

Achieving Childcare Access & Affordability: The Economic Upside of What Voters Want

What's the Issue?

Affordable, reliable childcare is essential to Arizona's economic well-being, yet families face steep challenges due to high costs, limited availability, and geographic disparities.

- Arizona faces a shortage of 44,000 licensed childcare openings, a 17% gap between supply and demand, with rural areas seeing shortages as high as 37%.
- Affordability of available childcare is a major barrier. The average cost of \$1,250 per month consumes 14% of income for median-income families and 30% for single parents – far above the federal affordability benchmark of 7%.

Voters across all demographics and party affiliations agree it's time to act. According to Center for the Future of Arizona's **2024 Arizona Voters' Agenda**, 77% of voters agree that the state should invest more in childcare assistance programs.

What Arizona Stands to Gain

Lack of accessible and affordable childcare limits workforce participation and strains Arizona's economy. Addressing this issue yields significant economic benefits:

- By expanding access, Arizona stands to reclaim \$4.7 billion annually in lost wages, diminished business productivity, and reduced tax revenues.
- Improving affordability could unlock \$2.4 billion in annual discretionary income for Arizona families – around \$800 per month per family.
- Children in early learning programs are 11% more likely to graduate high school, translating to over \$500,000 in additional lifetime earnings per individual.

The Economic Case for Action on Childcare

Reducing costs and increasing the availability of childcare would enable more Arizona adults to participate in the workforce, continue their education, boost financial stability, and support business productivity. These gains ripple through the economy, generating jobs and tax revenues.

This analysis offers a data-driven foundation for leaders to strengthen the workforce, support families, and drive long-term economic growth. Expanding childcare access and affordability is a priority across party lines and a proven economic development strategy.

Voter-backed priorities like childcare offer a high return for Arizona and a strong foundation for long-term prosperity.

More at arizonafuture.org/UnlockPotential