

This viral day care price list highlights the childcare crisis many parents face ^[1]

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EXCERPTS

Childcare is a vital part of our economy but when it comes to the hard numbers, something doesn't add up. Parents are paying astronomical rates for childcare at a time when those providing it are making less than Amazon delivery drivers. Parents are going broke to go to work and educators are going broke despite working to keep the rest of us working. It just doesn't make sense.

Recently, one Brooklyn father went viral when he tweeted the price list for a new day care center. Full-day care for one kid at this center costs \$2,850 but the average day care worker in New York only makes between \$29,000 and \$42,000 (which is a lot higher than the national average—according to the Bureau of Labor Statistics the national median hourly wage for childcare workers was \$11.17 in May 2018, that's about \$23,000 a year).

"[W]e're going to be paying as much as our rent, every month, on childcare until Izzy goes to public pre-k. love it! great system, amazing country. no problems i can foresee with this economic system at all," he tweeted.

In the comments a fellow parent expressed another common feeling parents get when they're paying for childcare each month. "My daycare tuition would be 1000x more bearable if I knew the wonderful staff and teachers were getting a fair portion of it."

Fairer wages + better care

Parents want to know that some of that high tuition is being passed onto the people taking care of their children, but in a system that sees early years childcare as a commercial enterprise rather than education, it isn't.

According to Dun & Bradstreet's First Research, there are about 54,000 commercial childcare facilities in America making a combined annual revenue of \$27 billion. That's more than twice the number of nonprofit centers—there are about 21,000 of those with a combined annual revenue of about \$14 billion.

Parents are pouring billions of dollars into this industry, but frustrated workers frequently leave it because keeping wages low is one of the only ways to maximize profit margins. For-profit day care providers who want to provide great care face a huge challenge here. Research suggests that turnover is often higher (and wages are lower) at for-profit centers compared to non-profit centers, and this can impact the quality of care.

Compared to state-funded education for older kids, early childhood education has a significantly higher turnover rate. A recent analysis of turnover rates in Nebraska found the turnover rate for early childhood educators is 26% in licensed child care settings, compared to 15% in state-funded PreK settings, and 16% in kindergarten through third grade settings.

This is not unique to Nebraska or even the United States. In Australia, for example, degree-holding early childcare workers earn about \$10,000 (USD) less than a pre-K teacher, and in Canada the income disparity between workers in commercial child care centers, public pre-Ks and non-profit day cares often makes headlines.

When the business of childcare goes bankrupt

Non-profit day care centers often rank higher than commercial child care centers when it comes to quality scores but that is not always the case. Some for-profit day cares do excel when it comes to quality, and they absolutely fill a void as there are far more children in need of care than there are public or non-profit spots. But relying on businesses to provide an essential service can be problematic, as history has seen. Eleven years ago Australia's largest day care provider, ABC Learning, collapsed. This was a huge deal as it represented a quarter of the country's day care sector.

Childcare centers closed, workers lost their jobs and parents panicked. In the end, Australia's government had to bailout the corporation to keep day cares open and parents working. Today, the remaining former ABC Learning Centers in Australia are owned by Goodstart Early Learning, a "not-for-profit social enterprise."

Childcare as a commodity

When childcare is a commodity, parents, children and childcare workers pay the price. As noted by Jane Beach and Carolyn Ferns during Canada's Childcare 2020 conference in 2014, "Without sufficient public funding going into a child care system, increasing staff wages comes at the expense of raising parent fees—something both for-profit operators and many non-profit parent boards may find unpalatable. Even non-profit operators who understand the importance of raising staff wages to program quality often struggle to meet this goal while maintaining financial viability."

Beach and Ferns presented that in 2014, advocating for universal, affordable and accessible in Canada by 2020. Unfortunately, Canada will not have that by 2020. Day care bills remain "astronomical" in the nation, and while the for-profit model has grown rapidly the wages of childcare workers have not.

But with some of America's presidential candidates campaigning on Universal childcare, perhaps America can show Canada and Australia how it's done. Perhaps 2020 will be the beginning of a new era of childcare in the United States, one that ensures that parents are able to afford childcare and that childcare workers are able to afford to live.

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