The National Overview

Child Care Usage in the United States:

- There are 61,089,123 children under age 15 (19,868,088 under age 5 and 41,221,035 between the ages of 5 and 14) across the United States who may require paid child care services.

- About 13,857,336 children under age 15 are in paid care—5,954,524 (31.4%) under age 5 and 8,028,735 (20.5%) between the ages of 5 and 14.

- The average annual cost of care for an infant in the U.S. is $9,185 in a child care center and $6,828 in a family child care home.

- The average annual cost of care for a 4 year old is $7,805 in a child care center and $6,638 in a family child care home.

- The average annual cost of infant center-based care is 103.3% of the average cost of tuition and fees at a 4-year U.S. college.

Child Care Industry Impact in the United States:

- There are 768,521 child care establishments in the United States with revenue of $41.5 billion. This includes 693,325 sole proprietors (family child care home operators) and 75,196 child care centers employing 873,251 individuals.

- $41.5 billion in direct output generated within the organized child care industry is estimated to support about $42 billion in additional indirect and induced output in other industry sectors, for an estimated combined total of approximately $83.5 billion in output in the U.S. economy.

- In terms of employment, 1,566,576 proprietors and wage and salary employees working in the child care sector are estimated to support about 624,500 jobs in other industry sectors through indirect and induced effects.

- The $21.2 billion in employee compensation and proprietors’ earnings generated directly within the child care industry is estimated to support approximately $18 billion in additional indirect and induced earnings across the country.

- Total federal and state child care assistance (both direct subsidies and tax credits) represents 37.8% of total 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 varying responses in wage rates, the mix of low- and high-skilled labor in the workforce, prices of goods and services, and trade flows at the state level.
The National Overview

Following enactment of the Child Care and Development Block Grant Act of 2014 (CCDBG), states have an opportunity to strengthen the quality of child care – important for families and for employers.

Quality Child Care Matters!

- Quality child care is essential to the safety and healthy development of children, particularly in the school readiness of low-income children. In the United States, 25% of children under age 5 (about 5,829,000) live in poverty.
- Child care is not just a key work support for parents, but it is also critical for the healthy development of children to ensure they start school ready to learn.
- Child care as an industry can be an economic driver—in the United States, industry revenue combined with spillover effects (additional spending) have a nearly $83.5 billion impact on the economy.

Child Care Affordability Affects Families and Employers

- With the national average cost of center-based infant care at $9,185 annually, low-income families can be priced out of the licensed market and middle class families struggle with the cost—particularly for families with more than one young child.
- The ability to attract and retain a qualified workforce, who reliably comes to work and shows up focused on the job, is critical. However, the workforce reliability of parents with young children is affected by the child care setting they are able to arrange.
- The cost of care is often related to the quality of care and the quality of care is related to a child’s healthy development. Investing in quality child care today so that children start school ready to learn pre-empts a lifetime of remediation at a far higher cost.

The Child Care Industry Affects the State Economy

- Throughout the U.S., there are 768,521 child care programs with total revenue of $41.5 billion.
- The U.S. child care industry employs 1,566,576 individuals and supports an additional 624,500 jobs in other industry sectors across the country.

A Well-Educated Workforce is Required to Support a Strong Economy

- Investing in early learning and development is the best foundation for human capital. These investments have both immediate and long-term benefits to the individual child and society at large.
- For example, low-income children who have access to high quality child care are less likely to be retained in grade, less likely to be referred to special education, less likely to go to jail, more likely to graduate high school, and more likely to attend college—all leading to higher earnings.
- Research shows that a child’s earliest experiences affect brain development, that brain development is cumulative, and that the architecture of the brain can impede later language, cognitive, social, and emotional capacity.
- Business leaders know that it is more cost-effective to get products or services right at the beginning than to fix problems later.

CCDBG Implementation as a Springboard for Support

- The child care industry has a distinct impact on our nation’s economy.
- Access to high quality child care leads to a more skilled workforce.
- Families and employers depend on quality child care: for more stability for today’s employees and to lay the foundation for tomorrow’s workforce.