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The Cost of Childcare



Navigating Your Financial Journey
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By Sarah Netter

Cindy Marie Jenkins has been trying to get her toddler into preschool for a year, but the cost of childcare near her Florida home is too prohibitive.

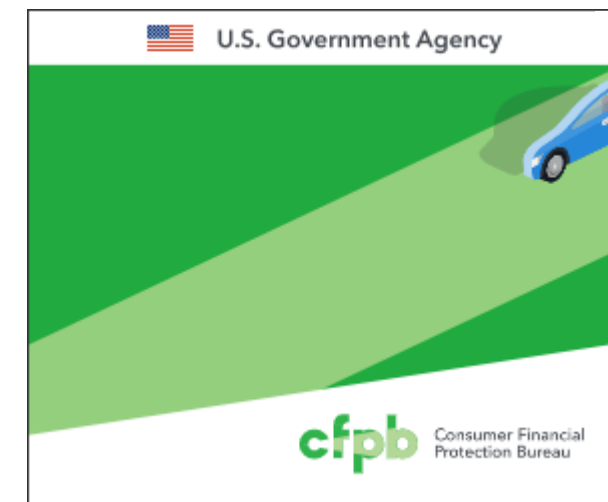
She works weekends and makes enough money to get a sitter one full day a week at \$12 an hour. Even then, she works with her 4-month-old by her side or it's \$17 an hour for the baby and her 2-year-old.

"I can't take on more work without more time, and I can't get more time without taking on more work," she said. "It's frustrating."

Grace Lee pays \$1,100 a month for a preschool in Vermont, after a \$200 subsidy from the city.

"The preschool is really amazing," she said, citing its [Reggio Emilia](#) learning style, loyal and engaged teachers and walking distance from her home.

But that tuition for her only child means their budget is very tight.



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The cost varies from state to state. According to a 2106 report put out by ChildCare Aware of America, childcare in Massachusetts costs an annual average of \$29,878. In Washington, D.C., it comes in at \$40,521. The numbers are based on a married couple with one infant in a daycare center.

Costs can range dramatically across the United States—coastal cities tend to have higher childcare costs, while states in the middle part of the country are less expensive. In Illinois, for example, the average annual childcare cost is \$15,697.

Louisiana, according to the ChildCare Aware report, is the only state in the U.S. where childcare costs fall below 7 percent of the median household income. Childcare costs in that state average \$10,674 annually.

Laura Owen and her family live in southern California, a place with traditionally high childcare costs. So the \$1,000 a month they pay for daycare for their 3-year-old is “actually a good price,” she said.

Her other children are 13 and 11.

“During school breaks, I try to work from home as much as possible and piece together childcare for the youngest using the oldest and a sitter,” she said, noting that the sitter costs \$20 per hour.

Other parents report simply having to quit working, or trying to work from home because the cost of childcare was more than their paycheck.

There are more than 11 million children under the age of 5 in the U.S. that spend all or some of their days in some type of childcare, according to ChildCare Aware of America. The majority—35 percent—are in center-based care, such as a daycare, preschool or HeadStart. The second most popular method of childcare, at 32 percent, is having grandparents watch the kids.


Another 10 percent of young children are with another relative who’s not a parent, 8 percent are at in-home childcare and 5 percent of kids are cared for in their own home.

Emily Popek’s 5-year-old daughter is in preschool and HeadStart, which is located in the same daycare center she’s been attending since she was an infant. Popek lives in a small New York town without a lot of options for daycare and she didn’t feel comfortable with in-home care.

Right now, Popek and her husband are counting down the days until their daughter starts kindergarten.

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discounts for multiple children. And licensed childcare providers can count as a tax credit. There are creative options as well—some schools allow parents or family members to volunteer in exchange for a break on tuition.

Sarah Gaffney’s nearly 6-year-old daughter started daycare as an infant at their local YMCA in Maine. For the past four years, they’ve received a state subsidy, but it took them a year on the wait list to receive it.

“The Y supported us while we waited,” she said. “My husband died of cancer almost three years ago and I was taking care of him while I was in school, and now, as a single parent, there is no way I would have been able to afford childcare without the subsidy.”

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