

# How Much Did Households in the United States Pay for Child Care in 2012?

## An Examination of Differences by Community Urbanicity

### Key Findings

- Among households with children under age 13 that paid for nonparental care in 2012, households in rural areas spent the largest percentage of their income on care.
- In high-density urban areas, 13 percent of child care arrangements with a paid individual, such as a family child care home, were partially or fully subsidized. In contrast, just 2 percent and 6 percent of these arrangements were subsidized in rural and moderate-density urban areas, respectively.
- Across all communities, about one-fourth of children's center-based arrangements were free. Center-based arrangements were less likely to be free in moderately-urban areas, compared to urban areas and rural areas.

### Data and Methods

This Snapshot is based on information collected by the National Survey of Early Care and Education (NSECE), a nationally representative study of American households and early care and education providers conducted in 2012. The information in this Snapshot is based on a report on nonparental care usage and costs from the NSECE household survey (NSECE Project Team, 2016).

This Snapshot focuses on care for children under age 13. Household costs are calculated based on how much a household paid, in total, for children's regular nonparental care arrangements.<sup>1</sup> Regular nonparental care arrangements are those that a child attended for at least 5 hours per week, not including K-8 schooling. Households may use only free care arrangements, a combination of free and paid care, or only paid care arrangements. Only households that had out-of-pocket costs for care are included in the average cost estimates.

For households with multiple children, household costs include the costs for all children in care (ages 0-13). In the case of children with multiple care arrangements, this includes the cost of all regular care arrangements combined. In cases where there is subsidized care, cost calculations include only the out-of-pocket costs to parents. Using these methods allows for an accurate and comprehensive estimate of regular child care costs at the household level.

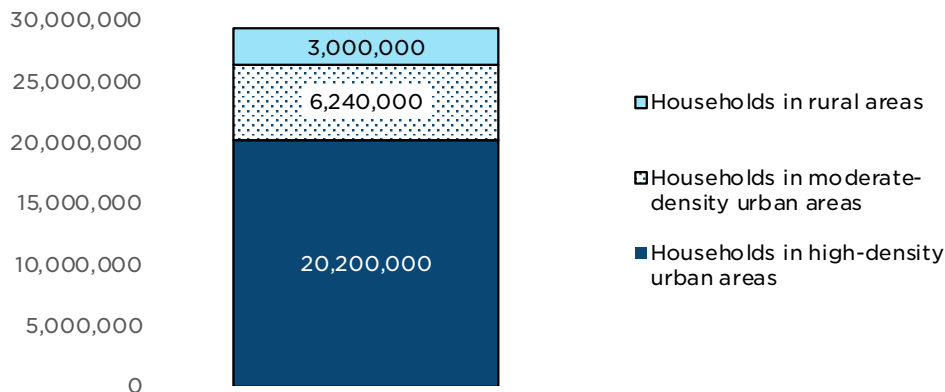
Though comparisons by urbanicity are discussed throughout this Snapshot, tests to identify statistically significant differences were not conducted. Differences are discussed in the text if there was at least a 5 percentage-point difference in scores.

<sup>1</sup> Each *child-provider pair* is a different arrangement. For example, a child may have one arrangement in a Head Start program and a second arrangement with a neighbor.

# Where did households with children under age 13 live in 2012?

The NSECE designated each community as a **high-density urban area** (85 percent or more of the total population is urban), a **moderate-density urban area** (at least 30 percent but less than 85 percent of the total population is urban), or a **rural area** (less than 30 percent of the total population is urban).<sup>2</sup> Figure 1 shows that most households with children lived in high-density urban areas.

**Figure 1.** Number of U. S. Households with Children Under Age 13, by Community Urbanicity



*Most households with children under age 13 lived in high-density urban areas.*

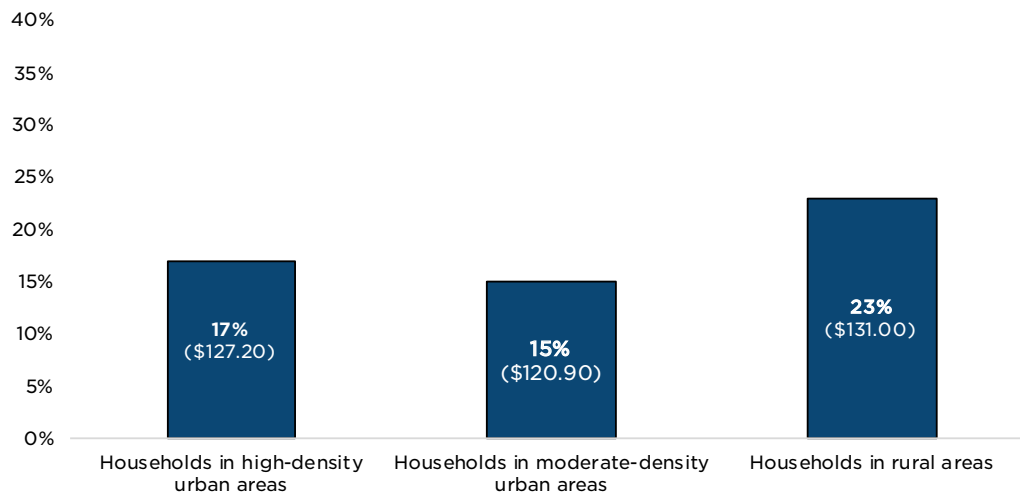
Source: NSECE Project Team, 2016. Tables 23.1-23.3 (Household-Level Estimates of Weekly Cost and Cost Burden for Regular ECE, by Community Urbanicity).  
Note: Values are rounded.

<sup>2</sup> "A community is a cluster of neighboring census tracts. Urban population counts are adjusted for proximity to the geographic center of the community and for census tract population under age 18." (NSECE Project Team, 2016, p. 3)

## Did households' child care expenses vary by urbanicity?

Figure 2 shows the extent to which households' child care expenses varied by the households' urbanicity.

**Figure 2.** Proportion of Weekly Household Income Spent on Regular Nonparental Care for All Children Under Age 13, by Community Urbanicity



*Among households with children under age 13 that paid for nonparental care, households in rural areas spent the largest percentage of their income on care.*

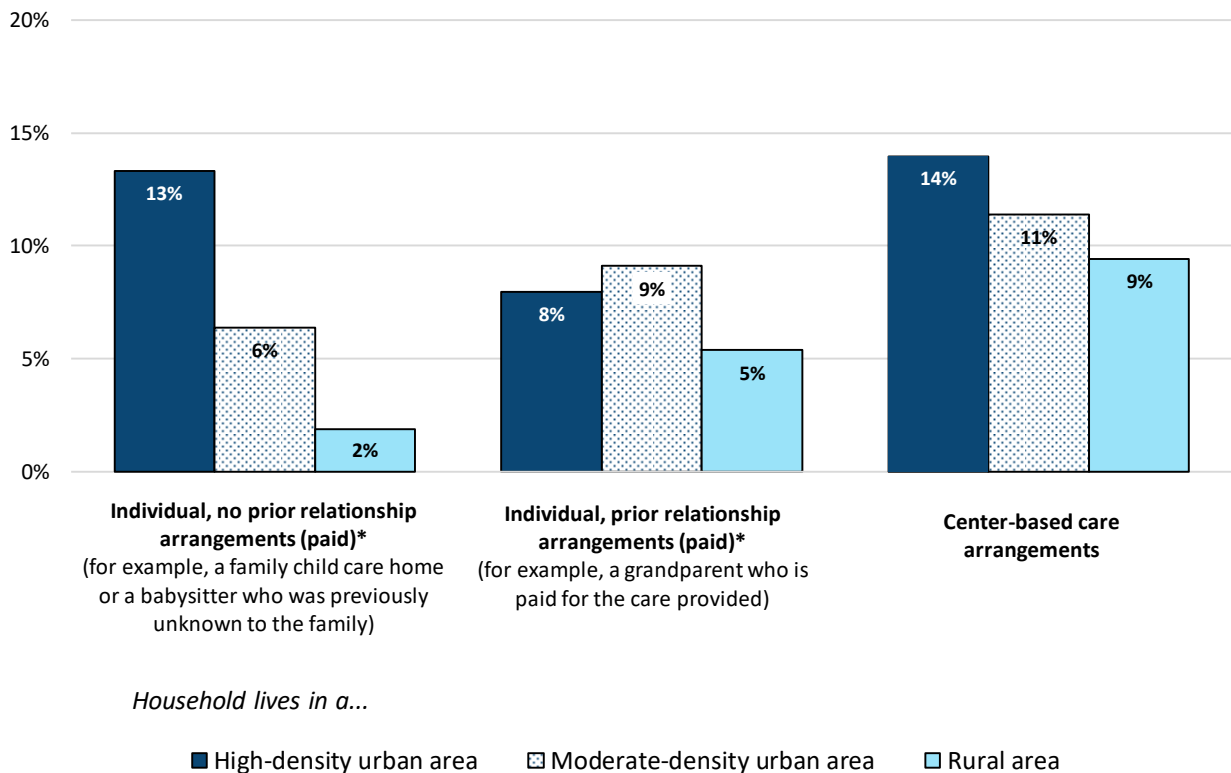
Source: NSECE Project Team, 2016. Tables 23.1–23.3 (Household-Level Estimates of Weekly Cost and Cost Burden for Regular ECE, by Community Urbanicity).

Note: Dollar amounts in parentheses represent the average household-level cost of care in each type of community. The sample was restricted to households with at least one regular nonparental care arrangement and any out-of-pocket costs for regular nonparental care. Regular nonparental care arrangements are those that a child attended for at least 5 hours per week, not including K-8 schooling. Costs for K-8 schooling are not included in the weekly cost of care.

## Did the use of subsidized nonparental care vary by urbanicity and type of care?

Figure 3 shows the share of care arrangements that had a public or private subsidy, by care type and urbanicity. Public and private subsidies help families pay for nonparental care in various settings, including child care centers, family child care homes, and care with an individual provider such as a grandparent. Subsidies may cover part of the cost, or the full cost of the arrangement. The federal subsidy program funded by the Child Care and Development Fund (CCDF) is the most widely used subsidy program; still, about 90 percent of children who meet federal eligibility requirements for CCDF subsidies do not receive a subsidy (Government Accountability Office, 2016). Subsidies also come from other sources, such as state programs, employers, or religious organizations.

**Figure 3.** Percentage of Regular Nonparental Care Arrangements for Children Under Age 13 that had a Public or Private Subsidy, by Type of Care and Community Urbanicity



*Compared to the nonparental care arrangements used by rural households, the arrangements used by urban households were more likely to be paid—in part or in full—by a public or private subsidy*

Source: NSECE Project Team, 2016. Tables 12.1-12.3 (Arrangement-Level Estimates of Cost of Care by Type of Care, Children Age 0 through 156 Months, by Community Urbanicity).

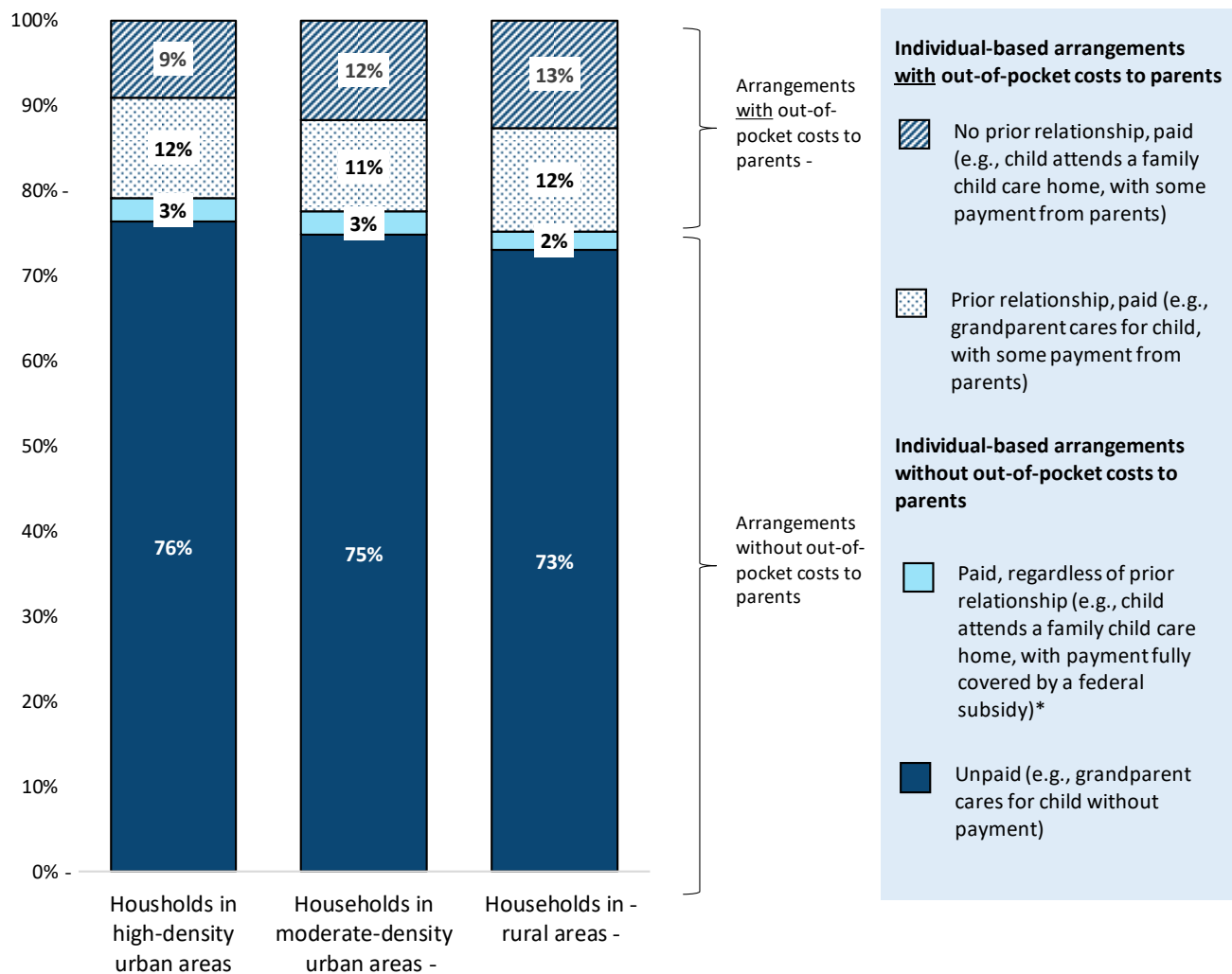
Note: Regular nonparental care arrangements are those that a child attended for at least 5 hours per week, not including K-8 schooling. Arrangements marked with an asterisk (\*) have a fee for care, but someone other than the parents may pay the fee in part or full (e.g., a child care subsidy or a family member). Arrangements with individuals who provide unpaid care, such as grandparents who provide free care, are not included in this figure.

- Regarding center-based arrangements, those in rural areas were least likely to be subsidized. In rural areas, just 9 percent of center-based arrangements were subsidized. Eleven percent of center-based arrangements were subsidized in moderately-urban areas, and 14 percent were subsidized in high-density urban areas.
- Regarding paid arrangements with an individual with whom the family had a prior relationship (e.g., a paid grandparent or friend), differences by community urbanicity were small—fewer than 5 percentage points.
- Regarding paid arrangements with an individual with whom the family had no prior relationship (e.g., a family child care home), just 2 percent and 6 percent of these arrangements were subsidized in rural and moderate-density urban areas, respectively. In contrast, 13 percent were subsidized in high-density urban areas.

# Did the use of free nonparental care vary by urbanicity and type of care?

Free nonparental care arrangements could include public pre-K and Head Start, which are free to eligible children; care offered free of charge by an individual, such as a friend, family member, or neighbor; and care that is fully subsidized through CCDF or other programs. Figure 4 shows the different payment scenarios for individual-based arrangements, such as care from a grandparent or in a family child care home. Most individual-based arrangements—about three-quarters—were unpaid, regardless of urbanicity.

**Figure 4.** Regular Individual-based Nonparental Care Arrangements for Children Under Age 13: Percentage with and without Out-of-pocket Costs to Parents, by Community Urbanicity

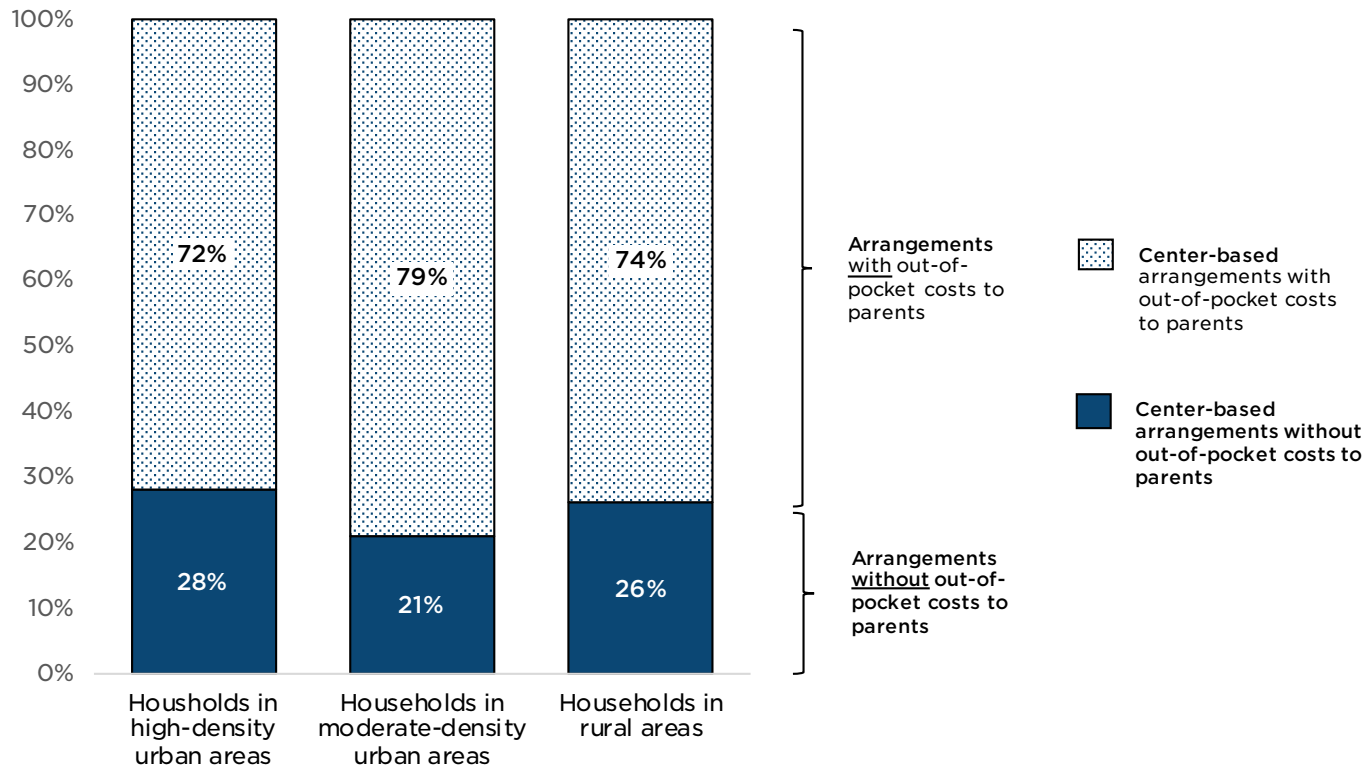


Source: NSECE Project Team, 2016. Tables 12.1-12.3 (Arrangement-Level Estimates of Cost of Care by Type of Care, Children Age 0 through 156 Months, by Community Urbanicity).

Note: Regular nonparental care arrangements are those that a child attended for at least 5 hours per week, not including K-8 schooling. Arrangements marked with an asterisk (\*) have a fee for care, but someone other than the parents may pay the fee in part or full (e.g., a child care subsidy or a family member). Due to rounding, cumulative percentages may not equal 100 percent; however, the graphic is based on unrounded estimates.

Figure 5 shows the different payment scenarios for center-based arrangements. Center-based arrangements were slightly less likely to be free in moderately-urban areas than in urban and rural areas.

**Figure 5. Regular Center-based Nonparental Care Arrangements for Children Under Age 13: Percentage with and without Out-of-pocket Costs to Parents, by Urbanicity**



Source: NSECE Project Team, 2016. Tables 12.1-12.3 (Arrangement-Level Estimates of Cost of Care by Type of Care, Children Age 0 through 156 Months, by Community Urbanicity).

Note: Regular nonparental care arrangements are those that a child attended for at least 5 hours per week, not including K-8 schooling. Arrangements with no out-of-pocket costs are completely free to the family, regardless of where the money came from. Examples include Head Start, public pre-K, and fully subsidized arrangements in child care centers. Due to rounding, cumulative percentages may not equal 100 percent; however, the graphic is based on unrounded estimates.

## References

---

Government Accountability Office. (2016). *Child Care: Access to Subsidies and Strategies to Manage Demand Vary across States*. GAO Report #17-60. Washington DC: U.S. Government Accountability Office. Retrieved from <https://www.gao.gov/products/GAO-17-60>

NSECE [National Survey of Early Care and Education] Project Team. (2016). *Early Care and Education Usage and Households' Out-of-Pocket Costs: Tabulations from the National Survey of Early Care and Education (NSECE)*. OPRE Report #2016-09. Washington DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Retrieved from <https://www.acf.hhs.gov/opre/resource/early-care-education-usage-households-out-of-pocket-costs-tabulations-nsece>

## Other Snapshots in this Series

---

Forry, N., Madill, R., Shuey, E., Halle, T., Ugarte, G., & Borton, J. (2018). *Snapshots from the NSECE: How Much Did Households in the United States Pay for Child Care in 2012? An Examination of Differences by Child Age*. OPRE Report #2018-110. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

Forry, N., Madill, R., & Halle, T. (2018). *Snapshots from the NSECE: How Much Did Households in the United States Pay for Child Care in 2012? An Examination of Differences by Household Income*. OPRE Report #2018-112. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

## Suggested Citation

---

Madill, R., Forry, N., & Halle, T. (2018). *Snapshots from the NSECE: How Much Did Households in the United States Pay for Child Care in 2012? An Examination of Differences by Community Urbanicity*. OPRE Report #2018-111. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.