

The Economic Case *for* Universal Child Care

Evidence from National Research on Families, Workforce, and the Economy

*Universal child care is one of the **most cost-effective** labor market policies evaluated in the United States.*



13%

Annual Return on Investment

Return compounds annually over a child's lifetime.

1



Parents Earn More

+22% increase in parental earnings

+\$7,200 more per year, per child enrolled

+\$59,800 more after 6 years

3



Annual Loss When care is unavailable

\$586M

Each year, New Mexico loses an estimated \$586 million in productivity, wages, and revenue due to child care shortages.

2

Parents Work More

+13 additional work hours per week

+7% increase in labor force participation

3

Employer Impacts

30% fewer employee absences

\$900 million in annual employer gains from reduced absenteeism and turnover

Up to **60%** lower turnover

5

86%



Infant care costs **86%** more than in-state public university tuition in New Mexico.

Using the U.S. Department of Health and Human Services affordability standard, only 10.8% of New Mexico families can afford infant care.

4



Government and Tax Impact

90%

Higher parental earnings return up to **90%** of program costs through tax revenue.

6

\$4.2B

Reduced workforce participation due to child care shortages results in **\$4.2 billion** in lost tax revenue annually.

7

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