

# Family budget burdens squeezing housing: Child care costs <sup>[1]</sup>

**Author:** Freddie Mac

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## AVAILABILITY

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## Excerpted from the article

There's something else keeping Susan and Peter up at night besides their newborn and 2-year-old: wondering how to pay the bills. Child care, in particular, is eating into their budget. It's far more than the cost of repaying their student loans, and approaching the cost of their rent. They've deferred trying to save for a down payment for a home. Susan is even thinking about quitting her part-time job for a few years and staying home with kids.

As Susan and Peter, and millions of parents with very young children can attest, the list of expenses for a family unit can be never-ending. From housing and medical bills to child care and food, a paycheck, or even two paychecks, can only go so far. The good news is that family income at the national level has grown somewhat: For a family of four (two adults, two children), real median family income rose by 18.7% from 1990 to 2018. However, is this enough to help families meet their obligations—especially families with young children?

This Insight focuses on one particular cost, child care, and how it compares to other family budget burdens, especially housing. Child care is an unavoidable expense for working parents, especially single parents and parents with younger children. In many states, child care can cost as much as or more than housing, and this cost has skyrocketed over the last few decades.

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