P.O. Box 34047, Bethesda, MD 20827

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House Bill HB862 Child Care Affordability Commission - Establishment

Ways and Means Committee – February 25, 2025

SUPPORT

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club** (WDC) for the 2025 legislative session. WDC is one of Maryland's largest and most active Democratic clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of SB452. This bill will establish a Child Care Affordability Commission to study and make recommendations regarding childcare affordability in the State.

Despite historic investments in childcare—with \$605 billion invested in childcare scholarships during the first two years of the Moore-Miller administration—childcare in Maryland lags most of the nation. The Comptroller of Maryland's December 2024 State of the Economy Report, *Child Care and The Economy*, paints a grim picture. Already high costs continue to increase, and the growing financial burden of early care and education (ECE) is burdening Maryland's families:

- Toddler-care and prekindergarten remains expensive, but infant care is particularly expensive; in Maryland, center-based infant care costs approximately \$19,906, per child. (In-state tuition at the University of Maryland is \$11,505.)
- The cost of ECE continues to outpace increases in cost of living. For example, between 2020 and 2023, tuition for infant care increased by 22.7% for center-based slots and 35% for family-care slots.
- Childcare for a single child costs the average family more than 20% of their household income.
 According to the Comptroller, the average cost of care for a single infant equals 13% of the median income for married couples and 41% for single-parent families.

While the burden on families is great, the cost to providers of ECE is equally unsustainable. From February 2020 until October 2024 the number of licensed childcare providers dropped by more than 15%. According to the Comptroller's report, the average wage for childcare workers is half the average wage of all workers in Maryland, and lower than that of most other service professionals.

As Maryland continues to lose childcare providers, Maryland families are left to chase fewer and fewer childcare seats. These are the consequences: a high cost of care drives many women who might otherwise choose to work to opt out. Maryland's ongoing childcare shortage suppresses women's workforce participation. The state's Labor Participation Rate (LPR) has seen the steepest decline in the nation and has not rebounded since the pandemic. Women's LPR significantly lags men's and the LPR for women with children is significantly less than that of women without children. Moreover, the LPR for "prime age" mothers with young children is more than 15% less than that of fathers with children the same age. The research is clear: lower



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rates of maternal labor participation are a consequence of our broken system of early care and education. According to the Center for American Progress, <u>"Among parents who are not working full time, 3 in 5 say that</u> they would choose to do so if they had access to affordable child care."

Current mechanisms for funding childcare in Maryland do not work. In providing care for the youngest of our children, we see that the market has proven itself inadequate. Childcare is not scalable and is inherently costly. It is also a social good; it is "critical infrastructure" for families and vital to the functioning of our economy, in bad times as well as good times. It behooves us to determine how to fund childcare in a way that enables children, families, and the economy to flourish and is sustainable for providers. That is what HB862-Establishment of the Child Care Affordability Commission will help us to accomplish.

We ask for your support for SB452 and strongly urge a favorable Committee report.

Tazeen Ahmad WDC President

Kate Stein
WDC Children and Youth
Subcommittee

Cynthia Rubenstein WDC Advocacy Chair