



California Budget  
& Policy Center

# The State of Child Care and Development Programs in 2018-19

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ECE COALITION ANNUAL MEETING

[calbudgetcenter.org](http://calbudgetcenter.org)

# Overview

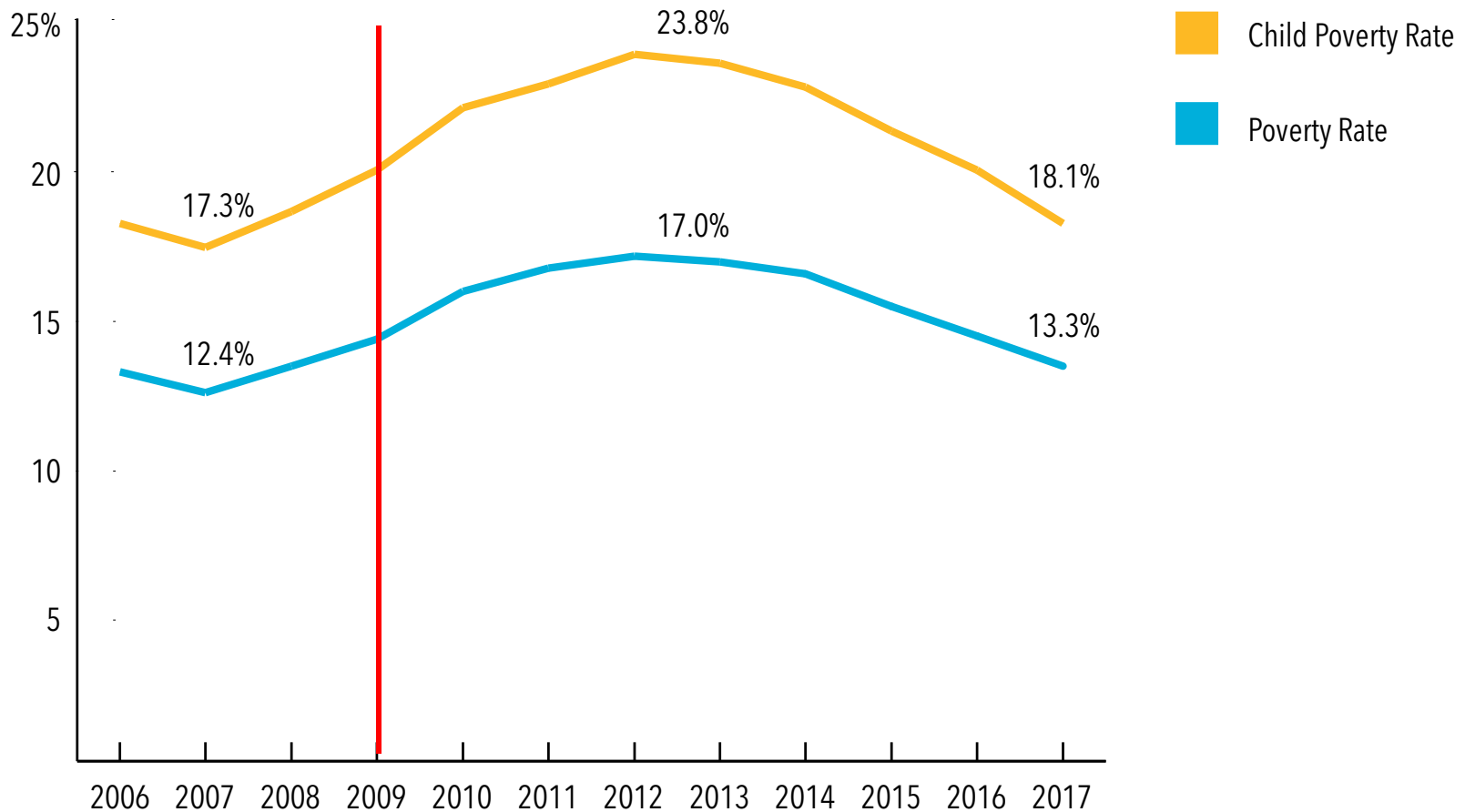
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- California's high cost of living, coupled with wage stagnation for low- and middle-income workers, means many families throughout the state struggle to make ends meet.
- Funding for California's subsidized child care and development system has rebounded since the Great Recession, but the distribution of funding has shifted over time.



# California's Official Poverty Rate Continued to Decline in 2017, but Remains Above Its Pre-Recession Level

Percentage of Californians With Incomes Below the Official Federal Poverty Line

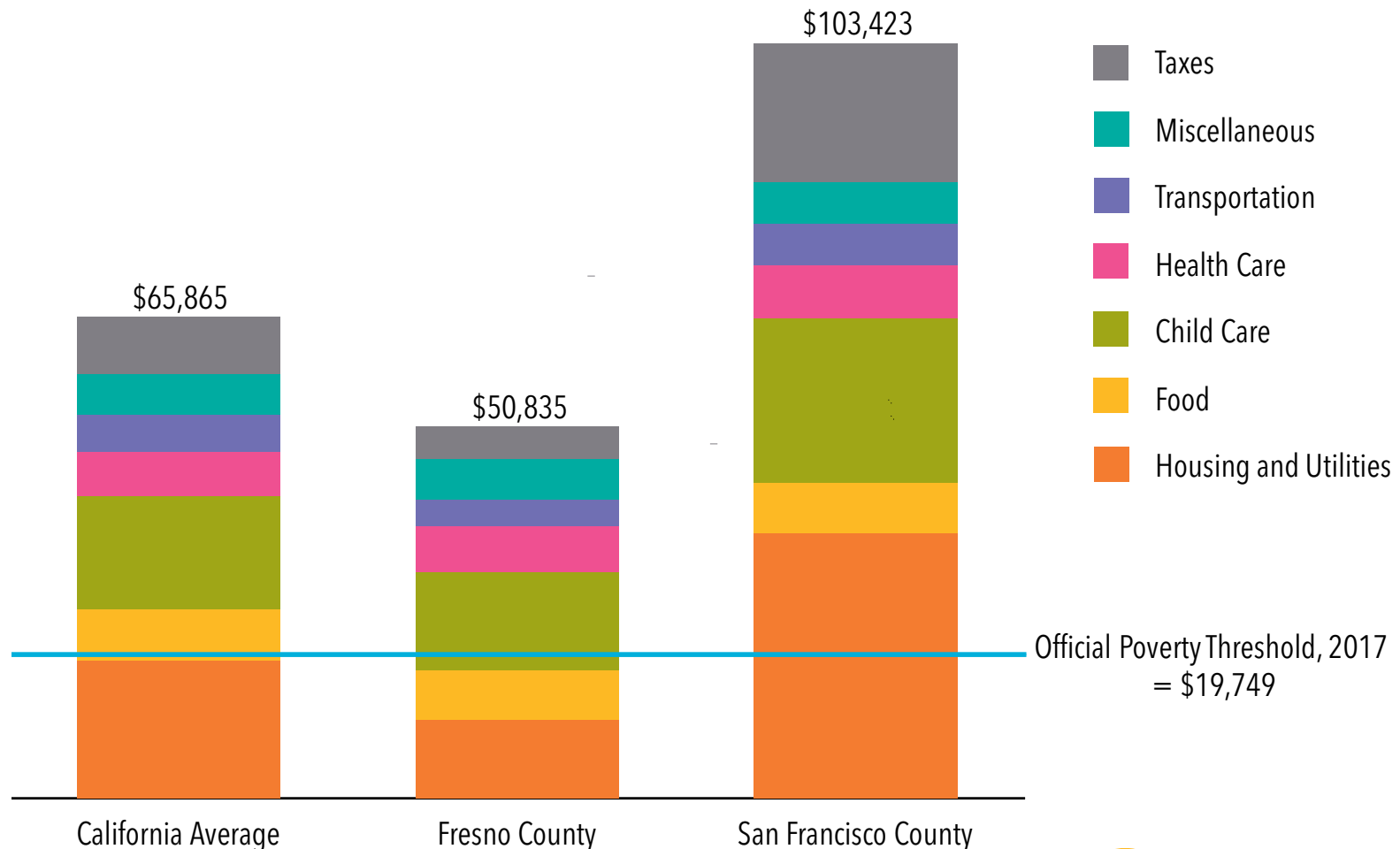


Source: US Census Bureau, American Community Survey



# Official Poverty Thresholds Are Much Less Than the Basic Cost of Living for Families in California

## Annual Basic Family Budget for a Single-Parent Family With Two Children, 2017

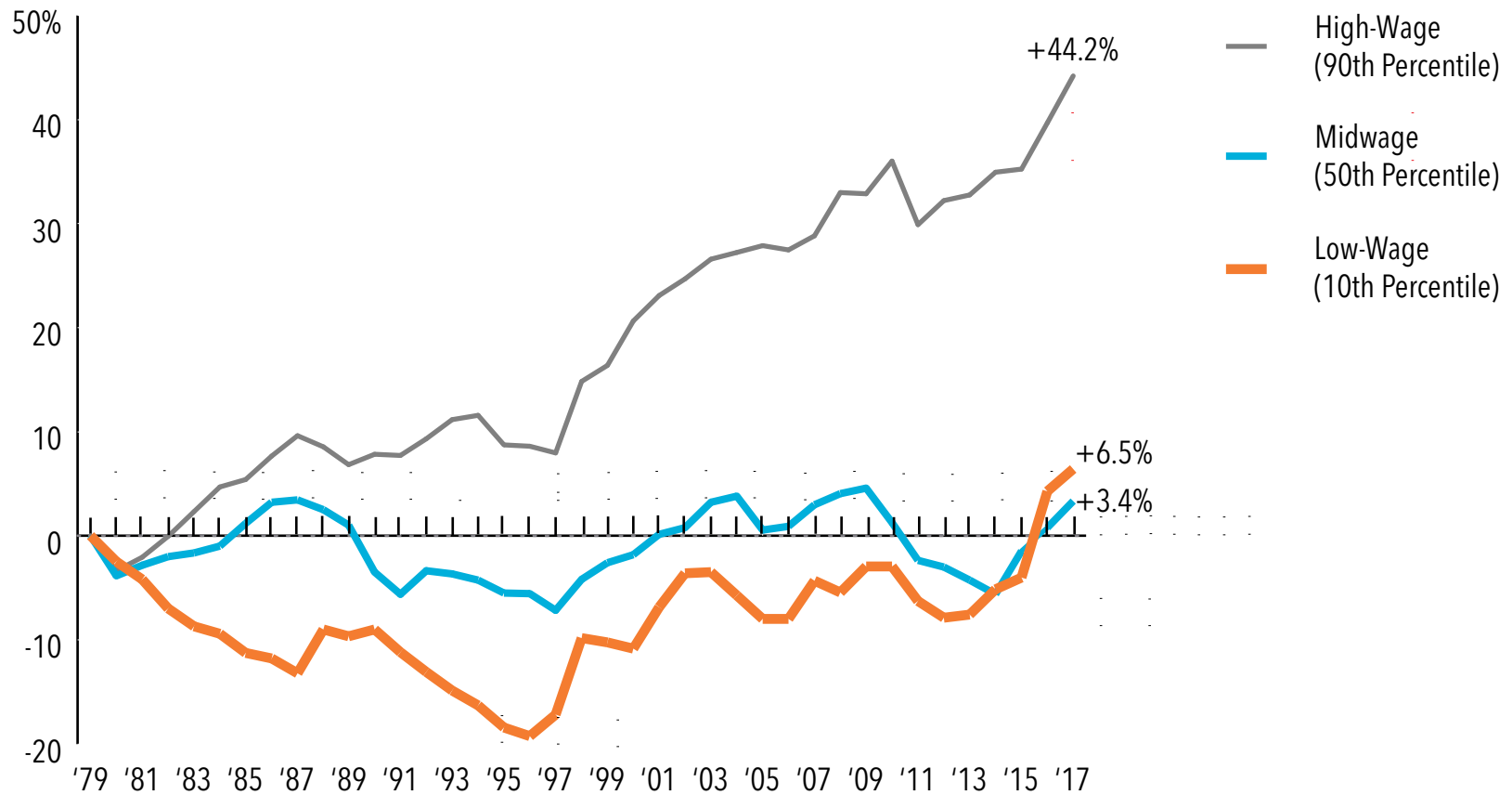


Note: Assumes one preschool-age and one school-age child and a single parent working full-time.  
Source: Budget Center *Making Ends Meet* 2017 analysis and US Census Bureau



# California's Low- and Mid-Wage Workers Have Seen Only Modest Gains Since 1979

Percent Change in Inflation-Adjusted Hourly Wages for Workers Ages 18-64



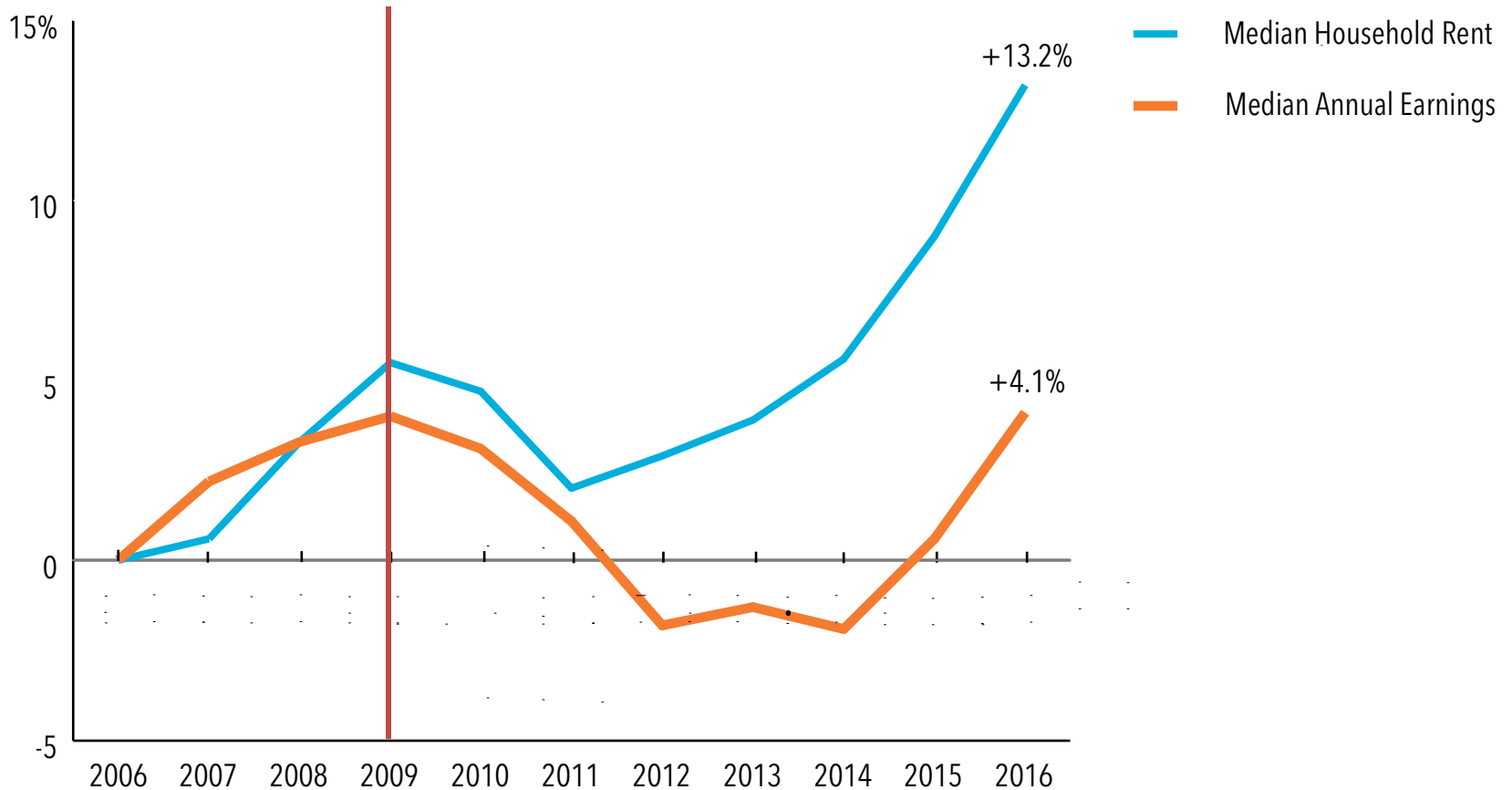
Note: Figures reflect 2017 dollars.

Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data



# Workers' Earnings Have Not Kept Pace With Rents in California

Percent Change in Inflation-Adjusted Median Rent and Median Annual Earnings Since 2006



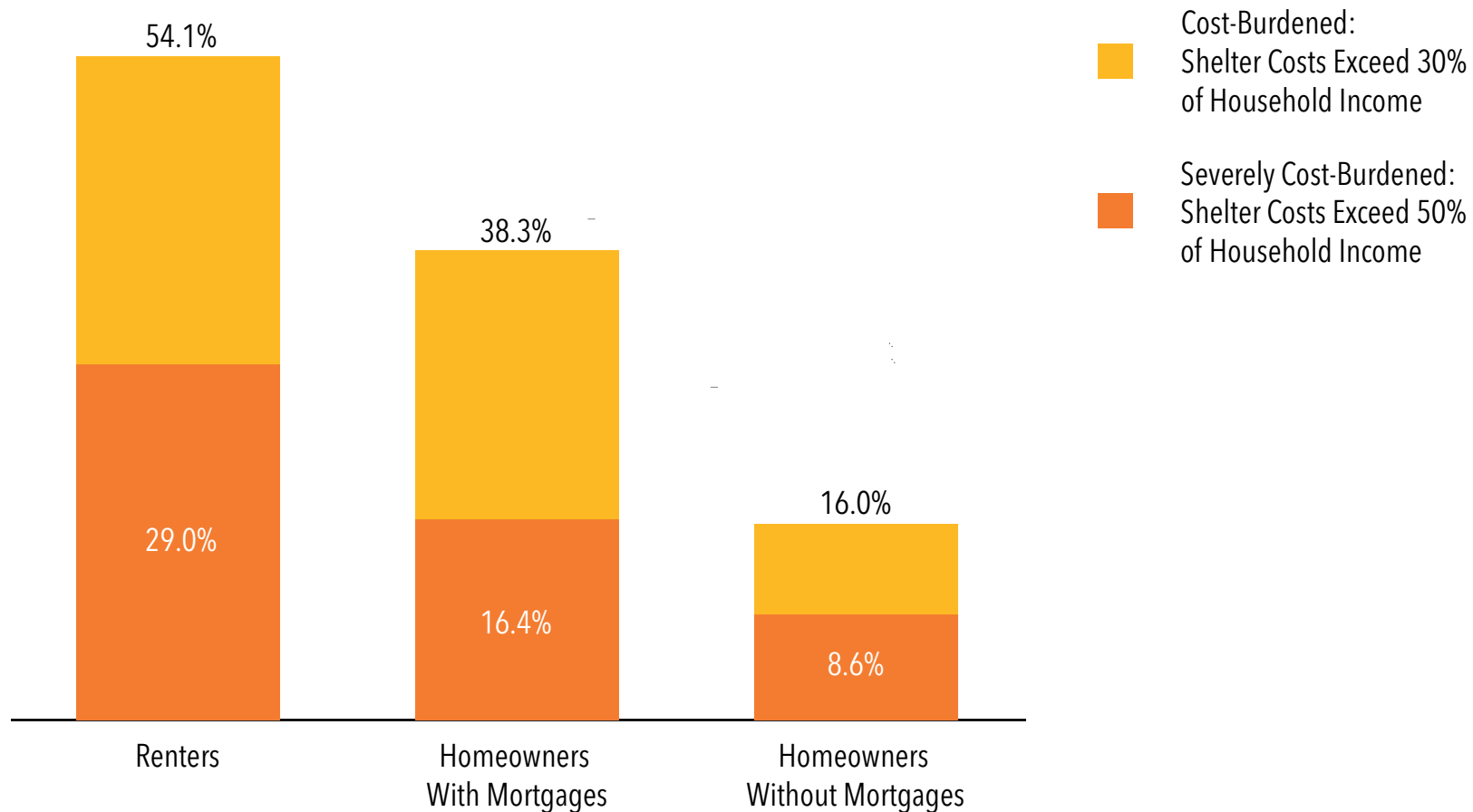
Note: Median annual earnings for individuals working at least 35 hours per week and 50 weeks per year. Excludes workers with \$0 or negative total earnings.

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



# More Than Half of California's Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost Burden, 2016



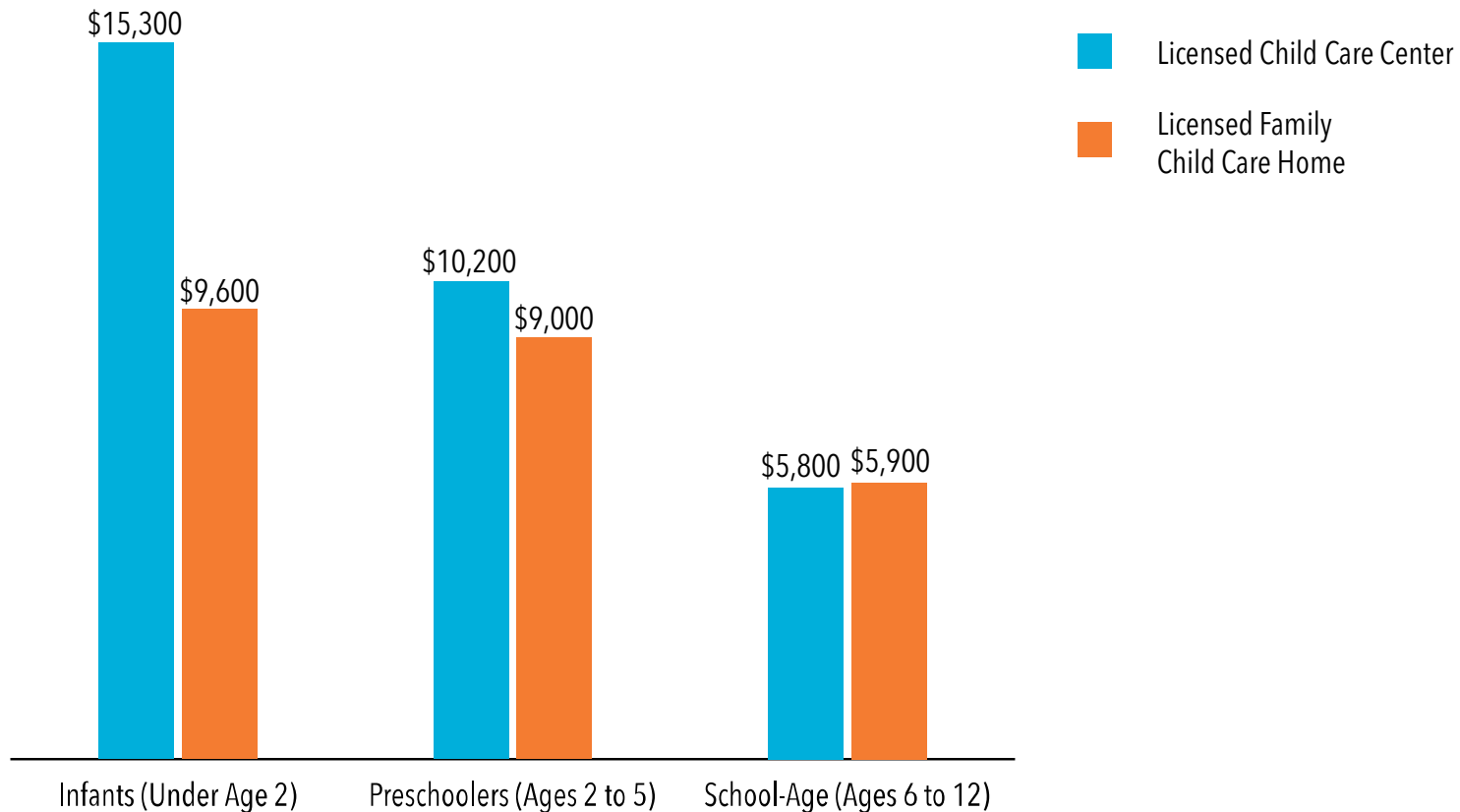
Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development.

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



# 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.

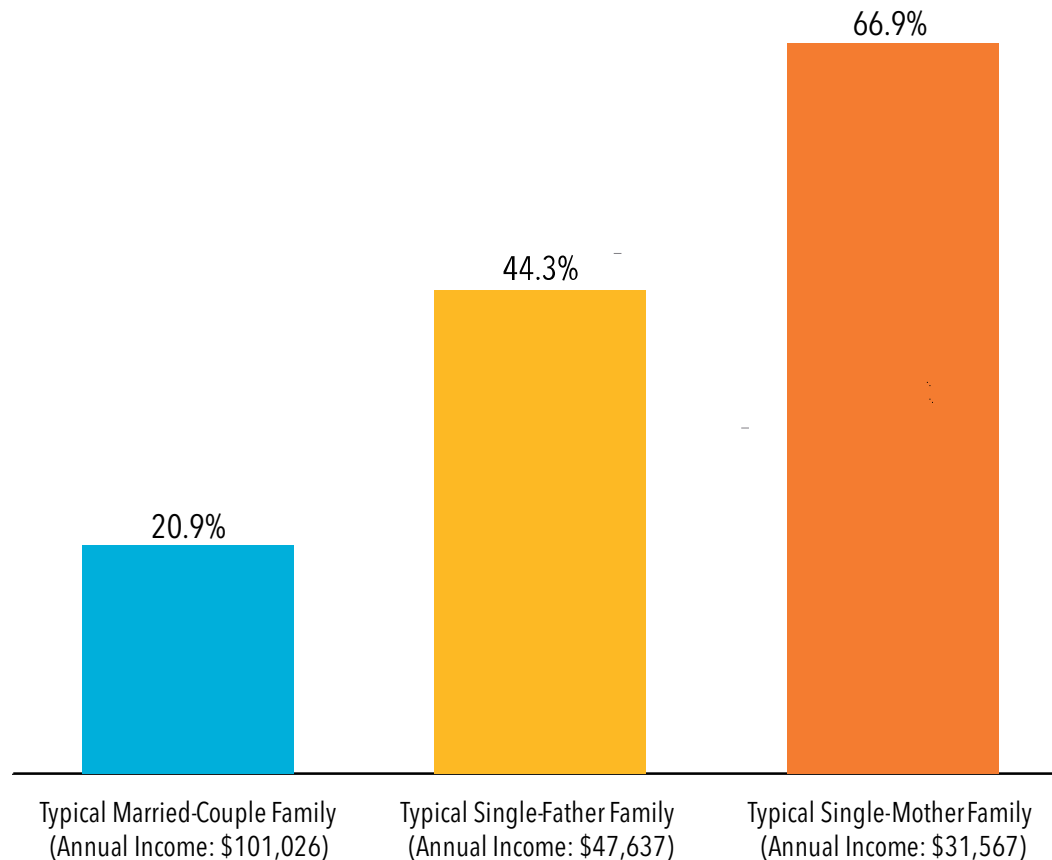
Source: Budget Center analysis of California Department of Education data, 2016 Regional Market Rate Survey





# The Cost of Child Care in California Is a Large Share of Family Budgets, Especially for Single-Parent Families

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2017

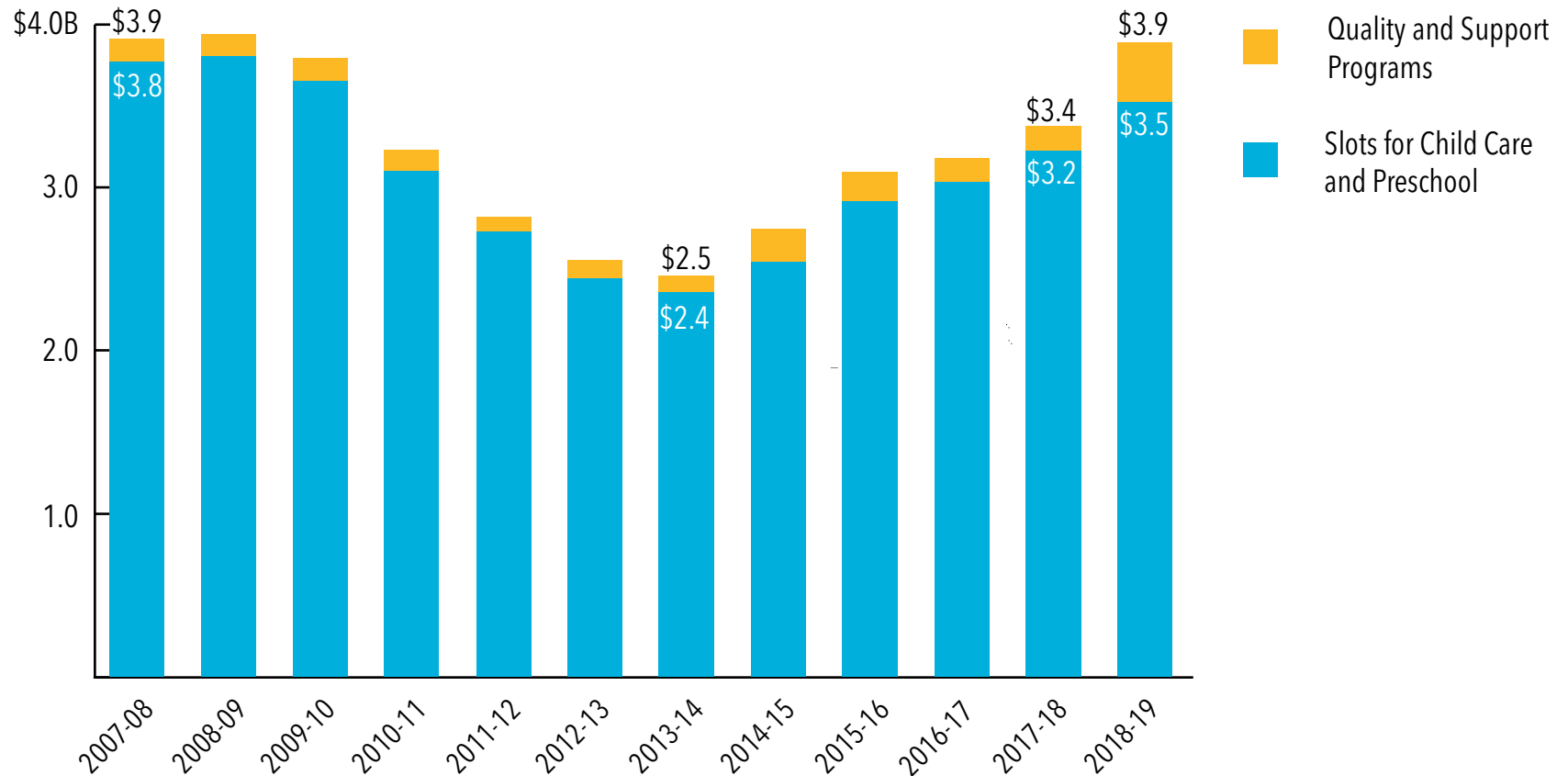


Note: Cost of care is for a licensed center in California in 2016 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation. Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

Source: Budget Center analysis of data from the California Department of Education, 2016 Regional Market Rate Survey and US Census Bureau



# Total Funding for Subsidized Child Care and Preschool in California (Billions), Inflation-Adjusted



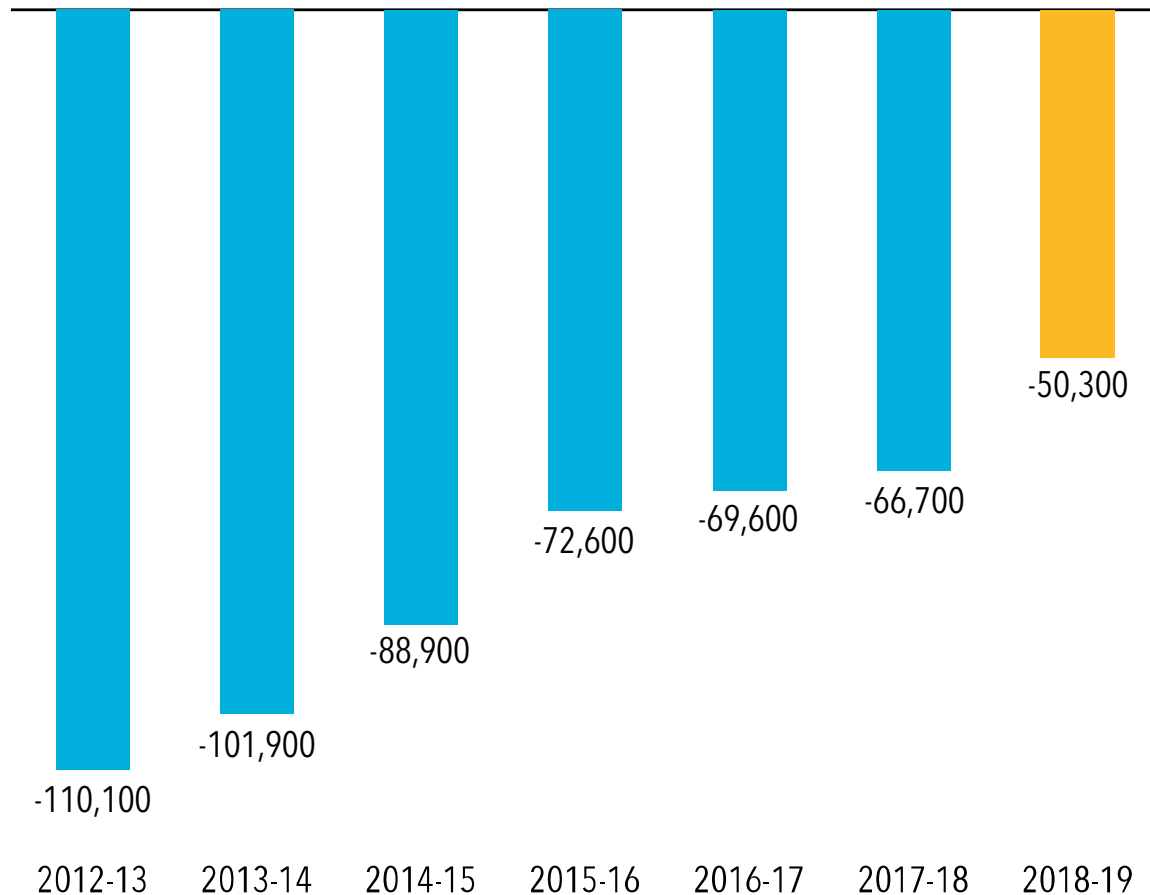
Note: Figures reflect the enacted budget each year except for 2008-09, which reflects the revised budget as of February 2009. Figures include federal and state funds for slots as well as for quality and support programs and are in 2018-19 dollars. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



# Even With Recent Increases, California Will Have 50,000 Fewer Child Care and Preschool Slots Than in 2007-08

Amount by Which Annual Subsidized Child Care and Preschool Slots Are Below the 2007-08 Level

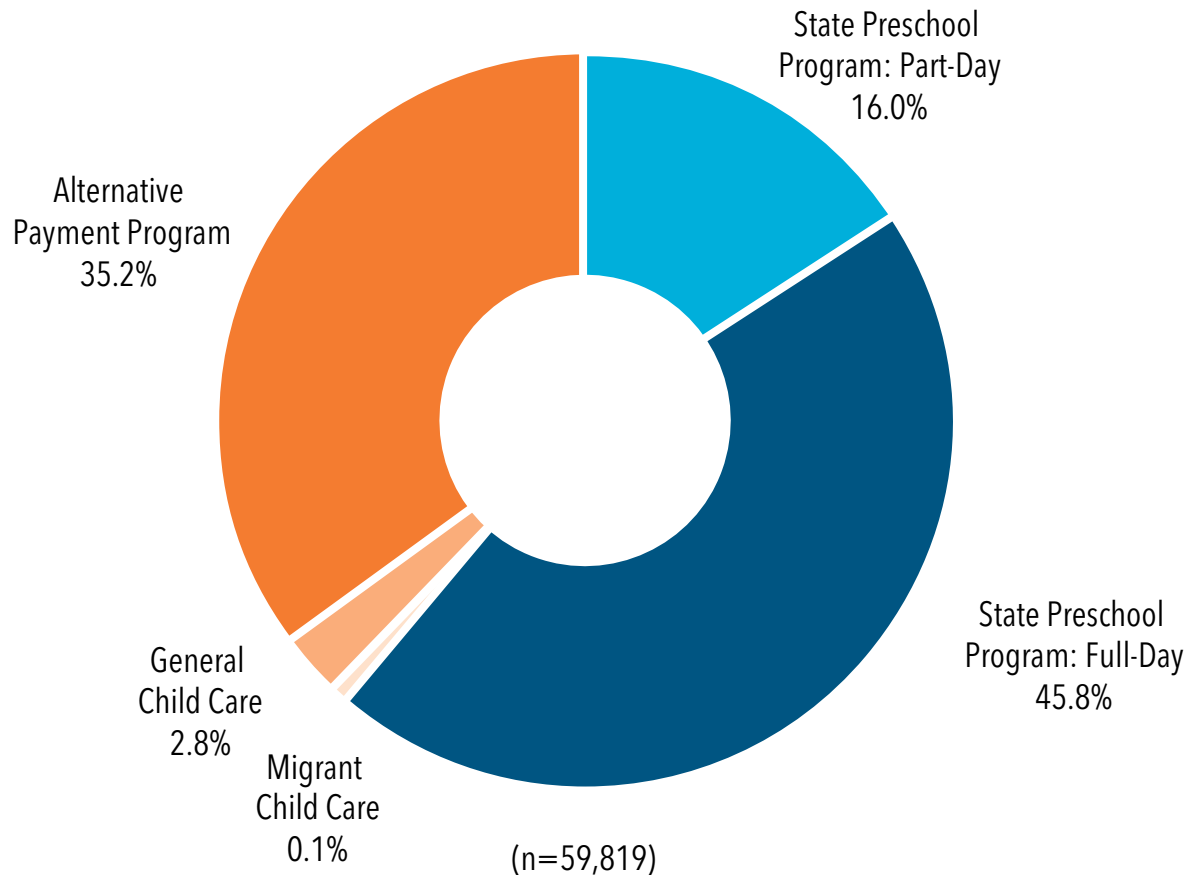


Note: Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten. Slots include those funded with federal and/or state dollars.  
Source: Budget Center analysis of Department of Finance and Legislative Analyst's Office data



# About 60,000 Subsidized Child Care and State Preschool Slots Have Been Added Since the 2013-14 State Fiscal Year

Despite Recent Investments, Total Slots in 2018-19 Remain 11% Below the 2007-08 Level

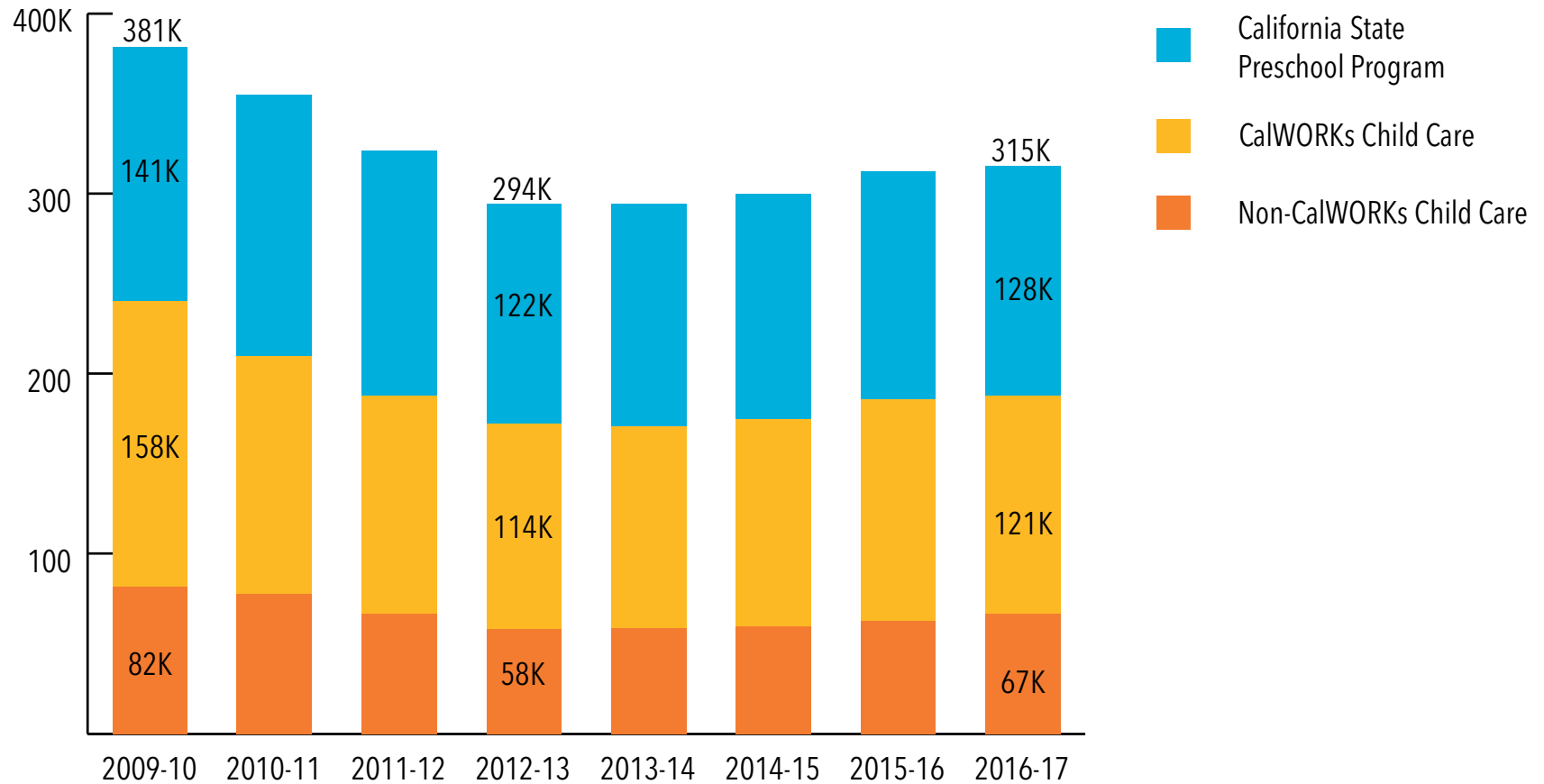


Note: Slots include those funded with federal and/or state dollars.

Source: Budget Center analysis of Department of Finance and Legislative Analyst's Office data



# Average Monthly Number of Children Enrolled in Subsidized Child Care and the State Preschool Program



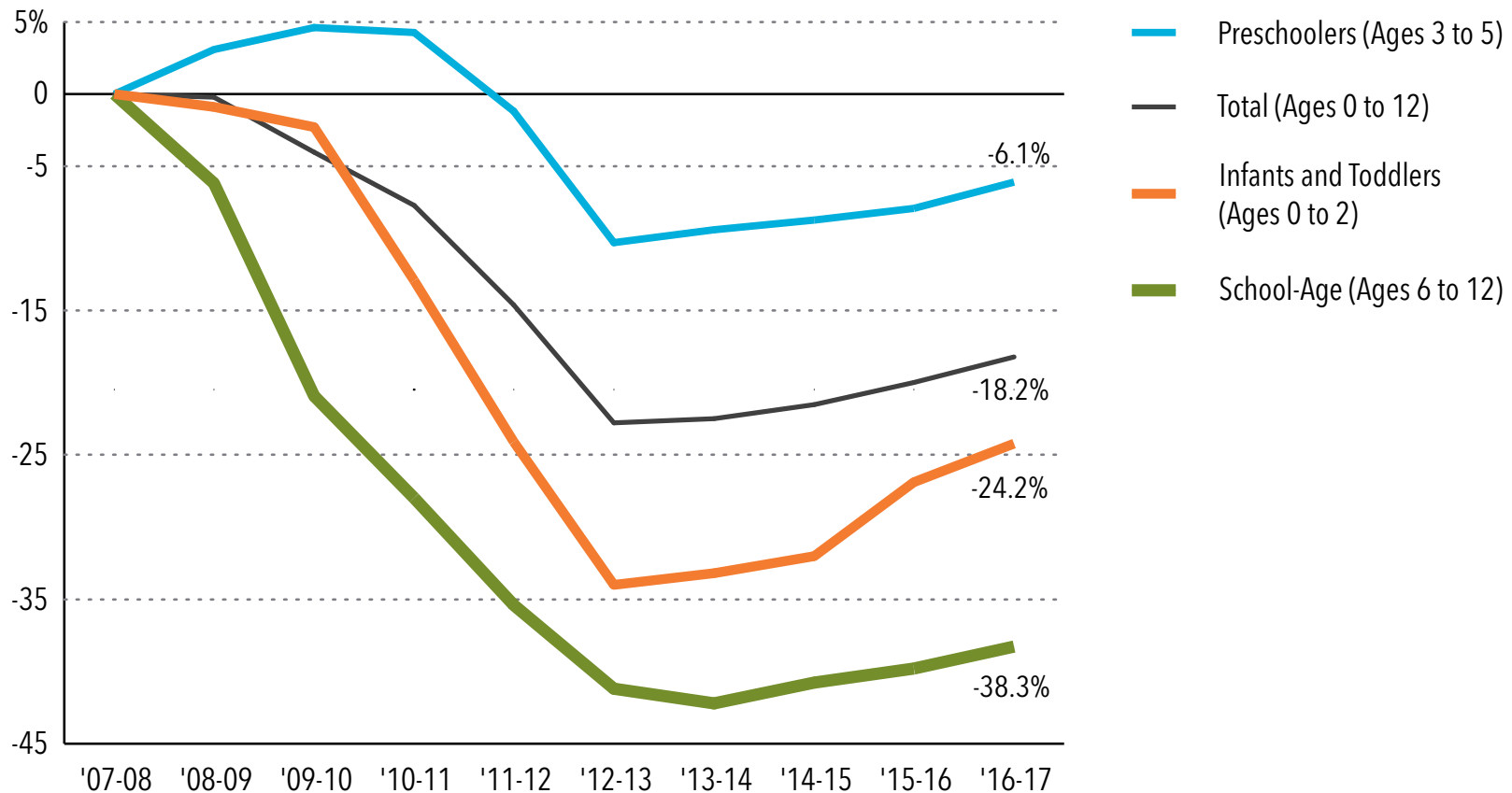
Note: Figures are rounded to the nearest thousand. California Community Colleges CalWORKs Stage 2 data for 2016-17 reflect estimates, not actuals.

Source: California Community Colleges Chancellor's Office, California Department of Education, and Department of Social Services



# Across All Age Groups, Fewer Children Were Enrolled in Subsidized Child Care and Development Programs

Percent Change in Average Number Served in Subsidized Programs, 2007-08 to 2016-17



Note: Data represent the average number of children served in October and April of each fiscal year in subsidized child care and development programs administered by the California Department of Education. Data do not include afterschool programs.

Source: Budget Center analysis of California Department of Education data



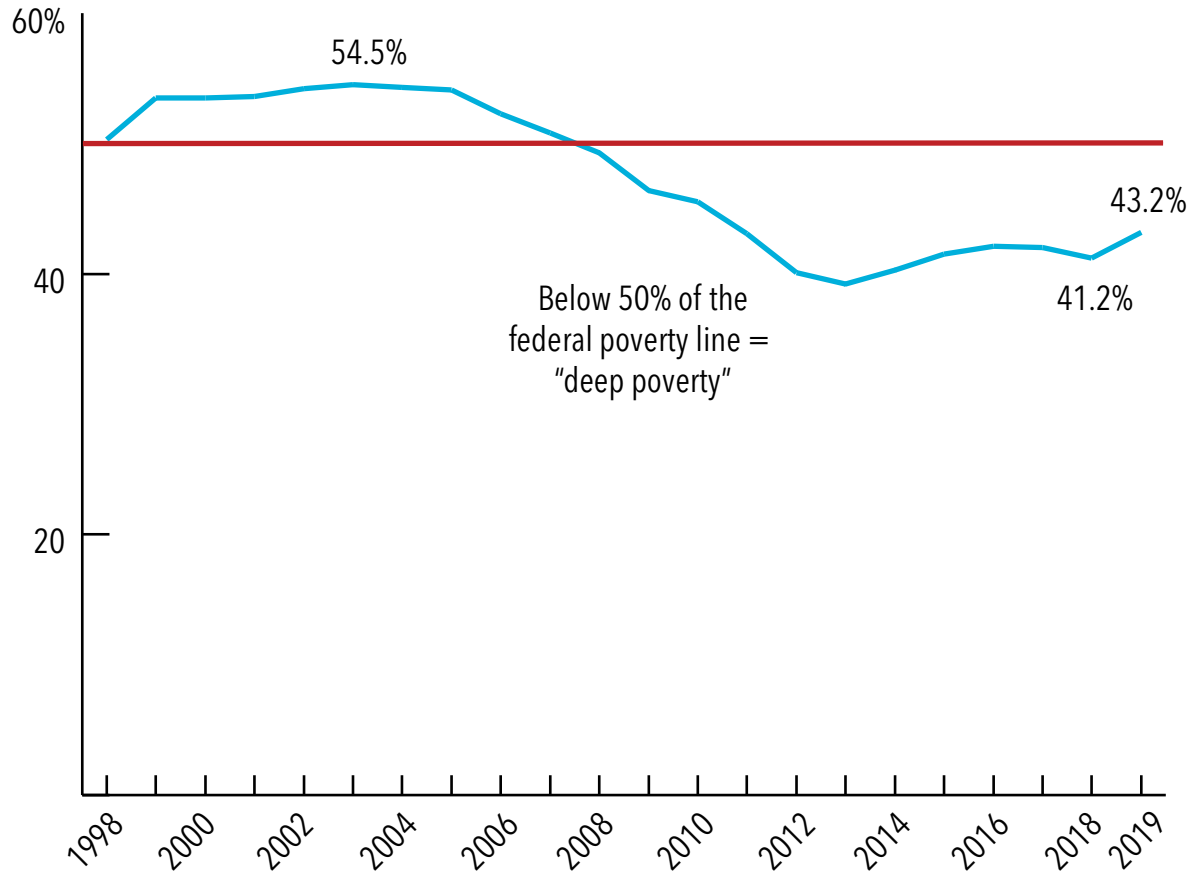
**CalWORKs provides modest cash assistance to families while helping parents find and keep jobs.**

**About 780,000 California children receive assistance from CalWORKs.**



# Despite an Increase in 2018-19, CalWORKs Grants Will Be Below the Deep-Poverty Line for the Twelfth Straight Year

## Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line



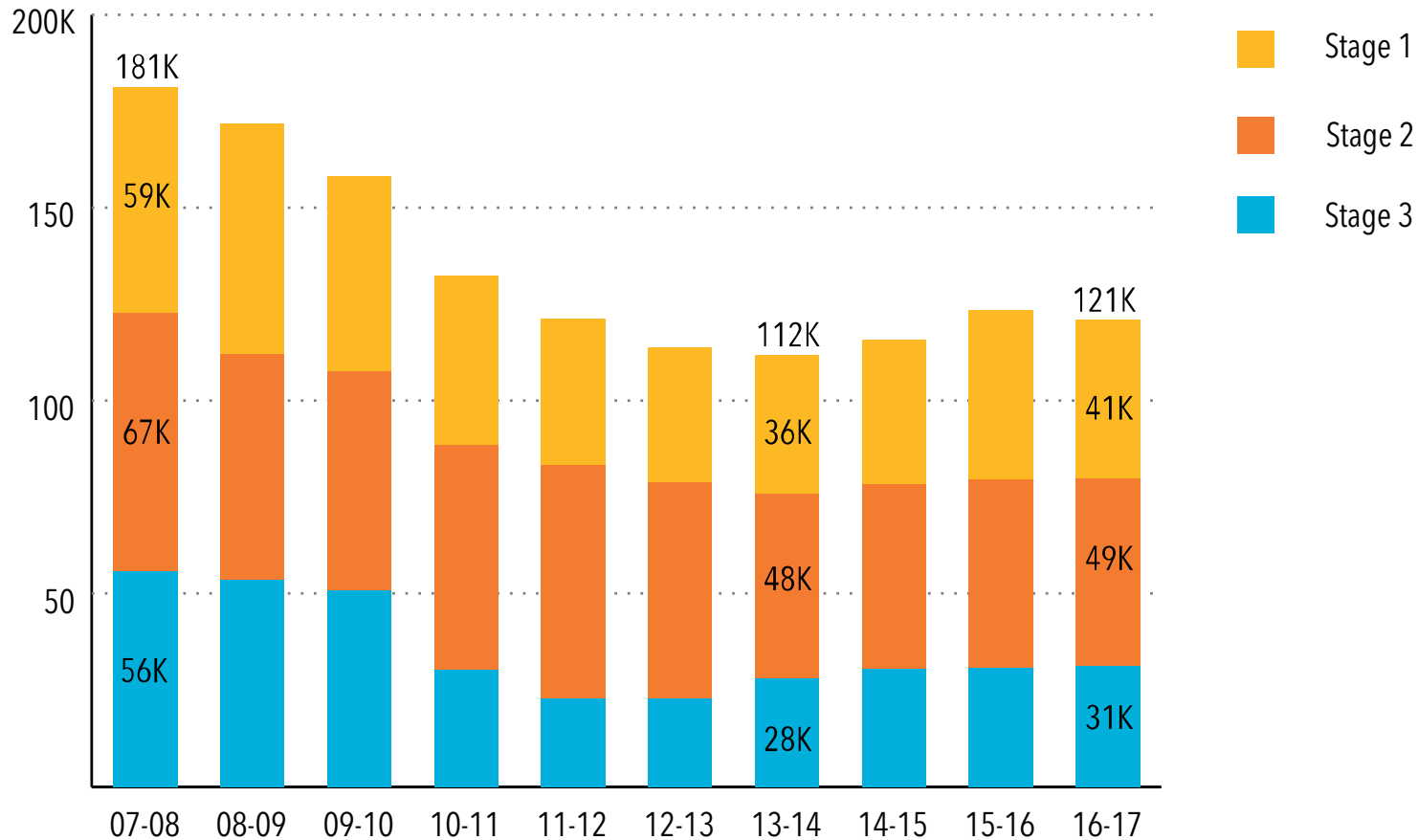
Note: Grants are for high-cost counties. Anticipated 2019 federal poverty line based on Legislative Analyst's Office estimate.

Source: Budget Center analysis of Department of Social Services, Legislative Analyst's Office, US Department of Health and Human Services, and US Social Security Administration data





# Average Monthly Number of Children Enrolled in CalWORKs Child Care



Note: Reflects CalWORKs Stages 1, 2, and 3 child care. Figures are rounded to the nearest thousand. California Community Colleges Stage 2 data for 2016-17 reflect an estimate, not an actual.  
 Source: California Community Colleges Chancellor's Office, California Department of Education, and Department of Social Services





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