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**CHILD CARE  
ASSISTANCE:**  
GEORGIA'S OPPORTUNITY TO BOLSTER  
WORKING FAMILIES & THE ECONOMY

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# CHILD CARE ASSISTANCE: GEORGIA'S OPPORTUNITY TO BOLSTER WORKING FAMILIES & THE ECONOMY

By Melissa Johnson, Policy Analyst

## INTRODUCTION

Many low-income parents raising young children in Georgia are not able to afford the high cost of quality child care. Going without such care can prevent them from obtaining jobs, keeping jobs, and earning higher wages.

Georgia offers a child care assistance program<sup>1</sup> to help families afford child care, but the program helps just 5.9 percent of low-income children under the age of 13 in the state.<sup>2</sup> In 2013, approximately 55,000 low-income children were covered and 876,000 were not.<sup>3</sup>

**To help more of its families afford quality child care, Georgia must direct more money to increase child care subsidies.**

**Those dollars should be used to:**

- 1. Increase the income eligibility thresholds for child care assistance**
- 2. Increase the reimbursement rates paid to child care providers**
- 3. Decrease child care co-payments for families**

Additional investment in child care assistance strengthens today's Georgia workforce. It helps Georgia's low-income working parents become better workers, higher wage earners, and helps unemployed parents join the ranks of the employed.

Nearly four in 10 of Georgia's working families with children are "low-income" families.<sup>4</sup> A low-income family of three with one child earned less than \$37,502 in 2013.<sup>5</sup> A preponderance of research shows child care assistance can help these families contribute more to the workforce and to their own finances by enabling parents to:

- Work with fewer child care-related disruptions, such as missed days, schedule changes and lost overtime hours. These interruptions cost U.S. businesses an estimated \$3 billion each year.
- Work more hours and stay employed longer
- Earn more income to support the family
- Stay employed at higher rates

Expanding childcare assistance will also benefit Georgia's economy by helping some parents to rejoin the workforce. Low-income parents across the country who are not working cite "home and family reasons," such as taking care of children as their leading reason for not working.<sup>6</sup> A wealth of research shows that families who receive assistance with child care are more likely to work.

## CHILD CARE ASSISTANCE HELPS PARENTS BE BETTER WORKERS AND HIGHER WAGE EARNERS

A majority of low-income parents manage to work despite a lack of access to quality child care. More than 73 percent of Georgia children younger than 13 years old living in low-income families have working parents.<sup>7</sup> For these parents, child care assistance could make them better workers and increase family earnings over time.

### Parents Who Receive Child Care Assistance Experience Fewer Work Disruptions

Without a consistent and reliable source of child care, parents are often left scrambling before work shifts to find safe supervision for their children. When those efforts fail, they could miss a workday, have to rearrange their work schedule, or miss out on overtime opportunities.

Forty-five percent of parents miss at least one day of work every six months due to a child care breakdown.<sup>8</sup> These disruptions threaten parents' job security and cost businesses money. Child care-related disruptions cost U.S. businesses an estimated \$3 billion each year.<sup>9</sup>

Child care assistance would provide parents access to reliable care for their children. Studies show when parents receive this assistance, they are less likely to interrupt their work schedules:

- Parents who received assistance were 48 percent less likely to experience a disruption in their ability to work their scheduled hours, according to a study done by researchers at the University of Maryland and ChildTrends, a nonprofit research center. The study controlled for other variables that may have caused a child care-related work disruption.<sup>10</sup>

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Having a consistent, reliable, quality source of early learning for children brings parents peace of mind, increased confidence, and allows them to focus on what they are doing at work without worrying about what's going on with their children.

— Tyese Lawyer, President and CEO, Our House, Decatur, GA

## Parents Who Receive Child Care Assistance Can Stay Employed Longer

When parents with reliable child care consistently show up on time to work their entire scheduled shift, employers take notice. Employers are more likely to keep dependable parents on the job. The opposite is also true. Parents who miss work or constantly change schedules due to child care challenges are more likely to be let go by their employers. This employee turnover comes at a cost, as businesses use resources and spend money each year to hire and train replacement employees. The typical cost of turnover is estimated at one-fifth an employee's annual salary.<sup>11</sup>

Child care assistance can help parents afford reliable care for their children, so parents are more likely to stay employed longer when they receive the assistance. Many studies find a positive connection between child care assistance and longer periods of employment:

- A research study of national census data determined that receiving government assistance with child care stimulated longer employment durations among women, regardless of marital status, or educational attainment. The Economic Policy Institute study says women of all educational levels are 40 percent more likely to stay employed after two years if they received child care assistance.<sup>12</sup>

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When we began providing subsidies for child care, we saw a 30 percent increase in employment of participants.

— *Jasmine Miller, Chief Operating Officer,  
The Center for Working Families, Atlanta, GA*

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- A University of Chicago study determined families in Illinois who received child care assistance were more likely to stay employed longer. The authors of the report say that the risk a parent would stop working was 28 percent lower for people who received child care assistance compared with those who did not.<sup>13</sup>
- Low-income single mothers with young children in Michigan who were also former welfare recipients were 82 percent more likely to be employed after two years if they got help paying for child care.<sup>14</sup>
- A three-state study of single mothers with young children who received welfare during the early days of the program's reform found that they had longer stretches of employment with child care assistance. The University of Chicago study determined mothers in Illinois who receive child care assistance were typically employed about 26 months compared with nine months for those who did not receive assistance. The study found a consistently positive relationship between receiving child care assistance and employment duration across the three states in the study, Illinois, Massachusetts and Maryland.<sup>15</sup>

- A researcher at the University of Houston studied national data to determine the probability a single mother would work full time increased to 53 percent from 38 percent if she received assistance with child care costs.<sup>16</sup>

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When we do intake interviews, we sometimes hear from parents about how they have been fired from a job because they missed too many days due to child care arrangements with friends and family falling through.

— *Tyese Lawyer, President and CEO, Our House, Decatur, GA*

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## Parents Receiving Child Care Assistance Produce Higher Family Earnings

A consistent, safe child care arrangement gives parents the chance to work for longer periods of time with fewer interruptions. This steady work schedule helps low-income parents, especially hourly workers, the opportunity to earn more.

Many studies confirm parents who receive child care assistance earn higher family incomes than those who do not.

- A study that compares 52 Georgia mothers receiving child care assistance with 50 demographically similar Georgia mothers on waiting lists for the assistance identified a link between a lack of assistance and poverty. Families on waiting lists were six times more likely than families receiving assistance to report incomes less than half of the federal poverty threshold, now \$18,751 for a family of two adults and one child.<sup>17</sup>
- A University of South Carolina researcher determined low-income working mothers in Wisconsin in families that receive sustained child care assistance had increased annual earnings. Annual earnings grew by \$7,500 in six years for mothers who got child care assistance for 25 months or more. Annual earnings grew by less than \$3,000 in six years for mothers who did not receive assistance.<sup>18</sup>
- A University of Houston researcher found that single mothers who get child care assistance worked an average of 9.4 hours more per week than single mothers who did not receive assistance.<sup>19</sup>

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High-quality child care and education are critical to parents' success in the workforce.

— *Jasmine Miller, Chief Operating Officer,  
The Center for Working Families, Atlanta, GA*

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## Child Care Assistance Helps Unemployed Parents Get Work

Low-income parents are familiar with the trade-off between the high cost of child care and working. Many studies find when parents receive help paying for child care, they are more likely to work:

- Researchers who compared 52 Georgia working poor families receiving child care assistance with 50 demographically similar Georgia families on the waiting list found an 18 percent higher employment rate for mothers who receive child care assistance than those who did not.<sup>20</sup>
- Mothers who received assistance with child care costs were 13 percent more likely to be employed, than the ones who did not, according to a national study by researchers at Georgia State University and the University of North Carolina.<sup>21</sup>
- A University of Houston researcher determined the likelihood of a single mother with children younger than five working increased to 75 percent from 54 percent if she got help with child care costs. The national study also indicated that child care assistance increased the likelihood that all parents with young children would work, regardless of marital status.<sup>22</sup>
- A \$1,000 increase in the average annual child care assistance amount for working poor single mothers with children under 13 years old was associated with an 11 percentage point increase in the probability of employment, according to a study by researchers from Columbia University and the University of Washington.<sup>23</sup>



I had never thought of us as just a child care organization, but this summer when our bus broke down, I had more parents calling me saying that they could not go to work until we figured out our bus situation. They counted on us. When we are not open, they do not have a support system. They cannot go to work and then they lose their job and get further behind.

— Kim Dennis, Executive Director, Create Your Dreams, Atlanta, GA

Parents want to work; they know they need to work. There are just so many challenges blocking their success, including the high cost of child care.

— Eloise Williams, Foundation 3 Program Manager, Buckhead Christian Ministries Atlanta, GA

The one component of my program that is mission-critical, where if I removed it, my mission does not get achieved, is my child care piece. Because if I take away the child care piece, then... my parents cannot sit in my training room all day and get education, job training, soft skills, job search, or job placement....If you take out child care, all the dominoes fall. I cannot employ or stabilize my families without child care.

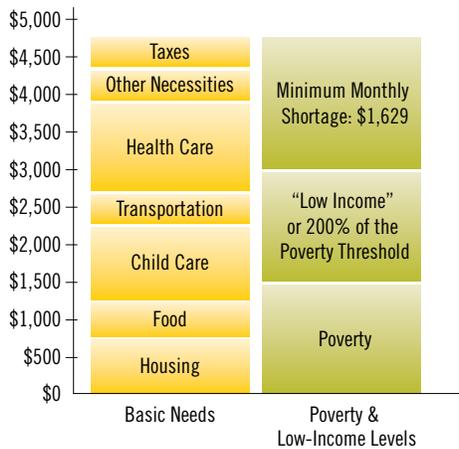
— Sandra Torres-Keating, Executive Director Atlanta Children's Shelter

## GEORGIA LOW-INCOME FAMILIES STRUGGLE TO AFFORD CHILD CARE

Georgia is home to nearly 544,000 families that qualify as low income. Nearly 400,000 of these Georgia families work for most or all of the year, but still struggle to pay their bills on time. Nearly four in 10 of Georgia's working families with children are low-income, putting Georgia among the ten states with the highest proportions of low-income working families.

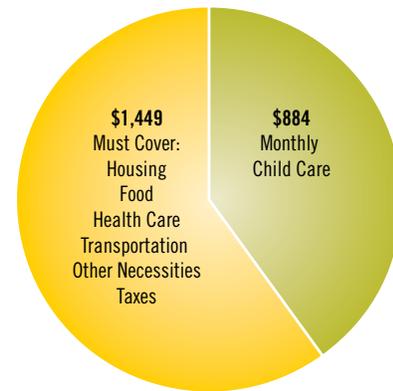
More than 40 percent of Georgia's low-income working families with children are headed by single women.<sup>24</sup> Paying for child care represents a particularly tough struggle for these families. The annual median income for a family headed by a single woman in Georgia in 2013 was \$28,003 or \$2,334 a month.

**Low-Income Georgia Families Cannot Afford Monthly Basic Needs**



Source: Economic Policy Institute Family Budget Calculator, 2013. Costs for one parent and two children in the Atlanta metro area.

**Child Care Can = Nearly 40% of Low-Income Family Budget**

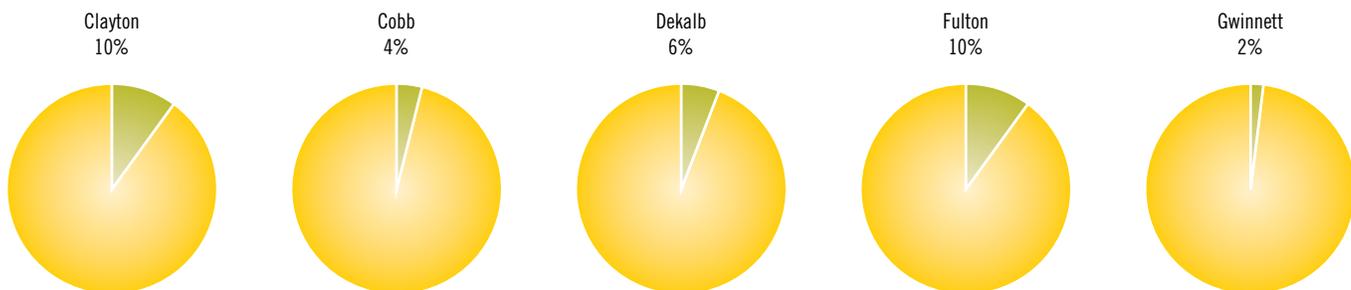


Source: Child Care Aware of America, 2014. Average Georgia costs for two children: one infant and one of school age. Cost presented as proportion of family earnings of \$28,000 per year.

## Paying for Child Care is Daunting for Greater Atlanta's Low-Income Families

Although Georgia offers a child care assistance program to help families afford child care, today the program helps very few families in need. For example, in Clayton, Cobb, DeKalb, Fulton, and Gwinnett counties just 6 percent of the nearly 300,000 children under the age of 12 receive child care.

**Number of Children Served by Child Care Assistance Program as % of Low-Income Children Younger than 12**



Source: US Census Bureau, American Community Survey, 2013. Georgia Department of Early Care and Learning. The Child Care Assistance Program is actually available to children younger than 13 whose parents meet certain requirements. Low-income children younger than 12 is used here as a proxy because it is the statistic most readily available from the US Census.

## Challenges Exist with Child Care Provided by Family, Friends and Neighbors

Many low-income parents rely on family, friends and neighbors for child care because they cannot afford regulated care. These well-intentioned helpers are often not equipped to provide the same quality care parents with higher incomes can afford.<sup>25</sup> One study of the country's low-wage parents found some worried about the quality of child care in informal settings. Some of these parents wanted more educational experiences for their children. This was especially true for parents of pre-school age children.<sup>26</sup>

Caregivers providing informal care can develop schedule conflicts, causing the parent a crisis on short notice. A third of parents in an Illinois study said their plan to rely on family, friends and neighbors would fall through at least once or twice a month. Then parents were forced to either recruit another family member or take time off work themselves, losing money and falling further behind.<sup>27</sup>

## GEORGIA'S CHILD CARE ASSISTANCE PROGRAM FALLS SHORT

Georgia offers a child care assistance program to help families afford child care, but the program helps just 6 percent of the nearly 300,000 low-income children under the age of 12 in Clayton, Cobb, DeKalb, Fulton, and Gwinnett counties. This amounted to an average of about 18,000 children in 2013.

### How Child Care Assistance Program Funding Works

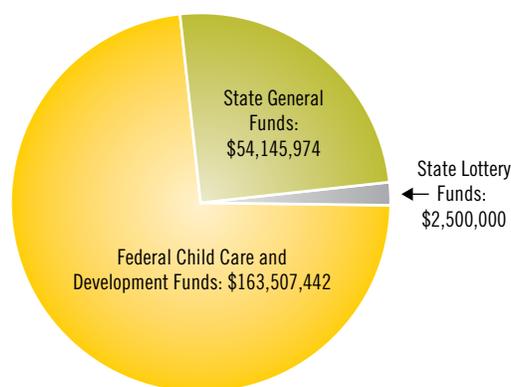
#### Child Care Assistance Program Funding

The vast majority of funding for Georgia's Childcare and Parent Services (CAPS) program comes from the federal government through the Child Care and Development Block Grant. The Child Care and Development Block Grant authorizes discretionary, mandatory and matching funds for Georgia and other states. This federal child care money is limited. Discretionary funds are allocated to states based on the number of children under age five, number of children receiving free and reduced-price lunches and the average state per capita income in relation to national per capita income. Mandatory funds are allocated based on federal child care spending in the early 1990s.

Matching funds are allocated to states based on the proportion of the children in the state under 13 years old compared to the national rate. Matching funds must be matched by the state. The state is also obligated to spend its money based on historical spending levels, or "maintenance of effort," to receive federal matching funds. Georgia provided the necessary state matching and maintenance of effort funds to receive all of its federal matching funds in recent years.

All states must spend state, local, or private dollars on child care to receive a Child Care and Development Block Grant (CCDBG). Therefore, to understand which states are putting "extra" dollars toward child care, it is instructive to look at states that are spending above and beyond what is required to leverage the federal CCDBG funds.

#### Georgia Child Care Assistance Mostly Federally-Funded



Source: Department of Early Care and Learning, Fiscal Year 2014.

There were ten states that provided more funds than required to leverage CCDBG funding in 2012 and 2013. These states were Alaska, California, Connecticut, Florida, Nebraska, New Hampshire, Ohio, Vermont, West Virginia, and Wyoming. All of them use their state funds to leverage CCDBG funding. Florida also uses local and private funding.<sup>28</sup>

In the state of Georgia only 5 percent of children are provided child care. In 2013, approximately 55,000 children were covered; 876,000 were not. Georgia falls short in 3 areas:

1. Activity Requirements
2. Income Requirements
3. Reimbursement Rates

## Activity Requirements Limit the Effectiveness of Child Care Assistance

Parents must work or attend a technical or vocational school for an average of 24 hours a week to meet the child care assistance activity requirement. A minor parent seeking child care assistance can attend middle school, high school or GED classes full-time to meet the activity requirement.<sup>29</sup>

- **Child care assistance is not available to parents while they pursue a postsecondary degree.** Child care assistance is available to parents attending technical or vocational school for only one year. Parents who pursue a two- or four-year postsecondary degree are not eligible for child care assistance when they are in school. Georgia is **one of just eight states** that do not offer child care to parents who pursue a postsecondary degree.<sup>30</sup>
- **Parents seeking to join the workforce do not qualify for Georgia's child care assistance program.** A Georgia parent looking for their first job, or returning to work after a long period without working is not eligible to receive child care assistance through the program.<sup>31</sup> That means no child care help to allow them time for job interviews. Fourteen states allow families to start receiving child care assistance while they are searching for a new job.<sup>32</sup>
- **Parents out of work the typical 21 weeks lose child care assistance.** Georgia families that already get child care assistance can continue to get it for up to eight weeks after a parent loses their job. This time period is crucial to provide consistent care to children while their parents search for a new job, but it is probably too short for many parents.

The typical unemployed person in Georgia is out of work for 21 weeks.<sup>33</sup> Georgia parents out of work longer than the eight weeks covered must find other arrangements for their children. This is destabilizing for both children and parents.

### Child Care Could Help Georgia Parents Earn Postsecondary Degree, Higher Pay

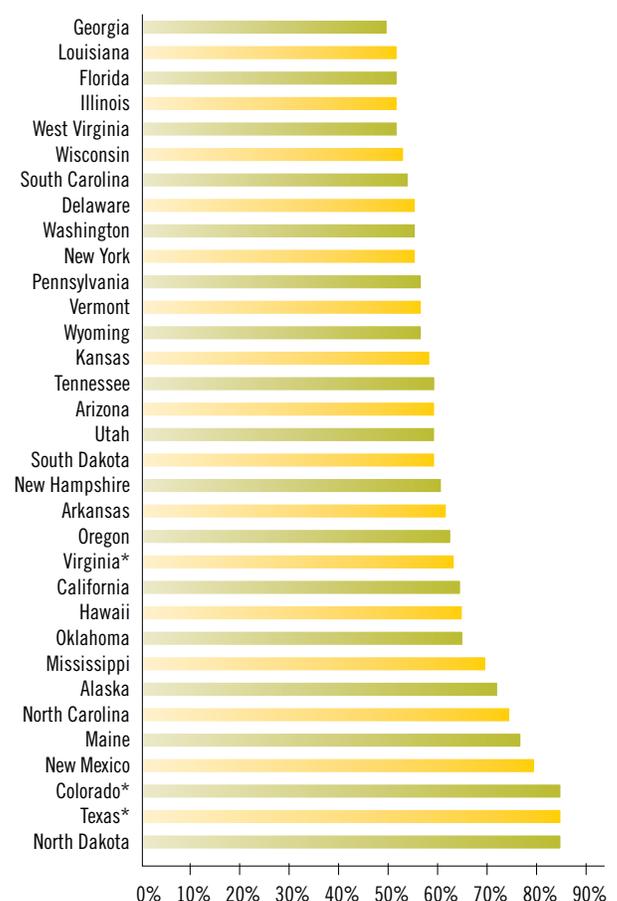
Education Level:	Median Earnings:
High School Diploma / Some College	\$31,234
Associate's Degree	\$38,287
Bachelor's Degree	\$53,400
Earnings Gap Between High School Diploma / Some College and Associate's Degree	
	\$7,053
Earnings Gap Between High School Diploma / Some College and Bachelor's degree	
	\$22,166

Source: 2013 American Community Survey 1-year Public Use Microdata Sample (PUMS) files. Universe includes those who have positive earnings, working 35 or more hours per week.

## Georgia's Income Requirements Are Much Harder to Meet Than Other States

Georgia parents qualify for child care assistance only at very low incomes. A Georgia family of three must earn under \$28,160, or less than half of the state median income, to qualify for child care assistance.

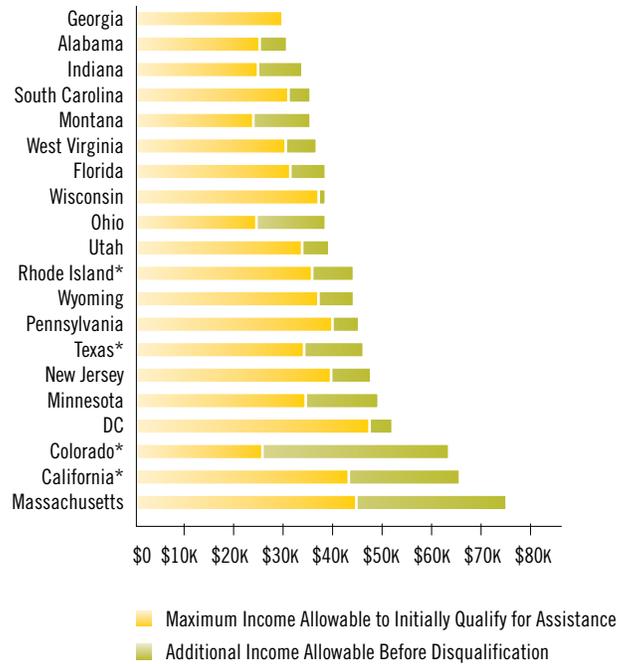
### Georgia's Income Eligibility Requirements Tougher than 32 Other States



Source: Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014 (policies as of February 2014 for a family of three). \* Colorado, Texas, and Virginia set income eligibility on local or regional levels. Rankings for those states are based on the maximum eligibility amounts.

- **Georgia’s income requirements for child care assistance are needlessly more difficult than those in 32 other states.**<sup>34</sup> The federal Child Care and Development Block Grant allows states to increase income eligibility levels up to 85 percent of state median income. If Georgia increased its income eligibility cutoff to the maximum allowed by federal rules, families of three earning up to \$49,179 could qualify for child care assistance.<sup>35</sup>
- **Georgia families face sudden loss of assistance, while other states phase it out.** A Georgia family of three that earns more than \$28,160 is immediately ineligible for child care assistance. Fifteen states, including neighboring South Carolina and Florida, allow families receiving assistance to continue some level of benefits even after their income exceeds the eligibility limit.<sup>36</sup> In three additional states, specific localities allow families to continue receiving assistance once they begin earning more money. This can motivate families to earn higher salaries and build a savings cushion for the long-term without the immediate fear of losing child care assistance.

### Georgia Families More Abruptly Ineligible for Child Care Help



Source: Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014 (policies as of February 2014 for a family of three). \*In California, only San Mateo and San Francisco allow families to receive assistance up to \$63,768. In Colorado, counties set their own income limits. The income eligibility limit shown for Colorado is the lowest in the range. Families in Colorado are allowed to continue to receive assistance for only six months after their income exceeds the initial eligibility limit. Rhode Island's income eligibility limits shown are part of a 12-month pilot. In Texas, local workforce investment boards set income eligibility limits. The income eligibility limit shown for Texas is the lowest in the range. Some local workforce investment boards allow families an extended year of child care assistance up to a higher income than the initial eligibility limit, as long as the exit eligibility limit is not higher than 85 percent of state median income. Massachusetts allows additional income even greater than is shown in graphic for parents of children who require special needs care.



## Georgia Parents Pay Higher Fees for Child Care Assistance than Other States

Georgia parents must also share in the cost of child care assistance in order to qualify for help. Parents must pay a weekly fee or co-payment directly to their child care providers. The fee is based on family size, income level, and number of children in care.<sup>37</sup>

For a Georgia family of three earning poverty level income of roughly \$1,649 per month, the monthly co-pay in 2014 was \$143. **This co-payment is the 8th highest in the country.**<sup>38</sup>

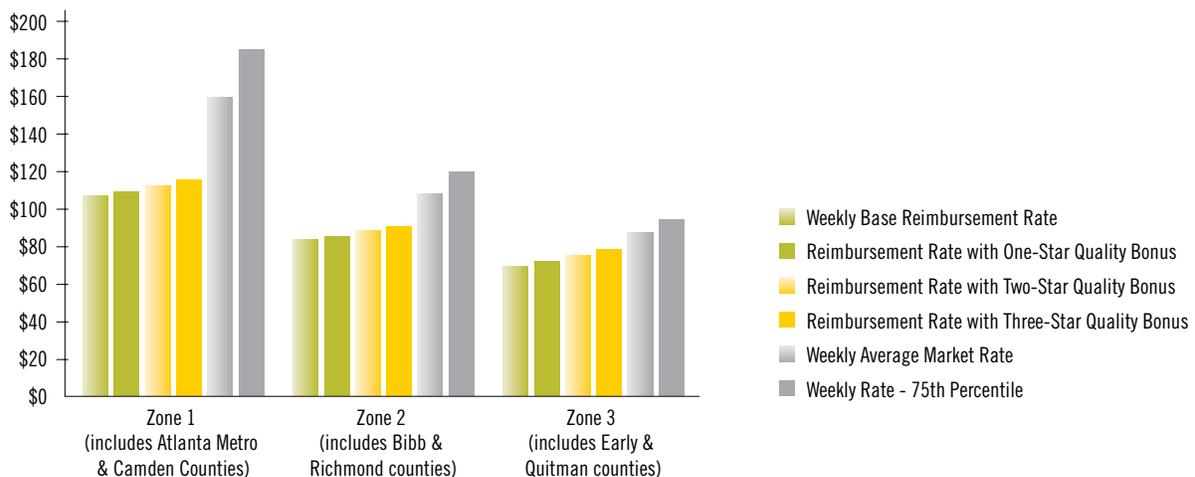
## Low Reimbursement Rates Limit Child Care Options

Georgia's assistance program helps low-income parents afford child care through direct payments to providers. Child care options for low income families correspond with the size of the payments.

- **Georgia reimbursement rates set well below industry standard.** Reimbursement rates at the 75th percentile of market rates for child care are ideal. That level would help give parents receiving assistance access to the majority of nearby child care providers, making it easier for them to maintain a work schedule.

- The base reimbursement rate in Georgia's child care assistance program is \$494 per month for a four-year old in a metro Atlanta center.<sup>39</sup> That rate is \$290 lower than the 75th percentile of market rates in the area.<sup>40</sup> The reimbursement rate is just as low for a one-year-old child's care in a center. These low reimbursement rates make it harder for parents to find a child care provider close to work and decreases the likelihood that children will receive quality care.
- **Even reimbursement rates for higher quality providers trail market average.** Georgia raised reimbursement rates for higher-quality providers July 2013. Child care providers that participate in the state's voluntary Quality Rated program receive a star rating, with three stars reserved for Georgia's highest quality providers.
- Child care providers that do not participate in the Quality Rated program can receive the base reimbursement rate. Providers in the Quality Rated program receive a 2 percent bonus for a one-star rating, a 5 percent bonus for a two-star rating and a 10 percent bonus for a three-star rating. Even counting bonus payments, the state still pays top quality child care providers in metro Atlanta at a monthly rate lower than market average.<sup>41</sup>

**Child Care Provider Reimbursement Rates Below Market Average**



Sources: Author's calculation based on state assistance policy, Appendix A; Quality Rated Program Manual, Georgia Department of Early Care and Learning, Version 2.1; and Georgia Market Rate Survey, 2013. Figures based on licensed center care for a three-year old full-time during a weekday.

## CHILD CARE CAN SAVE GOVERNMENT MONEY OVER TIME

Fictional Scenario Overview: Single mother of two (ages 2 and 4) uses child care subsidies (for her younger child) to get and keep a job while using less public benefits.<sup>42</sup> Before Child Care Assistance<sup>43</sup>:

- Single mother is unemployed and may receive:
  - \$447 in food stamps<sup>44</sup>
  - \$176 in unemployment benefits<sup>45</sup>
  - \$280 in cash assistance through Temporary Assistance for Needy Families<sup>46</sup>
- Total monthly cost to government without Unemployment Insurance: \$727
- Total annual cost to government with Unemployment Insurance: \$9,384

For an average annual cost of about \$3,259 per child care slot,<sup>47</sup> this same single mother can be employed, earning \$2,334 per month (\$28,000 per year).<sup>48</sup>

With Child Care Assistance,

- The single mother can pay about \$540 in Georgia taxes each year<sup>49</sup>
- She is less dependent on public assistance:
  - No longer qualifies for food assistance<sup>50</sup>
  - No longer qualifies for TANF
  - No longer qualifies for Unemployment Insurance
- Government upside in first year = \$6,125 savings + \$540 in additional Georgia taxes<sup>51</sup>

### Recommendations

An avalanche of research makes it clear child care assistance helps parents to become better workers and higher earners. When parents are better workers, productivity can increase, turnover costs can decrease and working families can spend more money on necessities.

Child care assistance can help out-of-work parents regain employment. Returning parents to the workforce not only increases family income but also boosts Georgia's economy when they purchase goods and services and pay more in taxes.

Georgia must direct more money to increase child care subsidies, which will help families and the state's economy as a whole.

- 1. Increase the Income Eligibility Thresholds.** More parents will qualify for assistance with child care if income threshold cutoffs are raised. Parents are more likely to work if accepting a job makes financial sense. More parents who are already working will also be less likely to experience a work interruption, more likely to work for longer periods and more likely to take home higher earnings if they receive assistance with child care costs.
- 2. Raise Reimbursement Rates Paid to Child Care Providers.** Quality child care costs money. Credentialed teachers are compensated for their services. Classroom sizes should be kept low. Parents who receive assistance will have more choices for quality child care if child care reimbursement rates to providers are raised. Higher-quality care benefits both children and the parents who are better able to focus at work.

Raising provider reimbursement rates can also increase the likelihood that some parents will work. A child care provider convenient to a parent's home or job makes it easier to report promptly to work. Aligning child care assistance payments with the market makes it more likely that conveniently-located providers will work with a parent receiving assistance.

- 3. Decrease Co-payments for Families.** High co-payments create a barrier to parents who want child care assistance. Parents who qualify for assistance already struggle to pay for housing, food, health care and other necessities. That does not leave room in their budgets to pay high fees. Lowering co-payments would allow more parents to reap the benefits of assistance, including fewer work interruptions, longer term employment and higher earnings.

### ACKNOWLEDGEMENTS

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The Atlanta Women's Foundation is also grateful to the Georgia Department of Early Care and Learning for providing information on the Child Care and Services Program.

- <sup>1</sup> All references in this report to Georgia's child care assistance program refer to Georgia's Child Care and Parent Services Program.
- <sup>2</sup> Author's calculation based on the FY 2012 Average Monthly Adjusted Number of Families and Children Served, Office of Child Care, U.S. Department of Health and Human Services, and data provided by Working Poor Families Project, Analysis of American Community Survey, 2012 (Washington, D.C.: Population Reference Bureau).
- <sup>3</sup> FY 2012 Average Monthly Adjusted Number of Families and Children Served, Office of Child Care, U.S. Department of Health and Human Services.
- <sup>4</sup> Working Poor Families Project, Analysis of American Community Survey, 2012, (Washington, D.C.: Population Reference Bureau). "Families" are used in this analysis to represent married-couple or single-parent families with at least one child under age 18 present in the household. A family is defined as working if all family members age 15 and over either have a combined work effort of 39 weeks or more in the prior 12 months OR all family members age 15 and over have a combined work effort of 26 to 39 weeks in the prior twelve months and one currently unemployed parent looked for work in the prior 4 weeks.
- <sup>5</sup> Poverty Thresholds for 2012 by Size of Family and Number of Related Children Under 18 Years, U.S. Census Bureau. "Low-Income" is used throughout this paper to refer to parents, families, and children in families who are earning less than 200 percent of the federal poverty threshold.
- <sup>6</sup> Current Population Survey 2014 Annual Social and Economic Supplement, POV24. Among U.S. householders age 16 to 64 of families with related children under 18 years who did not work in the last year with incomes below 200 percent of poverty, "home and family reasons" was the leading reason given for not working.
- <sup>7</sup> Author's calculation based on Working Poor Families Project, Analysis of American Community Survey, 2013, (Washington, D.C.: Population Reference Bureau).
- <sup>8</sup> Child Policy Partnership, The Economic Impact of the Early Care and Education Industry in Georgia, 2008 (citing Bright Horizons Family Solutions, 2002.)
- <sup>9</sup> Karen Shellenback, Child Care and Parent Productivity: Making the Business Case, Cornell University, Cornell Cooperative Extension, 2004.
- <sup>10</sup> Nicole Forry and Sandra Hofferth, "Maintaining Work: The Influence of Child Care Subsidies on Child Care-Related Work Disruptions, Fragile Families Working Papers, The Bendheim-Thoman Center for Research on Child Wellbeing, Princeton University, July 2009.
- <sup>11</sup> Heather Boushey and Sarah Jane Glynn, "There are Significant Business Costs to Replacing Employees," Center for American Progress, November 16, 2012.
- <sup>12</sup> Heather Boushey, "Staying Employed After Welfare: Work Supports and Job Quality Vital to Employment Tenure and Wage Growth," Economic Policy Institute, June 2002.
- <sup>13</sup> Robert M. Goerge, et. al., "Employment Outcomes for Low-Income Families Receiving Child Care Subsidies in Illinois, Maryland, and Texas," Final Report to U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research and Evaluation, Chapin Hall at the University of Chicago, August 2009.
- <sup>14</sup> Child Policy Partnership, "The Economic Impact of the Early Care and Education Industry in Georgia," 2008 (citing Sandra K. Danziger, Elizabeth Oltmans Ananat, & Kimberly G. Browning, "Child Care Subsidies and the Transition from Welfare to Work," Family Relations, 52, 219-228, 2004.)
- <sup>15</sup> Bong Joo Lee, Robert Goerge, Mairead Reidy, J. Lee Kreader, Annie Georges, Robert L. Wagmiller, et al., "Child Care Subsidy Use and Employment Outcomes of TANF Mothers During the Early Years of Welfare Reform: A Three-State Study," Chapin Hall at the University of Chicago, 2004.
- <sup>16</sup> April Crawford, "The Impact of Child Care Subsidies on Single Mothers' Work Effort." Review of Policy Research, 23, 699-711, 2006.
- <sup>17</sup> Fred Brooks, Ed Risler, Claire Hamilton, and Larry Nackerud, "Impacts of Child Care Subsidies on Family and Child Well-Being," Early Childhood Research Quarterly, Volume 17, Issue 4, 2002.
- <sup>18</sup> Yoonsook Ha, "Stability of Child-Care Subsidy Use and Earnings of Low-Income Families," Social Service Review, 83, 495-525, 2009.
- <sup>19</sup> April Crawford, "The Impact of Child Care Subsidies on Single Mothers' Work Effort." Review of Policy Research, 23, 699-711, 2006.
- <sup>20</sup> Fred Brooks, Ed Risler, Claire Hamilton, and Larry Nackerud, "Impacts of Child Care Subsidies on Family and Child Well-Being," Early Childhood Research Quarterly, Volume 17, Issue 4, 2002.
- <sup>21</sup> David Blau and Erdal Tekin, "The Determinants and Consequences of Child Care Subsidies for Single Mothers in the USA," Journal of Popular Economics 20: 719-747 (2007).
- <sup>22</sup> April Crawford, "The Impact of Child Care Subsidies on Single Mothers' Work Effort." Review of Policy Research, 23, 699-711, 2006.
- <sup>23</sup> Jay Bainbridge, Marcia Meyers, and Jane Waldfogel, "Child Care Policy Reform and the Employment of Single Mothers," Social Science Quarterly, Volume 84, Number 4, December 2003. "Working poor" mothers qualified for child care assistance and did not receive welfare.
- <sup>24</sup> Deborah Povich, Brandon Roberts, and Mark Mather, "Low-Income Working Mothers and State Policy: Investing for a Better Economic Future," Working Poor Families Project, Winter 2013-2014.
- <sup>25</sup> "Developing Family, Friend, and Neighbor Care Initiatives and Policies: Tips from Experts," National Women's Law Center, June 2009.
- <sup>26</sup> "Listening to Workers: Child Care Challenges in Low-Wage Jobs," National Women's Law Center, June 2014.
- <sup>27</sup> "Choices in the Real World: The Use of Family, Friend, and Neighbor Child Care by Single Chicago Mothers Working Nontraditional Schedules," Illinois Action for Children, 2013.
- <sup>28</sup> Office of Child Care, U.S. Department of Health and Human Services; Florida Office of Early Learning: Coalitions, <http://www.floridaearlylearning.com/coalitions.aspx>
- <sup>29</sup> Additional exceptions to the activity requirements exist for current and some former Temporary Assistance for Needy Families (TANF) applicants and recipients, Child Protective Services clients, court-ordered supervision participants, and grandparents raising grandchildren under five. Georgia Childcare and Parent Services Policy (Section 6101).
- <sup>30</sup> Child Care and Development Fund Policies Database 2012 Book of Tables; Child Care Assistance, Rhode Island Department of Human Services, <http://www.dhs.ri.gov/FamilieswithChildren/ChildCareAssistance/tabid/205/Default.aspx>.
- <sup>31</sup> Jobless parents may be able to receive child care assistance by applying for the Temporary Assistance for Needy Families (TANF) program. Families must meet separate income, resource, and work requirements to qualify for TANF cash assistance. As of October 2014, there are 3,535 TANF families receiving subsidized childcare through the TANF Program. TANF families represent just one of several specific categories of families and children who receive priority if child care assistance funding is not available to serve all who apply. Georgia Department of Family and Children Services.
- <sup>32</sup> Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014.
- <sup>33</sup> Economic Policy Institute analysis of Current Population Survey microdata, Oct 2014.
- <sup>34</sup> Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014. Georgia's income eligibility limit is also lower than that of the District of Columbia.
- <sup>35</sup> Author's calculation based on U.S. Census Bureau, American Community Survey, 2013 1-year estimate of Median Family Income by Family Size.
- <sup>36</sup> Families must still earn less than 85 percent of state median income to receive extended assistance. Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014.
- <sup>37</sup> No fees are assessed for children in DFCS custody, parents participating in Temporary Assistance for Needy Families (TANF), and minor parents attending middle school or high school. Georgia Department of Family and Children Services.
- <sup>38</sup> Karen Schulman and Helen Blank, "Turning the Corner: State Child Care Assistance Policies 2014," National Women's Law Center, October 2014.
- <sup>39</sup> Author's Calculation based on CAPS Policy, Appendix A.
- <sup>40</sup> Georgia Market Rate Survey, 2013. Figures based on licensed center care for a 4-year old full-time during a weekday.
- <sup>41</sup> Based on monthly reimbursement rates for a 4-year old in a licensed child care center full-time during the day in Zone 1. Georgia Child Care Market Rate Survey, Georgia Department of Early Care and Learning, Spring 2013; Appendix A, Child Care and Parent Services, Department of Human Services, Online Directives Information System, Accessed September 16, 2014
- <sup>42</sup> This scenario does not include the cost of Georgia Pre-K for the 4-year old, since that program is open to all Georgians, regardless of income level.

- <sup>43</sup> The “Before Child Care” scenario represents only a sampling of the public benefits that a single mother of two may qualify for in Georgia. For example, this list does not include the “in-kind” health benefits Medicaid or PeachCare. This list also does not include housing assistance that the single mother may qualify for, although federal rental assistance helps only a fraction of Georgians paying more than 30% of their income on housing. This scenario also does not include WIC, since the children under age 5 of a single mother earning \$2,334 per month will still qualify for WIC, provided they meet the nutritional risk and other requirements.
- <sup>44</sup> Food stamp benefits are federally funded. Food stamp benefits estimated using Georgia COMPASS for unemployed mother of two children under 5, collecting \$176 in unemployment benefits and \$280 in cash assistance, and paying \$491 per month for housing. Housing costs based on the lower quartile for rent as reported by the US Census. COMPASS estimated that such a household may receive between \$397 and \$497 per month. The average of these figures was used.
- <sup>45</sup> Based on the minimum unemployment insurance benefit of \$44 weekly in Georgia. Georgians may only collect state-funded unemployment benefits for a maximum of 15 weeks. This duration is based on the state’s unemployment rate. Only 15 percent of Georgia’s total unemployed population receives unemployment insurance, based on the most recent federal data from the third quarter of this year.
- <sup>46</sup> Based on maximum monthly TANF benefit for a family of three in Georgia. The vast majority of TANF cash assistance benefits are federally funded. In FY 2014, Georgia had less than 3,700 TANF cases statewide that included an adult recipient. Georgia parents are limited to receiving TANF for only 48 mos.
- <sup>47</sup> This average is based on the total cost of the child care subsidy program in SFY 2013, divided by the average number of children served. Information was provided by DECAL.
- <sup>48</sup> The median family income for families headed by single female householder in Georgia is \$28,003 according to the U.S. Census.
- <sup>49</sup> The Georgia taxes were calculated using tax preparation software for this fictional single mother with no tax withholding. She received the standard deduction, child tax credit, and child and dependent care tax credit. Her federal refund was \$5,162 because of the federal Earned Income Tax Credit.
- <sup>50</sup> Food stamp benefits estimated using Georgia COMPASS for employed mother of two children ages 2 and 4, earning 28,000 per year, paying \$491 per month for housing and \$176 per month in copayments for child care. Housing costs based on the lower quartile for rent as reported by the US Census. A single mother earning this salary could qualify for SNAP if other expenses, including housing, were higher.
- <sup>51</sup> Savings = costs from “Without child care” scenario minus cost of child care subsidy.