

*Developing America's Potential:
An Agenda for Affordable, High-Quality Child Care*

Frequently Asked Questions

Questions about Families and Child Care

Can't everyone find child care?

To be productive at work, parents need the peace of mind that high-quality child care provides. However, too many parents struggle to find care that they can afford, depend on, and have complete confidence in for their child's safety and development. High-quality, affordable child care is in short supply in many communities, particularly for parents who have very young childrenⁱ or children with special needs,ⁱⁱ who work during evenings, nights, or weekends,ⁱⁱⁱ or who live in low-income neighborhoods.^{iv} Additionally, more high-quality after-school programs are needed. Over 5.6 million school-age children are home alone after school each week,^v during the afternoon hours when juvenile crime peaks.^{vi}

Why do families need help paying for child care?

The average fee for full-time care ranges from nearly \$3,400 to \$15,900 annually, depending on where the family lives, the type of care (center-based or family child care), and the age of the child.^{vii} Additionally, between 2006 and 2007, the price of full-time care for an infant and a four-year-old in a child care center increased faster than the rate of inflation.^{viii} Among families who pay for child care, families in poverty spend an average of 29 percent of their income on care and families between 100 and 200 percent of poverty devote an average of 14 percent of their income to care, according to the Census Bureau.^{ix} Even when the economy is strong, it is hard for many parents to afford the child care they need. In these difficult economic times, when many families are struggling to pay their bills, more families than ever need help paying their rapidly increasing child care costs.

Has child care assistance been affected by state budget pressures?

Yes. Even before the economic crisis worsened in the fall of 2008, several states started to institute cuts to their child care programs,^x including setting more restrictive eligibility criteria, placing more eligible families on waiting lists for assistance, and reducing funding. For example, Arkansas reduced its income eligibility limit for child care assistance from \$35,724 a year for a family of three (203 percent of poverty) to \$28,345 a year for a family of three (161 percent of poverty) as of July 1, 2008. Rhode Island eliminated state-sponsored health care insurance for child care center providers and family child care providers serving children receiving child care assistance as of July 1, 2008. Ohio cut \$4 million in funding for child care assistance in September 2008.

Cuts to state child care assistance programs, and proposals for further cuts, continue in 2009. For example:

- Pennsylvania's waiting list grew from 8,424 children early in 2008 to approximately 15,000 children in January 2009.^{xi}

- In Nevada, any new applicants for child care assistance with incomes above \$22,880 a year for a family of three (130 percent of poverty), up to the income limit of \$38,916 a year for a family of three (221 percent of poverty), are automatically placed on the waiting list.^{xii} Beginning February 1, the state planned to cut child care assistance for 450 children who were receiving help.^{xiii}
- In Oregon, the governor proposed to reduce reimbursement rates paid to child care providers who serve children receiving child care assistance from the 75th percentile of market rates (the rate that gives families access to 75 percent of the providers in their communities), which is the federally recommended level, to the 65th percentile of market rates; increase copayments for families receiving child care assistance by 6 percent; and freeze intake for all families except those receiving or transitioning from Temporary Assistance for Needy Families (TANF).^{xiv}

The American Recovery and Reinvestment Act (ARRA), passed by Congress and signed by the President in February 2009, provides \$2 billion in funding for the Child Care and Development Block to help states reverse or prevent some of these cuts. However, in many states, the ARRA funding is likely to fall short of what is needed to compensate for gaps created by increased demand for assistance and reduced state revenues resulting from the current economic crisis, much less address previously existing gaps.

How do these cuts affect families?

Families are getting squeezed at both ends; they must hold living-wage jobs and find affordable, high-quality care. Pressures on family budgets and cuts in child care assistance are leading parents to turn to less-than-optimal child care arrangements. Parents are relying on elderly relatives to provide child care or asking their older children to care for younger siblings. As an increasing number of parents find themselves unable to afford child care or out of work, child care programs are seeing enrollment drop abruptly, which leads to reduced hours and wages for child care workers.^{xv}

Why can't relatives provide the child care children need?

While care provided by relatives can be a good option in some cases, such care is not always available or available without cost.^{xvi} In addition, some parents want their children to have the type of group experience that family child care and center care can offer, particularly as the children get closer to entering kindergarten.

Do we need an increased investment in child care in light of states' growing investment in prekindergarten?

While the growth of state prekindergarten programs is a positive development, these programs do not fully meet the need of working parents, even for the children they serve. Most state prekindergarten programs are only part-day and part-year, so child care is often needed to extend the hours and months for parents working full time. Prekindergarten is also targeted for one age group—four-year-olds, and some three-year-olds—but infants, toddlers, and school-age children also need good options for care while their parents are working. In addition, not all states support prekindergarten initiatives.

There are so many pressing priorities. Why invest in child care?

Child care is a basic need. Child care helps today's workforce and the future workforce, so its investments pay off immediately and for the long term. An investment in child care pays off now by helping parents work and generating income for the entire economy. And it pays off in the long term by giving children a strong start so they can be productive members of the future workforce.

Can't the business community pay for child care?

While a number of businesses have implemented creative approaches to help their employees find and pay for child care, much more should be done. At this point, only a fraction of businesses address child care issues, and business expenditures account for only a small proportion of total child care spending.^{xvii} Businesses contribute only about 1 percent toward the cost of child care, with government paying 39 percent and parents covering the remaining 60 percent.^{xviii} In addition, low-income families are much less likely to have access to such benefits than upper-income families.^{xix} A survey in Massachusetts found that while close to one-third of high-income families had employers who sponsored child care benefits, the same was true for only 5.8 percent of low-income families and 10.1 percent of middle-income families.^{xx} Even when businesses are given tax credits as an incentive to provide child care for their employees, few do so.^{xxi} Moreover, given the challenging economic climate at this time, it is unlikely that businesses will greatly expand their role in supporting child care in the near future.

Isn't there plenty of money already for child care?

Despite the critical importance of high-quality child care for children and families, only one out of every seven eligible children receives help in paying for child care.^{xxii} Between 2002 and 2009, federal support for child care stagnated, and failed to keep pace with inflation, even as the number of low-income families and the costs of care increased. As a result, states made difficult trade-offs among eligibility for child care assistance, paying providers enough to ensure high-quality care, setting reasonable parent copayments, investing in monitoring child care facilities to ensure children's health and safety, and training and supporting providers, often short-changing all.

The American Recovery and Reinvestment Act provided substantial new funding for child care assistance—\$2 billion for the Child Care and Development Block Grant. Yet, these funds will largely be used just to help states, which are under serious budget pressures, keep pace with the growing demand for child care assistance as more families struggle financially in the current economy. Moreover, these funds only provide a temporary increase. Continued and increased funding will be needed to sustain and expand child care assistance for families and quality improvements and to address the needs that existed even before the current economic crisis.

Can't we spend our existing child care funds better?

Yes, we can. The Agenda includes several provisions to ensure more effective use of resources and increased research and data to target funds efficiently. Targeted funding will improve access and quality. However, it is important to remember that lack of resources is one of the most pressing challenges for child care programs and providers and families.

Questions about the Agenda

What is the basis for the Agenda or how did it get developed?

The Agenda was developed with a firm belief that high-quality child care allows families, business and our nation to prosper. National and state groups with expertise in child care and early education met for almost two years, drawing on the input of similar groups around the country, to develop the Agenda based on effective state strategies, the success of other child care systems, including the U.S. military child care system, and proven research.

Why is it important to act on the Agenda now, in a time of economic crisis?

Child care is an integral part of the U.S. economy and a basic need of families. By making it possible for parents to work, the licensed child care sector allows Americans to earn more than \$100 billion annually.^{xxiii} Assistance in paying for child care has been shown to increase the likelihood that mothers formerly receiving welfare will remain employed^{xxiv} and leave welfare for a sustained period of time.^{xxv} Child care also gives children the strong start they need so they can enter school ready to succeed and ultimately be part of a productive workforce. Child care provides children, families and their communities a much-needed chance to prosper.

What are the main points of the Agenda and can I share them with the media?

The Agenda proposes comprehensive, systemic reforms to meet four goals:

- Child care will be healthy and safe.
- Children will be in stimulating early childhood and after-school environments that will help them succeed in school and in life.
- Families of infants and toddlers will have increased access to high-quality care.
- Low- and moderate-income families will have help in meeting the high cost of care.

Under the Agenda, the federal government will ensure that states have sufficient funding to accomplish these goals and will support research, technical assistance, and coordination efforts to implement them.

Developing America's Potential: An Agenda for Affordable, High-Quality Child Care provides more information on the provisions needed to meet these goals. You are encouraged to share the Agenda, and your data and experiences, with your local media. If members of the media have additional questions, they may contact NWLC staff member Helen Blank at (202) 588-5180.

Questions about the Executive and Legislative Interest in and Action on the Agenda and Child Care

Has any member of Congress introduced the Agenda or parts of the Agenda?

Yes. To date, several U.S. Senators and Representatives have introduced legislation that contains components of the Agenda. These proposals would encourage direct investments in child care to provide more families with help paying for child care and to improve quality as well as expand tax benefits for parents paying for child care. Please see our [Federal Roadmap](#) for more details.

What is President Obama's position on early childhood and the Agenda?

President Obama has not taken a specific position on the Agenda, but he is broadly supportive of new investments in early learning and his proposals have echoed the Agenda's themes of improving access, increasing quality, and facilitating coordination. The President emphasized the importance of early care and education throughout the campaign and has continued to do so after taking office. During the campaign, President Obama proposed investing \$10 billion a year to expand investments in early childhood, including child care and a new State Early Learning Challenge Grant initiative, as well as making the Child and Dependent Care Tax Credit (CDCTC) refundable and expanding the sliding scale to provide more help to low-income families.

The President made a down payment on his plans to expand access to high-quality early care and education with the American Recovery and Reinvestment Act, which he signed in February 2009. The ARRA includes \$2 billion for the Child Care and Development Block Grant, \$2.1 billion for Head Start and Early Head Start, and other funding for early care and education.

The President's FY 2010 budget outline also made a commitment to sustained investments in a strong early care and education system. In addition, the budget reiterated support for a State Early Learning Challenge Grant initiative to encourage state and local investment in early childhood education, support coordination at the federal, state, and local level, and provide better information to parents about program options and quality.

What steps could be taken during this Congress to advance the Agenda?

Child care advocates plan to take advantage of upcoming legislative opportunities to enact components of the Agenda. These include the reauthorization of the Child Care and Development Block Grant and the proposed State Early Learning Challenge Grants. Child care advocates will also be asking Congress to provide sufficient funding in the FY 2011 budget to sustain the investments in child care and early education that were provided in the ARRA, as these investments are only available through 2010.

In addition, the reauthorization of child nutrition programs, including the Child and Adult Care Food Program (CACFP), is scheduled for 2009. Although the Agenda does not directly address the CACFP, the program is essential in helping child care providers offer the high-quality, affordable care that is the aim of the Agenda. By reimbursing eligible child care providers for some or all of the cost of meals, the CACFP helps subsidize the cost of care and by supporting nutritious meals, it helps boost the quality of care.

In March 2009, the House held [two hearings](#) on early childhood (and) and the Senate held [a hearing](#) on the Child Nutrition reauthorization.

What Can I Do to Help?

What can I or my organization do to support the Agenda?

We can use as much support as you can offer. Please:

- [Sign the Agenda.](#)

- Share success stories about effective policies, stories about how the economic downturn is affecting parents' child care choices and child care programs, and stories about child care programs that are helping families.
- See [Simple Ways to Broaden Support for the Agenda](#) for more ideas.

What can state lawmakers do to help?

State lawmakers can:

- [Sign the Agenda](#)
- Meet with, call, and write [members of the U.S. Congress](#) and the President.
- Collect and share information from constituents.
- Ask the media to cover the issue.
- [Share data collected at the state level](#), including anecdotal data and personal stories; they can be informative and influential.
- See [Simple Ways to Broaden Support for the Agenda](#) for more ideas.

What can parents do to support the Agenda?

Lots! First, please [sign the Agenda](#). Then see [Simple Ways to Broaden Support for the Agenda](#). It includes tips on outreach in schools and communities and to state officials, as well as ideas on blogging and spreading the word.

ⁱ U.S. General Accounting Office, *Welfare Reform: Implications of Increased Work Participation for Child Care* (GAO/HEHS 97-75) (Washington, DC: GAO, May 1997); California Child Care Resource and Referral Network, *2007 California Child Care Portfolio* (San Francisco, CA: California Child Care Resource and Referral Network, 2007), 7, *available at* <http://www.rrnetwork.org/publications/2007/revised-portfolio-2007.pdf> (last visited May 6, 2008); National Association of Child Care Resource and Referral Agencies, *Child Care in Thirteen Economically Disadvantaged Communities* (Arlington, VA: NACCRRA, 2006), 15, *available at* <http://www.naccrra.org/randd/data/CaseyReport.pdf> (last visited Sept. 17, 2008).

ⁱⁱ Cathryn L. Booth and Jean F. Kelly, "Child Care Characteristics of Infants with and without Special Needs: Comparisons and Concerns," *Early Childhood Research Quarterly*, 13, 1998, 603-622; Cathryn L. Booth and Jean F. Kelly, "Child Care and Employment in Relation to Infants' Disabilities and Risk Factors," *American Journal on Mental Retardation*, 104, 1999, 117-130.

ⁱⁱⁱ *Welfare Reform: Implications of Increased Work Participation for Child Care*; U.S. General Accounting Office, *Welfare to Work: Child Care Assistance Limited; Welfare Reform May Expand Needs* (GAO/HEHS-95-220) (Washington, DC: U.S. General Accounting Office, 1995); K. Proctor and Christine Johnson-Staub, *Study of Non-Traditional Hour Child Care* (Boston, MA: Parents United for Child Care, 1998).

^{iv} *Improving School Readiness Project, Early to Rise: Improving the School Readiness of Philadelphia's Young Children* (Philadelphia, PA: United Way of Southeastern Pennsylvania and School District of Philadelphia, November 2001); J. Lee Kreader, Jessica Piecyk, and Ann M. Collins, *Scant Increases After Welfare Reform: Regulated Child Care Supply in Illinois and Maryland, 1996-1998* (New York, NY: National Center for Children in Poverty, 2000), 23-25, *available at* http://www.nccp.org/publications/pdf/text_388.pdf (last visited Feb. 11, 2008); Bruce Fuller, Shelley Waters Boots, Emilio Castilla and Diane Hirshberg, *A Stark Plateau – California Families See Little Growth in Child Care Centers* (Policy Brief 02-2) (Berkeley and Stanford, CA: Policy Analysis for California Education and San Francisco, CA: California Child Care Resource and Referral Network, 2002), 9, *available at* <http://pace.berkeley.edu/reports/PB.02-2.pdf> (last visited Feb. 11, 2008); Bruce Fuller and Xiaoyan Liang, *Can Poor Families Find Child Care? Persisting Inequality Nationwide and in Massachusetts* (Cambridge, MA: Harvard University, 1995).

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- ^v U.S. Census Bureau, Who's Minding the Kids? Child Care Arrangements: Spring 2005, Detailed Tables, Table 4: Children in Self-Care, by Age of Child, Employment Status of Mother, and Selected Characteristics for Children Living with Mother (2008), *available at* <http://www.census.gov/population/www/socdemo/childcare.html> (last visited Apr. 20, 2009).
- ^{vi} Howard Snyder and Melissa Sickmund, *Juvenile Offenders and Victims: 1999 National Report* (Washington, DC: U.S. Department of Justice, Office of Juvenile Justice and Delinquency Programs, 1999).
- ^{vii} National Association of Child Care Resource and Referral Agencies, 2008 Price of Child Care, *available at* http://www.naccrra.org/randd/docs/2008_Price_of_Child_Care.pdf (last visited Apr. 6, 2009).
- ^{viii} National Association of Child Care Resource and Referral Agencies, *Parents and the High Price of Child Care: 2008 Update* (Arlington, VA: NACCRRRA, 2008), 2.
- ^{ix} Who's Minding the Kids?, Detailed Tables, Table 6: Average Weekly Child Care Expenditures of Families with Employed Mothers that Make Payments, by Age Groups and Selected Characteristics.
- ^x Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2008: Too Little Progress for Children and Families* (Washington, DC, National Women's Law Center, 2008), *available at* <http://www.nwlc.org/pdf/StateChildCareAssistancePoliciesReport08.pdf> (last visited Oct. 20, 2008).
- ^{xi} Email from Terry Casey, President, Pennsylvania Child Care Association, to Helen Blank, National Women's Law Center, Jan. 14, 2009.
- ^{xii} *State Child Care Assistance Policies 2008*, 3.
- ^{xiii} Tammy Krikorian, "State cuts child care subsidies," *Reno Gazette-Journal*, Dec. 31, 2008.
- ^{xiv} Oregon Department of Human Services, 2009-11 Governor's Recommended Budget Investments and Reductions, December 2008.
- ^{xv} Early Care and Education Consortium, *The Economic Downturn: The View from America's Child Care Centers* (Washington, DC: Early Care and Education Consortium, 2009), *available at* http://www.ececonsortium.org/ECEC_The_Economic_Downturn_View_from_Americas_Child_Care_Centers_update_1_2009.pdf (last visited Apr. 16, 2009).
- ^{xvi} Ellen Galinsky, Carollee Howes, Susan Kontos, and Marybeth Shinn, *Study of Children in Family Child Care and Relative Care* (New York, NY: Families and Work Institute, 1994), 5.
- ^{xvii} Anne Mitchell, Louise Stoney, Harriet Dichter, *Financing Child Care in the United States: An Expanded Catalog of Current Strategies*, 2001 Edition (Kansas City, MO: The Ewing Marion Kauffman Foundation, 2001).
- ^{xviii} Mitchell, et al.
- ^{xix} Sandra L. Hofferth, April Brayfield, Sharon Deich, and Pamela Holcomb, *National Child Care Survey, 1990* (Washington, DC: The Urban Institute Press, 1991).
- ^{xx} Randy Albelda and Carol Cosenza in conjunction with Parents United for Child Care, *Choices and Tradeoffs: The Parent Survey on Child Care in Massachusetts* (Boston, MA: Center for Survey Research at the University of Massachusetts at Boston, 2000).
- ^{xxi} Christina Smith FitzPatrick and Nancy Duff Campbell, *The Little Engine that Hasn't: The Poor Performance of Employer Tax Credits for Child Care* (Washington, DC: National Women's Law Center, 2002), *available at* <http://www.nwlc.org/pdf/TheLittleEngine2002.pdf> (last visited Apr. 16, 2009).
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- ^{xxiv} Heather Boushey, *Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth* (Washington, DC: Economic Policy Institute, 2002), 10-12, *available at* <http://www.epi.org/briefingpapers/128/bp128.pdf> (last visited Feb. 1, 2008).
- ^{xxv} Pamela Loprest, *Use of Government Benefits Increases among Families Leaving Welfare (Snapshots of America's Families III, No. 6)* (Washington, DC: Urban Institute, 2003).