

July 23, 2020
United States Congress
Washington, D.C., 20004

To the Members of the Texas Congressional Delegation:

Texas' economic recovery is contingent on the ability of millions of Texans to return to work safely. For working parents, such a return is only possible through reliable and affordable access to childcare. The childcare industry has played a particularly pivotal role throughout the COVID-19 crisis, allowing essential workers to continue working in the face of statewide school closures at the pandemic's outset and facilitating the return to work for many other Texans as businesses reopened in May. These are not new functions of the childcare industry, which has always been a necessary component for a productive workforce.

In addition to enabling Texas' robust economy, the childcare industry itself is a significant employer and generator of revenue. In Texas, childcare has an estimated \$8.7 billion impact on the state economy, including \$3.6 billion in direct revenue. The industry is responsible for the employment of nearly 130,000 Texans and serves over 1.3 million children under the age of 15¹.

Yet this crucial industry is facing potentially irreparable damage in the wake of the economic fallout from COVID-19, and many individual childcare operators may not survive the crisis without dedicated stimulus funding.

Prior to the pandemic, the childcare industry was already in a fragile financial position, made up of small and very small businesses with thin profit margins, high personnel costs, and limited public funding. Providers are unable to improve their financial footing without increasing tuition costs for parents. Doing so would price many families out of the childcare market as the annual cost of care in Texas already exceeds 15% of the state's median income for a single child, and much more for parents working low-wage jobs².

The pandemic and subsequent efforts to reopen the Texas economy have only complicated matters further for childcare providers as new statewide rules and guidelines require rigorous cleaning and sanitation procedures and limit the number of children providers may serve. While necessary to ensure the health and wellbeing of both children and childcare staff, these measures constrict revenue and introduce significant new costs for providers, many of whom have already struggled to make ends meet throughout the crisis.

While Congress made support available to childcare operators in the initial CARES Act through a \$3.5 billion increase in funding for the Child Care and Development Block Grant (CCDBG), that financial assistance has been nearly exhausted just three months later. Further, evidence suggests many childcare providers were not reliably able to access Paycheck Protection Program (PPP) loans: data from the National Association for the Education of Young Children (NAEYC) shows that just a quarter of surveyed providers reported receiving aid through the program³.

¹ Committee for Economic Development (CED). [Child Care in State Economies – 2019 Update](#).

² Economic Policy Institute (EPI). [The cost of child care in Texas](#).

³ National Association for the Education of Young Children (NAEYC). [Child Care & the Paycheck Protection Program](#).

As such, the signatories on this letter urge Texas' congressional delegation to prioritize targeted and flexible financial assistance for the childcare industry in the next COVID-19 recovery package. Industry experts assess that a federal investment of \$50 billion is needed to adequately stabilize the childcare industry through the crisis⁴. This investment would cover childcare-related costs nationally for over 5 months, including relief for parents who may be unable to afford tuition amid record unemployment. Such funding would come at a critical time for childcare operators in Texas, who may again face declining enrollment and temporary closures as COVID-19 cases and hospitalizations continue to surge across the state.

Texas businesses and working families depend on safe and accessible childcare to operate and show up for work. We must shore up this essential industry to facilitate our state's immediate economic recovery and protect the long-term health of our workforce.

Sincerely,

Metro 8 Chambers of Commerce



Chambers of Commerce, Business Associations, & Businesses



⁴ The Center for Law and Social Policy (CLASP). [Why We Need \\$50 Billion in Pandemic Child Care Relief.](#)

Nonprofit, Educational, & Advocacy Organizations



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