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# Child Care in Colorado: The Early Education of Our Children

## A Colorado KIDS COUNT Issue Brief August 2002

### INTRODUCTION

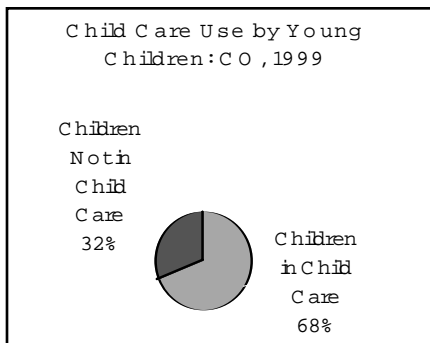
To prepare children for school and support working parents, Colorado needs more high-quality early care and education (ECE). However, ECE is severely underfunded, and many low-income parents are being priced out of care.

Research has demonstrated that high-quality early care and education programs have a positive influence on the development of children, especially children in poverty. High-quality child care environments, however, are often unattainable for families with low incomes. Affordable, licensed child care is beyond the reach of many Coloradans because the poverty level is far lower than the actual "living wage" required to cover expenses such as child care. Although there are moves to improve quality in early care and education, severe gaps in resources (human and financial) still exist. This paper focuses on where children are in care, the availability of care and the economic issues surrounding ECE.

### There is a need for more high-quality care.

In Colorado, and the rest of the nation, there has been an increased participation of women in the workforce. While the majority of preschool children had a parent at home in 1970, today the reverse is true. Frequently, both parents must work to make ends meet. This can be attributed to a multitude of factors that include:

- ✓ Welfare recipients now have strict work requirements.
- ✓ Women are following their career aspirations.
- ✓ A recent decline in the economy has jeopardized family incomes.



With increasing numbers of parents working to support their families, a majority of Colorado children are



experiencing early care and education. Colorado has more than 1.1 million children, and 357,202 are age 5 and under. Nearly 60 percent of these young children have all their parents in the workforce<sup>i</sup>.

- ▶ Eighty percent of young children<sup>ii</sup> with parents<sup>iii</sup> in the workforce are in some type of ECE program.
- ▶ The average number of hours a young child spends in care is 27 hours per week.
- ▶ One-third of all children in ECE programs are in full-time care (35 hours a week or more).
- ▶ Eight percent of children in care spend 50 or more hours per week in child care.

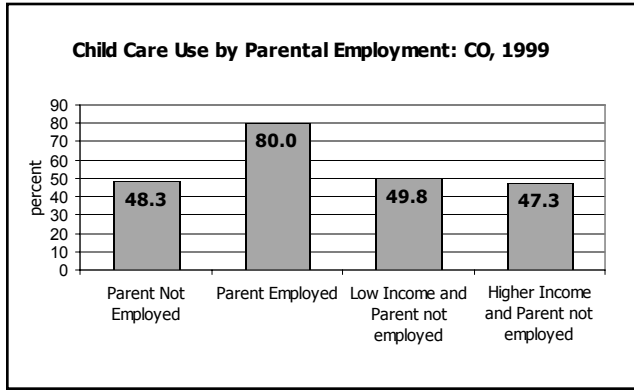
### Percentage of Young Children using ECE: CO, 1999

|   |      |
|---|------|
| Infants and Toddlers (age 2 and under)    | 58.1 |
| Preschoolers (age 3-5, but not in school) | 81.0 |

Infants and toddlers are less likely than preschoolers to be in ECE programs. This may be because parents choose to stay home with their infants and toddlers before re-entering the workforce, or perhaps Colorado doesn't have enough infant and toddler care.

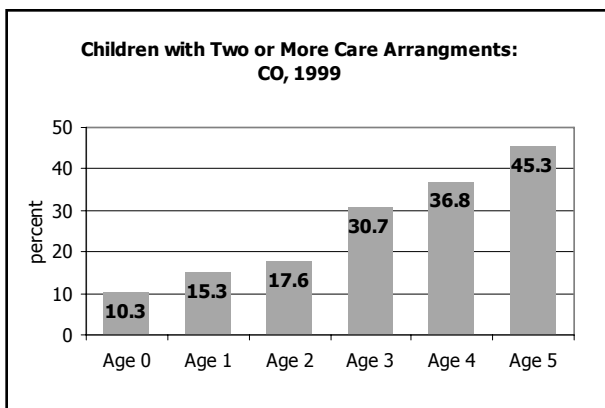
The Urban Institute and Child Trends conducted the National Survey of America's Families (NSAF) in 1997 and 1999, sampling 13 states separately, including Colorado. The data in this Issue Brief, unless otherwise noted, are from the 1999 NSAF on Colorado children age 5 and under who are not enrolled in the K-12 school system.

While ECE is more common when parents work, almost half of all families place their children in care outside of the home. Parents rely on child care to provide an enriched early education experience that helps prepare children for school. A majority of children in the preschool years are in child care; more than 80 percent of Colorado 4- and 5-year-olds who are not yet in the K-12 school system attend an ECE program.



Throughout Colorado, the type and amount of child care available for young children and children who need care during nontraditional hours is inadequate. There are about 134,000 licensed child care slots in the state, yet we have 357,202 children age 5 and under. And, as we have shown, 68 percent of all young children are in care. Approximately 100,000 more Colorado children may need child care than the licensed slots available.

As children near school age, they tend to experience more than one type of child care, which may point to child-care availability issues. Parents may be "patching together" child care to meet their work and family needs. This could be because programs such as the Colorado Preschool Program and Head Start are typically part-day, part-year programs, and parents working full-time need full-day, full-year care. Another possibility is that parents work on weekends, split shifts or nontraditional hours, and many child care programs serve families only during the traditional workweek.



**High-quality ECE has benefits.**

Rather than simply "storing" children, high-quality child care has lasting impacts on a child's well-being and school readiness<sup>iv</sup>, and provides stimulating environments that promote cognitive and physical development. Children in high-quality care demonstrate greater mathematical ability, greater thinking and attention skills and fewer behavioral problems than children in lower-quality care<sup>v</sup>. These differences hold true across family backgrounds, with particularly significant effects for children at risk.

Research has proven that high-quality child care is educational and prepares children to succeed in school. The respected Perry Preschool Project demonstrated that high-quality preschool programs decreased the need for special schooling, increased employment, reduced welfare dependence and decreased crime. This study showed that for every \$1 spent in a high-quality child care setting, \$7 of taxpayer money were saved. The carefully controlled Abecedarian Study showed that intervention for low-income children in a high-quality center resulted in higher IQ scores, improved language, delayed parenthood and more. In a more recent example, a 16-year longitudinal study found that disadvantaged children who completed Chicago's Child-Parent Centers were more likely to finish high school and less likely to be held back a grade, drop out of school or get arrested<sup>vi</sup>.

**Low-income parents are being priced out of care.**

Low-income or single-parent families cannot afford to not work and thus need child care. Also, due to welfare reform, many mothers have returned to the workforce, necessitating ECE for their children.



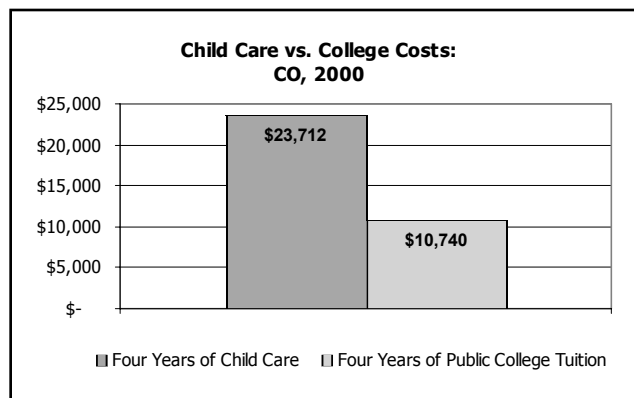
Among families with low incomes (below 200 percent of the Federal Poverty Level):

- ▶ 61.8 percent have their children in care.
- ▶ When the responding parent is employed<sup>vii</sup>, 71.1 percent have their children in care.

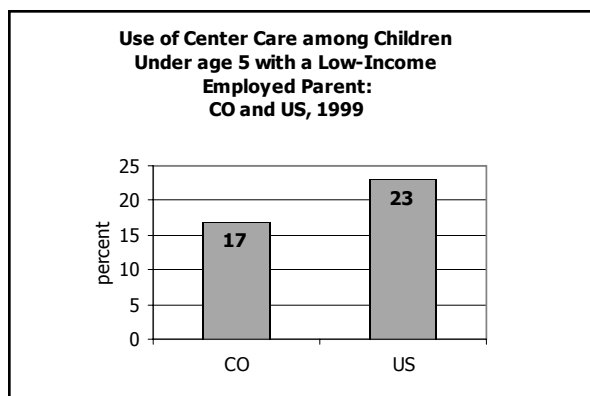
Among families with higher incomes (at or above 200 percent of the Federal Poverty Level):

- ▶ 71.9 percent have their children in care.
- ▶ The children are more likely to be in full-time care than those of low-income parents.
- ▶ When the responding parent is employed, 85.5 percent have their children in care.

A Children's Defense Fund analysis shows that full-day child care easily costs \$4,000 to \$10,000 annually, at least as much as college tuition at a public university<sup>viii</sup>.



High-quality ECE programs are expensive. Educare Colorado estimates that it costs \$8,000 per child per year to provide a high-quality, all-day preschool program. This makes it difficult for low-income families to obtain high-quality care. In fact, Colorado children from low-income families are less likely to use center care than their counterparts nationwide. Seventeen percent of Colorado children under age 5 with low-income, employed parents are in center care, compared with 23 percent nationally<sup>ix</sup>. These children of the working poor are more likely to be in relative care, which is a substantially cheaper or free option.



### **ECE is severely underfunded.**

Because many low-income families are unable to afford care, help is needed. The availability of child-care subsidies in Colorado do not meet the demand for the working poor to stay in the workforce and still be able to afford the cost of child care. In the state's fiscal year 2001-02, the majority of Colorado counties transferred the maximum dollars allowed (30 percent) from their TANF funds into their subsidized child-care fund. State and federal funds are so insufficient that only 11 percent of eligible children in Colorado received child-care assistance in 1999<sup>x</sup>.

### **CONCLUSION**

High quality early care and education is critical to meet the needs of working parents and ensure that children enter school ready to learn. Due partially to increased participation of parents in the workforce, 68 percent of Colorado's young children now spend a large part of their formative years in non-parental care. Additionally, nearly half of all young children who have at least one stay-at-home parent, regardless of income, are enrolled in ECE, presumably in preparation for school.



Research has demonstrated the many benefits ECE has for children and families. Participation of at-risk young children in high-quality ECE is associated with better educational and social outcomes. Children who receive care through loving families and high-quality programs are more likely to become adults who succeed. Children who do not, run a greater risk of failing to adjust to the many challenges they will face.

High-quality child care matters, but it is expensive. The costs can be prohibitive to many families, at least as costly as tuition at Colorado's public colleges and universities. ECE is severely underfunded, and many low-income parents are being priced out of care.

ECE helps children succeed in school through good early learning opportunities that give them a strong start, and ECE helps Colorado parents work and contribute to our state's economy. We all benefit when children get a strong start on the path toward becoming productive learners, workers and citizens.

***This series of issue briefs is funded by the Annie E. Casey Foundation and the Family Assets Initiative at The Ford Foundation.***

- i U.S. Census Bureau. Table DP-3. Profile of Selected Economic Characteristics: 2000. Geographic area: Colorado.
- ii Young children are children age five and under, but not yet in the K-12 school system.
- iii In the NSAF, the adult most knowledgeable about the child answered survey questions about the child. We refer to this adult as the child's parent or responding parent. In Colorado, this adult is the child's mother 78% of the time and the child's parent 98% of the time.
- iv Carnegie Corporation of New York. 1994. Starting Points: Meeting the Needs of our Youngest Children. New York, NY: Carnegie Corporation.
- v E.S. Peisner-Feinber, et al. 1999. The Children of the Cost, Quality and Outcomes Study Go to School: Executive Summary. Chapel Hill, NC: University of North Carolina.
- vi Stanfield, R. 2002. Chicago's Child-Parent Centers: Proving the Value of Early Childhood Education in the Real World" Advocasey. Baltimore: The Annie E Casey Foundation.
- vii Employment status refers to the employment status of the responding adult. As noted above, this adult was the child's mother 78% of the time and the child's parent 98% of the time.
- viii Schulman, K. 2000. Issue Brief: The High Cost of Child Care Puts Quality Care Out of Reach for Many Families. Washington, DC: Children's Defense Fund.
- ix Sonenstein, S., Gates, G, Schmidt, S, Bolshun, N. 2002. Primary Child Care Arrangements of Employed Parents: Findings from the 1999 National Survey of Amercia's Families. Washington, DC: The Urban Institute. Assessing the New Federalism Policy Brief B-7.
- x Abt Associates. 2000. National Study of Child Care for Low-Income Families: State and Community Substudy Interim Report. Washington, DC: U.S. Department of Health and Human Services.



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