Connecting The Dots #YesThisIsAnArtsStory

The child care crisis continues in 2024...

Child care is deemed inexpensive by the <u>U.S. Department</u> of Health and Human Services (HHS) when it accounts for no more than 7% of a family's total household income. Yet, respondents of Care's 2024 Cost of Care Report are spending on average 24% of their household income on child care (vs. 27% in 2023). Although this is a decrease from last year, this year's report finds that more than one-third (35%) are also using their savings to cover the cost of child care. The financial burden of child care is only projected to increase due to the expiration of the \$24 billion Child Care Stabilization Program in September 2023. The pandemic-era funding provided crucial aid to more than 200,000 child care providers, allowing 9.5 million children to continue in child care programs and helping their parents remain in the labor force. However, the conclusion of this funding could lead to the closure of more than 70,000 child care programs, leaving approximately 3.2 million children without care. This "child care cliff" will have a negative trickle-down effect on the federal economy, parental income, and the overall child

care workforce (which has struggled to recover from the pandemic prior to these closures).

While there is a national need for child care that is and of higher quality, child care challenges also cause enormous economic implications on the state level. The U.S. Chamber of Commerce *Foundation* conducted studies in various U.S. states to better understand the localized impact of the child care crisis. Collectively, child care system failures cost states billions of dollars in

In the 2024 Cost of Care Report, \$1,500 per month on child care expenses in 2023, and 49% plan to spend the same in 2024 (adding up to \$18,000 per year). Simultaneously, 20% of respondents report spending more than \$36,000 (\$3,000 per month or more) on child care in 2023 and 23% anticipate doing so in 2024.

Strong Nation's 2023 the infant-toddler child care crisis now costs the economy \$122 billion annually Of that staggering amount, lost pay and job search costs account for the largest share, costing Americans \$78 billion annually. In result, inadequate childcare costs companies \$23 billion annually in lost productivity. Every year, the aovernment loses \$21 billion in federal, state, and local tax

Parents of children with disabilities experience more difficulties in finding child care than other parents, which results in greater work interruption.

- The New York Times

The 2024 Cost of Care Report finds the average weekly cost of child care has increased across multiple forms of caretaking; Average weekly nanny cost: \$766 (up 4% from \$736 in 2022). Average weekly daycare cost: \$321 (up 13% from \$284 in 2022). - Average weekly family care center cost: \$230 (up 0.4% from - Average weekly babysitter cost: \$192 (up

7% from \$179 in 2022).

"Caregivers of children with disabilities are less likely to be employed, are more likely to turn down promotions and lose an average of \$18,000 per year due to scaling back work hours or leaving jobs because they can't find child care."

The New York Times

State of Motherhood Report finds that 25% of respondents have become stay-at-home mothers, compared to 15% in 2022. Eighteen percent (18%) of mothers changed jobs or left the workforce in the past year, and the top reasons cited were staying at home with children (28%) and lack of childcare (15%).

67% of moms are spending at least \$1,000 a month on childcare, with 18% spending \$2,000-\$3,000 and 13% spending \$3,000 or more (31% in total spending \$2,000+ per month).

- 2023 State of Motherhood Report

With the child care workforce anticipated to lose another 232,000 jobs, many families are forced to face even longer waitlists than in previous years. Fifty-four (54%) of respondents to the 2024 Care.com survey reported that the child care cliff had caused waitlists to grow longer.



One of the primary drivers of the gender wage gap is gendered differences in representation in different jobs - a feature in the labor market known as **occupational segregation**, in which women are overrepresented in low-paid jobs like child care and tipped services, while men are overrepresented in high-paid jobs like banking and law.

- <u>Center for</u> <u>American Progress</u>

The gender wage gap is also driven in large part to the gendered nature of caregiving responsibilities, leaving women typically to work fewer hours and have fewer years of paid work experience than men.

> - <u>Center for</u> <u>American Progress</u>

The Economist's <u>Glass Ceiling Index</u> examines the economic progress of women in 29 member countries of the Organization for Economic Cooperation and Development (OECD) through 10 different indicators. In 2023, U.S. women had a 10.1 point lower labor-force participation rate than men.

s. <u>Chapter 5: Closing the</u> <u>Gender Pay Gap</u> of the Center for American Progress' "Playbook for the Advancement of Women in the Economy," cites that the gender wage gap occurs in almost all occupations, at every level of educational attainment, and in every state. In 2022, the gender wage gap in the United States narrowed to a record low, with the median working woman receiving 78 cents for every male dollar, regardless of the hours or weeks worked in the year. Meanwhile, women working full time, year-round received 84

If the gender wage gap continues on its 2000–2022 path, **the gap** for women working full time, year-round would not close until 2067.

cents on the dollar.

- <u>Center for American</u> <u>Progress</u> Additionally, in the OECD women earned around 12% less than men. In the United States, women earned 17% less than men in 2023.

Married mothers remained less likely to participate in the labor force in 2023 than mothers with other marital statuses. By contrast, married fathers remained more likely to participate in the labor force than fathers with other marital statuses. (Other marital status includes people who are never married; widowed; divorced; separated; and married, spouse absent.)

> - <u>Bureau of Labor</u> <u>Statistics</u>

According to the Bureau of Labor Statistics' <u>2023 Employment</u> <u>Characteristics of Families</u> <u>Report</u>, employed fathers remained more likely to work full time than employed mothers in 2023—95.6 percent compared with 80.1 percent.

Women's Labor Force Participation Rate and the Gender Pay Gap

History has shown that child care responsibilities are shared unequally across men and women in marriage, and this trend continues as *Pew Research* has found that that even in marriages where the wife is the primary earner, women spend 6.4 hours on caregiving each week (compared to 5 hours spent by men) and 4.8 hours on housework (versus 2.8 hours by men). The 2023 State of Motherhood Report by Motherly also states that household and family responsibilities fall more on mothers now than during the height of the pandemic. According to the report, "58% of moms report they are primarily responsible for the duties of running a household and caring for children, up 2% over 2022." Additionally, thirty-two percent report sharing responsibilities equally with a partner, a 2% decrease year over year. With women bearing the weight of child care responsibilities, they are pressured to leave the workforce, contributing to the gap in labor force participation and ultimately, the gender-pay gap. However, when women work, economies grow,

Support for child care is one strategy to lower obstacles for women entering the workforce. The expense of child care affects mothers' ability to work, but when opportunity costs are reduced, they can seek work opportunities in the same way as their male or childless coworkers

> - <u>The Michigan Journal of</u> <u>Public Affairs</u>

and it is estimated that closing the gender gap could give the global economy an increase of <u>\$7 trillion dollars</u> per year.

DATA

Project

Mothers Need Paid Leave and the Economy Needs Mothers

According to the *Bipartisan Policy Center*, the U.S. is the only OECD member country-and one of only six countries in the world—without a national paid parental leave policy. The U.S. is also an outlier among other affluent countries as it does not have a national family caregiving or medical leave policy. In his 2025 budget proposal, President Biden proposed a *national paid family and* medical leave program that would provide eligible employees up to 12 weeks of leave. The plan also includes restoring the Child Tax Credit (which expired at the end of 2021), establishing an affordable child care program for families earning less than \$200,000, enhancing 2010, according to the Bureau of Labor medicare drug-pricing negotiations, child Statistics. However, access to this leave varies tremendously across the spectrum labor laws, and more. This plan is not of high-income workers (with up to 96% Biden's *first attempt* at proposing a national paid leave program, as past efforts such as the paid leave elements within the American Families Plan or the \$1.75 trillion Build Back Better Act were unsuccessful. Without the safety net of a national paid leave policy, many working mothers suffer from the "motherhood penalty" and must often sacrifice their income and career ambitions for child caring responsibilities. Instead of forcing mothers out of the workforce, we should be making space for them by increasing workplace flexibility, providing parental leave benefits and affordable childcare, and bolstering an inclusive work environment.

Covid-19's continued presence combined with other common illnesses requires workers to adapt to the possibility of becoming sick more often. Gusto, a payroll and benefits software company. finds that 30% of employees working in jobs with an active PTO policy have taken sick leave, a 42% increase from 2019.

In the United States, 78% of

private sector workers receive

paid sick leave, up from 63% in

access) to hourly and low-wage

workers' income (with just 39%).

Bloomberg

likely than fathers to take off work when their kids are sick. Women are also more likely to take their children to the doctor. More so. many female-dominated industries such as food service (54% female) and retail (57% female) are those least likely to offer paid sick days."

Bloomberg

"Mothers are 10 times more

Black and Brown women account for a disproportionate number of low-income workers and have historically been excluded from paid leave policies. According to 2023 data from the Bureau of Labor Statistics, 39% of black and brown women in management, professional and related occupations have paid leave compared with 16% of those in service occupations.

- The 19th

Japan and South Korea enacted 31 and 22 week paternity-leave policies (the largest plan in the OECD) to encourage more women to enter the workforce.

- The Economist

Although the U.S. does not have federal paid family and medical leave laws, more states are implementing these laws to ensure that workers continue to earn income while supporting familial needs. Onpay, a payroll software company, provides a *state-by-state guide* for paid family leave requirements and their impact on local

Nearly 42% of working women in the United States provide as their families' primary or only source of income. Additionally, 71% of Black mothers are the sole or primary breadwinners, which makes quality and affordable child care even more vital for them.

- FastCompany

Paid parental leave also includes fathers, and research by Darby Saxbe and Sofia Cárdenas for the Harvard Business Review found that the more access fathers had to paternity leave, the more equipped they were to adjust to parenthood, making them more effective co-parents as the children

"Without paid leave, women are denied opportunities because employers don't want to hire women who they think are going to leave to care for kids or because they know they are expected to be caregivers."

> - Indivar Dutta-Gupta, The 19th



FastCompany proposes the following four ways employers may *support working* <u>mothers</u> during their pregnancy and upon their return to work;

1. Enable the full journey to parenthood

Install progressive and comprehensive fertility and family planning benefits. This may include expanding company-wide insurance plans to include fertility treatments or offering health stipends that cover fertility treatment costs.

Employers can also offer stipends to alleviate the financial burden of child care.

Proposed policies like the <u>Marshall</u> <u>Plan for Moms</u> push for this additional assistance to accommodate the free and often invisible work mothers are expected to do in society.

2. Offer both paid maternal and paternal leave

Keeping dads at work is the obvious choice when paid maternity leave is the only option. Thus, equitable paternity leave is vital to supporting and enabling new moms' return to work.

> Prioritize parents in return-towork plans

Offer flexible hours and return-to-work programs that allow parents to gradually transition back to a fulltime work week..

According to Care.com's <u>The Future of Benefits</u> <u>Report 2024</u>, **56% of employers** are prioritizing child care benefits in 2024.

Enhance wellness rooms

Provide wellness rooms with comfortable seating, a refrigerator for storing milk, and single-use pumps for breastfeeding to improve efficiency.

In The Absence of State or Federal Benefits, Employers Must Carry the Burden of Child Care

The rising child care costs and lack of available caregivers in the U.S. prevent parents from participating in the workforce, resulting in a drag on the economy overall. Parental leave and childcare are gaining popularity but are still fairly scarce: 12% of workers in the U.S. have access to child care benefits from an employer — a number that falls to 6% for parttimers and those in the lowest income quartile, per Boston Consulting Group (BCG) (<u>Axios</u>).

However, *studies* show that child care benefits pay for themselves. In organizations where paid leave laws have been implemented, employee morale has risen, employee retention rates have increased. A cultural shift has occurred among Millennials, in particular, who regard these benefits as key when making career decisions (*The 19th*).

When companies treat child care like an investment, they also reap the benefits.



Putting The Spotlight On The Arts

"In knowing that the arts are vital to the economy and women comprise a large portion of the arts (especially dance), the failure to support women and their access to sufficient childcare is a failure to support the arts."

- Junyla Silmon, <u>Why Won't Arts Leaders Talk</u> <u>About Women?</u> Data from the U.S. Arts and Cultural Production Satellite Account (ACPSA), a product of the National Endowment for the Arts and the Bureau of Economic Analysis, reports that in 2022, the sector contributed 4.3 percent of gross domestic product (GDP). This was an all-time high of \$1.1 trillion in value added to the U.S. economy. The overall arts economy rose by 4.8 percent between 2021 and 2022. This rate remained higher than the pre-pandemic (2019) rate of growth, and higher than the growth rate for the overall U.S. economy (+1.9 percent from 2021 to 2022). Independent artists, performing arts presenters, and agents and managers have all exceeded 2019 levels of value added to the GDP among the performing artsrelated industries. Specifically, independent writers, artists, and entertainers contributed 18.4% more value to the GDP between 2021 and 2022.

The sector also experienced an increase in total employment levels in 2022 with 5.2 million wage-andsalary workers (catching up with pre-pandemic levels). Industries with the greatest gains in employment include: web publishing and streaming (54.2%); computer systems design (23.5%); certain specialized design services (20.0%); and independent artists, writers, and performers (11.3%).

Despite these indicators, there is a dearth of follow up research on the status of women's labor force participation or pay equity efforts. This lack of research is not just within the National Endowment for the Arts archive, but rather a massive absence across all national, regional, and state/jurisdictional arts organizations. Similarly, there is a scarcity of data on the complexities of motherhood and dance, which undermines the full life experiences of femaleidentifying dancers (who predominate the dance industry). Although there are personal blogs that detail first-hand experiences by working mothers in dance, like this 2023 article by Lauren Warnecke for *DanceTeacher*, statistical research on motherhood in dance in the U.S., particularly from nationally recognized arts organizations like Dance/USA is either outdated or nonexistent.

Outside the U.S., governments, institutions and lobbying groups have produced more robust data. The **<u>UK government</u>** publishes figures displaying the gender pay gap across all industries, and from 2022 to 2023, the gender pay gap in the *performing arts sector* was an average of 6% (7% less than the national average of 13%). A UK organization called Parents & Carers in Performing Arts (PiPA) addresses the inadequate accommodations of parents and caregivers within the performing arts. Latest *dance research* by PiPA examines the physical and psychological pressures faced by mothers who freelance professionally and its impact on their career development and overall wellbeing. An article by Angela Pickard and Anna Ehnold-Danailo with Canterbury Christ Church University provides a gualitative analysis on the journey into motherhood among female professional contemporary dancers in the UK market.

Although arts organizations lag in support of working women, business organizations like the U.S. Chamber of Commerce Foundation, Bloomberg, and McKinsey & Company have recognized the need for paid leave and better child care provisions. Dance Data Project® has followed suit and illustrated the need for better support systems for parents in the U.S. through *Moving Forces: Motherhood in Dance*, a interview series that talks to working mothers in varying roles in the dance field to discuss their personal experiences, work-life balance, and recommendations to create an increasingly inclusive dance ecosystem. DDP understands that working women and mothers are the pillars of the dance industry, and the prioritization of their needs is key to this industry's success.