



# The Nebraska Child Care Affordability Calculator Methodology



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**Concept.** The Committee for Economic Development of The Conference Board worked in partnership with First Five Nebraska to develop a price calculator that shows child care affordability for families.

The concept of the price calculator is to illustrate the average monthly expenses families generally face as a portion of their monthly income and then compare the remaining amount (net income) to the price of child care by age of the child(ren)

- in urban and rural communities, and
- in licensed child care centers and family child care homes.

The net income portion of the calculator reflects basic monthly expenses, but excludes child care prices. It does not include federal, state, and local taxes, property taxes, cell phone charges, student loan payments, clothing expenses, and other expenses that a family may incur. It's meant to illustrate basic, but not all, household expenses.

Once net income is determined, users are asked to select the child care that they need by age of child, by geography, and by setting (licensed child care center or family child care home).

The prices for care are from the [Nebraska 2023 Market Rate Survey](#) conducted by the Buffett Early Childhood Institute, University of Nebraska.

Fields in the calculator have a default setting based on the most recent available data. Users are free to substitute higher or lower amounts for most expenditures. Net monthly income can then be compared to the price of child care based on user selections. For example, users

can select care based on the age of the child, including the ability to select zero if they do not have a child of a specific age, or a child of that age does not need child care.

Child care prices are tallied and the last field in the calculator shows net monthly income minus child care prices based on the user's child care selections.

**Data Utilized.** The calculator begins by asking users to select a Nebraska county.

**County and Median Household Income.** Once a county is selected, median household income for a family with children in that county is pre-populated in the median monthly income field ([Table S1903 Median Income in the Past 12 Months, 2020 American Community Survey 5-Year Estimates](#)).

**Mortgage or Rent.** Users are asked to select whether they make rent or mortgage payments. Based on the user's selection, the median monthly housing expense field is pre-populated with either the Nebraska median monthly rent for a 2-bedroom apartment ([B25031 Median Gross Rent by Bedrooms, 2020 American Community Survey 5-Year Estimates](#)) or the Nebraska median monthly mortgage payment ([S2506 Financial Characteristics for Housing Units with a Mortgage, 2020 American Community Survey 5-Year Estimates](#)).

**Utilities.** Nebraska average monthly household utilities include electricity, natural gas, water, internet, and streaming services as reported by [Move.org](#) (June 2022). For electricity bill expenses, average electricity consumption figures and pricing information are from the U.S. Energy Information Administration. Natural gas bill expenses, average gas usage and prices, are from the American Gas Association. Average broadband internet pricing information is from

Cable.co. Water bill expenses are from residential water usage and pricing information from Circle of Blue. The average price of streaming services is from a nation-wide survey that reflects state variations conducted by Reviews.org.

**Food Expenses.** Average monthly food expenses are based on the U.S.D.A. moderate cost, Thrifty Food Plan, 2021 which represents a nutritious, practical, cost-effective diet. Another basis of the Thrifty Food Plan is that all meals and snacks are prepared at home. The expenses given are for individuals in 4-person households under the [Moderate Cost Food Plan](#).

**Health Insurance Premiums.** ValuePenguin by LendingTree researched all of the health plans available on the Nebraska state exchange and found that the Statewide Silver 5000 offered by Bright Health Insurance Co. is the least expensive Silver plan available. Plans vary by an individual's age, number of people covered in the household, co-pays, and deductibles. Families could qualify for Medicaid or have no health insurance. For the purposes of the calculator, the monthly premium for the Statewide Silver 5000 plan was utilized for a family of 4. ValuePenguin, [Best Cheap Health Insurance in Nebraska 2022](#) (the most affordable Silver health insurance plans on the Nebraska exchange by county), January 6, 2022.

**Car Payments.** The average monthly car payment for Nebraska drivers comes from [Quick Auto Talk, The Average Auto Loan Payment For New & Used Cars In Every State](#), December 10, 2019. If households have more than one car and are making car payments for each car, this field can be adjusted to reflect higher expenses. The default value reflects one car payment per month.

**Car Insurance.** The average monthly car insurance payment comes from [Policy Genius, The best car insurance in Nebraska, June 2022](#). If households have more than one driver, this field can be adjusted to reflect the higher price associated with insurance payments for more

than one driver. The default value reflects payments for one driver per month.

**Vehicle Gas Payments.** The data is obtained through multiple calculations. The average price per gallon for regular unleaded gas in Nebraska is reported by [the Nebraska Department of Environment and Energy](#). Vehicle average miles per gallon of gas is reported by the U.S. Department of Energy, Alternative Fuels Data Center, Maps and Data - [Average Fuel Economy by Major Vehicle Category, 2020](#). The annual mileage per driver by state is reported by the U.S. Department of Transportation, Federal Highway Administration, [Highway Statistics 2019](#). If households have more than one car and more than one driver, the field can be adjusted to reflect higher gas expenses. The default value reflects gas payments for one driver and one vehicle per month.

**Child Care Prices by Age of Child, Setting, and Geography (Urban or Rural).** Payments for child care vary by the age of the child (i.e., child care prices are highest for the youngest children). The prices vary by setting (child care centers are more expensive than family child care homes). And, prices are more expensive in urban areas compared to rural areas. The child care fields ask users to make selections. Based on those selections, price data at the 75<sup>th</sup> percentile are pre-populated from the [Nebraska Child Care Market Rate Survey Report, 2023](#) published by the Buffett Early Childhood Institute, University of Nebraska (August 2022). The 75<sup>th</sup> percentile means the price at which families can access 75% of providers in a community. Users select the child care they need including the ability to select zero if they do not have a child in need of care.

**Final Calculations.** The final calculation compares net income to child care prices based on user selections.