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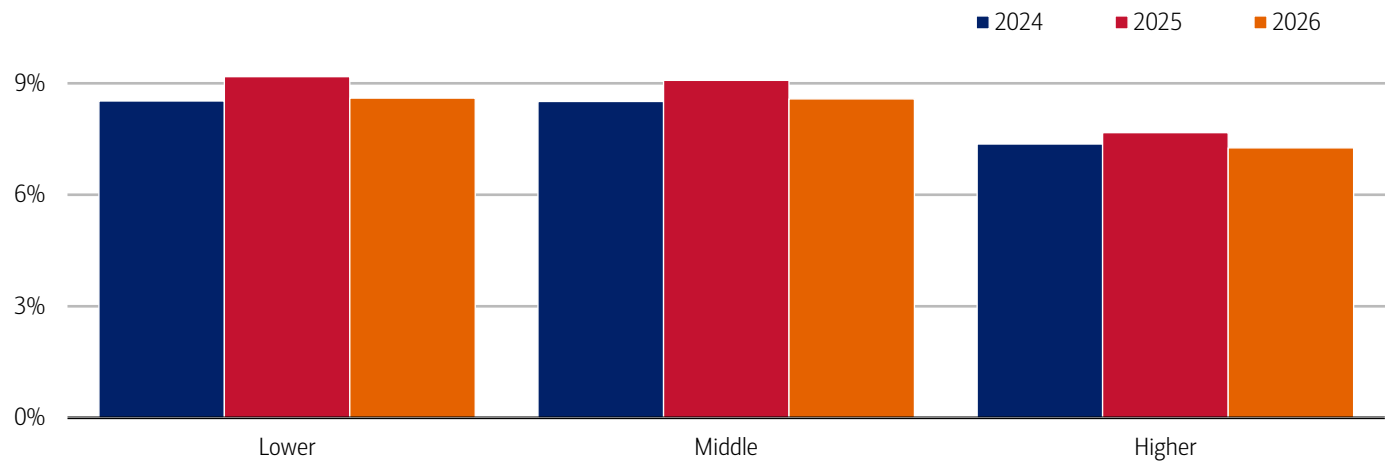
Daily Insights

Child care takes a bigger bite out of households' paychecks

26 October 2026

In September, the average child care payment was 8.6% of lower- and middle-income total households' pay, whereas for higher-income families it accounted for 7.3%

Average child care payment as a share of pay in September by income (annual, %)



Source: Bank of America internal data

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Child care took up 8% of the average household's pay in September, according to Bank of America data. That compares with the federal affordability benchmark of 7% of family income, though the measures slightly differ. The squeeze was greater for lower- and middle-income households, at 8.6% of pay versus 7.3% for higher-income families – even after easing slightly from 2025.

Families in high-cost areas or those paying more than $2,000 a month likely face a heavier burden. Across cities, Nashville led year-over-year median payment growth in September, followed by Jacksonville, FL and Phoenix, while growth slowed most in New York and Washington, DC.

Read more on child care trends in Kicking and screaming: Child care costs persist.

Methodology

Selected Bank of America transaction data is used to inform the macroeconomic views expressed in this report and should be considered in the context of other economic indicators and publicly available information. In certain instances, the data may provide directional and/or predictive value. The data used is not comprehensive; it is based on **aggregated and anonymized** selections of Bank of America data and may reflect a degree of selection bias and limitations on the data available.

Bank of America credit/debit card spending per household includes spending from active US households only. Only consumer card holders making a minimum of five transactions a month are included in the dataset. Spending from corporate cards is excluded. Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

If applicable, the consumer deposit data based on Bank of America internal data is derived by anonymizing and aggregating data from Bank of America consumer deposit accounts in the US and analyzing that data at a highly aggregated level.

If applicable, any payments data represents aggregated spend from US Retail, Preferred, Small Business and Wealth Management clients with a deposit account or credit card. Any reference to aggregated spend include total credit card, debit card, ACH, wires, bill pay, business/peer-to-peer, cash and checks.

Unless otherwise stated, data is not adjusted for seasonality, processing days or portfolio changes, and may be subject to periodic revisions.

Additional information about the methodology used to aggregate the data is available upon request.

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Disclosures

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