

Child Care in State Economies Report Series, Part 2: Trends in Child Care Industry Revenue and Employment

FACT SHEET

United States

Part 2 of the 2024 Child Care in State Economies Report Series focuses on the provision of child care services in the aftermath of the COVID-19 public health pandemic. Industry recovery was aided in part by \$52 billion in supplemental federal child care funding provided through three COVID-relief measures passed by Congress between March 2020 and March 2021.

Initial COVID-19 Impact

- Revenue for child care centers plummeted by 36% in the 2nd quarter of 2020 compared to a 9% decline across all service sectors during the same period.
- Employment within child care centers declined by 31% (-290,000 jobs) compared to a 14% drop (-22 million jobs) in total wage and salary employment between March and April 2020.

Federal Supplemental Child Care Funding

Between March of 2020 and March of 2021, Congress provided \$52 billion in supplemental child care funding to states. This funding was used to

- ensure that parents could have choices in the child care market
- enable programs to remain open with a reduction in child enrollment, and
- increase pay for staff (recruitment and retention bonuses) to ensure that programs could operate in a competitive job market

Child Care Businesses

There were 624,300 child care businesses in 2022.

- 76,850 child care centers
- 547,465 home-based child care businesses
- Between 2019 and 2022, the number of child care centers increased by 3,900
- Between 2019 and 2022, the number of home-based child care businesses declined by 17,235



Child Care Revenue

Child care businesses earned \$68.5 billion in revenue in 2022.

- Centers: \$58.9 billion in revenue (86% of total revenue for the child care sector)
- Home-based: \$9.6 billion in revenue

Child Care Employment

Total employment was 1.5 million people in 2022.

- 957,525 (centers)
- 547,465 (home-based child care businesses)

Average Annual Revenue per Child Care Business, 2022

- \$766,866 (centers)
- \$17,472 (home-based child care businesses)

Employment & Wages

Wages for individuals working in child care centers across the U.S. have increased by 25.3% since 2019.

- Median annual wages have increased from \$24,230 to \$30,370 in 2023, an increase of \$6,140.
- The median hourly wage increased from \$11.65 to \$14.60 in 2023.
- 2021 average annual revenue for home-based child care businesses was \$17,472 (net earnings of \$10,382 after operational costs)
- The average child care center had 12.5 employees in 2023.

Future of the Child Care Industry

- Revenue has increased since pre-COVID
- Employment has increased since pre-COVID
- Wages have increased since pre-COVID
- At this time, it is not possible to know if these industry gains will remain after the supplemental federal child care funding has been spent (deadline September 30, 2024)