

INEQUITABLE ACCESS TO CHILD CARE SUBSIDIES IN 2020: AN ANALYSIS OF STATE-LEVEL INCOME ELIGIBILITY LIMITS

Alycia Hardy & Stephanie Schmit | June 2024

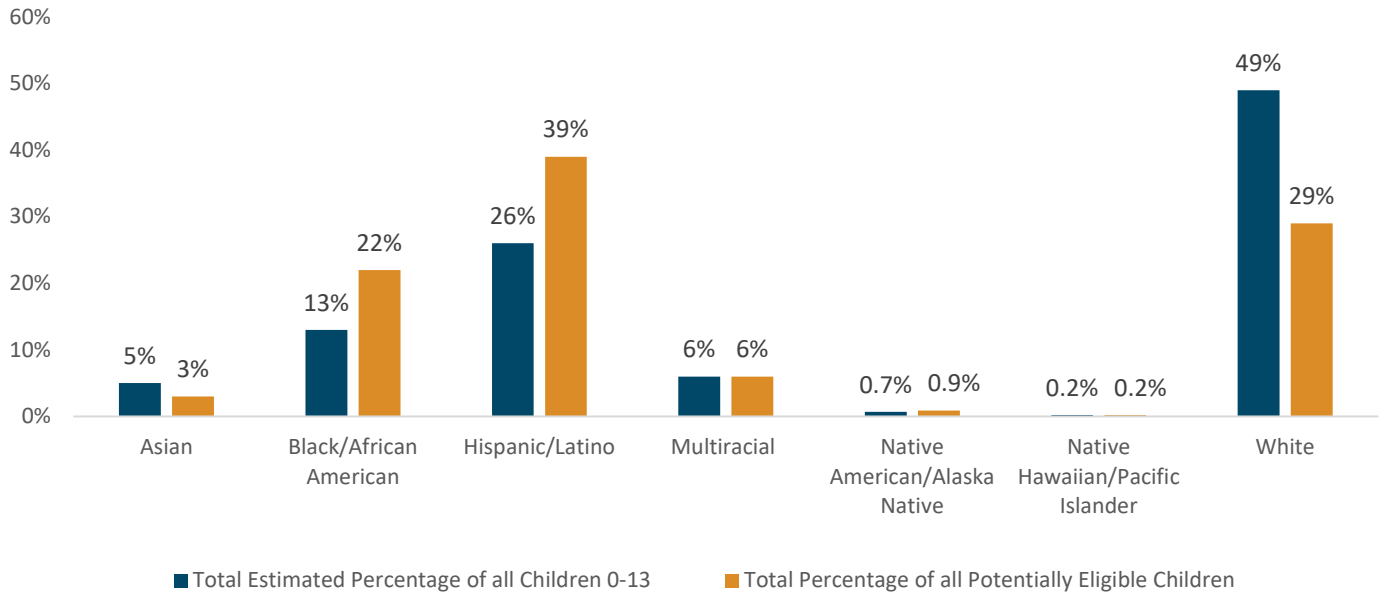
The Child Care and Development Fund (CCDF) serves as the primary source of federal funding for states to help families with low incomes afford child care and to support broader child care quality.¹ However, limited federal investments, state funding constraints, and restrictive policies mean subsidy access is out of reach for far too many children and families. Finding affordable care can be particularly burdensome for families with low incomes and even more so for those who also experience compounding racial inequities such as those faced by Black/African American, Hispanic/Latino, and other communities of color.² This fact sheet outlines CCDF subsidy eligibility and receipt for children ages 0-13 in all states, including variations by race and ethnicity, based on state income eligibility. The following analyses identify the variations in eligibility and access, offering a more nuanced definition of need and access.

In 2020, CCDF subsidies reached only 14 percent, or 1,430,000 children, of all potentially eligible children based on state income eligibility^{3, 4} with Asian, multiracial, and Hispanic/Latino children having the lowest rates.^{5, 6} This national-level, state-eligibility analysis is based on the median of all state eligibility thresholds. Potential eligibility also varied greatly, with Black/African American and Hispanic/Latino children having disproportionately higher rates of potential eligibility when compared to the overall population and the largest proportions of potentially eligible children.



CHILDREN POTENTIALLY ELIGIBLE TO RECEIVE A CCDF SUBSIDY ^{7, 8}

Comparing Proportions: Total Estimated Children Age 0-13 & Total Children Potentially Eligible to Receive a CCDF Subsidy (Based on State Income Eligibility), by Race & Ethnicity, FY2020



Source: CLASP analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data <https://data.census.gov/mdat/#/>. Totals for estimated children 0-13 and potentially eligible children categories may not add up to 100 percent due to rounding; exclusions of racial/ethnic categories that are too small to meet sample size requirements; and/or Census and ACF racial/ethnic categories were not aligned. Potential eligibility for this chart was calculated based on state income eligibility.

CLASP estimates that 51.6 million children ages 0-13 lived in the United States during 2020, and 20 percent of these children were potentially eligible for a subsidy based on state income eligibility.⁹ However, when data for all children and potentially eligible children are disaggregated by race and ethnicity there is clear over- and underrepresentation in potential eligibility for several racial/ethnic groups. Asian and white children are underrepresented or have lower distributions of potentially eligible children when compared to the distribution of all children. In contrast, Black/African American and Hispanic/Latino children are overrepresented with disproportionately high percentages of potentially eligible children. This indicates that need, based on income eligibility alone, is greater within some racial and ethnic groups—a reflection of ongoing broader systemic racial inequities that disproportionately impact these children and their families.¹⁰

CHILDREN SERVED: VARIATIONS WITHIN RACIAL AND ETHNIC GROUPS

RACE/ETHNICITY ¹¹	CHILDREN POTENTIALLY ELIGIBLE FOR CCDF WITHIN A RACIAL/ETHNIC GROUP CATEGORY		ESTIMATED & ACTUAL CCDF SUBSIDY RECEIPT WITHIN A RACIAL/ETHNIC GROUP CATEGORY	
	% ¹²	# ¹³	% ¹⁴	# ¹⁵
All racial/ethnic groups	20	10.1 million	14	1.43 million
Asian	13	312,805	5	16,902
Black/African American	36	2.2 million	24	524,459
Hispanic/Latino	30	3.9 million	9	359,851
Multiracial	19	579,658	8	48,194
Native American/Alaska Native	28	94,962	10	9,125
Native Hawaiian/Pacific Islander	26	23,720	11	2,712
White	12	2.9 million	13	365,970

While 20 percent of all children (10.1 million) were potentially eligible, this varied greatly for each racial/ethnic group.¹⁶ Similarly, only 14 percent of all potentially eligible children (1.43 million) received a subsidy, with considerable variation between each racial/ethnic group.¹⁷ The data points above are complementary and can provide a more comprehensive view of need and access. For example, a higher proportion of potential eligibility within a racial/ethnic group can indicate increased broader systemic economic inequities resulting in greater need, while lower-than-average subsidy receipt when compared to the proportion of all children can indicate state subsidy access barriers.

CONNECTING DATA AND POLICY, IMPROVING POLICIES, AND INCREASING INVESTMENTS TO CENTER EQUITY

These analyses show certain racial/ethnic groups experiencing overrepresentation among eligible populations and others with disproportionately low access. **Coupled with low overall access, this demonstrates a clear and immediate need for significant and sustained increases in federal funding to states, as well as policies that intentionally address compounding racial and economic inequities.** Both are essential to addressing the historic underfunding, present inequities, and ongoing recovery from COVID-19 that have created rippling instability and exacerbated need.¹⁸

ENDNOTES

¹ “Fundamentals of CCDF Administration: CCDF Funding Overview,” Administration for Children and Families, Child Care Technical Assistance Network, <https://childcareta.acf.hhs.gov/ccdf-fundamentals/ccdf-funding-overview>.

² Maura Baldiga, Pamela Joshi, Erin Hardy, et. al., “Data-for-Equity Research Brief: Child Care Affordability for Working Parents,” Diversitydatakids.org, 2018, https://www.diversitydatakids.org/sites/default/files/2020-02/child-care_update.pdf.

³ This total excludes children served in tribes, U.S. territories, and Georgia. Georgia was excluded from this analysis since it did not provide data that were disaggregated by race or ethnicity. The median state income eligibility threshold across all states was 189 percent of the federal poverty limit (FPL). That threshold was used to determine the national level totals for state income-eligibility. This income threshold represents initial eligibility limits—the maximum income families can have when they apply for child care assistance. Karen Schulman, “On the precipice: state child care policies 2020,” National Women’s Law Center, May 2021, <https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf>.

⁴ CLASP estimated the percentage of children served based on our analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data of children under age 13 whose available parent(s) was working and whose household incomes were at or below 189 percent FPL and “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served,” Administration for Children and Families: Office of Child Care, U.S. Department of Health and Human Services, May 2022, <https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>.

⁵ The aggregated estimate data are based on CLASP calculation of the total number of children potentially eligible for CCDF across all 50 states and the District of Columbia based on state income eligibility limits and the total number of children served from “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served,” <https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>.

⁶ These calculations are based on subsidy receipt within each racial/ethnic group, i.e., of all the multiracial children potentially eligible for CCDF, 8 percent received a subsidy.

⁷ The number of potentially eligible children is based on CLASP analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data. Due to rounding, percentages may not add up to 100.

⁸ For the purposes of this analysis, children whose ethnicity was identified as Hispanic/Latino are analyzed together, regardless of their race (including children whose race was labeled as “some other race”). All non-Hispanic/Latino children are identified by their racial group (Asian, Black/African American, multiracial, Native American/Alaska Native, Native Hawaiian/Pacific Islander, and white).

⁹ CLASP estimates are based on analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data on children under age 13 and the proportion of those children whose available parent(s) was working, with household incomes at or below 189 percent FPL.

¹⁰ Danyelle Solomon, Connor Maxwell, and Abril Castro, “Systemic Inequality: Displacement, Exclusion, and Segregation: How America’s Housing System Undermines Wealth Building in Communities of Color,” Center for American Progress, 2019, <https://www.americanprogress.org/article/systemic-inequality-displacement-exclusion-segregation/>.

¹¹ Data on race and ethnicity are collected and reported differently for CCDF and the American Community Survey. The categories included reflect the aligned categories from each data source and are not a full representation of racial/ethnic subcategories. In addition, categories not listed have been excluded due to small sample sizes. For more information, please reference the methodologies and limitations section <https://www.clasp.org/publications/report/brief/inequitable-access-2024/>.

¹² Percentages for each racial/ethnic category are calculated based on the total number of children in that group under age 13 and can be read as, “Of all the Black/African American children under age 13, 36 percent were potentially eligible for CCDF.”

¹³ The number of children in each racial/ethnic category who were potentially eligible for CCDF. The total number for all racial/ethnic groups includes children identified as “some other race” although not included as a separate group.

¹⁴ The percentages for each racial/ethnic category are calculated based on the estimated total number of potentially eligible children and estimated number of children who received a CCDF subsidy within each racial/ethnic group. It can be read as, “Of all the Asian children potentially eligible for CCDF, 5 percent received a subsidy.”

¹⁵ CLASP estimates of the number of children served by racial/ethnic category are based on “FY 2020 Preliminary Data

Table 1 - Average Monthly Adjusted Number of Families and Children Served”

(<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>) and “FY 2020 Preliminary Data Table 12a - Average Monthly Percent of Children In Care By Race and Ethnicity” (<https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-12a>). The individual totals for each racial/ethnic category of children served may not add up to the total number of children served because estimates are based on percentages provided by ACF; children identified as “some other race” are not included as a separate category but are included in total; and/or some racial/ethnic groups were excluded due to small sample sizes.

¹⁶ CLASP estimates are based on analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data on children under age 13 and the proportion of those children whose available parent(s) was working, with household incomes at or below 189 percent FPL.

¹⁷ CLASP estimates are based on analysis of American Community Survey 5-year (2017-2021), 1-year (2019), and 1-year (2021) data on children under age 13 whose available parent(s) was working, with household incomes at or below 189 percent FPL and “FY 2020 Preliminary Data Table 1 - Average Monthly Adjusted Number of Families and Children Served,” Administration for Children and Families, <https://www.acf.hhs.gov/occ/data/fy-2020-preliminary-data-table-1>.

¹⁸ Pamela Winston, “COVID-19 and Economic Opportunity: Unequal Effects on Economic Need and Program Response,” Office of the Assistant Secretary for Planning & Evaluation, U.S. Department of Health and Human Services, 2021, <https://aspe.hhs.gov/sites/default/files/private/pdf/265391/covid-19-human-service-response-brief.pdf>.