

# Why Child Care Matters in Meeting Workforce Goals

## **Demand for construction and manufacturing workers is high but current supply is critically low.**

The semiconductor sector is facing the daunting task of hiring and retaining 70,000-90,000 workers to staff over 50 new facilities in the country.<sup>2</sup> And the sector will need an additional 100,000 construction workers to build them.<sup>3</sup> The semiconductor sector will also face fierce competition for skilled workers as the \$864 billion funded IIJA projects unfold over the next five years.<sup>4</sup>

With an immediate need for approximately 546,000 new skilled workers in construction, and 100,000 in manufacturing, it is crucial for these sectors to take bold measures to meet future workforce demands, especially in the face of intense competition for labor from other industries.<sup>5</sup>

However, the manufacturing and construction industries are facing a significant challenge to fill these jobs given that over 20% of construction workers are currently aged 55 and above while overall growth rate of new construction workers has capped at 25 percent.<sup>6</sup> Additionally, the manufacturing sector can only fill half of all its vacant jobs with available unemployed workers.<sup>7</sup>

**With over \$210 billion committed by manufacturers, the demand will surely not meet supply without some significant new approaches to attract skilled and semiskilled workers into these jobs.<sup>8</sup>**

<sup>2</sup><https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-global-semiconductor-shortage-pov-v3.pdf>

<sup>3</sup><https://www.commerce.gov/news/speeches/2023/02/remarks-us-secretary-commerce-gina-raimondo-chips-act-and-long-term-vision>

<sup>4</sup><https://www.brookings.edu/research/how-state-and-local-leaders-can-harness-new-infrastructure-funding-to-build-a-stronger-more-inclusive-workforce/>

<sup>5</sup><https://www.abc.org/NewsMedia/NewsReleases/entryid/19777/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc>

<sup>6</sup><https://www.abc.org/NewsMedia/NewsReleases/entryid/19777/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc>

<sup>7</sup> <https://tcf.org/content/commentary/industrial-policy-requires-care-infrastructure-investments/>

<sup>8</sup> [https://www.acf.hhs.gov/sites/default/files/documents/opre/workforce\\_turnover\\_snapshot\\_apr2023.pdf](https://www.acf.hhs.gov/sites/default/files/documents/opre/workforce_turnover_snapshot_apr2023.pdf)

## **Construction and manufacturing sectors must attract a new generation of workers among women and communities of color to meet current demand.**

Construction and manufacturing sectors have not kept up with the rapidly diversifying workforce, especially in the numbers of women and workers of color working in the broader workforce.<sup>9</sup> In construction currently, more than 80% of workers are white. Women make up just under 4% of the total workforce, and for new entrants, especially registered apprentices, women only make up 3.6% of that pool.<sup>10</sup> The semiconductor industry specifically employs a little more than quarter of a million workers, with the majority being white men.<sup>11</sup> Today, women make up just three in ten manufacturing jobs and fewer than one in ten of the higher skilled trades.<sup>12</sup>

These industries can attract a more diverse workforce but need to address deeply embedded barriers for women and people of color. In a more hopeful development, one recent study of women in construction found that between 2016 and 2019 the number of Latina apprentices in the trades almost doubled, and the number of Black women apprentices grew by almost 50 percent.<sup>13</sup> However, that same study found “many [women], particularly women of color, face discrimination in hiring and employment and experience sexual harassment and gender or racial bias on the job. Women are less likely to be retained on core crews, promoted to field leadership positions, or to receive the same on-the-job technical training as men. Such adverse conditions mean that women are less likely to complete their apprenticeships than men and are more likely to leave the industry.”<sup>14</sup>

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<sup>9</sup> <https://www.osha.com/blog/construction-diversity>

<sup>10</sup> [https://iwpr.org/wp-content/uploads/2022/02/A-Future-Worth-Building\\_What-Tradeswomen-Say\\_FINAL.pdf](https://iwpr.org/wp-content/uploads/2022/02/A-Future-Worth-Building_What-Tradeswomen-Say_FINAL.pdf)

<sup>11</sup> [https://www.semiconductors.org/wp-content/uploads/2021/05/SIA-Impact\\_May2021-FINAL-May-19-2021\\_2.pdf](https://www.semiconductors.org/wp-content/uploads/2021/05/SIA-Impact_May2021-FINAL-May-19-2021_2.pdf).

<sup>12</sup> <https://iwpr.org/wp-content/uploads/2023/03/IWPR-Advancing-Women-in-Manufacturing-report-2023-FINAL.pdf>

<sup>13</sup> [https://iwpr.org/wp-content/uploads/2021/03/Here-to-Stay\\_revision2.pdf](https://iwpr.org/wp-content/uploads/2021/03/Here-to-Stay_revision2.pdf)

<sup>14</sup> [ibid](#)



## **As the workforce diversifies, caregiving responsibilities become critical for retention.**

Affordable and reliable child care is essential to building a sustainable workforce for the semiconductor industry. Child care is the work that makes all other work possible and is an important (albeit usually invisible) part of our nation's essential infrastructure.

- One-third of workforce members have a child under 18, and their ability to work is significantly impacted by the availability of child care, school, summer camp and the traditional hours of operation at most child care programs.<sup>15</sup>
- Eighty-nine percent of mothers who found a child care program were employed.<sup>16</sup>
- Two-thirds of children from birth through age 12 have all available parents in the workforce.<sup>17</sup> And many more parents would join the workforce if good child care options were available.<sup>18</sup>
- A National Partnership for Women and Families report estimates that if labor force participation (LFP) for women aged 25 to 54 was at rates similar to those of Canada, Germany and the UK, there would be up to 4.85 million more women in the workforce.<sup>19</sup>



## **The cost of care already exceeds what most families can afford, and child care providers make incredibly low wages.**

Parents employed at CHIPS-funded facilities who can find child care options will be paying child care costs that range from \$7,000-\$14,000/child. Reducing out-of-pocket child care expenses for families can help support employment, especially for mothers who frequently have to leave the workforce or reduce their hours when costs for child care exceed what they can afford or when they cannot find stable, high-quality child care.

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<sup>15</sup> [https://statusofwomensdata.org/explore-the-data/work-family/#:-:text=Mothers%20as%20Breadwinners,-The%20large%20majority&text=One%20in%20three%20workers%20\(32,Bureau%20of%20Labor%20Statistics%202014\).](https://statusofwomensdata.org/explore-the-data/work-family/#:-:text=Mothers%20as%20Breadwinners,-The%20large%20majority&text=One%20in%20three%20workers%20(32,Bureau%20of%20Labor%20Statistics%202014).)

<sup>16</sup> <https://www.americanprogress.org/article/child-care-crisis-keeping-women-workforce/>

<sup>17</sup> <https://datacenter.kidscount.org/data/#USA/1/0/char/0>

<sup>18</sup> <https://caseforchildcare.org/2020CaseForChildCare.pdf>

<sup>19</sup> <https://www.nationalpartnership.org/our-work/resources/economic-justice/other/cost-of-inaction-lack-of-family-care-burdens-families.pdf>

- Since 2000, the cost of child care has risen 115%<sup>20</sup> well above inflation (74%).<sup>21</sup>
- Married couples spend 10% of their incomes on child care, on average<sup>22</sup> and low-income households spend 35%<sup>23</sup>.
- Families need access to affordable child care that meets their needs, often not during the traditional 9 to 5 work day. Roughly one-third of all children younger than six, almost 5 million, have parents who work these nontraditional-hour (NTH) schedules.<sup>24</sup> Only 8 percent of child care centers offer any care during non-traditional hours.<sup>25</sup>

## Child care slots have dwindled across the country, further driving up costs

In Ohio, for example, there are fewer child care workers (12,849) than at any time since 1999 (12,330), more than 20 years and multiple recessions ago, according to the latest data from 2021 from the Bureau of Labor Statistics.<sup>26</sup> New York’s reductions in program capacity as well as closures have contributed to 10,554 fewer children receiving care than pre-pandemic.<sup>27</sup> And in North Carolina providers have the space to reach only approximately 25% of infants and toddlers with working parents.<sup>28</sup>

## Child care is expensive, and workers can’t afford to be paid less

Child care is a labor intensive sector. Staffing costs make up the vast majority of operating costs. Most providers struggle to make enough between federal subsidies and parent

<sup>20</sup> <https://www.businessinsider.com/affordable-childcare-problem-is-going-to-get-worse-2022-12>

<sup>21</sup> [https://info.childcareaware.org/media/child-care-costs-are-outpacing-inflation-the-average-cost-of-daycare-for-infants-now-exceeds-in-state-college-tuition-fees?utm\\_campaign=&utm\\_term=&utm\\_medium=ppc&utm\\_source=adwords&hsa\\_kw=&hsa\\_mt=&hsa\\_grp=126046169262&hsa\\_tgt=dsa-19959388920&hsa\\_net=adwords&hsa\\_cam=15026042079&hsa\\_ver=3&hsa\\_acc=2314880181&hsa\\_src=g&hsa\\_ad=554854506900&gclid=CiwKCAIAgt-dBhBcEiwATw-ggPrK76VAhP7tawNwa3GgzRRTBVxqVu37dfBy-3IYzRVBIDH17k0TaRoCmywQAvD\\_BwE](https://info.childcareaware.org/media/child-care-costs-are-outpacing-inflation-the-average-cost-of-daycare-for-infants-now-exceeds-in-state-college-tuition-fees?utm_campaign=&utm_term=&utm_medium=ppc&utm_source=adwords&hsa_kw=&hsa_mt=&hsa_grp=126046169262&hsa_tgt=dsa-19959388920&hsa_net=adwords&hsa_cam=15026042079&hsa_ver=3&hsa_acc=2314880181&hsa_src=g&hsa_ad=554854506900&gclid=CiwKCAIAgt-dBhBcEiwATw-ggPrK76VAhP7tawNwa3GgzRRTBVxqVu37dfBy-3IYzRVBIDH17k0TaRoCmywQAvD_BwE)

<sup>22</sup> <https://www.childcareaware.org/catalyzing-growth-using-data-to-change-child-care/#ChildCareAffordability>

<sup>23</sup> <https://www.americanprogress.org/article/working-families-spending-big-money-child-care/>

<sup>24</sup> <https://www.urban.org/state-snapshots-potential-demand-and-policies-support-nontraditional-hour-child-care/national-data>

<sup>25</sup> <https://www.urban.org/urban-wire/make-child-care-system-more-equitable-expand-options-parents-working-nontraditional-hours#:~:text=National%20survey%20data%20show%20that,serve%20families%20during%20these%20hours>

<sup>26</sup> <https://www.bls.gov/opub/btn/volume-12/employment-and-population-growth.htm>

<sup>27</sup> <https://thechildrengenda.org/wp-content/uploads/2022/08/Child-Care-Closures-Report-FINAL.pdf>

<sup>28</sup> <https://www.ednc.org/2022-05-13-child-care-capacity-nc-need-infants-toddlers-working-parents-availability-access-wages/>

tuition to adequately compensate their staff. Many workers end up leaving the sector for the higher paying jobs they need to support their own families. It's important to note that for-profit centers, either independent or part of a franchise/chain, have the highest rates of high turnover (45% and 47%, respectively), compared to other types of programs, like nonprofits, which range from 18% to 30% at the highest.<sup>29</sup>

Low wages are a major factor in high turnover and dwindling supply of child care in all types of care:

- Child care workers receive very low wages – a median of \$13.22 an hour.
- In 2021, at least a quarter of child care workers took on additional jobs to make ends meet and reported difficulty affording housing expenses.<sup>30</sup>
- Nearly one-third of child care workers experience food insecurity.<sup>31</sup>
- Even before the pandemic, more than 50% of child care workers were eligible for some form of public assistance.<sup>32</sup>

Adequate compensation is also an issue of racial and gender justice. The child care workforce is majority-female: 97% of workers are women and 38% are women of color.<sup>32</sup> While the workforce itself is diverse, women of color face deep inequities, particularly with respect to wages.



## **Businesses also feel the brunt of their employees' child care instability.**

It is estimated that businesses lose about \$13 billion per year due to employees' child care challenges; including missing work, leaving work early, or leaving their job entirely for child care-related reasons.<sup>33</sup> 45% of parents in need of nontraditional hours for child care missed an average of 9 hours of work.

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<sup>29</sup>[https://www.acf.hhs.gov/sites/default/files/documents/opre/workforce\\_turnover\\_snapshot\\_apr2023.pdf](https://www.acf.hhs.gov/sites/default/files/documents/opre/workforce_turnover_snapshot_apr2023.pdf)

<sup>30</sup> <https://static1.squarespace.com/static/5e7cf2f62c45da32f3c6065e/t/6156198766d33570a5a8614d/1633032583516/providing-for-providers-factsheet-part2-sept2021-2.pdf>

<sup>31</sup> <https://www.msn.com/en-us/news/us/one-third-of-u-s-child-care-workers-face-food-insecurity-despite-large-demand-for-work/ar-AATawTE#:~:text=The%20rate%20of%20food%20insecurity%20in%20people%20who,insecurity%2C%20and%20in%20Arkansas%20it%20was%2040%20percent>

<sup>32</sup> <https://www.americanprogress.org/article/4-reasons-the-u-s-economy-needs-comprehensive-child-care/>

<sup>33</sup> <https://bipartisanpolicy.org/download/?file=/wp-content/uploads/2023/02/BPC-EI-Bipartisan-Toolkit-2023-Update-Full-Report.pdf>

With challenges as big as these, the semiconductor industry has a shared interest and shared responsibility with states and communities to support a comprehensive public child care system solution. This broader effort is the best route to not only provide high-quality, accessible, culturally-relevant, and affordable care for families but to ensure the stability of this system for the long haul.

