EARLY CHILDHOOD POVERTY TRACKER

JULY 2021

CHILD CARE AFFORDABILITY, ACCESSIBILITY, AND THE COSTS OF DISRUPTION

JULY 2021
CONTRIBUTORS

KATHRYN M. NECKERMAN
JEANNE BROOKS-GUNN
SOPHIE COLLYER
ELIZABETH DORAN
YAJUN JIA
LAUREN KENNEDY
MATTHEW MAURY
CHRISTOPHER WIMER
JANE WALDFOGEL
INTRODUCTION
Starting in March 2020, COVID-19 dramatically shifted the lives, work, and caregiving responsibilities of families across the country. Stay-at-home orders closed many workplaces, schools, and child care providers, upending normal child care arrangements for thousands of families, including family-based care from elderly family members who are at greater risk of complications from the virus. For families reliant on formal child care providers, the situation was especially dire. Studies show that nationwide only 11% of child care centers can survive persistent closures without government support,\(^1\) and even now, as child care centers have started to reopen, their financial viability is not guaranteed. Prior to the pandemic, child care businesses were already in low supply, and operated with high costs, tight revenues, and slim operating margins. Although the country is hopefully emerging from the worst of the pandemic, the child care industry is still struggling to recover.

At the federal level, the Biden administration has proposed substantial new supports for the child care sector and for families struggling to pay for care. This enhanced federal support is critical: Without adequate federal support, New York City risks losing half of its child care supply, endangering any prospects of an equitable and inclusive economic recovery. COVID-19 has highlighted long-standing inequities and worsened disparities in proximity and access to licensed child care across income and racial lines.\(^2\) Yet the period of reopening presents an opportunity to address broken aspects of our New York City’s child care system, a crucial step because child care is essential for families and the broader economy. Child care enables parents and families to return to work – which supports economic recovery – and plays a key role in child development, future academic and employment success\(^3\) – which supports the future of our country’s workforce.

---

\(^1\)National Association for the Education of Young Children (2020).

\(^2\)Malik, Hamm, Lee, Davis, Sojourner (2020).

This report leverages data from the Early Childhood Poverty Tracker (see text box for a more detailed description), a Columbia University and Robin Hood study of more than 1,500 parents of young children in New York City, to provide a window into how families – especially low-income parents – managed their child care needs before the onset of the pandemic and what happens when families experience disruptions in their child care.

**PART I** of this report focuses on accessibility and affordability of child care in New York City before the pandemic, specifically discussing what types of child care families used, including center-based, home-based, and informal care, and how they afforded that care.

**PART II** explores both the extent and the economic cost of child care disruptions for New Yorkers, including an analysis of disruptions during the pandemic. To analyze the costs and impacts of disruptions, both to families and to the economy overall, the report replicates similar studies conducted in Maryland and Louisiana, which found that both states lost over $1 billion in a given year from parental absence and turnover due to child care disruptions. While the data we use for this analysis were collected prior to the COVID-19 pandemic, we can only expect that the impacts documented here were exacerbated due to the disruptions of daily life brought about by COVID-19.

Together, these findings highlight the difficult trade-offs between access, quality, and affordability for families of young children, as well as the economic implications of disruptions to child care. This report can inform policymakers and practitioners as they lay the groundwork for reopening the city’s centers and reimagine a better, more inclusive, and more accessible system.
The Early Childhood Poverty Tracker study uses repeated surveys with the same parents to understand how families change as their children grow and develop. The baseline survey included 1,576 parents, each of whom selected a “focal child” who was 0-35 months old in June 2017 or was born in the subsequent year. Roughly three months after the baseline, we fielded the first follow-up survey, on which this report is based. A total of 1,311 parents completed the first follow-up survey and continued to live in New York City; at that time, the children enrolled in the study were ages 0-3. The figures presented in this report are weighted statistically to be representative of children born in and living in New York City. For more detail about the methods used in the Early Childhood Poverty Tracker study, and for a profile of our sample, see our baseline report.

All follow-up surveys include questions about child care for the focal child. The first follow-up survey asked parents what kind of child care they used, if any, for the focal child. Most parents were then asked how much they paid in total for child care for the focal child, and whether they received any kind of government assistance to help pay for child care. The 2019 ECPT Child Survey asked working parents about the implications of child care problems for their work lives, and the 2020 ECPT Child Survey included questions about child care and remote schooling during the COVID-19 pandemic.

Our first follow-up survey was fielded during the 2017-18 school year, the first year for New York City’s 3-K for All program. The current report will not address 3-K specifically because, at the time of that first follow-up survey, too few children in our sample were old enough and the program itself was only available in two school districts. Later surveys, fielded after 3-K expanded and more children in our sample were age-eligible, will provide richer information on families’ engagement with the city’s 3-K program.

The Early Childhood Poverty Tracker is a survey of more than 1,500 New York City households with young children ages 0-3.

5In the survey, parents could select from the following types of care: Prekindergarten, Head Start, preschool/nursery school/day care center, family day care, a paid babysitter or nanny in your home, paid care with a relative, or free care with a relative. In the first follow-up survey, parents who used only Head Start or “free care with relatives” were not asked the cost or government assistance questions. These parents were assigned $0 for their child care cost. Parents who used Head Start were also coded as “yes” for government assistance.
PART I:
ACCESSIBILITY AND AFFORDABILITY OF CHILD CARE IN NEW YORK CITY
Before the pandemic, most families in New York used some form of nonparental child care, meaning children were looked after by someone other than a parent or primary guardian for periods of the day or evening. Usage of nonparental child care differs somewhat by age: across all children under 4, two-thirds received nonparental care; among children age 3, 76% received nonparental care, as did more than half of children under 2.

To a large extent, child care use reflected patterns of maternal employment. Among families with working mothers, 87% used child care for the child enrolled in the study, with little variation by family income or demographic characteristics.

However, across all families, there were disparities in child care usage by income. Children in lower-income families (income under 200% of the poverty line) were less likely to be in nonparental child care than children in higher-income families (200% or more of the poverty line). And in families where the mother did not work, child care use was almost twice as common among higher-income families (50%) as in lower-income families (26%). Latinx children were less likely than children of other race or ethnic backgrounds to be in nonparental care.

Child care affordability is a challenge for parents of young children. By the U.S. Department of Health and Human Services’ definition of affordability (no more than 7% of a family’s income), child care was unaffordable for half (52%) of New York City families, including 56% of lower-income families and 48% of higher-income families.
Seven out of 10 of New York City children ages 0-4 lived in “child care deserts” – neighborhoods without enough licensed child care providers. Families living in child care deserts were less likely to use a licensed child care provider than families in better-supplied neighborhoods.

Even before the pandemic, child care choices in “child care deserts” were constrained by limited child care options. The COVID-19 disruption of the child care sector exacerbated these problems, making it even more difficult for families to find child care that met their needs and their budgets.

Low-income families who received government assistance to help pay for child care were more likely to use center-based care than similar families who do not receive assistance, yet only 1 in 4 income-eligible families received government assistance. Insufficient funding, lack of awareness, and administrative uncertainty may prevent eligible families from accessing assistance to cover child care costs.

For full-time minimum wage workers, yearly paid child care of any kind is close to half of that person’s annual salary, making it nearly impossible for low-income workers to cover these costs.
CHILD CARE AVAILABILITY IN
NEW YORK CITY PRIOR TO
THE PANDEMIC

Although there are several federal programs that support child care, the child care landscape varies significantly by state and city. New York City offers a variety of programs to enhance access to child care. The city government’s EarlyLearn NYC is an umbrella program that uses multiple funding streams to provide free or subsidized care for children ages 6 weeks to 4 years old in eligible families with income under 200% of the poverty line. Additionally, free care through Head Start may be available for families below the poverty line as well as for children in foster care and those whose parents are eligible for public assistance. The expansion of Universal Pre-Kindergarten made free full-day early education available for 4-year-olds regardless of family income. The recent launch of 3-K for All provided similar opportunities for 3-year-olds in some districts, with expansion to all districts planned for the fall of 2021.

Yet finding affordable and high-quality child care was a challenge for New York City parents with young children even before the pandemic. Many New York City neighborhoods are “child care deserts” with relatively few formal licensed child care providers available. According to the Center for American Progress, seven out of 10 New York City children under age 5 lived in neighborhoods without enough licensed (center-based or home-based) child care providers. Moreover, the cost of center-based child care is unaffordable for many families. In 2015, the Economic Policy Institute estimated that infant care would cost minimum wage workers in New York City half their salary, making it nearly impossible for low-income workers to use these services without government assistance.

Accessing affordable child care is an even greater challenge for families with very young children, who are too young for Head Start and 3-K for All. In a 2019 report, the New York City Comptroller’s Office estimated that there is roughly one child care space for every five infants in the city, and most are concentrated in higher-income neighborhoods. The ratio of center-based infant care capacity to births tended to be highest in higher-income neighborhoods such as Murray Hill/Gramercy (24%) and Brooklyn Heights/Fort Greene (23%), while some lower-income neighborhoods, such as Bushwick and Crown Heights South, had no center-based capacity for infants at all, suggesting higher use of center-based infant care for families who can afford it. Care for younger children is also more expensive than it is for older children. In 2019, market rates for center-based care were $406 per week for children ages 0-17 months, compared with $315 for children 18-35 months and $289 for 3-5-year-olds.

---

8 Stringer, 2019.
9 Molnar (2019).
FINDINGS

Who uses child care?

Before the pandemic, about two-thirds (66%) of Early Childhood Poverty Tracker children received some kind of child care in addition to the care of a parent or guardian.\(^\text{10}\) Older children were more likely to be in child care, and among children under age 2, more than half received care from someone besides a parent or guardian (Figure 1).

![Figure 1: Percentage of children in nonparental child care by age](source: Tabulations from ECPT three-month follow-up survey. N=1,311.)

Some New York City families were more likely than others to use child care. Figure 2 shows the share of children who received any nonparental child care by family income, parent nativity, the child’s race and ethnicity, and family type.\(^\text{11}\) Children in lower-income families (under 200% of the poverty line, or less than $49,200 for a family of four) were less likely to be in child care than children in higher-income families (54% vs. 76%).\(^\text{12}\) Latinx children were less likely than children of other backgrounds to be in nonparental care.

---

\(^{10}\) These figures are consistent with national data from the 2012 National Survey of Early Care and Education (NSECE). In the NSECE household survey, 69% of children ages 0-3 were in any kind of care, and 54% received regular child care. The figures for infants were 60% in care and 45% in regular care.

\(^{11}\) Although the Supplemental Poverty Measure is a better measure of a family’s economic well-being, in this report we use income measures based on the federal poverty measure because it is more consistent with the income criteria that determine eligibility for government child care assistance such as Head Start or EarlyLearn NYC.

\(^{12}\) In 2017, when the three-month follow-up survey was initially fielded, the official poverty line for a family of four was $24,600; see Office of the Assistant Secretary for Planning and Evaluation (2017).
To a large extent, child care use reflects patterns of maternal employment. Among families with working mothers, 87% used child care for the child enrolled in the study (Figure 3). That proportion varied little by income or demographic characteristics. The small share of working mothers who did not use child care generally lived with a partner or other family member who could share child care responsibilities when the mother was working.
In families where the mother did not work, only 36% used child care for the child enrolled in the study (Figure 4). In these families, child care use was twice as common among higher-income families as lower-income families. This discrepancy is likely due to cost barriers. These families may use child care to promote their child’s social or educational development or to allow the mother to pursue schooling or job training – choices that are more feasible with more discretionary income.

**FIGURE 4**

Percentage of families using child care by income, parent nativity, child race and ethnicity, and family type (among non-working mother households)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>Below 200% of poverty</td>
<td>26%</td>
</tr>
<tr>
<td>Above 200% of poverty</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Parent Nativity</strong></td>
<td></td>
</tr>
<tr>
<td>At least one immigrant</td>
<td>33%</td>
</tr>
<tr>
<td>Both parents born in the U.S.</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Race and Ethnicity</strong></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>45%</td>
</tr>
<tr>
<td>Asian or other background</td>
<td>28%</td>
</tr>
<tr>
<td>White</td>
<td>39%</td>
</tr>
<tr>
<td>Latinx</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Family Type</strong></td>
<td></td>
</tr>
<tr>
<td>Single-parent family</td>
<td>40%</td>
</tr>
<tr>
<td>Two-parent family</td>
<td>34%</td>
</tr>
</tbody>
</table>

*Source: Tabulations from ECPT three-month follow-up survey. N=540. Poverty levels defined using the federal poverty line.*

Among families in which the mother did not work, child care use tended to be less common for Latinx families, families with Asian parents or those who identified their race as “other,” and families with at least one immigrant parent. While these differences are not statistically significant, we should not dismiss the possibility of legal or language barriers to child care for immigrant families. Cultural preferences may also play a role in families’ decisions about child care and mothers’ employment.

---

TYPES OF CHILD CARE
Classifying child care type

For purposes of this report, nonparental child care will refer to one of the following four types of child care:

CENTER-BASED CARE refers here to Head Start, preschool or day care, and 3-K or Pre-K programs located in non-residential settings, including public or private schools, community-based organizations, commercial child care centers, or Pre-K Centers (run by the New York City Department of Education and offering only 3-K and Pre-K). Center-based care is licensed and regulated by New York City’s Department of Health and Mental Hygiene (DOHMH). Teachers and assistant teachers in center-based care must meet specific educational and training requirements. Study participants who said their child was in Head Start, preschool, or 3-K were classified as being in center-based care.

HOME-BASED CARE refers to Family Day Care or Group Family Day Care programs, in which a caregiver cares for children at his or her home for more than three hours a day per child. A Family Day Care can care for a maximum of six preschool children, while a Group Family Day Care can accommodate 7-12 preschool children. Home-based care is licensed and inspected by the New York State Office of Children and Family Services. Providers and staff in home-based care must undergo training, but there are no educational requirements.

PAID INFORMAL CARE refers to paid care by a babysitter or relative. Child care provided by a babysitter or nanny was assumed to be paid, while care provided by a relative could be paid or unpaid.

UNPAID INFORMAL CARE refers to free care provided by a relative.

About 16% of children receive more than one kind of care. Two-thirds of those children are in both licensed care (center-based or home-based) and informal care, while about one out of four are in multiple kinds of informal care (babysitter, paid care from a relative, and/or unpaid care from a relative). In most analyses, children who receive both formal (center-based or home-based) and informal care were classified based on the type of formal care they receive.

In addition to the four types of child care discussed above, this report also refers to “licensed care,” a broader category which includes both center-based and home-based care. As noted above, center-based care is licensed by DOHMH, and home-based care is licensed by New York State Office of Children and Family Services.
Families in New York City use a variety of child care arrangements – from formal center-based care to ad hoc babysitting by relatives or neighbors. These types of arrangements have contrasting advantages and disadvantages. Child care centers often provide a stronger educational environment, but they are often more expensive and less widely available than other types of care. Home-based or Family Day Care providers are more numerous in most neighborhoods and sometimes offer care during nonstandard times such as early morning or even weekends, but their educational benefits are not as strong.\textsuperscript{14} Informal care can be more flexible – an advantage for parents who work long work hours or have unstable schedules.\textsuperscript{15} However, reliance on a single caregiver can leave parents vulnerable to disrupted work schedules when that caregiver is ill, unavailable, or decides to leave for another position.

Younger and older preschool children received different types of child care (Figure 5). Children under 2 were more likely to receive informal care (babysitters and nannies, for example), while children ages 2-3 were more likely to receive licensed care, including center-based child care. This discrepancy may be due to the lack of center-based care capacity for infants and toddlers, or to parental preferences to keep younger children in less formal settings.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{type_of_child_care_by_child_age.png}
\caption{Type of child care by child age}
\end{figure}

\textit{Source: Tabulations from ECPT three-month follow-up survey. N=1,311. Poverty levels defined using the federal poverty line.}

Higher-income families were more likely to use center-based care: 32% of families at or above 200% of poverty had their child in a child care center, compared with 22% of families below 200% of poverty. There were few differences in the type of care across other social or demographic categories.

\textsuperscript{14}Sandstrom, Claessens, Stoll, Greenberg, Alexander, Runes, and Henly (2018).
\textsuperscript{15}Weber, Grobe, and Scott (2018).

THE COST OF CHILD CARE IN NEW YORK CITY

Child care is expensive. For families who used child care at least 20 hours a week and did not get government assistance to pay for child care, the average weekly cost of child care was about $250 per week – an annualized cost of about $12,900 (Table 1). Costs were highest for informal care, a diverse category that includes full-time nannies earning $40,000 or more per year as well as part-time babysitters paid by the hour.

At the time most people completed the survey, a full-time minimum-wage employee would have earned about $27,000. Paid care of any kind would have been close to half of that person’s annual salary, making it nearly impossible for low-income workers to cover these costs. Accordingly, many low-income families juggled child care responsibilities with their spouse or partner; relied on unpaid care from other relatives; or used Head Start or other free or subsidized child care.16

---

**TABLE 1**

Average weekly and annualized cost of child care for families using care at least 20 hours a week, without government assistance

<table>
<thead>
<tr>
<th></th>
<th>Average Weekly Cost</th>
<th>Annualized Cost</th>
<th>Percentage of Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>All care types</td>
<td>$247</td>
<td>$12,900</td>
<td>100%</td>
</tr>
<tr>
<td>One type of care only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unpaid informal care</td>
<td>$0</td>
<td>$0</td>
<td>15%</td>
</tr>
<tr>
<td>Paid informal care</td>
<td>$463</td>
<td>$24,100</td>
<td>20%</td>
</tr>
<tr>
<td>Home-based care</td>
<td>$181</td>
<td>$9,400</td>
<td>22%</td>
</tr>
<tr>
<td>Center-based care</td>
<td>$230</td>
<td>$12,000</td>
<td>23%</td>
</tr>
<tr>
<td>More than one type of care</td>
<td>$385</td>
<td>$20,000</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Source: Tabulations from ECPT three-month follow-up survey. N=394.*

---

16Chaudry, Pedroza, Sandstrom, Danziger, Grosz, Scott, and Ting (2017).
Government assistance and child care costs

Government child care assistance, including Head Start and New York City's EarlyLearn program, is an important resource for lower-income parents. Compared with other lower-income families, those with government assistance paid less for child care and were more likely to use center-based or other licensed care and less likely to use free care with relatives (Table 2).

**TABLE 2**

Child care cost and type among lower-income families, by receipt of government child care assistance

<table>
<thead>
<tr>
<th></th>
<th>Average Weekly Child Care Cost</th>
<th>Percentage Using Any Licensed Care</th>
<th>Percentage Using Center-Based Care</th>
<th>Percentage Using Free Care with Relatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Government Assistance</td>
<td>$59</td>
<td>91%</td>
<td>67%</td>
<td>0%</td>
</tr>
<tr>
<td>Without Government Assistance</td>
<td>$85</td>
<td>46%</td>
<td>28%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Tabulations from ECPT three-month follow-up survey. N=326. Poverty levels defined using the federal poverty line.

Note: Limited to families using nonparental care.

Unfortunately, not all lower-income families receive government assistance. In fact, we estimate that only about 1 in 4 families living below 200% of poverty, and 1 in 3 families living below the poverty line, received government assistance to help pay for child care.

There are several reasons that not all income-eligible families receive government assistance for child care. Some programs, such as Head Start and Administration for Children’s Services child care vouchers, are simply under funded and cannot serve all eligible children. Other programs limit eligibility to children with special needs or those who meet other categorical criteria. But beyond eligibility requirements and resources, lack of awareness and administrative burdens also prevent families from accessing assistance that they may be eligible for. Lastly, although immigration status is not a criterion for child care assistance, immigrant parents may fear that receipt of public benefits will complicate their efforts to get permanent resident status or citizenship.

---

17Chien (2019).
18Families under about 200% of poverty may be eligible for the City’s EarlyLearn child care subsidies, and those under 100% of poverty are eligible for Head Start.
Affordability of child care

The U.S. Department of Health and Human Services has defined “affordable” child care as care costing no more than 7% of family income. By this definition, the cost of child care only for the child enrolled in the study is unaffordable for 52% of all Early Childhood Poverty Tracker families, including 56% of all lower-income families. As Figure 6 shows, the cost of child care is burdensome even for higher-income families. Note that these figures reflect costs only for the child enrolled in the study; some families will have child care costs for other children as well.

### FIGURE 6

Unaffordability rates of child care for focal child, by income and receipt of government assistance

<table>
<thead>
<tr>
<th>Category</th>
<th>Unaffordability Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All families</td>
<td>52%</td>
</tr>
<tr>
<td>Below 200% of the federal poverty line</td>
<td>56%</td>
</tr>
<tr>
<td>With government assistance</td>
<td>42%</td>
</tr>
<tr>
<td>Without government assistance</td>
<td>62%</td>
</tr>
<tr>
<td>At or above federal poverty line</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: Tabulations from ECPT three-month follow-up survey. N=749. Poverty levels defined using the federal poverty line.

Government assistance reduces but does not eliminate the financial burden of child care. Among lower-income families with assistance, 42% still faced child-care costs that exceeded the 7% threshold. Parents receiving subsidized care may be responsible for copayments that can, according to the Comptroller’s Office, reach 17% of family income, pushing the cost of care well over the affordability threshold.

---

19 The numerator for the affordability measure is our estimate of annual child care costs for the focal child based on annualizing the child care cost reported in the first follow-up survey; the denominator is the measure of income used in calculating the family’s income-to-needs ratio and poverty rate in the baseline Early Childhood Poverty Tracker survey. The Comptroller’s Office has proposed an affordability threshold at 8%. If we use the 8% threshold instead of the DHHS 7% threshold, the percentage of Early Childhood Poverty Tracker families with unaffordable child care for the focal child drops from 52 to 49%.

CHILD CARE DESERTS IN NEW YORK CITY

As with so much in New York City, distribution of resources is not equal across neighborhoods. Recently the Center for American Progress conducted a national study of “child care deserts,” or neighborhoods with an insufficient supply of center-based or home-based child care providers. When families live in child care deserts, parents may be unable to find high-quality child care options in their neighborhoods, limiting their efforts to work or complete education and training and thereby escape poverty. Moreover, young children benefit educationally from participation in high-quality center-based care; families living in child care deserts have fewer such opportunities, impacting children’s long-term opportunities for mobility. Among children aged 0-4 in New York City, 70% lived in a child care desert; the percentage of children in a child care desert was highest in Queens (77%) and lowest in Manhattan (64%).

**FIGURE 7**

Percentage of parents using (1) licensed child care and (2) center-based child care by residence in a child care desert

Source: Tabulations from ECPT three-month follow-up survey cases linked to child care desert measures from Center for American Progress. N=790.

---

21Census tracts were classified as child care deserts if the ratio of children ages 0-4 to licensed child care slots (including center- and home-based care providers) was higher than 3 to 1. See Malik, Hamm, Schochet, Nova, Workman, and Jessen-Howard (2018).

22Magnuson and Waldfogel (2005), Votruba-Drzal, Coley, Collins, and Miller (2015); also see Ansari and Winsler (2012).

23The Center for American Progress’s New York City measures included data from the New York City Department of Health and Mental Hygiene and the New York State Office of Children and Family Services. The number of center-based care providers is assumed to be the total number of providers minus the number of home-based providers.
Researchers at the Center for American Progress kindly shared their child care desert measures, allowing us to compare child care use among Early Childhood Poverty Tracker families who live in child care deserts with those living in better-supplied neighborhoods (Estimates are adjusted for the age of the child, race and ethnicity, borough of residence, income, family type, and presence of extended family members in the household, and are limited to families who use nonparental child care.) Families living in child care deserts were less likely to use licensed care (center-based and home-based care) and less likely to use center-based care (Figure 7).

Even before the pandemic, these results suggest that child care choices in “child care deserts” were constrained by limited child care options. The COVID-19 disruption of the child care sector exacerbated these problems, making it even more difficult for families to find child care that met their needs and their budgets. The following section uses data from Early Childhood Poverty Tracker to describe the impact of child care problems on parents’ work lives and on the city’s economy.
PART II:
IMPACT OF DISRUPTIONS TO CHILD CARE
KEY FINDINGS

Even before the pandemic, many families experienced disruptions to child care, creating challenges for children and parents when disruptions interfere with work. In particular, when working parents face child care disruptions, this can lead to absenteeism and turnover in the workplace. About 1 in 10 ECPT parents have experienced turnover as a result of disruptions to child care.

Nearly a third (30%) of working parents reported experiencing a child care disruption that hindered work advancement in the last 12 months.

In a normal year, child care issues cause New York City businesses to lose nearly $1.2 billion annually.

These issues cause working parents to be absent from work or to experience job turnover. These disruptions for working parents decrease New York city and state tax revenues by more than $135 million annually.

The entire child care sector was upended during COVID-19. Among working mothers in the ECPT, the share using nonparental child care dropped from 87% in 2017-18 to 56% in 2020.
FINDINGS

Extent of child care disruptions prior to the pandemic

Before the pandemic, disruptions to child care were common. When a child care center is closed, a babysitter quits, or a sick child must stay home from day care, parents are often forced to be absent from work—including being late to work, leaving work early, or missing work entirely. Child care problems can also have longer-term implications, leading to turnover or making it more difficult for working parents to move ahead in their careers.

Short-term disruptions due to child care were extremely common even before COVID-19. Over a three-month period, two-thirds of working parents were absent from work or had to go to work late or leave early because of child-care problems. Most parents who faced these short-term disruptions missed work or were early or late on just a few days, but one in four parents were late to work, left early, or were absent on six or more days over a three-month period, or at least 10% of the workdays (Figure 8).

Source: Tabulations from ECPT 2019 Child Survey. N=710. Figures include parents who were employed at the time of the survey.
These short-term disruptions were more common among more advantaged workers – those who were higher-income, college graduates, or white. These results, which seem surprising, may reflect the fact that more privileged parents are more likely to enjoy workplace flexibility, including paid time off and the ability to work from home. Less advantaged parents, on the other hand, are less likely to be able to adjust their work schedule to fit family needs. They are less likely to have paid time off and also cannot afford to take unpaid time off. In addition, they often face unstable and unpredictable work schedules, requiring them to adjust child care arrangements to suit their employer. To accommodate these demands, lower-income parents often use informal child care (paid or unpaid babysitters).24

![Figure 9: Percentage of working parents reporting any missed or early/late work days over a three-month period due to child care, by income, education, race/ethnicity, and family type](image)

<table>
<thead>
<tr>
<th>INCOME</th>
<th>BELOW 200% OF FEDERAL POVERTY LINE</th>
<th>62%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ABOVE 200% OF FEDERAL POVERTY LINE</td>
<td>73%</td>
</tr>
<tr>
<td>EDUCATION</td>
<td>NOT COLLEGE GRADUATE</td>
<td>61%</td>
</tr>
<tr>
<td></td>
<td>COLLEGE GRADUATE</td>
<td>71%</td>
</tr>
<tr>
<td>RACE AND ETHNICITY</td>
<td>BLACK</td>
<td>57%</td>
</tr>
<tr>
<td></td>
<td>LATINX</td>
<td>62%</td>
</tr>
<tr>
<td></td>
<td>WHITE</td>
<td>72%</td>
</tr>
<tr>
<td>FAMILY TYPE</td>
<td>SINGLE-PARENT FAMILY</td>
<td>66%</td>
</tr>
<tr>
<td></td>
<td>TWO-PARENT FAMILY</td>
<td>66%</td>
</tr>
</tbody>
</table>

Source: Tabulations from ECPT 2019 Child Survey. N=710. Poverty levels defined using the Supplemental Poverty Measure. Figures adjusted for age of child and parent gender and include parents who were employed at the time of the survey.

Child care disruptions and turnover

Child care disruptions can lead to turnover, either because of absenteeism or because parents find it too difficult or stressful to continue juggling work and child care. The resulting breaks in work history are disruptive for families, and may also be detrimental to parents’ longer-term employment prospects. About 1 in 10 ECPT parents who had worked in the past 12 months reported that child care disruptions led to turnover, with 8% saying they had quit and 6% reporting they had been fired. Turnover due to child care problems – while not a common experience – tended to occur more for workers who are less educated, Black or Latinx, or single parents.

Child care disruptions hinder work and educational advancement

While not all child care disruptions lead to turnover, many disruptions can hinder parent advancement in the workplace. For instance, parents may have to go from full-time to part-time work, may be unable to go from part-time to full-time work when they would like to, or may have to turn down a promotion to a more demanding job. These issues can have long-term impacts on parental employment and career advancement.

We find that nearly a third (30%) of working parents reported experiencing a child-care disruption that hindered work advancement over a 12-month period in 2018 or 2019 (Figure 10). This includes 18% who had to go from full-time to part-time work, 19% who were unable to go from part-time to full-time work, and 14% who could not accept a promotion because of disrupted care.

**Percentage of working parents reporting work advancement issues due to child care over a 12-month period, by income, education, race/ethnicity, and family type**

Source: Tabulations from ECPT 2019 Child Survey. N=812. Poverty levels defined using the Supplemental Poverty Measure. Figures adjusted for age of child and parent gender and include parents with any work experience over the past 12 months.
In addition, when parents forgo additional education or training because of child care issues, they lose out on the potential for greater earnings. Among all parents (not only those in the labor force), 38% said they had decided not to pursue further education or training because of child care issues. Among them were nearly half of Latinx parents, as well as disproportionate numbers of parents who were lower-income, less educated, or single. This pattern has potentially important implications for parental and family well-being, as parents with a college degree tend to be more financially secure than those without one.

### FIGURE 11

Percentage of parents who decided not to pursue further education or training due to child care, by income, education, race/ethnicity, and family type

- **Income**:
  - Below 200% of Federal Poverty Line: 40%
  - Above 200% of Federal Poverty Line: 32%

- **Education**:
  - Not college graduate: 40%
  - College graduate: 34%

- **Race and Ethnicity**:
  - Black: 29%
  - Latinx: 49%
  - White: 30%

- **Family Type**:
  - Single-parent family: 45%
  - Two-parent family: 36%


### Disruptions to child care and schooling for young children during the pandemic

The COVID-19 pandemic meant severe disruption to child care and schooling in New York City. Schools, including school-based 3-K and Pre-K programs, shifted to remote learning in late March 2020. To meet the needs of essential workers, the city opened 93 regional enrichment centers (RECs) in public schools and contracted with “emergency child care centers,” including providers in community-based organizations and home-based care settings. Other home-based care providers – regulated by New York State’s Office of Children and Family Services – were also allowed to remain open.\(^{25}\) The rest of the city’s child care centers and day camps were allowed to reopen in July 2020, under new safety rules. However, in New York City as in many other cities, rising operating costs and declining enrollment due to parents’ health concerns and

---

\(^{25}\)Miksic (2020).
COVID-era occupancy limits put many center- and home-based child care providers in financial jeopardy. As The New York Times recently documented, these pressures were compounded by funding cutbacks and administrative delays in New York City’s subsidized child care system.26

Child care during COVID-19

During the summer and early fall of 2020, 56% of working mothers used some kind of nonparental child care. This is a marked contrast to the pre-COVID-19 period, when 87% of working mothers used nonparental child care. Even among working mothers with no non-working parent at home – including working single parents as well as two-parent families with both parents working – only 58% used any nonparental care. Those who did use child care relied primarily on child care facilities (center-based and home-based care).

Among working mothers, Black and Latinx parents were more likely than white parents to use nonparental child care, and lower-income parents were more likely than higher-income parents to use child care (Figure 12). These results are a reversal of pre-pandemic child care patterns, when working mothers who were Black, Latinx, or lower-income were less likely than their white or higher-income counterparts to use nonparental child care. This shift most likely stems from the lower shares of Black, Latinx, and lower-income workers who were able to work remotely.

### Table 3

Percentage of families using nonparental child care and type of care used for child enrolled in the study, by mother’s employment status and presence of non-working parent at home

<table>
<thead>
<tr>
<th></th>
<th>ANY NONPARENTAL CHILD CARE</th>
<th>CHILD CARE FROM EXTENDED FAMILY</th>
<th>CHILD CARE FROM PAID BABYSITTER</th>
<th>CHILD CARE FACILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>All working mothers</td>
<td>56%</td>
<td>2%</td>
<td>11%</td>
<td>43%</td>
</tr>
<tr>
<td>With no non-working parent at home</td>
<td>58%</td>
<td>3%</td>
<td>9%</td>
<td>46%</td>
</tr>
<tr>
<td>With a non-working parent at home</td>
<td>48%</td>
<td>0%</td>
<td>18%</td>
<td>30%</td>
</tr>
<tr>
<td>All non-working mothers</td>
<td>26%</td>
<td>2%</td>
<td>5%</td>
<td>19%</td>
</tr>
</tbody>
</table>

The share of working families who were not using child care in the summer and early fall of 2020 is a troubling sign for the child care sector, which faced a precipitous drop in employment in March 2020. The Center for American Progress recently reported that the number of child care workers rose between April and July 2020 but has largely plateaued since then. Continued remote work, coupled with a decline in labor force participation among parents, could make it more difficult for the child care sector to recover.

Schooling during COVID-19

In March 2020, three out of four Early Childhood Poverty Tracker children were attending school, Head Start, Pre-K/3-K, or a child care program. By early April, of course, nearly all of these schools and child care programs had closed.

Most children born in 2014 or 2015 – typically enrolled in kindergarten or first grade during the 2019-20 school year – participated in remote learning, and more than half received other instructional materials from their schools (Figure 13). About 2 in 5 children of prekindergarten age were also provided with remote learning. Not surprisingly, few children born in 2017 – who would have been 2 or 3 years old in the spring of 2020 – did remote learning or received instructional materials from their preschool or child care program.


---

Challenges with remote learning during the pandemic have been widely reported and studied.\(^{28}\) In New York City, the Department of Education sought to distribute devices to families in need, giving priority to families who were unhoused, lived in public housing, or were low-income, but had difficulty contacting families to assess needs, let alone to distribute computers and tablets.\(^{29}\) Among Early Childhood Poverty Tracker families with a young child participating in remote learning, more than half reported one or more problems with remote learning. A third had technical difficulties: 13% had no Wi-Fi or internet, 15% did not have a computer or tablet, and 19% did not have enough devices for everyone who needed one for school or work. More than a third reported that it was hard to find a quiet place where children could do remote learning. The “digital divide” impeded online schooling, especially for Latinx and low-income families (Table 4).


\(^{29}\) Amin, Zimmerman, and Veigan (2020).
The cost of disrupted child care in New York City

Most families experience child care disruptions that cause work- and education-related issues, even prior to the pandemic. In addition to the negative impacts these disruptions create for families and children, child care issues are costly for parents, who may lose wages or jobs, and employers, who may lose parent workers in the short term or long term, and to the overall economy of the city. By combining survey results with Census data,30 we estimate the cost of these pre-pandemic disruptions to the city’s businesses, economy, and tax revenue.

Although it is well-known that child care access and affordability affect parents’ work, we know less about how child care problems affect local business and the local economy. A handful of recent studies have estimated impacts on businesses, the local economy, and the local tax base. Our analysis uses the same methods as studies conducted for Louisiana and Maryland.31 This approach is described in detail in the Appendix.

---

30 Survey data collected on the frequency of child care disruptions presented in the previous section and New York City-level data from the U.S. Census Bureau’s Annual Social and Economic Supplement of the Current Population Survey (CPS ASEC).

31 Talbert, Bustamante, Thompson, and Williams (2018). Davis, Bustamante, Bronfin, and Rahim (2017). We also referred to a recent national study which used similar methods; see Belfield (2018).
Business economic impact estimate

Table 5 shows the economic cost to businesses from parent absences and turnover as a result of child care disruptions for children age 0-4. The business cost of absences might include hiring a temporary worker or asking another employee to work overtime to cover the work of the employee who is absent, while the business cost of turnover includes the cost of search, recruitment, and training to replace the employee who has left. We estimate that businesses lose about $720 million from parent absences and $460 million from parent turnover, resulting in a total annual loss to New York City businesses of $1.18 billion.

<table>
<thead>
<tr>
<th>DISRUPTION RESULT</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSENCES</td>
<td>$720 MILLION</td>
</tr>
<tr>
<td>TURNOVER</td>
<td>$460 MILLION</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1.18 BILLION</td>
</tr>
</tbody>
</table>

Sources: Authors’ calculations using data from ECPT 2019 Child Survey and CPS ASEC (see Appendix for details).

New York City economic impact estimate

Parents who miss work from child care disruptions earn less money. Wage workers who miss work due to child care disruptions lose hourly wages, and all workers who experience turnover from child care disruptions lose earnings while they are looking for another job. This loss of income has negative effects both on the individual level, with families in poverty or near poverty likely to be particularly hard-hit, and on the city level: When families earn less money, they have less money to spend. This individual loss of earnings therefore ripples throughout the New York City economy, and our estimates account for this downward ripple or multiplier effect.

We estimate that, each year, the New York City economy loses about $170 million because parents are absent from wage work due to a child care disruption and $1.11 billion from parents who quit or are let go or fired due to a child care disruption (Table 6). This means the city’s economy loses approximately $1.28 billion because of work absences and turnover due to child care issues.

<table>
<thead>
<tr>
<th>DISRUPTION RESULT</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSENCES</td>
<td>$170 MILLION</td>
</tr>
<tr>
<td>TURNOVER</td>
<td>$1.11 BILLION</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1.28 BILLION</td>
</tr>
<tr>
<td>WITH MULTIPLIER</td>
<td>$1.7 BILLION</td>
</tr>
</tbody>
</table>

Sources: Authors’ calculations using data from ECPT 2019 Child Survey and CPS ASEC (see Appendix for details).
**Tax economic impact estimate**

When parents experience decreased earnings as a result of child care disruptions, they also pay less in taxes, impacting tax revenue for New York City and New York State, which is used to cover social services and major elements of the city and state budget. We estimate that the city loses $22 million in taxes from working parents who are absent from work due to child care disruptions and about $116 million from working parents who experience turnover due to child care disruptions. This amounts to over $138 million in lost tax revenue each year.

<table>
<thead>
<tr>
<th>DISRUPTION RESULT</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSENCES</td>
<td>$22 MILLION</td>
</tr>
<tr>
<td>TURNOVER</td>
<td>$116 MILLION</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$138 MILLION</td>
</tr>
</tbody>
</table>

*Source: Authors’ calculations using data from ECPT 2019 Child Survey and CPS ASEC (see Appendix for details).*

**Comparisons with other studies**

Our estimates of the cost of inadequate child care may seem high, but they are similar to results from other studies that have used comparable methods. For better comparison across these studies, we calculated the average business cost and the average economic impact per working parent in each study (if not already provided) (Table 8).

<table>
<thead>
<tr>
<th>GEOGRAPHIC AREA</th>
<th>AGE RANGE OF CHILDREN</th>
<th>BUSINESS COST PER WORKING PARENT</th>
<th>ECONOMIC IMPACT PER WORKING PARENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECPT 2021</td>
<td>New York City</td>
<td>Under 5</td>
<td>$3,225</td>
</tr>
<tr>
<td>Talbert et al. 2018</td>
<td>Maryland</td>
<td>Under 5</td>
<td>$4,335</td>
</tr>
<tr>
<td>Davis et al. 2017</td>
<td>Louisiana</td>
<td>Under 6</td>
<td>$2,995</td>
</tr>
<tr>
<td>Belfield 2018</td>
<td>United States</td>
<td>Under 3</td>
<td>$1,150</td>
</tr>
</tbody>
</table>

*Source: Author’s calculations from Talbert et al. 2018; Davis et al. 2017. These averages were already provided by Belfield (2018). Estimates of economic impact included a downward multiplier for all studies except Belfield’s, which represents an estimate of lost wages.*

As these studies suggest, child care problems likely represent significant costs for businesses and the local economy. Given recent policy interest in the topic, as well as the current challenges due to COVID-19, we hope to see more research on the best ways to capture these costs.32

---

32Powell, Thomason, and Jacobs (2019).
CONCLUSION

Child care is a vital resource for parents of young children. High-quality child care boosts children’s school readiness, preparing them to enter kindergarten and – in the long run – improving their educational outcomes and reducing intergenerational poverty. Safe and reliable child care also creates time for parents to work or to improve their skills through education and training, enhancing their family’s economic well-being.33

The pandemic underscores the need for affordable, quality child care, which will enable parents to return to work knowing their children are safe. However, New York City cannot rely on its prior child care system alone to meet New Yorkers’ needs. This report highlights the numerous challenges New Yorkers faced in finding affordable, quality care for their young children long before COVID-19 devastated our city. And these challenges only intensified with the pandemic. As child care attracts more policy attention at the local, state, and federal levels, we need to take on and fix the broken aspects of our city’s system that have led to inequitable and unaffordable child care for so many.

APPENDIX

In our 2019 Child Survey, fielded between February and September 2019, we asked parents a set of questions about the frequency of various types of child care disruptions and the impact of these disruptions on their employment. In particular, we asked:

- How frequently, within the past three months, parents were forced to miss work, arrive late to work, or leave work early due to child care issues;
- Whether, in the past 12 months, parents had to quit a job or been let go or fired from a job due to child care issues;
- Whether in the past 12 months, parents had to go from full time to part time due to child care issues;
- Whether in the past 12 months, parents had been unwilling or unable to go from part time to full time due to child care issues;
- Whether in the past 12 months, parents had refused a promotion due to child care issues; and
- Whether parents had ever decided not to pursue further education or training due to child care issues.

We use these questions, along with demographic information from prior surveys, to understand rates of child care disruptions among various subgroups of parents. To understand differences between parents who live in poverty and those who do not, we use the Supplemental Poverty Measure, which provides a more comprehensive assessment of poverty status than the Official Poverty Measure.\(^\text{34}\)

Estimating the economic impact of child care disruptions

We use our survey data, in conjunction with data from the U.S. Census Bureau’s Annual Social and Economic Supplement of the Current Population Survey (CPS ASEC) (2018), to estimate the short-term and long-term costs of child care disruptions. For the sake of comparability, our cost analysis methods largely align with the methods used in similar reports examining child care disruptions in Maryland and Louisiana.

We use data from the ECPT to measure the proportion of working parents with young children who experience child care disruptions, including absence from work and turnover. Results indicate that the average parent who reported missing any work due to child care disruptions missed 3.5 days of work every three months, or 14.1 days per year. This is generally aligned with Talbert et al. (2018), who found that working parents in Maryland with children ages 0-5 missed an average of 16.9 days of work per year due to child care disruptions. Additionally, more than half of working parents with young children in New York City (53.7%) experienced at least one missed day of work. This estimate is higher than the Talbert et al. (2018) estimate for Maryland parents (34.1%). ECPT surveys also indicate that 10.3% of working parents with young children in New York City experienced turnover, which we defined as either quitting a job or being fired/let go from a job due to child care disruptions. This estimate is higher than other state-level estimates of child care-related turnover. In Maryland, 1.7% of parents experienced turnover due to child care disruptions (Talbert et al., 2018).

\(^\text{34}\)For a full discussion of the Supplemental Poverty Measure in the ECPT, see: Neckerman, Brooks-Gunn, Doran, Kennedy, Maury, Waldfogel, and Wimer (2019).
To determine the number of working parents with children ages 0-4 years living in New York City and employed in the private sector, we used individual-level data from the CPS ASEC. We define working parents as individuals ages 18-64 years who have at least one child in the household ages 0-4 years, and who have yearly income from wages and salary of at least $150 and work at least five hours per week on average. From the CPS ASEC, we obtain the percentage of adults who are private-sector working parents (6.77%), and apply this percentage to the estimate of adults in New York City.

Business economic impact estimate

When working parents miss work or experience turnover due to child care disruptions, businesses suffer as well. We estimate the cost to businesses of child care disruptions based on the cost of wage and salary workers’ absences and turnovers.

Our estimates indicate that working parents with young children miss an average of 14.1 days per year, or 112.8 hours of work per year, assuming an eight-hour workday. We estimate the cost of missed work for wage earners by multiplying the worker’s hourly earnings by 112.8 hours of work and by the cost of replacement for employer. For salary workers, we estimate the cost of missed work by multiplying the worker’s hourly earnings (equal to the annual salary divided by the number of hours worked in a year) by 112.8 hours of work and by the cost of revenue loss for the employer. In accordance with Talbert et al. (2018) and Circadian (2005), we assume that the employer incurs a replacement cost equal to 150% of the worker’s payroll rate for wage earners and a revenue loss of 136% of prorated earnings for salaried workers.

To estimate the cost of worker turnover, we follow Talbert et al. (2018) and Boushey and Glynn (2012), assuming that the employers incur a replacement cost of 20.7% of the worker’s annual salary when a worker is let go, fired, or quits.

New York City economic impact estimate

When parents experience a decrease in earnings from absences or turnover related to child care disruptions, they have less money to spend in the New York City economy. To capture this lost consumption, we estimate the cost of child care disruptions to the New York City economy.

We assume that parents who are wage earners lose earnings both from absences and from turnover, as these workers typically do not have access to paid time off. In contrast, we assume salary-earning parents do not experience a decrease in earnings from absences, as they can use paid time off when they experience child care disruptions, but do experience a decrease in earnings from turnover. To estimate the earnings lost from work absences from wage earners, we multiply the hourly wage rate by the number of hours missed per year...
on average. To estimate the earnings lost from turnover from both wage and salary workers, we assume these workers are unemployed for six months, and therefore we calculate the cost of turnover as half of annual earnings.

Following Talbert et al. (2018) and Davis et al. (2017), we use a downward income multiplier of 1.3144 to account for the effect of lost consumption throughout the New York City economy. The multiplier is calculated by the RIMS II input-output model from U.S. Bureau of Economic Analysis.

**Tax economic impact estimate**

We use tax rates by income level, as obtained from the Institute on Taxation and Economic Policy (2018), to estimate the cost of child care disruptions on tax revenue. Tax revenue will incur a cost from child care disruptions if workers earn less money as a result, therefore paying less in taxes. Table A-1 shows the tax rates we use at various income levels.

<table>
<thead>
<tr>
<th>INCOME LEVEL</th>
<th>TAX RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $19,400</td>
<td>11.4%</td>
</tr>
<tr>
<td>$19,400-$36,400</td>
<td>11.3%</td>
</tr>
<tr>
<td>$36,400-$60,900</td>
<td>12.4%</td>
</tr>
<tr>
<td>$60,900-$107,600</td>
<td>12.9%</td>
</tr>
<tr>
<td>$107,600-$251,800</td>
<td>12.6%</td>
</tr>
<tr>
<td>$251,800-$780,000</td>
<td>11.6%</td>
</tr>
<tr>
<td>&gt; $780,000</td>
<td>11.3%</td>
</tr>
</tbody>
</table>


We model the tax revenue loss from child care disruptions for both wage and salary workers. For wage earners, the tax revenue loss from absence is calculated by multiplying the worker’s hourly pay rate by the tax rate for their specific income level by work hours missed per year. Since we assume salaried workers receive paid time off and face no reduction in earnings, we do not calculate tax revenue loss for these workers. To estimate the tax revenue cost of worker turnovers for both wage and salary workers, we multiply the worker’s annual salary by the tax rate for their specific income level. As we assume workers are not reemployed for six months, we divide this total by two.

---

35*Data from the U.S. Bureau of Labor Statistics (2021) indicate that the average duration of unemployment is approximately five months and the median duration of unemployment is two to three months. We use six months, as parents with young children may require more time to find employment. This is in contrast to Talbert et al. (2018) and David et al (2017), who assume 12 months of unemployment.*
REFERENCES


