What affects Paid Child Care use in states?

Child care costs as a share of income

Federal and state subsidies and offsets (such as tax credits) as a share of income

Availability of publicly provided care (primarily public preschool)

What predicts Paid Child Care use?

Labor force attachment particularly for mothers

Household income paid care rises as income rises

Educational attainment paid care rises with more education

The pandemic affected the use of Paid Child Care

Number of children under 14 in Paid Child Care

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>12.2 million</td>
</tr>
<tr>
<td>2020</td>
<td>10 million</td>
</tr>
</tbody>
</table>

The gap in income - using vs. not using Paid Child Care

Households with children under age 5 (2020)

- Using Paid Child Care: $147,230
- Not Using Paid Child Care: $96,037
- Income difference: $51,193

Households with children ages 0 – 14 (2020)

- Using Paid Child Care: $149,926
- Not Using Paid Child Care: $110,877
- Income difference: $39,049

Higher income means more Paid Child Care Use

Percentage of Children Under Age 5 in Paid Child Care by Household Income (2020)

- Under $20,000: 10.9%
- $20,000 - $39,999: 16.6%
- $40,000 - $59,999: 17.7%
- $60,000 - $74,999: 24.7%
- $75,000 - $99,999: 28.3%
- $100,000 - $149,999: 33.0%
- $150,000 and over: 40.3%

More than 75% of children in Paid Child Care are age 8 and under.

That's 9.4 million children

The economic role of Paid Child Care in the U.S.