The Growing Cost of Daycare

Posted on September 19, 2018

View this essay online:
https://academic-master.com/the-growing-cost-of-daycare/

Daycare, Working Families, and the American Childcare System

Childcare or daycare is one well-known prospect when it comes to the consideration of the society of the United States of America. The practice of daycare has been an enormously effective option for the parents of little children for many years. Many citizens of the country invest a huge amount of money in the features of daycare to provide a better approach to care for their children. There is the existence of many options for childcare that parents can consider concerning the concept of childcare or daycare.

It is observed that the increasing demand for the prospect of daycare ultimately becomes an expensive feature for parents. Undoubtedly, nowadays, it is not easy for the parents of the babies to effectively sustain the heavy expense associated with the services of childcare or daycare. The phenomenon of childcare become a major concern for the citizens of the country due to the dramatically growing cost of this particular practice. The acceleration of daycare costs makes it a national concern, and society is trying to find a solution to deal with it effectively. Here, the focus is to address the growing cost of daycare as a macroeconomic problem and discuss the prospect of policymaking to deal with this specific issue effectively and efficiently.

It is notable to mention that the feature of daycare has become an essential tool for the overall functioning of American society. This happens because both parents are working to meet their economic needs, so they are unable to perform full-time responsibility for the care of their kids. The financial requirements of the citizens of the country demand that they rely on different daycare centers that provide care and protection services to the kids. It can be said that the particular approach of daycare has become a necessary element in the social prospects of Americans. The immense need for daycare extensively enhances the cost, making it a major national concern (Herbst, 2015). Statistics show that the average cost for one child under the paradigm of a daycare facility is $100 to $350 a week, which is without any doubt a huge amount for the middle-class family to pay.

It is crucial to consider the growing cost of daycare as one crucial macroeconomic problem as it affects the overall paradigm of society. Proper identification of the cause of this issue can help propose better solutions to address the concern of childcare effectively. It is important to figure out the features of the growing cost of daycare in the country over the next few years. Different

government evidence and press reports clearly indicate the prospect of the growing cost of daycare as a disturbing feature that increases the financial troubles for families. It is observed that the annual cost of infant care in childcare centers is immensely high compared to the tuition fee in public educational institutes. There is no doubt that situation of the growing cost of daycare is immensely alarming and demands an immediate and effective fix.

Market Structure and the Causes of Rising Childcare Costs

Some researchers argue that the expansion of the cost of daycare comes with the consideration of the overall market pattern of childcare (Davis & Connelly, 2005). There is also the consideration of one opinion which addresses the decreasing feature of mothers' participation in the paradigm of the labor force. The different forms of concerns related to the growing aspect of daycare demand critical assessment of the possible reasons for the issue, which ultimately provides necessary assistance in the case of effective policy formation and implementation. A proper understanding of the price mechanism of the daycare industry or market helps to initiate and implement different childcare assistance programs.

It is crucial to understand that the growing cost of daycare is not just an issue that affects individual families. It is a national problem that impacts different facets of society. The overall financial functioning is impacted by the approach if families are not able to afford the accelerating cost of daycare for their children. The influential role of government is also immensely crucial to effectively address this issue and ultimately provide some form of relief to American families. It is observed that the government adopts a specific approach through which it provides financial assistance to poor families who can afford the expenses of daycare by offering subsidies to them. There is no such incentive for the middle class of society, which creates financial issues for them, to get the facility of daycare for their kids. The working class of American society mostly faces the issue of the drastically growing cost of daycare services.

The effective and necessary intervention of the government in the overall scenario of the increasing prices of daycare or childcare is crucial to facilitate most of the families of society that need the services of daycare. There is no doubt about it now that daycare is the expensive or somewhat unaffordable option for poor families in the country. The huge form of government spending on childcare can be the one major form of financial assistance to deal with the worsening impact of the deficit. There is consideration of the specific plan of action to increase childcare subsidies to provide a better form of relief to the parents of the kids who require daycare services at lower prices. This particular plan would cost $42 billion and provide a substantial subsidy for every child from birth to the fifth year of age. It is crucial to understand that it comes with the consideration of families who are below 200% of the poverty line (Russ Whitehurst, 2017). The feature of assessment in the case of current spending of the federal government on the prospect of childcare indicates that it comprises

about $26 billion a year. Adoption of the new feature of subsidy in this manner comes with the requirement of $16 billion more to execute the federal plan for effective intervention in the whole scenario of childcare. The U.S. Treasury is facing the cost of the charitable deduction in the form of $55 billion a year. There is a proposal related to the paradigm of supporting tax reforms that developed on the basis of a neutral form of budgeting in the country.

Affordability, Labour Supply, and the Economic Effects of Expensive Daycare

The issue of the growing cost of childcare is immensely concerning to the overall economic aspect of the country. It comes with the consideration of the childcare market, which addresses the facets of costs, fees, and profits related to the daycare business. It is crucial to mention that the low profit in the case of daycare services ultimately impacts the specific paradigm of quality in the provision of the daycare approach. The demand of the consumer in the form of parents of the kids also plays a crucial role in determining the market trend of daycare. There is a high demand for daycare services from families in American society as a large portion of the country's population comprises the working class. High demand for daycare services ultimately accelerates the prices as childcare providers perceive it as a growing and profitable form of business. The particular economic theory about the determination of the price of the service significantly applies to the whole scenario of the growing cost of daycare facilities. The increasing demand for daycare services, with the consideration of the quality demand, impacts the prospect of supply. The increasing demand for services impacts the prices of daycare facilities in the country. The number of costs and fees increases due to the growing approach of consumers to the provision of daycare services.

Undoubtedly, the growing cost of daycare services is the reason for stress for many American families, as it drastically impacts the financial conditions of the citizens. People are immensely concerned about the costs they spend on daycare services (Neighmond, 2016). It is a shocking reality for parents to spend a huge amount of their money in the form of expenses for daycare services for their kids. There are many parents who have fewer choices when it comes to childcare services for their kids, and the high prices of these services adversely impact their financial position.

To sum up the discussion about the growing cost of daycare, it is crucial to mention that it is a complex prospect that comes up with many considerations. It is essential to involve all the stakeholders to attain a better and more acceptable position concerning the features of childcare. There is no doubt that today, it has become one of the major challenges for American parents to find daycare services at a low cost. The active role of the federal government is also crucial to effectively deal with this problem immediately. There should be the adaptability of a balanced approach to provide aid to the parents of the kids and the daycare service providers.

References

Davis, E. E., & Connelly, R. (2005). The influence of local price and availability on parents' choice of child care. *Population Research and Policy Review*, *24*(4), 301–334.

Herbst, C. M. (2015). The Rising Cost of Child Care in the United States: A Reassessment of the Evidence. *Browser Download This Paper*.

Russ Whitehurst, G. J. (2017, March 9). Why the federal government should subsidize childcare and how to pay for it. Retrieved from https://www.brookings.edu/research/why-the-federal-government-should-subsidize-childcare-and-how-to-pay-for-it/