




## EXECUTIVE SUMMARY

For many, the high cost of child care is one of the initial shocks of becoming a parent. *Parents and the High Cost of Child Care: 2015 Report* updates the previous report and uses 2014 data to describe the average fees families are charged for legally

operating child care centers and family child care homes in each state and the District of Columbia. Additionally, the report analyzes the following elements of child care in the United States:

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	<p><b>Context</b> The report describes changing demographics on many fronts and highlights the benefits of investing in child care.</p>
	<p><b>Cost</b> Child care costs differ by state and urban area. The report evaluates the differences in child care across the United States and assesses what is driving these costs.</p>
	<p><b>Access</b> Many parents are unable to access high-quality, affordable child care for their children. The report addresses methods through which stakeholders can expand this access.</p>

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### CONTEXT

In the United States, an estimated 11 million children under the age of five spend an average of 36 hours per week in child care. Further, high child care costs do not mean high quality: nationally, estimates suggest that only 10 percent of child care meets the quality requirements that lead to positive effects on children's outcomes.

**The Child Care Landscape in the United States** provides a national overview and examines the influence of changing demographics, including the increase in women in the workforce, culturally and linguistically diverse children, and under-resourced children with specific child care needs. **The Importance of Child Care** evaluates the economic and educational benefits of high-quality child care for parents and their young children. This section also underscores the importance of employers implementing child care-friendly policies for working parents. **Investments in the Child Care Workforce** describes the fragmented state of the U.S. child care system and encourages stakeholder involvement to ensure that children have high-quality child care experiences that provide them with the developmental education necessary to transition into school.

### COST

Because young children need individualized attention, child care and early education is a labor-intensive industry with high costs for families. Nonetheless, while 80 percent of child care business expenses are related to employee pay, child care workers are among the lowest-paid professionals in the country, leading to difficulty recruiting and retaining qualified staff.

**Child Care Cost Drivers** focuses on those factors that contribute to high child care costs, including employee salaries and state regulations. In **Average Cost in the States**, Child Care Aware® of America compares state care data to the state median income for married couples with children and for single parents. Using this method, this section ranks the top ten least affordable states for center-based child care for infants, four-year-olds, and school-age children. While these data provide a comprehensive, state-level overview of child care costs, **Examining Child Care in Urban Settings** looks specifically at these expenses in urban areas. The section analyzes the child care costs in five urban settings throughout the United States and addresses the unique child care landscape in the District of Columbia.

### ACCESS

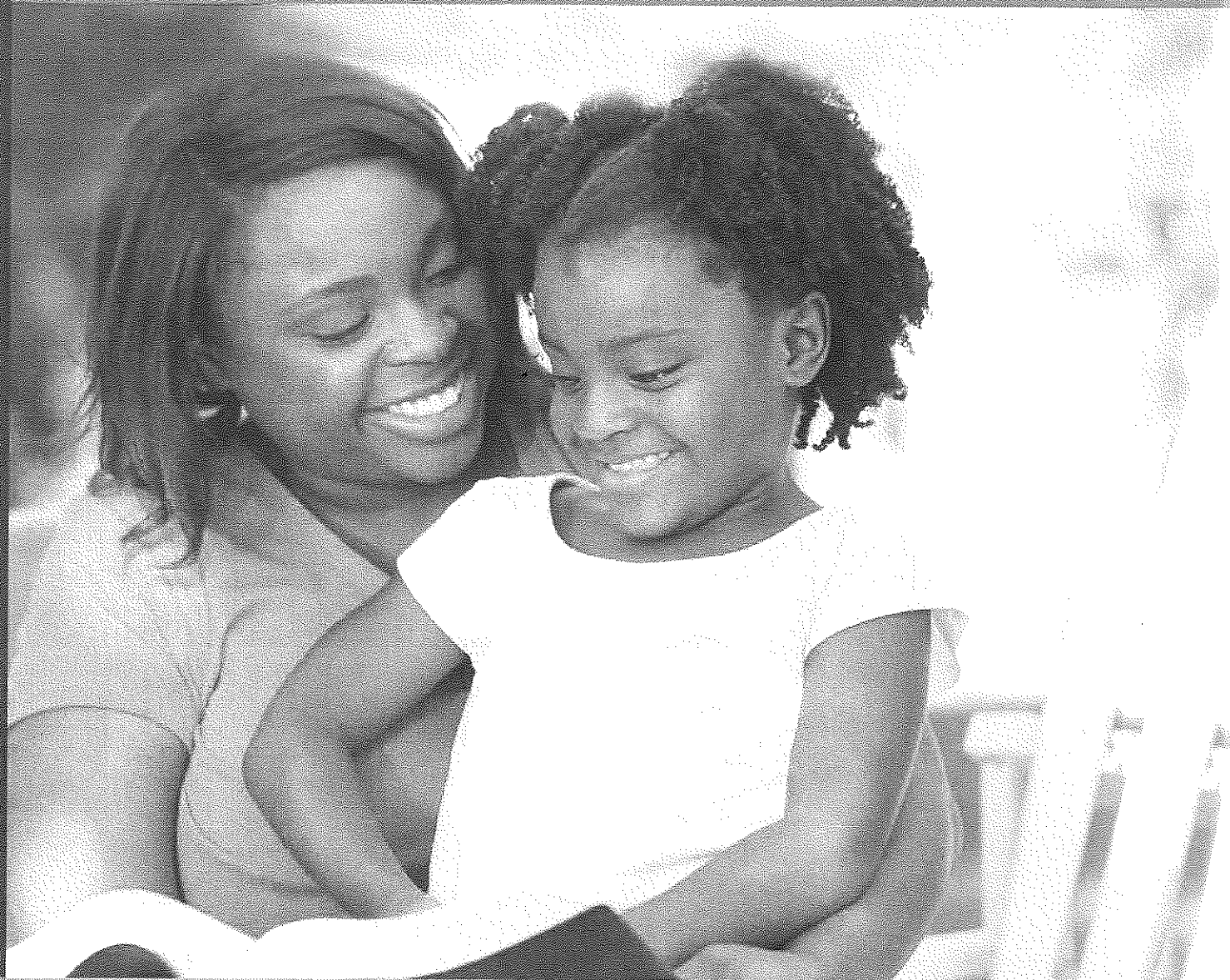
In the United States, parents pay approximately 60 percent of child care costs for their children. While there are multiple sources of child care funding throughout the country, these sources often serve only a fraction of the population and are not part of a broad, coordinated policy to make affordable, quality child care accessible to all working parents.

**Paying for Child Care** explores funding sources available for parents through federal grants, tax credits, and other businesses and philanthropic organizations. The section also examines the cost of unregulated child care and underscores the importance of quality measurement for child care services. Finally, **Expanding Access to Quality, Affordable Child Care** presents potential strategies for improving access to child care for families in the United States. These recommendations involve multiple stakeholders, including state and federal governments, employers, and parents themselves.

### RECOMMENDATIONS

In order to better meet the need of America's working families, Child Care Aware® of America recommends that Congress take the following actions:

- ▶ Increase significant federal investments in child care assistance
- ▶ Provide resources for planning and developing child care capacity
- ▶ Reduce barriers in the subsidy administration process
- ▶ Require the Department of Health and Human Services (HHS) to undertake a study of high-quality child care
- ▶ Ensure that public pre-kindergarten programs are designed to meet the developmentally appropriate child care needs of working families
- ▶ Expand the Child and Dependent Care Tax Credit (CDCTC)
- ▶ Review and consider the policy options available to help families offset the rising cost of child care
- ▶ Simplify the process whereby families qualify for various child care tax incentives
- ▶ Ensure that parents who are enrolled in and attend college full- or part-time are permitted to take advantage of the Dependent Care Tax Credit



PARENTS AND THE  
HIGH COST OF CHILD CARE  
2015 REPORT

