

One of the most important decisions employed parents make is arranging for someone to care for their children while they are working. Reliable, quality care is especially important for preschoolers because young children are dependent on caregivers to fulfill their basic needs and to keep them from harm. Affordability is also an important consideration and for many parents child care is a costly expense. In this report, we examine who pays for child care and how much it costs.

According to the Survey of Income and Program Participation, in the fall of 1993 there were 9.9 million children under 5 who were in need of child care while their mothers were at work. Relatives (41 percent), organized child care facilities (30 percent), and family

day care settings (17 percent) were among the principal child care arrangements used for preschoolers while their mothers were at work (figure 1).

Child care costs are on the rise

Families with employed mothers are spending more on child

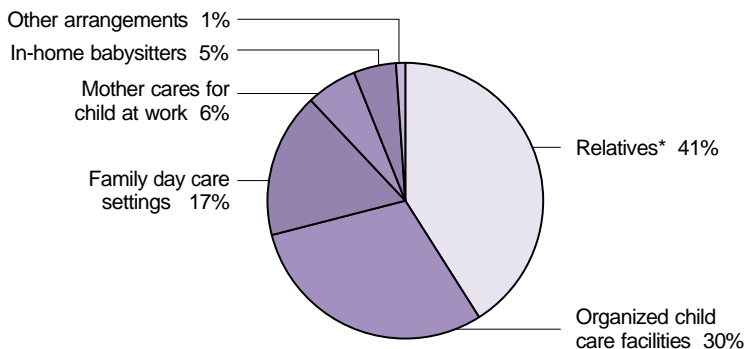
care than they did in the past. A family with a preschool-age child spent an average of \$15 more per week on child care in 1993 than in 1986. Child care costs for these families averaged \$79 per week in 1993 compared with \$64 per week in 1986 (figure 2).

In this report, we first discuss the costs parents pay for different

Defining Child Care Arrangements

Family members or relatives include fathers, siblings, grandparents, and other relatives. An organized child care facility is a day care center, a nursery school, or a preschool. A family day care provider is a nonrelative who cares for one or more unrelated children in her/his home. In-home babysitters are nonrelatives who provide care within the child's home.

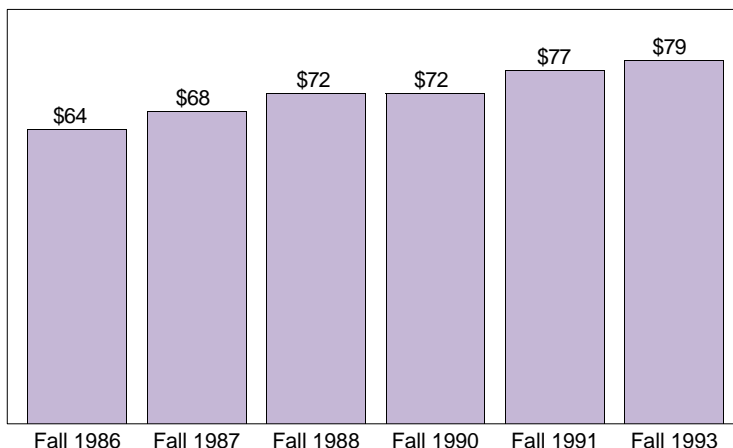
Figure 1.
Care Arrangements Used by Families With Employed Mothers for Preschoolers: 1993



*Includes fathers, siblings, grandparents, and other relatives.

Figure 2.
Weekly Cost of Child Care*

(In constant 1993 dollars. Limited to families with a preschooler)



*Represents total costs for all children in the family.

types of arrangements. Since some children may have multiple arrangements during their mothers' working hours, costs will vary for individual children depending on the number of arrangements used for each child. We therefore show the total costs for each child to account for the use of multiple arrangements. Because children often share arrangements with older brothers and sisters, we show in the final section of this report the cumulative expenses paid by families for all of their preschool-age children, taking into account any child care costs shared with older siblings.

Costs Per Arrangement

Cash payments are required for 9 out of 10 arrangements when nonrelatives are used

In 1993, families with employed mothers used 11.7 million child care arrangements to care for their 9.9 million preschool-age children (table 1). Slightly over half (51 percent) of all child care arrangements used for preschoolers while their mothers

were working required a cash payment.

Whether or not a family pays for child care depends in part on the type of arrangement used; parents are more likely to have to pay for child care when nonrelatives are used. For example, in 1993 over 80 percent of arrangements required cash payments when children were cared for in organized child care facilities, family day care settings, or by in-home babysitters. In contrast when relatives were used, only one in six arrangements required cash payments.

In-home baby-sitters and organized child care facilities are the most expensive

In 1993, the average weekly child care cost per arrangement paid by families with employed mothers was \$57 (table 2). Child care costs varied by the type of arrangement used. Parents using in-home babysitters and organized child care facilities paid the most per arrangement (about \$65), followed by parents using family day

care (\$52). Families using relatives to care for their preschoolers paid the least (\$42).

Costs are lower for arrangements shared by two or more children

Child care costs are generally lower when two or more children share an arrangement. Overall, about 28 percent of paid arrangements were shared by two or more children in 1993 (table 1). Preschoolers in families with employed mothers were more likely to have shared paid arrangements if they were cared for by in-home babysitters (53 percent) or relatives (37 percent) than if they were cared for in family day care (31 percent) or in organized child care facilities (19 percent).

Families paid an average of (\$62) per arrangement when arrangements were not shared (paid for separately) compared with (\$46) when arrangements were shared (table 2). Thus, families saved an average of \$16 per week per arrangement when arrangements were shared. In absolute dollars, families whose preschoolers shared organized child care saved the least (\$10 per week). However, because costs are more expensive for some arrangements than for others, the percentage savings are different. Families with preschoolers who used family day care or a relative saved at least 30 percent per arrangement if their preschooler shared the arrangement with a sibling. In contrast, the savings were only about half as much if two or more children attended the same organized child care facility (15 percent).

Costs Per Child

Child care costs are higher for infants and White children

We have just examined child care payments and costs for various types of arrangements; we now examine total child care costs for children in different demographic groups. In 1993, almost 60 percent of preschool-age children were in at least one type of

Table 1.

Payments Made for Child Care Arrangements for Preschoolers, Fall 1993

(Numbers in thousands)

| Characteristics | Number | Payments made | | |
|---------------------------------------|---------------|--------------------|--------------|--------------|
| | | Total ¹ | Separate | Shared |
| ARRANGEMENTS | | | | |
| Total² | 11,661 | 5,996 | 4,337 | 1,659 |
| In organized child care .. | 3,268 | 2,923 | 2,375 | 548 |
| In family day care ³ | 1,797 | 1,651 | 1,143 | 508 |
| In-home babysitters | 621 | 524 | 246 | 278 |
| Relatives | 5,216 | 887 ⁴ | 562 | 325 |
| CHILDREN | | | | |
| Total | 9,937 | 5,811 | 4,258 | 1,636 |
| Age: | | | | |
| Less than 1 year | 1,631 | 876 | 645 | 231 |
| 1 year | 2,122 | 1,216 | 931 | 285 |
| 2 years | 1,969 | 1,149 | 795 | 359 |
| 3 years | 2,161 | 1,376 | 1,002 | 409 |
| 4 years | 2,055 | 1,194 | 885 | 352 |
| Race: | | | | |
| White, not Hispanic .. | 7,295 | 4,413 | 3,241 | 1,245 |
| Black, not Hispanic .. | 1,161 | 609 | 481 | 128 |
| Hispanic | 1,078 | 599 | 404 | 201 |

¹ Because a child may be in more than one paid arrangement, the combined number of children in separate and shared arrangements may exceed total number of children. ² Includes care provided by mother while working and child's attendance in school and school related activities. ³ Nonrelatives caring for child in the provider's home. ⁴ Payments exclude fathers and siblings.

child care arrangement which required a cash payment, and on average, these children spent about 30 hours per week in paid child care (tables 1 and 2).

In 1993, the average weekly cost of child care per preschooler for families with employed mothers was \$60 (table 2). When costs were paid separately for each child, the average amount was \$64 per child compared with \$47 per child when costs were shared. Thus, sharing one or more paid child care arrangements represented an average savings of about \$16 per week per child.

Infants were less likely to be in paid child care than were older children; 54 percent of infants (under 1 year) were in paid child care compared with 59 percent of older children (1 to 4 years). Because babies often require more work, child care for infants is typically more expensive. In 1993, the average cost of child care per infant was \$66 per week, while for older children it was \$59 per week.

White children were more likely to be in paid arrangements (60 percent) than either Black or Hispanic children (about 55 percent each). The average cost of child care for White children was about \$10 more per week than for Black and Hispanic children.

Costs Per Family

Larger families, married-couple families, and families with older and more highly educated mothers pay more for the care of their preschoolers

In 1993, there were 8.1 million families with preschoolers who required care during the time their mothers were at work. Of these families, 56 percent paid an average of \$74 per week for child care or about 8 percent of their monthly family income (table 3). Larger families paid much more for child care than smaller families. Families with two or more preschool-aged children paid about \$110 per week for child care while families with one child paid only \$66 per week. Families with two or more children also spent a

larger share of their family income on child care (11 percent versus 7 percent). Married-couple families spent about \$78 per week to care for their children, at least \$15 more per week than single-parent families spent. However, married-couple families spent a much smaller proportion of their family income on child care (7 percent) than did single-parent families (12 percent).

Families with older mothers paid more for child care than did families with younger mothers. Families with mothers who were 35 years old or more spent on average at least \$14 more per week on child care than families with younger mothers (those less than 35). In contrast, families with younger mothers spent a much larger proportion of their income on child care than did families with older mothers. For example, families with mothers aged 15 to 24 spent about 10 percent of their monthly income on child care, compared with families with mothers aged 35 or over who spent

Table 2.

Weekly Child Care Costs and Hours in Paid Arrangements for Preschoolers, Fall 1993

| Characteristics | Average weekly costs (\$) | | | | | | Average weekly hours in paid arrangement | | | | | |
|---------------------------------------|---------------------------|-------------|--------------|-------------|--------------|-------------|--|-------------|--------------|-------------|--------------|-------------|
| | Total | | Separate | | Shared | | Total | | Separate | | Shared | |
| | Mean | S.E. | Mean | S.E. | Mean | S.E. | Mean | S.E. | Mean | S.E. | Mean | S.E. |
| ARRANGEMENTS | | | | | | | | | | | | |
| Total¹ | 57.47 | 0.88 | 61.83 | 1.10 | 46.06 | 1.32 | 28.15 | 0.27 | 27.78 | 0.32 | 29.14 | 0.51 |
| In organized child care .. | 63.58 | 1.18 | 65.42 | 1.36 | 55.64 | 2.25 | 28.48 | 0.39 | 27.71 | 0.43 | 31.82 | 0.88 |
| In family day care ² | 51.52 | 1.41 | 56.59 | 1.91 | 40.13 | 1.43 | 28.90 | 0.50 | 29.07 | 0.61 | 28.52 | 0.87 |
| In-home babysitters | 68.31 | 4.94 | 82.57 | 8.47 | 55.70 | 5.22 | 23.97 | 0.96 | 22.22 | 1.27 | 25.52 | 1.41 |
| Relatives ³ | 42.04 | 1.84 | 48.46 | 2.67 | 30.94 | 1.70 | 28.28 | 0.71 | 28.05 | 0.88 | 28.68 | 1.17 |
| CHILDREN | | | | | | | | | | | | |
| Total | 60.17 | 0.94 | 63.88 | 1.13 | 47.46 | 1.35 | 29.51 | 0.28 | 28.73 | 0.33 | 30.05 | 0.53 |
| Age: | | | | | | | | | | | | |
| Less than 1 year | 66.39 | 3.15 | 71.80 | 3.75 | 51.29 | 5.41 | 30.49 | 0.76 | 29.66 | 0.89 | 32.80 | 1.39 |
| 1 year | 61.35 | 2.02 | 64.24 | 2.46 | 51.92 | 2.97 | 30.64 | 0.61 | 30.13 | 0.69 | 32.30 | 1.32 |
| 2 years | 59.35 | 1.92 | 64.00 | 2.41 | 48.27 | 2.87 | 30.07 | 0.63 | 29.10 | 0.76 | 31.82 | 1.13 |
| 3 years | 56.50 | 1.82 | 60.39 | 2.26 | 42.15 | 2.32 | 28.96 | 0.56 | 28.52 | 0.66 | 27.56 | 1.07 |
| 4 years | 59.43 | 1.93 | 61.58 | 2.17 | 46.69 | 2.52 | 27.73 | 0.59 | 26.47 | 0.68 | 27.49 | 1.10 |
| Race: | | | | | | | | | | | | |
| White, not Hispanic .. | 61.64 | 1.06 | 64.80 | 1.27 | 49.80 | 1.56 | 29.33 | 0.30 | 28.72 | 0.36 | 29.19 | 0.58 |
| Black, not Hispanic ... | 52.72 | 2.58 | 56.96 | 2.90 | 36.78 | 4.67 | 31.65 | 1.02 | 30.15 | 1.13 | 37.30 | 2.15 |
| Hispanic | 51.34 | 2.77 | 60.34 | 3.74 | 31.45 | 2.06 | 29.12 | 1.00 | 28.20 | 1.21 | 29.96 | 1.71 |

S.E. Standard error of the estimated mean. ¹Includes payments for school related child care arrangements. ²Nonrelatives caring for child in the provider's home. ³Payments exclude fathers and siblings.

about 7 percent of their income on child care.

Families whose mothers have more education pay more for child care than families whose mothers have less education. In 1993, families whose mothers had less than a high school education paid significantly less for child care per week (\$60) than families whose mothers completed some college (\$70), and those whose mothers were college educated (\$93). In contrast, while child care expenditures accounted for about 10 percent of the family budget in families whose mother had less than a high school education, they accounted for only about 7 percent of the budget in families whose mothers were college educated.

Child care is more of an economic burden for poor families

In 1993, relatively fewer poor than non-poor families paid for child care (37 percent versus 58

percent). Poor families paid about \$25 less a week for child care than non-poor families (\$50 versus \$76). However, child care consumed an especially large share of the poor family's budget; poor families who paid for care spent 18 percent of their income on child care, compared with non-poor families who spent 7 percent (figure 3).

Fewer families receiving either general assistance, AFDC, Food Stamps, or WIC payments paid for child care than did families not receiving these benefits (46 percent versus 57 percent). Families who participated in at least one of these programs spent an average of \$50 per week on child care, while families who did not participate in any of these programs spent an average of about \$78 per week on care. In contrast, child care consumed about 13 percent of the family budget for participant families compared with only about 7 percent for non-participant families.

Child care is more expensive in the Northeast and in metropolitan areas

In 1993, more families in the South paid for child care than did families in any other part of the country. But, families paid more for child care in the Northeast (\$85 per week) than either in the Midwest or in the South (about \$70 per week each). Child care was more expensive in metropolitan areas (\$80 per week) than in nonmetropolitan areas (\$55 per week), with families residing in metropolitan areas spending a slightly higher percentage of their monthly income on child care (8 and 7 percent respectively).

Upcoming Reports

Sharp changes in the distribution of preschoolers' child care arrangements have been observed between 1991 and 1993. The most notable changes include the rise in the use of organized child care facilities and the decline in the use of fathers as principal care providers during the time mothers are at work. Additional reports about these arrangements will be issued later this year.

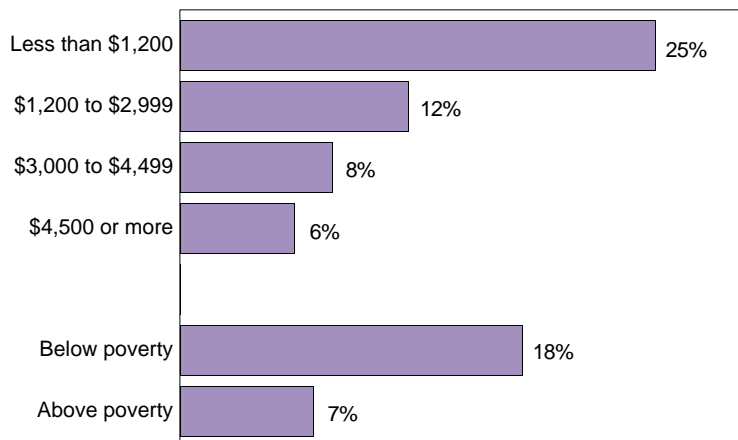
More information

A detailed table package showing the child care arrangements of preschool and gradeschool children is available on floppy disk for \$20 or on paper for \$10 from Population Division's Statistical Information Office (301-457-2422). The table package is also available on the INTERNET (www.census.gov); look for Child Care data from the Population Division.

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Figure 3.

Percent of Monthly Family Income Spent on Child Care by Family Income and Poverty Status*



*Limited to families with a preschooler.

Table 3.
**Weekly Child Care Costs Paid for Preschoolers by Families With
 Employed Mothers, Fall 1993**

(Numbers of families in thousands. Excludes families with no report of family income in last 4 months)

| Characteristics | Number of families | Payments made | | Weekly child care expenses ¹ | | Hours worked per week ¹ | Monthly income ² — of — | | Income spent per month on child care | |
|--|--------------------|---------------|-------------|---|----------------|------------------------------------|---------------------------------------|--------------|--------------------------------------|----------------|
| | | Number | Percent | (\$) | Standard error | | Family (\$) | Mother (\$) | Percent ³ | Standard error |
| All families | 8,076 | 4,493 | 55.6 | 74.15 | 1.25 | 36.52 | 4,254 | 1,839 | 7.55 | 0.31 |
| Race and Hispanic Origin: | | | | | | | | | | |
| White, not Hispanic | 5,937 | 3,420 | 57.6 | 76.35 | 1.44 | 36.09 | 4,491 | 1,889 | 7.37 | 0.31 |
| Black, not Hispanic | 993 | 517 | 52.1 | 60.89 | 3.18 | 38.37 | 3,104 | 1,645 | 8.50 | 0.35 |
| Hispanic origin | 831 | 434 | 52.2 | 65.69 | 3.80 | 36.88 | 3,174 | 1,434 | 8.97 | 0.43 |
| Marital Status: | | | | | | | | | | |
| Married, husband present | 6,261 | 3,522 | 56.3 | 77.88 | 1.46 | 36.67 | 4,842 | 1,951 | 6.97 | 0.29 |
| Widowed, separated, divorced | 868 | 530 | 61.1 | 61.09 | 3.00 | 36.81 | 2,157 | 1,610 | 12.27 | 0.79 |
| Never married | 948 | 442 | 46.6 | 60.07 | 3.27 | 35.01 | 2,086 | 1,213 | 12.48 | 0.73 |
| Age of Mother: | | | | | | | | | | |
| 15 to 24 years | 1,372 | 628 | 45.8 | 58.49 | 2.25 | 34.46 | 2,495 | 967 | 10.16 | 0.47 |
| 25 to 34 years | 4,732 | 2,701 | 57.1 | 72.44 | 1.50 | 37.00 | 4,089 | 1,753 | 7.68 | 0.36 |
| 35 years and over | 1,972 | 1,164 | 59.0 | 86.56 | 2.94 | 36.51 | 5,588 | 2,508 | 6.71 | 0.26 |
| Number of Preschoolers: | | | | | | | | | | |
| 1 child | 6,515 | 3,694 | 56.7 | 66.48 | 1.17 | 36.53 | 4,229 | 1,835 | 6.81 | 0.23 |
| 2 or more children | 1,561 | 799 | 51.2 | 109.63 | 3.86 | 36.49 | 4,371 | 1,853 | 10.87 | 0.62 |
| Educational Attainment: | | | | | | | | | | |
| Less than high school | 847 | 373 | 44.0 | 59.70 | 4.07 | 35.55 | 2,592 | 987 | 9.98 | 0.52 |
| High school, 4 years | 2,931 | 1,498 | 51.1 | 65.07 | 1.77 | 37.08 | 3,389 | 1,420 | 8.32 | 0.35 |
| College, 1-3 years | 2,246 | 1,277 | 56.9 | 69.51 | 2.01 | 35.71 | 3,833 | 1,618 | 7.86 | 0.38 |
| College, 4 or more years | 2,052 | 1,345 | 65.5 | 92.67 | 2.75 | 36.93 | 6,079 | 2,751 | 6.61 | 0.27 |
| Enrollment in School: | | | | | | | | | | |
| Enrolled in school | 622 | 369 | 59.4 | 78.81 | 4.18 | 33.71 | 3,904 | 1,590 | 8.75 | 0.36 |
| Not enrolled in school | 7,454 | 4,124 | 55.3 | 73.73 | 1.31 | 36.77 | 4,286 | 1,861 | 7.46 | 0.31 |
| Employment Status: | | | | | | | | | | |
| Full-time worker | 5,301 | 3,341 | 63.0 | 79.00 | 1.46 | 41.34 | 4,333 | 2,072 | 7.90 | 0.33 |
| Part-time worker | 2,775 | 1,153 | 41.5 | 60.11 | 2.27 | 22.56 | 4,027 | 1,162 | 6.47 | 0.23 |
| Work Shift Status: | | | | | | | | | | |
| Daytime worker | 5,009 | 3,173 | 63.4 | 76.58 | 1.47 | 38.55 | 4,358 | 1,940 | 7.61 | 0.33 |
| Non-day worker | 3,068 | 1,320 | 43.0 | 68.32 | 2.34 | 31.64 | 4,006 | 1,594 | 7.39 | 0.28 |
| Monthly Family Income: | | | | | | | | | | |
| Less than \$1,200 | 927 | 366 | 39.4 | 47.29 | 2.74 | 32.74 | 815 | 748 | 25.14 | 7.17 |
| \$1,200 to \$2,999 | 2,667 | 1,295 | 48.6 | 60.16 | 1.86 | 35.97 | 2,177 | 1,202 | 11.98 | 2.32 |
| \$3,000 to \$4,499 | 2,091 | 1,191 | 56.9 | 73.10 | 2.13 | 37.34 | 3,746 | 1,647 | 8.46 | 2.08 |
| \$4,500 and over | 2,391 | 1,642 | 68.7 | 91.93 | 2.37 | 37.20 | 7,029 | 2,723 | 5.67 | 0.25 |
| Poverty Level: | | | | | | | | | | |
| Below poverty level | 870 | 319 | 36.6 | 49.56 | 3.47 | 30.66 | 1,211 | 696 | 17.73 | 1.02 |
| Above poverty level | 7,206 | 4,174 | 57.9 | 76.03 | 1.30 | 36.97 | 4,487 | 1,926 | 7.34 | 0.31 |
| Program Participation: | | | | | | | | | | |
| Recipient ⁴ | 1,218 | 558 | 45.8 | 49.76 | 2.27 | 32.97 | 1,682 | 889 | 12.82 | 0.87 |
| AFDC | 352 | 154 | 43.7 | 46.47 | 4.27 | 28.10 | 1,176 | 736 | 17.13 | 1.24 |
| WIC | 785 | 344 | 43.8 | 52.11 | 3.05 | 34.07 | 1,830 | 897 | 12.34 | 0.90 |
| Food Stamps | 708 | 319 | 45.0 | 45.42 | 3.04 | 31.71 | 1,349 | 822 | 14.60 | 1.11 |
| Non-recipient ⁵ | 6,858 | 3,935 | 57.4 | 77.61 | 1.36 | 37.02 | 4,619 | 1,973 | 7.28 | 0.31 |
| Region: | | | | | | | | | | |
| Northeast | 1,443 | 658 | 45.6 | 85.07 | 3.38 | 34.62 | 4,670 | 2,032 | 7.89 | 0.34 |
| Midwest | 2,237 | 1,261 | 56.4 | 71.47 | 1.96 | 36.28 | 4,236 | 1,853 | 7.31 | 0.27 |
| South | 2,739 | 1,684 | 61.5 | 69.17 | 2.17 | 37.66 | 4,196 | 1,778 | 7.14 | 0.27 |
| West | 1,658 | 890 | 53.7 | 79.32 | 2.98 | 36.11 | 4,083 | 1,789 | 8.42 | 0.42 |
| Metropolitan Residence: | | | | | | | | | | |
| Metropolitan | 6,283 | 3,487 | 55.5 | 79.72 | 1.50 | 36.50 | 4,497 | 1,943 | 7.68 | 0.32 |
| In central cities | 2,272 | 1,204 | 53.0 | 81.66 | 2.89 | 36.75 | 4,036 | 1,855 | 8.77 | 0.44 |
| Suburbs | 4,010 | 2,283 | 56.9 | 78.70 | 1.71 | 36.37 | 4,740 | 1,989 | 7.19 | 0.27 |
| Nonmetropolitan | 1,793 | 1,006 | 56.1 | 54.85 | 1.72 | 36.59 | 3,414 | 1,478 | 6.96 | 0.23 |

¹Average per week for families making child care payments for any child under 5 years old. ²Average monthly income for the last 4 months among families making child care payments. ³Percent is ratio of average monthly child care payments to the average monthly family income. ⁴Also includes the small number of families (17,000) on General Assistance. ⁵Family not receiving either General Assistance, AFDC, Food Stamps or WIC payments.

Source and Accuracy of Estimates

All statistics are subject to sampling error, as well as non-sampling error such as survey design flaws, respondent classification and reporting errors, data processing mistakes, and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and edit procedures to reduce errors made by respondents, coders and interviewers. Ratio estimation to independent age-race-sex population controls

partially corrects for bias due to survey undercoverage. However, biases exist in the estimates when missed persons have characteristics different from those of interviewed persons in the same age-race-sex group.

Analytical statements in this report have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources. Standard errors which estimate the magnitude of the SIPP sampling error

are provided for means and percent of income in the tables. We do not provide estimates of total error, which includes nonsampling error. Contact Elaine Hock, Demographic Statistical Methods Division, at 301-457-4182 or on the internet at ehock@census.gov for information on (1) the source of data, (2) the accuracy of estimates, (3) the use of standard errors, and (4) the computation of standard errors for other estimates not found in this publication.