

In US, lack of affordable child care hinders work force

October 6 2023, by Julie CHABANAS



US Federal Reserve Chairman Jerome Powell and Patrick T. Harker, president and CEO of the Philadelphia Federal Reserve (2R), meet with residents during a visit to York, Pennsylvania, on October 2, 2023.

Parents of young children in the United States are finding that with day

care centers in short supply, or too expensive, more and more of them—mostly mothers—are having to stay at home to look after their kids.

"It was just an undercurrent previously that was exposed and compounded by the pandemic," said Kevin Schreiber, who heads an association of business leaders in York County, Pennsylvania.

He was speaking to AFP on the sidelines of a visit by the chairman of the US Federal Reserve, Jerome Powell, and of its Philadelphia branch, Patrick Harker, who came to meet local economic leaders.

Without available or affordable day care in place, it is almost impossible to find a job, or to keep one, at a time when the country is experiencing a significant labor shortage.

The manufacturing region of York, located between Washington and New York, has lost 20 percent of its day care centers since the COVID-19 pandemic.

And those that remain operate at only 85 percent of capacity due to a lack of staff, said Schreiber.

In total, in the United States, nearly 16,000 day care centers—around 10 percent—have closed their doors since the pandemic, noted Council for Professional Recognition chief executive Calvin Moore. He was citing a report by Child Care Aware of America.

As a result, "in more than 20 percent of families, one parent, most often the mom, had to leave the workforce to provide child care themselves, leading to a sizeable loss of household income," Moore added in a statement on the group's website.

At the start of 2023, 4.5 million Americans were not working because of child care issues.

Credit card

Even for the lucky ones who can afford to have their kids looked after, the game isn't over, because the prices are often exorbitant.

Around "25 percent of the household income goes towards child care," said Kim Bracey, of the YWCA association in York.

When there are two parents, they "have to determine ... who gets to work, who gets to stay home."



Many day care centers in the US have closed, forcing some families to choose which parent works and which stays home with the kids.

Some families use their credit cards, taking on high-interest debt to pay for child care.

Already in February 2021, Fed chairman Powell lamented that many "advanced economy democracies have a more built-up function for child care, and they wind up having substantially higher labor force participation for women."

"We used to lead the world in female labor force participation, a quarter-century ago, and we no longer do. It may just be that those policies have put us behind," he said.

After strong growth in the 1970s and 1980s, "the US lagged in the following decades. Among the major advanced economies, only Italy has a lower share of working-age women in the workforce," said Michael Pearce, an economist for Oxford Economics, in a note.

'Close the gap'

In August, however, the rate of female participation in the labor force rose to 57.7 percent, back to where it had been at the end of 2019, before the pandemic.

But it remains lower than the historic high of 60.3 percent in April 2000, and it fell again in September, to 57.5 percent, according to figures published Friday.

"The US could close the female labor force participation gap with other

advanced economies over the next five years," said Pearce.

The main issues would be flexible schedules, more extensive parental leave, and a drop in fertility. And, in the medium term, support for to working parents.

The York business community decided to tackle the lack of day care centers, raising "millions of dollars to roll out several initiatives not only to address access to quality, affordable child care, but also growing teachers in the child care industry," said Schreiber.

"It is the number one reason that employers cite in terms of absenteeism. So we need to do a better job, not just here in York, but across the country," he said.

Child care is a nationwide issue, said Demietra Middleton, a human resources manager at Harley Davidson's York factory.

"We really need to have an understanding of how we can support not only as a business, but it also again, how we support this community," she said.

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Citation: In US, lack of affordable child care hinders work force (2023, October 6) retrieved 22 May 2024 from <https://medicalxpress.com/news/2023-10-lack-child-hinders.html>

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