



# WNY WOMEN'S FOUNDATION FACT SHEET



## CHILDCARE FACT SHEET

Compiled in June 2019

### Subsidies

- Just 8 percent of potentially eligible children received subsidies based on federal income eligibility limits and 12 percent of potentially eligible children received subsidies based on state income eligibility limits.<sup>1</sup>
- Compared to potentially eligible children of other racial and ethnic groups, Black children had the highest rates of access nationally and Asian and Latinx children had the lowest rates. Notably, in no state did more than half of all potentially eligible children in any racial or ethnic group receive subsidies under federal or state income parameters.<sup>1</sup>
- Based on federal eligibility, the overall access to subsidies rate ranged from 3 percent in the District of Columbia to 15 percent in New Mexico. Based on state eligibility, access ranged from 4 percent in the District of Columbia to 24 percent in Iowa, Vermont, and Nebraska.<sup>1</sup>
- In 2016, the median income for CCDBG\* eligibility across all states and the District of Columbia was 180 percent of the Federal Poverty Guideline (FPG) or \$36,756 for a family of 3,7 while 85 percent SMI was equivalent to 292 percent FPG nationally or \$59,525 for a family of 3.<sup>1</sup>
- In FY 2016, 1.37 million children received CCDBG-funded child care in an average month.<sup>10</sup> This is the smallest number of children served in the program's history. In FY 2016, participating children were largely children of color.<sup>1</sup>
- Just 1 in 6 children eligible for child care assistance — and 1 in 5 families with children eligible for housing assistance — receives it<sup>2</sup>
- In 2020, non-defense discretionary (NDD) funding, which supports housing and child care programs as well as many others, would fall \$54 billion below the 2019 funding level — an 11 percent cut after adjusting for inflation — if overall funding is set at the Budget Control Act (BCA) levels.<sup>2</sup>
- CCDBG funding has long been inadequate and, until recently, actually declined in purchasing power. Because states had insufficient funding, some 450,000 fewer children had CCDBG-funded child care in 2017 compared to 2006. And as of 2015, just 15 percent of children who qualified for child care assistance under federal eligibility parameters got any help due to funding shortfalls.<sup>2</sup>
- The stakes are high: Fifty-five major federal programs — including Head Start and children's health insurance — allocate more than \$880 billion each year based on census data. The 2010 census missed more than 2 million children younger than 5, many of them kids of color or in low-income families.<sup>3</sup>

### Access to CCDBG

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\*Child Care and Development Block Grant

<sup>1</sup> Inequitable Access to Child Care Subsidies

<sup>2</sup> Child Care and Housing: Big Expenses With Too Little Help Available

<sup>3</sup>2019 KIDS COUNT DATA BOOK STATE TRENDS IN CHILD WELL-BEING



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- We estimate that just 8 percent of the 17.4 million potentially eligible children based on federal eligibility parameters received subsidies in FY 2016, while 12 percent of 10.9 million potentially eligible children based on state eligibility parameters received subsidies.<sup>1</sup>
- Overall, Black children had the highest rates of access to CCDBG. Nationally, 15 percent of potentially eligible Black children were served based on federal eligibility parameters and 21 percent were served based on state parameters. While Black children had the highest rates of access, an overwhelming majority (79 percent) of potentially eligible Black children were not receiving subsidies.<sup>1</sup>
- Asian children had the lowest rate of access nationally, with just 3 percent of potentially eligible Asian children served in CCDBG based on federal eligibility and 5 percent based on state eligibility. Six percent of potentially eligible Hispanic children were served nationally based on federal eligibility and 8 percent were served based on state eligibility.<sup>1</sup>
- Twenty-three states served potentially eligible children at a rate equal to or higher than the national access rate of 8 percent under federal eligibility parameters, while 27 states served potentially eligible children at rates below. Access based on federal eligibility also varied widely by race and ethnicity. Of the 38 states in which we could analyze access by race and ethnicity, potentially eligible Black children had the highest rates of access in 28 states. Potentially eligible Hispanic children had the lowest rates of access in 4 states and Asian children did in 18 states.<sup>1</sup>

## **Income eligibility limits**

- 27 states and the District of Columbia served children at a rate higher than the national average of 12 percent, while 23 states and the District of Columbia served children at rates below<sup>1</sup>
- Black children had the highest rates of access in 26 out of 38 states. Hispanic and Asian children had the lowest rates of access in 11 states and 13 states, respectively.<sup>1</sup>

## **Access to child care and early education**

- Head start reaches less than half (48%) of eligible preschool-age children and Early head start reaches just 7% of eligible pregnant women, infants, and toddlers. About 15% of eligible children in families with low incomes have access to child care assistance.<sup>4</sup>
- Nationally, only 12% of all children eligible under current state income eligibility thresholds received a childcare subsidy in 2016.
- CCDBG serves only 21% of eligible Black children, 11% of white, non-Hispanic children, 5% of eligible Asian children, 8% of eligible Hispanic/Latino children, and 9% of American Indian/Alaskan Native children.

## **Costs**

- For families in households with incomes less than the federal poverty level who pay for child care, child care costs average 30 percent of their income, compared to 18 percent for families with incomes between 100 and 200 percent of poverty and 7 percent for families making over 200 percent of poverty<sup>2</sup>

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<sup>4</sup> Child Care and Early Education Equity: A State Action Agenda



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- The cost of child care has increased by 65 percent since the early 1980s.<sup>5</sup>
- Twenty-six percent of all families across the country spend more than 10 percent of their income on child care costs and for poor families the burden is greatest—over half of poor families with young children pay nearly 20 percent of their income on child care costs<sup>6</sup>
- The average annual price of a child care center exceeds \$10,000, and this price is growing<sup>7</sup>
- The average hourly cost of infant child care is almost 30 percent higher than care for a 4-year-old. For full-time, year-round care, this amounts to an additional \$4,000 per year.<sup>7</sup>

## Children in childcare programs

- During 2015–17, 4.2 million kids ages 3 and 4 were not in school, representing more than half (52 percent) of all children in that age group. The rate of participation has remained unchanged since 2009–11.<sup>3</sup>
- Roughly half of African-American, white and multiracial 3- and 4-year-olds were not in any school programs; the percentage was slightly lower for Asian and Pacific Islander kids (46 percent). The rates were noticeably higher for Latino (59 percent) and American Indian (56 percent) children.<sup>3</sup>

## Childcare in NYS

- The average annual cost of infant care is \$14,144<sup>8</sup>
- New York State is ranked #4 for most expensive infant care<sup>8</sup>
- Care for just one child would take up more than one fifth of a typical family's income<sup>8</sup>
- Infant care costs about 6% less than the average rent in New York<sup>8</sup>
- New York is one of 33 states and DC where infant care is more expensive than college<sup>8</sup>

## Quality Stars

- 84% of programs increased the total number of points scored on quality standards<sup>9</sup>
- 34% statewide improvement in Learning Environment scores<sup>9</sup>
- 31% statewide improvement in Family Engagement scores<sup>9</sup>
- 44% of all programs increased their star rating<sup>9</sup>
- 65% increase in programs earning four and five stars<sup>9</sup>
- 12% improvement in Qualifications and Experience scores<sup>9</sup>
- 31% improvement in Management and Leadership scores<sup>9</sup>

## Parents in the workforce

- 65 percent of children under 6 years old have all of their available parents in the labor force<sup>7</sup>

## Access

- among programs that are free to all parents, less than 9 percent serve children under age 1. Sixty-five percent of centers do not serve children 1-year-old or younger, and 44 percent do not serve children under age 3 at all<sup>7</sup>

<sup>5</sup> The Costs of Motherhood Are Rising, and Catching Women Off Guard

<sup>6</sup> At the wage floor

<sup>7</sup> A new vision for childcare in the united states

<sup>8</sup> Pay equity advancement and wage gap

<sup>9</sup> New York State's Bold Step to Ensure Access to Excellence in Early Childhood Education



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## **Workforce**

- The people who are paid to watch America's children tend to live in poverty. Nearly half receive some kind of government assistance: food stamps, welfare money, Medicaid. Their median hourly wage is \$9.77 — about \$3 below the average janitor's.<sup>10</sup>
- In 2015, 46 percent of child-care workers were part of families enrolled in at least one public safety net program, compared with 26 percent of those in the broader workforce.<sup>10</sup>

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<sup>10</sup> Half of America's childcare workers need food stamps, welfare payments or Medicaid