

# 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.<sup>1</sup>

Child care is the biggest living expense in most family budgets. In Rhode Island, the average annual cost for infant child care is 12% more than in-state college tuition and 16% more than the average annual cost for housing.<sup>2</sup> 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.<sup>3</sup> 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 \$167,000 to

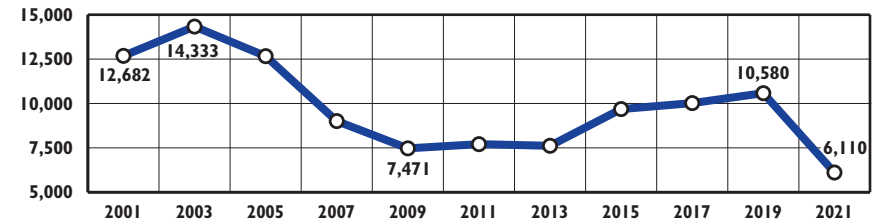
afford the average annual cost for one preschooler at a licensed center in 2021.<sup>4,5</sup>

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 in Rhode Island and other states mean that families with a child care subsidy have limited options and programs that accept children with a subsidy often do not have enough resources to pay staff a living wage or meet quality standards.<sup>6</sup> A 2021 report from the U.S. Treasury identifies several market failures that make the current child care system “unworkable” for most families.<sup>7</sup>

Child care educators, almost all of whom are women and often are 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.<sup>8</sup> At least 15 states fund wage supplements designed to improve qualifications and retention of child care teachers.<sup>9</sup>

In Rhode Island in 2021, the median hourly wage was \$13.26 for a child care educator and \$14.08 for a preschool educator. Kindergarten teachers earned an average annual wage of \$77,220 in 2021.<sup>10</sup>

Child Care Subsidies, Rhode Island, 2001-2021



Source: Rhode Island Department of Human Services, December 2001–December 2015, September 2016, December 2017–December 2021. Data for December 2016 were not available.

◆ In December 2021, there were 6,110 child care subsidies in Rhode Island, down 42% from December 2019 (pre-pandemic) and down 57% from the 2003 peak. In December 2021 in Rhode Island, 79% of child care subsidies were for care in a licensed child care center, 21% were for care by a licensed family child care home, and less than 1% were for care by a license-exempt provider.<sup>11</sup>

◆ As of December 2021, 22% of children participating in the Rhode Island Child Care Assistance Program 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 (28%) than infants and toddlers (22%) or school-age children (17%).<sup>12</sup>

◆ In December 2021, 79% of all children receiving child care subsidies were in low-income working families not receiving cash assistance and 12% were in low-income families receiving cash assistance. Another 9% of child care subsidies were used for children in the care of the Rhode Island Department of Children, Youth and Families.<sup>13</sup>

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](http://www.dhs.ri.gov)

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Table 36.

## Child Care Subsidies, Rhode Island, December 2021

CITY/TOWN	SUBSIDY USE BY CHILD RESIDENCE*				SUBSIDY USE BY PROGRAM LOCATION			
	UNDER AGE 3	AGES 3-5	AGES 6-12	TOTAL CHILD CARE SUBSIDIES	CENTER	FAMILY CHILD CARE	LICENSE EXEMPT	TOTAL CHILD CARE SUBSIDIES
Barrington	3	10	12	25	31	0	0	31
Bristol	10	6	7	23	24	0	0	24
Burrillville	8	9	17	34	38	0	0	38
Central Falls	53	77	109	239	169	73	2	244
Charlestown	1	1	0	2	2	0	0	2
Coventry	21	40	30	91	115	2	0	117
Cranston	78	117	149	344	393	141	0	534
Cumberland	12	25	39	76	90	0	0	90
East Greenwich	3	6	6	15	29	0	0	29
East Providence	45	75	92	212	246	10	0	256
Exeter	3	4	1	8	8	0	0	8
Foster	0	1	1	2	4	0	0	4
Glocester	1	1	2	4	17	0	0	17
Hopkinton	1	2	0	3	0	0	0	0
Jamestown	2	0	0	2	3	0	0	3
Johnston	29	38	29	96	227	31	0	258
Lincoln	17	18	37	72	65	5	0	70
Little Compton	1	1	0	2	0	0	0	0
Middletown	11	21	16	48	79	0	0	79
Narragansett	5	4	3	12	3	0	0	3
New Shoreham	0	0	0	0	0	0	0	0
Newport	24	34	64	122	119	0	6	125
North Kingstown	9	28	15	52	46	0	0	46
North Providence	27	51	37	115	94	2	0	96
North Smithfield	6	6	5	17	15	0	0	15
Pawtucket	139	245	255	639	557	50	0	607
Portsmouth	2	7	2	11	7	0	0	7
Providence	504	681	964	2,149	1,191	953	4	2,148
Richmond	2	5	2	9	1	0	0	1
Scituate	5	6	1	12	3	0	0	3
Smithfield	7	11	8	26	45	0	0	45
South Kingstown	8	12	4	24	58	0	0	58
Tiverton	2	6	3	11	10	5	0	15
Warren	10	13	7	30	43	1	0	44
Warwick	54	109	129	292	451	12	0	463
West Greenwich	2	2	1	5	4	0	0	4
West Warwick	59	75	84	218	187	2	0	189
Westerly	11	16	14	41	51	0	0	51
Woonsocket	71	132	199	402	374	8	0	382
DCYF	206	261	108	575	NA	NA	NA	NA
Undetermined Address	3	0	0	3	NA	NA	NA	NA
Out-Of-State	NA	NA	NA	NA	4	0	0	4
Four Core Cities	767	1,135	1,527	3,429	2,291	1,084	6	3,381
Remainder of State	479	760	817	2,056	2,508	211	6	2,725
Rhode Island	1,455	2,156	2,452	6,063	4,803	1,295	12	6,110

### Source of Data for Table/Methodology

Rhode Island Department of Human Services, December 2021.

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

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- Economic Policy Institute. (2020). *Child care costs in the United States, Rhode Island*. Retrieved April 2, 2022, from www.epi.org
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