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Source: Nebraska Department of Labor
Openings and expansions listed are a sampling of activity reported for that month. Some activity may have occurred outside the month. If you have an opening or expansion to report, contact us at LMI_NE@nebraska.gov.
For many families, owning a home is considered a key component of the 'American Dream,' and home ownership rates have long served as an indicator of the health of the nation’s economy. The price of home ownership, however, varies dramatically by location. This month’s Map Facts depicts the percentage of housing units in each state that were estimated to be owned or co-owned by the individual or family dwelling within them as of 2017, and considers the impact of housing costs on the choice of whether to rent or purchase a home. (1)

The state with the highest percentage of homes owned by their occupants was West Virginia, at 72.7%. Washington, D.C. had the nation’s lowest home ownership rate, with 58.3% of housing units occupied by renters—the only location in the country where more than half of residences were rented rather than owned. (2)
Nebraska came in near the middle, at #30 out of 51, with 66.0% of homes owned by their occupants. Luckily for the 34.0% of Nebraskans who rent their living spaces, the state's median rent price of $624 fell within the bottom 25% of the national cost rankings. The median home value in Nebraska, meanwhile, was $142,000. (2)

Renters in Hawaii ($1,348); Washington, D.C. ($1,330); and California ($1,277) paid the country’s highest median rent prices. These three locations also had the highest median home values in the United States, at $563,900; $537,400; and $443,400, respectively. (2)

The cheapest median rent costs were found in Alabama ($544), Arkansas ($527), and West Virginia ($506). States in the southern region of the country also had some of the lowest median home values, with the bottom three being Arkansas ($118,500), West Virginia ($111,600), and Mississippi ($109,300). (2)

In 20 states, more than 30.0% of renters and owners combined spent at least 30% of their total income on their monthly housing costs. Californians were the most likely to spend such a high share, with 41.9% of renters and owners in that state spending 30% or more of their total income on their rent or mortgage payments. West Virginia had the fewest residents whose housing costs accounted for such a large share of their budgets, at just 21.2%. Nebraska also ranked towards the bottom of this list, at #46 of 51, with one quarter of all Nebraskans spending a minimum of 30% of their monthly income on housing. That 25% was comprised of 17.6% of all homeowners statewide, and 39.4% of all renters. This pattern generally held around the country, with consistently higher percentages of renters spending at least 30% of their income on housing than owners, most likely reflecting the increased propensity of higher earners to choose to purchase property rather than rent. (2)
In 2018, the birth rate in the United States fell for the fourth consecutive year, reaching a 32-year low, according to the National Center for Health Statistics. (1) While a number of factors likely influence Americans’ declining birth rate, a 2018 New York Times poll found that the high cost of child care was the most commonly reported reason that young adults said that they had, or planned to have, fewer children than they otherwise may have wanted. (2) At the same time, a national survey of U.S. parents showed nearly one in three (32%) parents reporting that it was “very” or “somewhat” difficult to find suitable child care, and 72% reporting at least one obstacle to obtaining care. (3)

This article offers an analysis of the child care landscape in Nebraska and around the country, examining how cost, availability, and other major factors influence family decisions about work, and their impact on parents, children, and local labor markets.

Measuring Child Care Need

As of 2017 data, 29.4% of all Nebraska households, and 45.5% of family households, included at least one child under 18. An estimated 92.0% of children statewide lived with their biological, step, or adoptive parent(s). Of these, 71.1% of children lived in married-couple family households, while 21.0% lived with their mother alone, and 7.2% lived with their father alone. The 8.0% of Nebraska children who did not live with their parent(s) were divided into 4.6% living with their grandparent(s), 1.6% with other relatives, and 1.8% in foster care or otherwise living with unrelated adults. (4)

Children under five made up 27.8% of Nebraska's 0-17 population. These below-school-age children are assumed to be the group most likely to require child care outside the home, since, by age five or six, children are typically enrolled in school, where they typically spend much of their time during the day. Of course, not all parents work hours that align with regular school day, and school-age children may still require supervision outside the home during weekends, holidays, summer break, and other days when school is not in session. However, families with children too young to attend school are generally the most likely to require regular, ongoing child care services. These families will therefore be the primary focus of this analysis. (4)

According to the National Center for Education Statistics, 60% of U.S. children ages birth to five years participated in at least one nonparental care arrangement per week. One-quarter of these children received care from a grandparent, aunt, uncle, older sibling, or some other relative. The remaining 75% of children under age six who needed nonparental care relied on nonfamily child care services, such as commercial child care centers, preschools, Head Start programs, babysitters, nannies, or in-home daycare. (5)

* Throughout this analysis, unless otherwise specified, “child” should be understood to mean a never-married person under age 18 who is the son or daughter of the householder by birth, marriage, or adoption. (18)
Among parents of children under six who were not yet enrolled in kindergarten and required child care provided by someone other than a family member, 53% nationwide reported difficulty finding suitable care arrangements. When surveyed on the primary obstacle to finding child care, common reasons cited included cost (33%), quality (27%), and lack of open slots in area facilities (23%). (5)

Here in Nebraska, the child care landscape compares favorably to the nation as a whole by some metrics, and less favorably by others.

**Cost of Child Care**

According to the U.S. Department of Health and Human Services (HHS), child care is affordable if it accounts for 7% or less of a family’s total income. (6) In Nebraska, the median annual income for a family with children under 18 was $70,005 as of 2017. (4) Typical child care costs would constitute 18.0% of total income for an infant, or 16.3% for a four-year-old—both more than twice the share of family income deemed “affordable” by HHS. (7)

A parent working full-time at Nebraska’s $9.00 per hour minimum wage may spend 67.0% of his or her total income on infant care, or 60.8% for care of a four-year-old. (8)

However, Nebraska was far from alone in terms of child care prices that significantly exceeded the recommended cutoff for affordability. In 2018, the average cost of center-based care for an infant was more than 10% of the median income for a married couple with children in 41 states and Washington, D.C. For single parents, the average cost accounted...
for between 27% and 91% of single-parent median income in all states for which data was available. (7)

Throughout the past decade, the price of child care and nursery school nationwide has increased at a rate that significantly outpaced the all-items consumer price index (CPI). From January 2009 to August 2019, the CPI for child care and nursery school alone rose by 31.9%, more than ten percentage points more than the 21.5% increase for all items. (9)

Assistance is available for families struggling to afford the high costs of child care. Nationwide, the federal government and states spent a combined total of $10.2 billion on child care subsidy programs in 2015. Such subsidies can have substantial effects on local labor markets: U.S. Department of Health and Human Services reports indicate that receipt of a child care subsidy was associated with significantly increased parental labor force participation and employment rates, particularly for low-income mothers, single mothers, and those with young children. (10)

In Nebraska, the state Department of Health and Human Services administers the Child Care Subsidy Program, which provides funding to parents of children ages 12 and younger (or up to age 19 for children with special needs) who need help paying for child care. The program may cover up to the full cost of care, depending on parent income and eligibility qualifications.

**Availability of Child Care**

While Nebraskans may face steep child care prices, the state had relatively fewer problems with access and availability than most areas of the country. According to a 2018 analysis of state licensure records and data from the Census Bureau conducted by the Center for American Progress, 51% of all Americans live in a “child care desert,” meaning a census tract with either more than 50 children under five and no licensed child care providers, or three times as many children as spaces in licensed child care providers. Child care shortages were even more common for rural families and low-income families, with 60% and 55% respectively residing in census tracts deemed child care deserts. (11)

In Nebraska, however, despite being a state with a large rural population, just 28% of families were found to live in areas that met the study’s definition of a child care desert, putting it at #7 out of the 50 states and Washington, D.C. for smallest share of people living in areas with substantial child care shortages. The state with the lowest percent of its population living in child care deserts was Maine, at 22%. (11)

Research has demonstrated that access to child care is an important factor in parents’ ability to participate in the labor force, find suitable employment, and increase their earnings. The impact is particularly significant for mothers, especially single mothers and those with young children. A 2014 White House report found that, by enabling an earlier return to work following a birth and freeing up availability for additional work hours, access to child care access increased working mothers’ lifetime earnings by an estimated $79,000. (12) Other studies have indicated that a 10% decrease in availability of early childhood education programs reduced employment by 3% to 4% for single mothers.
and 5% to 6% for those who were married. (13) With its relatively abundant supply of child care options, then, it’s no surprise that parents of children under 18 in Nebraska participated in the state’s labor force at significantly higher rates than observed in the country as a whole. Nationally, 68.9% of children lived with parents who were in the labor force, as compared to 76.7% of children in Nebraska. These figures include children living in two-parent households with both parents in the labor force, as well as children in single-parent households in which the custodial parent was in the labor force. (4)

Nebraska had a greater share of single mothers with children under 18 who were in the workforce than any other state or Washington, D.C., at 87.4% as of 2017. The state also ranked #3 for highest percentage of single fathers in the labor force (94.0%), #6 for married-couple families in which both spouses were in the labor force (75.1%), and #5 for overall share of all custodial parents in the labor force (79.2%). (4)

While child care is more readily available in most areas of Nebraska than elsewhere in the United States, the state does have pockets of unmet child care need.

For this analysis, in order identify the communities where the need for child care exceeds the total capacity of providers, the Nebraska Department of Health and Human Service’s roster of licensed child care providers was mapped against an estimate of local demand, calculated at the ZIP code level as the sum of children under six years of age who did not have a parent with whom they lived who was not in the labor force. (14) If an area’s estimated need surpassed the combined capacity of all licensed child care providers within that ZIP code, it was determined to be an area of potential shortage. The larger the discrepancy between capacity and estimated need, the greater the potential shortage.

Data collected by NDOL for the Statewide Labor Availability Study showed that 34.9% of potential job seekers—individuals who were either actively seeking new employment, or said they were open to changing jobs if a suitable opportunity became available—identified accessible childcare as a “very important,” “important,” or “somewhat important”
factor in their employment decisions. At the same time, 11.7% of potential job seekers said lack of childcare was an obstacle to obtaining or changing jobs, and 28.7% reported being constrained due to family commitments. (15)

Labor Availability Study data suggested that at least some Nebraskans living in areas identified as having potential child care shortages did see the issue as a greater obstacle to finding or changing jobs than parents living in areas where child care options were more plentiful. In Valentine, for example, which was estimated to have nearly 200 fewer child care slots than children who need care, potential job seekers were 3.3 percentage points more likely to cite lack of child care as a major challenge than the statewide average. Communities in the Panhandle region of the state, such as Alliance and Scottsbluff, which are also expected to face child care capacities that significantly lag estimated need, also reported lack of childcare as an obstacle to employment at a rate that exceeded the state as a whole by 3.5 percentage points. The same patterns also held in Grand Island, where potential job seekers named this challenge 2.3 percentage points more than the statewide norm. (15)

Child Care Workers

As of the third quarter of 2019, there were an estimated 10,670 people working as child care workers, preschool teachers (except special education), and administrators of preschools and/or child care programs in Nebraska. The median hourly wage for child care workers was $11.34, nearly 40% below the $18.53 per hour overall median for all occupations. Administrators of preschool and childcare programs earned a median annual salary of $48,854, well above the $38,552 all-occupations median, but less than half of the $103,570 median salary for elementary and secondary school administrators. Preschool teachers, likewise, earned substantially less than their counterparts at the elementary or secondary level, with a median annual salary of $33,085, as compared to around $48,400 for teachers of older children. (16)

Through 2026, NDOL projects that there will be an average of 2,281 job openings for child care workers each year, and a cumulative 12.0% expansion of total employment in this occupation between 2016 and 2026. Preschool teachers are expected to have 102 openings per year and 9.1% total employment growth during this decade, and preschool and child care administrators are projected to increase by 9.5%, with one job opening per year statewide. (17)

The Final Word

With U.S. birth rates dropping to historic lows and a significant share of parents reporting that locating and paying for child care pose major challenges to their ability to find work or advance their careers, the cost and availability of child care options is an important consideration for families, communities, employers, and policymakers. While Nebraska has room for improvement in terms of child care affordability, resources are available for struggling parents, and the state has fared better than most in terms of matching capacity to need. Across all types of family arrangements, Nebraska parents participate in the state’s labor force at rates that are among the highest anywhere in the country.
Image by Kelli McClintock on Unsplash

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September 2019 County Unemployment Rates

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<th>3.4 - 4.8</th>
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NEBRASKA
September Non-Farm
Total Employment: 1,035,731
Manufacturing: 100,309

Nebraska
(Smooth Seasonally Adjusted)
September Unemployment Rate: 3.1%
Change (OTM): 0.0
Change (OTY): -0.4

Economic Region
(Not Seasonally Adjusted)
Central: 2.7%
Mid Plains: 3.1%
Northeast: 2.7%
Panhandle: 3.3%
Sandhills: 2.7%
Southeast: 2.9%

OMAHA MSA
(Not Seasonally Adjusted)
September Unemployment Rate: 2.8%
September Total Non-Farm Employment: 515,344
Manufacturing: 33,194

Largest OTM Increase (Private)
Education & Health Services: 671 (0.8%)
Mining & Construction: 321 (0.9%)

Largest OTY Increase (Private)
Mining & Construction: 4,963 (16.7%)
Professional & Business Services: 2,870 (4.0%)

GRAND ISLAND MSA
(Not Seasonally Adjusted)
September Unemployment Rate: 2.9%
September Total Non-Farm Employment: 42,659
Change (OTM): 470 (1.1%)
Change (OTY): -606 (-1.4%)

LINCOLN MSA
(Not Seasonally Adjusted)
September Unemployment Rate: 2.7%
September Total Non-Farm Employment: 191,375
Manufacturing: 13,702

Largest OTM Increase (Private)
Professional & Business Services: 217 (1.1%)
Leisure & Hospitality: 109 (0.6%)

Largest OTY Increase (Private)
Education & Health Services: 967 (3.3%)
Mining & Construction: 270 (2.9%)

Sources:
The percentage of married-couple families in Nebraska in which both spouses worked full-time in the past 12 months. (1)

The share of married-couple families in Nebraska in which both spouses were in the labor force. For married couples with children under 18, the labor force participation rate was 75.1%. (1)

The percentage of Nebraskan women ages 15 to 50 who gave birth during the past year who were in the state's labor force. In comparison, the nationwide labor force participation rate for new mothers was 62.8%. (1)

The number of grandparents in Nebraska's labor force who were responsible for the care of one or more grandchildren under age 18. (1)

The share of civilian workers nationwide who had access to paid family leave in 2019, according to the Bureau of Labor Statistics. Unpaid family leave was available for 89.0% of workers. (2)

The number of Nebraskans living in a household in which at least one person was an agricultural producer, according to the 2017 Census of Agriculture. This represented 7.9% of the state's population, based on 2017 population estimates. (4) (5)
According to an analysis of statewide data collected between 2015 and 2018 for the Nebraska Department of Labor’s Labor Availability Study, survey respondents who were married without children were the group most likely to report being satisfied or very satisfied with their commute time to work (79.8%). Those who were single with children were most likely to be dissatisfied or very dissatisfied with their commutes (10.9%). Respondents who indicated they had children, regardless of marriage status, were more likely to be dissatisfied with their commute time than those without children. (3)

<table>
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<tr>
<th>Family Status</th>
<th>Satisfied or Very Satisfied</th>
<th>Dissatisfied or Very Dissatisfied</th>
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<tr>
<td>Married, Without Children</td>
<td>79.8%</td>
<td>5.2%</td>
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<tr>
<td>Married, With Children</td>
<td>73.7%</td>
<td>8.6%</td>
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<tr>
<td>Single, Without Children</td>
<td>73.4%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Single, With Children</td>
<td>71.4%</td>
<td>10.9%</td>
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The share of civilian workers in the U.S. whose employers offered childcare as an employment benefit in 2019, according to Bureau of Labor Statistics data. About 42.0% of workers had access to a dependent care flexible spending account. (2)

The estimated number of Nebraskans, mostly teenagers, who work as detasselers in Nebraska’s cornfields each summer. (6)

Sources:
An initial claim is a request for determination of UI program eligibility filed by an unemployed individual following a separation from an employer. It can serve as an indicator of emerging labor market conditions in the area.1

Average weekly earnings represents the mean pay received by workers for services performed over the course of one week.2

Data Sources: [Retrieved: September 2019.]

Data Sources: [Retrieved: September 2019.]

1

2

3
The labor force is comprised of all persons age 16 and over in the civilian, noninstitutional population who are either employed or unemployed but available for work and actively seeking employment. It excludes people doing unpaid homemaking or volunteer work, retired people, and people who are not employed and not actively seeking work. The labor force participation rate measures the labor force as a percentage of the total civilian, noninstitutional population, age 16 and over.¹

Data Sources: [Retrieved: September 2019.]

The consumer price index (CPI) is a measure of the average change over time in the prices paid by consumers for goods and services. It is used to determine the real purchasing power of consumers’ dollars, and as a measure of inflation.⁵

Data Sources: [Retrieved: September 2019.]

The housing price index (HPI) measures the movement of single-family house prices, based on purchases involving conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac. “Four-quarter” change is relative to the same quarter one year earlier. HPI data are often considered useful for estimating housing affordability and projecting future changes in mortgage default rates.⁶

Data Source: [Retrieved: September 2019.]