

Capping the Co-pay: A State-by-State Analysis *Child Care Proposal Will Keep More Money in Families' Pockets*

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It is no secret that the cost of child care is unbearable for most families. In many states, the monthly cost of child care often exceeds the average **mortgage payment** and the annual cost is higher than **in-state college tuition**. Historically, this cost has fallen to parents and providers as the child care system has been significantly underfunded. The lack of funding exacerbates the structural racism embedded in the system and disproportionately affects **families of color, women, and single parents**.

To make matters worse, the COVID-19 pandemic ravaged the child care system, significantly impacting parents and providers. The pandemic has made it even more difficult for families to afford the high cost of care. Moreover, the lack of affordable child care falls most directly on women, whose **labor participation has fallen** drastically throughout the pandemic. The risk of mothers' departure from the labor force or reduced work hours as the result of caregiving needs could cost up to **\$64.5 billion per year in lost wages and economic activity**. Investing in an equitable system that supports families, children, and essential workers who are caring for them, is crucial to the economic recovery of our country.









The **Build Back Better (BBB) Act**, which recently passed in the house, includes historic investments in child care and pre-kindergarten totalling \$390 billion. The White House estimates 20 million children would be eligible for the program. With this investment, it is essential to make care affordable and control the out-of-pocket costs for families. The **Child Care for Working Families Act (CCWFA)**, which was reintroduced in Congress this year, provides a sliding scale structure for co-payments. Under this plan, families' co-payments, or their share of the cost, is based on their income and co-











payments vary based on state median income (SMI). Co-payments vary based on income, ranging from no out-of-pocket costs for families earning under 75 percent of the SMI to co-payments capped at 7 percent of income for families earning under 250 percent of the SMI. The Build Back Better Act utilizes and builds upon this co-payment structure. By incorporating a sliding scale in a future investment in child care, parents in the lower income brackets—who are disproportionately **people of color**—would be alleviated of the burden of the high cost of care and have more money to meet other needs. By investing in the child care system, we will both recover from the economic challenges of the pandemic and create systemic change for a brighter, equitable, and more prosperous future.

State Median Income Range	Co-payment as a Share of Income
Under 75% of SMI	0% of income
75-100% of SMI	>0% but <2% of income
100-125% of SMI	>2% but <4% of income
125-150% of SMI	>4% but <7% of income
150-250% of SMI	7% of income

Capping the Co-pay for Families

The scenarios below detail various families in different states and what their respective child care co-payment could be under a child care proposal that uses the CCWFA co-payment structure. These examples are illustrative and do not reflect actual families.

Location	Example Scenario
United States 	A family of 4 in the United States making \$100,000 with children ages 3 and 5 would pay between \$3,000 and \$4,000 a year for child care.
Arizona 	A family of 3 in Arizona making \$60,000 with an 8-month-old baby would pay between \$600 and \$1,200 a year for child care.
California 	A California family of 4 making \$70,000 with children ages 2 and 4 would pay \$0 for child care.
Delaware 	A family of 3 in Delaware making \$90,000 with a 4-year-old child would pay between \$2,700 and \$3,600 a year for child care.
Georgia 	A single mother in Georgia making \$53,000 with 3 children ages 1, 3, and 5 would pay \$0 a year for child care.
Maine 	A single mother in Maine making \$68,000 with children ages 2 and 5 would pay between \$680 to \$1,360 a year for child care.
Massachusetts 	A family of 3 in Massachusetts making \$145,000 with a 2-year-old child would pay between \$7,250 and \$10,150 a year for child care.
Minnesota 	A single father in Minnesota making \$75,000 with a 4-year-old child would pay between \$750 and \$1,500 a year for child care.

Montana		A grandmother in Montana making \$57,000 with custody of her 3-year-old grandson would pay between \$570 and \$1,140 a year for child care.
Nevada		A single mother in Nevada making \$64,000 with children ages 1 and 5 would pay between \$640 and \$1,280 a year for child care.
New Hampshire		A single mother in New Hampshire making \$165,000 with a 1-year-old would pay no more than \$11,550 a year for child care.
New York		A single father in New York making \$103,000 with a 4-year-old child would pay between \$5,150 and \$7,210 for child care.
Oregon		A family of 3 in Oregon making \$98,000 with a 3-year-old would pay between \$2,940 and \$3,920 a year for child care.
Pennsylvania		A single parent in Pennsylvania making \$63,000 with a 4-year-old child would pay between \$630 and \$1,260 a year for child care.
Rhode Island		A single parent in Rhode Island making \$45,000 with a 2-year-old child would pay \$0 for child care.
Virginia		A family of 3 in Virginia making \$76,000 with a 10-month-old baby would pay between \$760 and \$1,520 a year for child care.
Washington		A family of 3 in Washington making \$120,000 with a 4-year-old child would pay between \$6,000 and \$8,400 a year for child care.
West Virginia		A single father in West Virginia making \$35,000 with a 3-year-old child would pay \$0 a year for child care.

Child Care Family Co-payment by State and Income

The analysis below includes the sliding scale detailed in the [Build Back Better Act](#) (which builds on the structure outlined in the CCWFA). The table below outlines families' state median income from 75 percent of state median income to 125 percent state median income in a four-person family, as well as the respective child care co-payment that parents would be responsible for at the noted income level.

State	75% State median income	Family Co-pay 0%	100% State median income	Family Co-pay 1%	Family Co-pay 2%	125% State median income	Family Co-pay 3%	Family Co-pay 4%
Alabama	\$60,572	\$0	\$80,762	\$808	\$1,615	\$100,953	\$3,029	\$4,038
Alaska	\$78,053	\$0	\$104,070	\$1,041	\$2,081	\$130,088	\$3,903	\$5,204
Arizona	\$61,670	\$0	\$82,227	\$822	\$1,645	\$102,784	\$3,084	\$4,111
Arkansas	\$53,614	\$0	\$71,485	\$715	\$1,430	\$89,356	\$2,681	\$3,574
California	\$73,983	\$0	\$98,644	\$986	\$1,973	\$123,305	\$3,699	\$4,932
Colorado	\$79,590	\$0	\$106,120	\$1,061	\$2,122	\$132,650	\$3,980	\$5,306
Connecticut	\$93,815	\$0	\$125,087	\$1,251	\$2,502	\$156,359	\$4,691	\$6,254
Delaware	\$77,925	\$0	\$103,900	\$1,039	\$2,078	\$129,875	\$3,896	\$5,195
District of Columbia	\$103,172	\$0	\$137,563	\$1,376	\$2,751	\$171,954	\$5,159	\$6,878
Florida	\$60,808	\$0	\$81,077	\$811	\$1,622	\$101,346	\$3,040	\$4,054
Georgia	\$63,638	\$0	\$84,851	\$849	\$1,697	\$106,064	\$3,182	\$4,243
Hawaii	\$81,374	\$0	\$108,498	\$1,085	\$2,170	\$135,623	\$4,069	\$5,425
Idaho	\$59,865	\$0	\$79,820	\$798	\$1,596	\$99,775	\$2,993	\$3,991
Illinois	\$76,625	\$0	\$102,167	\$1,022	\$2,043	\$127,709	\$3,831	\$5,108
Indiana	\$64,934	\$0	\$86,578	\$866	\$1,732	\$108,223	\$3,247	\$4,329

Iowa	\$70,666	\$0	\$94,221	\$942	\$1,884	\$117,776	\$3,533	\$4,711
Kansas	\$67,713	\$0	\$90,284	\$903	\$1,806	\$112,855	\$3,386	\$4,514
Kentucky	\$60,305	\$0	\$80,407	\$804	\$1,608	\$100,509	\$3,015	\$4,020
Louisiana	\$61,334	\$0	\$81,779	\$818	\$1,636	\$102,224	\$3,067	\$4,089
Maine	\$70,170	\$0	\$93,560	\$936	\$1,871	\$116,950	\$3,509	\$4,678
Maryland	\$93,605	\$0	\$124,807	\$1,248	\$2,496	\$156,009	\$4,680	\$6,240
Massachusetts	\$98,439	\$0	\$131,252	\$1,313	\$2,625	\$164,065	\$4,922	\$6,563
Michigan	\$70,119	\$0	\$93,492	\$935	\$1,870	\$116,865	\$3,506	\$4,675
Minnesota	\$84,707	\$0	\$112,942	\$1,129	\$2,259	\$141,178	\$4,235	\$5,647
Mississippi	\$51,653	\$0	\$68,871	\$689	\$1,377	\$86,089	\$2,583	\$3,444
Missouri	\$66,389	\$0	\$88,519	\$885	\$1,770	\$110,649	\$3,319	\$4,426
Montana	\$65,582	\$0	\$87,442	\$874	\$1,749	\$109,303	\$3,279	\$4,372
Nebraska	\$70,245	\$0	\$93,660	\$937	\$1,873	\$117,075	\$3,512	\$4,683
Nevada	\$61,882	\$0	\$82,509	\$825	\$1,650	\$103,136	\$3,094	\$4,125
New Hampshire	\$90,616	\$0	\$120,821	\$1,208	\$2,416	\$151,026	\$4,531	\$6,041
New Jersey	\$96,590	\$0	\$128,786	\$1,288	\$2,576	\$160,983	\$4,829	\$6,439
New Mexico	\$50,962	\$0	\$67,949	\$679	\$1,359	\$84,936	\$2,548	\$3,397
New York	\$78,729	\$0	\$104,972	\$1,050	\$2,099	\$131,215	\$3,936	\$5,249
North Carolina	\$63,412	\$0	\$84,549	\$845	\$1,691	\$105,686	\$3,171	\$4,227
North Dakota	\$78,065	\$0	\$104,087	\$1,041	\$2,082	\$130,109	\$3,903	\$5,204
Ohio	\$68,389	\$0	\$91,185	\$912	\$1,824	\$113,981	\$3,419	\$4,559

Oklahoma	\$57,107	\$0	\$76,142	\$761	\$1,523	\$95,178	\$2,855	\$3,807
Oregon	\$70,538	\$0	\$94,050	\$941	\$1,881	\$117,563	\$3,527	\$4,703
Pennsylvania	\$75,746	\$0	\$100,995	\$1,010	\$2,020	\$126,244	\$3,787	\$5,050
Puerto Rico	\$24,632	\$0	\$32,843	\$328	\$657	\$41,054	\$1,232	\$1,642
Rhode Island	\$80,878	\$0	\$107,837	\$1,078	\$2,157	\$134,796	\$4,044	\$5,392
South Carolina	\$60,730	\$0	\$80,973	\$810	\$1,619	\$101,216	\$3,036	\$4,049
South Dakota	\$66,541	\$0	\$88,721	\$887	\$1,774	\$110,901	\$3,327	\$4,436
Tennessee	\$60,580	\$0	\$80,773	\$808	\$1,615	\$100,966	\$3,029	\$4,039
Texas	\$64,043	\$0	\$85,391	\$854	\$1,708	\$106,739	\$3,202	\$4,270
Utah	\$67,907	\$0	\$90,542	\$905	\$1,811	\$113,178	\$3,395	\$4,527
Vermont	\$74,388	\$0	\$99,184	\$992	\$1,984	\$123,980	\$3,719	\$4,959
Virginia	\$81,716	\$0	\$108,955	\$1,090	\$2,179	\$136,194	\$4,086	\$5,448
Washington	\$80,314	\$0	\$107,085	\$1,071	\$2,142	\$133,856	\$4,016	\$5,354
West Virginia	\$57,822	\$0	\$77,096	\$771	\$1,542	\$96,370	\$2,891	\$3,855
Wisconsin	\$74,766	\$0	\$99,688	\$997	\$1,994	\$124,610	\$3,738	\$4,984
Wyoming	\$71,861	\$0	\$95,814	\$958	\$1,916	\$119,768	\$3,593	\$4,791
United States	\$71,054	\$0	\$94,738	\$947	\$1,895	\$118,423	\$3,553	\$4,737

Under the Build Back Better act, families with income above the 150 percent of state median income and below the 250 percent of state median income would have their co-payment capped at 7 percent of their annual income. The table below outlines families' state median income for a four-person family, as well as the respective child care co-payment that parents would be responsible for at the noted income level.

State	150% State median income	Family Co-pay 5%	Family Co-pay 6%	Family Co-pay 7%	200% State median income	Family Co-pay 7%	250% State median income	Family Co-pay 7%
Alabama	\$121,143	\$6,057	\$7,269	\$8,480	\$161,524	\$11,307	\$201,905	\$14,133
Alaska	\$156,105	\$7,805	\$9,366	\$10,927	\$208,140	\$14,570	\$260,175	\$18,212
Arizona	\$123,341	\$6,167	\$7,400	\$8,634	\$164,454	\$11,512	\$205,568	\$14,390
Arkansas	\$107,228	\$5,361	\$6,434	\$7,506	\$142,970	\$10,008	\$178,713	\$12,510
California	\$147,966	\$7,398	\$8,878	\$10,358	\$197,288	\$13,810	\$246,610	\$17,263
Colorado	\$159,180	\$7,959	\$9,551	\$11,143	\$212,240	\$14,857	\$265,300	\$18,571
Connecticut	\$187,631	\$9,382	\$11,258	\$13,134	\$250,174	\$17,512	\$312,718	\$21,890
Delaware	\$155,850	\$7,793	\$9,351	\$10,910	\$207,800	\$14,546	\$259,750	\$18,183
District of Columbia	\$206,345	\$10,317	\$12,381	\$14,444	\$275,126	\$19,259	\$343,908	\$24,074
Florida	\$121,616	\$6,081	\$7,297	\$8,513	\$162,154	\$11,351	\$202,693	\$14,188
Georgia	\$127,277	\$6,364	\$7,637	\$8,909	\$169,702	\$11,879	\$212,128	\$14,849
Hawaii	\$162,747	\$8,137	\$9,765	\$11,392	\$216,996	\$15,190	\$271,245	\$18,987
Idaho	\$119,730	\$5,987	\$7,184	\$8,381	\$159,640	\$11,175	\$199,550	\$13,969
Illinois	\$153,251	\$7,663	\$9,195	\$10,728	\$204,334	\$14,303	\$255,418	\$17,879
Indiana	\$129,867	\$6,493	\$7,792	\$9,091	\$173,156	\$12,121	\$216,445	\$15,151
Iowa	\$141,332	\$7,067	\$8,480	\$9,893	\$188,442	\$13,191	\$235,553	\$16,489

Kansas	\$135,426	\$6,771	\$8,126	\$9,480	\$180,568	\$12,640	\$225,710	\$15,800
Kentucky	\$120,611	\$6,031	\$7,237	\$8,443	\$160,814	\$11,257	\$201,018	\$14,071
Louisiana	\$122,669	\$6,133	\$7,360	\$8,587	\$163,558	\$11,449	\$204,448	\$14,311
Maine	\$140,340	\$7,017	\$8,420	\$9,824	\$187,120	\$13,098	\$233,900	\$16,373
Maryland	\$187,211	\$9,361	\$11,233	\$13,105	\$249,614	\$17,473	\$312,018	\$21,841
Massachusetts	\$196,878	\$9,844	\$11,813	\$13,781	\$262,504	\$18,375	\$328,130	\$22,969
Michigan	\$140,238	\$7,012	\$8,414	\$9,817	\$186,984	\$13,089	\$233,730	\$16,361
Minnesota	\$169,413	\$8,471	\$10,165	\$11,859	\$225,884	\$15,812	\$282,355	\$19,765
Mississippi	\$103,307	\$5,165	\$6,198	\$7,231	\$137,742	\$9,642	\$172,178	\$12,052
Missouri	\$132,779	\$6,639	\$7,967	\$9,294	\$177,038	\$12,393	\$221,298	\$15,491
Montana	\$131,163	\$6,558	\$7,870	\$9,181	\$174,884	\$12,242	\$218,605	\$15,302
Nebraska	\$140,490	\$7,025	\$8,429	\$9,834	\$187,320	\$13,112	\$234,150	\$16,391
Nevada	\$123,764	\$6,188	\$7,426	\$8,663	\$165,018	\$11,551	\$206,273	\$14,439
New Hampshire	\$181,232	\$9,062	\$10,874	\$12,686	\$241,642	\$16,915	\$302,053	\$21,144
New Jersey	\$193,179	\$9,659	\$11,591	\$13,523	\$257,572	\$18,030	\$321,965	\$22,538
New Mexico	\$101,924	\$5,096	\$6,115	\$7,135	\$135,898	\$9,513	\$169,873	\$11,891
New York	\$157,458	\$7,873	\$9,447	\$11,022	\$209,944	\$14,696	\$262,430	\$18,370
North Carolina	\$126,824	\$6,341	\$7,609	\$8,878	\$169,098	\$11,837	\$211,373	\$14,796
North Dakota	\$156,131	\$7,807	\$9,368	\$10,929	\$208,174	\$14,572	\$260,218	\$18,215
Ohio	\$136,778	\$6,839	\$8,207	\$9,574	\$182,370	\$12,766	\$227,963	\$15,957
Oklahoma	\$114,213	\$5,711	\$6,853	\$7,995	\$152,284	\$10,660	\$190,355	\$13,325

Oregon	\$141,075	\$7,054	\$8,465	\$9,875	\$188,100	\$13,167	\$235,125	\$16,459
Pennsylvania	\$151,493	\$7,575	\$9,090	\$10,604	\$201,990	\$14,139	\$252,488	\$17,674
Puerto Rico	\$49,265	\$2,463	\$2,956	\$3,449	\$65,686	\$4,598	\$82,108	\$5,748
Rhode Island	\$161,756	\$8,088	\$9,705	\$11,323	\$215,674	\$15,097	\$269,593	\$18,871
South Carolina	\$121,460	\$6,073	\$7,288	\$8,502	\$161,946	\$11,336	\$202,433	\$14,170
South Dakota	\$133,082	\$6,654	\$7,985	\$9,316	\$177,442	\$12,421	\$221,803	\$15,526
Tennessee	\$121,160	\$6,058	\$7,270	\$8,481	\$161,546	\$11,308	\$201,933	\$14,135
Texas	\$128,087	\$6,404	\$7,685	\$8,966	\$170,782	\$11,955	\$213,478	\$14,943
Utah	\$135,813	\$6,791	\$8,149	\$9,507	\$181,084	\$12,676	\$226,355	\$15,845
Vermont	\$148,776	\$7,439	\$8,927	\$10,414	\$198,368	\$13,886	\$247,960	\$17,357
Virginia	\$163,433	\$8,172	\$9,806	\$11,440	\$217,910	\$15,254	\$272,388	\$19,067
Washington	\$160,628	\$8,031	\$9,638	\$11,244	\$214,170	\$14,992	\$267,713	\$18,740
West Virginia	\$115,644	\$5,782	\$6,939	\$8,095	\$154,192	\$10,793	\$192,740	\$13,492
Wisconsin	\$149,532	\$7,477	\$8,972	\$10,467	\$199,376	\$13,956	\$249,220	\$17,445
Wyoming	\$143,721	\$7,186	\$8,623	\$10,060	\$191,628	\$13,414	\$239,535	\$16,767
United States	\$142,107	\$7,105	\$8,526	\$9,947	\$189,476	\$13,263	\$236,845	\$16,579

Data Sources and Methodology

Information regarding income level as a dollar figure of SMI percentages was retrieved from **LIHEAP State Median Income** (SMI) eligibility for 2022, which is based on the **2019 ACS 5 year estimate data**. Each state's median household family income in the table was analyzed using a family household of 4, unless otherwise noted in the blurbs with different family compositions. To better align with the **White House methodology**, this update does not inflate the data (as our previous analysis did).

The co-payment percentages were retrieved for each state by using the co-payment structure outlined in child care and early education section of the House-passed Build Back Better Act (which builds on the CCWFA). The co-payments reflect annual totals, not monthly payments.

Due to data limitations, this analysis does not account for the economic impact of the COVID-19 pandemic. As a result, these data do not account for possible changes to state median income or different trends in wages over time.

Note: The version of the Build Back Better Act (**as of November 3, 2021**) referenced in this analysis passed the House on November 19 and is currently being negotiated in Congress.