



## PRESS RELEASE

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### **New Study Shows Lack of High-Quality Child Care Costs DC Businesses Nearly \$80 Million Per Year**

*Damaging impact of unaffordable child care also costs taxpayers \$64 million and parents \$252 million each year*

WASHINGTON (**March 13, 2024**) – Today, Under 3 DC published a groundbreaking new [study](#) that shows a lack of high-quality child care in the District of Columbia is costing parents more than \$250 million per year due to damaging impacts on productivity, negative actions by employers, and an inability to advance in careers when adequate child care cannot be secured. The rest of the city is also feeling the impact, with insufficient child care costing businesses \$79 million and taxpayers \$64 million each year.

The study, the first of its kind in the District, found that high-quality, accessible, and affordable child care is an essential element of a thriving local economy. DC parents struggle to find and afford adequate care, which impacts their employers, their children, and their own career trajectories. Among parents who recently had or adopted a child:

- 52% had to reduce their regular work hours;
- 46% had to turn down an opportunity to pursue further education or training;
- 36% had to turn down a job promotion or desirable reassignment;
- 27% had to quit a job;
- 21% were demoted or transferred to a less desirable position; and
- 21% were let go or fired.

"This report makes it clear: we must make an immediate, lasting investment in affordable, high-quality child care for the good of our local economy and social fabric," said Kimberly Perry, Executive Director of DC Action and Co-Chair of Under 3 DC. "By continuing to bolster our early childhood education system, we're not only supporting working families – we're supporting all residents and businesses and are building a stronger, more prosperous future for everyone in the District."

Lower employment rates among parents and guardians leads to lower incomes for families, worse productivity for businesses, and decreased tax revenue for the District. The annual cost per parent of children under age three is \$8,100, or \$252 million aggregated across all similar DC parents. The annual cost to businesses for each parent is \$2,540, or \$79 million aggregated across DC parents.

**Annual Economic Implications of A Lack of Child Care**

	Annual	From birth - age 8	Aggregated across DC parents
Parents	\$8,100	\$33,340	\$252 million
Business	\$2,540	\$7,230	\$79 million
Taxpayers	\$2,070	\$8,760	\$64 million

“This report quantifies what the business community has long understood anecdotally and provides a clear roadmap for action,” said Angela Franco, President & CEO of the DC Chamber of Commerce. “The child care crisis extends beyond family concerns and poses a significant economic imperative for all of us, as it costs taxpayers \$64 million a year. Addressing this issue is essential for sustaining and growing our economy.”

To build the report, Zogby Analytics surveyed 308 DC residents who are working parents of children under age three. Fifty-seven percent of respondents said the cost of care makes it harder for them to live in DC.

"Rigorous economic research has shown that when high-quality early child care is unavailable or inadequate, it adversely impacts parents' economic success and regional economic activity," said Clive Belfield, Professor of Economics at City University of New York, who translated the results into economic impacts. “Similar findings appear in studies that have been conducted nationally and in other cities – showing that the results are serious and widespread.”

The study credits District leadership for having made legislative strides toward a high-quality early education system, which includes wins such as the 2008 Pre-K Enhancement and Expansion Act and 2018’s Birth-to-Three For All DC Act, as well as initiatives to enhance the

qualifications and benefits of early educators. Despite these victories, the challenge remains to fully and permanently fund these programs and make necessary improvements.

To read the report, visit [www.under3dc.org](http://www.under3dc.org).

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### **About Under 3 DC**

Under 3 DC harnesses the voices and power of District families with young children, early educators, health professionals and community-based organizations to shine a spotlight on the need for more public investments in early education and health programs for infants and toddlers. Together, we can set the District of Columbia on a path to creating and sustaining a high-quality, equitable early childhood system. For more information, visit [www.under3dc.org](http://www.under3dc.org).