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Economic Impact of Child Care Accessibility in Washington State

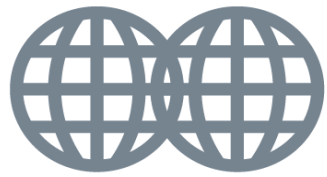
REMI Users Conference

October 28, 2020

Overview

- ICF
- Research Questions
- Approach / Methodology:
 - Logic Model
 - Data Collection
 - Model Input Variables
 - COVID-19 Adjustments
- Economic Impact Results

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Economic Impact of Child Care Assessability in Washington State

Research Questions

Measure the impact that lack of access to child care has on the Washington State Economy and State Fiscal Revenues



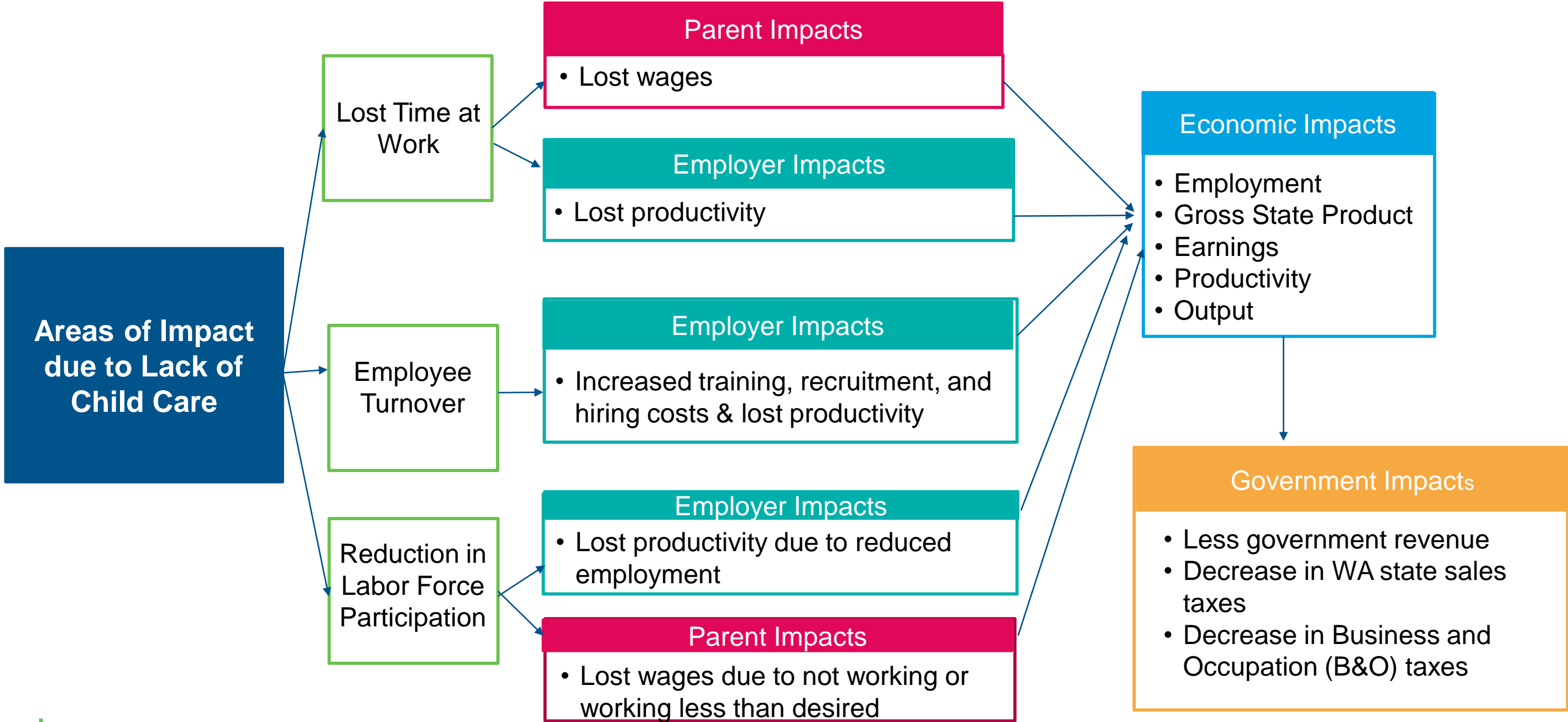
How does child care accessibility in Washington State impact labor force participation

How does child care accessibility in Washington State impact household earnings

How does child care accessibility in Washington State impact workplace productivity

How does child care accessibility in Washington State impact business operating costs

Economic Impact - Logic Model



Data Collection

- Primary Data Collection – Survey of parents in Washington State
- Literature Review
- State Government Sources – Washington State Department of Revenue
- REMI Baseline Forecast
- Public Sources:
 - American Community Survey (ACS)
 - Bureau of Labor Statistics (BLS)
 - Consumer Expenditure Survey (CES)

REMI Inputs

Impact	REMI Model Variable
Lost Time at Work	
Lost Wages	Wage Bill
Lost Productivity	Output without Employment, Investment, and Compensation
Employee Turnover	
Increased Employer Costs	Production Costs
Lost Productivity	Output without Employment, Investment, and Compensation
Labor Force Participation	
Lost Wages	Wage Bill
Lost Productivity	Output without Employment, Investment, and Compensation

COVID-19 Adjustments

- Model inputs were revised to adjust for the impacts of COVID-19.
- Since many parents were required to work from home and unemployment increased substantially as a result of COVID-19, the demand for child care was reduced.
- REMI provided updates to the U.S. control forecast, based on the early impacts of COVID-19, that were used to run the impacts for this study.

Economic Impact

Inaccessibility to Child Care in Washington State - Summary Economic Impact

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Annual Average 2019-2028
Total Employment (Thousands)	-161.3	-152.0	-150.4	-145.2	-136.9	-128.9	-121.8	-116.1	-112.0	-109.1	-133.4
Gross State Product (Billions of Fixed 2019 Dollars)	-39.21	-36.85	-36.82	-36.70	-35.50	-34.33	-33.26	-32.33	-31.60	-30.99	-34.8
Output (Billions of Fixed 2019 Dollars)	-64.25	-60.52	-60.32	-60.06	-58.06	-56.11	-54.33	-52.76	-51.53	-50.51	-56.8
Personal Income (Billions of Fixed 2019 Dollars)	-16.69	-14.20	-14.80	-15.16	-14.89	-14.61	-14.34	-14.13	-14.01	-13.96	-14.7

Economic Impact by Type

Inaccessibility of Child Care in Washington State – Economic Impact Summary by Type

	Employee Turnover	Employee Turnover Percent of Total Impact	Labor Force Participation	Labor Force Participation Percent of Total Impact	Lost Time at Work	Lost Time at Work Percent of Total Impact
Employment (Thousands)	-16.5	9%	-100.8	56%	-63.2	35%
Gross Domestic Product (Billions of Fixed 2019 Dollars)	-2.3	6%	-21.3	58%	-12.8	35%
Output (Billions of Fixed 2019 Dollars)	-3.8	6%	-35.2	58%	-21.2	35%
Personal Income (Billions of Fixed 2019 Dollars)	-1.0	6%	-11.3	60%	-6.5	34%



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