

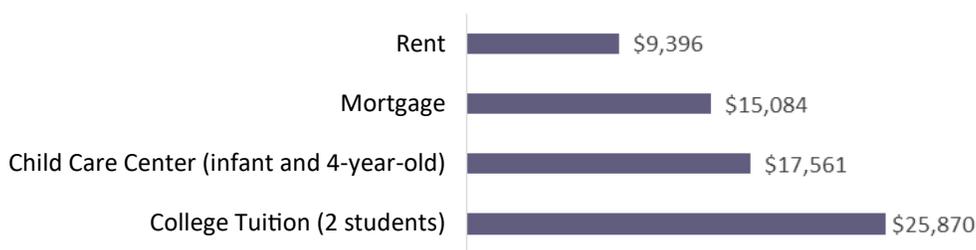


# 2020 BUDGET PRIORITY: HELP PARENTS WITH LOW WAGES FIND AFFORDABLE CHILD CARE

## LEAGUE RECOMMENDATIONS:

- Increase child care payments to providers to ensure that parents can afford 75% of the child care in their community—the federal guideline for affordability.
- Incrementally increase the income eligibility cutoff for child care assistance to the federal cap of 85% of state median income.
- Establish grants and contracts with providers to increase high-quality care in areas of shortage such as infant and toddler care, care for parents working evenings and weekends, and care for children with special needs.

## AVERAGE ANNUAL COST IN MICHIGAN



Source: *Parents and the High Cost of Child Care*, Child Care Aware of America

MICHIGAN LEAGUE FOR PUBLIC POLICY | WWW.MLPP.ORG

## BACKGROUND:

**Although eager to work, many Michigan parents cannot earn enough to pay for high-quality child care.** The cost of child care for a parent with two children in a center in Michigan is \$17,561 a year—exceeding the average annual cost of rent (\$9,396) or a mortgage (\$15,084), and rivaling the cost of college tuition for two students (\$25,870). Yet, child care providers are some of the most underpaid workers in the state, with average wages that fall below those earned by animal trainers/caretakers, manicurists and baggage porters.

**Few Michigan families are eligible for assistance with child care because of the state’s very low income eligibility thresholds.** Michigan has one of the most restrictive programs in the country, with entry eligibility for child care assistance set at 130% of the federal poverty line. As a result, the number of families receiving assistance fell from 67,000 in 2003 to approximately 20,000 in 2018—a 70% decline.

**For some parents, child care is not available even with a subsidy, including those needing scarce infant/toddler care, evening and weekend care, and care for a child with special needs.**

## WHY DOES IT MATTER?

**When parents cannot work because of the high cost of care, their children are more likely to live in poverty.** The youngest children in the state have the highest poverty rates—in part because of the barrier of child care costs. Exposure to poverty in the earliest years can affect children’s long-term development and success in school.

**Businesses report that they are unable to find workers for low-wage jobs because they cannot afford safe and reliable child care, and it is affecting their bottom line.**