

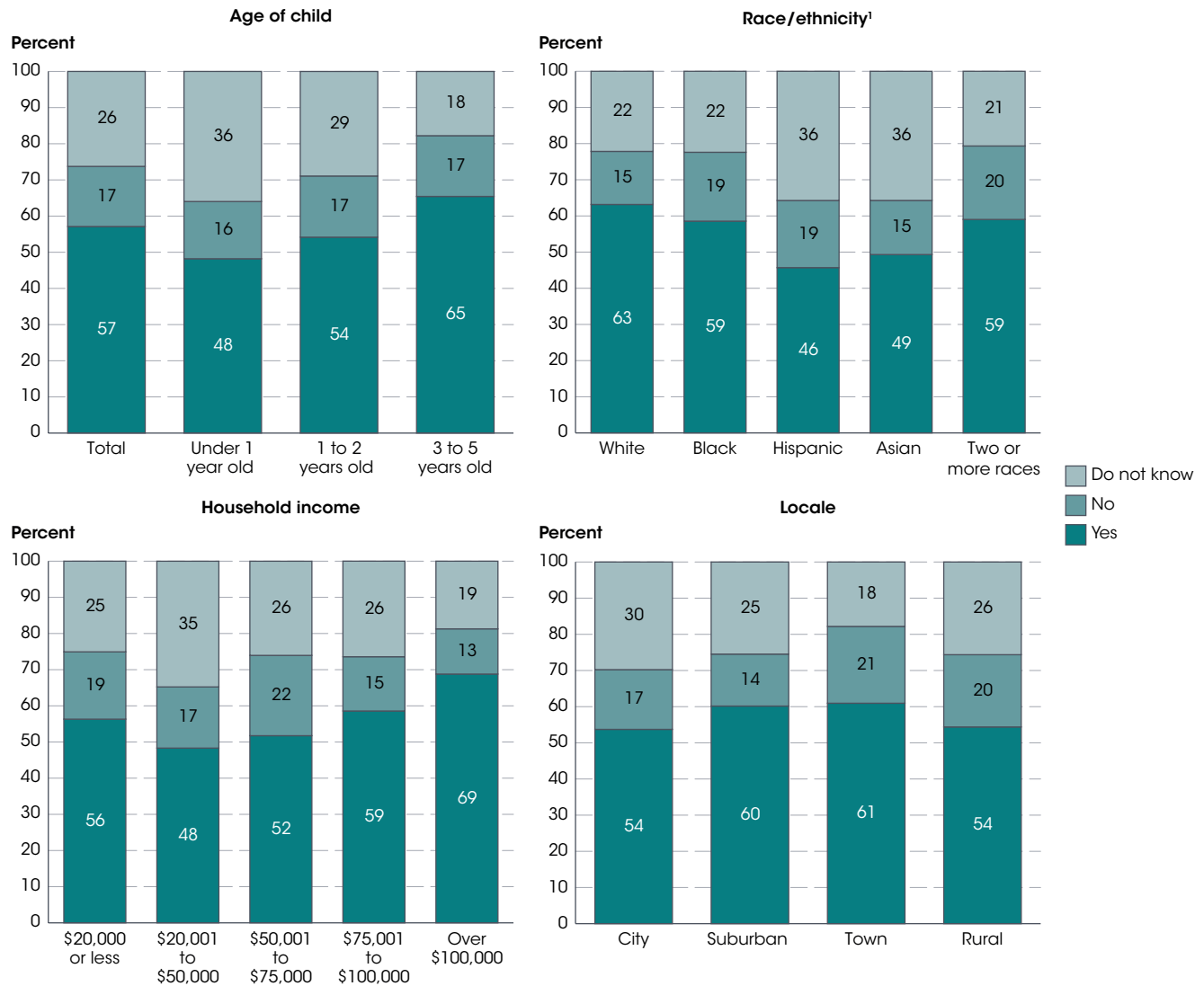
Early Childhood Care Arrangements: Choices and Costs

Child care costs have changed over time for children under the age of 6 who are not yet enrolled in kindergarten. In 2016, the average hourly out-of-pocket expense for families of children in center-based care was 72 percent higher than in 2001 (\$7.60 vs. \$4.42, in constant 2016–17 dollars), the expense for families of children in nonrelative care was 48 percent higher than in 2001 (\$6.54 vs. \$4.42), and the expense for families of children in relative care was 79 percent higher than in 2001 (\$4.99 vs. \$2.78).

Child care arrangements are influential in children's early education; children often learn skills in child care settings that not only are important for kindergarten entry but also can have a lasting impact on their development into adulthood.^{1,2} In 2016, about 60 percent of the 21.4 million children under 6 years old who were not yet enrolled in kindergarten were in some type of nonparental care arrangement on a regular basis. Newly released data from the 2016 Early Childhood Program Participation survey (ECP), a part of the National Household Education Surveys (NHES) Program, provide new insights about children's participation in nonparental care arrangements, including relative care, nonrelative care, and center-based care arrangements.

This spotlight uses ECPP survey data to explore whether children's parents report that there are good choices for child care or early childhood programs (also referred to as "child care" in this indicator) where they live; how much difficulty they have finding the type of child care they want for their children; what the primary reason is for the difficulty finding child care; and what the average out-of-pocket costs are for child care arrangements. Findings are presented overall, as well as by children's age, race/ethnicity, household income, and geographic locale (urban, suburban, town, or rural).

Figure 1. Percentage distribution of children by whether their parents/guardians felt there were good choices for child care or early childhood programs where they live, by selected child and family characteristics: 2016



¹ Reporting standards for Pacific Islanders and American Indians/Alaska Natives were not met; therefore, data for these groups are not shown in the figure. Race categories exclude persons of Hispanic ethnicity.

NOTE: Data represent children who were under 6 years old and were not yet in kindergarten. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECP-P-NHES:2016). See *Digest of Education Statistics 2017*, table 202.30b.

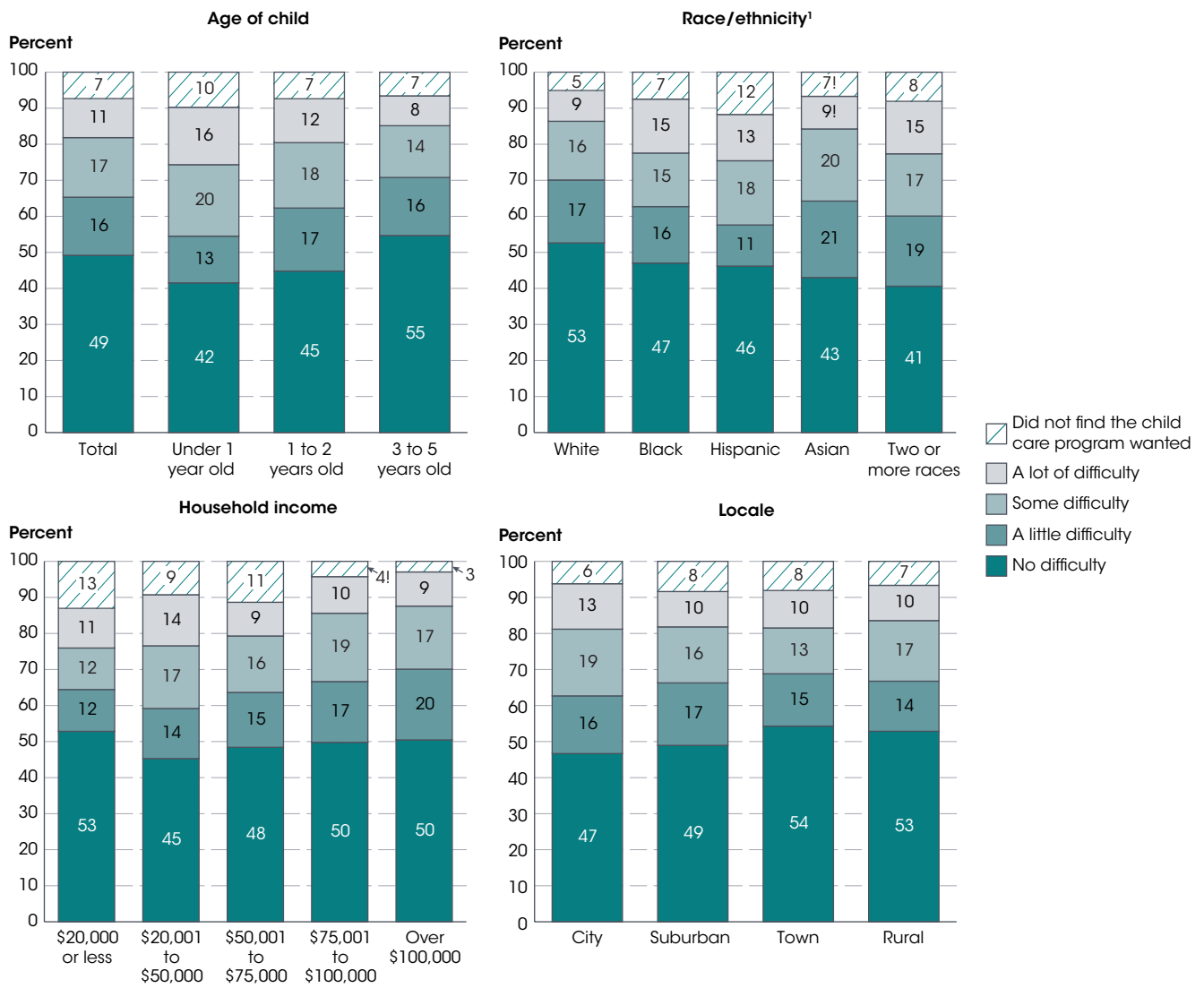
In 2016, some 57 percent of children under 6 years old³ had parents⁴ who reported that they felt there were good choices for child care where they lived. About 17 percent of children had parents who did not feel there were good choices, and the remaining 26 percent did not know whether there were good choices where they lived. These percentages were not measurably different from the corresponding percentages in 2012. In 2016, the percentage of children whose parents felt there were good choices for child care was highest for children 3 to 5 years old (65 percent), next highest for children 1 to 2 years old (54 percent), and lowest for children under 1 year old (48 percent).⁵ The percentages of children under age 6 whose parents felt there were good choices for child care were higher for White children (63 percent), children of Two or more races (59 percent), and Black children (59 percent) than for Asian (49 percent) and Hispanic children (46 percent).

In 2016, the percentage of children under 6 years old whose parents reported that they felt there were good choices for child care was highest in households with incomes of over \$100,000. Specifically, 69 percent of children in households with incomes of over \$100,000 had parents who felt there were good choices for child care, compared with 59 percent for children in households

with incomes of \$75,001 to \$100,000, 56 percent for children in households with incomes of \$20,000 or less, 52 percent for children in households with incomes of \$50,001 to \$75,000, and 48 percent for children in households with incomes of \$20,001 to \$50,000. In addition, the percentage of children whose parents felt there were good choices for child care was higher for children in households with incomes of \$75,001 to \$100,000 than for children in households with incomes of \$20,001 to \$50,000 and incomes of \$50,001 to \$75,000. However, the percentage of children whose parents felt there were good choices for child care was higher for children in households with incomes of \$20,000 or less than for children in households with incomes of \$20,001 to \$50,000.

With respect to the location of the home, the percentage of children under 6 years old whose parents felt there were good choices for child care was higher for children living in towns (61 percent) and suburban areas (60 percent) than for children in cities (54 percent) in 2016. In addition, the percentage of children whose parents felt there were good choices for child care was higher for children living in suburban areas than in rural areas (54 percent).

Figure 2. Percentage distribution of children by their parents/guardians' reported level of difficulty finding the type of child care or early childhood program they wanted, by selected child and family characteristics: 2016



¹ Interpret data with caution. The coefficient of variation (CV) for this estimate is between 30 and 50 percent.

¹ Reporting standards for Pacific Islanders and American Indians/Alaska Natives were not met; therefore, data for these groups are not shown in the figure. Race categories exclude persons of Hispanic ethnicity.

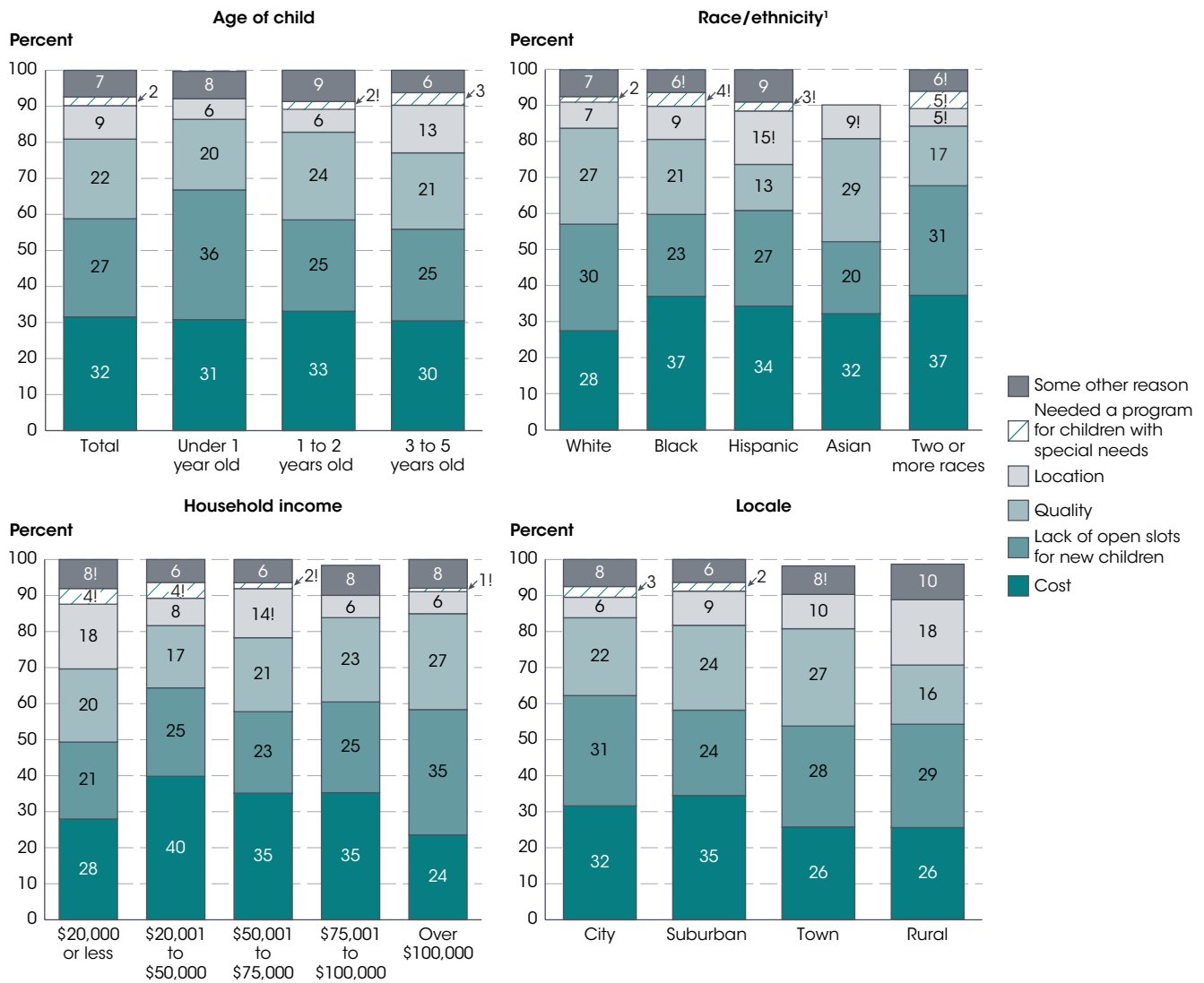
NOTE: Data represent children who were under 6 years old and were not yet in kindergarten. Data exclude children whose parents/guardians did not try to find care. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPN-NHES:2016). See *Digest of Education Statistics 2017*, table 202.30b.

Of children whose parents reported that they tried to find child care for them, 49 percent had parents who had “no difficulty” finding the type of care they wanted in 2016, which was higher than the corresponding percentage in 2012 (42 percent). In 2016, some 16 percent of children had parents who had “a little difficulty” finding the type of care they wanted, and 17 percent had parents who had “some difficulty” in doing so; both percentages were lower than their corresponding percentages in 2012 (19 and 22 percent, respectively). The percentage of children whose parents reported having “a lot of difficulty” finding the type of care they wanted in 2016 (11 percent) was not measurably different from the corresponding percentage in 2012. The percentage of children whose parents “did not find the type of care they wanted” in 2016 (7 percent) was higher than the corresponding percentage in 2012 (5 percent).

Whether parents reported having difficulty finding the type of child care they wanted in 2016 varied according to their children’s age. For children whose parents reported that they tried to find child care for their children, 55 percent of 3- to 5-year-olds had parents who had no difficulty finding the care they wanted. This percentage was higher than the corresponding percentages for children 1 to 2 years old (45 percent) and for those under 1 year old (42 percent). When the data are examined by race/ethnicity, a higher percentage of White children (53 percent) had parents who had no difficulty finding the type of care they wanted, compared with the percentages of Asian children (43 percent) and children of Two or more races (41 percent). No measurable differences by household income or locale were observed in the percentages of children whose parents reported no difficulty finding the type of care they wanted.

Figure 3. Percentage distribution of children by their parents/guardians' primary reason for difficulty finding child care or an early childhood program, by selected child and family characteristics: 2016



! Interpret data with caution. The coefficient of variation (CV) for this estimate is between 30 and 50 percent.

¹ Reporting standards for Pacific Islanders and American Indians/Alaska Natives were not met; therefore, data for these groups are not shown in the figure. Race categories exclude persons of Hispanic ethnicity.

NOTE: Data represent children who were under 6 years old and were not yet in kindergarten. Estimates exclude children whose parent/guardian reported either "have not tried to find care" or "no difficulty" finding the type of child care or early childhood program wanted. In addition, estimates also excluded nine cases whose parent/guardian reported "not applicable, did not look for care" in the open-ended response of "some other reason." Categories not shown in the figure have been suppressed because reporting standards were not met; either there are too few cases for a reliable estimate or the coefficient of variation (CV) is 50 percent or greater. Detail may not sum to totals because of rounding and suppressed data.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPPE-NHES:2016). See *Digest of Education Statistics 2017*, table 202.30a.

Among children whose parents reported difficulty finding child care in 2016, some 32 percent had parents who cited cost as the primary reason. Lower percentages of children had parents who cited the following as their primary reason for difficulty finding child care: lack of open slots for new children (27 percent), quality (22 percent), and location (9 percent). In addition, 2 percent of children had parents who reported that needing a program for children with special needs was the primary reason for difficulty finding care, and 7 percent had parents who reported other reasons.⁶

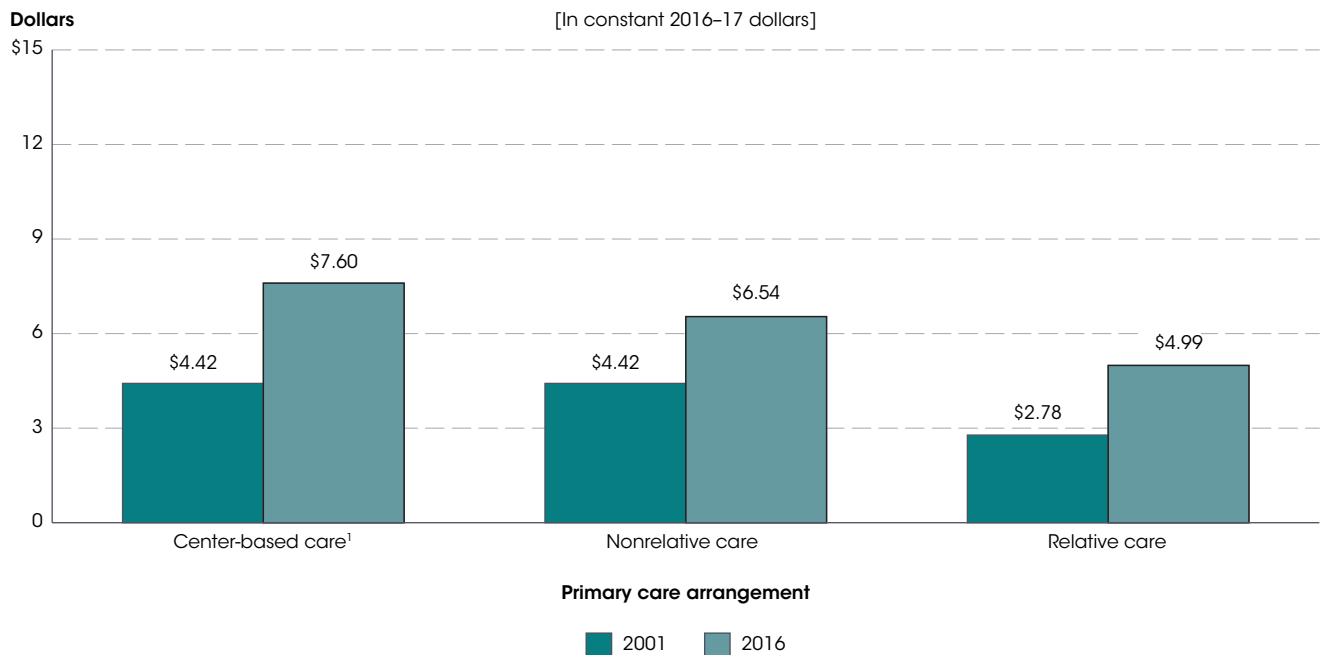
Among children whose parents reported difficulty finding child care in 2016, the percentage whose parents reported a lack of open slots for new children or location as the primary reason for the difficulty varied by children's age. A higher percentage of children under 1 year old (36 percent) than children 1 to 2 years old and 3 to 5 years old (25 percent each) had parents who reported that a lack of open slots was the primary reason for the difficulty finding care. Also, the percentage of children whose parents reported that location was the primary reason for the difficulty finding care was higher for children 3 to 5 years old (13 percent) than for children under 1 year old and children 1 to 2 years old (6 percent each).

When the data are examined by race/ethnicity, in 2016 a lower percentage of Asian children (20 percent) than White children (30 percent) had parents who reported a lack of open slots for new children as the primary reason for difficulty finding care. The percentage of children whose parents reported that quality was the primary reason for difficulty finding care was lower for Hispanic children (13 percent) than for Black (21 percent), White (27 percent), and Asian children (29 percent). In addition, a lower percentage of children of Two or more races (17 percent) than White and Asian children had parents who reported quality as the primary reason.

When the data are examined by household income level, in 2016 the percentage of children whose parents reported cost as the primary reason for difficulty finding care was lower for children in households with incomes over \$100,000 (24 percent) than for children with household incomes of \$50,001 to \$75,000 (35 percent), \$75,001 to \$100,000 (35 percent), and \$20,001 to \$50,000 (40 percent). In comparison, the percentage of children whose parents reported a lack of open slots for new children as the primary reason for the difficulty was higher for children in households with incomes over \$100,000 (35 percent) than for children in households with lower income levels (ranging from 21 to 25 percent). The percentage of children whose parents reported that location was the primary reason for the difficulty finding child care was higher for children in households with incomes of \$20,000 or less (18 percent) than for children in households with incomes of \$20,001 to \$50,000 (8 percent), \$75,000 to \$100,000 (6 percent), and over \$100,000 (6 percent).

When the data are examined by geographic locale, in 2016 a higher percentage of children in suburban areas (35 percent) than in rural areas (26 percent) had parents who cited cost as the primary reason for the difficulty finding care, and a higher percentage of children in cities (31 percent) than in suburban areas (24 percent) had parents who cited a lack of open slots for new children as the primary reason for difficulty. Quality was more commonly cited as the primary reason for difficulty finding care among the parents of children in suburban areas (24 percent) than of those in rural areas (16 percent), and location was more commonly cited as the primary obstacle for parents of children in rural areas (18 percent) than for parents of children in towns (10 percent), suburban areas (9 percent), and cities (6 percent).

Figure 4. Average hourly out-of-pocket child care expense for children under 6 years old and not yet in kindergarten whose families paid for child care, by primary type of child care arrangement: 2001 and 2016

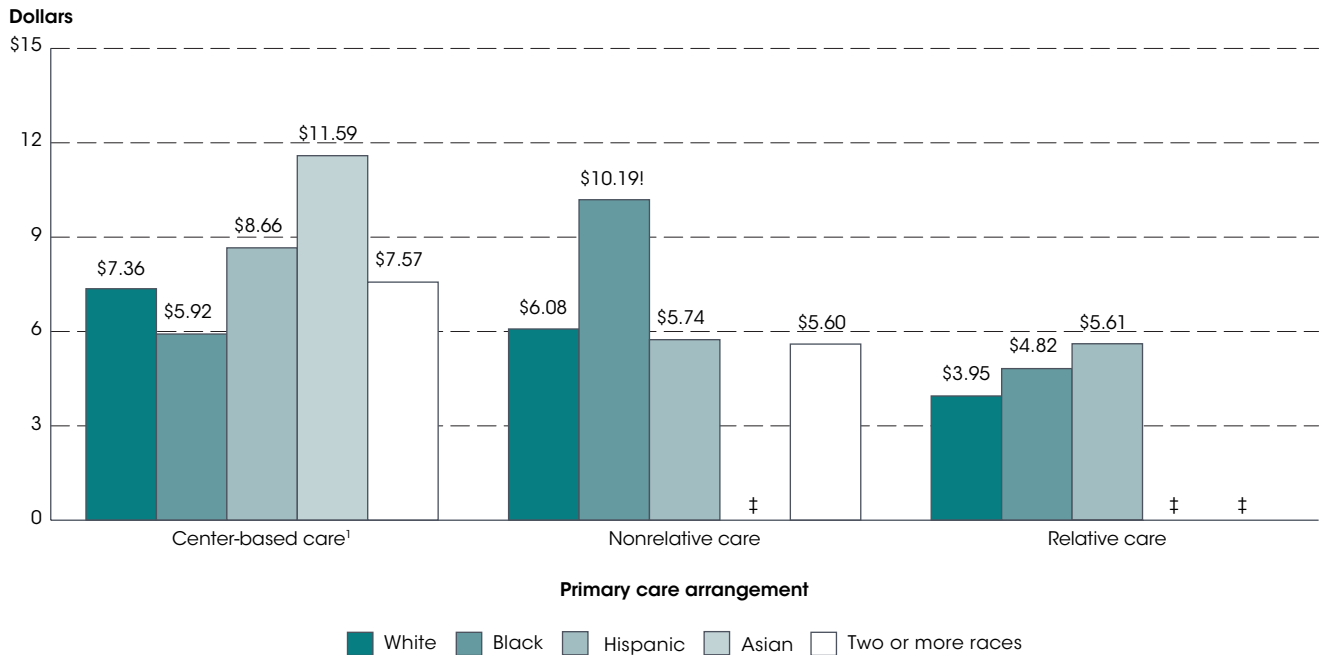


¹ Center-based arrangements include day care centers, Head Start programs, preschools, prekindergartens, and childhood programs. NOTE: Average hourly expenses are reported in constant 2016–17 dollars, adjusted using the Consumer Price Index (CPI). Estimates include only those children whose families paid at least part of the cost out of pocket for their child to receive nonparental care at least weekly. Children for whom no fee was charged, or for whom another source paid the entire fee, are excluded from the estimates. A child’s primary arrangement is the regular nonparental care arrangement or early childhood education program in which the child spent the most time per week. In 2001, National Household Education Surveys Program (NHES) surveys were administered via telephone with an interviewer. For NHES:2016, initial contact with all respondents was by mail, and the majority of respondents received paper-and-pencil questionnaires. However, as an experiment with web use, a small sample of NHES:2016 respondents received mailed invitations to complete the survey online. SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPN-NHES: 2001 and 2016). See *Digest of Education Statistics 2017*, table 202.30c.

The NHES Early Childhood Program Participation survey also asked parents about hourly out-of-pocket expenses for their children’s primary child care arrangements. In 2016, the average hourly out-of-pocket expense was \$7.60 for children in center-based programs, \$6.54 for children in nonrelative care, and \$4.99 for children in relative care. For all three child care types, the average hourly out-of-pocket expense in 2016 was higher

than in 2001 (in constant 2016–17 dollars). The average hourly out-of-pocket expense for families of children in center-based care in 2016 was 72 percent higher than in 2001 (\$7.60 vs. \$4.42), the expense for families of children in nonrelative care was 48 percent higher than in 2001 (\$6.54 vs. \$4.42), and the expense for families of children in relative care was 79 percent higher than in 2001 (\$4.99 vs. \$2.78).

Figure 5. Average hourly out-of-pocket child care expense for children under 6 years old and not yet in kindergarten whose families paid for child care, by primary type of child care arrangement and race/ethnicity: 2016

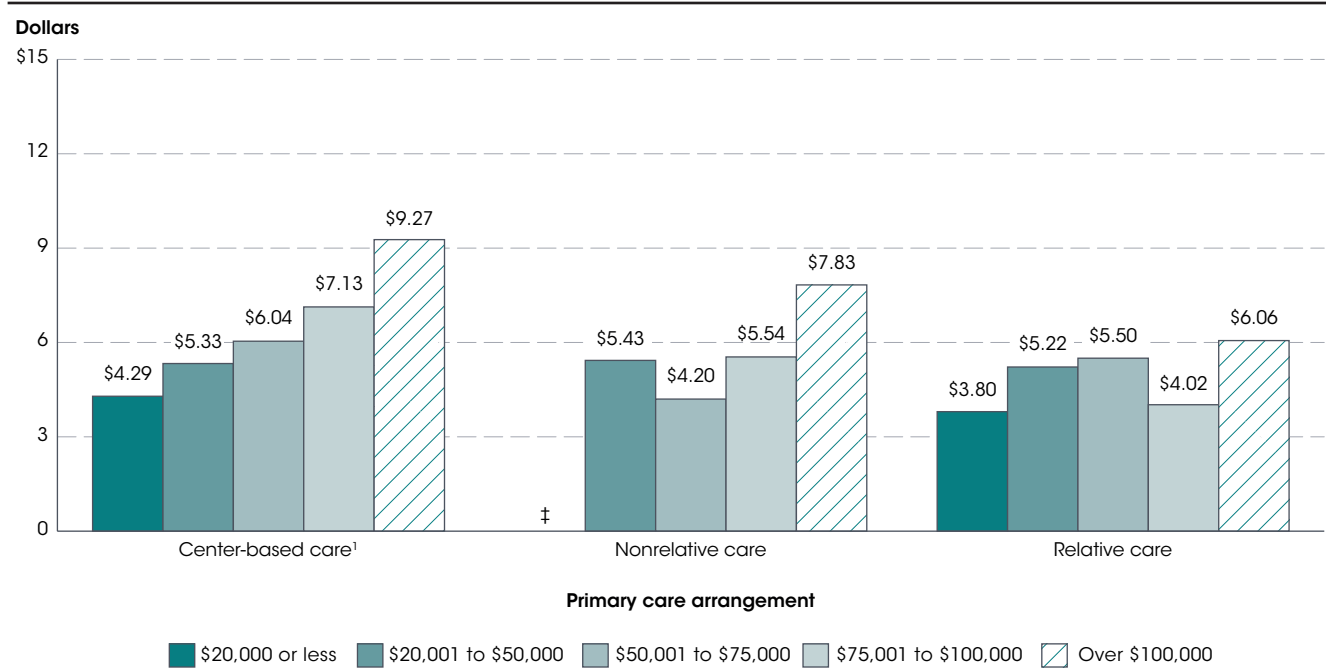


! Interpret data with caution. The coefficient of variation (CV) for this estimate is between 30 and 50 percent.
 ‡ Reporting standards not met. Either there are too few cases for a reliable estimate or the coefficient of variation (CV) is 50 percent or greater.
¹ Center-based arrangements include day care centers, Head Start programs, preschools, prekindergartens, and childhood programs.
 NOTE: Reporting standards for Pacific Islanders and American Indians/Alaska Natives were not met; therefore, data for these groups are not shown in the figure. Estimates include only those children whose families paid at least part of the cost out of pocket for their child to receive nonparental care at least weekly. Children for whom no fee was charged, or for whom another source paid the entire fee, are excluded from the estimates. A child's primary arrangement is the regular nonparental care arrangement or early childhood education program in which the child spent the most time per week. Race categories exclude persons of Hispanic ethnicity.
 SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPPE-NHES: 2016). See *Digest of Education Statistics 2017*, table 202.30c.

In 2016, there was no measurable variation across children's age groups in the average hourly out-of-pocket expenses for children in center-based care, nonrelative care, and relative care. In addition, no measurable differences were observed across children's racial/ethnic groups in families' out-of-pocket expenses for nonrelative

care or relative care. However, the average hourly out-of-pocket expense in 2016 for center-based care for families of Asian children (\$11.59) was higher than the expenses for families of children of Two or more races (\$7.57), families of White children (\$7.36), and families of Black children (\$5.92).

Figure 6. Average hourly out-of-pocket child care expense for children under 6 years old and not yet in kindergarten whose families paid for child care, by primary type of child care arrangement and household income: 2016



‡ Reporting standards not met. Either there are too few cases for a reliable estimate or the coefficient of variation (CV) is 50 percent or greater.

¹ Center-based arrangements include day care centers, Head Start programs, preschools, prekindergartens, and childhood programs.

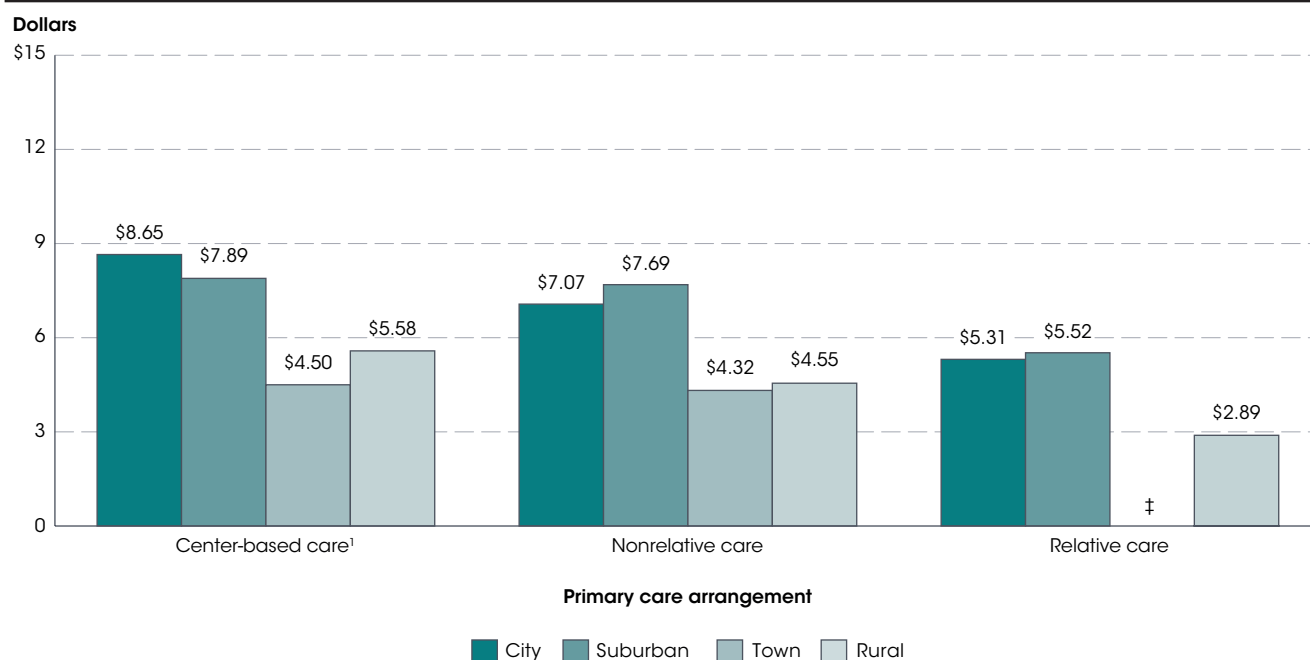
NOTE: Estimates include only those children whose families paid at least part of the cost out of pocket for their child to receive nonparental care at least weekly. Children for whom no fee was charged, or for whom another source paid the entire fee, are excluded from the estimates. A child's primary arrangement is the regular nonparental care arrangement or early childhood education program in which the child spent the most time per week.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPPE-NHES: 2016). See *Digest of Education Statistics 2017*, table 202.30c.

In 2016, families at the highest income level tended to have a higher hourly out-of-pocket expense for center-based and nonrelative child care, on average, than families at lower income levels. Specifically, families with household incomes over \$100,000 had a higher hourly out-of-pocket expense (\$9.27) for center-based care, compared with families with lower household incomes. In addition, the average hourly out-of-pocket expense for children who were in center-based care was higher for families with household incomes of \$75,000 to \$100,000 (\$7.13) than for families with household incomes of \$20,001 to \$50,000 (\$5.33) and \$20,000 or less (\$4.29). And the average hourly out-of-pocket expense for children in center-based care was higher for families with

household incomes of \$50,001 to \$75,000 (\$6.04) than for families with household incomes of \$20,000 or less.

The average hourly out-of-pocket expense for children in nonrelative care was higher for families with household incomes of over \$100,000 (\$7.83) than for families with household incomes of \$75,000 to \$100,000 (\$5.54), \$20,001 to \$50,000 (\$5.43), and \$50,001 to \$75,000 (\$4.20). The average hourly out-of-pocket expense for relative care was higher for children in families with household incomes of over \$100,000 (\$6.06) than in families with household incomes of \$20,000 or less (\$3.80), but there were no other measurable differences in relative care expenses by household income in 2016.

Figure 7. Average hourly out-of-pocket child care expense for children under 6 years old and not yet in kindergarten whose families paid for child care, by primary type of child care arrangement and locale: 2016

† Reporting standards not met. Either there are too few cases for a reliable estimate or the coefficient of variation (CV) is 50 percent or greater.

¹ Center-based arrangements include day care centers, Head Start programs, preschools, prekindergartens, and childhood programs.

NOTE: Estimates include only those children whose families paid at least part of the cost out of pocket for their child to receive nonparental care at least weekly. Children for whom no fee was charged, or for whom another source paid the entire fee, are excluded from the estimates. A child's primary arrangement is the regular nonparental care arrangement or early childhood education program in which the child spent the most time per week.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECP-PNHES:2016). See *Digest of Education Statistics 2017*, table 202.30c.

The families of children living in cities and suburban areas tended to have a higher average hourly out-of-pocket expense for child care than the families of children living in rural areas and towns. For example, the expense for families of children in center-based care was higher in cities (\$8.65) and suburban areas (\$7.89) than in rural areas (\$5.58) and towns (\$4.50). Similarly, the out-of-

pocket expense for families of children in nonrelative care was higher in cities (\$7.07) and suburban areas (\$7.69) than in rural areas (\$4.55) and towns (\$4.32). Also, the expense for families of children in relative care was higher in cities (\$5.31) and suburban areas (\$5.52) than in rural areas (\$2.89).

Endnotes:

¹ Flanagan, K.D., and McPhee, C. (2009). *The Children Born in 2001 at Kindergarten Entry: First Findings From the Kindergarten Data Collections of the Early Childhood Longitudinal Study, Birth Cohort (ECLS-B)* (NCES 2010-005). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved May 1, 2018, from <https://nces.ed.gov/pubsearch/pubinfo.asp?pubid=2010005>.

² Heckman, J.J., Moon, S.H., Pinto, R., Savelyev, P.A., and Yavitz, A. (2010). The Rate of Return to the HighScope Perry Preschool Program. *Journal of Public Economics*, 94(1): 114–128. Retrieved February 16, 2018, from <https://www.sciencedirect.com/science/article/pii/S0047272709001418>.

³ In the remainder of the indicator, reference to “children under 6 years old” excludes children who are already enrolled in kindergarten or above.

⁴ In this indicator, parents refer to parents or guardians.

⁵ In comparison, the percentage of children whose parents did not know whether there were good choices for child care was highest for children under 1 year old (36 percent), followed by those who were 1 to 2 years old (29 percent), and was lowest for children 3 to 5 years old (18 percent).

⁶ Due to unstable estimates or unmet reporting standards, the primary reasons of “needing a program for children with special needs” and “some other reason” are not discussed across the selected child and family characteristics.

Reference tables: *Digest of Education Statistics 2017*, tables 202.30, 202.30a, 202.30b, and 202.30c

Related indicators and resources: [Early Childcare and Education Arrangements](#) [*Status and Trends in the Education of Racial and Ethnic Groups*]; [Preschool and Kindergarten Enrollment](#); [Primary Early Care and Education Arrangements and Achievement at Kindergarten Entry](#)

Glossary: Household, Racial/ethnic group