Pathways to High-Quality Child Care: The Workforce Investment Credit

The investments we make now in our future workforce—today’s youngest generation—lay the groundwork for a prosperous economy tomorrow.

The science related to brain development shows that a child’s experiences in the first years of life set the foundation for learning, including school readiness. As with other construction projects, the quality of materials used to build this foundation—early learning settings such as child care and Pre-K—has significant implications for children’s lifelong knowledge acquisition, skills, and capabilities.

We can promote high-quality child care by investing in the professional development and adequate compensation of child care providers.

In Brief

An early childhood workforce investment credit, modeled after the Louisiana school readiness tax credit, rewards professional development for child care providers and can foster the quality early childhood education (ECE) workforce necessary to promote children’s learning and school readiness.

Quality child care matters for children’s healthy development, early learning, and safety.

- The quality of child care is directly related to the quality of the workforce.
- Low compensation for the child care workforce makes it hard to attract and retain quality staff.
- Low compensation makes it difficult for the current workforce to access the training and higher education necessary to acquire the knowledge and competencies for delivering high-quality care.

A Quality Early Educator Workforce is Needed

A well-trained and qualified early care and education (ECE) workforce is essential to produce desired results: children eager to learn, happy, healthy, and well-prepared to succeed in school and life.

Attracting and retaining such a workforce is a longstanding challenge in the United States because pay is based on what parents can afford. This limitation impacts the ability of early childhood educators to advance their education and training and acquire research-based skills and competencies that best promote early learning in young children.

An ECE workforce investment tax credit helps provide an incentive for professional development and rewards educational attainment with a refundable wage credit to increase pay.

High-Quality Child Care Can Influence Children’s Brain Development Over the Course of Their Lives

Currently, more than 14.8 million children under age six have working parents.1 Many of these children are in some type of child care setting every week. Numerous studies have shown that all children, and particularly children from low-income families, benefit from high-quality care.2 This care can help launch a lifetime of better health, education, and career outcomes.

Neuroscience research confirms that a child’s earliest years are critical for brain development. From birth to age five, the architecture of the brain is built rapidly, laying the foundation for future social, emotional, cognitive, and physical development. Because both genes and experiences play a role in brain development, children’s interactions with the adults and environments around them influence the brain’s architecture.3 Research shows that the quality of care can either positively or negatively affect a child’s development.4

Improving the ECE Workforce Has Multiple Benefits

A high-quality ECE workforce is necessary for high-quality child care and early learning. The right scaffolding can support the capacity of the ECE workforce to help children build
The keys to designing a workforce investment credit are:

- Making the credit refundable so that the lowest paid providers can benefit from a wage increase;
- Indexing the credit to inflation;
- Structuring the credit large enough to matter (e.g., at least a 10 percent increase); and
- Linking the credit to qualifications.

The framework for this policy is already in place. Because it is voluntary, individuals working in child care select whether to participate and only receive the credit for educational levels actually achieved.

### Business Leaders Understand Workforce Quality

Business leaders know a quality workforce matters. Investing in quality early learning settings can lead to more children starting school ready to learn. When children start school ready to learn, they are more likely to experience positive academic and health outcomes, which in turn will lead to a stronger future workforce and more engaged citizens.

The bottom line: investing in a quality ECE workforce allows parents to work, supports children's healthy development, promotes a skilled workforce pathway and more sustainable regional economies in communities across the country—now and in the long-term.

### Notes

3. Harvard University, Center on the Developing Child, *Brain Architecture*.
7. Louisiana School Readiness Credits, FAQs for Child Care Staff
8. Ibid.