CED Releases Report on Using Census Bureau Data to Boost Child Care & Employment

New York, June 28, 2022...Today, CED released the fourth and final installment of its unique 2022 series that analyzes the role of paid child care in the economy—including its impact on labor force participation. The new report serves not only as a road map for researchers to build on CED’s findings. The report is also useful to policymakers as they consider key questions related to the use of paid child care—especially for women—and its connection to the workforce and economic growth.

Specifically, the new report details how researchers can effectively leverage the underlying data from the Census Bureau’s Current Population Survey (CPS), which CED used as the basis for its report series about paid child care. As detailed in the primer, the CPS is a monthly survey of US households jointly sponsored by the Census Bureau and the Bureau of Labor Statistics. As part of its Annual Social and Economic Supplement (ASEC), the survey includes questions about the use of paid child care since 2001 and about such expenditures since 2010.

“Our work uncovered several groundbreaking insights, including that boosting women’s labor force participation by one percent—which more paid child care could help achieve—would generate nearly $73 billion of additional income for women,” said Dr. Lori Esposito Murray, President of CED. “CED’s series examines data more extensively and over a long a time period than any previous work. This fourth and latest report provides a foundation for the research community to discover additional insights, which will help inform public policies that generate more prosperity for the nation’s families and the economy more broadly.”

The report, The Economic Role of Paid Child Care in the U.S., Part 4: Child Care Data in the Current Population Survey, a Primer, covers five key aspects of the CPS data:

- The design of the CPS and its Annual Social and Economic Supplement;
- What specific data the survey captures;
- The sources from which that data comes;
- Best practices for using the data; and
- Likely technical issues which come with the data and how to handle them

The series is the first deep analysis of paid child care usage mined from the CPS data. Findings highlighted from the first three installments in the series include:

- A high price tag: In 2020, the average income of families using paid child care was $149,926.
- The primary drivers of paid child care usage are labor force attachment, household income, and educational attainment.
- Despite declining labor force attachment across all genders, men participate in the labor force at a higher rate than women.
- Paid child care usage is directly impacted by maternal labor force participation trends.
- A one percent increase in the labor force participation of women ages 18-54 would produce multiple economic benefits, including an additional income of approximately $73 billion.
• Short-term changes in paid child care correspond with three key factors: labor force participation, actual hiring of mothers, and increased income.
• Long-term changes in paid child care correspond with three different key factors: maternal labor force, real income, and the overall total of the male and female labor force.

The prior three reports as part of this series focus on 1) the link between paid child care and income; 2) the link between child care access and mothers’ workforce participation; and 3) the economic benefits of increasing women’s participation in the labor force. More information on the series, which was produced with funding from the W.K. Kellogg Foundation, can be found here.

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