



## Care for One Infant Costs At Least 10% of Family Annual Income in Nearly Every State

*New Mexico, Hawaii and New York are the least affordable states for center-based infant care*

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NEW YORK - October 28, 2024 - Child care costs in the U.S. continue to rise and can significantly strain a family's budget. According to Bankrate's Cost of Infant Care Study, care for one infant takes at least 10% of a family's annual income in almost every state. To estimate child care affordability across the U.S. (i.e. the cost of care for one infant), Bankrate analyzed average child care prices for full-time infant centers and the median income of families with children under 18 to determine the percentage of family income spent on child care for one infant in every state (including the District of Columbia). The study found that New Mexico, Hawaii and New York have the highest infant care costs, by percentage of family median income, while South Dakota, North Dakota and Utah have the lowest.

For more information: <https://www.bankrate.com/banking/child-care-costs-by-state-study/>

According to Bankrate's study, full-time center-based care for one infant costs families 14.7% of their annual income on average nationwide. The national average price of full-time center-based child care for one infant in 2023 was \$14,070, based on estimates from Child Care Aware of America. A family with children under 18 in the U.S. earned an annual median income of \$95,721 in 2023, according to U.S. Census Bureau data. Nationally, that translates to an average of \$1,173 per month for one infant in center-based care.

New Mexico is the least affordable state for infant care, ranking first in the percentage of income spent on child care for one infant (20.5%), according to the study. In New Mexico, families with children under 18 earned a median income of \$65,952 last year and child care for one infant cost \$13,521 on average. Although the cost of childcare is not significantly higher in New Mexico compared to other states, families in New Mexico earn a relatively low median income, resulting in a higher percentage of family income spent on infant care. Hawaii, New York, California and Massachusetts round out the top five states where families spend the highest percentage of their incomes on infant care.

The table below highlights the 10 states where families spend the highest percentage of their incomes on infant care compared to the national average:

State	Rank	Median income of families with children under 18 years old	Cost of infant full-time center-based child care	Percentage of income spent on infant care
New Mexico	51	\$65,952	\$13,521	20.5%
Hawaii	50	\$112,358	\$22,585	20.1%
New York	49	\$100,170	\$19,584	19.6%
California	48	\$104,361	\$19,547	18.7%
Massachusetts	47	\$130,156	\$24,005	18.4%
Oregon	46	\$95,951	\$17,680	18.4%
Washington	45	\$114,624	\$20,370	17.8%
Minnesota	44	\$116,115	\$20,129	17.3%
Kansas	43	\$90,570	\$15,071	16.6%
Maryland	42	\$120,054	\$19,906	16.6%

South Dakota is the most affordable state for infant care, ranking last in the percentage of family income spent on child care for one infant (8.7%). In South Dakota, families with children under 18 earned a median annual income of \$90,343 and child care for one infant cost an average of \$7,862 last year. North Dakota, Utah, Idaho and South Carolina round out the bottom five states where families spend the lowest percentage of their incomes on infant child care.

“Some of the more affordable places in the country, including New Mexico, Kansas and Minnesota, aren’t cheap when it comes to infant care. Families in New Mexico earn a relatively low median income, resulting in a higher percentage of income spent on infant care than the rest of the country,” says Bankrate analyst Alex Gailey. “Despite being ranked No. 1 for the least affordable, New Mexico is one of the few states that has tried to make child care accessible for most families through policy reform.”

The following table lists the 10 states where families spend the lowest percentage of their incomes on infant care:

State	Rank	Median income of families with children under 18 years old	Cost of infant full-time center-based child care	Percentage of income spent on infant care
South Dakota	1	\$90,343	\$7,862	8.7%
North Dakota	2	\$109,657	\$10,758	9.8%
Utah	3	\$108,668	\$11,232	10.3%
Idaho	4	\$92,323	\$10,108	10.9%
South Carolina	5	\$81,035	\$9,048	11.2%
Alabama	6	\$77,278	\$8,771	11.3%
Alaska	7	\$101,064	\$11,760	11.6%
Mississippi	8	\$69,529	\$8,186	11.8%
Wyoming	9	\$91,299	\$11,075	12.1%
Arkansas	10	\$72,477	\$8,869	12.2%

Average annual prices range from \$7,862 to \$25,480 for infant full-time center-based care across the country. These prices represent between 8.7% and 20.5% of median family income per child annually. In almost half of U.S. states (23 states and the District of Columbia), the percentage of family income spent on infant care is higher than the national percentage (14.7%). Twenty-seven states have a percentage of family income spent on infant care that is the same or lower than the national percentage.

Additionally, care for one infant costs more, on average, (\$14,070) than a household's average annual budget for food (\$9,985 per year), health care (\$6,159 per year) and transportation (\$13,174 per year), according to the study. The only expense that costs more for households on average is housing (\$25,436 per year).

“Child care is an enormous expense for families no matter where they live in the country. That makes budgeting and family financial planning all the more important,” Gailey says. “In addition to meticulous budgeting and tracking monthly expenses, families should check with their county or state offices for family services to get educated on what services, tax breaks or financing opportunities are available for child care.”

### **Methodology:**

Bankrate’s Cost of Infant Care Study examines where households are most financially burdened by child care in the U.S. Using 2023 data from Child Care Aware of America and the U.S. Census Bureau, we analyzed average child care prices for full-time infant-

based centers for one child (including the District of Columbia) and compared them to statewide median incomes of families with children under 18 years old to determine the percentage of family income spent on child care annually in every state. Average child care prices for 2023 were derived from Child Care Aware of America's January 2024 survey and state market rate surveys. Median income data for families with children under 18 were derived from the U.S. Census Bureau's 2023 American Community Survey. We also analyzed the Bureau of Labor Statistics' 2023 Consumer Expenditures Survey to compare the national average cost of infant care to housing, food, transportation and health care costs in the U.S.

Limited data were available on median income for families with younger children. We used the median incomes of families with children under 18 years old, given that there was little difference between those income levels and national incomes for parents of children younger than 6 years old. In this study, any reference to "child care" or "child care costs" refers to the cost of care for one infant. Child care costs can vary substantially based on the type of childcare provider, age and number of children in a household and geographic location. Child care for infants is typically the costliest across various age groups, and care in a center may be more expensive than care in a home-based setting. In our ranking, "1" represents the most affordable state for infant care, and "51" represents the least affordable state for infant care.

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