The Economic & Tax Revenue Impact of Inadequate Early Child Care In Nebraska

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MAIN IDEA
To measure the economic impact of inadequate child care for Nebraska families with young children

METHODOLOGY
We measured the economic impact in three main ways: Effect on income, firm output, and state tax revenue. Estimates of the impact are based on aggregated information collected from similar studies on whether parents faced short-term or long-term disruptions in their ability to work. Short-term interruptions are non-permanent disruptions such as missing work to care for a sick child. Long-term interruptions refer to making significant, long-term employment changes due to systemic child care issues. We also split the population into part-time and full-time workers since the impact varies between the two.

RESULTS
The impact on individual income was the most significant loss. Working parents lose $489 million in annual income. The effects of reduced productivity and increased costs in businesses are $234 million per year. State income tax revenues fall by $21 million annually. Including the multiplier, there is an additional $150 million in lost income, $497 million in lost output and $5.3 million in lost tax revenues. Altogether, inadequate childcare each year costs Nebraskans $639 million in income, $731 in business output, 3,337 jobs lost and $26.4 million in income tax revenues. This is a total loss of over a billion dollars.

<table>
<thead>
<tr>
<th></th>
<th>Income</th>
<th>Output</th>
<th>Jobs</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$489,383,431</td>
<td>$234,372,147</td>
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<td>$21,100,805</td>
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<td>Multiplied</td>
<td>$150,416,360</td>
<td>$497,365,702</td>
<td>3,337</td>
<td>$5,353,533</td>
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<tr>
<td>Total</td>
<td>$639,799,791</td>
<td>$731,737,848</td>
<td>3,337</td>
<td>$26,454,338</td>
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</tbody>
</table>

CONCLUSION
The economic impact of inadequate child care measured in the form on income, firm output and state tax revenue on Nebraska is significant. When parents face disruptions in their ability to work, it has a large negative impact on the Nebraska economy.

REFERENCES
The 2013-2017 5-year American Community Survey estimates. The American Community Survey seeks responses from 3.5 million Americans annually.