

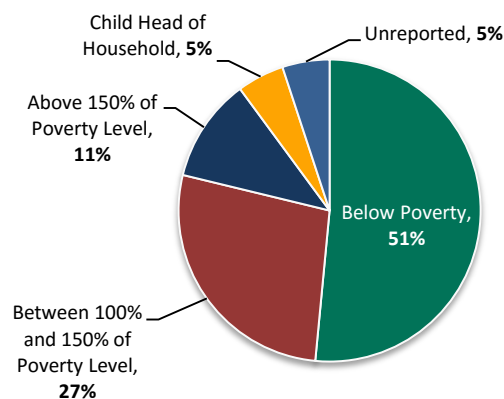


# OUTCOMES: CHILD CARE ASSISTANCE

**The Child Care and Development Block Grant (CCDBG) program allows states to subsidize child care for low-income families.** The [program provides](#) federal funds that, in combination with varying levels of state funding, help pay all or some of the costs of child care for low-income families with children under age 13. Typically, states issue the subsidies in the form of a voucher or certificate that allows families to choose any child care provider that meets a set of basic standards (such as not charging more than the state's maximum allowable level). States [use CCDBG funds to](#) directly subsidize child care (on which they are required to spend at least 70% of all CCDBG funds), improve the overall quality and availability of child care services, and to establish resource and referral centers to educate parents about child care options and help them enroll their children.

## Who benefits?

**Child care assistance benefits low-income families.** All recipients of assistance have incomes [below 85%](#) of the state median income, [and many](#) states set income restrictions that are significantly lower. States also generally give priority to those on welfare or leaving welfare. Among eligible children, the poorest children are the [most likely](#) to receive subsidies. In 2014, [the majority](#) of children receiving child care assistance through CCDBG belonged to families living below the federal poverty line:



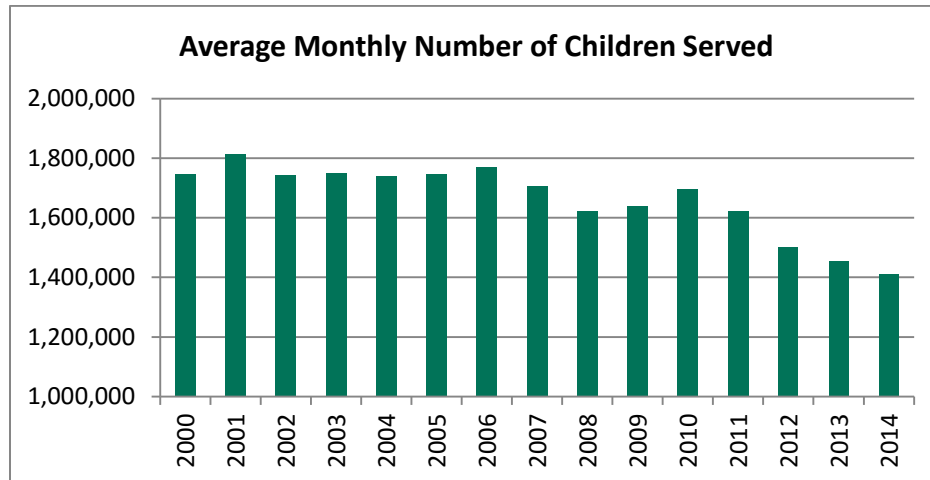
## Not Enough Funding to Meet the Need

For more information, visit [this](#) helpful fact sheet from the Center for Law and Social Policy (CLASP).

**The 2014 reauthorization of the Child Care and Development Block Grant included heightened quality standards that require additional funding.** According to the National Women's Law Center (NWLC), the reauthorization contains a [number of improvements](#), including new health and safety standards, expanded consumer education and outreach, and improved accountability. While a positive step toward increasing the quality of child care, these provisions bring with them additional costs, and could force problematic budget tradeoffs that limit the number of families served if funding is not adequately increased. The reauthorization only included a 16% increase in the amount of authorized discretionary funding over six years, and even this funding is [not secured](#) as the funds are not mandatory and must be appropriated by Congress each year.

**Further, overall funding and participation levels are already at their lowest in years.** In 2014, the most recent year for which data are available, the number of children receiving child care assistance fell to a [16-year low](#) of 1.4 million. Overall child care assistance spending was at a [12-year low](#), as CCDBG spending decreased by about \$239 million from 2013 to 2014. Further, funding has not kept pace with rising costs: according to a report by Child Care Aware, a family of three living at the poverty level would have to pay between [24% and 85%](#) (depending on their state of residence) of their income for full-time center-based care for one infant. [According to CLASP](#), over 80% of eligible children are not receiving any assistance, and state child care programs have

long wait lists, overly restrictive eligibility requirements due to limited availability, and low reimbursement rates to child care providers.



The above is based on [data](#) from the Department of Health and Human Services, Administration for Children and Families.

## Why it Matters: Good Outcomes of Child Care Assistance

Many of these outcomes were compiled by CLASP. For more information, visit two of their fact sheets [here](#) and [here](#).

### **Child care assistance helps working parents maintain stable employment.**

- [65%](#) of parents' work schedules are affected by child care challenges an average of 7.5 times over a six month period.
- According to NWLC, research has found that single mothers who received child care assistance were [39% more likely](#) to still be employed after two years, compared to those who received no assistance.
- After controlling for socioeconomic and demographic characteristics, [researchers found](#) that the use of a child care subsidy decreased the probability of ending employment over the studied period by 25% to 43% in each of the states studied.
- In Kentucky, mothers who received child care subsidies reported better quality care and were 12% more likely to be employed, [compared to](#) similar mothers who were waitlisted for child care assistance.
- Other researchers [have found](#) that even after controlling for a number of personal characteristics, child care subsidies have a "large and significant" impact on mothers' labor force participation.
- Among families who had left welfare, [researchers found](#) that families receiving child care support were about 8 percentage points less likely to return to welfare.

### **Child care assistance improves children's well-being and long-term life outcomes.**

- A review of 13 experimental welfare and employment programs found that programs with better child care assistance [were associated with](#) the increased use of center-based care as well as increased duration and stability of center care. Research shows that the use of center-based care during preschool years [leads to](#) better achievement in elementary school.
- A number of studies [have found](#) that higher quality child care is associated with improved cognitive and social development throughout early childhood, even after participation in the child care program has ended.
- Research [shows that](#) young children from low-income families whose mothers are employed have improved social and emotional well-being.
- Analysis of expanded child care subsidies in Norway [revealed that](#) subsidized child care caused large improvements for children's long-term outcomes such as educational attainment, labor market participation, and dependence on welfare. Researchers found that the additional 17,500 child care locations funded by the expansion led to an aggregate increase of 6,200 years of education.

Updated June 2016. For this outcomes sheet and more, visit [www.chn.org/outcomes](http://www.chn.org/outcomes).