



# 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.

## 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.

## DATA

Our population data and Nebraska specific data came from the American Community Survey and Bureau of Labor Statistics. Other data related to participate in the labor market is derived from surveys of working parents with young children. Maryland, Louisiana and Georgia, as well as two national studies developed surveys to acquire such participation information.

## REFERENCES

Maryland: Talbert, E., Bustamante, A., Thompson, L. and Williams, M. 2018. Counting our Losses: The Hidden Cost to Marylanders of an inadequate Child Care System. Maryland Family Network.

Louisiana: Davis, B., Bustamante, A., Bronfin, M. and Rahim, M. 2017. Losing Ground: How Child Care Impacts Louisiana's Workforce Productivity and the State Economy.

Georgia: Goldberg, H., Cairl, T. and Cunningham, T. 2018. Opportunities Lost: How Child Care Challenges Affect Georgia's Workforce and Economy. <https://www.bls.gov/cps/cpsaat08.htm>.

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

	Income	Output	Jobs	Taxes
Direct	\$489,383,431	\$234,372,147		\$21,100,805
Multiplied	\$150,416,360	\$497,365,702	3,337	\$5,353,533
Total	\$639,799,791	\$731,737,848	3,337	\$26,454,338