

The Business Case for Increasing Child Care & Development Block Grant (CCDBG) Funding

Every week in Alabama, the parents of 203,000 children under age 6 are working. Too many struggle with the cost of child care.

In FY2018, Congress increased CCDBG funding by \$2.37 billion

This meant an increase of \$40.4 million for Alabama

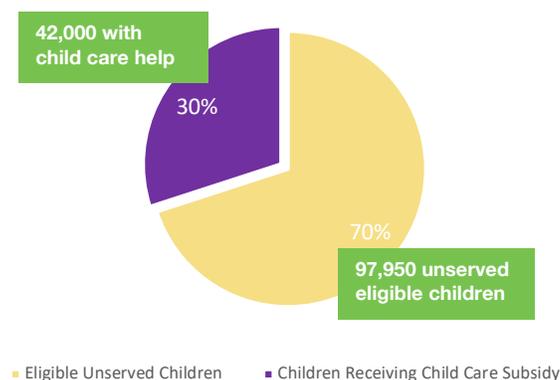
Alabama used the new federal dollars to:

- Eliminate the child care waiting list
- Increase eligibility for low-income families from 100% of the federal poverty line to 130%
- Provide assistance to 42,000 children (helping 4,000 additional children)
- Increase subsidy payment rates to support high-quality care
- Provide scholarships for child care staff studying early childhood development
- Increase training and technical assistance to all child care providers, including faith-based programs, schools, and YMCA programs exempt from licensing

Child Care Gap:

Alabama still needs an additional increase in federal funding to close the child care gap.

Alabama Children Receiving Child Care Assistance vs. Percentage of Eligible Children



Source: U.S. Census Bureau, Table S2301, 2017 American Community Survey, 1-year estimates

Economic Impact:

For every \$1 increase in federal CCDBG funds, there's a \$3.80 return in state economic activity.

Child care enables parents to work and working parents spur Alabama's economy.

Availability of Licensed Child Care by Alabama

# of kids under 6 with working parents	# of licensed child care slots	Share of young children with working parents the market can serve	Child care slot gap
203,000	105,525	52%	97,475

With an increase in federal funding, it would be possible to:

- Serve more children
- Pay higher child care payment rates to expand the availability of child care through the state – particularly in high shortage areas
- Increase eligibility above 130% of the federal poverty line (only Michigan and Indiana set eligibility lower than 130%)



AL Annual Cost of Child Care

INFANTS	4 YEAR-OLDS
CENTER-BASED CARE	
\$5,858	\$5,061
13.1% of household income	10.5% of household income
FAMILY CHILD CARE HOMES	
\$4,989	\$5,128
10.4% of household income	10.7% of household income

