

## Child Care, Early Learning and Semiconductor Industry: Ready to Be in the CHIPS (Act)



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**A**S ORGANIZATIONS WITH DEEP commitment to and experience in early care and education (ECE), we believe child care is at a critical juncture at this moment in our country's history. The sector is in a precarious position, with pandemic relief funding drying up and decades of underinvestment taxing a key community resource that enables families to work, children to learn and develop, and communities to thrive. Decades of research and expertise have shown us proven and meaningful solutions to ensure that employers can help meet their employees' child care needs in terms of quality, accessibility and affordability. We also know that making long-term, meaningful investments in child care will open pathways for women and a diversity of workers.

We have the secret sauce for the CHIPS Act, the recent federal mandate that all in the semiconductor industry applying for more than \$150 million in direct government funding must offer their workers one of three options: on-site child care; subsidized center-based child care; or subsidized home-based child care. Even those companies requesting less than \$150 million in funding should be considering how to attract and retain a highly skilled and diverse workforce. We believe the best way to meet employee needs

is to understand what these workers want as a child care solution for their family. And then, employers must work with employees and the community to support a variety of options, including home-based, licensed family child care as well as center-based care.

It is essential that semiconductor businesses understand the current child care ecosystem in their existing regions and in any new regions where they plan to grow their business. To make this happen, community decision-makers should require a child care landscape analysis at the city, regional or state level, in urban, suburban and rural communities. For example, the needs and capabilities of center-based care providers (often serving 20 to over 100 children) differ from in-home family child care providers (generally serving six to 12 children). Child care is a necessary part of any successful growth plan for a region. That is why child care proponents must advocate at the national and local levels to ensure that families have a variety of child care options and that the sector receives the necessary resources it needs to succeed.

We encourage applicants to build relationships with community development financial institutions (CDFIs) and national and local child care associations. CDFIs are trusted partners of banks as well as state governments.

Child care associations represent members of the diverse ECE workforce at the national, state and local levels.

Additionally, our organizations are represented in and understand the needs of historically under-resourced communities in Florida, Georgia, Rhode Island, Ohio, Michigan, Indiana, Texas, Oregon, Arizona and upstate New York — areas where many semiconductor businesses and future Innovation Hubs are in the works.

We strongly urge community leaders to consider the following four guiding principles as you work with the semiconductor industry and other large employers:

**1. Compile data and understand their employees' child care needs.**

Employees work best when their families' caregiving needs are met, and their children can be nurtured and cared for in supportive, convenient and accessible ECE settings. Completing an internal company demographic and dependent study can reveal employee needs and opportunities to enhance child care benefits to attract and retain the best talent.

**2. Build on the strengths and programs that already exist in the community.**

All communities have existing ECE resources, but they may need to be shored up or expanded. ECE professionals are critical


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it can be if your back-office systems aren't prepared to handle the influx. A slow onboarding experience can lose a sale with today's digitally oriented buyers. And if vetting new clients is taking up all the A/R team's time, invoices are likely to be delayed, leading to higher days sales outstanding (DSO)

and cash flow slowdowns.

Overall, the most valuable competitive edge comes down to *being easy to do business with*—that's what is critical in today's digital world. Adding a fully automated end-to-end payments and invoicing solution helps solve these challenges to make a successful distribution shift. Rather than being mired in

manual tasks, your A/R team could be doing higher-value work, such as proactively managing customer relationships to help foster loyalty. By simplifying a complex buying experience and aligning with today's buyer expectations through the right payments technology, businesses can stabilize cash flow and improve their customer experience. 

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community anchors who provide services to generations of residents and potential employees. It is critical to recognize their assets, work through challenges, and build a strong, sustainable ECE employee base and community.

**3. Include diverse child care settings.**


Home-based child care businesses, called family child care homes, are a viable and often preferred option for employees with young children. These businesses are more likely to offer services outside of regular business hours; care for children under three years of age; be located in rural areas or areas with less overall child care

supply; and match the language and culture of the families they serve. It is important to include diverse ECE solutions for prospective employees with young children.

**4. Advance income equity for ECE providers.**

It is unconscionable that 98% of wage earners make more than ECE professionals. One in three child care providers has experienced at least one material hardship (e.g., food, housing, utilities). A recent survey of early educators found that nearly half of respondents who had been in the field for only a year or less — and over one-third of those with two to five years in the field

— were considering leaving, further limiting child care availability. We must all work to address that chronic issue by promoting programs and policies that ensure livable wages for all ECE providers.

Child care is a public necessity. It also translates to a robust workforce. Now is the time for the semiconductor industry and other employers to partner with CDFIs and child care associations and organizations to be a part of the solution and to best meet the federal mandates of the CHIPS Act and the President's Executive Order. Doing so will strengthen the nation's overall economy — and set all children up for success. 

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