

Macro Roundup Article

Headline: [How Child Care Impacts Parents' Labor Force Participation](#)

Article Link: <https://www.stlouisfed.org/on-the-economy/2023/jul/how-child-care-impacts-parents-labor-force-participation>

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Publication	Federal Reserve Bank Of St. Louis
Publication Date	July 12, 2023

Tweet: As of February 2023, the labor force participation rate of women with young children has rebounded, despite the cost of childcare rising by 14% vs. pre-pandemic. @stlouisfed @oksana_leukhina

Summary: As of February 2023, the number of child care workers in the U.S. was about 6% below its pre-pandemic level while the cost of child care was up by 14%. The shortage of child care workers and rising child care prices have been deemed partly responsible for the lackluster rebound of labor force participation rates. Consistent with this hypothesis, a larger share of nonworking parents of young children and those working only part time currently report child care needs as the main reason for their low work hours. This fraction increased from about 15% prior to the pandemic to 18% in February 2023. Interestingly, women with a partner and young children—the group we expected to be most sensitive to child care prices—showed the strongest rebound with their LFP index having surpassed its pre-pandemic level. As a result, we do not see clear evidence for weaker labor supply rebounds among households with small children by early 2023.

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Primary Topic: Unemployment/Participation

Topics: Family/Marriage, Op-Ed/Blog Post, Unemployment/Participation

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