CED Family Child Care Affordability Calculator
*Updated 04 October 2022*

In the summer of 2022, CED completed the release of *The Economic Role of Paid Child Care in the U.S. – A Report Series* which examined the use of paid child care by families and the labor force participation of mothers. We developed 35 complementary data visualizations so that policymakers and other key stakeholders could assess their own state data against neighboring states or the US average related to families paying for child care and working mothers of young children and school-age children.

One particular finding from CED’s analysis generated further inquiry about families who pay for child care compared to families who do not use paid care. The gap was surprising and differed little over the past decade. For example, in 2020

- **Families with children under age 5.** Across the U.S., the average income of families with children under age 5 using paid child care was $147,230 compared to the average income of $110,877 for families not using paid child care – a difference of more than $51,000.

- **Families with children from birth to age 14.** Across the U.S., the average income of families with children from birth to age 14 using paid child care was $149,926 compared to the average income of $110,877 for families not using paid care – a difference of nearly $40,000.

Why the large income gap? Perhaps a shortage of child care within communities, a
preference for family to provide care, or some other reason might explain the gap – the exact causes are unknown from the US Census Bureau survey data. The survey asks whether a family paid for child care or not, but doesn’t ask why they chose not to use paid care.

To better understand access to paid child care for families, CED partnered with First Five Nebraska to develop a family child care affordability calculator.

The calculator concept was to show family income by county and then subtract basic living expenses (e.g., mortgage or rent, utilities, food, health care premiums, car payments, car insurance, and gas). This did not include every expense a family could incur, but reflects general expenses most families would be expected to have in a household. With the remaining balance, we offered users an array of child care choices to select (center-based care or home-based care by the age of a child or children). These prices were tied to the state’s most recent child care market rate survey. In this way, a policymaker could see the real choices families in their state have based on their income and the price of child care for the age of children they select as well as the modality (center or home). Last, based on the family’s income, the calculator determines whether or not the family would likely qualify for child care subsidy assistance (criteria that each state sets).

In February, CED worked with the Alabama School Readiness Alliance, the Alabama Partnership for Children, and Voices for Alabama’s Children to develop a family child care affordability calculator using Alabama data and child care prices from the state’s most recent market rate survey.

In both states, the calculator shows how difficult it is for families to access market-based child care after paying basic expenses. It helps policymakers and other key stakeholders better understand the income gap.

Child care is both a work support for parents and an early learning setting for children. We are hopeful that the online calculators will be used to advance national and state policy discussions to develop strategies that make child care more accessible for families.
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