

Child Care Subsidy Services Makes a Difference for Children and Communities

Statewide Fact Sheet

What Service is Needed:

Child Care Subsidy Services

- ❖ Helps parents pay for child care so they can work or attend school
- ❖ Provides information to parents about how to choose a safe, quality child care arrangement
- ❖ Funded by a mixture of state (23%), federal (65%) and (12%) one-time ARRA *enabled* dollars

Facts About North Carolina

- ❖ 385,744 children are eligible for child care subsidy services (Includes children under age 11 whose parents are working).¹
- ❖ \$396,150,003 is currently available to serve eligible children.²
- ❖ \$56,023,990 is currently available in one-time ARRA *enabled* dollars to serve children.³
- ❖ Currently 87,695 children are receiving subsidized child care services. This represents 22.7% of all eligible children.²
- ❖ With a 5% increase in child care subsidy funding, an additional 4,410 children could be served each month in Statewide.⁴

Key Facts about Subsidy Services in North Carolina:

- ❖ About 95,000 children per month receive subsidy services
- ❖ 82.5% of the children are receiving services because their parents are employed
- ❖ 84% of the families receiving subsidy services earn less than \$25,000 per year
- ❖ Parents pay a portion of the child care cost by paying 8%, 9%, 10% of their income as a parent

The Benefits:

For Families

- ❖ Helps parents to work and attend school
- ❖ Provides a safe setting for children
- ❖ Helps children to be better prepared for school
- ❖ Having a good early childhood education experience helps children to be successful in language, math and social skills in school

For the Community

- ❖ Working families put a large amount of money back into the local economy and tax system through their employment, earnings and purchase of child care
- ❖ The cost of child care subsidy services is offset by the working families' ability to pay taxes
- ❖ Parents with stable child care arrangements are more focused on the job and make better employees
- ❖ Receiving child care subsidy services offers children a chance to receive an early childhood education which leads to increased success in school and less costs to the community and state in terms of remedial services.

¹Based upon data from the 2000 Census and 2007 population projections.

²Includes SFY 2009-2010 non-Smart Start and Smart Start allocations and children served (during 9/09).

³One-time American Recovery and Reinvestment Act (ARRA) *enabled* funds that must be obligated and expended within the quarter allocated.

⁴Based on the average cost of care Statewide and a 5% increase in total funding (federal and state).