

Cost of Early Care and Education in Boston and in Massachusetts: Is Quality Child Care Affordable?

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Presentation Overview

- Why is early care and education important?
- How much does quality child care cost?
- Is this affordable for families with young children?
- What current funding is available to families?
- What recommendations would help ensure a high-quality, affordable ECE system in the city of Boston?

Why Are Early Care And Education (ECE) Programs So Important?

- **Benefits to Children**
 - Birth to five is the period of maximal brain development – quality ECE programs > higher long-term academic performance
- **Benefits to Working Parents**
 - Parents need high quality ECE so they can go to work
- **Benefits to Employers**
 - Businesses need reliable, stable and productive workforce
- **Benefits to Society**
 - Well-educated adults become productive workers & taxpayers

What Does the Child Care System Look Like In Boston?

- **Mixed Delivery System, Mixed Quality**
 - Center-based programs – 52% NAEYC accredited (2013)
 - Family child care homes – 15% NAEYC accredited (2013)
 - Boston Public Schools – Prekindergarten programs only
- **Mixed Funding Streams**
 - Subsidized slots = Federal funds & state funds
 - Private pay by parents – nonprofit and for-profit programs

How Much Do Quality Child Care Programs Cost?

- **Costs vary by age**
 - Infant programs most expensive, then toddlers, then pre-school programs
- **Costs vary by region of U.S.**
 - Most expensive in Northeast, Washington DC and west coast cities; less expensive in south and rural areas
- **Costs vary by type of child care provided**
 - Center-based programs cost more than family child care

Cost Of ECE Programs In MA By Age Of Child

- **Infant programs**
 - Most expensive in order to have low child/staff ratios
 - Average cost of infant care in MA is \$17,062/yr.
- **Cost decreases with age**
- **Pre-school programs**
 - Higher ratios
 - Average annual cost of care in MA is \$12,781/yr.

Comparing Child Care Costs: MA and Boston Vs. Rest Of U.S.

- **MA ranks #2 in the nation in terms of having most expensive child care**
 - Washington, DC ranks #1
 - Parents in MA pay \$6,360 more per year in child care expenses than what it costs to go to public university in MA
 - MA one of 33 states where infant care more expensive than college

Cost Of ECE Programs In Boston: A Closer Look At Pre-school Children

- Nearly half (47%) of Boston 4-year olds are located in three neighborhoods: Dorchester, Roxbury and East Boston
- Another 25% are located in four neighborhoods: West Roxbury, Jamaica Plain, Roslindale and Hyde Park
- Almost one third (31%) of these children live in households just below the poverty line
- Another 25% live just above poverty line (\$48K, family of 4)
- These families cannot afford infant care, toddler care or pre-school, and only “free” programs are pre-school programs offered through Boston Public Schools

How Do We Measure Affordability Of Child Care in MA and Boston?

Child care costs are supposed to be no more than 10% of family annual income (HHS guideline)

- ▶ By this standard only 18.7% of families can afford infant care in Massachusetts

Boston Redevelopment Authority (BRA) says half of Boston residents earn less than \$35,000/year

- ▶ If a family making \$35,000/yr. has one infant, they would spend 50% of their earnings on childcare
- ▶ Child care is unaffordable for minimum wage workers, with the MA minimum wage at \$11/hour
- ▶ Minimum wage workers would have to work 43 weeks to pay for child care for one infant

Family Budgets And Cost Of Child Care Since 2000

- **Cost of child care increased twice as fast as income of families with young children**
 - Most middle class families pay 8% of family income for child care
 - Low-wage families pay on average 30%
- **Without support for child care, people cannot get hired for jobs or leave current job**
 - Cannot get in middle class
 - Some leave employment go on public assistance

Early Care and Education Costs: Suffolk County

According to Child Care Aware's 2016 Report on the *Top 5 Least Affordable Counties for Married Parents with an Infant in Massachusetts*

- Center-based infant care is least affordable in Suffolk County
- Suffolk County is historically one of the most expensive places in the state to find care
 - Due to the higher costs of doing business, primarily from the high cost of rent

What Funding Mechanisms Exist To Assist Families With Child Care?

Two Federal-State Programs:

- **Child Care and Development Block Grant (CCDBG)**, reauthorized in 2014
 - Supports low-income parents to work by paying the cost of childcare
 - Supported 34,000 children in FY16
- **TANF Related Child Care**
 - Supports parents transitions from aid to work
 - Supported 14,650 in FY15

How The CCDBG Works: What Can States Like MA Can Do?

- **Protects the health and safety of children:**
Raise health & safety standards, more monitoring
- **Improves the quality of care**
Increased supports for child care providers – increased compensation and training opportunities
- **Improves access to child care assistance**
Support for stable and continuous care and that can be coordinated with other programs

Other Federal Child Care Programs: Head Start

- **Head Start & Early Head Start promote school readiness of children from low-income families: 16,196 children in FY13**
 - **Head Start serves entire family AND supports cognitive, social, and emotional development of children.**
 - **Head Start programs are guided by three principles:**
 1. Comprehensive services for family - health, education, nutrition
 2. Parent engagement - role of parents as a child's first teacher
 3. Builds community - employs community residents and works collaboratively with other community organizations

Child And Dependent Care Tax Credit

- **A credit for the costs of child care for a qualifying individual to allow one to work, or look for work**
 - The dollar limit on the amount of the expenses that can be used to figure the credit:
 - **\$3,000** for the care of one qualifying individual
 - **\$6,000** for two or more qualifying individuals.
 - **Good for working families who earn enough to pay taxes, not for those who do not pay taxes or low-wage workers**

RECOMMENDATIONS:

Can We Make Child Care Affordable?

- **Paid Family and Medical Leave:** Allow low-income families wage replacement to stay home with young children
- **Increase number of subsidized/CCDBG child care slots:** Eliminate current waiting lists in MA, about 26,000 families
- **Change eligibility requirements for CCDBG Funding:** Cover more moderate income families
- **Increase level of child care costs covered through DC Tax Credit:** Allow more tax relief for more families
- **Regular data on cost and affordability of care**
- **Increase compensation for ECE workforce without raising costs to families:** Public-private partnership needed to share cost of child care with families

CITATIONS

Thank you to the following for data presented:

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- Nancy Marshall, et al. (2014). *Boston Quality Inventory – 2013*, Wellesley Centers for Research on Women, Wellesley, MA.
- Child Care Aware. (2016). *Parents and the High Cost of Child Care.*
- Additional sources utilized: Please see written remarks for full citation list.