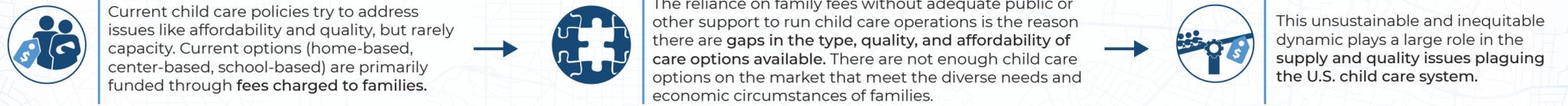


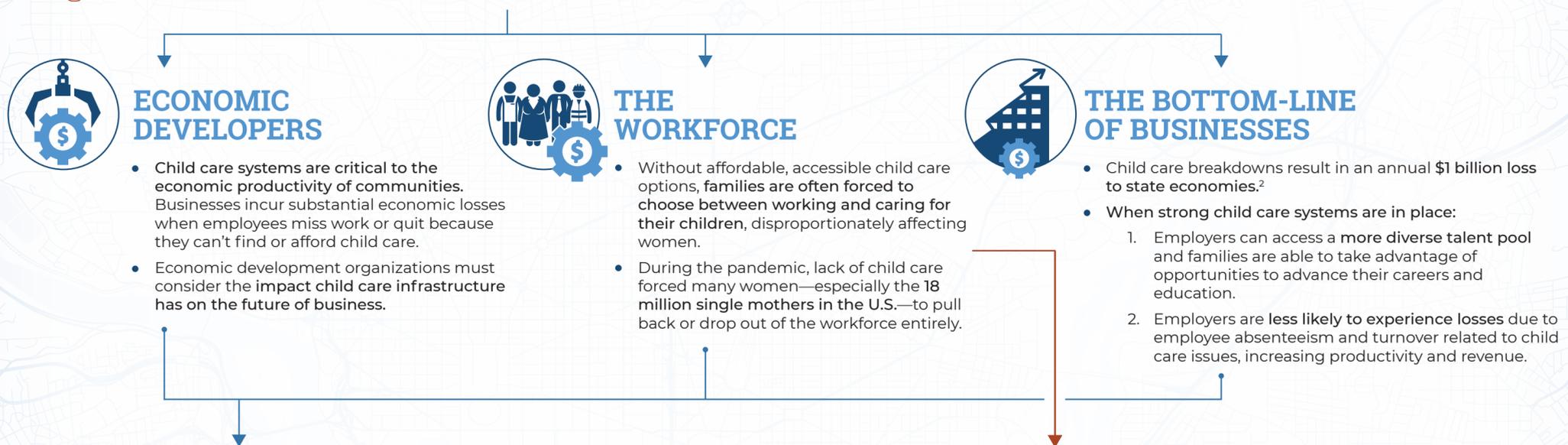
The Economic Development Case for Improved Child Care Systems

THE PROBLEM

FOR DECADES THE U.S. HAS BEEN TRYING TO SOLVE THE CHILD CARE CAPACITY ISSUE BUT HAS FALLEN SHORT.



HOW CHILD CARE IMPACTS...

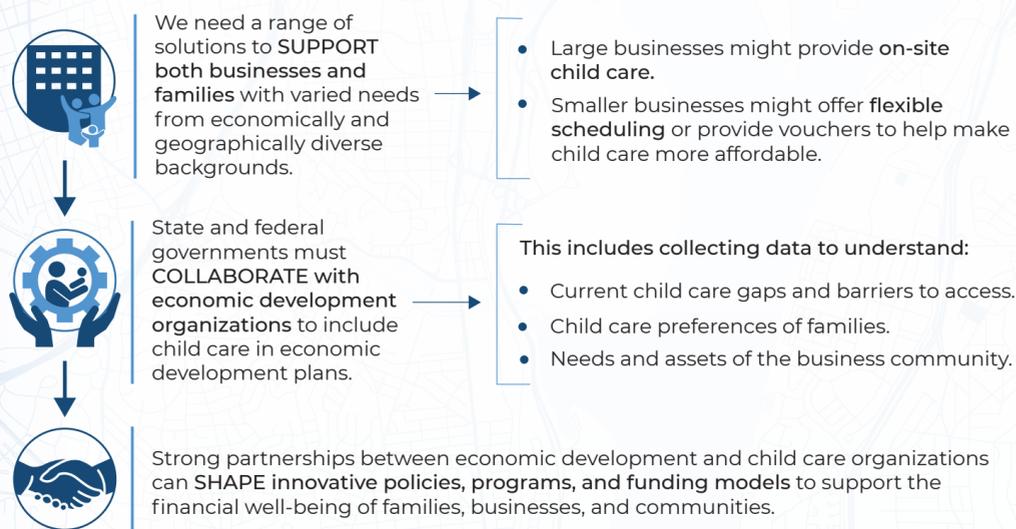


ONE SIZE DOESN'T FIT ALL

Child care is at the heart of economic development and child development. We need to rebuild our child care systems across the U.S. in a way that adequately supports the shifting needs and expectations of families and healthy economies without disproportionately relying on the paychecks of families.

THE SOLUTION

THE CHILD CARE CRISIS IS EVERYONE'S BUSINESS



IT'S NOT JUST ABOUT ACCESS—IT'S ABOUT AFFORDABILITY TOO.

The Federal government defines "affordable child care" as **no more than 7 percent** of a family's income. Most families pay much more than that.³

For example, families making below 200 percent of the federal poverty level can pay as much as **35 percent of their monthly income** on child care.⁴



Rylee and Jamie have 2 children. They earn a combined **monthly gross income of \$5,000**, above 200% of the federal poverty line in 2023.⁵

Without child care, either Rylee or Jamie would have to **leave their jobs** and stay home with their children. Instead, they pay **\$1,750 per month for child care**, 35% of their combined income.

After paying taxes, they have **just over \$2,000 to cover everything else**, including rent, groceries, etc.

The high cost of child care is a key driver of their family's economic hardship. If families can't afford child care, they can't go to work, and this impacts business profitability, productivity, and staff retention.

The term 'child care' is used to denote the same meaning as 'early care and education' or 'ECE' systems used in other Policy Equity Group materials and communications.

1. Early Care & Education 101: An Introduction to ECE in Michigan (Policy Equity Group, 2023).
 2. Billion Dollar Problem: Working Parents Leave Workforce, Postpone School Due to Childcare Challenges (Washington, DC: U.S. Chamber of Commerce Foundation, 2020).
 3. Child Care and Development Fund: Final Rule (HHS, Office of Child Care, 2016).
 4. Rasheed Malik and Katie Hamm, "Mapping America's Child Care Deserts" (Washington, DC: Center for America Progress, n.d.).
 5. 2023 U.S. Federal Poverty Guidelines (for all states except Alaska and Hawaii).

Infographic design by Eliza Sherpa