

Lack of child care costs Ohio economy \$5.48B each year, new Chamber report finds

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Ohio's lack of affordable child care is hurting more than working parents. It's costing the state's economy \$5.48 billion in untapped taxes and employer earnings each year, [according to a new U.S. Chamber Foundation report](#).

"Child care is a national crisis. Everyone is struggling with child care," Aaron Merchen, the U.S. Chamber of Commerce Foundation's executive director of early childhood education policy, told those gathered for an Ohio Chamber of Commerce child care summit. "You're in good company."

The report estimated the economic drag for multiple states: Michigan [is losing \\$2.88 billion each year in economic potential](#), Florida [is seeing a \\$5.38 billion hit to its economy](#) and Texas is losing [\\$9.39 billion a year](#) in economic output.

The new Ohio-specific report details the struggles that working parents know too well. Families spent an average of \$572 each month on child care and 70% use some financial assistance program to pay for it. The most popular was the [federal child tax credit](#).

One in four parents reported that they or someone else in their families shifted their schedule or worked fewer hours to accommodate for child care. About 22% worked while caring for a child, according to the new report.

"Even if child care issues are not forcing parents out of the workforce, they do have an impact on employment," said Blanche Delrieu, a business analyst for the Cicero Group, which conducted the review.

About 40% of parents attending school or training had a disruption to their education because of child care issues.

But the report also details the overall economic impact of that child care access problem, estimating that Ohio is losing out on \$1.52 billion in tax revenue and businesses are losing \$3.97 billion in earnings from turnover and absenteeism.

What is Ohio doing to fix this problem?

Publicly funded child care is less accessible in Ohio than in other states. Ohio sets eligibility at 145% of the federal poverty level, which is about \$46,600 for a family of four. All surrounding states have a higher threshold, making public assistance easier to access.

Ohio does offer child care vouchers for families up to 200% of the federal poverty level, a new program that Gov. Mike DeWine championed.

Merchen said that cutoff, wherever a state decides to put it, impacts who can access affordable child care and who can't. "There is a correlation between the line at which you are eligible for state investment in child care costs and the accessibility," he said.

DeWine proposed a refundable tax credit of \$1,000 per child in his two-year budget. But House Republicans axed that idea along with the cigarette tax hike that paid for it. Instead, they proposed a pilot program where businesses, state government and families each pay a portion of child care costs.

The chamber report is the latest sign that businesses are taking child care access seriously. [A recent Groundwork Ohio poll](#) found 86% of Ohioans believed that increasing access to high-quality, affordable child care would strengthen Ohio's economy.

Business groups like the U.S. Chamber and Ohio Chamber of Commerce are prioritizing access to child care in their discussions with state lawmakers.

That's a good sign as child care providers, business leaders and legislators work toward solutions, Merchen said. "Ohio is taking this seriously."