



# CHECKING IN

## ON THE CHILD CARE LANDSCAPE

2019 State Fact Sheets

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# BACKGROUND

Each week, an estimated 12.5 million children under the age of six attend some type of child care.<sup>i</sup> However, many families are unable to find the high-quality child care they want for their children. Those who can find child care – perhaps of lesser quality than they would want, and at distances far from work or home – spend a significant portion of their income covering its cost. Each day we hear stories of the stress and financial challenges burdening parents, communities and businesses, all resulting from a broken child care system. These stories are reflected in local and national outlets and expressed by parents on multiple platforms – in print, in news and social media, in state capitals and in the nation’s capital. The 2019 State Fact Sheets back up these very real experiences, highlighting the need for quality, affordable child care in every community in the U.S., as well as the need for state-based advocacy efforts stemming from unique state-by-state child care circumstances.

Research has shown that high-quality child care settings can result in positive short- and long-term outcomes for children. These outcomes include a decrease in the likelihood of being incarcerated, along with better health and employment outcomes. New research is also showing the multigenerational effects of high-quality child care. Children of parents who participated in a high-quality child care program were more likely to be employed and less likely to be arrested.<sup>ii</sup> Children who grow up to be productive adults contribute to the economy, which makes communities stronger. Short-term gains for the country as a whole are also possible when child care is accessible to all. When parents, particularly women, are able to stay in the workforce or complete their educations, their long-term earning potential increases drastically.<sup>iii</sup> This results in increased productivity for businesses and increased economic growth, which positively affects the health of communities.

Throughout this report we will highlight how one American family has struggled with child care accessibility, affordability and quality while also discussing relevant findings from our annual survey. In addition, we will focus on how Child Care Resource and Referral (CCR&R) agencies are working to help families overcome the barriers to equitable care and how CCR&Rs are leaders in the efforts to increase the accessibility, affordability and quality of child care programs all over the country.



Alexis Saltzman lives with her husband and three children in Nebraska. When they first became parents, Alexis and her husband worked opposite schedules so that they could avoid the expense of child care. Three years ago, she decided to go back to school in order to earn a bachelor’s degree in computer science. Alexis enrolled two of her three children in a child care center. Her family qualified for a child care subsidy, which decreased their overall child care costs. However, as time went on, Alexis faced many challenges associated with keeping her children in child care.



# THE STRUGGLE OF ACCESSIBILITY: FINDING CHILD CARE PROGRAMS THAT TRULY MEET FAMILY NEEDS

Alexis is not alone in the challenge of finding child care providers who accept subsidies. Most child care subsidies originate from the Child Care Development Fund (CCDF), which was created when the Child Care Development Block Grant was enacted in 1990. Through this fund, the federal government allocates money to state agencies, who administer the subsidies at the state level. Over the past 20 years, millions of families have benefitted from this critical assistance program. However, there has been a significant drop in the number of providers who accept child care subsidies nationwide.

But it's not just the number of providers who accept child care subsidies that is decreasing. Many states have reported that they are seeing an alarming decrease in the overall number of family child care providers over the past decade. This loss is concerning because families who live in rural areas typically rely on family child care providers; in more than 20 states, the majority of licensed child care providers are in family homes rather than in centers.

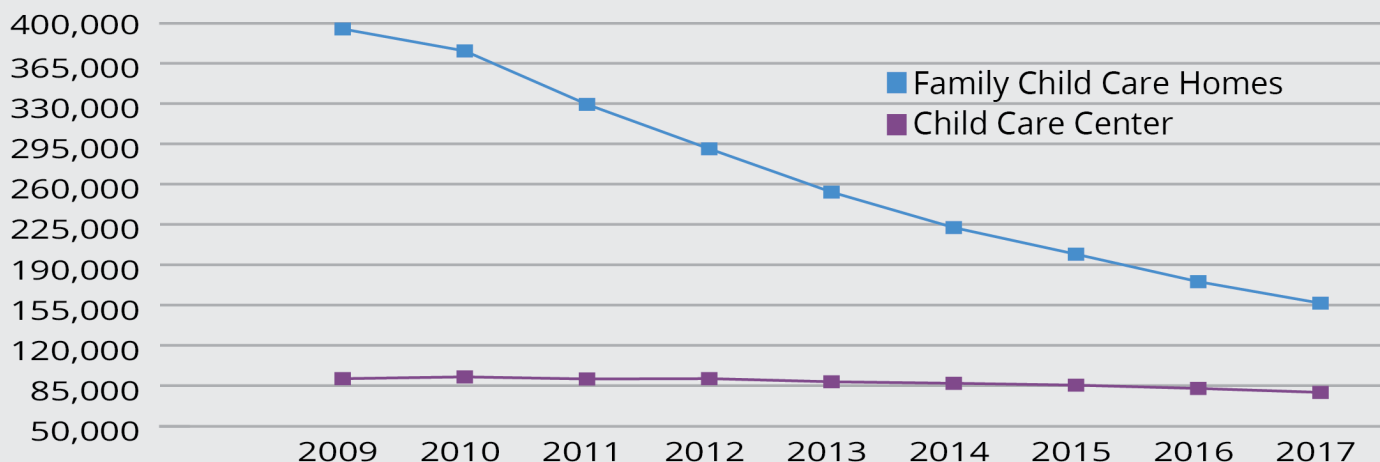
While much more research is needed to pinpoint the exact reasons for these declines, anecdotal evidence suggests that low compensation is



When Alexis was looking for child care programs for her two youngest children, she struggled to find providers with openings who also accepted child subsidy vouchers. There is a high-quality child care center on the campus of Alexis's school, but there is an 18-month wait list and it does not accept subsidies.



**Number of CCDF Providers**  
FY2009-2017



a major factor that contributes to providers leaving the child care workforce. For more information on why child care is so expensive, yet workers earn so little, watch the [explainer video](#) that Child Care Aware® of America (CCAoA) developed in partnership with the Center for the Study of Child Care Employment.



### CCR&R Services

82%

Help potential child care professionals understand licensing requirements

Becoming licensed can be a stressful experience for child care providers. CCR&Rs provide assistance that helps those seeking licensure to navigate the rules and regulations they need to follow.



### CCR&R Services

96%

Help families find child care

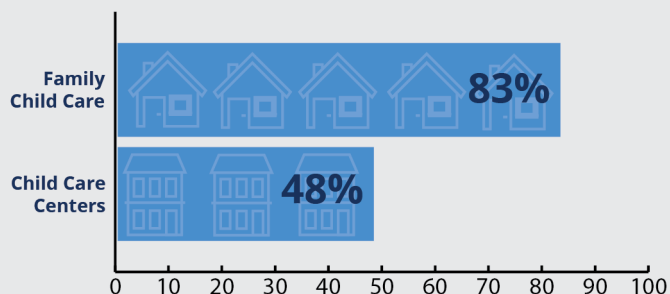
CCR&Rs also help families take the guesswork out of choosing child care. CCR&Rs provide families with child care referrals and tips for identifying high-quality child care, details about state licensing requirements and access to financial resources such as CCDF assistance, tax credits and other public resources.

CCR&Rs work directly with parents to help them locate child care that works best for their child. They absorb what parents tell them about their children and use it to help them find care during the hours they need it, with the services children may need. Our annual survey results show that CCR&Rs provided over 1 million child care referrals to families in 2018.

CCR&Rs know that finding child care in certain geographical areas and for certain populations



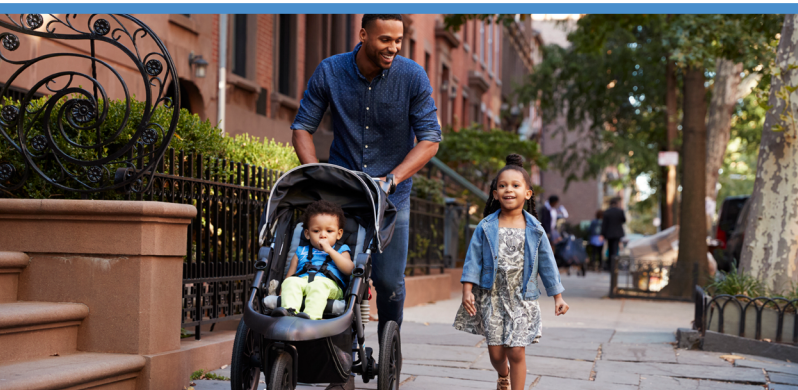
### States Reporting a Decrease in Child Care Programs from 2017-2018\*



\*Percentages calculated from 31 states that provided data for 2017 and 2018

Located in 47 states, CCR&Rs focus on increasing access to high-quality, affordable child care by offering services for families, child care professionals and communities. CCR&Rs play an integral role in states and local communities; 92% participate in partnerships at both levels to identify and develop strategies that address gaps in child care services.

CCR&Rs address child care accessibility by building the supply of high-quality child care while simultaneously helping families find child care that meets their needs. CCR&Rs recruit and help potential child care businesses open their doors and keep them open. Strategies include offering technical assistance on licensing requirements, delivering pre-service training, facilitating peer learning groups and more.





can be challenging. For this reason, some state governments, businesses and communities fund CCR&Rs to offer enhanced child care referrals for certain populations.

### PRESCHOOL DEVELOPMENT GRANTS

Recently the federal government provided hundreds of millions of dollars in grant funding to 47 states to help them enhance their early care and education programs in order to prepare children from low-income and disadvantaged families for kindergarten. Participating states were encouraged to partner with a variety of stakeholders to accomplish this goal. After completing a needs assessment and strategic planning process, grantees will use these findings to expand early care and education opportunities for the children who need it most.

Another component of this grant is expanded parental choice, giving parents more options to find early care and education options for their children that are right for them. You can find more information about these grants [here](#).

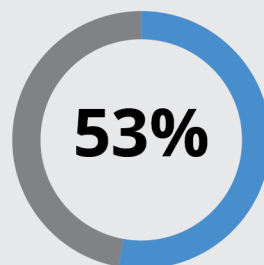
### A CLOSER LOOK AT CHILD CARE SUPPLY AND DEMAND

Recently, Child Care Aware® of America released [\*Closing the Gap: How CCR&Rs Can Help Communities Meet Their Child Care Supply and Demand Needs\*](#), which highlighted gaps in the child care supply that we found during the course of our Mapping the Gap™ work. Multiple examples of how CCR&Rs are helping to build the supply of child care around the country were included. Some key findings included:

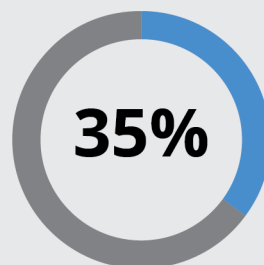
- 70% of CCR&Rs engage in activities to increase the supply of child care for infants and toddlers
- In Alaska, 1 in 5 infants do not have access to full-time, licensed child care
- In Mohave County, Arizona only 7% of infants and toddlers have access to licensed child care



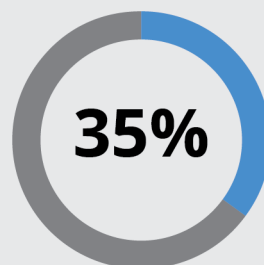
### CCR&Rs Offering Enhanced Referrals



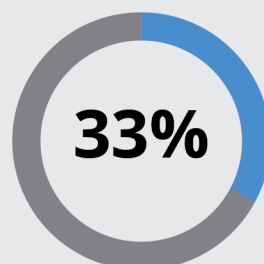
Help families with children with special needs



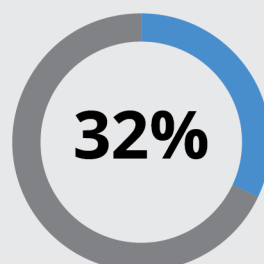
Help families needing a provider who accepts child care subsidies



Help families with infants and toddlers



Help families experiencing homelessness



Help families who need nonstandard hours care

# THE BARRIERS OF AFFORDABILITY: OUT OF REACH FOR TOO MANY FAMILIES

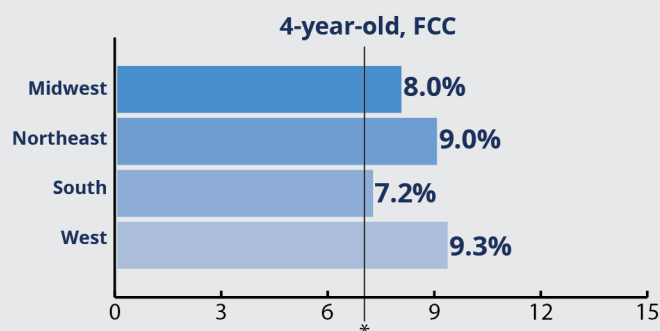
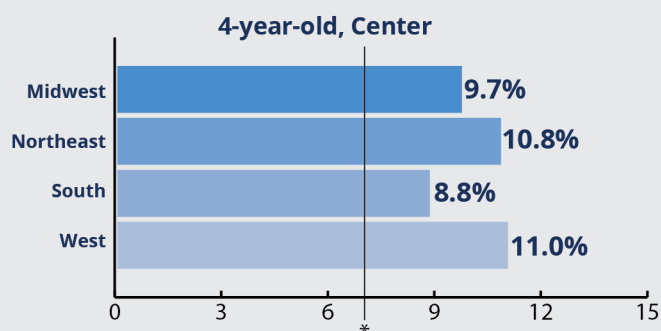
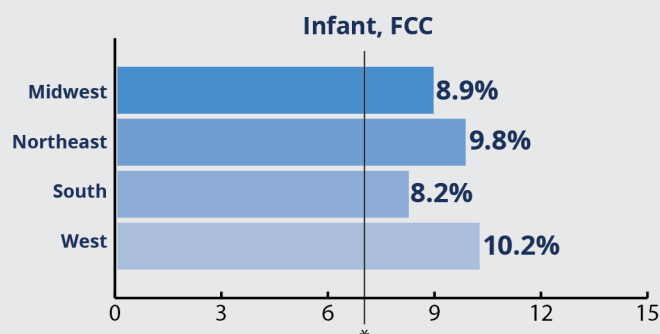
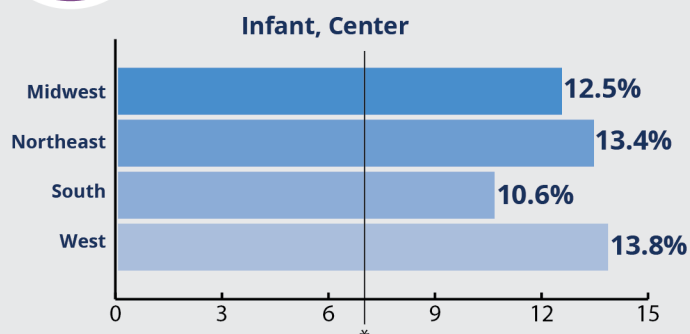
When a slight increase in income results in a loss of benefits that puts the family's financial health in jeopardy, it is known as the "cliff effect". There is no national count of how many families are in danger of losing their child care subsidies due to the cliff effect. However, researchers have studied the ways in which families avoid the cliff effect. A study in Colorado found that 33% of participants declined opportunities that would raise their income enough to make them ineligible for child care subsidies.<sup>iv</sup>

In October, we will release our annual *U.S. and the High Cost of Child Care* report, which will delve more thoroughly into this subject. For this report, we focused on the affordability percentage – how much of the average family's income goes toward child care costs. The [U.S. Department of Health and Human Services](#) recommends that no more than 7% of household income go toward child care payments; however, child

Last year, Alexis's husband accepted a higher-paying job. This caused the family's income to rise, making them ineligible for a child care subsidy. This resulted in the family's child care costs increasing by \$500 per month. Although the family income had increased, the entire amount of this increase was going towards child care costs.



## Average Child Care Affordability Percentage for Two-Parent Families by Child Age and Provider Type



\*7% of family income, recommended by DHHS as the maximum amount working families should spend on child care



care costs exceed this recommendation in all regions and for all types of child care providers.

CCR&Rs know families are struggling to afford child care. For decades, they have been on the forefront of this issue, with activities that include raising public awareness about the cost of child care, advocating for increased state and federal investments, and facilitating public and private partnerships to find innovative solutions.

Many CCR&Rs administer child care financial assistance programs. Nearly 40% of the nation's CCR&Rs administer federal child care subsidies on behalf of the state. Several CCR&Rs distribute emergency vouchers or scholarships to struggling families.

CCR&Rs also help families who may not qualify for child care financial assistance or who may be placed on waiting lists. CCR&Rs can connect families to additional sources of public assistance or to child care programs offering sliding fee scales or discounts for families with multiple children.

- 80% connect families with public resources, including housing assistance or health insurance programs
- 48% of CCR&Rs distribute child care tax credit information



### Types of Financial Assistance Administered by CCR&Rs

**37%**

State CCDF Financial Assistance

**11%**

State non-CCDF Financial Assistance

**10%**

Scholarships



# THE IMPORTANCE OF QUALITY:

## ALL CHILDREN DESERVE NURTURING SPACES AND PLACES TO THRIVE

Alexis's middle child attended a child care center that she liked. The teachers were skilled and communicative, resulting in a positive early education experience for this child. However, last year, the owner of the center sold it to a company that offered much lower pay rates for the existing staff. As a result, none of the original teachers stayed. Soon, Alexis noticed a marked decline in quality. The new teachers were unskilled and did not teach from a discernable curriculum. There was very little communication between the staff and the parents. The quality that Alexis had come to expect from this child care center was gone. Alexis is disappointed that her youngest child will not have the same positive experience that her middle child had at this center.

There are multiple ways that states recognize quality child care programs, including accreditation from early childhood organizations such as the National Association for the Education of Young Children (NAEYC) and ratings through a Quality Rating and Improvement System (QRIS). Our survey results indicate that the nationwide average for center-based programs that participate in QRIS is 48%. For family child care providers, the nationwide average of QRIS participation is 32%. Furthermore, only 12% of all center-based programs are accredited, while only 1% of all family child care homes are accredited. While programs that recognize quality child care abound, participation remains low.

CCR&Rs provide much-needed professional education, training and support to child care providers, helping to boost QRIS participation and improve quality offerings to families. Our research shows that of all CCR&Rs in the country:

- 91% offer technical assistance onsite at child care facilities
- 76% recruit programs to participate in QRIS
- 71% provide coaching or mentoring to help QRIS-participating providers move up the QRIS ladder
- 71% provide coaching or mentoring to improve quality for providers who do not participate in QRIS

### WHAT IS QUALITY CHILD CARE?

Quality care provides the emotional and academic support children need to be school-ready by the time they enter Kindergarten—put simply, quality child care is early childhood education. Quality child care should be culturally and linguistically responsive and should be provided by engaged and caring child care providers. Quality child care incorporates physical activity time and developmental screening practices, and follows food safety guidelines. Additional components include a safe and stimulating physical environment, along with positive relationships between the provider and the family.

### WHY IS QUALITY CHILD CARE IMPORTANT?

Numerous long-term studies have shown that high quality child care increases a child's chance of future success.

- Children who receive high-quality child care have shown better outcomes in socio-economic and health conditions as an adult.<sup>v</sup>
- Long-term analyses suggest that enrollment in early childhood education can increase earnings in adulthood by 1.3 to 3.5 percent.<sup>vi</sup>
- Access to higher quality early care, along with organized activities in middle childhood, have been associated with higher academic achievement at age 15.<sup>vii</sup>



# POLICY RECOMMENDATIONS

In 2014 Congress reauthorized Child Care Development Block Grant (CCDBG) with overwhelming bipartisan support. The CCDBG Act of 2014 improved the health and safety standards applicable to child care providers and allocated funding to help make quality child care available to more families with low incomes. The 2014 law also mandated that states do more to ensure child care providers undergo comprehensive criminal background checks and disaster preparedness/response planning, among other critical improvements. The Preschool Development grants that were awarded last year now allow states to expand programs to infants and toddlers. Additionally, the 2014 law requires states to enhance training and professional development opportunities for providers in such topics as child development. However, despite reauthorization, Congress failed to provide sufficient funding to help states meet the requirements of the new law, which means that only 1 in 6 of all eligible families actually receive child care assistance.

In February 2018, Congress and the Trump Administration reached a deal that provided a long-overdue funding increase for CCDBG, with the program receiving nearly \$4.8 billion in new federal spending through September 30, 2019. However, CCDBG remains underfunded. In fact, even with CCDBG's historic increase, federal funding for child care is still \$1 billion less than FY2001 levels, when adjusted for inflation. Given the population growth since 2001, it is clear that states still do not have enough funding to meet the needs of families. CCDBG requires robust, long-term investment in order to increase the number of children served, improve the quality and safety of programs and support the needs of the child care workforce. To meet this need, Congress must provide a \$5 billion increase for

CCDBG in FY 2020, and states should prioritize the following:

## **SUFFICIENTLY FUND CCR&RS**

Increased funds for these community-based organizations would: (1) Expand delivery of child care consumer education and referrals to families, particularly those with heightened difficulty finding quality, affordable child care; (2) Expand child care provider recruitment, retention and professional development through targeted outreach, training, technical assistance and resources; and (3) Capitalize on the promise of State CCR&R Networks – state-level intermediary organizations poised to increase quality, consistency, leadership and accountability within child care systems.

## **PRIORITIZE PROFESSIONAL DEVELOPMENT FOR THE CHILD CARE WORKFORCE**

This includes workforce support and appropriate compensation for all child care professionals. In addition, more investment in Tribal training and professional development and support for formula grants for high-quality preschool is desperately needed. Lastly, we should incentivize and reward child care programs and workers for the critical work they do every day, supporting the growth and development of our children.



# CONCLUSION

Families across the country make similar choices each day. Some parents give up job promotions or educational opportunities in order to avoid the need for expensive child care. Some parents fear for their children's safety in low-quality child care settings, so they leave the workforce. And some parents must find multiple child care providers in order to accommodate their work or school schedules due to a lack of openings when they need them. Meanwhile, the labor force and the economy suffer because of absenteeism or workforce

exit due to child care issues. The time for action is now. America's children and families deserve access to a child care system that is affordable and of the highest quality. With access to high-quality, affordable child care, young children will be better prepared for kindergarten, with better long-term socioeconomic and health outcomes. Parents will be able to work, which results in a stronger economy and thriving communities. Making this dream a reality will not only help the workforce of today, but better prepare the workforce of tomorrow.



For Alexis Saltzman, the significant reduction in quality at her children's child care center, coupled with the loss of the family's child care subsidy caused her to drop down to part-time enrollment in school. She took a third job in order to pay for the child care of her youngest. Today, Alexis advocates for affordable, accessible, high-quality child care so that other families do not have to face the struggles that she faced. She hopes that by sharing her story, one day high-quality child care will be a reality for all families.

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## ADDITIONAL ACKNOWLEDGEMENTS

We wish to extend a special thank you to the people who took the time to complete the annual survey. We are grateful for the time and effort you take to provide us with this valuable data.

Special thanks to CCAoA staff who took the time to review the State Fact Sheets for quality assurance purposes.

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# METHODOLOGY

## STATE FACT SHEET SURVEY

The information found in the State Fact Sheets comes from a variety of sources. In January 2019, Child Care Aware® of America surveyed state CCR&R Networks and other key stakeholders in each state. The overall purpose of the 101-item survey was to gather annual data about child care in each state, which is reported in our State Fact Sheets and High Cost of Child Care reports.

Child care affordability percentages were calculated with this formula: annual cost of care / median household income for a married couple household with children \* 100.

Child care affordability percentages for before and after school care were calculated with this formula: annual cost of care / 75% of median household income for a 2-parent household with children \* 100. This reflects the nine-month school year that is typical in most states.

We gathered additional national and state data in the spring of 2019 from the American Community Survey, U.S. Census Bureau and the Bureau of Labor Statistics. National totals are rounded estimates. All missing or unavailable information was reported as “NR” (Not Reported); all information not applicable to a state (i.e., because it may not be collected by them) is reported as “NA” (Not Applicable). Alabama, Louisiana, Maine, Mississippi, New Jersey, Pennsylvania, Rhode Island, Texas and

Wyoming did not respond to our survey. For these states, any publically available child care capacity and price data were collected through public statewide child care search databases and market rate surveys, respectively. Furthermore, several states were unable to respond to the survey by the publication deadline, but will respond later this summer. These State Fact Sheets will be made available online as we receive data.

## IGNITE INITIATIVE

In 2018, CCAoA launched the Ignite Initiative, a multi-faceted, strategic national study of CCR&Rs in the United States which included interviews and a survey. The purpose of the study was to provide an accurate and up-to-date picture of the state and local CCR&R landscape throughout the country. Staff members from CCR&Rs in every state were interviewed. Furthermore, 287 CCR&Rs from 44 states responded to an online survey, which included questions about the types of services provided.

For more information about our methodology, please contact us at [research@usa.childcareaware.org](mailto:research@usa.childcareaware.org).

<sup>i</sup>Laughlin, Lynda. (2013). Who's Minding the Kids? Child Care Arrangements: Spring 2011. Current Population Reports, P70-135. U.S. Census Bureau, Washington, DC

<sup>ii</sup>Heckman, J. and Karapakula, G. (2019). Intergenerational and intragenerational externalities of the Perry Preschool Project. The National Bureau of Economic Research, Working Paper No. 25889. Retrieved from <https://www.nber.org/papers/w25889>.

<sup>iii</sup>PolicyLink (2015). High-quality, affordable childcare for all: Good for families, communities, and the economy. Issue Brief Series: The Economic Benefits of Equity. Retrieved from <https://www.policylink.org/find-resources/library/casey-equal-voice-series-childcare>

<sup>iv</sup>Roll, S. and East, J.F. (2010). Child Care and Low Income Families: Coping with the Cliff Effect. Women's Foundation of Colorado. Retrieved from <https://www.wfco.org/document.doc?id=58>

<sup>v</sup>Heckman, J. (2015). Quality early childhood education: Enduring benefits. Retrieved from <https://heckmanequation.org/resource/quality-early-childhood-education-enduring-benefits/>

<sup>vi</sup>"The Economics of Early Childhood Investments," Executive Office of the President. (2014). Retrieved from [https://obamawhitehouse.archives.gov/sites/default/files/docs/early\\_childhood\\_report\\_update\\_final\\_non-embargo.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/early_childhood_report_update_final_non-embargo.pdf)

<sup>vii</sup>Vandell, D. L., Lee, K. T., Whitaker, A. A., & Pierce, K. M. (2018). Cumulative and differential effects of early child care and middle childhood out-of-school time on adolescent functioning. Child Development. doi: 10.1111/cdev.13136