



U.S. Chamber of Commerce
Foundation



FOR IMMEDIATE RELEASE

September 5, 2023

CONTACT:

GR Chamber: Andy Johnston, 616-822-1878 or andy@grandrapids.org

MI Chamber: Sara Wurfel, 517-599-3470 or swurfel@michamber.com

Eye Opening Report on Childcare Shows Impacts on Michigan's Workforce and Economy

Childcare issues result in an estimated \$2.88 billion annual loss for Michigan's economy, significant strain and missed opportunities for working parents

GRAND RAPIDS, MI – Accessible and affordable childcare is key to unlocking Michigan's economic potential and recouping nearly \$3B in lost activity while better meeting the needs of working parents and job providers, according to a new report from the U.S. Chamber of Commerce Foundation (USCCF), in partnership with the Grand Rapids Chamber, Michigan Chamber and the Early Childhood Investment Corporation (ECIC). The report – **Untapped Potential in Michigan – was designed to quantify the economic impact of childcare breakdowns and help the business community and policymakers better understand the issue and potential solutions.**

The report estimates how often parents with children under the age of six leave the workforce or educational opportunities because of insufficient childcare, as well as how often they miss work or school due to childcare issues. This data is used to model a conservative estimate of the direct financial impact of breakdowns in childcare for Michigan's economy and its employers.

"Building a stronger Michigan for all requires innovative approaches and collaboration to address workforce challenges," said **Jim Holcomb, President & CEO of the Michigan Chamber of Commerce**. "By better understanding the impact that childcare availability and cost has on employee wellbeing, turnover and absenteeism, we'll be better equipped to unlock the economic potential of our state by providing working parents and job providers with the tools to successfully manage a range of needs."

Highlights from the report include:

- Childcare issues result in an estimated **\$2.88 billion loss** annually for Michigan's economy.
- Michigan loses an estimated **\$576 million annually in tax revenue** due to childcare issues.
- **14% of parents left a job** in the past six months due to childcare.
- 52% of parents needed to make a **significant adjustment to their school or work training** due to childcare issues in the past 12 months.

"Childcare is crucial to Michigan's economic infrastructure and provides a stable foundation for the state to continue to thrive as a business environment," said **Rick Baker, President & CEO of**

the Grand Rapids Chamber. “Access to childcare also allows parents the flexibility to pursue careers or enhance their education or vocational skills. Parents are often forced to weigh competing priorities, balancing their desire to pursue rewarding work or advance their education to advance their career or education with the responsibilities of raising their children.”

The research draws clear conclusions that demonstrate how too often working parents have to compromise their futures for the immediacy of their childcare needs.

“No Michigander should have to choose between being a good parent or being a good worker. When parents lose out on career advancement and educational opportunities, their kids lose out, too. This report makes clear what parents and families and employers across Michigan have known for decades: childcare is critical to Michigan’s economy. At ECIC, we’re committed to working with collaborative partners, including families, from across the state to accelerate innovative childcare solutions,” said **Dawne Bell, CEO of the Early Childhood Investment Corporation.**

Next Steps

The most effective childcare system will not be the result of one initiative, but collective impact generated through collaboration on ensuring access to high-quality childcare options. Partnerships between early education advocates and the business community are vital to ensure that Michigan’s children, families, businesses, and economy are strong.

Key next steps include:

- **Bolstering Tri-Share :**
 - Tri-Share, launched as a pilot program in 2021, is recognized for its innovative approach to the childcare problem, and has been replicated in multiple locations across the United States. The recent move of the program into MiLEAP, provides an opportunity to develop key components of the program to increase access.
- **Creating and expanding childcare facilities and personnel capacity:**
 - Identifying mechanisms that allow businesses to pool resources together to build, renovate or expand childcare centers will provide more slots for families and partnering businesses.
 - Advancing strategies to expand and support the critical talent pool of childcare professionals will boost access and reach.
- **Building workplace flexibility:**
 - Employers can reduce the number and severity of challenges that parents face by implementing family-friendly policies like flexible working hours and remote work when possible.

By continuing to listen to the needs of parents and working to find public and private solutions, Michigan will be better equipped to unlock the economic potential of parents whose employment and educational options are currently limited by the state’s childcare gaps..

The report can be found at www.grandrapids.org/childcare or visit <http://www.michamber.com/miuntappedpotential/>.

**Cicero Group conducted a statewide survey of 501 Michigan parents with children under the age of six across Michigan. The purpose of the survey was to gauge the current state of childcare in*

Michigan, understand parents' motivations for their childcare arrangement, and inform stakeholders of the economic cost to the state and its employers.

###

About the U.S. Chamber of Commerce Foundation

The U.S. Chamber of Commerce Foundation (USCCF) is a 501(c)(3) nonprofit organization affiliated with the United States Chamber of Commerce, dedicated to strengthening America's long-term competitiveness. USCCF educates the public on the conditions necessary for businesses and communities to thrive, how business positively impacts communities, and emerging issues and creative solutions that will shape the future. For more information about the U.S. Chamber of Commerce Foundation, please visit www.uschamberfoundation.org.

About the Early Childhood Investment Corporation (ECIC)

Created in 2005 to serve as a statewide leader in early childhood, ECIC collaborates to increase public and private investment in the earliest years, elevate issues affecting young children and their families, and continuously improve Michigan's comprehensive early childhood system. Our aim is to create a future where all young children in Michigan and their families thrive. To learn more about ECIC and the Child Care Innovation Fund, please visit www.ecic4kids.org.

About the Michigan Chamber

The Michigan Chamber of Commerce is a statewide business organization representing approximately 5,000 employers, trade associations and local chambers of commerce. The Michigan Chamber represents businesses of every size and type in all 83 counties across the state employing more than 1 million Michiganders. The Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process. For more information about the Michigan Chamber of Commerce, please visit www.michamber.com.

About the Grand Rapids Chamber

The Grand Rapids Chamber leads the business community in creating a dynamic, top-of-mind West Michigan region. Together with over 2,500 member businesses (80% of which are small businesses with fewer than 50 employees), we work to expand the influence, access, and information required to actively encourage entrepreneurial growth and community leadership. We offer the connections, resources, and insights needed to develop strong leaders, engage a diverse workforce, foster an inclusive and welcoming community, and advance a vibrant business environment that nurtures economic prosperity for all. Learn more at www.grandrapids.org.