



# 2014 Report on Child Care in Cook County

FY2013 (July 1, 2012 – June 30, 2013)



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**45 years**

# 2014

## Report on Child Care in Cook County FY2013 (July 1, 2012 – June 30, 2013)

### Prepared By:

Research Department  
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## Introduction: Families and Child Care in Cook County

Approximately 890,000 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.

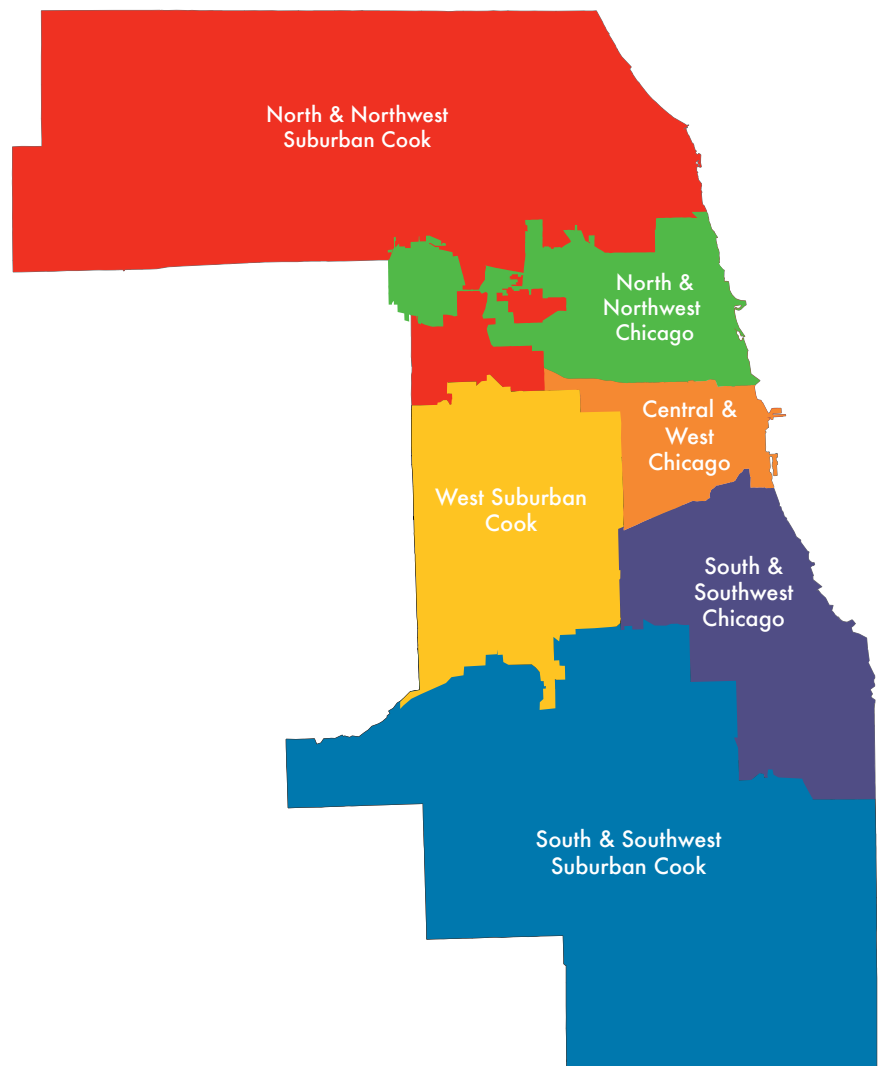
Families seek child care by asking relatives or friends for referrals, looking at notices and advertisements, and visiting child care centers in their communities. The State of Illinois offers a resource for families in the form of a referral service. Illinois Action for Children administers this service 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 so parents are better equipped to evaluate the programs they visit. Most of the data presented in this report come from information collected for this service.

This *2014 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, let us look at the available options.

### Parental Care

First, 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.

### 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 and are sometimes called *license-exempt home providers*.

### Family, Friend, and Neighbor (FFN) Care

#### Total number unknown

#### In Cook County about 26,000 FFN providers participated in the Illinois Child Care Assistance Program in FY 2013

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 and may even love. Families and FFN providers often share a common culture and language as well.

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>

<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.



## Formal Child Care Sector

Approximately 5,000 child care providers comprise the formal child care sector, which includes child care centers and licensed child care homes.

Many home-based child care providers, especially those who provide care as an ongoing profession, choose to become licensed. This means the care provided in their homes is regulated by the Illinois Department of Children and Family Services (DCFS) as well as their local licensing agency, if one exists. 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.

Parents also have the option of taking their child to 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.

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*.

### Licensed Home Care

#### 3,606 homes in Cook County

This is care offered in a child care provider'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.

### Full-Day Center Care

#### 1,192 centers in Cook County

Child care centers are typically full-day programs 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

#### 202 known programs in Cook County

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 programs are exempt from licensing, making it difficult to get a complete count.

## 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 143,000 Cook County children.<sup>2</sup> As there are nearly 648,000 children age birth to 12 in Cook County with all parents working,<sup>3</sup> just 22 percent of children potentially in need of child care can be served in formal child care settings. The remaining 78 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>	95,017	13,406	27,397	7,003	142,823	953,375	647,779	22%
N & NW Chicago	14,582	1,074	3,312	978	19,946	169,314	111,887	18%
Central & West Chicago	13,869	1,423	4,059	1,007	20,358	101,068	65,362	31%
S & SW Chicago	21,252	1,550	11,156	3,025	36,983	212,672	145,739	25%
<b>Chicago Total</b>	<b>49,703</b>	<b>4,047</b>	<b>18,527</b>	<b>5,010</b>	<b>77,287</b>	<b>483,054</b>	<b>322,988</b>	<b>24%</b>
N & NW Suburban Cook	19,897	6,740	1,743	306	28,686	219,051	149,580	19%
West Suburban Cook	8,442	1,106	2,437	590	12,575	103,138	68,773	18%
S & SW Suburban Cook	16,975	1,513	4,690	1,097	24,275	148,132	106,438	23%
<b>Suburban Total</b>	<b>45,314</b>	<b>9,359</b>	<b>8,870</b>	<b>1,993</b>	<b>65,536</b>	<b>470,321</b>	<b>324,791</b>	<b>20%</b>

While not all child care centers report their slots by age, 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.

	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>	5,126	6,592	11,850	22,850	15,647	14,069	20,331
N & NW Chicago	41	677	1,587	3,499	2,385	2,238	3,317
Central & West Chicago	669	837	1,520	2,789	2,043	1,970	4,033
S & SW Chicago	950	1,252	3,132	5,173	3,612	2,418	6,972
<b>Chicago Total</b>	<b>2,060</b>	<b>2,766</b>	<b>6,239</b>	<b>11,461</b>	<b>8,040</b>	<b>6,626</b>	<b>14,322</b>
N & NW Suburban Cook	1,359	1,694	2,512	4,655	3,437	3,675	3,699
West Suburban Cook	493	613	1,059	2,532	1,672	1,274	617
S & SW Suburban Cook	1,214	1,519	2,040	4,202	2,498	2,494	1,693
<b>Suburban Total</b>	<b>3,066</b>	<b>3,826</b>	<b>5,611</b>	<b>11,389</b>	<b>7,607</b>	<b>7,443</b>	<b>6,009</b>

<sup>2</sup>Slots shown represent daytime capacity. Licensed homes have the capacity to serve an additional 16,873 children during evening hours (assuming providers offer this care) while child care centers can provide an additional 3,242 evening slots.

<sup>3</sup>From the 2012 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.



## Availability of Infant Care

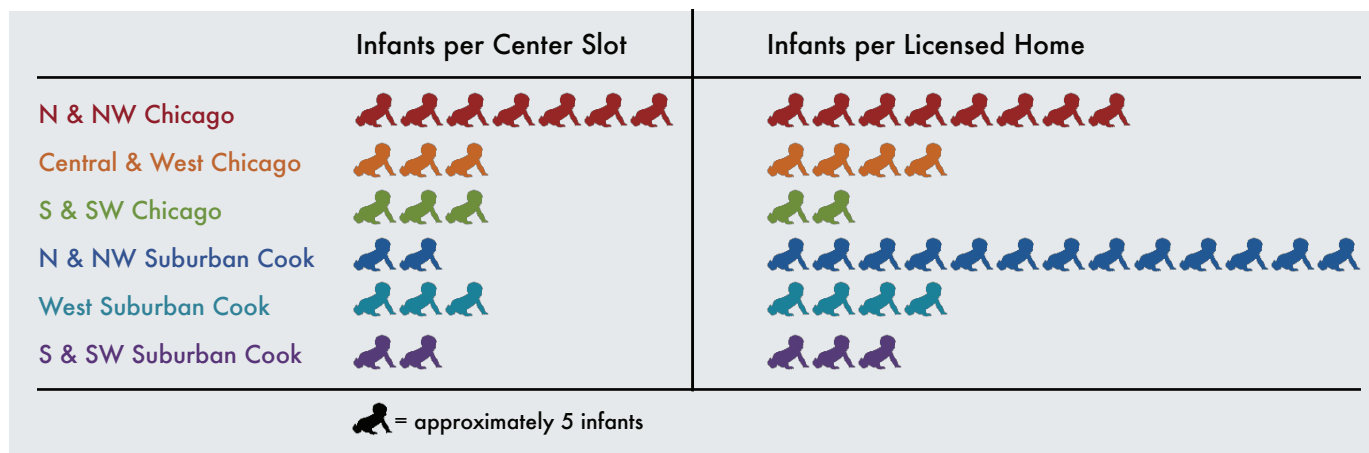
State licensing standards require high caregiver-to-child ratios for infant care: one caregiver for every four infants in centers and one caregiver for every three infants in homes without an assistant. Organizations such as the American Academy of Pediatrics and American Public Health Association recommend 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. Further, providers typically charge higher rates for infant care because of infant staffing expenses. Parents, in turn, often find it difficult to locate available infant care or may opt out of formal infant care due to the cost.

The table below presents the number of infants per center slot and per home provider within each region. The more infants there are compared to slots, the more difficult it may be for families to find care.<sup>6</sup>

**Best:** The South and Southwest **area** of Chicago and Suburban Cook County have the most abundant supply of infant care. If it is assumed that each home provider cares for one infant, then there are enough slots in the South and Southwest suburbs to accommodate 20 percent of the infants in that region and 16 percent of infants in South and Southwest Chicago.

**Worst:** Infant care is scarcest in the North and Northwest Chicago region, with twice as many infants per center slot than any other region and a high number of infants per licensed home. If it is assumed that each home provider cares for one infant, then there are only enough slots in the North and Northwest Chicago region to accommodate 5 percent of the infants in that region.

While the North and Northwest Suburban region has a good supply of infant *center-based care*, for a family priced out of this type of care there are few licensed home options in the region.



<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>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 2010 Census.



## Availability of Care during Non-Traditional Work Hours

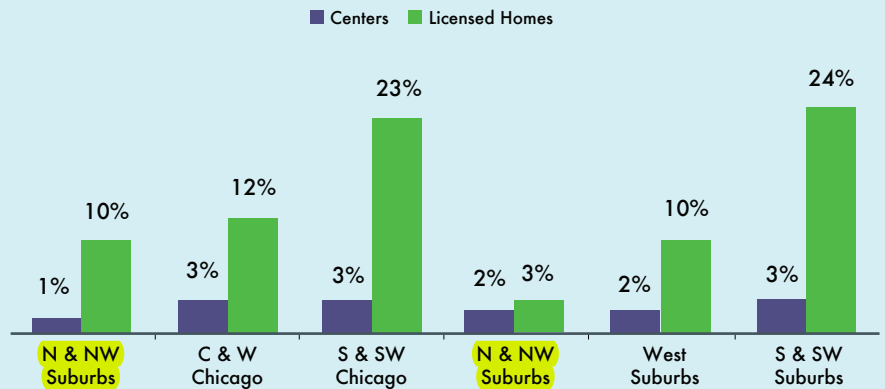
Many families, particularly low-income families, find the availability of child care restricted by non-traditional work hours. Most child care programs are available only during the daytime on weekdays, but half of part-time employees and one-third of full-time employees work non-traditional schedules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

As shown in the following figures, licensed homes are generally more flexible than centers in offering care during non-traditional hours. Licensed homes that offer this flexibility are most heavily concentrated in the South and Southwest regions of Chicago and suburban Cook County.<sup>7</sup>

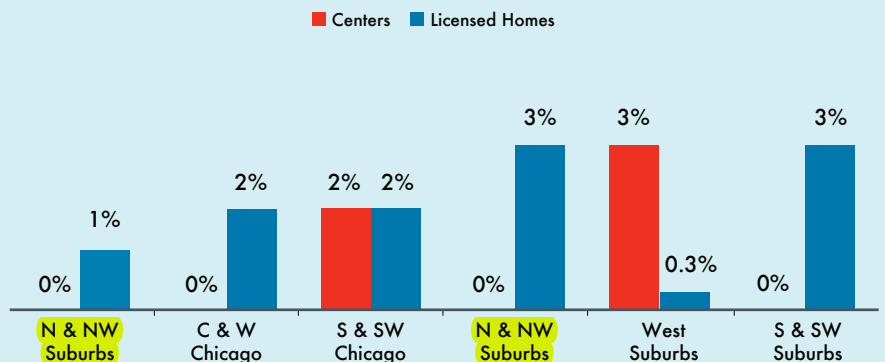
In Cook County as a whole, just 2 percent of centers and 17 percent of licensed homes offer weekend care.

Even fewer programs offer overnight care including less than 1 percent of centers and less than 2 percent of licensed homes in Cook County.

Programs With Weekend Care, by Region



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



<sup>7</sup>For more information see *Working Later in Illinois: Work Schedules, Incomes and Parents' Access to Child Care*, Illinois Action for Children, 2006.

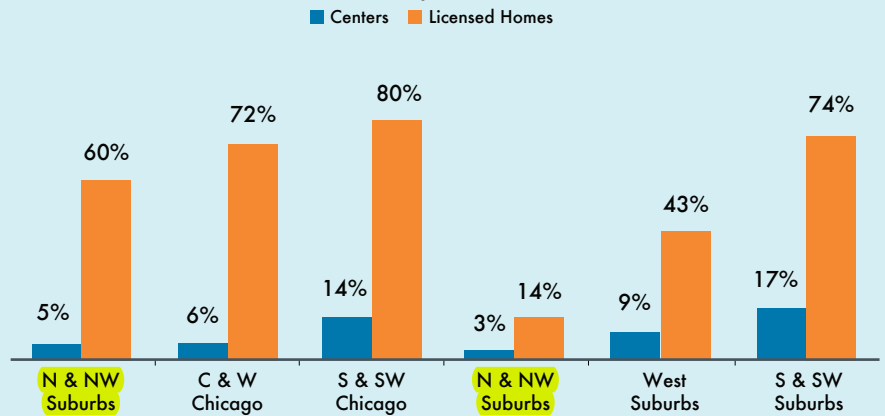


A large number of home providers are licensed to care for children during evening hours. However, further study needs to be done on how many home providers *actually offer* care during evening hours.

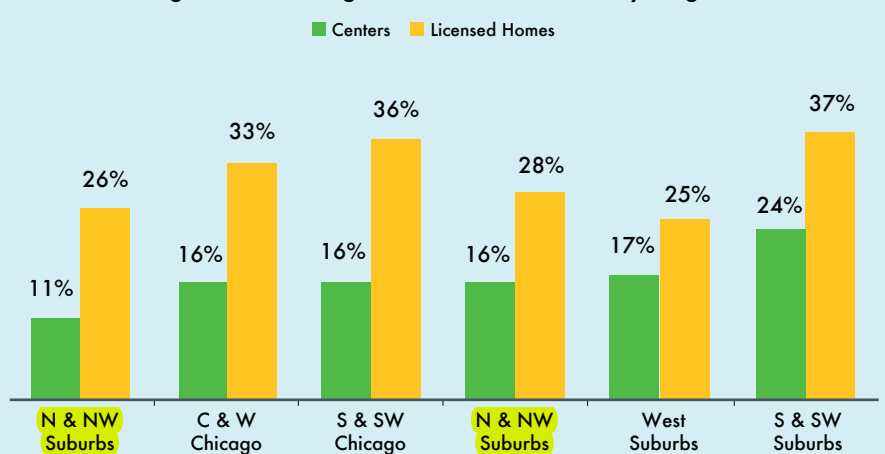
Programs allowing variable hours are important for parents with changing work schedules. However, the majority of programs do not offer care for changing schedules. Only about one-third of licensed homes and 17 percent of centers say they accommodate variable schedules. In fact, many programs require parents to pay by the week regardless of whether or not their child attends. This policy provides programs with financial stability but can cause hardship for parents.

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 with 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 child care alternative.

**Programs Licensed for Evening Care, by Region  
(between 7 pm and 2 am)**



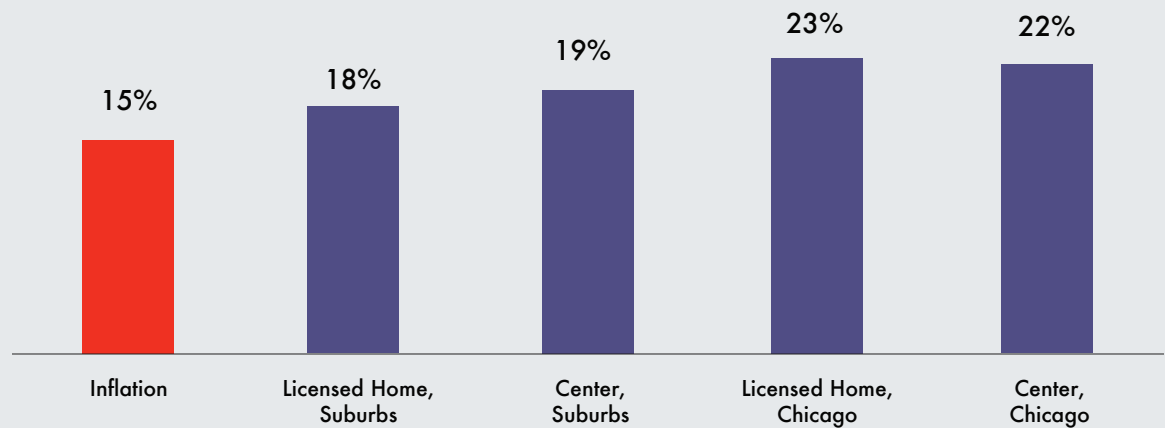
**Programs Allowing Variable Schedules, by Region**



## 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>8</sup>

**Percent Increase in the Cost of Preschool-Age Care Since 2006 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>9</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>10</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 to kindergarten	Before & After School	School Age, Summer
<b>Cook County</b>	\$247	\$233	\$204	\$181	\$175	\$125	\$156
N & NW Chicago	\$266	\$245	\$208	\$189	\$180	\$125	\$157
Central & West Chicago	\$261	\$244	\$208	\$181	\$178	\$123	\$152
S & SW Chicago	\$209	\$204	\$177	\$155	\$152	\$113	\$143
<b>Chicago</b>	\$232	\$222	\$191	\$170	\$165	\$118	\$149
N & NW Suburban Cook	\$296	\$277	\$247	\$223	\$216	\$142	\$192
West Suburban Cook	\$252	\$230	\$204	\$181	\$178	\$114	\$154
S & SW Suburban Cook	\$221	\$213	\$193	\$169	\$162	\$125	\$148
<b>Suburban Cook</b>	\$257	\$242	\$217	\$192	\$186	\$129	\$163
Maximum reimbursement by CCAP for full-time care <sup>10</sup>	\$232.45		\$196.30	\$163.60		\$81.80 (under 5 hrs/day) \$163.60 (5+ hrs/day)	\$163.60

<sup>8</sup>As measured by the CPI-U for June 2006 and June 2013 by the U.S. Department of Labor, Bureau of Labor Statistics; retrieved March, 2014 at <http://www.bls.gov/data/home.htm>

<sup>9</sup>The cost of FFN care is not reported as very little data is available on the rates charged by license-exempt providers.

<sup>10</sup>CCAP reimbursement rates in effect as of January 1, 2013.



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 (i.e., the South and Southwest regions of Chicago and Suburban Cook County for both centers and licensed homes as well as the Central & West region of Chicago for licensed homes only), while care is most expensive in the relatively affluent regions in North and Northwest Chicago and Suburban Cook County.

### 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 to kindergarten	Before & After School	School Age, Summer
<b>Cook County</b>	\$162	\$159	\$154	\$148	\$145	\$132	\$137
N & NW Chicago	\$177	\$173	\$168	\$162	\$158	\$145	\$153
Central & West Chicago	\$155	\$152	\$147	\$140	\$137	\$130	\$134
S & SW Chicago	\$154	\$152	\$147	\$140	\$138	\$128	\$131
<b>Chicago</b>	\$159	\$156	\$151	\$144	\$141	\$131	\$135
N & NW Suburban Cook	\$214	\$207	\$205	\$201	\$197	\$167	\$173
West Suburban Cook	\$168	\$164	\$159	\$154	\$151	\$132	\$147
S & SW Suburban Cook	\$154	\$152	\$147	\$140	\$137	\$125	\$130
<b>Suburban Cook</b>	\$169	\$166	\$162	\$156	\$153	\$132	\$141
Maximum reimbursement 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





## 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 2012 for the first time since the great recession began, the typical family still earned less in 2012 than it did in 2007: \$57,712 and \$58,645 respectively.

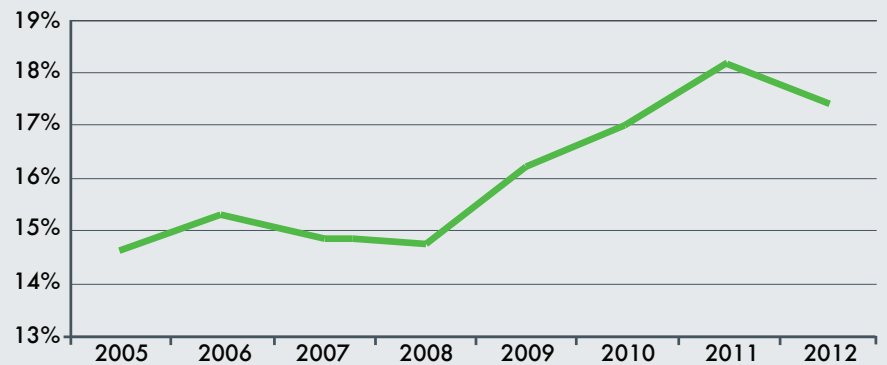
Similarly, despite the rise in median family income from 2011 to 2012, the average family still pays more than 10 percent of their income for child care, widely considered the benchmark for affordability.<sup>12</sup> Notably, in 2012, the cost of center care for a 2-year-old was more than 17 percent of the median family income.

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>13</sup> and more than what many families pay for medical expenses, food, transportation,<sup>14</sup> or rent.<sup>15</sup> 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 care are doubly challenged.

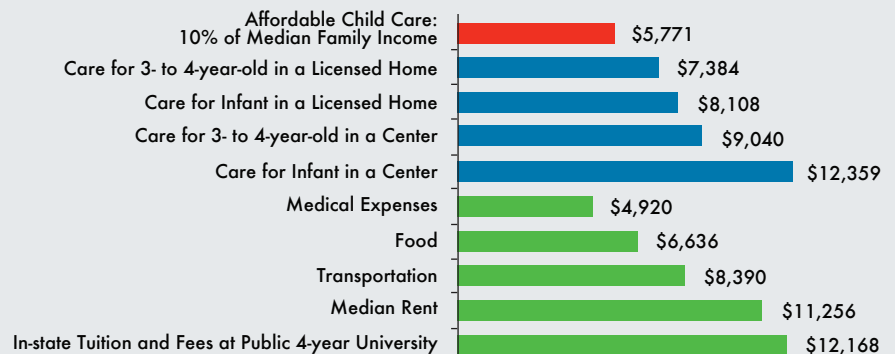
**Cook County Median Family Income Between 2005 and 2012<sup>11</sup>**



**Cost of Care for a 2-year-old as a Percentage of Median Family Income, Since 2005<sup>11</sup>**



**Child Care Costs Compared to Other Major Household Expenditures**



<sup>11</sup>Median family income for a family with a child under 18; American Community Survey 1-year estimates, 2005 through 2012.

<sup>12</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.

<sup>13</sup><http://www.acf.hhs.gov/sites/default/files/occ/fr072498.pdf>

<sup>14</sup>Trends in College Pricing for the 2012-2013 academic year, retrieved March 2014 at [www.collegeboard.org](http://www.collegeboard.org)

<sup>15</sup>Data on medical expenses, 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 2012 American Community Survey 1-year estimates and represent Cook County



## Why Are Formal Child Care Costs so High?

In a national comparison of child care affordability, Illinois was ranked 6th among U.S. states for having the least affordable infant center care and ranked 9th for the least affordable center care for 4-year-olds.<sup>16</sup> Within Illinois, the City of Chicago and Suburban Cook County consistently rank in the top 10 least affordable counties for infant and 4-year-old care in both centers and licensed homes.<sup>17</sup>

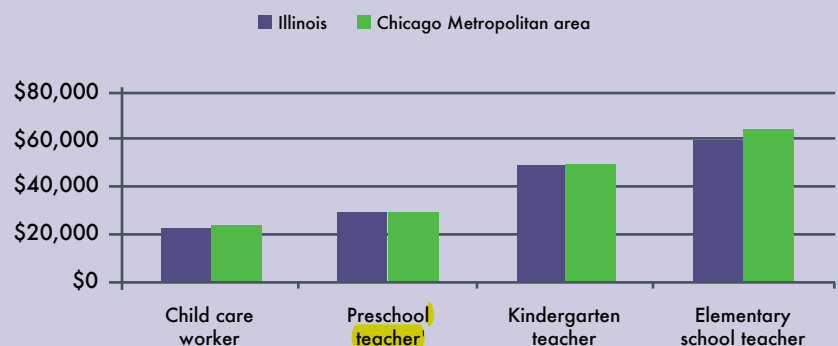
There is no denying that child care is expensive. To understand why child care costs are so high, however, it is critical to look at the perspective of the child care provider who all too often is working with an overstretched budget and may have to make operational choices based on financial need over considerations of quality. Like any business, child care incurs the costs of labor, occupancy, food, operating costs, and overhead. Costs specific to child care may include age-appropriate toys, food and equipment, home or center safety and sanitation, and professional development for staff. While parent fees are the number one source of revenue for most child care programs, revenue may also come in the form of public and private subsidies. When cost and revenue were compared, a 1996 study found that the monthly budget for a typical child care center left room for a surplus of only 3.7 percent, less than half of the comparable corporate rate of about 9 percent during the early 1990s.<sup>18</sup>

Child care is an expensive business to run, particularly when offering high-quality care. Reasons for elevated cost in quality programs may include: lower staff to child ratios, higher pay and benefits to retain quality teachers, and more square footage to provide space for children. Furthermore, it can be costly to purchase healthy, fresh food and to obtain equipment and materials that provide an enriching environment for children.

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 only \$24,000 and preschool teachers make \$21,000 less per year than kindergarten teachers.<sup>19</sup>

Many believe the low wages of child care providers serve as a hidden subsidy for the child care system, keeping prices low enough for families to afford.<sup>16, 18</sup> Only with increased public investment can the child care industry develop and retain a highly-skilled and adequately-paid workforce.

Annual Mean Wage in 2012<sup>19</sup>



<sup>16</sup>Child Care Aware of America. *Parents and the High Costs of Child Care*, Child Care Aware of America, 2013 Report. Retrieved March, 2014 at [http://usa.childcareaware.org/sites/default/files/cost\\_of\\_care\\_2013\\_103113\\_0.pdf](http://usa.childcareaware.org/sites/default/files/cost_of_care_2013_103113_0.pdf)

<sup>17</sup>Illinois Network of Child Care resource & Referral Agencies (INCCRRA). *Illinois Families and the Cost of Child Care, FY 2013 Report*. Retrieved March, 2014 at file:///C:/Users/corinne.weaver/Downloads/CostofCareReport\_2013.pdf

<sup>18</sup>Helburn, S. W. & Howes, C. (1996). Child care cost and quality. *The Future of Children: Financing Child Care*, 6(2), p. 74. Retrieved March, 2014 at [http://futureofchildren.org/futureofchildren/publications/docs/06\\_02\\_03.pdf](http://futureofchildren.org/futureofchildren/publications/docs/06_02_03.pdf)

<sup>19</sup>May 2012 State Occupational Employment and Wage Estimates Illinois. Retrieved March, 2014 from [www.bls.gov/oes/2012/may/oes\\_il.htm#39-0000](http://www.bls.gov/oes/2012/may/oes_il.htm#39-0000); May 2012 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.

## How Well Does Illinois Support Families' Access to Child Care?

The high cost of child care, particularly quality care, limits many families' options when deciding on child care arrangements. Without assistance, parents working low-paying jobs may experience financial strain affording 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 (FPL).

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>20</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.

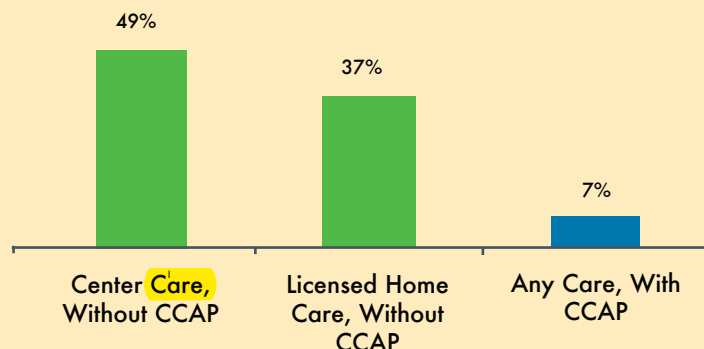
CCAP is primarily a voucher system administered in Cook County by Illinois Action for Children. Some child care centers, however, have direct contracts with IDHS to serve families eligible for CCAP.

### 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 37 percent to 49 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>21</sup>

Percentage of income needed for child care  
Single parent earning \$10 per hour with  
2-year old



<sup>20</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>21</sup>Illinois Department of Human Services family copayment rates effective July 2012. As family income increases, the copayment makes up a greater percentage of family income, as much as 10 percent.

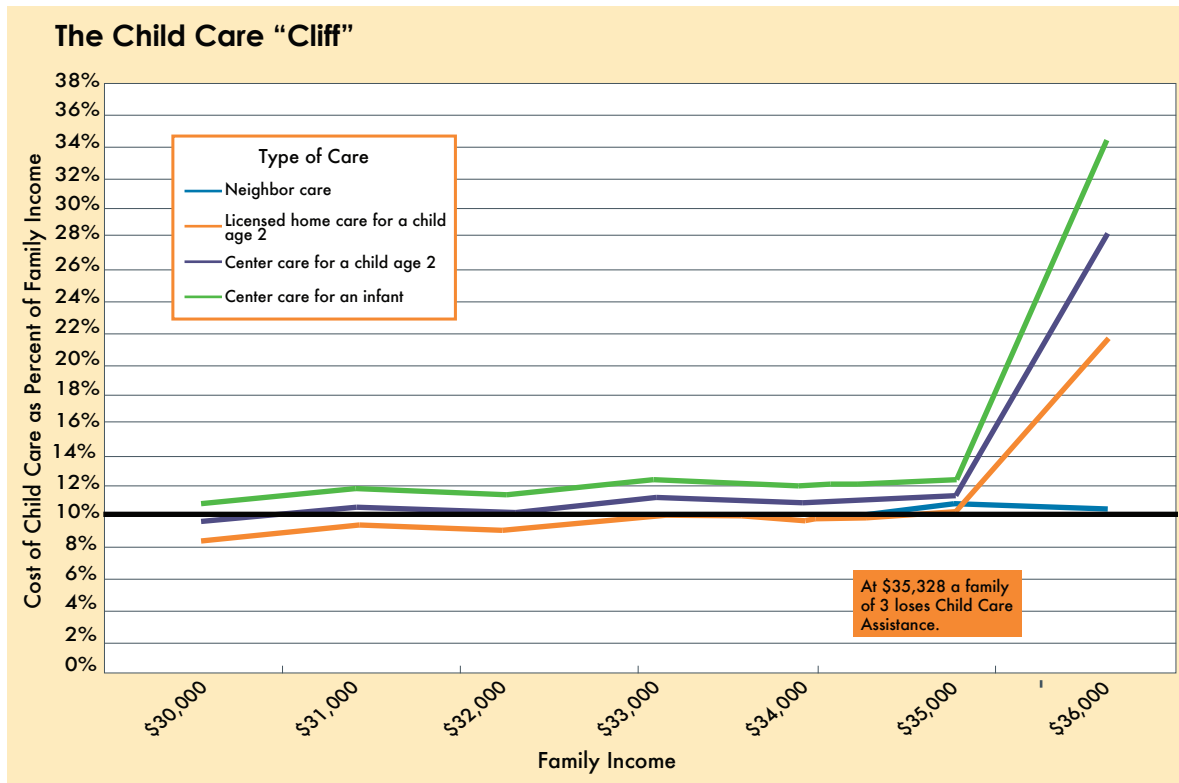
## The CCAP Income Ceiling

While CCAP helps many families afford quality child care, eligibility is based on a set income ceiling (currently 185 percent of the FPL) 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 wages, also known as the “cliff effect.” A family of three can receive CCAP support up to an income of \$35,328 per year. When their income rises above that threshold, the family is no longer eligible for child care assistance and must pay the full price of care. The full price will depend on the type of care and age of the child, but on average the cost of licensed home care for a two-year old and center care for an infant will jump to 21 percent and 34 percent of the family's income respectively. Only FFN care will remain affordable (close to the 10 percent line on the chart).<sup>22</sup>

Twenty states plus the District of Columbia have child care subsidy income eligibility rates above 200 percent of the FPL, going as high as 375 percent.<sup>23</sup> If the CCAP income ceiling were raised to 300 percent of the FPL, a family of three would retain eligibility until their annual income reached \$52,270.

Once they were no longer eligible for the program, their payments for licensed home care for a 2-year-old and center care for an infant would average 13 percent and 21 percent of their income respectively, a more manageable increase for families compared to the current cliff.



<sup>22</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>23</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>





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

Twenty-five (25) percent of the 890,000 children in Cook County live in poverty, and 45 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 71,000 children under age six and 116,000 school age children may be eligible for but not using CCAP. Only 31 percent of children eligible for CCAP are using it.

There are many possible reasons why families do not use this public support. Parents in 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 of 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.

### Children Ages 0 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)
<b>Cook County</b>	415,411	25%	45%	48,633	71,446
N & NW Chicago	82,570	20%	39%	6,227	14,348
Central & West Chicago	47,340	40%	62%	7,868	10,245
S & SW Chicago	90,212	38%	62%	18,010	18,767
<b>Chicago</b>	220,122	32%	53%	32,105	43,361
N & NW Suburban Cook	93,008	11%	27%	3,452	12,826
West Suburban Cook	42,458	18%	41%	4,336	6,586
S & SW Suburban Cook	59,823	23%	43%	8,770	8,672
<b>Suburban Cook</b>	195,289	16%	35%	16,558	28,085

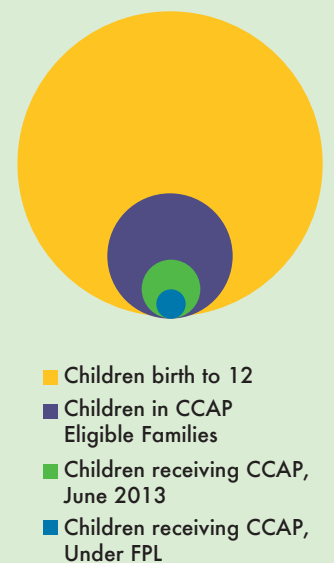
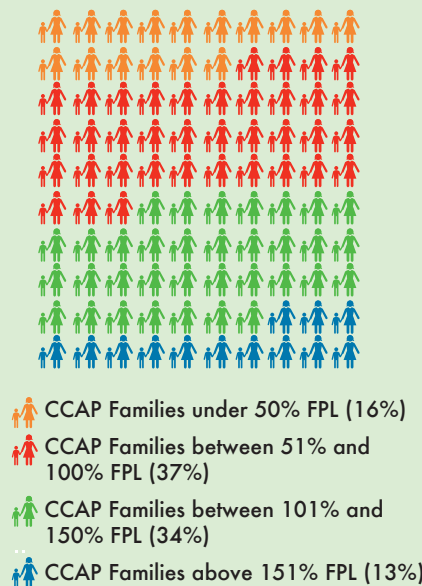
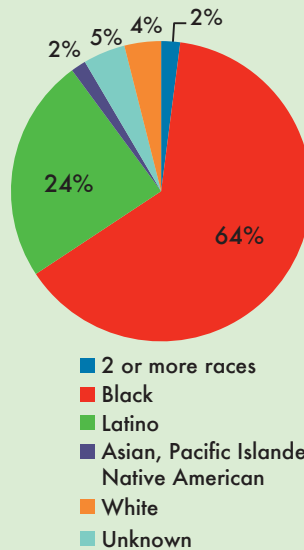
### Children Ages 6 to 12

	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)
<b>Cook County</b>	473,137	25%	45%	34,038	116,255
N & NW Chicago	75,345	23%	46%	3,254	20,282
Central & West Chicago	46,955	45%	70%	6,456	15,379
S & SW Chicago	108,583	37%	61%	13,446	33,435
<b>Chicago</b>	230,883	34%	58%	23,156	69,096
N & NW Suburban Cook	110,871	11%	27%	1,708	19,462
West Suburban Cook	52,825	17%	38%	2,651	11,307
S & SW Suburban Cook	78,558	21%	39%	6,523	16,390
<b>Suburban Cook</b>	242,254	16%	33%	10,882	47,159

## Who Uses the Child Care Assistance Program?

Although many eligible children do not receive subsidized care through CCAP, approximately 83,000 Cook County children from 49,000 families participated in CCAP in June 2013. The largest age of children receiving subsidized care is school-age children, comprising 40 percent of children in CCAP. Children participating in CCAP are predominantly Black and Latino representing 64 percent and 24 percent of all children enrolled in the program respectively. More than 95 percent of families enrolled in CCAP are single-parent households and nearly all of the single-parents are female.

While the enrollment cut-off for CCAP eligibility is at 185 percent of the federal poverty level (FPL), families vary in how far their income falls below that threshold. The majority of CCAP families have incomes in the range of 51 percent to 150 percent of the FPL with fewer families falling in the categories of deep poverty (0 to 50 percent of the FPL) and the upper limits of the income threshold (151 percent to 185 percent of the FPL). Of the children receiving subsidized care, 59 percent were from families living below the FPL.

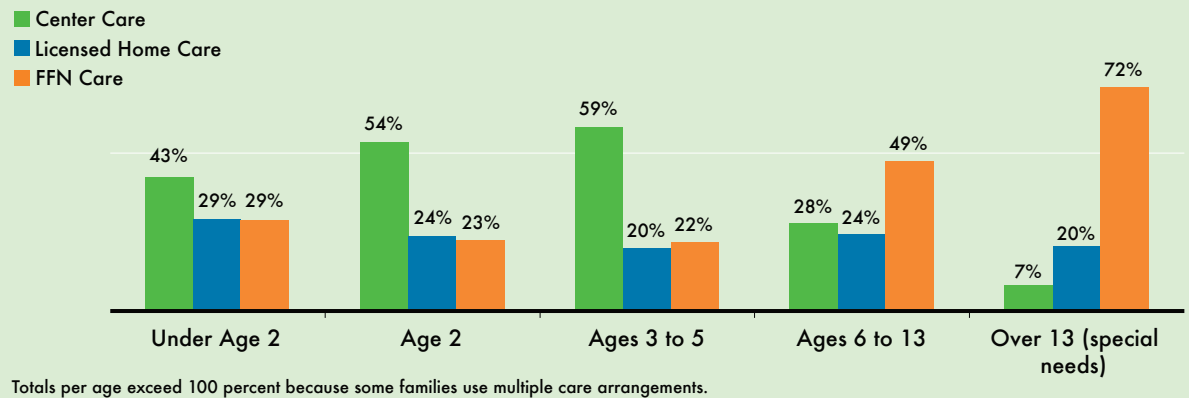


### Types of Care Used by CCAP Families

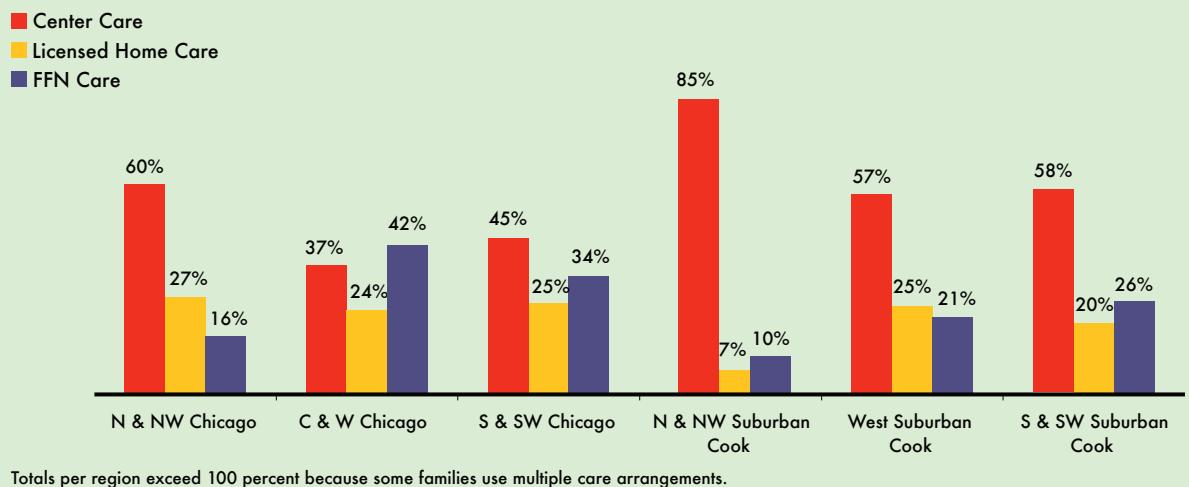
Among families using CCAP, center-based care is more commonly used for children five years old and younger while FFN care is most commonly used for school-age children. Licensed home care usage remains fairly steady regardless of the age of the child although it peaks slightly for children under age 2.

CCAP families differ in the types of care they use depending on where they live. Families in all regions except Central and West Chicago and South and Southwest Chicago are more likely to use center-based care over home-based care. Use of center-based care is most common in North and Northwest suburban Cook County. Families in North and Northwest Chicago are somewhat more likely than families in other areas to use licensed home care while the use of FFN care is most prevalent in Central and West Chicago.

#### Types of Care Used by CCAP Families, by Child Age



#### Types of Care Used by CCAP Families, by Region





## 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 – 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 – this is particularly true for 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' efforts to **reduce parent copayments** so that no eligible family pays more than 10 percent of their income toward child care copayments.

### 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. ExceleRate Illinois is a voluntary program and many providers opt not to participate 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.



## 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.

<b>North and Northwest Suburban Cook</b>	<b>West Suburban Cook</b>	<b>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</b>	<b>North and Northwest Chicago</b>	<b>South and Southwest Chicago</b>
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
	<b>South and Southwest Suburban Cook</b>		<b>Central and West Chicago</b>	
	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 statewide 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 2013: Who is Included

Type of Program	Description
Child Care Centers	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 2013.
School-Age Programs	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 2013.
Summer Only Programs	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 2013.
Licensed Homes	Any family child care home that is licensed by DCFS as of June 2013.
FFN Care (License-Exempt Homes)	License-exempt home providers participating in CCAP in June 2013. 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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