



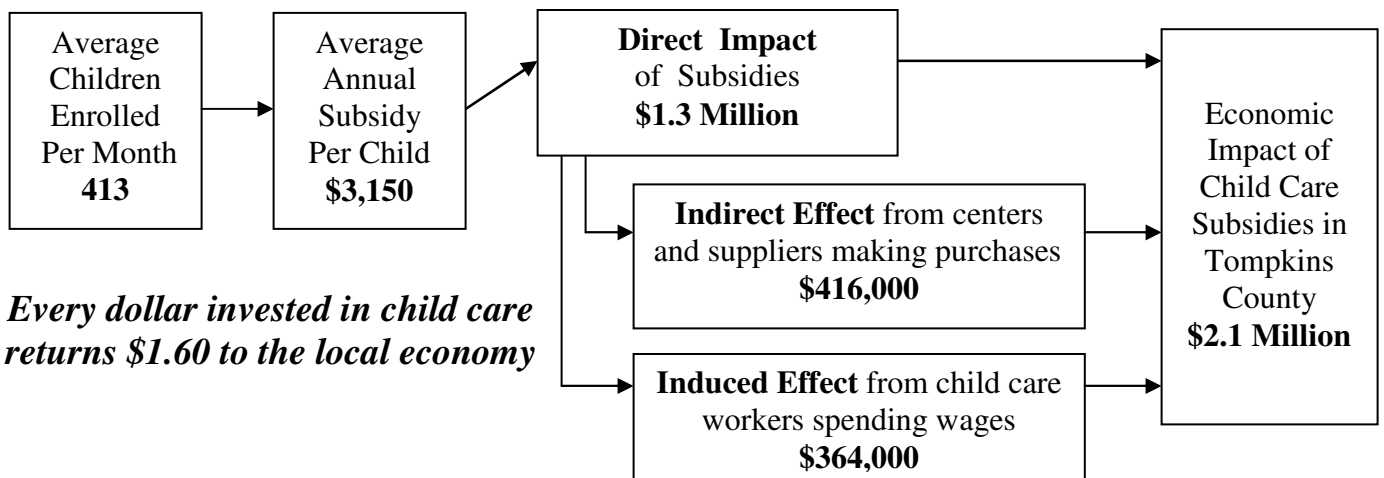
## New Visions For Welfare Policy Child Care Subsidies Promote Economic Development

### Child Care is an Important Infrastructure for Economic Development

Just as roads, airports, and buses are part of the physical infrastructure that enables citizens to get to work, child care is part of the social infrastructure that enables parents to work. Research shows that child care subsidies are an economic development investment that pays for itself in real dollars returned to the government through taxes on family earnings, employment, and the child care industry.

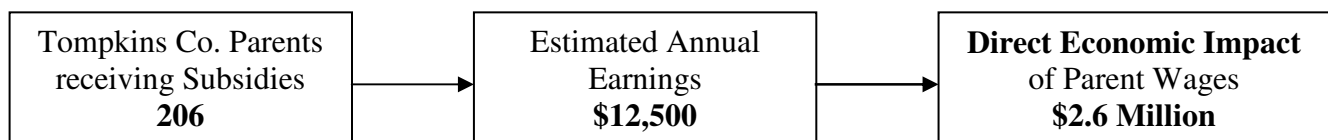
### Child Care Subsidies are an Economic Investment

- Government investments in child care promote welfare reform and contribute to local economic development by supporting employers whose workers need child care.
- Child care subsidies of \$1.3 million stimulate an additional \$416,000 in economic activity as providers' purchases are recirculated in the local economy and an additional \$364,000 from the ripple effects of workers spending their wages.



### Child Care Subsidies Contribute to Economic Productivity

- Subsidies make it possible for low income working parents to afford the cost of quality care.
- For many parents child care subsidies give them the opportunity to earn income for the first time.



*Parents who join the labor force with the help of child care subsidies earn \$2.00 in new income for every \$1.00 invested in child care subsidies.*

**Data Sources:** Tompkins County Department of Social Services, 2000; Input-output analysis uses IMPLAN multipliers for Tompkins County 1998: direct effect 1.0, indirect effect 0.32, induced effect 0.28. Estimated earnings are average retail wages in Tompkins Co. (30 hour-work week), New York State Labor Department, 2000. This analysis assumes a ratio of two children per family/parent. **Cited Study:** "Parents Receiving Child care Subsidies: Where Do They Work?" by Kumiko Okuyama and Roberta B. Weber. October 2001. Oregon Child Care Research Partnership: Linn-Benton Community College. "Child Care Subsidy: An Investment Strategy for North Carolina" by the Day Care Services Association, Inc. Chapel Hill, NC (1996). Analysis by Cornell University, Dept. of City and Regional Planning. Contact Mildred Warner at mew15@cornell.edu.

The Early Education Partnership is a project of

This document can be accessed at [http://government.cce.cornell.edu/doc/pdf/Subsidy impact fact sheet.pdf](http://government.cce.cornell.edu/doc/pdf/Subsidy%20impact%20fact%20sheet.pdf)

The Tompkins County Chamber of Commerce and the Day Care and Child Development Council

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*-quality child care affordable to all-*

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