

## *Increase Funding for Child Care Assistance for Working Families with Young Children*

### Introduction

Children’s development and learning in the first few years lay the foundation for all of the years that follow. Children who attend high-quality early education programs are better prepared for success in school—academically, socially and emotionally. However, few working poor families can afford the high cost of child care, which averages \$9,255 annually for an infant and \$7,592 for a four-year-old.<sup>1</sup> Because of this, North Carolina provides child care financial assistance for low-income working families through the Child Care Subsidy Program. This two-generation program is designed to help families earning at or below 200% of the federal poverty level (FPL) pay for child care while they work or attend school and provide their children with access to quality early care and learning programs. Parents have a co-pay cost of up to 10% of their income, but child care is one of the largest expenses families face.

An acute shortage of child care assistance funding exists in North Carolina. An estimated 201,125 children 0-5 whose parents are working could qualify for child care assistance under current eligibility standards.<sup>2</sup> In February 2019, 44,312 children under 6 received child care assistance—only 22% of all those who could qualify in North Carolina.<sup>3</sup> Another way to estimate need at a specific point in time is by looking at the child care subsidy waitlist. While not all families who could qualify apply for child care assistance, in March 2019, 21,535 young children remained on the waitlist. Of these children, 56% were infants and toddlers and 44% were pre-schoolers.<sup>4</sup> By any measure, there is a dramatic need to increase access to child care assistance and quality early care and learning programs in North Carolina.

### Why Is This Important to Do Now?

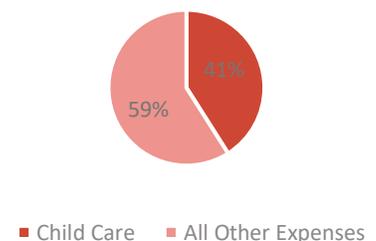
#### **Young children are missing out on opportunities for healthy development and early learning.**

Positive early learning environments are crucial to physical, intellectual, and socio-emotional development. Ensuring that children 0-5 have access to quality early care and learning programs both lays the foundation for learning and lessens the need for remediation in the future.<sup>5</sup>

#### **Quality care and learning is out of reach for low-income working families.**

Child care is one of the largest expenses families face. The average annual cost of infant care in North Carolina is \$9,255, 40.7% more per year than in-state tuition for a 4-year public college.<sup>6</sup> A single parent with one infant and one 4-year-old earning \$41,560, which qualifies for child care assistance at 200% of the federal poverty level, would need to spend over 40% of their income on child care.<sup>7</sup> Only 26.7% of families can afford child care without going over the federally recommended spending target of no more than 10% of their family income.<sup>8</sup>

Percent of Income Spent on Child Care by a Single Parent with an Infant and a 4-Year-Old



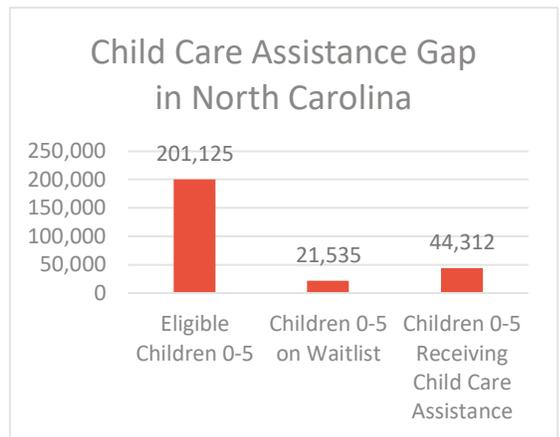
**Quality early care and learning opportunities are critical for family well-being and economic self-sufficiency.**

Low-income working families need access to child care programs so that they can work and support their own families. Making child care more affordable increases parents' workforce participation, increasing economic self-sufficiency and decreasing the stress caused by economic instability.<sup>9</sup>

**Child Care assistance shortages exist in every county in North Carolina.**

Almost all—95 of North Carolina's 100 counties—serve less than one third of children 0-5 who could qualify for child care assistance under current eligibility standards. Seventy-six counties serve 25% or fewer children 0-5 who could qualify and 11 of those counties serve less than 15%.<sup>10</sup>

Although waitlist numbers do not show the extent of unmet need, they provide one indicator of need at a specific point in time. There were 21,535 children 0-5 on the child care subsidy waitlist statewide in March 2019. Over half (55) of North Carolina counties have at least 50 young children on the waitlist. In 46 counties, there are at least 100 young children on the waitlist. Five counties: Forsyth, Guilford, Mecklenburg, Pitt, and Robeson, have over 1,000 young children on the waitlist, showing the extensive unmet need for child care assistance among working families.<sup>11</sup>



**Figure 1: Map of Children 0-5 on the Subsidy Waitlist, March 2019**

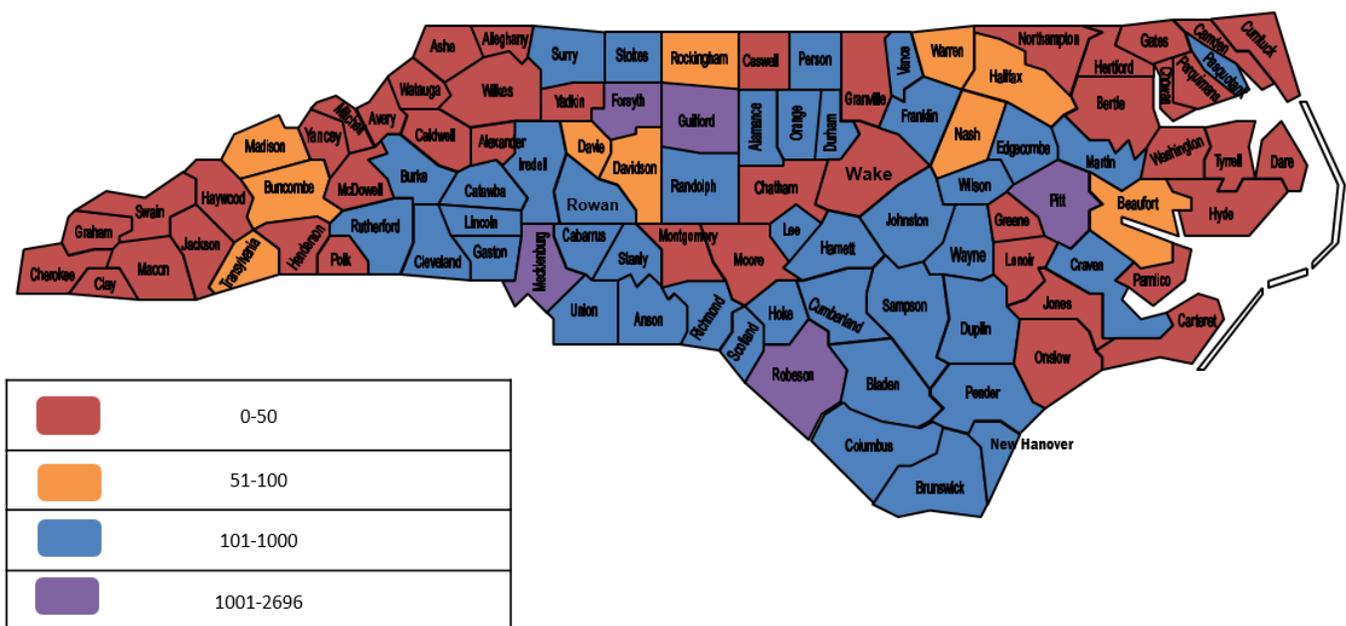


Figure 2: Children 0-5 on the Subsidy Waitlist, March 2019

County	Children 0-5 on the Waitlist	County	Children 0-5 on the Waitlist	County	Children 0-5 on the Waitlist	County	Children 0-5 on the Waitlist
Alamance	758	Currituck	44	Lee	119	Rockingham	60
Alexander	12	Dare	11	Lenoir	17	Rowan	496
Alleghany	5	Davidson	54	Lincoln	299	Rutherford	102
Anson	139	Davie	70	Macon	2	Sampson	160
Ashe	15	Duplin	132	Madison	60	Scotland	239
Avery	3	Durham	505	Martin	118	Stanly	123
Beaufort	82	Edgecombe	157	McDowell	23	Stokes	114
Bertie	20	Forsyth	1,092	Mecklenburg	2,696	Surry	149
Bladen	169	Franklin	205	Mitchell	7	Swain	10
Brunswick	242	Gaston	418	Montgomery	12	Transylvania	90
Buncombe	59	Gates	5	Moore	45	Tyrrell	2
Burke	219	Graham	7	Nash	61	Union	441
Cabarrus	312	Granville	22	New Hanover	247	Vance	192
Caldwell	38	Greene	37	Northampton	49	Wake	1
Camden	21	Guilford	2,625	Onslow	0	Warren	72
Carteret	8	Halifax	94	Orange	126	Washington	42
Caswell	3	Harnett	295	Pamlico	15	Watauga	10
Catawba	273	Haywood	38	Pasquotank	247	Wayne	408
Chatham	26	Henderson	42	Pender	243	Wilkes	49
Cherokee	8	Hertford	32	Perquimans	25	Wilson	256
Chowan	19	Hoke	119	Person	150	Yadkin	41
Clay	6	Hyde	7	Pitt	1,202	Yancey	2
Cleveland	263	Iredell	103	Polk	7		
Columbus	287	Jackson	5	Randolph	212	North Carolina	21,535
Craven	268	Johnston	541	Richmond	259		
Cumberland	923	Jones	18	Robeson	1,379		

<sup>1</sup> Economic Policy Institute. (2016). "The Cost of Child Care in North Carolina."

<sup>2</sup> The number of children who could qualify for child care assistance is calculated by taking the number of children under age 6 in families under 200% of the FPL with all available parents working, using census data. The number of young children who received child care assistance in November 2018 is then divided by the total number of infants and toddlers who could qualify to determine the child care assistance gap.

<sup>3</sup> Data retrieved from U.S. Census, (2000); DCDEE, (2017); and NC FAST, (February 2019).

<sup>4</sup> Waitlist data retrieved from DCDEE, March 2019.

<sup>5</sup> Center on the Developing Child at Harvard University. (2016). 8 Things to Remember about Child Development.

<sup>6</sup> Economic Policy Institute, 2016

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Child Care Aware of America. (2018). "The US and the High Cost of Child Care: A Review of Prices and Proposed Solutions in a Broken System."

<sup>10</sup> Data retrieved from U.S. Census, (2000); DCDEE, (2017); and NC FAST, (February 2019).

<sup>11</sup> Waitlist data retrieved from DCDEE, March 2019.