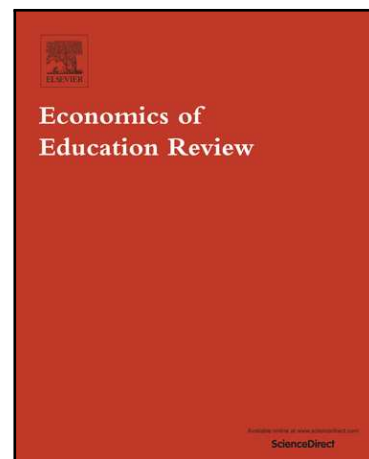


Accepted Manuscript

The Rising Cost of Child Care in the United States: A Reassessment of the Evidence

Chris M. Herbst

PII: S0272-7757(17)30787-2
DOI: [10.1016/j.econedurev.2018.03.005](https://doi.org/10.1016/j.econedurev.2018.03.005)
Reference: ECOEDU 1785



To appear in: *Economics of Education Review*

Received date: 11 December 2017
Revised date: 14 March 2018
Accepted date: 16 March 2018

Please cite this article as: Chris M. Herbst, The Rising Cost of Child Care in the United States: A Reassessment of the Evidence, *Economics of Education Review* (2018), doi: [10.1016/j.econedurev.2018.03.005](https://doi.org/10.1016/j.econedurev.2018.03.005)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

**The Rising Cost of Child Care in the United States:
A Reassessment of the Evidence**

Chris M. Herbst
School of Public Affairs and IZA
Arizona State University
411 N. Central Ave., Suite 420
Phoenix, AZ 85004-0687
Email: chris.herbst@asu.edu
Phone: (602) 496-0458

Abstract

Anecdotal evidence suggests that the cost of child care in the U.S. has increased substantially over the past few decades. This paper marshals data from a variety of sources to rigorously assess the issue. It begins by using a large survey dataset to trace the evolution in families' child care expenditures. I find that the typical family currently spends 14 percent more on child care than it did in 1990. This is less than half the increase documented in previous work. In addition, most families allocate approximately the same share of income to child care as they did several decades ago. The next section of the paper examines the trend in the market price of child care. The evidence suggests that after persistent, albeit modest, growth throughout the 1990s, market prices have been essentially flat for at least a decade. In the paper's final section, I analyze several features of the child care market that may have implications for prices, including the demand for child care, the skill-level of the child care workforce, and state regulations. A few findings are noteworthy. First, I show that child care demand stagnated around the same time that market prices leveled-off. Second, although the skill-level of the child care workforce increased in absolute terms, highly-educated women increasingly find child care employment less attractive than other occupations. Finally, child care regulations have not systematically increased in stringency, and they appear to have small and inconsistent effects on market prices. Together, these results indicate that the production of child care has not become more costly, which may explain the recent stagnation in market prices.

Keywords: child care costs; child care demand; child care regulations; parental employment

JEL Classification: I28; J01; J08; J20

Download English Version:

<https://daneshyari.com/en/article/6840770>

Download Persian Version:

<https://daneshyari.com/article/6840770>

[Daneshyari.com](https://daneshyari.com)