



# PARENTS AND THE HIGH COST OF CHILD CARE

## 2015 REPORT



This report was completed by staff at Child Care Aware® of America, Hanover Research, Stephen Wood who compiled the data, and Dr. Lynette Fraga, Dr. Dionne Dobbins, and Michelle McCready who wrote the report. Laurie Rackas edited the document and contributed to the child care workforce section.

### ***About Child Care Aware® of America***

Child Care Aware® of America is our nation's leading voice for child care. Our vision is that every family in the United States has access to high quality, affordable child care. We advance a child care system that effectively serves all children and supports children's growth, development and educational advancement and creates positive economic impact for families and communities. To learn more about our mission, visit [www.usa.childcareaware.org](http://www.usa.childcareaware.org).

Copyright © 2015 by Child Care Aware® of America. All rights reserved. No part of this publication may be reproduced in any form—except in case of brief quotations embodied in critical articles or reviews—without prior written permission from Child Care Aware® of America.

Child Care Aware® of America

1515 N. Courthouse Road, 11th Floor, Arlington, VA 22201

Phone (703) 341-4100 Fax (703) 341-4101 [www.usa.childcareaware.org](http://www.usa.childcareaware.org)

# TABLE OF CONTENTS

<b>TABLE OF CONTENTS .....</b>	<b>3</b>
LIST OF FIGURES .....	5
LIST OF TABLES .....	5
<b>FROM THE EXECUTIVE DIRECTOR .....</b>	<b>6</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>8</b>
CONTEXT.....	8
COST .....	8
ACCESS.....	9
RECOMMENDATIONS .....	9
<b>CONTEXT .....</b>	<b>10</b>
THE CHILD CARE LANDSCAPE IN THE UNITED STATES .....	11
CHILD CARE SETTINGS .....	11
CHILD CARE DESERTS.....	11
THE CHANGING DEMOGRAPHICS .....	11
THE IMPORTANCE OF CHILD CARE .....	15
CHILD CARE IS A SOUND INVESTMENT .....	15
QUALITY CHILD CARE IS EARLY EDUCATION.....	16
CHILD CARE HELPS PARENTS WORK AND PURSUE EDUCATION .....	17
INVESTMENTS IN THE CHILD CARE WORKFORCE .....	20
THE STATE OF OUR CHILD CARE SYSTEMS.....	20
<b>COST .....</b>	<b>22</b>
CHILD CARE COST DRIVERS.....	23
QUALIFIED STAFF .....	23
STATE REGULATIONS .....	24
AVERAGE COST IN THE STATES.....	25
METHODOLOGY .....	25
AFFORDABILITY: CHILD CARE COSTS AND FAMILY INCOME .....	25
CHILD CARE AWARE® OF AMERICA’S INTERACTIVE CHILD CARE COST MAP .....	25
LEAST-AFFORDABLE STATES .....	26
WHAT FAMILIES PAY FOR CHILD CARE .....	29
CHILD CARE IS ONE OF THE HIGHEST BUDGET ITEMS FOR FAMILIES .....	31

CHILD CARE IS UNAFFORDABLE FOR LOW-INCOME FAMILIES .....	32
CHILD CARE COSTS VERSUS COLLEGE COSTS.....	33
EXAMINING CHILD CARE IN URBAN SETTINGS.....	34
THE UNIQUE CHILD CARE LANDSCAPE IN THE DISTRICT OF COLUMBIA.....	34
SPOTLIGHT: CHILD CARE COSTS IN FIVE COUNTIES .....	34
<b>ACCESS.....</b>	<b>37</b>
PAYING FOR CHILD CARE .....	38
FUNDING FOR CHILD CARE.....	38
OTHER SUPPORT FOR CHILD CARE SYSTEMS DEVELOPMENT.....	39
THE COST OF UNREGULATED CHILD CARE.....	40
EXPANDING ACCESS TO QUALITY, AFFORDABLE CHILD CARE .....	42
POTENTIAL SOLUTIONS .....	42
<b>CONCLUSION AND RECOMMENDATIONS.....</b>	<b>49</b>
CHILD CARE AWARE® OF AMERICA RECOMMENDATIONS .....	49
EARLY OPPORTUNITIES .....	50
<b>RESOURCES FOR FAMILIES .....</b>	<b>51</b>
<b>GLOSSARY .....</b>	<b>52</b>
<b>APPENDICES .....</b>	<b>53</b>
APPENDIX I: 2014 AVERAGE ANNUAL COST OF FULL-TIME CHILD CARE BY STATE.....	53
APPENDIX II: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED INFANT CARE .....	55
APPENDIX III: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED FOUR-YEAR-OLD CARE .....	57
APPENDIX IV: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED SCHOOL-AGED CHILD CARE.....	59
APPENDIX V: AVERAGE COSTS FOR TWO CHILDREN IN CHILD CARE VERSUS MEDIAN HOUSING COSTS BY STATE .....	61
APPENDIX VI: AVERAGE ANNUAL COST OF FULL-TIME CHILD CARE IN A CENTER AND PUBLIC COLLEGE TUITION AND FEES BY STATE.	63
APPENDIX VII: 2014 RANKING OF AFFORDABILITY OF CENTER CARE FOR SINGLE-PARENT HOUSEHOLDS .....	65
APPENDIX VIII: 2014 AVERAGE COSTS FOR CENTER-BASED CARE FOR AN INFANT AND TWO CHILDREN COMPARED TO VARYING POVERTY LEVELS .....	67
APPENDIX IX: 2014 AVERAGE COSTS FOR CENTER-BASED CARE FOR A FOUR-YEAR-OLD COMPARED TO POVERTY LEVELS .....	69
APPENDIX X: 2014 AVERAGE COSTS FOR FAMILY CHILD CARE FOR AN INFANT AND TWO CHILDREN COMPARED TO VARYING POVERTY LEVELS .....	71
APPENDIX XI: 2014 AVERAGE COSTS FOR FAMILY CHILD CARE FOR A FOUR-YEAR-OLD COMPARED TO VARYING POVERTY LEVELS ..	73
APPENDIX XII: CHILD CARE WORKER INCOME COMPARED TO THE COST OF HAVING TWO CHILDREN IN CENTER-BASED CARE .....	75

## LIST OF FIGURES

FIGURE 1: AVERAGE COST FOR CENTER-BASED INFANT CARE AS A PERCENTAGE OF MARRIED COUPLE'S MEDIAN INCOME.....	26
FIGURE 2: KEY FACTS ON THE AVERAGE COST OF CHILD CARE .....	30
FIGURE 3: CENTER-BASED CARE COSTS FOR TWO CHILDREN COMPARED WITH OTHER MAJOR HOUSEHOLD EXPENSES BY REGION.....	31
FIGURE 4: KEY FACTS ON CHILD CARE COSTS AND POVERTY .....	33

## LIST OF TABLES

TABLE 1: CHILD CARE ARRANGEMENTS FOR CHILDREN UNDER FIVE .....	11
TABLE 2: BEST COMPANIES VERSUS THE MAJORITY OF U.S. EMPLOYERS.....	19
TABLE 3: CHILD CARE WORKER INCOME COMPARED TO THE COST OF HAVING TWO CHILDREN IN CENTER-BASED CARE .....	24
TABLE 4: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED INFANT CARE IN 2014 .....	27
TABLE 5: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED CARE FOR A FOUR-YEAR-OLD IN 2014 .....	27
TABLE 6: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED BEFORE-/AFTER-SCHOOL CARE FOR A SCHOOL-AGE CHILD IN 2014 .....	28
TABLE 7: CHILD CARE COSTS IN FIVE URBAN COUNTIES .....	34

## FROM THE EXECUTIVE DIRECTOR



Eleven million children younger than age five are in some form of child care in the United States. The *Parents and the High Cost of Child Care: 2015* report summarizes the cost of child care across the country and represents the ninth year that Child Care Aware® of America has published this data. Unfortunately, the picture for families has not improved in this time and child care remains one of the most significant expenses in a family budget. In many states, child care exceeds the cost of housing, college tuition, transportation, or food. Unlike all other areas of education, including colleges and universities, families pay the majority of costs for early education for young children. These costs generally come when parents are at the beginning of their careers—a time when families can least afford them.

Child care impacts more than individual families. While access to high-quality child care increases morale and employer loyalty, child care problems cost businesses over \$4 billion annually.<sup>1</sup> Beyond the immediate workforce impacts, child care has long-term effects. Scientific breakthroughs in understanding brain development make it clear that the early years are a unique period of development and early experiences form the foundation for future success. Ensuring child care is high-quality, affordable, and available for families is crucial to our nation's ability to produce and sustain an economically viable, competitively positioned workforce in the future.

While the consequences of the lack of affordable, quality child care are often overlooked, the problems produced are real and severe. Children who start kindergarten behind too often stay behind. Among children who arrive at school

without the skills needed for success, over 85 percent are still behind in 4<sup>th</sup> grade.

Fully 75 percent of 18-year-olds are not qualified to serve their country in the military. Military leaders have identified the need for quality early care and education for all children as a top priority to ensure national security.

Dr. James J. Heckman, Nobel Laureate in Economics and Professor of Economics at the University of Chicago concluded after decades of research on labor economics: "The real question is how to use available funds wisely. The best evidence supports the policy prescription: Invest in the very young."

The *Parents and the High Cost of Child Care: 2015* report updates the 2014 report and:

- ▶ examines the dual importance of child care as a workforce support *and* as early learning programs,
- ▶ describes the changing demographics and the impact on child care across the country,
- ▶ describes the costs of running a child care center or family child care home,
- ▶ includes a new interactive map that allows users to examine the cost and affordability of child care across the country,
- ▶ ranks states according to their affordability for infants and toddlers, four-year-olds, and school-age children,
- ▶ compares the cost of child care to other family expenses,
- ▶ explores the effect of the cost of care on parents' child care options, and
- ▶ examines the cost of child care in 5 urban areas and compares these costs to statewide averages.

Child Care Aware® of America's vision is of a nation that supports the notion that every family in the United States has access to high quality, affordable

---

<sup>1</sup> Shellenback, K. (2004). Child Care & Parent Productivity: Making the Business Case. Cornell University Linking Economic Development and Child Care Research Project.

child care. This is the ninth year that we have looked at the cost of child care in centers and family child care homes and the story has not changed. So we ask the difficult question: How can quality child care be made affordable for all families? What can we do as a national community to invest in the 11 million children in child care programs?

The reauthorization of the Child Care and Development Block Grant in 2014 represents an enormous step forward in establishing access to quality, affordable child care for all children and families. However, more work still needs to be done to ensure that Congress and states are implementing all of the CCDBG requirements

effectively, and expanding access to child care for all—regardless of race, ethnicity, socioeconomic status, or location. It is an exciting time and we are on the cusp of great leaps toward improving child care in this country. This report will help inform the important conversations ahead.

My best,

A handwritten signature in black ink, appearing to read "Lynette".

Lynette M. Fraga, Ph.D., Executive Director,

Child Care Aware® of America

## EXECUTIVE SUMMARY

For many, the high cost of child care is one of the initial shocks of becoming a parent. *Parents and the High Cost of Child Care: 2015 Report* updates the previous report and uses 2014 data to describe the average fees families are charged for legally

operating child care centers and family child care homes in each state and the District of Columbia. Additionally, the report analyzes the following elements of child care in the United States:



### Context

The report describes changing demographics on many fronts and highlights the benefits of investing in child care.



### Cost

Child care costs differ by state and urban area. The report evaluates the differences in child care across the United States and assesses what is driving these costs.



### Access

Many parents are unable to access high-quality, affordable child care for their children. The report addresses methods through which stakeholders can expand this access.

## CONTEXT

In the United States, an estimated 11 million children under the age of five spend an average of 36 hours per week in child care. Further, high child care costs do not mean high quality: nationally, estimates suggest that only 10 percent of child care meets the quality requirements that lead to positive effects on children's outcomes.

**The Child Care Landscape in the United States** provides a national overview and examines the influence of changing demographics, including the increase in women in the workforce, culturally and linguistically diverse children, and under-resourced children with specific child care needs. **The Importance of Child Care** evaluates the economic and educational benefits of high-quality child care for parents and their young children. This section also underscores the importance of employers implementing child care-friendly policies for working parents. **Investments in the Child Care Workforce** describes the fragmented state of the U.S. child care system and encourages stakeholder involvement to ensure that children have high-quality child care experiences that provide them with the developmental education necessary to transition into school.

## COST

Because young children need individualized attention, child care and early education is a labor-intensive industry with high costs for families. Nonetheless, while 80 percent of child care business expenses are related to employee pay, child care workers are among the lowest-paid professionals in the country, leading to difficulty recruiting and retaining qualified staff.

**Child Care Cost Drivers** focuses on those factors that contribute to high child care costs, including employee salaries and state regulations. In **Average Cost in the States**, Child Care Aware® of America compares state care data to the state median income for married couples with children and for single parents. Using this method, this section ranks the top ten least affordable states for center-based child care for infants, four-year-olds, and school-age children. While these data provide a comprehensive, state-level overview of child care costs, **Examining Child Care in Urban Settings** looks specifically at these expenses in urban areas. The section analyzes the child care costs in five urban settings throughout the United States and addresses the unique child care landscape in the District of Columbia.



## ACCESS

In the United States, parents pay approximately 60 percent of child care costs for their children. While there are multiple sources of child care funding throughout the country, these sources often serve only a fraction of the population and are not part of a broad, coordinated policy to make affordable, quality child care accessible to all working parents.

**Paying for Child Care** explores funding sources available for parents through federal grants, tax credits, and other businesses and philanthropic organizations. The section also examines the cost of unregulated child care and underscores the importance of quality measurement for child care services. Finally, **Expanding Access to Quality, Affordable Child Care** presents potential strategies for improving access to child care for families in the United States. These recommendations involve multiple stakeholders, including state and federal governments, employers, and parents themselves.

## RECOMMENDATIONS

In order to better meet the need of America's working families, Child Care Aware® of America recommends that Congress take the following actions:

- ▶ Increase significant federal investments in child care assistance
- ▶ Provide resources for planning and developing child care capacity
- ▶ Reduce barriers in the subsidy administration process
- ▶ Require the Department of Health and Human Services (HHS) to undertake a study of high-quality child care
- ▶ Ensure that public pre-kindergarten programs are designed to meet the developmentally appropriate child care needs of working families
- ▶ Expand the Child and Dependent Care Tax Credit (CDCTC)
- ▶ Review and consider the policy options available to help families offset the rising cost of child care
- ▶ Simplify the process whereby families qualify for various child care tax incentives
- ▶ Ensure that parents who are enrolled in and attend college full- or part-time are permitted to take advantage of the Dependent Care Tax Credit



## CONTEXT



# THE CHILD CARE LANDSCAPE IN THE UNITED STATES

## CHILD CARE SETTINGS

Every week in the United States, nearly **11 million children** younger than age five are in some type of child care arrangement (see table 1). On average, these children spend **36 hours a week in child care**.<sup>2</sup> While parents are children's first and most important teachers, child care programs provide early learning opportunities for millions of young children daily and have a profound impact on their development and readiness for school.

**TABLE 1: CHILD CARE ARRANGEMENTS FOR CHILDREN UNDER FIVE<sup>3</sup>**

Child Care Arrangement	Percentage of Children
Center-based care (child care center, preschool, Head Start)	35%
Grandparent	32%
Other relative (not including fathers)	10%
Family child care homes	8%
Care in the child's home	5%
Care in friend or neighbor's home	5%

Note: Care by one parent while the other parent is working is not included in this table, so the percentages do not total 100 percent.

The majority of children attend child care centers; the rest are cared for by family child care homes, family members, friends, or neighbors. Twenty-six percent of children are in more than one child care arrangement during the week.

The cost of child care is out of reach for many families and comprises a significant portion of family income. However, even with the high cost of care, most child care settings do not rank high on quality. Nationally, it is estimated that less than

10 percent of child care is of sufficient quality to positively impact children's outcomes. Over 80 percent of child care centers are merely of "fair" quality.<sup>4</sup>

## CHILD CARE DESERTS

Many communities face shortages of licensed quality child care; these areas are known as child care deserts. Low-income and rural communities and neighborhoods are especially likely to lack high-quality child care facilities. Investments in child care expansion help to ensure that children have access to safe learning environments and that parents are able to contribute to the local economy. Rural communities have unique needs and challenges far different from urban settings. For example, the majority of Hispanics live in rural settings.<sup>5</sup> The lack of licensed child care, long travel distances to work sites, lack of public transportation, and irregularity of work schedules reduce child care options available for rural families.

## THE CHANGING DEMOGRAPHICS

A peek into child care centers and homes in the United States reveals significant diversity among children being cared for and their providers. Demographic trends continue to influence the use of organized child care by families in the United States, as described below.

### *Women in the Workforce*

Child care allows working mothers to remain employed. The growth of child care mirrors the growth of women in the workforce. Forty years ago, less than half of all mothers worked outside of the home, and only about a third of mothers with a child under age three worked outside of the home.<sup>6</sup> Now,

<sup>2</sup> U.S. Census Bureau. (2013). Who's minding the kids? Child care arrangements: Spring 2011. Retrieved September 5, 2013, from <http://www.census.gov/prod/2013pubs/p70-135.pdf>

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Emerging and Established Hispanic Communities: Implications of Changing Hispanic Demographics.

National Research Center on Hispanic Children & Families.

<http://www.childtrends.org/?multimedia=emerging-and-established-hispanic-communities-implications-of-changing-hispanic-demographics-2>

<sup>6</sup> Golden, O. A Bold Agenda for Tackling Child Poverty. Washington Monthly. 5 October 2015. <http://www.washingtonmonthly.com/republic3->

about 75 percent of mothers with children six to 17 years old are in the labor force; the figure stands at 61 percent for mothers with children under three years old.<sup>7</sup> Women with infants are least likely to be in the workforce, with a participation rate of 57 percent. Single parents and unmarried mothers are more likely to need access to affordable, quality care.<sup>8</sup>

### ***Need for Non-Traditional Hours of Care***

Over one-fifth of parents with children under age 13 work nonstandard schedules.<sup>9</sup> Most of these workers have lower pay and fewer benefits.<sup>10</sup> Today's job market requires many employees to work shifts that either start before most child care programs open, or end after the programs close. More and more businesses operate around the clock. Many companies work in shifts, which means that employees work in the early mornings, evenings, or nights; on rotating schedules, weekends, or holidays; or work extended hours. Some employees also face unpredictable and inconsistent schedules that make accessing, arranging, and/or paying for child care difficult.

More low-income workers operate on nonstandard schedules than do other workers: 28 percent compared with 20 percent, respectively.<sup>11</sup> These low-income families face irregular, unpredictable schedules that often require last-minute adjustments to child care arrangements and disrupt family routines so critical to the lives of developing young children.<sup>12</sup> Women are more

likely than men to work nonstandard hours, especially women with incomes below 200 percent of the Federal Poverty Line (FPL). Single parents are especially affected by unpredictable work schedules; they often rely on relatives and neighbors for child care.<sup>13</sup>

Most child care centers operate Monday through Friday during regular business hours, yet parents need child care during their working hours, whenever they may be. There are currently few center-based child care programs that can offer care to those families that need it during nontraditional hours. Because of budgeting concerns, many providers avoid enrolling children for less than full time. The problem extends to the parents as well; low-income parents working irregular schedules may be less likely to seek child care subsidies because such subsidies may require a minimum and consistent number of work hours per week.<sup>14</sup>

***“We've had to go with unlicensed providers at times because we could not find licensed providers to work with our work schedules; otherwise we would have to pay for a full time slot which we can't afford right now.”***

***- Married couple***

The search for child care can be difficult and the choices few. Despite the growing need for nonstandard-hours care, there is very little recent

[0/2015/10/a\\_bold\\_agenda\\_for\\_tackling\\_chi057950.php](http://0/2015/10/a_bold_agenda_for_tackling_chi057950.php)

<sup>7</sup> BLS Reports. (2014, December). Women in the Labor Force: A Databook.

<http://www.bls.gov/opub/reports/cps/women-in-the-labor-force-a-databook-2014.pdf>

<sup>8</sup> Child Care in State Economies. RegionTrack, Inc.

<https://www.ced.org/childcareimpact>

<sup>9</sup> Enchautegui, M. et al. Who Minds the Kids when Mom Works a Nonstandard Schedule? The Urban Institute. P. 5.

<http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000307-Who-Minds-the-Kids-When-Mom-Works-a-Nonstandard-Schedule.pdf>

<sup>10</sup> Acs, G. and Pamela Loprest. (2008, 27 May). Understanding the Demand Side of the Low Wage Labor Market, Final Report. Urban Institute.

<sup>11</sup> Enchautegui, M. et al. Op. cit. P. 5.

<sup>12</sup> Henly, J. and Susan Lambert. (2014). Unpredictable work timing in retail jobs: Implications for employee work-life outcomes. Industrial and Labor Relations Review. 67(3): 986-1016.

<sup>13</sup> Enchautegui, M. et al. Op. cit. P. 5.

<sup>14</sup> [1] Ben-Ishai, L. et al. (2014, March). Scrambling for Stability: The Challenges of Job Schedule Volatility and Child Care.

<http://www.clasp.org/issues/child-care-and-early-education/in-focus/scrambling-for-stability-the-challenges-of-job-schedule-volatility-and-child-care>

[2] Burstein, N., and Jean I. Layzer. National Study of Child Care for Low- Income Families: Patterns of Child Care Use among Low-Income Families, Final Report. Cambridge, MA: ABT Associates.

[http://www.acf.hhs.gov/sites/default/files/opre/patterns\\_childcare.pdf](http://www.acf.hhs.gov/sites/default/files/opre/patterns_childcare.pdf)

research on how states and communities are supporting families in this situation. The reauthorization of the Child Care Development Block Grant requires states to build strategies to increase the supply of various types of child care, including care outside of traditional work hours. This represents an opportunity to help families with fluctuating schedules maintain steady access to child care subsidies.

### **Homeless Children**

Supporting the well-being of young children and their families that are homeless is an urgent task and one that is critical to improving the long-term outcomes for children's healthy development. It is essential that quality early care and education is available and accessible to young children experiencing homelessness.

During the school year 2013-2014, U.S. public schools enrolled over 1.3 million homeless children and youth, including 50,000 ages three to five (not including kindergarten).<sup>15</sup> In 2013, HUD-funded programs provided shelter to 301,348 children in families; 123,000 were ages one to five, and 30,100 were under the age of one.<sup>16</sup> Despite the growing number of children in the homeless population, they have low rates of access to and enrollment in early childhood services, including child care. Barriers to access include lack of transportation, insufficient program capacity, complicated enrollment requirements, and difficulty identifying and engaging with this population.<sup>17</sup>

***"We have a Homeless Child Care Program (HCCP) at our agency. A father came in with his children to get help while he was looking for a job and housing. They were temporarily***

***living at a shelter. Because he was a single father, he had to ask a female friend to live in the shelter with his children as children are not allowed on the men's side. To top this off one of the children had food allergies. The shelter was not able to accommodate the allergy and the child was only given noodles to eat at the meals. Our agency was able to get the child into a licensed child care where they provided the Child Adult Care Food Program (CACFP) and lots of fun field trips and activities. When the family came in for their weekly check to see how things were going I asked the child what he liked best about the child care, thinking of swimming and the fun games and activities they provided, his response brought me to tears. He said with a huge smile, 'I get to eat!' The point is how rewarding to know we have programs available to give that little extra to help families succeed."***

**-Rebecca Hildman, Community Action Connection, Pasco, WA**

### **Culturally and Linguistically Diverse Children**

As with the nation at large, both the children in child care and the adults who care for them are very diverse, and projected to become more so in coming decades. Children of refugees and immigrants now account for 25 percent of the 23 million children under the age of 6, compared to 14 percent in 1990. California, Texas, New York, Florida, and Illinois account for half of the number of children in immigrant families.<sup>18</sup> Research has shown that these young children, especially dual language learners, benefit from quality child care

<sup>15</sup> ED Data Express: Data about elementary & secondary schools in the U.S. <http://eddataexpress.ed.gov/>

<sup>16</sup> The 2013 Annual Homeless Assessment Report (AHAR) to Congress; Part 2: Estimates of Homelessness in the United States. The U.S. Department of Housing and Urban Development. <https://www.hudexchange.info/onecpd/assets/File/2013-AHAR-Part-2.pdf>

<sup>17</sup> Perlman, S. Access to Early Childhood Programs for Young Children Experiencing Homelessness: A Survey Report.

National Association for the Education of Homeless Children and Youth.

<http://www.naehcy.org/sites/default/files/pdf/naehcy-survey-report.pdf>

<sup>18</sup> Park, M. et al. (2015). Immigrant and Refugee Workers in the Early Childhood Field: Taking a Closer Look. Migration Policy Institute. <http://www.migrationpolicy.org/research/immigrant-and-refugee-workers-early-childhood-field-taking-closer-look>



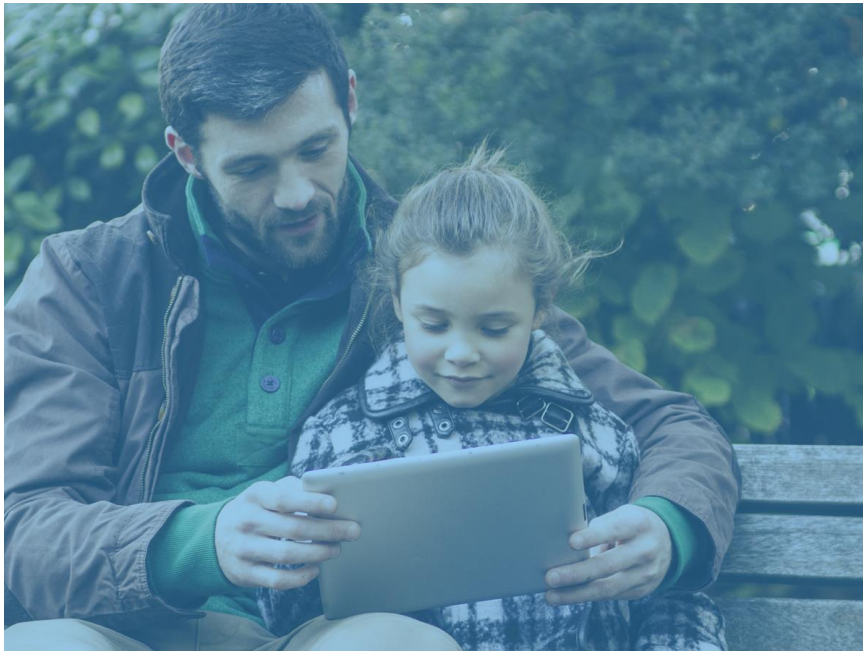
that is culturally and linguistically responsive. Unfortunately, there is a lack of bi-lingual child care providers and many of those in the workforce are substantially underpaid.<sup>19</sup> The continued growth of immigrant populations highlights the need for settings that consider the language and culture of the children being served.

Child care programs serving diverse populations need to build their capacity to communicate effectively and convey information in a manner that is easily understood by diverse audiences, including persons of limited English proficiency, those who have low literacy skills or are not literate, and individuals with disabilities.

### *Children from Low-Income Families*

Children from low-income families are more likely than their peers to lack the key resources needed for a good start on the school readiness path. They fall behind even before arriving at pre-kindergarten. It is essential that public policies are developed to ensure that children are ready for school and lifetime success by making sure their educational, developmental, and nutritional needs are met during these crucial years.

In 2014, 21 percent of children (including nearly one in four children under age five) were living in households with incomes below the federal poverty line (\$19,790 for a family of three).<sup>20</sup> Nearly 64 percent of infants and toddlers receiving CCDBG funding live in families with household incomes below the federal poverty level.<sup>21</sup> In 2014, almost 40 percent of black children and 32 percent of Hispanic children lived in poverty.



---

<sup>19</sup> Ibid.

<sup>20</sup> DeNavas-Walt, C. and Proctor, B.D. (2015). Income and Poverty in the United States: 2014. U.S. Census Bureau, Current Population Reports, 2015. P60-252. <https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf>

<sup>21</sup> Matthews, H. and Reeves, R. (2014). Infants and Toddlers in CCDBG: 2012 Update. CLASP. <http://www.clasp.org/resources-and-publications/publication-1/Infants-and-Toddlers-in-CCDBG-2012-Update.pdf>

## THE IMPORTANCE OF CHILD CARE

### CHILD CARE IS A SOUND INVESTMENT

*“Skill acquisition is a cumulative process that works most effectively when a solid foundation has been provided in early childhood. As such, programs to support early childhood development, such as preschool programs for disadvantaged children, not only appear to have substantial payoffs early, but are also likely to continue paying throughout the life cycle.”*

*-Janet Yellen, Chair, Board of Governors, Federal Reserve System, November 2006<sup>22</sup>*

Early childhood programs have been shown to have a profound effect on disadvantaged children. Governors and legislators,<sup>23</sup> law enforcement officials,<sup>24</sup> and business leaders<sup>25</sup> see quality child care as vital to the nation’s economy and security. Investments made when children are very young will generate returns that accrue over a child’s entire life.<sup>26</sup> Research has shown that high-quality early childhood programs contribute to stronger families, greater economic development and

more-livable communities.<sup>27</sup> Economists have estimated the rate of return for high-quality early intervention to be in the range of 6-10 percent per annum for children in disadvantaged families,<sup>28</sup> and long-term returns on investment as high as 16 percent.<sup>29</sup>

*“These benefits (of child care) have a tremendous bottom-line economic impact. An independent analysis of over 20 preschool programs demonstrated that quality preschool returned an average “profit” (economic benefits minus costs) to society of \$15,000 for every child served, by cutting crime and the cost of incarceration, and reducing other costs such as special education and welfare.”<sup>30</sup>*

*-Ohio Sheriffs*

Military leaders found that 75 percent of young adults are not qualified to join the military due to failure to graduate from high school; a criminal record; or physical fitness issues, including obesity. Significant numbers of retired generals,

---

<sup>22</sup> At the time of this speech, Yellen was serving as the chair of the Board of Governors of the Federal Reserve Bank of San Francisco.

<sup>23</sup> Barnett, W.S. & Carolan, M.E. (2013). Trends in state funded preschool programs: Survey findings from 2001-2002 to 2011-2012. Retrieved August 23, 2013, from the National Institute for Early Education Research (NIEER) and the Center on Enhancing Early Learning Outcomes (CEELO)

<sup>24</sup> Fight Crime: Invest in Kids. (2013). I’m the guy you pay later. Retrieved September 4, 2013, from [http://cdn.fightcrime.org/wp-content/uploads/I'm\\_The\\_Guy\\_Report.pdf](http://cdn.fightcrime.org/wp-content/uploads/I'm_The_Guy_Report.pdf)

<sup>25</sup> Ready Nation. (2013). Championing success: Business organizations for early childhood investments. Retrieved August 23, 2013, from [http://www.readynation.org/uploads/20130423\\_ReadyNationACCEFullReportFinal.pdf](http://www.readynation.org/uploads/20130423_ReadyNationACCEFullReportFinal.pdf)

<sup>26</sup> [1] Heckman, J. J. (2008). Return on investment: Cost vs. benefits: The arguments in a nutshell. Retrieved September 30, 2013, from [https://childandfamilypolicy.duke.edu/pdfs/10yranniversary\\_Heckmanhandout.pdf](https://childandfamilypolicy.duke.edu/pdfs/10yranniversary_Heckmanhandout.pdf)

[2] Matthews, D. (2013, February 14). James Heckman: In early childhood education, ‘Quality really matters.’ Washington Post, Retrieved September 30, 2013, from <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/02/14/james-heckman-in-early-childhood-education-quality-really-matters/>

<sup>27</sup> Committee for Economic Development (2012). Unfinished Business: Continued Investment in Child Care and Early Education is Critical to Business and America’s Future. Retrieved November 20, 2015 from <http://www.ncsl.org/documents/cyf/CEDUnfinishedBusinessReportpdf.pdf>

<sup>28</sup> Grunewald, R. & Rolnick, A.J. (2003). Early Childhood Development: Economic Development with a High Public Return. Federal Reserve Bank of Minneapolis. [https://www.minneapolisfed.org/publications\\_papers/studies/earlychild/abc-part2.pdf](https://www.minneapolisfed.org/publications_papers/studies/earlychild/abc-part2.pdf)

<sup>29</sup> Fight Crime: Invest in Kids. (2013). I’m the guy you pay later. Retrieved September 4, 2013, from [http://cdn.fightcrime.org/wp-content/uploads/I'm\\_The\\_Guy\\_Report.pdf](http://cdn.fightcrime.org/wp-content/uploads/I'm_The_Guy_Report.pdf)

<sup>30</sup> Ibid.

admirals, and other military leaders have concluded that America needs early care and education to ensure national security because quality early learning programs address each of the issues that are decreasing readiness.<sup>31</sup>

## QUALITY CHILD CARE IS EARLY EDUCATION

Early childhood is a period of rapid development and learning. Young children learn (among other things) how to think and reason, how to acquire knowledge and skills, and how to interact with others.

Children flourish when the important adults in their lives are aware of how the brain develops and learning occurs, and know how to support children's growth in these areas. Various research studies have documented the far-reaching effects of early learning and caregiving experiences. The findings include:

- ▶ Caregivers influence children's cognitive and school performance outcomes, with the greatest positive effect on vulnerable children (Matthew et al. 2014). Among vulnerable children, high-quality programs provide more benefits and low-quality programs have a greater negative impact.<sup>30</sup>
- ▶ Children who receive high-quality child care have shown better outcomes in socio-economic and health conditions as an adult.<sup>32</sup>
- ▶ Child care benefits children's behavioral development: high-quality and responsive child care provides "emotional support, offers reciprocal communication, accepting the need for growing independence, and

providing cognitive stimulation that scaffolds the young child's early learning."<sup>33</sup>

The Carolina Abecedarian Project, one of the oldest early childhood education programs in the world, recently reported findings from a long-term study. In the study, infants from disadvantaged families were randomly assigned to either a control group receiving care from community preschools or child care centers or an early education intervention group. Those in the latter were provided full-time, high-quality education intervention in a child care setting through age 5. The study then monitored the progress of every child up to the age of 35. Not surprisingly, children from the early education intervention group fared better. A report released by the Frank Porter Graham Child Development Institute indicated that they were more likely to pursue higher

---

<sup>31</sup> Mission Readiness: Military Leaders for Kids. (2009). Ready, willing and unable to serve: 75% of America's young adults cannot join the military: Early education is needed to ensure national security. Retrieved July 2, 2013, from <http://cdn.missionreadiness.org/MR-Ready-Willing-Unable.pdf>

<sup>32</sup> Heckman, J. (2015). Quality Early Childhood Education: Enduring Benefits. The Economics of human potential.

Retrieved from:

<http://heckmanequation.org/content/quality-early-childhood-education-enduring-benefits>

<sup>33</sup> Landry, S. H., et al. (2014). Enhancing early child care quality and learning for toddlers at risk: The responsive early childhood program. *Developmental Psychology*, 50(2), 526-541. <http://dx.doi.org/10.1037/a0033494>



education and avoid drug usage than those from the control group.<sup>34</sup>

The relationships with caring, informed adults are a key factor in the healthy development of young children—emotionally, intellectually, and

## CHILD CARE HELPS PARENTS WORK AND PURSUE EDUCATION

A lack of affordable, quality child care is a significant drain on U.S. employers' bottom lines. Increasing the availability of care would have significant positive effects on employee productivity.

- ▶ Adjusted for inflation, U.S. businesses lose approximately \$4.4 billion annually due to employee absenteeism as the result of child care breakdowns.<sup>35</sup>
- ▶ Over a six-month period, 45 percent of parents are absent from work at least once, missing an average of 4.3 days, due to child care breakdowns. In addition, 65 percent of parents' work schedules are affected by child care challenges an average of 7.5 times over a six-month period.<sup>36</sup>
- ▶ Research shows that child care assistance helps working parents experience fewer missed days, schedule changes, and lost overtime hours. They also are able to work more hours while remaining at the same employer for longer periods, with women of all education levels being 40 percent more likely to remain employed after two years following the receipt of assistance for child care costs.<sup>37</sup>

physically. Also essential are high-quality learning settings and experiences. Together, positive adult relationships and positive learning environments can boost a child's success in later learning and in life.



Many nations understand the need for and benefits of generous family leave policies. Some European countries offer significant subsidies for new parents in need of care. These efforts have impacted women's workforce participation in those countries; for instance, in the Netherlands, women's workforce participation increased by 3.3 percent, and the number of hours worked by 6.6 percent.<sup>38</sup>

Viewing child care as a critical support for working families is not a new concept in the U.S. either. The United States Armed Forces' child care system is a model for the nation with high standards, strong accountability, and positive outcomes for children

<sup>34</sup> University of North Carolina. The Abecedarian Project. <http://abc.fpg.unc.edu/>

<sup>35</sup> Shellenback, K. (2004). Child care and parent productivity: Making the business case. Cornell University Linking Economic Development and Child Care Research Project. <http://s3.amazonaws.com/mildredwarner.org/attachments/000/000/074/original/154-21008542.pdf>

<sup>36</sup> Solutions for Employee Child Care. Child Action. (2015). <http://www.childaction.org/providers/booklets/docs/Solutions%20for%20Employee%20Child%20Care.pdf>

<sup>37</sup> Johnson, M. (2015). Child Care Assistance: Georgia's Opportunity to Bolster Working Families, Economy. Georgia Budget and Policy Institute. <http://gbpi.org/wp-content/uploads/2015/03/Child-Care-Report-2015.pdf>

<sup>38</sup> Bettendorf, L., Jongen, E., and Muller, P. (2012). Childcare subsidies and labour supply: evidence from a large Dutch reform. Institute for the Study of Labor. [http://www.iza.org/conference\\_files/LaSuMo2012/bettendorf\\_17744.pdf](http://www.iza.org/conference_files/LaSuMo2012/bettendorf_17744.pdf)

and families. Since the late 1980s, the U.S. Department of Defense has developed a comprehensive child care system as a core strategy to increase military readiness, improve job satisfaction, and increase rates of re-enlistment, saving the military significant amounts of money annually.<sup>39</sup> In 2010, the armed forces' child care system served nearly 200,000 children from birth to age 12.<sup>40</sup> In addition, many federal agencies have subsidy programs with income eligibility ceilings ranging from roughly \$50,000 to almost \$90,000.<sup>41</sup> Parents are best able to work when they have access to stable, high-quality, affordable child care arrangements. Companies are increasingly recognizing the need for policies that allow parents to find and afford quality care for their children. Thirty of the companies featured in [Fortune's 100 Best Companies to Work For in 2015](#) offer onsite child care. Some notable child care-friendly policies are described below:

#### COMPANIES WITH CHILD CARE FRIENDLY POLICIES

- ▶ **The United States Automobile Association (USAA)** <http://www.usaa.com>  
USAA has child care centers at its four major posts (San Antonio, Phoenix, Tampa, and Colorado Springs), and all four are accredited by the National Association for the Education of Young Children (NAEYC).
- ▶ **Hyland** <http://www.onbase.com>  
Children of employees at Hyland, which develops content management software, can enroll in an on-site child care center featuring Montessori teaching.
- ▶ **Meridian Health** <http://www.meridianhealth.com>  
This health care company based in New Jersey provides on-site child care at three of its six hospitals. Employees pay an average of \$663 a month for this care, well under the average monthly costs of center care in New Jersey for infants (\$961) and preschoolers (\$796).

*Working Mother* ranks companies based in part on supportive benefits for parents. It lists companies that provide on-site child care, but the magazine also highlights companies that offer a variety of child care services including child care resource and referral; subsidized care including backup, sick-child, and date night child care; sliding fee scales, and care during non-traditional hours.

#### COMPANIES WITH CHILD CARE SERVICES

- ▶ **Avon:** The employer's Rye, New York, site supports its own day care, which serves 55 kids (cost to parent: \$68–\$82 per day); at other Avon locations, workers contact a resource and referral service to find providers or utilize subsidized backup or sick-child care (cost to parent: \$15 per day).
- ▶ **Moffit Cancer Center:** This cancer hospital and research center helps out employees with monthly Date Nights at its child care facility, which provides evening babysitting so parents can enjoy some time by themselves (cost: \$10 per child, or \$15 per family, including dinner). The rest of the month, the 130-slot facility remains open weekdays from 6:30 a.m. to 7:30 p.m. to accommodate alternative work arrangements—a smart move, as most of the clinical team members here flex or compress their schedules. Dependent backup care can be used 20 days per year. Resource and referral services help parents locate nannies and tutors.
- ▶ **Bristol Myers Squibb:** The pharmaceutical company provides sliding-scale fees and subsidies at its five child care centers.

While many of the top companies in the country have responded to their workers' child care needs by instituting generous family friendly policies, it is still not nearly enough. Too many families struggle and too few have options to find affordable care. As Table 2 below shows, the majority of companies in the United States are still not offering parental support benefits.

<sup>39</sup> U.S. Government Accountability Office. (2012). Military child care: DOD is taking actions to address awareness and availability barriers (GAO-12-21). <http://www.gao.gov/products/GAO-12-21>

<sup>40</sup> Ibid.

<sup>41</sup> Child Care Subsidies for Federal Families. U.S. General Services Administration. <http://www.gsa.gov/portal/category/26331>

Though all families can struggle with lack of affordable child care, it is an exceptional challenge for many low-income parents who want to pursue education and training. Only 10 percent of low-

income parents are enrolled in education and training programs.<sup>42</sup> Access to quality child care can afford opportunities to pursue paid work and education.

**TABLE 2: BEST COMPANIES VERSUS THE MAJORITY OF U.S. EMPLOYERS**

Category	100 Best Companies	Majority of U.S. Companies
Fully paid maternity leave	100%	5%*
Child care resource and referral service	96%	9%
Paid adoption leave	93%	17%
Adoption assistance	93%	7%
Lactation support services	91%	5%
Paid paternity leave	90%	17%
Backup child care	89%	4%

Source: Working Mother<sup>43</sup>

<sup>42</sup> Eyster, L, Callan, T. and Adams, G. (2014). Balancing School, Work, and Family: Low-Income Parents' Participation in Education and Training. Washington, DC: Urban Institute. <http://www.urban.org/research/publication/balancing-school-work-and-family-low-income-parents-participation-education-and-training>

<sup>43</sup> Working Mother. (2015). 100 Best Companies: The Best vs. The Rest. [http://www.workingmother.com/sites/workingmother.com/files/attachments/2015/09/100\\_best\\_2015\\_bvr\\_final.pdf](http://www.workingmother.com/sites/workingmother.com/files/attachments/2015/09/100_best_2015_bvr_final.pdf)

## INVESTMENTS IN THE CHILD CARE WORKFORCE

In 2015, the Institute of Medicine (IOM) and the National Research Council (NRC) published a major study<sup>44</sup> about the child care and education workforce. Given what scientists know about how the brain develops and about how children learn, the authors then asked, is critical brain science being applied in child care settings? Their answer was no, and that 1) the care and education workforce is under-respected and under-trained, and 2) an overhaul of our nation's child care systems is urgently needed.

One factor that contributes to positive learning and development is consistency in high-quality experiences over time.

That can be difficult to achieve, given that children spend time in a variety of different child care settings before they enter kindergarten.

How, then, is it possible to provide children with consistent, high-quality experiences? One fundamental way is to ensure that there is consistency among the care and education workforce. In other words, no matter the setting, workers share the same fundamental *knowledge* (about child development and early learning) and *competencies* (their effectiveness in applying that knowledge).

According to the IOM study, all care and education professionals need certain foundational knowledge and core competencies:

Foundational Knowledge	Core Competencies
<ul style="list-style-type: none"><li>▶ How a child develops and learns</li><li>▶ The importance of stable and caring relationships between children and adults to healthy child development</li><li>▶ Biological and environmental factors that can enhance or interfere with children's development</li></ul>	<ul style="list-style-type: none"><li>▶ Engage children in quality interactions that support child development and learning—through everyday interactions and specific learning activities</li><li>▶ Promote positive social development and behaviors</li><li>▶ Recognize signs that children may require specialized services</li><li>▶ Make informed decisions about whether and how to use different technologies to promote learning</li></ul>

What science underscores is the important role played by the care and education workforce in children's healthy development. It also points to the need for this workforce to be well-trained and well-compensated. The current reality is quite different.

### THE STATE OF OUR CHILD CARE SYSTEMS

"Fragmented." That is how the IOM study describes the current status of the country's child care systems. The use of the word systems (plural) is intentional, as there is no single entity that governs, and no single set of standards that apply to all child care businesses. Rather, there are many systems with inconsistent standards for how child care settings are staffed, licensed (if at all), and

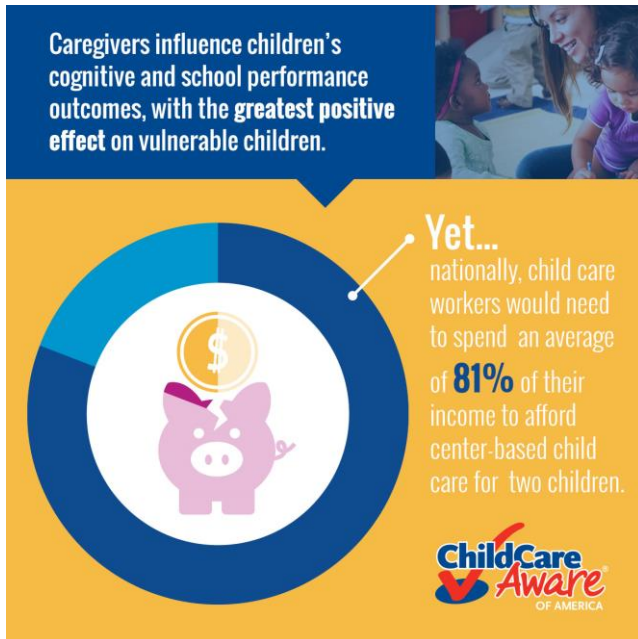
<sup>44</sup> Institute of Medicine and National Research Council. (2015). *Transforming the Workforce for Children Birth*

*Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press. doi:10.17226/

operated. These include inconsistencies in educational and training requirements, licensing standards, and funding support and related quality requirements.

One result of these inconsistencies is a disjointed care and education workforce. The authors of the

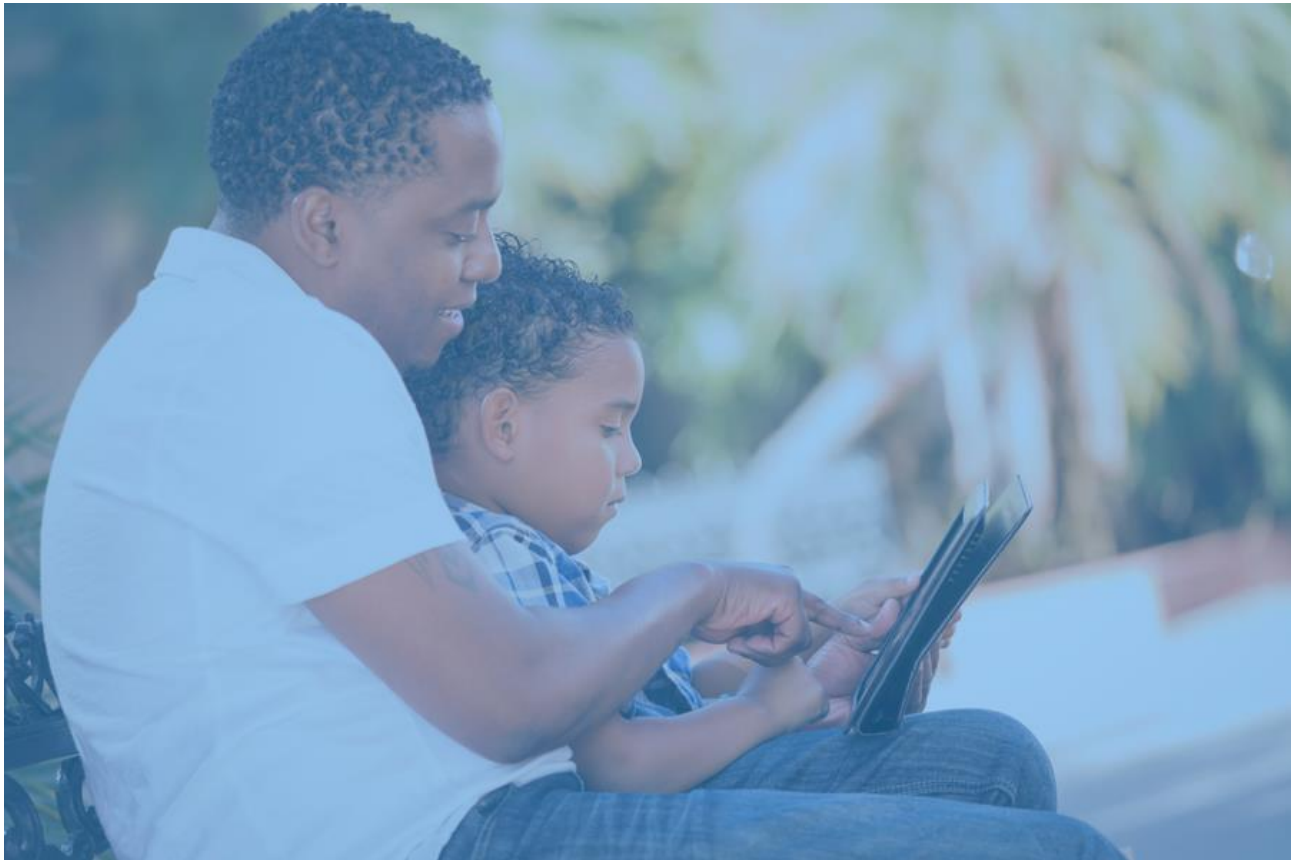
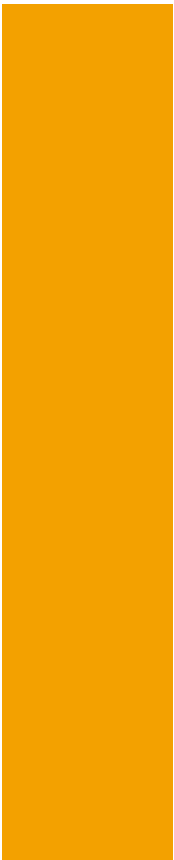
IOM study state that nothing less than an overhaul of current child care systems is needed. They provide a blueprint and a set of recommendations for how to achieve a more unified and professional system. It will require "complex, long-term systems change"—starting now. As a whole, [the IOM recommendations](#) address the many faults in the current child care systems. They offer concrete steps to achieve a "stronger, more seamless care and education continuum."<sup>45</sup> Achieving that will require all stakeholders—including government, funders, and the higher education community—to work cooperatively. It will also require innovative funding strategies to raise the significant amount of resources needed.



<sup>45</sup> Ibid., P. 492.



## COST





## CHILD CARE COST DRIVERS

### QUALIFIED STAFF

Young children require individualized attention and thrive best in small groups with consistent caregivers and low adult to child ratios. Early learning programs, therefore, need significantly more staff than other settings for children, such as K-12 classrooms. As a result, early care and education is a very labor-intensive industry. Up to 80 percent of child care business expenses are for payroll and payroll-related expenditures.<sup>46</sup>

As the IOM report reveals, providers with strong professional preparation are essential to providing a high-quality early learning program, and the quality of adult-child interactions is one of the most powerful predictors of children's development and learning.<sup>47</sup> However, in an industry with staff turnover rates as high as 25 percent, the cost of training new staff is often prohibitive. With limited funds, child care programs are forced to pay low staff wages and provide only limited benefits, making it difficult to recruit and retain qualified staff.

*"I actually work in the facility my son attends, and have made the same \$7.25 per hour for the 4.5-plus years I have been there. We are NAEYC accredited, non-profit, United Way funded, and I still pay almost \$400 per month, for a nearly five-year-old. I love what I do... and that's why I do it."*

*- Child Care Worker, Single Mom of One*

To be clear, despite the labor-intensive costs of running a child care business, according to a new report by the Economic Policy Institute,<sup>48</sup> most child care workers live in poverty. The median hourly wage for child care workers in the U.S. is \$10.39, nearly 40 percent below the median hourly wage of workers in other occupations. Nearly 15 percent live below the poverty line, and a third have incomes that are below twice the poverty line. They are less likely to receive work-based benefits like health care and have difficulty making ends meet. Many are unable to afford child care for their own families. According to our calculations, in every state, child care workers would need to spend over 80 percent of their income in order to afford center-based child care for two children. Further, in six states plus D.C., over 100 percent of the median child care worker's income is required to put two children in center-based care.

---

<sup>46</sup> [1] Texas Child Care Quarterly. (2003, Fall). Building a budget. Texas Child Care Quarterly. Retrieved August 28, 2013, from [http://www.childcarequarterly.com/fall03\\_story3.html](http://www.childcarequarterly.com/fall03_story3.html)

[2] Oliveira, P. (2005). Connecticut child care center operating budget basics: Calculating your bottom line. Retrieved August 28, 2013, from <http://www.ccc-oc.org/Resource/Business%20Plan%20Development/Operating%20Budget%20Basics.pdf>

<sup>47</sup> Institute of Medicine and National Research Council, Op. cit.

<sup>48</sup> Gould, E. (2015, 5 November). Child care workers aren't paid enough to make ends meet. Economic Policy Institute. <http://www.epi.org/publication/child-care-workers-arent-paid-enough-to-make-ends-meet/#can-child-care-workers-afford-child-care?>

**TABLE 3: CHILD CARE WORKER INCOME COMPARED TO THE COST OF HAVING TWO CHILDREN IN CENTER-BASED CARE**

Rank	State	Average annual cost of center-based care <sup>+</sup>		Average annual child care worker income <sup>++</sup>	% of child care worker income required for 2 children in child care
		Infant	Four-year-old		
1	Massachusetts	\$17,062	\$12,781	\$25,890	115.3%
2	Minnesota	\$14,366	\$11,119	\$22,740	112.1%
3	Connecticut	\$13,880	\$11,502	\$23,210	109.4%
4	Maryland	\$13,932	\$9,100	\$22,570	102.0%
5	Rhode Island	\$12,867	\$10,040	\$22,670	101.0%
6	New York	\$14,144	\$11,700	\$25,730	100.4%
7	Wisconsin	\$11,579	\$9,469	\$21,230	99.1%
8	New Hampshire	\$11,810	\$9,457	\$21,750	97.8%
9	Illinois	\$12,964	\$9,567	\$23,090	97.6%
10	Kansas	\$11,201	\$7,951	\$20,050	95.5%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: Gould

Note: Percentage of income figures based on total cost of having an infant and four-year-old in child care. Rankings do not include the District of Columbia.

## STATE REGULATIONS

State licensing regulations govern issues related to children's health and safety while they are in out-of-home care and are crucial to maintaining basic standards for children's health and well-being. As detailed below, the new CCDBG law of 2014 makes significant advancements over earlier versions of the law by defining health and safety requirements for child care providers, outlining family-friendly eligibility policies, and ensuring that parents and the general public have transparent information about the child care choices available to them.

Given the very real financial challenges of running child care businesses, states must make difficult decisions about the amount and types of regulations to establish so that the needs of children and the needs of business owners are balanced. Child care programs may also be forced to make compromises, weighing decisions about quality against what parents can afford. Decisions that can impact the cost of care include:

- ▶ **Ratios** – the number of children cared for and educated by one adult. Having one adult responsible for a smaller number of children allows children to get more individualized

attention, but low staff to child ratios requires hiring more staff.

- ▶ **Group size** – the number of children that can be in one setting regardless of adult supervision. A smaller group size is better for children's development, particularly for very young children where recommended group sizes are six babies with two adults, but more children in a group means a higher income for the program.
- ▶ **Square footage** – the number of square feet required in the building and on the playground for each child.
- ▶ **Facilities** – creating warm, welcoming learning environments and engaging outdoor play spaces with adequate square footage is essential for children's learning, but larger spaces and better equipped spaces can drive costs up.
- ▶ **Activities and materials** – the types of activities and materials that support children's academic, physical, social, and emotional growth and school readiness.
- ▶ **Professional development and training** – as mentioned above, well trained staff is an important component of child care quality.



## AVERAGE COST IN THE STATES

### METHODOLOGY

In January 2015, Child Care Aware® of America surveyed Child Care Resource and Referral (CCR&R) State Network offices and local CCR&Rs about 2015 cost data related to the average price of child care for infants, four-year-old children, and school-age children in legally operating child care centers, and family child care homes. CCR&Rs reported this data based on state Market Rate Surveys as well as the databases maintained by the CCR&Rs.

For some states, the cost of care was derived from the latest market rate survey available. The oldest market rate surveys were from California and Wyoming (2012). Rates collected prior to 2014 were adjusted by the Consumer Price Index; i.e., reported in 2014 dollars, using the Bureau of Labor Statistics Consumer Price Index Inflation Calculator. Alabama, Kentucky, Louisiana, Michigan, Pennsylvania, Rhode Island, South Carolina, South Dakota, and West Virginia did not report information. The price of child care in these states was adjusted from prior years' data.

New to the 2015 analyses is the inclusion of select county-level cost data. Child Care Aware® of America identified the largest metropolitan areas in states where county-level data was available and worked directly with regional CCR&R agencies to obtain this information.

For the 2015 survey, we asked about costs for school-age care for the nine-month school year. Since we did not include costs of summer care for school-age children, school-age costs are only comparable to data reported in 2013 and 2014.

### AFFORDABILITY: CHILD CARE COSTS AND FAMILY INCOME

To better understand the impact of child care fees on a family's budget, Child Care Aware® of America compared the average cost of center-based child care to family income by state. Affordability was

calculated by dividing the average cost of care by the state median income.<sup>49</sup>

The least-affordable state had the highest child care cost compared to family income. **This does not mean that the least-affordable state had the most expensive child care**, only that the cost of care as a percentage of income was highest when compared to all states.

For example, the dollar cost of center-based care for infants was actually highest in *Massachusetts*, over \$17,000 per year, compared to over \$14,300 per year in *Minnesota*; however, as a percentage of median income for married couples with children, child care was least affordable in *Minnesota*.

States were ranked from least affordable to most affordable for full time care for infants, four-year-olds and school-age children in a child care center. In 2014, *Minnesota* was the least-affordable state for infant care, while care for four-year-olds was least affordable in *New York*. For center-based infant care in *Minnesota*, the average cost was over 15 percent of state median income for married couples with children.

### CHILD CARE AWARE® OF AMERICA'S INTERACTIVE CHILD CARE COST MAP

The following map shows the most- and least-expensive states for center-based infant care in 2014 as a percentage of state median income for a married couple with one child in child care. States are separated into three categories. States where the average child care cost for an infant in a center is **less than 10 percent** of the state median income for a married couple with children are shown in the lightest red color, while states where the average child care cost for an infant in a center is **more than 12 percent** of the state median income for a married couple are shown in the darkest red color.

The Cost of Child Care Interactive Map, which allows users to quickly access a variety of cost data

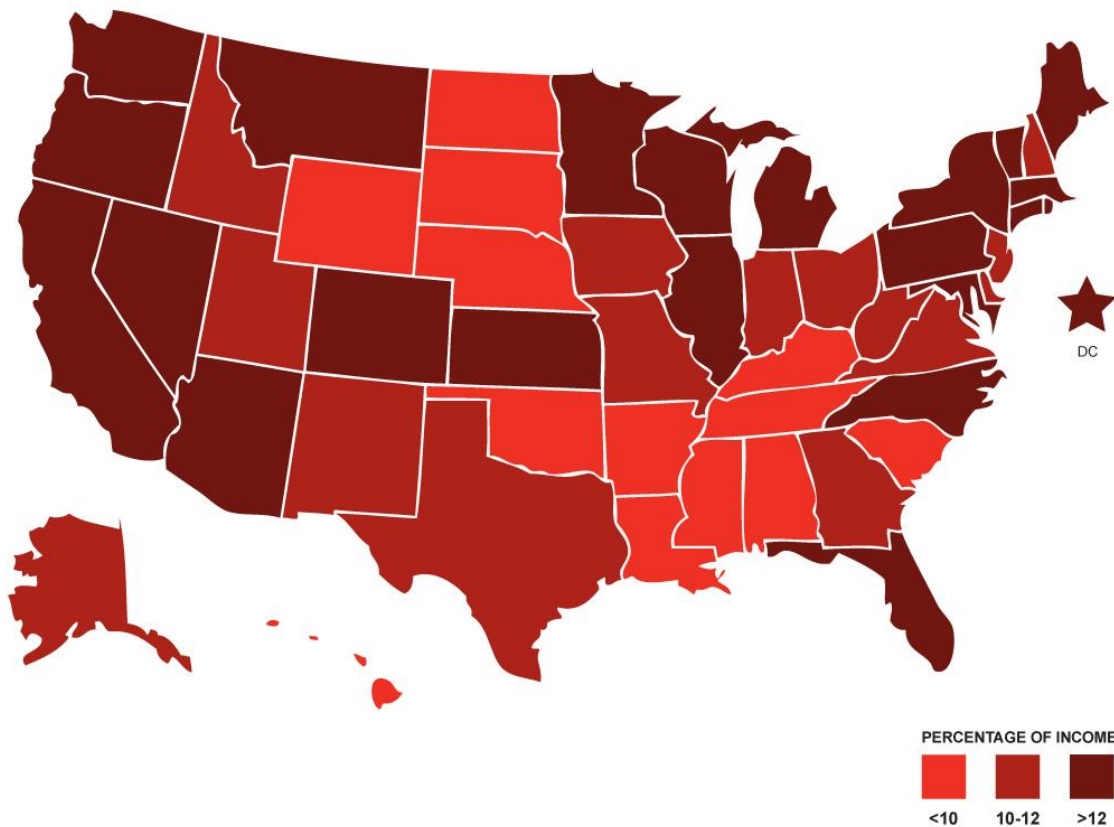
<sup>49</sup> U.S Census Bureau. (2012). Table B19026. *American Community Survey, 2010-2012 three-year*

*estimates*. Retrieved August 23, 2013, from <http://www.census.gov>

for each state, is available on Child Care Aware® of America's website. Click the map below or visit the following link to access the interactive tool:

<http://usa.childcareaware.org/costofcare>.

**FIGURE 1: AVERAGE COST FOR CENTER-BASED INFANT CARE AS A PERCENTAGE OF MARRIED COUPLE'S MEDIAN INCOME**



### LEAST-AFFORDABLE STATES

In the tables on the following pages, the average cost of care is compared to the state median income for single parents and for married couples with children. The ranking of affordability is based on the average cost of full-time care in a child care

center compared to the state median income for married couples with children. As the data shows, the average cost of care is particularly unaffordable for single parents. Across all states, the average cost of center-based infant care exceeds 24 percent of the median income for single parents.

### Center-Based Infant Care by State

See Appendix II for a complete listing of 2014 rankings of affordability for child care for an infant in a center.

**TABLE 4: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED INFANT CARE IN 2014**

Rank	State	Average annual cost of infant care in a center <sup>+</sup>	Single parent		Married couple	
			State median income <sup>++</sup>	Cost of care as a percentage of median income	State median income <sup>++</sup>	Cost of care as a percentage of median income
1	Minnesota	\$14,366	\$26,795	53.6%	\$94,432	15.2%
2	Oregon	\$11,322	\$22,326	50.7%	\$74,506	15.2%
3	New York	\$14,144	\$25,937	54.5%	\$93,157	15.2%
4	Massachusetts	\$17,062	\$27,158	62.8%	\$112,824	15.1%
5	Colorado	\$13,154	\$28,222	46.6%	\$87,137	15.1%
6	Washington	\$12,733	\$25,856	49.2%	\$85,824	14.8%
7	Illinois	\$12,964	\$24,017	54.0%	\$88,403	14.7%
8	California	\$11,817	\$26,341	44.9%	\$82,294	14.4%
9	Nevada	\$9,852	\$28,248	34.9%	\$69,580	14.2%
10	Kansas	\$11,201	\$23,860	46.9%	\$79,250	14.1%

Note: Affordability is a comparison of average cost against state median income. State rankings do not include the District of Columbia.

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

### Center-Based Four-Year-Old Care by State

Appendix III provides a complete listing of 2014 rankings of affordability for child care for a four-year-old in a center.

**TABLE 5: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED CARE FOR A FOUR-YEAR-OLD IN 2014**

Rank	State	Average annual cost of 4-year-old care in a center <sup>+</sup>	Single parent		Married couple	
			State median income <sup>++</sup>	Cost of care as a percentage of median income	State median income <sup>++</sup>	Cost of care as a percentage of median income
1	New York	\$11,700	\$25,937	45.1%	\$93,157	12.6%
2	Missouri	\$9,308	\$21,892	42.5%	\$76,510	12.2%
3	Vermont	\$9,970	\$24,590	40.5%	\$83,160	12.0%
4	Oregon	\$8,787	\$22,326	39.4%	\$74,506	11.8%
5	Minnesota	\$11,119	\$26,795	41.5%	\$94,432	11.8%
6	Nevada	\$8,118	\$28,248	28.7%	\$69,580	11.7%
7	Colorado	\$9,882	\$28,222	35.0%	\$87,137	11.3%
8	Massachusetts	\$12,781	\$27,158	47.1%	\$112,824	11.3%
9	Wisconsin	\$9,469	\$23,702	40.0%	\$84,375	11.2%
10	Washington	\$9,588	\$25,856	37.1%	\$85,824	11.2%

Note: Affordability is a comparison of average cost against state median income. State rankings do not include the *District of Columbia*.

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

### Center-Based School-Age Child Care by State

See Appendix IV for a complete listing of 2014 rankings of affordability for center-based school-age care.

**TABLE 6: TOP 10 LEAST AFFORDABLE STATES FOR CENTER-BASED BEFORE-/AFTER-SCHOOL CARE FOR A SCHOOL-AGE CHILD IN 2014**

Rank	State	Average annual cost of school-age care in a center+	Single parent		Married couple	
			State median income ++	Cost of care as a percentage of median income	State median income ++	Cost of care as a percentage of median income
1	Montana	\$7,778	\$20,044	38.8%	\$72,172	10.8%
2	Wisconsin	\$8,849	\$23,702	37.3%	\$84,375	10.5%
3	Nevada	\$7,219	\$28,248	25.6%	\$69,580	10.4%
4	Hawaii	\$8,919	\$27,683	32.2%	\$87,567	10.2%
5	Illinois	\$8,498	\$24,017	35.4%	\$88,403	9.6%
6	West Virginia	\$6,605	\$17,591	37.5%	\$71,003	9.3%
7	New York	\$8,346	\$25,937	32.2%	\$93,157	9.0%
8	Arizona	\$6,361	\$25,228	25.2%	\$72,137	8.8%
9	Utah	\$6,012	\$26,784	22.5%	\$73,995	8.1%
10	Nebraska	\$6,455	\$24,258	26.6%	\$79,890	8.1%

Note: Affordability is a comparison of average cost against state median income. State rankings do not include the District of Columbia.

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

## WHAT FAMILIES PAY FOR CHILD CARE

Families pay a significant part of their earnings for child care, making child care an increasingly difficult financial burden for working families to bear.

As previously mentioned, this report analyzes the cost of care in legally operating child care centers and family child care homes. As such, the report does not describe child care provided by a relative or a nanny or informal child care provided by a neighbor or friend. Legally operating programs include licensed programs and child care programs that are legally exempt from licensing.

The U.S. Department of Health and Human Services considers 10 percent of family income for child care as a benchmark for affordable care.<sup>50</sup> Yet, as the survey results show, many families spend significantly more than 10 percent of their income on child care.

Depending on the state, the average cost of full-time care for one infant in a center ranges from nearly 7 percent to just over 15 percent of the state median income for a married couple. In every state, the average cost of center-based infant care exceeds 24 percent of median income for single parents. In 37 states and the *District of Columbia*, the average cost of center-based care for an infant exceeds 10 percent of state median income for a married couple with children. The average annual cost of child care for a four-year-old child exceeds 10 percent of the median household income for a married couple with children in 23 states and the *District of Columbia*.

Families paid about the same for child care in 2014 than in 2013. While annual hourly earnings rose by about 2.4 percent, the cost of living fell by 0.7 percent.<sup>51</sup> The average cost of infant care in a center increased by about 1.2 percent, while the average cost of infant care in a family child care home decreased 0.3 percent. The average cost of care for a four-year-old in a center decreased 0.1 percent while the average cost of care for a four-year-old in a family child care home increased 2.1 percent.

*“My husband stays home with our three [year-old] and 15-month-old because he cannot earn enough to pay for care or break even. The first center I visited would have cost us \$36,000 for the two young ones and not covering the costs for after school for my 6-year-old at \$285 [per] month. He's struggling to find work worth the cost of child care and the lack of quality even available at a high cost. He has to make at least \$50,000 to break even paying for child care and I have a PhD in family studies and make \$80,000 per year. I can't imagine this process for families with less resources and knowledge.”*  
- Married Mother of Three, Denver, CO

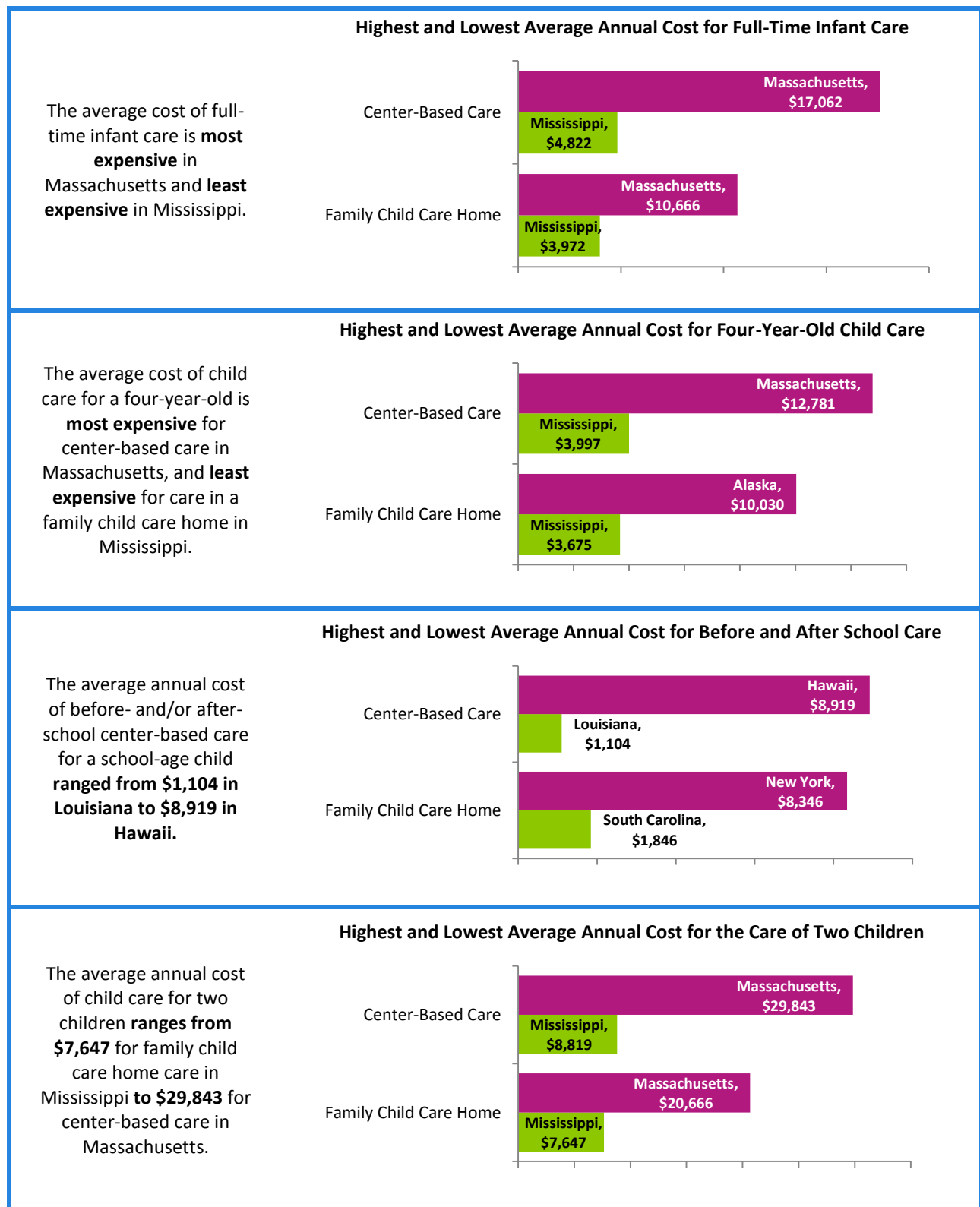
The average cost of child care is high for all types of care. The Key Facts diagram on the following page displays the range of average child care costs among the states for various types of child care.

---

<sup>50</sup> Executive Office of the President of the United States. (2014). The Economics of Early Childhood Investments. [https://www.whitehouse.gov/sites/default/files/docs/early\\_childhood\\_report1.pdf](https://www.whitehouse.gov/sites/default/files/docs/early_childhood_report1.pdf)

<sup>51</sup> U.S. Bureau of Labor Statistics. (2015). Real earnings \* January 2013. News release, February 26, 2015. Retrieved October 24, 2015, from [http://www.bls.gov/news.release/archives/realer\\_02262015.htm](http://www.bls.gov/news.release/archives/realer_02262015.htm)

**FIGURE 2: KEY FACTS ON THE AVERAGE COST OF CHILD CARE**



## CHILD CARE IS ONE OF THE HIGHEST BUDGET ITEMS FOR FAMILIES

The following chart shows how the average total cost of full-time care for two children (an infant and a four-year-old) in a center compares to other typical household costs (housing, transportation, food, and health care) by region. The comparison to college tuition is included in the chart because in many states the cost of a year's tuition and fees at a four-year public college is comparable to the average cost of child care.

The cost of full-time center-based care for two children is the highest single household expense in the Northeast and Midwest. In the West and the South, the cost of child care for two children is surpassed only by the cost of housing in the average family budget.

The cost of child care fees for two children exceeds housing costs for homeowners with a mortgage in 24 states and the *District of Columbia*. Child care

fees for two children in a child care center also exceed annual median rent payments in every state.

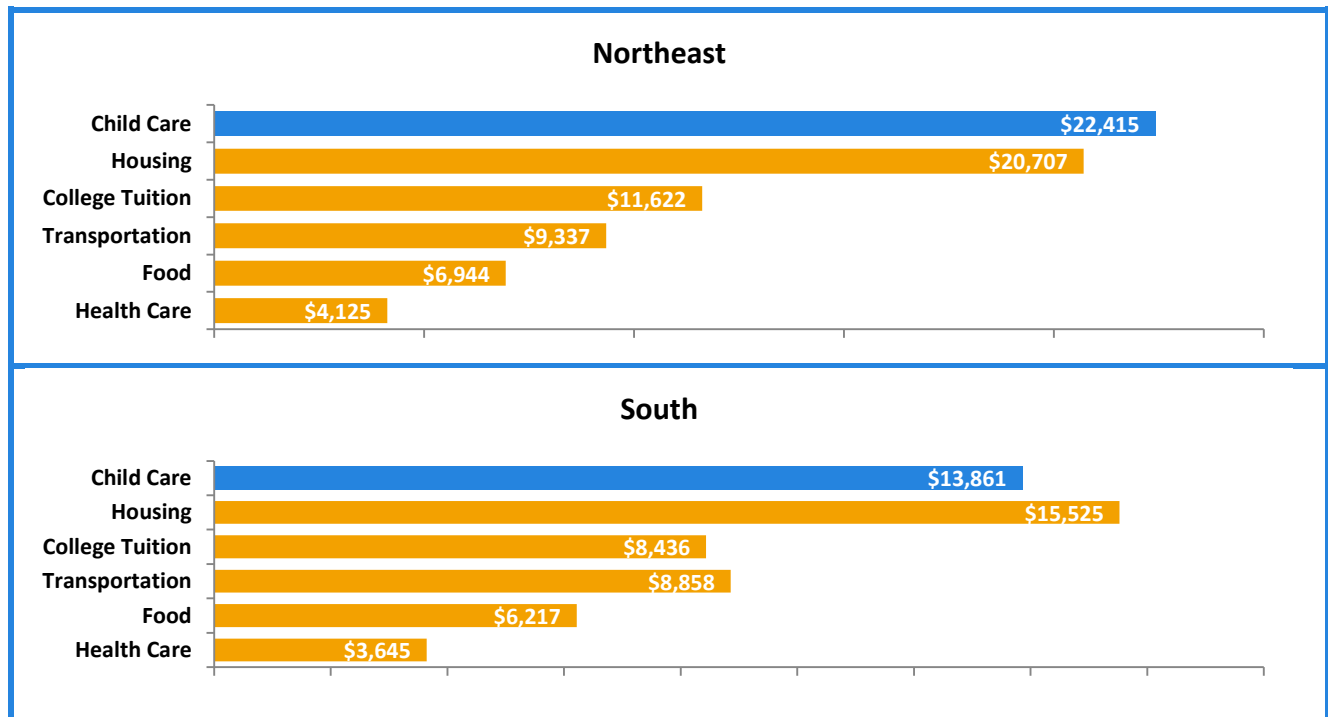
In all regions of the United States, average child care fees for an infant in a child care center are more than the average amount that families spend on food.

*“Almost half of my paycheck goes to daycare. I pay \$208 a week for my son and \$25 a week for [my] daughter to go before and after school. Obviously I have to work but some days it really doesn't seem worth it. I love the daycare center they are in they do an amazing job. But it's hard to live when daycare is almost \$1,000 a month.”*

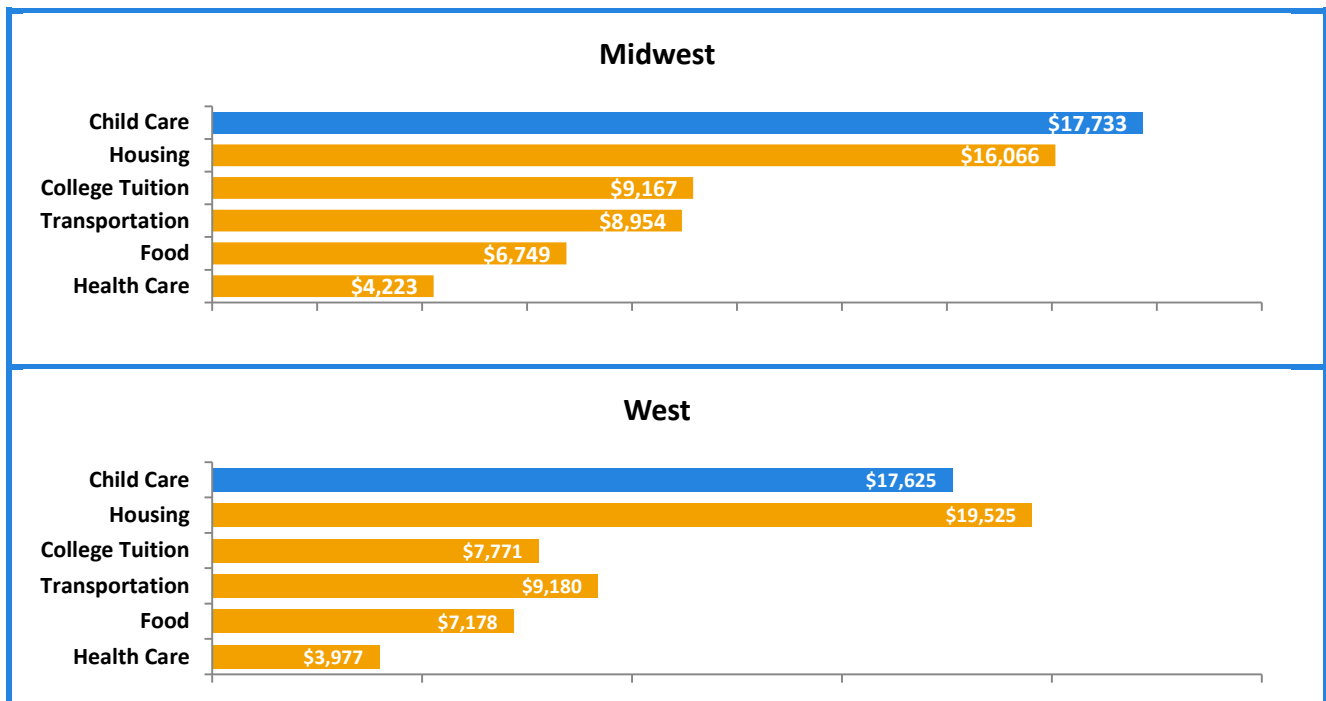
*– Single Mother of Infant and School-age Children*

Appendix V has information about child care center costs and median housing costs by state.

**FIGURE 3: CENTER-BASED CARE COSTS FOR TWO CHILDREN COMPARED WITH OTHER MAJOR HOUSEHOLD EXPENSES BY REGION**







Sources: Child care costs per region based on unweighted averages across states per region, 2013 costs for an infant and 4-year old in full-time care in a center, Appendix I. Other household expenses reported by U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Survey 2013-14. <http://www.bls.gov/cex/csxregion.htm>

\*The term "Housing" incorporates costs associated with living in a shelter including utilities, household operations, Housekeeping supplies and household furnishings and equipment. College tuition is from Trends in College Pricing: 2013. <http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>

## CHILD CARE IS UNAFFORDABLE FOR LOW-INCOME FAMILIES

The cost of child care is particularly difficult for families living at or below the federal poverty level. The federal poverty level in 2014 was \$19,790 for a family of three in the continental United States. The table below, Key Facts on Child Care Costs and Poverty, displays the states where families at the poverty level would pay the highest and lowest percentages of their total income on child care for an infant.

Families of three in *Massachusetts* living at the poverty level would have to pay nearly 85 percent of their income for full-time center-based care for

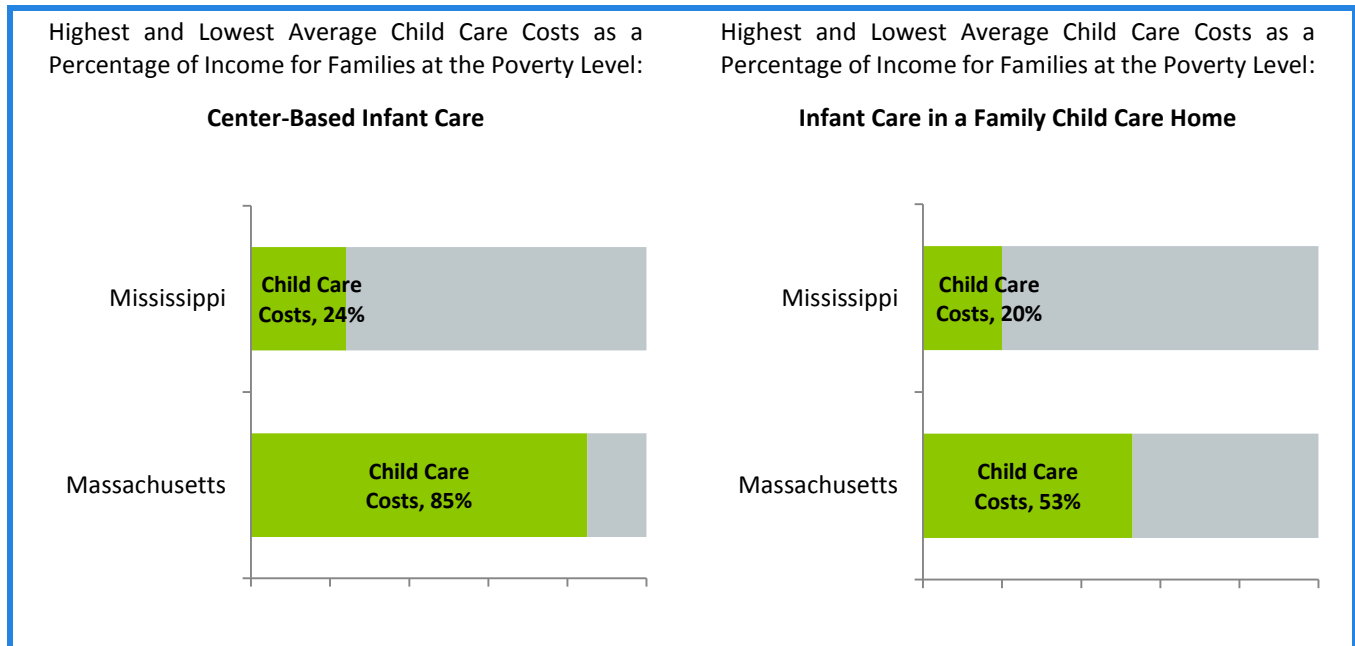
an infant. For family home care, families of three in *Massachusetts* living at the poverty level would have to pay 53 percent of their income for full-time care in a family child care home for an infant.

*"Infant child care prices were really expensive so we had to split shifts on having one parent at home. Although it worked out for daycare, it is hard to parent and be a family when one parent is gone either day or night. Kids are growing up with different dynamics of both parents that are together, but not in the same space/time."*

*- Married Couple with Infant*



**FIGURE 4: KEY FACTS ON CHILD CARE COSTS AND POVERTY**



Even for families of three earning an income **double** the federal poverty threshold (or \$39,580), child care is a significant burden. The cost for center-based infant care ranges from 12 percent of income for a low-income family in *Mississippi* to over 42 percent of family income in *Massachusetts*. Likewise, the cost for care for an infant in a family child care home ranges from 9.9 percent of income for a low-income family in *Mississippi* to 26.5 percent of family income in *Massachusetts*.

Appendix VIII (infants and two children) and Appendix IX (four-year-olds) show the average annual cost of center-based child care in every state as a percentage of: the federal poverty level; 150 percent of the federal poverty level; and 200 percent of the federal poverty level.

## CHILD CARE COSTS VERSUS COLLEGE COSTS

As noted in the previous charts, the cost of child care is comparable to or exceeds college tuition. In

2014, the average annual cost for an infant in center-based care was higher than a year's tuition and fees at a four-year public college in 28 states and the *District of Columbia*. Even the annual average cost of care for a four-year-old in a center, which is less expensive than care for an infant, was higher than public college tuition and fees in 19 states and the *District of Columbia*.<sup>52</sup>

Appendix VI shows the 2014 average annual costs of full-time child center-based care for an infant, a four-year-old child, or a school-age child compared to public college tuition and fees by state.

<sup>52</sup> College Board Advocacy & Policy Center. (2012). Trends in college pricing: 2012. Retrieved September 17, 2014, from

[http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report\\_0.pdf](http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report_0.pdf)

## EXAMINING CHILD CARE IN URBAN SETTINGS

### THE UNIQUE CHILD CARE LANDSCAPE IN THE DISTRICT OF COLUMBIA

The cost of care in the *District of Columbia* continues to be higher than in any of the 50 states. Due to the unique nature of costs for child care in the *District of Columbia* (explained below), costs are shown in the Appendices but are not included in rankings of affordability and tables of cost ranges.

The *District of Columbia* is an exclusively urban area, with a large income disparity between single parent and two-parent family incomes. The *District of Columbia* has a very high median income for two-parent families—higher than any of the 50 states at over \$157,000 per year—and a very low median income for single parent families at just \$25,582 per year. The median income for single parent households is just 16.2 percent of that for two-parent households.

The high incomes of this region combined with the cost of care being higher than any of the 50 states makes it difficult to draw comparisons between the 100 percent urban District of Columbia and the 50 states.

### SPOTLIGHT: CHILD CARE COSTS IN FIVE COUNTIES

The cost of care in urban areas is higher than statewide averages. Child care is often much more

expensive in urban settings than in more rural parts of a state, meaning *statewide averages often understate the cost of care in more heavily populated regions*. Child Care Aware® of America examined five of the country's largest metropolitan areas by population where we were able to obtain county-level cost data:

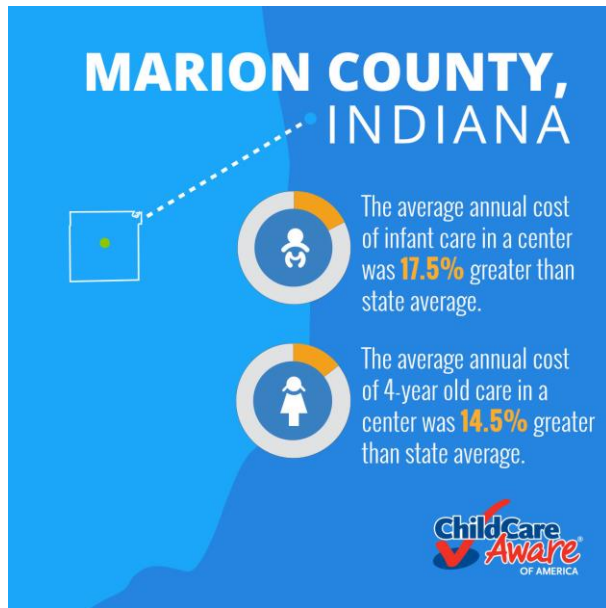
- ▶ Indianapolis, Indiana (Marion County)
- ▶ Las Vegas, Nevada (Clark County)
- ▶ Columbus, Ohio (Franklin County)
- ▶ Seattle, Washington (King County)
- ▶ Milwaukee, Wisconsin (Milwaukee County)

In every instance except one, the cost of care for an infant and for a four-year-old was greater than the statewide average. On average, the annual cost for an infant in a center in the five metropolitan county areas we examined was 22 percent greater than the statewide averages. For four-year-olds, this figure drops to 19.3 percent. The comparable figures for family child care homes were greater than the statewide averages by 11.9 percent for infants and 8.3 percent for four-year-olds. In the five counties we examined, the cost premium for child care centers was greater than that for family child care homes in every instance except in Milwaukee, Wisconsin.

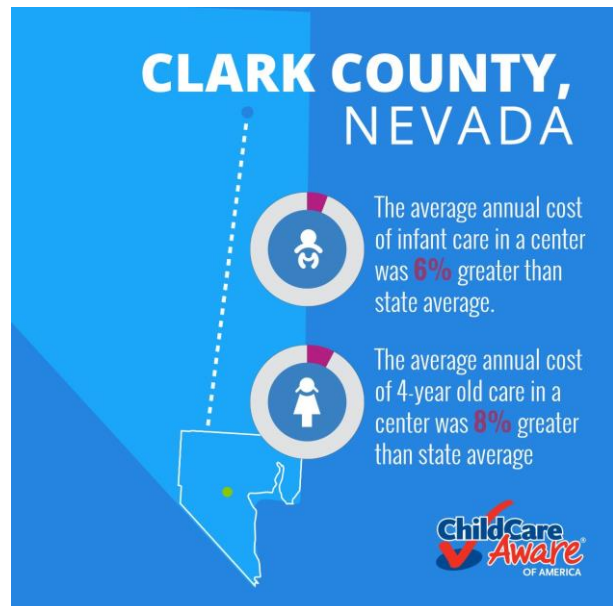
**TABLE 7: CHILD CARE COSTS IN FIVE URBAN COUNTIES**

City, ST (County)	Counties				State Averages				%Difference			
	Centers		Family Child Care		Centers		Family Child Care		Centers		Family Child Care	
	Infant	4-yo	Infant	4-yo	Infant	4-yo	Infant	4-yo	Infant	4-yo	Infant	4-yo
Indianapolis, IN (Marion)	\$10,477	\$7,740	\$7,165	\$5,503	\$8,918	\$6,760	\$6,825	\$5,564	17.5%	14.5%	5.00%	-1.1%
Las Vegas, NV (Clark)	\$10,465	\$8,766	\$8,640	\$8,084	\$9,852	\$8,118	\$8,381	\$7,827	6.2%	8.0%	3.1%	3.3%
Columbus, OH (Franklin)	\$12,244	\$9,640	\$7,266	\$6,762	\$8,977	\$7,341	\$6,891	\$6,564	36.4%	31.3%	5.4%	3.0%
Seattle, WA (King)	\$16,644	\$11,964	\$11,028	\$8,844	\$12,733	\$9,588	\$9,466	\$7,801	30.7%	24.8%	16.5%	13.4%
Milwaukee, WI (Milwaukee)	\$13,674	\$11,112	\$11,466	\$9,733	\$11,579	\$9,469	\$9,152	\$8,172	18.1%	17.4%	25.3%	19.1%

In *Marion County, Indiana*, which includes the city of Indianapolis, the average annual cost of infant care in a center was \$10,477, or 17.5 percent greater than the \$8,918 state average. Marion County recently launched a pilot program of state-funded pre-K to help alleviate some of the heavier financial burden associated with child care in the county.



Child care costs in Las Vegas, located in *Clark County, Nevada*, do not vary significantly from the state mean. Nearly three-quarters (71.4 percent) of Nevada's population resides within Clark County, so it makes sense that the county largely sets the benchmark costs for the state. However, *within* the Las Vegas metropolitan area, there is marked variation of costs. Rates for infant care in a center range from \$6,500 to over \$14,500 per year.

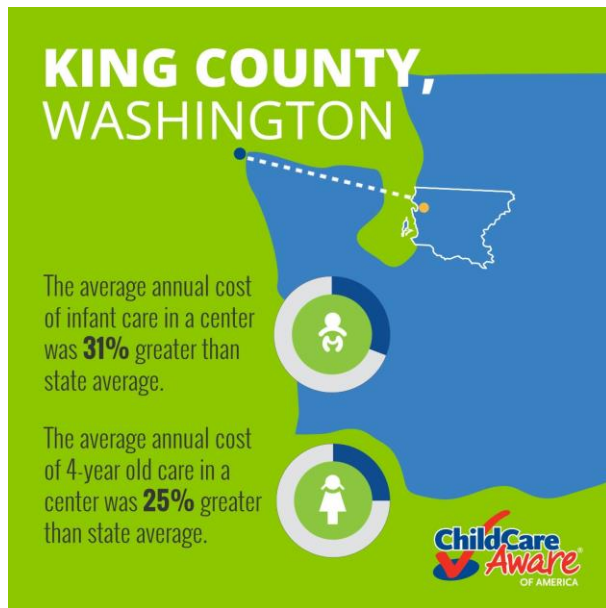


Child care fees in the city of Columbus, Ohio—located in *Franklin County*—are over one-third (36.4 percent) higher than the statewide average. Some of this might be attributable to the relative affluence of the area, Columbus is the capitol of Ohio and it has recently seen an influx of young and relatively wealthy families.



In Seattle, Washington, located in *King County*, the cost for center-based based infant care is around 30 percent more than the state average. Considering that average family income within the county is only about 22 percent greater than the state average, parents in King County appear to be

paying disproportionately higher rates for child care. This increased burden is alleviated somewhat by higher state subsidy payments (the highest in the state) for families in King County.



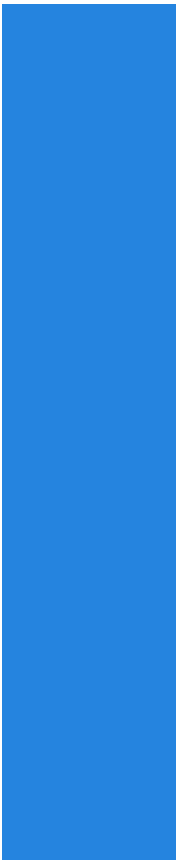
Finally, in Milwaukee, Wisconsin, the annual cost for center-based infant care is over 18 percent greater than the statewide average. Given that the average household income for a married couple

family in *Milwaukee County* is actually lower than the statewide average by about 6.5 percent, families in the area are facing child care costs of 17.3 percent of their annual income for one infant alone. This is significantly higher than the 13.7 percent of income required for child care statewide and exceeds the statewide average for every state in the country.





# ACCESS





## PAYING FOR CHILD CARE

### FUNDING FOR CHILD CARE

There are multiple funding sources for child care in the United States, but each serves only a fraction of the eligible population; they do not integrate into a coordinated, quality child care system. As a result, depending on who funds them, different child care programs vary widely in the quality options they offer and the fees they charge. Some states are making efforts to use money from different funding streams to provide full day, full year, and improved quality early care and education for young children at lower costs to families.

#### *Burden for Families*

About 60 percent of funding for child care in the United States comes directly from parents.<sup>53</sup> In comparison, families pay only about 23 percent of the cost of a public college education, with the remainder subsidized by state and federal funds.<sup>54</sup>

#### *Federal Funding*

About 2.6 million children receive federal subsidies through one of several funding sources including the Child Care and Development Block Grant (CCDBG), Temporary Assistance for Needy Families (TANF), and the Social Services Block Grant (SSBG). In FY 2015, the federal government invested over \$8.5 billion in local Head Start and Early Head Start programs, which are required to meet quality standards and provide comprehensive services for children living below

the poverty level or those with disabilities.<sup>55</sup> Head Start programs currently serve approximately 42 percent of income-eligible children, and Early Head Start programs serve less than 4 percent of income-eligible children.<sup>56</sup>

CCDBG is the primary source of public funding for child care. Through CCDBG, the federal government provides grants to states to provide monthly subsidies or vouchers to low-income families (those who earn up to 185 percent of the state median income) to help them pay for child care; parents pay a co-payment, typically 10 percent of the cost of care.

About **1.5 million children receive assistance through CCDBG**—approximately one out of every six eligible children.<sup>57</sup> Fifty percent of the families receiving child care assistance through CCDBG funding had an annual income below the federal poverty level (**\$20,090 for a family of three**). Another 25 percent had income between 100 percent and 150 percent of the poverty threshold.<sup>58</sup>

Congressional funding of CCDBG has been static since 2002. States have experienced increased demand for child care subsidies, with no increase in federal funding. To meet the need, states implement strategies that negatively affect the care children receive by:

- ▶ Paying child care providers lower reimbursement rates so providers lose

---

<sup>53</sup> Mitchell, A., Stoney, L., and Dichter, H. (2001). Financing child care in the United States: An expanded catalog of current strategies. Ewing Marion Kauffman Foundation. <http://sites.kauffman.org/pdf/childcare2001.pdf>

<sup>54</sup> Ibid.

<sup>55</sup> Child Care Aware® of America. (2013). *Capitol connection guidebook: 113th Congress: A congressional resource*. Retrieved May 3, 2013, from [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/capitol\\_connection\\_guidebook\\_final.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2013/capitol_connection_guidebook_final.pdf)

<sup>56</sup> Blair, J. (2013, 25 November). Only 42 Percent of Eligible Children Participate in Head Start. Education Week. [http://blogs.edweek.org/edweek/early\\_years/2013/11/](http://blogs.edweek.org/edweek/early_years/2013/11/)

[only 42 percent of eligible children participate in head start.html](#)

<sup>57</sup> Child care: Multiple factors could have contributed to the recent decline in the number of children whose families receive subsidies. U.S. Government Accountability Office. GAO-10-344. <http://www.gao.gov/new.items/d10344.pdf>

<sup>58</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care. (2012, September). Characteristics of families served by CCDF based on preliminary FY2011 data. <http://www.acf.hhs.gov/programs/occ/resource/characteristics-of-families-served-by-child-care-and-development-fund-ccdf>

funding and subsidize the cost of serving children themselves or accept fewer children.

- ▶ Increasing the parent co-payment so the same amount of federal funding can be spread further; unfortunately, this makes child care unaffordable for some families.
- ▶ Tightening parent eligibility criteria so that a program serves fewer children.

Parents receiving funds from CCDBG are not required to use licensed care. Nearly one in five children (19 percent) who receive CCDBG assistance is in unlicensed care. In 10 states, 30 percent or more of the children who receive CCDBG assistance are in unlicensed settings.<sup>59</sup> Unlicensed care is not subject to regular inspections, and research has shown that unlicensed care is typically of lower quality. However, beginning in the fall of 2016, states will have to conduct mandatory annual fire, health, and safety inspections of unlicensed child care businesses.

### **Tax Credits**

Parents and businesses can take advantage of tax credits for supporting child care, including the Earned Income Tax Credit, the Child Tax Credit, the Child and Dependent Care Tax Credit, and Dependent Care Assistance Programs. The amount of benefits available varies by state and the family's income.<sup>60</sup>

### **Other Sources**

Less than 1 percent of funding for child care comes from businesses and philanthropic organizations.<sup>61</sup> An unexpected funding source for child care is the

low wages teachers earn. If child care teachers and providers earned salaries comparable to those with similar levels of educational attainment, child care costs would rise. In effect, then, the low wages of the early care and education workforce serve as a subsidy for parents and child care businesses.<sup>62</sup> When adjusted for inflation, the wages for child care providers have remained stagnant over the last 20 years.

## **OTHER SUPPORT FOR CHILD CARE SYSTEMS DEVELOPMENT**

The CCDBG program requires states to spend a minimum of 4 percent of the monies received on quality improvement. While minimal, these funds are important resources for strengthening child care policy and funding quality improvement initiatives. The CCDBG bill passed in 2014 increased the amount of money that is to be devoted to quality improvement. In FY 2016 and FY 2017, states must channel a minimum of 7 percent of CCDBG funds into quality improvement. That rises to 8 percent in FY 2018 and FY 2019, and 9 percent in FY 2020 and FY 2021. Additionally, beginning in FY 2017, states must reserve a minimum of 3 percent of funding for activities dedicated to supporting infants and toddlers. State Advisory Councils on Early Childhood Education and Care (SACs)—mandated by the 2007 Head Start legislation—facilitate public and private partnerships. These partnerships vary from state to state. Some have been successful in taking advantage of multiple funding streams, creating efficiencies by modifying conflicting policies among funders, and creating incentives for the private sector to invest in child care.

---

<sup>59</sup> U.S. Department of Health and Human Services. CCDF Reauthorization. <http://www.acf.hhs.gov/programs/occ/ccdf-reauthorization>

<sup>60</sup> Questions and answers about Dependent Care Tax Assistance: A Sloan Work and Family Research Network fact sheet (2008). Sloan Work and Family Research Network. <https://workfamily.sas.upenn.edu/sites/workfamily.sas.upenn.edu/files/imported/pdfs/DCAP.pdf>

<sup>61</sup> National Women's Law Center calculations based on data from: the Office of Head Start on number of enrolled

children and Census Bureau data on children in poverty by single year of age. Supporting our youngest children: Early Head Start programs in 2010: Brief No. 11. <http://www.clasp.org/admin/site/publications/files/EHS-Trend-Analysis-Final.pdf>

<sup>62</sup> Bellm, D. and Whitebook, M. (2006). Roots of decline: How government policy has de-educated teachers of young children. Center for the Study of Child Care Employment, Institute of Industrial Relations. University of California at Berkeley. [http://www.irle.berkeley.edu/cscce/wp-content/uploads/2006/01/roots\\_decline061.pdf](http://www.irle.berkeley.edu/cscce/wp-content/uploads/2006/01/roots_decline061.pdf)

## THE COST OF UNREGULATED CHILD CARE

Child Care Resource and Referral agencies (CCR&Rs) throughout the country report that due to the high cost of care, some families choose to move their children from licensed programs to informal/unlicensed child care settings.

While the costs of unregulated care may be lower than those represented in this report, the quality of care in unregulated facilities is consistently lower than regulated sites. Unlicensed care is not subject to basic health and safety requirements, minimum training requirements, or background checks for providers. Unlicensed care is also not inspected. Most parents are, understandably, not willing to ask a friend to let them inspect the cupboard under the sink for poisons or to ask for a criminal history check. In the case of unlicensed care, no one is performing these types of quality inspections. However, *For License-Exempt CCDF Providers (except those serving relatives)*, the state must conduct annual inspections for compliance with health, safety, and fire standards. The law does not require that these monitoring visits be unannounced, but ACF recommends that states consider unannounced visits for license-exempt providers since experience shows they are effective in promoting compliance.<sup>63</sup>

Many states allow informal care to operate legally. Twenty-seven states do not require a license for family child care providers until five or more children are cared for in the home. Eight states allow family child care providers to care for six or more children for pay without a license or any

oversight.<sup>64</sup> In 11 states, it is illegal to provide care for even one child for compensation without a license and monitoring.

Although child care in informal situations may be more financially affordable in the short run, there may be hidden costs that are paid later. School-readiness only becomes evident when children enter kindergarten. In Maryland, for example, assessments have consistently found that children who attend regulated child care programs do better when they enter kindergarten than children who had child care in informal or unregulated settings.<sup>65</sup>

### Measuring Quality

Some states have a Quality Rating and Improvement System (QRIS). Quality measurement serves as a foundation for child care. QRIS is a method to assess, improve, and communicate the level of quality in early care and education settings. QRIS can exist on a spectrum in terms of their stage of development and implementation and can operate statewide or in a local area.<sup>66</sup>

A well designed QRIS provides the following:

- ▶ Quality assurances by creating and aligning program and professional standards and assessing and monitoring how well programs meet those standards
- ▶ **Supply-side intervention** that link QRIS standards and participation with:
  - ▷ program supports including technical assistance and coaching

---

<sup>63</sup> U.S. Department of Healthcare and Human Services. (2015). CCDF Reauthorization Frequently Asked Questions. <http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq#MONITORINGREQUIREMENTS>

<sup>64</sup> Leaving children to chance: NACCRRA's ranking of state standards and oversight of small family child care homes: 2012 Update. NACCRRA. <http://www.naccrra.org/about-child-care/state-child-care-licensing/2012-leaving-children-to-chance-child-care-homes>

<sup>65</sup> Maryland State Department of Education. (2013, March). Children entering school ready to learn: The 2012-2013

Maryland School Readiness Report. [http://www.marylandpublicschools.org/NR/rdonlyres/B-CFF0F0E-33E5-48DA-8F11-28CF333816C2/35515/MMSR\\_ExecutiveSummaryReport\\_20122013\\_.pdf](http://www.marylandpublicschools.org/NR/rdonlyres/B-CFF0F0E-33E5-48DA-8F11-28CF333816C2/35515/MMSR_ExecutiveSummaryReport_20122013_.pdf)

<sup>66</sup> Caronongan, P. et al. (2011). Defining and Measuring Quality: An In-Depth Study of Five Child Care Quality Rating and Improvement Systems. The Administration for Children and Families Office of Planning, Research and Evaluation. <http://www.grisnetwork.org/sites/all/files/resources/gscobb/2011-09-28%2014:01/Report.pdf>



- ▷ professional development supports including training and scholarships
  - ▷ financial supports including: grants, bonuses, differential reimbursement, wage supplements and tax credits
- ▶ **Demand side intervention** designed to influence consumer ECE choices by providing:
    - ▷ an easy-to-understand consumer guide to quality (star rating) and public education to assure consumers understand its meaning and use
    - ▷ links between higher quality child care choices and financial incentives such as tax credits and differential reimbursement<sup>67</sup>

---

<sup>67</sup> QRIS National Learning Network. Quality Rating and Improvement Systems Framework. Retrieved from: <http://grisnetwork.org/our-framework>

# EXPANDING ACCESS TO QUALITY, AFFORDABLE CHILD CARE

## POTENTIAL SOLUTIONS

This report described the high cost of child care around the county, explained what makes it high, and demonstrated that most parents are unlikely to be able to afford the true cost of high quality child care. At the same time, we see in this report that early learning and development is perhaps the most important investment our nation can make—creating opportunities to promote better individual life outcomes as well as strengthening our current and future economy. Where do we go from here? Child Care Aware® of America is not satisfied with simply describing the problem; we are dedicated to finding workable solutions. Although by no means exhaustive, this section explores creative strategies being employed around the country to make high quality child care more affordable and available for American families.

### *Expand the supply of sustainable, quality child care options for families*

Parents want child care they can rely on that nurtures the development of their children and enables them to meet their responsibilities. When care providers invest in meeting higher quality standards, offer staff salaries that are competitive with the public school system, or serve younger children, they add to the expenditures column of their budgets without a guarantee of a comparable rise in revenues. Additional public and private investments and creative strategies are needed to strengthen the child care sector. Quality child care settings need a stable foundation. Strategies include:

### *Estimating the cost of quality and building incentives for programs to meet higher standards*

Child care settings, like any business or non-profit, need to take into account revenues, expenses, and regulations that must be met such as child care licensing standards, quality improvement investments, and marketing. To strengthen child care as a business sector, policymakers and program directors need estimates of what it costs to, for example, require better staff-to-child ratios—which allow teachers to give more individualized attention to the children in their group. However, most states do not use true cost estimates to set payment rates for providers that care for children receiving state child care subsidies. The rules that govern the federal Child Care and Development Block Grant—the main source of federal dollars available to states to assist families to pay for child care—require states to conduct a market rate survey of the prices child care providers charge for care every two years.<sup>68</sup> Federal guidance recommends that states set their rates no lower than the 75<sup>th</sup> percentile of market rate, or high enough to access 75 percent of providers in the market. States are not required to set their payment rates to subsidize providers based on the 75<sup>th</sup> percentile of updated versions of market rate studies, and in 2014 only one state did so.<sup>69</sup> Furthermore, market rate surveys only capture what providers have been able to charge private pay clients, and given that few parents can afford the true cost of quality care, this method of rate setting is not a mechanism for securing access to quality services. Online tools are available to help providers and state child care administrators develop estimates using their own circumstances and data. [The Provider Cost of Quality Estimator](#)

---

<sup>68</sup> U.S. Department of Health and Human Services (1998). Administration for Children and Families. Federal Register 63(142). <http://www.gpo.gov/fdsys/pkg/FR-1998-07-24/pdf/98-19418.pdf>

<sup>69</sup> Schulman, K. & Blank, H. (2014). *Turning the Corner: State Child Care Assistance Policies 2014*. National Women's Law Center. Retrieved from: [http://www.nwlc.org/sites/default/files/pdfs/nwlc\\_2014\\_statechildcareassistancereport-final.pdf](http://www.nwlc.org/sites/default/files/pdfs/nwlc_2014_statechildcareassistancereport-final.pdf).

and the [Cost Estimator Model](#) are both available through support of the Office of Child Care, Administration for Children and Families, Department of Health and Human Services. First developed by Anne Mitchell and the Alliance for Early Childhood Finance, these tools can support better program and policy planning and demonstrate the gap between what parents can pay and the true cost of programming that will support children's growth and development. The Department of Early Learning in Washington State commissioned a Cost of Quality report <sup>70</sup> to calculate the costs of meeting the different levels of quality included in the state [Early Achievers QRIS](#) model. Effective financial incentives and appropriate payment rates enable providers that want to enhance quality to do so, in turn promoting the state's goal of raising school readiness of young children.

### ***Strengthening child care businesses by increasing efficiencies and working together***

Some child care program directors are realizing they can redirect more of their budgets to quality and teacher salaries when they share the administrative costs of running their businesses with other child care programs. In this innovative approach, multiple programs contribute to overhead costs they all must pay, such as leadership, benefits management, sanitation, food services, and/or insurance plans. By pooling their resources and purchasing goods and services in bulk, these programs are in a better position to leverage lower costs. Savings can then be invested in quality improvements.

***“A Shared Service model can save money and improve quality. Through Shared Services you can do combined purchasing, share back office functions, do collaborative training, set up a central referral office for all client services, and***

***many other costly activities. The money you save then can be put back into employee salaries and benefits which will attract a more educated staff to work with the children.”***

***-Phil Acord, Chambliss Center for Children, Chattanooga, TN***

Several of these “shared services alliances” are operating across the country. Online resources, case studies, and information on existing alliances are available to build or join an alliance through the [Opportunities Exchange](#) and the Merage Foundation's [Early Learning Ventures](#) program.

### ***Building the supply of family child care settings offering quality infant and toddler care***

Some parents prefer that their very young children be cared for in a home environment, but family child care providers often need support to be able to offer nurturing care to children, engage families, and manage the business of being a provider.<sup>71</sup> Efforts to build new and stronger family child care settings are being implemented in communities across the country, typically by creating staffed networks or community-based partnerships between individual home providers and an established agency to help providers with quality enhancement and business management. A study of staffed family child care networks found significant differences in quality provided as compared to non-affiliated providers, especially when the staff that worked with family child care providers had specialized postsecondary level preparatory coursework with a focus on infant and toddler child care.<sup>72</sup> Programs like [All Our Kin](#) in New Haven, Connecticut have demonstrated higher quality and benefits to the local economy through a family child care network.

---

<sup>70</sup> Mitchell, A. (2013). Modeling the Cost of Quality in Early Achievers CENTERS and Family Child Care. Washington State Department of Early Learning. [http://www.del.wa.gov/publications/elac-qris/docs/Early\\_Achievers\\_cost\\_of\\_quality.pdf](http://www.del.wa.gov/publications/elac-qris/docs/Early_Achievers_cost_of_quality.pdf)

<sup>71</sup> ZERO TO THREE. (2012). *Staffed Family Child Care Networks: A Strategy to Enhance Quality Care for Infants and Toddlers*. Retrieved from:

<http://www.zerotothree.org/public-policy/infant-toddler-policy-issues/fcc-staffed-networks.pdf>

<sup>72</sup> Bromer, J. (2009). *Staffed Support Networks and Quality in Family Child Care: The Family Child Care Network Impact Study*. The Herr Research Center for Children and Social Policy at Erikson Institute. Retrieved from: [http://www.erikson.edu/wp-content/uploads/Full\\_report\\_web.pdf](http://www.erikson.edu/wp-content/uploads/Full_report_web.pdf).

*Layering funding to create quality programs that meet needs of families*

**LAYERING FUNDING: WICHITA, KANSAS**

TOP Early Learning Centers in Wichita, Kansas have developed and implemented a public-private business model that enables them to serve more than 600 low-income one- to five-year-old children a year with **little to no cost** to parents. The first TOP Early Learning Center opened in 2003 and was started by a local businessman and philanthropist, Barry Downing. With some seed money, he and his family sought out to expand the number of available slots for low-income families in their community through identifying existing service providers and developing strategic partnerships with those who were willing to work with them to meet the early childhood educational needs of their community. TOP Early Learning Centers' administrators work with the government and private funders to **braid dollars from a variety of different sources** including Head Start, school districts, Department of Children and Families, Kansas Department of Education, and the Kansas Children's Cabinet and Trust Fund. TOP leaders determine the appropriate braiding of funds for each situation. For instance, a child from a low-income family might be eligible for Head Start which only covers half a day's care. In this case, the remaining hours might be supported by the Department of Children and Families Child Care subsidy dollars. The combined dollars help fund full-day services and since a portion of the funds are from Head Start, the comprehensive services are offered to the family and the child's care is held to Head Start performance standards.

A 2014 federal initiative—[Early Head Start-Child Care Partnerships](#)—made \$500 million available to states, localities, or programs to expand access to Early Head Start for infants, toddlers, and families living in poverty, including through partnerships with existing child care programs. Applicants for funding received extra points for using a partnership strategy for their proposed expansion, and were encouraged to layer child care subsidy

funding and the Early Head Start grant together to offer full day, full year center or family child care home learning opportunities along with the comprehensive health, social, and nutrition services required in federal Program Performance Standards for Head Start grantees. The initiative drew on the promising results of the [Early Head Start for Family Child Care Evaluation](#) that supported the development of partnerships in 22 sites across the country.<sup>73</sup>

*Involving businesses in supporting better child care for their workforce and communities*

Leading business organizations are actively encouraging the public, their constituencies, and policymakers to support investments in better child care and learning experiences for young children in the interest of the future of the country. They also are clear that their current and future workforce depends on high quality child care. The [Committee for Economic Development](#) and [Ready Nation](#) are both business membership organizations that [make this argument](#) and [provide tools](#) to business leaders on this topic. Many local and state Chambers of Commerce are also actively advocating for increased investments in quality child care to both support the current workforce and the school readiness of children.

**INVOLVING BUSINESS IN SUPPORTING CHILD CARE: GEORGIA**

In Georgia, the [Georgia Early Education Alliance for Ready Students](#) (GEEARS) developed a state specific toolkit to help business community partners understand how child care impacts their bottom line and give them tools to take action on behalf of their employees. The [GEEARS toolkit](#) includes background information on the issue, provides ideas for how businesses can expand affordability and accessibility of child care, and promotes family friendly policies that allow better work-life balance.

<sup>73</sup> Del Grosso, P., Akers, L. & Heinke, L. (2011). Building Partnerships Between Early Head Start Grantees and Family Child Care Providers: Lessons from the Early Head Start for Family Child Care Project. Mathematica Policy

Research. Retrieved from: <http://eclkc.ohs.acf.hhs.gov/hslc/tta-system/ehsnrc/poi/family-child-care/ehsfcc-evaluation-report.pdf>.

Business leaders have become powerful advocates for their employees and the larger community where they are based.

### ENCOURAGING BUSINESS ADVOCACY: MINNESOTA

Minnesota has the benefit of a strong coalition of businesses, advocates, funders and thought leaders called [MinneMinds](#) that helped lead the push for an increase in public funding for access to high quality early care and education. The [Minnesota Early Learning Scholarship Program](#) is the primary program they supported. This program increases access to high-quality early childhood programs for three- and four-year-old children with the highest needs, in order to improve school readiness for all young children. Up to \$7,500 in need-based scholarships are awarded to families to access early care programs, including child care and Head Start. The state estimates that approximately 5,700 scholarships per year are awarded throughout the state, representing about 12 percent of the eligible children in Minnesota.

The White Earth Ojibwe Nation is an example of a local program using the Minnesota Early Learning Scholarship Program to both help parents with the cost of care but also encourage quality child care within the community. For those parents who are working, it provides supplemental resources to cover what the Child Care Assistance Program does not cover, for example overage hours and copayments. Tribal providers (out of 20 sites, 17 of them are at least a 3 or 4 Stars rated on Minnesota's Parent Aware Quality Rating System) also are required to do parent conferences and early childhood assessments. Those who received Early Learning Scholarships were required to attend two annual child development trainings per year to learn about child development issues, vocabulary development and literacy.

### Using the tax system to provide incentives for business investment

Tax credits defray the tax burden for businesses that support an activity the government wishes to encourage. Unlike a deduction, credits don't just lower the amount of taxable income; they actually lower the bottom line of tax liability.<sup>74</sup> Some states are looking to the tax system to help build the supply of child care options. For example, [Georgia's Employer Credit](#) makes employers eligible for a tax credit of up to 75 percent of the costs to the employer of providing or sponsoring child care for their employees (up to 50 percent of the business' total state income tax bill). In Louisiana, a business can be eligible for tax credits for supporting child care centers that are part of the state's Quality Start QRIS, with higher credits for higher quality rating levels. There is also a credit of up to \$5,000 available to businesses that donate funding to child care resource and referral agencies.<sup>75</sup>

### Financing high quality programs using private investment through a "pay for success" model

A new approach to public-private partnership is emerging through "pay for success bonds" (also called "social impact bonds" or "social benefit bonds"). These bonds pay for social investments that have a public benefit. The government contracts with an intermediary organization to provide the program and sets target outcomes to measure success. Private investors provide the upfront capital to the intermediary and investors earn back a return on this investment only if an independent evaluator determines that target outcomes set by the government are met. The government then pays the private investors.<sup>76</sup> A dozen states across the country have passed or are considering pay for success legislation.<sup>77</sup> For example, in Salt Lake City, private investment from Goldman Sachs and the J. B. Pritzker Family

---

<sup>74</sup> Blank, S. and Stoney, L. (2011). *Tax Credits for Early Care and Education: Funding Strategies for a New Economy*. Opportunities Exchange. Retrieved from: [http://opportunities-exchange.org/wp-content/uploads/OpEx\\_IssueBrief\\_Tax\\_Final1.pdf](http://opportunities-exchange.org/wp-content/uploads/OpEx_IssueBrief_Tax_Final1.pdf).

<sup>75</sup> Ibid.

<sup>76</sup> Guendel, J. & Golden, M. (2014). Pay for Success Financing for Child Care: Challenges and Opportunities. Institute

for Child Success. Retrieved from:

<http://www.instituteforchildsuccess.org/publications.php>.

<sup>77</sup> See U.S. Map of State Statutes and Activities, Ready Nation website. Retrieved from:

<http://www.readynation.org/PFS#us-map>.

Foundation to the United Way of Salt Lake City is expanding access to the Utah High Quality Preschool Program.<sup>78</sup> Some in the early childhood field see the potential to build this type of financing into child care systems as a new financing source, given research on high quality programs having a long-term positive impact on child development and future earnings.<sup>79</sup> Online resources and information may be found at the [Ready Nation website](#).

### ***Strategies to help individual families pay for child care***

At the national level, federal investments in strategies to help families afford high quality child care are critically important, but not adequate to secure access to affordable care for all families. The Child Care and Development Block Grant—reauthorized by Congress in November 2014—helps pay for child care for 1.7 million children a month through state administered child care assistance programs for low-income families.

However, the U.S. Department of Health and Human Services estimated in 2009 that child care

assistance reached less than 18 percent of potentially eligible children, and since then federal funding has not kept pace with inflation or demand. A new analysis found that the number of children supported through this program has declined to a 15-year low.<sup>80</sup> The federal Child and Dependent Care (CADC) Tax Credit allows taxpayers to reduce the amount of their tax liability by up to \$3,000 for one and \$6,000 for two or more dependent children, depending on their family income. While the CADC tax credit is targeted to lower income families (it phases out at higher income levels), it is not refundable, so families with low earnings and little tax liabilities are not eligible for a tax refund for the difference between what they owe and the full credit amount;<sup>81</sup> in 2009, almost half of American individual taxpayers owed no federal taxes.<sup>82</sup>

In addition, the CADC is not indexed to inflation to reflect higher costs of child care or changes in average salary levels over time.<sup>83</sup> Even so, the CADC and similar tax provisions in 27 states are important to assisting families across the country with the cost of child care.<sup>84</sup>

---

<sup>78</sup> See The Utah High Quality Preschool Program: America's First Social Impact Bond targeting early Childhood Education. Retrieved from:

<http://www.goldmansachs.com/what-we-do/investing-and-lending/urban-investments/case-studies/impact-bond-slc-multimedia/fact-sheet-pdf.pdf>

<sup>79</sup> Guendel & Golden, Op. cit.

<sup>80</sup> Matthews, H. & Schmit, S. (2014). Child Care and Development Block Grant (CCDBG) Participation Continues to Fall. The Center for Law and Social Policy. Retrieved from: <http://www.clasp.org/resources-and-publications/publication-1/CCDBG-Participation-2013-Factsheet.pdf>

<sup>81</sup> Campbell, N.D., et al. (2011). Making Care Less Taxing: Improving State Child and Dependent Care Tax Provisions. National Women's Law Center.

<sup>82</sup> Blank, S. and Stoney, L. (2011). *Tax Credits for Early Care and Education: Funding Strategies for a New Economy*. Opportunities Exchange. Retrieved from: [http://opportunities-exchange.org/wp-content/uploads/OpEx\\_IssueBrief\\_Tax\\_Final1.pdf](http://opportunities-exchange.org/wp-content/uploads/OpEx_IssueBrief_Tax_Final1.pdf)

<sup>83</sup> Campbell et al., Op. cit.

<sup>84</sup> Campbell, N.D., Matsui, A.K. & Birdsong, S. (2014). Developments in Federal and State Child and Dependent Care Tax Provisions in 2013. [http://www.nwlc.org/sites/default/files/pdfs/mclt\\_ty\\_2\\_013\\_update\\_2.pdf](http://www.nwlc.org/sites/default/files/pdfs/mclt_ty_2_013_update_2.pdf)



### STRATEGIES FOR AFFORDABLE CHILD CARE: COLORADO

In response to the financial challenges posed by child care costs, many states are implementing strategies to make care more affordable. One example is Colorado, where both state programs and some local initiatives are easing the burden on families.<sup>85</sup> On the state level:

- ▶ The Colorado Child Care Assistance Program (CCCAP) helps low- and moderate-income families pay for care. Families are eligible if their income is 165 percent of the federal poverty level, or less. CCCAP is funded by the federal Child Care and Development Block Grant (CCDBG) and by state and local investments.
- ▶ The Colorado Preschool Program is a state-funded early childhood education program. Children are eligible if they have certain risk factors associated with difficulties with later learning. The risk factors include being homeless, coming from an economically disadvantaged family, and/or having a parent under 18 years of age.
- ▶ Colorado also has two state tax credits aimed at making child care more affordable:
  - ▷ The Child Care Contribution Tax Credit. Taxpayers who make a donation to promote child care receive a 50 percent tax credit. In other words, for every dollar they donate, they receive a 50-cent tax credit in return.
  - ▷ A state Child and Dependent Care Credit. Just as the federal government provides a tax credit (up to \$2,100) for the costs of child care, Colorado has a state version of the credit as well. The state credit is calculated as a percent of the federal credit.

In addition to the state programs, certain Colorado communities have developed local initiatives in support of affordable care:

- ▶ The largest is the Denver Preschool Program (DPP), which provides tuition credits to help families in Denver County pay for high-quality preschool. The program is open to all 4-year-old children, regardless of family income. The DPP is funded by a 15-cent sales tax on \$100 purchases. Denver voters first approved the tax in 2006, and reauthorized it in 2014.
- ▶ Other communities that have initiatives to fund early childhood education program include Boulder County and the City of Aspen. In brief:
  - ▷ Boulder County's Human Services Safety Net Initiative, which includes financial support for child care, is funded by a small, temporary increase in property taxes that voters approved in 2010. The property tax increase was originally set to expire in 2015; however, voters approved an extension through the year 2030. It costs about \$21/year for a home valued at \$300,000.
  - ▷ The City of Aspen has a 0.45 percent sales tax that helps pay for affordable housing and child care. The tax was first passed in 1990 and was renewed in 1999 and 2008.

#### ***Assisting families ineligible for state child care assistance through CCDBG***

The higher cost of living in some communities may mean that families are ineligible for child care subsidies but still struggling financially. Although they earn more, these families pay more for housing and food and therefore often struggle to pay for child care. In Madison, Wisconsin, the city

sets its own income eligibility scale and uses local funds to make child care assistance available to Madison residents whose income make them ineligible for the state administered subsidy program, but who cannot afford the child care they need to work or participate in education or training, or who have a family crisis or a child with

<sup>85</sup> Manthey, T. "Child Care Costs Vary Widely Across Colorado." Colorado Children's Campaign. June 13, 2014. <http://www.coloradokids.org/child-care-costs-vary-widely-across-colorado/>



special needs. Families must choose a provider accredited by the city.

#### **INDIVIDUALIZED CHILD CARE SUBSIDY PILOT PROGRAM: ALAMEDA COUNTY, CALIFORNIA**

In Alameda County, children and families seeking quality child care are adversely affected by the high cost of living; families who earn just enough to meet housing costs are deemed ineligible for subsidized child care, and agencies receiving insufficient state reimbursement rates are unable to cover programming and operational costs. As a result, child care subsidy funds allocated to Alameda County are not fully expended, reducing access to quality child care. In October 2015, Alameda County passed AB 833, modeled after the successful individualized subsidy pilot plans in San Mateo and San Francisco counties. The bill provides Alameda County limited local flexibility with increased state oversight to address local needs, conditions, and priorities of working families in the county through a child care subsidy pilot plan. Without taking funds from other counties or increasing state costs, the local plan may supersede state law with regard to family eligibility criteria, family fees, reimbursement rates, and methods of maximizing the efficient use of subsidy funds.

#### ***Offering refundable state tax credits for low- and moderate-income families***

Tapping the tax system to help defray the costs of paying for child care is a strategy that may benefit low- and middle-income families struggling with the cost of child care. If they are refundable, credits

can help a family with low earnings earn a higher refund to pay back the cost of child care.

Thirteen states offer refundable tax credits for state income taxpayers, including ten (Arkansas, California, Colorado, Hawaii, Iowa, Minnesota, New Mexico, New York, Oregon, and Vermont) that make the credit fully refundable.<sup>86</sup> One state also offers tax credits to families who choose higher quality child care. In Louisiana, families with income under \$25,000 can qualify for 200 percent of the cost of child care for a child under age six in a five-star rated program compared to 50 percent in a two-star rated program through the state's [Quality Start rating system](#).

#### **HELPING PARENTS BUDGET FOR CHILD CARE COSTS: FAMILY BUDGET CALCULATOR**

As this publication described earlier, child care costs are one of the most expensive in a family budget and for many families it is simply unaffordable. The Economic Policy Institute (EPI) has developed a [Family Budget Calculator](#) that measures the income a family needs in order to attain a modest yet adequate standard of living.

According to the organization, "EPI's Family Budget Calculator measures the income a family needs in order to attain a modest yet adequate standard of living. The budgets estimate community-specific costs for 10 family types (one or two adults with zero to four children) in 618 locations. Compared with the federal poverty line and Supplemental Poverty Measure, EPI's family budgets provide an accurate and complete measure of economic security in America."<sup>87</sup>

<sup>86</sup> Campbell et al., Op. cit.

<sup>87</sup> Economic Policy Institute. Family Budget Calculator. <http://www.epi.org/resources/budget/>

## CONCLUSION AND RECOMMENDATIONS

### CHILD CARE AWARE® OF AMERICA RECOMMENDATIONS

With greater reliance on families to cover the increasing costs of finding and utilizing care for their children, it's critical that this report act not as only as a means for data distribution, but as a reminder that the federal government needs to take into consideration what solutions are at their disposal to assist families' capacity to afford quality child care. We call on federal and state policymakers to make child care a top priority when working on budgets.

In order to better meet the need of America's working families, Child Care Aware® of America recommends that Congress:

- ▶ **Increase significant federal investments in child care assistance** for eligible children and increase requirements for states' use of federal funds toward quality improvement efforts.
- ▶ **Provide resources for planning and developing child care capacity** to increase the availability of and access to high-quality child care options for working families.
- ▶ **Reduce barriers** in the subsidy administration process.
- ▶ **Require HHS to undertake a study of high-quality child care** to assist all families with young children in affording quality child care.
- ▶ **Ensure that developmentally appropriate public pre-kindergarten programs are designed to meet the developmentally appropriate child care needs of working families**, including the use of partnership models with market-based child care.
- ▶ **Expand the Child and Dependent Care Tax Credit (CDCTC)** to help working families cover the rising cost of child care. The credit should be improved through the following changes: To help low-income families, the credit should be made refundable. To help

middle-income families, the percentage of expenses used to determine the amount of the credit should be increased to 50 percent of expenses for families with incomes of \$35,000 or less, decreasing as income increases on the same sliding scale as under current law. To help all families, the current expense limits of the credit should be increased to more accurately reflect the actual costs of care.

- ▶ **Review and consider what policy options are available to help families offset the rising cost of child care**, including but not limited to raising dependent care limits for deductions or providing additional tax credits for families and providers, creating public-private partnerships, and looking to states that have already developed successful financing models.
- ▶ **Simplify the process whereby families qualify for these various child care tax incentives** so they can easily access them.
- ▶ **Ensure that parents who are enrolled in and attend college** full or part-time are permitted to take advantage of the **Dependent Care Tax Credit**.

*"Child care is an important part of the fabric of the country and a major support for parents and children. We need a new financing strategy that will significantly increase resources and provide a third party payment system to take the burden off hard pressed families and to allow improved compensation for those who care for our children."*

*-Joan Lombardi, Ph.D.*

Ever-tightening budget and spending constraints threaten to exacerbate the strain on the existing financial patchwork of care options already available for families. We call on parents, concerned citizens, and early care and education professionals to urge federal and state legislators to address the often overwhelming cost of quality child care by:

- ▶ Providing resources for planning and developing child care capacity to increase the availability of high quality child care options for working families.
- ▶ Reducing barriers in the subsidy administration process that prevent families from receiving assistance.
- ▶ Requiring states to have more effective sliding fee assistance phase-out plans to ensure that parents who receive a modest raise do not lose all child care assistance.
- ▶ Providing child care assistance to families who do not qualify for fee assistance but who cannot afford the market cost of child care in their community.
- ▶ Authorizing funds for pilots in high poverty rural communities to explore strategies that braid multiple funding sources to better meet the child care needs of working parents (meeting the criteria of the strongest funding stream to ensure safe, quality care for children).

*Parents and the High Cost of Child Care: 2015 Report* details the economic challenge America's

working families face in paying for child care. Survey after survey and poll after poll clearly show parents want quality child care and know the importance of safe, stable, stimulating environments for their children.<sup>88</sup>

## EARLY OPPORTUNITIES

Yet with child care so expensive, especially when compared to other household costs, most families struggle to pay for child care, particularly higher quality care. This challenge to pay for child care is exacerbated for families with more than one child and single-parent families.

Safety, health, and school readiness come at a cost that many parents cannot afford. When parents are priced out of legally operating child care they are often forced to select unlicensed care or patch together multiple informal arrangements; these options have been shown to be of lower quality overall than licensed settings, which has an impact on children's development and learning.

Through careful planning by the states and Congress, our nation can ensure that quality, affordable child care settings are available for working parents in every community. The status quo is unaffordable. Poor quality child care is simply not working. It is time to do something about it. It is well past time to take significant action for our children and economic future.

---

<sup>88</sup> NACCRRA (2009). Parents' perceptions of child care in the United States: NACCRRA's national parent poll: November 2008. Retrieved September 19, 2013, from

[http://www.naccrra.org/sites/default/files/publications/naccrra\\_publications/2012/parents\\_perceptionschildcareus.pdf](http://www.naccrra.org/sites/default/files/publications/naccrra_publications/2012/parents_perceptionschildcareus.pdf)

## RESOURCES FOR FAMILIES

**Local Child Care Resource and Referral agencies (CCR&R)** have information about local, state, and government grants; tax credits; and scholarships that can help parents meet the cost of child care. Families can find their local CCR&R at <http://childcareaware.org/> or by calling (800) 424-2246.

**Child Care Aware's® Child Care Options Calculator** allows families to examine their financial situation both with and without the cost of child care. Factors such as the cost of care, work-related expenses, monthly bills, and savings or retirement contributions are all included in the calculator. Families will be able to get an idea of their monthly budget and how child care will impact that budget.

**Child Care Aware's® State-by-State Resource Map** offers a list of agencies and organizations that provide information for families regarding child development, parenting, and/or child care concerns or questions. Families may access contact information for these agencies by clicking on their state. Information on the following topics may be found: child care licensing; child care providers' inspection reports; child support; Women, Infants, and Children (WIC); etc.

**Child Care Aware's® Accessing Support for All Parents (ASAP) Decision Making Tool** helps families look at factors involved in making decisions about child care. The ASAP Decision Making Tool allows families to:

- ▶ Consider critical areas of their lives impacted by child care decisions.
- ▶ Examine feelings regarding child care options.
- ▶ Seek the most appropriate resources and support for their choices.

The *Decision Making Tool* offers resources which include interactive questions, a budgeting calculator, and various articles intended to aid in a family's child care decision making process.

**Federal and state tax credits** are available to families, including:

- ▶ Up to \$5,891 from the federal Earned Income Tax Credit.
- ▶ Up to \$1,000 per child from the federal Child Tax Credit.
- ▶ Up to \$2,100 from the federal Child and Dependent Care Tax Credit.

## GLOSSARY

**Child Care and Development Block Grant (CCDBG):**

CCDBG is a \$5 billion federal block grant program that provides funding to States, Territories, and Tribes. It is the primary federal funding source devoted to providing access to child care services to low-income working families and to improving the quality of child care.

**Child Care Center:** An early care and education facility that is licensed/licensed exempt by the state and operates: under a proprietary or not-for-profit status, independently, or as part of a large chain of facilities or a faith-based organization.

**Family Child Care Homes:** Child care offered in a caregiver's own home and, depending on the state's licensing regulations, may be licensed or exempt from licensing.

**Illegal Child Care:**<sup>89</sup> A child care provider who is legally required to have a license but does not have one is operating illegally without a license, and may be subject to penalties for violating licensing laws.

**Infant/Toddler:** Though there are state-specific definitions, infants are children under 12 months old. Toddlers are children between the ages of 12 and 36 months.

**Legally Operating Child Care:** Licensed child care programs or programs legally exempt from licensure by state legislation.

**Licensed Child Care:** Family child care homes and child care centers that are legally required to comply with state standards and to be inspected. Legislation by individual states defines which programs are required to be licensed.

**License-exempt Child Care:**<sup>90</sup> Child care that can operate legally without a license. License-exempt child care programs are not required to comply with all state standards, and they have few or no inspections. Legislation by individual states defines which programs are exempt from licensure.

Examples of providers that some states choose to exempt from licensure include providers caring only for their relatives; family child care providers caring for fewer children than the number required for state licensing; centers operated by religious or faith-based organizations, state agencies, local governments, or military facilities; programs that operate less than four hours a day; and nannies that care for children in the children's own home.

**Preschool Age:** Though there are state-specific definitions, children ages three to five years, who are not yet in kindergarten, are considered to be of preschool age.

**Rural:** The U.S. Census Bureau defines areas with a population of less than 50,000 as rural.

**School Age:** Though there are state-specific definitions, children who have started school, normally five years and older, are considered to be school age.

**Urban:** The U.S. Census Bureau defines an urban area as a built-up area with a population of 50,000 or more. It encompasses one or more central places and is adjacent to densely settled surrounding areas, known as urban fringe.

---

<sup>89</sup> Child Care Law Center. (2004). Questions and answers on child care in California: License-exempt child care. Retrieved September 30, 2013, from

<http://www.childcarelaw.org/docs/qanda-licenseexempt.pdf>

<sup>90</sup> Ibid.

# APPENDICES

## APPENDIX I: 2014 AVERAGE ANNUAL COST OF FULL-TIME CHILD CARE BY STATE

State	Child care center			Family child care		
	Infant	4-year-old	School-age	Infant	4-year-old	School-age
Alabama	\$5,637	\$4,871	\$5,308	\$4,801	\$4,935	\$4,761
Alaska	\$10,957	\$7,652	\$6,471	\$8,536	\$10,030	\$5,981
Arizona	\$9,437	\$7,497	\$6,361	\$6,857	\$6,429	\$6,187
Arkansas	\$5,995	\$4,995	\$4,317	\$5,158	\$4,695	\$4,712
California	\$11,817	\$8,230	\$2,649	\$7,678	\$7,269	\$2,919
Colorado	\$13,154	\$9,882	\$5,022	\$8,862	\$8,192	\$4,272
Connecticut	\$13,880	\$11,502	\$5,323	\$10,003	\$9,540	\$4,297
Delaware	\$11,000	\$8,268	\$3,500	\$7,228	\$6,400	\$3,960
District of Columbia	\$22,631	\$17,842	\$13,623	\$16,006	\$13,668	\$8,457
Florida	\$8,694	\$7,668	\$3,962	\$9,718	\$8,853	\$4,227
Georgia	\$7,644	\$6,500	\$3,692	\$5,980	\$5,460	\$3,536
Hawaii	\$8,280	\$9,312	\$8,919	\$7,788	\$7,572	\$7,584
Idaho	\$7,200	\$6,924	\$4,661	\$6,195	\$5,533	\$4,066
Illinois	\$12,964	\$9,567	\$8,498	\$7,894	\$7,361	\$6,703
Indiana	\$8,918	\$6,760	\$4,719	\$6,825	\$5,564	\$3,057
Iowa	\$9,485	\$8,216	\$4,618	\$6,484	\$6,230	\$4,138
Kansas	\$11,201	\$7,951	\$3,588	\$6,761	\$5,941	\$1,997
Kentucky	\$6,294	\$5,499	\$5,557	\$5,419	\$5,378	\$5,209
Louisiana	\$5,747	\$4,914	\$1,104	\$4,843	\$4,667	\$2,027
Maine	\$9,512	\$6,870	\$4,439	\$6,870	\$6,605	\$3,765
Maryland	\$13,932	\$9,100	\$4,095	\$9,466	\$7,800	\$3,510
Massachusetts	\$17,062	\$12,781	\$3,414	\$10,666	\$10,000	\$3,955
Michigan	\$9,882	\$6,764	\$4,207	\$6,764	\$6,552	\$4,134
Minnesota	\$14,366	\$11,119	NR	\$7,882	\$7,163	NR
Mississippi	\$4,822	\$3,997	\$1,569	\$3,972	\$3,675	\$2,465
Missouri	\$8,632	\$9,308	\$4,602	\$5,720	\$4,940	\$3,081
Montana	\$9,062	\$7,922	\$7,778	\$7,270	\$6,839	\$6,815
Nebraska	\$7,926	\$6,843	\$6,455	\$5,813	\$5,724	\$5,724
Nevada	\$9,852	\$8,118	\$7,219	\$8,381	\$7,827	\$7,593
New Hampshire	\$11,810	\$9,457	\$4,798	\$9,152	\$8,262	\$3,280
New Jersey	\$11,534	\$9,546	\$3,475	\$8,699	\$7,790	\$3,268
New Mexico	\$7,942	\$7,098	\$3,286	\$6,359	\$5,996	\$3,051
New York	\$14,144	\$11,700	\$8,346	\$10,140	\$9,776	\$8,346
North Carolina	\$9,255	\$7,592	\$3,801	\$6,939	\$5,920	\$3,700
North Dakota	\$8,217	\$7,511	NR	\$6,846	\$6,569	NR
Ohio	\$8,977	\$7,341	\$5,008	\$6,891	\$6,564	\$4,633
Oklahoma	\$6,788	\$5,123	\$3,936	\$5,051	\$4,544	\$3,552
Oregon	\$11,322	\$8,787	\$3,655	\$6,885	\$6,761	\$3,997
Pennsylvania	\$10,640	\$8,072	\$5,692	\$7,956	\$7,139	\$5,348
Rhode Island	\$12,867	\$10,040	\$5,409	\$10,040	\$9,247	\$5,945
South Carolina	\$6,475	\$4,651	\$2,257	\$4,584	\$4,045	\$1,846
South Dakota	\$5,661	\$4,804	\$4,005	\$4,734	\$4,544	\$3,538
Tennessee	\$5,857	\$4,515	\$1,838	\$4,773	\$4,064	\$1,887
Texas	\$8,759	\$6,730	\$3,216	\$6,634	\$5,200	\$2,646
Utah	\$8,641	\$6,612	\$6,012	\$6,492	\$5,724	\$5,388



State	Child care center			Family child care		
	Infant	4-year-old	School-age	Infant	4-year-old	School-age
Vermont	\$11,270	\$9,970	\$5,562	\$7,976	\$7,516	\$4,464
Virginia	\$10,458	\$7,957	\$3,399	\$8,139	\$6,625	\$2,763
Washington	\$12,733	\$9,588	\$4,521	\$9,466	\$7,801	\$3,758
West Virginia	\$7,926	\$5,813	\$6,605	\$5,813	\$5,284	\$5,284
Wisconsin	\$11,579	\$9,469	\$8,849	\$9,152	\$8,172	\$7,784
Wyoming	\$6,541	\$5,833	\$4,150	\$5,833	\$5,254	\$3,941

Source: Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

NR: Data was not reported or not available for some categories of care

## APPENDIX II: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED INFANT CARE

Rank	State	Annual cost of infant care in a center <sup>+</sup>	Single-parent family		Married-couple family	
			Median income <sup>++</sup>	Percentage of the median income	Median income <sup>++</sup>	Percentage of the median income
1	Minnesota	\$14,366	\$26,795	53.6%	\$94,432	15.2%
2	Oregon	\$11,322	\$22,326	50.7%	\$74,506	15.2%
3	New York	\$14,144	\$25,937	54.5%	\$93,157	15.2%
4	Massachusetts	\$17,062	\$27,158	62.8%	\$112,824	15.1%
5	Colorado	\$13,154	\$28,222	46.6%	\$87,137	15.1%
6	Washington	\$12,733	\$25,856	49.2%	\$85,824	14.8%
7	Illinois	\$12,964	\$24,017	54.0%	\$88,403	14.7%
8	District of Columbia	\$22,631	\$25,582	88.5%	\$157,541	14.4%
9	California	\$11,817	\$26,341	44.9%	\$82,294	14.4%
10	Nevada	\$9,852	\$28,248	34.9%	\$69,580	14.2%
11	Kansas	\$11,201	\$23,860	46.9%	\$79,250	14.1%
12	Wisconsin	\$11,579	\$23,702	48.9%	\$84,375	13.7%
13	Vermont	\$11,270	\$24,590	45.8%	\$83,160	13.6%
14	Rhode Island	\$12,867	\$26,155	49.2%	\$96,919	13.3%
15	Arizona	\$9,437	\$25,228	37.4%	\$72,137	13.1%
16	Montana	\$9,062	\$20,044	45.2%	\$72,172	12.6%
17	Maine	\$9,512	\$22,301	42.7%	\$76,056	12.5%
18	Connecticut	\$13,880	\$30,019	46.2%	\$112,382	12.4%
19	Maryland	\$13,932	\$36,393	38.3%	\$113,714	12.3%
20	North Carolina	\$9,255	\$21,820	42.4%	\$75,259	12.3%
21	Michigan	\$9,882	\$20,352	48.6%	\$81,062	12.2%
22	Florida	\$8,694	\$24,860	35.0%	\$71,937	12.1%
23	Pennsylvania	\$10,640	\$23,858	44.6%	\$88,326	12.0%
24	New Hampshire	\$11,810	\$28,473	41.5%	\$100,152	11.8%
25	Delaware	\$11,000	\$29,037	37.9%	\$93,443	11.8%
26	Alaska	\$10,957	\$31,776	34.5%	\$92,503	11.8%
27	Utah	\$8,641	\$26,784	32.3%	\$73,995	11.7%
28	Iowa	\$9,485	\$24,069	39.4%	\$81,489	11.6%
29	Indiana	\$8,918	\$21,383	41.7%	\$76,786	11.6%
30	New Mexico	\$7,942	\$20,758	38.3%	\$68,669	11.6%
31	Texas	\$8,759	\$23,538	37.2%	\$75,463	11.6%
32	Missouri	\$8,632	\$21,892	39.4%	\$76,510	11.3%
33	Idaho	\$7,200	\$20,543	35.0%	\$63,851	11.3%
34	West Virginia	\$7,926	\$17,591	45.1%	\$71,003	11.2%
35	Ohio	\$8,977	\$20,852	43.1%	\$81,778	11.0%
36	Virginia	\$10,458	\$27,583	37.9%	\$98,043	10.7%
37	New Jersey	\$11,534	\$30,016	38.4%	\$111,781	10.3%
38	Georgia	\$7,644	\$22,191	34.4%	\$76,385	10.0%
39	Nebraska	\$7,926	\$24,258	32.7%	\$79,890	9.9%
40	Oklahoma	\$6,788	\$20,619	32.9%	\$69,435	9.8%
41	Hawaii	\$8,280	\$27,683	29.9%	\$87,567	9.5%
42	North Dakota	\$8,217	\$24,136	34.0%	\$88,252	9.3%
43	Arkansas	\$5,995	\$18,687	32.1%	\$64,920	9.2%
44	South Carolina	\$6,475	\$20,273	31.9%	\$73,641	8.8%
45	Kentucky	\$6,294	\$18,590	33.9%	\$73,748	8.5%

Rank	State	Annual cost of infant care in a center <sup>+</sup>	Single-parent family		Married-couple family	
			Median income <sup>++</sup>	Percentage of the median income	Median income <sup>++</sup>	Percentage of the median income
46	Tennessee	\$5,857	\$20,006	29.3%	\$71,531	8.2%
47	Wyoming	\$6,541	\$23,418	27.9%	\$84,210	7.8%
48	Alabama	\$5,637	\$18,502	30.5%	\$73,523	7.7%
49	South Dakota	\$5,661	\$23,473	24.1%	\$77,266	7.3%
50	Mississippi	\$4,822	\$18,312	26.3%	\$67,574	7.1%
51	Louisiana	\$5,747	\$19,279	29.8%	\$83,839	6.9%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

Note: 1=least affordable and 51=most affordable. Rank is based on cost of child care as percentage of state median income for married-couple families. Income is based on single-parent and married-couple families with own children under the age of 18.

### APPENDIX III: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED FOUR-YEAR-OLD CARE

Rank	State	Annual cost of four-year-old care in a center <sup>+</sup>	Single-parent family		Married-couple family	
			Median income <sup>++</sup>	Percentage of the median income	Median income <sup>++</sup>	Percentage of the median income
1	New York	\$11,700	\$25,937	45.1%	\$93,157	12.6%
2	Missouri	\$9,308	\$21,892	42.5%	\$76,510	12.2%
3	Vermont	\$9,970	\$24,590	40.5%	\$83,160	12.0%
4	Minnesota	\$11,119	\$26,795	41.5%	\$94,432	11.8%
5	Oregon	\$8,787	\$22,326	39.4%	\$74,506	11.8%
6	Nevada	\$8,118	\$28,248	28.7%	\$69,580	11.7%
7	Colorado	\$9,882	\$28,222	35.0%	\$87,137	11.3%
8	District of Columbia	\$17,842	\$25,582	69.7%	\$157,541	11.3%
9	Massachusetts	\$12,781	\$27,158	47.1%	\$112,824	11.3%
10	Wisconsin	\$9,469	\$23,702	40.0%	\$84,375	11.2%
11	Washington	\$9,588	\$25,856	37.1%	\$85,824	11.2%
12	Montana	\$7,922	\$20,044	39.5%	\$72,172	11.0%
13	Idaho	\$6,924	\$20,543	33.7%	\$63,851	10.8%
14	Illinois	\$9,567	\$24,017	39.8%	\$88,403	10.8%
15	Florida	\$7,668	\$24,860	30.8%	\$71,937	10.7%
16	Hawaii	\$9,312	\$27,683	33.6%	\$87,567	10.6%
17	Rhode Island	\$10,040	\$26,155	38.4%	\$96,919	10.4%
18	Arizona	\$7,497	\$25,228	29.7%	\$72,137	10.4%
19	New Mexico	\$7,098	\$20,758	34.2%	\$68,669	10.3%
20	Connecticut	\$11,502	\$30,019	38.3%	\$112,382	10.2%
21	Iowa	\$8,216	\$24,069	34.1%	\$81,489	10.1%
22	North Carolina	\$7,592	\$21,820	34.8%	\$75,259	10.1%
23	California	\$8,230	\$26,341	31.2%	\$82,294	10.0%
24	Kansas	\$7,951	\$23,860	33.3%	\$79,250	10.0%
25	New Hampshire	\$9,457	\$28,473	33.2%	\$100,152	9.4%
26	Pennsylvania	\$8,072	\$23,858	33.8%	\$88,326	9.1%
27	Maine	\$6,870	\$22,301	30.8%	\$76,056	9.0%
28	Ohio	\$7,341	\$20,852	35.2%	\$81,778	9.0%
29	Utah	\$6,612	\$26,784	24.7%	\$73,995	8.9%
30	Texas	\$6,730	\$23,538	28.6%	\$75,463	8.9%
31	Indiana	\$6,760	\$21,383	31.6%	\$76,786	8.8%
32	Delaware	\$8,268	\$29,037	28.5%	\$93,443	8.8%
33	Nebraska	\$6,843	\$24,258	28.2%	\$79,890	8.6%
34	Georgia	\$6,500	\$22,191	29.3%	\$76,385	8.5%
35	New Jersey	\$9,546	\$30,016	31.8%	\$111,781	8.5%
36	North Dakota	\$7,511	\$24,136	31.1%	\$88,252	8.5%
37	Michigan	\$6,764	\$20,352	33.2%	\$81,062	8.3%
38	Alaska	\$7,652	\$31,776	24.1%	\$92,503	8.3%
39	West Virginia	\$5,813	\$17,591	33.0%	\$71,003	8.2%
40	Virginia	\$7,957	\$27,583	28.8%	\$98,043	8.1%
41	Maryland	\$9,100	\$36,393	25.0%	\$113,714	8.0%
42	Arkansas	\$4,995	\$18,687	26.7%	\$64,920	7.7%
43	Kentucky	\$5,499	\$18,590	29.6%	\$73,748	7.5%

Rank	State	Annual cost of four-year-old care in a center <sup>+</sup>	Single-parent family		Married-couple family	
			Median income <sup>++</sup>	Percentage of the median income	Median income <sup>++</sup>	Percentage of the median income
44	Oklahoma	\$5,123	\$20,619	24.8%	\$69,435	7.4%
45	Wyoming	\$5,833	\$23,418	24.9%	\$84,210	6.9%
46	Alabama	\$4,871	\$18,502	26.3%	\$73,523	6.6%
47	Tennessee	\$4,515	\$20,006	22.6%	\$71,531	6.3%
48	South Carolina	\$4,651	\$20,273	22.9%	\$73,641	6.3%
49	South Dakota	\$4,804	\$23,473	20.5%	\$77,266	6.2%
50	Mississippi	\$3,997	\$18,312	21.8%	\$67,574	5.9%
51	Louisiana	\$4,914	\$19,279	25.5%	\$83,839	5.9%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

Note: 1=least affordable and 51=most affordable. Rank is based on cost of child care as percentage of state median income for married-couple families. Income is based on single-parent and married-couple families with own children under the age of 18.

## APPENDIX IV: 2014 RANKING OF LEAST-AFFORDABLE CENTER-BASED SCHOOL-AGED CHILD CARE

Rank	State	Annual cost of school-aged child care in a center*	Single-parent family		Married-couple family	
			Median income**	Percentage of the median income	Median income**	Percentage of the median income
1	Montana	\$7,778	\$20,044	38.8%	\$72,172	10.8%
2	Wisconsin	\$8,849	\$23,702	37.3%	\$84,375	10.5%
3	Nevada	\$7,219	\$28,248	25.6%	\$69,580	10.4%
4	Hawaii	\$8,919	\$27,683	32.2%	\$87,567	10.2%
5	Illinois	\$8,498	\$24,017	35.4%	\$88,403	9.6%
6	West Virginia	\$6,605	\$17,591	37.5%	\$71,003	9.3%
7	New York	\$8,346	\$25,937	32.2%	\$93,157	9.0%
8	Arizona	\$6,361	\$25,228	25.2%	\$72,137	8.8%
9	District of Columbia	\$13,623	\$25,582	53.3%	\$157,541	8.6%
10	Nebraska	\$6,455	\$24,258	26.6%	\$79,890	8.1%
11	Utah	\$6,012	\$26,784	22.4%	\$73,995	8.1%
12	Kentucky	\$5,557	\$18,590	29.9%	\$73,748	7.5%
13	Idaho	\$4,661	\$20,543	22.7%	\$63,851	7.3%
14	Alabama	\$5,308	\$18,502	28.7%	\$73,523	7.2%
15	Alaska	\$6,471	\$31,776	20.4%	\$92,503	7.0%
16	Vermont	\$5,562	\$24,590	22.6%	\$83,160	6.7%
17	Arkansas	\$4,317	\$18,687	23.1%	\$64,920	6.6%
18	Pennsylvania	\$5,692	\$23,858	23.9%	\$88,326	6.4%
19	Indiana	\$4,719	\$21,383	22.1%	\$76,786	6.1%
20	Ohio	\$5,008	\$20,852	24.0%	\$81,778	6.1%
21	Missouri	\$4,602	\$21,892	21.0%	\$76,510	6.0%
22	Colorado	\$5,022	\$28,222	17.8%	\$87,137	5.8%
23	Maine	\$4,439	\$22,301	19.9%	\$76,056	5.8%
24	Iowa	\$4,618	\$24,069	19.2%	\$81,489	5.7%
25	Oklahoma	\$3,936	\$20,619	19.1%	\$69,435	5.7%
26	Rhode Island	\$5,409	\$26,155	20.7%	\$96,919	5.6%
27	Florida	\$3,962	\$24,860	15.9%	\$71,937	5.5%
28	Washington	\$4,521	\$25,856	17.5%	\$85,824	5.3%
29	Michigan	\$4,207	\$20,352	20.7%	\$81,062	5.2%
30	South Dakota	\$4,005	\$23,473	17.1%	\$77,266	5.2%
31	North Carolina	\$3,801	\$21,820	17.4%	\$75,259	5.1%
32	Oregon	\$3,655	\$22,326	16.4%	\$74,506	4.9%
33	Wyoming	\$4,150	\$23,418	17.7%	\$84,210	4.9%
34	New Mexico	\$3,286	\$20,758	15.8%	\$68,669	4.8%
35	New Hampshire	\$4,798	\$28,473	16.9%	\$100,152	4.8%
36	Georgia	\$3,692	\$22,191	16.6%	\$76,385	4.8%
37	Connecticut	\$5,323	\$30,019	17.7%	\$112,382	4.7%
38	Kansas	\$3,588	\$23,860	15.0%	\$79,250	4.5%
39	Texas	\$3,216	\$23,538	13.7%	\$75,463	4.3%
40	Delaware	\$3,500	\$29,037	12.1%	\$93,443	3.7%
41	Maryland	\$4,095	\$36,393	11.3%	\$113,714	3.6%
42	Virginia	\$3,399	\$27,583	12.3%	\$98,043	3.5%
43	California	\$2,649	\$26,341	10.1%	\$82,294	3.2%
44	South Carolina	\$2,257	\$20,273	11.1%	\$73,641	3.1%



Rank	State	Annual cost of school-aged child care in a center <sup>+</sup>	Single-parent family		Married-couple family	
			Median income <sup>++</sup>	Percentage of the median income	Median income <sup>++</sup>	Percentage of the median income
45	New Jersey	\$3,475	\$30,016	11.6%	\$111,781	3.1%
46	Massachusetts	\$3,414	\$27,158	12.6%	\$112,824	3.0%
47	Tennessee	\$1,838	\$20,006	9.2%	\$71,531	2.6%
48	Mississippi	\$1,569	\$18,312	8.6%	\$67,574	2.3%
49	Louisiana	\$1,104	\$19,279	5.7%	\$83,839	1.3%
NA	Minnesota	NR	\$26,795	NA	\$94,432	NA
NA	North Dakota	NR	\$24,136	NA	\$88,252	NA

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

Note: 1=least affordable and 51=most affordable. Rank is based on cost of child care as percentage of state median income for married-couple families. Income is based on single-parent and married-couple families with own children under the age of 18.

NR: Data was not reported or not available for some categories of care

## APPENDIX V: AVERAGE COSTS FOR TWO CHILDREN IN CHILD CARE VERSUS MEDIAN HOUSING COSTS BY STATE

State	Average annual center-based child care costs <sup>+</sup>				Rent <sup>++</sup>		Mortgage <sup>++</sup>	
	Infant	4-year-old	School-age	Two children*	Annualized rent	Percentage difference**	Annualized mortgage	Percentage difference**
Alabama	\$5,637	\$4,871	\$5,308	\$10,508	\$8,412	24.9%	\$13,920	-24.5%
Alaska	\$10,957	\$7,652	\$6,471	\$18,609	\$13,356	39.3%	\$22,200	-16.2%
Arizona	\$9,437	\$7,497	\$6,361	\$16,934	\$10,668	58.7%	\$17,268	-1.9%
Arkansas	\$5,995	\$4,995	\$4,317	\$10,990	\$7,896	39.2%	\$12,252	-10.3%
California	\$11,817	\$8,230	\$2,649	\$20,047	\$14,592	37.4%	\$27,240	-26.4%
Colorado	\$13,154	\$9,882	\$5,022	\$23,036	\$11,400	102.1%	\$19,548	17.8%
Connecticut	\$13,880	\$11,502	\$5,323	\$25,382	\$12,504	103.0%	\$25,620	-0.9%
Delaware	\$11,000	\$8,268	\$3,500	\$19,268	\$11,868	62.4%	\$19,260	0.0%
District of Columbia	\$22,631	\$17,842	\$13,623	\$40,473	\$15,168	166.8%	\$28,128	43.9%
Florida	\$8,694	\$7,668	\$3,962	\$16,362	\$11,676	40.1%	\$18,360	-10.9%
Georgia	\$7,644	\$6,500	\$3,692	\$14,144	\$10,248	38.0%	\$16,932	-16.5%
Hawaii	\$8,280	\$9,312	\$8,919	\$17,592	\$16,644	5.7%	\$27,912	-37.0%
Idaho	\$7,200	\$6,924	\$4,661	\$14,124	\$8,616	63.9%	\$14,772	-4.4%
Illinois	\$12,964	\$9,567	\$8,498	\$22,531	\$10,608	112.4%	\$20,412	10.4%
Indiana	\$8,918	\$6,760	\$4,719	\$15,678	\$8,724	79.7%	\$13,608	15.2%
Iowa	\$9,485	\$8,216	\$4,618	\$17,701	\$8,076	119.2%	\$14,136	25.2%
Kansas	\$11,201	\$7,951	\$3,588	\$19,152	\$8,808	117.4%	\$15,480	23.7%
Kentucky	\$6,294	\$5,499	\$5,557	\$11,793	\$7,836	50.5%	\$13,476	-12.5%
Louisiana	\$5,747	\$4,914	\$1,104	\$10,661	\$9,168	16.3%	\$14,412	-26.0%
Maine	\$9,512	\$6,870	\$4,439	\$16,382	\$9,120	79.6%	\$16,140	1.5%
Maryland	\$13,932	\$9,100	\$4,095	\$23,032	\$14,328	60.7%	\$24,444	-5.8%
Massachusetts	\$17,062	\$12,781	\$3,414	\$29,843	\$12,756	134.0%	\$25,392	17.5%
Michigan	\$9,882	\$6,764	\$4,207	\$16,646	\$9,168	81.6%	\$15,900	4.7%
Minnesota	\$14,366	\$11,119	NR	\$25,485	\$9,852	158.7%	\$18,564	37.3%
Mississippi	\$4,822	\$3,997	\$1,569	\$8,819	\$8,364	5.4%	\$13,020	-32.3%
Missouri	\$8,632	\$9,308	\$4,602	\$17,940	\$8,736	105.4%	\$14,724	21.8%
Montana	\$9,062	\$7,922	\$7,778	\$16,984	\$8,196	107.2%	\$15,516	9.5%
Nebraska	\$7,926	\$6,843	\$6,455	\$14,769	\$8,448	74.8%	\$15,336	-3.7%
Nevada	\$9,852	\$8,118	\$7,219	\$17,970	\$11,508	56.2%	\$19,296	-6.9%
New Hampshire	\$11,810	\$9,457	\$4,798	\$21,267	\$11,760	80.8%	\$23,016	-7.6%
New Jersey	\$11,534	\$9,546	\$3,475	\$21,080	\$13,980	50.8%	\$29,436	-28.4%
New Mexico	\$7,942	\$7,098	\$3,286	\$15,040	\$9,144	64.5%	\$14,916	0.8%
New York	\$14,144	\$11,700	\$8,346	\$25,844	\$13,152	96.5%	\$24,480	5.6%
North Carolina	\$9,255	\$7,592	\$3,801	\$16,847	\$9,264	81.8%	\$15,372	9.6%
North Dakota	\$8,217	\$7,511	NR	\$15,728	\$7,968	97.4%	\$14,568	8.0%
Ohio	\$8,977	\$7,341	\$5,008	\$16,318	\$8,532	91.3%	\$15,456	5.6%
Oklahoma	\$6,788	\$5,123	\$3,936	\$11,911	\$8,424	41.4%	\$13,644	-12.7%
Oregon	\$11,322	\$8,787	\$3,655	\$20,109	\$10,524	91.1%	\$19,380	3.8%
Pennsylvania	\$10,640	\$8,072	\$5,692	\$18,712	\$9,780	91.3%	\$17,304	8.1%
Rhode Island	\$12,867	\$10,040	\$5,409	\$22,907	\$10,848	111.2%	\$22,788	0.5%
South Carolina	\$6,475	\$4,651	\$2,257	\$11,126	\$9,192	21.0%	\$14,460	-23.1%
South Dakota	\$5,661	\$4,804	\$4,005	\$10,465	\$7,728	35.4%	\$14,448	-27.6%

State	Average annual center-based child care costs <sup>+</sup>				Rent <sup>++</sup>		Mortgage <sup>++</sup>	
	Infant	4-year-old	School-age	Two children*	Annualized rent	Percentage difference**	Annualized mortgage	Percentage difference**
Tennessee	\$5,857	\$4,515	\$1,838	\$10,372	\$8,916	16.3%	\$14,424	-28.1%
Texas	\$8,759	\$6,730	\$3,216	\$15,489	\$10,164	52.4%	\$17,316	-10.6%
Utah	\$8,641	\$6,612	\$6,012	\$15,253	\$10,356	47.3%	\$17,592	-13.3%
Vermont	\$11,270	\$9,970	\$5,562	\$21,240	\$10,452	103.2%	\$18,552	14.5%
Virginia	\$10,458	\$7,957	\$3,399	\$18,415	\$13,056	41.0%	\$21,204	-13.2%
Washington	\$12,733	\$9,588	\$4,521	\$22,321	\$11,688	91.0%	\$21,540	3.6%
West Virginia	\$7,926	\$5,813	\$6,605	\$13,739	\$7,416	85.3%	\$11,580	18.6%
Wisconsin	\$11,579	\$9,469	\$8,849	\$21,048	\$9,096	131.4%	\$17,340	21.4%
Wyoming	\$6,541	\$5,833	\$4,150	\$12,374	\$9,228	34.1%	\$16,224	-23.7%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: U.S. Census Bureau table B25064. 2011-2013 three-year estimates.

\*Center-based child care costs include the sum cost of one infant and one four-year-old in child care.

\*\*Percentage difference is calculated by subtracting the average cost of two children in child care from the annualized housing cost and dividing this figure by the annualized housing cost.

NR: Data was not reported or not available for some categories of care

## APPENDIX VI: AVERAGE ANNUAL COST OF FULL-TIME CHILD CARE IN A CENTER AND PUBLIC COLLEGE TUITION AND FEES BY STATE

State	Average annual center-based child care costs <sup>+</sup>			Average tuition and fees at public college <sup>++</sup>	Percentage difference*
	Infant	4-year-old	School-age		
Alabama	\$5,637	\$4,871	\$5,308	\$9,470	-40.47%
Alaska	\$10,957	\$7,652	\$6,471	\$6,138	78.51%
Arizona	\$9,437	\$7,497	\$6,361	\$10,398	-9.24%
Arkansas	\$5,995	\$4,995	\$4,317	\$7,567	-20.77%
California	\$11,817	\$8,230	\$2,649	\$9,173	28.83%
Colorado	\$13,154	\$9,882	\$5,022	\$9,487	38.65%
Connecticut	\$13,880	\$11,502	\$5,323	\$10,620	30.70%
Delaware	\$11,000	\$8,268	\$3,500	\$11,448	-3.91%
District of Columbia	\$22,631	\$17,842	\$13,623	\$7,422	204.92%
Florida	\$8,694	\$7,668	\$3,962	\$6,351	36.89%
Georgia	\$7,644	\$6,500	\$3,692	\$8,094	-5.56%
Hawaii	\$8,280	\$9,312	\$8,919	\$9,740	-14.99%
Idaho	\$7,200	\$6,924	\$4,661	\$6,602	9.06%
Illinois	\$12,964	\$9,567	\$8,498	\$12,770	1.52%
Indiana	\$8,918	\$6,760	\$4,719	\$9,023	-1.16%
Iowa	\$9,485	\$8,216	\$4,618	\$7,857	20.72%
Kansas	\$11,201	\$7,951	\$3,588	\$8,086	38.53%
Kentucky	\$6,294	\$5,499	\$5,557	\$9,188	-31.50%
Louisiana	\$5,747	\$4,914	\$1,104	\$7,314	-21.42%
Maine	\$9,512	\$6,870	\$4,439	\$9,422	0.95%
Maryland	\$13,932	\$9,100	\$4,095	\$8,724	59.70%
Massachusetts	\$17,062	\$12,781	\$3,414	\$10,951	55.80%
Michigan	\$9,882	\$6,764	\$4,207	\$11,909	-17.02%
Minnesota	\$14,366	\$11,119	NR	\$10,527	36.47%
Mississippi	\$4,822	\$3,997	\$1,569	\$6,861	-29.72%
Missouri	\$8,632	\$9,308	\$4,602	\$8,383	2.96%
Montana	\$9,062	\$7,922	\$7,778	\$6,279	44.32%
Nebraska	\$7,926	\$6,843	\$6,455	\$7,404	7.05%
Nevada	\$9,852	\$8,118	\$7,219	\$6,418	53.51%
New Hampshire	\$11,810	\$9,457	\$4,798	\$14,712	-19.73%
New Jersey	\$11,534	\$9,546	\$3,475	\$13,002	-11.29%
New Mexico	\$7,942	\$7,098	\$3,286	\$6,190	28.30%
New York	\$14,144	\$11,700	\$8,346	\$7,292	93.96%
North Carolina	\$9,255	\$7,592	\$3,801	\$6,677	38.60%
North Dakota	\$8,217	\$7,511	NR	\$7,513	9.37%
Ohio	\$8,977	\$7,341	\$5,008	\$10,100	-11.12%
Oklahoma	\$6,788	\$5,123	\$3,936	\$6,895	-1.55%
Oregon	\$11,322	\$8,787	\$3,655	\$8,932	26.76%
Pennsylvania	\$10,640	\$8,072	\$5,692	\$13,246	-19.67%
Rhode Island	\$12,867	\$10,040	\$5,409	\$10,934	17.68%
South Carolina	\$6,475	\$4,651	\$2,257	\$11,449	-43.45%
South Dakota	\$5,661	\$4,804	\$4,005	\$7,653	-26.03%
Tennessee	\$5,857	\$4,515	\$1,838	\$8,541	-31.42%
Texas	\$8,759	\$6,730	\$3,216	\$8,830	-0.80%
Utah	\$8,641	\$6,612	\$6,012	\$6,177	39.89%

State	Average annual center-based child care costs <sup>+</sup>			Average tuition and fees at public college <sup>++</sup>	Percentage difference*
	Infant	4-year-old	School-age		
Vermont	\$11,270	\$9,970	\$5,562	\$14,419	-21.84%
Virginia	\$10,458	\$7,957	\$3,399	\$10,899	-4.05%
Washington	\$12,733	\$9,588	\$4,521	\$10,846	17.40%
West Virginia	\$7,926	\$5,813	\$6,605	\$6,661	18.98%
Wisconsin	\$11,579	\$9,469	\$8,849	\$8,781	31.86%
Wyoming	\$6,541	\$5,833	\$4,150	\$4,646	40.79%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++Source: College Board Trends in College Pricing: 2014.

\*Percentage difference is calculated by subtracting the average cost of center-based infant care from the average tuition and fees and dividing this figure by the average tuition and fees.

NR: Data was not reported or not available for some categories of care

## APPENDIX VII: 2014 RANKING OF AFFORDABILITY OF CENTER CARE FOR SINGLE-PARENT HOUSEHOLDS

Rank	State	Median income for single parents*	Infant care		4-year-old care		School-age care		Two children in care*	
			Cost**	% of income	Cost**	% of income	Cost**	% of income	Cost**	% of income
1	District of Columbia	\$25,582	\$22,631	88.5%	\$17,842	69.7%	\$13,623	53.3%	\$40,473	158.2%
2	Massachusetts	\$27,158	\$17,062	62.8%	\$12,781	47.1%	\$3,414	12.6%	\$29,843	109.9%
3	New York	\$25,937	\$14,144	54.5%	\$11,700	45.1%	\$8,346	32.2%	\$25,844	99.6%
4	Minnesota	\$26,795	\$14,366	53.6%	\$11,119	41.5%	NR	NA	\$25,485	95.1%
5	Illinois	\$24,017	\$12,964	54.0%	\$9,567	39.8%	\$8,498	35.4%	\$22,531	93.8%
6	Oregon	\$22,326	\$11,322	50.7%	\$8,787	39.4%	\$3,655	16.4%	\$20,109	90.1%
7	Wisconsin	\$23,702	\$11,579	48.9%	\$9,469	40.0%	\$8,849	37.3%	\$21,048	88.8%
8	Washington	\$25,856	\$12,733	49.2%	\$9,588	37.1%	\$4,521	17.5%	\$22,321	86.3%
9	Rhode Island	\$26,155	\$12,867	49.2%	\$10,040	38.4%	\$5,409	20.7%	\$22,907	87.6%
10	Vermont	\$24,590	\$11,270	45.8%	\$9,970	40.5%	\$5,562	22.6%	\$21,240	86.4%
11	Connecticut	\$30,019	\$13,880	46.2%	\$11,502	38.3%	\$5,323	17.7%	\$25,382	84.6%
12	Montana	\$20,044	\$9,062	45.2%	\$7,922	39.5%	\$7,778	38.8%	\$16,984	84.7%
13	Missouri	\$21,892	\$8,632	39.4%	\$9,308	42.5%	\$4,602	21.0%	\$17,940	81.9%
14	Colorado	\$28,222	\$13,154	46.6%	\$9,882	35.0%	\$5,022	17.8%	\$23,036	81.6%
15	Michigan	\$20,352	\$9,882	48.6%	\$6,764	33.2%	\$4,207	20.7%	\$16,645	81.8%
16	Kansas	\$23,860	\$11,201	46.9%	\$7,951	33.3%	\$3,588	15.0%	\$19,152	80.3%
17	Ohio	\$20,852	\$8,977	43.1%	\$7,341	35.2%	\$5,008	24.0%	\$16,318	78.3%
18	Pennsylvania	\$23,858	\$10,640	44.6%	\$8,072	33.8%	\$5,692	23.9%	\$18,711	78.4%
19	West Virginia	\$17,591	\$7,926	45.1%	\$5,813	33.0%	\$6,605	37.5%	\$13,739	78.1%
20	North Carolina	\$21,820	\$9,255	42.4%	\$7,592	34.8%	\$3,801	17.4%	\$16,847	77.2%
21	New Hampshire	\$28,473	\$11,810	41.5%	\$9,457	33.2%	\$4,798	16.9%	\$21,267	74.7%
22	California	\$26,341	\$11,817	44.9%	\$8,230	31.2%	\$2,649	10.1%	\$20,048	76.1%
23	Iowa	\$24,069	\$9,485	39.4%	\$8,216	34.1%	\$4,618	19.2%	\$17,701	73.5%
24	Indiana	\$21,383	\$8,918	41.7%	\$6,760	31.6%	\$4,719	22.1%	\$15,678	73.3%
25	New Mexico	\$20,758	\$7,942	38.3%	\$7,098	34.2%	\$3,286	15.8%	\$15,040	72.5%
26	Maine	\$22,301	\$9,512	42.7%	\$6,870	30.8%	\$4,439	19.9%	\$16,381	73.5%
27	New Jersey	\$30,016	\$11,534	38.4%	\$9,546	31.8%	\$3,475	11.6%	\$21,080	70.2%
28	Idaho	\$20,543	\$7,200	35.0%	\$6,924	33.7%	\$4,661	22.7%	\$14,124	68.8%
29	Arizona	\$25,228	\$9,437	37.4%	\$7,497	29.7%	\$6,361	25.2%	\$16,934	67.1%
30	Virginia	\$27,583	\$10,458	37.9%	\$7,957	28.8%	\$3,399	12.3%	\$18,415	66.8%
31	Delaware	\$29,037	\$11,000	37.9%	\$8,268	28.5%	\$3,500	12.1%	\$19,268	66.4%
32	North Dakota	\$24,136	\$8,217	34.0%	\$7,511	31.1%	NR	NA	\$15,728	65.2%
33	Florida	\$24,860	\$8,694	35.0%	\$7,668	30.8%	\$3,962	15.9%	\$16,362	65.8%
34	Texas	\$23,538	\$8,759	37.2%	\$6,730	28.6%	\$3,216	13.7%	\$15,489	65.8%
35	Georgia	\$22,191	\$7,644	34.4%	\$6,500	29.3%	\$3,692	16.6%	\$14,144	63.7%
36	Hawaii	\$27,683	\$8,280	29.9%	\$9,312	33.6%	\$8,919	32.2%	\$17,592	63.5%
37	Nevada	\$28,248	\$9,852	34.9%	\$8,118	28.7%	\$7,219	25.6%	\$17,970	63.6%
38	Maryland	\$36,393	\$13,932	38.3%	\$9,100	25.0%	\$4,095	11.3%	\$23,032	63.3%
39	Kentucky	\$18,590	\$6,294	33.9%	\$5,499	29.6%	\$5,557	29.9%	\$11,793	63.4%
40	Nebraska	\$24,258	\$7,926	32.7%	\$6,843	28.2%	\$6,455	26.6%	\$14,769	60.9%
41	Arkansas	\$18,687	\$5,995	32.1%	\$4,995	26.7%	\$4,317	23.1%	\$10,990	58.8%
42	Alaska	\$31,776	\$10,957	34.5%	\$7,652	24.1%	\$6,471	20.4%	\$18,609	58.6%
43	Oklahoma	\$20,619	\$6,788	32.9%	\$5,123	24.8%	\$3,936	19.1%	\$11,911	57.8%
44	Utah	\$26,784	\$8,641	32.3%	\$6,612	24.7%	\$6,012	22.4%	\$15,253	56.9%
45	Alabama	\$18,502	\$5,637	30.5%	\$4,871	26.3%	\$5,308	28.7%	\$10,508	56.8%
46	Louisiana	\$19,279	\$5,747	29.8%	\$4,914	25.5%	\$1,104	5.7%	\$10,661	55.3%



## Parents and the High Cost of Child Care | 2015 Report

Rank	State	Median income for single parents <sup>+</sup>	Infant care		4-year-old care		School-age care		Two children in care*	
			Cost <sup>++</sup>	% of income	Cost <sup>++</sup>	% of income	Cost <sup>++</sup>	% of income	Cost <sup>++</sup>	% of income
47	South Carolina	\$20,273	\$6,475	31.9%	\$4,651	22.9%	\$2,257	11.1%	\$11,126	54.9%
48	Tennessee	\$20,006	\$5,857	29.3%	\$4,515	22.6%	\$1,838	9.2%	\$10,372	51.8%
49	Wyoming	\$23,418	\$6,541	27.9%	\$5,833	24.9%	\$4,150	17.7%	\$12,374	52.8%
50	Mississippi	\$18,312	\$4,822	26.3%	\$3,997	21.8%	\$1,569	8.6%	\$8,819	48.2%
51	South Dakota	\$23,473	\$5,661	24.1%	\$4,804	20.5%	\$4,005	17.1%	\$10,465	44.6%

<sup>+</sup>Source: U.S. Census Bureau, American Community Survey, 2011-2013 three-year estimates. Table B19126.

<sup>++</sup> Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

Note: 1=least affordable and 51=most affordable. Income is based on single-parent families with own children under the age of 18.

\*Center-based child care costs include the sum cost of one infant and one four-year-old in child care.

NR: Data was not reported or not available for some categories of care

## APPENDIX VIII: 2014 AVERAGE COSTS FOR CENTER-BASED CARE FOR AN INFANT AND TWO CHILDREN COMPARED TO VARYING POVERTY LEVELS

State	Average annual cost of infant care <sup>+</sup>	Cost of care as a percentage of income			Average annual cost of two children in care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level		Poverty level	150% of poverty level	200% of poverty level
Alabama	\$5,637	28.1%	18.7%	14.0%	\$10,508	52.3%	34.9%	26.2%
Alaska	\$10,957	43.5%	29.0%	21.7%	\$18,609	73.8%	49.2%	36.9%
Arizona	\$9,437	47.0%	31.3%	23.5%	\$16,934	84.3%	56.2%	42.1%
Arkansas	\$5,995	29.8%	19.9%	14.9%	\$10,990	54.7%	36.5%	27.4%
California	\$11,817	58.8%	39.2%	29.4%	\$20,048	99.8%	66.5%	49.9%
Colorado	\$13,154	65.5%	43.7%	32.7%	\$23,036	114.7%	76.4%	57.3%
Connecticut	\$13,880	69.1%	46.1%	34.5%	\$25,382	126.3%	84.2%	63.2%
Delaware	\$11,000	54.8%	36.5%	27.4%	\$19,268	95.9%	63.9%	48.0%
District of Columbia	\$22,631	112.6%	75.1%	56.3%	\$40,473	201.5%	134.3%	100.7%
Florida	\$8,694	43.3%	28.9%	21.6%	\$16,362	81.4%	54.3%	40.7%
Georgia	\$7,644	38.0%	25.4%	19.0%	\$14,144	70.4%	46.9%	35.2%
Hawaii	\$8,280	35.8%	23.9%	17.9%	\$17,592	76.1%	50.7%	38.1%
Idaho	\$7,200	35.8%	23.9%	17.9%	\$14,124	70.3%	46.9%	35.2%
Illinois	\$12,964	64.5%	43.0%	32.3%	\$22,531	112.2%	74.8%	56.1%
Indiana	\$8,918	44.4%	29.6%	22.2%	\$15,678	78.0%	52.0%	39.0%
Iowa	\$9,485	47.2%	31.5%	23.6%	\$17,701	88.1%	58.7%	44.1%
Kansas	\$11,201	55.8%	37.2%	27.9%	\$19,152	95.3%	63.6%	47.7%
Kentucky	\$6,294	31.3%	20.9%	15.7%	\$11,793	58.7%	39.1%	29.4%
Louisiana	\$5,747	28.6%	19.1%	14.3%	\$10,661	53.1%	35.4%	26.5%
Maine	\$9,512	47.3%	31.6%	23.7%	\$16,381	81.5%	54.4%	40.8%
Maryland	\$13,932	69.3%	46.2%	34.7%	\$23,032	114.6%	76.4%	57.3%
Massachusetts	\$17,062	84.9%	56.6%	42.5%	\$29,843	148.5%	99.0%	74.3%
Michigan	\$9,882	49.2%	32.8%	24.6%	\$16,645	82.9%	55.2%	41.4%
Minnesota	\$14,366	71.5%	47.7%	35.8%	\$25,485	126.9%	84.6%	63.4%
Mississippi	\$4,822	24.0%	16.0%	12.0%	\$8,819	43.9%	29.3%	21.9%
Missouri	\$8,632	43.0%	28.6%	21.5%	\$17,940	89.3%	59.5%	44.6%
Montana	\$9,062	45.1%	30.1%	22.6%	\$16,984	84.5%	56.4%	42.3%
Nebraska	\$7,926	39.5%	26.3%	19.7%	\$14,769	73.5%	49.0%	36.8%
Nevada	\$9,852	49.0%	32.7%	24.5%	\$17,970	89.4%	59.6%	44.7%
New Hampshire	\$11,810	58.8%	39.2%	29.4%	\$21,267	105.9%	70.6%	52.9%
New Jersey	\$11,534	57.4%	38.3%	28.7%	\$21,080	104.9%	70.0%	52.5%
New Mexico	\$7,942	39.5%	26.4%	19.8%	\$15,040	74.9%	49.9%	37.4%
New York	\$14,144	70.4%	46.9%	35.2%	\$25,844	128.6%	85.8%	64.3%

State	Average annual cost of infant care <sup>+</sup>	Cost of care as a percentage of income			Average annual cost of two children in care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level		Poverty level	150% of poverty level	200% of poverty level
North Carolina	\$9,255	46.1%	30.7%	23.0%	\$16,847	83.9%	55.9%	41.9%
North Dakota	\$8,217	40.9%	27.3%	20.5%	\$15,728	78.3%	52.2%	39.1%
Ohio	\$8,977	44.7%	29.8%	22.3%	\$16,318	81.2%	54.1%	40.6%
Oklahoma	\$6,788	33.8%	22.5%	16.9%	\$11,911	59.3%	39.5%	29.6%
Oregon	\$11,322	56.4%	37.6%	28.2%	\$20,109	100.1%	66.7%	50.0%
Pennsylvania	\$10,640	53.0%	35.3%	26.5%	\$18,711	93.1%	62.1%	46.6%
Rhode Island	\$12,867	64.0%	42.7%	32.0%	\$22,907	114.0%	76.0%	57.0%
South Carolina	\$6,475	32.2%	21.5%	16.1%	\$11,126	55.4%	36.9%	27.7%
South Dakota	\$5,661	28.2%	18.8%	14.1%	\$10,465	52.1%	34.7%	26.0%
Tennessee	\$5,857	29.2%	19.4%	14.6%	\$10,372	51.6%	34.4%	25.8%
Texas	\$8,759	43.6%	29.1%	21.8%	\$15,489	77.1%	51.4%	38.5%
Utah	\$8,641	43.0%	28.7%	21.5%	\$15,253	75.9%	50.6%	38.0%
Vermont	\$11,270	56.1%	37.4%	28.0%	\$21,240	105.7%	70.5%	52.9%
Virginia	\$10,458	52.1%	34.7%	26.0%	\$18,415	91.7%	61.1%	45.8%
Washington	\$12,733	63.4%	42.3%	31.7%	\$22,321	111.1%	74.1%	55.6%
West Virginia	\$7,926	39.5%	26.3%	19.7%	\$13,739	68.4%	45.6%	34.2%
Wisconsin	\$11,579	57.6%	38.4%	28.8%	\$21,048	104.8%	69.8%	52.4%
Wyoming	\$6,541	32.6%	21.7%	16.3%	\$12,374	61.6%	41.1%	30.8%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++ Source: U.S. Department of Health and Human Services. December 2014. "2014 Federal Poverty Guidelines" Retrieved August 17, 2015 from <http://aspe.hhs.gov/2014-poverty-guidelines>

## APPENDIX IX: 2014 AVERAGE COSTS FOR CENTER-BASED CARE FOR A FOUR-YEAR-OLD COMPARED TO POVERTY LEVELS

State	Average annual cost of 4-year-old care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level
Alabama	\$4,871	24.2%	16.2%	12.1%
Alaska	\$7,652	30.4%	20.2%	15.2%
Arizona	\$7,497	37.3%	24.9%	18.7%
Arkansas	\$4,995	24.9%	16.6%	12.4%
California	\$8,230	41.0%	27.3%	20.5%
Colorado	\$9,882	49.2%	32.8%	24.6%
Connecticut	\$11,502	57.3%	38.2%	28.6%
Delaware	\$8,268	41.2%	27.4%	20.6%
District of Columbia	\$17,842	88.8%	59.2%	44.4%
Florida	\$7,668	38.2%	25.4%	19.1%
Georgia	\$6,500	32.4%	21.6%	16.2%
Hawaii	\$9,312	40.3%	26.9%	20.1%
Idaho	\$6,924	34.5%	23.0%	17.2%
Illinois	\$9,567	47.6%	31.7%	23.8%
Indiana	\$6,760	33.6%	22.4%	16.8%
Iowa	\$8,216	40.9%	27.3%	20.4%
Kansas	\$7,951	39.6%	26.4%	19.8%
Kentucky	\$5,499	27.4%	18.2%	13.7%
Louisiana	\$4,914	24.5%	16.3%	12.2%
Maine	\$6,870	34.2%	22.8%	17.1%
Maryland	\$9,100	45.3%	30.2%	22.6%
Massachusetts	\$12,781	63.6%	42.4%	31.8%
Michigan	\$6,764	33.7%	22.4%	16.8%
Minnesota	\$11,119	55.3%	36.9%	27.7%
Mississippi	\$3,997	19.9%	13.3%	9.9%
Missouri	\$9,308	46.3%	30.9%	23.2%
Montana	\$7,922	39.4%	26.3%	19.7%
Nebraska	\$6,843	34.1%	22.7%	17.0%
Nevada	\$8,118	40.4%	26.9%	20.2%
New Hampshire	\$9,457	47.1%	31.4%	23.5%
New Jersey	\$9,546	47.5%	31.7%	23.8%
New Mexico	\$7,098	35.3%	23.6%	17.7%
New York	\$11,700	58.2%	38.8%	29.1%
North Carolina	\$7,592	37.8%	25.2%	18.9%
North Dakota	\$7,511	37.4%	24.9%	18.7%
Ohio	\$7,341	36.5%	24.4%	18.3%

State	Average annual cost of 4-year-old care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level
Oklahoma	\$5,123	25.5%	17.0%	12.8%
Oregon	\$8,787	43.7%	29.2%	21.9%
Pennsylvania	\$8,072	40.2%	26.8%	20.1%
Rhode Island	\$10,040	50.0%	33.3%	25.0%
South Carolina	\$4,651	23.2%	15.4%	11.6%
South Dakota	\$4,804	23.9%	15.9%	12.0%
Tennessee	\$4,515	22.5%	15.0%	11.2%
Texas	\$6,730	33.5%	22.3%	16.8%
Utah	\$6,612	32.9%	21.9%	16.5%
Vermont	\$9,970	49.6%	33.1%	24.8%
Virginia	\$7,957	39.6%	26.4%	19.8%
Washington	\$9,588	47.7%	31.8%	23.9%
West Virginia	\$5,813	28.9%	19.3%	14.5%
Wisconsin	\$9,469	47.1%	31.4%	23.6%
Wyoming	\$5,833	29.0%	19.4%	14.5%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++ Source: U.S. Department of Health and Human Services. December 2014. "2014 Federal Poverty Guidelines" Retrieved August 17, 2015 from <http://aspe.hhs.gov/2014-poverty-guidelines>

## APPENDIX X: 2014 AVERAGE COSTS FOR FAMILY CHILD CARE FOR AN INFANT AND TWO CHILDREN COMPARED TO VARYING POVERTY LEVELS

State	Average annual cost of infant care <sup>+</sup>	Cost of care as a percentage of income			Average annual cost of two children in care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level		Poverty level	150% of poverty level	200% of poverty level
Alabama	\$4,801	23.9%	15.9%	11.9%	\$9,735	48.5%	32.3%	24.2%
Alaska	\$8,536	33.9%	22.6%	16.9%	\$18,566	73.6%	49.1%	36.8%
Arizona	\$6,857	34.1%	22.8%	17.1%	\$13,286	66.1%	44.1%	33.1%
Arkansas	\$5,158	25.7%	17.1%	12.8%	\$9,853	49.0%	32.7%	24.5%
California	\$7,678	38.2%	25.5%	19.1%	\$14,947	74.4%	49.6%	37.2%
Colorado	\$8,862	44.1%	29.4%	22.1%	\$17,054	84.9%	56.6%	42.4%
Connecticut	\$10,003	49.8%	33.2%	24.9%	\$19,543	97.3%	64.9%	48.6%
Delaware	\$7,228	36.0%	24.0%	18.0%	\$13,628	67.8%	45.2%	33.9%
District of Columbia	\$16,006	79.7%	53.1%	39.8%	\$29,674	147.7%	98.5%	73.9%
Florida	\$9,718	48.4%	32.2%	24.2%	\$18,571	92.4%	61.6%	46.2%
Georgia	\$5,980	29.8%	19.8%	14.9%	\$11,440	56.9%	38.0%	28.5%
Hawaii	\$7,788	33.7%	22.5%	16.8%	\$15,360	66.5%	44.3%	33.2%
Idaho	\$6,195	30.8%	20.6%	15.4%	\$11,728	58.4%	38.9%	29.2%
Illinois	\$7,894	39.3%	26.2%	19.6%	\$15,255	75.9%	50.6%	38.0%
Indiana	\$6,825	34.0%	22.6%	17.0%	\$12,389	61.7%	41.1%	30.8%
Iowa	\$6,484	32.3%	21.5%	16.1%	\$12,714	63.3%	42.2%	31.6%
Kansas	\$6,761	33.7%	22.4%	16.8%	\$12,702	63.2%	42.2%	31.6%
Kentucky	\$5,419	27.0%	18.0%	13.5%	\$10,797	53.7%	35.8%	26.9%
Louisiana	\$4,843	24.1%	16.1%	12.1%	\$9,511	47.3%	31.6%	23.7%
Maine	\$6,870	34.2%	22.8%	17.1%	\$13,475	67.1%	44.7%	33.5%
Maryland	\$9,466	47.1%	31.4%	23.6%	\$17,266	85.9%	57.3%	43.0%
Massachusetts	\$10,666	53.1%	35.4%	26.5%	\$20,666	102.9%	68.6%	51.4%
Michigan	\$6,764	33.7%	22.4%	16.8%	\$13,316	66.3%	44.2%	33.1%
Minnesota	\$7,882	39.2%	26.2%	19.6%	\$15,045	74.9%	49.9%	37.4%
Mississippi	\$3,972	19.8%	13.2%	9.9%	\$7,647	38.1%	25.4%	19.0%
Missouri	\$5,720	28.5%	19.0%	14.2%	\$10,660	53.1%	35.4%	26.5%
Montana	\$7,270	36.2%	24.1%	18.1%	\$14,109	70.2%	46.8%	35.1%
Nebraska	\$5,813	28.9%	19.3%	14.5%	\$11,537	57.4%	38.3%	28.7%
Nevada	\$8,381	41.7%	27.8%	20.9%	\$16,208	80.7%	53.8%	40.3%
New Hampshire	\$9,152	45.6%	30.4%	22.8%	\$17,414	86.7%	57.8%	43.3%
New Jersey	\$8,699	43.3%	28.9%	21.7%	\$16,489	82.1%	54.7%	41.0%
New Mexico	\$6,359	31.7%	21.1%	15.8%	\$12,355	61.5%	41.0%	30.7%
New York	\$10,140	50.5%	33.6%	25.2%	\$19,916	99.1%	66.1%	49.6%



State	Average annual cost of infant care <sup>+</sup>	Cost of care as a percentage of income			Average annual cost of two children in care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level		Poverty level	150% of poverty level	200% of poverty level
North Carolina	\$6,939	34.5%	23.0%	17.3%	\$12,859	64.0%	42.7%	32.0%
North Dakota	\$6,846	34.1%	22.7%	17.0%	\$13,415	66.8%	44.5%	33.4%
Ohio	\$6,891	34.3%	22.9%	17.2%	\$13,455	67.0%	44.6%	33.5%
Oklahoma	\$5,051	25.1%	16.8%	12.6%	\$9,595	47.8%	31.8%	23.9%
Oregon	\$6,885	34.3%	22.8%	17.1%	\$13,646	67.9%	45.3%	34.0%
Pennsylvania	\$7,956	39.6%	26.4%	19.8%	\$15,095	75.1%	50.1%	37.6%
Rhode Island	\$10,040	50.0%	33.3%	25.0%	\$19,287	96.0%	64.0%	48.0%
South Carolina	\$4,584	22.8%	15.2%	11.4%	\$8,630	43.0%	28.6%	21.5%
South Dakota	\$4,734	23.6%	15.7%	11.8%	\$9,279	46.2%	30.8%	23.1%
Tennessee	\$4,773	23.8%	15.8%	11.9%	\$8,837	44.0%	29.3%	22.0%
Texas	\$6,634	33.0%	22.0%	16.5%	\$11,834	58.9%	39.3%	29.5%
Utah	\$6,492	32.3%	21.5%	16.2%	\$12,216	60.8%	40.5%	30.4%
Vermont	\$7,976	39.7%	26.5%	19.9%	\$15,492	77.1%	51.4%	38.6%
Virginia	\$8,139	40.5%	27.0%	20.3%	\$14,764	73.5%	49.0%	36.7%
Washington	\$9,466	47.1%	31.4%	23.6%	\$17,267	85.9%	57.3%	43.0%
West Virginia	\$5,813	28.9%	19.3%	14.5%	\$11,097	55.2%	36.8%	27.6%
Wisconsin	\$9,152	45.6%	30.4%	22.8%	\$17,324	86.2%	57.5%	43.1%
Wyoming	\$5,833	29.0%	19.4%	14.5%	\$11,087	55.2%	36.8%	27.6%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++ Source: U.S. Department of Health and Human Services. December 2014. "2014 Federal Poverty Guidelines" Retrieved August 17, 2015 from <http://aspe.hhs.gov/2014-poverty-guidelines>

## APPENDIX XI: 2014 AVERAGE COSTS FOR FAMILY CHILD CARE FOR A FOUR-YEAR-OLD COMPARED TO VARYING POVERTY LEVELS

State	Average annual cost of 4-year-old care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level
Alabama	\$4,935	24.6%	16.4%	12.3%
Alaska	\$10,030	39.8%	26.5%	19.9%
Arizona	\$6,429	32.0%	21.3%	16.0%
Arkansas	\$4,695	23.4%	15.6%	11.7%
California	\$7,269	36.2%	24.1%	18.1%
Colorado	\$8,192	40.8%	27.2%	20.4%
Connecticut	\$9,540	47.5%	31.7%	23.7%
Delaware	\$6,400	31.9%	21.2%	15.9%
District of Columbia	\$13,668	68.0%	45.4%	34.0%
Florida	\$8,853	44.1%	29.4%	22.0%
Georgia	\$5,460	27.2%	18.1%	13.6%
Hawaii	\$7,572	32.8%	21.8%	16.4%
Idaho	\$5,533	27.5%	18.4%	13.8%
Illinois	\$7,361	36.6%	24.4%	18.3%
Indiana	\$5,564	27.7%	18.5%	13.8%
Iowa	\$6,230	31.0%	20.7%	15.5%
Kansas	\$5,941	29.6%	19.7%	14.8%
Kentucky	\$5,378	26.8%	17.8%	13.4%
Louisiana	\$4,667	23.2%	15.5%	11.6%
Maine	\$6,605	32.9%	21.9%	16.4%
Maryland	\$7,800	38.8%	25.9%	19.4%
Massachusetts	\$10,000	49.8%	33.2%	24.9%
Michigan	\$6,552	32.6%	21.7%	16.3%
Minnesota	\$7,163	35.7%	23.8%	17.8%
Mississippi	\$3,675	18.3%	12.2%	9.1%
Missouri	\$4,940	24.6%	16.4%	12.3%
Montana	\$6,839	34.0%	22.7%	17.0%
Nebraska	\$5,724	28.5%	19.0%	14.2%
Nevada	\$7,827	39.0%	26.0%	19.5%
New Hampshire	\$8,262	41.1%	27.4%	20.6%
New Jersey	\$7,790	38.8%	25.9%	19.4%
New Mexico	\$5,996	29.8%	19.9%	14.9%
New York	\$9,776	48.7%	32.4%	24.3%
North Carolina	\$5,920	29.5%	19.6%	14.7%
North Dakota	\$6,569	32.7%	21.8%	16.3%
Ohio	\$6,564	32.7%	21.8%	16.3%

State	Average annual cost of 4-year-old care <sup>+</sup>	Cost of care as a percentage of income		
		Poverty level <sup>++</sup>	150% of poverty level	200% of poverty level
Oklahoma	\$4,544	22.6%	15.1%	11.3%
Oregon	\$6,761	33.7%	22.4%	16.8%
Pennsylvania	\$7,139	35.5%	23.7%	17.8%
Rhode Island	\$9,247	46.0%	30.7%	23.0%
South Carolina	\$4,045	20.1%	13.4%	10.1%
South Dakota	\$4,544	22.6%	15.1%	11.3%
Tennessee	\$4,064	20.2%	13.5%	10.1%
Texas	\$5,200	25.9%	17.3%	12.9%
Utah	\$5,724	28.5%	19.0%	14.2%
Vermont	\$7,516	37.4%	24.9%	18.7%
Virginia	\$6,625	33.0%	22.0%	16.5%
Washington	\$7,801	38.8%	25.9%	19.4%
West Virginia	\$5,284	26.3%	17.5%	13.2%
Wisconsin	\$8,172	40.7%	27.1%	20.3%
Wyoming	\$5,254	26.2%	17.4%	13.1%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.

++ Source: U.S. Department of Health and Human Services. December 2014. "2014 Federal Poverty Guidelines" Retrieved August 17, 2015 from <http://aspe.hhs.gov/2014-poverty-guidelines>

## APPENDIX XII: CHILD CARE WORKER INCOME COMPARED TO THE COST OF HAVING TWO CHILDREN IN CENTER-BASED CARE

State	Average annual cost of center-based care*		Average annual child care worker income*	% of child care worker income required for two children in child care
	Infant	Four-year-old		
Alabama	\$5,637	\$4,871	\$18,330	57.3%
Alaska	\$10,957	\$7,652	\$25,080	74.2%
Arizona	\$9,437	\$7,497	\$20,660	82.0%
Arkansas	\$5,995	\$4,995	\$18,090	60.8%
California	\$11,817	\$8,230	\$24,810	80.8%
Colorado	\$13,154	\$9,882	\$24,450	94.2%
Connecticut	\$13,880	\$11,502	\$23,210	109.4%
Delaware	\$11,000	\$8,268	\$21,530	89.5%
District of Columbia	\$22,631	\$17,842	\$26,470	152.9%
Florida	\$8,694	\$7,668	\$20,790	78.7%
Georgia	\$7,644	\$6,500	\$20,330	69.6%
Hawaii	\$8,280	\$9,312	\$19,430	90.5%
Idaho	\$7,200	\$6,924	\$18,860	74.9%
Illinois	\$12,964	\$9,567	\$23,090	97.6%
Indiana	\$8,918	\$6,760	\$19,830	79.1%
Iowa	\$9,485	\$8,216	\$18,540	95.5%
Kansas	\$11,201	\$7,951	\$20,050	95.5%
Kentucky	\$6,294	\$5,499	\$19,780	59.6%
Louisiana	\$5,747	\$4,914	\$18,600	57.3%
Maine	\$9,512	\$6,870	\$21,290	76.9%
Maryland	\$13,932	\$9,100	\$22,570	102.0%
Massachusetts	\$17,062	\$12,781	\$25,890	115.3%
Michigan	\$9,882	\$6,764	\$21,380	77.9%
Minnesota	\$14,366	\$11,119	\$22,740	112.1%
Mississippi	\$4,822	\$3,997	\$18,310	48.2%
Missouri	\$8,632	\$9,308	\$20,010	89.7%
Montana	\$9,062	\$7,922	\$20,830	81.5%
Nebraska	\$7,926	\$6,843	\$19,330	76.4%
Nevada	\$9,852	\$8,118	\$21,860	82.2%
New Hampshire	\$11,810	\$9,457	\$21,750	97.8%
New Jersey	\$11,534	\$9,546	\$23,890	88.2%
New Mexico	\$7,942	\$7,098	\$19,190	78.4%
New York	\$14,144	\$11,700	\$25,730	100.4%
North Carolina	\$9,255	\$7,592	\$20,520	82.1%
North Dakota	\$8,217	\$7,511	\$20,190	77.9%
Ohio	\$8,977	\$7,341	\$21,580	75.6%
Oklahoma	\$6,788	\$5,123	\$19,260	61.8%
Oregon	\$11,322	\$8,787	\$23,610	85.2%
Pennsylvania	\$10,640	\$8,072	\$20,520	91.2%
Rhode Island	\$12,867	\$10,040	\$22,670	101.0%
South Carolina	\$6,475	\$4,651	\$18,470	60.2%
South Dakota	\$5,661	\$4,804	\$18,820	55.6%
Tennessee	\$5,857	\$4,515	\$19,920	52.1%
Texas	\$8,759	\$6,730	\$19,740	78.5%

State	Average annual cost of center-based care <sup>+</sup>		Average annual child care worker income <sup>+</sup>	% of child care worker income required for two children in child care
	Infant	Four-year-old		
<b>Utah</b>	\$8,641	\$6,612	\$21,500	70.9%
<b>Vermont</b>	\$11,270	\$9,970	\$24,070	88.2%
<b>Virginia</b>	\$10,458	\$7,957	\$21,030	87.6%
<b>Washington</b>	\$12,733	\$9,588	\$23,630	94.5%
<b>West Virginia</b>	\$7,926	\$5,813	\$18,530	74.1%
<b>Wisconsin</b>	\$11,579	\$9,469	\$21,230	99.1%
<b>Wyoming</b>	\$6,541	\$5,833	\$21,840	56.7%

+ Source: Child Care Aware® of America's January 2015 survey of Child Care Resource and Referral State Networks. Some states used the latest state market rate survey.