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October 2023

# Role of Early Care & Education in Alaska's Economy

2023 Economic Impact Report

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PREPARED FOR:

thread



**McKINLEY RESEARCH**  
GROUP, LLC

Celebrating 50 Years

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# McKinley Research Group

- Research and consulting since 1972
- Offices in Anchorage and Juneau
- Economic Analysis, Survey Research, Community Needs Assessments, Strategic Planning, and more
- Conducted 100+ economic impact studies including Alaska's:
  - Oil and Gas Industry (AOGA)
  - Mining Industry (AMA/CAP)
  - Construction Industry (AGC)
  - Seafood Industry (ASMI)
  - Visitor Industry (DCCED/ATIA)
  - Early Care and Learning Sector (thread)

# Early Care and Education Study 2023

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- Statewide Household Survey - April 2023
  - Statewide Business Survey - September 2023
  - Early Care and Education Dashboard - thread website
  - Economic Impacts Report

Previous studies conducted by McKinley Research Group (McDowell Group) in 2006, 2015, and 2019

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# Roadmap

1

Economic Impacts  
of Early Care &  
Education on  
Alaska's Labor  
Force

2

Barriers to  
Accessing Early  
Care & Education  
Services

3

Employment &  
Earnings in the  
Early Care &  
Education Sector

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# Early Care & Education and Alaska's Labor Force



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# Labor Force Participation



50,000

50,000 Alaskans can work because ECE services for their children are available



\$4.6 billion

Earnings by Alaskans is possible because ECE services for their children are available

# Families Benefit from Labor Force Participation



Single male



Single female



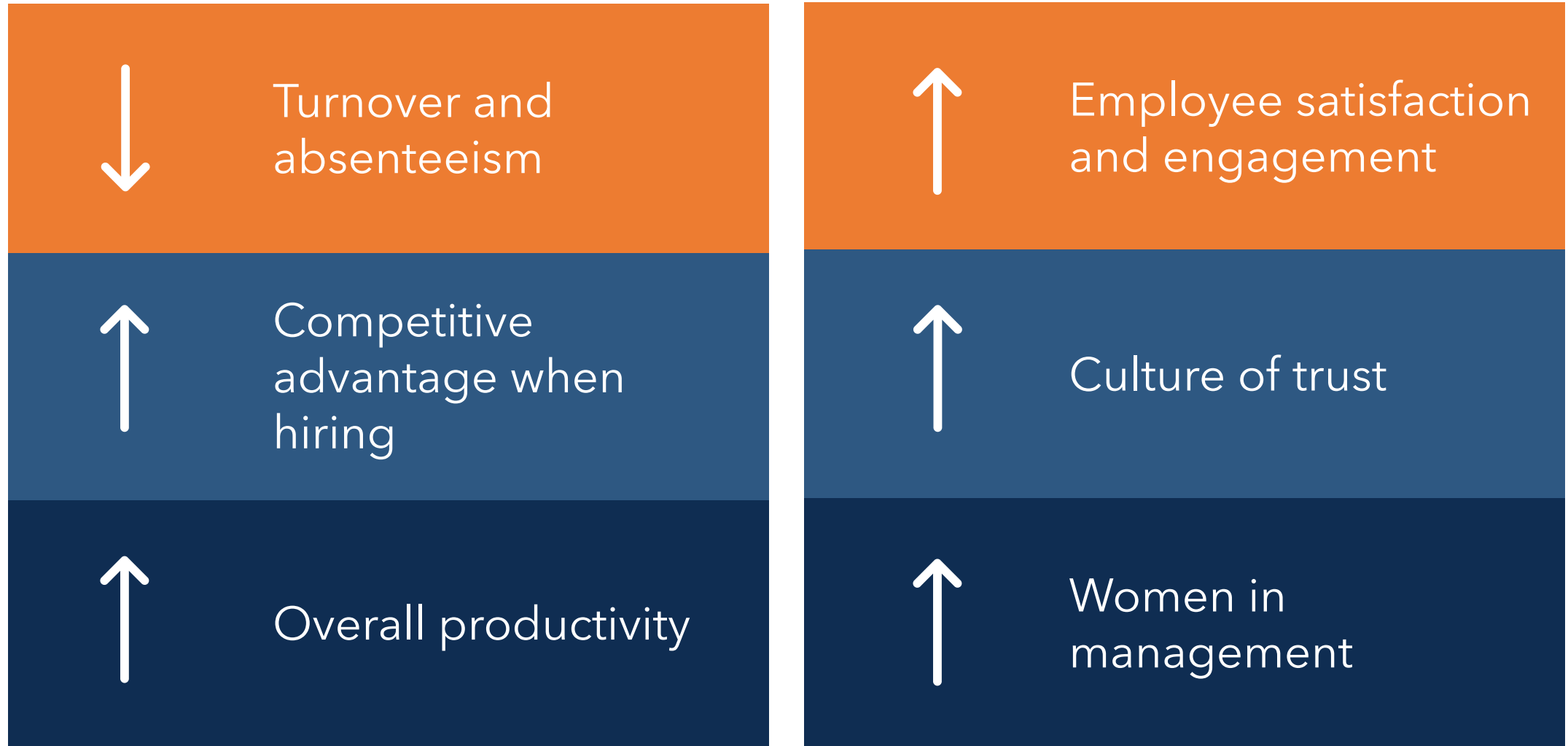
Second adult

# Impacts of Child Care Issues on Employers





# Impacts of Employer-Provided ECE Benefits



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# Additional ECE Support is Needed

**51%** of families cannot fully participate in the labor force due to cost, availability, or quality of ECE services.

**39%** Worked fewer hours

**14%** Changed job, job schedule, or location

**14%** Quit their job

**6%** Quit school or switched to online classes

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# Barriers to Accessing Early Care & Education Services



**57%** report finding ECE services is difficult or very difficult

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## Barriers to Finding ECE Services

**74%** Lack of providers

**60%** Cost

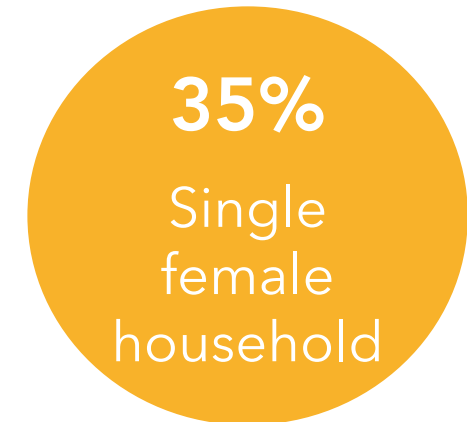
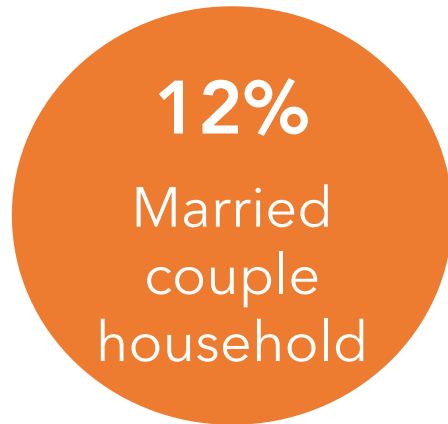
**27%** Quality

**Other barriers: location, convenience, schedule, and transportation**

## Cost of ECE services (all care types)

- Birth through five years of age: \$689/month
- Six through twelve years of age: \$315/month

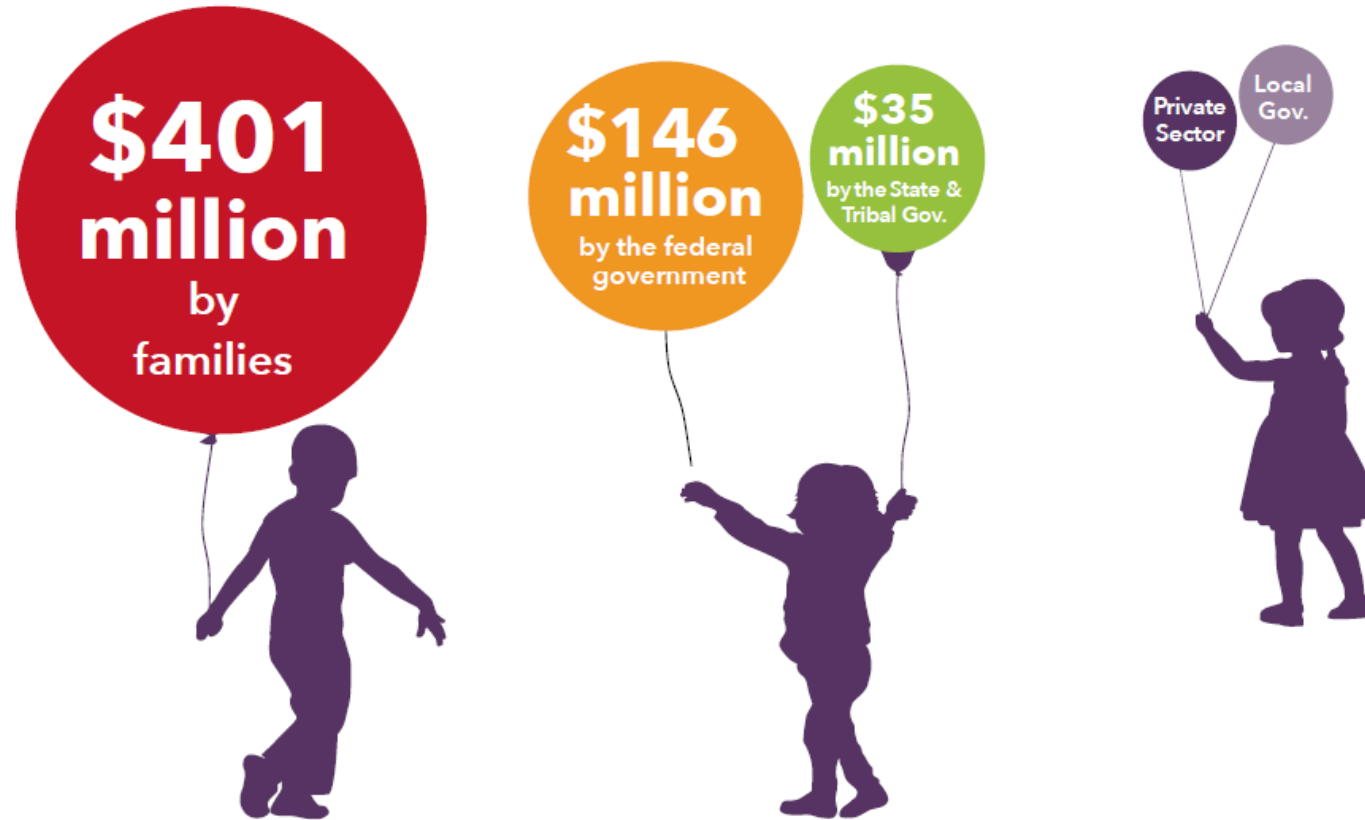
Annual cost of licensed ECE services 15% of average household income



Financial assistance helps pay for ECE services for 23% of children.

# Who Pays for Early Care & Education?

Over **\$580 million** is spent on ECE services and programs in Alaska each year.



Note: Spending in the sector is likely higher, as these figures do not include U.S. Department of Defense spending in support of military ECE programs, local government spending, or business spending on child care assistance benefits for employees.

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# Employment and Earnings in the Early Care & Education Sector



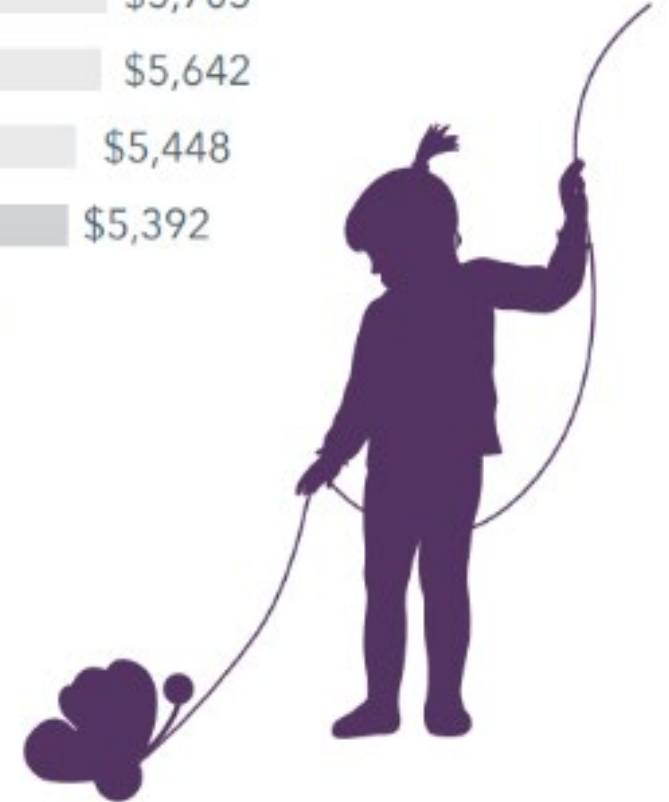
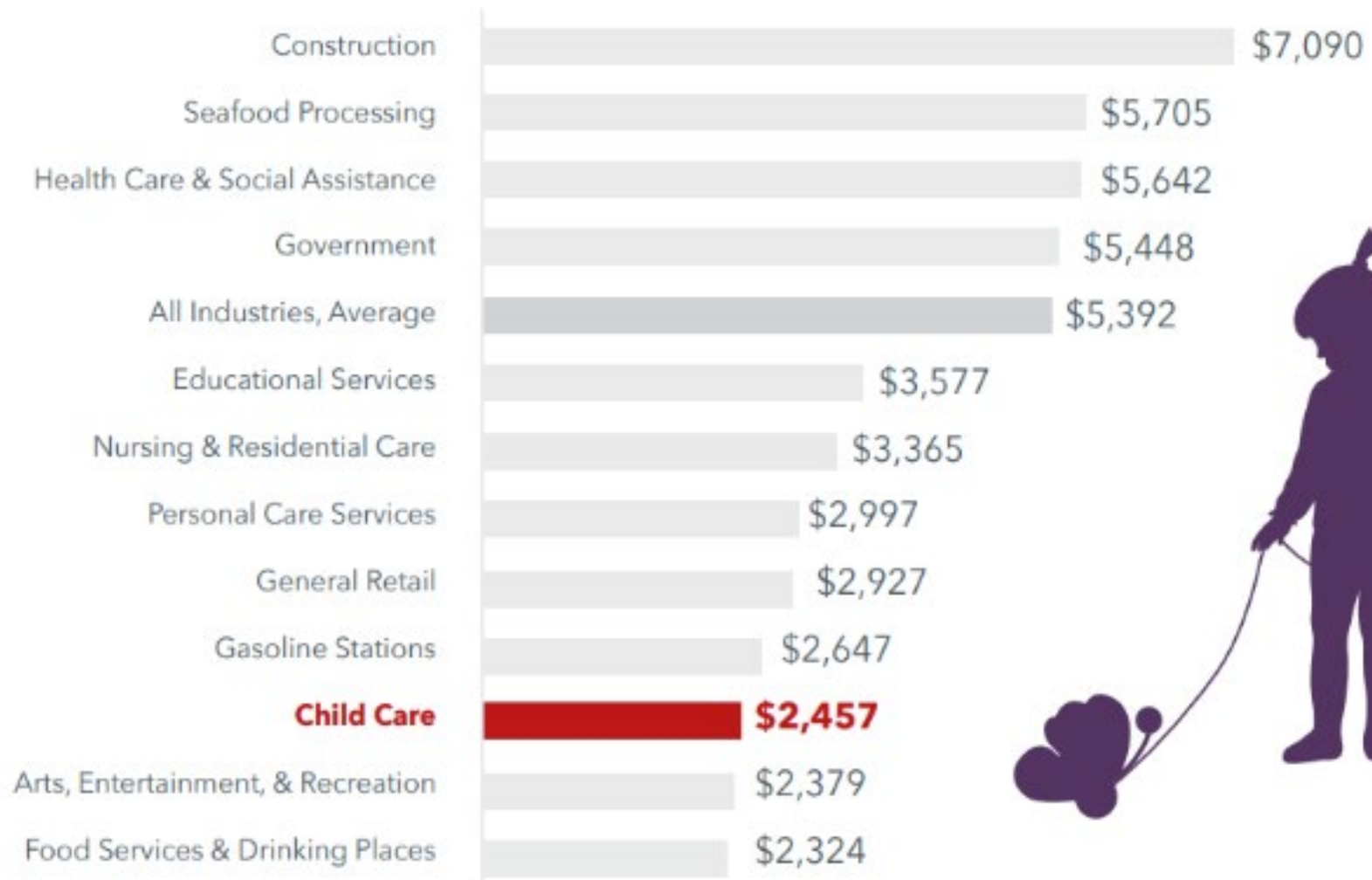
# ECE Sector

8,000 jobs

\$400 million  
in labor income

\$700 million  
in economic  
activity

## Average monthly wages by sector:





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# Early Care and Education in Alaska

Prepares  
children for  
school and  
life

Generates  
economic  
activity

Allows labor  
force  
participation

Improves  
Alaska's  
standard of  
living



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*McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.*

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