



BUILDING STRONG FOUNDATIONS: Advancing Comprehensive Policies for Infants, Toddlers, and Families



ZERO TO THREE
Early connections last a lifetime



Child Care Assistance: A Critical Support for Infants, Toddlers, and Families

Low-income families with infants and toddlers should get child care assistance to afford safe, stable, high-quality child care that promotes children’s development and parents’ education, training, and work. High-quality child care programs offer safe, nurturing environments where infants and toddlers can learn and grow. They are staffed by caregivers who are knowledgeable about infant-toddler development and are sensitive and responsive to young children’s needs. Reliable and stable child care is essential for infants and toddlers, but it tends to be more costly than care for older children¹ and is in short supply in many communities.² Child care assistance provides low-income families with subsidies to offset the cost of child care, allowing them to go to work or school while providing young children with positive early learning experiences necessary for healthy development.

Child care is a critical support for working parents. Parents with access to affordable, dependable child care are less likely to face child care interruptions that can result in absences or other schedule disruptions in the workplace. Consequently, receiving child care assistance is associated with a variety of improved employment outcomes for parents, including higher employment rates and greater job retention.³ A research study of single mothers found that women were more likely to be employed when receiving child care subsidies and that their employment was more likely to be full time.⁴ Low-income student-parents report that the availability of affordable child care is integral to their ability to attend school.⁵ Ensuring parents can further their education and participate in the workforce is critical, because children are strongly affected by their parents’ economic success. Parental employment not only improves families’ economic circumstances, but has also been shown to improve children’s social and emotional wellbeing.⁶

Participating in a high-quality child care program also benefits children directly by offering stable, nurturing environments where children's learning and development is supported. Knowledgeable, responsive providers are especially important for infants and toddlers, for whom learning unfolds in the context of trusting relationships with caring adults.⁷ Positive child-caregiver relationships help infants and toddlers learn to regulate stress and feel safe to explore their environments. A body of evidence shows that high-quality child care programs have a positive impact on very young children's health and development, in particular low-income and other vulnerable young children.⁸ Recent economic analysis shows that high-quality care from birth to age five yields a return on investment of 13 percent per annum from better outcomes in education, earnings, and health. Moreover, low-income boys who participated in poor-quality care regressed in their development, underscoring the importance of ensuring quality care is widely accessible.⁹

The Child Care and Development Block Grant (CCDBG) is the primary source of federal funding for child care subsidies for low-income working families. Child care subsidies make child care affordable for low-income parents, thereby increasing the number of low-income children in high-quality care and supporting their development while strengthening their families' economic security.¹⁰ Additionally, as a result of the 2014 bipartisan reauthorization of CCDBG, beginning in 2017, 3 percent of CCDBG funds must be reserved for quality improvement activities related to care for all infants and toddlers. This provides an opportunity for states to focus on specific strategies to improve the quality of care for very young children. Other funding sources for child care assistance include the federal Temporary Assistance for Needy Families (TANF) program and Social Services Block Grant (SSBG), along with other state funds. Twenty-eight percent of children receiving CCDBG subsidies are infants and toddlers.¹¹

Currently, CCDBG is reaching the smallest number of children in history. In 2015, fewer than 400,000 children ages 0-3 years received CCDBG-funded child care in an average month—22 percent fewer children than did so in 2006, due to declining federal and state investments.¹² Only 12 percent of all eligible infants (children less than 1 year) and 23 percent of all eligible toddlers (ages 1 and 2) received access to child care subsidies under federal eligibility parameters in 2012.¹³

Without assistance through CCDBG or other federal programs, many low-income families face significant barriers to accessing and paying for child care. Providing infants and toddlers with developmentally appropriate care requires more caregivers per number of children, which drives up costs for providers and puts infant care in limited supply. Nationally, approximately 45 percent of center-based child care programs and 50 percent of regulated home-based child care providers do not serve infants and toddlers.¹⁴ Meanwhile, the cost of infant care varies widely by state. But even in Mississippi—the state with the lowest cost of care on average at \$3,394 for family child care and \$5,045 for a center in 2015¹⁵ — child care costs are a heavy lift for a family living at or below the poverty level (\$20,420 for a family of 3) if they don't have access to a subsidy.¹⁶ Average annual costs for center-based infant care exceed \$13,000 in Washington, Hawaii, Massachusetts, and the District of Columbia, placing these programs out of reach for low-income families without assistance.

Due to low levels of investment in child care, care for infants and toddlers is often at the lower rungs of the quality ladder. According to national studies, the majority of infants and toddlers are in poor to mediocre care.¹⁷ More recent state studies show this trend continues.¹⁸ However, intentional investments can make a difference, moving infant-toddler care up to higher levels of quality.¹⁹ The reauthorization is one example of increased efforts to improve the quality of care for all children, including infants and toddlers. Also necessary to improve quality is offering subsidies sufficient to raise the level of compensation for providers, who are the essential ingredient in high-quality care. Current reimbursement rates for subsidy providers often fall far below adequate levels.

In 2016, only four states met the recommended reimbursement rate at the 75th percentile for infants and toddlers in center-based care.²⁰ Ensuring adequate and appropriate compensation is necessary to recruit and retain skilled, professional caregivers for infants and toddlers.

States can do more to promote access to high-quality child care for low-income families. CCDBG allows a great deal of flexibility within minimum federal guidelines in how states design their programs. State policies can promote the quality and continuity of early childhood experiences and positively impact the healthy growth and development of infants and toddlers in all child care settings. They can also ensure basic health and safety as well as make certain that caregivers have the tools needed to stimulate early learning and development, identify health and developmental issues, and link families to necessary supports. These policies impact who is able to access care, how they are able to access it, and the quality of care provided.

The recent CCDBG reauthorization made significant changes to improve access and quality. However, a significant federal investment is needed to enable states to fully implement the CCDBG reauthorization without having to reduce the number of children served.²¹ Even more investments are necessary to increase subsidy amounts and serve all children eligible under federal guidelines.

Failure to invest in CCDBG is a missed opportunity to support children's development and low-income working families' economic stability. Far too many eligible infants and toddlers aren't being reached due to insufficient investment in the program. Child care subsidies make higher-quality child care programs more affordable for low-income families and help families go to work and stay employed.²² However, the value of child care assistance is only as good as the number of children the investment is able to reach.

Authors: Stephanie Schmit, Rebecca Ullrich,
Patricia Cole, Barbara Gebhard, and Hannah Matthews

*ZERO TO THREE and CLASP thank the
W.K. Kellogg Foundation for their
generous support of this project.*

October 2017

-
- 1 Child Care Aware of America, *Parents and the High Cost of Child Care: 2016 Report*, 2017, <http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>.
 - 2 See, e.g., Child Care Aware of America, *Parents and the High Cost of Care: 2016 Report*; National Association of Child Care Resource and Referral Agencies, *Child Care in Thirteen Economically Disadvantaged Communities*, 2006, www.naccrra.org/sites/default/files/default_site_pages/2011/13_disadvantaged_comm_report_2006.pdf; Helen Raikes, Brian Wilcox, Carla Peterson, et al., *Child Care Quality and Workforce Characteristics in Four Midwestern States*, The Gallup Organization, 2003, http://ccfl.unl.edu/projects_outreach/projects/current/ecp/pdf/final_11-25-03.pdf; Mary Carpenter, Mary Martin and Sue Russell, *Who's Caring for Our Babies Now? Revisiting the 2005 Profile of Early Care and Education for Children Birth to Three in North Carolina*, Child Care Services Association, 2008, www.childcare-services.org/downloads/research/IT_State%20report_08.pdf; California Child Care Resource and Referral Network, *2013 California Child Care Portfolio*, 2013, www.rrnetwork.org/2013_portfolio.
 - 3 For a review of the research see Gregory Mills, Jennifer Compton, and Olivia Golden, *Assessing the Evidence About Work Support Benefits and Low-Income Families*, Urban Institute, 2011, www.urban.org/sites/default/files/publication/27161/412303-Assessing-the-Evidence-about-Work-Support-Benefits-and-Low-Income-Families.PDF.
 - 4 April Crawford, "The Impact of Child Care Subsidies on Single Mothers' Work Effort," *Review of Policy Research* 23, (2006).

Child Care Assistance: A Critical Support for Infants, Toddlers, and Families

- 5 Kevin Miller, Barbara Gault, and Abby Thorman, *Improving Child Care Access to Promote Postsecondary Success Among Low-Income Parents*, Institute for Women's Policy Research and Student Parent Success Initiative, 2011, <https://iwpr.org/publications/improving-child-care-access-to-promote-postsecondary-success-among-low-income-parents/>.
- 6 Rebekah L. Coley and Caitlin McPherran Lombardi, "Does Maternal Employment Following Childbirth Support or Inhibit Low-Income Children's Long-Term Development?" *Child Development* 84 (2012). Results in this study were most significant for African American children.
- 7 Center on the Developing Child, *In Brief: The Impact of Early Adversity on Child Development*, 2007, <http://developingchild.harvard.edu/resources/inbrief-the-impact-of-early-adversity-on-childrens-development/>.
- 8 Jack P. Shonkoff and Deborah A. Phillips, eds., *From Neurons to Neighborhoods: The Science of Early Childhood Development*, National Research Council and Institute of Medicine, 2000.
- 9 James Heckman. *There's More to Gain by Taking a Comprehensive Approach to Early Childhood Development*, The Heckman Equation, 2016, https://heckmanequation.org/assets/2017/01/F_Heckman_CBAOnePager_120516.pdf.
- 10 Anna D. Johnson, Rebecca M. Ryan, and Jeanne Brooks-Gunn, "Child-Care Subsidies: Do They Impact the Quality of Care Children Experience?" *Child Development* 83, (2012).
- 11 CLASP calculations of Office of Child Care CCDBG 2015 data.
- 12 Christina Walker and Hannah Matthews, *CCDBG Participation Drops to Historic Low*, CLASP, 2017, www.clasp.org/resources-and-publications/publication-1/CCDBG-Participation-2015.pdf. CLASP analysis is based on data reported by the U.S. Department of Health and Human Services, *FY 2015 CCDF Data Tables*, <https://www.acf.hhs.gov/oc/resource/preliminary-fy2015>. Fiscal year 2015 data are preliminary.
- 13 Nina Chien, *Estimates of Child Care Eligibility and Receipt for Fiscal Year 2012*, <https://aspe.hhs.gov/sites/default/files/pdf/153591/ChildEligibility.pdf>.
- 14 Office of Planning, Research, and Evaluation, *Characteristics of Center-based Early Care and Education Programs*, U.S. Department of Health and Human Services, Administration for Children and Families, 2014, www.acf.hhs.gov/sites/default/files/opre/characteristics_of_cb_fact_sheet_final_111014.pdf; Office of Planning, Research, and Evaluation, *Characteristics of Home-Based Early Care and Education Providers: Initial Findings from the National Survey of Early Care and Education*, U.S. Department of Health and Human Services, Administration for Children and Families, 2016, www.acf.hhs.gov/sites/default/files/opre/characteristics_of_home_based_early_care_and_education_toopre_032416.pdf.
- 15 Child Care Aware of America, *Parents and the High Cost of Child Care: 2016 Appendices*, 2017, http://usa.childcareaware.org/wp-content/uploads/2016/12/CCA_High_Cost_Appendices_2016.pdf.
- 16 Office of the Assistant Secretary for Planning and Evaluation, "Poverty Guidelines: HHS Poverty Guidelines for 2017," 2016, <https://aspe.hhs.gov/poverty-guidelines>.
- 17 U.S. Department of Health and Human Services, National Institutes of Health, National Institute of Child Health and Human Development. *The NICHD Study of Early Child Care and Youth Development: Findings for Children up to Age 4 ½ Years*, Department of Health and Human Services, 2006, www.nichd.nih.gov/publications/pubs/documents/seccyd_06.pdf.
- 18 Kelly Maxwell et al, *Georgia Study of Early Care and Education: Child Care Center Findings*, The University of North Carolina at Chapel Hill, FPG Child Development Institute, 2009, http://decal.ga.gov/documents/attachments/ChildCare_Report.pdf; Kelly Maxwell et al, *Georgia Study of Early Care and Education: Family Child Care Findings*, The University of North Carolina at Chapel Hill, FPG Child Development Institute, 2010, <http://decal.ga.gov/documents/attachments/FCCLHFindings.pdf>; Nancy L. Marshall et al, *The Cost and Quality of Full-Day Year-Round Early Care and Education in Massachusetts: Infant and Toddler Classrooms*, Wellesley Centers for Women and Abt Associates Inc., 2004, <http://files.eric.ed.gov/fulltext/ED495098.pdf>; Kelly Maxwell and Syndee Kraus, *Rhode Island's 2009 Child Care Center and Preschool Quality Study*, The University of North Carolina, FPG Child Development Institute, 2010, www.brightstars.org/uploads/RIQualityReport_CentersandPreschools_000.pdf.
- 19 Mary Carpenter, Mary Martin and Sue Russell. *Who's Caring for our Babies Now? Revisiting the 2005 Profile of Early Care and Education for Children Birth to Three in North Carolina*, Child Care Services Association, 2008, www.childcareservices.org/downloads/Infant_ToddlerExecSummary08.pdf; Informal communication with Lanier DeGrella, Child Care Services Association, 9/16/2013.
- 20 Karen Schulman et al, *Red Light Green Light: State Child Care Assistance Policies*, National Women's Law Center, 2016, <https://nwlc.org/wp-content/uploads/2016/10/NWLC-State-Child-Care-Assistance-Policies-2016-final.pdf>.
- 21 Stephanie Schmit and Hannah Matthews, *Child Care and Development Block Grant Investment Could Support Bipartisan Reforms, Stop Decline in Children Served*, CLASP, 2017, www.clasp.org/resources-and-publications/publication-1/1.4-Billion-Needed-for-CCD-BG-in-2018.pdf.
- 22 Coley et al, "Maternal Employment;" Johnson et al, "Child-Care Subsidies."