



WOMEN'S BUREAU
U.S. DEPARTMENT OF LABOR

FACT SHEET

JANUARY 2023

CHILDCARE PRICES IN LOCAL AREAS

INITIAL FINDINGS FROM THE NATIONAL DATABASE OF CHILDCARE PRICES

THE NATIONAL DATABASE OF CHILDCARE PRICES

The National Database of Childcare Prices (NDCP) is a new data source, and the most comprehensive federal source of childcare prices at the county level in the United States. The NDCP offers childcare price data by childcare provider type and age of children (ages 0-12). Childcare prices are presented for the most recent year of data collection, 2018, as well as adjusted for inflation to 2022 real dollars. To download the data and view interactive maps, visit: www.dol.gov/agencies/wb/topics/childcare.

KEY FINDINGS ON THE PRICE OF CHILD CARE

The NDCP shows that child care is a significant expense for families with children in paid care. In 2018, median yearly childcare prices for a single child ranged from \$4,810 to \$15,417 depending on provider type, children's age, and county population size. Adjusted for inflation, this equals between \$5,357 and \$17,171 in 2022 dollars.

Taking into account the variation in median family income across counties, these childcare prices represent **about 8.0% at the low end all the way up to 19.3% of family income per child**. This finding is of particular concern as many families pay for care for multiple children, making compounding childcare expenses even more burdensome.

Child care is significantly more expensive and burdensome:

- **In populous areas.** Nearly half of the U.S. population resides in 138 large or very large counties with the highest median childcare prices.
- **For younger children.** Care for younger children requires a lower caregiver-to-child ratio to meet the more labor-intensive needs of very young children. In 2018, the median yearly childcare price for one child in center-based infant care ranged from \$7,461 (\$8,310 in 2022 dollars) to \$15,417 (\$17,171 in 2022 dollars).
- **For families with more than one child in paid care.** The estimates presented reflect the average amount paid for one child, but 29% of families with children under age 6 have two or more children in this age group.
- **For lower-income families.** Childcare prices are presented as a share of family income at the median county family income, meaning that lower-income families are spending a larger share of their income on child care. Nonetheless, high childcare expenses affect most families who need child care and reduce families' options in seeking care.

Childcare prices are untenable for families across all care types, age groups, and county population sizes.



KEY FINDINGS ON THE IMPACT OF HIGH CHILDCARE PRICES

Higher childcare prices depress maternal employment.

Counties that had more expensive childcare prices had lower rates of maternal employment. Counties with higher wages for women did have higher maternal employment rates, on average, but higher earnings did not fully compensate for the reduction in maternal employment associated with higher childcare prices. Higher childcare prices remained a barrier to maternal employment even in higher-wage areas.

Reducing out-of-pocket childcare expenses for families can help support employment, especially for mothers. But reducing the prices charged by childcare providers is not a feasible solution. Childcare is a very labor-intensive service, and 60% to 80% of childcare provider operating costs go to compensation of childcare workers. And while childcare is expensive in the U.S., childcare workers receive very low wages – a median of \$13.22 an hour.

The current funding system, therefore, is reliant primarily on overburdened families and underpaid childcare workers, contributing to substantial turnover and lack of adequate childcare supply. These issues contribute to what the U.S. Treasury Department calls a failed market requiring substantial government investment. To put U.S. government spending on childcare in perspective, U.S. public spending (federal, state, and local) is less than \$500 per child in early care and education during the first three years of life, \$2,800 for three- or four-year-old children, and \$12,800 per elementary-aged child.

Greater investment in childcare infrastructure could lower prices for families while increasing wages for the low-paid workforce providing care, the vast majority of whom are women and disproportionately women of color. These investments could support higher maternal employment and full-time work hours, reduce poverty, and reduce socioeconomic disparities in employment and early education.

