

The Child Care Crisis Costs the Illinois Economy \$6.2 Billion Each Year

Working families & employers feel the pinch



Acknowledgements

ReadyNation | Business. Kids. Workforce.

Business executives helping build a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life. In Illinois, ReadyNation operates as part of the Civic Leaders for Illinois Children project (<https://www.ilcivicleaders.org/>).

The economic analyses for this report were conducted by Clive R. Belfield, Ph.D., Professor of Economics, Queens College, City University of New York; Principal Economist, Center for Benefit-Cost Studies in Education, University of Pennsylvania. For details on the economic analyses, see the accompanying technical report here:

www.ilcivicleaders.org/wp-content/uploads/2026/02/ECE_BELFIELD_ILLINOIS_010926.pdf

March 2026

©2026 ReadyNation IL. All Rights Reserved.



\$6.2 billion the annual cost of Illinois' child care problems for parents and businesses

Summary

ReadyNation Illinois' new study of the impact of our state's child care crisis found a cost of \$6.2 billion in lost earnings and productivity every year. This economic burden impacts Illinois parents, their employers, and the state's taxpayers.

Productivity challenges affect both employees and employers. In a new poll of Illinois working parents of young children, about three-fifths reported that child care struggles led them to leave work early or be late for work. More than half missed a full day of work or became distracted at work. These challenges had predictable impacts: one-quarter of parents said they've been reprimanded at work, and 16 percent have been fired. As a result, Illinois families lose \$4.83 billion per year in forgone earnings and job search expenses. Meanwhile, productivity problems cause our state's employers to lose \$1.34 billion annually due to child care challenges faced by their

workforce. [Illinois taxpayers, in turn, lose \$1.13 billion each year in lower federal and state tax revenue.]

Beyond its impact on the current workforce and economy, the child care crisis undermines development of Illinois' future workforce by depriving children of nurturing, stimulating environments that support brain development while their parents work. Nearly all (92 percent) of the Illinois parents surveyed reported that child care availability is a challenge in some way. About half said it is a significant struggle to find child care that is affordable and 40 percent reported problems finding high-quality care.

These data show that the failure to strengthen Illinois' fragile child care infrastructure causes economic damage to employers, workers, and taxpayers. Policymakers at the federal, state and local levels must support evidence-based policies that enhance the availability and affordability of high-quality child care. With wise

investments, policymakers can improve the lives of Illinois families today and strengthen the state's workforce and economy both now and into the future.

Parents of young children are working and need child care

The majority of Illinois parents with very young children are now part of the state's workforce. There are approximately 890,000 children under the age of 5 in Illinois, with 1.44 million working parents.¹

Parents need child care so that they can work, be productive, and build successful careers to support their families. Child care settings are also key environments for children's development, particularly given the importance of the earliest years for brain development — a skills foundation that's essential for success in jobs and careers, as well as in school.

Illinois' current child care system is failing families and employers

Interrelated challenges combine to fuel a crisis for children, families, and businesses:

- **Availability:** Illinois has experienced a 33 percent decline in the number of licensed child care providers over the past decade, a loss of 4,300 providers.²
- **Affordability:** The average cost of center-based child care for infants in Illinois is nearly \$20,000 per year, more than in-state, public college tuition (approximately \$15,000).³ This high cost makes child care unaffordable for many families, particularly those with low incomes.
- **Quality:** Among the shortcomings in quality are high rates of provider turnover, due in large part to inadequate

“The strongest workforce starts long before the first job interview. Early childhood programs help kids begin developing the skills and confidence they need to thrive — in school and later life.”



Shauna Small-Craib
Principal
Craib Accounting, Lansing, IL

compensation. The median child care provider wage in Illinois is less than \$12 per hour (\$11.91).⁴ As a result, young children can face a lack of stable, consistent caregiving.

The economic toll of insufficient child care for parents, employers, and taxpayers

In October 2025, ReadyNation Illinois commissioned a survey of Illinois working parents of young children under age 5. The survey yielded a sample of 403 parents—both mothers (50 percent) and fathers (50 percent).

The survey provided data on the various ways in which parents' productivity, time at work, and career opportunities are

diminished by problems with child care. The survey evidence was merged with labor market data, to model how child care problems affect the economy.⁵

Overall, the costs of insufficient child care are enormous. Each year a child is under age 5 without sufficient child care:

- **Illinois families lose an average of \$6,640 per working parent** primarily in lost earnings, as well as job search costs. Across all working parents of children under age 5, this burden is **\$4.83 billion** per year.
- **Illinois businesses lose an average of \$1,840 per working parent** in reduced revenue and in extra hiring costs. In aggregate, the annual burden on businesses is **\$1.34 billion**.

These losses experienced by families and businesses sum to a **total cost of \$6.2 billion to the Illinois economy each year due to the child care crisis**.

It should also be noted that Illinois taxpayers lose an average of \$1,550 per working parent in lower federal and state tax revenue. In aggregate, this amounts to \$1.13 billion each year. [Note that the taxpayer burden figure is not added to the above total cost because the taxpayer burden is a subset of the burden to parents.]

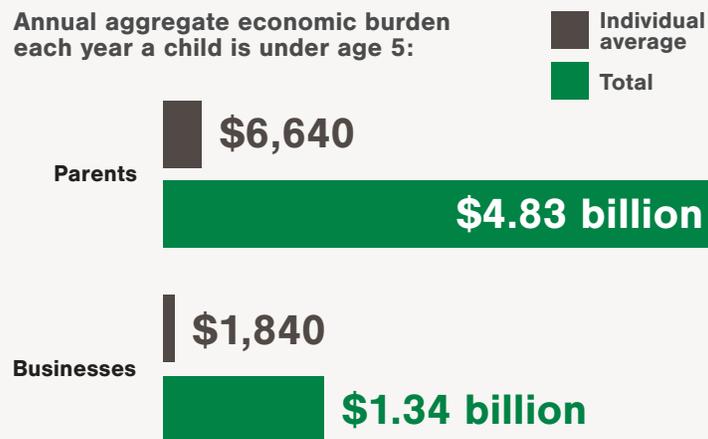
Insufficient child care impacts Illinois families

The survey results provide details on how the above economic impacts occur.

Nearly all (92 percent) of the parents reported that child care **availability** is a challenge in some way: More than one-third have trouble finding care at a convenient location; more than one-quarter have difficulty finding care that can be flexible to

The economic impacts of insufficient child care in Illinois

Insufficient care for children under the age of 5 costs individuals, businesses, and the state billions of dollars each year.



accommodate changing work shifts, or that matches their work schedule outside Monday-to-Friday daytime hours, or is available on an emergency/backup/sick-child basis. More than one-fifth reported challenges finding care that has open slots.

About half of parents said it is a significant challenge to find child care that is **affordable**. Forty-one percent reported spending more on child care than on housing and about another one-quarter (27 percent) said that child care and housing cost about the same—indicating a high number of families being “child care cost burdened.” Many parents reported that they receive some sort of financial support for child care: About one-third receive support from family; about one-quarter get government support (federal or state tax credit or subsidy); and 9 percent receive assistance from their church or other house



of worship. About half (48 percent) of parents' employers offered some child care support, both financial and other: 15 percent provided financial support; 11 percent provided child care on-site and 8 percent off-site; about one-quarter (28 percent) offered flexible or predictable work schedules; and 13 percent supplied child care information.

Forty percent of parents reported challenges finding **high-quality** child care. Strikingly, 39 percent said that child care challenges have impacted their decision on where to live.

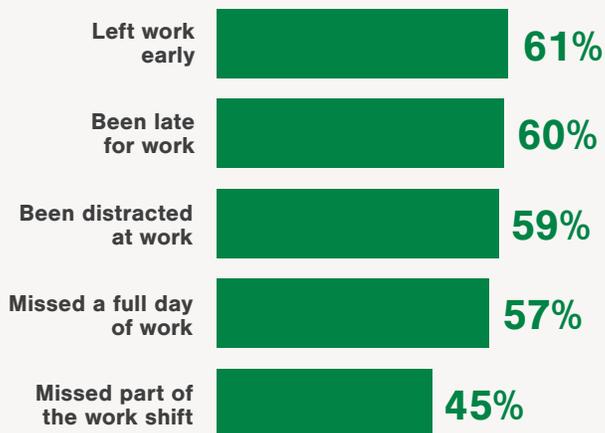
In response to questions about how child care problems affect their work, parents reported that these difficulties impacted their productivity, resulted in work penalties, and led them to reduce their time on the job, as well as diminishing their career opportunities.

Productivity impacts: Child care problems decreased parents' productivity at work, undermining their job stability. About three-fifths of parents of young children reported leaving work early, being late for work, or being distracted at work over the past three months. More than half missed a full day of work and more than two-fifths missed part of a work shift.

Work penalties: Most seriously, 16 percent of parents reported being fired from a job due to child care problems and 10 percent reported being demoted or transferred to a less desirable position over their young children's lifetimes. More than one-quarter reported having their pay or hours reduced, or having been reprimanded by their supervisor due to child care issues.

Lower work productivity

Because of child care problems, in the past three months have you:



Work penalties

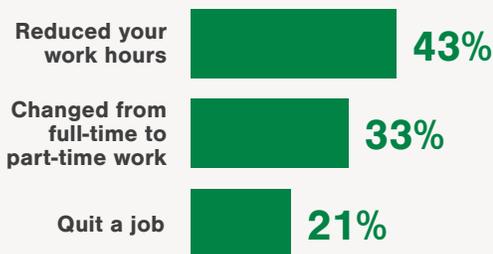
Since your child/children under age 5 were born/adopted, have you experienced any of these work-related issues because of problems with child care?



Less time at work: More than two-fifths of parents reported having to reduce their work hours and one-third changed from full-time to part-time work over their young children’s lifetimes. In addition, one-fifth quit a job due to child care problems.

Less time at work

Since your child/children were under age 5 were born/adopted, have you experienced any of these work-related issues because of problems with child care?



“Employers depend on a stable and productive workforce. That workforce, in turn, depends on parents having access to reliable child care.”

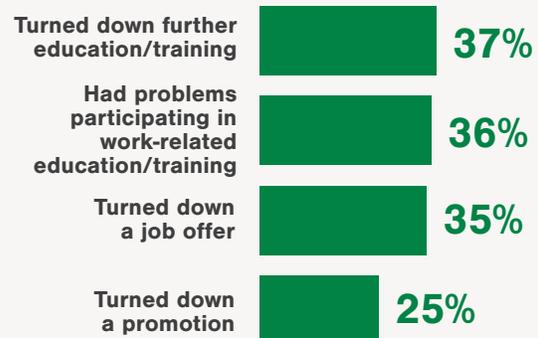


Dan Wagner
Interim President & CEO / Chairman
Illinois Chamber of Commerce

Diminished career opportunities: Problems with child care also impacted parents’ long-term career prospects. More than one-third reported having to turn down further education and training or job offers, or having problems participating in work-related training over their young children’s lifetimes. One-quarter reported rejecting a promotion due to insufficient child care.

Diminished career opportunities

Since your child/children under age 5 were born/adopted, have you experienced any of these work-related issues because of problems with child care?



In sum, for parents, the major short-term result of insufficient child care is reduced income. Challenges mount over time: With less training and less experience, these parents face diminished career prospects, reducing their future earning potential. And less parent income, along with parental stress, can have harmful short- and long-term impacts on children.⁶

Insufficient child care impacts Illinois employers

For employers, child care shortfalls lead to reductions in revenue and increased hiring



costs. A workforce with lower productivity and shorter tenure has major economic consequences. If an employer’s workforce keeps changing, worker morale can fall, and work quality can diminish. Also, there are immediate direct costs associated with recruitment, hiring, and training as the workforce turns over. There also could be future losses and costs when workers are not well-trained and have too little experience.

“ In too many parts of Illinois, a lack of affordable child care options is holding-back working parents, their employers, and our entire economy.”



Kayla Edwards
 Managing Partner
 Express Employment
 Professionals, Springfield, IL

How child care problems hurt the economy

Individual Parents	Businesses	Taxpayers
<p>Lost earnings now from lower productivity, quitting/firing, and less time in the workforce</p> <p>Extra costs of job search to match work with child care</p> <p>Lost earnings in the future from less work experience and fewer skills</p>	<p>Lost revenues now from lower output</p> <p>Extra costs due to absenteeism, disruptions, rehiring</p> <p>Lost revenue in the future due to lower workforce capital</p>	<p>Lost revenue now from lower incomes</p> <p>Smaller federal and state tax base and revenue</p> <p>Lost revenue in the future due to weaker economic growth</p>

Insufficient child care impacts Illinois taxpayers

The economic impact of child care problems on parents subsequently causes lower tax revenues. Lower parental earnings impact federal income tax revenues, while state and tax revenues are impacted by lower parental earnings and families’ decreased consumption of taxed goods. These effects are also felt over time, due to parents’ decreased earning potential.

Economic impact in Illinois vs. the nation as a whole

A comparison of the economic impact of insufficient child care in Illinois to that at the national level⁷ reveals fairly similar results for parents and businesses. The impact on Illinois parents is \$6,640, compared to \$6,980 nationally, a 5 percent difference. Business impacts tally to \$1,840 in Illinois, versus \$1,970 nationwide, a 7 percent difference. All told, the child care crisis annually drains \$172 billion from the U.S. economy, compared with the Illinois figure of \$6.2 billion.

Conclusion

Illinois parents often have difficulty finding affordable, high-quality child care so they can work and support their families. The practical and economic consequences of insufficient child care are enormous, impacting Illinois parents, employers, and taxpayers. Losses currently total \$6.2 billion every year. A failure to strengthen Illinois' fragile child care infrastructure would lead to more and more economic damage to employers, workers, and taxpayers.

The business leaders of ReadyNation Illinois call on federal, state and local policymakers to better-support families' ability to find and retain affordable, high-quality child care. Because the challenges in the child care system are multi-faceted and interconnected, solutions must address child care supply, child care workforce compensation, child care subsidy rates and coverage, and the like. Effective, well-funded policy initiatives, as well as continuing innovations at the federal, state, and local levels, will yield a child care system that will improve life outcomes for Illinois children today and strengthen the state's workforce and economy both now and in the future.

Federal policymakers provide bipartisan support to families' need for child care through subsidies (e.g. the Child Care and Development Block Grant and other programs), and through the tax code. We must protect and strengthen these priorities.

State governments also support child care. In particular, Illinois is pursuing greater investment and policy reform in response to the 2021 recommendations issued by the bipartisan Illinois Early Childhood Funding Commission. The state is gradually increasing its funding in multiple parts of its birth-to-5 system even as it tries to streamline and strengthen that system with the help of a new Illinois Department of Early Childhood (IDEC), whose creation — also recommended by the Commission — was achieved through bipartisanly supported legislation in 2024. IDEC remains in development as it begins to assume administration of a series of child care and other early childhood services that historically have been governed through three other state agencies: the Department of Human Services, the Department of Children & Family Services, and the Illinois State Board of Education. We must continue these and related efforts to bolster the early childhood system's capacity, quality, accessibility and equity in ways that extend further help to more young children and families — and benefit our state's workforce and economy in the process.

Local governments have become more important players in recent years, with many supporting their own child care initiatives. Businesses play a role as well, through on-site child care, funding for employees or to child care providers, and advocating for sound child care policies. Private entities, such as faith-based organizations, also offer assistance. Solving the child care crisis will likely continue to require such an all-hands-on-deck approach — with public policies and public investments remaining the single biggest piece of the puzzle, given their scale, scope, and outsized potential for making a positive difference.

Endnotes

1 U.S. Census data (2025).

2 Parker, M., & Rendleman, J. (2025, January 10). "All our future money is gone." The impossible task of providing child care in rural Illinois. ProPublica. <https://www.propublica.org/article/childcare-rural-illinois-challenges>

3 Child Care Aware of America. (2025). Child care in America: 2024 price & supply. <https://www.childcareaware.org/price-landscape24/#PriceofCare>

4 Center for the Study of Child Care Employment. (2024). Early childhood workforce index 2024. Appendix Table 2.4. <https://cscce.berkeley.edu/workforce-index-2024/wp-content/uploads/sites/4/2025/08/Appendix-2-Table-2.4.pdf>

5 For details on the survey and economic analyses, see the accompanying technical report at: https://www.ilcivicleaders.org/wp-content/uploads/2026/02/ECE_BELFIELD_ILLINOIS_010926.pdf

6 National Academies of Science, Engineering, and Medicine. (2019). A roadmap to reducing child poverty. <https://www.nationalacademies.org/projects/DBASSE-BCYF-16-05>

7 ReadyNation (2026). The child care crisis costs the U.S. economy \$172 billion each year. <https://www.instituteforchildsuccess.org/cost-child-care-crisis/>

ReadyNation | Business. Kids. Workforce.

Business executives helping build a skilled workforce by promoting solutions that prepare children to succeed in education, work, and life. In Illinois, ReadyNation operates as part of the Civic Leaders for Illinois Children project (<https://www.ilcivicleaders.org/>).



[ilcivicleaders.org](https://www.ilcivicleaders.org)