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# Exploring the Unmet Need for Subsidized Child Care and Development Programs in California

FEBRUARY 25, 2019

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# Exploring the Unmet Need for Subsidized Child Care and Development Programs in California

FEBRUARY 25, 2019

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# Overview

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- Child care is prohibitively expensive for many families in California.
- The unmet need for subsidized child care and development programs in California is high. Regardless of age, race or ethnicity few eligible children and families are able to access subsidized programs.
- The Governor's proposed 2019-20 budget boosts funding for the subsidized child care and development system, with an emphasis on access to preschool and child care infrastructure.



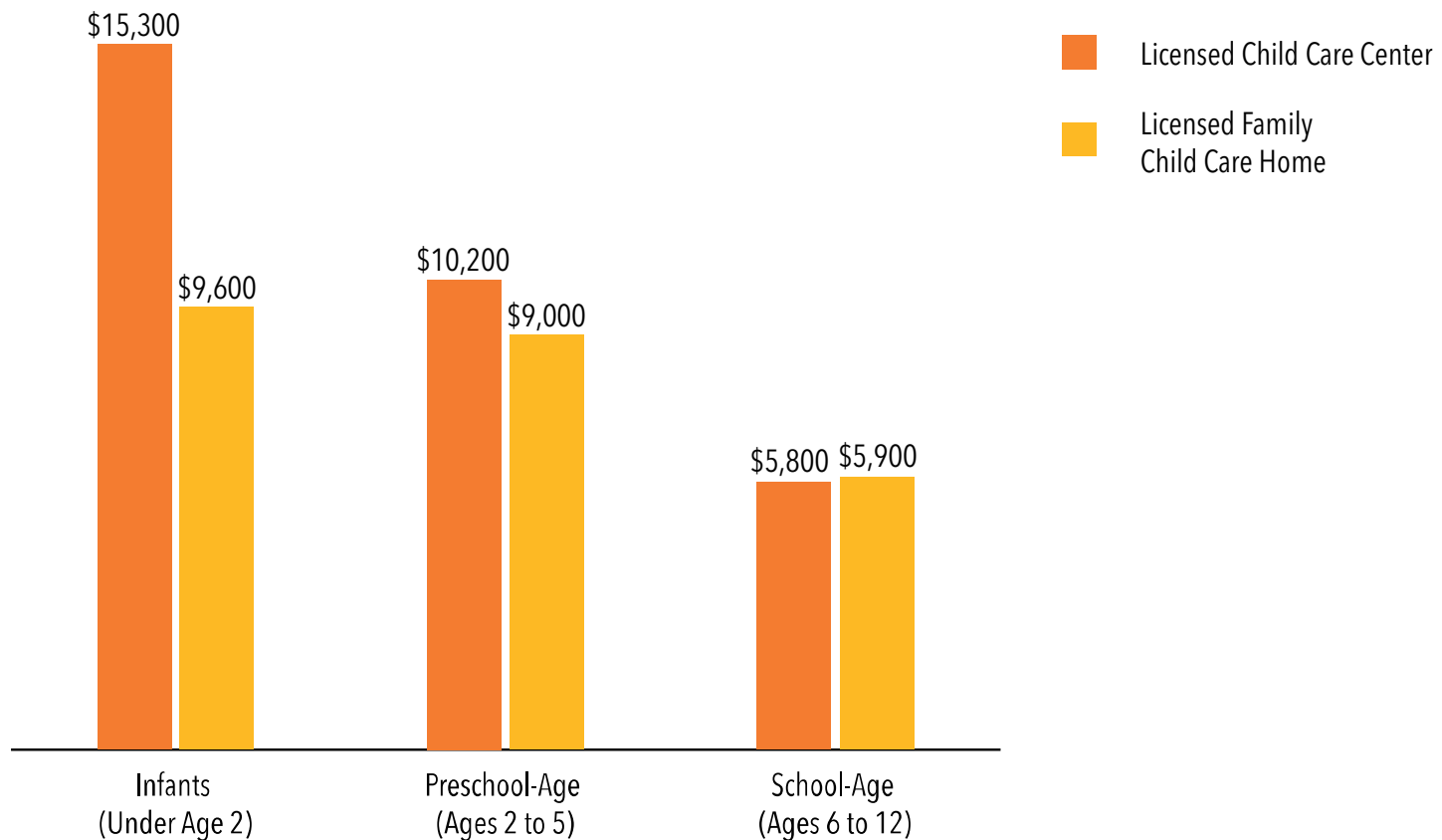
# **Child care is considered affordable if it doesn't exceed 7% of family income.**

**In California, two working parents earning low wages would *each* have to work 147 hours *per week* to avoid paying more than 7% of income on the cost of child care for an infant in a licensed center.**



# The Cost of Child Care Is Prohibitively High in California

## Median Annual Cost of Care Statewide, 2017



Note: Figures are rounded to the nearest hundred. Cost of care is full-time for infants and preschoolers and prorated according to the school year for a school-age child. Costs are based on counties' median cost of care weighted to reflect each county's child population and are adjusted for inflation to reflect 2017 dollars.

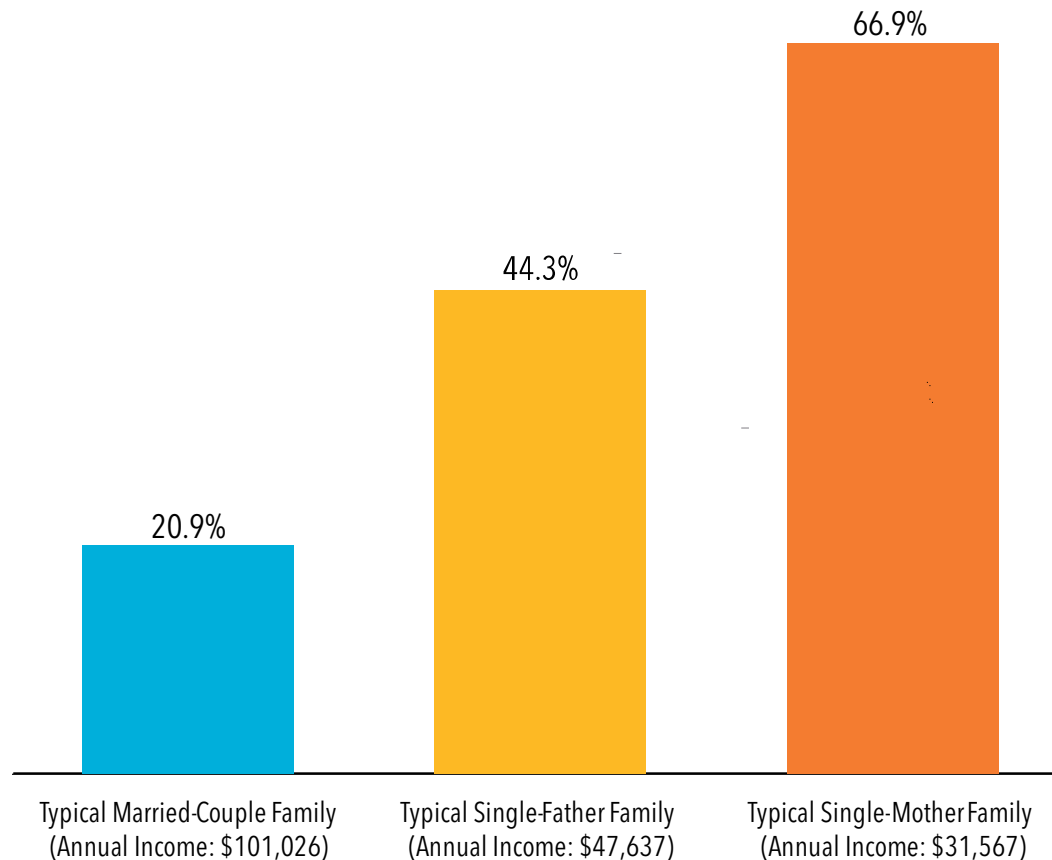
Source: Budget Center analysis of California Department of Education, 2016 Regional Market Rate Survey





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

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



Note: Cost of care is for a licensed center in California in 2016 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation to reflect 2017 dollars. Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

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



# **Subsidized child care and development programs help families make ends meet.**

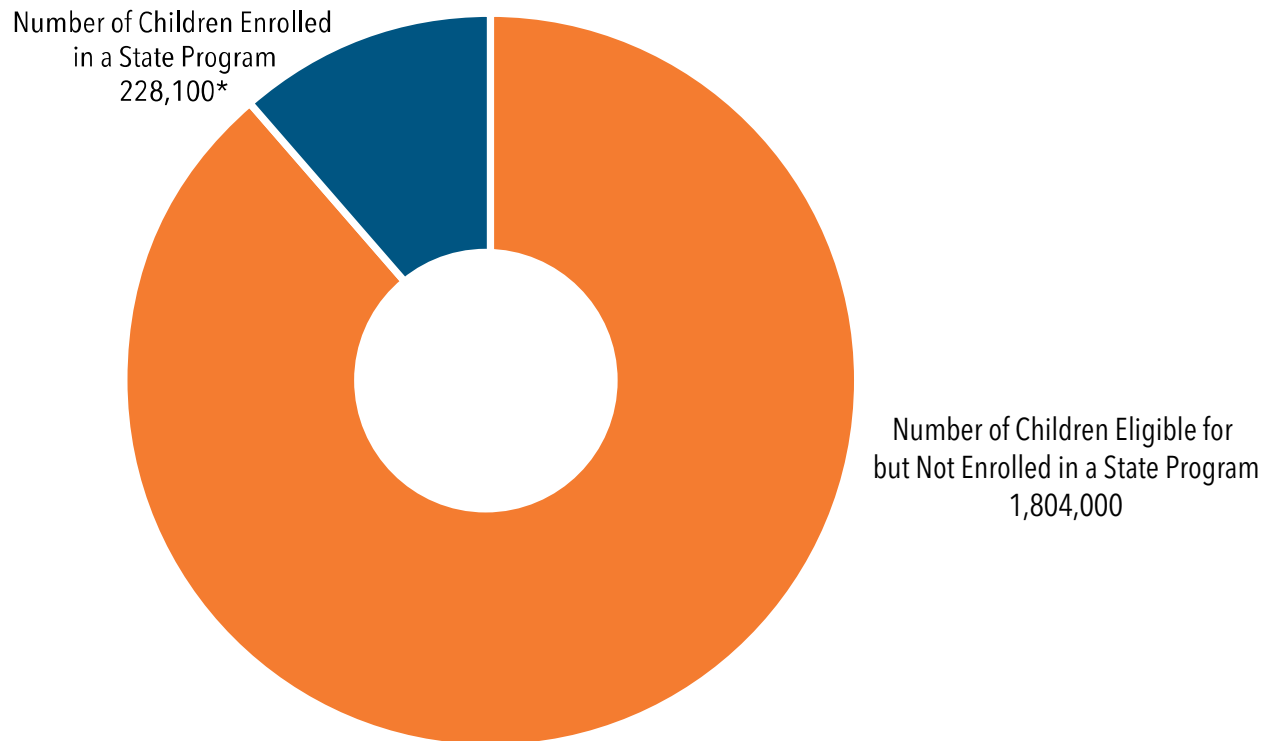
**Without access to subsidized care, many families face difficult choices about where to leave their children while they are working.**



# Eight Out of Nine Children Eligible for Subsidized Child Care Did Not Receive Services From Full-Day, Full-Year Programs in 2017

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000

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\* Enrollment is for children from birth through age 12 in October 2017, except for California Community College CalWORKs Stage Two, which reflects a Department of Finance estimate for the 2017-18 fiscal year. Includes children enrolled in the full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. Source: California Department of Education, Department of Finance, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



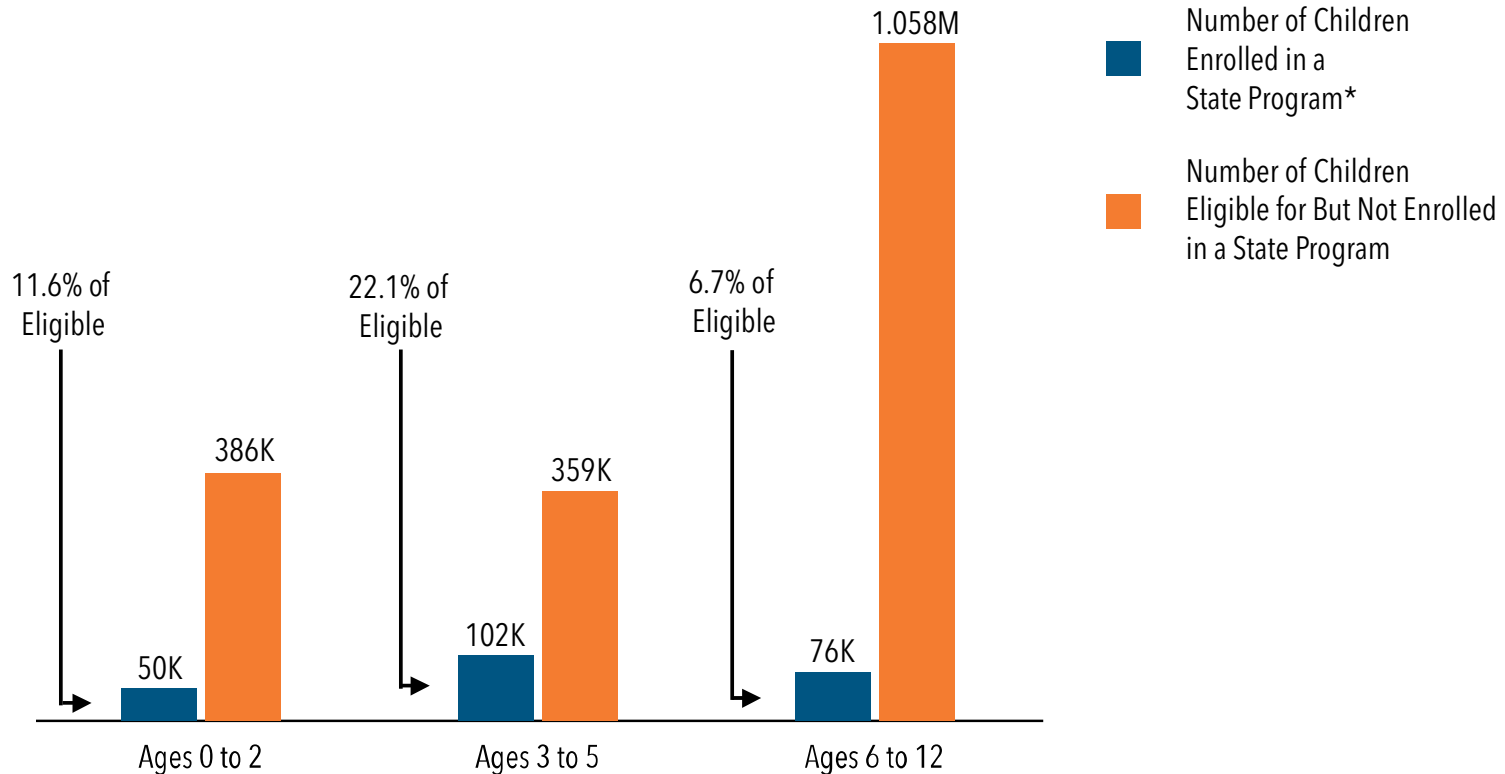
**Parents typically incur the highest-priced care - for infants and toddlers - at a younger age when they can least afford it.**

**Even families with older children may struggle to find affordable care before or after school or when working nonstandard hours.**



# Enrollment in Subsidized Child Care and Full-Day State Preschool Varies by Age

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



\* Enrollment is for children from birth through age 12 in October 2017. Includes children enrolled in full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. The California Community College CalWORKs Stage 2 data reflect a Department of Finance estimate for the 2017-18 fiscal year. CalWORKs Stage 1 age data are Budget Center estimates based on California Department of Education (CDE) CalWORKs Stage 2 figures. Source: CDE, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



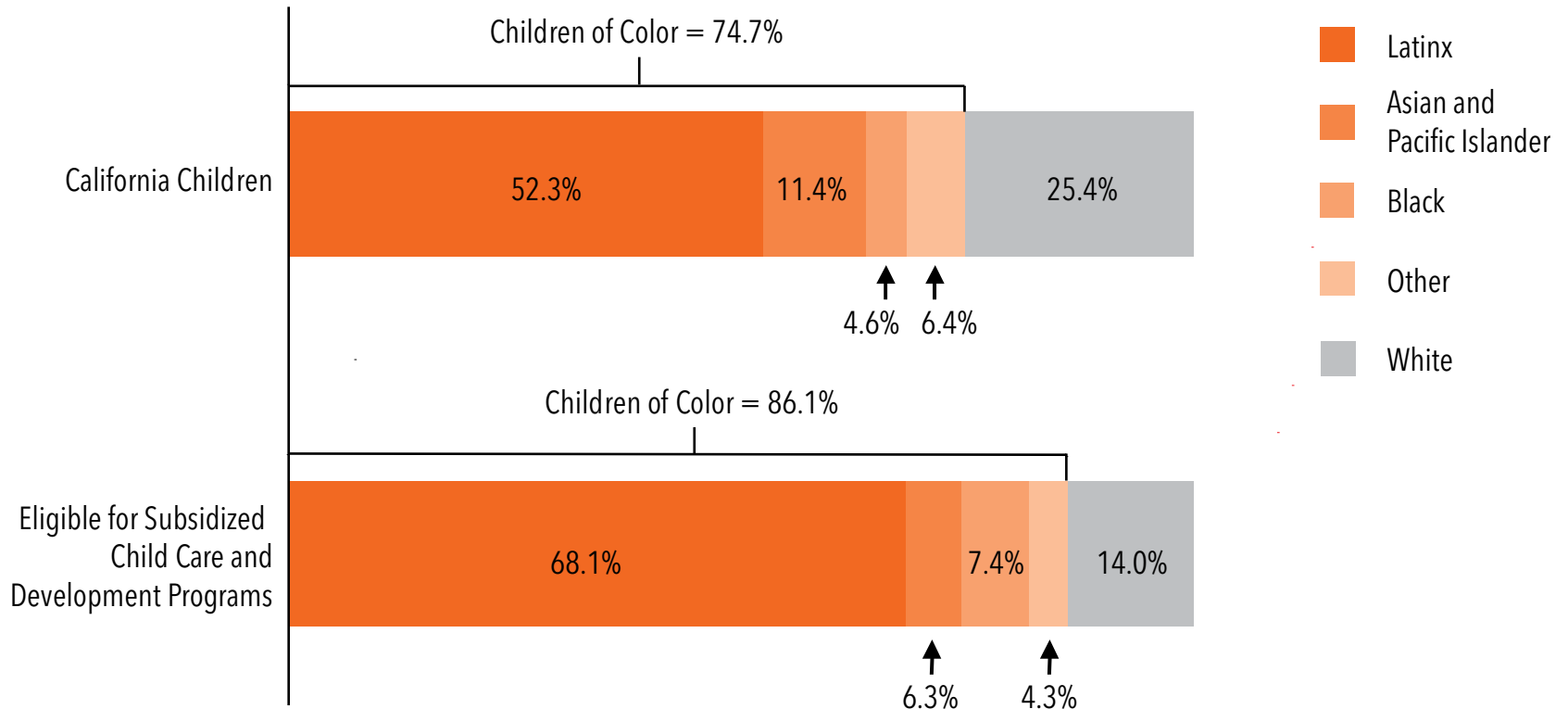
# **Children of color are more likely than white children to live in poverty in California.**

**Persistent inequities have limited economic mobility for many families of color, which increases the odds that children of color will experience hardships that will adversely affect their development.**



# Overall, Children of Color Are Disproportionately Eligible for Subsidized Child Care and Development Programs

Race and Ethnicity of California Children Birth Through Age 12, 2017

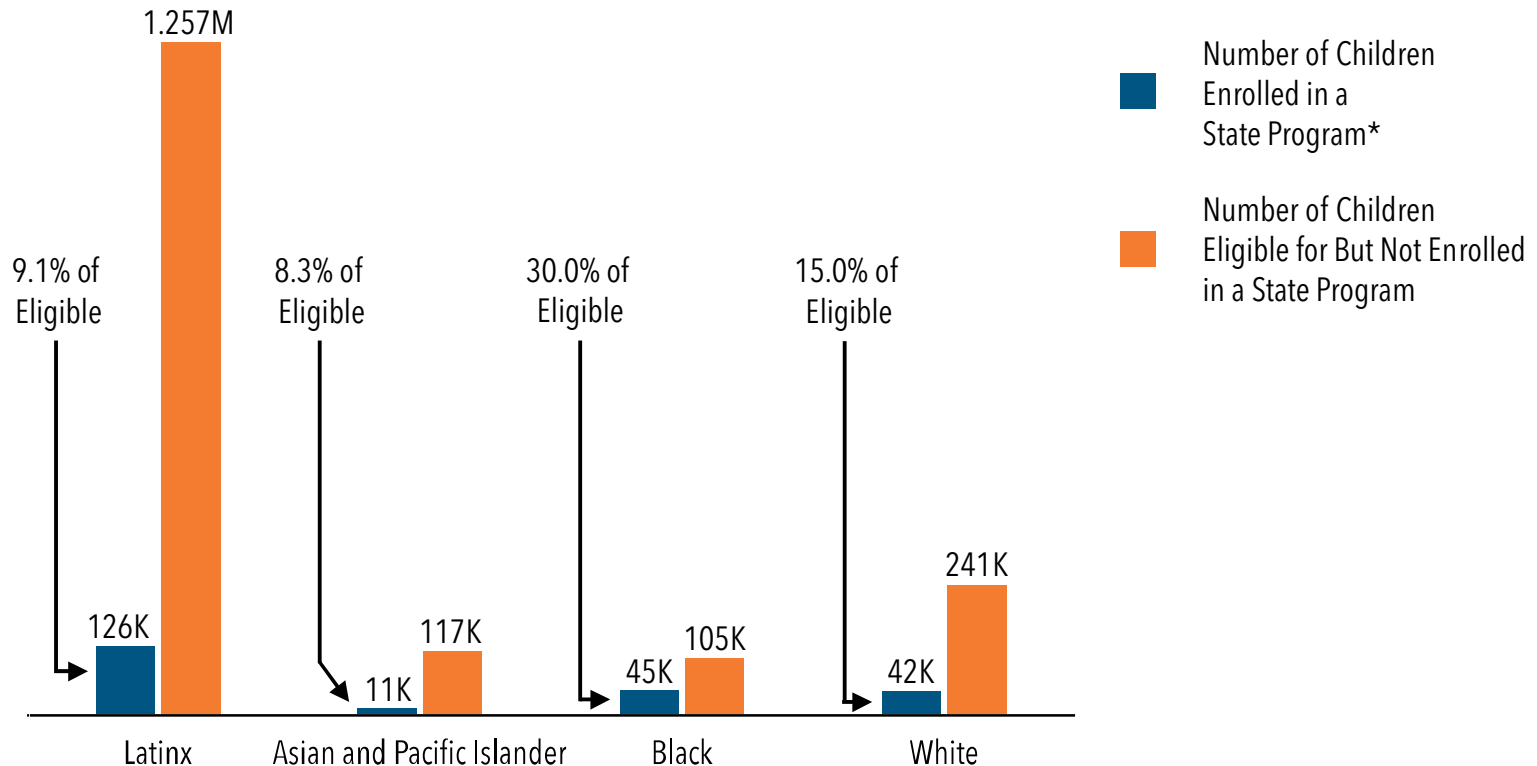


Note: Figures may not sum to 100 due to rounding. Race and ethnicity categories are mutually exclusive. The "Other" category includes Native American, multiracial, and unspecified races. Source: Budget Center analysis of US Census Bureau, 2017 American Community Survey data



# Enrollment in Subsidized Child Care and Full-Day State Preschool Varies by Race and Ethnicity

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



\* Enrollment is for children from birth through age 12 in October 2017, except for California Community College CalWORKs Stage 2 data, which reflects a Department of Finance estimate for the 2017-18 fiscal year. Includes children enrolled in full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. The race and ethnicity figures are estimated for CalWORKs Stage 1 and California Community Colleges CalWORKs Stage 2.

Note: Race and ethnicity categories are mutually exclusive. Native American, multiracial, and unspecified race categories not shown here.

Source: Budget Center analysis of data from the California Department of Education, Department of Finance, Department of Social Services, and US Census Bureau, 2017 American Community Survey data





**Providing additional access to subsidized child care and development programs should be a key component of state and federal budget deliberations.**



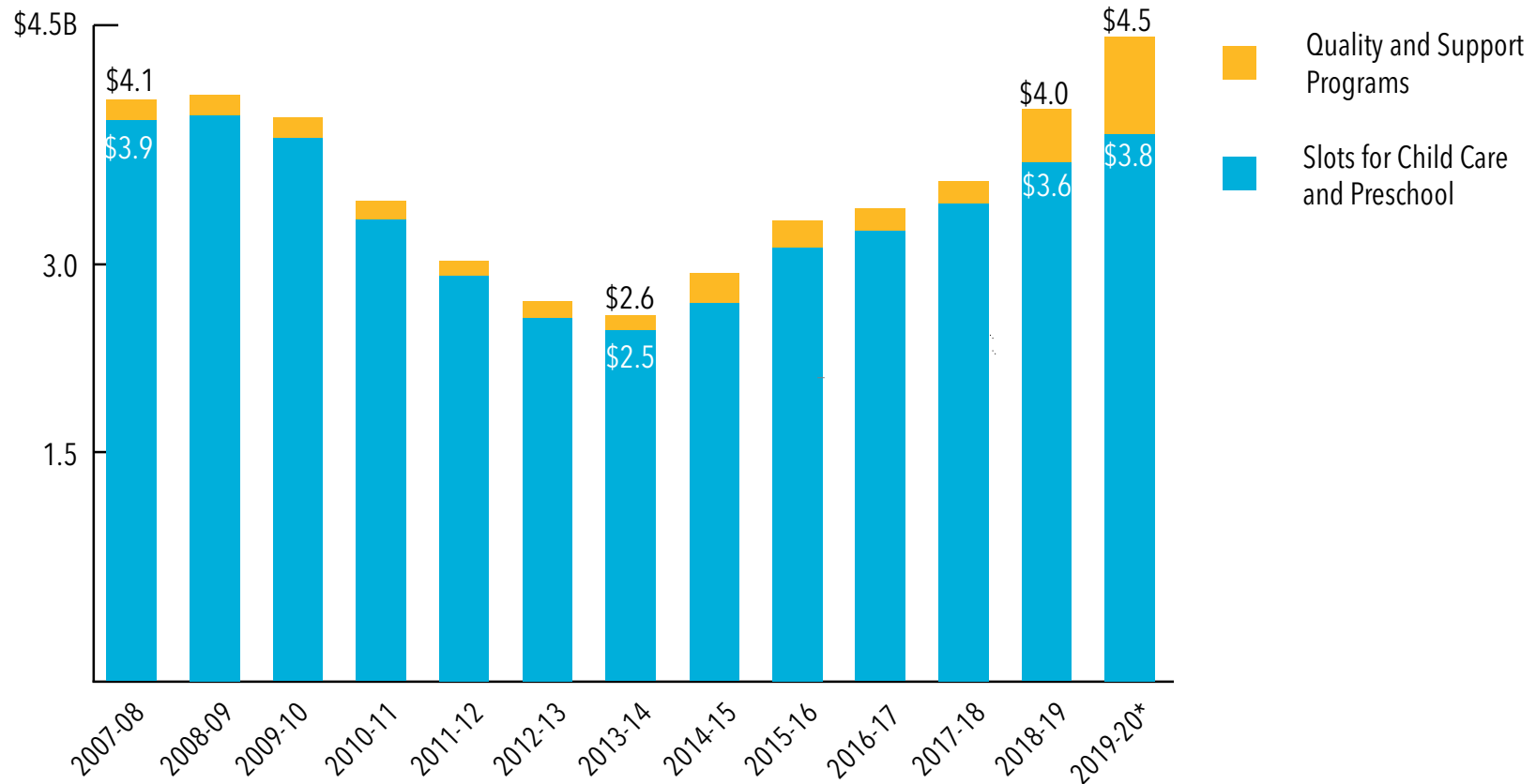
# Proposed Investments in the Subsidized Child Care and Development System

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- Provides \$490 million one-time General Fund support for child care infrastructure:
  - \$245 million for child care facilities grants
  - \$245 million for workforce development grants
- Increases access to the CA State Preschool Program:
  - \$125 million General Fund for 10,000 full-day, full-year preschool slots
  - \$297 shifted out of Prop. 98 for non-LEA providers
  - Eliminates the parental work or school requirement for full-day preschool
- \$10 million one-time General Fund for a plan to address access, capacity, revenue options, and other issues



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



\* Proposed.

Note: Figures reflect the enacted budget each year except for 2008-09, which reflects the revised budget as of February 2009. Figures include federal and state funds for slots as well as for quality and support programs and are in 2019-20 dollars. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



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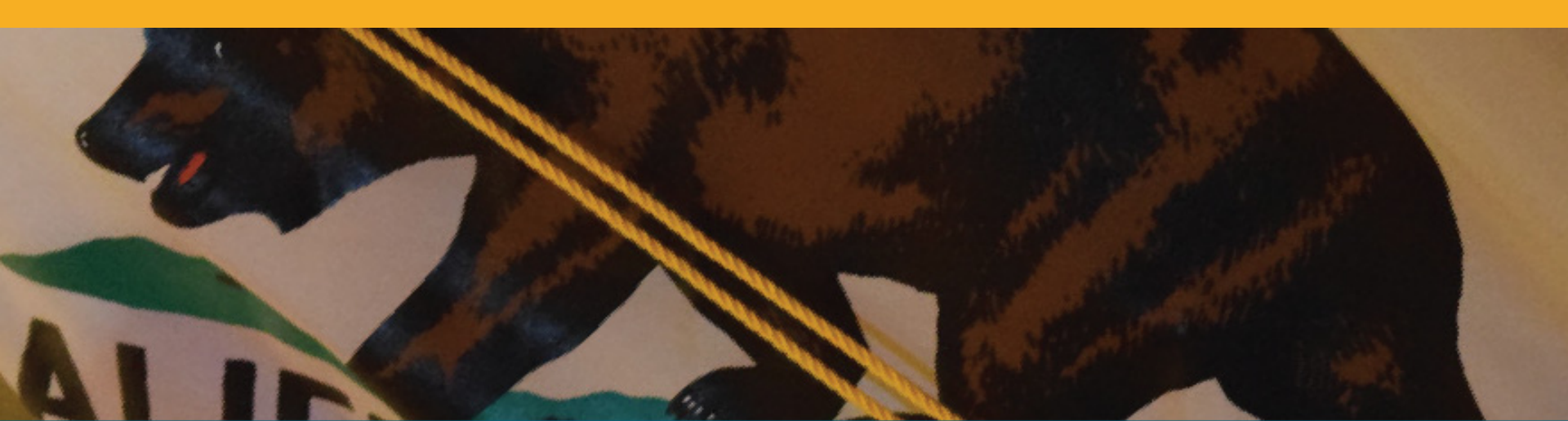
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