



# How Does Child Care Impact the Tompkins County Economy?

## Child Care is an Important Small Business.

- The sector has 700 workers—more than in residential and commercial construction or transportation.
- The 280 child care establishments are estimated to take in \$15 million in annual revenue. The sector includes small businesses and publicly funded Head Start and pre-kindergarten.

## Child Care Businesses' Purchases and Wages Recirculate in the Local Economy.

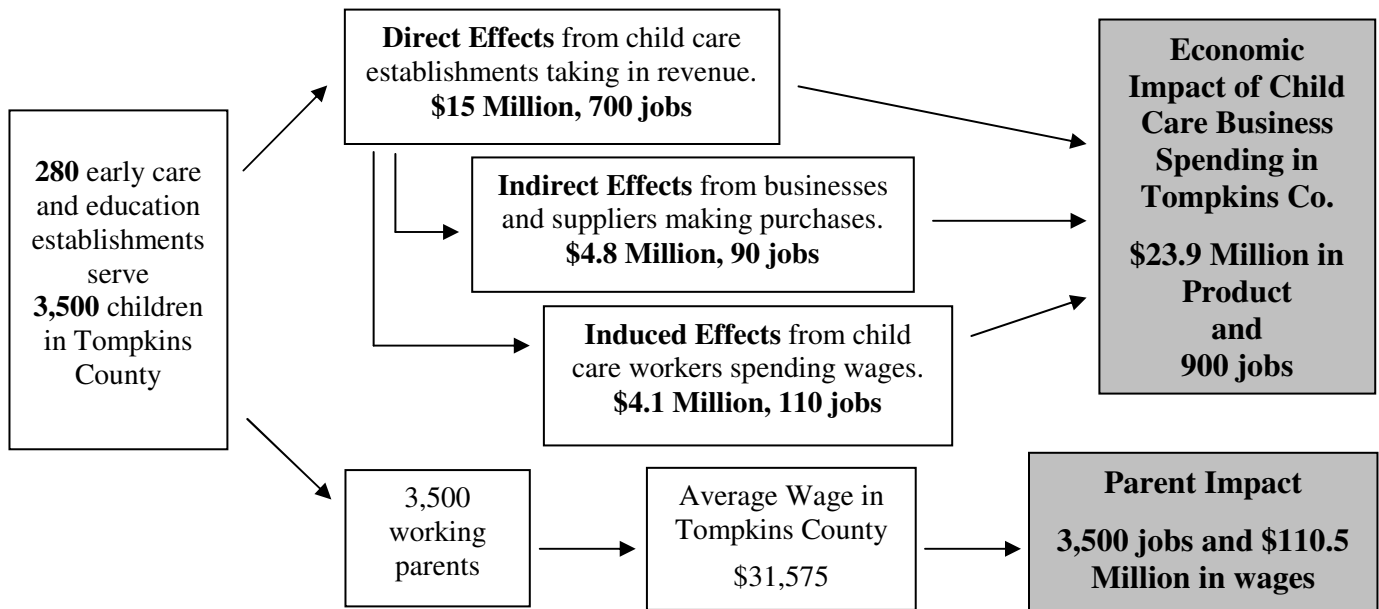
- Child care providers' local purchases create a ripple effect that stimulates \$4.8 million in additional economic activity and generates 90 additional jobs. Spending by child care workers and local suppliers' employees stimulates \$4.1 million in output from local businesses and supports 110 jobs.
- For every \$1 million spent on child care in Tompkins County, child care business spending generates \$594,000 of additional business output and creates 13 additional jobs through the multiplier effect.

## Child Care Enables Parents to Work.

- Child care is part of the infrastructure that keeps the economy running, because it enables parents to work. Child care is estimated to enable 3,500 parents to earn \$110.5 million.
- Studies show that mothers with inadequate or no child care are twice as likely to leave their jobs.

## Child Care Affects a Child's Future Economic Status.

- Quality, educational child care has been shown to increase academic achievement and college attendance and to drastically reduce chances of committing a crime in young adulthood.
- Studies find that for every \$1 invested in child care, taxpayers save \$3 and society saves a total of \$7.



**Methodology:** Revenue (direct effects) is provider capacity times fees, plus public funds. Input-output analysis uses IMPLAN model for Tompkins Co. 1998. Output multipliers: direct effect 1.0, indirect .32, induced .28. Employment multipliers: direct effect 1.0, indirect .12, induced .15. Impact per parent is average Tompkins County wage. Assumes 1:1 ratio of working parents to children in care. **Data sources:** Child care data from the Day Care and Child Development Council for 2001/2002; only informal providers listed with DCC are included. Other sector data from IMPLAN 1998; average wage from NY State Dept. of Labor 2000. **Cited studies:** Hofferth, S. and N. Collins (2000). "Child Care and Employment Turnover." *Population Research and Policy Review*, 19(4); the Carolina Abecedarian Project; the High/Scope Perry Preschool Project; and the Chicago Child-Parent Center Study. *Analysis by Cornell Dept. of City and Regional Planning. Contact Mildred Warner, mew15@cornell.edu.*

The Early Education Partnership is a project of  
 The Tompkins County Chamber of Commerce and Day Care and Child Development Council  
[www.daycarecouncil.org](http://www.daycarecouncil.org) (607) 273-0259  
*-quality child care affordable to all-*