

Labor force participation among families with young children

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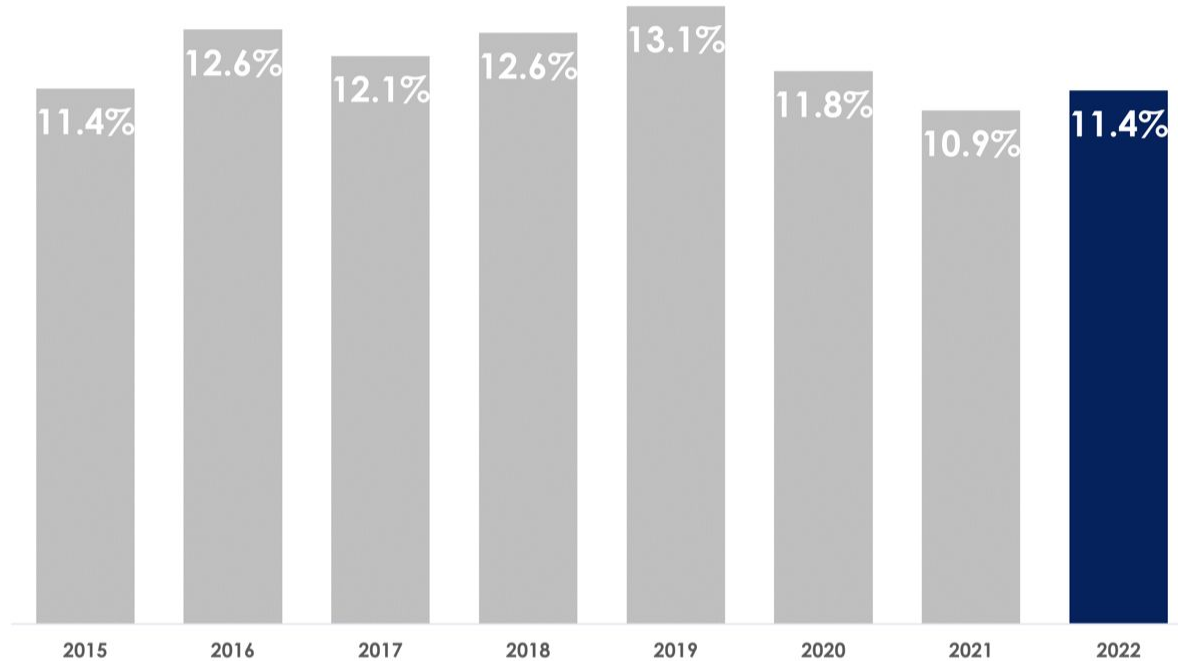
What does the data say?

Three things to know about labor force participation among families with young children.



1. About 11% of NC's total workforce

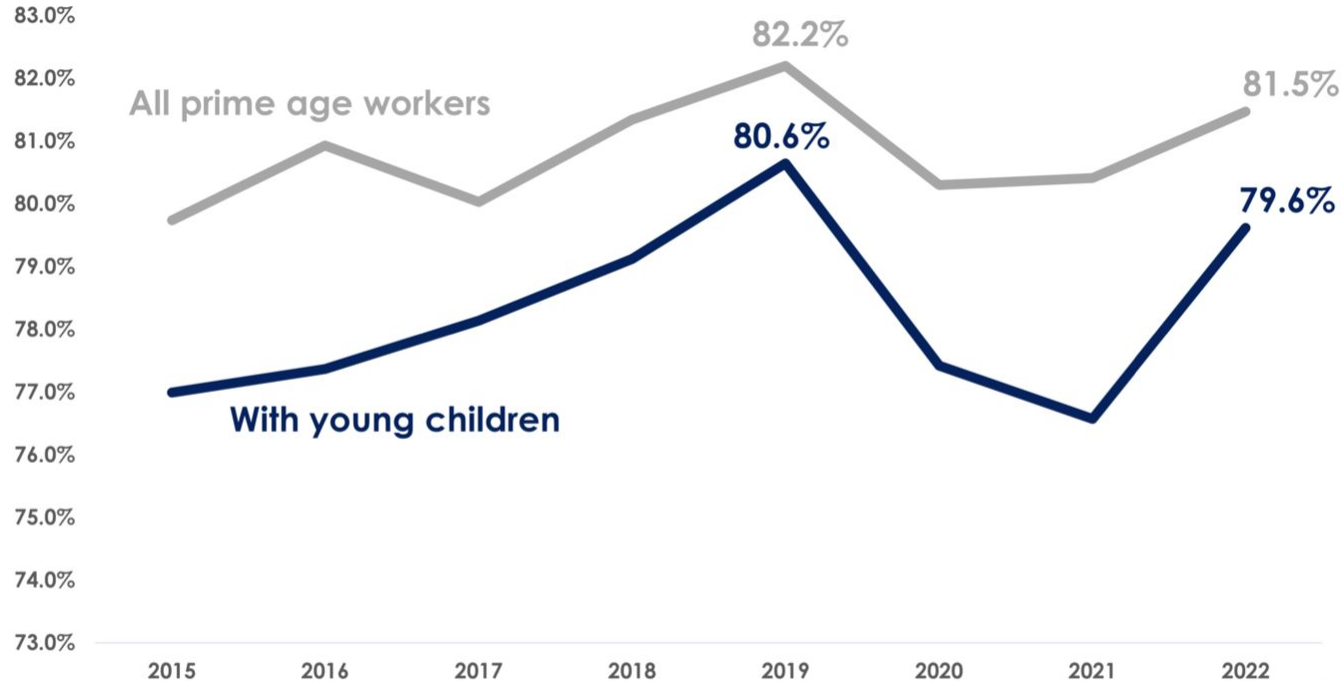
Workers with children under age 5 share of total workforce, annual averages



SOURCE: Analysis of CPS microdata

2. Labor force participation rate dropped but rebounded last year

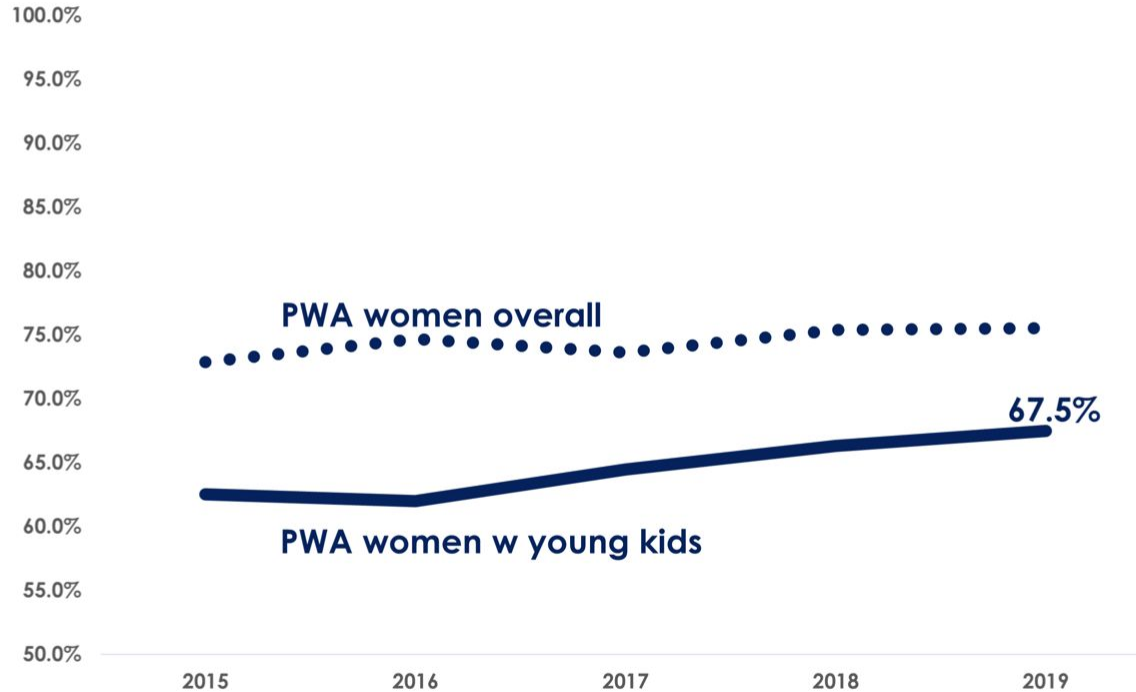
Annual average labor force participation rate for NC workers aged 25-54 with children under 5 and overall



SOURCE: Analysis of CPS microdata

3. Moms less likely to participate

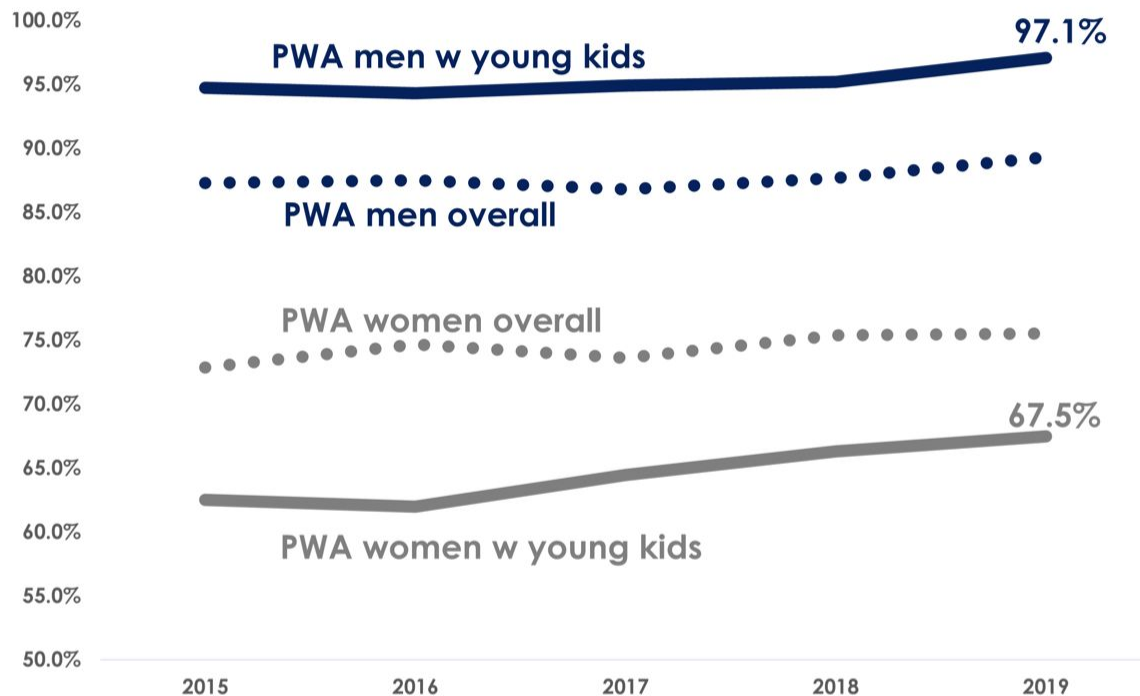
Annual average labor force participation rate among prime age workers with young children



SOURCE: Analysis of CPS microdata

3. Moms less likely to participate, dads more likely

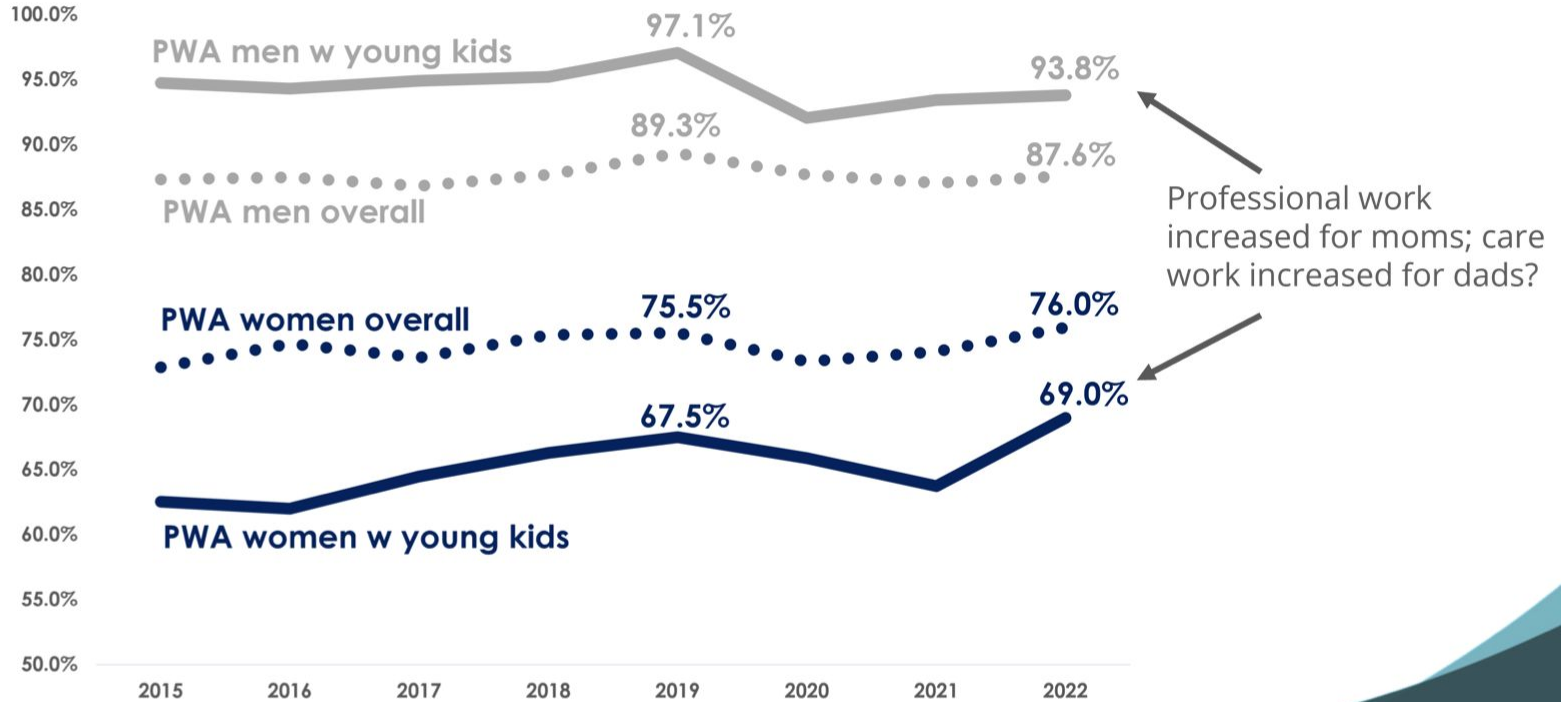
Annual average labor force participation rate among prime age workers with young children



SOURCE: Analysis of CPS microdata

3a. Has COVID changed things?

Annual average labor force participation rate among prime age workers with young children



SOURCE: Analysis of CPS microdata

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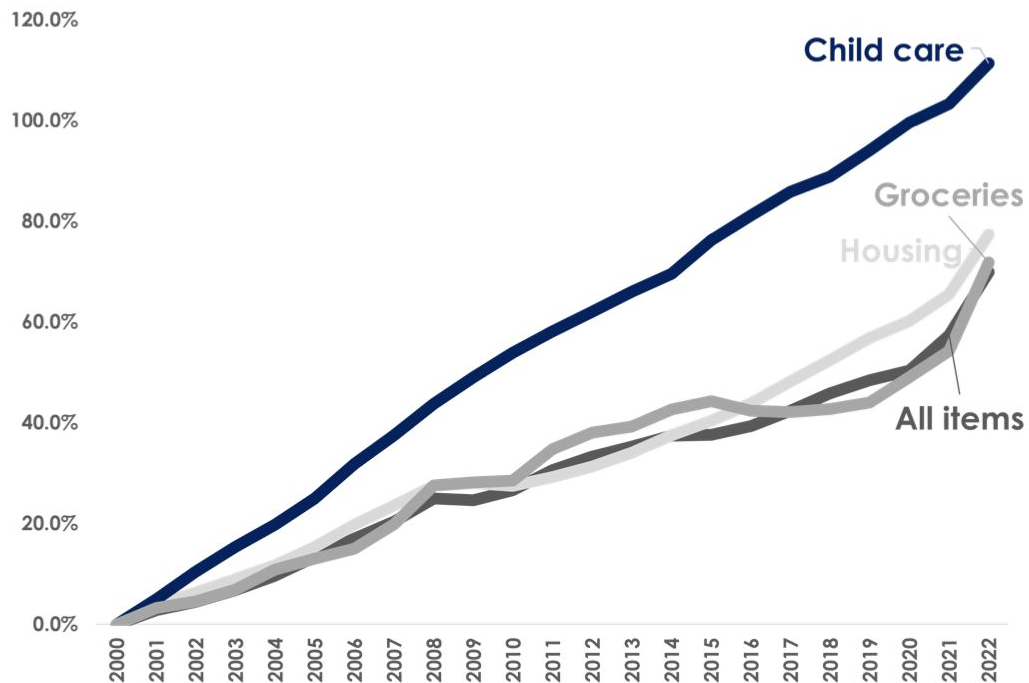
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Why might labor force participation be lower for parents of young children?

- Choice of some with means (less and less of a reality)
- Women bearing more household child care responsibilities
- Child care supply issues—not enough spots, low paying sector
- High (and rising) cost of child care
 - Higher costs lead to reduction in *maternal* employment

Cost of child care rising faster than other goods and services

Percentage change in cost of child care, groceries, housing, and all items



Price of center-based care for infants (2021):

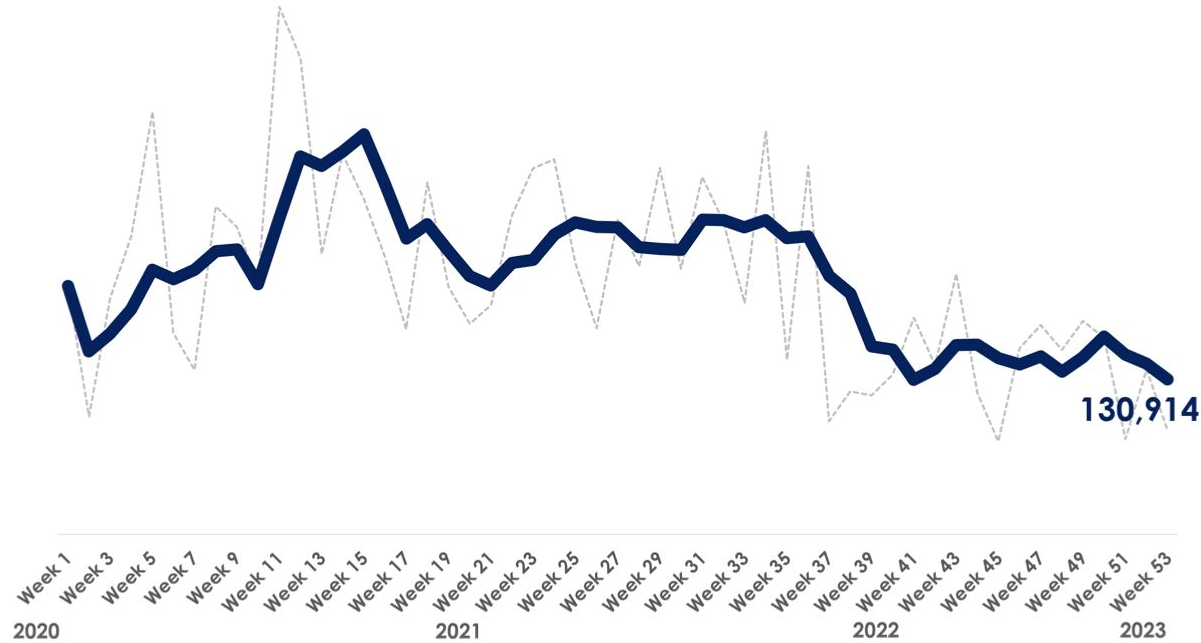
- \$11,202 per year on average in NC
- Single-parent: 41% of median income
- Married couple : 11.8% of median income

Price of center-based care for toddlers (2021):

- \$10,644 per year on average in NC
- Single-parent: 39% of median income
- Married couple : 11.2% of median income

Still about 130,000 NC workers not at work due to child care issues

Five-week rolling average of NC residents not at work due to caring for child not at school or day care



SOURCE: Household Pulse Survey, US Census Bureau

Why does it matter?



Economic impact of inadequate child care:

- Lower productivity for firms and wages for parents
- Parents unable to take advantage of vital early career advancements
- Long-term impacts on child's economic mobility
- **\$3.5 billion**, estimated annual cost of NC child care crisis

Thank you!

Neil Harrington

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