

Macro Roundup Article

Headline: [High Childcare Costs Threaten Women's Progress](#)

Article Link: <https://institute.bankofamerica.com/content/dam/bank-of-america-institute/economic-insights/high-childcare-costs-threaten-womens-progress.pdf>

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Tweet: The average cost of childcare is up 32% from 2019, and the share of lower-income customers making childcare payments has dropped 13pp, suggesting the cost of childcare has forced lower-income mothers out of the labor force. @BankofAmerica

Summary: A lack of affordable childcare has likely long been a key driver in the workforce gender gap, but inflationary pressures in the childcare sector are only adding fuel to the fire. The Consumer Price Index showed that prices for daycare and preschool have been rising faster than the general rate of inflation over the past year. Facing these escalating costs, many families are often torn between spending a large portion of their paychecks on such care, finding lower-quality options, reducing work hours, or leaving the workforce altogether to become full-time caregivers. According to Bank of America's 2023 Workplace Benefits Report, 16% of employees reduced their work hours, 11% quit or left the workforce and 9% turned down a promotion due to caregiving responsibilities. Plus, according to the Bureau of Labor Statistics, in January 2024 nearly 3.7% of part-time workers cited "childcare responsibilities" as the reason for not working full-time, up from 3.2% in 2019.

Related Articles: Birth Rates Are Falling In The Nordics. Are Family-Friendly Policies No Longer Enough? and Rising Childcare Costs Starting to Bite and Are Higher Child Care Wages Affecting the Labor Supply?

Primary Topic: Family/Marriage

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

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