

How soaring child care costs are crushing New Yorkers ^[1]

As the city's affordability crisis worsens for nearly everyone, even upper-middle-class New Yorkers are struggling to pay for child care. The workers who provide it are struggling too.

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Excerpts

Not long after Crystal Springs started her new job at a large insurance company in Midtown Manhattan earlier this year, she realized that a much bigger chunk of her paycheck than she expected was going directly to child care for her 5-year-old daughter.

Ms. Springs had dreamed that the job, which allowed her and her husband to make about \$200,000 a year combined, would help provide a comfortable middle-class life for her family in Ozone Park, Queens. But as bills mounted and her daughter's routine days off turned into emergencies, she felt stuck. Exasperated, she left the job she had fought so hard to get.

Around the same time, in the Castle Hill section of the Bronx, Doris Irizarry was struggling to sustain the day care center she ran out of her home. Expenses were rising every month, and she said she was making only about \$3 an hour for each of the six children who attended. She finally closed for good this summer after 25 years.

“This industry is going to die,” she said. “We cannot survive without the parents, and the parents cannot survive without us. We're a unit.”

In a notoriously stratified city experiencing its worst affordability crisis in decades, the skyrocketing cost of child care is one of the few issues that connects working families across geography, race and social class.

All but the wealthiest New Yorkers — even the upper middle class and especially mothers — are scrambling to afford care that will allow them to keep their jobs. Median prices for nearly every type of child care in New York City have shot up since 2017, according to state surveys of providers. Montessori preschool programs can cost more than \$4,000 a month in affluent neighborhoods, and working-class families are stretching their budgets to pay at least \$2,000 a month for day care.

And the workers who provide child care are reeling from high costs and are leaving the industry. Many make just over minimum wage, leaving them barely able to afford to stay in New York City or pay for care for their own children.

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A New York City family would have to make more than \$300,000 a year to meet the federal standard for affordability — which recommends that child care take up no more than 7 percent of total household income — to pay for just one young child's care. In reality, a typical city family is spending over a quarter of their income to pay for that care, according to the U.S. Department of Labor.

Though families and providers across the country face the same issues, few cities confront affordability challenges as profound as New York's. In a city where a second income is all but required for most families, soaring costs strain a patchwork child care system made up of day care centers in family homes, preschool and after-school sites in public school buildings and nannies working in private apartments.

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Losing families with young children

Though Mayor Eric Adams and Gov. Kathy Hochul have each taken some action, the mayor's decision to cut some funding for a free preschool program for 3-year-olds and his administration's consistent delays in paying city-funded day care providers have exacerbated the issue. The end of pandemic-era federal funds to support child care providers later this month has left workers scrambling.

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New York is losing families with young children. Between 2019 and the end of 2022, there was a significant drop in the number of families with children under 5 living in the city, according to a recent analysis by New School researchers. Data has shown that Black families in particular have left in significant numbers, citing concerns about affordability.

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The issues that have long plagued the industry – high staff turnover and a shortage of workers caused by stubbornly low wages, and supply lagging behind parent demand – have only become more acute in the wake of the pandemic.

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The city lost at least a third of its child care workers since the start of the pandemic, and more than half of those who remain qualify for child care subsidies for their own children. The industry's median hourly rate in the city is just \$16.78, according to the Bureau of Labor Statistics, and home-based workers make only \$10.61 an hour. A quarter of child care workers in the city live in poverty, and the vast majority are women of color.

Gaping pay disparities between child care workers and public schoolteachers have been an issue for the last two mayoral administrations.

Ms. Hochul added \$500 million in the most recent state budget to provide bonuses for child care staff and to help bolster recruiting efforts for centers, along with \$100 million to expand child care in areas with few options, and has earmarked nearly \$16 million to add new child care centers on city and state university campuses.

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But experts say that none of those efforts have tackled the core issue of extremely low wages for child care employees. Beyond raising pay rates, they said, the city and state could fully fund child care for 3-year-olds, ensure that providers are paid on time and give them more training, and make it easier for New Yorkers to open child care centers, including in their own homes, through tax credits and property tax abatements.

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The burden has fallen especially hard on mothers, many of whom said they had cut back their work hours, moved jobs to have more flexibility to work remotely or stared in disbelief at budgeting spreadsheets that showed well over half – and in some cases nearly all – of their monthly take-home pay going to babysitters or day care centers.

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