Women in the Workforce
The Impact of Child-Care

Written By
Linda Schiller, Kyra deGruy Kennedy, and Cameron Vigil

About Young Invincibles
Young Invincibles' mission is to amplify the voices of young adults in the political process and expand economic opportunity for our generation.
Table of Contents

Introduction 1

Issues for Women in the Workforce 2

The Effect of COVID-19 on Women in the Workforce 5

Affordability of Child-Care 6

The Child-Care workforce 8

The Impact of Child-Care 9

General Recommendations 10
Acknowledgement

This report was funded by the Women's Foundation of Colorado, an organization that invests in the advancement of economic opportunities for Colorado women and their families.

Introduction

Research Question:
To what extent does access to affordable, quality child-care correlate with employment level and earnings for working age women in Colorado, and what are the most important factors that may influence this relationship?

About this report:
Women are crucial members of the labor force in Colorado. The pandemic exacerbated factors limiting women’s involvement in the workplace, setting back advancements and reducing the number of women able to participate in the labor market. To examine the factors limiting women’s involvement in the workforce, we conducted a survey and a literature review. We found that lack of access to child-care was one of the central barriers that women face in retaining employment, and that marginalized communities faced increased barriers and intersecting challenges in remaining in the workforce.

Key facts:
In our analysis of past studies and our survey, here were our key findings:

Child-Care is incredibly difficult for families to afford in Colorado.
- A study by the Economic Policy Institute prior to the pandemic showed that Colorado was ranked the 8th highest out of 50 states for most expensive infant care. The study showed that for only one child, infant care would cost 21.0% of the income for the median family in Colorado.¹
- In our survey, we found that from May 2020 to May 2021, nearly half of all respondents either discontinued or reduced their use of child-care.
- 28% of respondents said they “always” or “often” had difficulty paying for their child-care in this time frame.

Women are disproportionately impacted by lack of access to Child-Care.

- In our survey, 79% of respondents report that they are the primary household caregiver when their children are not receiving child-care, whereas only 9% of respondents report that caregiving is split evenly in the household, and 7% report that their partner is the primary caregiver.
- From May 2020 to May 2021, 32% of respondents called out of work because of child-care issues.
- 32% have arrived at work late or left early due to child-care issues.
- More than 10% lost their job.

Women of color are disproportionately impacted by lack of access to child-care. The effect of the pandemic has been two-fold for Black and Latinx women, who comprise much of the child-care workforce and also face greater barriers in securing child-care for their own families.

Women’s workforce participation has been drastically impacted by the pandemic, and its impacts may be difficult to reverse without continued efforts to increase access to child-care and reduce barriers to women's employment.

Workforce:

Issues for Women in the Workforce:

Even prior to the pandemic, women and mothers faced greater challenges than men in seeking and retaining employment. Women can experience gender discrimination in many forms, including earning less than someone who does the same job, being passed over for opportunities, jobs, or promotions, and receiving less support from bosses and supervisors.\(^2\) 42% of women in the U.S. reported experiencing some type of gender discrimination in the workforce.\(^3\) This discrimination was worse for Black women: 53% of Black women reported facing discrimination in the workplace due to their gender, versus 40% of white and Latinx women.\(^4\)

Income was one of the main areas where women experienced gender disparity: One in four women reported being paid less than a man doing the same job. The gender wage gap is also reinforced by different societal factors outside of outright discrimination. Industries with jobs seen as traditionally female, such as child-care workers, secretaries, or administrative assistants, generally also have lower wages and offer fewer benefits.

\(^3\) Ibid.
\(^4\) Ibid.
than non-traditionally female jobs.\textsuperscript{5} Two other factors that worsen the wage gap are that women often have, or are perceived to have, less workforce experience and work fewer hours than their male counterparts; both of these factors are in part because women disproportionately exit the workforce or spend less time working in order to perform caregiving or other unpaid responsibilities.\textsuperscript{6}

Women who are parents face unique challenges in the workforce. When mothers exit the workforce in order to provide care for their children, they have a harder time re-entering the workforce than other types of applicants. Research from 2018 showed that job applicants who were stay-at-home parents were less likely to be called back for a job opening compared to similar applicants who had been laid off and unemployed. According to a 2021 study on workforce discrimination against mothers, job applicants who were indicated to be mothers were less likely to receive callbacks from employers in both high-wage professional sectors and low-wage service job sectors.\textsuperscript{7} The discrimination against mothers increased in low-wage service jobs that had schedules which were inconsistent from week to week, which may be in part due to perceived barriers around access to child-care.

![Bar chart showing unfair treatment due to parental status by race/ethnicity.

In our survey, 25% of respondents overall reported unfair treatment while seeking work or at work due to the respondents’ status as a parent. Unfair treatment toward parents was particularly acute for respondents of color. 36% of respondents identifying as Asian or Pacific Islander reported this, along with 30% of Black respondents and 25% of Hispanic/Latinx respondents. 23% of white respondents, by contrast, reported this experience. This type of discrimination against mothers intersects with and compounds the issues that women of color face in accessing the workforce and earning liveable wages. Black workers more commonly end up in jobs with lower wages than those of


\textsuperscript{6} Ibid.

white workers, face more financial barriers in accessing higher education, and are less likely to have graduated from college, which further decreases their potential earnings. Systemic discrimination in employment, housing, and credit, among other factors, have led to a racial wealth gap between white families and Black or Latinx families - this disparity is present in earnings, employment benefits, barriers to homeownership, and discrimination in lending practices. All of these factors create a self-reinforcing cycle in which Black and Latinx families are less able to access and afford greater opportunities in the workforce.

Racial discrimination also reduces access to workforce opportunities for marginalized groups. In our survey, unfair treatment in the workforce due to race was reported by 21% of Asian/Pacific Islander respondents, 25% of Black respondents, and 39% of Hispanic/Latinx respondents. Although there were not statistically significant numbers of respondents from Indigenous/Native American communities to inform our survey, racial misconceptions and discrimination have also impacted Indigenous/Native American workers: 33% of Native American respondents in a 2017 survey reported facing racial discrimination in promotion and wage decisions. According to the National Women’s Law Center, 21% of Native American children and 18% of Native American women lived in poverty in 2019. During the pandemic, nearly three out of 10 Indigenous/Native American women worked an “essential” job, but they make approximately 60 cents to every dollar that white, non-Hispanic men make. While the unemployment rate in the U.S. reached 14.7% for the general population in April 2020, 26.3% of Indigenous people/Native Americans were unemployed.

---

14 Ibid.
The Effect of COVID-19 on Women in the Workforce:

The pandemic amplified the challenges that women face in seeking and retaining employment, worsening the disparity between men and women in the workforce. In September 2020, five times as many women dropped out of the workforce as men.\(^\text{15}\) Although women make up only 47% of the labor force, in 2020 they accounted for 54.5% of all jobs lost nationally.\(^\text{16}\) The disparities varied per sector and were especially pronounced in the retail industry: women make up 48% of jobs in retail but accounted for 89% of all the jobs lost in retail in 2020.\(^\text{17}\)

Our survey results also indicate that Colorado women have faced challenges in employment during the pandemic. More than 10% of respondents had lost their job between May 2020 and May 2021. 33% of respondents overall reported not having a job, and about 50% of those respondents reported seeking employment at the time of the survey.

Working parents have faced unique challenges during the pandemic. According to a 2021 survey, more than half of the parents who are employed in the U.S. are considering leaving their jobs, citing that they feel their employer or company dismissed their concerns during the pandemic.\(^\text{18}\) The survey also showed that 61% of parents were stressed at work from worrying about their children’s educational needs during the pandemic.\(^\text{19}\) According to a national study from January 2021, mothers who were working were 17% more likely than working fathers to become the main child-care provider between April and July 2020, even if they were not the main provider in April.\(^\text{20}\) Additionally, parents who always reported being the main child-care provider were 20% more likely to have reduced their working hours during the pandemic.\(^\text{21}\) In Colorado, over 10% of mothers who were in the labor force prior to the pandemic had left by November 2020.\(^\text{22}\)


\(^{17}\) Ibid.


\(^{21}\) Ibid.

Our survey of Colorado women indicated that many of the working mothers who had at least one job still faced underemployment. Among respondents who were already employed at one job, roughly one third (34%) reported seeking additional employment. Among respondents with two jobs, 45% reported seeking additional work. Roughly one-fifth of both single- and double-job-holders report that they were dissatisfied with how many hours they were working. This suggests fragmented and unstable employment patterns that may be incompatible with stable caregiving and career development.

Our survey results also indicated the importance of adequate child-care for women’s employment in Colorado. 32% of survey respondents reported calling out of work because of child-care issues between May 2020 and May 2021. In a 2019 survey by the Colorado Department of Human Services, over half of the respondents indicated that they had turned down an employment opportunity in the prior year due to issues with child-care.²³

### Child-Care:

#### Affordability of Child-Care:

In Colorado, child-care is exceptionally difficult for families to afford. A study by the Economic Policy Institute prior to the pandemic showed that Colorado was ranked the 8th highest out of 50 states for most expensive infant care.²⁴ The study showed that for only one child, infant care would cost 21.0% of the income for the median family in Colorado.

According to the U.S. Department of Health and Human Services (HHS), child-care can be considered affordable if it costs less than 7% of a family’s income.²⁵ With this

---


measurement, infant care is only considered affordable for 6.2% of Colorado families. In the last year, Colorado families in our survey have faced difficulties in paying for their child-care. 23% of survey respondents cut back on child-care hours, 20% borrowed from a friend or family member, 17% paid for child-care late, 15% cut back on other necessities, and 9% borrowed from a credit card or financial institution.

The affordability and availability of child-care disproportionately impacts families who may face difficulties in other areas. Child-care deserts, or areas which have an inadequate supply of licensed child-care, are more prevalent in areas with historically marginalized populations, and thus child-care shortages may drastically impact these populations. Rural areas face child-care shortages more frequently than suburban neighborhoods, especially high-income suburban areas, with 60% of rural communities in the U.S. facing inadequate child-care in 2018. Latinx/Hispanic communities also are disproportionately impacted by child-care shortages - nearly three in five Latinx/Hispanic families live in child-care deserts. In Colorado, over half the population lives in a child-care desert where there is only one available child-care slot for over three children. On average, child-care deserts have 3% lower maternal labor force participation rates than areas with sufficient licensed child-care.

Child-care also uniquely impacts families of children with disabilities. National data has shown that a larger proportion of families of children with disabilities report difficulty in finding child-care compared with families of non-disabled children (34% vs 25%), and that parents with disabled children are three times more likely to report disruptions in employment due to difficulties with child-care.

27 Ibid.
The Child-Care workforce:

The child-care sector is essential to the rest of the workforce - many parents who cannot obtain adequate child-care will be unable to return to work after the pandemic. The work is often underpaid, and the child-care workforce has suffered incredible losses in the pandemic due to difficulty in hiring or retaining workers because of low wages. The median hourly pay in child-care is $12, and according to the Center for the Study of Child-care Employment at UC Berkeley, 98% of occupations pay more.\textsuperscript{31} In Colorado in 2017, early childhood education and child-care workers made only 51% of the average salary that a kindergarten teacher makes.\textsuperscript{32} The jobs in child-care also may require more qualifications, such as certifications or degrees, than jobs which pay more in areas like retail or services.\textsuperscript{33} Child-care centers pay less than service jobs because their business model must account for high staffing costs, since many centers must comply with local laws requiring one provider per three to five children - 50% to 60% of child-care centers’ budgets can go to labor costs.\textsuperscript{34} This means that child-care centers are unable to raise wages for their employees without raising costs for parents. As of August 2021, Labor Department data has shown that the child-care sector is missing over 126,000 workers, which is over a 10% decrease compared to employment levels prior to the pandemic.\textsuperscript{35}

\textsuperscript{35} Ibid.
The child-care sector is disproportionately composed of women, especially women of color. This means that child-care is a twofold issue for communities of color, who are more likely to be impacted by child-care shortages in Colorado. However, according to an August 2021 report by the National Association for the Education of Young Children, over half of minority-owned child-care centers in the U.S. are at risk of shutting down, and over a third of all child-care providers are considering shutting down in the coming year.36

In Colorado, child-care facilities are facing similar difficulties in hiring and staying open. As of December 2019, 70% of child-care center directors in the state reported challenges in filling positions, which on average took 2.5 months to fill with less qualified candidates.37 This is an urgent problem in the state, because the number of young children under the age of four is projected to increase by 22% by 2026.38

**The Impact of Child-Care:**

Lack of child-care is a barrier to employment for the Colorado women in our survey. Out of survey respondents who are currently looking for work, 17% do not have access to child-care, and are delaying their job search until they find adequate care. Another 14% have child-care, but reported that it is not enough to meet their needs if and when they get a job.

According to findings from a national Early Childhood Program Participation Survey, mothers were significantly less likely to be employed if they were unable to find adequate child-care (whereas child-care access did not have a significant impact on fathers’ employment).39 In a national survey from 2018, mothers were 40% more likely to report that problems with child-care had a negative effect on their career than fathers.40

According to research from the U.S. Census Bureau, about 1.5 million working mothers are still missing from the U.S. workforce compared to pre-pandemic levels.41 It is clear that women’s involvement in the workforce is contingent on the availability of quality licensed child-care.

---

Conclusion:

How women’s workforce participation can begin to recover from the COVID-19 pandemic

The impact that the pandemic has had on women’s participation in the workforce in Colorado is clear, and it is necessary for policy makers and organizations to take action immediately to address workforce losses. These losses can be addressed through state and federal policies, workforce levers, and levers specific to child-care.

General recommendations:

Workforce Recommendations:

1. Require equitable pay and scheduling practices in the workforce.
   - Raise the minimum wage to $15 in Colorado so that caregivers and mothers in the workforce, as well as those who work in child-care, can make a living wage.
   - Require employers to set and communicate employees’ schedules in advance so that working mothers are able to find child-care accommodations without needing to compromise their employment.

2. Guarantee protections for gig economy workers.
   - Require protections such as a minimum wage, overtime, unemployment insurance, and workplace safety requirements for workers in short-term contracted positions, including those who work as nannies and babysitters. Ensuring that gig workers receive employee benefits will give working mothers in the gig economy more stability in employment, and will also increase stability for those working as nannies and babysitters.

3. Fund stackable credential programs, free associate’s degrees, or tuition assistance programs.
   - Increasing education opportunities for women will help increase their future earnings and opportunities for employment. By ensuring that women have affordable opportunities for advancement, Colorado can work toward increasing equity in the workforce and closing racial and gender wage gaps.
Child-Care Recommendations:

1. Increase public funding (federal, state, and local) for child-care centers so that they can remain open and offer competitive wages for staff.
   - In 2020, child-care providers that did not receive public funding were 1.6 times more likely to shut down.42
   - Federal funding for child-care is especially important, so that states may provide more child-care subsidies to eligible families. According to estimates by the Center for American Progress, the Build Back Better Act would save middle-class families (defined as families at 135 percent of the state median income) $188 per week on child-care in Colorado - down to $148 compared to $366.43 By passing this bill, Congress would save families money on child-care.
   - Colorado should build on its investments in accessible and affordable child-care by continuing to prioritize funding and supporting child-care providers, especially home-based providers and centers that serve families in child-care deserts, marginalized or high-risk communities, and providers with non-traditional hours. Allocating funds for universal preschool is an important start to this, and Colorado should fund full-day preschool for all families.

2. Increase federal and state funding for the Colorado Child Care Assistance Program (CCCAP) and the state Child Tax Credit (CTC).
   - These programs are crucial for families to afford child-care, and further state investment in these programs will enable Colorado to meet the needs of low-income families.44

3. Improve pathways to the child-care workforce so that child-care workers face fewer barriers to employment.
   - Make it easier for workers without a background in higher education to receive certification or credits by funding stackable credential programs, free associate’s degrees, or tuition assistance in fields and programs needed for child-care certifications.
   - Incentivise child-care centers with public funding to pay for additional education for staff.

4. Continue responding to the needs of home-based Child-Care centers to ensure they do not face unnecessary barriers in opening and remaining in business.
   - Home-based care programs tend to have lower overhead costs, which translates to lower costs for parents.45 In 2021, Colorado passed HB21-1222, “Regulation Of Family Child Care Homes,” which reduced zoning requirements for home-based care

---

providers by treating them as residential rather than commercial, thereby allowing for easier licensure. Since these programs are essential for families, Colorado should build upon HB21-1222 by continuing to identify and reduce other barriers to entry and retention for home-based care providers by supporting centers in navigating licensing, pursuing subsidies, and improving access to professional development for home-based care providers. Policymakers in Colorado should also include home-based child-care centers in policy solutions that aim to support the child-care sector.