

The staggering cost of day care when you make only the minimum wage ^[1]

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EXCERPTS

Child-care costs would now devour at least 30 percent of a minimum-wage worker's earnings in every state, a new report from the Economic Policy Institute has found.

To cover a year of full-time infant care in Hawaii – the state with the median minimum wage (\$7.75) – a worker at the bottom of the pay scale would have to spend every paycheck from January until September.

Such workers in New York and Massachusetts would have to fork over more than 80 percent of their annual earnings, according to the findings, published Tuesday. In Washington, D.C., they'd need to throw in everything – plus extra: 102 percent of a minimum-wage salary is required to cover the average annual cost of infant care. (Find your state here.)

This reality leaves few options for families with sparse financial resources and inflexible work schedules, said Elise Gould, senior economist at EPI, who co-wrote the study. Even if a parent qualifies for child-care subsidies, waiting lists in some states can stretch long enough for her to lose a job or leave a child in a risky arrangement.

"It's time for some sort of policy intervention," Gould said. "The market just hasn't found a workable solution for this."

This election cycle, the price of day care has emerged as a hot topic among presidential hopefuls. Democratic contenders say the burden breaks middle-class budgets, often trumping the rent check. Hillary Rodham Clinton, for example, has called for more government money to support public child-care programs. Sen. Bernie Sanders (I-Vt.), her biggest challenger on the left so far, advocates for universal preschool and paid family leave.

Conservative voices are also starting to join the national conversation: Last month, Sen. Marco Rubio (Fla.) became the first Republican candidate to address the problem with a policy proposal, announcing a new tax break for companies that offer paid leave to employees.

Nearly 11 million children younger than 5 in the United States depend on some type of weekly child care arrangement, according to Child Care Aware of America, which tracks national data.

The average annual price of day care for infants, which varies across the country, is higher than that of a year of public college in two-thirds of states, Gould noted. Parents pay an average of \$16,500 in Massachusetts, \$11,628 in California and \$12,500 in Illinois, according to Child Care Aware.

"As child care consumes a larger proportion of family budgets," the EPI researchers wrote, "funding high-quality child care services should be a paramount concern for governments, business leaders, and families alike."

Tax breaks for companies that allow workers to maintain more flexible and reliable work schedules would also help, Gould said. Oftentimes, the lowest-paid workers must scramble to find any care at all once their rigid hours are posted.

The authors also consulted census data and EPI's family budget calculator to understand how much income middle-class families across the country dedicated to day care alone ("Half of families actually earn less than the median, suggesting that far more families cannot afford child care than the data imply."

-reprinted from the Washington Post

Region: United States ^[3]

Tags: affordability ^[4]

mother's labour force participation ^[5]

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