



MAINE

**TESTIMONY BY KIM RUSSELL, MAINE STATE DIRECTOR, READYNATION  
BEFORE THE TAXATION COMMITTEE**

**In Support of L.D. 1222 An Act To Expand Child Care Services Through an Employer-Supported Tax Credit**

**1 P.M. Tuesday April 11, 2023, Taxation Committee, State House Room 127**

Chairs Grohoski and Perry, and distinguished members of the Joint Standing Committee on Taxation, I am Kim Russell, Maine State Director of ReadyNation and co-leader of the Right from the Start Coalition, which is a diverse and large group of partners dedicated to ensuring that all Maine children have equal opportunity for healthy development.

ReadyNation is a national nonprofit organization of more than 2,000 business leaders, 100 of who are here in Maine, committed to working to strengthen our state and our economy through evidence-based investments focused on our youngest children.

I am testifying in support of LD 1222 and thank Senator Stewart and the bill's cosponsors for their bi-partisan approach to this issue.

Working parents and their employers know how difficult it is to find child care that's accessible, affordable, and high-quality. This problem is particularly acute for parents of very young children, as infant and toddler care is typically the least available and most expensive. Further, children under age 3 are experiencing one of the most crucial periods of brain development.

ReadyNation's new national study found that America's infant-toddler child care crisis now costs the nation \$122 billion in lost earnings, productivity, and revenue every year. This staggering economic toll impacts working parents, their employers, and the nation's taxpayers.

Productivity challenges affect both employers and employees. The report shows that almost two-thirds of parents facing child care struggles reported being late for work or leaving work early, and more than half reported being distracted at work or missing full days of work. An overwhelming 85 percent of parents said problems with child care hurt their efforts or time commitment at work. These challenges had predictable impacts: more than one quarter of parents said they've been reprimanded at work, and nearly one quarter have been fired. As a result, families lose \$78 billion per year in forgone earnings and job search expenses. Employers lose \$23 billion annually due to child care challenges faced by their workforce. Taxpayers, in turn, lose \$21 billion each year in lower federal and state/local tax revenue.

Accessibility, affordability and quality are the three-legged stool of our child care industry. The bill before you addresses affordability by offering a tax credit to businesses and non-profits that help pay

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for child care. It deserves your support. Policymakers must also address child care access and I encourage members for this Committee to also support a bill soon coming forward by Senate President Jackson proposing to increase wages of Maine’s child care workers. Without child care workers, there is no child care. Without child care, parents cannot go to work.

With wise investments, policymakers can improve life outcomes for millions of children today and strengthen the workforce and economy both now and in the years to come.

I encourage the Committee’s unanimous support of LD 1222.

**The economic impacts of insufficient child care on parents, employers, and taxpayers**

Insufficient care for children under the age of 3 costs individuals, businesses, and the country billions of dollars each year.

