



IOWA

Child Care Usage in Iowa:

- There are 602,101 children under age 15 (194,726 under age 5 and 407,375 between the ages of 5 and 14) in Iowa who may require paid child care services.
- About 192,930 children under age 15 are in paid care— 83,130 (42.7%) under age 5 and 110,189 (27%) between the ages of 5 and 14.
- The average annual cost of care for an infant is \$9,185 in a child care center and \$6,785 in a family child care home.
- The average annual cost of care for a 4 year old is \$7,904 in a child care center and \$6,521 in a family child care home.
- The average annual cost of infant center-based care is 117.1% of the cost of tuition and fees at a 4-year college.

Child Care Industry Impact in Iowa:

- There are 13,260 child care establishments with revenue of \$447.6 million. This includes 12,426 sole proprietors (family child care home operators) and 834 child care centers employing 10,290 individuals.
- \$447.6 million in direct output generated within the organized child care industry is estimated to support about \$280 million in additional indirect and induced output in other industry sectors, for an estimated combined total of

approximately \$730 million in output in Iowa's economy.

- In terms of employment, 22,716 proprietors and wage and salary employees working in the child care sector are estimated to support about 5,100 jobs in other industry sectors through indirect and induced effects.
- The \$291.7 million in employee compensation and proprietors' earnings generated directly within the child care industry is estimated to support approximately \$150 million in additional indirect and induced earnings across the state.
- Total federal and state child care assistance (both direct subsidies and tax credits) represents 32.6% of child care industry revenue.

The Link Between the Paid Child Care Sector and the State Economy

- The cost of organized care is a significant challenge for many parents with children.
- Access to the organized child care market can increase labor force participation and support state and regional economic growth.
- Increased subsidy payments trigger state level responses in wage rates, the mix of low- and high-skilled labor used in the state, prices of goods and services, and trade flows.

