

Maternal Employment Drops when Child Care is Expensive and Hard to Find

Liana Christin Landivar, William J. Scarborough, Caitlyn Collins, and Leah Ruppner

TAKEAWAYS

Financial burdens for childcare expenses are not evenly distributed across states and regions of the United States.

High prices and limited access to quality early care and education are two primary barriers to maternal employment.

Public investments in child care infrastructure have strong and positive relationships to increased maternal employment.

While federal policy lags, states can play a role in reducing barriers to maternal employment by expanding eligibility for childcare subsidies and providing publicly funded pre-K.



Institute for
Research on
Poverty

UNIVERSITY OF WISCONSIN-MADISON

irp.wisc.edu

Most industrialized Western nations provide relatively robust support for families seeking early care and education (ECE) for their children. The United States has no such national child care infrastructure. While some funds are allotted to states by the federal government, there is significant state-level discretion in how states administer this small pool of funds. For parents the expense, stress, and uncertainty of finding quality ECE varies from place to place as both the availability and affordability of ECE services are inconsistent.

Recent policy proposals and the U.S. Department of Health and Human Services have recommended limiting families' out-of-pocket childcare expenditures to no more than seven percent of median family income.¹ Yet studies show that families who pay for care are spending well in excess of that amount, ranging between 8 to 19 percent of median family income per child.² Wealthy families spend up to seven times more on child care than families facing chronic economic hardship in the United States; however, childcare expenditures make up a much larger share of low-income families' budget.³ Challenges with affordability and access to quality care create precarity for families, increase barriers to maternal employment, and result in inequity in access to ECE with low and inconsistent enrollment of younger children.⁴

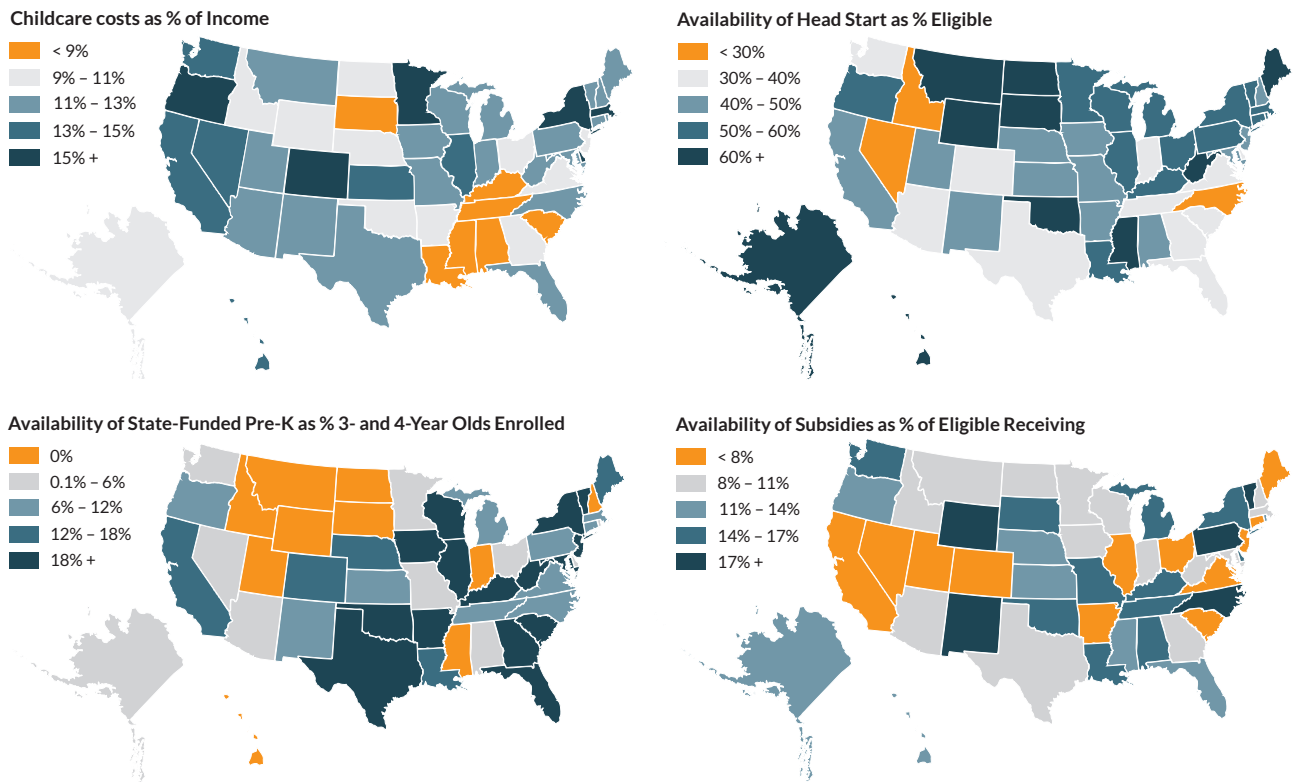
Public investments in early care and education support families and reduce barriers to mothers' employment, but the availability of such public investments differs across states. To explore how these state-by-state differences relate to maternal employment, we assessed four basic measures.⁵ These included: (1) child care prices as a share of income; (2) the percentage of eligible children enrolled in Head Start; (3) the percentage of child care subsidy-eligible families receiving assistance; and (4) the percentage of 3- and 4-year-olds enrolled in state-funded pre-K. Our analysis also assessed whether lower child care prices and higher state-provided subsidies, Head Start enrollment, and state-funded pre-K programs helped improve maternal employment outcomes for mothers with young children. Finally, we considered whether these government-supported programs reduced barriers to maternal employment posed by expensive childcare.

Nationwide, we found only 11.5 percent of families who qualify for child care subsidies actually received the support.

State and Regional Disparities

Lack of access to childcare remains a barrier for mothers wishing to participate in the formal labor market. Recent decades have seen increased global investments in public child care

Figure 1. Variation in state child care costs, Head Start availability, subsidy eligibility, and pre-kindergarten enrollment.



Source: Landivar, Scarborough, Collins, & Ruppner (2022). Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis. *Social Science Research*, 102, 102627.

infrastructure—generally seen as a core public good—and cross-national research demonstrates the value of these investments.⁶ Women are more likely to get jobs, keep them, and advance to better positions when child care is more widely available, more affordable, and of higher quality.⁷ The United States lags in this arena, with families relying on a patchwork of care options.⁸

The decentralized nature of ECE funding in the United States contributes to wide disparities in maternal employment. Whether or not ECE resources are extended to working parents by the state can significantly affect parents' ability to find and maintain stable employment. States have the power to legislate and regulate child care providers as well as social policy benefiting (or creating barriers for) working parents. Even with federal funding, Head Start and subsidies for child care are delivered by states; even when eligible, parents are often unable to obtain assistance.⁹ Figure 1 displays ECE-related variations in expense and availability in the United States.

High quality and affordable child care must also be locally available for parents; these three components—quality, affordability, and availability—form the core of a crucial social investment.¹⁰ The consequences of limited state-level support are most severe for mothers with fewer resources and more children. Yet the benefits abound. Children participating in high-quality child care tend to have fewer long-term behavioral issues and are more likely to score higher on achievement tests.¹¹ For mothers who need to work outside the home, reliable and affordable child care is an obvious need wherever one might live and helps support their continued labor force participation.

According to federal stipulations, families with children under 13 years old are eligible for subsidized child care through the Child Care and Development Block Grant (CCDBG) when family income does not exceed 85 percent of the state median income. The parents must also be working, actively looking for work, or participating in educational or job training activities.¹² In 2019, only 16 percent of eligible children receive subsidized child care.¹³

Access to subsidized child care is low for different reasons.¹⁴ Most states ration limited amounts of funding for eligible parents. Sometimes parents are unaware of their family's eligibility or find navigating the subsidy system difficult. Some states also make eligibility for assistance more stringent (e.g., by tightening income eligibility beyond what is required federally and not indexing them to inflation) the impact being that only families with very low incomes would qualify. More restrictive state-level guidelines have the stark consequence of eliminating millions of families from state support (about 30 percent of those federally eligible) even though they would qualify under federal rules.¹⁵

Since most families who pay for care turn to market-based options for child care, parents are subject to the whims of local or regional availability and disparate prices from state to state or even across regions within a state. Researchers and policymakers taking an overly broad view of constraints on ECE affordability (e.g., national-level summaries) miss much of the important constraints families face across states and within sub-regions.¹⁶

Finding affordable, high quality, and accessible child care is relatively rare in the United States.

Our Study

Among families in our study, we expected mothers with multiple young children to have lower odds of steady employment compared to mothers with fewer or no children. Additionally, we expected maternal employment would be shaped by state-level constraints, with lower maternal employment in states with higher child care prices, lower Head Start enrollment, lower child care subsidy prevalence, and less robust state-funded pre-K programming. When government programs offer a more robust slate of child care options, or provide aid to help offset expensive care, we expected beneficial effects on maternal employment. We also hypothesized that state-level conditions would have greater impacts on mothers of multiple children (e.g., those requiring more child care in general) and greater impacts on mothers with less formal education and fewer personal resources to overcome the many challenges posed by high-priced child care.

Results supported our hypotheses. In nearly every state, mothers with three or more children had lower rates of employment than mothers with one or two children. Generally, with each additional child, mothers are less likely to engage in formal employment outside the home.

While states are sometimes characterized along political, cultural, or economic lines, our results demonstrate that states such as California and Texas—often characterized in broad political terms as liberal and conservative, respectively—exhibited similar trends in maternal employment. Thus, factors beyond common state-level stereotypes are associated with actual trends in maternal employment, including maternal characteristics, childcare prices, and availability.

States had major differences in child care prices as a share of family income and childcare investments. Across all states during the years of our study (2012 to 2016), child care prices averaged about 12 percent of family income.¹⁷ Head Start enrollment

Type of analysis: Quantitative

Data source: American Community Survey five-year sample.

Sample definition: Mothers aged 25 to 55.

Time frame: 2012 to 2016.

Limitations: The focus on state-level characteristics of child care do not address the importance of informal child care in supporting maternal employment. Informal care may be especially important for mothers with less formal education and multiple preschool-aged children.

lagged, on average, to the point where only 52 percent of eligible children were enrolled across the country—a figure with wide variability between states. Despite Head Start being a federally supported program, nationwide availability varies to the degree that parents living in some states struggle far more than socioeconomically similar parents in other states, based simply on where they live. Similarly, few families eligible to receive child care subsidies received such support. Access is hindered to such a degree that, nationwide, we found only 11.5 percent of families who qualify for child care subsidies actually received the support. Similarly, less than 14 percent of 3- and 4-year-olds were enrolled in state-funded pre-K nationwide at the time of this study and, again, with major variation between states.

Implications

The absence of a robust national policy infrastructure for child care in the United States stands in stark contrast to other industrialized nations. The expenses and stressors associated with early care and education for U.S. families varies widely from state to state. This crisis of care creates institutional obstacles—especially for mothers looking to work outside the home.

Public investments in child care, on par with other wealthy Western nations, demonstrate strong and positive relationships supporting maternal employment. Inasmuch as all policy is a choice, and therefore can be changed, this research supports robust public investment in child care infrastructure with a focus on state-to-state legislation, infrastructure, price, and availability to benefit children, families, and their communities. ■

Liana Christin Landivar is a faculty affiliate at the Maryland Population Research Center.

William J. Scarborough is associate professor in the Department of Sociology at University of North Texas.

Caitlyn Collins is Associate Professor of Sociology at Washington University in St. Louis.

Leah Ruppanner is Professor of Sociology at the University of Melbourne, Australia.

¹Department of Health and Human Services, (2015). Child Care and Development Fund (CCDF) Program, Proposed Rule, 80 Fed. Reg. 80466-80582. Issued December 24. Child Care for Working Families Act, H.R. 2817. <https://www.congress.gov/bill/117th-congress/house-bill/2817>

²Landivar, L.C., Graf, N. L., & Altamirano Rayo, G. (2023). Childcare Prices in Local Areas: Initial Findings from the National Database of Childcare Prices. https://www.dol.gov/sites/dolgov/files/WB/NDCP/508_WB_IssueBrief-NDCP-20230213.pdf

³Kornich, A., Ruppanner, L., & Lappegård, T. (2020). Spending on children across four countries: Variation in the role of income and women's labor force participation. *Social Politics*, 27(3), 562–587. <https://doi.org/10.1093/sp/jxz053>; Laughlin, L. (2013). Who's minding the kids? Child care arrangements: 2011. Current Population Reports P70-135. Washington, DC: U.S. Census Bureau. <https://www.census.gov/library/publications/2013/demo/p70-135.html>

⁴Rose, K. K. (2016). Childcare in the United States. In: Shehan, C. L. (Ed.). *Encyclopedia of Family Studies*. Wiley Press, Hoboken, NJ; Landivar, L.C., Graf, N. L., & Altamirano Rayo, G. (2023). Childcare Prices in Local Areas: Initial Findings from the National Database of Childcare Prices. https://www.dol.gov/sites/dolgov/files/WB/NDPC/508_WB_IssueBrief-NDPC-20230213.pdf

⁵Landivar, L. C., Scarborough, W. J., Collins, C., Ruppner, L. (2022). Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis. *Social Science Research*, 102, 102627. <https://doi.org/10.1016/j.ssresearch.2021.102627>

⁶Organisation for Economic Co-operation and Development. (2019a). PF3.1: Public spending of childcare and early education. OECD Family Database. https://www.oecd.org/els/soc/PF3_1_Public_spending_on_childcare_and_early_education.pdf; Organisation for Economic Co-operation and Development. (2019b). PF3.2: Enrolment in childcare and pre-school. OECD Family Database, 2020. https://www.oecd.org/els/soc/PF3_2_Enrolment_childcare_preschool.pdf; Is childcare affordable?. Policy Brief on Employment, Labour and Social Affairs. <https://www.oecd.org/els/family/OECD-Is-Childcare-Affordable.pdf>

⁷Hegewisch, A. & Gornick, J. C. (2011). The impact of work-family policies on women's employment: A review of research from OECD countries. *Community, Work & Family*, 14(2), 119–138. <https://doi.org/10.1080/13668803.2011.571395>

⁸Collins, C. (2019). *Making motherhood work. How women manage careers and caregiving*. Princeton University Press: Princeton, NJ.

⁹Chien, N. (2019, January). *Factsheet: Estimates of childcare eligibility and receipt for fiscal year 2015*. U.S. Department of Health and Human Services.

¹⁰Folbre, N. (2008). *Valuing children: Rethinking the economics of the family*. Harvard University Press, Cambridge, MA.

¹¹Heckman, J. J. & Kruger, A. B. (2005). *Inequality in America: What role for human capital policies?* MIT Press Books, Cambridge, MA.

¹²Child Care Technical Assistance Network, Administration for Children & Families, U.S. Department of Health and Human Services. *Fundamentals of CCDF Administration: 12-month Eligibility*. <https://childcareta.acf.hhs.gov/ccdf-fundamentals/12-month-eligibility>

¹³U.S. Government Accountability Office. (2023). *Child care: Subsidy eligibility and use in fiscal year 2019 and state program changes during the pandemic*. Government Accountability Office, Washington, DC GAO-23-106073. <https://www.gao.gov/assets/gao-23-106073.pdf>

¹⁴Herbst, C. (2008). Who are the eligible non-recipients of child care subsidies? *Children and Youth Services Review*, 30(9), 1037–1054. <https://doi.org/10.1016/j.childyouth.2008.01.003>

¹⁵Chien, N. (2019, January). *Factsheet: Estimates of childcare eligibility and receipt for fiscal year 2015*. U.S. Department of Health and Human Services; U.S. Government Accountability Office. (2023). *Child care: Subsidy eligibility and use in fiscal year 2019 and state program changes during the pandemic*. Washington, DC GAO-23-106073.

¹⁶Ruppner, L., Moller, S., & Sayer, L. (2019). Expensive childcare and short school days = lower maternal employment and more time in childcare? Evidence from the American Time Use Survey. *Socius*, 5, 1–14. <https://doi.org/10.1177/2378023119860277>; Landivar, L.C., Graf, N. L., & Altamirano Rayo, G. (2023). Childcare Prices in Local Areas: Initial Findings from the National Database of Childcare Prices. https://www.dol.gov/sites/dolgov/files/WB/NDPC/508_WB_IssueBrief-NDPC-20230213.pdf

¹⁷Landivar, L. C. & Gonalons-Pons, P. (n.d.). Childcare challenges during the pandemic and their impact on parents and care providers. Council on Contemporary Families briefing paper. <https://sites.utexas.edu/contemporaryfamilies/2023/11/14/covid-19-and-gender-equality-symposium-childcare/>