



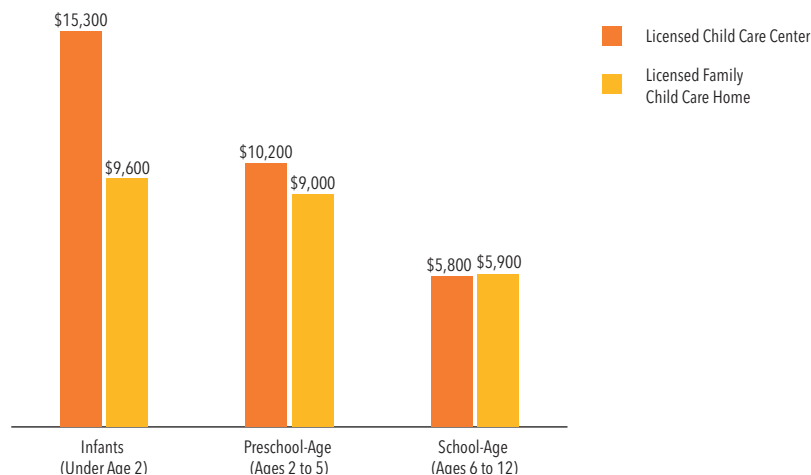
BY KRISTIN SCHUMACHER

## The High Cost of Child Care Underscores the Need for Supporting Families With Children of All Ages

Without access to affordable child care, parents may struggle to find and keep jobs or to go to school. Unfortunately, California ranks as one of the least affordable states in the nation based on the cost of child care.<sup>1</sup> Statewide, the median annual cost of care for an infant in a licensed child care center is over \$15,000. In a family with two working parents earning low wages, each parent would have to work 147 hours per week to avoid paying more than the federally recommended 7% of income on the cost of child care for their infant.<sup>2</sup> The annual cost of care in a licensed center for older children is also out of reach for many families – \$10,200 for a preschool-age child and \$5,800 for a school-age child. While prices may be lower with a licensed home-based provider, this option is still prohibitively expensive for families who are struggling to cover basic expenses.

### The Cost of Child Care Is Prohibitively High in California

Median Cost of Care Statewide, 2017

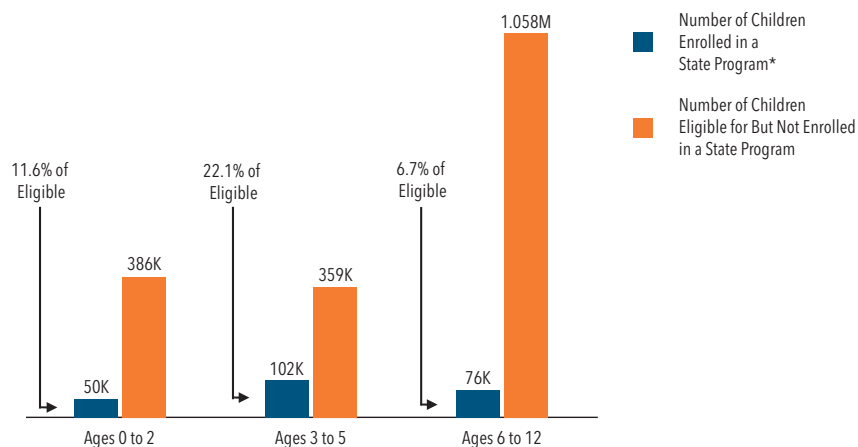


Note: Figures are rounded to the nearest hundred. Cost of care is full-time for infants and preschoolers and prorated according to the school year for a school-age child. Costs are based on counties' median cost of care weighted to reflect each county's child population and are adjusted for inflation to reflect 2017 dollars. Source: Budget Center analysis of California Department of Education, 2016 Regional Market Rate Survey

Parents typically incur the highest-priced care – for infants and toddlers – at a younger age when they can least afford it. Even families with older children may struggle to find affordable care before or after the school day or when they are working nonstandard hours. Family supports such as subsidized child care and development programs can help boost families' economic security by providing stable and affordable child care. According to a Budget Center analysis of federal survey data, an estimated 2 million children from birth through age 12 were eligible for child care assistance in 2017.<sup>3</sup> Across all age groups, only a small share of eligible children were enrolled in a subsidized program: 1 in 9 infants and toddlers (11.6%), 1 in 5 preschool-age children (22.1%), and 1 in 15 school-age children (6.7%).<sup>4</sup> (See chart next page. For additional data by age, see tables on page 3 and 4.)

## Enrollment in Subsidized Child Care and Full-Day State Preschool Varies by Age

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



\* Enrollment is for children from birth through age 12 in October 2017. Includes children enrolled in full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. The California Community College CalWORKs Stage 2 data reflect a Department of Finance estimate for the 2017-18 fiscal year. CalWORKs Stage 1 age data are Budget Center estimates based on California Department of Education (CDE) CalWORKs Stage 2 figures. Source: CDE, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data

The high cost of care coupled with the large number of children eligible for child care assistance underscores the need for additional state and federal investments in California’s subsidized child care and development system. Child care assistance is critical to supporting low- and moderate-income families while parents are at work or school and is vital to helping families achieve economic security. Providing additional access to child care assistance should be a key component of state and federal budget deliberations.

*This analysis is the second part of a multiphase effort to analyze subsidized child care and development programs in California. Other phases of this work examine the total unmet need for subsidized child care and unmet need by race and ethnicity. Support for this Fact Sheet was provided by First 5 California.*

- 1 Child Care Aware of America, *The US and the High Cost of Child Care: A Review of Prices and Proposed Solutions for a Broken System* (2018).
- 2 The US Department of Health and Human Services updated its guidelines on child care affordability in 2016. Access the final rule at <https://federalregister.gov/d/2016-22986>. “Low wage” is defined as earning less than \$14.35 per hour. See University of California Berkeley Labor Center, *Low-Wage Work in California* (August 2018).
- 3 Budget Center analysis of US Census Bureau, American Community Survey data. Data limitations likely result in a conservative estimate of the number of children in California who are eligible for subsidized child care. For more information about the methodology used to calculate this estimate, see the Technical Appendix: [https://calbudgetcenter.org/wp-content/uploads/2019/01/Technical-Appendix\\_Calculating-the-Need-for-Subsidized-Child-Care-in-California\\_01.2019.pdf](https://calbudgetcenter.org/wp-content/uploads/2019/01/Technical-Appendix_Calculating-the-Need-for-Subsidized-Child-Care-in-California_01.2019.pdf).
- 4 Figures reflect children enrolled in the full-day California State Preschool Program (CSPP) or in one of the following subsidized child care programs: Alternative Payment Program; CalWORKs Stages 1, 2, or 3; Family Child Care Home Network; General Child Care; and the Migrant Child Care and Development Program. Enrollment is for October 2017, except for California Community College CalWORKs Stage 2, which reflects a Department of Finance estimate for the 2017-18 fiscal year. This analysis also includes the full-day CSPP, which consists of part-day preschool and “wraparound” child care, because it accommodates many – although not all – families’ work schedules throughout the year, and thus approximates the experience that a child would have in a subsidized child care program. In contrast, this analysis excludes roughly 97,000 children who were enrolled in the *part-day* CSPP, without access to wraparound child care, in October 2017. This is because most families with low and moderate incomes likely need wraparound care in order to supplement the CSPP’s part-day, part-year schedule. This analysis reports enrollment data for a single month – as opposed to a monthly average for 2017 – because the California Department of Education (CDE) does not typically separate part-day and full-day CSPP enrollment when reporting monthly averages for a single fiscal year. The CDE also states, “Caution should be used when interpreting monthly averages as some programs do not operate at full capacity throughout the entire year (e.g., State Preschool) while other programs have seasonal fluctuations in enrollment (e.g., Migrant Child Care).” Finally, the data are for October 2017 because the CDE’s point-in-time reports are only available for the month of October. See Kristin Schumacher, *Millions of Children Are Eligible for Subsidized Child Care, but Only a Fraction Received Services in 2017* (California Budget & Policy Center: January 2018).

## Number and Share of Children in California Eligible for Subsidized Child Care and Development Programs, 2017

Age	Number of Children Enrolled in a State Program*	Number of Children Eligible at Initial Certification Levels (Income at 70% of State Median Income)	Share of Children Eligible at Initial Certification Levels Who Are Enrolled in a State Program	Number of Children Eligible at Recertification Levels (Income at 85% of State Median Income)	Share of Children Eligible at Recertification Levels Who Are Enrolled in a State Program
Less Than 1	7,400	127,200	5.8%	147,900	5.0%
1	17,300	151,900	11.4%	168,800	10.2%
2	25,800	158,000	16.3%	180,000	14.3%
3	38,900	149,200	26.1%	173,400	22.4%
4	43,600	161,300	27.1%	182,800	23.9%
5	19,500	150,500	13.0%	171,200	11.4%
6	15,500	150,800	10.3%	173,500	8.9%
7	13,800	167,200	8.3%	188,500	7.3%
8	13,000	163,300	8.0%	185,100	7.0%
9	11,500	167,400	6.8%	190,200	6.0%
10	9,800	173,900	5.6%	198,600	4.9%
11	7,100	153,100	4.6%	181,300	3.9%
12	4,900	158,200	3.1%	184,200	2.7%
<b>Total</b>	<b>228,100</b>	<b>2,031,900</b>	<b>11.2%</b>	<b>2,325,400</b>	<b>9.8%</b>

\*Figures reflect children enrolled in the full-day California State Preschool Program (CSPP) or in one of the following subsidized child care programs: Alternative Payment Program; CalWORKs Stages 1, 2, or 3; Family Child Care Home Network; General Child Care; and the Migrant Child Care and Development Program. Enrollment is for children from birth through age 12 in October 2017, except for California Community College (CCC) CalWORKs Stage 2 and CalWORKs Stage 1. CCC Stage 2 figures reflect a Department of Finance estimate for the 2017-18 fiscal year. CalWORKs Stage 1 figures by age are estimates based on California Department of Education (CDE) CalWORKs Stage 2 figures. This analysis also includes the full-day CSPP, which consists of part-day preschool and "wraparound" child care, because it accommodates many – although not all – families' work schedules throughout the year, and thus approximates the experience that a child would have in a subsidized child care program. In contrast, this analysis excludes roughly 97,000 children who were enrolled in the part-day CSPP, without access to wraparound child care, in October 2017. This is because most families with low and moderate incomes likely need wraparound care in order to supplement the CSPP's part-day, part-year schedule. This analysis reports enrollment data for a single month – as opposed to a monthly average for 2017 – because the CDE does not typically separate part-day and full-day CSPP enrollment when reporting monthly averages for a single fiscal year. The CDE also states, "Caution should be used when interpreting monthly averages as some programs do not operate at full capacity throughout the entire year (e.g., State Preschool) while other programs have seasonal fluctuations in enrollment (e.g., Migrant Child Care)." Finally, the data are for October 2017 because the CDE's point-in-time reports are only available for the month of October. See Kristin Schumacher, *Millions of Children Are Eligible for Subsidized Child Care, but Only a Fraction Received Services in 2017* (California Budget & Policy Center: January 2019).

Note: Numbers may not sum due to rounding. Families are eligible for subsidized child care if the child who would receive care is under the age of 13; the family establishes an appropriate eligibility status, such as by having an income below the limit set by the state; and the family demonstrates a need for care, such as parental employment. Families generally must meet the same income guidelines applicable to child care to qualify for the CSPP, which is funded solely with state dollars. State law, however, allows up to 10% of families in the state preschool program to have incomes up to 15 percent above the income eligibility limit, but only after all other eligible children have been enrolled. The CSPP is a part-day program offered for roughly nine months of the year. Some children receive "wraparound" services that provide subsidized child care for remainder of the day and throughout the entire year. To be eligible for the full-day CSPP, families generally must meet the same guidelines regarding eligibility status that are applicable to subsidized child care.

Source: Budget Center analysis of California Department of Education, Department of Finance, Department of Social Services, and US Census Bureau, 2017 American Community Survey data

## Number of Children in California Eligible for Subsidized Child Care and Development Programs Based on Various Poverty Thresholds, 2017

Age	Number of Children Eligible at 50% of the Official Poverty Threshold, 2017 ("Deep Poverty")	Number of Children Eligible at the Official Poverty Threshold, 2017	Number of Children Eligible at the Supplemental Poverty Threshold, 2017
Less Than 1	27,500	56,400	74,000
1	31,900	69,800	87,000
2	32,900	67,600	87,400
3	28,100	62,500	82,300
4	29,200	66,200	89,200
5	24,600	57,100	76,000
6	25,300	59,800	78,300
7	26,600	68,000	90,500
8	23,800	62,900	82,300
9	25,000	59,800	79,700
10	24,600	65,100	90,300
11	20,100	54,900	71,000
12	22,600	59,200	79,000
<b>Total</b>	<b>342,100</b>	<b>809,200</b>	<b>1,067,000</b>

Note: Numbers may not sum due to rounding. Families are eligible for subsidized child care if the child who would receive care is under the age of 13; the family establishes an appropriate eligibility status, such as by having an income below the limit set by the state; and the family demonstrates a need for care, such as parental employment. Data limitations likely result in a conservative estimate of the number of children in California who are eligible for subsidized child care. For more information about the methodology used to calculate this estimate, see the Technical Appendix at [https://calbudgetcenter.org/wp-content/uploads/2019/01/Technical-Appendix\\_Calculating-the-Need-for-Subsidized-Child-Care-in-California\\_01.2019.pdf](https://calbudgetcenter.org/wp-content/uploads/2019/01/Technical-Appendix_Calculating-the-Need-for-Subsidized-Child-Care-in-California_01.2019.pdf).

Source: Budget Center analysis of US Census Bureau, 2017 American Community Survey data