

Hearing Before the Democratic Women's Working Group

The State of Child Care in America

Testimony of Helen Blank, Director of Child Care and Early Learning, NWLC

May 24, 2016

I am Helen Blank, Director of Child Care and Early Learning at the National Women's Law Center. NWLC works to expand the possibilities for women and their families by removing barriers based on gender, opening opportunities, and helping women and their families lead economically secure, healthy, and fulfilled lives—with a special focus on the needs of low-income women and their children. Thank you for the opportunity to testify today on this crucial issue.

Access to affordable, high-quality child care is essential to all families. Without child care, parents are not able to work and earn a living to support their families. Yet many families struggle to afford child care, and child care costs can be an especially staggering burden for low-income families. Among families that pay for child care, families with incomes below 100 percent of poverty spend 30.1 percent of their income on child care, compared to 6.9 percent of income for families with incomes at or above 200 percent of poverty.¹

Low- and moderate-income families are able to lessen this cost burden if they can receive direct child care assistance through the Child Care and Development Block Grant (CCDBG). CCDBG provides a lifeline for parents who are working, attending school, or participating in training programs. The program plays a critical role not filled by any other program. It serves families with infants, toddlers, and preschoolers as well as school-age children, and it is designed to meet the needs of parents working full time, year around. CCDBG offers direct assistance that covers most or all of parents' monthly or weekly child care costs as the costs are incurred—a necessity for low- and moderate-income families living paycheck to paycheck.

With CCDBG funds, parents can choose child care centers, family child care homes, relatives, or neighbors to provide care for their children. This flexibility allows parents to choose the option that works best for them and their children and that responds to their particular circumstances and needs. For example, one in five working mothers of very young children work in low-wage jobs (jobs with a median wage of \$10.50 per hour), and these jobs typically involve evening, night, early morning, or variable work hours.² Parents with these challenging work schedules frequently must rely on informal child care options because more formal child care programs don't operate during the hours that they need.³

Help affording child care makes a big difference for mothers and their children. Studies show that, compared to mothers not receiving assistance, mothers that receive child care assistance are more likely to get and keep a job and have higher earnings and are less likely to have job disruptions due to child care problems or return to welfare.⁴ Researchers have also found that child care assistance helps low-wage working families stretch their paychecks further, allowing them to buy food and clothing and pay down debt.⁵ This is all important to providing a stable environment for their children and their ultimate success.

Sheila Merkison is one of these mothers for whom CCDBG made a huge difference. She was on Maine's state's child care waiting list and had left her abusive husband. She testified before the Senate, "The problem I'm facing is, although I believe my day care deserves every penny of it, my child care expenses are 48 percent of my weekly income. I see no other way to fully provide for my son if this program can't help us. I make \$18,000 a year. I'm asking for the ability to work and to provide for my son." After testifying in 2002, Sheila received a child care subsidy. She wrote to me 12 years later that she wished she could personally thank Congress on behalf of herself and all the other mothers helped by CCDBG. "I have been working as an Insurance Agent for 8 years. My son is doing excellent. He was recently invited to test for the Johns Hopkins University Talent Search. I was able to buy a home. I honestly would not have been able to accomplish any of this without child care assistance."

Millions of mothers do not have the opportunity that Sheila had. Child care is so underfunded that five out of six of the 14.2 million children eligible for federal child care assistance do not receive help.⁶ In the past several years, we have actually moved backwards. In 2015, 373,000 fewer children received child care assistance than in 2006, and the program served fewer children than in 1998 or any year since.⁷

CCDBG allows states to help families with incomes up to 85 percent of state median income. For families up to this income level—and even many middle-income families above this level—child care is extremely difficult to afford without help. Yet, many states set their income cutoffs far below what is allowed by federal law and what is needed by families. In 2016, a family with an income above 150 percent of poverty (\$30,240 a year for a family of three in 2016) could not qualify for assistance in 17 states. A family with an income above 200 percent of poverty (\$40,320 a year for a family of three in 2016) could not qualify for assistance in 39 states.⁸

Even families eligible for child care assistance can be placed on waiting lists for months or years. Twenty states had waiting lists or frozen intake (turned away eligible families without adding their names to a waiting list) for assistance in 2016.⁹ These lists can be very long—over 25,000 children in Florida, over 24,000 children in Massachusetts, and over 20,000 children in North Carolina, as of early 2016.¹⁰ Studies show that many families on these waiting lists

struggle to pay for reliable, good-quality child care as well as other necessities.¹¹ Some are forced to turn to low-cost—and low-quality—care. Some families simply can't work without child care help—and these families can no longer always rely on welfare or other safety net programs to catch them.

Families that are able to receive child care assistance may still not be able to find high-quality care, or even any child care providers willing to serve them, because of the extremely low payment rates for providers. Only one state set its payment rates for these child care providers at the federally recommended level as of February 2016, a sharp decline from 2001, when 22 states set their reimbursement rates at the recommended level.¹² Many states do not update their rates regularly or fail to set their rates based on what child care providers in a given region or community charge. Even when states pay higher rates for higher-quality child care, those rates still fall short of recommended levels in over three-quarters of states that offer them.¹³

Low rates leave child care providers with limited resources to hire and retain well-qualified staff, purchase toys and books, maintain facilities, and cover other costs involved in offering children a good learning experience. Low rates also discourage providers from even accepting children receiving child care assistance.

We need to invest more in CCDBG not only so that we can help more families afford child care and improve provider payment rates, but also to expand efforts to improve child care quality. CCDBG requires that states set aside a portion of their funds for quality improvement activities. Efforts to improve child care benefit not only those families receiving child care assistance through CCDBG but all families using child care. Activities that are supported by the quality set-aside include initiatives that provide scholarships for child care providers to receive educational credentials and salary bonuses once they attained those credentials; inspections and monitoring of programs to ensure children's health and safety; resource and referral services to help families find care that meets their needs; coaching and mentoring of child care staff; and basic material and equipment.

With significant additional quality funding, states could invest in an area that is particularly important: raising provider wages. The quality of child care providers is central to the overall quality of care. Yet provider wages (whether or not the providers are participating in CCDBG) are so low that it is difficult to attract and retain well-qualified providers. The average salary for child care workers is just \$11.02 per hour, or \$22,930 per year.¹⁴ In addition to the negative effects on provider recruitment and retention, these low wages also make it very challenging for child care workers—94 percent of whom are women¹⁵—to support their own

families. Nearly two-thirds (63 percent) of child care teaching staff with at least one child 18 or younger report accessing one or more public support programs in the previous three years.¹⁶

We are at a crossroads. In 2014, Congress came together on a bipartisan basis to reauthorize CCDBG for the first time since 1996. The reauthorization aimed to achieve objectives that have wide support: protecting the health and safety of children in child care, raising the quality of care, and making it easier for families to get and keep child care assistance. The legislation passed by a unanimous vote in the House and by a vote of 96-2 in the Senate.¹⁷ Yet, the funding necessary to cover the additional costs involved in implementing the legislation—such as increased licensing and monitoring visits and other new health and safety protections—has not followed. We appreciate the increase in funding for CCDBG provided in the recently passed FY 2017 spending measure, but it is far from enough and is actually not maintained in the President’s budget proposal for FY 2018. Without an additional \$1.4 billion for CCDBG in FY 2018, over 200,000 more children could lose their care assistance.

CCDBG is intended to provide families with the high-quality child care that parents need to work and that their children need for their healthy, successful development. Yet it can only realize these goals if Congress provides significant new resources.

The original CCDBG enacted in 1990 was dedicated to two small boys, Maurice and Anthony, ages three and four, whose mother was on Florida’s always long waiting list. Fearful of losing her job, she went to work one day when her patchwork child care fell through. Left home, alone, Maurice and Anthony crawled into a dryer with a Newsweek magazine and were burned to death.

We must make sure no other family is faced with such a tragic choice. We must make sure that child care assistance is available to all families who need it so that parents can work to support their families while secure in the knowledge that their children are safe and well cared for.

¹ Lynda Laughlin, Who’s Minding the Kids? Child Care Arrangements: Spring 2011 (Current Population Reports, P70-135) (Washington, DC: U.S. Census Bureau, 2013), 3 and 9, *available at* <https://www.census.gov/prod/2013pubs/p70-135.pdf>.

² Karen Schulman, Jasmine Tucker and Julie Vogtman, Nearly One in Five Working Mothers Of Very Young Children Work In Low-Wage Job (National Women’s Law Center, 2017), *available at* <https://nwlc.org/wp-content/uploads/2014/04/Nearly-One-in-Five-Working-Mothers-of-Very-Young-Children-Work-in-Low-Wage-Jobs-2017.pdf>.

³ Julie Vogtman and Karen Schulman, Set Up to Fail: When Low-Wage Work Jeopardizes Parents’ and Children’s Success (Washington, DC: National Women’s Law Center, 2016), 17-18, *available at* <https://nwlc.org/wp-content/uploads/2016/01/FINAL-Set-Up-To-Fail-When-Low-Wage-Work-Jeopardizes-Parents%e2%80%99-and-Children%e2%80%99s-Success.pdf>.

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- ⁴ 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/publication/briefingpapers_bp128/; Nicole D. Forry and Sandra L. Hofferth, *Maintaining Work: The Influence of Child Care Subsidies on Child Care-Related Work Disruptions*, *Journal of Family Issues*, 32 (3), 2011, 346-368, *available at* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3242446/pdf/nihms339887.pdf>.
- ⁵ For a review of the research see Gregory Mills, Jennifer Compton, and Olivia Golden, *Assessing the Evidence About Work Support Benefits and Low-Income Families*, Urban Institute, 2011, <http://www.urban.org/UploadedPDF/412303-Work-Support-Benefits.pdf> and Hannah Matthews, *Child Care Assistance: A Program That Works*, CLASP, 2009, <http://www.clasp.org/resources-and-publications/publication-1/0452.pdf>.
- ⁶ 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 2012* (Washington, DC: U.S. Department of Health and Human Services, 2015), *available at* <https://aspe.hhs.gov/sites/default/files/pdf/153591/ChildEligibility.pdf>.
- ⁷ Christina Walker and Hannah Matthews, *CCDBG Participation Drops to Historic Low* (Center for Law and Social Policy, 2017), *available at* <http://www.clasp.org/resources-and-publications/publication-1/CCDBG-Participation-2015.pdf>.
- ⁸ Karen Schulman and Helen Blank, *Red Light Green Light: State Child Care Assistance Policies 2016* (Washington, DC: National Women's Law Center, 2016), 6, *available at* <https://nwlc.org/resources/red-light-green-light-state-child-care-assistance-policies-2016/>.
- ⁹ Schulman and Blank, 7.
- ¹⁰ Schulman and Blank, 31.
- ¹¹ See, e.g., Karen Schulman and Helen Blank, *In Their Own Voices: Parents and Providers Struggling with Child Care Cuts* (Washington, DC: National Women's Law Center, 2005), 10; Children's Action Alliance, *The Real Reality of Arizona's Working Families—Child Care Survey Highlights* (Phoenix, AZ: Children's Action Alliance, 2004); Deborah Schlick, Mary Daly, and Lee Bradford, *Faces on the Waiting List: Waiting for Child Care Assistance in Ramsey County* (Ramsey County, MN: Ramsey County Human Services, 1999) (Survey conducted by the Minnesota Center for Survey Research at the University of Minnesota); 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); Jennifer Gulley and Ann Hilbig, *Waiting List Survey: Gulf Coast Workforce Development Area* (Houston, TX: Neighborhood Centers, Inc., 1999); 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); 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); Philadelphia Citizens for Children and Youth, et al., *Use of Subsidized Child Care by Philadelphia Families* (Philadelphia, PA: Philadelphia Citizens for Children and Youth, 1997); 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).
- ¹² Schulman and Blank, 9.
- ¹³ Schulman and Blank, 10-11.
- ¹⁴ U.S. Department of Labor, Bureau of Labor Statistics, *May 2016 National Occupational Employment and Wage Estimates*, *available at* http://www.bls.gov/oes/current/oes_nat.htm.
- ¹⁵ U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*, Table 11: *Employed Persons by Detailed Occupation, Sex, Race, and Hispanic or Latino Ethnicity, 2016*, *available at* <http://www.bls.gov/cps/cpsaat11.htm>.
- ¹⁶ Marcy Whitebook, Deborah Phillips, and Carollee Howes, *Worthy Work, Still Unlivable Wages: The Early Childhood Workforce 25 Years After the National Child Care Staffing Study* (Center for the Study of Child Care Employment, Institute for Research on Labor and Employment, University of California, Berkeley, 2014), 47, *available at* <http://cscce.berkeley.edu/files/2014/ReportFINAL.pdf>.
- ¹⁷ S.1086, 113th Congress (2013-2014), *available at* <https://www.congress.gov/bill/113th-congress/senate-bill/1086/actions>.