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IOWA'S CHILDCARE SOLUTIONS FUND: A MODEL FOR CLOSING THE CHILDCARE GAP

Across all pilot communities the Childcare Solutions Fund:

- ✓ Created 275 childcare slots.
- ✓ Engaged 105 childcare providers.
- ✓ Impacted over 1,200 childcare personnel.
- ✓ Raised \$2.4 million from 373 separate private sector investors to sustain the program.



CSI's analysis found the CSF created

22 childcare slots per 1,000 children

in each pilot community.

Economic Impact of Statewide CSF Wage Enhancement Program (millions)

Year	GDP	Personal Income
2025	\$990	\$422
2026	\$1,208	\$520
2027	\$1,281	\$578
2028	\$1,321	\$613
2029	\$1,341	\$635
2030	\$1,352	\$650
2031	\$1,359	\$661
2032	\$1,369	\$669
2033	\$1,381	\$679
2034	\$1,403	\$694
Total	\$13,005	\$6,121

If expanded statewide with the same results, the CSF would

- ✓ Add nearly 11,000 new registered or licensed childcare slots across the state.
- ✓ Enable about 5,000 women to enter the workforce, increasing Iowa's female LFPR to 80.86%.
- ✓ Directly and indirectly add a total of approximately 8,000 jobs to Iowa's economy.
- ✓ Expand Iowa's GDP by \$13 billion over 10 years.
- ✓ Increase statewide personal income by \$6.1 billion over 10 years.

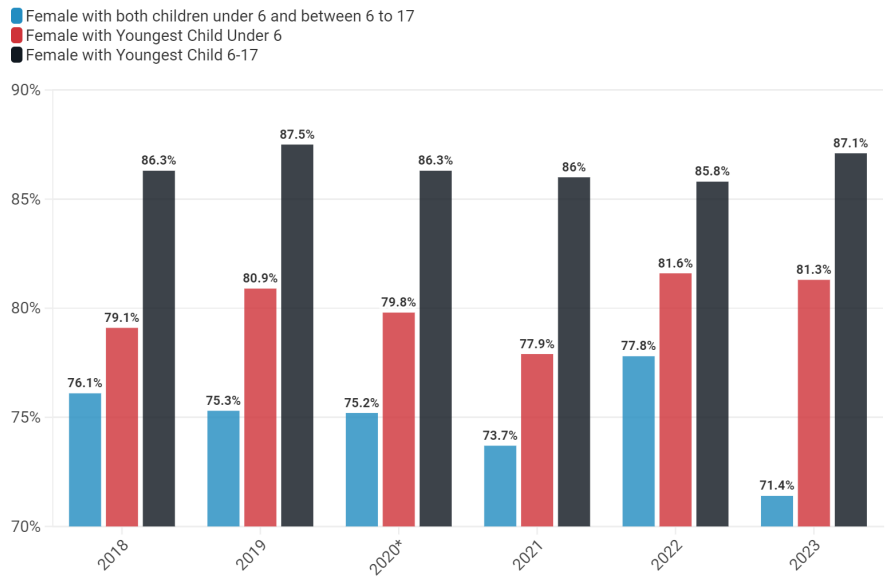
Based on CSI's model, **the CSF program would yield an estimated \$45 of GDP growth and \$21 in personal income growth for every \$1 invested by the private sector over the next decade if expanded statewide with similar results as the pilot.**

In the 2015 and 2016 “She Matters” reports, the Iowa Women’s Foundation (IWF) found 70% of Iowa’s women were struggling economically, and they identified childcare as their primary barrier to economic advancement.

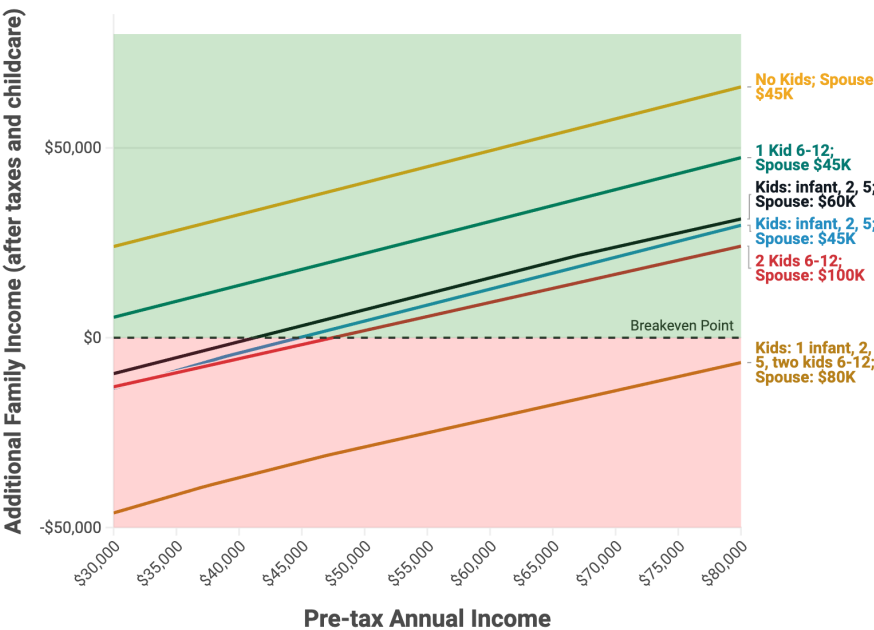
Although Iowa ranks in the top five highest LFPR states for females with children, the average labor force participation rate for mothers of children under 6 is 5.8% lower than for mothers with older children.

If every mother with children had access to childcare and chose to enter the workforce, CSI estimates 150,000 additional mothers could enter the workforce.

Labor Force Participations Rates for Mothers, Iowa, 2018-2023



Source: Census Bureau
 *Due to Covid, there was not a 1-year ACS estimate in 2020, so a 5-year ACS estimate was used.



While Iowa’s childcare shortage has declined by 8.7% since 2018, the state still has a shortage of slots needed. **If cost and access to childcare were not an obstacle, the state would need between 118,000 and 242,000 more childcare slots to meet demand.**

For a typical Iowa household with three young children where the mother earns \$40,000 and the spouse earns \$45,000—

- Childcare consumes 113% of the mother’s after-tax income.
- The family loses \$4,000 in net income annually if they use childcare so the mother can enter the workforce.

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