



MICHIGAN

Child Care Usage in Michigan:

- There are 1,838,782 children under age 15 (572,768 under age 5 and 1,266,014 between the ages of 5 and 14) in Michigan who may require paid child care services.
- About 428,273 children under age 15 are in paid care— 177,996 (31.1%) under age 5 and 255,327 (20.2%) between the ages of 5 and 14.
- The average annual cost of care for an infant is \$9,724 in a child care center and \$6,656 in a family child care home.
- The average annual cost of care for a 4 year old is \$7,956 in a child care center and \$6,448 in a family child care home.
- The average annual cost of infant center-based care is 83.8% of the cost of tuition and fees at a 4-year college.

Child Care Industry Impact in Michigan:

- There are 27,489 child care establishments with revenue of \$950.5 million. This includes 25,535 sole proprietors (family child care home operators) and 1,954 child care centers employing 17,982 individuals.
- \$950.5 million in direct output generated within the organized child care industry is estimated to support about \$870 million in additional indirect and induced output in other industry sectors, for an estimated combined total of

approximately \$1.8 billion in output in Michigan's economy.

- In terms of employment, 43,517 proprietors and wage and salary employees working in the child care sector are estimated to support about 15,000 jobs in other industry sectors through indirect and induced effects.
- The \$434.4 million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support approximately \$340 million in additional indirect and induced earnings across the state.
- Total federal and state child care assistance (both direct subsidies and tax credits) represents 30.1% 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.

