

Child Care in State Economies Report Series, Part I: Recent Trends in Paid Child Care Usage

FACT SHEET

Michigan

One of the most fundamental roles played by child care is enabling parents to participate in the labor force. To support employment, parents choose from a range of child care options both paid and unpaid. Understanding who uses paid care and factors related to the use of paid care can be helpful in supporting strategies related to economic growth.

By the Numbers

- The number of children 14 and younger in paid child care declined from 400,807 in 2019 to 306,595 in 2022.
- The number of children under age 5 in paid child care declined from 200,349 in 2019 to 135,052 in 2022.
- The number of school-age children in paid child care declined from 200,457 in 2019 to 171,542 in 2022.

By the Percentages

- The share of children 14 and younger in paid child care declined from 22.1% in 2019 to 17.8% in 2022.
- The share of children under age 5 in paid child care declined from 33.6% in 2019 to 25.7% in 2022.
- The percentage of school-age children in paid child care declined from 16.5% in 2019 to 14.4% in 2022.

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 15.0% from 2000 to 2010.

Labor Force Participation of Mothers in Michigan

- Labor force participation of mothers with children age 14 and younger was 74.6% in February 2020 increasing to 77.4% in June 2023.
- Labor force participation of mothers with children under age 5 was 73.9% in February 2020 increasing to 75.8% in June 2023.

Use of Paid Care is Related to Family Income in Michigan

- Households with children age 0-14 in paid care had an average reported income of \$146,939 in 2020 and \$155,764 in 2022.
- The average income of households with children age 0-14 not using paid care was \$121,538 in 2022.
- The average income of households with children under age 5 using paid care was \$128,912 in 2022.
- The average income of households with children under age 5 not using paid care was \$100,123 in 2022.
- In 2022, the income for families with children age 14 and younger using paid care was \$34,226 higher than families with children of that age not using paid care.
- In 2022, the income for families with children under age 5 using paid care was \$28,789 higher than families with children under age 5 not using paid care.

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.



Note: Data for this analysis is from 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. Child care usage was first surveyed in the CPS ASEC in 2001, while child care expenditures were first collected in 2010. The underlying CPS data used in the analysis are extracted from the IPUMS-CPS database maintained by the Minnesota Population Center at the University of Minnesota. In some states, the sample size is too limited to accurately assess the data.