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## Investing in childcare and pre-k would help families

Ambitious national investment in early childhood care and education would alleviate financial hardships for families and build a foundation for children to succeed in school and their future careers, [the Economic Policy Institute](#) says in a new report.

Childcare and preschool create benefits for children, families, society and the economy. But with too little public investment, their costs are unaffordable for many families. EPI's report proposes expanded public funding for home visits by trained nurses to help parents before and after childbirth, subsidies to allow parents to afford high-quality childcare, and publicly funded, high-quality pre-kindergarten.

The Department of Health and Human Services defines childcare as affordable if it costs 10 percent or less of a family's income – and has recently proposed reducing that benchmark to 7 percent. In Ohio, care for a single infant runs \$8,977, claiming 15.1 percent of the median family's budget. This makes childcare unaffordable for more than two-thirds of Ohio families. Care for a 4-year-old is likewise high, at \$7,341 per year. For low-income families, the costs are staggering.

Such families include childcare workers themselves. The median childcare worker in Ohio earns just \$19,500 a year, and would spend 46 percent of her income on care for one infant. The labor-intensive nature of good early childhood programs leaves both families and providers squeezed. The solution is public investment to enable families to afford care and providers to pay wages that attract and support qualified professional staff. Infant care in Ohio surpasses the cost of rent, and reaches 95.1 percent of the cost of annual in-state tuition for 4-year public college.

Investments that capped childcare costs at 10 percent of family income would save Ohio families thousands, with the biggest savings going to low-income families for whom costs represent a higher share of their income. Yet Ohio has been [moving in the wrong direction](#): our cap on childcare reimbursements covered the cost of care at 35 percent of programs until that level was slashed in 2011 and now covers just the lowest-cost 26 percent of programs.

“Childcare is extremely costly for families and yet childcare providers earn far too little,” said Michael Shields. “Deep public investment is the clear solution.”

State-level policy change would also help. Ohio ranks in the bottom ten among states for the share of poor families it helps with childcare – expanding eligibility to families who make up to about \$40,000 for a family of three would help. We could also raise childcare reimbursement rates to the national average, increasing compensation. Finally, better aligning childcare and pre-K is needed in Ohio.

The EPI paper reviews policies intended to make childcare more affordable, and finds that unfortunately non-refundable tax credits go mostly to well-off families, and subsidies for low-income families are inadequate and too-narrowly targeted. An ambitious, comprehensive national investment is essential to solving the childcare crisis in America.

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