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First Ever Study Shows \$2.12 Billion Industry Vital to the State's Economy: Early Child Care and Education Critical to Illinois Business and Other Key Stakeholders

CHICAGO -- With gross receipts exceeding \$2 billion and nearly 56,000 full-time employees, the early care and education industry is making significant contributions to the state's economy and should be expanded and improved, that according to a study released Monday by three prominent non-profit organizations.

The research shows that educating and caring for children under the age of six in Illinois has grown into a job-generating industry with more employees than the hotel/motel industry and the cellular and wireless communications industry and almost as many as amusement, gaming and recreation in Illinois.

The study was released by Action for Children, Chicago Metropolis 2020, Illinois Facilities Fund and the National Economic Development and Law Center (NEDLC).

"Quality early care and education provides long-term benefits to our children and communities," said Maria Whelan, President and CEO of Action for Children. "That is why it's important for Illinois to continue its investment in children even in tough economic times. The industry serves nearly 300,000 children in licensed homes and child care centers and more in license-exempt small home settings. By reaching those youngsters with quality educational programs, we can better prepare them for success in school and later in the workplace."

"One in 10 Illinois workers has a child under the age of six and these working parents earn a total of \$21 billion annually," said Bill Testa, vice president and director of regional programs in the research department at the Federal Reserve Bank of Chicago. "Not only does the existence of early care and education help these parents participate in the state's workforce, many people have not recognized that early care and education is an industry in its own right that contributes to the state's economy. Gross receipts of the industry are similar in size to cash receipts in the soybean farming industry, for which the state is nationally known."

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According to the study, several stakeholders share in the economic benefits of the early care and education industry.

Taxpayers -- High quality early care and education improves the likelihood of success in school and in the long run benefits taxpayers through lower costs for criminal justice, remedial education and welfare.

Business – Parents are better able to participate in the workforce, and the availability of early care and education correlates to reduced employee absenteeism and turnover.

Children – With greater language development and mathematical ability, children who participated in quality early care and education are better prepared to succeed in kindergarten. As adults, these children have increased high school graduation rates and are more likely to participate in the workforce.

“Investing in early education now will pay off later with better educated and skilled workers and less need to divert resources to the recruitment and training of replacement workers,” said Adele S. Simmons, Vice Chair and Senior Executive with Chicago Metropolis 2020. “For every dollar spent on early care and education, we can save up to \$17 in the long run on government expenditures.”

Simmons said Illinois state government has made important advances recently in expanding early care and education and that it is critical that Illinois provide the planning and resources needed to make quality early care and education opportunities available to all parents who choose it for their 3- and 4-year-olds.

According to the study, the typical Illinois family will need to pay 25% of its income for an infant and pre-schooler’s early care and education if they choose center-based care, making it burdensome for many. And despite the cost, many providers of early care and education have difficulty staying in the black. Consequently, early care and education wages and benefits are not competitive with public schools, and that leads to both high turnover rates and difficulty attracting highly trained staff.

“As this study makes clear, investment in the early care and education industry creates numerous benefits for the Illinois economy and Illinois families. What’s more, the challenges of operating and expanding quality early care and education programs and facilities are considerable,” said Trinita Logue, President and CEO of the Illinois Facilities Fund. “All of us – governments, businesses and communities – must work together on solutions to assist this important industry.”



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The report, ***The Economic Impact of the Early Care and Education Industry in Illinois***, is available at the following websites: www.actforchildren.org, www.chicagometropolis2020.org, www.iff.org, and www.nedlc.org.

This report is a collaboration of Action for Children, Chicago Metropolis 2020, Illinois Facilities Fund, and the NEDLC.

Action for Children, formerly the Day Care Action Council of Illinois, represents an alliance of individuals and groups dedicated to empowering and supporting parents, child care providers and family service programs. Its mission is to create a common voice and vision for advancing high quality and accessible programs that foster the development, health and well-being of all Illinois children.

Chicago Metropolis 2020 is a nonprofit civic organization created in 1999 by The Commercial Club of Chicago to promote long-term planning, better regional cooperation and smart investment in the Chicago region and its people.

Founded in 1988, Illinois Facilities Fund (IFF) is a nonprofit organization committed to understanding nonprofits and helping grow their assets to ensure financial and operational health so they can better serve their clients and communities. Through below-market lending, facilities planning, real estate development and research services, IFF assists Illinois nonprofits serving low-income and special-needs populations. IFF further champions the nonprofit sector through advocacy efforts and management education programs.

The NEDLC is a nonprofit, national organization specializing in community economic development.