



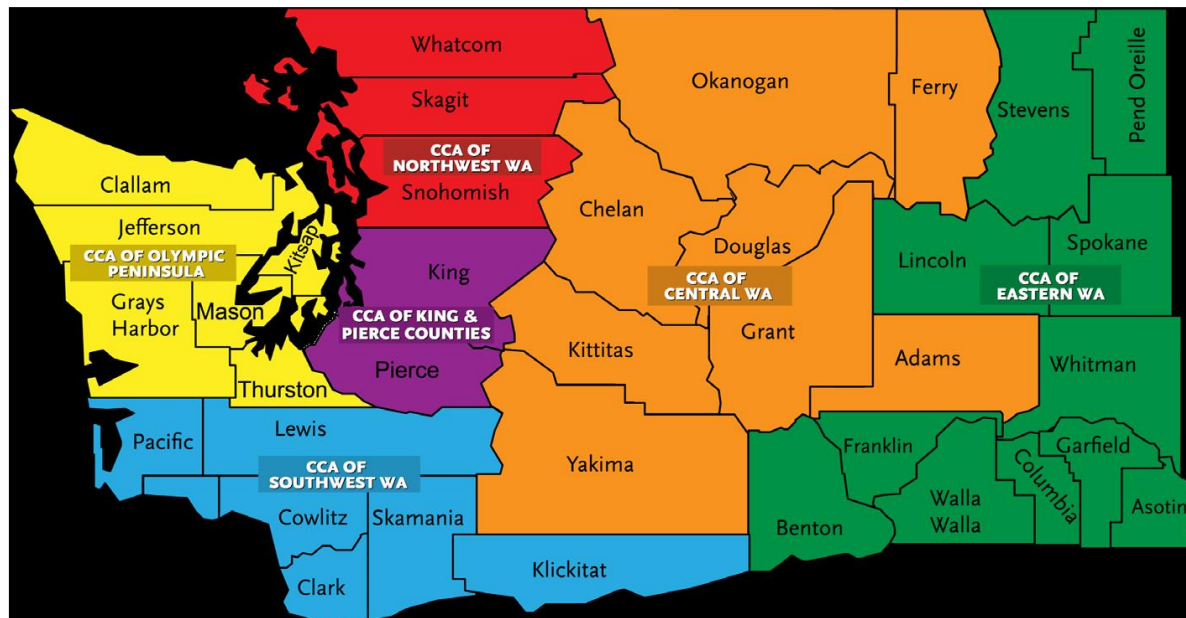
# Cost of Child Care

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CRISIS FOR WASHINGTON'S FAMILIES, BUSINESSES  
AND COMMUNITIES

Child Care Aware of Washington is a non-profit 501 (c) (3) organization dedicated to ensuring that every child in Washington has access to high-quality child care and early learning programs. Our network office in Tacoma serves as an information hub for the child care and early learning field, leads and contributes to state and national policy and advocacy efforts and collects, compiles, analyzes and disseminates child care supply and demand data.

Together with our partner agencies across the state, Child Care Aware of Washington provides child care provider training and coaching, and outreach to parents and family, friend and neighbor caregivers. We deliver the means to make a positive difference for all children, including those furthest from opportunity.





49%  
of WA parents  
found it  
difficult or very  
hard to find,  
afford and keep  
child care

\*The Mounting Costs of Child Care report

- ❑ 2019 was the seventh straight year Washington has ranked on the top 10 list of states with the least affordable child care.
- ❑ In 2018, the median cost of caring for an infant in a child care center consumed a daunting 52% of the state median income for a single-parent family and 15.3% of the median income for a married couple.
- ❑ It is not uncommon for child care to be the second most expensive monthly bill for young families, surpassed only by rent/mortgage costs. Many quit the workforce or delay starting a family because of the expense.
- ❑ Some areas of the state have experienced significant reductions in licensed child care capacity.
- ❑ Most areas have scarce capacity for infant and toddler care, **topped by King County**. Waitlists of a year or more are common.



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## A Flawed Economic Model

Child care is labor-intensive and minimum wage has risen, causing some child care businesses to close. The gap between what it costs to provide high-quality care and what families can afford is worsened by low child care subsidies (WCCC).

In Washington state, subsidies cover on average only **a fraction** of the cost of a high-quality program.

In order to serve both private-pay children and children using WCCC subsidy, while maintaining quality, child care providers are forced to make tough decisions in order to financially break even. They can either reduce costs or generate revenue.



Updated state licensing WACs now require additional education pathways for early learning educators, which can be costly and hard to obtain

Urban areas, such as Bellevue, have an area median income that is not aligned with federal poverty limits – ultimately, a family could be living in poverty in Bellevue and still be above the FPL (makes subsidy out of reach)

Costs of running a child care – external space, teacher/child ratio, materials far exceeds the revenue

What else is making it hard to exist as a child care in Wa?

# Ends Don't Meet

As families struggle to afford quality care, child care providers struggle to meet basic business costs

## Child Care Center Scenario - One Infant Room

	Monthly		
	Expenses	Revenue	
		All Private Pay	All WCCC Subsidized
		\$1,800 per Month	\$1,500 per month
<b>8 Infants</b>		\$14,000	\$12,000
<b>Direct Cost for Staff Compensation and Benefits</b>			
3 Teachers@ <b>\$36,000</b> each on average	\$9,000		
Benefits Allowance of <b>\$800</b> per mo. To cover Medical, Dental and Paid Time off	\$2,400		
Total	\$11,400	(\$11,400)	(\$11,400)
<b>Occupancy &amp; Administration</b>			
Rent, utilities, administration, Food, Supplies Materials, custodial, etc.		Leaves only \$2,600	Leaves only \$600

Consider that in 2017, 39% of WA's child care workforce was on public assistance, costing the state more than \$34 million.

# \$2.08B

Estimated direct costs of  
turnover and missed work  
due to child care issues

# \$6.5B

Total estimated direct and  
opportunity costs due to  
employee child care issues

## Child care issues cause turmoil and expense

27% quit their job or left school or training

27% went from full- to part-time work

9% were fired or let go

The Washington State Child Care Collaborative Task Force report “The Mounting Costs of Child Care,” 2019

# Key Findings of Child Care Crisis Impacts to Washington’s Economy





# What is happening in Bellevue?

- ☐ Supply of childcare has not dropped significantly
- ☐ The composition has changed: less Family Child Care and more Centers, which actually means an increase in slots available
- ☐ However, more Family Child Cares accept subsidy and have flexible hours to meet working families' needs
- ☐ Both Family Child Care and Centers in Bellevue accept subsidy at a much lower rate than in other areas of the county.
- ☐ Working families are not able to afford care in Bellevue



This challenge  
has a role for  
**everyone:**  
Washington's  
employers,  
governments,  
and especially  
parents  
and our  
communities  
at large.

\*The Mounting Costs of Child Care report



Increased  
public funding  
for early  
learning would  
increase  
funding for  
child care  
programs,  
relieving the  
following  
challenges:

- ☐ cost of care for families
- ☐ scarcity of child care slots for infants and toddlers
- ☐ scarcity of child care slots for children using Working Connections Child Care (WCCC) subsidy
- ☐ scarcity of child care slots in certain areas known as Child Care Deserts
- ☐ low child care staff compensation
- ☐ other costs associated with quality child care, as required by Early Achievers

The Washington State Child Care Collaborative Task Force report “The Mounting Costs of Child Care,” 2019

[http://www.commerce.wa.gov/wp-content/uploads/2019/09/MountingCostsReport\\_FINAL.pdf](http://www.commerce.wa.gov/wp-content/uploads/2019/09/MountingCostsReport_FINAL.pdf)

The US and the High Price of Child Care: An Examination of a Broken System

<https://www.childcareaware.org/our-issues/research/the-us-and-the-high-price-of-child-care-2019/>

U.S. Chamber of Commerce Foundation report “Workforce of Today, Workforce of Tomorrow,” 2017

<https://www.uschamberfoundation.org/reports/workforce-today-workforce-tomorrow>

Child Care Aware of Washington

Employer Webpage <https://childcareawarewa.org/employers/>

County Data Sheets <https://childcareawarewa.org/advocacy/#data>

## Resources