

## **Analysis of National Childcare Prices**

### **Introduction**

The cost of childcare has become one of the most significant expenses for American families today, as it is financially comparable to, or even larger than, housing costs. In this analysis, we have tapped the National Database of Childcare Prices to discover patterns of the distribution of costs and how those vary across geography, age, and care type. The analysis generated significant findings that establish the framework for a rich and comprehensive narrative of childcare affordability, which stakeholders will leverage to influence policy changes and improve access to quality care. By paying attention to the systematic review of pricing data concerning geographic disparities and demographic group differences, the analysis will help provide the evidence-based information we need to drive a shift in policy toward state and local decision makers who can bring meaningful change.

### **Summary of Analysis and Findings**

The multi-state analysis of the National Database of Childcare Prices has produced research demonstrating a structural affordability crisis in childcare in the minds of families across the country. Below, we present a few key findings that characterize this landscape.

- There is significant spatial variability in the prices of childcare. The care prices vary considerably across states. Notably, prices can vary significantly within the same regional context, which is not explained entirely by differences in housing costs. In some communities, particularly urban communities, parents can now expect to pay as much or more for a year of childcare than a mortgage payment, which creates tremendous financial pressure. Rural locations are less expensive than urban areas; however, many places have limited availability and access to care.
- We found that childcare prices vary significantly by age, with infant care consistently priced at a premium. The average weekly difference between infant and preschool-aged care can be as substantial as 20-40%. Added to the everyday burdens of parenting new infants, the "infant

penalty" becomes one more burden that new parents are balancing alongside hundreds of other considerations and high-value daily expenses.

- The analysis reaffirmed a consistent pricing distinction when comparing center-based care with family home-based care. Centered based care tends to be at least somewhat more expensive than family home-based care, albeit with significant variability in the combination of contemporary regulations governing quality, affordability, and type of care available amid conflicting definitions on quality and standards in care that all families face when trying to weigh various combinations of difficult choices between affordability, quality and location.

Finally, and most importantly, the economic impact on families is shocking compared to the median household income. Many families, especially those with lower income, spend over 30% of their household income on childcare. This expenditure creates a substantial barrier to economic mobility, requiring parents to make impossible choices of working versus staying home, and ultimately impacting their financial position and opportunity for advancement in their careers.

### **Mediums**

To share these findings with an audience of diverse stakeholders and maximize influence on policy, we created a multi-pronged communications strategy with three different but complementary approaches.

- An interactive policy dashboard to inform state and local policymakers. The policy dashboard allows users to examine trends in childcare costs, demographic relationships, and geographic patterns at the state and county levels. Its interactive filtering options will enable policymakers to produce data visualizations for their specific legislative districts, compare urban and rural disparity, and consider affordability in the context of various family incomes. The dashboard helps policymakers with evidence-informed decision-making by providing custom, granular insights that pertain to individual constituencies.

- Developed an infographic advocacy series to engage the general public and diverse parent advocacy groups. Infographics are formatted to maximize social media impact and are typically prominent in the policy brief format. The infographic series flashes the most critical findings in a visually salient and digestible manner. The series contains infographics demonstrating the overall cost crisis, juxtaposing childcare costs with other significant household costs (e.g., college tuition), and pointing to clear policy solutions. By stripping out unnecessary text while relying on a clear visual hierarchy, the series aims to rally public support and raise public awareness.
- A PowerPoint presentation is a systematic, data-based way to provide a briefing in formal policy contexts. This format enables a concise executive summary of the analysis and guides stakeholders from identifying the problem we want to fix, all the way to a proposed solution. It provides numerous data visualizations that create a compelling narrative, including regional differences in heatmaps and comparisons of childcare costs relative to household income on even simple charts, contributing to the overall effectiveness of the presentation. The presentation aims to foster a good conversation and help stakeholders orient towards decision-making that leads to policy action.

### **Assumptions**

We built this analysis on three primary assumptions.

- We assume that the information obtained from the National Database of Childcare Prices will represent market prices dictated by standard market rates, versus price discounts made possible through subsidies and other financial assistance programs.
- We assume the missing values in the price data are missing at random and not missing due to a systematic bias. A third core assumption is that the data collection method was applied consistently across all geographical markets; therefore, comparisons between regions are appropriate.

- All prices reported in the childcare prices database occurred in the same period, so contemporary comparative price reflection is appropriate.

These assumptions support our use of spaces and demographic comparisons with all the data, notwithstanding the limitations of the data.

### **Direction of Story**

The narrative approach centers on the underlying message that high childcare costs significantly block economic mobility and workforce participation, warranting immediate systemic policy action. The narrative transitions from identifying the problem to offering a clear solution. It first describes how high costs create impossible choices for families, especially middle- and lower-income families. It does this by comparing childcare costs to other critical household expenses, including housing, transportation, and healthcare so that they can understand the gravity of the crisis in a relatable context.

The narrative then demonstrates how a financial burden exacerbates inequality, limits the participation of females in the labor force, and stifles overall economic growth. The targeted audience for this story is primarily state and local policymakers, such as state legislators, mayors, and policy advisors, who can regulate and fund childcare. This audience is likely moderately familiar with data on economic issues but may not have a keen understanding of the intricacies of the childcare marketplace. We developed the story knowing that the audience works within competing priorities and limited public resources, so we based the story on simple, data-based evidence. The proposed action and solutions are systemic, meaning a wider acceptance of the demand for expanded childcare subsidies, improved childcare tax credits, and employer-paid childcare.

### **Ethical Considerations**

Several ethical considerations guided this analysis to ensure transparency and trustworthiness. We made no changes to any of the underlying price data. Any aggregation or interpretation of the data differs from how we manipulate the data. Subsequently, all data forms of report and visualization were

direct, clear, and straightforward about the data source, such as the National Database of Childcare Prices (NDCCP), and were clear about the analytical methods used and the assumptions made. There may not be legally binding guidelines that govern this analysis, but it certainly meets high standards as it applies accuracy and transparency in policy research.

A significant risk will be misunderstanding this analysis, such as improperly attributing the regional disparities' causation to the price elasticity alone, failing to consider the local economic context, or incorrectly implementing a complex policy solution. To safeguard against this, we present this analysis with sufficient contextual detail and a clear statement of limitations.

Aspects of the data are credible due to the established institution's reputation, as it relates to the data as cited. Still, direct assessment of the data collection process would add further findings. In conclusion, the discussion clearly states the assumptions made, identifies data limitations, allows easy and reasonable discernment of attributions, and stands as an ethical examination and responsible basis for policy discussion.

### **Lessons Learned**

The project provided good learning opportunities from an analytical and communication perspective. The most fulfilling part of this project was translating complex data into an engaging and accessible policy narrative. I particularly enjoyed putting together the data visualizations related to this project, which emphasized finding the right balance between demonstrating the analytical complexity of the data and the clarity of presentation; this articulated the capacity for effective communication design to connect data and policy implementation. The project positively reinforced the importance of clear communication of data design to advocate for critical social issues and prioritize the discussions that advance evidence and research related to family economic security.

In terms of improving upon the experience, a more comprehensive data verification process would strengthen the project. In this case, speaking directly with the persons responsible for

administering the database helped us better understand how and when they collected the data. Additionally, we were able to include data on the subsidy programs that families have the option of. In that case, it may have provided a more accurate assessment of how much care costs them. Also, if we could include data measuring quality of care alongside costs, we could have given more detail and made more robust policy recommendations. If we could have included these two improvements, it would have added more depth to the 'landscape' of childcare and facilitated more targeted and effective interventions.

### **Conclusion**

The comprehensive analysis of the National Database of Childcare Prices shows us an important fact: the United States has an urgent childcare affordability crisis that harms the economic security of many families and the national economy.

Our analysis illustrates that high costs, significant geographic and age-based price differences, and a strikingly unsustainable proportion of monthly income paid towards childcare costs for low- and middle-income households are not one-off issues, but systemic problems that need a systemic address.

Through various communications vehicles, this research presents data and narratives to help policymakers, advocates, and the public understand the urgency of the issues to advance a path forward. It will take bold and coordinated systemic changes, including increasing subsidies and tax credits and building childcare infrastructure, to address the needed timing and scale of change.

By presenting significant amounts of data in a tangible and not overly complex narrative, we can call for a meaningful collaborative effort so that all families can access affordable, quality childcare and unlock future economic opportunity for generations.