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Women and Families Struggle with Child Care Following the Federal Funding Cliff, But Fare Better in States with Additional State Funding for Child Care

Shengwei Sun

Under a crisis long in the making and exacerbated by the COVID-19 pandemic, child care remains inaccessible and unaffordable for many families with young children in the United States. Chronic underinvestment in the child care system has resulted in child care costs being transferred to families in the form of unaffordable care and to early educators who subsidize the system with low wages.

To stabilize the child care sector during the pandemic, the American Rescue Plan Act (ARPA), passed by Congress and signed into law by President Biden in March 2021, included $24 billion in child care stabilization grants and $15 billion in supplemental child care discretionary funds to states.[1] The ARPA child care stabilization funds provided critical support to child care programs, early educators, and families with young children.[2] However, the $24 billion Child Care Stabilization funds expired on September 30, 2023, removing an essential support from early educators and families with young children. Another funding cliff is approaching in September of 2024, with $15 billion for the Child Care and Development Block Grant set to expire, adding pressure to an already stretched industry.

Meanwhile, at least 11 states and the District of Columbia have dedicated significant new state funding to grants to child care providers, programs to support their child care workforces, or other solutions that directly support providers over the past two years.[3] Recent data suggests that these state-level investments provided critical relief for both early childhood educators and families with young children following the expiration of the Child Care Stabilization grants.

A new National Women's Law Center (NWLC) analysis of Census Household Pulse Survey data[4] finds that the share of respondents with children under 12 years old in their household who lacked child care increased by more than 5 percentage points (from 17.8 percent to 23.1 percent) between fall 2023 and spring 2024 in states without significant additional state funding to support the child care sector.[5]

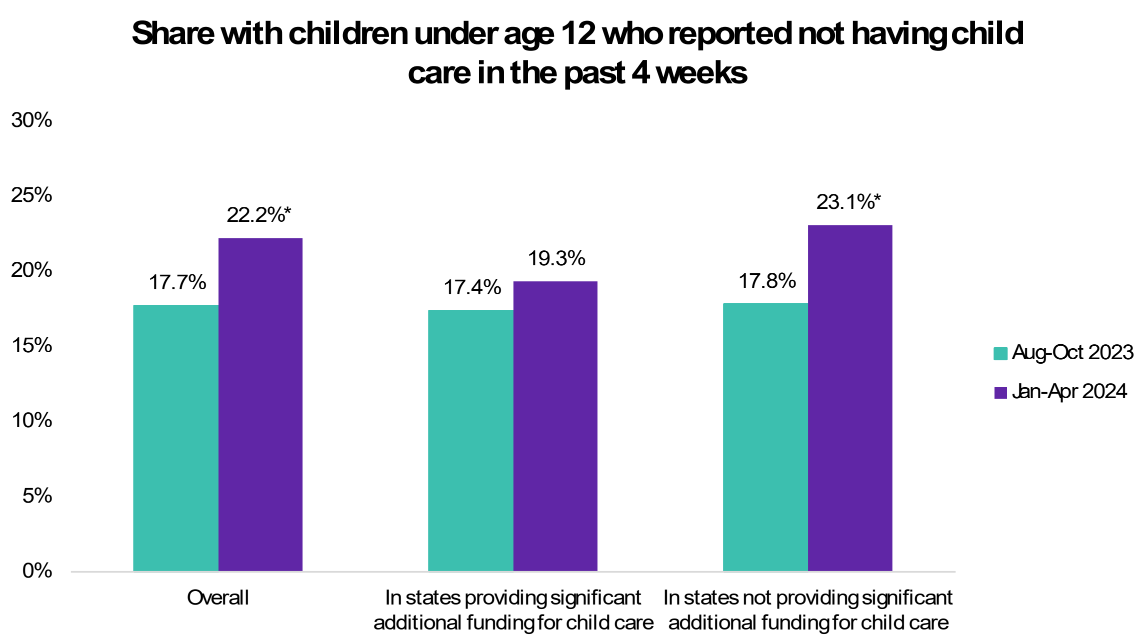
Additionally, in the 11 states and DC where significant additional state investments in child care programs and providers have been made, the share of women respondents with children under age 12 who wanted to work but reported not working for pay because they were caring for a child not in school or child care[6] decreased from 45.3% to 31.9%.

This data reinforces the findings of a survey of more than 10,000 early childhood educators from all states and settings conducted by the National Association for the Education of Young Children (NAEYC) in January 2024. In that survey, early childhood educators reported challenges following the loss of federal funding last September, such as increased levels of burnout among educators, staff shortages, rising operating costs for programs, and closures of child care programs outnumbering openings in their communities.[7] The NAEYC survey further found that in the 11 states and DC, where additional investments have been made, early childhood educators significantly less often reported raising tuition or that their program waitlist had grown in the previous six months.

The Share of Parents Who Lacked Child Care in the Past Four Weeks Increased after the Child Care Funding Cliff in States Without Additional State Funding to Support the Child Care Sector.

NWLC analysis of the Census Bureau's Household Pulse Survey shows that among those with children under 12 years old in the household, there was a significant increase in children not being able to attend child care. Specifically, the share of respondents who reported that, at some point in the past four weeks, children in their household were unable to attend child care as a result of child care being closed, unavailable, unaffordable, or because they were concerned about their child's safety in care, increased nationwide from 17.7% in August-October 2023 to 22.2% in January-April 2024. Both women and men experienced this increase.

Our analysis further shows that the increase in the share of parents with children under age 12 who reported not having child care at some point in the past four weeks is concentrated in the states without significant additional state funding for child care, increasing from 17.8% to 23.1%. In comparison, the change in the share of parents reporting not having child care in the past four weeks in the 11 states and DC with additional state funding for child care programs and providers is smaller in magnitude and is not statistically significant.

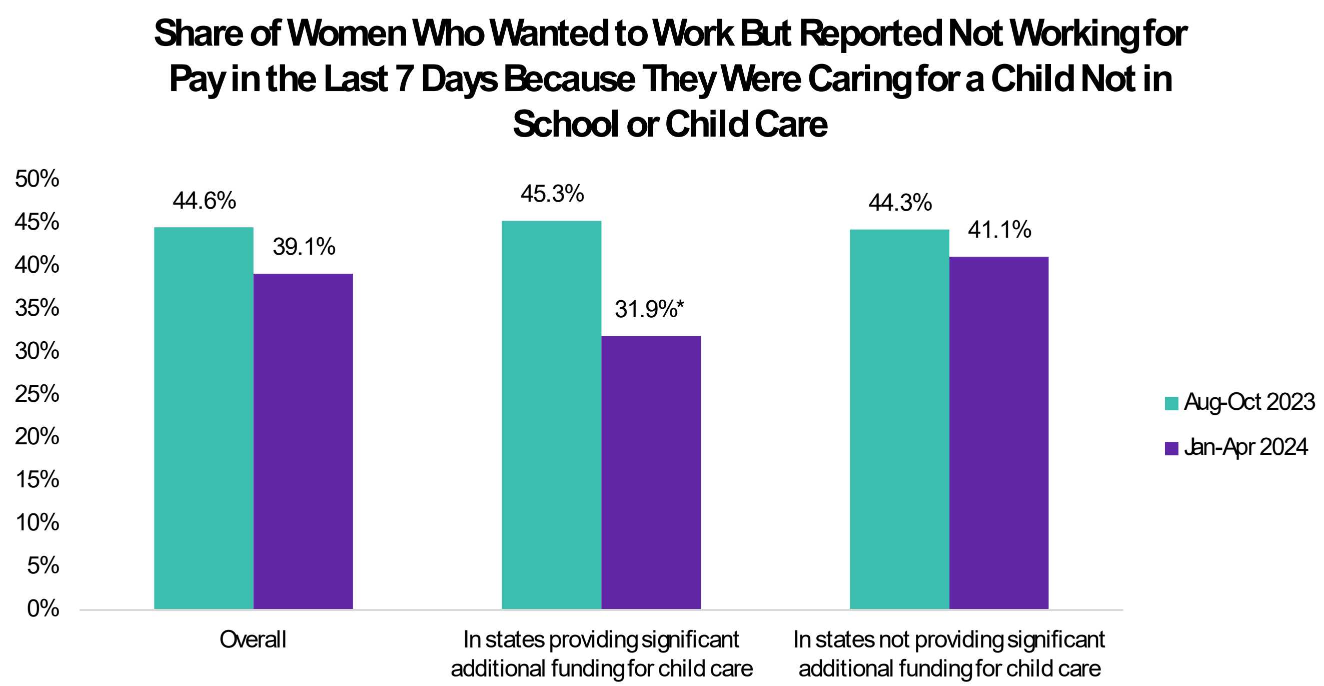


Source: NWLC calculations based on August 23—October 30, 2023 (Phase 3.10) and January 9—April 1, 2024 (Phase 4.0) of the U.S. Census Bureau Household Pulse Survey. U.S. Census Bureau, "Measuring Household Experiences During the Coronavirus (COVID-19) Pandemic, 2020-2024 Household Pulse Survey," https://www.census.gov/data/experimental-data-products/household-pulse-survey.html, accessed April 18, 2024. The analytic sample is restricted to respondents with children under 12 years old in their household.
**Statistically significant difference between August-October 2023 and January-April 2024 (p < 0.01).*

The Share of Women Who Wanted to Work but Reported Not Working for Pay Due to Child Care Decreased in States That Dedicated Additional State Funding to Support the Child Care Sector.

Having child care support is critical for parents' ability to earn an income and for families' economic security, especially for women who shoulder disproportionate caregiving responsibilities.

About two in five (44.6% in fall 2023 and 39.1% in spring 2024; the difference is not statistically significant) women respondents with children under 12 years old who wanted to work for pay reported not working for pay in the past seven days because they were caring for a child not in school or child care. However, in the 11 states and DC with significant additional state funding for the child care sector, the share of women respondents who reported so significantly decreased between fall 2023 and spring 2024, from 45.3% to 31.9%.



Source: NWLC calculations based on August 23—October 30, 2023 (Phase 3.10) and January 9—April 1, 2024 (Phase 4.0) of the U.S. Census Bureau Household Pulse Survey. U.S. Census Bureau, "Measuring Household Experiences During the Coronavirus (COVID-19) Pandemic, 2020-2024 Household Pulse Survey," https://www.census.gov/data/experimental-data-products/household-pulse-survey.html, accessed April 18, 2024. The analytic sample is restricted to women with children under 12 years old in their household who did not work for pay in the last 7 days but wanted to work. Those who retired or did not want to be employed were excluded from the sample. Calculations for men are not included due to insufficient sample sizes.
**Statistically significant difference between August-October 2023 and January-April 2024 (p < 0.01).*

CONCLUSION

The data underscores that the child care crisis is a policy choice and that public funding works. However, access to child care shouldn't depend on a family's zip code and state funding alone is not enough. The federal government must secure robust funding to ensure that every family across the country can access affordable child care.

As the nation faces another federal child care funding cliff in September 2024, it is more important than ever that policymakers finally make the long overdue investments in child care that families and early educators need and deserve—and that is essential to our economy. In the long run, sustained and robust federal public investment is critical for transforming the child care system so that all families have access to child care that meets their needs and early educators are fairly compensated and supported.

ACKNOWLEDGMENT

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1 American Rescue Plan Act of 2021, Pub. L. No. 117-2, 135 Stat. 31, 207 (2021).

2 The White House Council of Economic Advisers Working Paper, "Did Stabilization Funds Help Mothers Get Back to Work After the COVID-19 Recession?" (November 7, 2023), https://www.whitehouse.gov/wp-content/uploads/2023/11/Child-Care-Stabilization.pdf.

3 In addition to the District of Columbia, these 11 states include Alaska, California, Illinois, Kentucky, Maine, Massachusetts, Minnesota, New Hampshire, Vermont, Washington, and New Mexico. See Julie Kashen and Laura Valle-Gutierrez, "With Arrival of Child Care Cliff, Some States Have Stepped in to Save the Sector" (The Century Foundation, January 2024), https://tcf.org/content/report/with-arrival-of-child-care-cliff-some-states-have-stepped-in-to-save-the-sector/.

4 Unless otherwise noted, all numbers appeared in this fact sheet are from NWLC analyses of U.S. Census Bureau, "Measuring Household Experiences During the Coronavirus (COVID-19) Pandemic, Household Pulse Survey," Census.gov, https://www.census.gov/data/experimental-dataproducts/household-pulse-survey.html. As a Census Bureau's experimental data product, the Household Pulse Survey was designed to quickly and efficiently collect data regarding household's experiences during the pandemic. The survey was conducted virtually, and the overall response rates are significantly lower than most federally sponsored surveys, raising concerns about nonresponse bias (For more on nonresponse bias for the 2020 Household Pulse Survey, see https://www2.census.gov/programs-surveys/demo/technical-documentation/hhp/2020_HPS_NR_Bias_Report-final.pdf). Other potential sources of error of the Household Pulse Survey data include measurement, coverage, processing, and item nonresponse. All results in this analysis should therefore be interpreted with caution.

5 All comparative statements in this factsheet have undergone statistical testing and are statistically significant at the 90 percent confidence level.

6 The Census Household Pulse Survey uses the term "daycare" whereas NWLC uses "child care."

7 National Association for the Education of Young Children, "'We Are NOT OK': Early Childhood Educators and Families Face Rising Challenges as Relief Funds Expire" (February 2024), https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/feb_2024_brief_wearenotok_final_1.pdf.