



Alert to Candidates: Cost and Quality of Child Care is a Cross-Cutting Issue

In early August the [Washington Post](#)¹ reported, “More than three-quarters of mothers and half of fathers in the United States say they’ve passed up work opportunities, switched jobs or quit to tend to their kids, according to a new Washington Post poll.”

While the questions were broad, a closer look at the responses underscores that finding affordable, high quality care that supports children’s development and parents’ ability to work is a universal issue affecting families at all income levels.

Respondents were asked:

“Is the cost of paid childcare in your area very expensive, somewhat expensive, not too expensive or not at all expensive?”

- 76 percent of parents earning less than \$50,000 said it was very or somewhat expensive.
- 72 percent of parents earning greater than \$50,000 said the same.

“In your personal experience, has finding quality and affordable child care been very easy, somewhat easy, somewhat difficult or very difficult?”

- 54 percent of parents earning less than \$50,000 said it was very or somewhat difficult.
- 50 percent of parents earning greater than \$50,000 said the same.

If child care costs feel high to parents that’s because they are.

When it comes to child care affordability, North Carolina ranks as the 18th least-affordable state according to Child Care Aware America.²

North Carolina Cost of Care³

Age	Average Annual Cost of Care	Cost of Care as % of State Median Income for Single Mother with Children*	Cost of Care as % of State Median Income for a Two-Parent Family	Average Annualized Rent Payments	Average Annualized Mortgage	Average Tuition and Fees at Public University
Infants	\$9,107	42.3%	12.3%	\$9,132	\$15,204	\$6,514
4-year-olds	\$7,471	28.7%	10.1%			
School-Age	\$3,740	17.4%	5.1%			

³38 percent of North Carolina children under age 18 live in single-parent families.⁴

Access to quality depends on the age of the child and where families live.

Through its investments in Smart Start and NC Pre-K, North Carolina has significantly increased the number of children in quality care. The percentage of children in regulated care attending 4- and 5- star programs increased from 33 percent in 2001 to 73 percent in 2014⁵.

High quality infant care is harder to find. Statewide only 66 percent of infants attend such programs. That average represents a broad range. For example, in Bladen County, only 18 percent of infants in regulated care attend 4- and 5-star programs. While in Ashe County, all children age five and under in regulated care are in 5-star programs. At the same time some counties have little or no infant care available.⁶

Child care impacts the business community's bottom line.

The cost and availability of quality care impacts more than the families who rely upon child care.

U.S. businesses lose \$3 billion per year due to employee absenteeism as the result of child care issues.⁷ And 29 percent of working parents report that they missed work, were late or experienced reduced concentration due to child care issues.⁸

Costs are high, but teachers often rely on public assistance.

The median wage for a full-time child care worker has remained virtually unchanged for two decades - \$19,098 in 2001 as compared to \$19,680 in 1990 (in constant 2011 dollars).⁹

In North Carolina, child care teachers and assistants report a median wage of \$10.00 per hour. And while infant care cost more due to lower teacher-child ratios, those who teach infants and toddlers earn less per hour on average (\$10.00) than their peers who teach three to five-year-olds (\$11.25).¹⁰ According to the Massachusetts Institute of Technology Living Wage calculator, an adult with one child in North Carolina needs to earn \$21.63 per hour to support his or her family.¹¹

Low pay means that many early childhood teachers rely on public assistance. In 2013, 42 percent of early childhood teachers and 47 percent of assistant teachers received some type of public assistance (e.g., Medicaid, SNAP, TANF) in the previous three years – a slight increase from the previous year.¹²

The election season provides an opportunity for a national conversation.

Child care and early learning are so vital to our nation's future that military, business and law enforcement leaders are calling for greater investments in young children to ensure national security, keep the country globally competitive and reduce crime.¹³ Yet in the first presidential debate neither was mentioned.¹⁴

This is a missed opportunity. First, parents from all demographic backgrounds struggle with the cost and finding quality child care. Second, the majority of Americans – and North Carolinians – support greater investments in early education. A bipartisan poll found that North Carolina voters view early childhood education as a critical issue in the state and across the nation. Majorities of Democrats, Republicans and Independents support investments in early childhood programs in

the state. Last, as Sara Mead noted in her article, [Don't Just Kiss Babies, Promise Them an Education](#), early childhood education is an area that federal policymakers have a great deal of influence as federal funds, unlike for k-12, compose the majority of public spending on early childhood education.¹⁵

Who pays for child care?

Funding for child care primarily comes from parents and federal government.

Parents

About 60 percent of funding for child care comes from parents. In comparison, families only pay about 23 percent of the cost of a public college education according to Child Care Aware of America.¹⁶

Federal Source: Child Care and Development Block Grant

The Child Care and Development Block Grant (CCDBG) is the largest source of funding for child care assistance. Nationally, the number of children benefiting from the program has hit a 15-year low.¹⁷ Five out of six children eligible to receive assistance under federal rules are not getting any help.¹⁸ In North Carolina, 15,100 fewer children were served by CCDBG in FY 2013 as compared to FY 2006.

State Funding

In FY 2013/14, North Carolina spent \$43.6 million on child care subsidy, down from \$92.8 million in FY 2007/08. (Amounts do not include Smart Start spending on child care subsidy.)

Federal Child Care Tax Credit

Families can claim a tax credit of up to \$3,000 in dependent care expenses for one child and \$6,000 for two children per year.

State Child Care Tax Credit

Twenty-four states have Child and Dependent Care Tax Credits.¹⁹ In 2013, North Carolina eliminated its child and dependent care tax credit.

¹ Danielle Paquette Peyton M Craighill. "The Surprising Number of Parents Scaling Back at Work to Care for Kids." *The Washington Post*. N.p., 7 Aug. 2015. Web. 18 Aug. 2015. <http://www.highbeam.com/doc/1P2-38597207.html?refid=easy_hf>.

² Parents and the High Cost of Child Care. Rep. Child Care Aware of America, 2014. Print. <http://www.naccrra.org/costofcare>.

³ Ibid.

⁴ "North Carolina Indicators." *KIDS COUNT Data Center from the Annie E. Casey Foundation*. Annie E. Casey Foundation, n.d. Web. 18 Aug. 2015. <<http://datacenter.kidscount.org/>>.

⁵ *2013-2014 Report to the General Assembly*. Rep. Raleigh: North Carolina Partnership for Children, 2014. Print. <http://www.smartstart.org/wp-content/uploads/2015/01/2013-14-NCPC-GA-Report1.pdf>

⁶ *2013-1014 Performance Based Incentive System (PBIS)*. North Carolina Partnership for Children, 2014.

⁷ Parents and the High Cost of Child Care. Rep. Child Care Aware of America, 2014. Print. <http://www.naccrra.org/costofcare>.

⁸ Ibid.

⁹ *Child Care Costs on the Upswing, Census Bureau Reports*. The United States Census Bureau, 3 Apr. 2013. Web. <<http://www.census.gov/newsroom/press-releases/2013/cb13-62.html>>.

¹⁰ *Working in Early Care and Education in North Carolina*. Rep. Child Care Services Association, Dec. 2014. Web. 18 Aug. 2015. <http://www.childcareservices.org/wp-content/uploads/2015/02/WorkforceReport_2014_3_15_v3.pdf>.

¹¹ "Living Wage Calculation for North Carolina." Massachusetts Institute of Technology, n.d. Web. 20 Aug. 2015. <<http://livingwage.mit.edu/states/37>>.

¹² *Ibid*

¹³ Mission: Readiness, www.missionreadiness.org. Fight Crime: Invest in Kids, www.fightcrime.org. U.S. Chamber of Commerce Foundation Center Education and Workforce, www.uschamberfoundation.org/center-education-and-workforce

¹⁴ "Annotated Transcript: The Aug. 6 GOP Debate." *Washington Post*. The Washington Post, n.d. Web. 18 Aug. 2015. <<http://www.washingtonpost.com/news/post-politics/wp/2015/08/06/annotated-transcript-the-aug-6-gop-debate/>>.

¹⁵ Mead, Sara. "Don't Just Kiss Babies, Promise Them an Education." *US News*. U.S. News & World Report, 16 Apr. 2015. Web. 18 Aug. 2015. <<http://www.usnews.com/opinion/knowledge-bank/2015/04/16/2016-presidential-candidates-should-campaign-on-early-childhood-education>>.

¹⁶ Parents and the High Cost of Child Care. Rep. Child Care Aware of America, 2014. Print. <http://www.naccrra.org/costofcare>.

¹⁷ Matthews, Hannah, and Stephanie Schmitt. *CCDBG-Funded Child Care Participation Continues to Fall*. Rep. CLASP, n.d. Web. <<http://www.clasp.org/resources-and-publications/publication-1/CCDBG-Participation-2013-Factsheet.pdf>>.

¹⁸ *Child Care Assistance: A Vital Support for Working Families*. Rep. CLASP, June 2015. Web. 18 Aug. 2015. <<http://www.clasp.org/resources-and-publications/publication-1/CCDBG-Advocacy-Fact-Sheet.pdf>>.

¹⁹ "Child and Dependent Care Tax Credit." Tax Credits for Working Families, n.d. Web. 18 Aug. 2015. <<http://www.taxcreditsforworkingfamilies.org/child-and-dependent-care-tax-credit/>>.