



COMMENTARY CARE ECONOMY

# The CHIPS Act's Child Care Requirement is Going to Unleash Economic Potential. Community Partners Can Help.



Last year's CHIPS and Science Act signaled an incredible step forward in America's pivot toward its industrial policy roots, shoring up the manufacturing sector and supply chains for semiconductors. Semiconductor manufacturing giants like Micron and TSMC have already pledged tens of billions of dollars to build factories, which are projected to create hundreds of thousands of jobs across the country. As these and other companies apply for federal funding to help bolster their projects, the Department of Commerce has made clear that they must invest in their workforces and their communities to ensure sustainability and economic resilience. That includes the requirement that applicants for federal investment over \$150 million dollars (and a strong encouragement that those applying for smaller grants) include child care plans that meet the Department of Commerce's standards for affordable, accessible, reliable, high-quality care that is responsive to employees' needs.

While these companies create some of the most technologically sophisticated hardware in history, most do not have the expertise setting up high-quality, affordable child care programs. Luckily, there are government and community partners with extensive experience to help. By forming partnerships with state and local governments, nonprofit partners, and child care resource and referral (CCR&R) agencies, Micron, TSMC, Intel, Nvidia, and others can spend their time and expertise creating the next generation of semiconductors rather than enacting approaches that may inadvertently exacerbate the child care challenges in their communities. The CHIPS Program Office has sought to facilitate these partnerships by creating a teaming partner list so manufacturing companies applying for CHIPS subsidies can reach out to experts to exchange information and work together to develop workforce and child care programs that meet the needs of local communities.

## States and localities can provide child care assistance as an incentive.

State and many local policymakers already administer child care programs and regularly incentivize businesses to locate in their communities in order to create jobs, boost tax bases, and stimulate local economies. Together, businesses and state and local policymakers can develop plans to provide community-based child care solutions in addition to the fiscal incentives of supplement grants, rebates, or tax credits. State and local government partners are well-situated to support expanding child care programs to meet the needs of new employees and the surrounding communities.

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## Community-based organizations should be made key partners.

Community-based organizations should be equal partners with states, localities, and companies in meeting the child care needs of their manufacturing and construction workers and those that support them. The Child Care for Every Family Network's resource *Effective & Inclusive Child Care Solutions: Toolkit for Implementing CHIPS & Science Act Investments* offers tips and resources for grant applicants to develop these partnerships.

An example of an effective partnership can be found in Oregon, where a public-private construction workforce development project and a coalition of child care advocates were able to advance funding mechanisms, career pathway plans, and small business investments to address gaps in their workforce systems. The Child Care for Oregon Coalition—an alliance of nonprofit organizations, labor unions, community advocates, parents, caregivers, and providers—together with the Construction Careers Pathways project—comprised of private companies, workforce development partners, and public agencies—ensured construction workers had the adequate supply of quality child care to participate in the workforce.

Child care coalitions around the country, like Child Care for Oregon, are well set-up to partner with semiconductor manufacturing firms. Additionally, local Child Care Resource & Referral agencies and staffed family child care networks are also critical partners to help establish a plan.

Applications can be further strengthened by providing letters of support or endorsement from local partners and by detailing how these stakeholders plan to work together on an ongoing basis, including developing community benefit agreements or frameworks and advisory councils to promote community engagement.

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Smart partnerships can help companies assess child care capacity in the community, determine when workers will need child care and what programs are available during which hours, offer guidance on what kinds of programs the community wants to expand to care for their children, and identify existing programs that can be easily scaled to meet new needs. These partnerships are critical to increasing

the local supply of child care and developing clarity about who is served by these programs, and their example should be used to inform future decision-making. Manufacturing and construction workers often require a range of child care options to accommodate their flexible schedules, but are stymied by the lack of available child care slots near their homes, especially during nontraditional hours. The partners named above are well-versed in these issues and can help companies navigate such obstacles.

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Providing high-quality child care options is going to unleash talent in our construction and manufacturing economy that has long been locked out. By prioritizing partnerships with states, localities, and community-based organizations, companies can ensure their child care plans will support them to fill all of their job openings and strengthen their communities.



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Julie Kashen is a senior fellow and Director for Women's Economic Justice at The Century Foundation with expertise in working families, economic mobility, labor, and poverty.



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