



Child Care Challenges Undermine Maryland's Strength

Investments in quality child care can improve the economy, increase public safety, and enhance national security

Strengthening investments in the expansion of quality child care can help sustain the current workforce, build the future workforce, contribute to public safety, and enhance national security. Ignoring the negative implications of inaccessible and unaffordable, quality child care can hamper Maryland's future.

A recent study of the infant-toddler child care crisis reports a staggering annual estimated cost of \$2.2 billion in lost earnings, productivity, and revenue in Maryland.¹ Past studies report a \$1.28 billion reduction in Maryland's economic output due to absence and turnover resulting from child care issues.²

Maryland families also bear a burden. Parents depend on child care to be able to work. Young children need nurturing, stimulating environments for healthy brain development, as their brains develop more in the first three years of life than at any other stage of development.

And there are societal consequences. Maryland prisons are overly represented by persons with learning challenges that could have been addressed during the early years.³ It doesn't have to be this way. Providing children with high-quality early learning opportunities can help reduce the human and fiscal costs of crime in the future.

Further, our national security relies on qualified young adults who are ready, willing, and able to serve in the U.S. military. However, educational deficits, obesity, substance abuse, and crime prevent 70 percent of Maryland youth from qualifying for service.⁴ Healthy development in the earliest years sets the stage for children's future success. Without improvements to the child care system, our nation risks having an even smaller recruiting pool in the future.

Maryland lawmakers must strengthen investments that enhance the affordability



“Beyond the immediate need to improve child care, the future competitiveness and readiness of our country is predicated on raising healthy and productive youth who can go on to serve in all facets of society, including our armed forces.”

**Rear Admiral (Ret.)
Doug Fears**, U.S. Coast Guard;
Mission: Readiness Member,
Whitman, MD

and availability of quality child care, including increases in child care subsidies and subsidy rates. A fundamental feature of child care quality is highly-qualified teachers who need to be adequately compensated.

Parents are a critical component of the Maryland labor force

Seventy-one percent of Maryland children under age 6 have parents who are in the workforce,⁵ and nearly 22 percent of all Maryland workers are parents of children under age 5.⁶ Child care, then, is a necessity for a sustainable labor force.

Maryland's child care system must improve to meet the needs of children, families, educators, and employers

Several interrelated challenges render the child care system less than optimal:

Access

Over half (51 percent) of Marylanders lived in a child care desert—any census tract with more than fifty children under age 5 that contains either no child care providers or more than three children for every licensed child care slot.⁷

Affordability

Infant care in a Maryland center averages \$17,889 per year, more than in-state public college tuition (\$10,245).⁸ While Maryland recently increased the income eligibility scale, from \$71,525 to \$90,033 for a family of four per year via the Child Care Scholarship program,⁹ more must be done. This enhancement will only benefit a fraction of eligible families.

Compensation

Despite the high costs incurred by families

and the vital role of early care teachers, in Maryland, they are poorly compensated, with annual mean wages of \$29,940, compared to \$67,600 for kindergarten teachers.¹⁰ Low wages contribute to teacher turnover and staffing shortages, creating instability for child care programs, parents, and children.

Beyond the negative effects on infants, toddlers, older children, families, and teachers, problems with child care exact a huge economic toll: a staggering estimated annual cost of \$2.2 billion in lost earnings, productivity, and revenue, from insufficient child care for infants and toddlers alone.¹¹

Research shows that quality child care supports children's cognitive, social, and emotional development


For example, a longitudinal study of more than 1,300 children found that children in higher-quality child care were better prepared for school at age 4 compared to children in lower-quality child care. At age 15, they were still performing slightly above their peers and had significantly lower levels of behavior problems.¹²

Maryland policymakers should promote access to affordable, quality child care

In 2022, Maryland increased reimbursement rates for providers serving children via the Child Care Scholarship Program. Additionally, the Maryland State Department of Education recently funded a \$16 million grant, designed to recruit newcomers and provide bonuses to current child care workers. Despite these gains, still over half of Maryland children live in a child care desert, and child care teachers make significantly less than primary school teachers. The recent enhancements to the

Child Care Scholarship Program are also at risk, as funding is currently set to expire in 2026. While not unique to Maryland, eliminating these disparities are essential to our state achieving its full potential. Support for high-quality child care is an investment in Maryland's economic well-being, public safety and our nation's security.

A recently proposed bill, entitled Early Childhood Development—Child Care Scholarship Program-Funding¹³ would make enhancements permanent, and guarantee access to all eligible families. Similarly, the proposed \$10 million boost for Maryland's newly created Child Care Capital Support Revolving Loan Fund could make a significant impact on child care expansion.

 It's important to look at the years of a child's life between birth and age 3 because that's when the brain is developing. These are the most critical years for child development and Maryland's future economy."

Mike Chesser,
Former BGE CEO, Chairman of the Board, Great Plains Energy;
Ready Nation Member,
Annapolis, MD

Endnotes

- 1** ReadyNation(2023). \$122 Billion: The growing, annual cost of the infant-toddler child care crisis impact on families, businesses, and taxpayers has more than doubled since 2018.
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- 3** La Vigne, N. & Kachnowski, V. (2003). A portrait of prisoner reentry in Maryland. Washington, DC: The Urban Institute. <https://www.urban.org/sites/default/files/publication/42771/410655-A-Portrait-of-Prisoner-Reentry-in-Maryland.PDF>
- 4** Mission: Readiness (2018, February 21). MAP: Many young Americans are ineligible to serve in the military. <https://www.strongnation.org/articles/414-map-many-young-americans-are-ineligible-to-serve-in-the-military/>
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- 6** Maryland Family Network. (2020). Caring during COVID the impact of pandemic on Maryland child care providers. <https://www.marylandfamilynetwork.org/sites/default/files/2020-09/2020%20MFN%20Caring%20During%20Covid%20%28bg%29%201.3%20Pages%5B1%5D.pdf>
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- 11** ReadyNation (2023). \$122 Billion: The growing, annual cost of the infant-toddler child care crisis impact on families, businesses, and taxpayers has more than doubled since 2018. <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>
- 12** Vandell, D. L., Belsky, J., Burchinal, M., et al. (2010). Do effects of early child care extend to age 15 years? Results from the NICHD Study of Early Child Care and Youth Development. Child Development, 81, 737-756. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2938040/>
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