Massachusetts

Impact of the Child Care Industry in Massachusetts

- There are 10,458 market-based child care providers with revenue of $1.69 billion in Massachusetts. This includes 8,307 sole proprietors (family child care home-based providers) and 2,151 child care centers.

- $1.69 billion in direct revenue generated within the market-based child care industry is estimated to support about $1.71 billion in spillover or related productivity in other industry sectors for an estimated combined total economic impact of about $3.4 billion in Massachusetts.

- In terms of jobs, 39,107 sole proprietors and wage and salary employees in the child care sector are estimated to support about 12,812 workers in other industries for a total jobs impact of 51,918.

- The $887 million in employee compensation and proprietors’ earnings generated directly within the child care industry is estimated to support about $537.8 million in additional earnings across the state for a total earnings impact of $1.42 billion.

Cost of Child Care & Labor Force Participation

The cost of care in Massachusetts remains a hurdle for many parents seeking to enter or stay in the labor force.

- The average annual cost of child care for an infant is $20,415 in a child care center and $12,750 in a family child care home.

- The average annual cost of infant center-based care is 160.3% of the cost of tuition and fees at a 4-year Massachusetts college.

- Center-based infant care is 28.8% of state median income.

- Since 2010, family child care homes have declined from 11,124 to 8,307 in 2016 – a decline of 25.3%. For working families, the decline in home-based care reduces the availability of the least expensive care option for families.

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

- Access to affordable child care can increase labor force participation and support state and regional economic growth.

- Access to affordable child care can support parents seeking additional education and training, which contribute to higher earnings over an individual’s lifetime.

- 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.

Note: Regulations for child care licensing vary by state. The economic information provided through the U.S. Census Bureau Economic Census includes employers and sole proprietors who report child care business income. This does not mean such entities are regulated by the state or are in compliance with state law. Therefore, state regulatory lists may vary from child care business data reflected in the Census Bureau data.