Child Care for Working Families

This section contains needs analysis data on child care services, a critical part of basic needs for working families. This section outlines changing trends and emerging issues in child care which impact families' ability to meet their basic needs.

Like roads and public transportation, early education and after school providers are critical parts of a community's economic development infrastructure that build the foundation for our future workforce and enable parents to work.

The Number of Working Families Creates a Continual Need for High Quality Child Care

- More than 61% of children under the age of six have both parents in a two-parent household working or a single parent working, which increases to 71% when children reach school age.[1]
- Working parents use child care or family, friend or neighbor care an average of 26 hours per week for children under 6, and 16 hours a week for school-age children.[2]

[1] Based on analysis of 2000 Census Data.
[2] Maher, E.J., Chia-Chen Chen, A. (2004). A Description of Employed Parents Using Child Care in Washington State. Seattle, WA: Human Services Policy Center, Evans School of Public Affairs, University of Washington. Erin J. Maher, Ph.D. and Angela Chia-Chen Chen, MA, from the Human Services Policy Center at the

- The Children's Defense Fund reports that if single mothers of young children receive child care assistance, they are 40% more likely to still be employed after two years than if they do not continue to receive child care assistance.[3]
- Despite limited outreach to working families with incomes up to 70% of the area median income, the Comprehensive Child Care Program offered by the City of Seattle consistently has between 250 and 400 eligible families (or 325 to 520 children) on the waiting list.

For Low- and Moderate-Income Working Families, the Cost of High Quality Child Care Can Be Prohibitive

The following are the annual rates for child care in Seattle by the type of care in 2000 and 2003, including both licensed family child care providers and center-based care:

Type of Care	2000 Annual Rates	2003 Annual Rates	% change Since 2000
Infant	$9,804	$12,648	29%
Toddler	$8,592	$10,800	26%
Preschooler	$7,512	$9,144	22%
School age before & after school	$4,716	$5,508	16%

Note: The rates shown are the 75th percentile of the market, which includes about 175 licensed child care family homes and centers in the City of Seattle.

The cost of child care has increased significantly since 2000 and continues to rise at a faster rate than inflation. In Seattle, the average family of four spends over 20% of their budget on child care. If both children are under five, the cost burden increases.[4] For example, a Seattle family of three (parent, infant, and toddler) with a $31,356 income (slightly over 70% of the area median income) using center-based child care for an infant and toddler would have child care expenses of $23,448 annually or 75% of the family's income. As such, subsidizing child care is a critical strategy for supporting working families with low and moderate incomes.

Access to Infant Care and Non-Standard Care is Insufficient

- Due to the growing service economy, studies show that the number of workers working non-standard hours (evenings, nights, and weekends) is increasing. These

University of Washington analyzed two data sources containing representative information on WA households and their child care use patterns in order to describe characteristics employed parents using child care in WA.

[3] State Budget Cuts Create a Growing Child Care Crisis for Low-Income Working Families, Children's Defense Fund, March, 2003.

[4] Child Care is Not Child's Play: An Economic Analysis of the Child Care and After-School Care Industry in Washington.

jobs typically affect low and moderate wage workers which limit their child care options.[5]

- There continues to be demand beyond supply for infant and non-standard care. The supply of quality nonstandard care has been further impacted by budget cuts to state programs that offered bonuses for providing non-standard hour care.[6]

High Quality Child Care Has a Profound and Long-Lasting Impact on Children in School and Future Life Success

For every $1 invested into high quality early childhood programs there is a return of $7 to the public.[7] While early care and education and out-of-school time programs allow families to work and provide public benefit, the benefits to children can also be tremendous.

- With high quality early education, students are less disruptive in class, go on to commit fewer crimes, have lower teen pregnancy rates, and are less likely to be placed in special education.[8]

- Efforts to increase the quality of care in Seattle continue. Currently, 10% of programs, compared to 8% in 1999, are accredited, a type of care which is demonstrated of higher quality.

Changing Dynamics and Emerging Trends

- The State Department of Social and Health Services provides child care assistance through its Working Connections Child Care Program for parents leaving TANF and working low income families. Due to budgetary constraints, the state has modified its guidelines and significantly increased the required parent co-payments. In many cases, the payments are so high now that parents are unable to afford them. This limits access to the program, pricing many families into leaving children home alone or in unstable, lower-quality child care environments. This shift may place increasing pressure on the City to find creative ways to meet the needs of working families unable to access the State's Working Connections Program.

- Changes in the enforcement of rules regarding before- and after-school program reimbursement from the State's Working Connections Child Care Program has also created a strain on the availability of programming that low income families can

[5] *Non-Standard Work Hour Child Care Project*, Child Care Resources and Washington State Referral Network, February 2000.
[6] *Non-Standard Work Hour Child Care Project*, Child Care Resources and Washington State Referral Network, February 2000.
[7] Rolnick, A., Grunewald, R. (December 2003).Early Childhood Development: Economic Development with a High Public Return. Federal Reserve Bank of Minneapolis.
[8] Rolnick, A., Grunewald, R. (December 2003).Early Childhood Development: Economic Development with a High Public Return. Federal Reserve Bank of Minneapolis.

access for their children. For example, the Department of Parks has had to limit before– and afterschool options for low income children because it no longer receives sufficient reimbursement from the state to operate its programs.

- Based on current workforce trends and increases in the cost of private child care, the State of Washington's budget for child care subsidies is inadequate at this time. As a result, reimbursement rates to child care providers are currently below the 36th percentile of the private pay market when last assessed two years ago. Given the increases in child care costs, it is estimated that the state currently reimburses at 30 percent of the true cost. This forces child care and after school providers to stretch the reimbursements even farther to maintain and improve the quality of care available to children birth to twelve. It is also causing many providers, and especially those who offer the more expensive, high quality care, to limit the number of children on subsidy that they serve, further limiting the opportunities for low income children.