

# This is why you should care about child care (even if you don't have kids) <sup>[1]</sup>

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## EXCERPTS

Chances are you've heard parents' complaints: Child care is as expensive as college! I can't find any good child care where I live! Finding child care is so hard with my crazy schedule!

If you don't have little kids or are among the precious few who are actually happy with your child care situation, its easy to tune out the laments and forget about the issue altogether.

But a new study shows us why we should all care about the future of child care.

We should care because child care is a \$42 billion industry, according to a new state-by-state examination of the U.S. child care industry. The report, *Child Care In State Economies* produced by the Committee for Economic Development in Washington, offers a snapshot of the nation's child care, how state economies are dealing with it and what states can do to support child care.

"We knew the child care industry was big," said the report's lead author, Mark Snead, an economist in Oklahoma City and president of RegionTrack. "But we had never been able to break it down at the state level. We found that the cost of care differs so much from state to state."

The \$41.5 billion impact the child care industry has on the economy is estimated to support another \$42 billion in additional indirect effects in other industries for an estimated spillover of \$83.5 billion in the U.S. economy.

"It is a big \$40 billion plus industry," Snead says. "As the industry expands and contracts it exerts economic impact. The fundamental role it plays is in allowing parents to work or seek education. The use of paid child care is higher among those with highest income and highest education."

He said he found that states with lower economic growth and lower average income tended to be places where more informal child care situations prevail.

"Child care is not driving the growth," Snead said. "But the suggestion is that it is very difficult for any state to increase their relative economic growth without increasing their use of paid child care."

That's reason enough to invest in it right there, many early childhood advocates say. But there are additional reasons to pay attention to child care. We should care about child care because, as the report reminds us, the link between quality paid child care and benefits to the economy have been proven. Access to the established child care market increases labor force participation, boosts local economies and helps support a stable workforce.

Quality child care also helps to build a workforce of the future. Particularly among lower-income children, those who have access to high quality child care are less likely to be held back a grade, to be referred to special education and go to jail. Those same children are more likely to graduate high school and attend college, all leading to higher earnings for them as adults.

Clearly quality child care is a worthy investment. But supporting child care on a national level is problematic, the report shows. The country has 50 distinct child care enclaves with their own preferences, needs, demographics and costs. Even if the industry as a whole produces a national impact on the economy, the footprint locally has significant differences from state to state.

"Child care is made up of distinct services offered in 50 states," Snead said. "It is what you have at your hands in the state where you live."

The cost, kind and amount of state and federal subsidies that are a part of total child care revenue vary significantly from place to place.

"Costs differ greatly by state as does the overall usage of paid child care," says Snead, "from 50 percent of working parents to less than half of that in the lowest usage state."

There are also significant differences in preferences of care, the report reveals.

"Some families rely on large child care centers, particularly on the East Coast," Snead said. While in the central part of the country, for example, there is a greater preference for paid child care in a home setting.

In addition there are demographic preferences based on the age of the child, the age of the mother, the education level of the mother and family income levels.

As a result, Snead says, "A one child-care system to fit all seems highly unlikely given all of these differences in preferences and needs."

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