

From Birth to Age 12:

The (Un)Affordability of Child Care and Out-of-School Care in New York City

By Rimsha Khan

Child care providers create safe and enriching environments for children that support their readiness and success in school, and enables stable employment for parents, especially mothers, which contributes not only to their family's economic security, but also to growth and innovation in New York's economy. Despite being an essential service, care for young and school-age children is out of reach for too many families due to a variety of barriers, not least of which is the cost of child care and out-of-school care.¹

The current economic climate makes access to affordable child care an even more pressing issue. Based on the latest Census data, income inequality in the city increased by 11% from 2012 to 2022 in that income for the highest income earners has increased significantly, while income for those with the lowest incomes have seen no meaningful increase, a year-to-year pattern over the last decade.² The latest data also estimate that median income for all families with children in 2022 was \$77,681, but to be able to afford child care for one child under the age of two, a family would need an income no less than \$232,000.³ The majority of New Yorkers, ranging from those with low incomes to those with middle incomes cannot afford to pay for child care for young children or even out-of-school care for school-age children.

This brief reports an analysis the affordability of child care costs across a continuum of age cohorts from birth to age 12: full-day care for infant and toddlers (ages 0 to 2), full-day care for preschool-age children (ages 3 to 5), and out-of-school care for school-age children (ages 6 to 12) during the week before or after school hours, or on school holidays and breaks. We analyze costs using two measures:

- **Affordability**, which represents the share of families with children who would pay less than 7% of their annual income on the estimated cost of child care;⁴ and
- **Child Care Cost Burden**, the share of household income child care costs would consume.

For more information, please see below, *Data Sources and Methodology*

We disaggregate these measures by age group, household type, and geography at the community level. We find that while child care costs vary by children's age, it is a significant financial burden for most New York families with children ages zero to 12.

¹ For more information on barriers and solutions to families' access to child care in New York City, please see Citizens' Committee for Children's report, [The Youngest New Yorkers: Build a Universal Early Care and Education System in NYC](#).

² We measured income inequality is measured by using an income diversity ratio, comparing income at the 80th percentile (the highest income earners) to the 20th percentile (the lowest income earners). Scores farther away from zero represent greater divide and inequality. The income diversity ratio went from 6.5 in 2012 to 7.2 in 2022, an 11% increase.

³ We calculate this figure based on home-based care costs for one infant, \$16,250, being no more than 7% of family income.

⁴ The [US Department of Health and Human Services Office of Child Care](#) recommends child care copayments not exceed 7% of a family's annual income, and that subsidized child care payments meet the 75th percentile of costs based on a market rate survey of prices child care providers charge. In New York State, reimbursement payments meet the 80th percentile.

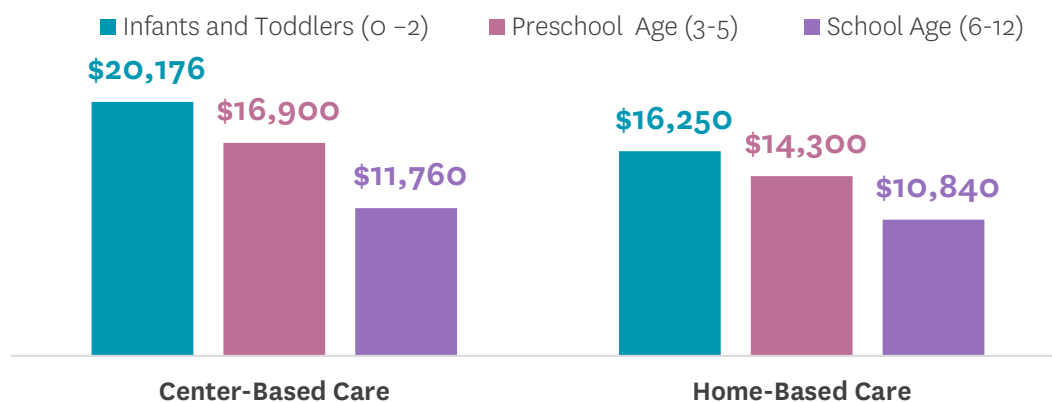
Key Findings

- More than 80% of families with children under 5 cannot afford child care in New York City.
- Nearly 4 out of 5 families citywide cannot afford out-of-school care for children ages 6-12.
- A family with one child between age 6-12 might spend between 11% and 26% of their income on child care alone.
- If a family had one infant and another preschool-age child, earning the median income for families with young children, they would spend 43% of their income on center-based child care alone; or 36% of their income on care in home-based settings.
- Citywide there are:
 - 30 community districts with median family income between \$50,000 and \$100,000 where less than 20% of families of can afford child care for infants and toddlers;
 - 28 community districts with median family income between \$50,000 and \$100,000 where less than 20% of families of can afford child care for preschool-age children; and
 - 24 community districts with median family income between \$50,000 and \$100,000 where less than 25% of families of can afford out-of-school care for school-age children.
- The highest cost burden rates are in Bronx and Brooklyn communities where child care and out-of-school care costs would consume anywhere between 19% to 63% of median income depending on the setting and age of the child. In these districts, median household incomes for families with young children, as well as for families with school-age children, are below \$50,000.

Estimating Annual Child Care Costs

Data on child care costs come from the Office of Children and Family Services' 2022 New York State Child Care Market Rate Survey Report. The report documents the 80th percentile of market-related payment rates for child care services by New York regions, which is used to reimburse providers as required by state law every two years. In addition to regional rates, the report offers cost break downs by the age of children and child care setting. In general, market rates for child care are higher for younger children compared to older children, and higher at centers compared to home-based care.

Figure 1. Estimated Annual Costs by Age Cohort and Setting



Source: Office of Children and Family Services, *New York State Child Care Market Rate Survey Report 2022*



**More than
80%**
of families
with a child
under age 5
CANNOT
afford
child care

**A family with one child
between ages 6 and 12
might spend between**

11% and 26%
of their income
on child care alone

In communities across the city,
more than **20%** of families with
middle incomes, \$50k-\$100k, **CANNOT** afford:



Child care for one infant or
toddler (**30** communities)

Child care for one preschool-
age child (**28** communities)

out-of-school care for one
school-age child
(**24** communities)

Nearly 4 out of 5 families



CANNOT afford out-of-school
care for children ages 6 to 12

**A family with one infant and one preschool-age
child might spend up to**

43% of their income



on center-based care

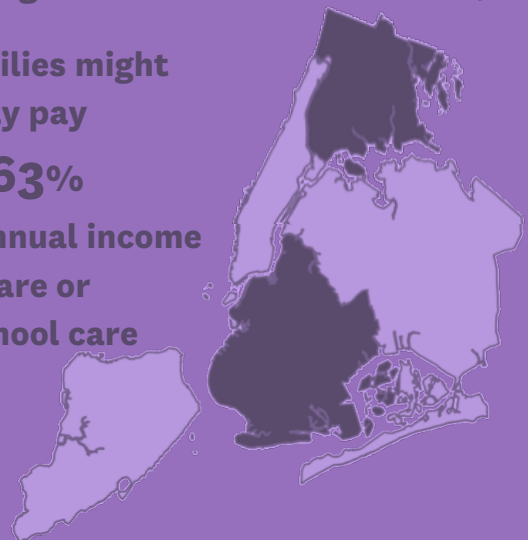
36% of their income



on home-based care

Communities in
the Bronx and Brooklyn,
have the highest child care cost burden;

these families might
potentially pay
up to 63%
of their annual income
on child care or
out-of-school care

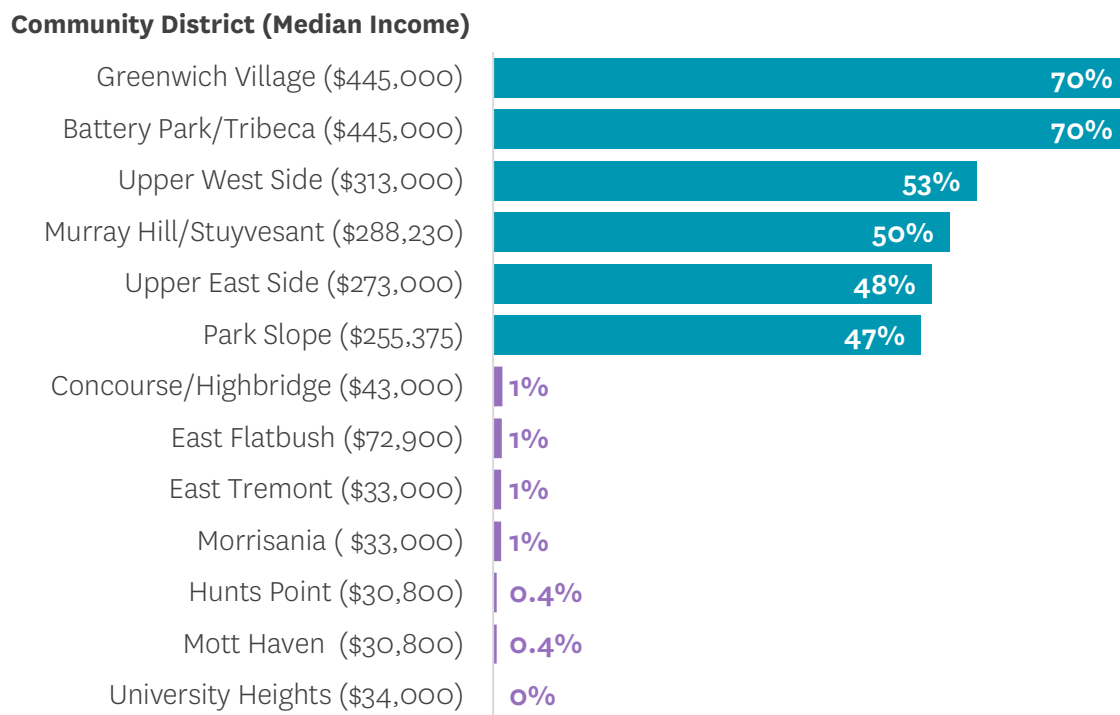


Child Care Must Be Affordable for New Yorkers, Not a Luxury

Based on the federal guideline that a family's out of pocket child care costs do not exceed 7% of their annual household income, more than 80% of families with young children (ages 0 to 5) cannot afford child care in New York City. Similarly, 80% of families with school-age children (ages 6 to 12) cannot afford out-of-school care. Among families headed by a single parent, more than 90% cannot afford care no matter the setting and across age groups.

Inequities in the affordability of care are also present between the city's neighborhoods. There are only two community districts in the city where the majority of families with children can afford full-day child care for their young children, and even in other communities with high median incomes, only half of families can afford care. In communities where median incomes are lowest, virtually no families can afford child care, underscoring the immense importance of publicly funded early care and education programs. These are important for children's development, as well as part of a larger strategy to alleviate and eliminate child poverty.

Figure 2. Community Districts with the Highest and Lowest Shares of Families Who Can Afford Child Care Rates for Infants and Toddlers

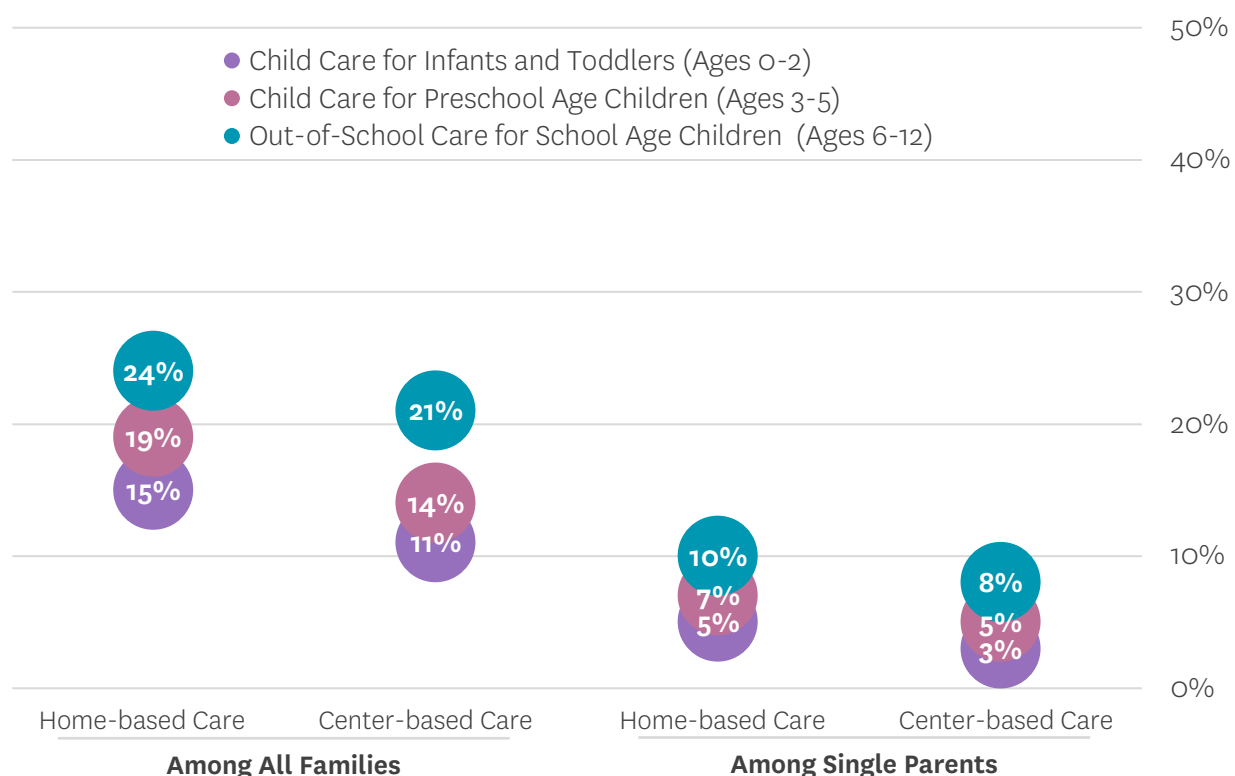


Note: This chart displays center-based care settings for all families with young children in NYC. Home based care settings for all families follow the same trend in inequities.

Affordable Care is Particularly Important for Single-Parent Families

Household composition also plays a role in affordability rates for child care since both parents in a two-parent household might earn income. In our analysis we disaggregate median family income by married couples and single parent households and find important inequities that suggest affordable child care is imperative for all families, but especially for households headed by a single parent who tend to have lower incomes compared to households headed by married couples. For this reason, there is a much smaller share of single-parent headed households who can afford child care for young children or out-of-school care for school-age children.

Figure 3. Share of Families Who Afford Child Care by Age Cohort and Setting



Note: The cost estimates by setting for school-age children are derived from categories provided in the 2022 Market Rate Survey. Afterschool and youth programs in New York City will not necessarily be identified by this distinction.

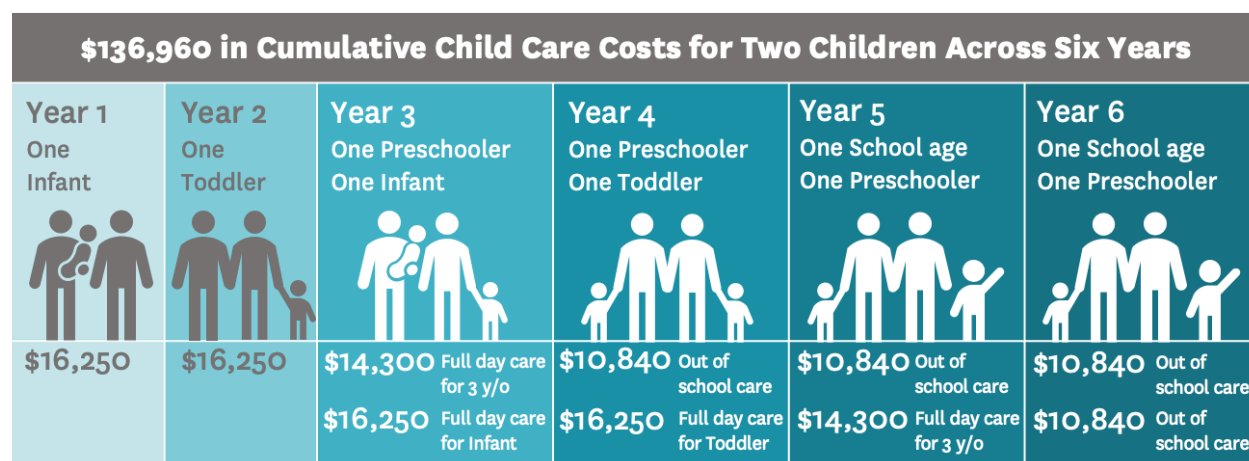
Alongside the sharp contrast in child care affordability between families with lower incomes compared to families with higher incomes, most families with middle incomes cannot afford care. Across the city in communities where median family income is between \$50,000 and \$100,000, there are:

- **30 community districts** where **less than 20% of families** with middle incomes **can afford care for infants and toddlers**;
- **28 community districts** where **less than 20%** of families with middle incomes can **afford care for preschool-age children**; and
- **24 community districts** where **less than 25%** of families of can **afford out-of-school care for school- age children**.

The Cost of Care is a Significant Financial Burden for Families

Beyond affordability, child care cost burden is a financial strain on families—that is, the share of family income that might be needed to cover child care costs. If a family earning the median income for families with young children (\$86,000) had one infant and one preschool-age child, they would spend 43% of their annual income on center-based child care alone; or 36% care in home-based settings.

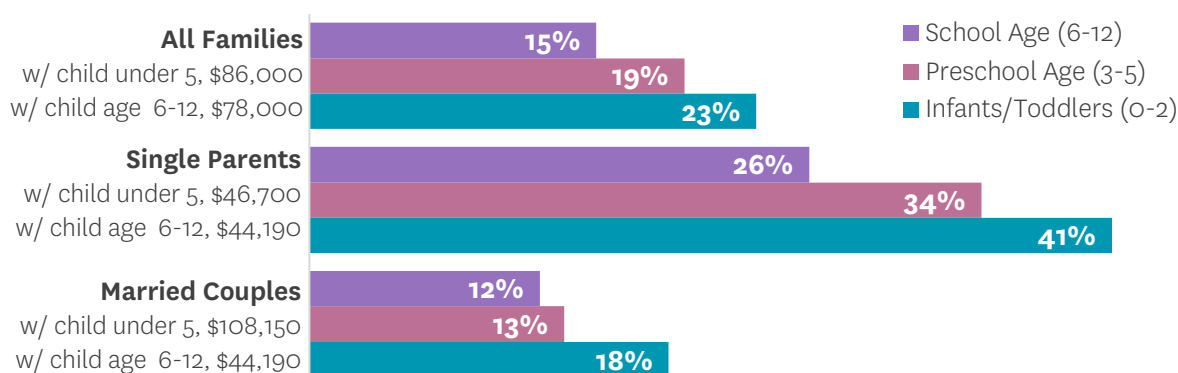
Figure 4. Child Care Costs for Two Children



Note: This chart displays costs for home-based care settings which are generally less expensive than center-based child care. The cost estimates for school-age children are derived from setting categories provided in the 2022 Market Rate Survey. Afterschool and youth programs in New York City will not necessarily be identified by this distinction.

However, the cost burden of child care differs depending on family/household types. Married families have a lower child care cost burden across settings compared to single families. Due to lower median income, single parent families are particularly financially strained. Similar trends also appear in analyses of out-of-school care costs, which is also burdensome for all families, especially single parent households.

Figure 5. Care Cost Burden by Household Type and Age Group in New York City



Note: This chart shows the cost burden for child care in center-based settings. Home based settings follow the same trend, but with slightly lower cost burden rates. The categories of center-based and home-based care settings are based on the New York State Office of Children and Families the categories provided in the 2022 Market Rate Survey. Afterschool and youth programs in New York City will not necessarily be identified by this distinction.

In Some Communities Child Care is a Severe Financial Burden for Families

Inequitable access to child care is also seen in the varied rates child care cost burden across community districts. For instance, Battery Park/Tribeca & Greenwich Village in Manhattan where median incomes are highest have the lowest rates of child care cost burden, while Mott Haven & Hunts Point in the Bronx have the lowest median incomes and highest rates of child care cost burden.

Community districts with the highest cost burdens are in the Bronx and Brooklyn, where the market rate cost of care would consume between 33% to 63% of median household income in infant and toddler care. In these same communities, families would potentially pay between 29% and 52% of their income for preschool-age care, and between 19% to 36% of their income for out-of-school care for children ages 6 to 12.

Table 1. Community Districts with the Highest Child Care Cost Burden

	Share of Median Income Needed for Center-Based Care				Share of Median Income Needed for Home-Based Care		
	Infants & Toddlers Ages 0-2	Preschool Children Ages 3-5	School-age Children Ages 6-12		Infants & Toddlers Ages 0-2	Preschool Children Ages 3-5	School-age Children Ages 6-12
Mott Haven	63%	52%	34%		50%	44%	31%
Hunts Point	63%	52%	34%		50%	44%	31%
Morrisania	60%	50%	36%		48%	42%	33%
East Tremont	60%	50%	36%		48%	42%	33%
University Heights	58%	48%	36%		46%	41%	33%
Concourse/Highbridge	47%	39%	30%		38%	33%	28%
Brownsville	43%	36%	28%		35%	31%	26%
Bedford Park	41%	35%	28%		33%	29%	26%
Borough Park	41%	35%	21%		33%	29%	19%
Unionport/Soundview	40%	34%	24%		33%	29%	22%

Note: This chart displays the child care cost burden based on the median income for all families—married couples and single parents—by community district. As a reference point, the citywide median income for families with children under five is \$86,000, and \$78,000 for families with children ages 6 to 12. The 2022 Market Rate Survey reports rates for center-based and home-based settings, and we use those categories here, but out-of-school programs for school-age children will not necessarily be classified this way.

There are 14 NYC communities in the Bronx and Brooklyn, as well as Elmhurst/Corona in Queens, where the center-based market rate for out-school-care would consume 20% or more of median income among all families with school age children; and up to 59% of median family income among single parent-headed households. In these same communities, less expensive home-based care would still consume between 19% and 33% of median income for families with school-age children.

Addressing Child Care and Out-of-School Care Affordability

High-quality, affordable child care and out-of-school care are public goods. They are essential services and part of a larger system of services supporting children’s physical, verbal, cognitive, and social-emotional well-being. Affordable or universal child care and out-of-school care can be a cornerstone of families’ economic security and mobility and supports parental well-being by easing the challenge of coordinating multiple care arrangements to fit work schedules or a household budget. Stable child care supports parents’ stable employment, which also mitigates large scale economic losses related to parents being unable to work due to lack of affordable care for their children.⁵ Our analysis underscores the importance of addressing child care affordability with public policies and budgets that ensure equitable access to high-quality child care services for all families.

⁵ For example, based on an analysis by the Childcare Innovation Lab, the New York City Economic Development Corporation reports, “the 2022 economic impact to New York City of parents leaving or downshifting careers due to increased caregiving responsibilities because of the pandemic to be a \$23 billion decrease in economic output, a \$5.9 billion drop in disposable income, and \$2.2 billion less in tax revenues.” [Toward A Working Future: A Childcare Toolkit For New York City Employers](#).

Data Sources and Methodology

Data on child care costs come from the Office of Children and Family Services (OCFS) [New York State Child Care Market Rate Survey Report, 2022](#), which surveyed providers from September 2021 to March 2022. The report documents the 80th percentile of the market rate for child care services by New York regions required by state law every two years and used to reimburse providers. The 2022 report offers the most recent data available for home-based child care, which includes Family Day Care homes (FDC) and Group Family Day Care homes (GFDC), and separate rates for center-based care, which includes as Day Care Centers (DCC) and School-Age Child Care programs (SACC).

We used weekly rates to estimate annual costs for infants and toddlers (age 0 to 2), and preschool-age children (age 3 to 5) not enrolled a public early education program, such as 3-K, which is not available to all children in the same way as Universal Pre-K. We used a combination of daily rates and part-day rates to estimate costs for out-of-school time for school-age children (age 6 to 12). Out-of-school care hours included a combination of the part-day rate during the week (Monday to Friday) before or after the school day (8:00AM to 3:45PM), as well as full-day rates for care on days that are not federal holidays when public schools are not in session, such as school holidays, winter break, spring break, and summer vacation, which we based on the school calendar.

Estimates of median family income come from the US Census Bureau's American Community Survey Public Use Microdata Area Sample File, 5-year Estimates for 2021. We use median incomes for families with at least one child under five years of age to understand child care cost burden for infants and toddlers (age 0-2) and preschool-age children (age 3-5). Separately, we use median incomes for families with at least one school-age child (age 6-12) to calculate the cost burden of out-of-school care. We provide calculations for New York City as a whole, all five boroughs, and all 59 Community Districts for all families, and disaggregate estimates for households with children headed by a Married Couple or Single Parent. Because of this level of disaggregation, some estimates for single parent or married couple headed households at the Community District level should be interpreted with caution due to sample sizes smaller than 200 households. These community districts include Murray Hill/Stuyvesant in Manhattan; Concourse/Highbridge in the Bronx; and Brownsville in Brooklyn.

We calculated estimates for NYC's 59 Community Districts using the Public Use Microdata Areas (PUMAs) as proxy districts. The Census Bureau uses PUMAs to report American Community Survey estimates for geographic areas that contain at least 100,000 people. There are 55 PUMAs in New York City for the 2021 data year, which are very similar but not congruent with Community District boundaries. There are four PUMAs that encompass two Community Districts: PUMA 3710 includes Mott Haven & Hunts Point; PUMA 3705 includes Morrisania & East Tremont; PUMA 3810 includes Battery Park & Greenwich Village, and PUMA 3807 includes Chelsea/Clinton & Midtown. Therefore, estimates are identical between Community Districts within the same PUMA.

Related Resources

For interactive maps, tables, and charts of the data in this resource, please visit data.cccnewyork.org. Summary slide decks are also available at CCC's website:

- [Part I focuses on child care costs for families with young children, ages 0 to 5](#); and
- [Part II provides supplemental data on out-of-school care for children ages 6 to 12](#).

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Contributors: Bijan Kimiagar contributed some of the narrative and data visualizations in this version of the brief, and Marija Drobnjak advised on the methodology for estimating cost of care for young children.