

# **Childcare Affordability and Economic Impact**

## **How rising care costs affect workforce participation in the U.S.**

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# Why Childcare Costs Are a Workforce Issue

- Infant care now rivals housing as one of the top household expenses
- In many states, costs exceed 6% of household income
- Lack of affordable care limits parental, especially maternal, workforce participation
- Childcare is not just a family issue, it's an economic one

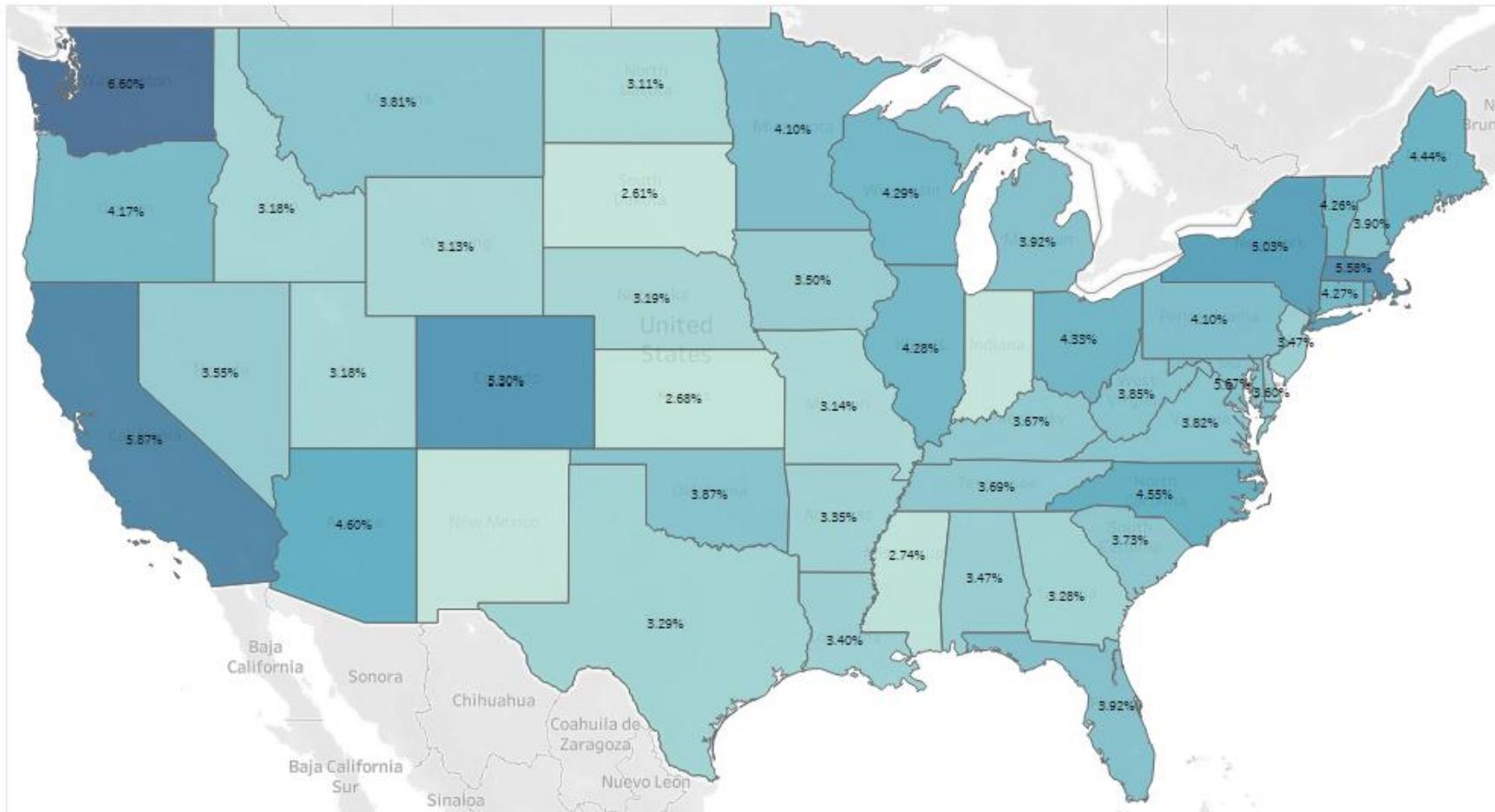


# About the National Database of Childcare Prices

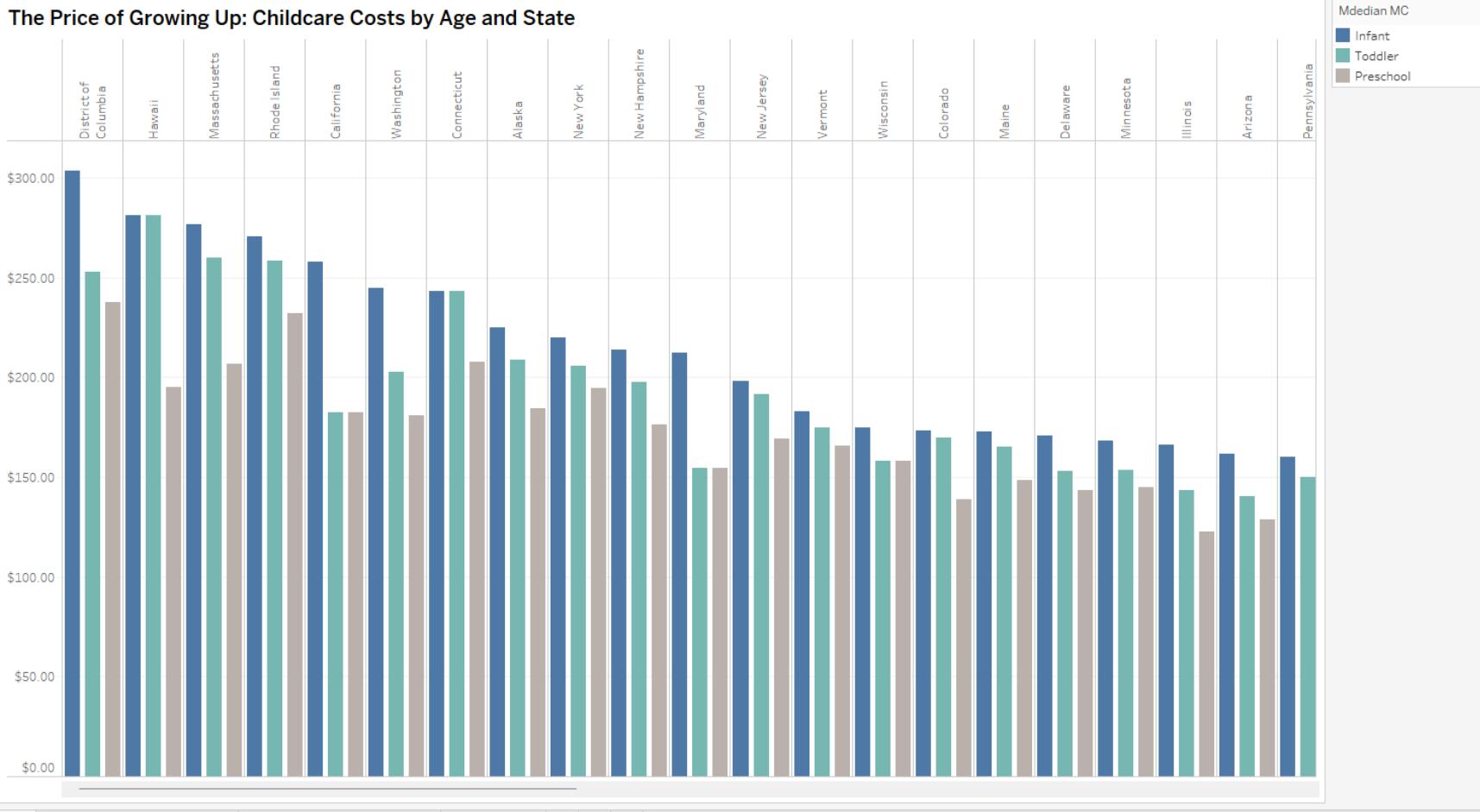
- This analysis uses data from the U.S. Department of Labor's National Database of Childcare Prices, which provides annualized median cost estimates for infant, toddler, and preschool care across U.S. states.
- Additional fields include median household income (MHI) and female labor force participation rates for women ages 20 to 64.
- Affordability was calculated as a percentage of MHI.
- Labor force participation trends were compared against care burden to identify potential correlations.
- Normalized comparisons were used to enable side-by-side visualization of unrelated metrics.

# Where Childcare Costs the Most

In some states, infant care alone exceeds 15–20% of household income

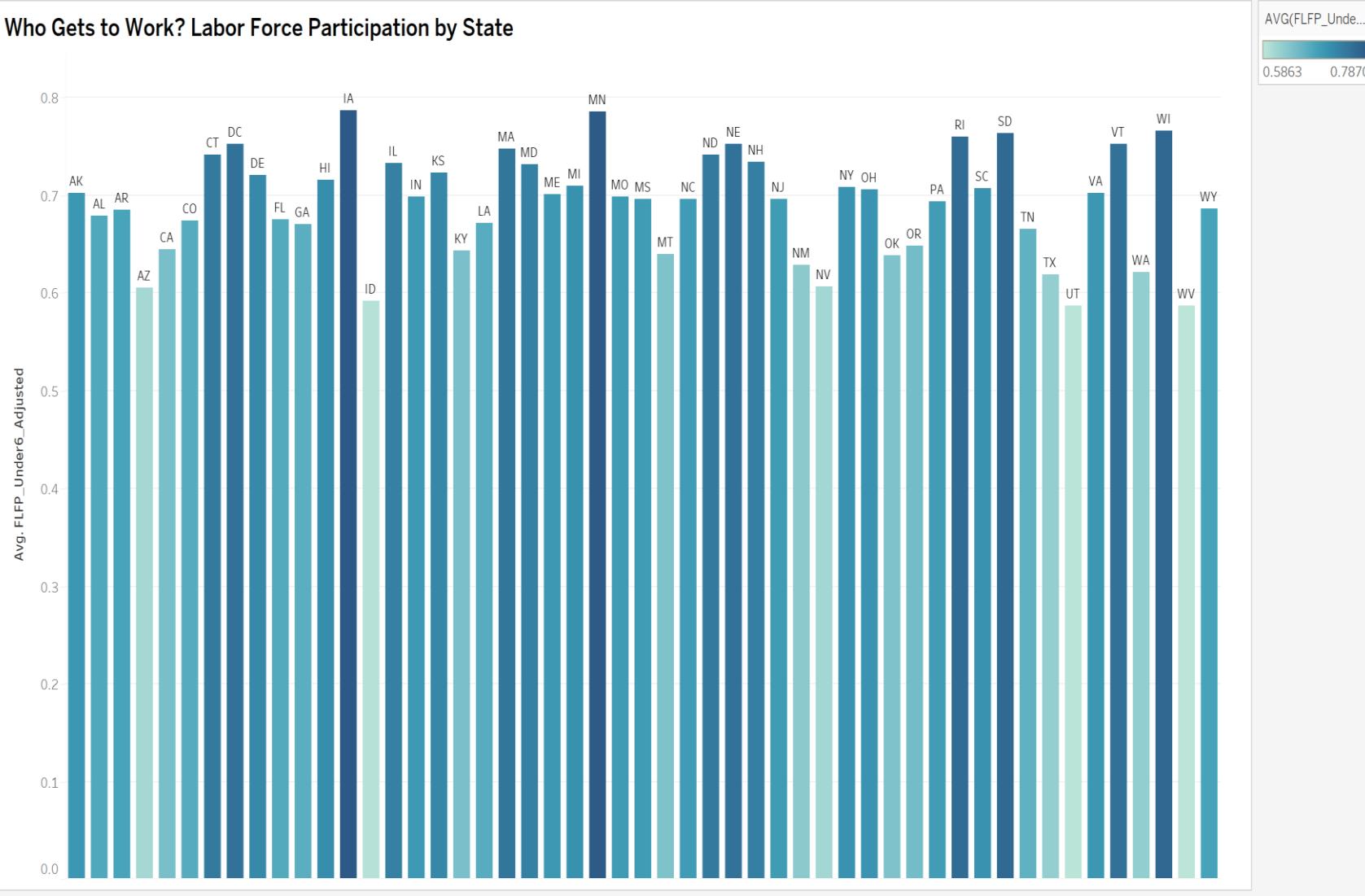


# The Price of Growing Up



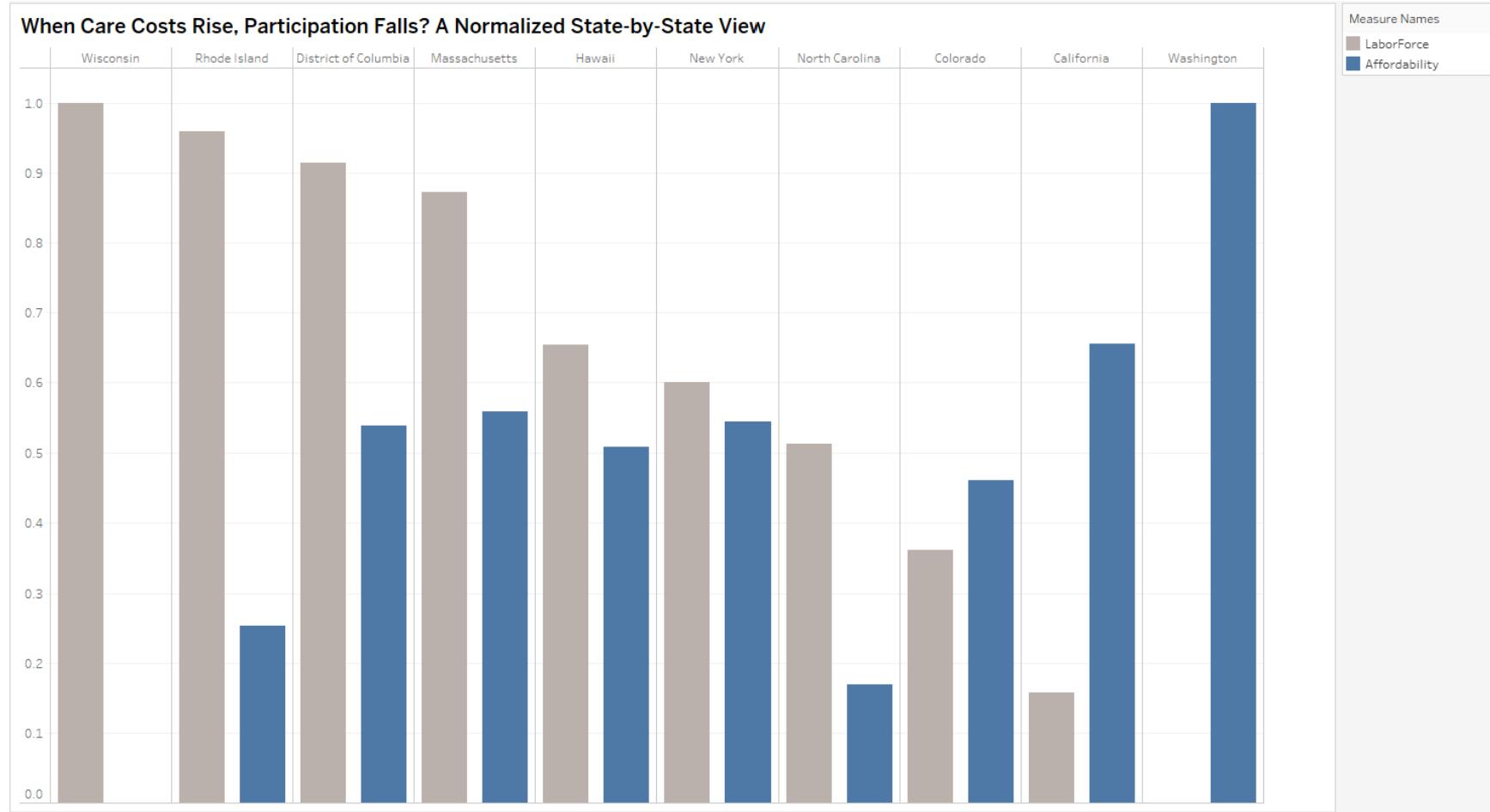
Infant care is the most expensive across all states, followed by toddler and preschool care

## Who Gets to Work? Labor Force Participation by State



# Bar chart – FLFPR (mothers with children under 6)

Labor force participation varies widely by state, possibly reflecting care availability and cost



# When Care Costs Rise, Participation Falls?

An inverse trend emerges higher costs are often linked to lower maternal labor force participation

# What the Data Tells Us

01

Infant care frequently exceeds 6% of income in many states

02

Preschool care is cheaper, but still unaffordable for many

03

States with higher care costs often have lower female labor force participation

04

Data suggests a clear affordability barrier in top-cost states

# Invest in Affordable Childcare

## Support

Support working families by expanding subsidized care

## Boost

Boost workforce participation by reducing affordability gaps

## Strengthen

Strengthen local economies by treating childcare as critical infrastructure

A group of children are sitting on the floor, playing with colorful plastic building blocks. In the foreground, a young child wearing overalls is focused on building a structure. To the left, another child holds a yellow block. Several adults are visible in the background, some sitting and some standing, supervising the play. The setting appears to be a bright, indoor playroom or classroom.

# Questions & Discussion