

INEQUITABLE ACCESS TO CHILD CARE SUBSIDIES IN IOWA IN 2020

Alycia Hardy & Stephanie Schmit | June 2024

The Child Care and Development Fund (CCDF) serves as the primary source of federal funding for states to help families with low incomes afford child care and to support broader child care quality.¹ However, limited federal investments, state funding constraints, and restrictive policies mean subsidy access is out of reach for far too many children and families. Finding affordable care can be especially burdensome for families with low incomes and even more so for those who experience compounding racial inequities such as those faced by Black/African American, Hispanic/Latino, Native American/Alaska Native, and other communities of color.^{2,3}

In 2020, CCDF subsidies only reached 26 percent of all potentially eligible children in Iowa based on state income eligibility, or 16,400 children.^{4, 5, 6} Overall subsidy receipt in Iowa was higher than the national rate based on state income eligibility of 14 percent.⁷

IOWA CHILDREN POTENTIALLY ELIGIBLE TO RECEIVE A CCDF SUBSIDY⁸

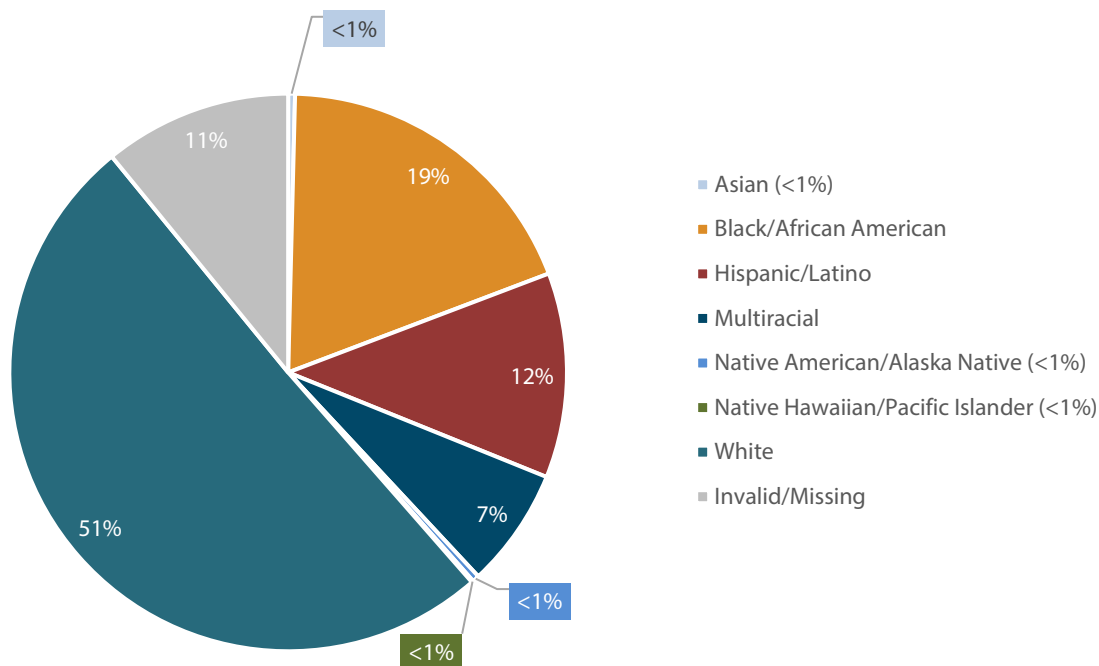
CLASP estimates that 513,893 children ages 0–13 lived in Iowa during 2020, and 12 percent of these children (63,317) were potentially eligible to receive a subsidy through CCDF based on state income eligibility limits.⁹ Like many other states, Iowa sets its initial state income eligibility limit, for families newly applying for a subsidy, lower than the federal maximum income limit allowed by federal rules. The state's maximum allowable family income limit (142 percent FPL) is only 49 percent of the federal limit (289 percent FPL).¹⁰ An increase to the state's initial income threshold to match the federal maximum would mean an estimated 109,900 additional children could have been eligible, a 174 percent increase.¹¹ Child care access is a critical support for economic stability and growth, especially for families with low incomes. And with 12 percent, or more than 1 in 10, of children in Iowa potentially eligible for CCDF, expanding subsidy access is critical to supporting those families as well as broader state economic growth.

IOWA CHILDREN SERVED THROUGH CCDF¹²

In 2020, of the estimated 63,317 potentially eligible children in Iowa, 26 percent were served through CCDF, for a total of 16,400 children served. This subsidy access rate is higher than the national average rate of 14 percent of children served based on state income limits. Black/African American, Hispanic/Latino,

multiracial, Native Hawaiian/Pacific Islander, and Native American/Alaska Native children accounted for slightly more than 38 percent of children served through CCDF, and white children accounted for 51 percent of children served.¹³ Due to data limitations, including sample size limitations in the American Community Survey and/or missing and/or invalid CCDF data from the Administration for Children and Families, we were not able to conduct analyses on potential eligibility and CCDBG access for children by race and ethnicity in Iowa.

Iowa Children Served Through CCDF by Race/Ethnicity



Source: CLASP estimates of the number of children served by race/ethnic category are based on “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served” (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>) and “FY 2020 Preliminary Data Table 12a - Average Monthly Percent of Children In Care By Race and Ethnicity” (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-12a>).

CONNECTING DATA AND POLICY, IMPROVING POLICIES, AND INCREASING INVESTMENTS TO CENTER EQUITY

These analyses show that overall access to CCDF was low in Iowa, though higher than the national average, with slightly more than a quarter of all potentially eligible children being served. Due to data limitations, we could not conduct further analyses by race and ethnicity. However, well-documented broader systemic inequities rooted in racism and compounded by economic inequality have created increased need and additional access barriers for families of color. **When coupled with low overall access, this demonstrates a clear and immediate need for significant and sustained increases in federal funding to states, as well as policies that intentionally address compounding racial and economic inequities.** Both are essential to addressing the historic underfunding, present inequities, and ongoing recovery from COVID-19 that have created rippling instability and exacerbated need.¹⁴

ENDNOTES

¹ “Fundamentals of CCDF Administration: CCDF Funding Overview,” Administration for Children and Families, Child Care Technical Assistance Network, <https://childcareta.acf.hhs.gov/ccdf-fundamentals/ccdf-funding-overview>.

² Maura Baldiga, Pamela Joshi, Erin Hardy, et. al., “Data-for-Equity Research Brief: Child Care Affordability for Working Parents,” Diversitydatakids.org, 2018, https://www.diversitydatakids.org/sites/default/files/2020-02/child-care_update.pdf.

³ Due to data limitations, including sample size limitations in the American Community Survey and/or missing and/or invalid CCDF data from the Administration for Children and Families, we were not able to conduct analyses on potential eligibility and CCDBG access for children by race and ethnicity in Iowa. Instead, this fact sheet outlines overall potential CCDF subsidy eligibility and receipt for children ages 0-13 in Iowa. For more information, please see the data limitations and methodology document <https://www.clasp.org/publications/report/brief/inequitable-access-2024/>.

⁴ In 2020, Iowa set state income eligibility limits at 295 percent of the federal poverty limit (FPL). This income threshold represents initial eligibility limits—the maximum income families can have when they apply for child care assistance. Karen Schulman, “On the precipice: state child care policies 2020,” National Women’s Law Center, May 2021, <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf>.

⁵ “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served,” Administration for Children and Families: Office of Child Care, U.S. Department of Health and Human Services, May 2022, <https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>.

⁶ The number of potentially eligible children is based on CLASP analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data. Estimates are based on children under age 13, whose available parent(s) was working, with household incomes at or below 295 percent FPL.

⁷ Based on CLASP analysis of the total number of potentially eligible children, according to each state’s income eligibility limit, and the total number of children served through CCDF in 2020.

⁸ The number of potentially eligible children is based on CLASP analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data. Due to rounding, percentages may not add up to 100.

⁹ CLASP estimates are based on analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data on children under age 13 and the proportion of those children whose available parent(s) was working, with household incomes at or below 295 percent FPL.

¹⁰ CCDF law sets the maximum allowable income to 85 percent of the state median income (SMI). CLASP calculations are based on “2020 Poverty Guidelines,” Office of the Assistant Secretary for Planning and Evaluation, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references/2020-poverty-guidelines>; “SMI by Household Size for Mandatory Use in LIHEAP for FFY 2020,” Low Income Home Energy Assistance Program; and Schulman, “On the precipice: state child care policies 2020,” <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf>.

¹¹ CLASP calculations are based on state income limits published in Schulman, “On the precipice: state child care policies 2020,” <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf> and estimates derived from analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data on children under age 13 and the proportion of those children whose available parent(s) was working, with household incomes at or below the state income limit of 246 percent FPL and the federal income limit of 346 percent FPL.

¹² For the purposes of this analysis, children whose ethnicity was identified as Hispanic/Latino are analyzed together, regardless of their race (including children whose race was labeled as “some other race”). All non-Hispanic/Latino children are identified by their racial group (Asian, Black/African American, multiracial, Native American/Alaska Native, Native Hawaiian/Pacific Islander, and white).

¹³ CLASP estimates of the number of children served by racial/ethnic category are based on “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served” (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>) and “FY 2020 Preliminary Data Table 12a - Average Monthly Percent of Children In Care By Race and Ethnicity” (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-12a>).

¹⁴ Pamela Winston, “COVID-19 and Economic Opportunity: Unequal Effects on Economic Need and Program Response,” Office of the Assistant Secretary for Planning & Evaluation, U.S. Department of Health and Human Services, 2021, <https://aspe.hhs.gov/sites/default/files/private/pdf/265391/covid-19-human-service-response-brief.pdf>.