

# Child care hampers women's careers in US <sup>[1]</sup>

**Author:** Jamrisko, Michelle

**Source:** Bloomberg News

**Format:** Article

**Publication Date:** 6 Sep 2012

## EXCERPTS:

When Marci Price and her husband did the math, childcare services for their two kids ran higher than their mortgage payment in Chicago. They packed their bags for Indianapolis, where family could help trim that expense.

"It was going to cost us almost \$2,000 a month just to have two kids in daycare, so it was getting to the point where it was like, do we even go to work?" she said. "We both like to work and liked our careers and our jobs, so in order to do that we had to go someplace with a lower cost of living."

Price, 34, telecommutes as a fundraiser for a non-profit as her husband starts a new job in higher education administration in Indianapolis. Since the move in May, her mother-in-law watches their four-month-old daughter two days a week while their son attends preschool.

Cost-conscious households are one reason employment in the childcare industry has dropped 1.8 percent since the recession ended June 2009, even as total U.S. payrolls increased 2.1 percent. Jobs in the sector hover at levels of five years ago as unemployed parents watch their children at home, states cut childcare subsidies and the birth rate is at a 12-year low.

The industry's challenges reflect those facing the U.S. labor market, which has seen 42 consecutive months of unemployment above 8 percent and disproportionate joblessness among women. As of June 2012, men have regained 46.2 percent of the jobs they lost since the start of the recession, compared to 38.7 percent for women, according to the Institute for Women's Policy Research, in Washington D.C., which analyzes payroll data.

## Slackening Demand

In turn, slackening demand for childcare workers contributes to unemployment for women, who account for more than nine of every 10 jobs in the industry, according to U.S. Census Bureau data. Payrolls in childcare rose to 833,300 from the previous month's five-year-low of 829,600.

"Every time a child is withdrawn and childcare workers get laid off, that obviously impedes the recovery," said Barbara Bergmann, an economics professor emerita at American University in Washington who has studied economic and social policy issues for more than 50 years. "The recovery depends on increasing the demand for goods and services," and the industry's decline has a particularly negative impact because childcare is "extremely expensive," she said.

The childcare choices mirror cutbacks in other services as families pare budgets, said Yelena Shulyatyeva, a U.S. economist at BNP Paribas in New York.

## Sitting Out

Parents are sitting out of the labor force if they judge that their potential wages are exceeded by the cost of child care. Fifty-four percent of workers who lost a full-time job between 2007 and 2009 earned less than they had at their previous position, according to data as of January 2012 compiled by the Bureau of Labor Statistics. Wage gains for non-management staff rose 1.3 percent on average in the 12 months through July, the worst performance since 1965, the Labor Department jobs report showed.

"What's the point of working, being away from your children, for 30, 40, 50 hours a week if you really don't have anything to show for it besides a stack of bills?" said Denise Rohan-Smith, a home childcare provider in Missoula, Montana, who has worked in the business for almost 30 years.

The average annual cost of center-based infant care exceeded 10 percent of the median income for a two-parent family in 40 states, according to the Arlington, Virginia-based Child Care Aware of America, an advocacy organization that works with more than 600 state and local child care resource agencies. The average annual cost of such care ranged from about \$4,600 in Mississippi to almost \$15,000 in Massachusetts last year, according to the organization's 2012 report.

## Reduced Budgets

Seeking government help is less of an option as states slashed budgets in the wake of the 18-month recession that started in December 2007. Funding for childcare assistance dropped 6.8 percent in fiscal 2010 from fiscal 2007, according to Health and Human Services Department data compiled by Bloomberg.

"Any ripple that happens economically is like an earthquake to childcare," said Sheila Hoyle, executive director of the Southwestern Child Development Commission in Sylva, North Carolina, which operates 12 centers and contracts for almost 300 more providers. "I think our hit has been twice as hard because we were vulnerable to begin with."

Childcare providers are bound by mandated staffing ratios, which vary by state, that complicate hiring and firing. It's a fragile calculus, as some providers are cutting back to the minimum standards and re-shuffling employees based on enrollments. Sometimes it means choosing between cutting customers or staff.

#### 'Economic Viability'

"If you lose two children out of the classroom, the economic viability of that particular classroom is gone," Hoyle said.

That also threatens the health of the businesses. For the past five years in North Carolina, for example, the number of childcare centers dropped by 14 percent while the industry's workforce decreased by 7 percent, according to a Child Care Services Association study.

High unemployment has meant more parents are at home to care for their children, who could be a distraction from finding more work - "a very difficult challenge," said Sue Russell, president of the Chapel Hill, North Carolina-based Child Care Services Association.

The chain reaction of unemployed parents pulling children out of childcare, only to find the job hunt is more difficult with those children at home, has become a "circle for everybody," said Nuri Funes, who runs the Bright Star Family Daycare center in Silver Spring, Maryland.

"This is affecting the business, the local economy," she said.

#### Childcare Subsidies

When Maryland cut funding for childcare subsidies, many of her fellow providers had to shut down, Funes said. She dismissed an aide last September, cutting her staff from three to two. Those workers are responsible for eight children.

A low birth rate threatens to further restrain demand for childcare services. There were about 3.96 million births in the U.S. in 2011, the fourth consecutive decline from the all-time high of 4.32 million in 2007 and the first time since 1999 that the figure was below 4 million, according to the National Center for Health Statistics.

The birth rate is hampered by an increase in the number of young adults living at their parents' homes, which "doesn't exactly foster procreation," said Peter Francese, a demographic-trends analyst in Exeter, New Hampshire, for the MetLife Mature Market Institute. About 5.89 million 25- to 34- year-old Americans were living at home last year, a 26 percent increase from the 2007 level, according to Census Bureau data.

#### Postponing Marriage

Young adults are also postponing marriage. The median age for a first marriage in 2011 was 28.7 years for men and 26.5 years for women, each up by one year or more from 2006, before the recession, Census data show.

A record-high grandparent population is facilitating informal childcare arrangements, a "pretty substantial stifling effect" on the industry, Francese said. While the Census Bureau doesn't publish a measure for the group, Francese estimates there are 74 million U.S. grandparents.

Even with the headwinds, the Bureau of Labor Statistics projects that an increase in potential customers and the popularity of preschool programs will sustain a growth period in the childcare industry over the next eight years. The workforce should grow 20 percent from 2010 to 2020, faster than the 14 percent average for 750 occupations considered, according to the bureau's website.

#### Waiting Lists

Currently, waiting lists for childcare centers are at the lowest that Linda Kostantenaco, president of the National Child Care Association, which represents licensed, private early childcare and education programs, can remember in her 34 years in the business.

For Price, an out-of-state move because of childcare expenses is a sign the industry needs a boost in order to avoid obstructing the broader economic recovery.

"I feel like you have to be upper-middle class to afford good, quality childcare for your kids," Price said. "That doesn't seem like it's helping the economy in any way for people to feel like they're constantly drowning because they can't afford to work."

-reprinted from Bloomberg News

**Region:** United States <sup>[2]</sup>

**Tags:** gender <sup>[3]</sup>

women's labour force participation <sup>[4]</sup>

---

**Source URL (modified on 27 Jan 2022):** <https://childcarecanada.org/documents/child-care-news/12/09/child-care-hampers-womens-careers-us>  
**Links**

[1] <https://childcarecanada.org/documents/child-care-news/12/09/child-care-hampers-womens-careers-us> [2]

<https://childcarecanada.org/taxonomy/term/7865> [3] <https://childcarecanada.org/category/tags/gender> [4]

<https://childcarecanada.org/category/tags/womens-labour-force-participation>