

# Child Care in Alaska

## 2014 Policy Fact Sheet



March 3, 2014

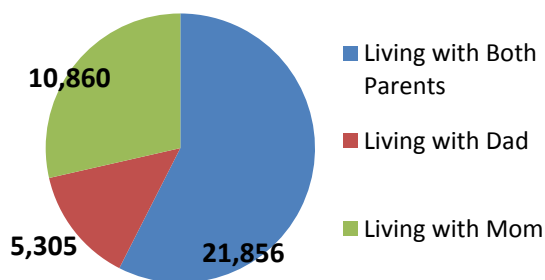
Every week in Alaska, about 38,000 children under age 6 with working parents are in some type of child care setting. Parents depend on child care to obtain and retain a job. At the same time, children need a safe place to be that promotes their healthy development.

### The Availability of Child Care Helps Strengthen the Economy

The reality is that working parents with young children depend on child care. The most recent data shows for children under age 6:<sup>1</sup>

- 21,856 children live in two parents families where both families work.
- 10,860 children live in a single parent household led by a working mother.
- 5,305 children live in a single parent household led by a working father.

#### Children Under Age 6 with Working Parents



Source: U.S. Census Bureau

### Challenges Parents Have with Child Care

The availability, affordability, and quality of child care are challenges that working parents face throughout Alaska.

For many parents, it's simply hard to find child care. thread, Alaska's statewide child care resource

and referral system, helps about 8,000 families every year find quality child care in their communities.

### Many families report difficulty affording child care.

Alaska is one of 19 states where both the annual cost of center-based infant care and center-based preschool age care exceed the annual cost of tuition and fees at 4 year state public colleges. In fact, Alaska is one of 9 states (*Alaska, DC, Florida, Montana, Nevada, New Mexico, New York, North Carolina, and Utah*) where the annual cost in both centers and family child care homes for children under age 5 exceeds the annual cost of college tuition!<sup>2</sup>



- The average annual cost of center-based infant care in Alaska is \$10,338.
- The average annual cost of center-based preschool-age care is \$7,655.
- The average annual cost for infant care in a family child care home is \$8,476.
- The average annual cost for preschool age care in a family child care home is \$8,421.

Affording child care is a challenge for most families, but particularly for those with more than one child and for those families with low incomes.

### Some Financial Assistance is Available, But Not Enough

About 14,000 children under age 6 in Alaska live in low-income working families. Another 30,000 children younger than age 13 in Alaska live in low-income families.<sup>3</sup>

Yet, on average, about 4,200 children each month receive a subsidy for their families to help make the cost of child care more affordable.

The most recent publicly available data (FY2012) shows that in Alaska:<sup>4</sup>

- 60 percent of the children (2,520) receiving a monthly subsidy are under age 5.
- 40 percent of the children (1,680) receiving a monthly subsidy are school age – between the ages of 5 and 12.

### **The quality of care is also a concern to parents.**

Alaska is developing a quality rating system for child care so that parents can more easily differentiate the quality of care among various settings.

The research about the quality of child care shows strong evidence that quality settings are related to healthy child development and school readiness. For example, quality child care is related not only to the safety of children in child care, but also to the social, emotional, physical and cognitive growth of children. Studies show quality child care:

- Improves a child's school readiness and ultimate school performance, which leads to fewer grade retentions, fewer referrals to special education, and fewer high school drop outs.

### **The Connection Between Quality Child Care and School Success**

The 2013 National Assessment for Educational Progress (NAEP) average reading scores for Alaska's 4<sup>th</sup> grade children were lower than the average scores of 4<sup>th</sup> graders in 46 other states.<sup>5</sup>

- 57 percent of 4<sup>th</sup> graders eligible for free and reduced priced lunch read below grade level.
- 74 percent of Alaska native 4<sup>th</sup> grade students read below grade level.

Studies show that a high school graduate earns \$569,000 more over a lifetime than a student who does not complete high school.<sup>6</sup> In Alaska, the

percentage of students who do not graduate on time (or drop out) is about 25 percent (2,678 students).

### **Child Care is an Economic Development Strategy**

Child care is critical for working families and working families fuel Alaska's economy. However, child care is also an investment in our children, which will lead to a stronger workforce in the future.

### **For 2014, thread recommends the following policies:**

- Increase Child Care Assistance to align with current market rates and adjust family payments to provide equitable access to child care for working families.
- Increase investment to thread to respond to growing needs of families in their search for child care and increased demands for professional development and support to advance the availability of quality child care across Alaska.
- Increase state investments in Head Start and Pre-K programs so that additional children in Alaska can be served.

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<sup>1</sup> U.S. Census Bureau. Table B23008. Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents, 2010-2012 ACS 3 year estimates. [http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_12\\_3YR\\_B23008&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_12_3YR_B23008&prodType=table)

<sup>2</sup> Parents and the High Cost of Child Care: 2013 Update. Child Care Aware of America. <http://www.usa.childcareaware.org/costofcare>

<sup>3</sup> Low Income Working Families, Annie Casey Kids Count Data Center, Alaska, <http://datacenter.kidscount.org/data#AK/2/0>

<sup>4</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY2012 Preliminary CCDF Data. <http://www.acf.hhs.gov/programs/occ/resource/fy-2012-ccdf-data-tables-preliminary>

<sup>5</sup> National Assessment for Educational Progress (2013). 4<sup>th</sup> Grade Test Score Results for Alaska. <http://nces.ed.gov/nationsreportcard/states/>

<sup>6</sup> Anthony Carnevale, Nicole Smith, Jeff Strohl, "Help Wanted: Projects of Jobs and Education Requirements through 2018" Georgetown University Center on Education and the Workforce. June 2010. <http://cew.georgetown.edu/jobs2018/>

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