

2019 California Child Care Portfolio Summary

Licensed family child care supply, particularly family child care, continues to decline. Child care is still largely unaffordable for families; those unable to obtain a child care subsidy are particularly vulnerable.



The California Child Care Resource & Referral Network (Network) recently released the 12th edition of the biennial California Child Care Portfolio, which tracks the changing child care landscape by county and statewide.

Decline of Licensed Child Care¹

This year's data shows a continued decrease in the licensed child care supply, with a

- 2% overall decrease,
- 0.4% decrease of child care centers, and a
- 5% decrease of family child care homes.

Of the over six million children age zero to twelve in California², only 15% have a licensed child care space available. This decline in licensed supply equates to 16,368 fewer spaces available than in 2017. There were unexpected regional differences in the change in supply, with the northern part of the state and the central valley seeing an overall increase in supply, while the bay area and southern part of the state saw a decrease.

Despite increased efforts, family child care supply still on decline

The continued decline of family child care homes is most concerning, as this is the tenth consecutive year California has seen a decline, with a drastic decrease of 30% since 2008. Family child care homes also uniquely meet the needs of many families, as they're more likely to:

- care for infants and toddlers,
- provide nontraditional hours of care,
- offer both full-time and part-time care,
- and are more affordable.

¹ California Child Care Resource & Referral Network, 2019 California Child Care Portfolio

² CA Department of Finance population projections 2018

Child Care Voucher Use in Family Child Care³

Since 2008, the number and percentage of child care vouchers being used in family child care homes has been increasing, meaning families are choosing this type of care more and more, despite the dwindling supply. This also means that an increasing proportion of family child care spaces are going to children with subsidies.

Support for Family Child Care

With the evident value of family child care homes to families, increased investment in supporting this type of care is vital. **The California Child Care Initiative Project (CCIP)**, housed in every resource and referral agency in California, works to recruit new family child care providers and support those that are existing. Since 2011, CCIP has helped create nearly 43,000 new family child care spaces, and in fiscal year 2018-19, CCIP was responsible for recruiting 25% of the new family child care homes.⁴ Continued and fortified funding to programs like CCIP is key to minimizing the decline in family child care supply California has seen in the past 12 years.

Affordability of Care

A family of three making the maximum income to qualify for a child care subsidy (\$54,027)⁵ but on a waitlist to receive one will spend on average almost half of their income on child care for two children (infant in a family child care home and a preschooler in a center). After housing costs⁶ this leaves only \$945 of pre-tax money to spend on all other family needs, including food, health care, transportation, and clothing.

This same family with a child care subsidy, who spends 10% of their income on a family fee, will have almost \$2,500 for all their other family needs. This hypothetical family will likely never receive a child care subsidy, however, since families with the lowest income receive priority, and out of over two million children who are eligible for subsidized care⁷, less than 17% receive it⁸.

Even for a family with the median family income (\$81,362)⁹, almost one-third of their pre-tax income is spent on child care for two children¹⁰. California considers child care affordable if it's seven percent or less of a family's income. For an infant in a family child care home and a preschooler in a center, a family in California would have to make at least \$341,000 a year for child care to be affordable.

Increased public investment in child care will ensure that both low and middle income families are able to afford child care without sacrificing other family needs.

³ CA Department of Education CDD 801-A

⁴ CCIP database and Child Care Licensing data

⁵ 70% of 2015 State Median Income for a family of three

⁶ U.S. Housing and Urban Development rent for 2-bedroom 50th percentile

⁷ California Budget & Policy Center

⁸ CA Department of Education CDD 801-A October 2018, CA Department of Social Services CW115, October 2018

⁹ U.S. Census Bureau American Community Survey 2018 1-year

¹⁰ Regional Market Rate 2018, cost for an infant in a family child care home and a preschooler in a center