

The cost of child care just hit an all-time high ^[1]

Parents are willing to go into debt to pay for child care, according to a new study

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EXCERPTS

Having kids will cost you.

Child-care costs rose for the fifth year in a row and nearly one in five families is spending at least a quarter of its annual household income on child care, according to a new Care.com study. Using data from more than 1,000 parents nationwide, Care.com determined that in 2017 the average weekly cost for an infant in a day-care center is \$211, versus \$580 for a nanny.

“Child-care costs are steadily on the rise in America, and while we’re excited to see the rise in the number of families budgeting, child-care costs still remain the No. 1 cost that surprises parents the most when they start having children,” Dominique Baillet, the senior editorial director for Care.com, told Moneyish.

The cost of raising a child in a middle-income family is \$233,610, according to the U.S. Department of Agriculture, which doesn’t include the cost of college. But before their kids are ready for a secondary education, many families require child care for their offspring. The U.S. Census reports that 32.9% of children under age 5 are cared for in non-relative care, including day-care centers, preschools and in their own homes.

And while one in three families reported spending 20% or more of its annual household income on child care, 60% say their child-care costs have increased in the last year. So how are people affording child care? Those polled say they’re adopting budgeting tactics such as cutting back on date nights and canceling cable subscriptions. Even more shocking, the survey shows that 33% of families say the cost of child care influenced their family planning. (Meanwhile, the U.S. fertility rate hit a record low of 60.2 births per 1,000 women in 2017.)

And where you live can dictate your child-care costs. The annual cost of center-based care ranged from \$6,615 in Arizona to \$19,805 in Washington, D.C., according to Care.com member data, versus the annual cost of a nanny caring for one child, which was \$27,566 in Utah and \$34,592 in Massachusetts.

“At the end of the day, it all comes down to parents wanting the best for their children,” Baillet said. “Whether they want someone who is CPR-certified or are looking for a child-care center that offers baby yoga, parents will spend the extra money to ensure their child has the best care.”

Unfortunately, these expenses often come at more than just a financial cost, with 35% of respondents saying child-care costs have caused tension in their relationship with their partner. When it comes to their careers, 63% of parents say the cost of child care has influenced their career decisions, and 27% have switched from full-time jobs to part-time positions.

Even though 81% of working parents say their employer doesn't offer any kind of child-care benefits and 72% of parents say their work day has been impacted by child care falling through, the U.S. still falls short when it comes to child care compared to other first-world countries. People in the U.S. spend more on child care than those in Switzerland, Canada, Australia, Japan, France and Germany, according to OECD data provided to Statista.

Baillet said she sees families taking advantage of tax breaks made available to them, like the Child and Dependent Care Tax Credit, which can save families up to \$1,200 per year. "Beyond tax breaks, more and more families are exploring nanny shares, in which two or more families share a nanny's services and their compensation," she added.

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