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**U.S. House of Representatives Committee on Small Business**  
**Subcommittee on Rural Development, Agriculture, Trade, and Entrepreneurship**  
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Good morning. My name is Cindy Cisneros and I serve as the Vice President of Education Programs at the Committee for Economic Development (CED) of The Conference Board (TCB). I am pleased to have the opportunity to contribute testimony in support of this congressional hearing today about how child care is important for regional economies in the U.S.

CED is the Public Policy Center of The Conference Board and is a national nonprofit, nonpartisan, business member-driven organization that conducts well-researched analysis and proposes reasoned solutions in the nation's interest to policy challenges facing our country. One of our key areas of focus is education, and CED has an extensive, 50-year history of research and public policy proposals in the early learning arena—related to both child care and public pre-kindergarten (pre-K) programs.

Our business leaders know that a skilled workforce is essential to economic stability and prosperity. CED's research supports the view that for the U.S. to ensure its competitive edge, it is critical that the nation increase the number of students who graduate high school career-and college-ready. While there is room for improvement in the nation's K-12 education system, business leaders understand that there is a correlation between school readiness and school success. This makes access to high-quality child care and public pre-kindergarten programs an imperative.

From CED's perspective, access to quality, affordable child care is a two-generation strategy. It helps fuel economic growth and vitality throughout states and communities by supporting employees so that the workforce is productive and businesses thrive. It helps ensure that children are safe while parents work and in a setting that promotes their healthy development. Both are important.

Americans are working today. The national unemployment rate stands at 3.5 percent,<sup>1</sup> the lowest monthly unemployment rate since December of 1969.<sup>2</sup> Across the country, the need for child care is most related to mothers in the workforce. It is the mother's labor force participation that drives the need for child care. And, that participation level has continued to increase for mothers with children under age 6.

- 72 percent of mothers with children under age 6 are in the labor force<sup>3</sup>
- 66.1 percent of mothers with both children under age 6 and also school-age children are in the labor force<sup>4</sup>
- 78 percent of mothers with school-age children are in the labor force<sup>5</sup>

Mothers with very young children are also working.

- 65.4 percent of mothers with two-year old children are working<sup>6</sup>
- 57.8 percent of mothers with children under age one are working<sup>7</sup>

Single mothers of young children are working at greater rates than married mothers (75.2 percent of single mothers with a two-year old are working compared to 61.2 percent of married mothers),<sup>8</sup> however, both are substantial. And, both point to a potential need for child care.

The reality today is that over 15 million children under age six have working parents (either in married couple families or single parent families).<sup>9</sup> Whether families have access to child care impacts their ability to participate in work and to be productive in the workplace, as well as impacts the healthy development of their children while they are at work.

In 2019, CED released a study, *Child Care in State Economies*,<sup>10</sup> which reviewed the use of child care by families and the impact of child care on state economies. What we found is that child care as an industry plays a significant role in state and regional economic growth throughout the country. The industry, which includes both center-based child care and home-based child care, had a total economic impact in 2016 of \$99.3 billion. This includes \$47.2 billion in revenue and another \$52.1 billion in spillover in other industries (related productivity).<sup>11</sup>

In terms of jobs, the spending of 1.5 million sole proprietors (home-based programs) and wage and salary employees in the child care sector supports more than 507,000 workers in other industries for a total jobs impact of over 2 million. The \$24.1 billion in employee compensation and sole proprietors' earnings generated directly within the child care industry support about \$15.7 billion in additional earnings across states for a total earnings impact of \$39.8 billion.<sup>12</sup>

For perspective with regard to direct child care revenue, service industries of comparable size include medical and diagnostic labs (\$47.2 billion), spectator sports (\$46 billion), pipeline transportation (\$44.5 billion), and water transportation (\$43.3 billion).<sup>13</sup>

CED's study analyzed the use of market-based care, (that is, paid child care services – the number of establishments, employment, and revenue), at the national and state levels using the U.S. Census Bureau Economic Census and County Business Pattern data as well as the Non-employer Statistics data reported by the Census Bureau in 2016.<sup>14</sup> The U.S. Census Bureau data reflects data sets with regard to sole proprietors (businesses that have no paid employees and are subject to federal income tax who report child care income – i.e., family child care home providers) and data related to child care centers (businesses with paid employees in the child care industry). Both nonprofit and tax-paying entities are reflected. Of note are that the majority of these businesses are small and women-owned enterprises.

There is a clear connection between child care and labor force participation. When parents have access to child care, they can work. Without access to child care, parents reduce their hours or opt out of the workforce – 94 percent of workers involuntarily working part-time due to child care problems are women.<sup>15</sup> This also results in a total loss of approximately \$30-35 billion in family household income.<sup>16</sup>

The National Survey of Children's Health (NSCH) administered by the U.S. Department of Health and Human Services found that nearly 54 percent of all children from birth to age five participate in a nonparental care arrangement for at least 10 hours per week, which varies across states from a low of 32.5 percent in Nevada to a high of 75.7 percent in the District of Columbia.<sup>17</sup> The use of paid child care is highest among two-parent families working full-time (88.4 percent) and single-parent families with the parent working 35 hours or more per week (83.5 percent). Both family types far exceed the overall usage rate of 58.7 percent across all family types.<sup>18</sup>

The likelihood of a young child being in child care increases as the child ages. For example, while 47.4 percent of all infants (less than one year old) are reported in regular care, 54 percent of 1- and 2-year-olds and 73 percent of 3- and 4-year old children are in nonparental care.<sup>19</sup>

Child care is not used evenly across households and there are clear regional patterns across the country. Market-based care is used most frequently by mothers who are more educated, in higher-income households, and are employed full-time. For example, only 38 percent of children whose parents have

less than a high school education use some form of market-based care compared to 74.7 percent of children with a parent who attained a graduate or professional degree. Only 47.9 percent of children in zip codes with 20 percent or more of families in poverty report using regular non-parental care, significantly lower than the 65.2 percent share in zip codes with less than 5 percent of families in poverty.<sup>20</sup>

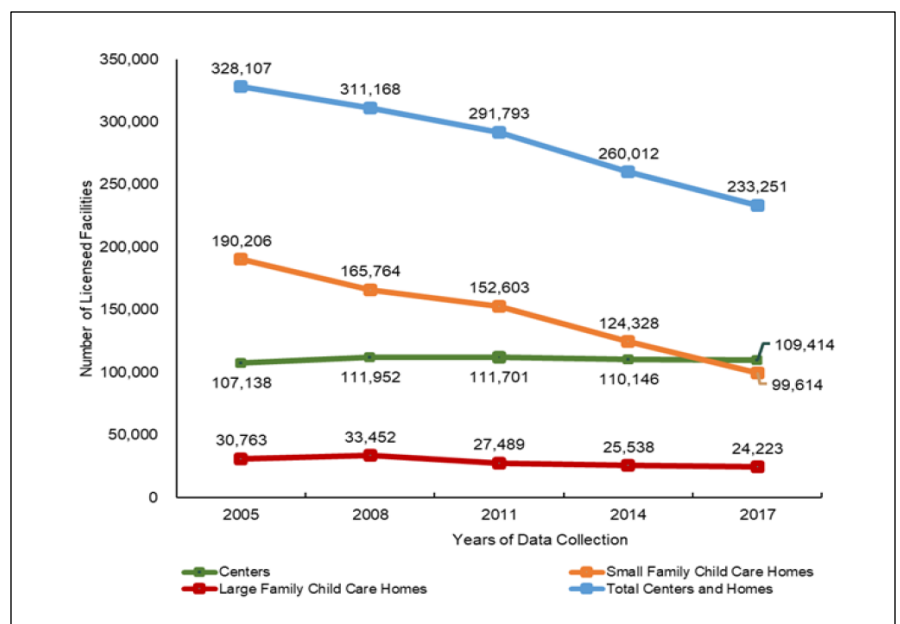
Whereas overall use of market-based care is lower in rural areas compared to more urban areas, rural zip codes that are closer to more urban areas have higher usage of market-based care (60.2 percent) compared to more distant communities (48.5 percent). In addition, the presence of siblings reduces the likelihood of regular market-based care. For example, in single parent families, those with one child are more likely to use market-based care (78.9 percent) compared to families with siblings (58.8 percent). The gap is also apparent with two parent families – those with one child who use market-based care (62.4 percent) is much higher than those with multiple children (53.9 percent).<sup>21</sup>

There are many challenges today to ensure that families have access to quality child care. Families struggle with the availability, affordability, and quality of child care. Employers are impacted, with some estimates by more than \$4.4 billion per year, due to lost productivity when employees are faced with child care problems.<sup>22</sup>

The supply of child care is uneven across communities, which is understandable as child care is a business. Although there are nearly 675,000 market-based child care providers in the country, child care centers open in areas where a market analysis shows that the population is dense enough and has sufficient income to support revenue to sustain a viable business model—one that supports staffing and other costs of operating a business. Of concern, particularly in rural areas where the economics of operating a child care center may not be viable, is the decline in family child care homes throughout the country over the past 10-15 years. More than 97,000 licensed family child care homes closed in the United States between 2005 and 2017.<sup>23</sup> Overall, the percentage of licensed family child care homes fell by 48 percent in that time period.<sup>24</sup>

**Number of Licensed Child Care Facilities, 2005–2017**

CED’s study also found a decrease in home-based care. The data differs, however, because the U.S. Department of Health and Human Services reports on the decline of licensed care. CED’s market-based child care analysis (which includes both licensed and unlicensed home-based providers – sole proprietors paid to provide child care compared to licensed homes) found over the same time period that sole proprietors dropped from 678,265 in 2005 to 599,018 in 2016 (a decline of 11.6 percent). However, using 2010 as the base year when 752,212 home-based providers reported child care income to the Census Bureau and Internal Revenue Service, the decline is 20.4 percent.<sup>25</sup>



Source: U.S. Department of Health and Human Services, National Center on Early Childhood Quality Assurance, (2019).

One reason that CED used the Census Bureau Economic Survey compared to state licensing data is that market-based care reflects a combination of care arrangements – both those that operate under a state licensing framework and those that are legally operating but not subject to regulation. For example, in Iowa, a child care license or registration is not needed until six children are in care,<sup>26</sup> which does not mean that home-based providers are not caring for fewer than six children, it just means that state regulation does not apply until a certain number of unrelated children are in the home. Iowa home-based operators caring for fewer than six unrelated children can choose to become registered, but they are not required to do so until six unrelated children are in care.

Fundamentally, the supply of child care is related to economics. For home-based providers, the hours are long and the fees charged to parents—while typically less than the rates charged by child care centers—does not offer an economic incentive to stay in business. The fact is that average revenue is about \$15,000 per year for home-based providers, which is below the poverty level for even a family of two.<sup>27</sup> A vast number of jobs pay more, particularly in a good economy.

The current business model for child care centers, which depends largely on parent fees, is challenged to keep rates low enough for parents to pay but high enough to hire and retain high-quality staff. Staffing is the highest cost of operating a child care center. And, for most programs, parent fees comprise the operating budget. What the current market model for child care has led to is a child care workforce that earns low wages with a median of \$11.17 per hour or \$23,240 per year.<sup>28</sup> Low wages lead to high turnover and little incentive for individuals in the child care workforce to access higher education coursework, which increases their knowledge about child development, age appropriate activities, and ways in which to meet the needs of individual children.

A babysitter is someone who cares for a child on a random basis for a few hours as parents go out to dinner or see a movie. In contrast, the child care workforce—the workforce that literally supports all other workforces—cares for children every day, every week, on average for about 36 hours per week.<sup>29</sup> This is not random, it is a profession to support the needs of working families and the healthy development of the children in their care. Research shows that the earliest years from birth to three are when the brain is developing the fastest<sup>30</sup> and that high-quality programs help ensure that children start school ready to succeed (e.g., children are more likely to perform at grade level and graduate high school either college or career ready and less likely to repeat a grade, be referred to special education, or engage in activities leading to incarceration.)<sup>31</sup> This is what separates the child care industry from babysitting – regular care in a safe and educationally designed setting with trained professionals.

To better understand the impact of low wages on the child care industry (e.g., hiring and turnover challenges), other jobs in many communities pay more with little training or education required. For example, on average, hotel desk clerks and parking lot attendants earn about \$12.08 per hour (about \$25,130 per year),<sup>32</sup> retail sales jobs at the mall pay \$12.75 per hour (about \$26,520 per year),<sup>33</sup> telemarketers earn about \$13.72 per hour (\$28,550 per year),<sup>34</sup> hair stylists earn about \$14.51 per hour (about \$30,190 per year),<sup>35</sup> and receptionists earn about \$14.59 per hour (about \$30,350 per year).<sup>36</sup> While important jobs, these individuals are not entrusted with the lives and development of young children.

The supply of child care is a challenge for families. The cost of care is a challenge for families. The economic model for child care makes it difficult for home-based providers to stay in the business and for child care centers to hire and retain high-quality staff.

Solutions exist. While there is no easy way to make quality child care more available and affordable, there are a variety of approaches to address child care supply and cost including the following:

**1) Review of Current Child Care Financing and Increase Child Care Investments in Systems that Better Support the Economic Model of Child Care.**

The National Academy of Sciences (NAS) released a report in 2018, *“Transforming the Financing of Early Care and Education,”*<sup>37</sup> which reviewed our nation’s multiple funding streams for early care and education and made a number of recommendations for consideration. The NAS Committee recommended investing in early care and education at a percentage of U.S. gross domestic product (GDP) aligned with the average of other member nations of the Organization for Economic Co-operation and Development (OECD)<sup>38</sup> at .8 percent (the NAS recommendation was for .75 percent).<sup>39</sup> The consensus report recommended growing the investment in early care and education over four phases: by at least \$5 billion in phase one to \$53 billion in phase four.<sup>40</sup> That is bold. However, a discussion of how this country invests in child care and early education across programs is warranted. There are multiple funding streams and child care is not the only setting in which young children spend time. An integrated review of the whole early care and education landscape would be helpful to understand gaps and develop strategies to address those gaps.

At the federal level, subsidies are provided to enable families to access child care. The cost of center-based care for an infant is about 20% of annual household income and for a four-year old is about 14%. Yet these federal funds, which are targeted to support low-income families, provide insufficient funding to meet the need. The U.S. Department of Health and Human Services allocates funding through the Child Care and Development Block Grant (CCDBG) annually.<sup>41</sup> While Congress has increased funds during the past few fiscal years, available funding supports only about 10.6 percent of children who are eligible under federal standards (up to 85 percent of state median income) and 17.4 percent of children who are eligible under state standards (i.e., states set eligibility below the maximum allowed under federal law).<sup>42</sup>

CED’s *Child Care in State Economies* report found that every dollar increase in federal child care funding leads to an additional \$3.80 in net economic gains to states.<sup>43</sup> This is a direct result of additional families who can obtain and retain employment based on the availability and affordability of child care for young children.

**2) Invest in Strategies to Better Support the Child Care Workforce.**

To help fill the gap between what parents can afford to pay and a livable wage for individuals working in child care, CED’s research supports the adoption of a refundable tax credit investment in the early educator workforce that would incent individuals to obtain certifications (such as a Child Development Associate credential) or an Associate’s degree in early childhood education or a Bachelor’s Degree in early childhood education by pairing these achievements with a refundable tax credit designed to increase overall wages by a meaningful amount. CED has published a policy paper,<sup>44</sup> an executive summary,<sup>45</sup> and an infographic<sup>46</sup> on a workforce investment credit modeled after the school readiness tax credit<sup>47</sup> that has been in place in Louisiana for more than a decade.

Such a credit, if considered at a national level, would be tied to individuals working in high-quality programs (as defined by states, such as working in programs that participate in state quality rating and improvement systems or other systems that are tied to quality). The tax credit would be voluntary and earned by individuals within the field who achieve state determined benchmarks (e.g., a child development associate credential, an infant/toddler credential, a preschool credential, an Associate’s

degree in early childhood education, etc.). In this way, the federal government would provide the resources for state designed (and verifiable) strategies to invest in the workforce who not only is entrusted with the care and education of our next generation, but also supports all other workforces (e.g., employees across industries who have young children depend on a high-quality child care workforce).

High-quality child care costs more than parents can pay. A tax credit strategy can help fill the gap by serving as a wage supplement and ensure that a strong workforce with the knowledge and competencies needed to promote healthy child development is in place. Children, parents, employers, and communities stand to benefit from this type of investment. It is a strong step forward to ensure a prosperous nation for all.

### **3) Expand the Capacity of Small Business Development Centers (SBDCs) with Staff Who Understand the Child Care Business Model (for both child care centers and family child care homes).**

Child care is a business. Yet, many who operate within the child care industry have a great deal of knowledge about child development, but not about best business practices to maximize economic viability. This is true for centers and family child care homes. When the Child Care and Development Block Grant was reauthorized by Congress in 2014, it included language to require business technical assistance.<sup>48</sup> The type of assistance available or offered varies by state. Given that SBDCs are located throughout the country, in both urban and rural areas, it makes sense for SBDCs to partner with state child care agencies to offer hands-on business technical assistance related specifically to the child care industry (which requires different types of support for child care centers compared to child care homes).

Thank you for your time today. I have attached three tables, plus an infographic, to my testimony that reflect working children under age 6 and the percentage of working mothers by age of young children within each of the congressional districts represented by the Small Business Committee. CED's economic impact report did not review information related specifically to congressional districts, however, I have included tables by state that I hope will be helpful to you in better understanding market-based care. I am pleased to answer any questions that you have.

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<sup>1</sup> U.S. Bureau of Labor Statistics, State Employment and Unemployment, December 2019, January 24, 2020.

<https://www.bls.gov/news.release/pdf/laus.pdf>

<sup>2</sup> U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey, Series Id:LNS14000000, Seasonally Adjusted, Population 16 years and over, 1948-2020. Databases, Tables & Calculators by Subject, January 24, 2020.

<https://data.bls.gov/pdq/SurveyOutputServlet>

<sup>3</sup> U.S. Census Bureau, Table S2301, Employment Status, 2018 American Community Survey, 1 Year Estimates.

<https://data.census.gov/cedsci/table?q=s2301&g=&lastDisplayedRow=40&table=S2301&tid=ACSST1Y2018.S2301>

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> U.S. Department of Labor, Bureau of Labor Statistics, Table 6. Employment Status of mothers with own children under age 3 years old by single year of age of youngest child and marital status, 2017-2018 averages. <https://www.bls.gov/news.release/pdf/famee.pdf>

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> U.S. Census Bureau, Table B23008, Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements By Employment Status of Parents, 2018 American Community Survey, 1 Year Estimates.

<https://data.census.gov/cedsci/table?q=b23008&g=&hidePreview=false&table=B23008&tid=ACSST1Y2018.B23008&lastDisplayedRow=17&vintage=2018>

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- <sup>11</sup> Ibid.
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- <sup>17</sup> Ibid.
- <sup>18</sup> Ibid.
- <sup>19</sup> Ibid.
- <sup>20</sup> Ibid.
- <sup>21</sup> Ibid.
- <sup>22</sup> Child Care Aware of America, *Parents and the High Cost of Child Care: 2017*, 2018. [https://usa.childcareaware.org/wp-content/uploads/2017/12/2017\\_CCA\\_High\\_Cost\\_Report\\_FINAL.pdf](https://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf)
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- <sup>33</sup> U.S. Bureau of Labor Statistics, Occupational Employment Statistics, Retail salespersons, May 2018. <https://www.bls.gov/oes/current/oes412031.htm>
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- <sup>35</sup> U.S. Bureau of Labor Statistics, Occupational Employment Statistics, Hair Stylists, May 2018. <https://www.bls.gov/oes/current/oes395012.htm>
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**Committee for Economic Development, *Child Care in State Economies: 2019 Report***  
**House Small Business Committee: Key Data Variables**

State	Total annual economic impact (\$ in Billions)	Child care industry revenue (\$ in Billions)	Spillover in other industries (\$ in Billions)	Total earnings impact (\$ in Billions)	Employee and sole proprietors' earnings (\$ in Billions)	Spillover earnings (\$ in Billions)	Total jobs impact	Sole proprietors and wage and salaried employees	Spillover jobs in other industries	Total child care providers	Number of child care centers	Number of family child care homes	Percent family child care home decline since 2010	Number of family child care home decline*
United States	\$99.3	\$47.2	\$52.1	\$39.85	\$24.1	\$15.73	2,031,843	1,524,753	507,089	674,332	75,314	599,018	20.4%	153,194
California	12.84	5.79	7.04	4.79	2.79	2.0	222,948	163,332	59,616	95,137	8,248	86,889	28.1%	33,921
Colorado	1.70	0.749	0.955	0.717	0.407	0.310	32,433	22,573	9,860	9,022	1,104	7,918	20.4%	2,027
Florida	5.81	2.73	3.08	2.10	1.25	0.857	119,828	85,129	34,698	34,583	4,255	30,328	6.7%	*
Illinois	5.24	2.24	2.99	2.04	1.14	0.898	105,060	75,145	29,915	40,944	2,986	37,958	25.5%	12,971
Iowa	0.953	0.518	0.435	0.482	0.320	0.162	27,634	22,155	5,479	11,586	840	10,746	20.4%	2,754
Kansas	0.743	0.384	0.359	0.322	0.208	0.114	18,522	14,306	4,216	7,751	575	7,176	25.6%	2,471
Maine	0.387	0.204	0.183	0.173	0.111	0.062	8,578	6,348	2,230	2,640	641	1,999	27.5%	760
Minnesota	2.25	1.05	1.2	1.06	0.631	0.431	44,308	32,408	11,900	15,841	1,407	14,434	27.4%	5,438
New Jersey	4.10	1.92	2.18	1.50	0.901	0.602	67,098	50,283	16,815	16,352	2,398	13,954	10.7%	1,670
New York	8.59	4.29	4.3	3.54	2.27	1.27	171,936	133,439	38,497	64,045	5,976	58,069	25%	19,309
North Carolina	3.15	1.47	1.67	1.25	0.746	0.506	64,852	47,282	17,570	15,593	2,603	12,990	7.3%	1,019
Ohio	3.44	1.58	1.85	1.35	0.801	0.559	71,105	52,953	18,152	21,457	2,628	18,829	25.5%	6,451
Oklahoma	0.926	0.475	0.451	0.388	0.245	0.143	20,904	16,182	4,722	6,024	975	5,049	19.6%	1,227
Pennsylvania	4.22	1.95	2.26	1.58	0.937	0.647	76,857	57,232	19,625	16,995	3,714	13,281	32.2%	6,296
Tennessee	1.67	0.752	0.927	0.624	0.360	0.264	37,479	28,430	9,049	13,185	1,296	11,889	11.2%	1,507
Texas	8.69	3.64	5.04	3.24	1.78	1.46	172,674	129,150	43,523	56,386	5,399	50,987	8.2%	4,525

Notes:

\*Florida had an increase of family child care homes between 2010 and 2016 (from 28,424 in 2010 to 30,328 in 2016).

Source:

Committee for Economic Development, *Child Care in State Economies: 2019 Update* (2019)

<https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>



Children Under Age 6 with Working Parents House Small Business Committee Districts					
	Children under age 6	Living with two parents (both working)	Living with father (father working)	Living with mother (mother working)	District total under age 6 with working parents
CA District 27	44,268	16,549	3,214	6,876	26,639
CO District 6	62,064	28,318	3,009	10,256	41,583
FL District 15	55,403	16,960	3,785	15,057	35,802
IL District 10	49,453	22,020	1,984	7,773	31,777
IA District 1	55,881	29,340	6,339	9,657	45,336
KS District 3	60,477	29,413	2,308	9,771	41,492
ME District 2	36,718	16,291	2,618	6,768	25,677
MN District 1	50,583	25,974	3,391	8,110	37,475
MN District 2	53,248	32,260	3,156	6,826	42,242
MN District 8	41,973	17,896	4,599	7,665	30,160
NJ District 3	45,808	24,506	2,543	6,885	33,934
NY District 7	60,625	21,705	3,723	10,964	36,392
NY District 13	52,208	12,987	4,097	13,230	30,314
NY District 19	38,532	17,084	3,179	6,251	26,514
NC District 9	53,823	20,068	3,805	11,108	34,981
OH District 1	53,743	21,545	4,629	13,121	39,295
OH District 12	55,336	26,807	3,032	7,925	37,764
OK District 1	62,969	22,119	4,475	12,426	39,020
PA District 3	48,199	14,936	3,501	17,080	35,517
PA District 6	50,739	22,098	4,357	9,674	36,129
PA District 13	42,085	16,691	4,454	8,027	29,172
TN District 2	46,845	17,903	2,968	8,851	29,722
TX District 33	72,553	13,172	8,890	18,341	40,403
<b>Total U.S.</b>	<b>22,542,394</b>	<b>8,901,151</b>	<b>1,673,788</b>	<b>4,456,864</b>	<b>15,031,803</b>

Source: U.S. Census Bureau, Table B23008, Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents

2018 American Community Survey, 1 Year Estimates

<https://data.census.gov/cedsci/table?q=b23008&g=0400000US06,08,12,19,17,20,23,27,37,34,36,39,40,42,47,48&hidePreview=true&table=B23008&tid=ACSDT1Y2018.B23008&lastDisplayedRow=26&vintage=2018>

Working Mothers in House Small Business Committee Districts						
District		Female	With own children under 18 years	With own children under 6 years only	With own children under 6 years and 6 to 17 years	With own children 6 to 17 years only
<b>CA District 27</b>	Working Mothers	225,337	70,449	16,248	12,090	42,111
	Labor Force Participation Rate	71.9%	70.1%	67.1%	66.7%	72.2%
<b>CO District 6</b>	Working Mothers	246,120	98,698	22,221	19,084	57,393
	Labor Force Participation Rate	77.1%	75.0%	72.4%	66.9%	78.7%
<b>FL District 15</b>	Working Mothers	233,822	79,995	16,686	16,255	47,054
	Labor Force Participation Rate	71.5%	73.5%	71.6%	65.8%	76.9%
<b>IA District 1</b>	Working Mothers	217,764	79,191	18,815	16,845	43,531
	Labor Force Participation Rate	80.7%	83.5%	81.7%	76.2%	87.2%
<b>IL District 10</b>	Working Mothers	207,454	83,705	19,034	15,543	49,128
	Labor Force Participation Rate	74.5%	72.3%	70.4%	64.0%	75.7%
<b>KS District 3</b>	Working Mothers	227,451	92,061	22,864	17,837	51,360
	Labor Force Participation Rate	77.30%	76.00%	73.90%	67.10%	79.90%
<b>ME District 2</b>	Working Mothers	193,145	58,978	14,075	10,673	34,230
	Labor Force Participation Rate	72.4%	76.5%	74.7%	68.3%	79.8%
<b>MN District 1</b>	Working Mothers	189,207	70,375	17,348	15,111	37,916
	Labor Force Participation Rate	82.4%	83.7%	81.6%	77.5%	87.0%
<b>MN District 2</b>	Working Mothers	209,286	83,648	19,897	16,285	47,466
	Labor Force Participation Rate	82.9%	83.6%	81.6%	78.0%	86.3%
<b>MN District 8</b>	Working Mothers	183,670	62,328	14,002	12,445	35,881
	Labor Force Participation Rate	76.40%	80.60%	75.20%	73.00%	85.30%
<b>NC District 9</b>	Working Mothers	230,952	91,809	20,115	17,497	54,197
	Labor Force Participation Rate	68.8%	70.4%	71.8%	62.0%	72.6%
<b>NJ District 3</b>	Working Mothers	215,474	75,633	15,779	13,523	46,331
	Labor Force Participation Rate	77.1%	78.4%	76.3%	71.3%	81.3%
<b>NY District 7</b>	Working Mothers	235,291	73,717	18,502	17,377	37,838
	Labor Force Participation Rate	70.4%	67.2%	71.1%	56.7%	70.2%
<b>NY District 13</b>	Working Mothers	262,155	77,570	19,135	15,669	42,766

Working Mothers in House Small Business Committee Districts						
District		Female	With own children under 18 years	With own children under 6 years only	With own children under 6 years and 6 to 17 years	With own children 6 to 17 years only
	Labor Force Participation Rate	71.3%	72.3%	70.8%	65.0%	75.7%
<b>NY District 19</b>	Working Mothers	202,598	61,869	13,440	10,920	37,509
	Labor Force Participation Rate	74.1%	77.2%	74.9%	67.5%	80.8%
<b>OH District 1</b>	Working Mothers	219,360	81,877	18,929	16,453	46,495
	Labor Force Participation Rate	75.0%	78.1%	75.8%	73.8%	80.7%
<b>OH District 12</b>	Working Mothers	227,940	87,156	19,670	15,887	51,599
	Labor Force Participation Rate	76.1%	78.1%	75.5%	69.9%	81.6%
<b>OK District 1</b>	Working Mothers	236,093	89,981	21,032	19,146	49,803
	Labor Force Participation Rate	72.3%	72.5%	69.0%	63.5%	77.5%
<b>PA District 3</b>	Working Mothers	246,813	59,689	17,937	11,208	30,544
	Labor Force Participation Rate	71.9%	77.1%	76.8%	76.6%	77.5%
<b>PA District 6</b>	Working Mothers	212,509	82,290	17,598	15,548	49,144
	Labor Force Participation Rate	76.3%	75.2%	73.4%	65.8%	78.9%
<b>PA District 13</b>	Working Mothers	196,256	66,542	14,736	12,931	38,875
	Labor Force Participation Rate	72.6%	76.1%	71.0%	70.4%	79.9%
<b>TN District 2</b>	Working Mothers	222,458	74,286	17,412	13,500	43,374
	Labor Force Participation Rate	70.1%	72.0%	66.2%	60.8%	77.8%
<b>TX District 33</b>	Working Mothers	206,476	89,267	17,652	24,525	47,090
	Labor Force Participation Rate	63.8%	62.1%	59.7%	54.9%	66.8%
<b>U.S. Total</b>	Working Mothers	96,743,772	33,131,233	7,471,116	6,767,952	18,892,165
	Labor Force Participation Rate	73.2%	74.2%	72.0%	66.1%	78.0%

Source: U.S. Census Bureau, Table S2301, Employment Status

2018 American Community Survey, 5 Year Estimates

<https://data.census.gov/cedsci/table?q=s2301&lastDisplayedRow=40&table=S2301&tid=ACST5Y2018.S2301&hidePreview=true&g=5001600US0627,0806,1215,1901,1710,2003,2302,2702,2701,2708,3709,3403,3607,3619,3613,3912,3901,4001,4203,4206,4213,4702,4833>

# The Business Case

## For Investing in High-Quality Child Care



### CHILD CARE INDUSTRY ECONOMIC & JOB IMPACT

in

## THE UNITED STATES

Every week in the United States

# 15 million children

are in paid child care.

### SIZE OF THE MARKET-BASED CHILD CARE INDUSTRY IN THE UNITED STATES



Total ECONOMIC impact (2016)

## \$99.3 billion

\$47.2 billion  
child care revenue  
PLUS  
\$52.1 billion spillover  
in other industries



Total EARNINGS impact (2016)

## \$39.85 billion

\$24.1 billion  
employee compensation and  
sole proprietors' earnings  
PLUS  
\$15.73 billion spillover  
earnings in other industries



Total JOBS impact (2016)

## 2 million jobs

1.5 million  
sole proprietors and wage  
and salaried employees  
PLUS  
507,089 spillover  
jobs in other industries

### MARKET-BASED CHILD CARE

**674,332**  
Total Providers

**75,314**  
centers



**599,018**  
family  
child care  
homes

### FAMILY CHILD CARE HOMES



have **declined by 20.4%** since 2010  
resulting in

- Fewer choices for working parents
- Less of the lowest-cost care

### IMPACT ON WORKING PARENTS

#### WITHOUT AFFORDABLE CHILD CARE

Parents reduce their hours  
or opt out of the workforce



**94%**

of workers  
involuntarily  
working part-time  
due to child care problems  
are women.

### ANNUAL COST OF CHILD CARE



**INFANTS**

**\$10,759**  
**19.4%**  
of household  
income

#### FAMILY CHILD CARE HOMES

**\$7,887**  
**13.1%**  
of household  
income



**4 YEAR-OLDS**

**\$8,672**  
**14.4%**  
of household  
income

#### CENTER-BASED CARE

**\$10,759**  
**19.4%**  
of household  
income

**\$8,672**  
**14.4%**  
of household  
income

Sources: Committee for Economic Development of The Conference Board, *Child Care in State Economies: 2019 Update*; 2016 U.S. Census Bureau Economic Census and County Business Pattern data and non-employer statistics data; Current Population Survey for the 2015-2017 period; 2016-2017 National Survey of Children's Health (NSCH), U.S. Department of Health and Human Services; and Child Care Aware of America 2017 child care rates, *the U.S. and the High Cost of Child Care* (2018). 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.