

Child Care in State Economies Report Series, Part 3: Child Care and Regional Economic Growth

FACT SHEET

Michigan

Part 3 of the 2024 Child Care in State Economies Report series focuses on the economic impact of the child care industry across regions. The economic benefits of child care extend beyond individual households to the broader economy. Child care access enables more parents, especially mothers, to participate in the workforce and supports overall economic growth.

Child Care Businesses

There were 16,527 child care businesses in 2022.

- 1,675 child care centers
- 14,852 home-based child care businesses
- Between 2019 and 2022, the number of child care centers decreased by 150
- Between 2019 and 2022, the number of home-based child care businesses decreased by 1,613

Child Care Employment & Wages

Wages for individuals working in child care centers in Michigan have increased by 24.6% since 2019.

- Median annual wages have increased from \$23,160 to \$28,860 in 2023, an increase of \$5,700.
- The median hourly wage increased from \$11.13 to \$13.88 in 2023.
- 2021 average annual revenue for home-based child care businesses was \$18,715 (net earnings of \$10,417 after operational costs)
- The average child care center had 11.2 employees in 2023.

Trends in the Use of Paid Child Care in Michigan

- The overall share of children age 14 and younger averaged 19.5% in paid care from 2011 to 2022 and 18.3% from 2000 to 2010.
- Among children under age 5, use of paid child care averaged 27.3% between 2011 to 2022 and 25.4% from 2000 to 2010.
- Among school-age children, use of paid child care averaged 15.9% between 2011 to 2022 and 15% from 2000 to 2010.

Families Not Using Paid Care in the U.S.

- It is unclear whether families with children not using paid care prefer other arrangements, cannot afford child care amidst other household expenses, or the supply of child care in their community falls short of meeting the need.

SIZE OF THE MARKET-BASED CHILD CARE INDUSTRY IN MICHIGAN



Total ECONOMIC impact (2022)

\$3.8 billion

\$1.69 billion
child care revenue
PLUS
\$2.13 billion spillover
in other industries



Total EARNINGS impact (2022)

\$1.2 billion

\$677 million
employee compensation and
sole proprietors' earnings
PLUS
\$528.6 million spillover
earnings in other industries



Total JOBS impact (2022)

46,731 jobs

33,714
sole proprietors and wage
and salaried employees
PLUS
13,017 spillover
jobs in other industries

Sources: U.S. Census Bureau, Bureau of Economic Analysis, and RegionTrack calculations. The Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics, U.S. Census Bureau: Quarterly Services Survey; U.S. Bureau of Labor Statistics: Quarterly Census of Employment and Wages (QCEW); U.S. Census Bureau – Economic Census, Non-employer Statistics; NAICS industry 6244, Child Care Services.

