



Early Childhood Educator Tax Credit: Talking Points for Contacting Your State Lawmakers

Use these talking points to urge your state Senator and House member to invest in an Early Childhood Educator Tax Credit. Make sure to let them know that you are a constituent, what county/city you live in, your personal connection to this issue and why it is important to you.

What is Governor Whitmer's proposed Early Childhood Educator Tax Credit?

- Gov. Whitmer proposed a \$1,000-\$3,000 refundable tax credit for child care, afterschool, and preschool teachers.
- Gov. Whitmer proposed this tax credit in February alongside her state budget proposal, but the state legislature did not prioritize it and it has yet to be introduced as a bill. We need to help our lawmakers understand why increasing compensation for early childhood educators should be their top priority.
- Gov. Whitmer proposed that the credit vary based on the experience and education of early educators, and laid out the following requirements. Applicants must (1) work in a licensed facility that participates in Great Start to Quality (2) participate in MiRegistry and (3) work at least part-time (1,040 hours in a year).
- Louisiana, Nebraska, and Virginia have implemented successful tax credits for their early childhood educators.

How would this tax credit benefit Michiganders?

- An Early Childhood Educator Tax Credit would help stabilize child care businesses needed by tens of thousands of working parents by allowing early educators to keep more of their hard-earned wages.
- Boosting compensation for the early childhood workforce through refundable tax credits is an effective way to keep highly qualified educators in the workforce (reduce turnover), incentivize professional development, education, and longevity in the field, and incentivize more Michiganders to pursue a career in early childhood education.
- Increasing providers' ability to retain staff through this tax credit would allow them to operate at full capacity and even expand, making it easier for parents to find high-quality child care.
- As Michigan moves closer to providing universal pre-k and opening hundreds of new child care centers through their Caring for MI Future initiative, early childhood providers are going to need this support to recruit and retain highly qualified educators.

Why does Michigan need an Early Childhood Educator Tax Credit today?

Our youngest Michiganders

- Michigan's youngest children deserve nothing less than highly educated, experienced educators to teach them the foundational skills they will need to feel prepared for the K-12 classroom environment.

- Research shows that one in four children in the US is not ready for kindergarten, and states can combat this by providing young children with high-quality early learning opportunities, which are proven to reduce disparities in school readiness by income and race. Helping child care providers recruit and retain highly qualified teachers will give our little ones the head start they need to succeed in school and grow up to become dynamic leaders in Michigan's workforce.

Early Childhood Workforce

- Child care business owners do not have the funds to pay competitive wages, so they are really struggling to find enough qualified teachers to fill their classrooms.
- A recent report found that nearly half of providers are serving fewer children than their licensed capacity, a challenge that is costing Michigan families at least 4,000 child care slots in the state and intensifying our child care deserts (areas with limited access to child care).
- This is not a case of child care business owners racking in profits at the expense of paying their employees a fair wage. On the contrary, child care businesses have some of the most razor-thin profit margins of any industry and are struggling to keep their businesses out of the red.
- While the private sector and nonfarm workforces have largely recovered since February 2020, the child care workforce has lost 88,000 workers or 8.4% of its pre-pandemic workforce.
- Today, early educators earn less than 98% of other professions, with almost one in five earning incomes that are below the poverty line, while child care businesses struggle to pay their educators more without pricing out too many families. As a result, these essential businesses are left struggling to find enough qualified professionals to fill their classrooms.
- Unabated, the child care crisis we find ourselves in has already left tens of thousands of parents unable to go to work and hold down a job, which threatens their family's overall wellbeing.

How we can we make this tax credit work for the early care and education field?

- The early childhood advocacy community proposed (1) tripling the credit to grant this workforce \$7,000-\$9,000 refundable tax credits, and (2) expanding it to all staff employed at early childhood education programs. A \$7,000-\$9,000 tax credit would do a more effective job of incentivizing Michiganders to pursue a career in early childhood education.
- Designing the tax credit so that educators receive it monthly instead of once a year at tax season would likely be more helpful to the field since they are usually living from paycheck to paycheck.

Find your state lawmakers: [state Senator search](#) and [state Representative search](#).

It's not guaranteed that the Governor will introduce this tax credit again next year, so call her office as well and share your appreciation that she proposed it. Urge her to go to bat for early childhood educators again in her FY25 budget proposal. [Contact her here](#).