



**CHILD CARE PRICES AND AFFORDABILITY**  
A STRUGGLE FOR COLORADO FAMILIES & PROVIDERS

Presentation to the  
Early Childhood and School Readiness Legislative Commission  
July 28, 2014

  

## Cost of Care Project

Through a grant from The Women's Foundation of Colorado, Qualistar Colorado and the Colorado Children's Campaign are investigating the issue of child care affordability in Colorado.

Brief 1: Released in June

Brief 2: Will be released late August

Brief 3/Final Report: Slated for release in December

## Did you know?

- Families in each of Colorado's 64 counties pay more for child care for two young children than they pay for housing
- The average price for licensed, center-based child care for an infant is nearly half the median annual income for single mothers
- The early childhood workforce is not well-paid; many teachers are low-income working mothers
- Most child care programs are small businesses and many struggle to stay afloat

## Child care prices

Prices vary according to age, type of care setting and location

Average Annual Price for Full-time Licensed Care in Colorado

	Infant		Toddler		Preschooler	
	child care center	family child care home	child care center	family child care home	child care center	family child care home
Rural	\$8,808	\$7,149	\$8,307	\$7,081	\$7,337	\$6,532
Urban	\$13,674	\$8,993	\$12,450	\$8,841	\$10,810	\$8,327
Resort	\$14,111	\$10,713	\$13,472	\$10,463	\$12,209	\$10,372

## Family income

Median incomes vary greatly by location and family structure

	Median Income for Married Couples with Children	Median Income for Single Mother Families
<b>Colorado</b>	<b>\$85,137</b>	<b>\$26,089</b>
<b>United States (range of state medians)</b>	<b>\$62,819 - \$111,875</b>	<b>\$16,752 - \$35,921</b>

## Child care affordability

price ÷ income

	Colorado (statewide average)		United States (range of state averages)	
	Infant	Preschool	Infant	Preschool
Married Couples with Children	15.0%	11.3%	7.0% - 18.6%	6.0% - 14.1%
Single Mother Families	48.8%	36.9%	25.6% - 61.6%	22.6% - 47.7%

# Affordability in Colorado

Range of Child Care Affordability by County

	Infant		Preschool	
	Most affordable	Least affordable	Most affordable	Least affordable
Married couples with children	7.56% (San Juan)	20.36% (Saguache)	5.50% (San Juan)	16.79% (Routt)
Single mother families	19.98% (Teller)	94.55% (Gunnison)	11.97% (Ouray)	85.65% (Gunnison)

## Why is child care expensive?

- **Personnel costs** are high because child care is a labor-intensive industry, even though the workforce is not well-paid
- The balance of **supply and demand** impacts costs and prices
- Meeting basic **health, safety and quality standards** incurs costs; research indicates the return on investment is high

## How can affordability be improved?

Possible strategies include:

- Expanding, targeting and sustaining **public investments** in early care, preschool and full-day kindergarten
- Implementing creative **financing mechanisms** to expand access to subsidized care
- Improving the balance of **supply and demand**
- Incentivizing and encouraging **businesses** to adopt family-friendly policies that help families afford the high cost of care

Questions 

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