

The Wall Street Journal

Soft Economy Eases Cost of Hiring a Nanny

SAN FRANCISCO BAY AREA

APRIL 14, 2010

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The recession has given Silicon Valley-ites a break on one of their chief family expenses: their nannies.

Not long ago, qualified nannies here were highly sought after and were able to bid up their per-hour wages to extreme heights.

"Whenever I called the nanny agencies [for work] before, right away they'd give me some families who wanted to interview me," says Natasha Ivanov, a Mountain View resident who has worked as a nanny here for 15 years.



Taxi/Getty Images

But the recession and the still-weak economy have altered Silicon Valley's nanny economics. Nanny agencies such as Stanford Park Nannies in Menlo Park and Aunt Ann's Agency in San Francisco say demand for nannies has tumbled as layoffs have stacked up and more parents

started staying home with their children. Meanwhile, the supply of nannies has grown, with pink-slipped teachers and other workers turning to nanny work, the agencies say.

As a result, nanny wages here are falling—albeit mildly. Sue Collins of Aunt Ann's Agency says per-hour wages for nannies here have declined to \$18 to \$20 an hour, with some people only willing to pay \$16 to \$17 an hour. That is down from \$18 to \$25 an hour just two years ago, she says. Daryl Camarillo, owner of Stanford Park Nannies, says nanny candidates can expect to make \$17 to \$20 an hour now, down from \$19 to \$22 two years ago.

"There has been a slowdown...as people move out of the area and cut back any way they can," says Ms. Camarillo. While she has seen a steadier flow of business this year, she says her agency's revenue—which is made primarily by taking a commission for placing nannies with families—dropped 30% last year from 2008.

Annette Sanchez, for one, is losing a nanny job this month because one-half of the couple she was working for was laid off a year ago. While the Palo Alto family with two daughters originally committed to keeping her on, they decided recently to end her contract and instead have the laid-off parent stay at home, says Ms. Sanchez.

When she started interviewing for new nanny jobs, "it was a little shocking to me" how little people were willing to pay, says Ms. Sanchez. The 34-year-old was making \$25 an hour with her Palo Alto family.

Ms. Sanchez ultimately landed a new nanny job with a Menlo Park family for the same \$25-an-hour rate. But "I realize I'm very fortunate," she says. "Most of my friends are having a harder time finding work."