The Economic Impact of the Early Care and Education Industry in Illinois
Research Brief – May 2012

Illinois’ Early Care and Education (ECE) Industry:
- Generates $2.4 billion every year
- Employs more than 71,000 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 workforce as adults


www.actforchildren.org
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:

- Generates $2.4 billion every year
- Enables parents to work and continue their education
- Employs more than 71,000 people full-time
- 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.
- $100 of new spending in the Illinois child care industry has a total of $213 in new output across Illinois’ economy.

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

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<thead>
<tr>
<th>Industry</th>
<th>Impact of Average Illinois Industry</th>
<th>Hotel &amp; Lodging Places</th>
<th>Manufacturing</th>
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A $100 Spent on Other Industries

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“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.”

—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

Early Care and Education industry supports the current workforce.

- 638,270 Illinois children under age 6 (65% of all children under age 6) have all household parents in the labor force.
- Working parents play a vital role in the Illinois economy, earning a total of $132 billion in 2008.
- 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.

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.

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