



## Child care crisis costs Illinois' economy nearly \$5 billion

Effects of insufficient infant-toddler care availability have multiplied for working parents & employers since pre-COVID

Infant-toddler child care challenges drain an estimated \$4.9 billion from Illinois' economy every year, significantly curtailing working parents' income and job opportunities as well as business stability and productivity, according to an updated report. Furthermore, that economic price tag has more than doubled since 2018, largely reflecting the effects of the COVID-19 pandemic on child care access and availability—and demanding far greater public policy responses, the ReadyNation report finds.

“When working families can’t find stable, affordable child care, everybody loses. From parents’ paychecks to employers’ productivity, our economy suffers billion-dollar consequences,” said Kayla Edwards, Managing Partner at Express Employment Professionals in Springfield, Bloomington, and Jacksonville. She is a member of the ReadyNation’s nonprofit, nonpartisan network of over 2,000 business leaders nationwide, including 270 in Illinois.

“For a long time, our workforce has suffered from too few child care options and—as we know—the pandemic only exacerbated problems,” added ReadyNation Illinois member Paula Schmidt, President of the Geneva Chamber of Commerce. “This is an economic crisis that continues to call for top-priority attention and action.”

The new report updates findings that ReadyNation first published four years ago, when infant-toddler child care insufficiencies totaled an estimated \$57 billion hit to the U.S. economy overall and an estimated \$2.4 billion to Illinois, specifically. Those projections now have leapt to a staggering \$122 billion nationwide and \$4.9 billion in Illinois. It’s significant to note that these reports have quantified only the effects of the limitations of care for children younger than age 3; economic costs would climb exponentially if they also accounted for the repercussions of the shortage affecting children aged 3 to 12.



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& MEMBER OF READYNATION ILLINOIS

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These costs relate to inadequate access, affordability, and quality of care for young children, according to the report. For instance, 58% of Illinoisans live in a child care “desert,” where there are more than three children under age 5 for every licensed child care slot. Plus, in Illinois, the average cost of full-time, center-based, infant-toddler child care hovered around \$15,000 in 2021.

The ReadyNation report and its economic projections are based in part on the results of a national survey of more than 800 working parents of children under age 3, conducted in December 2022. Respondents reported pitfalls such as:

- Almost three-quarters of parents called child care access a challenge.
- 64% said they’d been late for work or left early because of child care problems in the previous three months, while one-third said they’d had to switch from full-time to part-time work.
- About a quarter of polled parents said they’d either quit a job, been let go, or been fired due to child care struggles.

Overall, according to projections, such infant-toddler child care challenges cost families an annual average of \$5,520 per working parent in lost earnings and in time spent looking for work. These problems further cost businesses an average of \$1,640 per working parent in reduced revenue and in extra hiring costs. Finally, the tax base suffers: Taxpayers lose an average of \$1,470 per working parent in lower federal income and sales tax revenue — figures that don’t even reflect losses in state tax revenues.

Admirably, as COVID intensified long-standing problems with child care access and affordability, Illinois policymakers tapped federal pandemic-relief dollars to help keep early childhood providers afloat, cover their bills, and bolster staff recruitment, training, and support. Now, such federal assistance is expiring, and ReadyNation’s business leaders are supporting the Governor’s proposed Smart Start Illinois initiative of substantial new investments in birth-to-3, preK, and child care — including a new, \$130 million grant program to strengthen child care workers’ compensation and begin stabilizing the field.

Such investments in early childhood teachers and staff, the “workforce behind our entire workforce,” are a central component of hopes to significantly improve equity, access, and quality in Illinois’ system of birth-to-5 supports — the kind of improvements envisioned by a bipartisan state commission that issued recommendations in 2021. ReadyNation backed the work and vision of the commission, supports Smart Start’s next steps toward further enactment of its recommendations, and will continue to work with policymakers and partners toward resolving longstanding challenges to the well-being of Illinois’ children, working families, business climate, and overall economy.

To read the report ***\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis***, please visit [tinyurl.com/35umtza8](https://tinyurl.com/35umtza8). For a fact-sheet summary, visit [tinyurl.com/3zj269tj](https://tinyurl.com/3zj269tj).

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