

Submitted Testimony



Strengthening business through  
effective investments in children and youth

**Testimony**

**2015 Joint Legislative Hearing**

**Human Services Committee**

**Submitted by ReadyNation New York**

**February 4, 2015**

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Thank you, Members of the Committee, for providing the opportunity to submit testimony.

ReadyNation is a national business leaders organization with more than 150 business leaders across New York State, focused on strengthening businesses and the economy through proven investments in children and youth.

Funding for quality early learning should be a priority since it is one of the best ways we can immediately strengthen our economy while creating lasting economic security.

Without an increase in the state's investment and critical policy changes to improve quality and increase access to the child care system, parents' ability to participate in the workforce, and to provide financial stability for their family and a supportive learning environment for their children will be seriously undermined.

In 2013, social service districts across the State ran out of child care funding months before the end of the year. Many districts had to lower eligibility levels or stop providing

subsidies to new families. These subsidies are often what make it possible for parents with low wage jobs to make ends meet. Without a subsidy, the high cost of quality child care (at least \$10,000 per year per child) is out of the reach for the majority of low income workers, as the average full-time minimum wage worker makes only \$16,680 a year.

We are grateful to the Governor and legislative leaders for expanding and strengthening the child care subsidy program last year. But more than half of the eligible children in New York still go unserved.

**We are asking for additional \$100 million in child care to serve at least 13,000 additional children who are eligible and waiting.** The Governor's own Education Reform Commission recognized the need for a "pipeline" of educational services to prepare children for success in school and beyond. Quality child care is a key part of the pipeline.

**We urge you to invest at least \$3 million in QUALITYstarsNY,** the state's quality rating and improvement system. This investment is an important strategy to support early childhood programs meet quality standards and support children's learning and healthy development. Evidence shows higher quality programs enhance outcomes for children. The quality components of New York's early learning programs are key to both short- and long-term economic benefits for New York's businesses. We will urge you to take steps to spur economic activity in the state by funding and implementing quality early learning programs across the state.

While many economists agree on the long-term positive impacts of high-quality early care and education programs, New York businesses do not need to wait 18 years to experience economic gains from early learning investments. Research shows these investments also provide a surprisingly big boost to New York's economy today. In fact, every dollar in New York invested in early care and education generates a total of \$1.86 in sales of local goods and services through the state, generating as much or more activity than investments in all other economic sectors, including manufacturing, construction and transportation.

Investing in quality early learning generates additional sales and services in two basic ways – when early learning centers purchase local goods and services to operate their programs and when early learning teachers and staff spend their wages. The quality components of early learning programs also provide the necessary foundation for children to enter school “kindergarten ready,” helping to reverse the “skills gap” that is stagnating New York's economic recovery and generating long-term economic growth.

There is also a significant connection between child care and worker productivity. A 2004 study conducted by Cornell University found that breakdowns in child care resulted in employee absenteeism cost U.S. businesses \$3 billion. *\$3 billion.*

Investing in high-quality child care is good for businesses and good for the economy.

Thank you.