

Children Receiving Child Care Subsidies

DEFINITION

Children receiving child care subsidies is the number of children receiving child care that is either fully or partially paid for with a child care subsidy from the Rhode Island Department of Human Services. Child care subsidies can be used for care by a child care center, family child care home, a relative, or an in-home caregiver.

SIGNIFICANCE

Families rely on child care to enable them to work and to provide the early education experiences needed to prepare their children for school.¹ Yet the high cost of child care puts quality care out of reach for many families, particularly low-income families.² National studies have shown that child care subsidies increase the likelihood that low-income parents, particularly current or former welfare recipients, will be able to work and to remain employed.^{3,4}

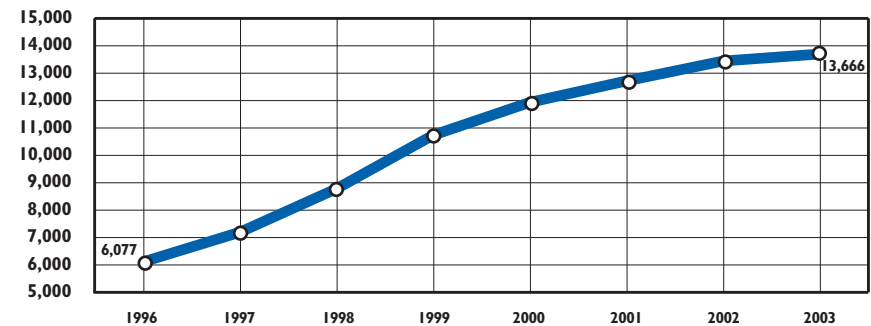
Families with earnings below the federal poverty level who pay for child care spend 18% of their earnings, low-income families spend 14% of their earnings and higher-income families spend 7% of their earnings for child care. Families with younger children spend a higher share of income on child care than families with older children.⁵ Low-skilled single mothers who pay for

child care pay the highest proportion of their income on child care.⁶

The availability of high quality and affordable child care is critical to both child development and to a parent's ability to work.⁷ Parents of children who receive child care subsidies are more likely to remain employed longer, increasing the likelihood of advancement, promotion, real wage growth and economic security.⁸

Nationally, only one out of seven children who are federally eligible for child care assistance receives it.⁹ Rhode Island is the only state that has a legal entitlement to a child care subsidy for income-eligible families. Working families with incomes up to 225% of the federal poverty line (\$41,400 for a family of four) are entitled to a child care subsidy for their children through age 16. Co-payments are required for families with income over the federal poverty guidelines. Reimbursement rates for child care providers who accept subsidies are set at the 75th percentile of the child care market rate in order to provide low-income families with access to a large proportion of the child care that exists, including higher quality care.^{10,11} A recent study estimates that 18,302 Rhode Island families qualify for child care subsidies.¹² In 2003 in Rhode Island, there were 13,666 children receiving child care subsidies.¹³


Child Care Subsidies, Rhode Island, 1996-2003



Source: Rhode Island Department of Human Services, December 1996-December 2003.

- ◆ The number of children receiving child care subsidies has increased from 6,077 in December of 1996 to 13,666 in December of 2003. In 2003, 67% of Rhode Island children receiving child care subsidies were in licensed child care centers and 27% were in certified family child care homes for their child care arrangements.¹⁴
- ◆ The high cost of child care disproportionately affects the lowest-income families. Low-income families that pay for child care spend an average of \$1 in every \$7 of earnings to purchase that care. Child care subsidies broaden a family's employment options, broaden the child care options available to families (including improving access to higher quality care), and alleviate the financial burden of child care.¹⁵
- ◆ In December 2003, 72% of all child care subsidies in Rhode Island were being used by low-income working families not receiving cash assistance and 22% by families receiving cash assistance through the Family Independence Program (FIP) and engaged in education, training or employment.¹⁶

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Table 27.

Child Care Subsidies, Rhode Island, 2003

CITY/TOWN	COMMUNITY CONTEXT		NUMBER OF CHILD CARE SUBSIDIES				TOTAL CHILD CARE SUBSIDIES
	# OF CHILDREN UNDER AGE 16 IN WORKING FAMILIES < 185% POVERTY	# OF CHILDREN UNDER AGE 16 ENROLLED IN FIP	UNDER AGE 3	AGES 3-5	AGES 6-11	AGES 12-16	
	Barrington	189	25	7	17	40	
Bristol	586	115	8	26	19	1	54
Burrillville	389	104	2	17	26	0	45
Central Falls	1,773	1,442	65	124	165	18	372
Charlestown	231	67	2	8	3	0	13
Coventry	793	214	43	74	57	0	174
Cranston	2,336	862	222	273	307	21	823
Cumberland	632	148	27	49	12	0	88
East Greenwich	137	39	52	46	14	0	112
East Providence	1,895	619	120	202	205	13	540
Exeter	171	38	4	4	1	0	9
Foster	129	19	1	6	14	0	21
Glocester	263	26	9	10	1	0	20
Hopkinton	267	45	4	4	2	0	10
Jamestown	81	16	7	4	3	0	14
Johnston	856	274	52	65	66	2	185
Lincoln	459	130	77	92	104	4	277
Little Compton	38	5	0	0	0	0	0
Middletown	657	94	54	46	41	2	143
Narragansett	322	68	14	17	29	6	66
New Shoreham	19	0	0	0	0	0	0
Newport	1,372	763	109	155	86	5	355
North Kingstown	833	216	45	102	68	8	223
North Providence	823	349	37	74	80	2	193
North Smithfield	132	36	0	6	10	0	16
Pawtucket	5,059	2,617	325	478	583	53	1,439
Portsmouth	329	51	8	15	21	0	44
Providence	13,712	11,866	1,394	1,725	2,136	350	5,605
Richmond	170	22	2	7	2	0	11
Scituate	175	66	1	15	16	3	35
Smithfield	330	52	39	50	30	0	119
South Kingstown	423	175	42	72	44	8	166
Tiverton	248	99	6	17	20	0	43
Warren	412	128	39	61	57	6	163
Warwick	2,136	682	250	378	352	23	1,003
West Greenwich	121	17	20	28	17	0	65
West Warwick	1,568	486	82	157	165	2	406
Westerly	875	179	23	36	53	1	113
Woonsocket	2,926	1,993	126	211	165	15	517
Out-of-State	NA	0	35	52	29	4	120
Core Cities	26,410	19,167	2,101	2,850	3,300	443	8,694
Remainder of State	17,457	4,980	1,217	1,821	1,714	100	4,852
Rhode Island	43,867	24,147	3,353	4,723	5,043	547*	13,666

FIP is the Family Independence Program

Notes to Table

*Of these, 29 subsidies were used by youth ages 15 and 16. This small number of subsidies for youth is due in part to the fact that many out-of-school time programs serving older youth do not require certification as child care providers.

Source of Data for Table/Methodology

The Rhode Island Department of Human Services, INRHODES Database, December 1, 2003. All data are reported by location of the child care program not the residence of the child. Data in this table does not include retroactive payments made in December and may therefore differ slightly from data reported on previous page. Also see Methodology on page 133.

References for Indicator

- ^{1,2,4,7,8} Boushey, H. (June 2002). *Staying Employed after Welfare*. Washington, DC: Economic Policy Institute.
- ³ Loprest, P. (2003). *Use of Government Benefits Increases among Families Leaving Welfare*. Washington, DC: Urban Institute.
- ⁵ Giannarelli, L., et al. (2003). *Getting Help with Child Care Expenses*. Washington, DC: The Urban Institute.
- ⁶ Anderson, P.M. et al. (2000). *Child Care and Mother's Employment Decisions*. Finding Jobs. New York: Russell Sage Foundation.
- ⁹ Mezey, J. (September 26, 2003). *Making the Case for Increasing Federal Child Care Funding: A Fact Sheet*. Washington, DC: Center for Law and Social Policy.
- ¹⁰ *Rhode Island KIDS COUNT Special Report: Building an Early Care and Education System in Rhode Island*. (December 1999). Providence, RI: Rhode Island KIDS COUNT.
- ¹¹ *Starting Right: Quality Early Education and Child Care for Rhode Island's Children and Youth*. (July 2000). Cranston, RI: Rhode Island Department of Human Services.
- ¹² Oliver, H. et al. (June 2002). *Eligibility for CCDF-Funded Child Care Subsidies Under the October 1999 Program Rules*. Washington, DC: U.S. Department of Health and Human Services.
- ^{13,14} Rhode Island Department of Human Services, INRHODES Database, December 2003.
- ¹⁵ Giannarelli, L. et al. (February 2003). *Getting Help with Child Care Expenses*. Washington, DC: The Urban Institute.