

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 through the Rhode Island Department of Human Services' Child Care Assistance Program (CCAP). Child care subsidies can be used for care in a licensed child care center, a licensed family child care home, or by a license-exempt provider (family, friend, or neighbor).

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. Yet the high cost of child care puts quality care out of reach for many low-income families. State child care subsidy programs help low-income families access child care.¹

Child care is the biggest living expense in most family budgets. In Rhode Island, nine out of 10 families cannot afford the average cost of child care for one infant.² A 2019 Rhode Island study of families with children under age six found that affordable child care was consistently reported as the greatest family need.³ Using the federal child care affordability guideline (no more than 7% of family income should be spent on child care), a Rhode Island family would need to earn at least \$167,000 to afford the average annual cost for one preschooler at a

licensed center in 2021.^{4,5}

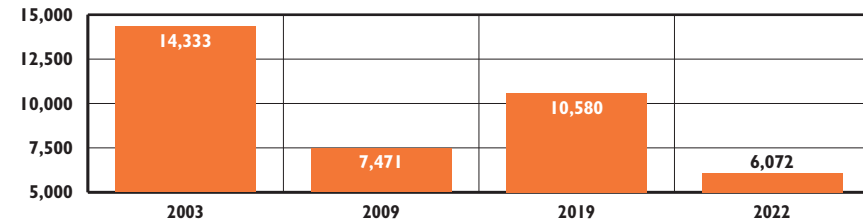
Subsidy payment rates for child care providers should meet or exceed the federal benchmark established to ensure low-income families have equal access to the child care market and to promote access to quality care. Inadequate payment rates make it difficult for families to find a program that will accept a subsidy and prevent child care programs from offering competitive wages to recruit and retain qualified early educators.⁶ Nationally, funding for state child care subsidy programs is so low that less than 20% of federally income-eligible children and families actually receive assistance. A 2021 report from the U.S. Treasury identifies several market failures that make the current child care system “unworkable” for most families.⁷

Child care educators, almost all of whom are women, and are disproportionately Women of Color, are responsible for the safety, health, learning, and development of our youngest children yet make very low wages and many are not able to meet their basic needs.⁸ At least 15 states fund wage supplements designed to improve qualifications and retention of child care teachers.⁹

In Rhode Island in 2021, the median hourly wage was \$13.26 for a child care educator and \$14.08 for a preschool educator, in the same range or lower than fast food workers.¹⁰



Child Care Subsidies, Rhode Island, Selected Years 2003, 2009, 2019, 2022



Source: Rhode Island Department of Human Services, December 2003 - December 2022.

- ◆ In December 2022, there were 6,072 child care subsidies in Rhode Island, a historic low and down 43% from 2019 (pre-pandemic) and 58% from the 2003 peak. In 2022, 77% of child care subsidies were for care in a licensed child care center, 23% for care by a licensed family child care home, and less than 1% for care by a license-exempt provider.¹¹
- ◆ As of December 2022, 22% of children participating in CCAP were enrolled in programs with high-quality BrightStars ratings (four or five stars), up from 16% in 2019 and 10% in December 2018. Preschool-age children were more likely to be enrolled in a high-quality program (27%) than infants and toddlers (21%) or school-age children (19%).¹²
- ◆ In December 2022, more than half (52%) of subsidies were used by families with incomes at or below the federal poverty level (FPL) and only 3% were used by families with incomes over 200% FPL. Three out of four (75%) child care subsidies were used by low-income working families not receiving cash assistance and 17% were used by families receiving cash assistance. Another 9% of child care subsidies were used for children involved in the child welfare system.¹³



Average Annual Cost for Full-Time Child Care, Rhode Island, 2021

PROGRAM TYPE	COST PER CHILD
Child Care Center (infant care)	\$13,780
Child Care Center (preschool care)	\$11,700
Family Child Care Home (preschool care)	\$9,750
School-Age Center-Based Program (child age 6-12)	\$8,684

Source: Rhode Island KIDS COUNT analysis of average weekly rates from Public Consulting Group. (2021). *Rhode Island Department of Human Services (DHS) 2021 Child care market rate survey report*. Retrieved April 2, 2022, from www.dhs.ri.gov

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Table 35.

Child Care Subsidies, Rhode Island, December 2022

CITY/TOWN	SUBSIDY USE BY CHILD RESIDENCE*			TOTAL CHILD CARE SUBSIDIES	SUBSIDY USE BY PROGRAM LOCATION			
	UNDER AGE 3	AGES 3-5	AGES 6-12+		CENTER	FAMILY CHILD CARE	LICENSE EXEMPT	TOTAL CHILD CARE SUBSIDIES
Barrington	2	10	9	21	28	0	0	28
Bristol	5	5	7	17	15	0	0	15
Burrillville	7	8	14	29	34	0	0	34
Central Falls	51	67	95	213	151	65	0	216
Charlestown	3	1	1	5	3	0	0	3
Coventry	18	41	28	87	88	0	1	89
Cranston	95	128	154	377	365	172	0	537
Cumberland	13	27	40	80	111	7	0	118
East Greenwich	4	5	5	14	52	0	0	52
East Providence	48	84	89	221	238	7	0	245
Exeter	1	1	0	2	3	0	0	3
Foster	0	0	1	1	3	0	0	3
Glocester	1	4	1	6	16	0	0	16
Hopkinton	2	1	0	3	3	0	0	3
Jamestown	1	1	0	2	1	0	0	1
Johnston	31	36	32	99	225	36	0	261
Lincoln	14	20	30	64	59	6	0	65
Little Compton	0	0	0	0	0	0	0	0
Middletown	12	23	19	54	101	0	0	101
Narragansett	6	3	2	11	1	0	0	1
New Shoreham	0	0	0	0	0	0	0	0
Newport	27	47	76	150	118	0	7	125
North Kingstown	13	20	22	55	39	0	0	39
North Providence	22	37	21	80	90	4	0	94
North Smithfield	2	7	7	16	27	0	0	27
Pawtucket	155	238	239	632	561	54	0	615
Portsmouth	1	3	1	5	7	0	0	7
Providence	531	699	879	2,109	1,119	1,013	0	2,132
Richmond	5	4	2	11	1	0	0	1
Scituate	3	1	2	6	2	0	0	2
Smithfield	8	12	8	28	28	0	0	28
South Kingstown	6	16	8	30	57	9	0	66
Tiverton	2	5	5	12	10	3	0	13
Warren	9	7	11	27	29	1	0	30
Warwick	62	92	108	262	416	11	0	427
West Greenwich	4	1	0	5	4	0	0	4
West Warwick	55	76	79	210	190	2	0	192
Westerly	9	14	15	38	48	0	0	48
Woonsocket	91	172	217	480	412	12	0	424
DCYF	193	218	102	513	NA	NA	NA	NA
Undetermined Address	1	1	4	6	NA	NA	NA	NA
Out-Of-State	NA	NA	NA	NA	7	0	0	7
Four Core Cities	828	1,176	1,430	3,434	2,243	1,144	0	3,387
Remainder of State	491	740	797	2,028	2,412	258	8	2,678
Rhode Island	1,513	2,135	2,333	5,981	4,662	1,402	8	6,072

Source of Data for Table/Methodology

Rhode Island Department of Human Services, December 2022.

DCYF is the number of children in the care of the Department of Children, Youth and Families who are receiving child care subsidies.

Out-of-State is subsidies used by Rhode Island resident children who attend child care located outside of Rhode Island; they are included in the total count for Rhode Island.

Core cities are Central Falls, Pawtucket, Providence, and Woonsocket.

NA=Not applicable

Subsidy data by age of child are reported by the child's residence. Subsidy use by program type is reported by location of the program.

*Total subsidy use by program location does not match total subsidy use by child residence, because children may be enrolled in more than one program.

The average annual cost for full-time child care was determined by multiplying the average weekly tuition rate by 52 weeks (for infants and preschoolers). For school-age children, the annual cost was determined by multiplying the average weekly tuition for before and after school care by 39 weeks and adding 13 weeks of average school vacation/summer camp tuition.

References

- ¹⁶ Schulman, K. (2022). *At the crossroads: State child care assistance policies 2021*. Washington, DC: National Women's Law Center.
- ² Economic Policy Institute. (2020). *Child care costs in the United States, Rhode Island*. Retrieved April 2, 2022, from www.epi.org
- ³ Abt Associates. (2019). *Rhode Island PDG B-5 family needs assessment final report*. Retrieved February 8, 2021, from www.kids.ri.gov
- ⁴ U.S. Department of Health and Human Services. (2016). *Child Care and Development Fund Program: Final rule. Federal Register, 81(190)*, 67438-67595.

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