

# *Too Costly to Work? The Childcare Burden on Household Earnings*

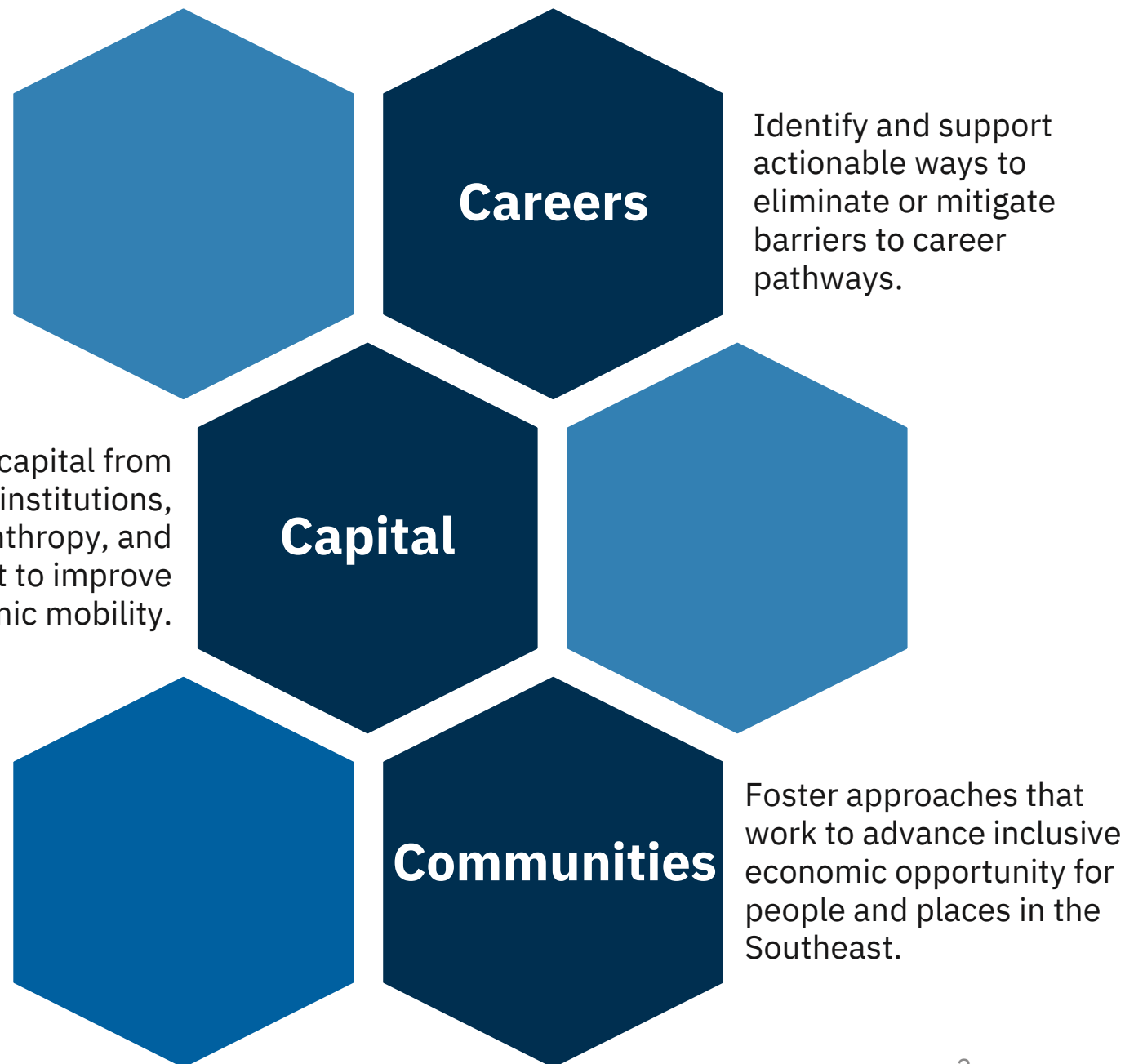
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1

The Atlanta Fed's Community and Economic Development (CED) function supports the Central Bank's mandate of stable prices and maximum employment by helping improve the economic opportunity of low- and moderate-income (LMI) individuals and underserved places for a stronger economy for all Americans. Community development is one of the Federal Reserve's core functions and this responsibility is rooted in its mandates from Congress.

Across all areas, we will gather objective and varied perspectives for a better understanding of the experiences of low-income individuals and communities to shape our work.

Help align capital from financial institutions, philanthropy, and government to improve economic mobility.



# Primary Issue

- Two southeastern states, Florida and Georgia, have several of the country's fastest growing metro areas.
- Adequate labor supply is going to be critical to support that growth.
- High child care costs have the potential to be an impediment to labor supply.
- High-growth metropolitan areas could constrain their expansion if workers in occupations that are in high demand and important for community development and business objectives cannot afford to live and work in these communities because of high child care costs.

# Child Care Affordability Research Questions

The primary aim of this research is to understand the extent to which child care affordability constraints may pose a potential *barrier to work* for families with young children. The specific research questions guiding this work are as follows:

- In select high-growth communities in FL and GA with current and anticipated labor supply demand, what are the likely child care costs for working families with young children?
- Using median wages for select in-demand occupations, what proportion of household income would likely be spent on child care?






# Parents in the Labor Force

- In 2024, nearly 1 in 5 prime-age adults (ages 25 to 54) in the U.S. had a young child (under 6) living with them. Nationally, that's about 24.4 million people.\*
- In Q1 2023, there was a noticeable uptick in the labor force participation rate among women aged 25 to 54, reaching record levels, particularly among those with children under the age of 4.\*\*
- In 2024, 16% of mothers with young children (under 6) who wanted to work indicated they were not actively looking for a job because they couldn't arrange child care.\*

\*Source: *The Economics of Child Care*, Federal Reserve Bank of St. Louis

\*\*Source: *The Economics Daily*, U.S. Bureau of Labor Statistics

# Selected Geographies, Occupations, & Family Compositions

<b>Chatham Co.</b> Savannah, GA 	<b>Duval Co.</b> Jacksonville, FL 	<b>Fulton Co.</b> Atlanta, GA 	<b>Hillsborough Co.</b> Tampa, FL 	<b>Miami-Dade Co.</b> Miami, FL 	<b>Orange Co.</b> Orlando, FL 
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**Foundational**

Customer Service Representative

Driver/Sales Workers & Truck Drivers

Laborers and Material Movers

**Essential**

Childcare Workers

Police Officers

Teachers

Registered Nurses

Firefighters


















Home Health Aides

**Community Selected**

Hotel, Motel & Resort Desk Clerks

Waiters and Waitresses

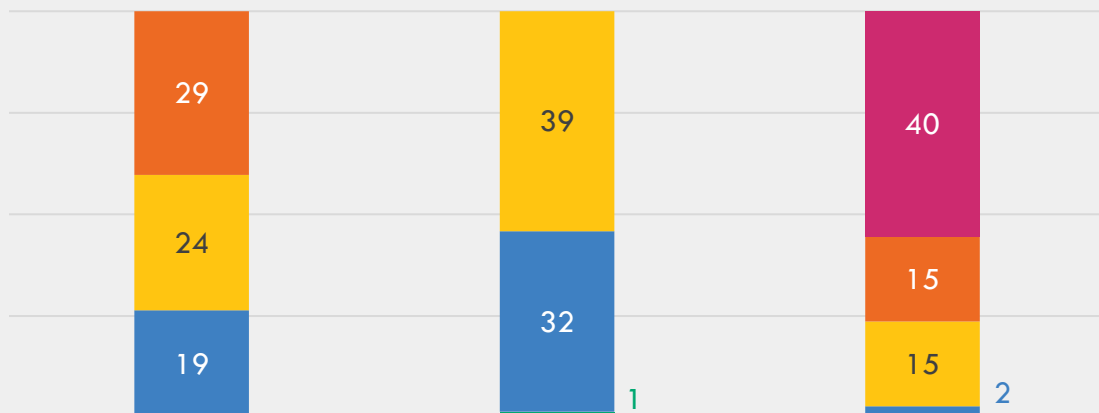
Building Cleaner

1 Adult Working 1 Infant in Care  	1 Adult Working 1 3YO in Care  	1 Adult Working 1 Infant + 1 3YO in Care   	2 Adults Working 1 Infant in Care   	2 Adults Working 1 3YO in Care   	2 Adults Working 1 Infant + 1 3YO in care    
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# Household Proportion of Income on Child Care Across the 12 Occupations and 6 Geographies

## One Worker Scenarios

Each Bar Includes 72 Scenarios  
(12 Occupations x 6 Geographies)



One Earner w/ Infant

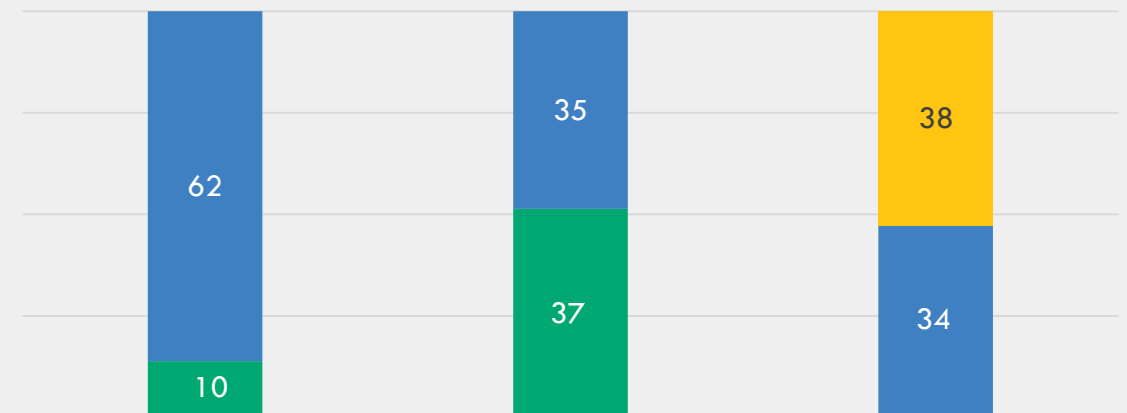
One Earner w/ 3 YO

One Earner w/ Infant and  
3YO

- <10% of Income
- 10% to 25% of Income
- 25% to 40% of Income
- 40% to 60% of Income
- 60%+ of Income

## Two Worker Scenarios

Each Bar Includes 72 Scenarios  
(12 Occupations x 6 Geographies)



Two Earners w/ Infant

Two Earners w/ 3 YO

Two Earners w/ Infant and  
3YO

- <10% of Income
- 10% to 25% of Income
- 25% to 40% of Income
- 40% to 60% of Income
- 60%+ of Income

Source: Author's calculations

# Miami Dade County, Florida – HPI by Occupation and Family Type

## Selected One Earner Occupational Scenarios

(Household Proportion of Income Dedicated to Child Care)

	One Earner w/ Infant	One Earner w/ 3-Year-Old	One Earner w/ Infant and 3-Year- Old
Childcare Workers	44.4%	31.6%	76.1%
Building Cleaning Workers	44.4%	31.6%	76.0%
Home health and personal care aides	43.9%	31.2%	75.1%
Waiters and Waitresses	41.9%	29.8%	71.7%
Hotel, Motel, and Resort Desk Clerks	40.4%	28.7%	69.1%
Laborers and Material Movers	39.6%	28.2%	67.8%
Customer Service Representatives	35.7%	25.4%	61.0%
Driver/Sales Workers + Truck Drivers	30.0%	21.3%	51.3%
Teachers	27.0%	19.2%	46.3%
Firefighters	17.4%	12.4%	29.9%
Registered Nurses	15.9%	11.3%	27.1%
Police Officers	14.3%	10.2%	24.5%

## Selected Two Earner Occupational Scenarios

(Household Proportion of Income Dedicated to Child Care)

	Dual Earners w/ Infant	Dual Earners w/ 3-Year-Old	Dual Earners w/ Infant and 3-Year- Old
Childcare Workers	16.6%	11.8%	28.4%
Building Cleaning Workers	16.6%	11.8%	28.4%
Home health and personal care aides	16.5%	11.8%	28.3%
Waiters and Waitresses	16.2%	11.6%	27.8%
Hotel, Motel, and Resort Desk Clerks	16.0%	11.4%	27.4%
Laborers and Material Movers	15.9%	11.3%	27.2%
Customer Service Representatives	15.2%	10.8%	26.0%
Driver/Sales Workers + Truck Drivers	14.1%	10.0%	24.1%
Teachers	13.4%	9.5%	22.9%
Firefighters	10.5%	7.5%	18.0%
Registered Nurses	9.9%	7.1%	17.0%
Police Officers	9.3%	6.6%	15.9%

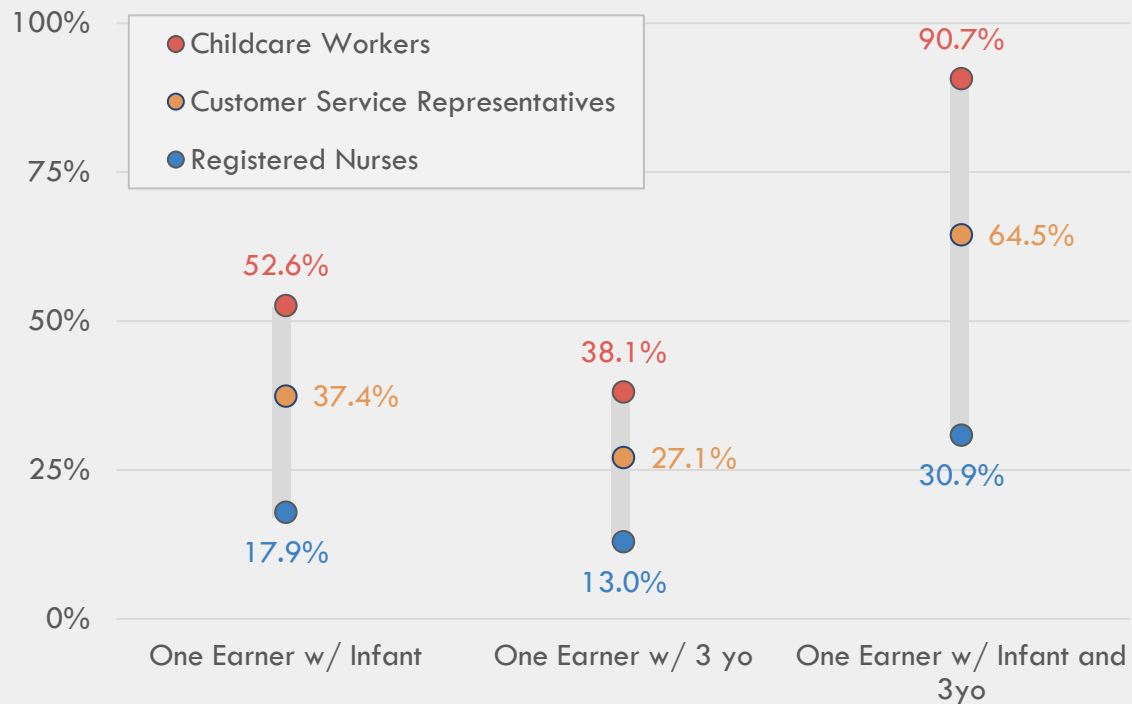
■ <10% of Income    
 ■ 10% to 25% of Income    
 ■ 25% to 40% of Income    
 ■ 40% to 60% of Income    
 ■ 60%+ of Income

Sources: Childcare Market Rate Survey, Lightcast, and 2023 ACS 1-year estimates

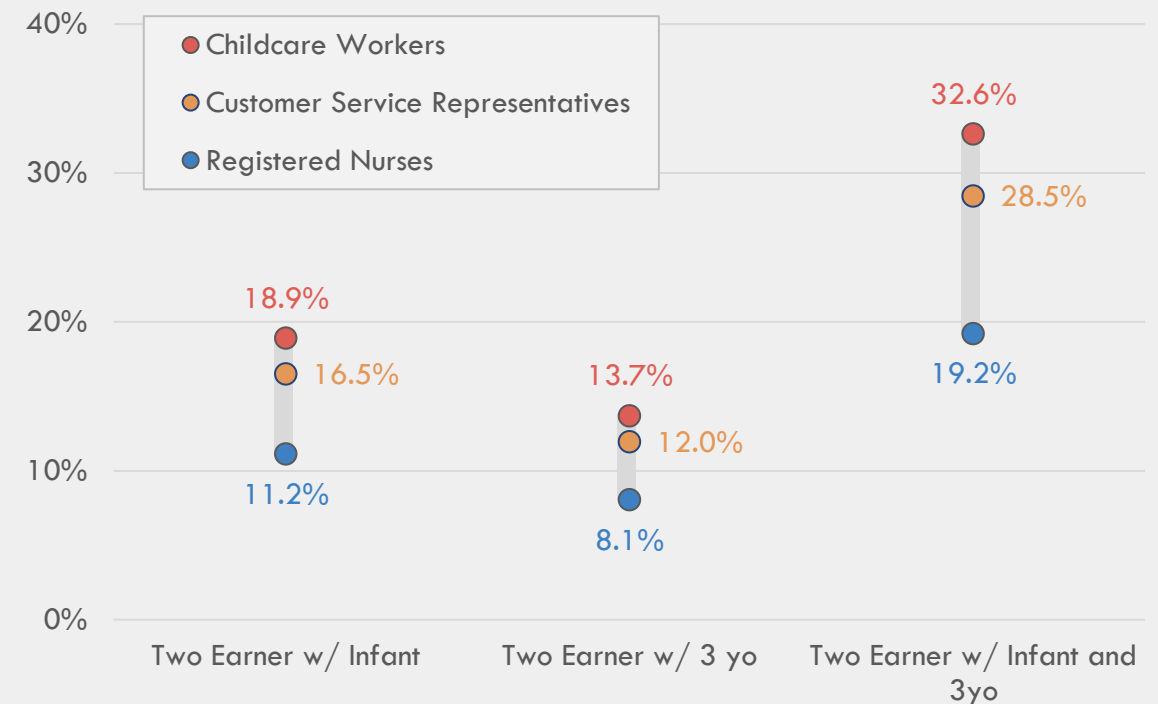


# Hillsborough County, Florida

**Selected One Earner Occupational Scenarios**  
(Household Proportion of Income Dedicated to Child Care)



**Selected Two Earner Occupational Scenarios**  
(Household Proportion of Income Dedicated to Child Care)



Source: Author's calculations

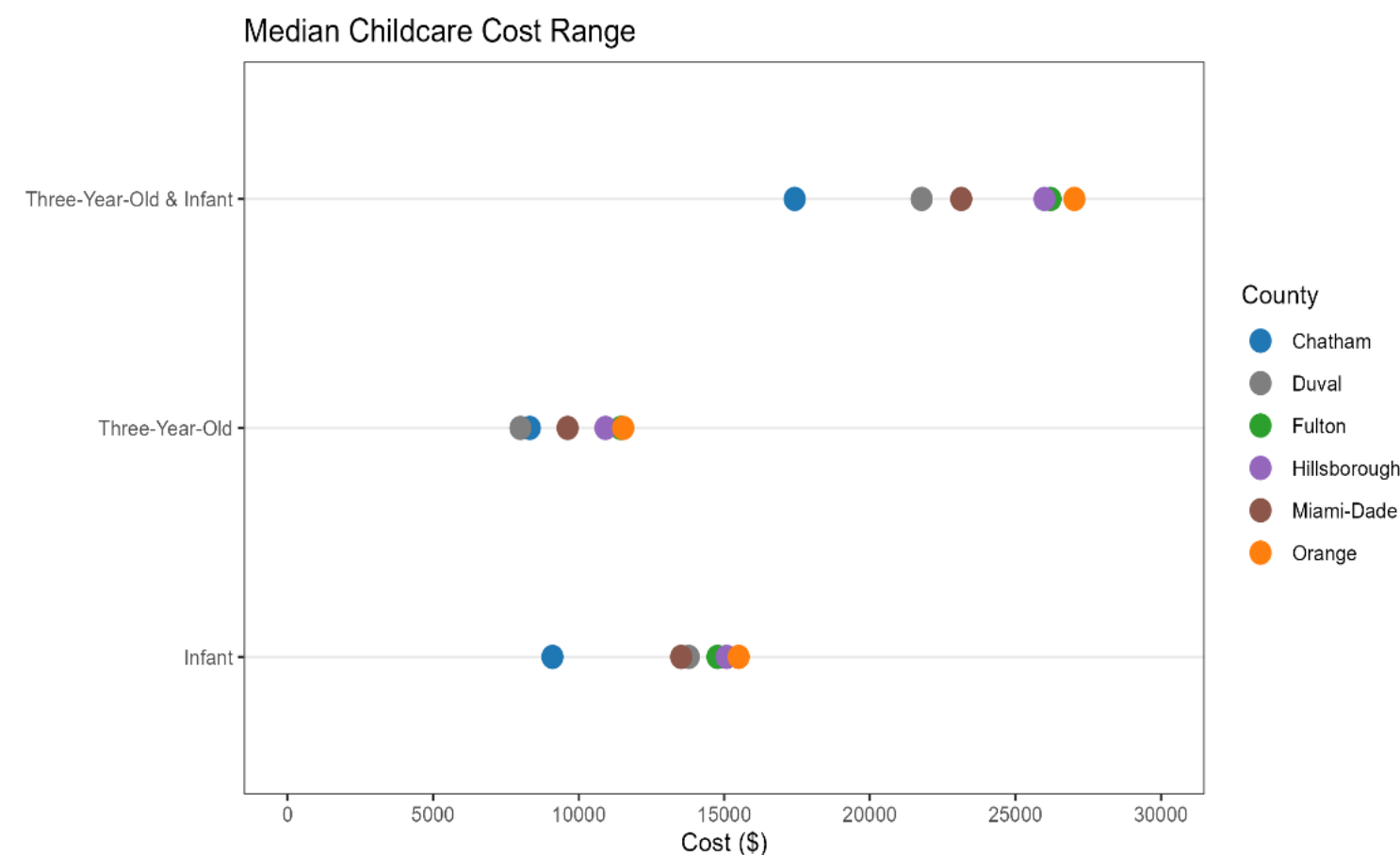
# Hillsborough County, Florida

**Customer Service Representative Expenses for Households with an Infant**



Source: ALICE, Child Care Market Survey, Lightcast, and 2023 ACS one-year estimates

# Median Childcare Costs Range by Type of Care and County



Sources: Childcare Market Rate Survey and authors calculations

# Key Findings

- The analysis provides comprehensive quantitative evidence of the substantial childcare affordability challenges facing working families in high-growth metropolitan areas of Florida and Georgia.
- The analysis reveals that childcare costs consume a disproportionate share of household income, particularly for single-earner families and those employed in lower-wage occupations essential to community functioning.
- Childcare affordability varies dramatically by occupation and family structure.
- Regional variations in costs and wages create differential impacts across metropolitan areas.

# Takeaways for Practice:

Employers, workforce intermediaries, and other community social service organizations can use this analysis to better understand the potential financial constraints for workers with young children and consider strategies that might help attract and retain employees by addressing childcare affordability challenges.

Community and state leaders focused on economic development, economic mobility, and strategies for meeting the talent needs of employers can use this analysis to better understand and address the potential childcare affordability constraints that can affect labor force participation.

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