The Economic Role of Paid Child Care in the U.S.

FACT SHEET

Washington, D.C.

One of the most fundamental roles played by child care is enabling parents to participate in the labor force. To support employment, parents choose from a range of child care options both paid and unpaid. Understanding who uses paid care and factors related to the use of paid care can be helpful in supporting strategies related to economic recovery and growth.

Use of Paid Child Care in Washington, D.C.

- Since the World Health Organization (WHO) declared the coronavirus (COVID-19) outbreak a global pandemic on March 11, 2020, both labor force participation and use of paid child care has been impacted in the U.S. – varying by state.

By the numbers,

- The number of children 14 and younger in paid child care declined from 38,989 in 2019 to 31,048 in 2020.
- The number of children under age 5 in paid child care declined from 18,322 in 2019 to 11,941 in 2020.
- The number of school-age children in paid child care declined from 20,668 in 2019 to 19,107 in 2020.

By the percentages,

- The share of children 14 and younger in paid child care declined from 34.3% in 2019 to 27.1% in 2020.
- The share of children under age 5 in paid child care declined from 45.7% in 2019 to 31.0% in 2020.
- The percentage of school-age children in paid child care declined from 28.1% in 2019 to 25.1% in 2020.

Trends in the Use of Paid Child Care in Washington, D.C.

- The overall share of children age 14 and younger averaged 28.4% in paid care from 2011 to 2020 and 20.9% from 2001 to 2010.
- Among children under age 5, use of paid child care averaged 37.7% between 2011 to 2020 and 29.3% from 2001 to 2010.
- Among school-age children, use of paid child care averaged 22.4% between 2011 to 2020 and 16.0% from 2001 to 2010.

Labor Force Participation of Mothers in Washington, D.C.

- Labor force participation of mothers with children age 14 and younger was 81.9% in 2019 declining to 73.2% in 2021.
- Labor force participation of mothers with children under age 5 was 89.5% in 2019 declining to 81.7% in 2021.

Use of Paid Care is Related to Family Income in Washington, D.C.

- Households with children in paid care had average reported income of $271,570 in 2020 and $272,005 in 2019.
- In 2020, the income for families with children age 14 and younger using paid care was $119,680 higher than families with children of that age not using paid care. In 2019, the income gap was $132,717.
- In 2020, the income for families with children under age 5 using paid care was $132,584 higher than families with children under age 5 not using paid care. In 2019, the income gap was $152,921.

Child Care Expenses as a Share of Income in Washington, D.C.

- In 2019, the average family with children age 14 and younger spent 6.4% of household income on paid care. In 2020, the percent of income spent on child care was 5.2%.
- In 2019, the average family with children under age 5 spent 7.0% of household income on paid care. In 2020, the percent of income spent on child care was 6.2%.

Families Not Using Paid Care in the U.S.

- It is unclear whether families with children not using paid care prefer other arrangements, cannot afford child care amidst other household expenses, or the supply of child care in their community falls short of meeting the need.

Note: Data for this analysis is from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) sponsored jointly by the U.S. Census Bureau and U.S. Bureau of Labor Statistics. Child care usage was first surveyed in the CPS ASEC in 2001, while child care expenditures were first collected in 2010. The underlying CPS data used in the analysis are extracted from the IPUMS-CPS database maintained by the Minnesota Population Center at the University of Minnesota.

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