

# The costs of child care around the world <sup>[1]</sup>

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## EXCERPTS

Finding the right child care can be a frustrating -- and expensive -- process for parents around the world, from New York to Nairobi.

Access to adequate child care for all has become a "global" need, said Shelley Clark, a demographer and professor of sociology at McGill University in Canada, who has studied child care and other family dynamics.

"We can think of iconic images like The Atlantic monthly cover of the mom carrying the kid in the briefcase to work and how absurd that's supposed to be to us, but then when we think of women in lower-income countries, you think of the mom selling goods at the market with a kid strapped to her back, and you think, 'Well, that's not a problem for her, because she can easily combine child care and work,' " Clark said

"There's this perception out there that for the kinds of work that women do in lower-income countries, it's easier to combine child care and work," she said. "The fact is, it's quite challenging for these moms, also."

Clark added that families in lower-income countries spend a significant chunk of their income -- about 17% of some women's average earnings -- on child care services, similar to those in wealthier countries.

Families living across 30 wealthy nations in the Organisation for Economic Co-operation and Development spend on average about 15% of their net income on child care costs, according to a 2016 report from the group, an association of 35 countries founded to improve economic development and social well-being around the world.

Yet the percentage of a family's income spent on child care costs varies drastically by country: Couples spend 33.8% in the United Kingdom, but in Korea, Austria, Greece and Hungary, couples spend less than 4% due to government benefits and programs. Those findings came from the OECD's database on tax and benefits across countries compared with average net income of families in those countries.

Here is a sampling of what child care looks like around the world.

## The true cost of child care in America

In the United States, couples spend 25.6% of their income on child care costs and that number soars to 52.7% for single parents, according to the report from the OECD.

Child care in the US is mostly privatized. The average cost of full-time care for young children in care centers in the US is about \$9,589 a year, higher than the average cost of in-state college tuition, which runs about \$9,410, according to a 2016 report from the think tank New

America.

The child care system in the US can be described as a "mixed economy system," said Chris Herbst, an associate professor in the School of Public Affairs at Arizona State University and a research fellow at the Institute for the Study of Labor in Bonn, Germany.

"That means providers can either be privately operated, as for-profits or nonprofits, or administered by public sector authorities at the local, state or federal government level," Herbst said.

"An example of a public sector program largely funded and administered at the federal government level is Head Start, while an example of a state-funded and administered program is pre-kindergarten," he said, adding that there's also a small federal program called the Child Care and Development Fund, which provides subsidized child care services.

With this mixed economy system, the type of care that children receive in the US can vary based on where they live, their socioeconomic status and other factors, he said.

In some countries, such as those in Western Europe, child care can be single-sector, as it often is provided and regulated by the local or central government.

"Families residing in rich neighborhoods and poor neighborhoods, in high- and low-minority neighborhoods, and in urban or rural areas can expect to find early care and education programs at approximately the same level of quality," Herbst said.

"Whereas in the United States, the provision of child care has traditionally been viewed as being primarily the responsibility of the family," he said. "However -- for families in need of a non-parental caregiver -- wealthy families in the United States can buy their way into really high-quality child care, while low-income or middle-income families are likely to be priced out of the high-end market."

Quality of care can be measured by factors such as the type of food served to children in the program, the instructor-to-child ratio or the level of education an instructor has.

"The other big difference between the United States and Western Europe is the availability of subsidies to defray the cost of early care and education," Herbst said.

In Europe, "the cost of care is heavily subsidized. I'm thinking about places like Denmark and Norway, in which the cost of care for parents is capped at a certain percentage of the local cost of care or capped at a certain share of family income," he said.

"For the median Danish family, access to high-quality care is greater than is the case for the typical American family with preschool-aged kids," he said.

In Denmark, couples spend about 10.7% of their income on child care costs; that percentage drops to 2.9% for single parents, according to the OECD report.

### **Where grandparents provide most care**

Across several European countries, a study published in 2016 in the journal *Ageing & Society* found a "clear association" between child care policies and the frequency with which grandparents stepped in to care for young children.

In countries with scarce public child care services and parental leave, grandparents often provided child care daily, the study found. In countries with generous public services and parental leave, they took more of a marginal role.

The study included data on policies and the frequency of child care provided by grandparents across Austria, Belgium, the Czech Republic, Denmark, France, Germany, Greece, Italy, the Netherlands, Poland, Spain and Sweden. Data came from the Survey of Health, Ageing and Retirement in Europe, the Multilinks database and Eurostat.

"In Mediterranean countries and Poland, with low state support, the predicted probability of grandparental child care on a daily basis was the highest among the 12 European countries considered," the study's first author, Valeria Bordone, a scientific associate in the Department of Sociology at the University of Munich in Germany, wrote in an email.

In countries providing more of an intermediate or limited offer of child care or parental leave, grandparents tended to care for children on a weekly basis, the study found.

"The intermediate model is represented by most of the western European countries and the Czech Republic, where grandparents are strongly involved in child care but with a lower frequency than in the Mediterranean model and higher than in the Scandinavian countries," Bordone said.

"In these countries, characterized by levels of policy support that are in between the other two models, grandparental child care is complementary to public policies rather than substituting them," she said.

In general, "several studies have shown that among both grandmothers and grandfathers, in Europe as well as in the USA, on average more than 50% of the grandparents reported to look after their grandchildren," she added.

Along with grandparents, siblings sometimes help with child care.

### **Child care and women's empowerment**

"Having older siblings help with child care is very common in most low-income settings. Although older brothers may also help with child care, the burden of child care seems to be more detrimental for older sisters," McGill University's Clark said.

"We find that female adolescents living in the household are twice as likely to be attending high school if the mother uses day care than if she does not use day care," Clark said. "Using day care, however, has no impact on the likelihood that male adolescents in the household attend high school."

Clark was the principal investigator of a study, with colleagues at the African Population and Health Research Center, that found that subsidizing child care for lower-income families could improve labor outcomes for women and reduce gender inequalities.

The study, released last year, involved subsidizing child care for families at 16 day care facilities in Korogocho, a slum in Nairobi, Kenya. The families were given with monthly vouchers.

Monthly vouchers also were provided to families at 17 other facilities where the researchers offered additional training and materials to caregivers in an effort to improve the quality of the child care.

Then, at 15 other day cares in the area, no vouchers were given or changes made.

Next, the researchers randomly assigned mothers in the area who were not already enrolled in one of those day care centers to enroll their children in one of the facilities.

The study included 280 mothers who were assigned to select one of the day cares where no changes were made, 284 who selected among one of the voucher-only day cares and 285 who selected among the voucher-plus-quality day cares.

The mothers were given 12 monthly vouchers, as the study was conducted over one year. Clark said she and her colleagues were surprised by how common it was that many of the mothers already paid for private day care.

"We thought that if we focused on mothers with young children, below the age of 3, that few would be paying for formal day care. In fact, we found that about 30% already used these services, suggesting a high demand," Clark said.

Among the mothers not already using day care, the researchers found that 57.7% of those in the control group, who were not given vouchers, started using day care during the study, compared with a whopping 80% of those who were given vouchers.

Moreover, the mothers who were given vouchers were 17.3% more likely to be employed by the end of the study than the mothers who were not given vouchers.

Clark and her co-authors wrote in their study that separate research out of Latin America and Asia also has linked subsidizing child care with a rise in women's employment.

"Brazil has actually done a lottery to have some low-income moms get day care and others not," Clark said.

"Mexico has started to look at options for expanding child care access for low-income families, and in India too, the government has supported some projects trying to expand access to child care, primarily in the rural areas," she said. "So those are the main countries where the governments have actually started to take this on as something that they might be willing to put public funds towards."

### Figuring out what's best for your child

For parents in the process of choosing child care, the American Academy of Pediatrics offers a "quality checklist" guide to help families make informed decisions.

For those seeking child care outside the home, the guide mentions asking neighbors, co-workers, or pediatricians or primary care providers for recommendations on quality options in the area.

The guide mentions that, for children, high-quality child care -- whether provided at home or in a day care setting -- can help enhance brain growth, improve cognition and social skills, decrease the need for special education or related services later in life and increase graduation rates.

"All of a child's early experiences, whether at home, in child care, or in other preschool settings are educational. ... When care is consistent, emotionally supportive, and appropriate to the child's age, development, and temperament, there is a positive effect on children and families," according to the academy.

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