

United States

One of the most fundamental roles played by child care is enabling parents to participate in the labor force. To support employment, parents choose from a range of child care options both paid and unpaid. Understanding who uses paid care and factors related to the use of paid care can be helpful in supporting strategies related to economic recovery and growth.

Use of Paid Child Care in the U.S.

- Since the World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020, both labor force participation and use of paid child care has been impacted in the U.S. – varying by state.
- Labor force participation of mothers with children under age 5 was 68.8% in 2019 increasing to 69.3% in 2021.
- The states with the highest maternal labor force participation rates have a more than 20% higher share of children in paid care on average than those with the lowest maternal participation rates.

By the numbers,

- The number of children 14 and younger in paid child care declined from 12.2 million in 2019 to 10 million in 2020.
- The number of children under age 5 in paid child care declined from 5.7 million in 2019 to 4.7 million in 2020.
- The number of school-age children in paid child care declined from 6.5 million in 2019 to 5.2 million in 2020.

By the percentages,

- The share of children 14 and younger in paid child care declined from 20.3% in 2019 to 16.7% in 2020.
- The share of children under age 5 in paid child care declined from 29.4% in 2019 to 25% in 2020.
- The percentage of school-age children in paid child care declined from 16% in 2019 to 12.9% in 2020.

Trends in the Use of Paid Child Care in the U.S.

- The overall share of children age 14 and younger averaged 19.4% in paid care from 2011 to 2020 and 17.4% from 2001 to 2010.
- Among children under age 5, use of paid child care averaged 27.3% between 2011 to 2020 and 24.9% from 2001 to 2010.
- Among school-age children, use of paid child care averaged 15.6% between 2011 to 2020 and 13.8% from 2001 to 2010.

Labor Force Participation of Mothers in the U.S.

- In most states (but not all), labor force participation for mothers declined between 2019 and 2021
- Labor force participation of mothers with children age 14 and younger was 71.9% in 2019 declining to 70.7% in 2021.

Use of Paid Care is Related to Family Income in the U.S.

- Households with children in paid care had average reported income of \$149,926 in 2020 and \$144,780 in 2019.
- In 2020, the income for families with children age 14 and younger using paid care was \$39,049 higher than families with children of that age not using paid care. In 2019, the income gap was \$34,418.
- In 2020, the income for families with children under age 5 using paid care was \$51,193 higher than families with children under age 5 not using paid care. In 2019, the income gap was \$49,289.

Child Care Expenses as a Share of Income in the U.S.

- In 2019, the average family with children age 14 and younger spent 5.3% of household income on paid care. With the higher average income of families using paid care in 2020, the percent of income spent on child care declined to 4.7%.
- In 2019, the average family with children under age 5 spent 6.6% of household income on paid care. With the higher average income of families using paid care in 2020, the percent of income spent on child care declined to 5.7%.

Families Not Using Paid Care in the U.S.

- It is unclear whether families with children not using paid care prefer other arrangements, cannot afford child care amidst other household expenses, or the supply of child care in their community falls short of meeting the need.

Note: Data for this analysis is from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics. Child care usage was first surveyed in the CPS ASEC in 2001, while child care expenditures were first collected in 2010. The underlying CPS data used in the analysis are extracted from the IPUMS-CPS database maintained by the Minnesota Population Center at the University of Minnesota.