**Families’ Ascent To Economic Security (FATES):**

**Integrating Child Care and Workforce Systems to Strengthen Outcomes for Children and Families**

**Background**

The Florida Children’s Council, in partnership with the Children’s Services Councils, CareerSource, and Early Learning Coalitions of Broward, Palm Beach, Martin and St. Lucie counties will implement a comprehensive platform designed to reduce poverty and strengthen families by integrating child care and workforce services more coherently.

Approximately 45% of children in Florida are from low-income households with parents who work, but remain low-income despite their efforts to progress toward economic prosperity. While accessing social services can provide needed financial supports for households, in many instances income eligibility requirements force parents to choose between wage increases and critical needs of children, such as child care. Often the programs then paradoxically create disincentives for progression along a wage or career path necessary to lift a household permanently out of poverty. Recent research calls attention to “cliff effects” as a particularly problematic disincentive associated with many work support policies. In essence, cliff effects penalize households financially for progressing beyond income thresholds of work support eligibility.

Access to affordable child care stands out as perhaps the singularly most important social service in recognition of its impact on the entire family while providing clear economic benefit to employers and communities. In short, child care is an instrumental support to parents, both in the reduction of stress and in the opportunity to work, achieve higher credentials through education and training, and increase critical skills and capabilities through education and training that lead to economic and family stability.

Quality child care, in particular the quality of the teacher-child interactions, has been consistently linked to positive developmental outcomes for children, including cognitive, language and literacy development, and core executive functioning skills such as communication, problem-solving and critical thinking. These are the foundational outcomes needed for academic and later career success. For children of low-income families, it has been well-documented that before there is an achievement gap, there is a “readiness” gap and the beneficial influences of quality child care are particularly strong for supporting kindergarten readiness.

Although cliff effects are present wherever support benefits are abruptly terminated upon achieving the maximum allowable income, the critical nature of child care tuition subsidy suggests that not all cliff effects carry such significant impact. In fact, in 62 Florida counties, the least expensive child care is more costly than the least expensive rent.[[1]](#footnote-1) This fiscal cliff can be insurmountable for low-income families.

Through FATES, Children’s Services Councils, CareerSource, and Early Learning Coalitions will partner in four counties to integrate workforce and early learning services that support low-income families. The Florida Children’s Council has secured $1.2 million from the W.K. Kellogg Foundation as base funding to implement FATES. This award has been established as a challenge grant with the need and opportunity to engage other partners to support implementation. Funding through the *Pathways to Prosperity* initiative of CareerSource, Florida, Inc., has also been awarded to support this effort.

**Proposed Strategy**

Within communities, services will be made available to a cohort of families in targeted lower-income neighborhoods that focus on children’s direct experiences including quality and continuity of child care in responsive environments with positive teacher-child interactions. Research demonstrates that children who experienced multiple concurrent locations and changes in provider environments exhibit poorer social-emotional functioning. In tandem, our proposed model seeks to mitigate of cliff effects as a critical relief valve for families. Broadly, the resulting reduction of toxic stress positively impacts parental motivation and capacity to improve their economic positions as well as parenting skills.

Families eligible for child care subsidy will commit to participating in workforce development services. Individual workforce plans include assessment aligning needed workforce supports, but also help identifying what child care resources are needed to ensure success for the family. As part of this effort, a decelerated payment plan would be established for phase-out payments to help ease the cliff effect as family income triggers loss of child care subsidies.

Accordingly, the program features six key components:

1. Sector strategies pursued by the local workforce boards focuses on selective occupations in a specific industry sector that offer family supporting wages and opportunities for wage growth and advancement.
2. Career lattice (sector) alignment is organized for FATES clients as a sequence of stackable series of trainings and education, each step resulting in a credential valued by employers. Clients progressing along a career lattice realize greater earnings.
3. Career readiness and advancement counseling are key staff functions. Career coaches serve as counselors, mentors, guides and advocates for participants, helping FATES clients prepare for and succeed in their career selection and advancement.
4. Child care phase-out payments are the most unique aspect of FATES in their design to address the disincentive manifest in the immediate financial penalty realized when support benefits are abruptly terminated upon achieving the maximum allowable income.
5. Service alignment and utilization management is a central element in the FATES model designed to ensure the continuity of child care and available wrap-around services that work to mitigate families’ toxic stress.
6. Child-care program quality serves as the key mechanism impacting short-term early learning outcomes.

The FATES alignment strategies have been designed to support two overarching goals: 1) economic security through access to achievable workforce development opportunities that include high-wage/high-demand industry sector career lattices and 2) stronger child outcomes through continuity of quality child care and reduction of toxic stress created by structural weaknesses. The resulting platform is the centerpiece of innovation to strengthen family outcomes and greatly inform community practices, as well as state and federal policy.

1. United Way’s 2017 ALICE report, http://www.uwof.org/alice [↑](#footnote-ref-1)