



California Budget
& Policy Center

Child Care and Development Programs in California: Key Context and Current Issues

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CHILD CARE & END CHILD POVERTY IN
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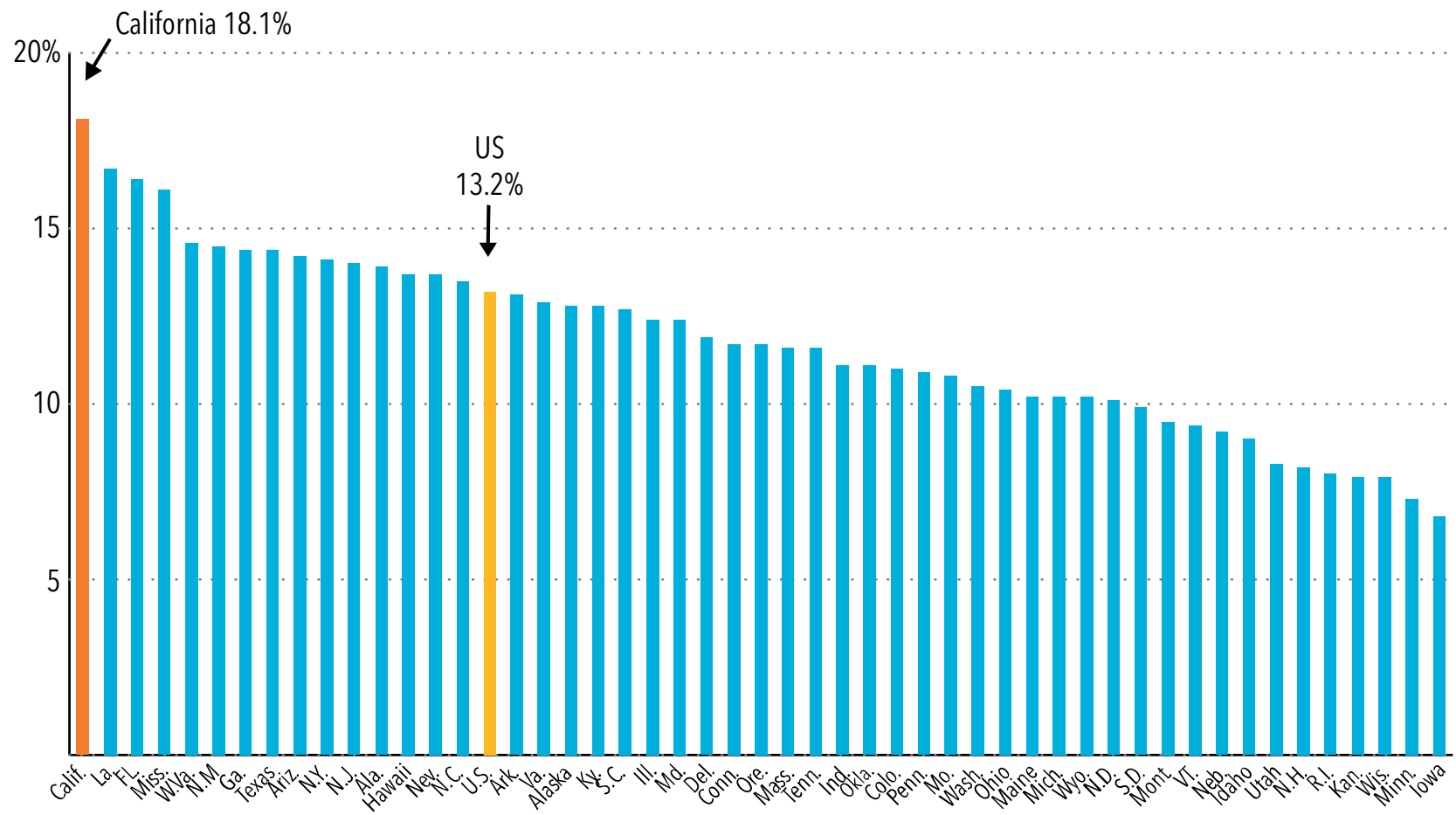
Overview

- California's high cost of living, coupled with wage stagnation for low- and middle-income workers, means many families throughout the state struggle to afford the basics.
- Funding for California's subsidized child care and development system has rebounded since the Great Recession, but the distribution of funding has shifted over time.
- California has the resources to make sure that every child and family benefits from the state's prosperity.



The California Has the Highest Poverty Rate of the 50 States Under the Supplemental Poverty Measure (SPM)

State Poverty Rate Under the SPM, 2016-2018

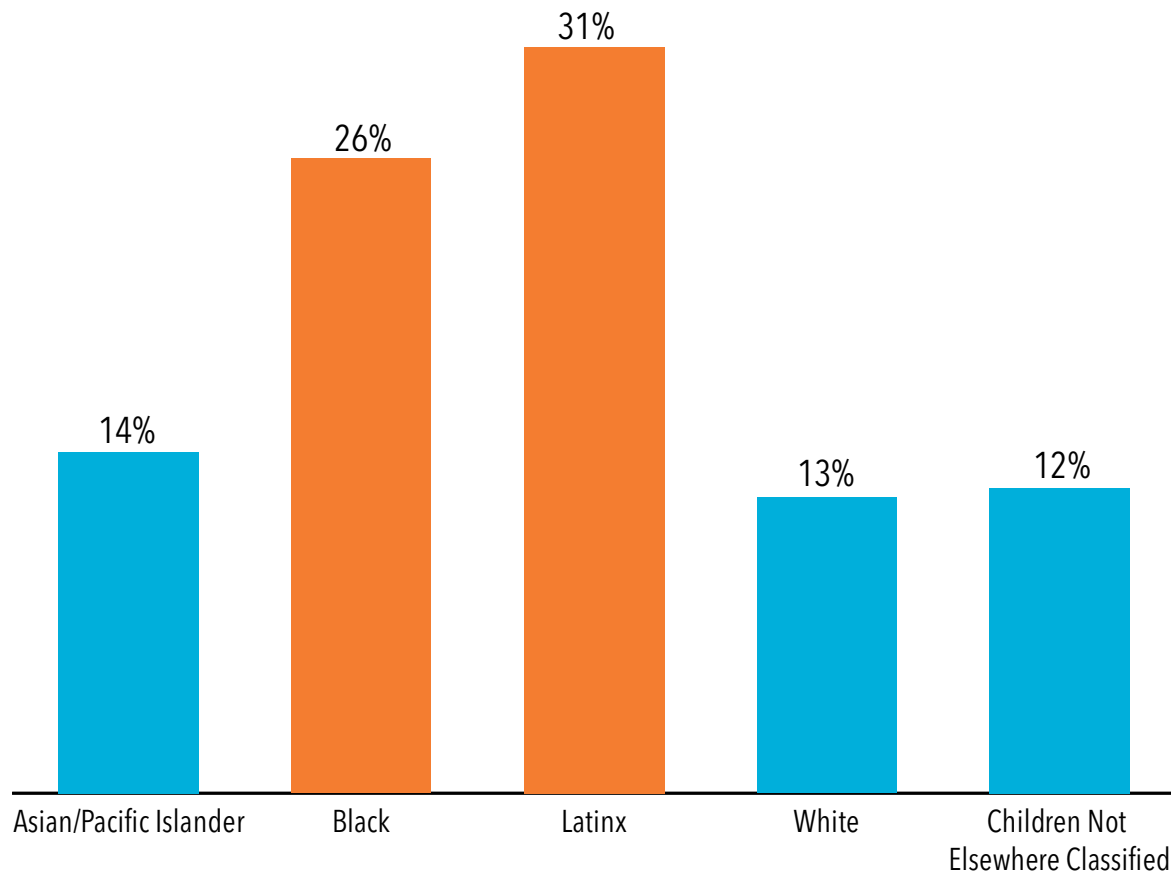


Source: US Census Bureau, Current Population Survey



Children of Color Are More Likely to Live in Poverty Due to the Legacy of Racist Policies and Ongoing Forms of Discrimination

Poverty Rate for California Children Based on the Supplemental Poverty Measure, 2013-2017



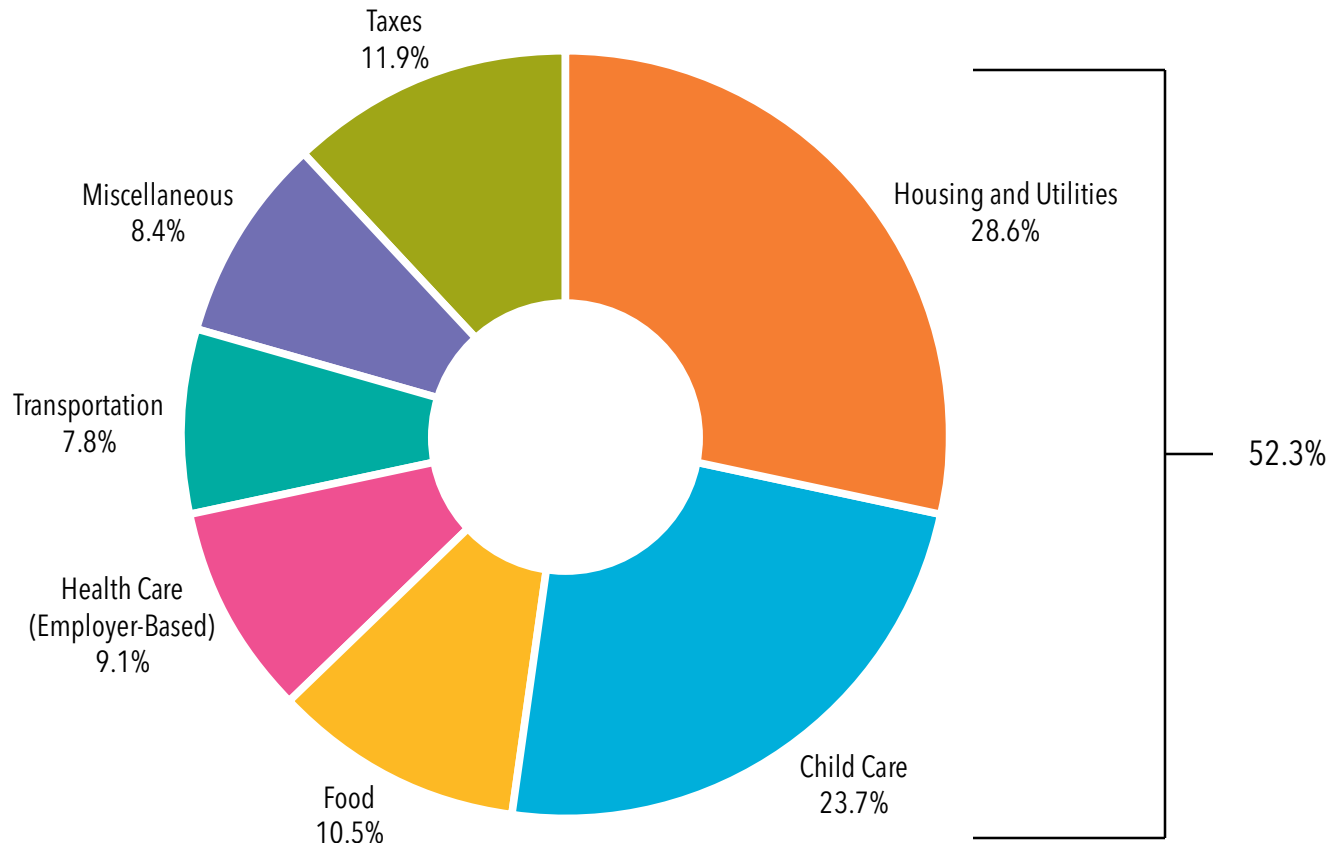
Note: Racial and ethnic groups are mutually exclusive. Due to data limitations, children who were not identified as Asian/Pacific Islander, Black, Latinx, or white were grouped together. These figures provide only a preliminary understanding of disparities by race and ethnicity, as the data are not available or cannot be reported for all racial and ethnic groups.

Source: Budget Center analysis of US Census Bureau, Current Population Survey data



More Than Half of the Average Single-Parent Family Budget in California Goes Toward Housing and Child Care

Statewide Average Annual Basic Family Budget for a Single-Parent Family = \$65,865

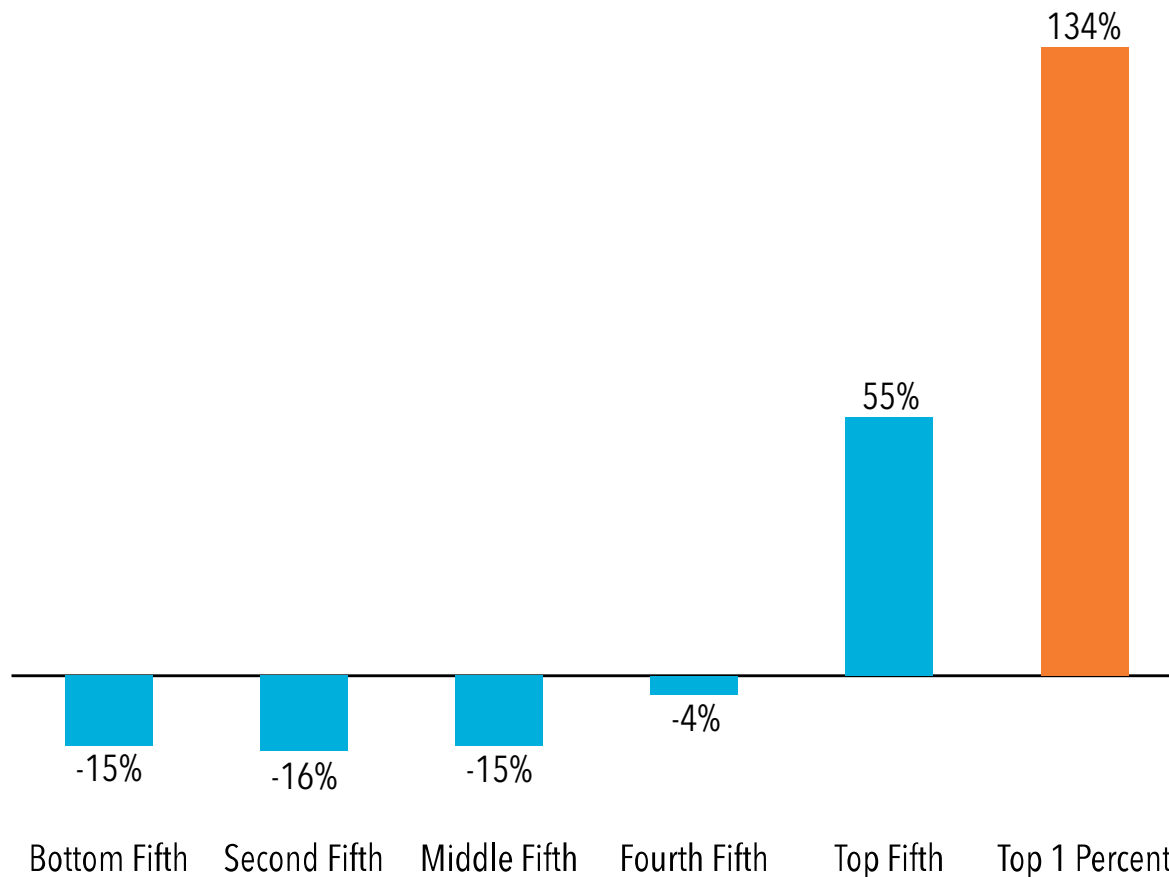


Note: Statewide average family budget calculated by averaging all county family budgets, weighted by county population.
Source: Budget Center Making Ends Meet 2017 analysis



Incomes Have Grown Only for the Highest-Income California Families Over the Past 30 Years

Percent Change in Average Adjusted Gross Income (AGI), 1987-2017, Inflation-Adjusted

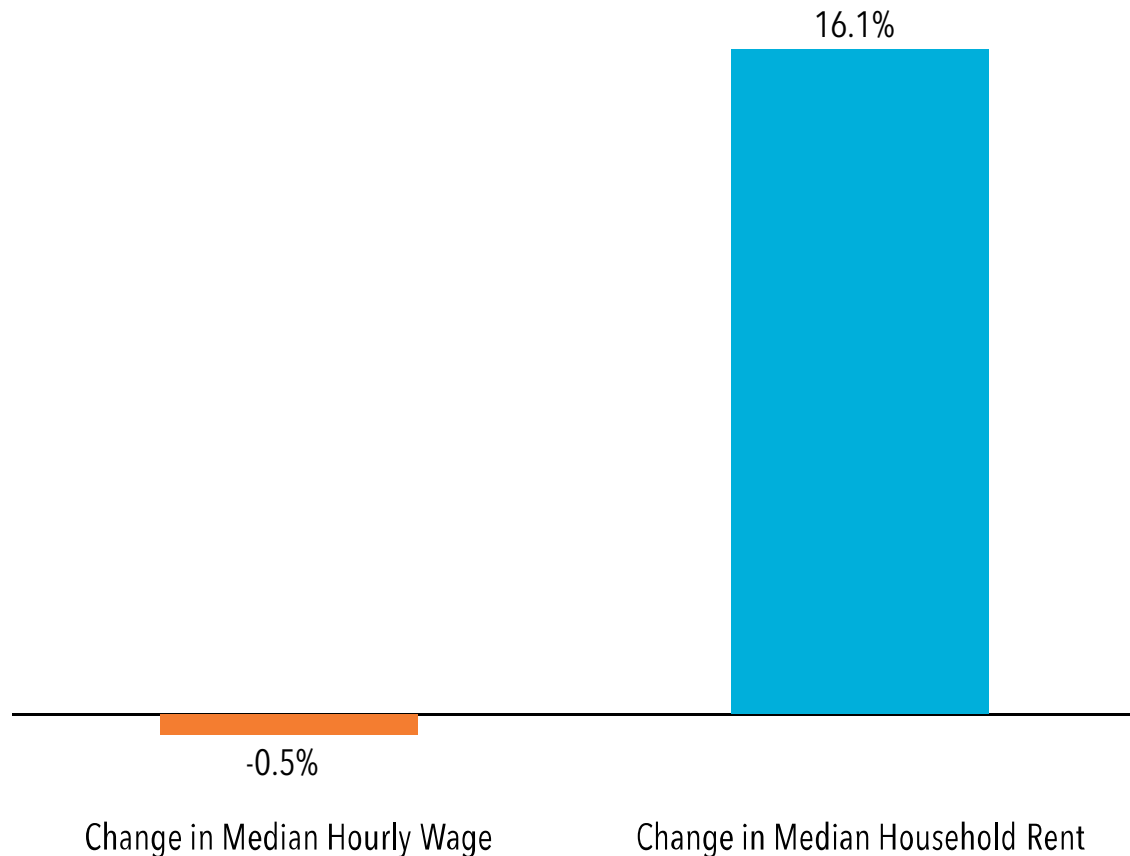


Source: Franchise Tax Board



Rents in California Have Grown Far Faster Than Hourly Wages for Typical Workers

Percent Change in Inflation-Adjusted Median Rent and Median Hourly Wage, 2006 to 2017



Note: Wage data reflect earnings for workers ages 25 to 64.

Source: Budget Center analysis of Economic Policy Institute's Current Population Survey extracts and US Census Bureau, American Community Survey data



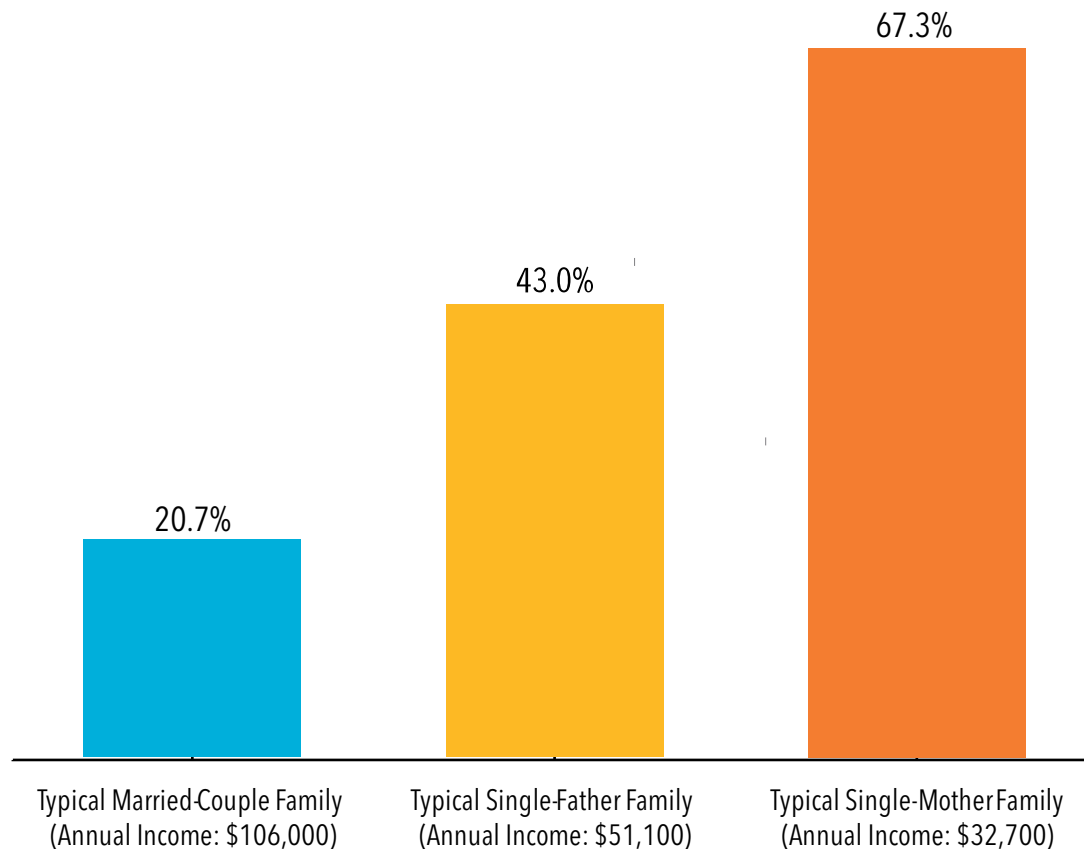
Child care is considered affordable if it doesn't exceed 7% of family income.

In California, two working parents earning low wages would *each* have to work 147 hours *per week* to avoid paying more than 7% of income on the cost of child care for an infant in a licensed center.



The Cost of Child Care in California Is Very High for Families, but Especially for Single Parents

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2018



Note: Cost of care is for a licensed center in California in 2018 (full-time for an infant and prorated according to the school year for a school-age child). Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

Source: Budget Center analysis of data from the California Department of Education, 2018 Regional Market Rate Survey and US Census Bureau, American Community Survey

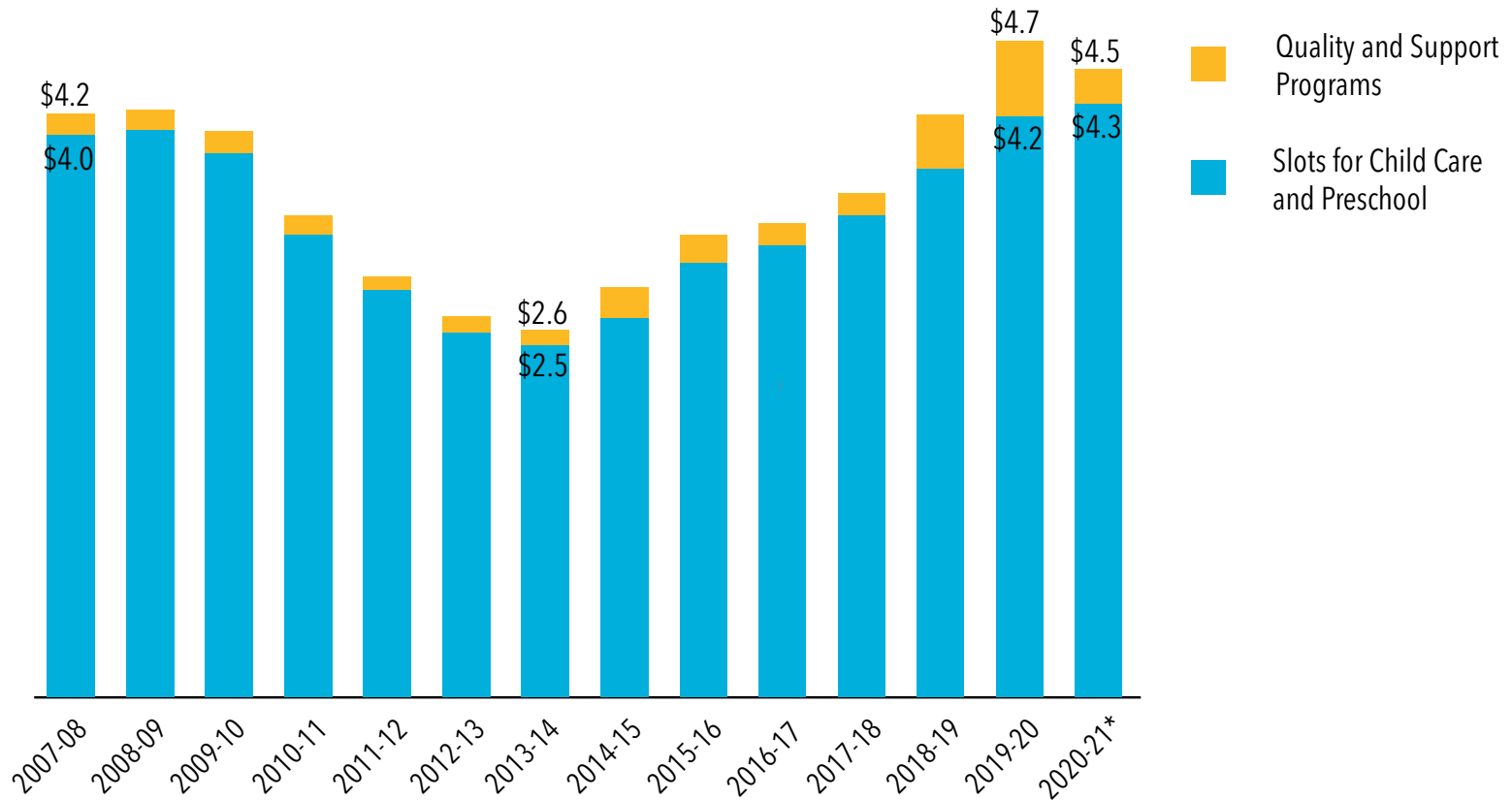


Subsidized child care and development programs help families make ends meet.

Without access to subsidized care, many families face difficult choices about where to leave their children while they are working.



Total Funding for Subsidized Child Care and Preschool in California (Billions), Inflation-Adjusted



* Proposed.

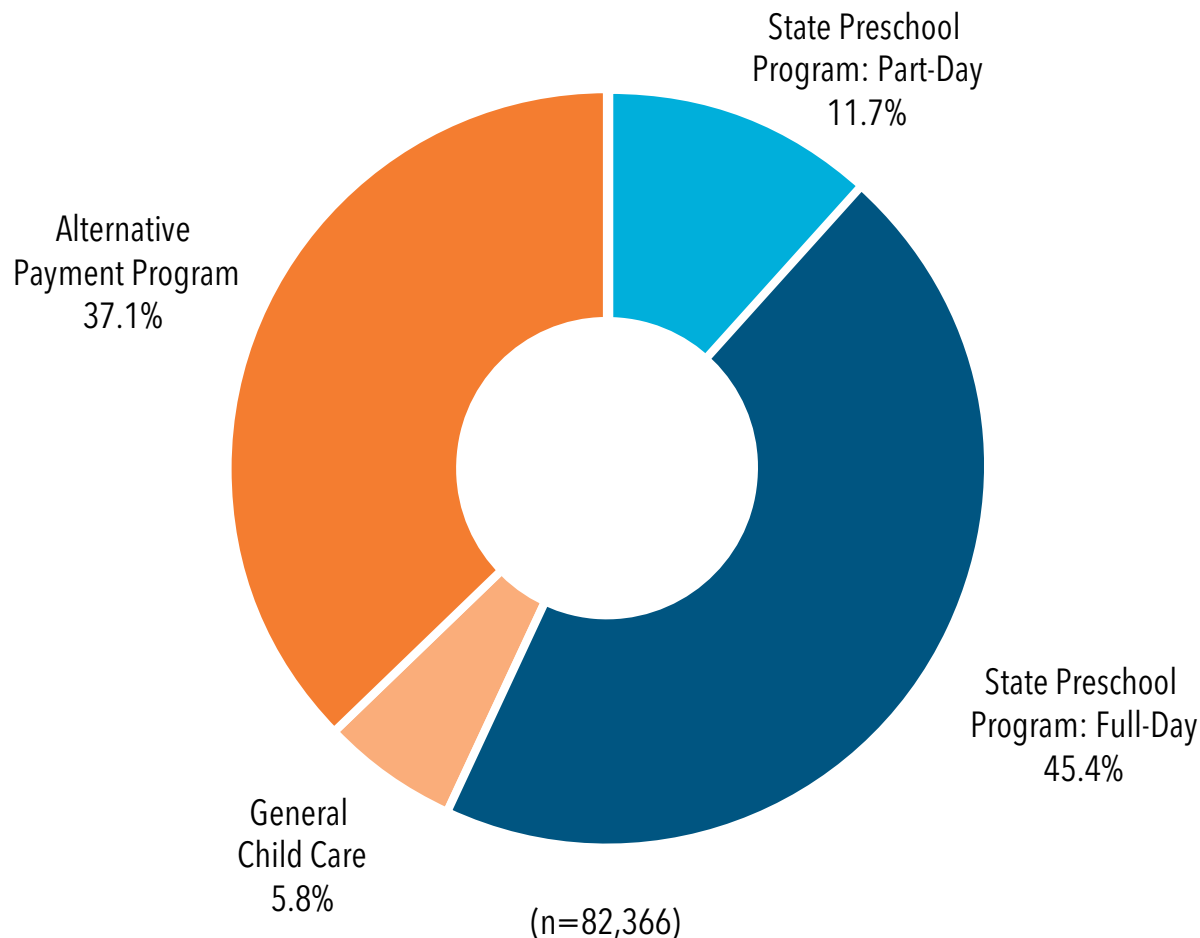
Note: Figures reflect the enacted budget each year except for 2008-09, which reflects the revised budget as of February 2009. Figures include federal and state funds for slots as well as for quality and support programs and are in 2020-21 dollars. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



About 82,000 Subsidized Child Care and State Preschool Spaces Have Been Added Since the 2013-14 State Fiscal Year

More Than Half of These Spaces Have Been Added to the California State Preschool Program



Note: Slots include those funded with federal and/or state dollars. Migrant Child Care is not shown in figure.

Source: Budget Center analysis of Department of Finance and Legislative Analyst's Office data

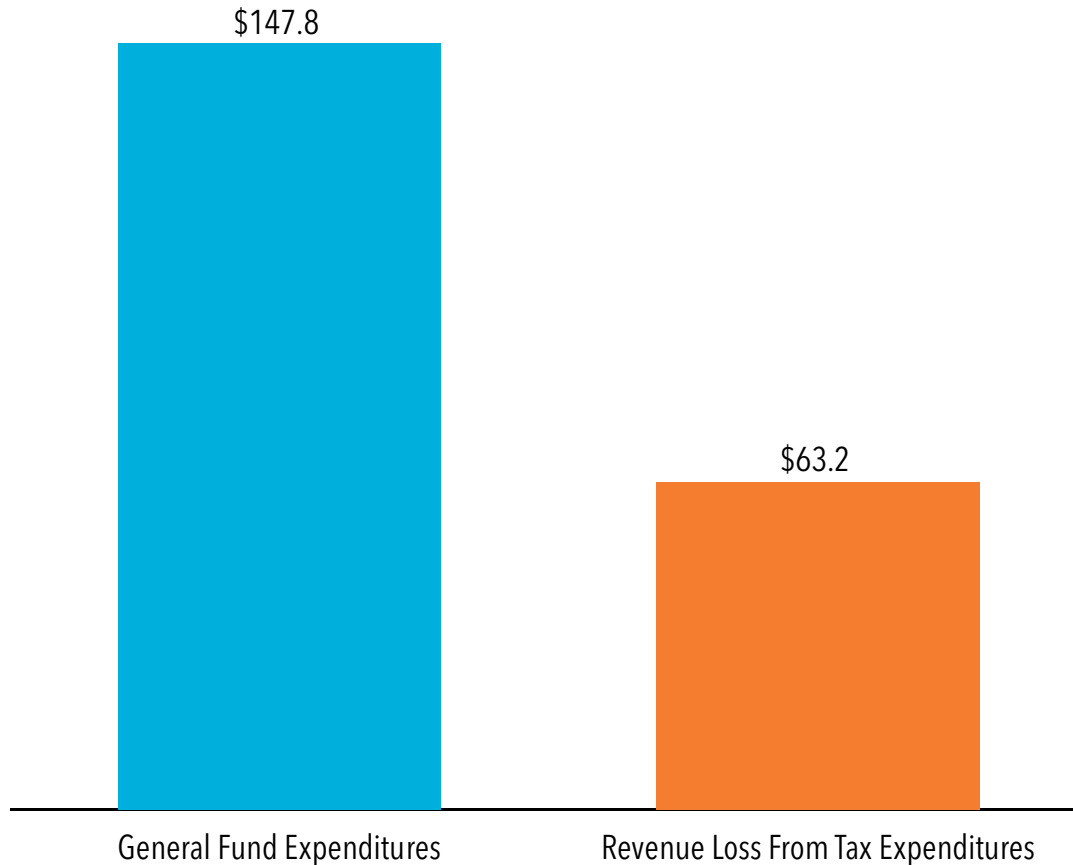


California Has the Resources to Help Families Who Are Struggling With the High Cost of Living



State Revenue Losses Due to Tax Breaks Equal Nearly 43% of California's General Fund Budget

Estimated General Fund Expenditures and Tax Expenditures, Fiscal Year 2019-20 (Billions)



Note: The revenue loss total above includes personal income tax and corporation tax expenditures, but does not include sales and use tax exemptions, which are estimated to cost \$9.6 billion in General Fund revenues in 2019-20.

Source: Department of Finance







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