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Why Businesses Are Pushing for Better Child Care in America

An issue that has been around since women entered the workforce is finding new life amid historically low unemployment

By Jennifer Levitz

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Stephanie Jamieson, a 37-year-old working mother, is losing her child-care provider later this year and fears that a dearth of options could impinge on her ability to keep working.

In Ludington, Mich., the lakeside city of 8,000 where Ms. Jamieson lives with her husband, a title examiner, and 3-year-old son, local day-care centers have long wait lists. “It’s frustrating not knowing if I’m going to find something in time,” she said.

Her boss is fretting, too. John Wilson, chief executive officer of Western Land Services, doesn’t want to lose Ms. Jamieson, manager of the title division there. He has swung in action, joining a group of Michigan business leaders to push for state legislative action to improve child care.

“With this labor shortage, businesses are having to dig deeper into their employees’ lives to figure out what’s holding them back,” Mr. Wilson said, “when in the past, they didn’t have to think about it.”

Historically low unemployment is forcing headway on an issue that has been around since women entered the workforce: child care. Businesses increasingly see it as an issue vital to their operations and communities, and policy makers from New Hampshire to Michigan to Colorado have identified it as key to freeing up workers to fill stubborn vacancies and building a talent pipeline.

In Louisiana, a coalition of corporate and university leaders delivered a blunt assessment in a mid-January op-ed in the Shreveport Times: “One of the fixes to our labor shortage is as obvious as the fact that the snow is frozen: Make it easier for parents to get quality, affordable child care.”

In Washington, Congress early Friday passed a budget deal that when written into detailed spending legislation in the coming weeks would add \$5.8 billion over two years to a federal program that helps states provide child care to low-income families.

The budget unveiled by President Donald Trump on Monday includes a smaller increase in funding for federal child care. That number could rise, although it is unclear by how much because the administration is still looking at how other factors besides money—such as regulations—affect the availability of affordable child care, according to a senior official from the Office of Management and Budget.

Robert Varnedoe, president of Lee Container, a Georgia-based plastic container company, said retaining workers at its Iowa manufacturing operation has grown “extremely hard.”

The Iowa plant's 200-plus workers skew female and young. Mr. Varnedoe said company officials wondered: "What would make a lady not come to work? Well, number one, she is sick or her kids are sick, or someone who is babysitting didn't show up."

So, a Lee affiliate bought a former school building, partnered with a day-care provider to staff it and late last year opened a child-care center. "We did it out of necessity," Mr. Varnedoe said. "We've just got to get creative."

Nearly one in three families spend 20% or more of their household income on child care, prompting some parents to leave the workforce entirely, according to Care.com, a resource for families seeking caregivers.



Brian and Karissa 'Ari' Stisser read to their 3-year-old son, Nelson, in their home in Merrimack, N.H. The couple say they have been tempted to leave the state for cities with public, full-day kindergarten. PHOTO: GRETA RYBUS FOR THE WALL STREET JOURNAL

In New Hampshire, Republican Gov. Chris Sununu considers expanding full-day kindergarten a priority. Beyond benefiting children educationally, he said, it will help the workforce in the Granite State, where the 2.6% unemployment rate in December tied for second lowest in the nation.

There is "huge business case" for full-day kindergarten, Mr. Sununu said in an interview. As he talks to out-of-state companies about moving to New Hampshire, he said, executives and employees mention that expanded kindergarten isn't offered everywhere in the state.

"We were kind of standing out like a sore thumb," Mr. Sununu said.

New Hampshire has recently authorized using gambling revenue to help towns fund longer kindergarten programs.

Full-day kindergarten is mandatory only in about 13 states, according to the Education Commission of the States, a research organization. Many other states, like New Hampshire, offer it but with caveats, such as tuition or required approval at the local level.

Mr. Sununu's argument that full-day kindergarten could bolster the workforce is supported by New Hampshire residents like Brian Stisser.

In the hot job market, Mr. Stisser and his wife, who both work in technology, often get out-of-state job offers. As parents of a 3-year-old, they're tempted to leave the state for cities with public, full-day kindergarten, which isn't currently offered in their town of Merrimack.

On a recent night at Merrimack's century-old white clapboard town hall, however, the school board agreed to ask voters to approve full-day kindergarten. One school board member noted that doing so would help keep workers in the area.

Mr. Stisser agreed. “We need to do things that are going to attract and not turn off young families,” Mr. Stisser, 30, said in the hall outside the meeting room. Full-day kindergarten, he added, is “an economic issue.”

Opportunities like expanded kindergarten “really start to weigh on the equation” of whether to stay in New Hampshire or not, he said.

“That’s ultimately what is going to drive our decision,” Mr. Stisser said. “We want what is best for our son.”

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