

Think Babies™ NC 2021-2025

Prenatal to Age 3 Policy Priorities for Infants, Toddlers, and their Families



Increase Child Care Subsidy Funding for Infants and Toddlers

Providing high-quality child care for infants and toddlers is critical to address the developmental needs of this age group as well as to allow the parents of NC's youngest citizens to work or attend school. This level of care is expensive and can often be cost-prohibitive for working families. In NC, the average cost of infant care is \$9480 annually, which represents 17.8% of the state median income and nearly 63% of the income of a worker earning minimum wage.¹ The Child Care Subsidy Assistance Program exists to help families afford care for their children and is designed to meet the dual goals of providing for the developmental needs of children and providing parents with the opportunity to work.² However, every county in NC serves only a small percentage of eligible children, leaving large numbers of infants and toddlers without access to the quality developmental programming they need to thrive and presenting challenges to parental employment that can allow them to better provide for their family. The Think Babies™ NC Alliance believes that high-quality infant-toddler child care should be more accessible and affordable for all parents who want and need it.

Why Is This Important to Do Now?

Child Care Subsidy Assistance provides high-quality opportunities for healthy development and learning.

A child's brain grows more quickly during the first three years of life than at any other point, laying the foundation for all the years that follow. Attending a high-quality early education program better prepares children for later success academically, socially and emotionally.³ Children who receive subsidies to attend child care are more likely to experience a higher quality of care than their non-subsidized peers. Pre-pandemic figures show 75% of NC infants and toddlers receiving subsidy attend 4- or 5-star programs as compared to just 67% of nonsubsidized children birth to three.⁴ Increasing the availability of Child Care Subsidy Assistance will increase the number of infants and toddlers experiencing the important benefits of high-quality early education.

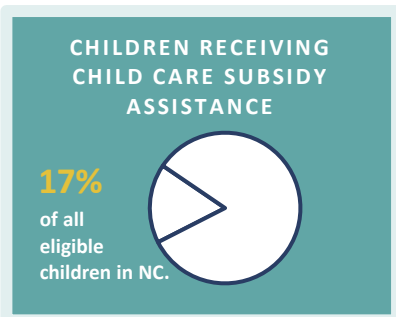
Child Care Subsidy waitlists exist across the state.

In August 2021, more than 22,000 children were on the waitlist for Child Care Subsidy Assistance in 82 NC counties. Six counties had a waitlist of more than 1,000 each.⁵ Previous data indicate that more than half of the children waiting for subsidy are infants and toddlers. These long waiting lists are indicative of the extensive unmet need for child care assistance among working families and represent the large number of young children who are missing important developmental care during a critical window in their development. Not only are these children waiting to be served, but their parents are also facing a formidable barrier to returning to work. A lack of child care is a pivotal factor in the nation's labor struggle during the pandemic recovery. Providing enough funding to subsidize child care for the families on the waitlist will allow thousands of NC parents to rejoin the labor force.

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Child Care Subsidy Assistance serves a small percentage of eligible children.

Statewide, more than 225,000 children age 0-5 are estimated to be eligible to receive child care subsidy, but only 38,000, or 17%, receive this support. Increasing funding for the Child Care Subsidy Assistance Program will allow more children access to quality care, thereby increasing parental ability to pursue educational and employment opportunities. However, subsidy shortages exist in every county in NC. Only one county (Macon) serves one-third of eligible zero to 5-year-old children, while the other 99 counties serve between 2-30% of their eligible children. While all eligible families may not need or want child care subsidies, just as many might be seeking child care support and not know how to find it. Navigating the often complex and daunting task of applying for Child Care Subsidy Assistance can present challenges to parents with limited literacy or a primary language other than English.⁶ Providing the funding and support to a larger percentage of eligible families will provide the babies a stronger developmental foundation while giving the parents the ability to pursue employment and education.



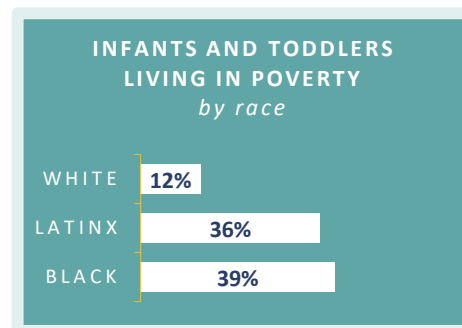
Child Care Subsidy Assistance contributes to family well-being and economic self-sufficiency.

Parents must have care for their young children so they can work. When a parent leaves the workforce to care for their children the family loses out on that parent's income and the economy loses another contributing worker. Studies on the use of Child Care Subsidy Assistance indicate a positive relationship with full-time parental employment and educational attainment.⁷ Families with decreased and/or inconsistent income experience more stress and instability, which has a negative impact on the health and development of children. Parents without access to subsidy are two to nearly four times more likely to rely on unlicensed or other informal child care arrangements that may lack quality and consistency.⁸ Additionally, these parents may need to access other social safety net supports (such as food or housing assistance) that they otherwise would not need. As we emerge from the COVID-19 pandemic and work towards economic recovery, increasing funding for Child Care Subsidy Assistance will allow more parents to work and provide the consistent quality care infants and toddlers need.

Child Care Subsidy Assistance improves equity for infants and toddlers.

Many factors are at work in the disparate use of Child Care Subsidy, including parents' knowledge of navigating the complex system of public and private organizations in our early education system, ability to communicate in English or receive translation services, and whether parents work traditional or non-traditional hours.⁹ National data indicate inequities in access to child care subsidies across racial and ethnic groups, with Asian and Latinx children having the lowest rates of access.¹⁰ At least half of Latinx parents work non-traditional hours, dramatically reducing their ability to find and afford care for their children.¹¹ Additionally, Asian and Latinx parents are more likely to have limited English proficiency,¹² presenting challenges to understanding the system and communicating within it.

Black families tend to have the greatest proportional access to child care subsidy;¹³ likely reflecting Black families' overrepresentation in low-wage employment and incomes below the poverty level. Education and access to consistent employment have the potential to alleviate the struggles of low-wage work and unemployment, but only if parents have the necessary care for their children.¹⁴ While other policy changes are necessary to fully address these disparities, NC can take a key step in the right direction by increasing funding to provide support for more infants and toddlers and their families through Child Care Subsidy Assistance.





Think Babies™ NC Alliance

The Think Babies™ NC Alliance seeks to ensure that North Carolina's youngest children, prenatal to age 3, benefit from effective and equitable public policies, programs, and funding so that all children have what they need to thrive: healthy beginnings, supported families, and quality early care and learning experiences.

For more information:

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- ¹ Economic Policy Institute (2020). The Cost of Child Care in North Carolina.
 - ² Adams, G. & Henley, J. (2020). Child Care Subsidies: Supporting Work and Child Development for Healthy Families.
 - ³ Center on the Developing Child at Harvard University. (2016). 8 Things to Remember about Child Development.
 - ⁴ Child Care Services Association (CCSA). (2017). Who's Caring for Our Babies?
 - ⁵ Ibid.
 - ⁶ CLASP. (2019). Inequitable Access to Child Care Subsidies.
 - ⁷ Adams, G. & Henley, J. (2020). Child Care Subsidies: Supporting Work and Child Development for Healthy Families.
 - ⁸ Prenatal to Three. (2020). State Policy Roadmap.
 - ⁹ Urban Institute. (2021). Assessing Child Care Subsidies through an Equity Lens.
 - ¹⁰ CLASP. (2019). Inequitable Access to Child Care Subsidies.
 - ¹¹ Ibid.
 - ¹² Ibid.
 - ¹³ Ibid.
 - ¹⁴ Urban Institute. (2021). Assessing Child Care Subsidies through an Equity Lens.