

# JEFFERSON

EDUCATIONAL SOCIETY

## Jefferson's Early Childcare Investment Policy Initiative

### “Childcare Experts Present High Stakes, Make Case for Growing Erie, Pennsylvania's Economy by Nurturing Our Children”

February 2024

A week ago today, on Friday, Feb. 16, at the Jefferson Educational Society, I moderated a panel discussion that included the team of experts leading the recently announced Early Childcare Investment Policy Initiative. The event, which spotlighted childcare’s material role in contributing to near- and long-term economic development, was live-streamed and recorded, and the video is available to stream on-demand (and is embedded below). I am also including my introductory remarks that serve to explain the initiative, and frame the conversation that follows, and also include various links to resources, research, and data.

For context before watching – or revisiting if you were in the audience in person or online – as described in the joint [media announcement](#) issued by the JES and The Erie Community foundation, the ECIPI is working to assess and identify practical remedies to increase access to quality, affordable childcare for the city of Erie's infants and toddlers.

The expert team unpacked the complex system that is rife with snags and expensive hurdles for professional caregivers, and also parents who, for many, were struggling to make ends meet even before now facing the high cost of childcare – if they can even find it. The team also helped employers understand why childcare is a broken market, illustrating the ways the system makes them

directly vulnerable. Bluntly put: Too many infants and toddlers on waiting lists equates to a workforce interrupted.

Toward adding balance to Erie's economic development strategies, the compelling case was made for Erie to become a leader in supporting families' need for quality, affordable childcare. Access to childcare is a critical pathway to talent attraction, addressing endemic barriers to workforce productivity, and Erie's economic aspirations. It is a "pay me now or pay me later" scenario in which the investment in care of our infants and toddlers is the ultimate expression of what we value. Recent national comparisons of local economic performance that rank Erie quite low suggest Erie is ripe to take a fresh look at the wants and needs of the "Procreative Class" – those workers in the child bearing/ family years that are paramount among of drivers of the local economy.

Be sure to tune into the live recording, courtesy of Erie's Community Access Media (CAM), to hear from the expert sources:

- Elana Como, Director [PA's Early Learning Resource Center Region 1](#) and CEO [Northwest Institute of Research, Inc.](#)
- Tiffany Lavette, Founder Her P.O.W.E.R. Inc., which owns and operates [ABC 24-Hour Childcare](#), and Founder of the National Assn. for the Advancement of Black and Brown Childcare Providers
- Karen Grimm-Thomas, Early Childhood Education Strategy Adviser with the [Creative Child Care Solutions](#) program of The Pennsylvania Key
- Michelle Harkins, Executive Director, [Early Connections, Inc.](#)
- Rina Irwin, Chief Executive Officer at [Child Development Centers, Inc.](#)
- (not able to join us: Andrea Heberlein, Executive Director, [PA Early Learning Investment Commission](#))

Also stay tuned to the [JES website](#) for the team's upcoming biweekly editorials regarding the work of the Early Childcare Investment Policy Initiative.

Lastly, the range of childcare system challenges the team seeks to examine is touched upon in the form of a simple assessment tool. This "[Where Best to Apply Remedies in the Childcare System](#)" matrix was reviewed by the audience. Together event attendees and the team shared their opinions on where best to intervene in the complex system in order to enable more childcare opportunities for infants and toddlers in the city of Erie.

If you find the matrix useful, we are interested in your thoughts. Feel free to fill out and submit [the matrix](#) to me, at: [courtlandgould@gmail.com](mailto:courtlandgould@gmail.com).

Court Gould Facilitator, JES Erie Early Childcare Investment Policy Initiative  
*A featured JES contributor, Gould served 20 years as founding executive director of Sustainable Pittsburgh. After three years with the Erie Community Foundation as vice president of Community Impact, he is a sustainable solutions consultant and certified professional coach.*

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<https://youtu.be/ooMIGHhmbfM?si=ntobeocrlrABoCgN>

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Erie Early Childcare Investment Policy Initiative  
February 16, 2024  
Jefferson Educational Society: Community Conversation  
Held at the JES Headquarters

Court Gould remarks:

The way we think about childcare is changing. Rather than outdated views of childcare being a private family matter, particularly for women, and for our youngest being not more than babysitting, we now appreciate that childcare is infrastructure for workforce productivity, and that quality care at the infant and toddler years determines if a person will become an asset or otherwise to society.

Our evolving thinking is in step with our changing economy and society. We are turning from narrow views of the past to seeing childcare as a civic investment priority that pays off many ways and is defining in whether a city like Erie can prosper and compete.

I wrote an article published by JES in the summer 2021, [Caring for Erie's Economy: Childcare is Economic Development](#). I posed, "What if Erie became the leading U.S. city where childcare is universal?"

I think now I would say that childcare is both economic development and community development. Because today we appreciate the two are joined at the hip. Without strong community and families, workers won't stay or come. Without workers, many of which need caregivers for their children, companies won't stay or come and in turn there will not be taxbase to shore up community for high quality of life.

The fortunate link here is the reality that [households with children and population in the increasingly prime child bearing years are positively associated with economic health](#). "Family Friendly" is today's essential capital, thus firmly establishing that we need balance in the type of policy and incentives we deploy in pursuit of prosperity at the city level.

As the organization [Good Jobs First states](#), "In short, if elected officials prioritize building infrastructure and providing services that most benefit residents, employers will come."

Some of the realities of today's economy and community that put childcare on a different plane include:

- An economy that for many does not pay a living wage and requires both parents to work outside the home and that does not treat early childcare as a public program.
- Demographics that place cities to be getting older and younger at the same time and where declining skilled labor correlates with baby boomers retiring. Labor is a scarce commodity.
- Child caregivers are the workforce behind workforce. Yes, we need more teachers, health workers, and social workers too. But professional care givers are the keystone as access to childcare can be the make or break for work or no work decisions among parents.

- Women are increasingly integral to the economy. [For example the US Bureau of Labor Statistics in 2021 indicated mothers with children under age 6 comprised 65.6% of the labor force.](#)

Thus, access to affordable childcare will increase women's workforce participation and retention it promotes gender equity.

- And, now businesses have become advocates for childcare. Across all industries, child care remains [one of the top reasons](#) employees cite for leaving their jobs — and it's even more critical for people who work in frontline “deskless” positions, which aren't able to reap the flexibility (and different child care arrangements) that come with remote work.

And good luck if you are a second or third shift worker needing to find childcare.

"A recent [Erie Times News article](#) speaks to the pinch hospitals are feeling in staffing. As they work to fill gaps in their ranks, hospitals have been employing a variety of tactics to attract and retain people. A recent survey by the Hospital and Health System Association of PA indicated that since 2022, nearly 40% said they provide access to childcare services.

No wonder childcare is now a powerful recruiting strategy. For example, many businesses are starting to offer in house childcare as its less expensive than replacing staff. According to the company Care for Business, [90% of employers say childcare benefits have a positive impact on talent recruitment and retention \(equal to retirement plans, and slightly out-performing even paid time off and health insurance\).](#)

Also evolving, is our understanding of who are the top drivers of the economy.

In the year 2000, at Sustainable Pittsburgh, where I worked for 20 years, we collaborated with Jefferson Global Summit 2023 headliner Richard Florida on his precursor to “Rise of the Creative Class.” His report that we published focused on the wants and expectations of young talented, knowledge workers. The premise was that the young techies are a silver bullet for prosperity. But that thinking has evolved to also focus more heavily on arguably the most stalwart contributors to economy – those in the child bearing/ family years. Those tech workers soon seek partners and want to settle into family life. Suddenly their bohemian lifestyle takes on different priorities. The silver bullet to retaining talent now points to the needs of the "procreative class" that [experience stronger economic growth.](#)

For example, [families with young children are a source of economic growth because:](#)

1. They spend the most in the local economy. Cities which retain families with children enjoy both higher earners and higher spenders and this helps explain the stronger economic performance of these communities (Reese 2012).
2. Services for children are an important part of local and regional economies.
3. Investment in children builds a productive future workforce leading to long-term growth

So, not only is shoring up childcare services for families a wise strategy, but according to Laura Reese of Michigan State U. in her research titled, "[Creative Class Or Procreative Class: Implications For Local Economic Development Policy](#)" she states, "Further, the record of local economic development incentives appears weak. Financial incentives in particular do not appear to lead to economic growth and actually seem to make local economies worse. This suggests that local development policies have no effect on economic health at best and are detrimental at worst. Because many development incentives entail significant costs to communities both in direct expenses and tax expenditures, their lack of correlation to economic health should raise concerns about their cost effectiveness. What does appear to be related to economic growth? The answer, based on the data here, seems to be investments in policies and activities that make the community a better place to live, and a better place for families (of any type or form) in particular—good local schools, safe streets, parks, libraries, public buildings and spaces."

"[Indeed, according to a recent RouteFifty article, studies such as from the Upjohn Institute show most companies would have made the same location decision](#) without taxpayer subsidies. Meanwhile, schools make up the largest cost item in these communities, meaning they suffer most when companies are granted breaks in property taxes." And... [a poorly funded education system](#) is less likely to yield a [skilled and competitive workforce](#), creating [longer-term economic costs](#) that make the region less attractive for businesses and residents."

This puts in perspective my 2021 article about Erie becoming a leading U.S. city where childcare is accessible, affordable and of high quality. Leading cities are instituting childcare strategies for working families in order to attract retain and talent to grow population and workforce development and thus business success. Economic development, community development, and social supports we now better see as mutually reliant and supporting.

But all is not well in this economic sector. Compared to our view how traditional infrastructure, childcare is not part of city planning nor a budgeted service. Local childcare supply, demand, and thus gaps are not tracked and addressed.

Childcare providers face a dizzying array of regulations. Families are on their own to try to figure out the complicated process for accessing limited subsidies from the state. Demand exceeds supply, wait lists cause nightmares, quality care can be hard to find let alone any care at all, and fees are high despite pay for care givers being paltry, like \$11 per hour in Erie.

Investment in the childcare system is not adequately supporting our workforce and thus our economy despite being an essential form of infrastructure for economic success akin to broadband, transportation, and airport service.

The toll on the economy is staggering. According to a report from this time last year, from the nonprofit [ReadyNation and the Pennsylvania Early Learning Investment Commission](#), gaps in Pennsylvania's childcare system are stressing the state's working parents and [costing families, employers, and taxpayers about \\$6.65 billion annually in lost earnings, productivity, and tax revenue.](#)

Erie's economic performance should at least give our leaders pause to consider taking a more balanced approach in our economic development strategies. The wakeup calls keep coming:

- According to [Erie News Now, in 2020](#), Wallethub ranked Erie as the slowest-growing city in America.
- In June of 2022, [Go Erie Now](#), reported the [Wall Street Journal](#), which worked with Moody's Analytics using U.S. Labor Department data, ranked Erie's job market as no. #313 on a list of 326 small metro. job markets.
- And last weekend, according to [YourErie.com, the annual Milken Institute](#) index ranked Erie near bottom of best-performing small cities in the U.S. Erie comes in in the lower third, that is, 162nd of over 203 eligible cities entering 2024 and lower than the city's 2023 rank.... the second lowest in Pennsylvania only to Gettysburg.

It is time for Erie to double down on supporting families' need for quality, affordable childcare to support talent attraction, and address this real barrier to workforce participation and thus our economy — let alone for the well-being of our children whose care is the ultimate expression of what we value.

So, the JES, with ECF support, has mobilized a team to tackle the issues. The name of the effort is the [Erie Early Childcare Investment Policy Initiative.](#)

In order to maximize prospects for impact and to in turn develop solutions that are scalable, the team will focus on access to childcare for the most difficult and



arguably formative years – infants and toddlers up to age 3 – the critical first 1,000 days of development; and we will focus strategically on the city of Erie.

An expert team has been assembled for this Initiative. We have a series of incremental tasks.

The challenges to be surmounted in this six-month Phase 1 initiative are to quantify the demand, supply, and then gaps in access to quality childcare for infants and toddlers in the city of Erie with special attention to possible childcare deserts amongst our neighborhoods.

The next challenge is to identify the most impactful ways to intervene in the complex childcare system, again focused on the first 1,000 days of life of infants and toddlers.

Then we will estimate costs and assess possible funding sources.

The bold proposition is to come up with practical recommendations that are ripe to be implemented in a Phase II effort all aimed to improve the economy through smart policy and investment in today's young children.

Bruce Katz, who the JES frequently engages, has the mantra that “The challenge for small and medium-sized metro areas is to hone your advantages to the point they are known.” Bruce likes to quote Dolly Parton, "Find out who you are and do it on purpose."

The world is changing fast and maybe it is not a bad thing that Erie is a little behind the times, because Erie's old school and timeless strength and offering is as a family friendly town. Let's get to work on lifting Erie and positioning it as a role model in access to quality, affordable childcare.

So, I give you the expert team whose composition is strategic:

- one leads a statewide business member org that presses for solutions
- another works on a statewide initiative of the state to aid businesses
- another is our region's go-between the state and all providers
- another is a local provider that is also piloting a state apprentice program, manages a local fund to support families in need of childcare, and serves as Chair of the state PA Association of the Education of Young Children
- another is a local provider that is leading a state supported effort for advancement of Black, Indigenous, People of Color or BIPOC owners and with intents to take it nationally
- another is the largest early learning provider in our region



I will introduce them to you as I ask each a lead in question. Note their upcoming bi-weekly editorials at the JES website.

1. First, is **Elana Como**, Director of PA's Early Learning Resource Center Region 1 and Chief Executive Officer, Northwest Institute of Research, Inc. In her roles, she manages the Commonwealth's Child Care Works (CCW) subsidized child care program that helps low-income families pay their child care fees. And serves as a hub for child care information serving Erie, Crawford, Mercer, and Venango Counties.

As you have a cat bird seat providing a high perch to see what is going on in this childcare system. How would you characterize the state of childcare in the city and how are we different from or in line with others?

2. Second is **Tiffany Lavette**, Founder of Her P.O.W.E.R. Inc., which owns and operates ABC 24-Hour Childcare, and Founder of the National Association for the Advancement of Black and Brown Childcare Providers and co-owner of LaVette's Enterprises. She specializes in training new childcare business owners and is leading a special project for advancement of Black, Indigenous, People of Color or BIPOC owners.

You are an entrepreneur and community leader on many levels. Why is the first 1,000 days so critical in general and specifically with regard to cultural competence in care? Also, with regard to Erie's diversity (racial, ethnic, and economic) how are we doing in the quest to be a family friendly, welcoming, and equitable city through childcare?

3. Third, is **Andrea Heberlein**, Executive Director, Pennsylvania Early Learning Investment Commission that was created by an Executive Order for the purpose of mobilizing business leaders across Pennsylvania to secure support for investments in early learning. It works to improve the economy through policy and investment in high-quality early learning programs. A particular focus is on working with the Executive and Legislative branches to provide advice and support for policies and investments that serve an increased number of at-risk children.

How does affordable, quality childcare impact a business's bottom line and what are the ramifications for PA's economy?

4. Fourth, is **Karen Grimm-Thomas**, Early Childhood Education Strategy Adviser with the Creative Child Care Solutions program of The Pennsylvania Key that helps employers identify and address the child care needs of their employees and invest in local early learning systems as a means to attract and retain staff and create positive work environments.

Please share with us how you work with a company to assess their needs of employee recruitment, retention, and engagement and whether they have a childcare problem. What do you typically find? Why should businesses be thinking about quality care and what do you see as the stakes for Erie's growth?

5. Fifth is **Rina Irwin**, Chief Executive Officer at Child Development Centers, Inc. the largest provider to nearly 2,000 children in our region. CDC's growth is part is tied to assuming responsibility for federal and state Head Start programs in Erie, Crawford, and Venango Counties.

Give us a sense please of what it takes to start up a childcare center. What are the biggest hurdles and what do you see as areas where Erie can help childcare providers be more successful to redress what is otherwise a classic example of market failure? Are there economies of scale that could help ease burdens for groups of providers who collaborate on for example shared administrative functions (HR, billing, etc.)?

6. Sixth is **Michelle Harkins**, Executive Director, Early Connections, Inc. a leading organization in our region for early care and education from birth through school age, providing direct service as well as training and planning leadership. Early Connections leads apprenticeship programs for 18 counties.

What do you see as among the most practical and impactful pathways to increasing the number of slots for 0-3 in the city of Erie and why Erie can't wait for or expect the state and fed to shoulder and fix all?

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## ABOUT THE AUTHOR

A featured JES contributor, Gould served 20 years as founding executive director of Sustainable Pittsburgh. After three years with the Erie Community Foundation as vice president of Community Impact, he is a sustainable solutions consultant and certified professional coach.

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