

NEWS RELEASE

Under Embargo Until June 14, 2023

THE ANNIE E. CASEY FOUNDATION

CONTACTS:

Paige Travis | ptravis@fenton.com | 630.430.1513

Beau Boughamer | bboughamer@aecf.org | 410.458.5018

INACCESSIBLE AND UNAFFORDABLE: LACK OF CHILD CARE, HIGH COST HURT FAMILIES, WORKERS, ECONOMY

50-State Data Show Every State Lacks Essential Child Care for Working Parents; Annie E. Casey Foundation Urges Investments so Children Can Thrive, Parents Can Work, Providers Can Receive Fair Pay

BALTIMORE — The country’s lack of affordable and accessible child care short-changes children, costs the American economy billions of dollars a year, stymies women professionally and is pushing families to the breaking point, according to the *2023 KIDS COUNT® Data Book*, released today by the Annie E. Casey Foundation. Each year, the report sheds light on the well-being of America’s kids; this year, the report focuses on how expensive, hard-to-find child care affects parents. It also describes low pay leading to a chronic shortage of providers and demands that policymakers at the state and national levels enact real solutions.

Too many parents cannot secure child care that is compatible with work schedules and commutes. The *Data Book* reports that in 2020 — 21,13% of children birth to age 5 lived in families in which someone quit, changed or refused a job because of problems with child care. And women are five to eight times more likely than men to experience negative employment consequences related to caregiving.

Even if parents can find an opening at child care near their home, they often can’t pay for it. The average annual national cost of child care for one child in 2021 was \$10,600, a tenth of a married couple’s median income and more than one-third of a single parent’s income, according to one analysis. The shortcomings of the child care system disproportionately affect the financial well-being of women, single parents, parents in poverty, families of color and immigrant families.

“A good child care system is essential for kids to thrive and our economy to prosper. But our current approach fails kids, parent and child care workers by every measure,” said **Lisa Hamilton, president**

and CEO of the Annie E. Casey Foundation. “Without safe child care they can afford and get to, working parents face impossible choices, affecting not only their families, but their employers as well.”

Each year, the *Data Book* presents national and state data from 16 indicators in four domains — economic well-being, education, health and family and community factors — and ranks the states according to how children are faring overall. New Hampshire, Utah and Massachusetts rank first, second and third in overall well-being in the 2023 *Data Book*; Mississippi, Louisiana and New Mexico ranked 48th, 49th and 50th.

Factoring both the price of care and median income in each state, center-based care for toddlers creates the largest cost burden for married couples with children in Nevada (15%), Colorado (14%) and New York (14%), and home-based care for married couples with children in New Mexico (12%), Nevada (11%), California (10%), Colorado (10%), New York (10%) and Washington (10%).

While the cost of care burdens families, child care workers are paid worse than 98% of professions. Median national pay for child care workers was \$28,520 per year or \$13.71 an hour in 2022, less than the wage for retail (\$14.26) and customer service (\$18.16) workers.

Some 94% of child care workers are women; 14% are Black and 4% are Asian. Across all races, 24% described their ethnicity as Hispanic or Latino.

The failings of the child care market also affect the health of the American economy, costing \$122 billion a year in lost earnings, productivity and tax revenue, according to one study. All of these challenges put parents under tremendous stress to meet the dual responsibilities of providing for their families and ensuring their children are safe and nurtured. The report also found:

- While 10% of white children (birth to age 5) lived with a family member who had to quit, change or refuse a job because of child care, this figure was 17% for Black and 16% for Latino children whose family had to change their job status because of problems with child care.
- More than 60% of child care workers reported having difficulty paying their own food and utility bills in the most recent month.
- Infant child care is so expensive that one analysis indicates it costs more than in-state college tuition in 34 states and the District of Columbia.
- The main federal mechanism for subsidizing care, the Child Care and Development Block Grant, partially offsets costs for only 1.3 million of the more than 12 million kids in child care. Of children eligible for subsidies under federal rules, only 1 in 6 receives them.

This means that young children are missing out on care and early learning during a period of important brain development. Access to early childhood education is invaluable in preparing young learners for elementary school, which is why it is one of the 16 indicators that make up the KIDS COUNT index in each year’s *Data Book*. Despite gains in recent years, our country is still failing to

deliver early childhood education to more than half of its children (54%, a one-point increase over the previous measurement).

Transitioning from a faltering child care system to creating a flourishing one will take new thinking and investing at the local, state and national levels. An executive order issued by President Biden in April is aimed at expanding access, lowering costs and raising wages and it could prove to be a helpful framework, but more is needed:

- Federal, state and local governments should invest more in child care. State and local governments should maximize remaining pandemic recovery act dollars to fund needed child care services and capacity. Congress should reauthorize and strengthen the Child Care and Development Block Grant Act, and increase funding for public pre-kindergarten and Head Start.
- Public and private leaders should work together to improve the infrastructure for home-based child care, beginning by lowering the barriers to entry for potential providers by increasing access to start-up and expansion capital.
- To help young parents, Congress should expand the federal Child Care Access Means Parents in School (CCAMPIS) program, which serves student parents.

###

RELEASE INFORMATION

The *2023 KIDS COUNT® Data Book* will be available at www.aecf.org. Additional information is available at www.aecf.org/databook. Journalists interested in creating maps, graphs and rankings in stories about the *Data Book* can use the KIDS COUNT Data Center at datacenter.aecf.org.

ABOUT THE ANNIE E. CASEY FOUNDATION

The Annie E. Casey Foundation creates a brighter future for the nation's young people by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow. For more information, visit www.aecf.org. KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.