



Child care for families with low incomes

Fundamental facts from the
2004 Minnesota child care survey



About one in five families with children using child care are families with low incomes.

- About 9 percent of families in this survey have annual incomes below \$20,000, and about 22 percent are considered low-income (defined in this survey as at or below 200 percent of the federal poverty guideline for a household of their size or about \$40,000 for a family of four).
- Large families and single parent families are more likely than others to be low-income.

Families with low incomes have fewer child care choices than families with higher incomes.

- 37 percent report that they had to “take whatever child care arrangement they could get,” compared with 27 percent of parents with higher incomes.
- 32 percent of families with low incomes use family, friend and neighbor (FFN) care exclusively. (The overall rate is 24 percent.)
- Parents with low incomes are similar to parents of color and parents of children with special needs.

Families with low incomes have more child care challenges and problems than families with higher incomes.

- 13 percent of parents with low incomes have a child with special needs requiring extra effort, compared with 5 percent for families with higher incomes.
- 36 percent of parents with low incomes report that child care problems have prevented them from accepting or keeping the kind of job they wanted in the past 12 months, compared with 14 percent of other parents.
- 91 percent of parents with low incomes say that a quality rating system would be helpful, higher than for parents with higher incomes (85 percent).

Child care is unaffordable for families with low incomes.

- About half (47 percent) of families with incomes below \$20,000 per year have out-of-pocket child care expenses, and about half (53 percent) do not.
- 28 percent of income is spent on child care for the lowest income group (under \$20,000 per year) and 21 percent is spent for families with low incomes. Families with higher incomes average 10 percent, which is considered affordable.
- 19 percent of families with low incomes receive child care assistance.

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Families with low incomes have fewer choices and more challenges with child care than other families, but child care assistance nearly levels the playing field.

Child care assistance helps families with low incomes gain access to center-based and quality child care.

Families with low incomes with child care subsidies, compared with families with low incomes without child care subsidies:

- Choose child care due to quality considerations more than cost.
- Tend to rate the quality of their child care arrangements higher; for example, giving higher ratings to the creative activities, the knowledge of the caregiver about their children and their needs and not watching too much TV.
- Tend to use center-based care as their primary arrangement (57 percent versus 18 percent) and tend not to use FFN care as their primary arrangement (28 percent versus 65 percent).¹

¹ The subsample of households with low incomes with a child care subsidy has 94 households and a sampling error of plus or minus 10 percent. The sampling error does not diminish the statistical significance but should be taken into account when generalizing results or making population estimates.

FOR MORE INFORMATION:

Download fact sheets and full research reports—*Child Care Use in Minnesota and Family, Friend and Neighbor Caregivers*—at www.wilderresearch.org. 2004 Minnesota statewide household child care survey funded by the Minnesota Department of Human Services and conducted by Wilder Research, Richard Chase study director.

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