, and services on these websites, including specialized programs for nontraditional work schedules, so employers and families can more easily find child care programs that meet their needs and preferences.



**COMMUNICATE CHILD CARE NEEDS TO STATE AND LOCAL REPRESENTATIVES.** State and local chambers can advocate for policies that support child care providers, parents and, ultimately, the children in their communities by giving them a strong start. Female providers of color can join chamber members in advocating for policies that will boost access to high-quality child care that all children and families deserve.

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## **THE EDUCATION TRUST AND THE U.S. CHAMBER OF COMMERCE FOUNDATION INTERVIEWED CHILD CARE PROVIDERS AND STATE AND LOCAL CHAMBER LEADERS ACROSS THE U.S. TO IDENTIFY OPPORTUNITIES FOR SUPPORTING WORKING FAMILIES WITH YOUNG CHILDREN BY SUPPORTING FEMALE PROVIDERS OF COLOR.**

Families across the country rely on high-quality child care programs, so that children can learn while parents work. Before the pandemic, many families — especially Black and Latino families, families with low and middle incomes, and families in rural areas — had far too little access to high-quality child care, making it challenging for them to stay in the workforce and make ends meet while accessing safe and nurturing learning environments for their young children.<sup>1</sup> The COVID-19 pandemic has only exacerbated this challenge, as scores of child care programs have closed, often permanently, across the country.<sup>2</sup> This crisis has forced working parents — particularly [women](#), [parents of color](#) and parents who cannot work from home — to leave the workforce or scramble to find alternative child care through relatives or unlicensed providers.<sup>3</sup> As our nation emerges from the COVID-19 crisis, the shortage of child care providers could have cascading effects on children throughout their early elementary school years, parents — especially working mothers — struggling to re-enter the workforce or advance their careers, child care costs, which are rising as a result of recent child care program closures, as well as the broader economy. And unlike K-12 public schools, in which all children are guaranteed attendance, there is no assurance that child care programs — much less high-quality ones — will have a spot for every child who needs one when it is safe to return to in-person learning. In fact, many parents wonder: “Will there be a program to go back to at all?”

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*As our nation emerges from the COVID-19 pandemic, many parents wonder:  
“Will there be a program to go back to at all?”*

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## HOW COVID-19 IS AFFECTING CHILD CARE PROVIDERS

The COVID-19 crisis has not only exacerbated existing inequities in child care access for families, but has also decimated the finances of child care providers, about 40% of whom are people of color already economically disadvantaged by systemic racism.<sup>4</sup> In December 2020, 25% of child care centers and 33% of family child care homes [reported](#) that if their enrollment did not increase, and if they did not receive sufficient funding, they would be forced to close within three months. Among child care programs owned by people of color, that number increased to 51%. This may also partially explain the especially high job loss rates among Black and Latina women compared to other Americans.<sup>5</sup> In March 2021, Congress passed the American Rescue Plan, which provides \$39 billion in child care relief funds; combined with earlier pandemic relief funding for child care, this brings the total amount of child care relief funding to \$50 billion. These stabilization funds may provide temporary relief for child care workers and may allow some providers to keep their doors open and continue serving children, families, communities, and local economies in the short term. But sustainable funding and supports are still needed to create the framework necessary for all families to have access to high-quality child care.

High-quality child care programs require providers to have expertise in many areas, from child development to early literacy and numeracy to social-emotional learning and more. Being a child care provider also requires entrepreneurial skills, since 675,000 child care programs across the U.S., including home-based providers, are small businesses that employ more than 1.5 million workers.<sup>6</sup> What's more, 94% of child care workers are women, and many more [women of color](#) serve as child care providers than in the K-12 workforce. They do the critical work of supporting our nation's working parents and youngest learners, while shouldering the added burdens of systemic, historical, and institutionalized racism and sexism.<sup>7</sup>

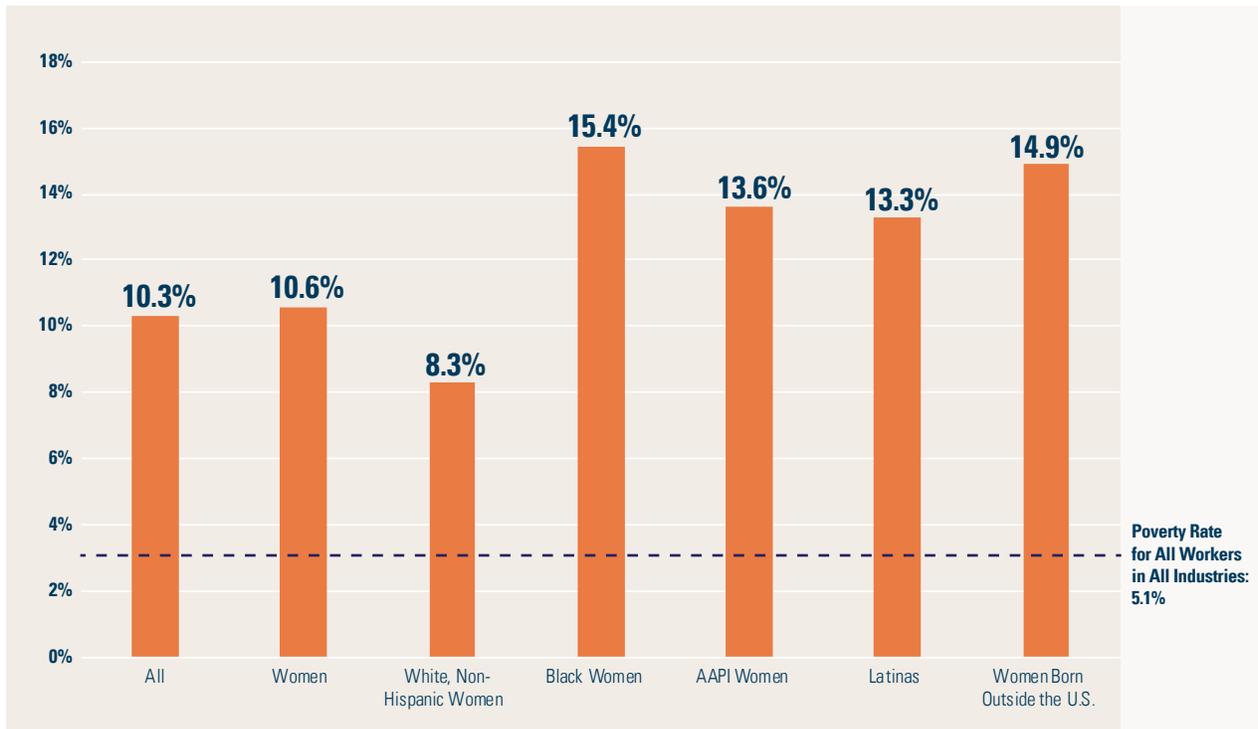
Even before the pandemic, child care workers were among the lowest-paid workers in the nation. In 2015, more than 1 in 6 female child care workers lived below the poverty line (that's twice the poverty rate of female workers overall), and Black and Latina child care workers with children of their own were more than twice as likely to live below the poverty line.<sup>8</sup> The median hourly wages of child care workers were at the second percentile, i.e., nearly at the bottom of all occupations' median hourly wages. Even directors of child care centers had low wages compared to educators of older children. And wage insecurity is particularly marked for child care workers of color, who, thanks to existing racial pay disparities, are less likely to earn a living wage: 59% of all home-based child care workers have household incomes below the national median, and this number is 75% for Black home-based child care workers.<sup>9</sup>

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***59% of all home-based child care workers have household incomes below the national median, and this number is 75% for Black home-based child care workers***

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## Poverty Rates of Child Care Workers By Demographic Group (2018)



Source: National Women's Law Center calculations based on 2019 CPS ASEC, using IPUMS.

### Even before the pandemic, child care workers were among the lowest-paid workers in the nation.

- **53%** of child care workers' families were enrolled in at least one public assistance program (such as the Supplemental Nutrition Assistance Program [SNAP] and the Temporary Assistance for Needy Families [TANF]), compared to **21%** of the families of the nation's workforce as a whole.

### Existing racial pay disparities mean that child care workers of color are even less likely to earn a living wage.

- Black early educators earn an average of **78 cents less per hour** than their White counterparts, even when controlling for education level.

Source: Center for the Study of Child Care Employment

## COVID-19'S IMPACT ON SMALL BUSINESSES

The COVID-19 crisis has posed several challenges for small business owners, especially for women and people of color. Before the pandemic, Black business owners already faced glaring inequities: Black Americans were [less likely](#) than White Americans to be able to start businesses and comprised [only 9.4% of business owners](#); they were also [less than half as likely](#) to receive financing as White-owned businesses, and had particularly [low access to capital](#).<sup>10</sup> As of August 2020, [41% of Black-owned businesses had closed](#) as a result of the pandemic and economic downturn that ensued. Before the pandemic, Latino entrepreneurs started businesses at a [faster rate](#) than entrepreneurs of any other racial and ethnic demographic group in the U.S. Yet, Latino business-owners were 60% [less likely](#) than White business-owners to be approved for loans by national banks, after controlling for business characteristics such as profitability and credit scores.<sup>11</sup>

Since the onset of the pandemic, White business owners have been approved for Paycheck Protection Program funds at almost twice the rate of Latino business owners. Among Latino workers, women have been disproportionately negatively affected.<sup>12</sup> According to a survey of small business owners in summer 2020, the pandemic has had a more negative impact on small businesses owned by women than on small businesses owned by men. Male-owned businesses were more likely to report an increase in hiring, more likely to say that they were planning to increase investments in their businesses in the coming year, and more likely to expect revenue increases in the next year.<sup>13</sup> For Black and Latina women who are child care program owners, these inequities, now compounded by the pandemic, pose grave threats to their livelihoods, as well as their health and safety.

As our nation emerges from the COVID-19 crisis and working parents hope to return to work, they should have peace of mind that their young children are in safe and enriching learning environments. This means ensuring not only that providers have access to resources to reopen or stay open, but to resources that allow them to provide *high-quality* early care and learning.

## THE EDUCATION TRUST AND THE U.S. CHAMBER OF COMMERCE FOUNDATION JOINED FORCES TO IDENTIFY OPPORTUNITIES FOR ACTION

State and local chambers of commerce are uniquely positioned to offer urgently needed small business resources to child care providers, while also acting as a powerful connector among community leaders interested in supporting families with young children. In order to identify opportunities to better support young learners, their families, and their communities, while also advancing racial equity, The Education Trust and the U.S. Chamber of Commerce Foundation collaborated on interviews with child care providers and state and local chambers of commerce throughout the country that focused on these questions:

- 1) What are the experiences, needs, and priorities of child care providers, particularly those who are women of color, as they relate to the current economic climate, pandemic, and conversations about racial justice?
- 2) How do state and local chambers across the nation engage with child care providers, how do they perceive the role of providers in the broader business community, and what roles can state and local chambers play in supporting the child care industry, particularly business owners who are women of color?

***Because of systemic, historical, and institutionalized racism and sexism, child care providers — many of whom are women of color — face a variety of challenges. These challenges are specific to each facet of their identity — race, ethnicity, gender, and profession — and also exist at their intersections.***

Leaders of state and local chambers across the U.S. emphasized their role as community connectors and discussed several ways in which access to child care intersects with their work. They saw this as an opportunity to raise community leaders' awareness about the needs of child care providers and workers, and the connection between high-quality, affordable child care and participation in the workforce. They also identified several ways that state and local chambers can support female child care providers of color and working families. Ultimately, taking advantage of these opportunities will help families and businesses thrive, while providing young children with the high-quality learning environments they deserve.

## THE PEOPLE WE TALKED TO ACROSS THE U.S.

### STATE AND LOCAL CHAMBER LEADERS:

**12 in-depth interviews were conducted with two state, two regional, and eight local chambers in seven states across the country.**

- We interviewed seven CEOs/presidents, three vice presidents, one chief public policy officer, and one director of government affairs.
- State and local chambers with child care providers in their membership or as a part of their community engagement efforts were prioritized.
- State and local chambers represented a mix of geographies (urban, suburban, and rural), sizes, and industry concentrations.

### CHILD CARE PROVIDERS:

**32 in-depth interviews were conducted with child care providers in 10 states across the nation who are:**

- **Primarily women (providers of color were prioritized)**
  - 21 identify as women of color, with 18 identifying as Black and three identifying as Latina; one identifying as a Black man; eight as White women, and two as White men.
- **Working in a variety of settings in urban, suburban, and rural areas**
  - 18 interviewees are owners or directors of for-profit programs; three are directors or CEOs; 10 are directors or CEOs of nonprofits; one is a former owner of a child-care center.
  - Six work in Early Head Start/Head Start centers; 19 work in other local center-based programs; six in home-based programs; and one in a school-based program.
  - 21 programs serve infants and toddlers (as young as newborns); 19 also serve 3- and 4-year-olds; eight also serve school-age children (including teenagers); and one exclusively serves children age 4 and up.
- **Serving a diverse array of families (we prioritized those serving families with low incomes)**
  - Of the 23 providers who described their program's primary child demographic served, 15 described children as primarily coming from low-income backgrounds; 15 described their child population as predominately Black and/or Latino; and one serves primarily military families.

Some providers have remained open during the pandemic, while others have closed.

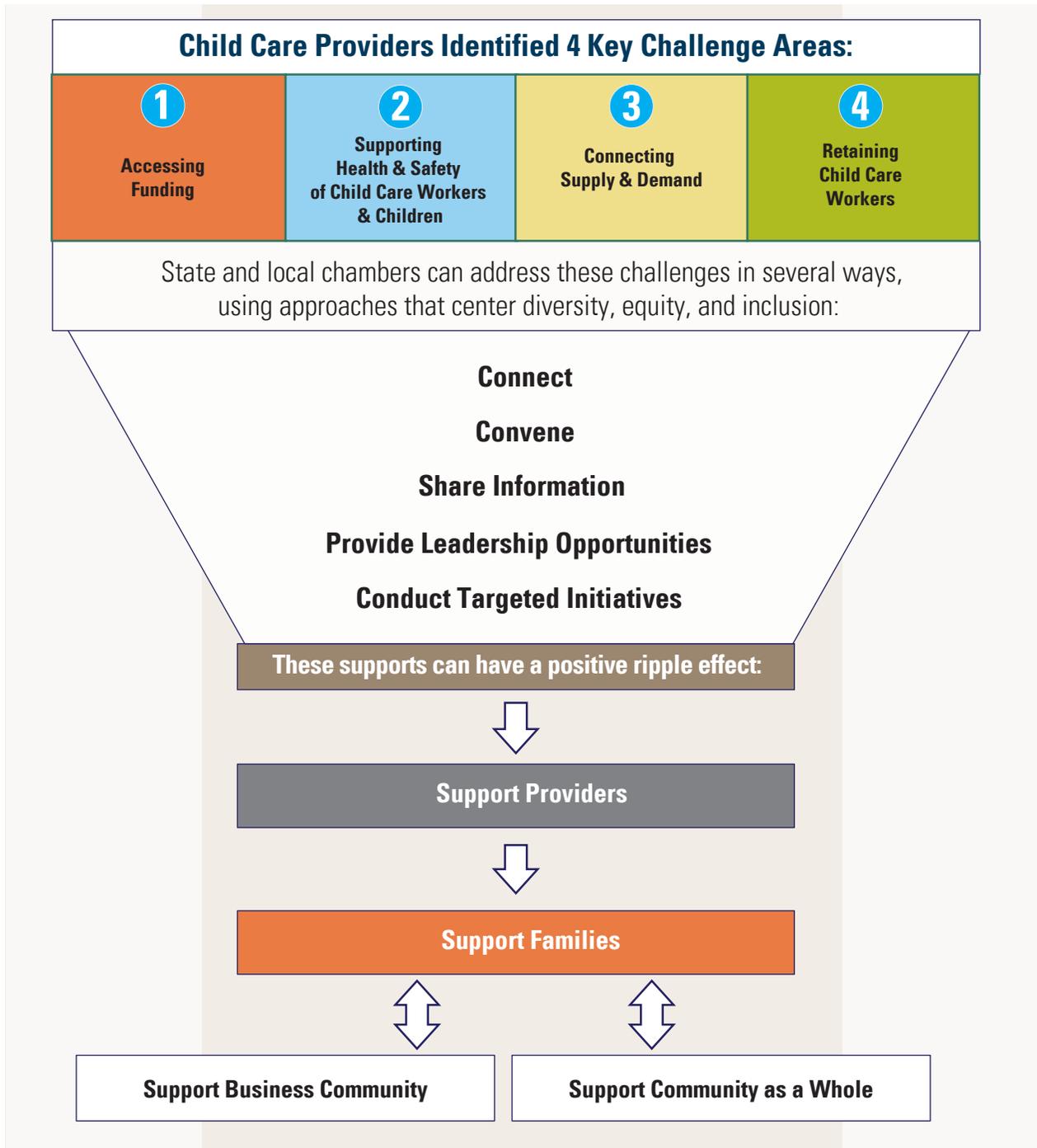
## WHAT WE HEARD FROM PROVIDERS & STATE AND LOCAL CHAMBERS

Amid the COVID-19 crisis, **child care providers**, many of whom are women of color, face funding challenges, safety and health concerns, and talent acquisition/professional development barriers. Several providers reported that racial and gender bias has posed challenges within their local business community, including feeling less supported than other businesses due to their race.

**State and local chambers** leaders noted that they and their business members are facing several challenges during the pandemic related to child care and outlined several ways that state and local chambers could support providers of color and help align the needs and services of providers with those of their communities.



## Inclusive and Equitable Child Care Provider Support Strategies



The diagram above shows the ways in which state and local chambers can support child care providers in the four key challenge areas identified in our interviews. These supports can have a positive ripple effect by, in turn, supporting children and families, businesses, and the community as a whole.

Now, we dive deeper into the ways in which these strategies can be applied to the key challenge areas we identified via interviews.

# WHAT WE HEARD FROM CHILD CARE PROVIDERS AND STATE AND LOCAL CHAMBERS

## CHALLENGE 1: ACCESSING FUNDING

### WHAT PROVIDERS NEED: FUNDING IS AMONG THEIR MOST URGENT NEEDS AMID THE PANDEMIC AND INTO THE FUTURE.

Several of the providers we interviewed said they received emergency state and federal funding in 2020, such as Paycheck Protection Program (PPP) loans and Small Business Association (SBA) Economic Injury Disaster Loans (EIDL), that helped them supplement lost revenue. Unfortunately, research shows that these relief programs failed to reach a lot of providers; less than 1% of the \$521.4 billion in PPP loans provided to businesses nationwide actually went to child care providers, and only a fraction of child care providers — less than 6% — benefited. Among the most common explanations providers received for denial of their PPP loan application, according to a survey of providers who had applied, were the program's lack of funding, problems with credit scores, and not having a business checking account (even though having a small business account was not, technically, required by the SBA for PPP loan eligibility). Providers' relationships with banks were also a factor: Providers who were not existing clients of lenders had lower approval rates and a harder time accessing PPP funds, according to the same survey.<sup>14</sup> The providers we interviewed said that they had already spent all of their PPP funds, and they were uncertain and anxious about securing funding in 2021. Without access to additional funds from federal, state, and local sources, many providers fear that they will be forced to close permanently in 2021. Some providers indicated that they were advised to take out small business loans to supplement their income; however, they are hesitant to incur more debt when they are struggling to pay their current bills.

***“What child care providers need is more grant funding rather than being pushed out to pay a loan. Why are we being pushed... to get an SBA loan? A loan is long-term. Why are we being pushed into more debt when we are already in red margins?” – For-profit, center-based provider in Washington state***

The providers we interviewed noted that their operating costs have increased drastically since the onset of the pandemic, thanks to pandemic-related health and safety guidelines, which require them to buy additional cleaning supplies and personal protective equipment (PPE). Meanwhile, a number of providers said that revenue has decreased due to lower enrollment. Even before the pandemic, child care providers operated on [very thin margins](#), and costs for providers who cared for infants and toddlers were already high due to lower [child-to-adult](#) ratio requirements that limit class size. Now rising costs are pushing many providers to the brink.

Home-based providers reported unique financial challenges during the pandemic. Because they operate out of their homes, these providers are concerned about their family members' increased potential exposure to COVID-19 in their homes. Many have closed up shop, in some cases losing income and/or the ability to pay their mortgage in the process, according to our interviews. And because they typically serve fewer children than child care centers, any decrease in enrollment can put a substantial dent in their income. Their main priority is accessing consistent funding so that they can continue to pay their bills.

*“In family childcare, we run our businesses out of our homes. If we cannot maintain our mortgage, we can’t maintain our business. We are losing our home and our whole business. That is the immediate need. Making sure I can adequately pay my mortgage. That will be the immediate need for me, and that’s it.” – For-profit, home-based provider in Texas*

## HOW STATE AND LOCAL CHAMBERS CAN RESPOND:

**Connect providers to local funding resources.** Rising pandemic-related health and safety costs, coupled with decreased enrollment, have all but erased child care businesses’ already slim profit margins. While the American Rescue Plan provided states with some funding for child care stabilization, including funding for eligible child care providers, state and local chambers can offer additional resources to providers who need funding, much as state and local chambers have done for other types of small businesses throughout the pandemic. State and local chambers can also help connect providers to grant resources, rather than loans, to prevent providers from having to take on too much debt. Many of the state and local chamber leaders we interviewed said that they provide this type of funding guidance to other small businesses. State and local chambers can also connect home-based providers with community members who can provide information about how relief funding can be put toward mortgage or rental payments and COVID-19-related health and safety equipment. Since providers highlighted the importance of state and local subsidies in supplementing their revenues, state and local chambers might also play a role in connecting providers to state and local policymakers and government agencies that offer relief funding and health and safety guidance.

*“We helped 70-75 businesses with technical assistance and ... support. One of the challenges we saw, [businesses in] our downtown quarter were blossoming, [but] they didn’t qualify for the same support as some other tenured business[es]. Those were ones where we found ourselves negotiating with landlords and helping on a more personal level.” – Local chamber leader in Washington state*



## CHALLENGE 2: SUPPORTING HEALTH & SAFETY

### WHAT PROVIDERS NEED: HEALTH AND SAFETY RESOURCES – THE BURDEN OF STAYING SAFE AND KEEPING OTHERS SAFE DURING THE PANDEMIC IS CAUSING PROVIDERS SIGNIFICANT STRESS.

When we conducted interviews, COVID-19 vaccines were not yet approved or available. Though vaccine distribution has improved the health and safety of many people, providers of color and providers serving communities of color may have concerns similar to those outlined below, given that Black and Latino people account for a higher share of deaths from COVID-19, but [a smaller percentage of vaccines nationwide are going to them](#) than to White people relative to their respective shares of the overall population, due to a host of access issues.<sup>15</sup> Additionally, as of this writing, COVID-19 vaccines have yet to be authorized for young children, the population with which providers work most closely.

The safety of children, staff, and parents is a top priority for providers around the country, according to those we interviewed. Although many providers wanted to close or remain closed due to safety concerns, they faced (and still face) pressure from communities and families to stay open to support those in need of child care, while following community safety protocols and guidelines for remaining open. Many of the child care providers we interviewed employ only a handful of staff, if that, and some are unable to offer health insurance or other benefits. Nationwide, only 15% of child care workers have health insurance through their job compared to about 50% of other types of workers; 9.6% of child care workers have pension plans through their employer, compared to 39% of other types of workers.<sup>16</sup>

A major challenge cited by those who want to remain open is helping parents feel comfortable bringing their children back to child care facilities. Some providers noted that higher-income parents were hesitant to bring their children back to child care facilities and had made alternative arrangements, such as shifting to working from home so they could care for their children, moving in with relatives who could help supervise their children, or hiring nannies. Another major stressor for providers was the concern that some parents might not follow pandemic-related health and safety guidelines at home while their children were enrolled. Providers noted that some child care employees had left their jobs over health and safety concerns for themselves or their family members. Others had left to care for their own young children, many of whom are learning remotely.

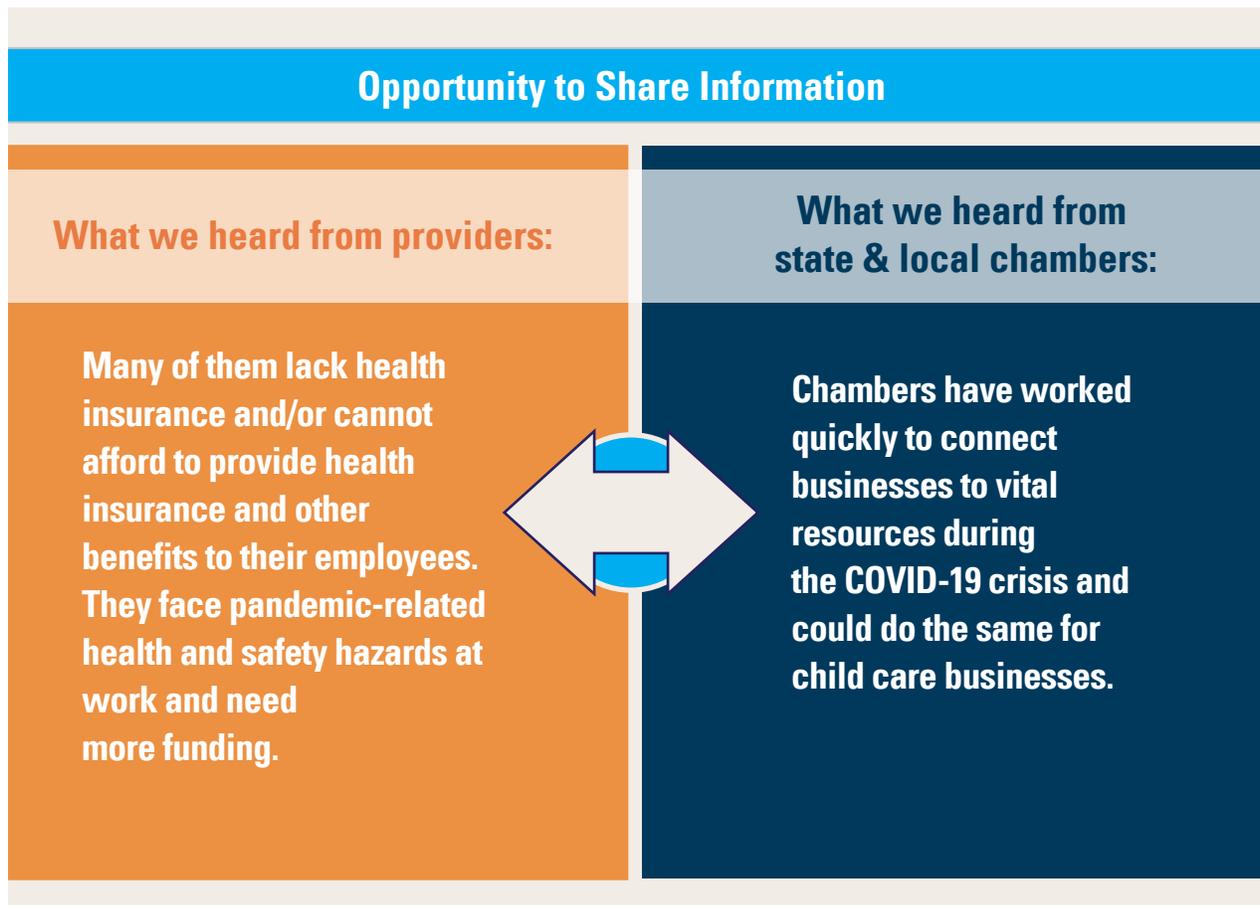
***“It doesn’t feel safe to be open right now. We have a staff of teachers that we care deeply about, and they need to be able to maintain their lives and pay, and our families rely on us to be able to go to work. We don’t feel we have an option to shut our program down. Without that decision from our community, we can’t shut down if the whole community doesn’t. The burden is that we shut down because of the cases. It feels like the burden of the community decision is being placed disproportionately [on] us.” – Center-based provider in Washington state***

*"[Health care providers] ask for your insurance, but I don't qualify ... . When it all boils down, technically [the benefits] are not for people like me." – School-based provider in Louisiana*

## HOW STATE AND LOCAL CHAMBERS CAN RESPOND:

**Connect providers to health insurance and other benefits.** Many providers don't have health insurance and/or cannot afford to provide health insurance to their employees, while many of their employees cannot afford to purchase health insurance on their own. But state and local chambers can help providers offer their employees health insurance and other benefits at cost by working with qualified brokers who can set up association plans through the chamber. Chambers can also help providers set up Individual Coverage Health Reimbursement Arrangements (ICHRA), through which employers can reimburse employees for some or all of the premiums they pay for health insurance that they buy on their own.

**Connect providers with business health and safety resources.** Although working families need child care, providers noted that many families have withdrawn their children for safety reasons, which, in turn, has led many parents to leave the workforce. By raising providers' awareness about local and state health and safety resources for small businesses, state and local chambers can help providers stay safe while also reassuring families that there are safe options for child care during the pandemic. For instance, some providers we interviewed expressed frustration about how hard it was to find information on pandemic-related business closure policies and access to PPP programs; had these providers been members of state or local chambers, or connected with chamber members, they might have had easier access to this information. Another type of resource from which providers and their employees might benefit: The U.S. Chamber of Commerce Foundation has worked with state and local chambers to distribute information on how employers can increase employee access to vaccines.<sup>17</sup>



## CHALLENGE 3: CONNECTING SUPPLY & DEMAND

### WHAT PROVIDERS NEED: STEADY ENROLLMENT – MANY PROVIDERS' ENROLLMENTS HAVE CHANGED SIGNIFICANTLY.

The pandemic has introduced a new layer of uncertainty to child care enrollment and has affected the child care providers we interviewed differently, with some able to sustain or rebuild their pre-pandemic enrollment levels, and others still struggling to maintain sufficient enrollment to stay open. Providers noted that there is demand for overnight and weekend child care, but it's inconsistent – requests for child care during nontraditional hours are often ad hoc — and comes from a various employers or sources — including single families — making it difficult to provide care in a cost-effective way. Providers said that they might be better able to support nontraditional hours if, for instance, multiple employers joined forces to request such programs, thereby creating a critical mass that would make such services cheaper and easier to provide.

*“COVID hits, I remained open, but however, I didn't have anyone coming. The kids did not return because of the climate of COVID and people being scared. I am open still, but I don't have any children.” – Home-based provider in Texas*



## WHAT STATE AND LOCAL CHAMBER MEMBERS NEED:

**The COVID-19 crisis has spotlighted the inextricable link between child care and the economy and the need for adequate high-quality child care options for members of the workforce.** An increasing number of employers have come to view child care as an economic issue, after watching their employees juggle work and parenting responsibilities over the last year and struggle to maintain productivity as the pandemic forced many schools online, many child care programs to close, and reduced other child care options. Many employers now see the need for a long-term, cross-sector solution. Before the pandemic, working parents of school-age children relied on the K-12 school system to supervise their kids while they worked, although working parents often had to line up after-school care for their kids in the late afternoons. COVID-19, however, upended all of that, as child care center and school-building closures and the shift to remote or hybrid learning forced working parents — particularly working mothers — to don multiple hats or leave the workforce to care for their kids. Meanwhile, the costs aren't limited to working parents' careers and could be far-reaching: Many families have lost significant income, while employers have lost valuable workforce capacity. And experts suggest that supporting working parents could be key to the nation's economic recovery. Unfortunately, state and local chambers report that there's a lack of easily accessible information about the type and quality of child care options available to employers looking to help connect their employees to high-quality child care providers. This is a particular challenge for smaller employers with limited resources.

**Industries can support employees who work nontraditional hours by investing in child care.** Acquiring and retaining talent in industries that require night and weekend shifts, such as manufacturing, health care, and oil and gas, is challenging, since family members' ability to work nontraditional schedules is contingent on having child care during those work hours. It's hard enough for child care providers to run programs during regular hours; extending or modifying their services will require additional resources and incentives from state and local governments and businesses. Few child care programs are open during off hours, and those that are tend to be more costly than traditional child care programs, neither of which many workers in these industries can afford. Even before the pandemic, some communities without affordable and accessible child care had a hard time attracting new companies and were at greater risk of losing industries like those mentioned above and the jobs that come with them. State and local chambers in communities with these major industries noted the need for more child care options that align with night and swing shifts, yet they also noted that there is little or no access to this type of flexible child care in their communities. The dearth of flexible child care options may lead working parents to turn away from jobs in these sectors. For employers in these industries, that means a substantially lower return on their workforce development investment; for parents, that means potentially fewer career opportunities. This was especially true for state and local chambers in smaller cities, rural areas, and regions that rely on one or two large industries. While this is not an entirely new challenge, COVID-19 has decimated the child care sector and exacerbated existing inequities in access to high-quality child care. When child care providers and their staff receive more funding and higher compensation, they can better support the unique needs of their community.

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*An increasing number of employers have come to view child care as an economic issue, after watching their employees juggle work and parenting responsibilities over the last year and struggle to maintain productivity as the pandemic forced many schools online, many child care programs to close, and reduced other child care options.*

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*“Last year when we did [a workforce development] study, [there was] concern about child care. It is limited, there is more demand than supply, and the growth in manufacturing is creating a lot of demand in nontraditional schedules. That is a concern that was raised by employers.”*

*– Local chamber leader in Alabama*

**Although many state and local chambers across the U.S. recognize that the demand for child care exceeds the supply in their communities, their primary focus remains on workforce development for the general population of small to large businesses in their communities.** State and local chambers report that barriers to education inhibit employee recruitment and retention, but they do not always identify lack of child care as an additional impediment. Child care competes with many other priorities on chambers’ agendas; but some chambers have noted that community leaders are increasingly recognizing that supporting employees’ child care needs is critical to strengthening the economy.

*“If you don’t have good effective and affordable child care, you’re going to have family members that can’t come to work. We have seen that significantly with COVID-19. A lot of the child care centers had to close, those employees ended up working from home or maybe not working.”*

*– Local chamber leader in Louisiana*

## HOW STATE AND LOCAL CHAMBERS CAN RESPOND:

**Expand membership and outreach.** Most of the child care providers we interviewed weren’t aware of or connected to their local chambers, and most state and local chambers reported that providers are not among their members. State and local chambers can conduct targeted outreach to interested providers, highlighting chambers’ role and the resources they can provide to members. As a first step, local chambers could work with local governments to obtain a list of child care providers in the community and invite providers to networking events. Some providers noted that they would like to be members but cannot afford it, so state and local chambers could consider offering discounts or sponsorships. They can also reach out to child care resource and referral (CCR&R) agencies or other child care associations, who can join state and local chambers on behalf of a larger group of providers who cannot afford membership individually.

*“I am familiar with the Chamber, but I can’t afford a membership to be able to dial into their programs. You have to choose between membership and bath tissue. Obviously, one outweighs the other.” - For-profit provider in Tennessee*

*“We were actually in the process of joining the Chamber of Commerce when COVID actually hit. Once COVID hit we took a back seat for a lot of different things.” - For-profit provider in Texas*

**List resources on chambers' websites to help connect child care supply with demand.** One local chamber collaborated with other business organizations to create a website that provides a one-stop-shop for members looking for COVID-19 resources; initially, the website featured mostly financial resources, but over time it was expanded to include other business-related resources, including information about available child care programs. That local chamber is also trying to start a statewide child care coalition. Another local chamber created a public database of providers and promoted partnerships between employers and corporate-sponsored child care facilities. It also developed a designation for companies in the community that support families, so potential employees could determine which employers were sympathetic to the needs of working families. The same chamber launched a statewide child care coalition. Another state chamber is calling on local chambers to collaborate, so they can develop a cohesive statewide strategy for addressing child care challenges.

State and local chambers could post resources like those described above on their existing websites, tailored to their communities, with information for providers, chamber members, and other community stakeholders such as families. Web content for providers might include information on funding, ways to access affordable health and safety information and equipment, mortgage and rental support resources, memoranda of understanding or agreement (MOU/MOA) templates for cooperation between providers and businesses and help in navigating and accessing federal stimulus and support programs and information on how to take part in district- and state-run early-childhood programs. Pertinent child care information for chamber members might include provider availability for interested businesses and information about child care resource & referral (CR&R) agencies, including information on what to look for in a high-quality child care program. A platform that connects employers interested in providing child care for employees to providers could help disperse demand more evenly across providers, given that some are at maximum capacity, while others are under-enrolled. State and local chambers can work with interested providers and representatives from industries with nontraditional work hours to create sustainable child care programming for families who work alternative schedules. State and local chambers might also share information on specialized child care programs and services — such as child care availability for young children with developmental delays and disabilities, which some local chambers already provide, and a list of local child care providers specializing in dual-language learners. Families in the community, whether connected to the chamber or not, might access these resources on their local chamber's website and find programs to fit their child care needs and preferences.

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***“A lot of it is what chambers are really good at already, which is connecting resources. If child care facilities can continue to inform us of what services they have available .... connecting people with those resources is the best way the chamber can continue to provide help.” – Local chamber in Texas***

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**Offer networking and marketing opportunities.** Several providers said they would like to build partnerships and connections with their communities but often are unsure where to start. State and local chambers can create opportunities for providers to connect with chamber members and community leaders, like local financial institutions, business advisers, and community members offering professional development opportunities. Some providers now experiencing low enrollment said that they had never had to engage in marketing prior to the pandemic but are now rethinking their marketing strategy; this presents an opportunity for state and local chambers to connect providers to advertising and marketing tools and consultants.

***“I am starting to run Facebook ads. This is so unusual for me .... There are two of us [providers] in the neighborhood, but she may only have one child. There are providers a street over, and [they are] full. The lady down the street from her, their numbers have fluctuated. It is a case-by-case thing.” – Home-based, for-profit provider in Texas***

One local-level chamber noted that many businesses in the community do not think of child care programs as businesses or consider how much effort goes into operating a high-quality program. By providing opportunities for providers to network with the broader business community, state and local chambers can foster understanding about the business skills and resources needed to run a child care business and identify potential areas for collaboration.

State and local chambers can also partner with advocacy groups in their communities to work toward increasing local families' access to high-quality child care. One local chamber we interviewed described working with a local children's advocacy group, which convened child care providers and provided training on financial issues and other topics.

***"Prior to COVID, we had helped our [advocacy organization] and workforce board with pilot[ing] a shared services model for the child care centers, which helped in terms of connecting them with janitorial suppliers and accounting help. We connected people. We didn't actually do any of the heavy lifting, and that model actually did really well." – Local chamber leader in Texas***

**Educate employers about the critical role of child care in workforce development.** State and local chambers have an opportunity to educate employers about the economic benefits of child care and help spur investments in it. In a recent study, the U.S. Chamber of Commerce Foundation found that 50% of employers who lost employees amid the pandemic cited child care concerns as a factor in their employees' decision to leave.<sup>18</sup> (Read this [brief](#) on executive leadership strategies for supporting working parents in essential roles.<sup>19</sup> Read about the importance of child care to U.S. businesses [here](#).<sup>20</sup>) Several state and local chambers observed that many employers fail to recognize the important connection between child care access and workforce development. State and local chambers can raise awareness about this link by disseminating information via their typical communications channels and inviting members to share success stories with their chambers.

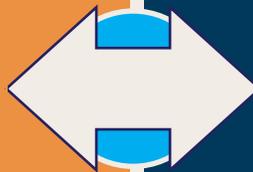
## Opportunity to Share Information

### What we heard from providers:

Several have experienced sharp enrollment declines amid the pandemic, while others are at maximum capacity. Some offer night and weekend care but note that it's been difficult to bring together families who need it, so providers can meet their needs cost-effectively.

### What we heard from state & local chambers:

The pandemic has highlighted the connection between child care access and employers' ability to attract and retain skilled workers, including those willing to work swing and night shifts.



## CHALLENGE 4: RETAINING WORKERS AMID THE PANDEMIC

**WHAT PROVIDERS NEED: HIGH-QUALITY, LONG-TERM EMPLOYEES – HIRING AND RETAINING HIGH-QUALITY STAFF WAS ALWAYS A CHALLENGE, BUT IT HAS BEEN ESPECIALLY DIFFICULT DURING THE PANDEMIC.**

Providers said they've had particularly high turnover amid the pandemic, as more workers evaluate low industry wages and a lack of professional development opportunities against heightened health and safety concerns. Meanwhile, providers who have managed to retain staff are grappling with furloughs, closures, and reduced hours.

The physical and mental health concerns of providers, staff, and the families they serve have led some providers to leave the child care field entirely. A number of providers reported negative impacts on their physical and mental health from working during the pandemic without adequate social and emotional supports. And fears about their own health and safety, combined with the toll of systemic racism and sexism, not only threaten the well-being of providers, but can, in turn, affect the well-being of those who work for them, not to mention young children's learning environments and development. If we want families to be able to return to child care programs, we need to support and value the providers and staff who care for our youngest learners.

*“Staffing has been a challenge. When we had to add [eight new] staff, it took a while to hire them all. You are still looking for additional staff. You need to train them. Finding and training additional staff. As you probably know there is already a national crisis in staffing for child care ... .When you do find them, they are coming without prior experience or training in child care.”*

*– Center-based, nonprofit provider in Delaware*

*“You also have child care centers as businesses themselves, they can't pay a whole lot, they have a constant churn of employees. We work more on the workforce side of that making sure that they can continue finding the employees they need.” – Local chamber leader in Louisiana*

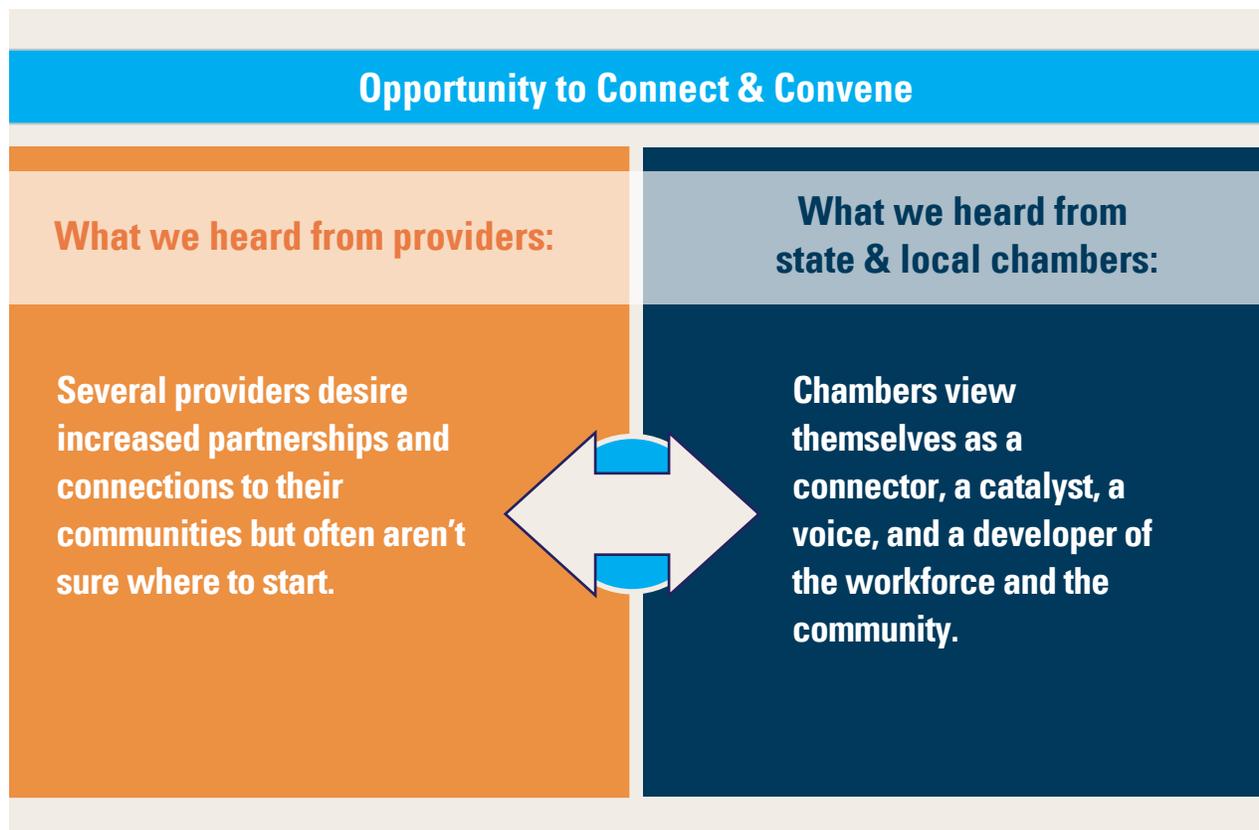
**Professional development challenges.** Families of young children must have access not just to child care, but to *high-quality* child care, which means providers and their staff must receive ongoing professional development to hone their expertise and build new skill sets. Unfortunately, access to high-quality, strategic professional development is limited for many providers, and, thus, may be a barrier to long-term industry growth. Though providers are required to take professional development courses to meet regulatory requirements, and many would like to receive additional specialized training, these opportunities are generally available only during work hours and often cost more than providers can afford.

One provider told us that the \$80 fee for a required CPR training course constituted a significant and burdensome cost. Another noted that she took a helpful 12-week training course, even though it met from 9 a.m. to 4 p.m. and competed with her work schedule. Some providers noted that while some counties and states offer occasional free webinars, these are not offered frequently enough. As a result, providers said it is difficult to expand their skills — in technology, family engagement, working with special populations (such as students with disabilities and dual language learners), and other important areas — and the scope of their services. Some providers noted that states often require child care workers to have bachelor’s degrees or other credentials, but that attracting and retaining highly qualified staff with low wages was an ongoing struggle.<sup>21</sup>

## HOW STATE AND LOCAL CHAMBERS CAN RESPOND:

**Recognize that legislators play a key role in creating and implementing long-term child care solutions and that state and local chambers can have an advocacy role.** Some state and local chambers expressed an interest in helping to raise legislators’ awareness about child care needs through state and local advocacy work. They noted that legislators and community leaders can address child care needs through cross-sector partnerships and coalitions. State and local chambers can help advocate for expanded child care access and supports to increase program quality, such as professional and workforce development resources. When chamber members advocate at state capitals, they can invite providers to give firsthand testimony regarding policy changes that could boost their ability to provide high-quality early-learning programs for families.

**Connect providers with one another and convene meetings.** State and local chambers can provide ways for providers to connect with one another and facilitate community-building among providers. For instance, state and local chambers often have groups that meet to discuss shared interests and identities; a chamber could set up a group that brings together providers from across the community and chamber members with related interests to share promising practices, professional development opportunities and resources. Providers could also strategize ways to identify and access professional development resources and engage in advocacy.



## SUPPORTING DUAL LANGUAGE LEARNERS BY SUPPORTING MULTILINGUAL PROVIDERS

Another opportunity for state and local chambers to support young children and providers is through programs for dual language learners. About one-third of children in the U.S. are dual language learners — children younger than age 8 who have at least one parent who speaks a language other than English at home. Research shows that multilingualism is an asset for children and is associated with cognitive, linguistic, social, and cultural strengths. Dual language learners especially benefit from high-quality early care and education and from dual language immersion programs, where adults present educational content in multiple languages, and enrollment is balanced between native speakers of each of the languages.

Despite the benefits of high-quality dual language programs, providers face barriers to accessing professional development resources, and there is a need for a stronger pipeline of multilingual early childhood educators. State and local chambers can make stronger connections with ethnic chambers of commerce that represent business leaders and support economic development of their communities, such as the Michigan Hispanic Chamber of Commerce and the Filipino American Chamber of Commerce of Orange County, to help support multilingual child care providers and strengthen the pipeline. For example, they can conduct outreach to local child care providers to connect them to professional development opportunities, other child care providers in their community, and media outlets that provide information in their home languages, so providers can get the word out to families about dual language programs.

Sources: [Children's Equity Project](#), [Migration Policy Institute](#)



# IMPACT OF RACE AND GENDER BIAS

## WHAT PROVIDERS NEED: ANTI-RACIST AND ANTI-SEXIST COMMUNITY SUPPORT

**More access to resources and greater recognition.** Despite the need for their services, several of the providers we interviewed indicated that they feel less supported than other businesses in their local communities, due to racism and sexism. Female providers of color sit at the intersection of racism and sexism, and their work is often undervalued and underpaid.

Child care is a female-dominated industry, and some providers believe that many families, leaders, and others in their business communities look on caregiving as women's work and fail to take them seriously as business owners because of gender and/or racial bias. This includes local business supporters and families who look to them for child care.

Both female and male providers called out sexism in the child care field. One female provider said it was unfair and frustrating that parents gave male child care workers more recognition, on account of their gender.

*“I have had to learn to tolerate that I might be the only woman in the room sometimes and just get used to that. It's not comfortable, but I have had to get comfortable [in situations] that aren't comfortable. I ask questions that won't be taken seriously the first time.”* – Center-based, for-profit provider in Washington state

**Many of them have to work twice as hard in the face of racism.** Some providers of color sensed that their program was viewed as lower quality because it is owned by a Black or Latina person and they felt a need to work harder to counter racist stereotypes.

*“Some people think your program is sub-par although they can't find it to be true ... .We have minimized the fact that it is African-American owned. We try to kill the myth that a lot of folks have that they judge the quality of the school based on the color of the students' skin in the school.”* – Black provider from center-based, for-profit program in Tennessee

*“Some of the challenges that we have run into is that some people would say there are too many African-American kids in this classroom. They want to see the school steer predominantly Caucasian more so than mixed.”* – Black provider from for-profit center-based program in Tennessee

*“Sometimes I feel like we have to prove ourselves a little more. That [we] must not be a “fly by night” kind of an organization. We have to work twice as hard.”* – Latina provider from center-based, nonprofit program in Delaware

**And they often serve as community role models and advisers.** Other providers said their female and Black identities afforded them opportunities to challenge stereotypes and provide families with social and emotional supports and encouragement to seek mental health care as needed amid the stress of the pandemic.

*“For [my community] to see an African-American woman as the owner and director of the facility, it shows minorities that you can do whatever you put your mind to. I have people that come in that are shocked that I am the owner of it.”* – Center-based, for-profit provider in South Carolina

## HOW STATE AND LOCAL CHAMBERS CAN RESPOND:

### **Increase outreach to female providers of color.**

First and foremost, state and local chambers can conduct outreach and make it clear that they welcome input from female child care providers of color. Chambers should seek input from providers about the challenges they are facing and brainstorm ways in which they can provide equitable and inclusive supports. They can also gather information about the array of child care services offered by providers, to ensure that the community is aware of the breadth of available, high-quality services. Inviting female providers of color to sit at the table and listening to their perspectives is a critical first step in providing equitable and inclusive supports that are tailored to their needs and those of the communities served by state or local chambers. One local chamber that we interviewed said they had invited a local child care provider to chair a new focus group of local providers tasked with identifying broader community challenges. State and local chambers could emulate this model and convene culturally and linguistically diverse focus groups to identify community challenges and opportunities for chamber and community support. Doing so will require a careful balance of state and local chambers soliciting input and ensuring racial diversity while not overburdening people of color in the process.



### **Strengthen diversity, equity, and inclusion initiatives.**

A recent report from MetLife and the U.S. Chamber of Commerce shows that small business owners are increasingly aware that they need to do more to promote and foster diversity, equity, and inclusion: 69% of small business owners and operators believe that small business owners of color face greater challenges than their White counterparts, which is a 17% increase from a half-year prior. Among White small business owners, this belief grew by 20 percentage points, to 67% from 47%. About three-quarters of small businesses said it's important to them to take steps toward racial equality in light of recent protests, including making a commitment to fairness in hiring and pay (79%), supporting Black-owned businesses (74%), conducting training for employees on racial bias (66%), donating to organizations supporting racial equality (63%), and partnering with organizations or educational institutions supporting Black-owned business development (61%).<sup>22</sup> This moment calls for state and local chambers to take concrete action to strengthen their diversity, equity, and inclusion efforts, and to include the needs of child care providers of color in these efforts. Some, but not all of the state and local chambers we interviewed say they are making an effort to do so. One chamber established a council to “bridge gaps across lines of race and income levels within our community,” with equitable access to child care being a key part of the conversation.

State and local chambers can also provide leadership opportunities for child care providers, e.g., on boards or via industry-specific chamber positions. For instance, they might encourage providers to form groups within the chamber to build a sense of community among child care providers of color, or to connect providers of color with other local small business owners of color, or to build a rapport between female providers and other local women who own small businesses. State and local chambers can raise awareness about existing leadership opportunities within chambers and other networks that may be of interest to providers. But it is imperative that these opportunities be available at times and locations that are accessible to providers. State and local chambers can also connect providers to business coaching and mentorship programs in their communities, nationwide programs such as [SCORE](#), and mentorship and funding opportunities for small businesses that are owned by people of color, such as the [Coalition to Back Black Businesses](#).

The U.S. Chamber of Commerce Foundation's [Equality of Opportunity Agenda](#) outlines several strategies for addressing race-based opportunity gaps, many of which are pertinent to supporting

female providers of color. For instance, the agenda calls for the private sector to launch a cross-sector campaign to encourage and coordinate larger, more impactful investment in Opportunity Zones in order to increase employment opportunities. The agenda also calls for more streamlined requirements and processes and uniform costs for minority business certification programs, since they vary widely, which can make it harder for business owners to obtain certification. Furthermore, the agenda highlights the need for federal policymakers to improve access to capital, especially for Black entrepreneurs. It calls for Congress to initiate a formal process through the U.S. Securities and Exchange Commission (SEC) to develop recommendations for changes to existing laws and regulations that would improve access to capital for Black-owned businesses.



# CHILD CARE PROVIDERS IDENTIFIED 4 KEY CHALLENGE AREAS:

**1**

**ACCESSING  
FUNDING**

**2**

**SUPPORTING HEALTH  
& SAFETY OF CHILD  
CARE WORKERS  
& CHILDREN**

**3**

**CONNECTING  
SUPPLY &  
DEMAND**

**4**

**RETAINING  
CHILD CARE  
WORKERS**

# FIVE WAYS

## STATE AND LOCAL CHAMBERS CAN SUPPORT WORKING FAMILIES BY SUPPORTING FEMALE PROVIDERS OF COLOR

BY SUPPORTING THE PROVIDERS WHO CARE FOR OUR YOUNGEST LEARNERS, STATE AND LOCAL CHAMBERS CAN, IN TURN, SUPPORT WORKING FAMILIES AND STRENGTHEN THE WORKFORCE AS WE EMERGE FROM THE COVID-19 CRISIS.

State and local chambers should begin by seeking input from local female providers of color about the challenges they are facing, the supports they need, and the programs they are offering, while employers can collect information about their employees' child care needs and preferences. State and local chambers can then use the following five strategies, uncovered in our interviews, to provide critical support that will strengthen business communities, working families, and our youngest learners:



### SHARE RESOURCES AND INFORMATION

with providers about funding opportunities, health insurance, and COVID-19-related health and safety resources for small businesses. State and local chambers frequently share these types of resources with local small businesses, and providers are often searching for such resources but have difficulty finding them.

### STRENGTHEN DIVERSITY, EQUITY, AND INCLUSION INITIATIVES

, including leadership and professional development opportunities for female providers of color. State and local chambers can proactively invite female providers of color to join their organizations and other networks. They can provide information about business coaching and mentorship programs specifically designed to support small businesses owned by women and people of color.



### OFFER NETWORKING AND MARKETING OPPORTUNITIES

for providers and employers. State and local chambers can create opportunities for providers to connect with chamber members and community leaders, such as those from local financial institutions, business advisers, and community members offering professional development opportunities, higher education resources, and marketing and growth strategy supports.

### LIST CHILD CARE RESOURCES AND REFERRAL INFORMATION

on existing state and local chamber websites to better connect child care supply with demand. State and local chamber websites often offer a multitude of resources for the local business community. Chamber leaders can help to align child care supply and demand by listing local providers, availability, and services on these websites, including specialized programs for nontraditional work schedules, so employers and families can more easily find child care programs that meet their needs and preferences.



**COMMUNICATE CHILD CARE NEEDS TO STATE AND LOCAL REPRESENTATIVES.** State and local chambers can advocate for policies that support child care providers, parents and, ultimately, the children in their communities by giving them a strong start. Female providers of color can join chamber members in advocating for policies that will boost access to high-quality child care that all children and families deserve.

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## ABOUT THE EDUCATION TRUST

The Education Trust is a national nonprofit that works to close opportunity gaps that disproportionately affect students of color and students from low-income families. Through our research and advocacy, Ed Trust supports efforts that expand excellence and equity in education from preschool through college; increase college access and completion, particularly for historically underserved students; engage diverse communities dedicated to education equity; and increase political and public will to act on equity issues.



**The Education Trust**

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## ABOUT THE U.S. CHAMBER OF COMMERCE FOUNDATION

The U.S. Chamber of Commerce Foundation is dedicated to strengthening America's long-term competitiveness. We educate the public on the conditions necessary for business and communities to thrive, how business positively impacts communities, and emerging issues and creative solutions that will shape the future.

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