MASSACHUSETTS

Child Care Usage in Massachusetts:

- There are 1,144,025 children under age 15 (365,546 under age 5 and 778,479 between the ages of 5 and 14) in Massachusetts who may require paid child care services.
- About 309,114 children under age 15 are in paid care— 142,587 (39%) under age 5 and 169,136 (21.7%) between the ages of 5 and 14.
- The average annual cost of care for an infant is $16,549 in a child care center and $10,535 in a family child care home.
- The average annual cost of care for a 4 year old is $12,320 in a child care center and $9,904 in a family child care home.
- The average annual cost of infant center-based care is 153.3% of the cost of tuition and fees at a 4-year college.

Child Care Industry Impact in Massachusetts:

- There are 12,524 child care establishments with revenue of $1.5 billion. This includes 10,398 sole proprietors (family child care home operators) and 2,126 child care centers employing 26,500 individuals.
- $1.5 billion in direct output generated within the organized child care industry is estimated to support about $1.5 billion in additional indirect and induced output in other industry sectors, for an estimated combined total of approximately $3 billion in output in Massachusetts's economy.
- In terms of employment, 36,898 proprietors and wage and salary employees working in the child care sector are estimated to support about 15,500 jobs in other industry sectors through indirect and induced effects.
- The $730.6 million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support approximately $670 million in additional indirect and induced earnings across the state.
- Total federal and state child care assistance (both direct subsidies and tax credits) represents 38% of child care industry revenue.

The Link Between the Paid Child Care Sector and the State Economy

- The cost of organized care is a significant challenge for many parents with children.
- Access to the organized child care market can increase labor force participation and support state and regional economic growth.
- Increased subsidy payments trigger state level responses in wage rates, the mix of low- and high-skilled labor used in the state, prices of goods and services, and trade flows.