

Child care workers aren't paid enough to make ends meet ^[1]

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Introduction and key findings

Child care workers play an important role in the U.S. economy by allowing parents of young children to pursue employment outside the home and providing children a stimulating and nurturing environment in which to learn and grow.

In recent decades families have increasingly had to rely on child care because spending more time at work has become an economic necessity for many. Over the last 35 years, most American workers have endured stagnant wages—a reality that has led many two-parent households to work significantly longer hours to cover their rising expenses (Mishel et al. 2012).

Despite the crucial nature of their work, child care workers' job quality does not seem to be valued in today's economy. They are among the country's lowest-paid workers, and seldom receive job-based benefits such as health insurance and pensions. As with any other industry or occupation, paying decent wages and providing necessary benefits is essential to attract and retain the best workers.

This paper directly examines child care workers' job quality, including how much they earn, whether they receive benefits on the job, and whether they and their families are able to make ends meet. Key findings include:

Child care workers are 95.6 percent female, and are disproportionately workers of color.

Child care workers receive very low pay.

- The median hourly wage for child care workers is \$10.31, 39.3 percent below the \$17.00 median hourly wage of workers in other occupations. After accounting for demographic differences between child care workers and other workers, child care workers have hourly wages 23.0 percent lower than those of similar workers in other occupations.

Child care workers rarely receive job-based benefits.

- Only 15.0 percent of child care workers receive health insurance from their job, compared with 49.9 percent of workers in other occupations. After accounting for demographic differences between child care workers and other workers, child care workers are 27.0 percentage points less likely to receive health insurance than similar workers in other occupations.
- Only 9.6 percent of child care workers are covered by a pension plan at their job, compared with 39.0 percent of workers in other occupations. After accounting for demographic differences between child care workers and other workers, child care workers are 24.1 percentage points less likely to receive employer-provided pensions than similar workers in other occupations.

Child care workers have a harder time making ends meet than workers in other occupations.

- One in seven child care workers (14.7 percent) live in families with income below the official poverty line, compared with 6.7 percent of workers in other occupations. After accounting for demographic differences between child care workers and other workers, child care workers are 5.9 percentage points more likely to be in poverty than similar workers in other occupations.
- Over one-third (36.7 percent) of child care workers live in families with income below twice the poverty line, compared with 21.1 percent of workers in other occupations. After accounting for demographic differences between child care workers and other workers, child care workers are 10.8 percentage points more likely than similar workers in other occupations to have family income less than twice the federal poverty line.
- The typical earnings of child care workers (excluding preschool workers) only cover between 39 percent (in Honolulu) and 104 percent (in parts of rural Nevada) of the basic family budget for one person—the amount required for one person to achieve a modest yet adequate standard of living in her community.
- Preschool workers' typical earnings cover between 56 percent (in the North Carolina suburbs of Virginia Beach-Norfolk-Newport News) and 202 percent (in Owensboro, Kentucky) of their respective one-person budgets.
- In the majority of metropolitan and nonmetropolitan areas across the country, more than 90 percent of child care workers (excluding preschool workers) cannot meet their local one-person budget.

Many preschool and child care workers cannot afford child care for their own children.

- In 32 states and the District of Columbia, center-based infant care costs are equal to more than one-third of typical preschool worker earnings. In other words, a preschool worker's entire pay in those states from January through at least April would be consumed by infant care costs.
- In 21 states and the District of Columbia, non-preschool child care workers would have to spend over half of their annual earnings to pay for center-based infant care.

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