

# Child Care Subsidy Services Makes a Difference for Children and Communities

## Statewide

### What Service is Needed:

#### **Child Care Subsidy Services**

- Helps parents pay for child care so they can work or attend school
- Provides information to parents about how to choose a safe, quality child care arrangement
- Funded by a mixture of state (35%) and federal dollars (65%)

#### **Facts About Statewide Need**

- 375,629 children are potentially eligible for child care subsidy services (Includes children under age 11 whose parents are working).<sup>1</sup>
- \$431,425,299 is currently available to serve eligible children.<sup>2</sup>
- As of 7/08, 89,908 children are receiving subsidized child care services. This represents 23.9% of all eligible children.<sup>2</sup>
- With a 5% increase in child care subsidy funding, an additional 4,921 children could be served each month.<sup>3</sup>

#### **Key Facts about Subsidy Services in North Carolina:**

- About 95,000 children per month receive subsidy services
- 82% of the children are receiving services because their parents are employed
- 85% of the families receiving subsidy services earn less than \$25,000 per year
- Parents pay a portion of the child care cost by paying 8%, 9%, 10% of their income as a parent fee

### The Benefits:

#### **For Families**

- Helps parents to work and attend school
- Provides a safe setting for children
- Helps children to be better prepared for school
- Having a good early childhood education experience helps children to be successful in language, math and social skills in school.

#### **For the Community**

- Working families put a large amount of money back into the local economy and tax system through their employment, earnings and purchase of child care.
- The cost of child care subsidy services is offset by the working families' ability to pay taxes.
- Parents with stable child care arrangements are more focused on the job and make better employees.
- Receiving child care subsidy services offers children a chance to receive an early childhood education which leads to increased success in school and less costs to the community and state in terms of remedial services.

<sup>1</sup>Based upon data from the 2000 Census and 2007 population projections.

<sup>2</sup>Includes non-Smart Start and Smart Start allocations (SFY 2007-08) and children served (during 7/08).

<sup>3</sup>Based upon the average cost of care in Alamance county and a 5% increase in total current funds available (state and federal).