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### CHILDCARE PRICES IN LOCAL AREAS

INITIAL FINDINGS FROM THE NATIONAL DATABASE OF CHILDCARE PRICES

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### THE NATIONAL DATABASE OF CHILDCARE PRICES

Childcare¹ prices in the United States vary substantially based on type of childcare provider, quality of care provided, age of children served, and geographic location. 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.²

In this brief, we summarize initial findings from the NDCP. We provide estimates of childcare prices at the county level by children's age groups and care setting (home-based or center-based providers). Prices reflect the market rate parents would pay per year for full-time care as defined by the state for one child without public subsidies.<sup>3</sup> Childcare prices are presented for the most recent year of data collection, 2018, as well as adjusted for inflation to 2022 real dollars.<sup>4</sup> To download the data and view interactive maps showing childcare prices by county, visit: www.dol.gov/agencies/wb/topics/childcare.

### CHILDCARE TERMS USED IN THIS REPORT

Market rate survey: A market rate survey (MRS) collects prices charged by regulated childcare providers for full-time care in the priced market and additional fees often charged to parents above the published rate, such as registration fees. States are responsible for conducting and reporting results of MRS for their state every three years as part of their participation in the federal Child Care and Development Fund program.

**Center-based care**: providers care for children in non-residential settings. Centers are usually larger and care for more children than home-based providers and are organized into classrooms of similarly-aged children.

**Home-based care**: providers care for small groups of children, often of mixed ages, in a home-based setting or residential unit.

Infant: ages 0-23 months

Toddler: ages 24-35 months

Preschool: ages 36-60 months

School-age: ages 5-12 years (before/after

school care)

**Childcare price**: market rate price for fulltime care for one child per year inclusive of any additional fees.

<sup>&</sup>lt;sup>1</sup> The term "child care" is spelled differently across the field, including within the federal government. In this brief, "child care" is used when presented as a noun and "childcare" when used as an adjective. The substantive meaning is the same.

<sup>&</sup>lt;sup>2</sup> Childcare prices represent the median market rate price parents are charged for care without factoring in subsidies. Childcare costs may differ from the market price when providers have additional charges not reflected in the market price charged to parents, when subsidies to parents cover a portion of the charges or childcare is publicly provided, or when additional funding or subsidies to providers reduce the price parents pay in the market. Prices may also not equal costs when providers include a profit margin in the price.

<sup>&</sup>lt;sup>3</sup> The number of hours considered full-time care varies by state. For more information, see the NDCP technical guide at **www.dol.gov/agencies/wb/topics/childcare**.

<sup>&</sup>lt;sup>4</sup> NDCP data are available for the years 2008 through 2018.



### **HIGHLIGHTS**

- In 2018, median childcare prices for one child ranged from \$4,810 (\$5,357 in 2022 dollars) to \$15,417 (\$17,171 in 2022 dollars) depending on provider type, children's age, and county population size.<sup>5</sup> These price ranges are equivalent to between 8.0% to 19.3% of median family income.
- Child care consumed a significant percentage of median family income across all care types, age groups, and county population sizes even when childcare prices are measured as the share of family income paid for a single child; many families pay for care for multiple children, making compounding childcare expenses even more burdensome.
- Childcare prices were consistently higher for infant care. The median yearly childcare price for one child in center-based infant care ranged from \$7,461 (\$8,310 in 2022 dollars) in small counties to \$15,417 (\$17,171 in 2022 dollars) in very large counties. Among home-based providers, infant care ranged from \$5,824 (\$6,486 in 2022 dollars) in small counties to \$9,892 (\$11,018 in 2022 dollars) in very large counties.
- Among preschool-aged children, center-based childcare prices per child ranged from \$6,239 (\$6,949 in 2022 dollars) in small counties to \$11,050 (\$12,307 in 2022 dollars) in very large counties. Home-based childcare prices ranged from \$5,541 (\$6,171 in 2022 dollars) in small counties to \$9,019 (\$10,045 in 2022 dollars) in very large counties.
- A 10% increase in median childcare prices was associated with 1 percentage-point lower county-level maternal employment rates. Counties with childcare prices that were twice as expensive than the median childcare price had maternal employment rates that were 4 percentage points lower.

 Counties with higher wages for women did have higher maternal employment rates 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 in higher-wage areas.

#### **GEOGRAPHY DEFINITIONS**

The National Database of Childcare Prices (NDCP) provides childcare price data at the county level. Counties are consistent with the five-year American Community Survey and use Federal Information Processing Series (FIPS) codes. NDCP county-level data can be combined with any other data source at the county level using FIPS codes.

County size as used in this report refers to population size.

**Small county**: counties with a population of 1-99,999.

**Mid-sized county**: counties with a population of 100,000-499,999.

**Large county**: counties with a population of 500,000-999,999.

**Very large county**: counties with a population of 1,000,000 or more.

<sup>&</sup>lt;sup>5</sup> Average childcare prices in this report refer to medians. The median divides the distribution into two equal parts – half having prices above the median and half having prices below the median. Medians in a given year are based on counties that have childcare price data in that year. Childcare prices for 2022 are adjusted using the Bureau of Labor Statistics' CPI-U for child care (day care and preschool in the U.S. city average, series ID: CUUR0000SEEB03).





### CHILDCARE PRICES BY COUNTY POPULATION SIZE, CHILDREN'S AGE, AND CARE SETTING

The NDCP was developed to fill a need for local-level childcare data providing information on the range in prices by care setting and children's age. Most existing sources of childcare price data provide prices at the national or state level, yet parents often choose childcare providers that are close in proximity to their homes or workplaces, and there can be significant variance in prices within states and local areas. Therefore, state or national data are unlikely to be good estimates of the prices parents encounter locally, underestimating how much families are paying in many areas. Understanding

variation in childcare prices at local levels may also help state and local policymakers target resources to communities where childcare investments can make the greatest impact.

The NDCP shows that child care is significantly more expensive in populous areas. Nearly half of the U.S. population resides in 138 large or very large counties with the highest median childcare prices (Table 1). Across care settings and children's age groups, childcare prices were significantly higher in larger counties.

TABLE 1. POPULATION DISTRIBUTION BY COUNTY SIZE AND MEDIAN CHILDCARE PRICES PER CHILD

Total U.S. Counties				Counties with Reported Median Childcare Prices			
County size	County Distribution	Population Distribution	Share of Population	Infant Center- Based Care: 2018 (2022 Estimate)	Infant Center- Based Care as a Share of Median Family Income: 2018	Infant Home- Based Care: 2018 (2022 Estimate)	Infant Home- Based Care as a Share of Median Family Income: 2018
Small (1-99,999)	2,548	67,266,422	21%	<b>\$7,461</b> (\$8,310)	12.3%	\$5,824 (\$6,486)	9.6%
Medium (100,000-499,999)	456	96,580,292	30%	\$10,194 (\$11,354)	13.9%	\$7,800 (\$8,687)	10.6%
Large (500,000-999-999)	94	67,437,679	21%	\$13,420 (\$14,947)	15.7%	\$8,978 (\$10,000)	10.4%
Very Large (1,000,000+)	44	91,618,637	28%	\$15,417 (\$17,171)	19.3%	\$9,892 (\$11,018)	12.4%

**Note**: U.S. counties published in the 2014-2018 American Community Survey, excluding Puerto Rico. Childcare prices are based on counties reporting price data in 2018. The distribution of counties with missing data in 2018 was similar in population size to the distribution of counties with data in 2018. Childcare prices are presented in 2018 and 2022 real dollars using the CPI-U for child care. NDCP collects data at the county level rather than individual level. Using childcare estimates without accounting for county population size underestimates childcare prices paid by those living in larger, more expensive counties.

**Source**: National Database of Childcare Prices 2018, Women's Bureau, U.S. Department of Labor and American Community Survey 2014-2018, U.S. Census Bureau

Child care was also consistently more expensive for younger children within care settings (center- or homebased), as care for younger children requires a lower caregiver to child ratio to meet the needs of very young children who have more labor-intensive needs. In 2018, the median yearly childcare price for one child in center-

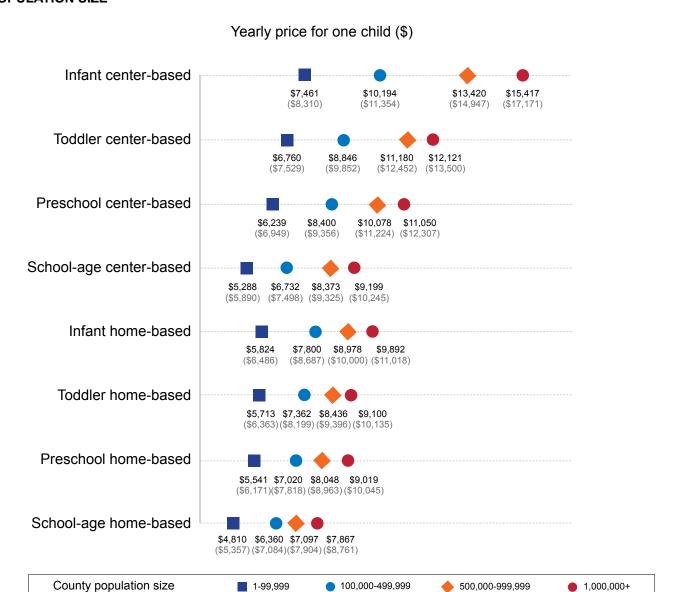
based infant care ranged from \$7,461 (\$8,310 in 2022 dollars) in small counties to \$15,417 (\$17,171 in 2022 dollars) in very large counties. Among home-based providers, infant care ranged from \$5,824 (\$6,486 in 2022 dollars) in small counties to \$9,892 (\$11,018 in 2022 dollars) in very large counties (Figure 1).

<sup>&</sup>lt;sup>6</sup> Child Care Aware of America. 2019. The US and the high price of child care: An examination of a broken system.





#### FIGURE 1. MEDIAN COUNTY CHILDCARE PRICE BY AGE OF CHILDREN, CARE SETTING, AND COUNTY **POPULATION SIZE**



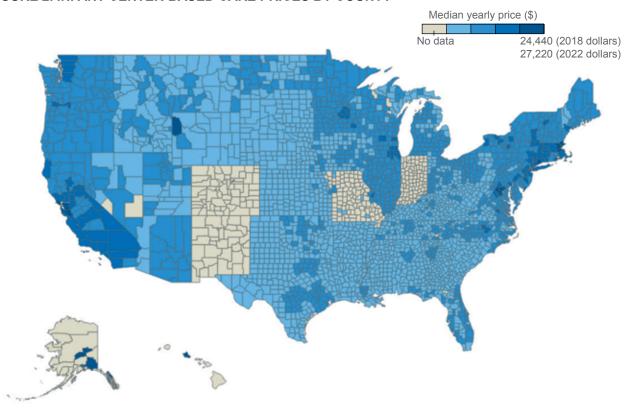
Source: National Database of Childcare Prices 2018, Women's Bureau, U.S. Department of Labor and American Community Survey 2014-2018, U.S. Census Bureau

Note: Childcare prices are presented in 2018 and 2022 real dollars using the CPI-U for child care. Estimates for 2022 are in parentheses.

Figure 2 displays the range in prices for infant centerbased care across the country, with the highest median price of \$24,440 (\$27,220 in 2022 dollars) reported in

Arlington, VA. An interactive version with data by care provider type and for several children's age groups is available at: www.dol.gov/agencies/wb/topics/childcare.

#### FIGURE 2. INFANT CENTER-BASED CARE PRICES BY COUNTY



**Notes**: Childcare prices are derived from each state's Market Rate Survey. Prices are median yearly prices for one child at the market rate. Childcare prices are based on the 2016-2018 data collection cycle and are presented in 2018 and 2022 real dollars using the CPI-U for child care

**Source**: National Database of Childcare Prices 2016-2018, Women's Bureau, U.S. Department of Labor and American Community Survey 2014-2018, U.S. Census Bureau

Childcare prices are higher among center-based, as opposed to home-based providers. For example, among preschool-aged children, center-based childcare prices per child ranged from \$6,239 (\$6,949 in 2022 dollars) in small counties to \$11,050 (\$12,307 in 2022 dollars) in very large counties (Figure 1). Home-based childcare prices ranged from \$5,541 (\$6,171 in 2022 dollars) in small counties to \$9,019 (\$10,045 in 2022 dollars) in very large counties. Preschool-aged children are more likely to attend center-based providers than are infants and

toddlers.<sup>7</sup> While price is a significant factor influencing parents' decisions about the type of childcare services they use, other considerations also guide these choices, including availability of childcare providers, hours of operation relative to parental work schedules, personal beliefs and preferences, child age, child temperament and disability status, and state childcare policies.<sup>8</sup> Given limited availability and high prices, many families may not have ample choices.

<sup>&</sup>lt;sup>7</sup> Figures do not include children in multiple care arrangements. Authors' calculations based on 2016 data from the National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program. https://nces.ed.gov/programs/digest/d19/tables/dt19\_202.30.asp

<sup>&</sup>lt;sup>8</sup> Pungello, E.P. and Kurtz-Costes, B. 1999. "Why and how working women choose child care: A review with a focus on infancy." Developmental Review 19(1): pp. 31-96; Liu, M. 2015. "An ecological review of literature on factors influencing working mothers' child care arrangements." Journal of Child and Family Studies 24(1): pp. 161-171; Kulic, N., Skopek, J., Triventi, M. and Blossfeld, H.P. 2019. "Social background and children's cognitive skills: The role of early childhood education and care in a cross-national perspective." Annual Review of Sociology 45: pp.557-579.





### FIGURE 3. CHILDCARE PRICES AS A PERCENTAGE OF FAMILY INCOME BY AGE OF CHILDREN, CARE SETTING, AND COUNTY POPULATION SIZE

Percent of family income for one child (%)



**Source**: National Database of Childcare Prices 2018, Women's Bureau, U.S. Department of Labor and American Community Survey 2014-2018, U.S. Census Bureau

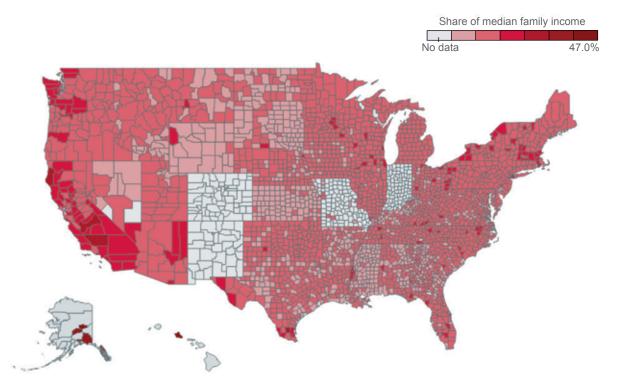


#### CHILDCARE PRICES AS A SHARE OF FAMILY INCOME

Families with children who pay for child care typically devote a substantial portion of their income to this expense. As a share of family income, the NDCP shows that childcare prices are untenable for families across all care types, age groups, and county population sizes. Childcare prices for a single child ranged from \$4,810 (\$5,357 in 2022 dollars) to \$15,417 (\$17,171 in 2022 dollars) depending on provider type, children's age, and county population size. This represents about 8.0% of family income for school-age home-based care in small counties all the way up to 19.3% of family income for center-based infant care in very large counties in 2018 (Figure 3).9

Although childcare prices are high in almost all counties, childcare prices as a share of family income are more burdensome in some areas of the country. Figure 4 displays infant center-based prices as a share of median family income. The largest reported value was in the Bronx, NY, with families using infant center-based care spending an average of 47% of median family income on care for one child. An interactive version is available at: www.dol.gov/agencies/wb/topics/childcare.

FIGURE 4. INFANT CENTER-BASED CARE PRICES AS A SHARE OF MEDIAN FAMILY INCOME BY COUNTY



**Notes**: Childcare prices are derived from each state's Market Rate Survey. Prices are median yearly prices for one child at the market rate. Childcare prices as a share of median family income shown reflect the 2016-2018 data collection cycle. All estimates are adjusted for inflation to 2018 dollars.

**Source**: National Database of Childcare Prices 2016-2018, Women's Bureau, U.S. Department of Labor and American Community Survey 2014-2018, U.S. Census Bureau

<sup>&</sup>lt;sup>9</sup> Median family income is not available in the NDCP but can be obtained from American Community Survey (ACS) 2014-2018 table B19113. Any ACS five-year variable can be merged with the NDCP via state and county FIPS codes.



The estimates presented reflect the average amount paid for one child – childcare affordability is even more out of reach for families with multiple children in care arrangements. For example, 29% of families with children under age 6 have two or more children in this age group. 10 An analysis by Child Care Aware of America using statelevel childcare prices found that in 2021 the price of child care for two children – an infant and a 4-year old – exceeded the average annualized rent in the District of Columbia and all 49 states with available data. 11 Similarly, the price of child care for two children was higher than the average annualized mortgage for all but five states. 12

Single-parent and single-earner households, as well as those with income below the county median are also less likely to have affordable childcare. <sup>13</sup> In 2021, infant care prices across U.S. states were equivalent to 24.6% to 75.1% of family income for single-parent households. <sup>14</sup> Families with higher income levels spend more on child care, but it makes up a smaller share of their income. On average, families with children under age 5 that paid for child care spent 13% of their income on childcare in 2017. <sup>15</sup> Families living below the poverty rate, however, spent roughly 30% of their income on child care. <sup>16</sup> Nonetheless, high childcare expenses affect most families and reduce families' options in seeking care, especially for lower-income families. While individual family budgets

differ, the bulk of spending is typically directed towards necessities such as housing, transportation, medical expenses, food, clothing, and child care, especially among lower- and middle-income families.<sup>17</sup> Housing typically represents the largest expense for families.<sup>18</sup> However, families with multiple young children spend more on child care than housing when they pay for care.

Reducing out-of-pocket childcare expenses for families can make employment possible as formal care costs are prohibitively high for some families. Yet, reducing childcare providers' prices is not a feasible solution. Child care is a very labor-intensive service, and 60% to 80% of childcare provider operating costs go to compensation of childcare workers, leaving thin operating margins.<sup>19</sup> Adequate childto-staff ratios are essential for young children's safety and development.<sup>20</sup> Further, childcare workers must meet minimum credentialing and experience qualifications set by their jurisdictions to ensure safe and appropriate care of children and childcare workers are paid very low wages - a median of \$13.22 an hour - and are among the lowest wages of any occupation in the United States.<sup>21</sup> Childcare workers are over twice as likely to live below the poverty line compared to workers in other sectors.<sup>22</sup> The current funding system, therefore, is reliant primarily on overburdened families and underpaid childcare workers, contributing to substantial turnover and lack of adequate

<sup>&</sup>lt;sup>10</sup> Among family households with children under age 6, 25.7% have two children under 6 and 3.6% have three or more children under 6. Authors' calculations using 2020 Current Population Survey Annual Social and Economic Supplement (CPS ASEC) data. https://www.census.gov/data/tables/2020/demo/families/cps-2020.html

<sup>&</sup>lt;sup>11</sup> Colorado data was not available at the time this analysis was published. Child Care Aware of America. 2022. Price of Care: 2021 Child Care Affordability Analysis. https://info.childcareaware.org/hubfs/Child%20Care%20Affordability%20Analysis%202021.pdf

<sup>12</sup> The five states are: Alaska, Georgia, Hawaii, Mississippi, and South Dakota. Data on Colorado was not available at the time of publication. IBID.

<sup>&</sup>lt;sup>13</sup> Child Care Aware of America. 2019. The US and the high price of child care: An examination of a broken system.

<sup>&</sup>lt;sup>14</sup> Child Care Aware of America. 2022. Price of Care: 2021 Child Care Affordability Analysis. https://info.childcareaware.org/hubfs/Child%20Care%20 Affordability%20Analysis%202021.pdf

<sup>&</sup>lt;sup>15</sup> U.S. Department of the Treasury. 2021. "The economics of child care supply in the United States." https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf

<sup>&</sup>lt;sup>16</sup> Laughlin, L. 2013. "Who's minding the kids? Child care arrangements: Spring 2011." Current Population Reports P70-135. Washington, DC: U.S. Census Bureau; U.S. Department of Treasury. 2021. "The economics of child care supply in the United States." https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf

<sup>&</sup>lt;sup>17</sup> Council of Economic Advisers and Office of Management and Budget. 2021. The Cost of Living in America: Helping Families Move Ahead. Issue Brief. Issued August. https://www.whitehouse.gov/wp-content/uploads/2021/08/Costs-Brief.pdf

<sup>&</sup>lt;sup>18</sup> Council of Economic Advisers and Office of Management and Budget. 2021. The Cost of Living in America: Helping Families Move Ahead. Issue Brief. Issued August. https://www.whitehouse.gov/wp-content/uploads/2021/08/Costs-Brief.pdf

<sup>&</sup>lt;sup>19</sup> Herbst, C. 2018. "The rising cost of child care in the United States: A reassessment of the evidence." Economics of Education Review 64: 13-30; Workman, S. 2018. "Where Does Your Child Care Dollar Go?" Center for American Progress, February 14, 2018. https://www.americanprogress.org/article/child-care-dollar-go/

<sup>&</sup>lt;sup>20</sup> U.S. Department of Health and Human Services. 2015. "Caring for Our Children Basics: Health and Safety Foundations for Early Care and Education." Issued June. https://eclkc.ohs.acf.hhs.gov/sites/default/files/pdf/caring-for-our-children-basics.pdf

<sup>&</sup>lt;sup>21</sup> O\*NET Online. 2022. Summary report for childcare workers. https://www.onetonline.org/link/summary/39-9011.00; Herbst, C. 2018. "The rising cost of child care in the United States: A reassessment of the evidence." Economics of Education Review 64: 13-30.

<sup>&</sup>lt;sup>22</sup> Women's Bureau. 2021. Employment and earnings by occupation. https://www.dol.gov/agencies/wb/data/occupations; Child Care Aware of America. 2019. "The US and the high price of child care: An examination of a broken system."



childcare supply. These issues contribute to what the U.S. Treasury Department calls a failed market requiring substantial government investment.<sup>23</sup>

Compared with other high-wage countries, the United States government spends little on early care and education: 0.3% of gross domestic product (GDP), or less than half of the Organisation for Economic Co-operation and Development (OECD) average which is 0.7% of GDP.<sup>24</sup> Out of 37 ranked OECD countries, the United States ranks 35th on expenditures for early care and education for 0-5 year olds.<sup>25</sup> The United States government also spends far less on early childhood education compared to K-12 education (0.3% vs. 3.5% of GDP).<sup>26</sup> To put this in perspective, in 2019, U.S. public spending (federal, state, and local) amounted to 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.<sup>27</sup>

### CHILDCARE PRICES AND MATERNAL EMPLOYMENT

Higher childcare prices depress maternal employment.<sup>28</sup> Conversely, an expansive review of the literature shows that a 10% reduction in childcare prices for care of young children is associated with an increase in maternal employment ranging from 0.25% to 11%.<sup>29</sup> Using the NDCP, we show that counties that had more expensive

childcare prices had lower rates of maternal employment. After accounting for differences in county characteristics. such as total population, median income, women's median earnings, men's labor force participation rate, and county occupational distribution, a 10% increase in childcare prices (infant, toddler, and preschool-aged prices) was associated with a 1 percentage point reduction in county-level maternal employment rates.<sup>30</sup> Counties with prices that were 50% higher had a reduction in maternal employment of 2 percentage points, and counties that were twice as expensive than the median had a reduction in maternal employment of 4 percentage points. Counties with higher wages for women did have higher maternal employment rates, on average, but these 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.

Research shows that mothers living in states with more expensive child care and less generous subsidies and publicly-funded childcare programs are less likely to be employed after having children.<sup>31</sup> High childcare prices and minimal public childcare investments are especially detrimental to employment among mothers with lower wages, as childcare affordability is out of reach. When families move to states with more expensive child care, mothers are less likely to remain employed, even if they move to a state with higher wages.<sup>32</sup> This indicates that higher childcare prices are a barrier to maternal

<sup>&</sup>lt;sup>23</sup> U.S. Department of the Treasury. 2021. "The economics of child care supply in the United States." https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf.

<sup>&</sup>lt;sup>24</sup> Organisation for Economic Co-operation and Development. 2021. Public spending on early childhood education and care (chart PF3.1.A). OECD Family Database. https://www.oecd.org/els/family/database.htm.

<sup>&</sup>lt;sup>25</sup> U.S. Department of the Treasury. 2021. "The economics of child care supply in the United States." https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf. The OECD notes that they may not fully capture all non-federal spending.

<sup>&</sup>lt;sup>26</sup> National Center for Education Statistics. 2021. Education expenditures by country. U.S. Department of Education. Issued May. https://nces.ed.gov/programs/coe/indicator/cmd
<sup>27</sup> David, E. and Sojourner, A. 2021. "Increasing Federal investment in Children's Early Care and Education to Raise Quality, Access, and Affordability." The

<sup>&</sup>lt;sup>27</sup> David, E. and Sojourner, A. 2021. "Increasing Federal investment in Children's Early Care and Education to Raise Quality, Access, and Affordability." The Brookings Institution. https://www.brookings.edu/wp-content/uploads/2021/05/Child-Care-PP-final.pdf.

<sup>&</sup>lt;sup>28</sup> Landivar, L.C., Scarborough, W.J., Collins, C., and Ruppanner, L. 2022. "Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis." Social Science Research https://doi.org/10.1016/j.ssresearch.2021.102627; Landivar, L.C., Ruppanner, L., and Scarborough, W.J. 2021. "Are states created equal? Moving to a state with more expensive childcare reduces mothers' odds of employment." Demography 58(2): 451-470.

<sup>&</sup>lt;sup>29</sup> Estimates vary based on the data source, year of study, and study population. Morrissey, T. 2017. "Child care and parent labor force participation: a review of the research literature." Review of Economics of the Household 15:1-24.

<sup>&</sup>lt;sup>30</sup> Childcare prices for infant, toddler, and preschool for center- and home-based providers were combined for analysis. The correlation between these care types ranges from .89 to .99, indicating that areas with expensive care are consistently expensive across ages and care providers. The alpha for the combined index is .98. School-age care prices had a weaker correlation with other types of care prices and was not included in the model. The value of the index tends to cluster in certain counties and the index effect varies across counties. The global average index effect remains statistically significant.

<sup>31</sup> Landivar, L.C., Scarborough, W.J., Collins, C., and Ruppanner, L. 2022. "Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis." Social Science Research https://doi.org/10.1016/j.ssresearch.2021.102627.

<sup>32</sup> Landivar, L.C., Ruppanner, L., and Scarborough, W.J. 2021. "Are states created equal? Moving to a state with more expensive childcare reduces mothers'

<sup>&</sup>lt;sup>32</sup> Landivar, L.C., Ruppanner, L., and Scarborough, W.J. 2021. "Are states created equal? Moving to a state with more expensive childcare reduces mothers odds of employment." Demography 58(2): 451-470.



employment even in high-wage areas, as higher wages do not compensate for the higher child care prices in those areas. Quality, affordable, and accessible child care supports higher maternal employment and full-time work hours, reduces poverty, and reduces socioeconomic disparities in employment and early education.<sup>33</sup>

#### DATA SOURCES AND LIMITATIONS

The NDCP draws data from state childcare market rate surveys (MRS), in addition to county-level demographic and economic data from the American Community Survey (ACS) 5-year estimates. The NDCP standardizes and harmonizes data across years and geographies for about 200 previously-conducted MRS. The childcare price data were obtained from state Lead Agencies responsible for conducting MRS according to federal regulations.34 A MRS is the collection and analysis of prices charged by childcare providers for services in the priced market. All state Lead Agencies must conduct a survey and develop a report on local childcare prices in their state every three years. The MRS collect data on regulated childcare centers, which are typically located in commercial buildings and serve multiple groups or classrooms of similarly-aged children. They also collect data on regulated home-based providers, which care for small groups of children in a residential building, such as a house, apartment, or condo unit. While some surveys may collect data on other segments of the market, such as publicly-subsidized preschool programs, Head Start, or informal care settings, these data are not typically included in the analysis of childcare prices and were not included in the database. A large share of children are cared for in unregulated and informal settings that are not represented here.35

Lead Agencies of each state provided data on a voluntary basis. Not all states had available or usable data for all years in the scope of the data collection (2008-2018). The Women's Bureau obtained clearance from the Office of Management and Budget for this data collection (OMB number: 1290-0025). ICF was the lead contractor for data collection and standardization. A total of 35 states provided MRS reports during the data collection period. The data collection was supplemented by searching for additional MRS reports on state childcare agency websites or other partner agency websites. This approach yielded data for a total of 48 states and the District of Columbia.36 Indiana and New Mexico did not have compatible MRS and could not be included in the NDCP. Given the variations in state methodologies and availability of MRS data, to create a standardized database of county-level prices, many states required imputation of missing values based on statistical models, other available years, and similar counties or regions within the state. Additionally, detailed imputations were carried out to populate data elements that were missing across counties and years from the ACS.

The NDCP is comparable to other childcare price data sources when similar units of analysis are available. Child Care Aware of America (CCAoA) primarily provides state-level estimates, but also has county-level data for 11 states. County-level data within these 11 states are comparable to NDCP data. CCAoA and the Women's Bureau both advise against using a single national average to represent childcare prices.<sup>37</sup> The NDCP provides data at the county level, but when aggregated to produce national estimates, the substantially larger number of small counties with lower prices will result in a national-level childcare price that underestimates

<sup>&</sup>lt;sup>33</sup> Chaudry, A., Morrissey, T., Weiland, C., and Yoshikawa, H. 2017. Cradle to Kindergarten: A new plan to combat inequality. NY: Russell Sage; Child Care Aware of America. 2019. "The US and the high price of child care: An examination of a broken system."; Landivar, L.C., Scarborough, W.J., Collins, C., and Ruppanner, L. 2022. "Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis. Social Science Research https://doi.org/10.1016/j.ssresearch.2021.102627; Ruppanner, L., Moller, S., and Sayer, L. 2019. "Expensive childcare and short school days = lower maternal employment and more time in childcare? Evidence from the American Time Use Survey." Socius 5: 1-14.

<sup>&</sup>lt;sup>34</sup> U.S. Department of Health and Human Services. 2016. Child Care and Development Fund (CCDF) Program Final Rule. Federal Register 81(190): 67438-67595. https://www.govinfo.gov/content/pkg/FR-2016-09-30/pdf/2016-22986.pdf

<sup>35</sup> Laughlin, L. 2013. "Who's minding the kids? Child care arrangements: Spring 2011." Current Population Reports P70-135. Washington, DC: U.S. Census Bureau.

<sup>&</sup>lt;sup>36</sup> A table of data availability by state and year is available in the NDCP technical guide, Appendix B: https://www.dol.gov/sites/dolgov/files/WB/media/NationalDatabaseofChildcarePricesTechnicalGuideFinal.pdf.

<sup>37</sup> Child Care Aware of America. 2019. "The US and the high price of child care: An examination of a broken system."



how much individuals pay for child care in their local communities. Childcare prices analyzed at the county level reflect the vast difference in prices between large and small counties. National-level estimates, however, do not account for county population size. Here we present childcare prices by county size and discourage the use of a single national-level estimate without factoring in variation in county population size. For more information, please visit the NDCP technical guide and website at www.dol.gov/agencies/wb/topics/childcare.

### **SUGGESTED CITATION**

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