



***Senate Bill 2012***

Senate Appropriations Committee  
Senator Brad Bekkedahl, Chairman

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*Supporting Working Families | Strengthening Our Workforce*  
An Overview of the ND Child Care Proposal

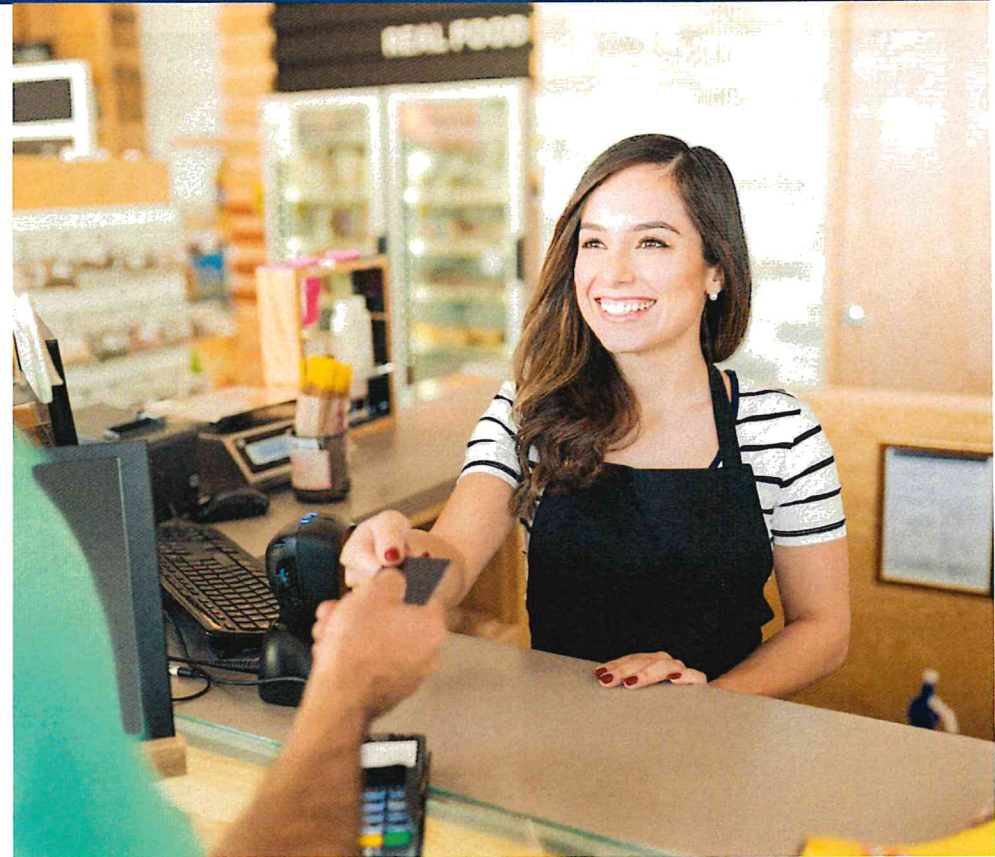
NORTH  
**Dakota**  
Be Legendary.

| Health & Human Services



# Why think about Child Care as a Workforce Solution?

- ✓ North Dakota has more job openings than people to fill them.
- ✓ 47% of ND job openings pay an average starting wage of less than \$25/hour.
- ✓ To thrive communities need workers who want to work in both high-skill-required and low-skill-required jobs.
- ✓ The economic realities of child-rearing affect household decisions about employment.
- ✓ There are 45,000 ND households who have children younger than age 5.
- ✓ 3 of every 4 children households with children younger than age 5 have all parents in the workforce.





# In-demand occupations that require specialized training or education are found in many different sectors of the economy

## IN-DEMAND OCCUPATIONS

<h3>EDUCATION</h3> <p>Instructional Coordinators Librarians &amp; Media Collections Specialists Teachers Secondary School Teachers Elementary School Teachers Career/Technical Education Teachers, Secondary School Middle School Teachers, Except Special &amp; Career/Tech Ed Kindergarten Teachers, Except Special Education Special Education Teachers Kindergarten, Elementary, Secondary School Preschool Teachers, Except Special Education Health Specialties Teachers, Postsecondary Teaching Assistants, Except Postsecondary</p>	<h3>HEALTHCARE</h3> <p>Athletic Trainers Dental Assistants Dental Hygienists Diagnostic Medical Sonographers Dietitians and Nutritionists Massage Therapists Medical Assistants Nursing Assistants Nurse Licensed Practical &amp; Licensed Vocational Nurses Registered Nurses Occupational Therapists Occupational Therapy Assistants Phlebotomists Physical Therapist Assistants Psychiatric Aides Respiratory Therapists Skincare Specialists Technologists &amp; Technicians Cardiovascular Technologists &amp; Technicians Clinical Laboratory Technologists &amp; Technicians Emergency Medical Technicians &amp; Paramedics Pharmacy Technicians Nuclear Medicine Technologists Ophthalmic Medical Technicians Radiologic Technologists and Technicians Surgical Technologists Veterinary Technologists and Technicians</p>
<h3>ENGINEERING &amp; ARCHITECTURE</h3> <p>Civil Engineers Civil Engineering Technologists &amp; Technicians Electrical Engineers Mechanical Engineers</p>	<h3>MANAGEMENT</h3> <p>Construction Managers General &amp; Operations Managers Industrial Production Managers Medical &amp; Health Services Managers Sales Managers</p>
<h3>FINANCIAL</h3> <p>Accountants and Auditors Bookkeeping, Accounting, &amp; Auditing Clerks Financial Managers Management Analysts Operations Research Analysts Statisticians Tax Preparers</p>	<h3>SKILLED TRADE</h3> <p>Automotive Service Technicians &amp; Mechanics Butchers &amp; Meatcutters Carpenters Chefs &amp; Head Cooks Crane &amp; Tower Operators Diesel Technician Industrial Machinery Mechanics Bus &amp; Truck Mechanics &amp; Diesel Engine Specialists Farm Equipment Mechanics &amp; Service Technicians Electricians Firefighters Hairdressers, Hairstylists, &amp; Cosmetologists Heating, Air Conditioning, &amp; Refrigeration Mechanics &amp; Installers Machinist Plumbers, Pipefitters, &amp; Steamfitters Power Plant Operators Precision Agriculture Technicians Welders, Cutters, Solderers, &amp; Brazers Wind Turbine Service Technicians</p>
<h3>TRANSPORTATION</h3> <p>Commercial Pilots Heavy &amp; Tractor-Trailer Truck Drivers</p>	<h3>PROFESSIONAL / OTHER</h3> <p>Compliance Officers Human Resources Managers Human Resources Specialists Paralegals and Legal Assistants Public Relations Specialists Market Research Analysts and Marketing Specialists Training and Development Specialists</p>
<h3>INFORMATION TECHNOLOGY</h3> <p>Computer and Information Systems Managers Computer Network Support Specialists Computer Programmers Computer Systems Analysts Computer User Support Specialists Intelligence Analysts Information Security Analysts Software Developers &amp; Software Quality Assurance Analysts and Testers Telecommunications Equipment Installers &amp; Repairers, Except Line Installers Web Developers &amp; Digital Interface Designers</p>	
<h3>SALES</h3> <p>Securities, Commodities, &amp; Financial Services Sales Agents Sales Representatives, Wholesale &amp; Manufacturing, Technical &amp; Scientific Products</p>	
<h3>SOCIAL SERVICES</h3> <p>Child, Family, &amp; School Social Workers Childcare Workers Community &amp; Social Service Specialists Educational, Guidance, &amp; Career Counselors &amp; Advisors Healthcare Social Workers Marriage &amp; Family Therapists Mental Health &amp; Substance Abuse Social Workers Police &amp; Sheriff's Patrol Officers Social &amp; Community Service Managers Social &amp; Human Service Assistants Substance Abuse, Behavioral Disorder, &amp; Mental Health Counselors</p>	

**NORTH Dakota | Job Service**  
Be Legendary.

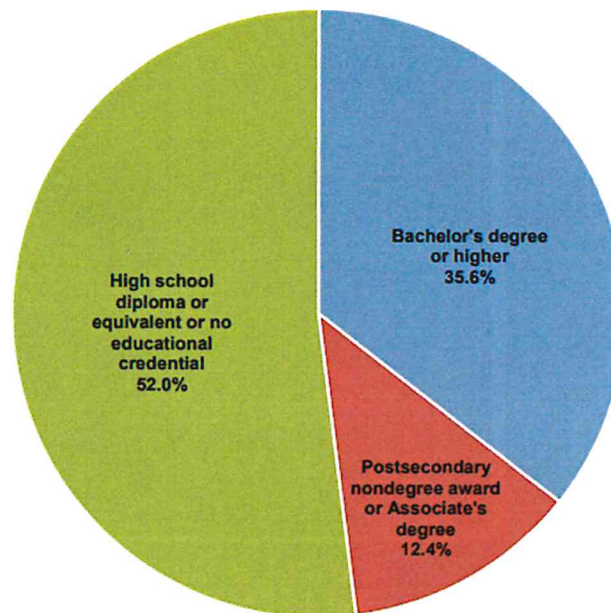
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R 7/01/2022 • FY22



# Distribution of Job openings by typical entry level education

December 2022 Job Openings Report



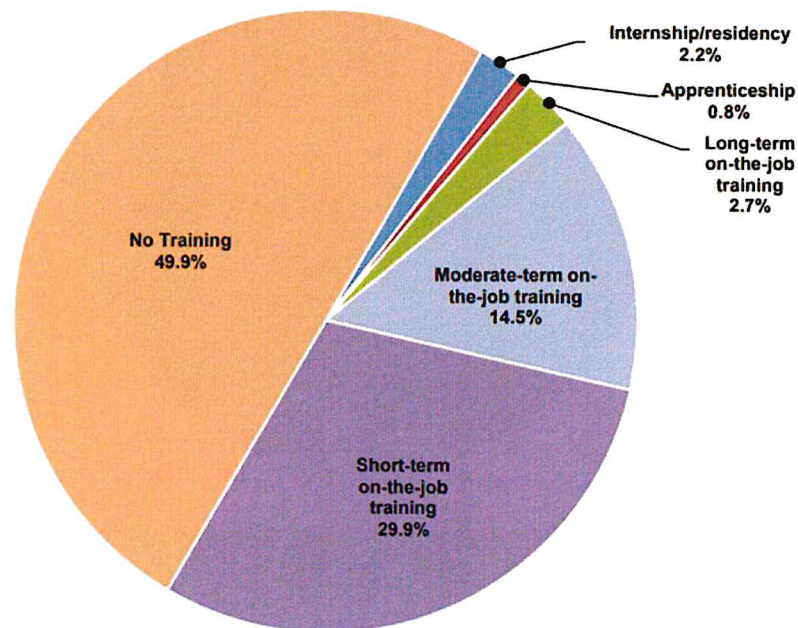
DEC 2022
<b>TOTAL</b>
16,133
<b>DOC OR PROF</b>
324
<b>MASTER'S</b>
372
<b>BACHELOR'S</b>
5,037
<b>ASSOCIATE'S</b>
634
<b>POSTSEC AWARD</b>
1,362
<b>HIGH SCHOOL</b>
5,209
<b>NO EDU CRED</b>
3,166
<b>UNASSIGNED</b>
29

[Unassigned openings excluded from pie chart calculations]

Source: Labor Market Information Center | Job Service ND  
[https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi\\_ojornd.pdf](https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi_ojornd.pdf)

# Distribution of Job Openings by Typical Training

December 2022 Job Openings Report



DEC 2022
<b>TOTAL</b>
16,133
<b>INTERN/RES</b>
351
<b>APPRENTICESHIP</b>
128
<b>LT OJT</b>
435
<b>MT OJT</b>
2,336
<b>ST OJT</b>
4,815
<b>NO TRAINING</b>
8,039
<b>UNASSIGNED</b>
29

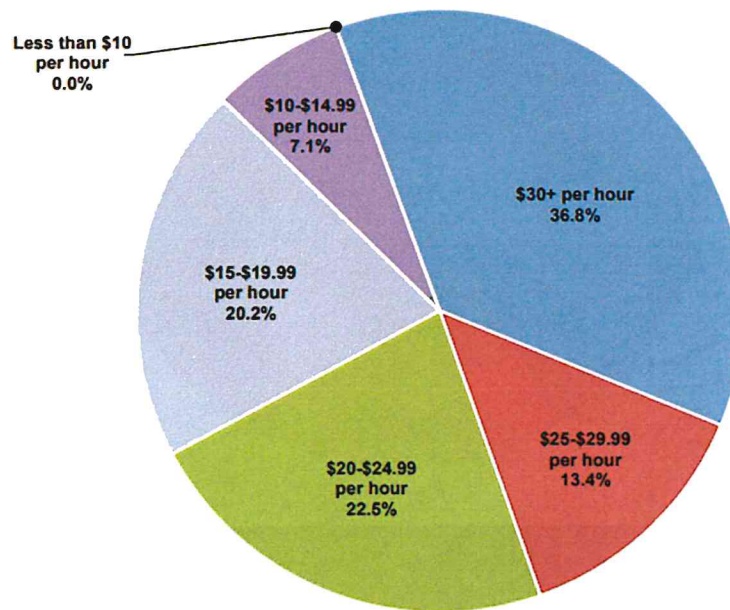
[Unassigned openings excluded from pie chart calculations]

Source: Labor Market Information Center | Job Service ND  
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# Distribution of Job Openings by Typical Average Wage

## December 2022 Job Openings Report



DEC 2022	
TOTAL	16,133
\$30+	5,892
\$25.00-\$29.99	2,138
\$20.00-\$24.99	3,602
\$15.00-\$19.99	3,231
\$10.00-\$14.99	1,131
LESS THAN \$10	2
UNASSIGNED	137

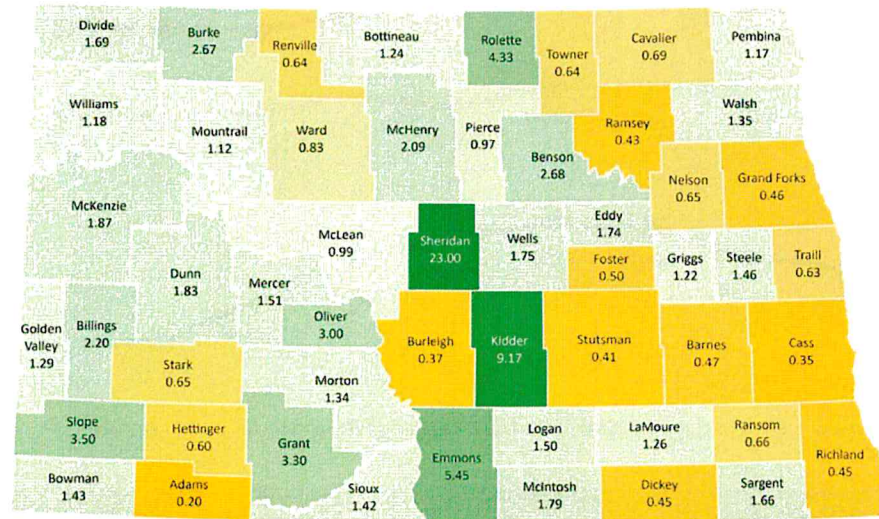
[Unassigned openings excluded from pie chart calculations]

Source: Labor Market Information Center | Job Service ND  
[https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi\\_ojornd.pdf](https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi_ojornd.pdf)

# Many ND communities are experiencing greater workforce shortages in 2022 than 2021

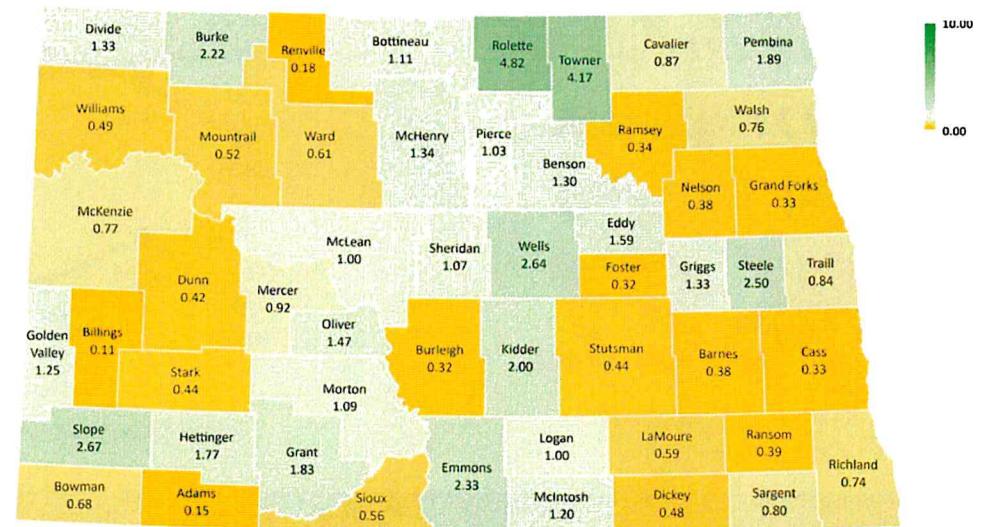
December 2022 Online Job Openings report | ND LMI Center

UNEMPLOYED PER JOB OPENING BY COUNTY



UNEMPLOYED PER JOB OPENING BY COUNTY

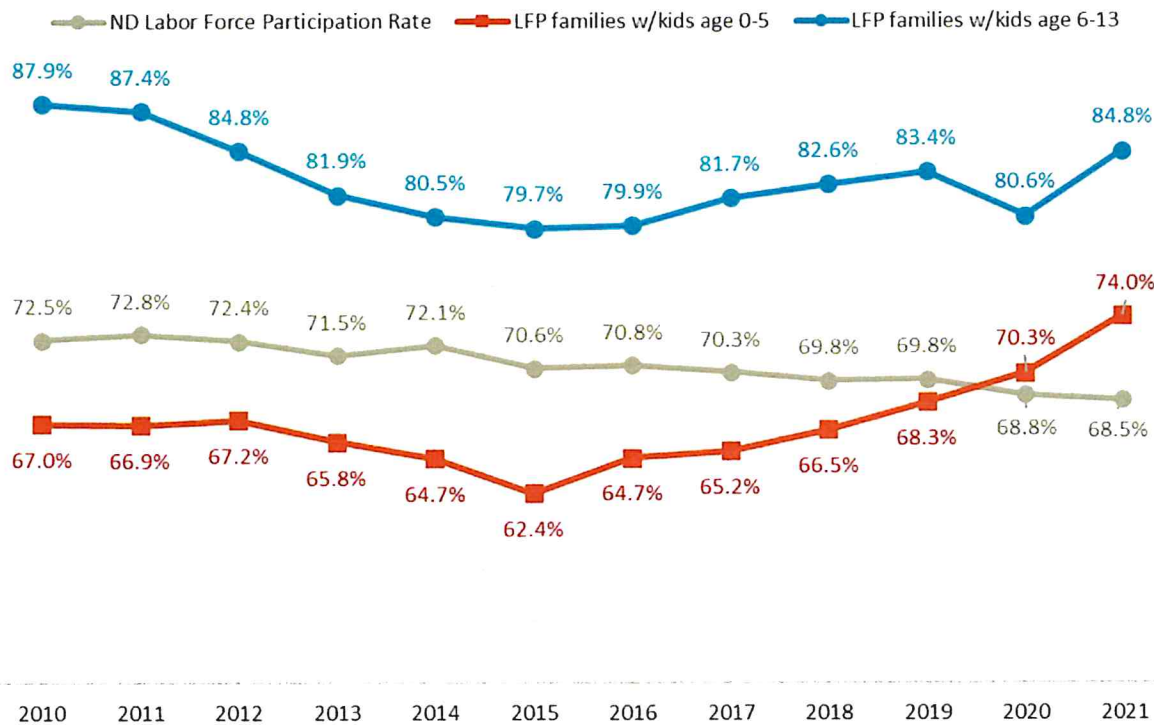
[NOV 2022]



Source: Labor Market Information Center | Job Service ND  
[https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi\\_ojornd.pdf](https://www.ndlmi.com/admin/gsipub/htmlarea/uploads/lmi_ojornd.pdf)



# The percent of ND children ages 0-5 who have all available parents in the labor force has been steadily increasing since 2010



**73%**  
Parents in  
workforce

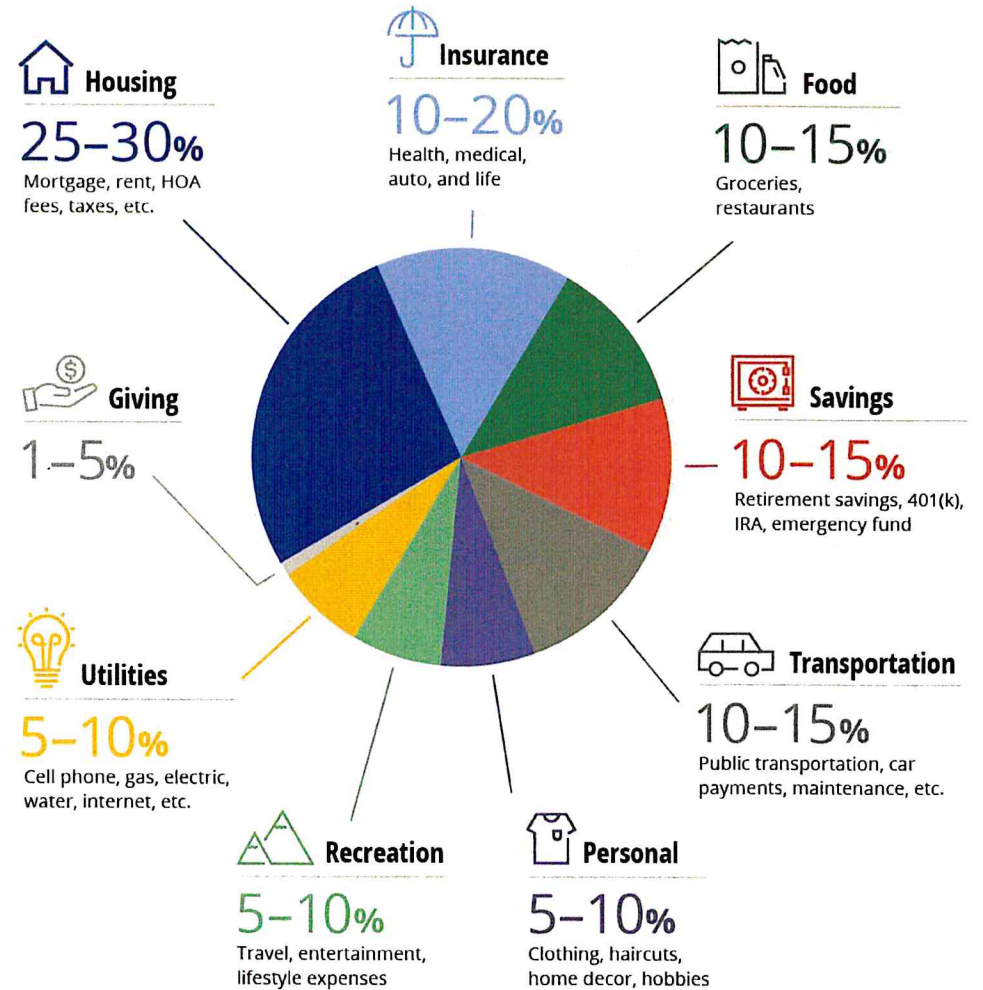
73% of the 44,237 North Dakota households who have children younger than age 5 likely have at least some need for child care as all available parents are in the workforce

Source: ND Kids Count | US Census American Community Survey | Bureau of Labor Statistics



# What does someone think about when they are looking for a job?

Interest  
Aptitude  
Purpose  
Opportunity  
Location  
**Income**



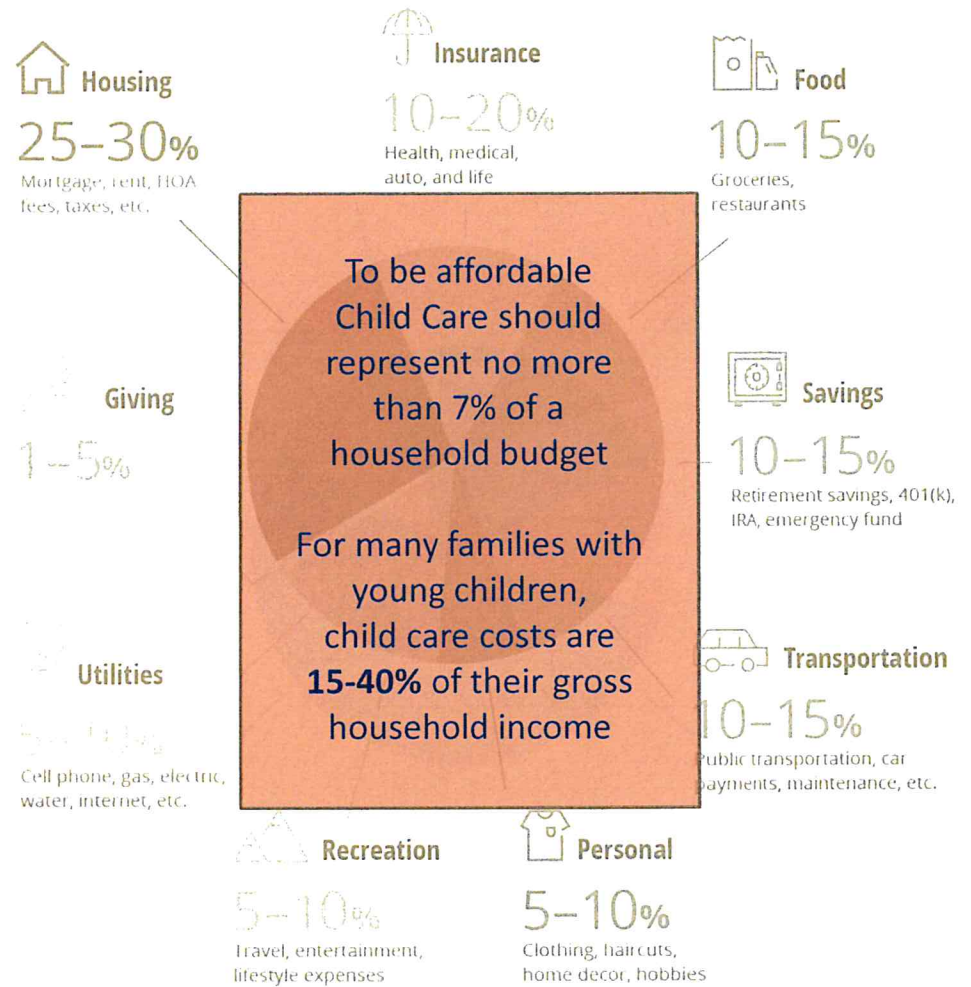


**NOTE**

**What's missing from this picture?**



**Child Care**





# Child care is one of the largest monthly costs for families with young children

## WHAT DOES CHILD CARE COST?

### Age 0-17 months

Center-based  
\$595 - \$1,890  
**Avg: \$838**

Family/Group-based  
\$475 - \$1,200  
**Avg: \$672**

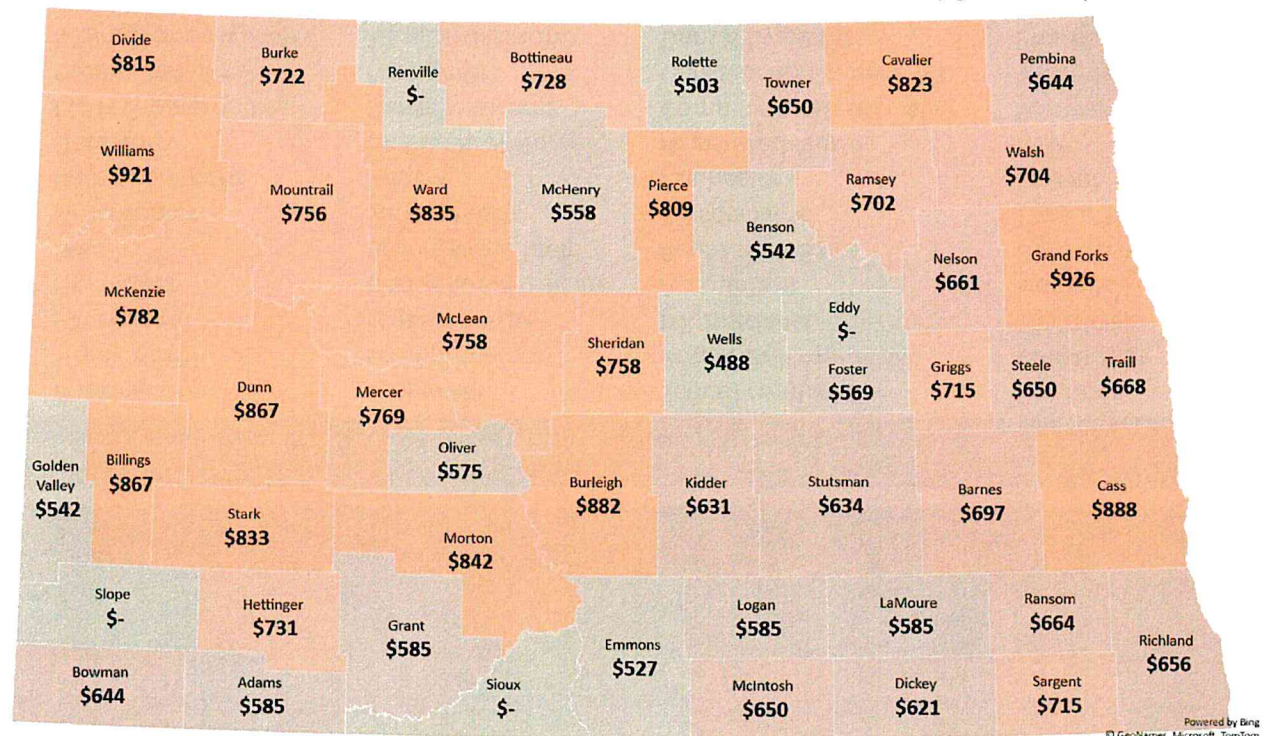
### Age 18-35 months

Center-based  
\$595 - \$1,810  
**Avg: \$798**

Family/Group-based  
\$475 - \$1,000  
**Avg: \$661**

Source: Oct 2021 Child Care Market Study conducted for ND Child Care Assistance Program

2020 average monthly cost of licensed child care for Infants and Toddlers (ages 0-17 mo)



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# 84% of Jobs in the ND labor market pay an average wage of \$35/hour or less



Less than \$13 / hr	\$13 - \$20 / hour	\$20 - \$28 / hour	\$28 - \$35 / hour	>\$35 / hour
Waiter/Waitress Child care worker Dishwasher Bartender Cafeteria worker Short order cook Cashiers Veterinary Assistant	Pharmacy tech Home health PT assistant Hair stylist Retail Farmworker Restaurant cook Data entry EMTs & paramedics Carpet installers Maintenance workers Nursing assistant Laborer Substitute teacher Extraction helper	Carpenter Loan processor Legal secretary Correctional officers Auto service tech Surgical tech Roofer Lic Practical Nurse Dental assistant Firefighter Surgical assistant Clergy Social worker Police Hotel manager Truck driver	School counselor Rotary drill operator HR specialist Accountant Real Estate Sales PR specialist Counselor Registered Nurse Comp network specialist Construction supervisor Dental hygienist Architectural drafter Speech pathologist	Engineer Constr mgr Electrician Lineman Gen/Op mgr Loan officer Lawyer Sales Software dev Veterinarian Pharmacist Physician Dentist Psychologist
<p><b>70,770</b>                      # of people employed in a job with average wage of &lt;\$13/hour</p> <p>represents                      10% of total jobs</p>	<p><b>219,490</b>                      31%</p>	<p><b>215,200</b>                      30%</p>	<p><b>90,740</b>                      13%</p>	<p><b>114,730</b>                      16%</p>

Source: Job Service ND 2020 Employment and Wages by Occupation dataset | mean wage by occupation; 710,910 jobs included in wage summary



# Most all households earning less than 150% of state median income (SMI) will struggle with costs of child care

## Families potentially eligible for child care assistance program (CCAP)

Household Size	Federal Poverty Level		30% SMI		60% SMI		85% SMI		100% SMI	
	Annual Income	Hourly Wage	Annual Income	Hourly Wage	Annual Income	Hourly Wage	Annual Income	Hourly Wage	Annual Income	Hourly Wage
1	\$12,880	\$6.19	\$16,238	\$7.81	\$32,475	\$15.61	\$ 46,008	\$ 22.12	\$54,125	\$26.02
2	\$17,420	\$8.38	\$21,233	\$10.21	\$42,467	\$20.42	\$ 60,156	\$ 28.92	\$70,778	\$34.90
3	\$21,960	\$10.56	\$26,230	\$12.61	\$52,460	\$25.22	\$ 74,316	\$ 35.73	\$87,433	\$42.04
4	\$26,500	\$12.74	\$31,226	\$15.01	\$62,452	\$30.03	\$ 88,476	\$ 42.54	\$104,087	\$50.04
5	\$31,040	\$14.92	\$36,222	\$17.41	\$72,444	\$34.83	\$ 102,636	\$ 49.34	\$120,740	\$58.05
6	\$35,580	\$17.11	\$41,219	\$19.82	\$82,437	\$39.63	\$ 116,796	\$ 56.15	\$137,395	\$66.06
7	\$40,120	\$19.29	\$42,155	\$20.26	\$84,310	\$40.53	\$ 119,448	\$ 57.43	\$140,517	\$67.56
8	\$44,660	\$21.47	\$43,092	\$20.72	\$86,184	\$41.43	\$ 122,100	\$ 58.70	\$143,640	\$69.06

*"Hourly Wage" is calculated by assuming 2,080 hours worked per year per annual income range noted. Multiple wage earners could combine earnings to attain the noted household income / hourly wage.*



# When is child care affordable?

Average monthly cost of care in a Child Care Center compared to affordability standard of 7% of household income



## 1 child (9-month-old)

Center-based avg  $\$838$   $\longrightarrow$  Household income needed?  $\$143,600$  = combined hourly wage of  $\$69/\text{hr}$



## 1 child (3-year-old)

Center-based avg  $\$726$   $\longrightarrow$  Household income needed?  $\$124,400$  = combined hourly wage of  $\$60/\text{hr}$



## 2 children (1-year-old and 4-year old)

Center-based avg  $\$1,564$   $\longrightarrow$  Household income needed?  $\$268,100$  = combined hourly wage of  $\$129/\text{hr}$



# When is child care affordable?

Average monthly cost of care in a Family/Group Child Care compared to affordability standard of 7% of household income



## 1 child (9-month-old)

---

Family/Group avg  $\$672$   $\longrightarrow$  Household income needed?  $\$115,200$  = combined hourly wage of  $\$55/\text{hr}$



## 1 child (3-year-old)

---

Family/Group avg  $\$653$   $\longrightarrow$  Household income needed?  $\$111,900$  = combined hourly wage of  $\$54/\text{hr}$



## 2 children (1-year-old and 4-year old)

---

Family/Group avg  $\$1,325$   $\longrightarrow$  Household income needed?  $\$227,100$  = combined hourly wage of  $\$109/\text{hr}$



# A strategy of both comprehensive and targeted investment



## Target investments to ages 0-3

- ✓ Age of highest developmental return for children
- ✓ Period of greatest economic pressure for most young families
- ✓ Critical decision point for individual-level decisions about how/if to rejoin the labor force
- ✓ Focus on working families employed in occupations where compensation doesn't offset the cost of child care needed to enable work



## Embrace an all-of-the-above approach to child care

- ✓ Quality early experiences can happen anywhere.
- ✓ Working families should have meaningful choices about child care.
- ✓ Principles of quality are knowable and transferrable to any setting.
- ✓ Sustainable child care businesses will support more sustainability within the workforce.



## Help working parents provide for their families by supporting employment, training and education goals

- ✓ Benefits are scaled to family need.
- ✓ Employers have meaningful vehicles to remediate child care as a barrier to work.
- ✓ There are opportunities for children who are least likely to have access to quality early childhood experiences.



# Child care is a workforce solution that can make a difference for ND employers



## Affordability

Connect more working families to child care assistance to keep the cost of child care within 7% of household income

**\$27 million** | Helping lower income working parents with child care costs | Public private cost share for employer-provided child care benefit for employees



## Availability

Make it easier for working families to find child care when and where they need it

**\$22 million** | Payments for Infant and Toddler care | Supporting more sustainable operations for child care entrepreneurs | Care during non-traditional hours | Child care worker career pathways | Criminal background checks



## Quality

Help kids realize their potential by supporting quality early childhood experiences

**\$24 million** | Best in Class program | Scholarships and Incentives for child care worker professional development | Connecting child care payments to quality

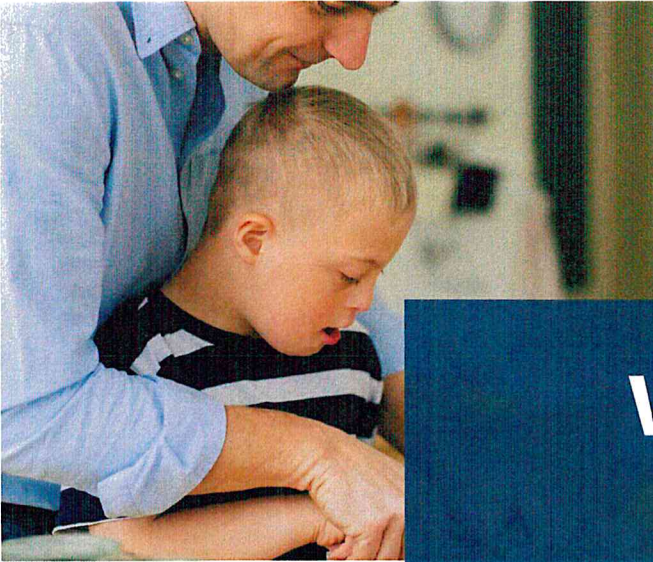




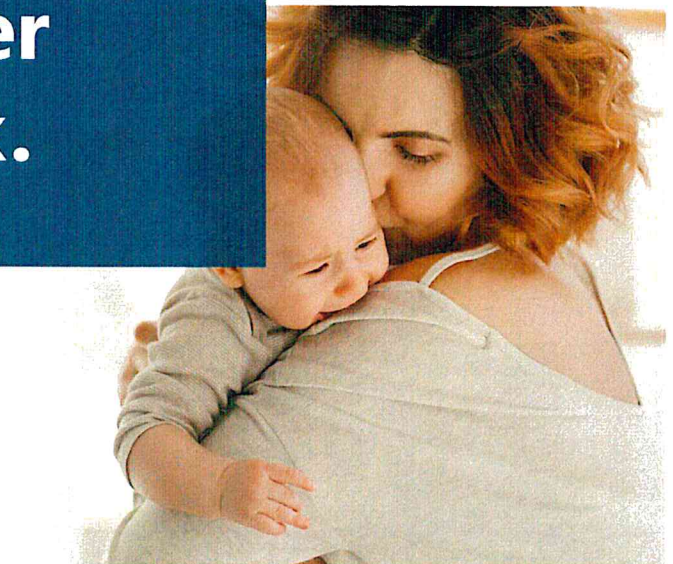
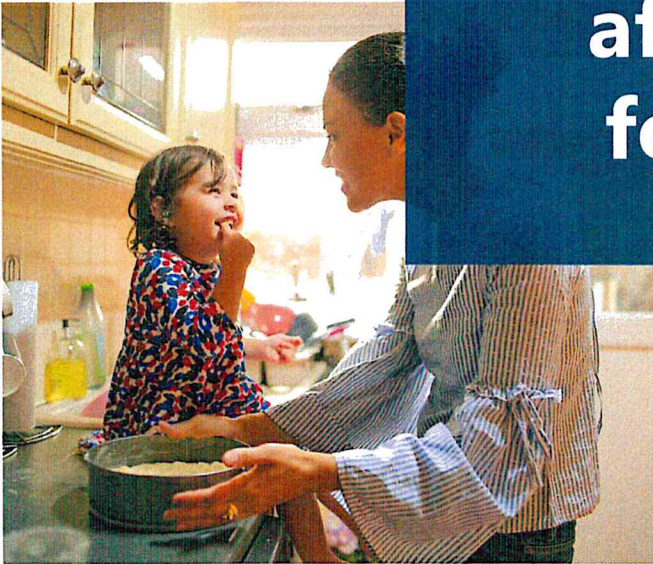
**What is workforce?  
It's workers.**



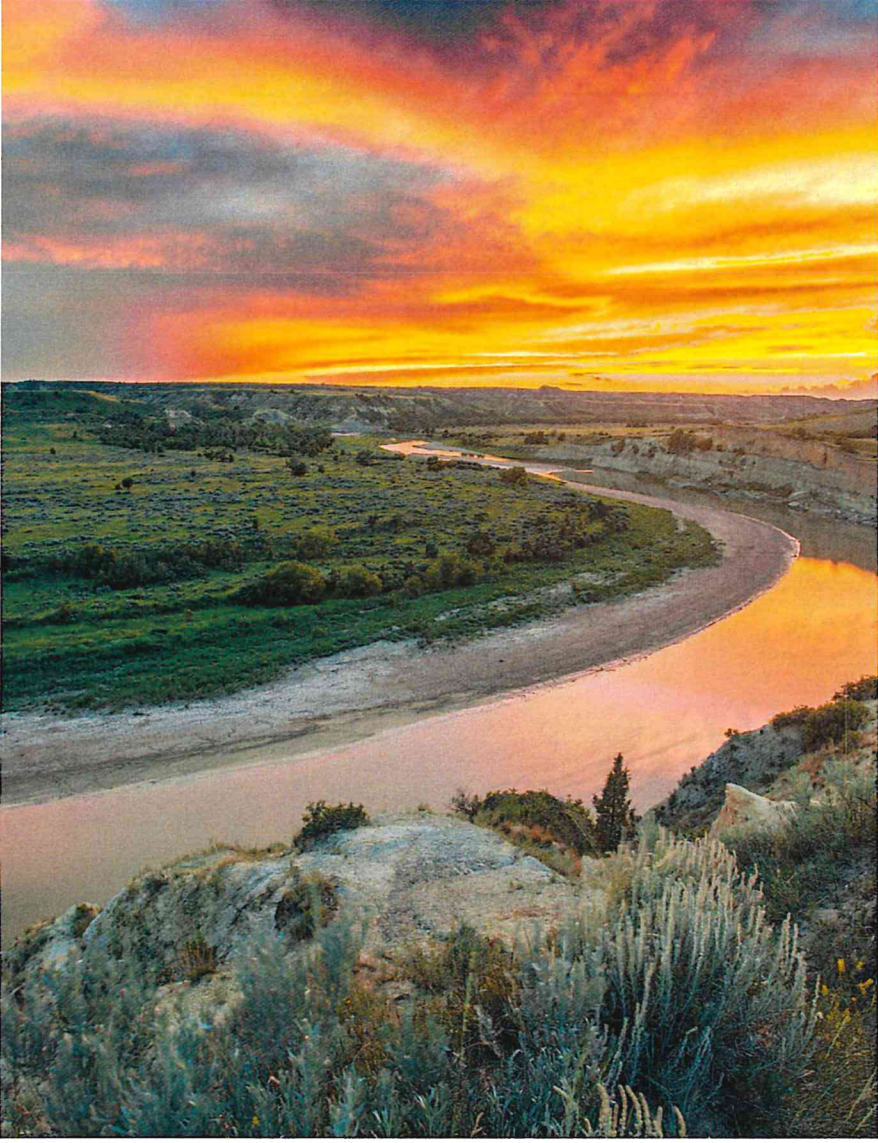




**When quality child care is more affordable, it's easier for parents to work.**







## Contact information

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