# THE CARE ECONOMY: HELPING WASHINGTON'S SMALL BUSINESSES THRIVE

**Health care. Paid Family & Medical Leave. Affordable child care.** These essential programs help Washingtonians stay healthy, care for their families, participate in the workforce, and support local businesses.

Washington's economy depends on the health and well-being of our communities. When workers and families have the support they need, businesses benefit too.

## WHAT'S AT STAKE?

Federal and state budget cuts threaten programs that help small businesses compete, maintain their workforce, and serve their communities.

### Health care: Small businesses can't afford to go it alone

- One in three small businesses can't afford to offer health insurance to their workers – but 96% of large corporations can provide coverage.
- Small group health insurance premiums have risen by 13% in the last year alone, and costs are expected to continue increasing.ii
- Rising costs force businesses to absorb higher expenses or shift more costs onto employees, making it harder for small businesses to compete against large companies.

State programs like Apple Health (Medicaid) and Cascade Care Savings subsidies help eligible small business owners, workers, and their families access affordable coverage. But as federal subsidies decline and coverage becomes less affordable, **1 in every 23 Washingtonians is at risk of losing coverage** – and local businesses risk losing purchasing power.

## Paid leave: A safety net for workers and business owners

- Workers need time to recover from serious health conditions, bond with a newborn or adopted child, or care for a family member.
- Small businesses often can't afford to provide paid leave on their own. Paid Family & Medical Leave (PFML) provides a benefit that individual small businesses would struggle to offer independently.
- Companies with fewer than 50 workers are exempt from having to pay premiums to the state. Companies with 150 employees or fewer can receive grants, up to $30,000 every year, from the state to help cover costs when a worker is out on leave.
- PFML helps workers get the care they need and return to work – rather than having to quit for life's emergencies such as undergoing chemotherapy or tending to a dying parent.
- PFML also gives business owners a safety net when they need time away, because running a small business doesn't guarantee a back-up paycheck.

With over 1 million claims submitted since 2020 and over $7 billion in benefits paid out to workers, we know this program meets a critical need for workers. But the funding mechanism is built for a much smaller program. **It's time to update our state's program** so funding is right-sized to meet the need.

## Child care: Keeping parents in the workforce and giving kids their best start.

- Child care costs more than in-state tuition in Washington state.
- Full-time, preschool-age child care can cost up to 70% of median earnings, depending on the region.
- When families can't afford child care, parents may be forced to reduce their hours or leave the workforce altogether.
- Inadequate or unaffordable child care creates an estimated $6 billion in lost earnings, productivity, and revenue for Washington's economy.

Over the last two years, **Washington lawmakers have cut over $1 billion from child care and early learning investments.** When the state pays less, providers turn to the only place they can make up costs: higher prices for self-pay parents. Even so, providers struggle to keep their doors open with sky-high costs for food, rent, insurance, and utilities.

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