



Prepared by the
Children's Leadership
Council of Michigan,
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THE GOOD NEWS...

Michigan's unemployment rate is very low—5 percent according to the Michigan Department of Technology, Management, and Budget (December 2016, seasonally adjusted).

THE BAD NEWS...

Employers are having to dig deeper into the labor pool to find qualified candidates, many of whom have barriers to work, including a lack of access to high-quality, affordable, and flexible child care.

439,359

The number of Michigan children under age six with parents in the labor force.

Source: Child Care Aware of America using data from the American Community Survey, U.S. Census Bureau, 2011–2013 three-year estimates

Note: Both parents in two-parent families and one parent in single-parent families.

CHILD CARE IS EXPENSIVE

Center-based infant care in Michigan costs almost as much as tuition at a four-year public university.

Infant Cost
in Center

\$10,178

Public College
Tuition

\$11,994



Source: Child Care Aware of America, 2016, *Parents and High Cost of Child Care*

According to the U.S. Department of Health and Human Services, any child care that costs more than **7 percent of a family's income** is considered unaffordable.

PERCENTAGE OF INCOME SPENT ON CHILD CARE IN MICHIGAN

12.1%

Center-based infant care for a married family

47.7%

Center-based infant care for a single parent

91.7%

Center-based care for a married family at the poverty line with two children

Source: Child Care Aware of America, 2016, *Parents and High Cost of Child Care*



In the Midwest, child care is the **largest single expense** that families have, even larger than housing.

Source: Child Care Aware of America, 2016, *Parents and High Cost of Child Care*

At a time when child care costs are increasing, Michigan's investment is significantly decreasing.

	Per Low-income Child Spending	Michigan's National Ranking	National Average	Amount Above/Below National Average
In 2003	\$1,556	11 th highest	\$933	\$623 above
By 2013	\$336	11 th lowest	\$679	\$343 below

Source: Public Sector Consultants, September 2016, *Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care*

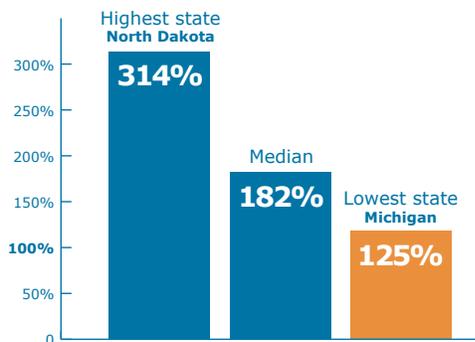
Number of Children Served in Michigan
106,063 (FY 2007)
 ↓
29,624 (FY 2015)

State Spending on Child Care
\$416 million (FY 2007)
 ↓
\$105 million (FY 2015)

Source: Michigan Department of Human Services, 2007 and 2015, *Annual Report of Key Program Statistics*

Qualifying for child care subsidies in Michigan is *extremely difficult* for two reasons:

1 Michigan's income limit for initial eligibility for child care subsidy support is the lowest in the nation.



Source: National Women's Law Center, 2016, *Red Light Green Light: State Child Care Assistance Policies*

Note: This source puts Michigan at 118 percent, but the state has since raised the threshold.

2 Michigan's application process for child care is complex and time consuming.

Total applications submitted in
2015 = 82,377



Source: Public Sector Consultants, September 2016, *Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care*

Michigan's reimbursement rates to child care providers—who are trying to run successful businesses themselves—are among the lowest in the nation.

49 The number of states with higher provider reimbursement rates than Michigan as a percentage of the 75th percentile benchmark for one-year-olds in center-based care.

48 The number of states with higher reimbursement rates than Michigan for four-year-olds in center-based care.

Source: Public Sector Consultants, September 2016, *Building a Better Child Care System: What Michigan Can Do to Help More Parents and Children Access Quality Care*

For Michigan's economy to grow, we must do more to help parents enter the workforce and climb the career ladder once they are there.

We can do that by...

- Raising the income eligibility threshold
- Streamlining the child care subsidy application process
- Increasing reimbursement rates to providers