

# Child Care - Costs

## DESCRIPTION

Children require child care for many reasons, but care is crucial when all available parents or guardians are in the workforce. The cost of care for infants and school aged children can be one of the most significant expenses in a family's budget. Child care is provided in licensed family-based locations, in a child's home, or in center-based programs.<sup>1</sup> Regardless of place of care, affordable, quality care is important to a child's development as well as a family's overall health and wellness.<sup>2</sup>

## HOW WE ARE DOING

The weekly cost of licensed family-based child care in Ramsey County ranges from \$145 to \$177 per child, depending on the age of the child, whereas licensed center-based care is more expensive-\$199 to \$331 per child per week.<sup>3</sup> There is currently more licensed family-based care (512) than licensed center-based programs (207) in Ramsey County. The number of affordable licensed family-based child care has been declining in Minnesota since 2005.<sup>1,3</sup> Overall, the cost of child care in Ramsey County lies in the median range among other metro counties.<sup>1</sup>

## DISPARITIES

Families most likely to be impacted by the cost of child care include families with an African-American or Hispanic head of household, families who have two or more children, families headed by someone with less than a high school degree, part-time workers and single parents.<sup>2</sup>

## RISK FACTORS

Due to affordability, lower-income families have fewer child care options and are at higher risk of being driven into poverty due to child care costs.<sup>2</sup>

## WHAT RAMSEY COUNTY GOVERNMENT IS DOING

The Child Care Assistance Program provides financial assistance to help families with low incomes pay for child care so that parents may pursue employment or education leading to employment, and that children are well cared for and prepared to enter school ready to learn. The Minnesota Family Investment Program (MFIP) and the Diversionary Work Program help families work toward economic stability. Minnesota fully funds child care assistance for families who participate in either program, or who have moved off the programs in the last year. In addition, the Basic Sliding Fee program, a capped allocation, assists low-income families, who are not participating in either program, with child care costs. As of October 2017, 2,370 families were on the waiting list for Basic Sliding Fee child care in Minnesota.

## Information to note

- The Twin Cities Metro has seen a 2% increase in child care capacity since 2005 but Minnesota overall has seen a 29% decrease in licensed family-based child care programs.<sup>1</sup>
- Licensed center-based child care in Ramsey County is 50% more costly than licensed family-based care.<sup>1</sup>

<sup>1</sup> Licensed Child Care Trends in Minnesota Fact Sheet: Years 2005- 2015. Minnesota Department of Human Services. <http://www.dhs.state.mn.us/main/groups/licensing/documents/defaultcolumns/dhs-292314.pdf>. Published November 2016. Updated March 2017. Accessed March 2018.

<sup>2</sup> What is the Cost of Child Care in Your State? Child Care Aware of America. <http://usa.childcareaware.org/advocacy-public-policy/resources/research/costofcare/>. Accessed January 2018.

<sup>3</sup> Rates and Marketing. Thinksmall.org. [http://www.thinksmall.org/for\\_early\\_childhood\\_professionals/build\\_a\\_better\\_business/rates\\_and\\_marketing/](http://www.thinksmall.org/for_early_childhood_professionals/build_a_better_business/rates_and_marketing/). Accessed March 2018.

