

Two Sides of One Child Care Dilemma

May 11, 2023



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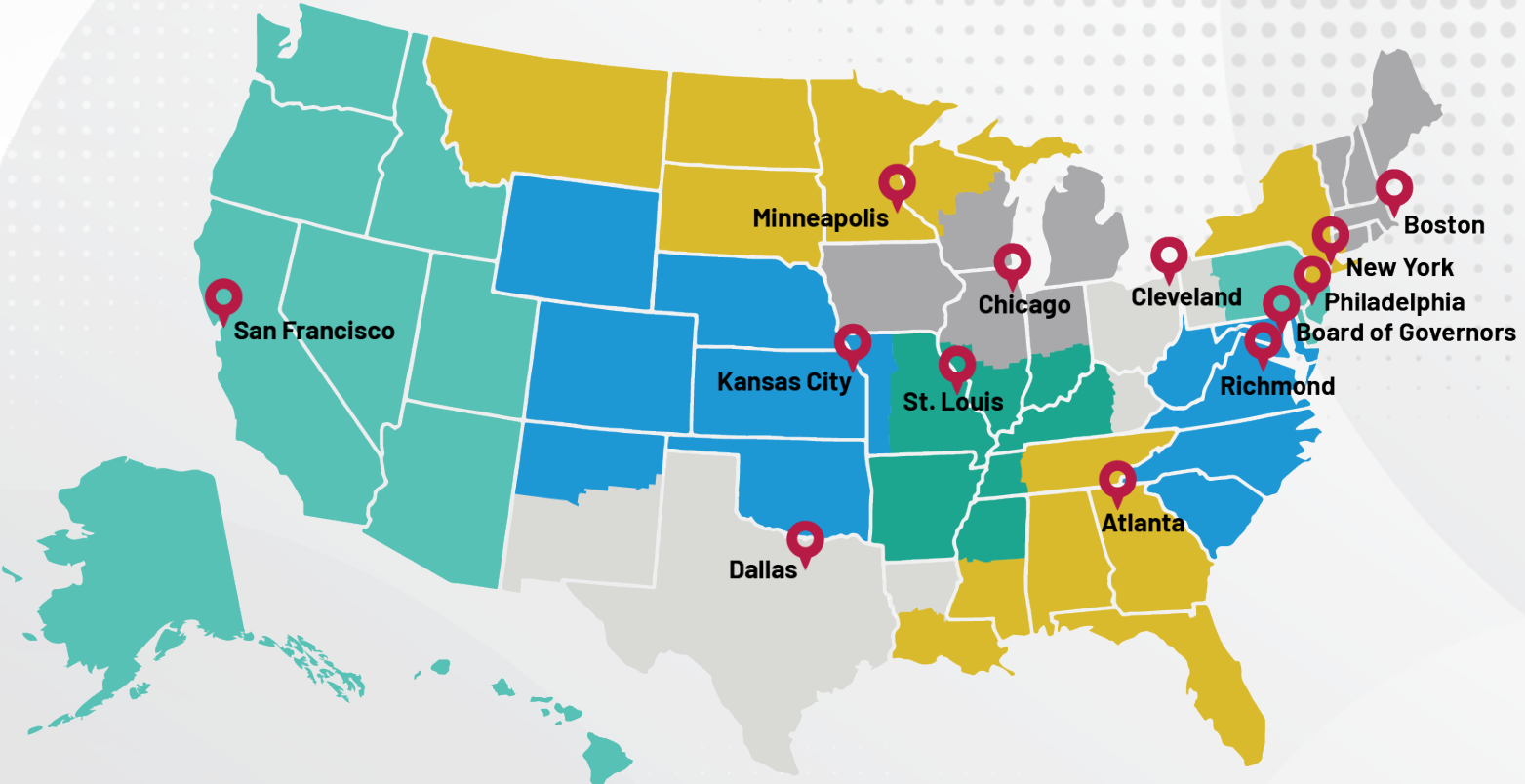


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The Fed and ... Children?



Photo Credit: Paula Keller for the Minneapolis Fed



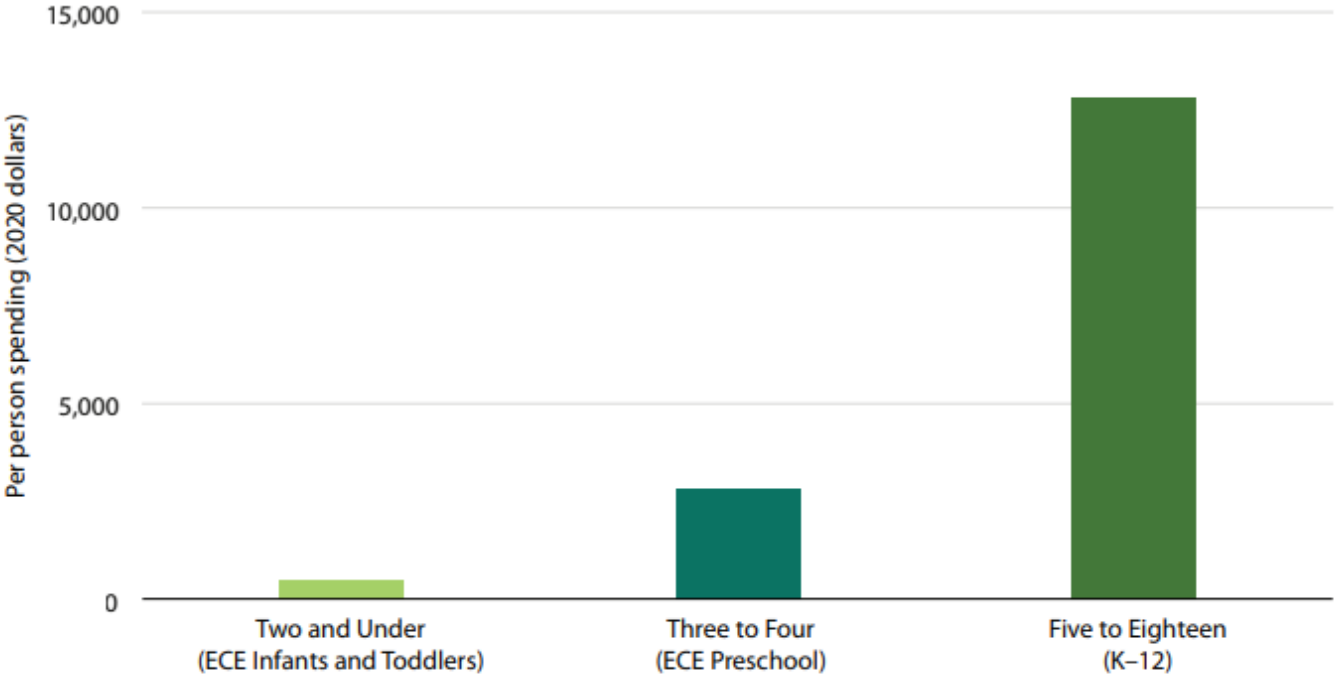
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Supply and demand in the child care market

Federal, State, and Local Government Spending on Child Care and Education in 2019, by Age Group



Source: Cascio and Schanzenbach (2013); Census (2020); Crandall-Hollick and Boyle (2021); Friedman-Krauss et al. (2020); Joughin (2019); NCES (2020); NSECE (2016); OCC (2019a; 2019b; 2021); Office of Head Start 2020; author's calculations.

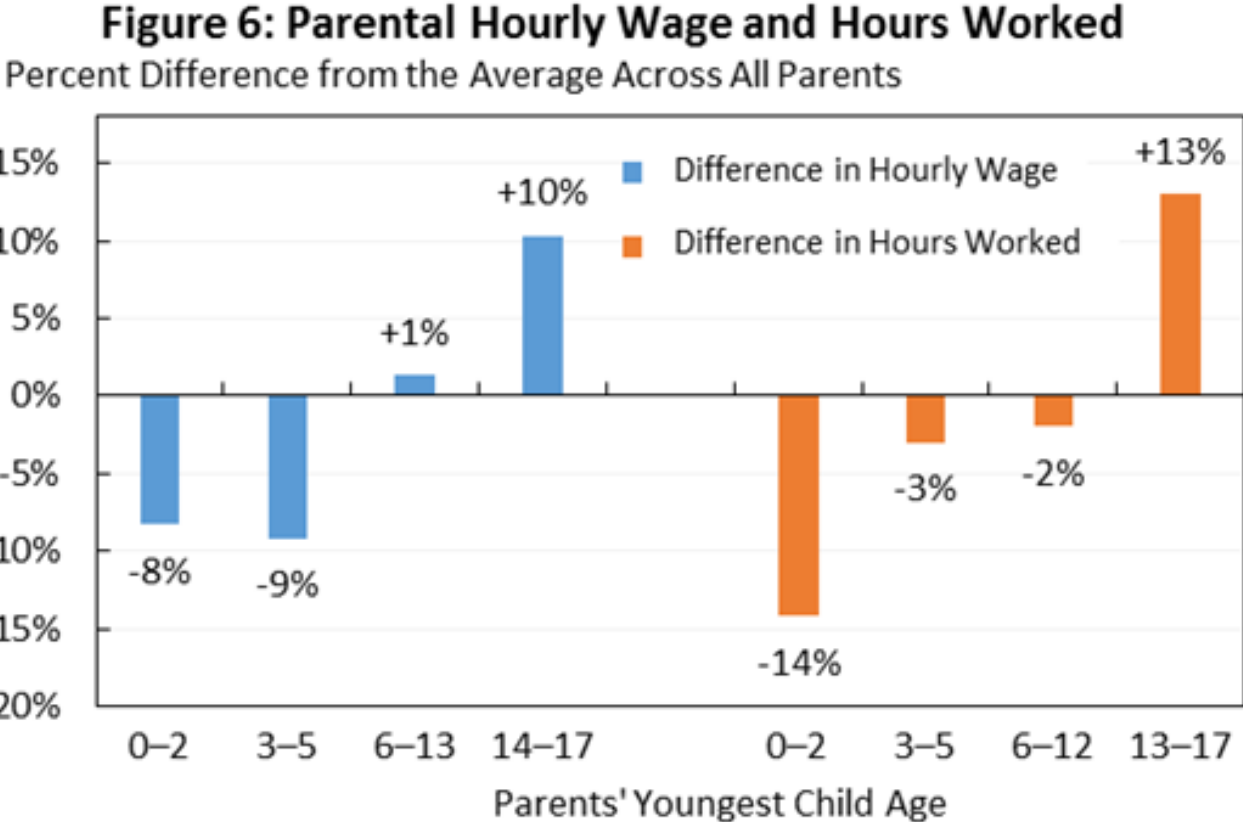
Note: Expenditures include spending on the school-based prekindergarten programs, Child Care and Development Fund, (Early) Head Start, Child and Dependent Care Credit, and K-12 education. For additional details, see endnote four.



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From *Davis & Sojourner (2021)*

Supply and demand in the child care market

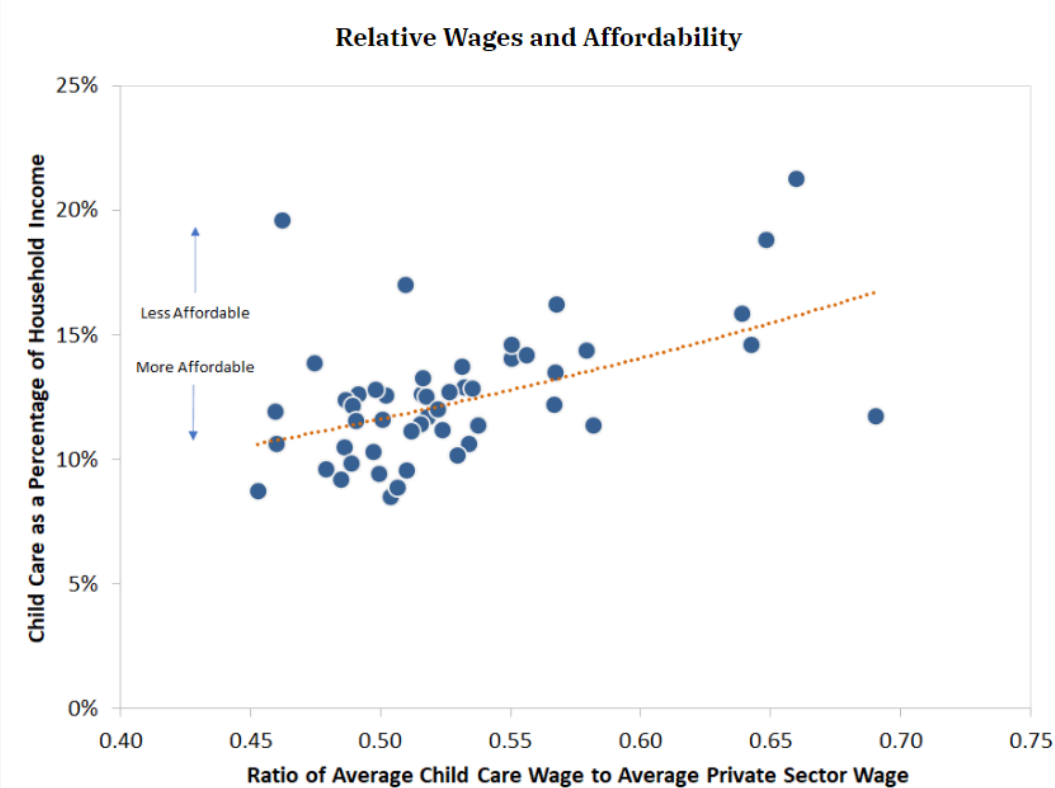


Note: Hours worked refers to average hours spent in work related activities. Hourly wage refers to the median hourly wage.
Source: CPS 2016; American Time-Use Survey 2015; CEA calculations.



From *Council of Economic Advisors (2016)*

Supply and demand in the child care market



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SOURCES: IPUMS USA, Child Care Technical Assistance Network and authors' calculations.

NOTES: Affordability is child care costs as a percentage of median income of certain families with at least one child under 5 years old; these are two-parent households and single-parent households in which all adults are employed full time. The dotted orange line is the trend line. Data are for individual states (except Idaho) and Washington, D.C., in 2019.

From *Bloodworth II, Gasco (2022)*



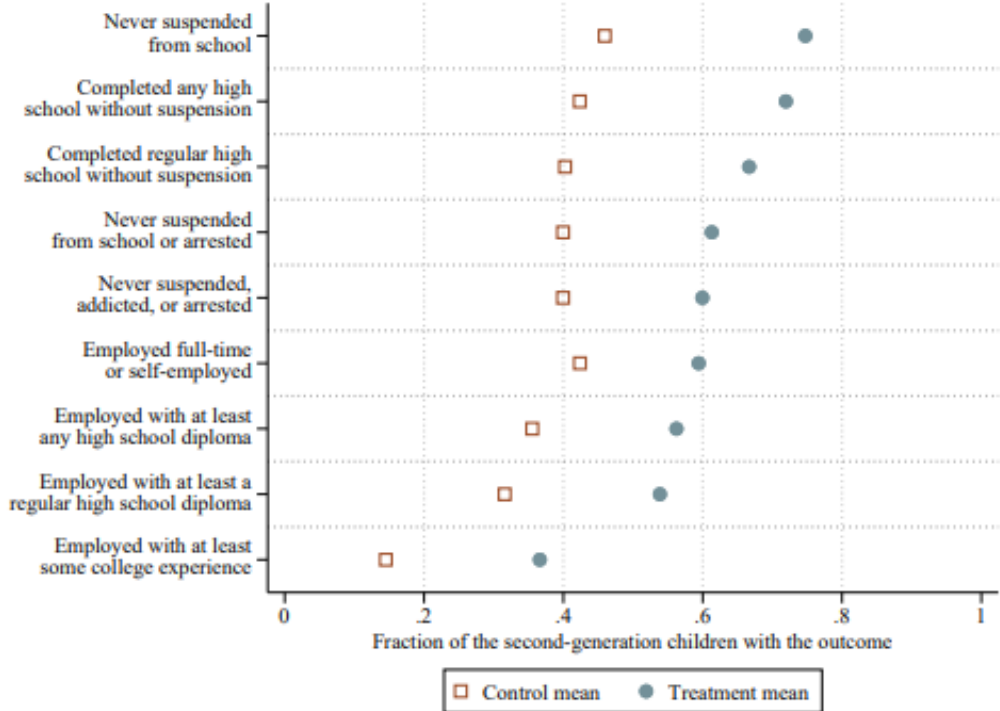
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Supply and demand in the child care market

Figure 2: Statistically Significant Intergenerational Effects at the 10% Worst-Case Level*



*Note: These estimates of the intergenerational treatment effects are statistically significant at the 10% level using the conservative worst-case test procedures developed in Heckman and Karapakula (2019).



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From [Heckman, Karapakula \(2019\)](#)



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Panel Discussion and Q & A



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Closing remarks and requests

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Thank you for joining us!



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