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## Child Care Costs in the Mountain West

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## Child Care Costs in the Mountain West

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### PURPOSE:

This fact sheet examines the cost of child care using data from the Care Index,<sup>1</sup> a collaboration between New America, Care.com, and other organizations. Data for the Mountain West states of Arizona, Colorado, Nevada, New Mexico, and Utah are included in this document.

### ABOUT THE DATA:

The original report constructs the “Care Index” as a measure of different categories of child care reported in a comparative index. The categories are: Cost in Home, Cost in Center, Average Cost, Cost as percent of Household income, Cost as percent of Minimum Wage, Quality, Availability, and the overall Care Index Score. Key terms are defined below:

<u>Term</u>	<u>Definition</u>
<b>Cost in Home</b>	Average cost of in-home child care, or nanny care, in a state.
<b>Cost in Center</b>	Average cost of child care - in a child care center or family child care home - in a state.
<b>Average Cost</b>	Average cost of in-home and in-center care in a state, based on proportion of in-home and in-center users.
<b>Cost as percent of Household Income</b>	Expected cost of child care as a percentage of median household income for each state.
<b>Cost as percent of Minimum Wage</b>	Expected cost of child care as a percentage of minimum wage for each state.
<b>Quality</b>	Standardized quality score based on the proportion of accredited family child care homes and centers and ratings for in-home providers on Care.com, where 100 is the national mean, and each 15 points represents one standard deviation from the mean.
<b>Availability</b>	Standardized availability score based on the ratio of child care employees to the number of children under 5 in a state, where 100 is the national average, and each 15 points represents one standard deviation from the mean.
<b>Care Index Score</b>	Overall Care Index assessment of each state based on standardized cost, quality, and availability scores.

<sup>1</sup>Retrieved from Brigid Schulte and Aleiza Durana, “The New America Care Report.”

### KEY FINDINGS:

1. Colorado reports the highest expenses for child care “Cost in Home” and “Cost in Center” among Mountain West States.
2. New Mexico has the highest child care costs in relation to household income and minimum wage in the Mountain West.
3. Within the Mountain West, Colorado has the highest overall child care index score, and the highest score for child care availability.
4. Among Mountain West states, Nevada has the highest average child care costs.

<sup>1</sup> Brigid Schulte and Aleiza Durana, “The New America Care Report,” <https://www.newamerica.org/in-depth/care-report/explore-care-index/>

Table 1 shows the costs in Mountain West states for various kinds of child care. For reference, red cells in each column have the highest cost, and green cells are the lowest cost. For child care in-home, Colorado has the highest child care costs at \$28,187 and Utah has the lowest cost at \$26,211. Colorado also has the highest child care costs in centers, whereas New Mexico has the lowest child care costs in centers. In the Average Cost column, Nevada has the highest average cost, while Arizona has the lowest average cost.

**Table 1: Child Care Costs in the Mountain West**

Mountain West State	Cost in Home	Cost in Center	Average Cost
Arizona	\$27,230	\$8,397	\$16,102
Colorado	\$28,187	\$10,613	\$17,072
Nevada	\$27,147	\$9,724	\$18,598
New Mexico	\$27,147	\$7,371	\$17,091
Utah	\$26,211	\$8,865	\$16,496

\* Adapted from Brigid Schulte and Aleiza Durana, "The New America Care Report."

Table 2 shows the percentage of child care costs in relation to types of income. New Mexico and Nevada have the highest shares of household income devoted to child care at 37%. Utah has the lowest share at 26%. New Mexico has the highest share of cost shown as a percentage of the minimum wage at 96%. In Arizona, child care costs account for 96% of the minimum wage.

**Table 2: Ratios of Child Care Costs to Income in the Mountain West**

Mountain West State	Cost as % of Household Income	Cost as % of Minimum Wage
Arizona	33%	96%
Colorado	28%	101%
Nevada	37%	108%
New Mexico	37%	110%
Utah	26%	109%

\* Adapted from Brigid Schulte and Aleiza Durana, "The New America Care Report."

Table 3 shows the index scores for each of the states in the Mountain West. New Mexico has the highest-ranking quality score at 100 whereas Utah has the lowest quality score at 93. In terms of child care availability, Colorado has the highest score at 106 while New Mexico and Utah tie for the lowest score at 81. For the overall score, Colorado ranks the highest at 103 whereas Nevada and New Mexico tie for the lowest at 87.

**Table 3: Child Care Index Scores in the Mountain West**

Mountain West State	Quality	Availability	Overall
Arizona	97	88	92
Colorado	98	106	103
Nevada	95	88	87
New Mexico	100	81	87
Utah	93	81	94

\* Adapted from Brigid Schulte and Aleiza Durana, "The New America Care Report."