



Cost of child care

Fundamental facts from the Minnesota child care survey

***A year of
licensed child
care can easily
cost more than
state college
tuition.***

Just under half of families pay for child care.

- 44% of families with children 14 or younger pay at least some out-of-pocket costs for child care during a typical week.
- The average weekly out-of-pocket cost for these families, for all their children, is just over \$100, or about \$5,600 yearly.

A year of full-time, licensed child care costs more than a year's tuition at most Minnesota state colleges or universities.

- For licensed child care, parents pay around \$4,600 per year for 20+ hours a week and about \$5,100 per year for 35+ hours a week.
- For at least 20 hours of licensed care per week, the average weekly cost is around \$90.
- For at least 35 hours of care per week, the average weekly cost is about \$100.

Costs vary by the age of the child.

- More than half of parents pay for care for 1- and 2-year-olds (51%) and 3- to 5-year-olds (55%).
- Fewer parents pay for care of infants under 1 (36%), 6- to 9-year-olds (38%), or 10- to 14-year-olds (15%).

Average cost for 20+ hours of licensed care per week:

- Age 0 to 2 – about \$98 per week, about \$5,000 per year.
- Age 3-5 – about \$87 per week, about \$4,500 per year.
- Age 6 to 10 – about \$70 per week, about \$3,600 per year.

Average cost for 35+ hours of licensed care per week:

- Age 0 to 2 and age 3 to 5 – about \$100 per week, about \$5,200 per year.
- Age 6 to 10 – about \$80 per week, about \$4,400 per year.

continued

Out-of-pocket child care expenses take a bigger share of gross income for poorer families.

By annual household income:

- \$20,000 or less – 32% or more goes toward child care expenses.
- \$20,000 to \$45,000 – 10% to 23% goes toward child care expenses.
- \$45,000 to \$75,000 – 7% to 11% goes toward child care expenses.
- More than \$75,000 – 9% or less goes toward child care expenses.

More than half of low-income families know about the state child care assistance programs, but most do not use it.

Among low income families (incomes close to or below 200% of the federal poverty line):

- 57% are aware of Minnesota's state child care assistance programs.
- 12% were receiving the subsidy at the time of the survey.
- 5% were on the waiting list at the time of the survey.
- 14% report that they would have been on the waiting list if it had not been so long.

The subsidy is used or requested more by those who have higher child care costs.

- Those receiving the subsidy have average out-of-pocket costs of \$47 per week, compared to \$25 for low-income families not receiving the subsidy.
- Those on the waiting list have average weekly costs of \$55, compared to \$19 for those not on the waiting list.

For most parents, reasonable cost is a “very important” factor in choosing child care.

- When considering the role of cost in choosing child care, almost all parents say that reasonable cost is “very important” (67%) or “somewhat important” (29%). Only 4% say cost is “not important” in choosing child care.

These results come from a survey of 2,450 parents throughout Minnesota, sponsored by the Minnesota Department of Children, Families & Learning and conducted by Wilder Research Center. “Child care” in this survey includes anything other than the direct care of a parent or the regular K-12 school day. The survey covers the arrangements for the youngest child in each family (infants through age 14). The survey was conducted from June 1999 through March 2000, so it includes both summer and school-year patterns of care. Any difference between groups that is mentioned here has been tested and found to be statistically significant, unless specifically noted otherwise. The overall margin of error is about plus or minus 2 percentage points.

Other fact sheets in this series, as well as the full research report *Child care use in Minnesota*, are available for free download at www.wilder.org/research. Printed copies of the research report can be purchased from Minnesota's Bookstore, 800-657-3757, www.commedia.state.mn.us/bookstore.

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