

BALANCING ACT:

The Financial Challenges of Child Care Facing Louisiana's Working Families

The Louisiana Policy Institute for Children, in partnership with the Louisiana Department of Education, conducted a survey of families on the Child Care Assistance Program (CCAP) waiting list in September 2019. The survey asked families about the impact that not receiving child care assistance has had on parent employment, education, or job training; affordability, availability, reliability, and quality of the child care they are accessing; stress related to finding child care; and household budget and living expenses.

Results from the survey show the significant challenges facing working families who must balance the care and education of their children with their other basic needs.

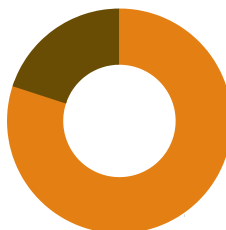


FINDINGS



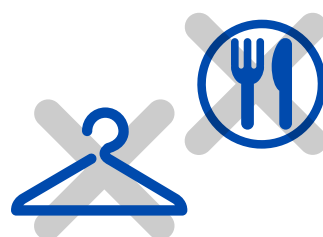
Nearly half of working parents reported experiencing a change in employment or education without child care assistance, including reducing work hours or quitting a job or education program altogether.

2 in 3 respondents are borrowing money to pay for child care.



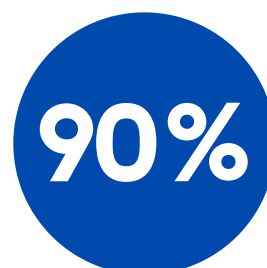
Almost 80% of respondents struggle to find quality, affordable child care without child care assistance.

Over half of respondents are also sacrificing basic household necessities, such as food, clothing, and utilities, to cover the costs of child care.



Over 60% of respondents choose their child care based on affordability.

90% of respondents worry about finding child care without child care assistance.



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Overview

The research is clear: children benefit academically and socially from quality, reliable early care and education (ECE) programs. With increasing employment rates for parents, family demand for these programs is also on the rise. Unfortunately, so is the cost. Over the last two decades alone, the cost of center-based child care has increased by over 70%. In Louisiana, the cost of child care is nearly that of tuition at a four-year public university. However, unlike for college, parents have not had 18 years to save, so affording quality, reliable child care can be an even greater financial challenge.

In Louisiana, where two-thirds of children age five and under have both parents, or their single parent, in the workforce, working families rely on ECE programs to support parent employment and child development. Parents experiencing challenges with child care frequently must take time away from work, or even exit the workforce entirely, costing Louisiana employers \$816 million annually and the state almost \$84 million in tax revenue. For working parents earning hourly wages, absences can cause a loss in pay, and income loss of any kind among working parents affects the rest of the economy through decreased spending at local businesses, lower hiring rates, and reduced need for goods, resulting in a \$1.1 billion loss to the Louisiana economy.

Of the estimated 211,000 children in need birth through age four in the state, only about 60,000, or 28%, have access to quality, reliable early care and education through publicly funded seats. For children ages three and under, access rates are even lower at 15%, largely due to the few options available to assist working families with the high cost of care. One option for parents who are working, in school, or in job training is the Child Care Assistance Program (CCAP), the only state-administered ECE program serving children under age four. However, over the last decade, CCAP has seen its funding substantially cut, reducing the number of children served from almost 40,000 to under 17,000 today.



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