

Child Care is Unaffordable to Most Delaware Families

Child Care is as Expensive as Housing and College Tuition in Delaware

Only households earning **above the state median income** can afford child care as part of their annual budget.



A **family of 4** in Delaware

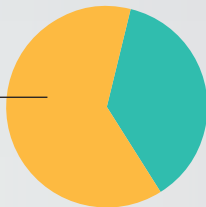
would have to make **\$88,683** annually

to afford child care and other basic, survival expenses (housing, food, childcare, transportation, health care) – and Delaware's **median family income is \$105,076**.

Cost prevents families from:

- > Joining the **workforce**
- > Going back to **school**
- > Buying a **house**
- > Having **more children***

*Delaware's birth rate has been declining—and the state is in the bottom third of states for fertility replacement rates, which poses long term economic challenges for our economy and state services.



63% of Delaware parents said they would either **return to work** or increase their hours if they found consistent **quality child care**, according to a survey of hundreds of Delaware parents in 2022-23.

Child care is a **major expense** for most families.

For a **single parent**



Child care costs

36%

of **median annual income**

\$11,834 yearly, pre-tax, per child 0-4

For a **married couple**



Child care costs

10%

of **median annual income**

\$11,834 yearly, pre-tax, per child 0-4

For a **family covered by state assistance (Purchase of Care, child care subsidy)**



Child care costs

9%

of **median annual income**

As much as \$4,800 for an annual income of \$53K, pre-tax

The federal Administration for Children and Families recommends families not pay more than 7% of their income toward child care.

Mothers are Losing Out on Income, Earning Potential

With access to affordable child care Delaware women (with two children) would, on average:



See an **additional**

\$49,000

in wage growth



Earn an additional

\$53,000

in net income



Save an additional

\$22,000



Collect an additional

\$7,000

in **social security**



Access an additional

\$132,000

over their lifetime

www.firststateprek.com

Child Care is Unaffordable, Even for Families Using Subsidies

Families covered by **public subsidy** (known in Delaware as Purchase of Care and available to those earning up to 185% of the Federal Poverty Level of \$51,337 for a family of 4) are **required to pay** a co-pay of up to **9%** of their gross income.*

*Note: This is currently covered by the state but only until the public health emergency brought on by COVID-19 ends.

For a family with 2 children making **\$49,000**, their **co-pay** would be as high as **\$4,400**.



Annual price of center based child care per child in 2021

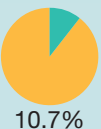
single parent median income

married couple income

Infant in center-based care
\$13,130/year (0-1)



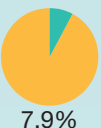
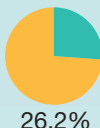
Toddler in center-based care
\$11,802/year (2-4)



Center based child care
\$12,466 (Average for all ages of center based care)



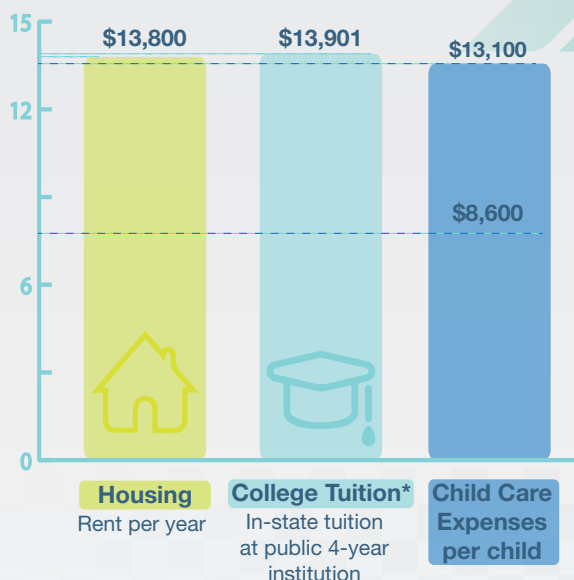
Family based care average: \$8,655 (0-4)



Infant in family-based care: \$8,876/year (0-1)

Toddler in family care: \$8,435/year (2-4)

Child Care is as Expensive as Other Household Expenses (2021)

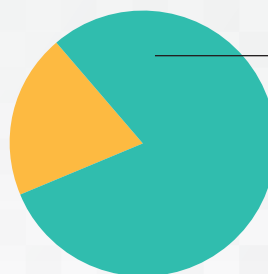


*Delawareans can go to college for free with scholarships, nothing similar exists for 0-5 years old.

What happens when families can't afford care?

> **Women's workforce** participation was the **lowest** in three decades during the pandemic.

> At the end of 2021, Delaware had a labor force participation **gap** of **9.5%** for women, which means there were **12,000 fewer** women than men in Delaware's workforce.



80% of Delaware caregivers said **child care expenses** are **holding** their family **back** from improving their situation in some way (i.e., take a job or increase hours at work, go back to school, buy a home, and/or other) according to a survey of hundreds of Delaware parents in 2022-23.

Sources found at bit.ly/3XpT7K5