

MIS

Untapped Potential: How Childcare Impacts Mississippi's State Economy

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“Partnerships between early education advocates and the business community are vital to ensure that Mississippi’s children, families, businesses, and economy are strong.”

Welcome Letter

At the U.S. Chamber of Commerce Foundation, we see childcare as a two-generation workforce issue, crucial for our workforce of today and workforce of tomorrow. Access to affordable, quality childcare is essential for working parents to enter, re-enter, or stay in the workforce, yet it is hard to come by. The first five years of life are critical for children to build a strong foundation upon which future learning is built, yet current supply cannot meet demand. The challenges we face are persistent and complex but solvable. And the business community must be part of that solution.

As a result of these challenges, a partnership was formed with the Mississippi Economic Council (MEC) to explore how childcare breakdowns impact working parents, their employers, and the state economy. The goal of this report is to better understand the unique needs of Mississippi’s working parents and examine the current childcare landscape.

Mississippi families are pursuing postsecondary education and training programs to advance their careers and achieve economic and social mobility. This means there is great opportunity to strengthen the workforce and the state economy. However, childcare issues are often a significant barrier for student parents.

Our report estimates that Mississippi loses \$673 million annually as a result of childcare breakdowns. Mississippi has millions of dollars of untapped potential.

Progress is being made in Mississippi, and both MEC and the Chamber Foundation are committed to supporting these positive steps forward. To do so, partnerships between early education advocates and the business community are vital to ensure that Mississippi’s children, families, businesses, and economy are strong. The persistent childcare challenges will not be fixed overnight and they won’t be fixed by just one sector, so we hope this report provides you with data to better understand the opportunities and find more partners to identify meaningful solutions.



Cheryl Oldham
Senior Vice President,
U.S. Chamber of Commerce Foundation



Scott Waller
President and CEO,
Mississippi Economic Council

Executive Summary

There have been numerous studies highlighting the benefits of early childhood education for both children and their parents. Children gain a strong educational foundation and their parents can pursue careers or enhance their education or vocational skills. Despite the evidence in support of early childhood education, we know that families are struggling to find and afford high-quality childcare. Several states—Louisiana, Maryland, Georgia, Washington, and Indiana—conducted reports and found that they each lose over \$1 billion annually in economic activity due to breakdowns in childcare.

Building on the work of these states, the U.S. Chamber of Commerce Foundation partnered with the Mississippi Economic Council and the Children’s Foundation of Mississippi to understand just how much breakdowns in childcare cost Mississippi.

In this study we looked at the causes of childcare challenges as well as motivations behind why parents select various childcare providers. Knowing many employers want to facilitate more access to childcare but do not know where to begin, we sought to learn what types of childcare benefits working parents desire most from employers.

The results confirm that although many Mississippi parents are enrolled in postsecondary education or training programs, childcare challenges often cause those parents to postpone their coursework or miss out on these opportunities entirely.

As policymakers and business leaders consider ways to position Mississippi for success, investing in childcare could enable Mississippi to fully capitalize on its resources.

Note: Although there is a lot of energy around paid leave policies across the country, with any solutions proposed, access to affordable, high quality childcare is still a problem for many families. Respondents to our survey conflated, and understandably so, childcare and paid leave benefits. We included all their responses while also recognizing that they are distinct topics and our report only examines childcare.

TOPLINE FINDINGS

-\$673M

THE UNTAPPED POTENTIAL:
Childcare issues result in an estimated \$673 million loss annually for Mississippi’s economy

-\$120M

Mississippi loses an estimated \$120 million annually in tax revenue due to childcare issues

-\$553M

Absences and employee turnover cost Mississippi employers an estimated \$553 million per year

> 1/2

More than half of parents reported missing work due to childcare issues in the past three months

>75% Over 75% of surveyed parents rely on family members for childcare

11% Nearly 11% of parents had to voluntarily leave a job due to childcare issues

41% 41% of enrolled parents postponed school or a training program due to childcare issues

Mississippi parents recognize the importance of continuing education.



Population: 2.987 million

Average Household Income: \$43,529

Minimum Wage: \$7.25 per hour

Capital: Jackson

Surveyed: 332 working parents of children 5 years and younger

MISSISSIPPI PROFILE

There are almost 250,000 working families in Mississippi with children under six years old and there are approximately 150,000 children under six who potentially need childcare.¹ With about 125,000 spaces across its childcare providers, that still leaves Mississippi with around 25,000 children who, on paper, need childcare.² Unfortunately, as Mississippi has the highest poverty rate in the country, many of these families may also struggle to make ends meet, let alone secure childcare.³

The challenges of finding and affording quality childcare in Mississippi is complex. Center-based childcare is more expensive than home-based childcare, and in Mississippi that discrepancy is even higher.⁴ This means that parents who would otherwise prefer center-based childcare may opt for more affordable home-based childcare out of necessity. Furthermore, Mississippi needs to improve oversight and accountability of regulations to ensure childcare providers are delivering quality care and education to children. The Clarion-Ledger and The Hechinger Report reviewed public records and determined there is a track record of weak oversight that has perpetuated irregular staff-to-child ratios and dangerous conditions in some childcare centers.⁵

The good news is Mississippi is making strides in improving its early childhood education system. In 2013, the Mississippi State Legislature with Senator Brice Wiggins and Representative Toby Barker's leadership passed the first publicly funded Early Learning Collaborative (ELC). Dr. Carey M. Wright, the State Superintendent of Education, then implemented the ELC program, which served eight percent of children in 2018-2019 and received \$6.5 million in total appropriations in 2019.⁶ This state effort complimented efforts that were led by Governor Phil Bryant to leverage what was federally available. Additionally, in 2018, the National Institute for Early Education Research (NIEER) recognized Mississippi as one of only five states whose publicly funded pre-K program meets nine of NIEER's ten new quality standards for early childhood education.⁷

These are positive steps to support working parents and their families, however, there is more work to be done. To further understand this challenge, we need to look at the economic impact of childcare breakdowns on the state. Our study explores the economic implications of these breakdowns, highlights the motivations behind the decisions working parents make, and identifies examples of employer investments in childcare.

¹ Author's calculations based on U.S. Census Bureau data

² *Child Care Aware of America - Mississippi*, [https://cdn2.hubspot.net/hubfs/3957809/State Fact Sheets 2019/Mississippi 2019.pdf](https://cdn2.hubspot.net/hubfs/3957809/State%20Fact%20Sheets%202019/Mississippi%202019.pdf)

³ *US poverty rate by State*, <https://www.census.gov/quickfacts/US>

⁴ *Costs of Child Care*, <https://kidscount.ssrc.msstate.edu/data-research/mississippi-kids-count/infographics/>

⁵ *Irregular staff to child ratios*, <https://www.clarionledger.com/story/news/2016/01/30/mississippi-child-care-crisis/79315696/>

⁶ *ELC Funding and reach*, https://www.mdek12.org/news/2019/4/22/2018-State-of-Pre-school-Report-Recognizes-Mississippi-as-One-of-Top-States-for-High-Quality-Pre-K_20190422

⁷ <https://ccsso.org/blog/mississippi-continues-be-leader-early-childhood-education>

Survey Results

We surveyed parents to gauge how childcare issues impact their lives across employment and education. Survey respondents are reflective of Mississippi’s racial demographics and a normal economic distribution. We also captured the decisions parents make regarding childcare providers—who they selected as providers and why they selected them. Stakeholders must know the motivations behind parents selecting a childcare provider in order to align their efforts towards effective solutions.

FACES BEHIND THE NUMBERS:

Meet the Eddie Family

The Eddies have lived for generations in Okolona, MS, and Ariel wanted to find a high-quality and affordable option in her home community. While studying to complete her early childhood director’s license, Ariel attended a webinar that highlighted Calvert’s ABC Preschool and Nursery in nearby Aberdeen as an exemplary center. A program that good, she assumed, must have a mile-long waiting list, so she didn’t bother investigating. Then, by sheer coincidence, she happened to meet Jennifer Calvert, the center’s director, at a workshop, who told her there was a slot available. Immediately, Ariel enrolled her daughter in the program.

HOMETOWN: Okolona, Mississippi	
PARENT: Ariel	CHILDREN: Harlem (age 4), Bronx (age 2)
OCCUPATION: Teaching Assistant	CHILDCARE: Mon–Fri, 6:30am–2:45pm
	MONTHLY CHILDCARE EXPENSE: \$300

FOCUSING ON QUALITY

Ariel, a 25-year-old teaching assistant and single parent of two, struggled to pay for childcare and to find caregivers she could trust. As an educator herself, she knew she wanted a high quality center focused on social-emotional learning and fostering a caring environment. “It’s like a ton of pounds off your back, just to know that your kid loves her teacher, loves her school, loves her director, loves the assistant teacher, her classmates.”



Key Findings

Long-Term Impact on Employment and Education

Childcare issues impact a parent’s ability to work or pursue higher education, skills development, or training. Twenty eight percent of parents reported childcare issues significantly impacted their employment over the past 12 months, though this varied by geographical classification (FIGURE 01). This includes parents voluntarily or involuntarily leaving their jobs, decreasing their hours from full-time to part-time, being unable to increase their hours, or being unable to accept a position.

Even parents who have yet to experience disruptions to their employment are impacted. Perhaps because they anticipate challenges in the future, seven percent of working parents said they plan to voluntarily leave a job due to childcare issues.

Another essential piece of information is the age of the children when parents decide to voluntarily leave their jobs. Knowing this can inform targeted initiatives or policies for working parents. Eighty six percent of parents who voluntarily leave their jobs do so when their child(ren) is two years old or younger, indicating that childcare for infants and toddlers is the greatest need. Due to smaller teacher to child ratios, which are critical to providing a safe learning environment for infants and toddlers, childcare for this group is more expensive,⁸ an important factor in why and when parents may choose to leave the workforce. These data also help businesses understand when their employees are most vulnerable to leave the workforce so that their solutions support working parents when they most need it.

It is also important to understand how childcare issues impede the ability of parents to pursue higher education or training, because it ultimately influences their earning potential. Twenty two percent of parents reported they are enrolled in postsecondary education or a training program. Of this enrolled group, 53 percent reported childcare issues significantly impacted their classes or training program over the past 12 months.

Parents reported either being dropped from a class roster or having to reduce the number of classes they take. When parents are unable to complete their education on time, they must wait longer to pursue promotions or better paying careers. There are additional implications our survey did not capture but are paramount to consider. Many students, regardless of employment status, rely on student loans to cover both school and living expenses. If students drop below half-time status, they may be required to begin paying back their loans while in school. This could add an additional burden to enrolled parents who likely have higher expenses than other students.

In Mississippi, childcare issues impact education even more than employment. Unfortunately, 17 percent of enrolled parents anticipate the need to postpone their education in the future.

Finally, we asked parents how old their children were when they made the decision to leave work or stop attending classes—90 percent of parents made that decision when their child was two years old or younger. Although Mississippi has made strides to solve childcare challenges throughout the state, these data indicate that decision makers need to consider the significant number of student parents with infants and toddlers who leave school because of the lack of childcare for that age group. To support parents in pursuing their education and career goals, postsecondary education institutions and workforce boards must recognize how childcare is often a barrier for parents to be successful.

Knowing how childcare issues impact employment and education is vital. To get a complete picture, parents responded to a series of questions on their childcare arrangements.

- **76% of parents rely on family members for at least some childcare.**
- Parents primarily pick their childcare provider based on affordability and personal preferences.
- When it comes to cost, **families pay an average of \$368/month for childcare**, although it varies by provider type and other factors (see FIGURE 09 for a breakout of costs).
- **65% of families pay out of pocket for childcare, with only 7% receiving federal or state childcare provider assistance.**

In developing solutions to this childcare challenge, policymakers and stakeholders should consider ways to support parents who are shouldering the burden of the high cost of care, and also consider their geographic location.

Childcare is a barrier regardless of region. However, while parents in rural and urban areas reported similar rates of disruption to their employment, parents in urban regions reported higher rates of disruption to their education than did parents in rural regions. Below, we break down survey results by region. (See **METHODOLOGY** for how we determined the regions.)

⁸ Where Does Your Child Care Dollar Go? <https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

FIGURE 01.

Percentage of parents who reported childcare issues significantly impacted their employment over the past 12 months, by rural vs. urban

29%

Rural

28%

Urban

28%

State Average

FIGURE 02.

Percentage of working parents who plan to voluntarily leave their job because of childcare issues, rural vs. urban

6%

Rural

7%

Urban

7%

State Average

FIGURE 03.

Age of child(ren) when working parents had to voluntarily leave or plan to voluntarily leave their job, by rural vs. urban
 *Percentages may total more than 100% because some parents have multiple children

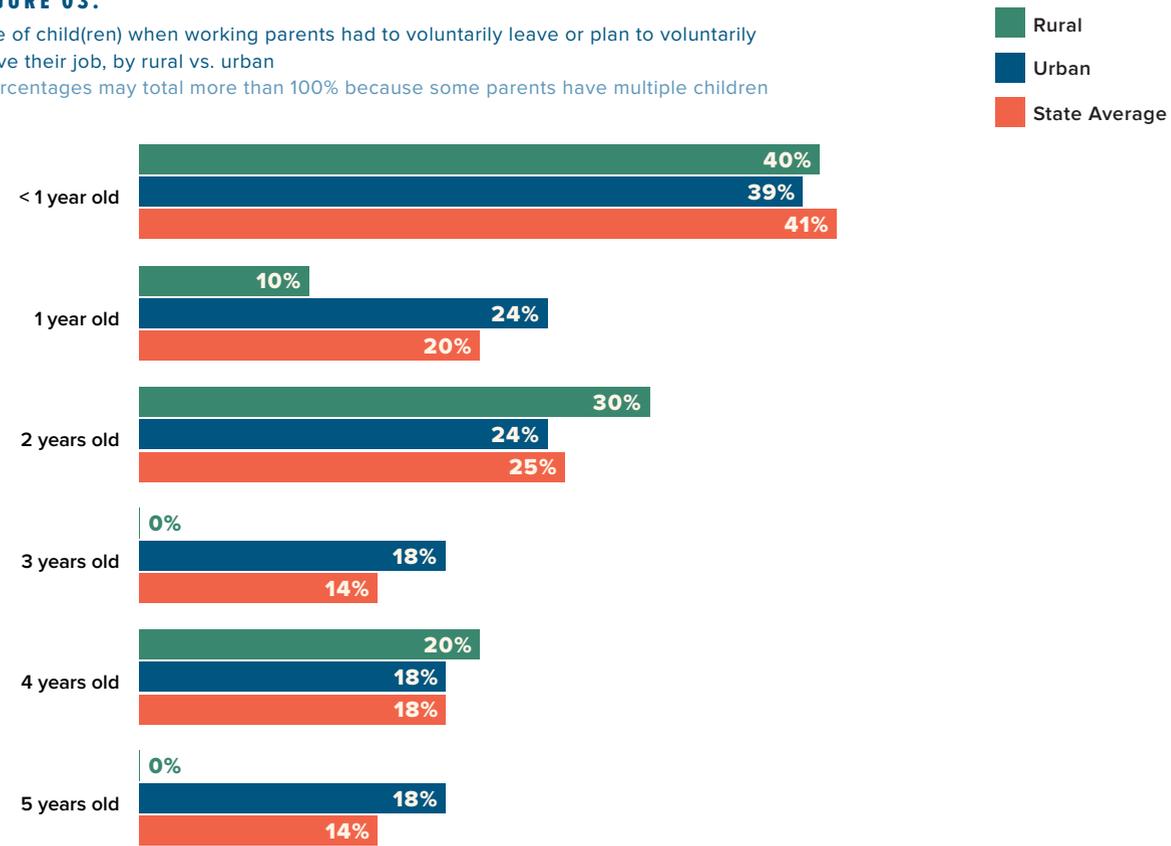


FIGURE 04.

Percent of parents enrolled in postsecondary education or training program, by rural vs. urban

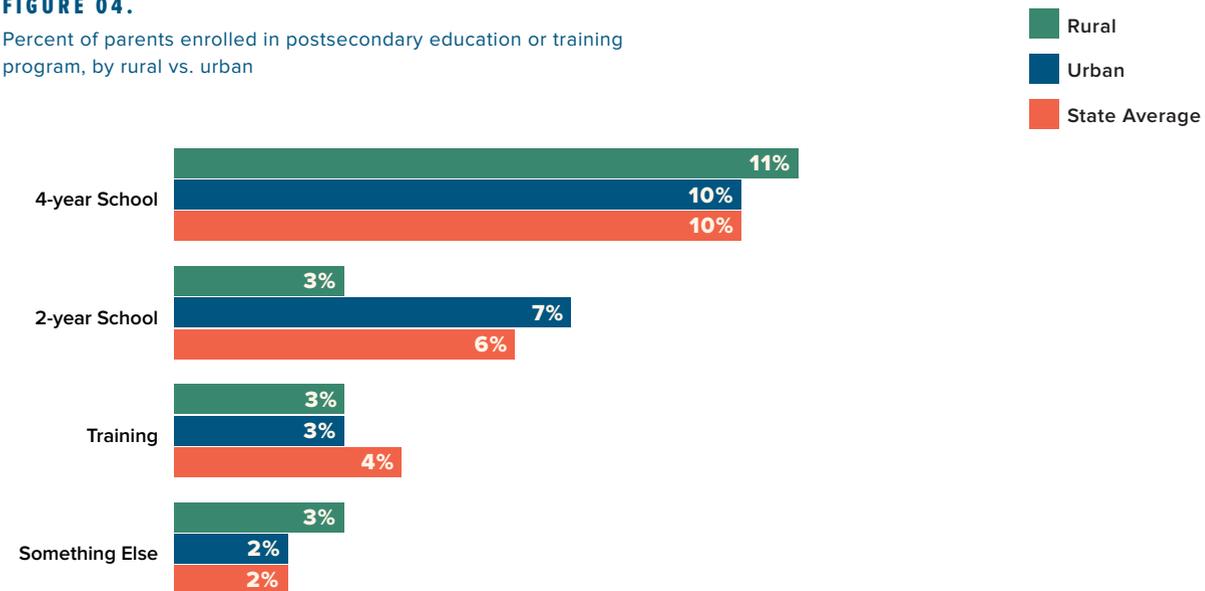


FIGURE 05.

Percent of enrolled parents who experienced significant disruptions to class, by rural vs. urban



FIGURE 06.

Percent of enrolled parents who plan to postpone school or training program, by rural vs. urban



FIGURE 07.

Age of child(ren) when enrolled parents postponed or plan to postpone school or training program, by rural vs. urban

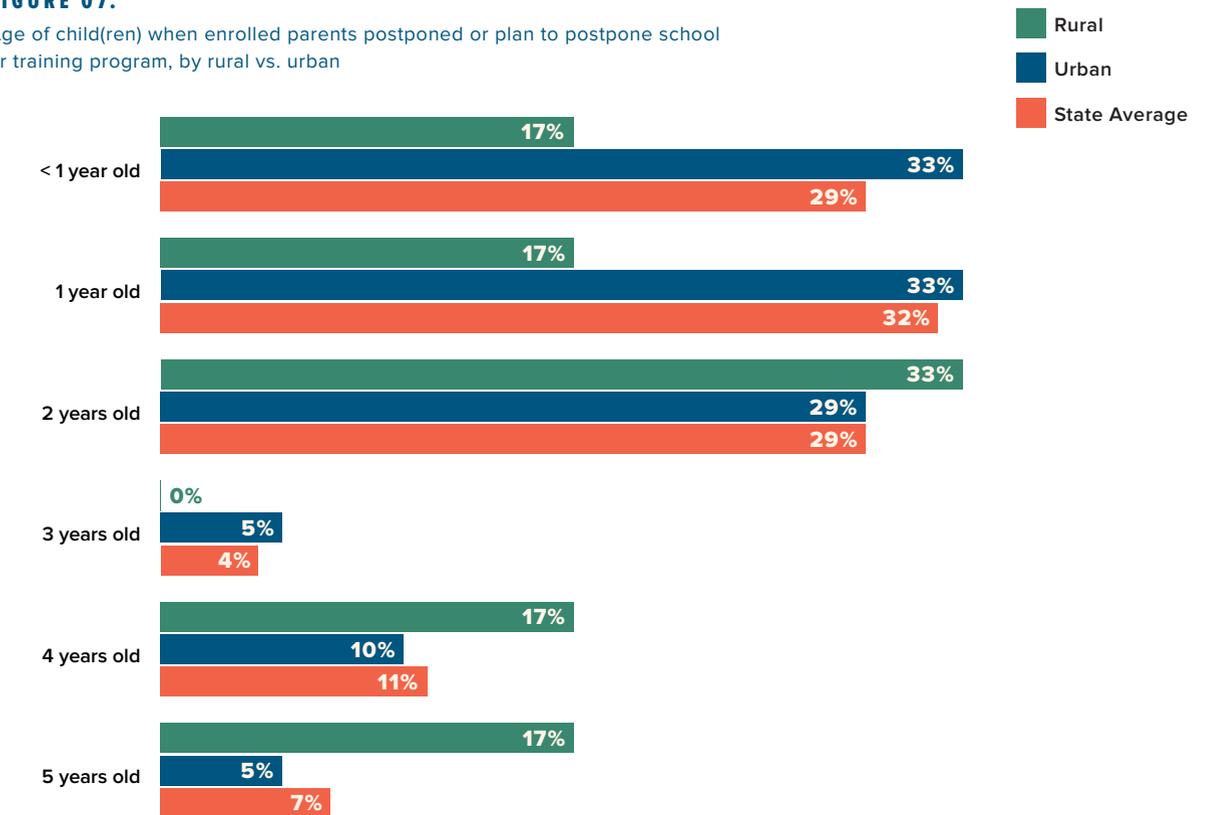


FIGURE 08.

How much parents pay for childcare, per month, by rural vs. urban
 *The total includes parents who input their zip code incorrectly, therefore they are not included in the rural vs. urban breakdown



FIGURE 09.

How much parents pay for childcare, per month, by provider type

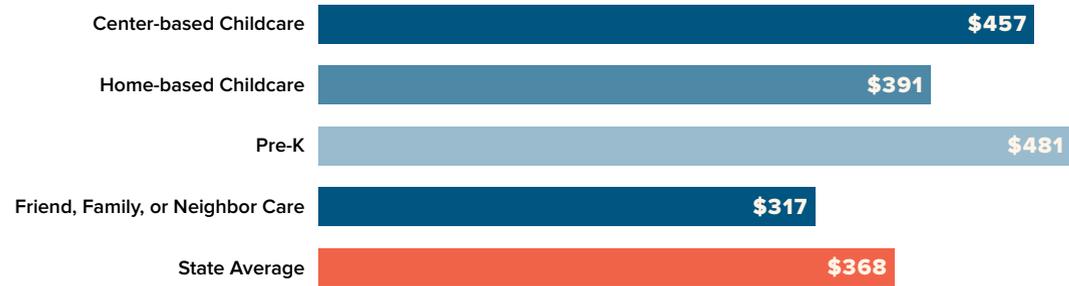
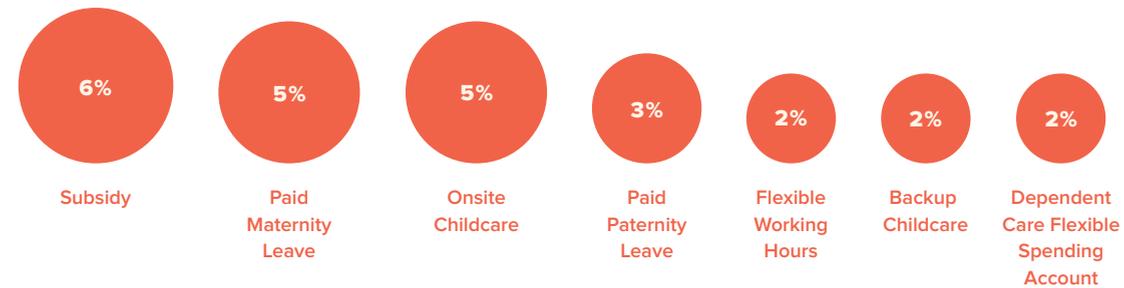


FIGURE 10.

Percentage of employers that offer the following benefits, based on parents who responded their employer offers childcare benefits or accommodations
 *Parents could select more than one response; based on parents who said their employers do offer benefits



Childcare Benefits and Accommodations

To deepen our insights on why parents are facing challenges, we asked several questions regarding what types of childcare benefits and accommodations their employers provide. Fourteen percent of employed parents said their employers offer childcare benefits. Of these parents:

- 40% said their employer provides a subsidy or reimbursement
- 37% said their employer provides paid maternity leave
- 37% said their employer provides onsite childcare
- One parent said she could bring her child to work

To glean if companies are providing childcare benefits that match parent expectations, we asked all parents, regardless of whether their employer currently offers childcare benefits, to rank their top three most desired childcare benefits.

The results indicate that when Mississippi companies do offer childcare benefits, the offerings generally align with what parents want.

In our survey, 13 percent of working parents said their employers provide benefits. In **FIGURE 10**, we show what benefits these employers offer.

Parents highly desired paid maternity leave, flexible working hours, and onsite childcare (**FIGURE 11**). Among working parents who receive any kind of employer-provided childcare benefits, only two percent offer flexible working hours. While companies do offer various accommodations, this provides an opportunity for employers to better align their benefits with the needs of working parents.

FIGURE 11.

Benefits desired by parents, in order of highest ranked
 *Parents ranked their top three choices





SET UP FOR SUCCESS

The Mississippi Pre-K Tax Credit allows local businesses to invest some of their taxes back into the community. A participating local veterinarian, David Hidalgo, explains, "If kids can get started at a level playing field, they're setting themselves up for success for the rest of their lives. And if we can help them get started, then who loses? Nobody loses—we're all winners there."

Economic Impact

We estimate there is an untapped potential of \$673 million annually in Mississippi due to childcare issues.

When parents face challenges securing adequate childcare or disruptions in their childcare arrangements, the entire community helps to pay that price. First, parents miss work completely, arrive late, or leave early. Even if this does not occur, parents may still be distracted at work merely thinking about or receiving calls from their childcare provider. Employers face a cost due to worker absenteeism. These costs include lost wages to the worker(s) who did not show up (or who arrives late or must leave early), paying overtime to other workers who must cover a shift, or even hiring and paying temporary workers. Based on our survey results, 50 percent of Mississippi parents missed an average of 16 days of work over the past year. Given this, we estimate the direct employer cost due to absenteeism to be \$227 million.

When parents are repeatedly unable to find an appropriate childcare provider, this can cause them to voluntarily leave the workforce or the employer to terminate them. When this happens, the employer must replace the worker. Research indicates turnover costs an employer approximately one-fifth the worker's annual earnings.⁹ Based on our data, the turnover cost to employers alone is an estimated \$326 million.

Long-term childcare issues impact more than working families and employers. There is also a cost to Mississippi in the form of lost tax revenues. When parents temporarily leave the workforce due to childcare issues, Mississippi does not collect income taxes from those individuals. In addition, these parents may reduce their spending which leads to a decrease in sales tax revenue. We estimate Mississippi loses a total of \$553 million annually due to both turnover and absenteeism.

⁹ *There Are Significant Business Costs to Replacing Employees*, Heather Boushey and Sarah Jane Glynn. Center for American Progress.

THE UNTAPPED POTENTIAL:

\$673M

Childcare issues result in an estimated \$673 million loss annually for Mississippi's economy

FIGURE 12.

Direct employer costs



FIGURE 13.

Direct tax revenue impact



Disruptions to Parental Employment

When parents experience childcare issues, there are both long-term and short-term consequences. The long-term consequences include separation from employment (voluntarily or involuntarily) or significant changes to employment. Beyond employment, parents enrolled in school or training programs may also experience the same long-term consequences. To compare to national data, we asked a question that the National Survey of Children’s Health (NSCH) included in its 2016 administration of the survey:

The National Survey of Children’s Health (NSCH) asked¹⁰

“During the past 12 months, did you or anyone in the family have to quit a job, not take a job, or greatly change your job because of problems with childcare for this child, age 0-5 years?”

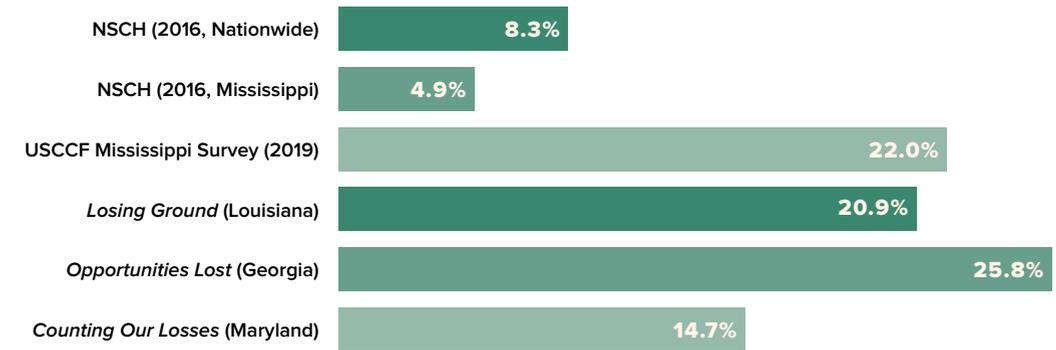
According to the NSCH, nationally, 8.3 percent of parents reported childcare issues are causing significant disruptions to their employment, whereas fewer Mississippi parents (4.9 percent) are experiencing disruptions. The parents in our survey reported much higher rates (22.0 percent) of childcare issues impacting their employment. This higher rate is likely due to our survey focusing specifically on childcare issues with respect to employment and education, whereas, the NSCH survey was a broader survey on overall child health. In Georgia,¹¹ Louisiana,¹² and Maryland,¹³ 25.8 percent, 20.9 percent, and 14.7 percent parents, respectively, answered, “yes” to the NSCH question.

Additionally, various groups experience different levels of disruptions due to childcare issues. Women reported their jobs were greatly impacted at higher rates than men—23.1 percent of women and 15.7 percent of men responded “yes” to the NSCH benchmark question. Pew Research Center has insightful findings on how women and men perceive careers and childcare differently.

- Women spend more time both on paid work and on childcare relative to past decades
- Women face more pressure to be involved parents than men
- While men face less pressure to be involved parents, men face more pressure to support their family financially¹⁴

FIGURE 14.

Percentage of parents who had to voluntarily leave a job, not take a job, or greatly change your job because of problems with childcare over the past 12 months, compared nationally



Although we view childcare as a workforce issue, we recognize that caregiving responsibilities impact subpopulations in different ways.

These data do not fully consider the different presentations of families in this country and how childcare impacts them in different ways. While this NSCH benchmark did not break down responses based on household composition (such as single or same sex parents), it is important to note these dynamics may not look the same for all households.

On the following pages, we break down how parents responded based on their marital status, gender, employment type, and income.

¹⁰ <https://www.childhealthdata.org/browse/survey/results?q=4798&r=14&r2=1>

¹¹ Georgia Early Education Alliance for Ready Students (2017). *Opportunities Lost: How Child Care Challenges Affect Georgia’s Workforce and Economy*

¹² Louisiana Policy Institute for Children (2017). *Losing Ground: How Child Care Impacts Louisiana’s Workforce Productivity and the State Economy*

¹³ Maryland Family Network (2018). *Counting Our Losses: The Hidden Cost to Marylanders of an Inadequate Child Care System*

¹⁴ Pew Research (May 8, 2019). *6 facts about U.S. moms*

THE NATIONAL SURVEY OF CHILDREN'S HEALTH (NSCH) ASKED

“During the past 12 months, did you or anyone in the family have to quit a job, not take a job, or greatly change your job because of problems with childcare for this child, age 0-5 years?”

FIGURE 15.
Percentage of parents who answered “yes” to the NSCH question, by marital status

MARITAL STATUS	PERCENT
Overall	22.0%
Married	21.2%
Single	23.0%
Other	23.1%

FIGURE 16.
Percentage of parents who answered “yes” to the NSCH question, by gender

GENDER	PERCENT
Overall	22.0%
Female	23.1%
Male	15.7%

FIGURE 17.
Percentage of parents who answered “yes” to the NSCH question, by employment type

EMPLOYMENT TYPE	PERCENT
Overall	22.0%
Full Time	16.7%
Part Time	32.3%
Stay at Home Parent	29.7%

FIGURE 18.
Percentage of parents who answered “yes” to the NSCH question, by annual income

INCOME	PERCENT
Overall	22.0%
< \$50,000 per year	25.1%
> \$50,000 per year	16.5%

Long-Term Impact

While including the NSCH question allows us to compare to national surveys, we wanted to dive deeper into how exactly childcare issues impacted parents' ability to work or pursue higher education. We asked parents how their jobs had been impacted over the past 12 months.

Overall, 28 percent of parents experienced significant disruptions to their employment, with 16 percent leaving their jobs, either voluntarily or involuntarily. These data indicate that working parents of young children are making career decisions based on their childcare rather than the best career decisions for their financial stability.

Beyond employment, parents enrolled in school or training programs may also experience the same long-term consequences. An educated populace provides benefits to the entire economy, and on an individual level, higher education is tied to higher income. Higher education is also correlated with better health, lower rates of unemployment, and higher wages for workers without formal degrees.¹⁵ When parents pause their education or professional development, the time it takes for them to acquire the skills to pursue higher paying jobs increases. Although this disruption to education does not directly impact the economy, other studies have estimated the opportunity cost of forgoing postsecondary education or training.¹⁶

Here are the various ways parents said childcare issues impacted their ability to develop professionally.

FIGURE 19.

How parents said childcare issues impacted their employment
*Parents could select more than one option

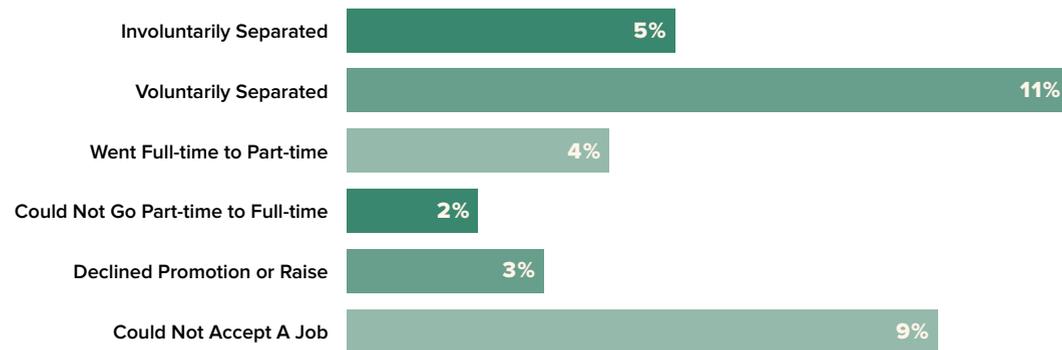


FIGURE 20.

How parents said childcare issues impacted their employment, by gender
*Parents could select more than one option

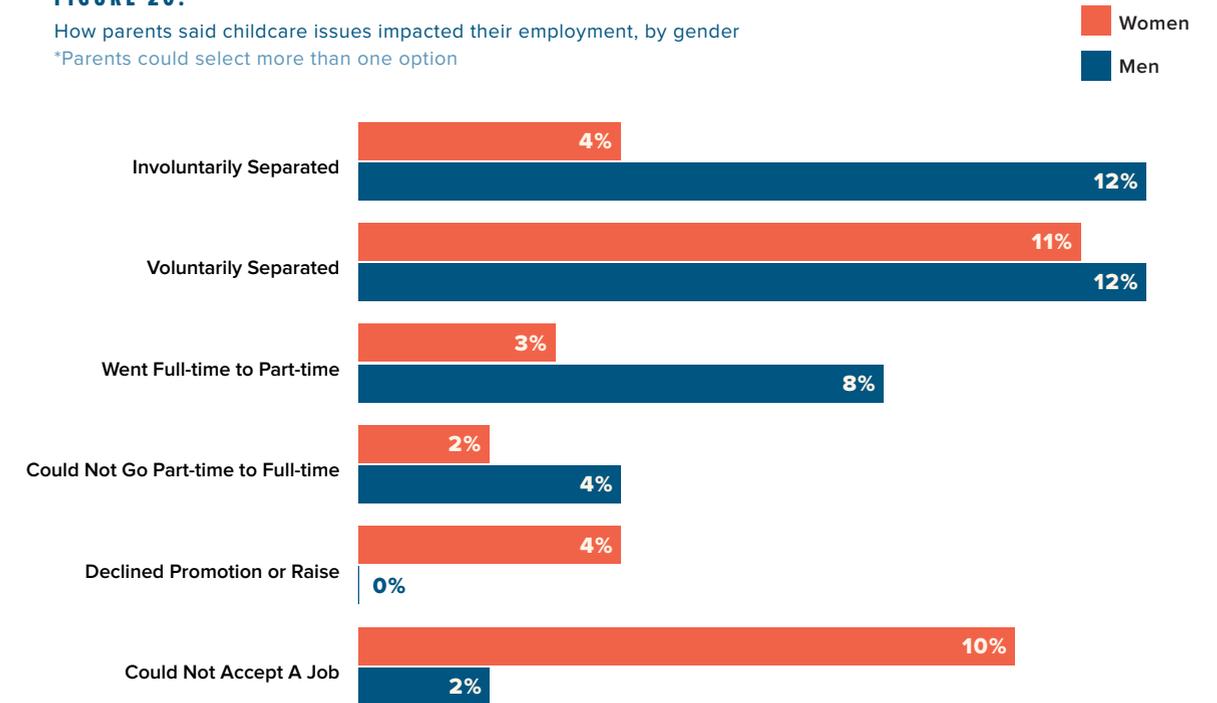


FIGURE 21.

How parents said childcare issues impacted their education or training program
*Parents could select more than one option



¹⁵ Brookings Institution (April 26, 2017). *Eight economic facts on higher education*

¹⁶ Maryland Family Network (2018). *Counting Our Losses: The Hidden Cost to Marylanders of an Inadequate Child Care System*

FIGURE 22.
How parents said childcare issues impacted their education or training, by gender

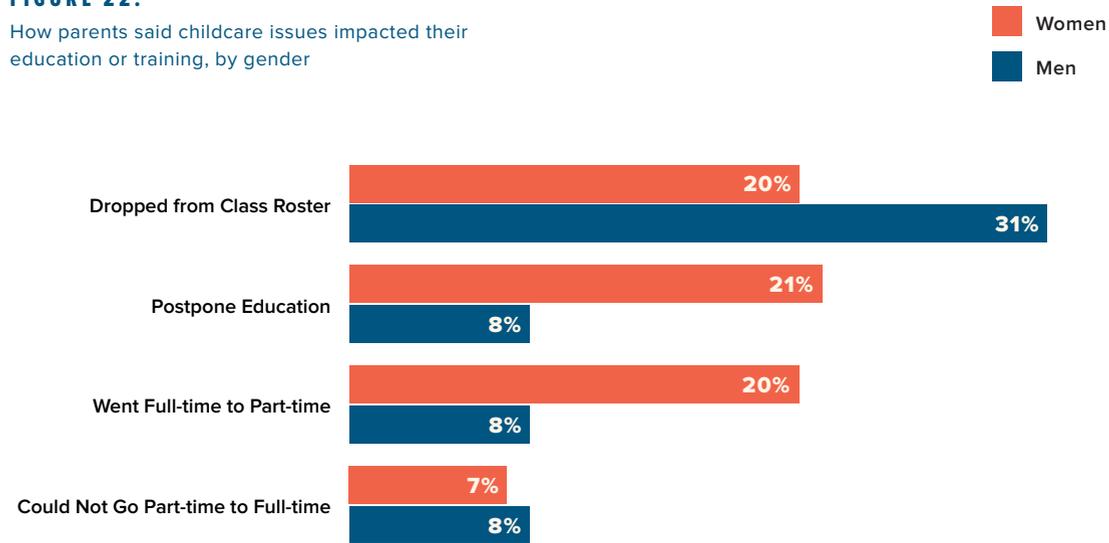
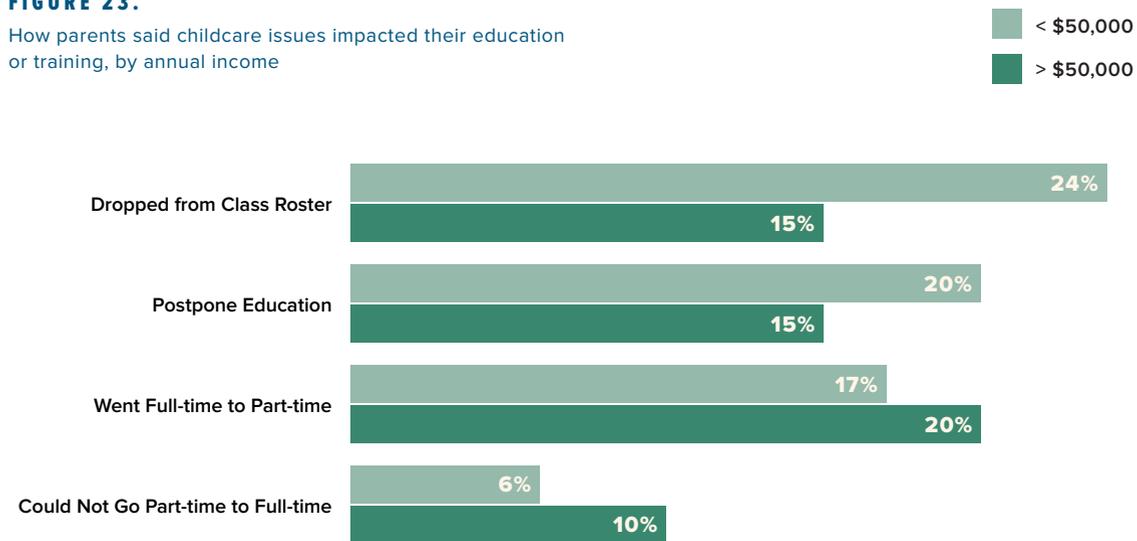


FIGURE 23.
How parents said childcare issues impacted their education or training, by annual income



Short-Term Impact

Even when parents can balance their childcare provider issues with the work or class schedules in the long-term, they may struggle with smaller yet serious short-term disturbances. We defined short-term consequences as occurrences, over the past three months, of parents missing work or class, arriving late, or leaving early. We also asked parents how many times they were distracted at work or received phone calls from their childcare provider while at work or in class. While parents may experience short-term disruptions for many reasons, almost half of all parents said that they experienced disruptions specifically due to childcare issues.

The following figures show what percentage of parents report short-term disruptions to their work or school. Alongside each chart is the average number of days they were absent, tardy, or had to leave early.

FIGURE 24.
Percentage of parents who missed work or class

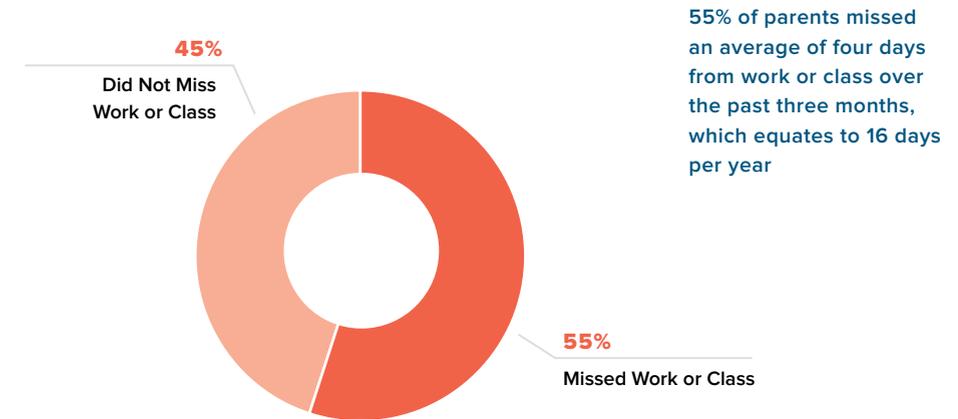


FIGURE 25.
Percentage of parents who left work or class early

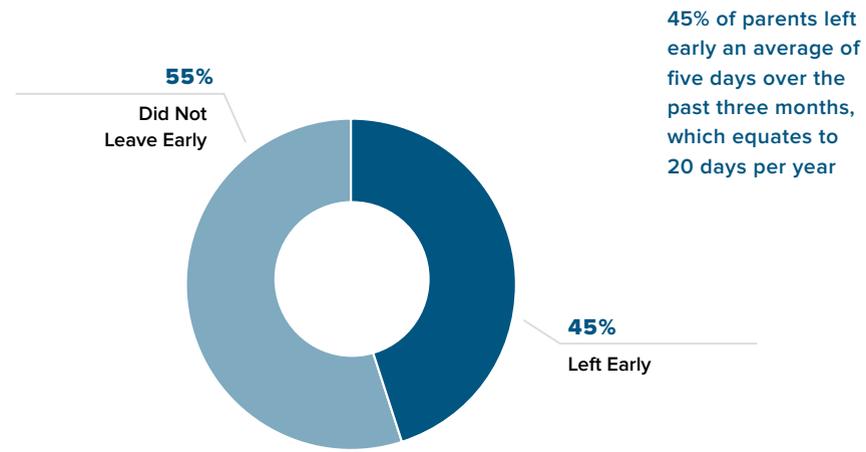


FIGURE 26.
Percentage of parents who arrived late to work or class

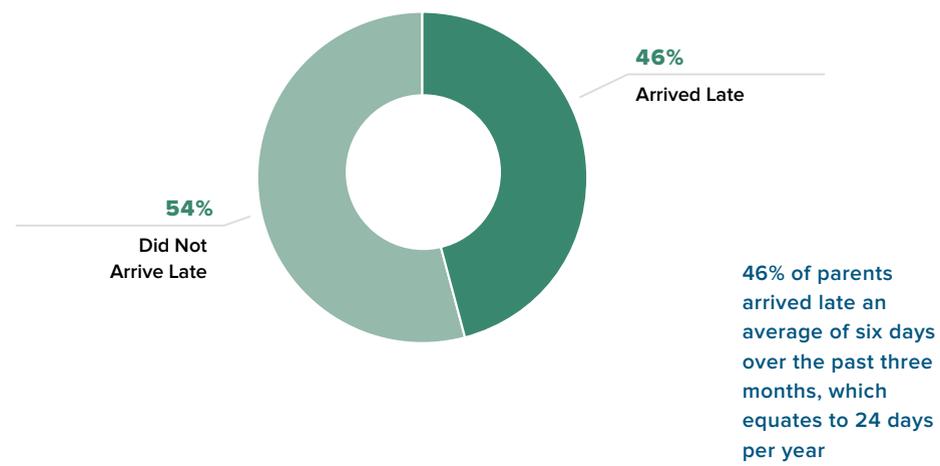


FIGURE 27.
Parents who were distracted while at work

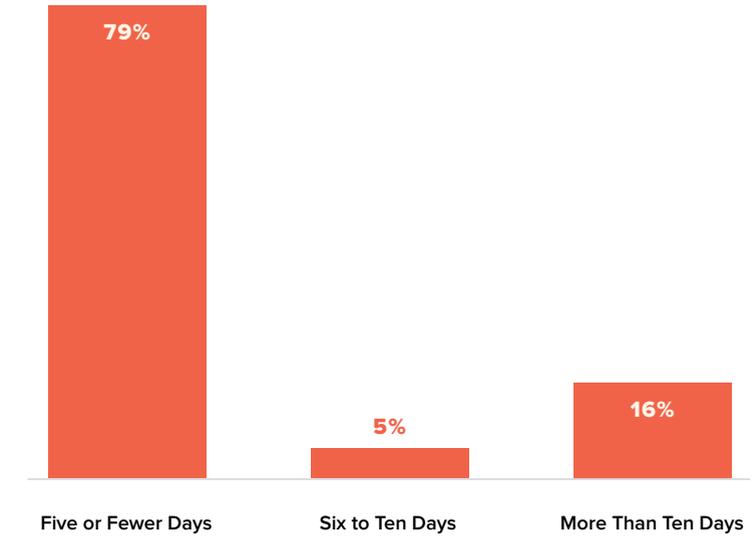
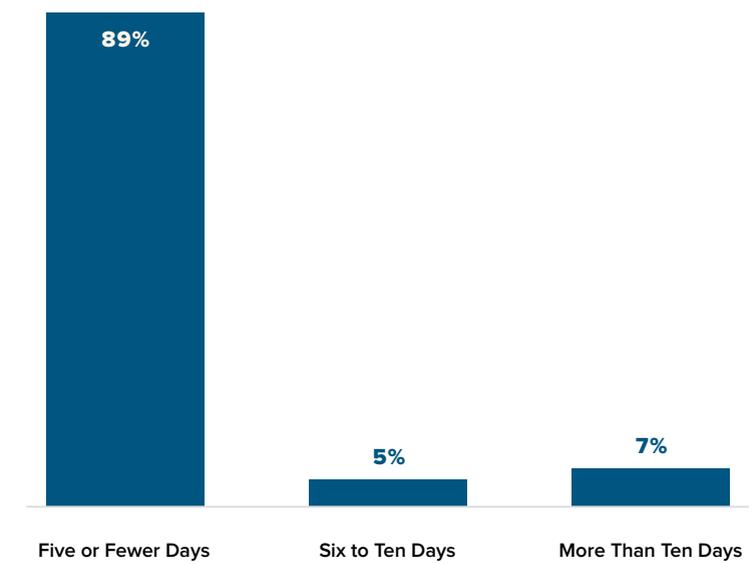


FIGURE 28.
Parents who received phone calls from their childcare provider while at work/class



Conclusions and Implications

Childcare issues impact Mississippi working parents across the socioeconomic spectrum. The economic impact is not limited to parents and employers but has ripple effects throughout local communities and across the state.

Unfortunately, most Mississippi working parents do not work for companies that provide childcare benefits (or they are unsure if their employer offers childcare benefits). As this study shows, there are a few Mississippi companies investing in childcare benefits for their working parents.

However, one promising approach is the state's Pre-K Tax Credit, which supports programs like Calvert's ABC Preschool & Nursery, a five-star childcare center in Aberdeen, Mississippi. Established in 2013, the Early Learning Collaborative Act has grown in budget and number of collaboratives funded.¹⁷

Mississippi parents recognize the importance of postsecondary education or training programs. While most of the survey findings are comparable between rural and urban households, there appears to be a significant gap in parents living in urban environments postponing school due to childcare issues. By adequately investing in childcare solutions, Mississippi can ensure these parents complete their postsecondary goals on time and improve the financial stability of their families in the long run.

Recommendations include:

- Offering working parents flexible working hours that would yield benefits to both parents and businesses
- Predictive scheduling or investing in childcare solutions that have flexible, evening, and weekend hours for employees with nontraditional hours and irregular shifts
- Use an employee survey to better align benefits with the employees' unique needs

Childcare impacts Mississippi's businesses, families, and economy. While Mississippi has taken important steps to improve the early childhood education system, there are still opportunities to generate substantial economic development by focusing more efforts on childcare solutions. Therefore, working with the Mississippi Economic Council, employers and elected officials must thoughtfully consider how to include childcare in their plans to support their workforce and attract new business to the state. It is not easy, but it is necessary; because without doing so, Mississippi will continue to have untapped potential for economic growth.

¹⁷ Mississippi Pre-K Tax Credit, <http://www.mississippifirst.org/education-policy/pre-kindergarten/pre-k-tax-credit/>

WATCH OUT, WORLD

"I have 16 fantastically-gifted children who are going to rock this world. Keep your eyes open, because they are going to hit the world and do great things."
Heather Walker,
Teacher, Calvert's ABC
Preschool & Nursery



METHODOLOGY

As with other childcare studies in states such as Louisiana, Georgia, Maryland, Indiana, and Washington, this study was conducted in two phases. First, the U.S. Chamber of Commerce Foundation and the Mississippi Economic Council (MEC) partnered with Cicero Group to conduct a statewide survey of households with children age 5 and under who are not in Kindergarten, asking these parents a series of questions investigating the intersection between workforce participation, education, and childcare issues. This survey was conducted via telephone and online. Second, Cicero Group estimated the economic impact of childcare issues based the results of the survey from the first phase and secondary data sources, such as U.S. Census Bureau data.

APPENDIX A: SURVEY METHODOLOGY AND RESPONDENT DEMOGRAPHICS

Data for this report are based on a sample of adult (18 years or older) residents in Mississippi who have at least one child five years old or younger not enrolled in Kindergarten (i.e. not enrolled in a mandated, government funded primary education curriculum). Cicero Group conducted the online and phone surveys between October 9, 2019 and October 24, 2019. The total sample includes 332 Mississippi parents (including stepparents or legal guardians) who met the above conditions.

RACE	White	Black	Asian	American Indian / Alaskan Native	Native Hawaiian / Pacific Islander	Other
N=332	209	106	2	1	3	11

SEX	Female	Male
N=332	281	51

MARITAL STATUS	Married	Single	Other
N=332	193	100	39

REGION	Rural	Urban
N=332	66	258

Eight respondents provided zip codes that could not be classified as urban or rural.

We divided responses into rural or urban populations using the Census Bureau's definition of urbanized areas and urban clusters and defined rural as a population under 2,500.

APPENDIX B: ECONOMIC IMPACT METHODOLOGY

The economic impact consists of two areas—first there is a turnover cost to employers. Second, state lose tax revenue when employees lose wages. We pulled data from The American Community Survey to calculate the total number of parents in the labor force with children under six. In Mississippi, there are 249,766 parents in the labor force with children under six. We applied the responses of parents who voluntarily or involuntarily left the workforce to this population (16 percent) to estimate the total number of working parents of children under six, who left the workforce. Applying Boushey and Glynn’s cost of turnover (21 percent) to the annual mean salary for these workers we arrived at the total cost to employers due to employee turnover.¹⁸ For absences, we applied the mean hourly wage to the number of parents who missed work. We then assumed they missed an eight-hour shift. Even for non-salaried workers who forgo earnings when they miss work, employers still pay a cost in either lost productivity to those absent workers, overtime pay to other workers who must cover a shift, or even hiring and paying temporary workers.

There are two ways in which the state loses tax revenues—income tax and sales tax. When an employee loses his or her job, or foregoes wages, the state directly loses income taxes. Furthermore, we assume a displaced worker reduces spending; thus, the state loses sales tax revenues. We used the tax estimates from The Institute on Taxation & Economic Policy to determine appropriate tax rates.¹⁹

¹⁸ *There Are Significant Business Costs to Replacing Employees*, Heather Boushey and Sarah Jane Glynn

¹⁹ ITEP (2018). *Who Pays? A Distributional Analysis of the Tax System in All 50 States*