Washington Center for Equitable Growth

Factsheet: Improving child care infrastructure supports single mothers and promotes equitable growth in the United States

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April 4, 2025

This factsheet is the third in a series of pieces examining the systemic inequities in the U.S. economy that hinder the economic well-being and economic mobility of single mothers. The series highlights three policy mechanisms that can improve these economic outcomes—eliminating work requirements for income supports, streamlining income supports, and improving child care infrastructure—to foster equitable economic growth that is strong and stable.

Many families in the United States are on their own when it comes to raising children. Decades of policy decisions devaluing care work while upholding the nuclear family unit as the dominant domain of child care has left U.S. families with few options. Approximately half of families in the United States, for instance, live in so-called child care deserts, U.S. Census Bureau tracts with more than three children under age 5 for every one licensed child care slot.

Unsurprisingly, recent survey research suggests that finding child care is a significant barrier to accessing child care, with 75 percent of two-parent families and 79 percent of single-parent families reporting difficulty finding care, respectively. When families can find care, it is often unaffordable, especially for single-mother households. In a 2023 issue brief, research from the U.S. Department of Labor finds infant care prices across the United States are equivalent to between 24.6 percent and 75.1 percent of family income for single-parent households, the majority of whom are single mothers.

While exact costs vary by state, a 2023 report by Child Care Aware of America finds that in all 50 states plus the District of Columbia, the price of center-based care for two children exceeds average annual rent payments by between 25 percent and more than 100 percent. Moreover, in 45 states plus the District of Columbia, the average annual price of child care for two children in a center exceeded annual mortgage payments by between 1 percent and 64 percent.

While some point to the role of informal networks as a means of providing child care, research suggests these networks do not meet the increased economic and child care needs for low-income single mothers. A robust child care infrastructure should support a diversity of options. Instead, the current inadequacy of child care infrastructure in the United States deepens inequality and makes achieving economic security for single mothers all the more difficult.

This factsheet highlights the evidence demonstrating the ways to improve child care infrastructure to support single mothers while also strengthening equitable growth. These benefits can be direct, such as improving labor force participation and employment, and indirect, such as mitigating discriminatory single-motherhood wage penalties by reducing costs elsewhere. This factsheet then turns to the current policy landscape and suggests evidence-backed proposals to support single mothers and promote equitable growth.

Improving child care infrastructure can directly improve the economic outcomes of single mothers in the U.S. labor market

- **Single parents rely on child care more than two-parent households**. Specifically:
    - Survey data from 2019 finds that children from single-parent households were slightly more likely (7 percentage points) to be in weekly child care than peers from two-parent households, spend an average of 4 more hours in child care each week, and more likely (9 percentage points) to be in multiple types of child care, such as receiving care from both a relative and a child care center.
    - When unable to secure child care, both single-parent and two-parent families reported child care costs as their primary reason for being unable to find it.
- **Increased access to affordable child care increases parents' labor force participation and employment, particularly among single mothers**. Specifically:
    - In general, mothers spend twice as much time on child care than fathers, which leads to mothers experiencing more interruptions in their work lives. Policies that aim to alleviate child care concerns would improve employment outcomes. For instance:
        - Recent analyses of survey research finds the single-mother employment rate falls from 84 percent among single mothers who found a child care program to 67 percent among those who did not. For comparison, employment among mothers in two-parent households decreased from 90 percent to 84 percent when the mother did not find care.

- A Harvard Business School report using 2017 survey data of caregiving employees found that 32 percent of respondents had voluntarily left a position during their career due to caregiving responsibilities. For employees between the ages of 26 and 35, half of all respondents reported they had already left a job, and 27 percent of employees ages 18 to 25 had already left a job due to caregiving responsibilities.
- A review of the labor effects of child care estimates that a 10 percent decrease in child care costs would lead to a 0.25 percent to 1.25 percent increase in parental labor force participation in general and an increase in maternal employment likely up to 2.5 percent.
- One way of lowering costs is through child care subsidies. Prior research indicates that a $100 increase in child care subsidies could increase employment among single mothers by 2 percentage points.
- In 2016, the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services found that tripling the Child Care and Development Fund's subsidy expenditures—the primary federal funding source for child care for families with low incomes—would lead to the employment of more than 652,000 additional women with children under age 13. Currently, only 15 percent of eligible children receive subsidies.
- While researchers are still pinpointing the exact relationship between child care costs and maternal employment, the direction of the relationship is nevertheless clear: When child care is less expensive, mothers participate in the labor force at a higher rate. This also suggests more affordable child care can improve labor market outcomes for low-income mothers in particular.

- **A majority of child care workers are female and are paid low wages**. Specifically:
  - Analysis by Chicago Federal Reserve researchers using Current Population Survey data finds that child care workers are 95 percent female, compared to 47 percent of the overall employed population. And compared to the overall employed population, child care workers are slightly more likely to be Hispanic or non-Hispanic Black individuals and less likely to be Asian American. White child care workers comprised 56 percent of child care workers.
  - Using the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages, the Chicago Fed researchers also find that most care workers work at child day care services that are small firms—84 percent work for firms with fewer than 50 employees, compared to 44 percent of workers across all industries that work at firms with fewer than 50 employees.

  - Using BLS Occupational Employment and Wage Statistics data, the researchers also find the median hourly wage for child care workers in 2023 was $14.60, compared to $23.11 for all occupations.
  - From 2019 to 2023, the researchers find that child care workers experienced wage growth that was higher than the wage growth registered by all occupations combined during this timeframe, yet child care workers also experienced less wage growth than other low-wage occupations, such as cashiers, retail salespersons, housekeepers, and waitstaff, all of which registered larger real wage growth after accounting for inflation.

Improving child care infrastructure can indirectly boost the economic outcomes of single mothers by reducing costs associated with child care and buffering against discriminatory motherhood penalties

- **Research by the Center for American Progress finds that families living below the federal poverty line spent an average of 36 percent of their annual income on child care**, leaving less for other necessities, such as food and housing.
- **Research by Chris Herbst at Arizona State University and Erdal Tekin at American University finds that child care subsidies encourage single mothers to invest in their human capital.** Specifically, single mothers receiving subsidies for child care were 13 percentage points more likely to enroll in education courses and 8 percentage points more likely to participate in job-training programs.
- **Researchers have identified a persistent "motherhood penalty" in employers' hiring decisions**, in which mothers, but not fathers, are perceived to be less competent and committed to their work, resulting in fewer opportunities for women. For instance:
  - In an audit study of employers, Cornell University researchers find that childless women were 2.1 times more likely to be called back by an employer after applying for a job than women with a child. The three co-authors did not find any statistically significant discrimination with fathers and parental status.
  - Researchers also have identified a "single-motherhood penalty," with single mothers having a 26 percent greater risk of experiencing poverty when compared to single fathers, as well as dual-earner households, in the United States.
  - The motherhood penalty also extends to wages. In an Equitable Growth working paper, researcher Alexandra Stanczyk at the University of California, Berkeley finds that 4 months before birth, gross household income declines sharply, and by the time of birth, gross household income is, on average, 10.4 percent below its value just 12 months prior.

- **While improving child care infrastructure would not directly address these discriminatory penalties, it can nevertheless mitigate risk** by helping ensure an essential aspect of childrearing is addressed. For instance:
    - A 2016 paper that studied the relationships between motherhood penalties and child care across 22 countries finds that the availability of government-provided child care reduces the motherhood penalty. In countries with only 1 percent of children ages 0 to 3 years old in public child care, the per-child penalty is 9.5 percent (loss in annual earnings), compared to only 4.3 percent in countries with 41 percent of infants in publicly subsidized care.

While recent federal policies aiming to improve U.S. child care infrastructure stalled, other proposals are still being explored

- **In 2021, President Joe Biden and congressional Democrats advanced an ambitious framework to rein in costs for families and deliver increased investment in care facilities**—called Build Back Better—that would have capped child care costs at 7 percent for families at or below 250 percent of the federal poverty level, provided universal public pre-Kindergarten to all children, and improved access to home- and community-based care through Medicaid. Ultimately, the plan passed the U.S. House of Representatives but stalled in the U.S. Senate.
- **In March 2024, the U.S. Department of Health and Human Services issued a final rule to cap child care costs for families participating in the Child Care and Development Fund at 7 percent of income**, based on research released by the U.S. Census Bureau in 2013, which found that between 1997 and 2011, families with working mothers spent roughly 7 percent of their monthly family income on child care costs. The final rule also included improvements to the fund's payment practices for child care providers, since child care providers in the past have cited delayed payments from the fund as a primary reason they did not participate in the program.
- **After the 2024 election, any proposals to address the nation's child care shortage would need ample Republican support**. The Republican's slim majority in the U.S. House means any legislation would need near-unanimous Republican support to pass or would require some bipartisan support from House Democrats. Legislators in the new 119th Congress have already proposed a handful of bipartisan bills to address the nation's child care infrastructure, including:
    - In January 2025, the Child Care Workforce and Facilities Act (S. 169 and H.R. 581) was introduced, led by Sens. Amy Klobuchar (D-MN) and Dan Sullivan (R-AK) and U.S. Reps. Josh Harder (D-CA) and Brian Fitzpatrick (R-PA). The

legislation, if passed and funded, would establish a competitive grant process available to states to provide training to child care workers and build or renovate child care facilities.
  - In February 2025, Sens. Jacky Rosen (D-NV), Joni Ernst (R-IA), James Risch (R-ID), and Mark Warner (D-VA) introduced the Small Business Child Care Investment Act (S. 273). The legislation would allow child care providers to access existing Small Business Administration funds that would allow providers to take out flexible loans to create or improve the physical infrastructure of child care facilities.
- **In anticipation of the tax reform debates in 2025, policymakers also have proposed legislation to reduce the tax liability for families** who can afford to pay upfront child care costs and increase the financial incentives available to employers interested and able to provide child care for their employees:
  - In February 2025, U.S. Reps. Sharice Davids (D-KS), Brian Fitzpatrick (R-PA), Suzanne Bonamici (D-OR), and Ryan Mackenzie (R-PA) introduced the Affordable Child Care Act (H.R. 1408). The legislation would double the value of the Child and Dependent Care Credit for one child from $3,000 to $6,000 (and for two children from $6,000 to $12,000), double the pre-tax amount that a family can set aside (usually using a Flexible Spending Account) to cover expenses related to child care from the current $5,000 to $10,000 under the IRS's tax-free dependent care assistance program, and double the Employer-Provided Child Care Credit, known as Section 45, to $300,000.

Conclusion

Investing in child care infrastructure across the United States should be a major part of policymaking discussions over the next few years as parents increasingly point to a lack of access to affordable child care as a major source of stress and financial strain. However, it's unclear what actions the Trump administration and U.S. Congress will pursue to address the nation's child care shortfall based on their initial actions to reduce federal funding. For the U.S. economy to remain strong and stable, unburdening families from high costs and expanding access to child care will be paramount, particularly for single mothers.