

Child Care in State Economies

FACT SHEET

2019 Update



United States

Impact of the Child Care Industry in the United States

- There are 674,332 market-based child care providers with revenue of \$47.2 billion in the U.S. This includes 599,018 sole proprietors (family child care home-based providers) and 75,314 child care centers.
- \$47.2 billion in direct revenue generated within the market-based child care industry is estimated to support about \$52.1 billion in spillover or related productivity in other industry sectors for an estimated combined total economic impact of about \$99.3 billion in the U.S.
- In terms of jobs, 1,524,753 sole proprietors and wage and salary employees in the child care sector are estimated to support about 507,089 workers in other industries for a total jobs impact of 2,031,843.
- The \$24.1 billion in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support about \$15.73 billion in additional earnings across the states for a total earnings impact of \$39.85 billion.

Child Care Usage in the United States

- There are 61,021,552 children under age 15 (19,938,860 under age 5 and 41,082,692 between ages 5 and 14) in the U.S. who may require paid child care services.
- About 15,056,515 children under age 15 are in paid care – 6,425,592 (32.2%) under age 5 and 8,630,923 (21%) between the ages of 5 and 14.
- About 53.9% of children birth to age 5 in the U.S. are in non-parental care for at least 10 hours every week.

Cost of Child Care & Labor Force Participation

The cost of care in the U.S. 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 \$10,759 in a child care center and \$7,887 in a family child care home.
- The average annual cost of infant center-based care is 107.9% of the cost of tuition and fees at a 4-year U.S. college.
- Center-based infant care is 19.4% of state median income.
- Since 2010, family child care homes have declined from 752,212 to 599,018 in 2016 – a decline of 20.4%. 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.

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).