

Funding Early Care and Education in Michigan

\$2.8 BILLION¹ in lost economic activity

as a result of a lack of accessible early care and education, **which will continue to grow.**

Child care at current wages costs substantially more than Michigan's child care scholarship rates cover and more than families can afford.

SUBSIDY SHORTFALL PER CHILD:

\$5,592 center-based provider for infants.

\$2,879 family care for infants and toddlers.

\$4,569 family care for 3- to 4-year olds.

\$23,020 or \$11/hr

Average salary of **child care providers earned** — despite being a **skilled trade** — making it difficult to find and retain employees.

1,261

child care business closures

The state's ECE workforce **shrank by 26.8% from 2001 to 2022**, representing **29,000 fewer early educators** across the state. This stands in stark contrast to the modest growth (0.3%) seen nationwide.

Michigan faces workforce readiness and infrastructure disadvantages when industries consider locating in Michigan.

CURRENT INVESTMENT

is **one third of what it costs** to provide early care and education to **working families who need it.**

Low-income families³ often use 35%-50% of their earnings for child care, often more than housing.

59,000

Parents in Michigan **reported quitting a job, not taking a job, or greatly changing their job because of problems with child care.**⁴

Often relying on other state support programs.

When kids don't get early care and education, it costs everyone in the future.

90% OF A CHILD'S BRAIN DEVELOPS BY AGE 5

When kids miss out on critical early child development, **they are less prepared for pre-k** and the rest of their education, limiting upward mobility and contribution.

ADDITIONAL INVESTMENT

is **needed to serve low-income families** in Michigan who need it and **keep them in the workforce.**

HOW CAN WE SHOW COMMITMENT TO INVESTING IN CHILD CARE INFRASTRUCTURE TO SUPPORT MICHIGAN BUSINESSES + FAMILIES?

Include significant increases to the FY26 General Budget for the child care scholarship (CDC) rates to approach the true cost of child care.

¹Penn Wharton University of Pennsylvania, [Economic Effects from Preschool and Childcare Programs](#).

²Andrews, A. Balancing the Scales: A Proposal for a Systemwide Wage Scale to Address Michigan's Early Childhood Education Crisis. (2023). TalentFirst. <https://info.talentfirst.net/ece-wage-scale>

³Low income is defined as working families at or below 200% of the federal poverty level. The federal poverty level can be found at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

⁴Center for American Progress. Child Care and Early Learning in the United States. <https://www.americanprogress.org/data-view/early-learning-in-the-united-states/>.