

Childcare Scarcity: It's an Economic Issue

How Unaffordable Childcare Stifles the Economy

A Larimer County family with one adult and one preschooler needs an annual income of **\$49,618 to make ends meet** (hourly wage of over **\$23**) - more than three times the federal benchmark of **\$16,460** for a family of two. In Larimer County, a total of **28.5%** of households fall below the local standard.

[**\$49,618**]

Impact on Families

Families need over \$12,000 per year, per child on average for childcare for an infant and toddler.

Impact on Employers

The drain on household income is also a problem for local businesses who depend on families to consume local products and contribute as employees. It makes our workforce less competitive and thus less able to attract primary employers.

Impact on Households over time

Unaffordable childcare doesn't just reduce household earnings while kids are young, it reduces the total earning potential for households over the long term in lost earning potential and retirement savings.

Impact on Women

Women are a major asset of our workforce. Unaffordable childcare means they drop out permanently or temporarily. When and if they rejoin the workforce, their earnings usually do not recover.

Takeaway:

Communities and local governments have an opportunity to examine the childcare needs of working parents specific to the local economy to encourage availability of childcare services to meet those needs.



-15%

Motherhood Comes with a **5-15% wage penalty on average**



10%

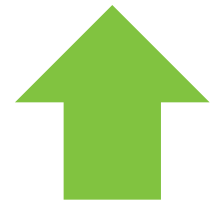
The employment rate would **increase 2% for single women and 10% for married women** if childcare costs decreased by 10%



63%

An average of **63% of employees showed increased productivity** while using quality childcare

Shellenback 2003 Paper: "Childcare & Parent Productivity: Making the Business Case"



\$15.25

Every dollar invested in formal childcare results in **\$15.25 in additional income for parents**

The PolicyLink Report "High-Quality, Affordable Childcare for All: Good Families, Communities, and the Economy"

The Self-Sufficiency Standard for Larimer County, CO 2018 Monthly Costs

	Adult	Adult Infant Preschooler	2 Adults Infant Preschooler	2 Adults Preschooler School-age
Expenses				
Housing	\$905	\$1,106	\$1,106	\$1,106
Child Care	\$0	\$2,272	\$2,272	\$1,608
Food	\$279	\$556	\$780	\$859
Transportation	\$254	\$261	\$500	\$500
Health Care	\$158	\$426	\$487	\$494
Miscellaneous	\$160	\$462	\$514	\$457
Tax Credit				
Taxes	\$338	\$1,163	\$1,232	\$1,023
Earned Income Tax Credit (-)	\$0	\$0	\$0	\$0
Child Care Tax Credit (-)	\$0	(\$100)	(\$100)	(\$100)
Child Tax Credit (-)	\$0	(\$333)	(\$333)	(\$333)
Self-Sufficiency Wage				
Hourly	\$11.90	\$33.03	\$18.35 per adult	\$15.95 per adult
Monthly	\$2,094	\$5,813	\$6,458	\$5,613
Annual	\$25,124	\$69,760	\$77,499	\$67,352

For full chart visit: https://cclponline.org/pub_library/self-sufficiency-standard-for-colorado-2018/