

¹1-Year Estimate, 2013 American Community Survey (ACS), US Census Bureau.

²Liu, Zhilin, Rosaria Ribeiro and Mildred Warner. 2004. *Comparing Child Care Multipliers in the Regional Economy: Analysis from 50 States*, Ithaca, NY: Cornell University Department of City and Regional Planning.

³Mildred Warner, "Child Care Multipliers: Stimulus for the States," 2009 (Cornell University Linking Economic Development and Child Care Research Project)

Child care program data used in this report were provided by the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA).



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The Economic Impact of the Early Care and Education Industry in Illinois

Research Brief – July 2015



Illinois' Early Care and Education (ECE) Industry:

- Generates \$2.6 billion every year
- Employs more than 69,000 people full-time
- Every new dollar invested in ECE has a total statewide impact of \$2.13
- Every new job created in ECE creates 1.56 jobs statewide
- Enables parents to work and continue their education
- Helps prepare young children to become vital members of our work-force as adults



Investing in Early Care and Education programs has an *immediate* impact on Illinois' economy.

This brief on the economic impact of Early Care and Education looks at this industry through an economic lens—considering the industry’s contributions to the Illinois economy. It also re-examines government savings and the workforce impact of Early Care and Education in Illinois.

Over the years, the Early Care and Education industry has changed to meet the growing needs of working families and their children. Regardless of program type or setting—child care, Head Start, family child care, preschool, or pre-kindergarten, for-profit or nonprofit, public or private, regulated or unregulated—the Early Care and Education industry provides substantial economic benefits to Illinois and its businesses.

By targeting the Early Care and Education industry for economic and workforce development, the business community, government and industry leaders can capitalize on the high returns to our children and immediate returns to our economy.

The Early Care and Education industry’s immediate impact on Illinois’ economy:

- Generated \$2.6 billion in revenues in 2014
- Enables parents to work and continue their education
- Employed more than 69,000 people full-time in 2014
- For every 100 new jobs created in the Illinois child care industry, another 56 are created in other industries, for a total of 156 new jobs in Illinois.²
- \$100 of new spending in the Illinois child care industry has a total impact of \$213 in new output across Illinois’ economy.¹

\$100 Spent on Child Care has Larger Economic Impact than \$100 Spent on Other Industries



Source: IMPLAN Type II Output Multipliers for Illinois. Manufacturing & construction are for median sub-industries

“Regional economic analysis shows child care is a good economic development investment, both for its direct effects on employment and its relatively high linkage effects in the regional economy. The relative rank and size of this economic linkage calls for greater economic development attention to be given to the child care sector.”³

—Mildred Warner, Professor of City and Regional Planning at Cornell University

What is the Early Care and Education industry?

The Early Care and Education industry consists of programs serving children under the age of six..

It includes:

- Child care centers
- Family child care homes
- Head Start
- Pre-kindergarten
- Preschool



The Early Care and Education industry supports the current workforce.

- 630,465 Illinois children under age 6 (68% of all children under age 6) have all household parents in the labor force.¹
- Working parents play a vital role in the Illinois economy, earning over \$124 billion in 2013. (U.S. Census Bureau)
- Employer-based child care helps to keep parents working and reduces turnover in the workplace.
 - For example, Illinois-based Abbott Laboratories offers its employees on-site early care and education and enjoys a turnover rate that is lower than industry norms.

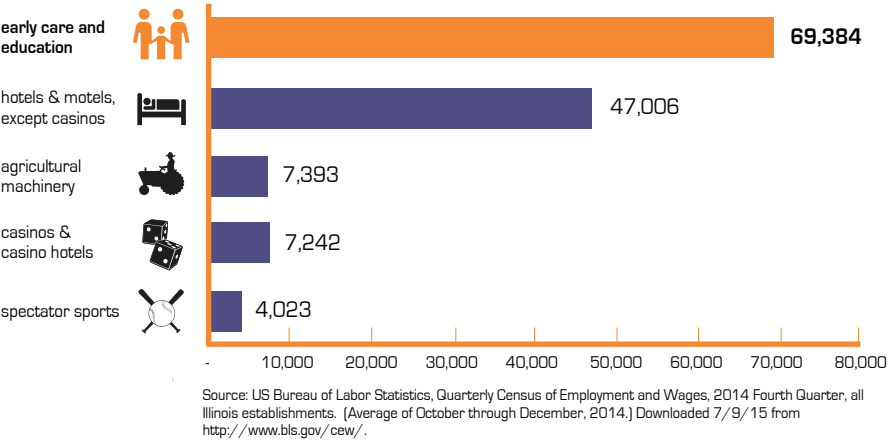
Early Care and Education is critical but costly.

- Infant care in a center takes **19%** of Illinois’ median family income, and center care for a 4-year-old is **14%** of Illinois’ median family income.
- In 2014, annual full-time center-based care for an infant **costs more** than undergraduate tuition at Illinois four-year public universities.

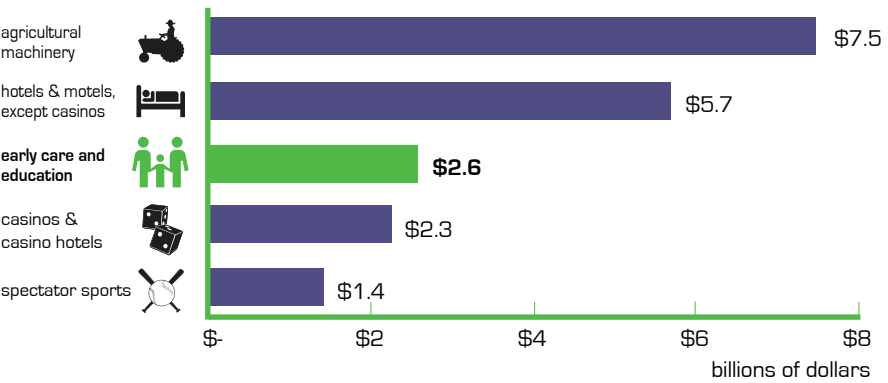
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Employment in Key Illinois Industries (2014)



Annual Gross Receipts of Key Illinois Industries (2015)



Sources: U.S. Census Bureau, 2007 Economic Census and 2007 Nonemployer Statistics. Downloaded 7/9/15 from the American Fact Finder <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>. Also, the Consumer Price Index was used to update dollar numbers to 2015: U.S. Bureau of Labor Statistics, CPI Detailed Report, Data for May 2015; downloaded 7/9/15 from <http://www.bls.gov/cpi/tables.htm>

An investment in Early Care and Education is much more than an investment in children. It is an investment that helps guarantee the long-term stability of Illinois’ economy, its families and future workforce.