

New Mexico Child Care Workforce and Wage Growth

Unemployment Insurance (UI) Wage Data,
New Mexico Department of Workforce
Solutions, 2019-2024



This is the third in a series of [briefs](#) that examine available data describing and trending changes in New Mexico's child care workforce. These briefs are intended to help policymakers, researchers, and child care professionals better understand what available data can tell us about child care workforce outcomes of interest and what further data may be needed.

*The production of this brief was supported by Grant #90YE0313 from the Administration for Children and Families (ACF).
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Introduction

Since the establishment of its Early Childhood Education and Care Department in 2020, New Mexico has implemented a number of policy changes with the intent of increasing family access to quality, affordable child care. In addition to the nationally significant policy of universally free child care introduced in November 2025, New Mexico implemented a variety of policies to support the child care workforce, including increasing subsidy reimbursement rates for child care providers, providing pay parity payments for community-based PreK and infant-toddler teachers, and offering scholarships to early childhood workers to obtain higher education credentials. The previous [brief](#) in this series examined New Mexico's child care workforce and wage growth between 2019 and 2024 by analyzing U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics (OEWS) data. OEWS data showed substantial growth in New Mexico's child care workforce and wages during this period. These OEWS data indicated that relative to

ABOUT THE DATA

This brief examines data from the New Mexico Department of Workforce Solutions Unemployment Insurance (UI) Wage data, generated through UI state laws requiring employers to submit information on how much they have paid their employees each quarter. Self-employed individuals are not required to submit this information, thus home-based child care providers are not represented. Data reflects all workers reported under the industry code for Child Care Services (624410), self-assigned by business owners based on their main revenue-generating activity. This category encompasses all employees at these businesses, including lead and assistant teachers, center directors/administrators, and ancillary support staff (see www.bls.gov/oes/2017/May/naics4_624400.htm for more information on all of the occupations included in the industry). Child care workers whose employers primarily engage in an industry other than child care (such as child care workers at institutions of higher education or at corporation-provided on-site care) are not included in the Child Care Services industrial code.

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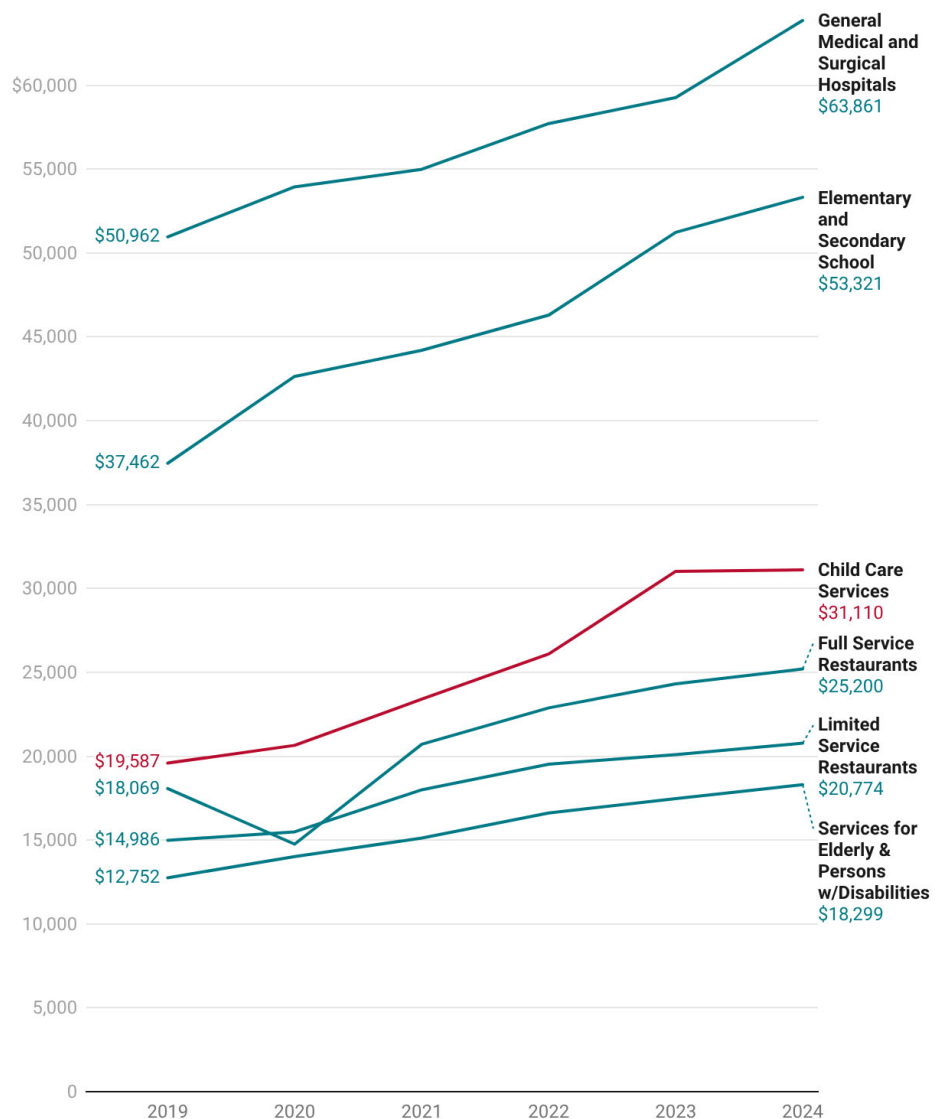
other states in the region and country, New Mexico experienced some of the largest growth, with wages increasing approximately 65% over the five-year period and the size of the workforce increasing 64% over that time.

This brief examines wages paid to workers in the child care industry and the size of the child care industry workforce between 2019 and 2024 using a different, though complementary data source. Here we use New Mexico Department of Workforce Solutions Unemployment Insurance (UI) Wage data. Unlike the OEWS data, which are generated through surveys to a sample of employers, these UI wage data derive from wage reports required of all employers in the state. This data source allows us to similarly track changes over time, including during and after COVID-19 disruptions to the sector.

Wage Growth

As seen in Figure 1, UI wage data show growth in child care industry median annualized wages in New Mexico between 2019 and 2024. The median annualized wage for the child care industry was \$19,587 in 2019 and rose to \$31,110 in 2024, a 58.8% increase over that time. For comparison, Figure 1 also shows the industries in which child care workers were most likely to be employed at other times during the observation period. These industries were identified by examining the other NAICS codes in which workers employed in the Child Care Services industry worked before, after, or otherwise outside of their employment in child care during the observation period. These industries include: Elementary and Secondary Schools (NAICS code 611110), Limited-Service Restaurants (722513), Services for the Elderly and Persons with Disabilities (624120), Full-Service Restaurants (722511), and General Medical and Surgical Hospitals (622110). The wage growth for New Mexico's child care industry outpaced each of these comparison

Figure 1. Median Annualized Wages for Child Care Services and Other Select Industries, New Mexico, 2019-2024



Unemployment Insurance (UI) wage data from the New Mexico Department of Workforce Solutions. State laws mandate quarterly reporting of employee earnings by employers. This shows the median annualized wages from 2019 to 2024 for the child care services NAICS code and other select industries.

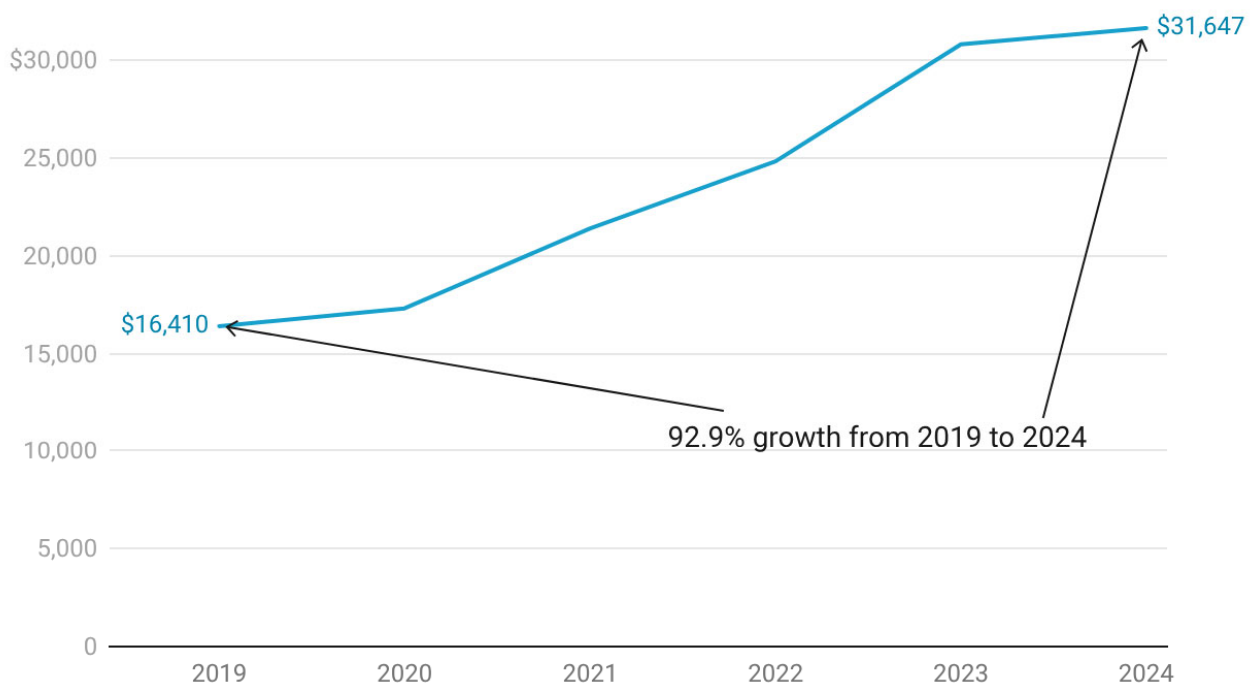
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industries from 2019 to 2024 (during this period, the lowest wage growth in comparison industries occurred in the General and Medical Surgical Hospitals industry at 25.3%, while the highest growth occurred in the Services for Elderly and Persons with Disabilities industry at 43.5%). However, despite this relatively high wage growth, overall wages in the child care industry still lagged behind those earned by workers in the General Medical and Surgical Hospitals and the Elementary and Secondary Schools industries considerably.

While Figure 1 shows the median annualized wages for all child care workers employed in the sector during this period, it does not show how individual wages grew for those who were continuously employed in the child care services industry. Figure 2 below shows how wages grew for a cohort of workers who began working in the child care services industry in 2019 and were continuously employed through 2024. A total of 387 of these new workers received an annualized median wage of \$16,410 in 2019 (just below the \$19,857 reported for all child care services workers in 2019 in Figure 1). By 2024, these same workers received an annualized wage of \$31,647, an increase of 92.9% over that time period.

**Figure 2. Median Annualized Wages for 2019 Cohort of Workers
Continuously Employed in Child Care Services, New Mexico, 2019-2024**



Unemployment Insurance (UI) wage data from the New Mexico Department of Workforce Solutions. State laws mandate quarterly reporting of employee earnings by employers. This shows the median annualized wages from 2019 to 2024 for a group of workers continuously employed in the child care services NAICS code during that time span.

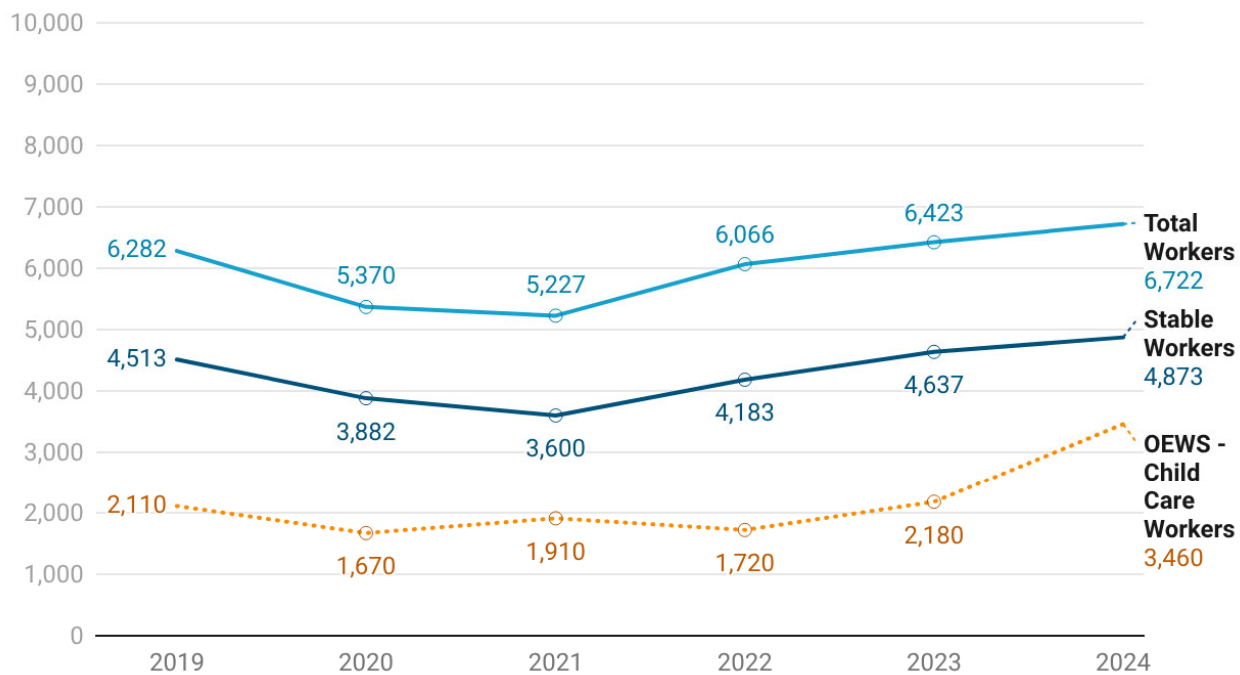
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Workforce Growth

To estimate the size of the industry, two measures from UI wage data are shown in Figure 3 alongside the different estimate from Occupational, Employment, and Wage Statistics (OEWS) data reported in our prior [brief](#). The first UI wage data measure is the annual average number of total workers in the child care industry by quarter. This measure includes all workers who were paid a wage by an employer in the child care industry during a quarter, regardless of how long that individual was employed (i.e., this number includes some who were not employed the entire quarter and moved to other industries or left the labor force altogether). Thus, the total workers estimate likely overstates the number of workers in the child care industry at any given time. The second UI wage data measure included in Figure 3 shows the annual average number of stable workers in the child care industry by quarter. To be considered a stable worker, an individual must have been employed in the industry for three consecutive quarters (the reference quarter, the prior quarter, and a subsequent quarter). By including those three quarters, we are most likely to identify workers who were employed all three months of a quarter. This estimate likely *understates* the number of workers in the child care industry at any given time. The two measures thus can be interpreted as a likely ceiling and a likely floor for the true number of workers in the child care industry at any given time.

Figure 3. Child Care Industry Workforce Growth, New Mexico, 2019-2024



Unemployment Insurance (UI) wage data from the New Mexico Department of Workforce Solutions. State laws mandate quarterly reporting of employee earnings by employers. This shows the quarterly average number of individuals employed in the child care services NAICS code by year and the subset of those who were considered stable employment. Stable employment occurs when someone is employed in the prior and subsequent quarters to the one observed. Occupational Employment and Wage Statistics (OEWS) program data from the Bureau of Labor Statistics. Annual estimates of employment and wage levels for over 800 occupations, including the child care workers occupation (39-9011).

Chart: UNM CCPI • Source: Department of Workforce Solutions & Bureau of Labor Statistics • Created with Datawrapper

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Growth in the child care industry since 2019 appears to be much more modest using this data source than was shown using the OEWS data in our second data brief (these data are also shown in Figure 3 for reference). UI wage data showed that from 2019 to 2024, the number of workers in the child care industry grew by about 7%, compared to the OEWS estimate of 64% growth for the same period. This difference could be attributed to several possible factors. First, OEWS data reports by a specific worker occupation whereas UI wage data are reported by multiple occupations within a given industry. This difference is further illustrated in Table 1, showing which groups of child care workers are captured by the relevant industrial code and the relevant occupation code.

**Table 1. Categorization of Workers between Child Care Services
Industrial Code and Child Care Workers Occupation Code**

	Not in Child Care Services NAICS Code (UI Wage Data)	In Child Care Services NAICS Code (UI Wage Data)
Not in Child Care Workers Occupation Code (OEWS Data)	• Home-based child care providers without employees • School-based preschool teachers • Individuals who are paid informally	• Center directors/administrators • Ancillary staff (cooks, drivers, custodians) • Center-based preschool teachers
In Child Care Workers Occupation Code (OEWS Data)	• Lead and assistant teachers in other industries	• Lead and assistant teachers in Child Care Services industry

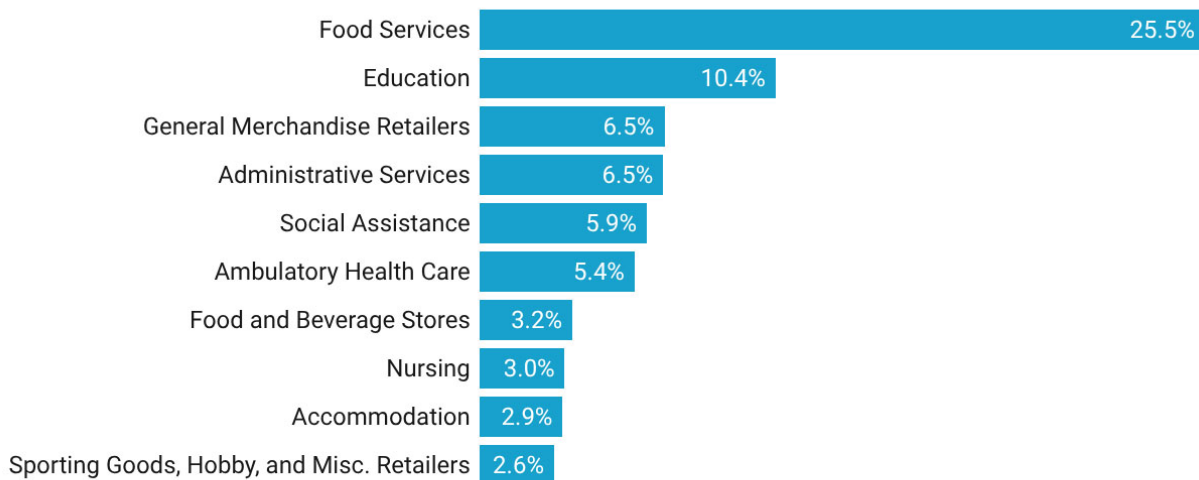
It is possible that an increase in child care workers observed in OEWS data has been offset by a decline in other occupations within the child care services industry (i.e., fewer support staff or administrators). Another possibility is that the increase in child care workers has mostly occurred with employers in other industrial codes, such as child care workers employed by institutions of higher education. There are also important differences in how data are gathered for OEWS compared to how data are gathered for UI wage reports. OEWS data are generated through a semiannual survey of a sample of businesses throughout the United States and, unlike UI wage data, they do not provide verified actual wage amounts paid to employees. Although each annual OEWS estimate is based on a three-year average of survey data to minimize irregularities in reporting, this methodology for collecting survey data can result in occasional anomalies. The methodology has also undergone changes over time, but recent changes do not appear to have affected the child care workers occupation code (for more information see www.bls.gov/oes/soc_2018.htm). Finally, neither data source was specifically designed with the intention to give an estimate of the size of an industry sector or occupation; as such, resulting estimates should be interpreted with caution, while still offering useful insights.

Industries Child Care Workers are Coming From

Child care workers either enter the industry with no prior wage-reported work experience, or they come with experience in other industries. Figure 4 shows the industries (aggregated to the 3-digit industrial code) that our analysis showed new child care workers were most commonly employed in during the year prior to entering the child care workforce in 2024. New child care workers in 2024 had most often previously worked in industries such as Food Services (25.5%), Education (10.4%), and General Merchandise Retailers (6.5%).

Figure 4. Most Common Industries for New Child Care Workers in the Year Before Starting in Child Care, New Mexico, 2024

Percentage of child care workers who worked in this industry



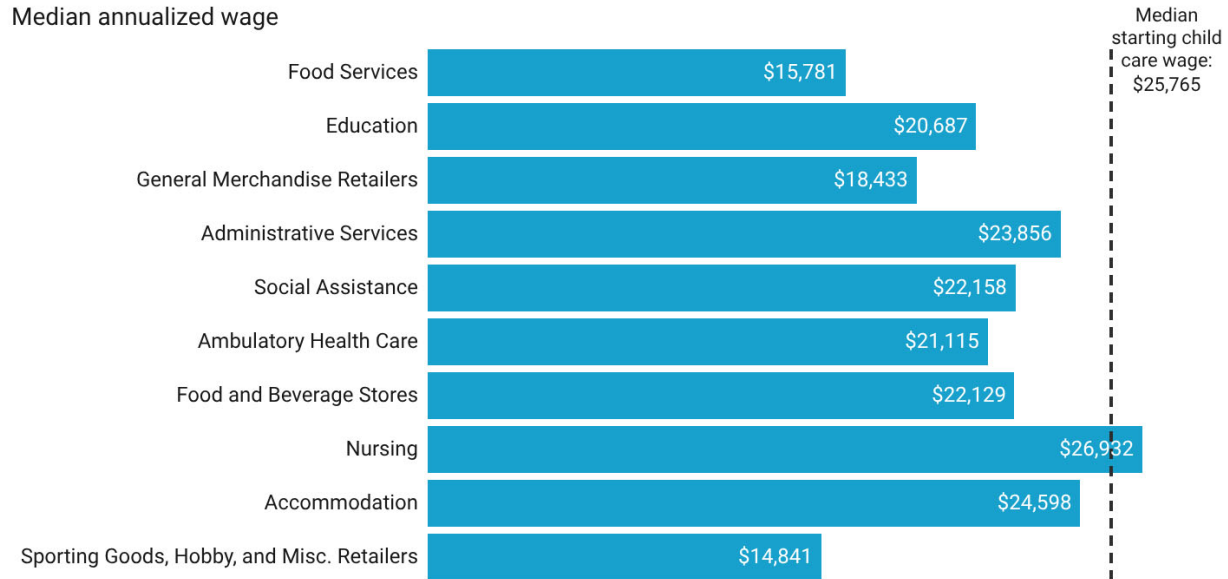
Includes child care workers who started in the industry in 2024 and who had not worked in child care in New Mexico since at least 2013. Includes all employment, including jobs held for less than one quarter. Individuals may be represented in more than one bar if they worked in more than one industry in the year before starting in child care. Industries are defined by NAICS code as follows: Food Services (722, Food Services and Drinking Places); Education (611, Education services); General Merchandise Retailers (455, General Merchandise Retailers); Administrative Services (561, Administrative and Support Services); Social Assistance (624, Social Assistance); Ambulatory Health Care (621, Ambulatory Health Care Services); Food and Beverage Stores (445, Food and Beverage Stores); Nursing (623, Nursing and Residential Care Facilities); Accommodation (721, Accommodation), and Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers (459, Sporting Goods, Hobby, and Misc. Retailers).

Chart: UNM CCPI • Source: Unemployment Insurance wage data • Created with Datawrapper

The median annualized wages earned by these workers in the year prior to moving to the child care industry are shown in Figure 5. In all but one industry, Nursing, child care workers' median starting wage was higher (\$25,765) than what they were earning in their prior industry. Several industries, such as Food Services and Sporting Goods, Hobby, and Miscellaneous Retailers, had median annualized wages nearly \$10,000 below the starting child care wage. While much attention has been paid to the relatively low wages in the child care industry, there previously has not been much information available on the industries workers had been employed in before entering the child care industry and the wages they earned in those industries. In many cases, it appears that moving to the child care industry represented an opportunity to earn higher wages for workers.

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Figure 5. Median Annualized Wage Earned by Industry in the Year Before Child Care Employment, Among Workers Newly Employed in Child Care and Early Education, New Mexico, 2024



All wage values represent full quarter quarterly wages annualized (multiplied by four) for interpretability. Median starting wage in child care is the median wage in the first full quarter of employment for child care workers who started in the industry in 2024 and who had not worked in child care in New Mexico since at least 2013. Median wages by industry reflect individuals who had at least one full quarter of employment in that industry in the year before starting in child care. Individuals may be represented in more than one bar if they worked in more than one industry in the year before starting in child care. Industries are defined by NAICS code as follows: Food Services (722, Food Services and Drinking Places); Education (611, Education services); General Merchandise Retailers (455, General Merchandise Retailers); Administrative Services (561, Administrative and Support Services); Social Assistance (624, Social Assistance); Ambulatory Health Care (621, Ambulatory Health Care Services); Food and Beverage Stores (445, Food and Beverage Stores); Nursing (623, Nursing and Residential Care Facilities); Accommodation (721, Accommodation), and Sporting Goods, Hobby, Musical Instrument, Book, and Miscellaneous Retailers (459, Sporting Goods, Hobby, and Misc. Retailers).

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Limitations and Conclusions

Overall, these findings are in line with the prior OEWS brief showing that workers in New Mexico's child care industry experienced substantial growth in wages between 2019 and 2024. Wage growth in the child care industry outpaced several other comparison industries in New Mexico over that time, and wages grew even more for those who stayed within the child care industry over those five years. In 2024, new child care workers with prior work experience most often came from the Food Services and Education industries. Starting child care wages appear to have been higher than what these workers were earning in their prior industries. However, workforce growth of the child care industry appears to be muted in these data relative to previous OEWS findings.

There are a number of limitations to consider when interpreting findings from these data. First, the number of hours worked is not recorded in the UI wage data. Estimates of annual wages thus are imprecise as to the extent that individuals work less than full time. Second, important parts of the child care system, such as home-based child care and child care provided by employers in other industries (e.g., higher education), are not included in the child care services industry code. Third, a precise estimate of the total number of workers in the child care services industry at any given time is not possible using these data since they are reported at a quarterly individual level without information about how much of that period the individual was with the employer.

It is important, then, to triangulate these data with other data sources to capture a fuller understanding of changes over time to the child care workforce and its wages in New Mexico. Upcoming briefs in this series will include analysis of data from ECECD's Professional Development Information System (PDIS), a new online platform for early child professionals, as well as a summary of findings from the previous briefs included in this series.

Notes

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We thank Suzan Reagan at the University of New Mexico Bureau of Business and Economic Research (BBER) for her insights on UI wage data and OEWS data.

This brief uses methodology developed by researchers at Chapin Hall. For more information see: Wiegand, Emily R., David McQuown, and Robert M. Goerge (2023). Using Unemployment Insurance Wage Data to Better Understand the Experiences of the Child Care and Early Education Workforce Over Time: Methods Brief. OPRE Report 2023-308. Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services. Available at: www.acf.hhs.gov/opre/project/building-and-sustaining-early-care-and-education-workforce-base.