

The Economic Impact of Child Care



In this day and age, child care is a central issue in the lives of the vast majority of Vermont families with young children. More than 70% of Vermont children under the age of 6 have all of their parents in the labor force, meaning they're likely to need child care. That means child care is also a central issue for many Vermont businesses that employ working parents.

Child care impacts the workforce of today ...

When working parents can't find reliable child care, they often face **tough choices** that impact their employment.

They may have to decrease their hours at work or leave the workforce altogether. If they can't afford to give up their income, working parents may settle for a less than ideal child care situation but suffer a loss of productivity at work because they feel distracted.

Working women are especially affected by this issue. Lack of affordable child care is often an obstacle to women working full-time or achieving higher earnings.

... and the workforce of tomorrow

For the majority of Vermont children who are likely to need child care, **high-quality programs** can nurture their healthy development during the most critical developmental years, supporting future success.

About 90% of the brain develops by age 5, making the early years the best opportunity to help children build a strong mental foundation for the complex social and thinking skills they'll need to be productive and capable adults. Skills like attentiveness, persistence, time management and the ability to work well with others all start developing day one.

The availability of high-quality, affordable child care solves many economic challenges and promotes prosperity.



Problem: Our aging population

Our population is aging and very few new people are moving to Vermont. As a result, businesses are facing a growing shortage of skilled workers in the state and public school enrollment is in decline.

Solution: Attract young families to Vermont

When workers with young families are considering new opportunities, there is an immediate checklist of requirements. **The availability of high-quality, affordable child care is at the top of the list.**

Problem: Rising public costs

Vermont is footing the bill for rising costs in corrections, health care and special education. From 2014 - 2015, Vermont spent an average of more than \$58,000 on each inmate in its prisons. By comparison, from 2012 - 2013 we spent less than \$8,000 on each child under age 6 who received child care tuition assistance.

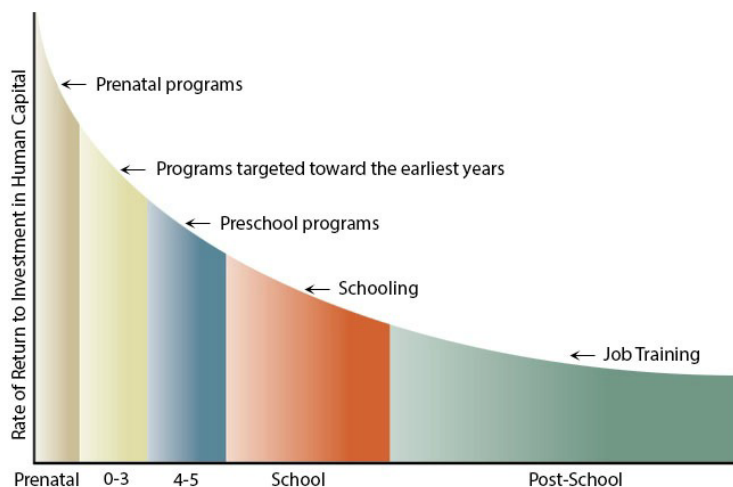
Solution: Invest early to save later

Studies have shown that investing in children's development during the early years yields the greatest return, both in savings—in corrections, health care and public education—and in increased productivity when those children reach adulthood. In fact, those studies have found that every dollar invested in early childhood yields a 7-10% return per year later in life.

When it comes to the health and prosperity of Vermont's children, families, communities and economy, high-quality, affordable child care is the linchpin.

Learn more at:

letsgrowkids.org



Source: Heckman (2008)