

# 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



### 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.

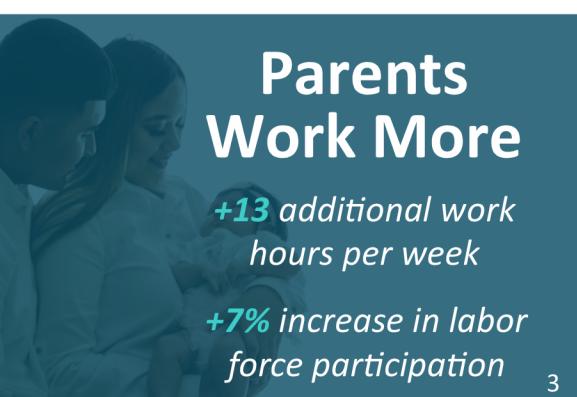
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### Parents Work More

+13 additional work hours per week

+7% increase in labor force participation

3



# 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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