

New estimates of child care affordability for working parents, nationally and by state, income and race/ethnicity

Full-time working parents need help to cover the costs of center- or home-based child care.

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As policymakers debate budgets that include child care funding, this fact sheet provides new estimates of child care affordability, a challenge that affects most families and disproportionately affects lower income, Black and Hispanic working parents. We use the federal affordability benchmark, which defines child care as affordable when it costs no more than 7% of family income.

About 75% of parents with children under the age of 14 work full time and year round, fueling a need for child care.¹ Yet, child care prices are rising faster than family income.² Absent large policy changes, families must make trade-offs that can affect their employment, finances and children's wellbeing.

National estimates

On average, parents working full time and year round would need to spend 11% of their income on full-time center-based care and 10% on home-based care (Exhibit 1). These figures are well above the federal benchmark of 7%. The financial strain is even greater for low-income parents: center-based child care would consume 34% of their income; home-based care, which is less expensive on average, still would take up 30% of their income—more than four times the affordability threshold (Exhibit 1). Nearly all (99%) of these working parents face costs above the 7% federal benchmark. Many Black and Hispanic working parents face unaffordable care, too: 77% of Black and 83% of Hispanic parents working full time and year round face center-based care costs above the 7% benchmark (Exhibit 2).

Exhibit 1. Child care price-to-income ratio for working parents, by family income level

	All working parents	Low-income parents
Center-based care	11%	34%
Home-based care	10%	30%

Sources: Authors' calculations using U.S. Census Bureau *Current Population Survey AESC*, 2020-2024³ and U.S. Department of Labor *National Database of Child Care Prices*, 2020-2022.

Exhibit 2. Share of working parents who would spend more than the 7% federal benchmark for child care, by family income level and race/ethnicity

	All	Low-income	White	Black	Hispanic	Asian
Center-based care	70%	99%	67%	77%	83%	58%
Home-based care	65%	99%	61%	72%	79%	46%

Note: Asian includes Pacific Islander and Hispanic includes any race.

Sources: Authors' calculations using U.S. Census Bureau *Current Population Survey AESC*, 2020-2024 and U.S. Department of Labor *National Database of Child Care Prices*, 2020-2022.

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State estimates

Center-based child care prices as a share of income vary for parents across states, but nearly all exceed the 7% benchmark. In the five states with the highest center-based child care burdens—Vermont, Minnesota, Nevada, Wisconsin and Montana—working parents would need to devote at least 14% of their income to pay for care. For low-income working parents, the burden is much higher. In Vermont, New Hampshire and Wisconsin, the child care burden for low-income parents is more than 50%, and in 33 states, it is more than 30% (Exhibit 3 and Appendix).

Home-based child care is overall less expensive, although the price as a share of income still exceeds the 7% benchmark in 45 states. In six states, the price of care as a share of income is 12%. For low-income working parents, burdens are again much larger, with Wisconsin, Vermont, Washington and Massachusetts exceeding 40% (Exhibit 3 and Appendix). State-level estimates by race and ethnicity will be included in a forthcoming brief; preliminary data are available upon request.⁴

Exhibit 3. Highest child care price-to-income ratios for working parents, by state

All working parents		Low-income working parents	
<i>Center-based care</i>		<i>Center-based care</i>	
Vermont	17%	Vermont	61%
Minnesota	16%	New Hampshire	53%
Nevada	16%	Wisconsin	52%
Wisconsin	14%	District of Columbia	46%
Montana	14%	Montana	46%
<i>Home-based care</i>		<i>Home-based care</i>	
Nevada	12%	Wisconsin	46%
Colorado	12%	Vermont	45%
Wisconsin	12%	Washington	44%
Rhode Island	12%	Massachusetts	42%
Vermont	12%	New Hampshire	40%

Sources: Authors' calculations using U.S. Census Bureau *Current Population Survey AESC*, 2020-2024 and U.S. Department of Labor *National Database of Child Care Prices*, 2020-2022.

Discussion

The cost of child care remains a major concern for working families with young children, especially among lower income, Black and Hispanic families.⁵ Yet, child care subsidy programs are not funded to serve all children from families who meet the eligibility requirements.⁶ Following historic pandemic-era investments in the child care sector, temporary relief funds are expiring—leaving families and providers under renewed financial pressure. Now more than ever, sustained federal and state investments in comprehensive, meaningful child care assistance are urgently needed. Targeting funding to working families who cannot afford even the median price of care is essential to expanding equitable access and ensuring that all children can benefit from high-quality programs.⁷

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- ¹ Walters, A. N., Joshi, P., & Shafer, L. (2025, forthcoming). Child care remains unaffordable for many working parents. diversitydatakids.org and Boston University.
- Baldiga, M., Joshi, P., Hardy, E., & Acevedo-Garcia, D. (2018). Data-for-Equity Research Brief: Child Care Affordability for Working Parents. Institute for Child, Youth and Family Policy. <https://www.diversitydatakids.org/research-library/research-brief/child-care-affordability-working-parents>
- ² Gascon, C. S., & Werner, D. (2022). Pandemic, Rising Costs Challenge Child Care Industry. <https://www.stlouisfed.org/publications/regional-economist/2022/jan/pandemic-rising-costs-challenge-child-care-industry>
- ³ Flood, S., King, M., Rodgers, R., Ruggles, S., Warren, J. R., Backman, D., Chen, A., Cooper, G., Richards, S., Schouweiler, M., & Westberry, M. (2024). IPUMS CPS: Version 12.0 [dataset]. [Dataset]. IPUMS. <https://doi.org/10.18128/D030.V12.0>
- ⁴ Walters, A. N., Joshi, P., & Shafer, L. (2025, forthcoming). Child care remains unaffordable for many working parents. diversitydatakids.org and Boston University.
- ⁵ Braga, D. (2022). One-in-four U.S. parents say they've struggled to afford food or housing in the past year. Pew Research Center. <https://www.pewresearch.org/short-reads/2022/12/07/one-in-four-u-s-parents-say-theyve-struggled-to-afford-food-or-housing-in-the-past-year/>
- ⁶ Chien, N. (2024). Estimates of Child Care Subsidy Eligibility & Receipt for Fiscal Year 2021. Assistant Secretary for Planning and Evaluation U.S. Department of Health and Human Services.
- ⁷ Joshi, P., Halle, T., Ha, Y., Henly, J. R., Nores, M., & Senehi, N. (2025) "Advancing Research on Equitable Access to Early Care and Education in the United States." *Early Childhood Research Quarterly* 71: 145–50. <https://doi.org/10.1016/j.ecresq.2024.12.009>.

Appendix

Data and Methods

We used data from the 2020-2024 U.S. Census Bureau's Current Population Survey Annual Social and Economic Supplement (CPS ASEC). Our analytical sample includes 86,572 parents working full time and year round with four or fewer children, at least one of whom is under age 14. We excluded parents whose estimated child care prices exceeded their total annual family income. Low income working parents are those whose family income is less than 200% of the official federal poverty line. To assess child care prices, we used the 2020-2022 U.S. Department of Labor Women's Bureau National Database of Child Care Prices (NDCP). We adjusted the 2022 price data to reflect 2023 and 2024 prices using the Consumer Price Index for day care and preschool. The NDCP provides state-level median weekly prices for full-time child care in both center- and home-based settings. It includes care for infants (under age 2), toddlers (age 2), preschoolers (ages 3-4), and school-age children (ages 5-13). To estimate price to income ratios for working parents, we assigned full-time child-care prices to each child under 14 in the family and divided total child care costs by family income. Our estimates reflect the cost of full-time care in the formal market and do not include unpaid or informal care arrangements. To create national and state estimates, we used the CPS entropy balance weights for survey years 2020 and 2021 and ASEC weights for survey years 2022-2024.

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State Estimates

Exhibit A1. Child care price-to income ratio for working parents, by state and income status

State	Center-based care		Home-based care	
	All	Low-income	All	Low-income
Alabama	10%	25%	10%	26%
Alaska	11%	44%	10%	39%
Arizona	12%	37%	10%	31%
Arkansas	10%	28%	8%	23%
California	13%	40%	11%	36%
Colorado	14%	42%	12%	36%
Connecticut	11%	29%	10%	32%
Delaware	10%	36%	8%	28%
District Of Columbia	11%	47%	9%	33%
Florida	11%	30%	10%	28%
Georgia	9%	23%	8%	20%
Hawaii	5%	15%	12%	34%
Idaho	11%	31%	10%	27%
Illinois	7%	26%	5%	20%
Iowa	10%	32%	9%	26%
Indiana
Kansas	8%	25%	7%	22%
Kentucky	9%	26%	8%	22%
Louisiana	11%	32%	10%	29%
Maine	13%	39%	11%	35%
Maryland	12%	43%	9%	38%
Massachusetts	12%	42%	11%	43%
Michigan	10%	35%	11%	37%
Minnesota	16%	46%	10%	35%
Mississippi	10%	24%	6%	14%
Missouri	12%	39%	9%	30%
Montana	14%	45%	12%	39%
Nebraska	14%	41%	11%	32%
Nevada	16%	41%	12%	33%
New Hampshire	13%	53%	11%	39%
New Jersey	9%	39%	8%	37%
New Mexico
New York	14%	43%	11%	36%

New estimates of child care affordability for working parents, nationally and by state, income and race/ethnicity

State	Center-based care		Home-based care	
	All	Low-income	All	Low-income
North Carolina	8%	26%	10%	29%
North Dakota	12%	43%	10%	37%
Ohio	13%	40%	11%	38%
Oklahoma	12%	32%	10%	27%
Oregon	7%	30%	9%	35%
Pennsylvania	12%	40%	10%	35%
Rhode Island	7%	25%	12%	39%
South Carolina	11%	29%	7%	20%
South Dakota	10%	27%	8%	24%
Tennessee	8%	22%	8%	25%
Texas	11%	32%	10%	29%
Utah	11%	35%	10%	31%
Vermont	17%	61%	12%	45%
Virginia	10%	33%	9%	29%
Washington	12%	45%	11%	43%
West Virginia	12%	33%	11%	31%
Wisconsin	14%	52%	12%	46%
Wyoming	10%	31%	10%	28%

Note: New Mexico and Indiana are excluded from this analysis due to missing child care price data in those states.

Sources: Authors' calculations using U.S. Census Bureau *Current Population Survey AESC*, 2020-2024 and U.S. Department of Labor *National Database of Child Care Prices*, 2020-2022.

About

diversitydatakids.org is a project of the Institute for Equity in Child Opportunity & Healthy Development at Boston University School of Social Work. Support was provided by the W. K. Kellogg Foundation and the Robert Wood Johnson Foundation. Contact us info@diversitydatakids.org.