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Child care is Michigan's '\$10,000 problem' in search of a solution

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Chelsea Perez has taken up a new hobby: baking.

A 34-year-old hairstylist from Oak Park, Perez hopes her typical income and the jobs her husband Benjamin is able to get as a Chrysler-employee-turned-carpenter, as well as [her cookie business](#) will be enough to help come up with “an extra few thousand dollars a month.”

That’s what they anticipate child care for their two-and-a-half year old twins, Mayzi and Mateo, will cost when starting preschool in the coming months.

“If we pay for two people to go to preschool for two years, that’s, I’m guessing, about two more mortgages a month,” she said, adding with personal life changes the family is expecting their expenses to go up “five full mortgages by next year, if everything stays the same.”

They’re not the only Michigan family to grapple with what’s being referred to as the “\$10,000 problem,” by people like Marcus Keech, director of government affairs for the Grand Rapids Chamber of Commerce.

The group is part of a larger coalition pushing possible reforms to how Michigan handles child care, which could include: expanding the joint child care cost program known as Tri-Share; expanding child care facilities throughout the state; and building workplace flexibility for in-need employees.

But these potential solutions are seen by some as a band-aid for larger issues: Namely, putting more state funding into Michigan’s child care system – which has seen a drop off of federal relief dollars as of Oct. 1, when COVID-related funding expired. Experts say more funding is needed to help offset the costs of child care subsidies while considering policy changes like mandatory paid family leave or further expanding who can benefit from the state’s subsidy program.

“The issue in Michigan – and we really see this issue across the country, not just in Michigan – it’s both the cost and the accessibility,” Keech said. “We have roughly 560,000 children in Michigan under the age of six, and we only have enough daycare for 31% of them. ... In northern, rural Michigan, there are child care deserts which means we just don’t have enough slots for even the smallest percent of what those children need.”

RELATED: [Are you eligible free or low-cost child care? 40% of Michigan families are.](#)

Keech’s \$10,000 figure is a slight undershoot of the average cost – an estimated \$11,309 – for one year of center-based child care for a toddler according to the [2023 Kids Count](#) report from the Annie E. Casey Foundation. That’s roughly 11% of a married couple’s median income in the state of Michigan, or 37% of a single mother’s median income, per that same data.

That same Kids Count report ranks Michigan 32nd in the nation for child well-being, noting 14% of Michigan children aged five and under lived in families experiencing child care issues. That means at least one parent had to quit their work, change a job or outright refused a job between 2020 and 2021 due to a struggle in accessing child care.

For people like Rachelle McKissick-Harris, a 37-year-old mother of three from Grand Rapids, that meant giving up her own career as an early child care education worker as she couldn’t pay the cost of day care for her son, K’Saan, on her salary. But with only one income in the home, the savings still weren’t enough, and McKissick-Harris returned to work at the end of June 2022.

K’Saan stayed with a sitter until he was six months old after earlier attempts to place the boy in daycare fell through. He’s since been through two different child care centers “within three months due to improper care and discrimination,” McKissick-Harris said, before the family could land a spot with a licensed home provider center in July 2023.

“I was actually trying to come back off of maternity leave early and go back to work at my six weeks because my job at the time didn’t have short term disability or anything like that,” she said. “And because it’s considered medical, you can’t claim unemployment. So we were we were trying to live off of one income, and ... realized we weren’t going to be able to do it.”

Christian Ko, 41, of Bloomfield Hills, said his wife Michelle DeWald tried to whittle down the amount she worked in an attempt to balance both a career and child care. During the pandemic, when the pair worked from home, it was manageable.

When it came time for DeWald to come back to working in-person, however, that quickly fell apart.

“The choice was almost made for us,” Ko said, of needing to enroll their three and four year old children into preschool. He estimates the move costs the family around \$1,500 a month. “It’s almost like this whole time, it was never totally in our control. The only choice that we can make is to push it off and avoid it but only for so long.”

It’s not just families bearing the brunt of inaccessible child care, either. A [September report](#) from the U.S. Chamber of Commerce estimates Michigan loses nearly \$3 billion annually when working parents [struggle to find child care](#).

That translates into about \$576 million in lost tax revenue for the state and another \$2.3 billion hit on Michigan employers due to employee turnover and absenteeism caused by inadequate childcare options.

In the face of this, the state has acted. In 2022, Gov. Gretchen Whitmer signed into law a budget putting a cumulative \$1.4 billion in child care funding. That money is intended for opening more facilities across the state while issuing \$1,000 bonuses to 38,000 child care professionals statewide. It’s also being used to bump the income eligibility for child care subsidies from 150% of the federal poverty level, or \$39,750, to 185% through 2023 – [then 160% for consecutive fiscal years](#).

Matt Gillard, president and CEO of the child-focused lobbying group Michigan’s Children, said the increased funding is a good start – as was the move to change child care provider subsidy repayments from attendance based to enrollment focused.

But given there’s been a one-party majority in the House, Senate and Governor’s Office for more than 10 months now, he’s discouraged by a lack of further movement on the topic, saying “for whatever reason, the political will has not been there to really address the problem.”

He pointed to Senate Bill 332, which would implement paid family leave in the state, which has not so much as received a hearing since first being introduced May 11.

“We work with lawmakers who all talked about this (topic), they all campaigned about how child care is a priority ... how they want to make this a priority,” Gillard said. “But when it comes time to pass a budget, they’ll give a billion dollars to Ford for a battery plant, but they won’t put money into child care.”

Asked to respond to this, Whitmer Press Secretary Stacey LaRouche said that as a “mother of two, Governor Whitmer understands firsthand the importance of affordable child care to Michigan families,” and that the administration will “continue to closely monitor child care access and strengthen our economy by helping parents go to work knowing their children are safe and learning.”

“I think what you’re seeing us that there’s no silver bullet to fix the child care problem in the state,” added Emily Laidlaw, director of the Michigan’s Child Care Licensing Bureau. “People are introducing innovative ideas which all have merit, particularly if we could keep the conversation going. But it’s

the legislature's job, and policymakers' jobs, to debate those to see which one fits best for the fabric of Michigan."

In the end, Perez admits she and her family will find some way to figure out the cost of child care. If all else fails, she said an inheritance left behind following her father's passing could be used to triage the costs in the meantime.

But that money was meant for future schooling for the kids, Perez says, not daycare.

"Life is not set up like anything we were ever taught," she said. "You were supposed to go to college, get a degree, get a good job – any kind of blue collar job was supposed to be able to get us through and get together a small savings. But that's a joke. We're so far from whatever it was that we were raised to believe was going to happen to us."