think babies™ Michigan
Powered by The Early Childhood Investment Corporation

A Fiscal Analysis and Plan for Michigan's Prenatal-to-Five System

In Michigan, the early childhood system is persistently underfunded. To better understand and address the broken finances of the prenatal-to-five system, Think Babies Michigan engaged with national partners to project the funding needed and potential revenue sources to achieve the vision established for Michigan's young children and their families.

What we learned

Funding the true cost of care in Michigan requires a total of: $3.8 billion*

**This cost includes paying the early childhood workforce the MIT living wage, funding all home visiting models and increasing service capacity to serve more children.*

Total cost to fully fund the child care system	$3,212,974,553
Total cost to fully fund the home visiting system	$300,988,813
Total cost to fully fund the *Early On* system	$334,110,421

How do we get there?

Step 1: Create an Early Childhood Fund.

Step 2: Establish a dedicated revenue source for the Early Childhood Fund. Potential sources include:

Revenue from taxes on digital activities and data

This is an emerging tax field that, under best practices, would tax large internet companies.

Redirect revenue from the 21st Century Jobs Fund

This economic development fund receives its revenue from tobacco settlements.

Broaden the sales tax base

This expansion would include taxing for-profit professional, scientific, & technical services - a shift that would neutralize purchases of goods vs. services.

For more information, visit Think Babies Michigan.

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