Child Care in State Economies

FACT SHEET 2019 Update

District of Columbia

Impact of the Child Care Industry in the District of Columbia

- There are 1,299 market-based child care providers with revenue of $210 million in D.C. This includes 1,044 sole proprietors (family child care home-based providers) and 255 child care centers.
- $210 million in direct revenue generated within the market-based child care industry is estimated to support about $66 million in spillover or related productivity in other industry sectors for an estimated combined total economic impact of about $277 million in D.C.
- In terms of jobs, 5,034 sole proprietors and wage and salary employees in the child care sector are estimated to support about 659 workers in other industries for a total jobs impact of 5,693.
- The $123 million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support about $27.1 million in additional earnings across the state for a total earnings impact of $150.4 million.

Child Care Usage in the District of Columbia

- There are 108,761 children under age 15 (45,035 under age 5 and 63,726 between ages 5 and 14) in D.C. who may require paid child care services.
- About 39,175 children under age 15 are in paid care – 21,969 (48.8%) under age 5 and 17,206 (27%) between the ages of 5 and 14.
- About 75.7% of children birth to age 5 in D.C. are in non-parental care for at least 10 hours every week.

Cost of Child Care & Labor Force Participation

The cost of care in D.C. remains a hurdle for many parents seeking to enter or stay in the labor force.

- The average annual cost of child care for an infant is $23,666 in a child care center and $16,737 in a family child care home.
- The average annual cost of infant center-based care is 293.6% of the cost of tuition and fees at a 4-year D.C. college.
- Center-based infant care is 32.4% of state median income.
- Since 2010, family child care homes have declined from 1,074 to 1,044 in 2016 – a decline of 2.8%. For working families, the decline in home-based care reduces the availability of the least expensive care option for families.

The Link Between the Paid Child Care Sector and the State Economy

- Access to affordable child care can increase labor force participation and support state and regional economic growth.
- Access to affordable child care can support parents seeking additional education and training, which contribute to higher earnings over an individual's lifetime.
- Increased subsidy payments trigger state level responses in wage rates, the mix of low- and high-skilled labor used in the state, prices of goods and services, and trade flows.

Note: Regulations for child care licensing vary by state. The economic information provided through the U.S. Census Bureau Economic Census includes employers and sole proprietors who report child care business income. This does not mean such entities are regulated by the state or are in compliance with state law. Therefore, state regulatory lists may vary from child care business data reflected in the Census Bureau data.

Sources: Committee for Economic Development of The Conference Board, *Child Care in State Economies: 2019 Update*; 2016 U.S. Census Bureau Economic Census and County Business Pattern data and non-employer statistics data; Current Population Survey for the 2015-2017 period; 2016-2017 National Survey of Children's Health (NSCH), U.S. Department of Health and Human Services; and Child Care Aware of America 2017 child care rates, *the U.S. and the High Cost of Child Care* (2018).

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