

# CHILD CARE

## FACT SHEET

### Child Care: A Core Support to Children and Families

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- Child care assistance can not only give children greater access to high-quality environments when their parents work; it can improve children's home environments. When parents have the child care they need to work, they are able to earn more income. This allows them to offer more stability, opportunities, and resources for their children. Families can live in better neighborhoods with better schools, provide nutritious meals for their children, and buy books and other toys that allow their children to learn and explore. Increased financial security can also reduce parents' stress, which can affect how they interact with their children. Research has demonstrated that stress can negatively affect parenting, which can negatively affect child well-being.<sup>1</sup>
- Parents confirm that child care assistance helps them improve their child care choices.
  - A North Carolina study found that 83 percent of respondents who were able to receive child care assistance said that the assistance had improved either the quality or reliability of their children's care.<sup>2</sup>
- Families unable to receive help are often forced to use a patchwork of arrangements that do not provide the stability young children need and that can easily fall through, causing further disruption for children.
  - A New York City study found that 77 percent of the families on the waiting list for child care assistance believed their current child care arrangements were negatively affecting their children.<sup>3</sup>
- Child care assistance helps parents afford the reliable care they need to work. Without assistance, parents struggle to get and keep a job, which makes it extremely difficult to support themselves and their families.
  - In North Carolina, about one out of four respondents on the state's waiting list had lost or had to quit their jobs while waiting for child care assistance.<sup>4</sup>
  - In New York City, 36 percent of families on the waiting list for child care assistance reported that they were either unable to work or lost their jobs, while 20 percent had been late or missed work.<sup>5</sup>
  - In Santa Clara County, about 40 percent of the families waiting for child care assistance reported giving up their job search since they could not find affordable child care.<sup>6</sup>
  - One-quarter of the families on the waiting list for child care assistance in Hennepin County, Minnesota turned to welfare in order to survive.<sup>7</sup>
- Research indicates that access to child care assistance increases the likelihood that parents are employed and that they may remain employed for longer periods of time.
  - One study found that across both urban and rural counties in Oregon, families who used child care assistance had relatively stable employment over a three-year period. Parents who receive child care subsidies appear to work longer.<sup>8</sup>
  - A 2009 study of three states found that receipt of child care assistance was associated with longer employment spells among families.<sup>9</sup>
  - A study found that single mothers of young children who received child care assistance were 39 percent more likely to still be employed after two years than those who did not receive any help paying for child care.<sup>10</sup>

- Helping parents afford child care so they can work and earn income is important because family income can have a major effect on children as they grow.
  - A study found a relationship between an increase in family income and children's achievement. The results suggested that a \$1,000 increase in a low-income family's annual income increased young children's achievement by 5 to 6 percent of a standard deviation.<sup>11</sup>
- The cost of child care varies greatly based on where in the country a family lives, the type of care used, and the quality of care. The average annual cost of full-time child care for a four-year-old child in a center in 2011 ranged from approximately \$3,900 to \$11,700 across the states. The average annual cost of full-time care for an infant in a center in 2011 was even higher, ranging from \$4,600 to \$15,000 annually.<sup>12</sup>
- Families with incomes under 100 percent of poverty that pay for child care spend an average of 40 percent of their income on this care, compared with 7 percent for families with incomes at or above 200 percent of poverty.<sup>13</sup>
- Only one in six federally-eligible children received child care assistance in 2006, the most recent year for which data are available.<sup>14</sup> The unmet need has likely grown as the number of low-income families has increased while the number of children receiving child care assistance has stagnated or decreased. Without additional investments, the number of children able to receive child care assistance is projected to decline next year to the lowest level since 1998.

- 1 Robert H. Bradley and Robert F. Corwyn, "Socioeconomic status and child development," *Annual Review of Psychology*, 53, 2002, 371-399.
- 2 Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, *Child Care Subsidy: The Costs of Waiting* (Chapel Hill, NC: Day Care Services Association, 1998).
- 3 Philip Coltoff, Myrna Torres, and Natasha Lifton, *The Human Cost of Waiting for Child Care: A Study* (New York, NY: Children's Aid Society, 1999).
- 4 Jeffrey D. Lyons, Susan D. Russell, Christina Gilgor, and Amy H. Staples, *Child Care Subsidy: The Costs of Waiting* (Chapel Hill, NC: Day Care Services Association, 1998).
- 5 Philip Coltoff, Myrna Torres, and Natasha Lifton, *The Human Cost of Waiting for Child Care: A Study* (New York, NY: Children's Aid Society, 1999).
- 6 Casey Coonerty and Tamsin Levy, *Waiting for Child Care: How Do Parents Adjust to Scarce Options in Santa Clara County?* (Berkeley, CA: Policy Analysis for California Education, 1998).
- 7 Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis, MN: Greater Minneapolis Day Care Association, 1995).
- 8 Elizabeth E. Davis, Deana Grobe, and Roberta B. Weber, "Rural-urban differences in child care subsidy use and employment stability," *Applied Economics Perspectives and Policies*, 32(1), 2010, 135-153.
- 9 Robert M. George, *Employment Outcomes for Low-Income Families Receiving Child Care Subsidies in Illinois, Maryland, and Texas*, Final Report to U.S. Department of Health and Human Services (2009).
- 10 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>.
- 11 Greg J. Duncan, Pamela A. Morris, and Chris Rodrigues, "Does money really matter? Estimating impacts of family income on young children's achievement with data from random-assignment experiments," *Developmental Psychology*, 47 (5), 2011, 1263-1279.
- 12 National Association of Child Care Resource and Referral Agencies, *Parents and the High Cost of Child Care: 2012 Report* (Washington, DC: NACCRRA, 2012), available at [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2012/cost\\_report\\_2012\\_final\\_081012\\_0.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf).
- 13 U.S. Census Bureau, *Who's Minding the Kids? Child Care Arrangements: Spring 2010 – Table 6*, available at <http://www.census.gov/hhes/childcare/data/sipp/2010/tables.html>.
- 14 U.S. Department of Health and Human Services, Office of Human Services Policy, Office of the Assistant Secretary for Planning and Evaluation, *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2006* (Washington, DC: U.S. Department of Health and Human Services, 2010), available at <http://aspe.hhs.gov/hsp/10/cc-eligibility/ib.pdf>.