



**I N D I A N A**  
**COMMUNITY ACTION**  
**POVERTY INSTITUTE**

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**Research and Public Policy**

**Testimony to the Health & Provider Services Committee**

**1/16/2024**

**Greetings Chairman Charbonneau and Members of the Committee,**

Thank you for the opportunity to provide testimony. My name is Erin Macey, and I am director of the Indiana Community Action Poverty Institute. Our research and policy advocacy focuses on promoting the financial well-being of all Hoosiers. We see quality, affordable childcare as essential to child development and learning and as one of the foundations necessary for parents and guardians to work, further their education, and thrive. We also know that the individuals who make childcare their career path often struggle to make ends meet. For these reasons, we are deeply grateful that the state is taking steps to strengthen this essential infrastructure and we hope that next year's budget session will see increased investment as well.

Two of the pieces of SB 2 that we especially appreciate are the provisions to expand CCDF access to childcare workers and the study of early childhood educator compensation. According to the Bureau of Labor Statistics' May 2022 wage estimates for Indiana, childcare workers have a median hourly wage of \$12.37 / hour. Childcare workers also commonly lack access to benefits like health insurance, retirement savings, and paid leave. Growing this industry will definitely require attention to how these educators are compensated – and we heard this directly from childcare providers and

workers we interviewed for a study of the childcare system in SE Indianapolis. Providers are struggling with recruitment; one shared that she struggles to “pay my staff what they deserve” while another noted “you have to be able to pay a minimum of \$16 an hour and in order to have enough staff for everybody to have a work-life balance, you need three people.” Workers, meanwhile, told us the lack of pay and benefits sometimes led to panic about how to pay the rent, manage an unexpected bill, or plan for the future. Anyone who voluntarily chooses to be in a room full of toddlers all day deserves better.

COVID-19 saw states step up to the plate on compensation in interesting ways that will provide food for thought about how to move forward as research on these strategies emerges. Already, we have evidence that support the idea that taking steps to increase compensation may be highly effective for retaining staff: A randomized controlled trial in Virginia that provided \$1,500 to teachers who remained at their sites throughout an eight-month period cut turnover in half - 15.3 percent vs. 30 percent. We’re eager to see the results of the compensation study and to be part of thinking through ways to support this vital workforce. Ensuring that childcare workers can access CCDF is a welcome first step.

Again, thank you taking this work on and for the opportunity express support.