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# 2015 REPORT ON CHILD CARE IN COOK COUNTY





# 2015 Report on Child Care in Cook County For FY2014 (July 1, 2013 – June 30, 2014)

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A Report funded in part by the Illinois Department of Human Services

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# TABLE OF CONTENTS

Introduction: Families and Child Care in Cook County	1
What Types of Child Care Are Available in Cook County?	2
Who is Served by the Formal Child Care Sector?	4
How Much Does Child Care Cost?	10
Why Are Formal Child Care Costs so High?	13
How Well Does Illinois Support Families' Access to Child Care?	15
Conclusion and Policy Options	19
References	21

## Appendices

Appendix 1: The Six Cook County Regions	23
Appendix 2: Sources for Data on Child Care Providers in Cook County	24



# INTRODUCTION: FAMILIES & CHILD CARE IN COOK COUNTY

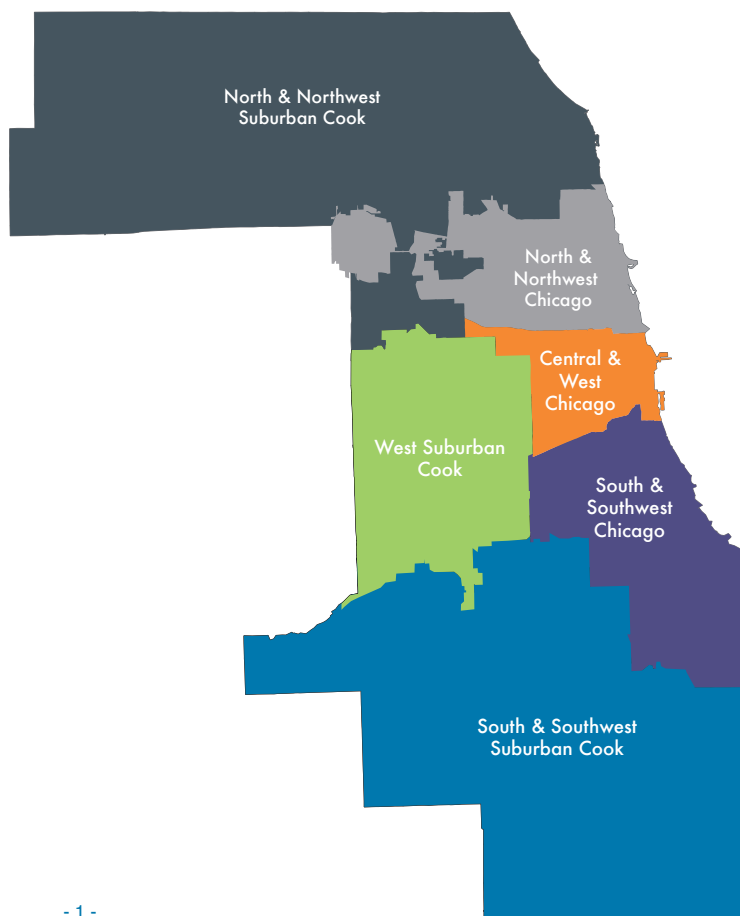
Approximately 880,000 children under the age of 13 live in Cook County. A large proportion, and perhaps a majority, of these children receive regular care from someone other than their parents or guardians: from a relative, a friend or neighbor, a family child care home, a child care center, or a park district or other after-school program.

Families seek child care by asking relatives or friends for referrals, looking at notices and advertisements, and visiting child care centers in their communities. The State of Illinois offers a resource for families in the form of a referral service. Illinois Action for Children administers this service for families in Cook County through its Child Care Resource and Referral (CCR&R) Program, maintaining a database of child care providers who register voluntarily to be referred to parents. Child care providers supply detailed information about their programs so that referral consultants can help parents find providers who match their needs and preferences. Referral consultants help educate parents on what constitutes quality child care to better equip parents in evaluating the programs they visit. Most of the data presented in this report come from information collected for this service.

This *2015 Report on Child Care in Cook County* examines the availability of child care to families in different parts of Cook County. We present the various settings in which child care takes place, the number of children that can be served in each type of care, and the fees that parents pay to different types of providers. Challenges faced by families in relation to the cost of child care and state efforts to subsidize that care are also explored. Finally, we review possible policy options that can make child care more affordable and accessible to families throughout Cook County.

## Examining Cook County Child Care by Region

Throughout this *report* we divide Cook County into six regions to show how geographic differences can affect parents' success in finding child care. Appendix 1 provides more detailed definitions of these regions. Appendix 2 provides the sources of data cited in the *report*.



# WHAT TYPES OF CHILD CARE ARE AVAILABLE IN COOK COUNTY?

A family's success in finding quality child care is based on many factors including the types of care available where they live, the child's age and specific needs, the hours of care needed, the amount the family can afford to pay, and the parent's particular preferences. If we assume families have access to all types of child care, we can look at the available options.

## **Parental Care**

Many families only use parental care. Either one parent stays home to care for the children, or both parents stagger their schedules so one can care for the children while the other works, goes to school, or fulfills other responsibilities.

## **Formal Child Care Sector**

Families might choose a formal child care arrangement in a licensed family child care home or a child care center. More than 4,900 child care providers comprise the formal child care sector.

Licensed family child care home providers offer care in their homes that is regulated by the Illinois Department of Children and Family Services (DCFS) and, in some cases, by a local licensing agency as well. Throughout this report, we refer to these caregivers as licensed home providers. In Illinois, a license is required when the home provider is caring for more than three children, including the caregiver's own children, under the age of 12.

### **Licensed Home Care – 3,514 homes in Cook County**

This is care offered in a person's home and regulated by the Illinois Department of Children and Family Services (DCFS). Licensed home providers may care for as many as eight children, plus an additional four school-age children during out-of-school time if an assistant is present. Providers with full-time adult assistants licensed as group homes can care for as many as 16 children.

Parents also have the option of enrolling their child in a child care center. While most of these facilities are licensed by DCFS, centers such as those based in schools or affiliated with religious groups are exempt from being licensed. Center care may include all-day or part-day child care programs, before- and after-school programs (including those provided by park districts and YMCAs), and full-day summer programs for school-age children. Many parents choose center-based child care as a means for preparing their children for kindergarten with a classroom-based early learning experience.

### **Full-Day Center Care – 1,209 centers in Cook County**

Child care centers typically offer full-day care to serve working parents. Most are licensed through the Illinois Department of Children and Family Services (DCFS), though some connected to schools or religious institutions are exempt from licensing.

## **School-Age Care – 196 programs in Cook County listed with Illinois Action for Children**

In addition to school-age care offered through child care centers, some schools, park districts, and programs such as the Boys and Girls clubs offer before- and/or after-school care. Most of these programs are exempt from licensing, making it difficult to get a complete count.

Parents who may not need full-time child care but wish to prepare their 3- or 4-year-old child for kindergarten may consider a part-day or part-week preschool program. These programs include private, tuition-based preschools as well as free public preschools such as Head Start and Preschool for All. Data on public and private preschool programs are not included in this *report*.

### **Informal Child Care Sector**

Tens of thousands of caregivers provide child care through informal arrangements. Parents who need or want to look beyond parental care may choose a caregiver who can provide care in the child's home, as a nanny does. They may also take their child to the home of someone they know well, such as a family member, close friend or neighbor, or someone they discovered through word-of-mouth or a referral service. This type of care is often referred to as *Family, Friend, and Neighbor (FFN) care*. When operating legally, FFN care providers are not required to have a child care license. They are also called *license-exempt home providers*.

## **Family, Friend, and Neighbor (FFN) Care – Total number unknown**

### **In Cook County, about 26,000 FFN providers participate in the Illinois Child Care Assistance Program.**

Informal care provided by friends, neighbors, and relatives either in the child's home or the caregiver's home. These providers are permitted to care for up to three unrelated children at a time without a license.

Parents using FFN care often have a personal relationship with their provider, and many choose FFN care so their children are with someone they know and trust. Families and FFN providers often share a common culture and language.

Parents also choose FFN care for economic reasons. FFN care is more affordable than center-based care or licensed home care, and many FFN providers are more flexible about if and when child care payments are made. FFN providers are more likely to offer care in the evenings, overnight, and on the weekends when other care is less available and can be more flexible with parents who receive their work schedules on short notice.<sup>1</sup>



## WHO IS SERVED BY THE FORMAL CHILD CARE SECTOR?

The formal child care sector, comprised of child care centers and licensed homes, has the capacity to care for approximately 144,000 Cook County children.<sup>2</sup> As there are over 596,000 children age birth to 12 in Cook County with all parents working, just 24 percent of children potentially in need of child care can be served in formal child care settings.<sup>3</sup> The remaining 76 percent of children in this category may be cared for by one or more of the following: license-exempt child care providers, babysitters or nannies, public or private preschool programs, older siblings or family members, parents or guardians who work part-time or stagger their work schedules, or even self-care.

	Formal Child Care Slots					Children Potentially in Need of Child Care <sup>3</sup>		
	Child Care Centers	School Age Programs	Licensed Homes	Licensed Homes - additional school age slots	Total Slots	Total Children Birth to 12	Children Birth to 12 with all parents working	Slots as a percent of children potentially in need of care
<b>Cook County</b>	<b>97,021</b>	<b>13,247</b>	<b>26,997</b>	<b>6,709</b>	<b>143,974</b>	<b>879,696</b>	<b>596,041</b>	<b>24%</b>
N & NW Chicago	15,155	1,079	3,443	1,014	20,691	157,942	104,124	20%
Central & West Chicago	14,177	918	3,967	915	19,977	92,950	59,949	33%
S & SW Chicago	21,739	1,732	10,784	2,842	37,097	195,495	133,688	28%
<b>Chicago Total</b>	<b>51,071</b>	<b>3,729</b>	<b>18,194</b>	<b>4,771</b>	<b>77,765</b>	<b>466,387</b>	<b>297,761</b>	<b>26%</b>
N & NW Suburban Cook	20,450	6,614	1,732	297	29,093	191,240	130,281	22%
West Suburban Cook	8,726	1,101	2,525	575	12,927	104,256	69,237	19%
S & SW Suburban Cook	16,774	1,803	4,564	1,066	24,189	137,814	98,762	24%
<b>Suburban Total</b>	<b>45,950</b>	<b>9,518</b>	<b>8,803</b>	<b>1,938</b>	<b>66,209</b>	<b>433,309</b>	<b>298,280</b>	<b>22%</b>

While not all child care centers report their slots by age to Illinois Action for Children, the data below reflect the capacity of the 77 percent that do.<sup>4</sup> Note the low number of infant and toddler slots compared to slots for older children.

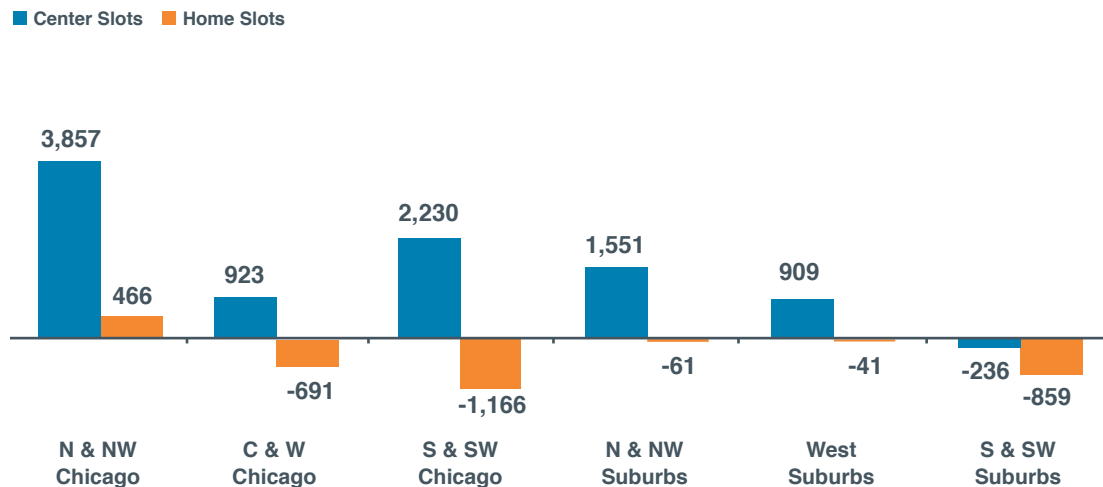
Center Slots	Infant	Toddler	2-year-old	3- to 4-year-old	5-year-old & kindergarten	Before & After School (full & part time)	School Age, Summer
<b>Cook County</b>	<b>5,606</b>	<b>6,886</b>	<b>12,127</b>	<b>21,095</b>	<b>15,237</b>	<b>14,070</b>	<b>20,165</b>
N & NW Chicago	598	819	1,714	3,311	2,346	2,228	3,305
Central & West Chicago	816	897	1,664	2,690	1,947	1,789	3,914
S & SW Chicago	1,008	1,323	2,989	4,885	3,465	2,452	6,944
<b>Chicago Total</b>	<b>2,422</b>	<b>3,039</b>	<b>6,367</b>	<b>10,886</b>	<b>7,758</b>	<b>6,469</b>	<b>14,163</b>
N & NW Suburban Cook	1,454	1,714	2,612	4,327	3,555	3,513	3,697
West Suburban Cook	546	655	1,113	2,348	1,605	1,318	603
S & SW Suburban Cook	1,184	1,478	2,035	3,534	2,319	2,770	1,702
<b>Suburban Total</b>	<b>3,184</b>	<b>3,847</b>	<b>5,760</b>	<b>10,209</b>	<b>7,479</b>	<b>7,601</b>	<b>6,002</b>



## Trends in Licensed Care Slots over Time

Over the past five years, the total number of licensed child care slots in Cook County grew by 6,882 slots, or six percent. Almost all of the growth can be attributed to an increase in licensed center slots; during this period licensed home slots declined in almost every region of the county. The bulk of the growth in center slots was within the city of Chicago, where slots grew by nine percent compared to just two percent in suburban Cook County.

### Change in Number of Licensed Child Care Slots by Region, 2009-2014



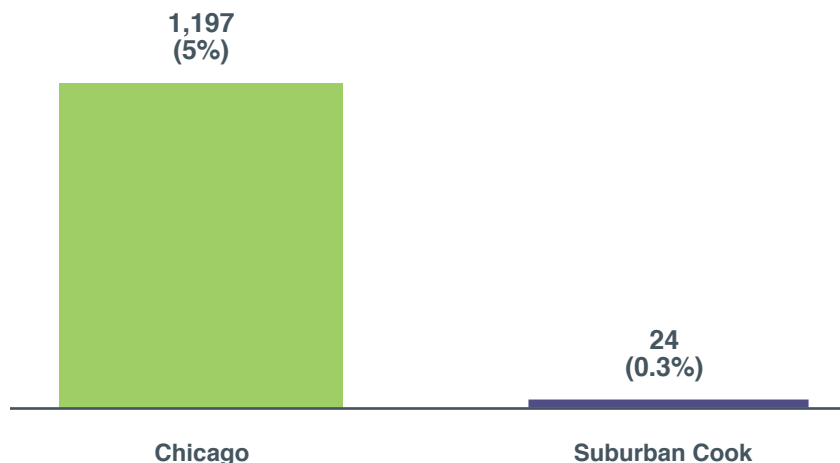
There are two exceptions to the general trend. The South and Southwest suburban region saw an overall loss of more than 1,000 slots from licensed centers and homes collectively. In contrast, the North and Northwest region of Chicago saw the most growth – an increase of more than 4,000 slots – and is the one region that did not experience any decline in licensed home care.

## Availability of Infant Care

State licensing standards require high caregiver-to-child ratios for infant care: one caregiver for every four infants in centers and one caregiver for every three infants in homes without an assistant. Organizations such as the American Academy of Pediatrics and American Public Health Association recommend even stricter ratios of one caregiver for every three infants in child care centers and one caregiver for every two infants in large family child care homes.<sup>5</sup> As a result, child care providers find it costly to provide infant care and may limit the number of infant slots they offer, opting to provide slots for older children instead.

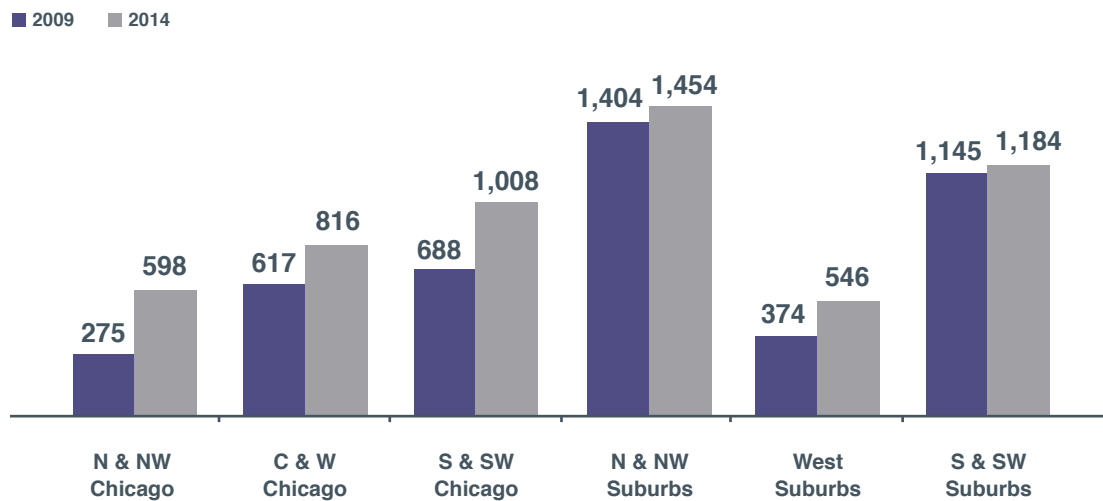
Overall, the availability of infant care in Cook County has improved significantly over the past five years. Similar to the overall trend in licensed slots, the number of infant center slots increased substantially while the number the licensed home slots declined. The result was a net gain of almost 1,200 infant slots in the city of Chicago and 24 new slots in suburban Cook County.

## Change in Total Number of Infant Slots in Centers & Licensed Homes, 2009 – 2014



Infant center slots increased in every region of the county. Four regions in the county, in particular, saw substantial growth: in North and Northwest Chicago, infant center slots more than doubled, in South and Southwest Chicago and West Suburban Cook the number of slots increased by almost 50 percent, and in Central and West Chicago they increased by almost a third.<sup>6</sup>

## Number of Infant Center Slots by Region, 2009 & 2014

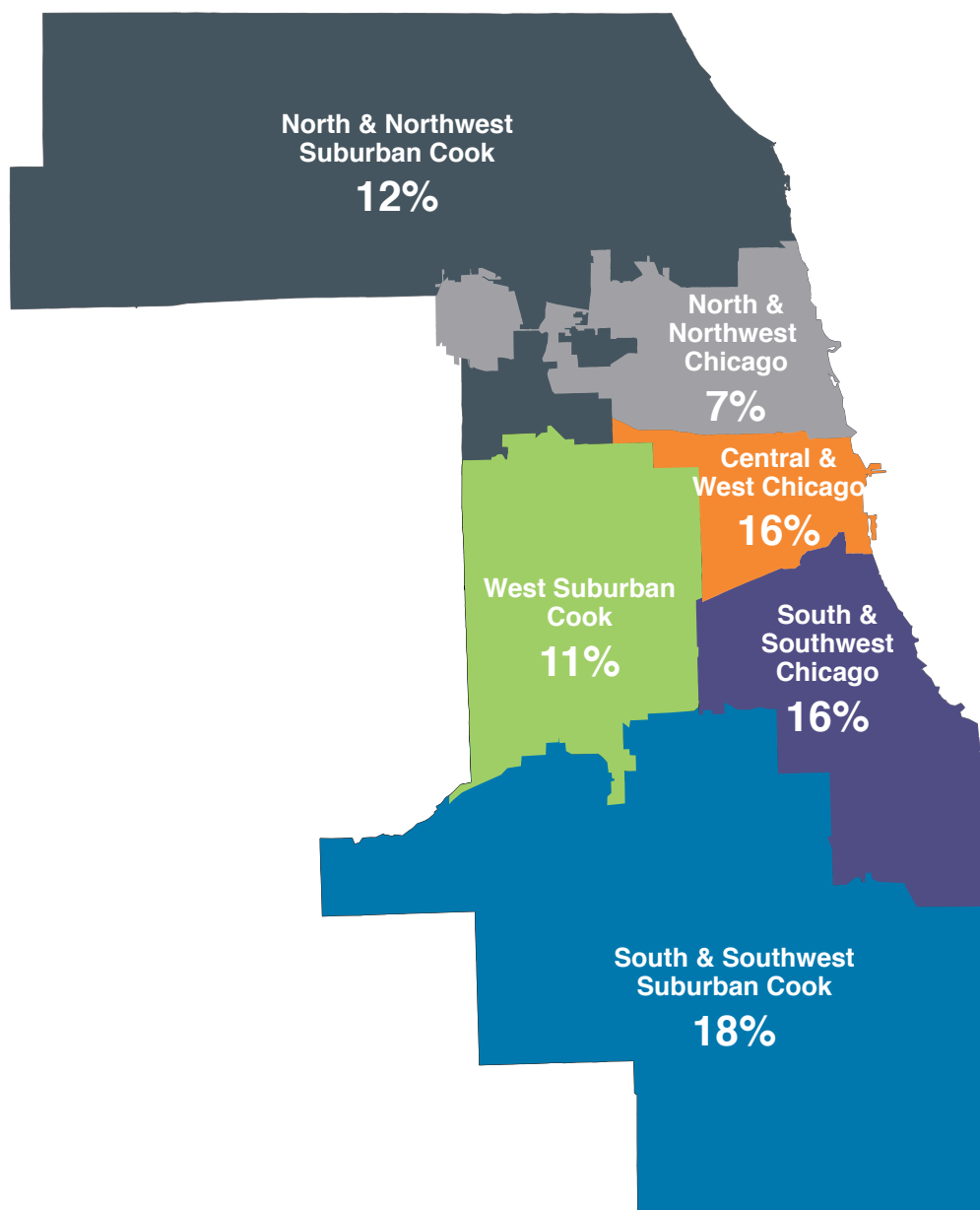


Parents looking for licensed care for their infants will have an easier or harder time finding care depending on the ratio of infant slots to infant population in their community.

Regions with the greatest availability of infant care have enough slots to serve 16 percent to 18 percent of their infants. These regions include the South and Southwest suburbs, Central and West Chicago, and South and Southwest Chicago.

Parents may have the most difficulty in North and Northwest Chicago. Despite doubling its supply of infant care over the past five years, this region has slots to accommodate only seven percent of its infants.<sup>7</sup>

### Percent of Infants for whom a Center or Licensed Home Slot is Available







## Availability of Care during Non-Traditional Work Hours

Many families, particularly low-income families, find the availability of child care to be limited during non-traditional work hours. Most child care programs are available only during the daytime on weekdays, but half of part-time employees and one-third of full-time employees work non-traditional schedules that include at least some evening, night, or weekend hours.<sup>8</sup> Many also work schedules that vary, sometimes with little advance notice. Relatively few programs accommodate parents' needs for evening child care, overnight care, weekend care, or care on a variable schedule.

### Programs With Evening Care, by Region (between 7 pm and 2 am)

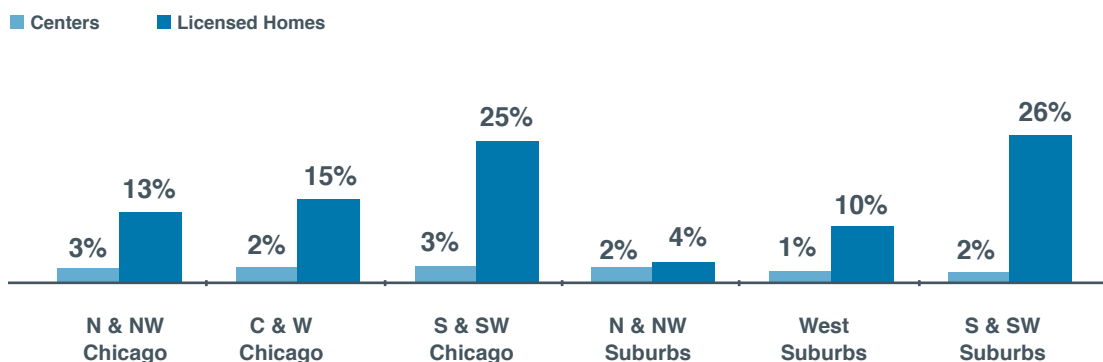


Licensed homes are generally more flexible than centers in offering care during non-traditional hours. In several regions, more than half of home providers are licensed to provide evening care compared to, at most, 17 percent of centers. However, further study is needed to determine how many of these homes actually *offer* care during the evening hours for which they are licensed.

Home providers are also more likely than centers to offer weekend care, particularly homes in the South and Southwest Chicago and the South and Southwest suburbs.

The availability of weekend care in homes has been growing in Cook County as a whole. The number of homes reporting that they offer weekend care rose from 8 percent in 2006 to 19 percent in 2014.

### Programs With Weekend Care, by Region



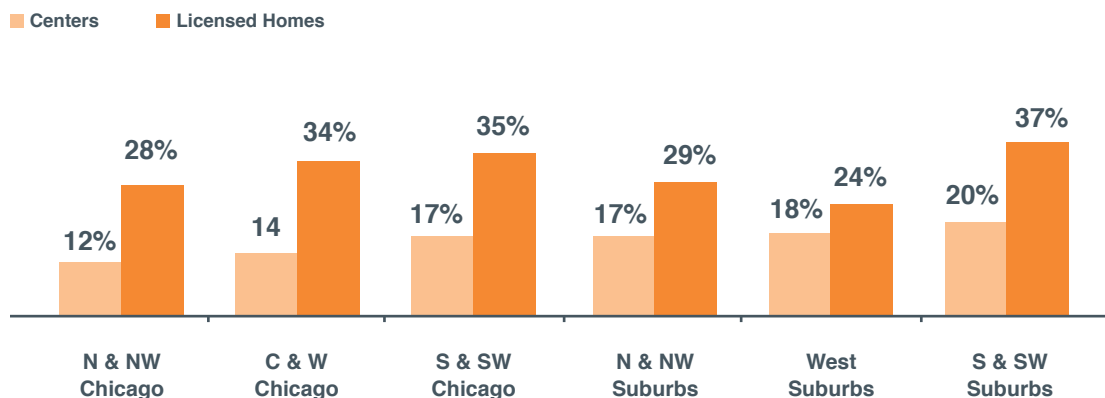
Very few programs offer overnight care – less than 1 percent of centers and less than 2 percent of licensed homes in Cook County.

### Programs With Overnight Care, by Region (between 2 am – 5 am)



Programs offering variable hours are important for parents with changing work schedules. However, the majority of programs do not offer care for changing schedules. Only about one-third of licensed homes and 16 percent of centers say they accommodate variable schedules. In fact, many programs require parents to pay for the entire week regardless of whether or not their child attends all week. This policy provides programs with needed financial stability but can cause hardship for parents.

### Programs Allowing Variable Schedules, by Region



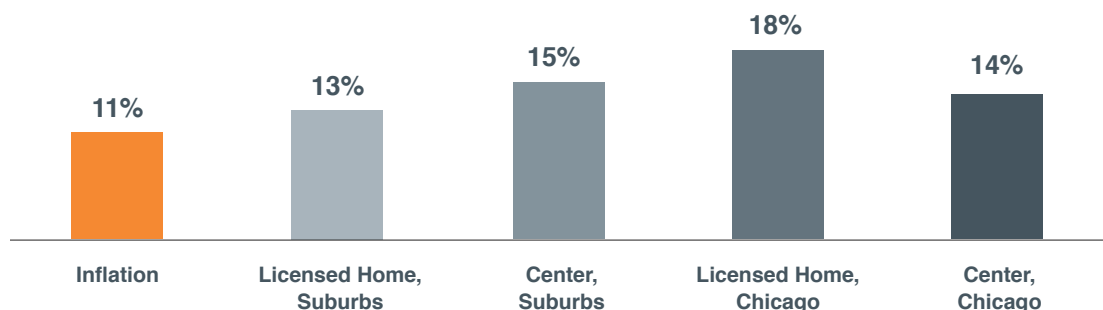
Since non-traditional work schedules often go hand-in-hand with low-income jobs, most families seeking child care during non-traditional hours are also challenged by affordability issues. It is not surprising, then, that many parents turn to relatives, friends, and neighbors to care for their children. These providers offer a more flexible and affordable alternative as compared to other child care options.



## HOW MUCH DOES CHILD CARE COST?

The cost of child care continues to rise each year. In fact, prices for most types of child care in Cook County have risen faster than inflation.<sup>9</sup>

### Percent Increase in the Cost of Preschool-Age Care Since 2009 Compared to Inflation



Each year, Illinois Action for Children's Child Care Resource and Referral (CCR&R) program asks providers to report the rates they charge parents. The tables below present the rates for both centers and licensed homes for the regions of Cook County based on the child's age.<sup>10</sup> The final row of each table is the maximum weekly reimbursement rate the State will pay on behalf of families eligible to receive assistance via the Illinois Child Care Assistance Program (CCAP).<sup>11</sup>

### Average Weekly Rates: Full-time Child Care in a Center

	Infant (6 weeks to 14 months)	Toddler (15 to 23 months)	2-year-old	3- to 4- year-old	5-year-old & kindergarten	Before & After School	School Age, Summer
<b>Cook County</b>	<b>\$256</b>	<b>\$242</b>	<b>\$210</b>	<b>\$189</b>	<b>\$181</b>	<b>\$128</b>	<b>\$159</b>
N & NW Chicago	\$285	\$260	\$218	\$195	\$186	\$130	\$155
Central & West Chicago	\$277	\$262	\$224	\$193	\$192	\$129	\$158
S & SW Chicago	\$213	\$210	\$179	\$156	\$154	\$118	\$135
<b>Chicago</b>	<b>\$243</b>	<b>\$233</b>	<b>\$198</b>	<b>\$175</b>	<b>\$171</b>	<b>\$123</b>	<b>\$145</b>
N & NW Suburban Cook	\$309	\$285	\$255	\$245	\$221	\$140	\$204
West Suburban Cook	\$257	\$239	\$210	\$185	\$179	\$117	\$155
S & SW Suburban Cook	\$227	\$219	\$197	\$171	\$166	\$130	\$152
<b>Suburban Cook</b>	<b>\$265</b>	<b>\$249</b>	<b>\$223</b>	<b>\$203</b>	<b>\$191</b>	<b>\$132</b>	<b>\$169</b>
Maximum amount reimbursed by CCAP for full-time care	\$232.45		\$196.30	\$163.60		\$81.80 (under 5 hrs/day) \$163.60 (5+ hrs/day)	\$163.60

## Average Weekly Rates: Full-Time Child Care in a Licensed Home

	Infant (6 weeks to 14 months)	Toddler (15 to 23 months)	2-year-old	3- to 4- year-old	5-year-old & kindergarten	Before & After School	School Age, Summer
<b>Cook County</b>	<b>\$168</b>	<b>\$165</b>	<b>\$160</b>	<b>\$153</b>	<b>\$151</b>	<b>\$137</b>	<b>\$145</b>
N & NW Chicago	\$184	\$179	\$174	\$167	\$164	\$152	\$158
Central & West Chicago	\$161	\$159	\$153	\$145	\$143	\$134	\$133
S & SW Chicago	\$161	\$158	\$153	\$146	\$144	\$137	\$140
<b>Chicago</b>	<b>\$165</b>	<b>\$162</b>	<b>\$157</b>	<b>\$150</b>	<b>\$147</b>	<b>\$139</b>	<b>\$143</b>
N & NW Suburban Cook	\$219	\$215	\$212	\$208	\$204	\$171	\$177
West Suburban Cook	\$172	\$168	\$164	\$157	\$154	\$135	\$154
S & SW Suburban Cook	\$160	\$157	\$152	\$145	\$142	\$128	\$136
<b>Suburban Cook</b>	<b>\$175</b>	<b>\$172</b>	<b>\$167</b>	<b>\$161</b>	<b>\$157</b>	<b>\$135</b>	<b>\$149</b>
Maximum amount reimbursed by CCAP for full-time care <sup>10</sup>	\$162.00		\$155.95	\$146.15		\$73.10 (under 5 hrs/day) \$146.15 (5+ hrs/day)	\$146.15

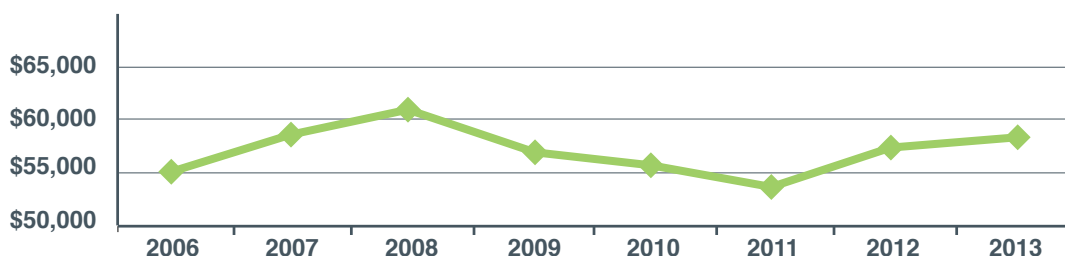
For both center-based care and licensed home care, child care rates typically decrease as a child gets older because it generally costs less for providers to care for older children. For centers, more children are allowed per teacher as children get older. In licensed homes, providers are permitted to care for additional school-age children beyond the usual maximum capacity if they have a part-time assistant.

There are also geographic differences in the cost of care. Following the patterns of supply and demand, care is least expensive in the most economically-disadvantaged parts of the county. This is true of center and licensed home care in the South and Southwest regions of Chicago and Suburban Cook County, as well as for licensed home care in the Central & West region of Chicago. Child care is most expensive in the relatively affluent regions in North and Northwest Chicago and Suburban Cook County.

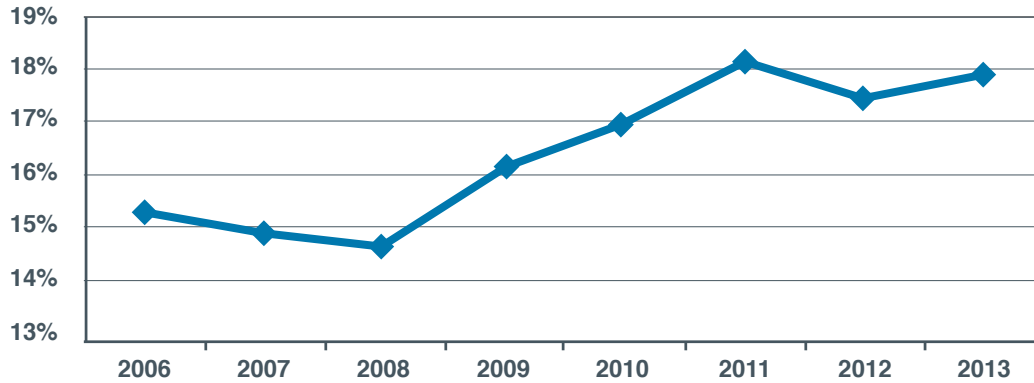
## The Cost of Child Care in Context

While child care prices have steadily increased, families' incomes have not followed the same trend. Although median family income rose between 2011 and 2013 for the first two-year growth since the great recession, the typical family still earned 4 percent less in 2013 than it did in 2008: \$58,649 compared to \$61,306.

## Cook County Median Family Income Between 2006 and 2013<sup>12</sup>



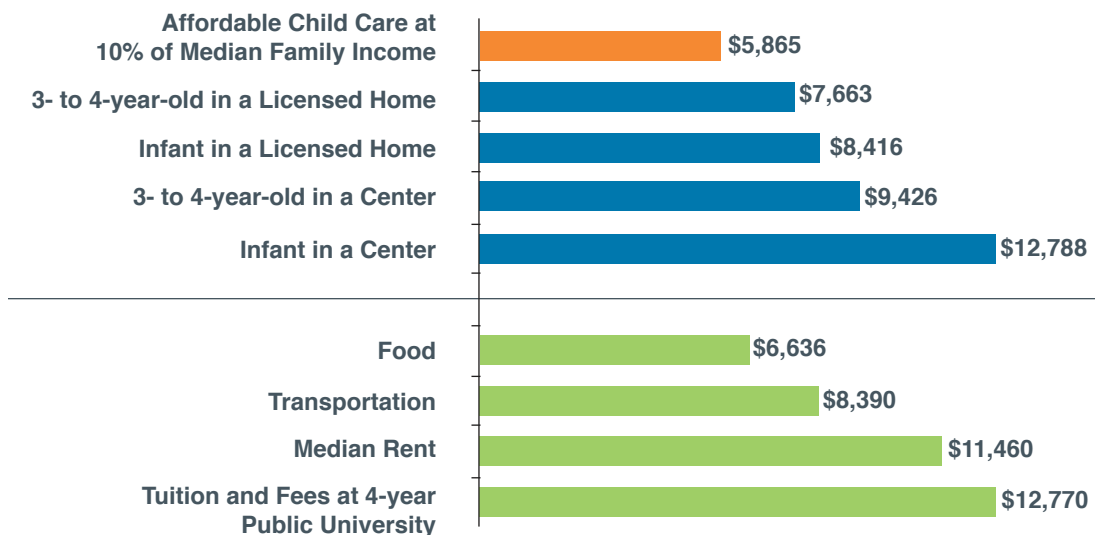
## Cost of Care for a 2-year-old as a Percentage of Median Family Income, Since 2006



Despite the rise in median family income from 2011 to 2013, the average cost of child care continues to account for more than 10 percent of the median family income, widely considered the benchmark for affordability.<sup>13</sup> Notably, in 2013, the cost of center care for a 2-year-old was almost 18 percent of the median family income. Although child care grows more affordable as a child gets older, even the cost of full-day care for a 3- to 4-year-old exceeds 10 percent of a typical Cook County family's income. Families with two children in child care are doubly challenged.

Comparing the cost of child care to other major household expenses reveals that enrolling an infant in a child care center can cost about the same as sending a young adult to college<sup>14</sup> and more than what many families pay for food, transportation,<sup>15</sup> or rent.<sup>16</sup>

## Child Care Costs Compared to Other Major Household Expenditures







## WHY ARE FORMAL CHILD CARE COSTS SO HIGH?

There is no denying that child care is expensive. In a national comparison of child care affordability, Illinois ranked as the 7th least affordable state for infant center care and the 13th least affordable state for center care for 4-year-olds.<sup>17</sup> Within Illinois, Cook County consistently ranks among the 10 least affordable counties for infant and 4-year-old care in both centers and licensed homes.<sup>18</sup>

Like any business, child care incurs the costs of labor, occupancy, food, operating costs, and overhead. But compared to other industries, child care is staff-intensive, requiring one staff person for every four children in the typical infant room, for example, and one for every eight children in the typical two-year-old room.

These low staff-to-child ratios are hallmarks of quality care. In fact, because of its strong licensing standards, Illinois ranks as one of the top ten states in the nation for the strength of its child care center program requirements.<sup>19</sup> Illinois standards also include higher teacher education requirements compared to many other states. However, policies supporting quality care come at a cost in the form of more staff and higher pay and benefits to retain quality teachers. The table below illustrates how practices related to high-quality care result in higher costs for families.

### A Comparison of 4-year-old Classrooms by State

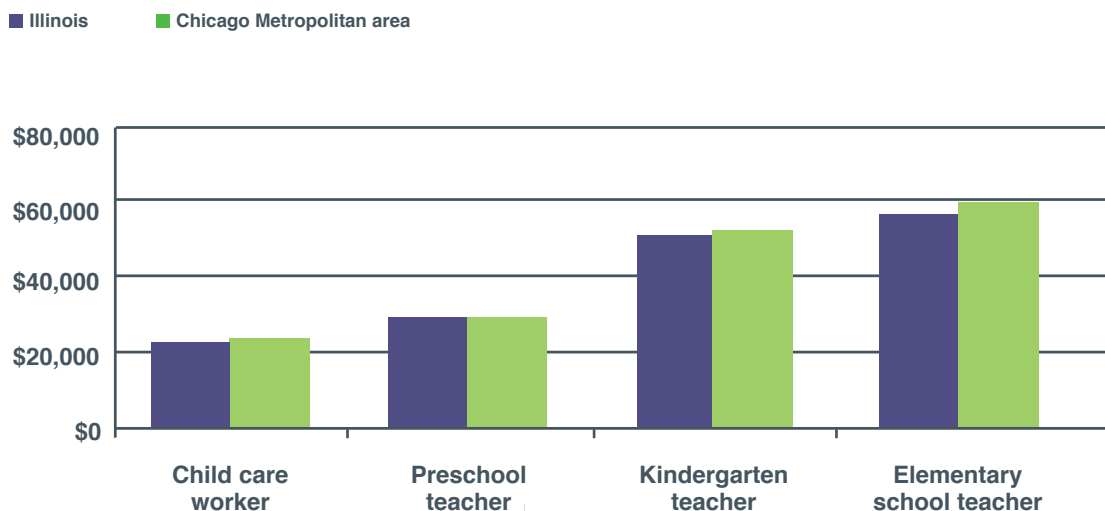
	Illinois	Indiana	Michigan	Ohio	Missouri	Kentucky
Minimum staff-to-child ratio <sup>20</sup>	1:10	1:12	1:12	1:14	1:10	1:14
Maximum Group Size <sup>21</sup>	20	24	No MAX	25	No MAX	28
Teacher education requirement <sup>22</sup>	Completion of a CDA	A high school diploma or GED	Some college coursework or training in Early Childhood Education leading to a CDA	A high school diploma or GED	Less than a high school diploma or	A high school diploma or GED
Average annual wage for a child care worker <sup>23</sup>	\$22,590	\$19,360	\$21,490	\$21,500	\$19,780	\$19,480
Annual price for full-time care for a 4-year-old	\$9,300	\$6,448	\$7,956	\$6,487	\$6,074	\$5,971

In Illinois, average child care costs are significantly higher than in neighboring states (\$9,300 compared to \$5,971 in the lowest-priced state, Kentucky). But also note that licensing standards in Illinois require centers to have the highest adult-to-child ratios (1 to 10) and the smallest group size (20).<sup>24</sup> To meet these high staffing and space standards centers must charge higher tuitions. Compared to most surrounding states, Illinois also has more rigorous teacher education requirements which mean that it costs centers more to retain their well-trained staff.

By contrast, the average child care center in Kentucky charges considerably less for tuition because its staffing costs are significantly lower than in other states. Among other factors, a Kentucky center can receive tuition from more children to cover its classroom costs than can centers in states where the maximum group size is lower.

Child care costs would be even higher if teachers in child care centers and homes were paid wages on par with other educators. On average, child care workers in the Chicago Metropolitan area earn an annual salary of \$23,460, only 40 percent of the median family income in Illinois. Preschool teachers earn more, but even with an education degree they still earn \$23,000 less per year than kindergarten teachers.<sup>25</sup>

### Annual Mean Wage in 2013



Many believe the low wages of child care providers serve as a hidden subsidy for the child care system by keeping prices low enough for families to afford. Only with increased public investment that reflects the true cost of providing high-quality child care can Illinois' child care industry develop and retain a highly-skilled and adequately-paid workforce.

# HOW WELL DOES ILLINOIS SUPPORT FAMILIES' ACCESS TO CHILD CARE?

The high cost of child care, particularly quality care, limits many families' options when choosing child care arrangements. Without assistance, parents working low-paying jobs may experience financial strain in paying for the very child care that allows them to work or attend school. In recognizing the burden child care costs can have on families, particularly low-income families, federal and state revenue funds the Illinois Child Care Assistance Program (CCAP), which helps families afford child care that would otherwise be too costly.

## About the Illinois Child Care Assistance Program

Through the Illinois Department of Human Services (IDHS), CCAP provides low-income families with access to quality, affordable child care. Eligible parents must be working or in an approved school or training program and have incomes at or below 185 percent of the federal poverty level.

CCAP is designed to give parents the choice of child care that best fits the needs of their family. CCAP reimburses the provider at the established state rate, which varies by region, age of child, and type of provider. Historically, the reimbursement rate to providers in Cook County has been significantly below the federally-recommended levels, especially for infant care and before-and-after-school care.<sup>26</sup> Families are required to pay a portion of the cost of care through a sliding scale copayment that is based on family size and income.

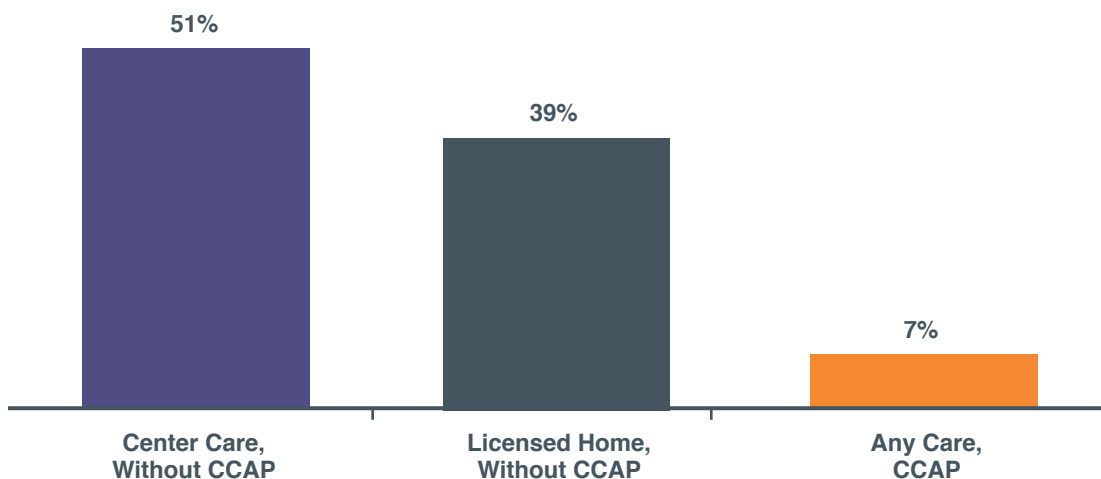
CCAP is primarily a voucher system administered in Cook County by Illinois Action for Children. Some child care centers, however, have direct contracts with IDHS to serve families eligible for CCAP.

## For Many Families, CCAP Makes Child Care Affordable

Without CCAP, a single parent earning \$10 per hour would find regulated child care options for her two-year old prohibitively expensive, costing 39 percent to 51 percent of the family's income.

With CCAP, the same parent is responsible for paying 7 percent of the family's income for child care in the form of a copayment.<sup>27</sup>

### Percentage of Income Needed for Child Care – Single parent earning \$10 per hour with 2 year old

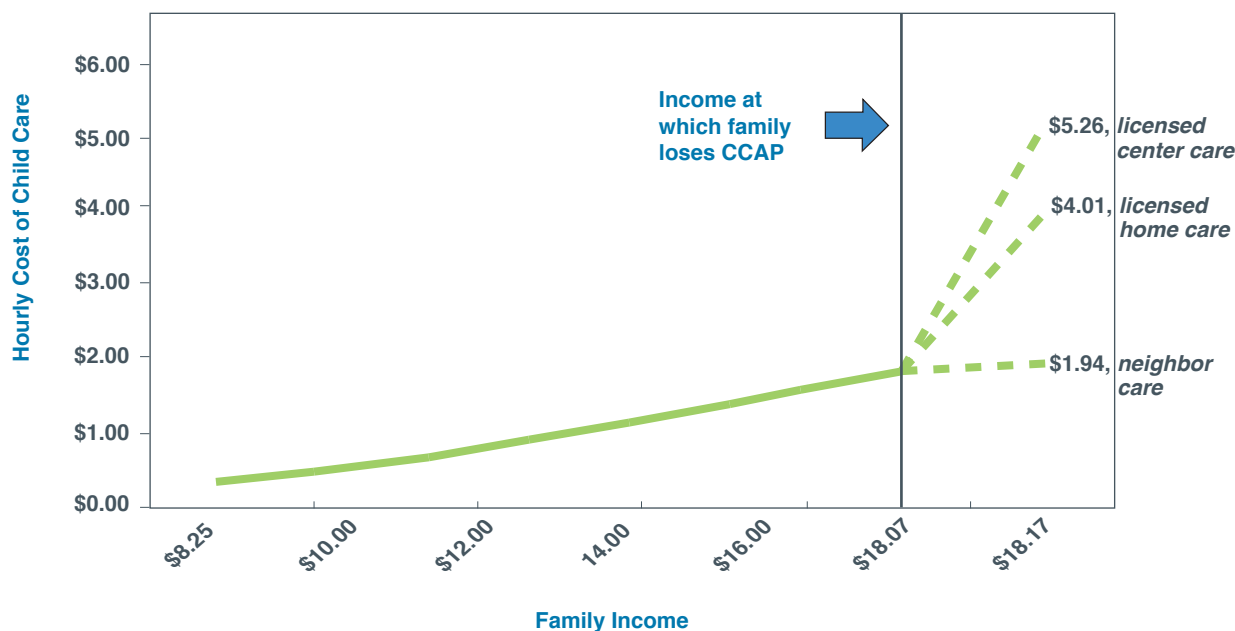


## The CCAP Income Ceiling

While CCAP helps many families afford quality child care, eligibility is based on a set income ceiling (currently 185 percent of the federal poverty level) and when a family earns just over that threshold, they no longer qualify for benefits. This income ceiling may discourage families from earning higher wages out of fear they will no longer be able to afford the very child care that makes it possible for them to go to work or attend classes. Some families may decline wage increases (if allowed) or lose assistance and switch to less expensive care arrangements of potentially lower quality. Regardless of the quality of the new care, changing care arrangements disrupts the children's important bonds with their caregivers.

The chart below represents the effect of losing CCAP for families who succeed in increasing their hourly wages. In the world of public policy this loss is also known as the “cliff effect.” A family of three can receive CCAP support up to an income of \$18.07 per hour (\$36,132 per year). When their hourly wage rises above that threshold, the family is no longer eligible for child care assistance and must pay the full price of care. For families using licensed care, a ten-cent per hour raise in wages that puts the family over the threshold can result in a \$2.52 to \$4.90 per hour increase in the cost of their child care.<sup>28</sup> It is evident why so many families who reach the “cliff” turn down small raises, eventually cycle back onto the assistance program or switch to unregulated FFN care.<sup>29</sup>

### Jump in Child Care Costs When a Family “Incomes-Out” of CCAP – Family of 3 with a two-year-old in child care

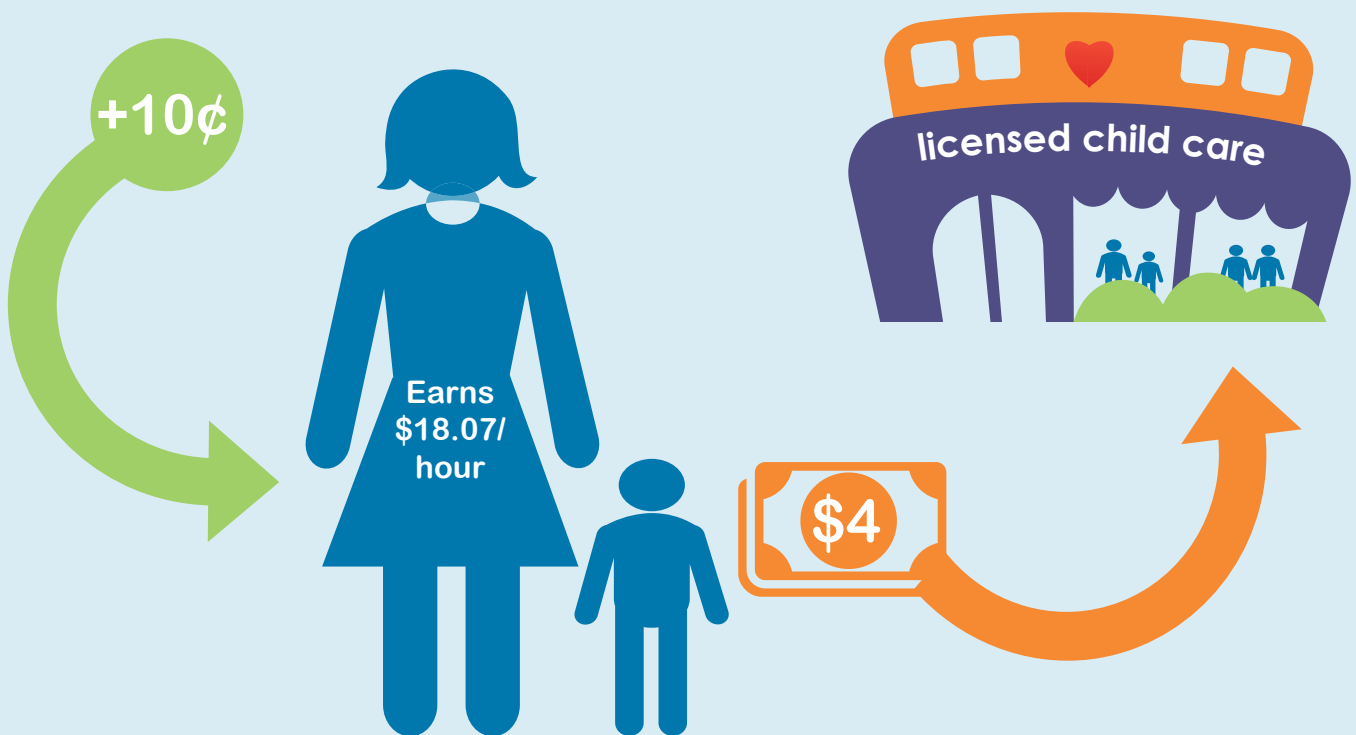


*With CCAP, a family's child care costs rise gradually as its income increases. When even a small raise pushes its wages past \$18.07 per hour, the family loses CCAP and child care costs skyrocket.*



# The Child Care “Cliff Effect”

This family earned a 10 cent raise in its hourly wages. Hooray!



**Not so fast!**  
Because of this small raise,  
this family is no longer eligible  
for CCAP and now must pay for  
the full price of care; a potential  
increase of \$4.00 per hour!

Twenty (20) states plus the District of Columbia have child care subsidy income eligibility rates above 200 percent of the federal poverty level, going as high as 375 percent of the federal poverty level.<sup>30</sup> If the CCAP income ceiling were raised to 300 percent of the federal poverty level, an Illinois family of three would retain eligibility until their annual income reached \$58,593. At that higher income, the family could better manage the higher child care payments even if the cost jumped \$2.52 per hour or \$4.90 per hour.

## Children in Poverty in Cook County and Use of Child Care Assistance

Twenty-five (25) percent of the 880,000 children in Cook County live in poverty, and 46 percent are in families earning less than 185 percent of the poverty level, meaning they are income-eligible for CCAP. Estimating CCAP eligibility using families' income *and* employment status, we determine that as many as 70,000 children under age six and 119,000 school-age children may be eligible for but are not using CCAP. Only 30 percent of children eligible for CCAP are using it.

### Children Ages Birth to 5

	Number of Children	Percent in Poverty	Percent Below 185% of Poverty (income eligible for CCAP)	Children with CCAP (June 2013)	Eligible for but not participating in CCAP (estimate)
Cook County	410,511	25%	45%	48,663	69,785
N & NW Chicago	82,709	21%	39%	6,227	14,347
Central & West Chicago	47,033	39%	61%	7,868	9,679
S & SW Chicago	88,693	40%	64%	18,010	18,485
Chicago	218,435	32%	53%	32,105	42,511
N & NW Suburban Cook	85,234	12%	28%	3,452	11,748
West Suburban Cook	46,852	20%	43%	4,336	8,059
S & SW Suburban Cook	59,990	21%	40%	8,770	7,467
Suburban Cook	192,076	16%	35%	16,558	27,247

## Children Ages 6 to 12

	Number of Children	Percent in Poverty	Percent Below 185% of Poverty (income eligible for CCAP)	Children with CCAP (June 2013)	Eligible for but not participating in CCAP (estimate)
Cook County	469,185	25%	46%	34,038	119,015
N & NW Chicago	75,233	23%	46%	3,254	20,705
Central & West Chicago	45,917	45%	69%	6,456	14,894
S & SW Chicago	106,802	39%	63%	13,446	33,868
Chicago	227,952	35%	59%	23,156	69,467
N & NW Suburban Cook	106,006	13%	28%	1,708	19,884
West Suburban Cook	57,404	18%	41%	2,651	13,727
S & SW Suburban Cook	77,824	20%	39%	6,523	15,937
Suburban Cook	241,233	16%	35%	10,882	49,548

There are many possible reasons why families do not use this public support. Two-parent families may stagger their work schedules and not need child care, parents may already have free or affordable child care, families may lack awareness of CCAP, they or their provider may find the paperwork requirements burdensome, undocumented families might distrust government programs, parents may work for cash and have difficulty documenting their income, and parents may face language or cultural barriers.

## CONCLUSION AND POLICY OPTIONS

Finding the right child care is one of the most important decisions that a parent faces, and with more options, the likelihood is greater that parents will succeed in finding the provider best suited for their child. However, parents' choices are limited by costs, schedules, and availability and this is especially true for low-income parents. While CCAP helps some families access quality early childhood programs, not all families who need assistance qualify for it, and sometimes even with assistance, these child care settings can be too costly.

Many families are also limited by the number of openings in quality programs in their community, particularly parents seeking infant care. Other families discover that it is not just about finding openings but finding them at the right times. A growing number of families work outside the traditional Monday through Friday daytime schedule, yet most center and licensed home settings do not offer care in the evenings, overnight, or on weekends.

While several types of child care exist, the reality is that many families do not have real options. The following are policy strategies that advocates and policy makers could consider to improve the accessibility of quality child care for all families in Cook County and the State of Illinois:

### **Reduce parent copayments in the Child Care Assistance Program (CCAP)**

Parents' copayments under CCAP determine how affordable child care will be. Families have more options when their copayments are based on what they can reasonably afford to spend. Lawmakers can support and monitor IDHS's efforts to make parent copayments more affordable.

### **Expand income eligibility in the Child Care Assistance Program (CCAP)**

The child care "cliff" is the income at which parents lose CCAP eligibility due to modest wage increases and thereby experience a sharp jump in their child care costs before they are financially able to shoulder these costs. Illinois can eliminate or reduce the cliff effect by raising the maximum income limit CCAP places on eligibility - currently set at 185 percent of the federal poverty level. Lawmakers can restore income eligibility for CCAP to its 2011 level of 200 percent of the federal poverty level and work to raise income eligibility to 300 percent of the federal poverty level.

### **Increase access to high-quality child care for families working nontraditional hours**

Parents who work evenings, nights or weekends often cannot access high-quality early childhood programs that are available only during weekday and daytime hours. More flexible IDHS' eligibility policies could take a child's developmental needs into account and allow child care outside of a parent's work or school hours if it supports continuity of care or enables a child to access high quality early learning programs.

**Fund tiered reimbursement for providers' achievement in ExceleRate Illinois**

Quality rating improvement systems, such as ExceleRate Illinois, offer standards, guidelines, resources, and supports to help child care providers make sensible changes that lead to higher quality programs. When providers participate in quality rating improvement systems, parents have more high-quality programs to choose from. Many providers opt not to advance within ExceleRate Illinois due to concern that it is too costly to achieve higher levels of quality. Legislators can ensure stable funding for ExceleRate Illinois to provide technical assistance and support for providers in navigating the quality rating system process, and to provide tiered CCAP reimbursements for providers for achieving higher levels within the system.

**Raise provider reimbursement rates to target levels**

This report shows that providing child care is very expensive for providers largely due to appropriate licensing standards that impose high costs in terms of staff and facilities. This is particularly true for care for infants and toddlers. For many types of care in Cook County, CCAP reimburses providers far below the federally recommended 75th percentile of the local child care market. Providers who need to charge more than this reimbursement amount either must turn down families with CCAP or charge parents the difference. This effectively prices many child care programs out of parents' reach. By raising reimbursement rates to target levels, lawmakers can ensure that more families have access to higher-quality child care.



## REFERENCES

<sup>1</sup>For a more complete discussion of FFN care, particularly as it relates to non-traditional work hours, see *Choices in the Real World: The use of family, friend and neighbor child care by single Chicago mothers working nontraditional schedules*, Illinois Action for Children, 2013.

<sup>2</sup>Slots shown represent daytime capacity. Licensed homes have the capacity to serve an additional 17,501 children during evening hours (assuming providers offer this care) while child care centers can provide an additional 4,877 evening slots.

<sup>3</sup>From the 2013 American Community Survey, five-year estimates.

<sup>4</sup>Comparable data for licensed homes is not reported because home providers have more flexibility in the ages of children they can enroll, and the ages they serve change frequently.

<sup>5</sup>American Academy of Pediatrics, American Public Health Association, National Resource Center for Health and Safety in Child Care and Early Education. 2011. *Caring for our children: National health and safety performance standards; Guidelines for early care and education programs. 3rd edition*. Elk Grove Village, IL: American Academy of Pediatrics; Washington, DC: American Public Health Association. Also available at <http://nrckids.org>.

<sup>6</sup>Growth in infant center slots reflects the increase in the number of infant slots reported by child care centers to Illinois Action for Children's Resource and Referral program in 2009 and 2014.

<sup>7</sup>This is meant to be a rough estimate of the supply of and demand for infant care. Not all home providers are willing to care for infants, particularly newborns, and not all parents of infants need child care or desire formal care arrangements for their infants. Number of infants is from the 2013 American Community Survey, five-year estimates.

<sup>8</sup>For more information see *Working Later in Illinois: Work Schedules, Incomes and Parents' Access to Child Care*, Illinois Action for Children, 2006.

<sup>9</sup>As measured by the CPI-U for June 2009 and June 2014 by the U.S. Department of Labor, Bureau of Labor Statistics; retrieved February, 2015 at <http://www.bls.gov/data/home.htm>

<sup>10</sup>The cost of FFN care is not reported as very little data is available on the rates charged by license-exempt providers.

<sup>11</sup>CCAP reimbursement rates in effect from January 2013 through June 2014.

<sup>12</sup>Median family income for a family with a child under 18; American Community Survey 1-year estimates, 2006 through 2013.

<sup>13</sup>U.S. Department of Health and Human Services identifies affordable child care to be no more than 10 percent of a family's income. <http://www.acf.hhs.gov/sites/default/files/occ/fr072498.pdf>

<sup>14</sup>*Trends in College Pricing for the 2013-2014 academic year*, retrieved February 2015 at [www.collegeboard.org](http://www.collegeboard.org)

<sup>15</sup>Data on food and transportation represent the average cost for a family of three comprising two adults and one child adjusted for inflation. *Poverty In America: Living Wage Calculator*, retrieved March 2014 at <http://livingwage.mit.edu/>

<sup>16</sup>Median family income and rent are from the 2013 American Community Survey 1-year estimates and represent Cook County.

<sup>17</sup>Child Care Aware of America. *Parents and the High Costs of Child Care, Child Care Aware of America, 2014 Report*. Retrieved February, 2015 at <http://cca.worksmartsuite.com/UserContentStart.aspx?category=25>

<sup>18</sup>Illinois Network of Child Care Resource & Referral Agencies (INCCRRA). *Illinois Families and the Cost of Child Care, FY 2013 Report*. <http://inccrra.com/data-a-reports/reports>

<sup>19</sup>Child Care Aware of America. (2013). We can do better: 2013 update: Ranking of state child care center regulations and oversight. Retrieved May 23, 2014, from [http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2013/wcdb\\_2013\\_one-pager\\_april8.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2013/wcdb_2013_one-pager_april8.pdf)

<sup>20,21,22</sup>Child Care Aware of America. (2013). We can do better: 2013 update: Ranking of state child care center regulations and oversight.

<sup>23</sup>United States Department of Labor, Bureau of Labor Statistics, (2013). May 2013 State Occupational Employment and Wage Estimates

<sup>24</sup>Group size” refers to the number of children assigned to a classroom or other distinct space within a larger room.

<sup>25</sup>May 2013 State Occupational Employment and Wage Estimates Illinois. Retrieved February, 2015 from [www.bls.gov/oes/2013/may/oes\\_il.htm#39-0000](http://www.bls.gov/oes/2013/may/oes_il.htm#39-0000); May 2013 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates, Chicago-Joliet-Naperville, IL Metropolitan Division Retrieved May 17, 2014 from [www.bls.gov/oes/2012/May/oes\\_16974.htm](http://www.bls.gov/oes/2012/May/oes_16974.htm) Note: Excludes special education teachers.

<sup>26</sup>Illinois Department of Human Services. Market Rate Survey of Licensed Child Care Programs in Illinois Fiscal Year 2012. Retrieved March, 2014 from <http://www.dhs.state.il.us/page.aspx?item=70078>

<sup>27</sup>Illinois Department of Human Services family copayment rates effective July 2013 through June 2014. As family income increases, the copayment makes up a greater percentage of family income, as much as 10 percent.

<sup>28</sup>Numbers reflect the rise in the cost of care for a two-year old in license home care and an infant in center care, respectively.

<sup>29</sup>The average cost of FFN care is unknown as it varies greatly by provider and child. For this chart we utilized CCAP reimbursement rates for FFN care.

<sup>30</sup>The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2012, OPRE Report 2013-22, November 2013. Retrieved March 2014 at <http://www.urban.org/UploadedPDF/412977-the-ccdf-policies-database.pdf>

## Appendix 1: The Six Cook County Regions

This *report* divides Cook County into six geographic regions: three in Chicago based on the 77 Chicago Community Areas, and three in suburban Cook County based on the suburban municipalities.

When presenting census data for Chicago and Cook County in this *report*, we built our aggregate units from data for the individual Chicago Community Areas and municipalities. Our aggregate data, therefore, may deviate somewhat from aggregate data provided by the U.S. Census.

North and Northwest Suburban Cook	West Suburban Cook	Chicago Heights Chicago Ridge Country Club Hills Crestwood Dixmoor Dolton East Hazel Crest Evergreen Park Flossmoor Ford Heights Glenwood Harvey Hazel Crest Hickory Hills Hometown Homewood Lansing Lemont Lynwood Markham Matteson Merrionette Park Midlothian Oak Forest Oak Lawn Olympia Fields Orland Hills Orland Park Palos Heights Palos Hills Palos Park Park Forest Phoenix Posen Richton Park Riverdale Robbins Sauk Village South Chicago Heights South Holland Steger Thornton Tinley Park Worth	North and Northwest Chicago	South and Southwest Chicago
Arlington Heights Barrington Bartlett Des Plaines East Dundee Elgin Elk Grove Village Elmwood Park Evanston Franklin Park Glencoe Glenview Golf Hanover Park Harwood Heights Hoffman Estates Inverness Kenilworth Lincolnwood Morton Grove Mount Prospect Niles Norridge Northbrook Northfield Northlake Palatine Park Ridge Prospect Heights River Grove Rolling Meadows Rosemont Schaumburg Schiller Park Skokie South Barrington Streamwood Wheeling Wilmette Winnetka	Bedford Park Bellwood Berkeley Berwyn Bridgeview Broadview Brookfield Burr Ridge Cicero Countryside Forest Park Forest View Hillside Hodgkins Indian Head Park Justice La Grange La Grange Park Lyons Maywood McCook Melrose Park North Riverside Oak Park River Forest Riverside Stickney Stone Park Summit Westchester Western Springs Willow Springs		Albany Park Avondale Belmont Cragin Dunning Edgewater Edison Park Forest Glen Hermosa Irving Park Jefferson Park Lake View Lincoln Park Lincoln Square Logan Square Montclare North Center North Park Norwood Park O'Hare Portage Park Rogers Park Uptown West Ridge	Archer Heights Armour Square Ashburn Auburn Gresham Avalon Park Beverly Bridgeport Brighton Park Burnside Calumet Heights Chatham Chicago Lawn Clearing Douglas East Side Englewood Fuller Park Gage Park Garfield Ridge Grand Boulevard Greater Grand Crossing Hegewisch Hyde Park Kenwood McKinley Park Morgan Park Mount Greenwood New City Oakland Pullman Riverdale Roseland South Chicago South Deering South Shore Washington Heights Washington Park West Elsdon West Englewood West Lawn West Pullman Woodlawn
	South and Southwest Suburban Cook		Central and West Chicago	
	Alsip Blue Island Burbank Burnham Calumet City Calumet Park		Austin East Garfield Park Humboldt Park Loop Lower West Side Near North Side Near South Side Near West Side North Lawndale South Lawndale West Garfield Park West Town	

## Appendix 2: Sources for Data on Child Care Providers in Cook County

Information on Cook County child care providers in this report comes from three different sources:

1. The Illinois Action for Children Child Care Resource and Referral (CCR&R) Program
2. The Illinois Department of Children and Family Services (DCFS)
3. The Illinois Child Care Assistance Program (CCAP)

The Illinois Action for Children Child Care Resource and Referral (CCR&R) program is part of a state-wide network of Resource and Referral agencies funded through the Illinois Department of Human Services (IDHS). Illinois Action for Children invites child care providers to list their programs on our database and to provide detailed information about their programs such as the rates they charge parents, the number of children they serve per age group, languages spoken, training and education they have received, and other characteristics that help referral staff match parents with providers.

Illinois Action for Children supplements its database with licensing data from DCFS. In this way, we maintain the most comprehensive listing of child care providers in Cook County, though we do not fully capture child care that is legally exempt from licensing or the otherwise illegal care.

The third source of child care data used in this report is CCAP, which provides the best count of known license-exempt child care programs in Cook County.

### Child Care Providers in Cook County in 2014: Who is Included

Type of Program	Description
<b>Child Care Centers</b>	Any child care center operating for the full year or the school year and offering some or all full-time care for children under age 5. The center might provide school-age care as well. This category does not include private preschool programs or public preschools such as Head Start-only or Preschool for All-only programs. Park and recreation programs are included if their care is full-time and for the full year or school year. Data are from June 2014.
<b>School-Age Programs</b>	Any center that provides full-year or school-year care for children ages 5-and-over only. Includes before and after school programs and part-day programs for children in kindergarten. Programs may be center-based, school-based or at a park or recreation program. Data are from June 2014.
<b>Summer Only Programs</b>	Any center that provides care only during the summer months. Only centers providing full-time care are included. Ninety-four (94) percent of these summer-only programs are park and recreation programs. Data are from June 2014.
<b>Licensed Homes</b>	Any family child care home that is licensed by DCFS as of June 2014.
<b>FFN Care (License-Exempt Homes)</b>	License-exempt home providers participating in CCAP in June 2014. The number of participating home providers varies from month to month just as the number of participating families varies. These data do not capture the large number of unknown family, friend, or neighbor caregivers throughout Cook County.

For information on early education slots in Cook County (Head Start and Preschool for All) and on child care and early education slots in regions outside of Cook County, visit the Illinois Early Childhood Asset Map (IECAM) website at [iecam.crc.illinois.edu](http://iecam.crc.illinois.edu).







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