

The Benefits of Subsidized Child Care

Low income working families and families who are currently receiving welfare assistance (TANF) are given the opportunity to work or further their education when supported with subsidized child care programs. Assisting families in need with their child care expenses boosts the economy, increases academic performance, and decreases the unemployment rate.

FACTS:

- Minimum wage in California is \$8.00 per hourⁱ which equates to \$16,640 per year before taxes for a 40 hour per week job.
- The average annual cost of child care for a 4 year old in a Licensed Family Child Care Home (FCCH) is \$7,180; a school-age child in an FCCH is \$3,077.ⁱⁱ
- Average fair market value to rent a 2 bedroom apartment in Alameda County is \$1,238 per month.ⁱⁱⁱ
- Average cost of food per month for a family of four on a thrifty plan is \$510.00.^{iv}
- A family of four with two adults working full-time minimum wage jobs will be left with \$170 per month after the child care, rent, and food expenses. This does not include the deduction of federal, state & local taxes, cost of Health Insurance, utilities, school supplies, clothes, personal hygiene products, etc...

Child care assistance helps to boost the economy

Working families and families in training contribute to the local economy through taxes, use of transportation related services (gas, bus, etc), purchase of items supporting their employment and schooling (tuition, books, uniforms, food, supplies), payments for child care, and creation of jobs in order to provide services for their needs to just name a few. It assists parents in furthering their education which provides them with the opportunity to earn more. An increase in employment is a direct benefit to the economy and decreases reliance on public benefits and other supportive services.

Child care increases academic performance

Child care subsidies allow low income families to choose consistent stable care and appropriate early childhood education. This type of involvement in a structured and enriched environment can assist in eliminating the social and educational gaps that exist as early as kindergarten and can set the stage for children to be successful throughout their schooling and ultimately life.

Child care assistance decreases the unemployment rate

California's subsidized child care field employs enough child care providers to care for over 650,000 children. This allows the parents and guardians of these children to work and/or attend school.^v The use of child care services has a trickling employment effect whereas many other industries are utilized in support of this profession. Other jobs affected by child care are: training & development educators, auto industry, public transportation, fuel, food services, local businesses, contractors, landscapers, architecture & engineering, child care regulatory agencies, public safety agencies, medical & health care, housekeeping services, child protective service positions, installation, maintenance & repair services, tax & accounting businesses, law professionals, music & arts programs, community leisure services programs and many more.

Child care subsidy is an investment in the future of our economy and our community.

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- ⁱ "Minimum Wage Laws in the States - January 1, 2009 ". U.S. Department of Labor. June 16, 2009
<<http://www.dol.gov/esa/minwage/america.htm#California>>.
- ⁱⁱ "2008 Price of Child Care". National Association of Child Care Resource & Referral Agencies. June 16, 2009
<<http://www.naccrra.org/randd/supply-and-cost>>.
- ⁱⁱⁱ "Alameda County Rent Vs. Buy Analysis". eFinance Directory. June 16, 2009
<http://efinancedirectory.com/articles/Alameda_County_Rent_vs._Buy_Analysis.html>.
- ^{iv} "Cost of Food at Home April 2009". United States Department of Agriculture. June 16, 2009
<<http://www.cnpp.usda.gov/USDAFoodCost-Home.htm>>.
- ^v King, Carlise, California Child Care Resource and Referral Network. "Child Care Numbers". Email to Andrea Finley June 19, 2009. These numbers represent Head Start Funded Enrollment for FY 08 (104,883
<http://caheadstart.org/facts.html>), CDD Aggregate Number of Children Served 07-08 (495,426
<http://www.cde.ca.gov/sp/cd/re/programtype78.asp>), and DSS Child Care Monthly Report March 2009 (53,221
<http://www.dss.cahwnet.gov/research/res/pdf/CW%20115/2009/CW115Mar09.pdf>)