

## Ohio's Publicly Funded Child Care:

# An Essential Support for Working Families

24% of children ...

between birth and four-years-old in Ohio

ARE LIVING IN POVERTY 1

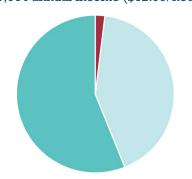
60% of families

LIVING IN POVERTY ARE single parents with children <sup>1</sup>

Ohio offers Publicly Funded Child Care to working families at or below 130% of the Federal Poverty Level (FPL). The program, however, fails to support many more low-income, working families who are unable to achieve self-sufficiency without child care support. A single mother of two children (an infant and a 4-year-old) living in Franklin County who has an annual gross income of \$41,560 (e.g. Community Health Worker, Construction Worker) does not qualify for PFCC under current eligibility rules and would have to spend 41% of her annual gross income on child care. After meeting all other basic needs, the family would be left with substantially less expendable income than a family at 130% of the FPL.

#### 130% FPL--ELIGIBLE

\$27,014 annual income (\$12.99/hour)2

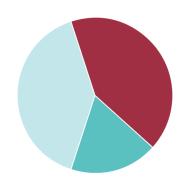


## Currrent Eligibility 130% FPL

- Child Care Costs \$527.043 vs. \$17,366.504
- Other Living Expenses<sup>5</sup> \$11,376 vs. \$16,595.88
- Remaining Expendable
  Annual Income
  \$15,110.96 vs. \$7,597.62

### 200% FPL--NOT ELIGIBLE

\$41,560 annual income (\$19.98/hour)2



## Are we preventing : working families from breaking out of poverty?

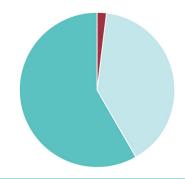
If we expanded eligibility to 200% of the Federal Poverty Level, this same mother would have the work support she needs to provide for her family and more than triple her remaining expendable income, providing a greater opportunity to break out of poverty.

## If we expand PFCC eliqibility to 200% FPL...

- Child Care Costs \$809.643
- Other Living Expenses<sup>5</sup> \$16,595.88
- Remaining Expendable
  Annual Income
  \$24,154.48

#### 200% FPL--ELIGIBLE

\$41,560 annual income (\$19.98/hour)



## Ohio's Publicly Funded Child Care: An Essential Support for Working Families

Along with providing working families with necessary support and offering the opportunity for upward economic mobility, high-quality child care offers a critical opportunity to impact kids during the most important period of development.

#### High-quality child care has a lifelong impact on our most at-risk kids by:

- Increasing school readiness and overall attainment rates
- Increasing lifelong earnings
- Decreasing likelihood of involvement in criminal activity
- Improving overall long-term health<sup>11</sup>

#### The Bottom Line

By expanding eligibility to quality publicly funded child care, we can support working families, give children a better chance at breaking the cycle of poverty, and invest in Ohio's future economic prosperity.

### Sources

- 1. Ohio Development Services Agency, Research Office. "The Ohio Poverty Report: February 2018"
- 2. Salaries determined by January 2018 <u>Federal Poverty Level Guidelines</u>; Publicly Funded Child Care eligibility outlined in Ohio Administrative Code §5101:2-16-30(A)(2)(a)
- 3. Child care copay determined using Ohio Department of Job and Family Services "Child Care Weekly Copayment Desk Aid" (Effective October 1, 2017)
- 4. Infant child care determined by averaging the costs of center, accredited center, FCC, and accredited FCC infant child care costs in Ohio based on Child Care Aware USA's "2017 State Child Care Facts in the State of Ohio"; Four year old child care determined by averaging the costs of center, accredited center, FCC, and accredited FCC four year old child care costs in Ohio based on Child Care Aware USA's "2017 State Child Care Facts in the State of Ohio"
- 5. Housing costs determined by the 2017 market rate for a two-bedroom apartment in Franklin County, Ohio (\$886/month; \$10,632/year). Section 8 Housing vouchers were considered but not taken into account for this calculation because they are not an accessible option for most families.
  - Food costs were estimated using Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, February 2018. Estimate includes costs for "thrifty plan" (cheapest option) for a 1 year-old child (\$93.60/month), 4 year-old child (\$107.90/month), and female between the ages of 19-50 (\$164.20/month). This results in a total minimum monthly cost of \$365.70 and annual cost of \$4388.40. Families at 130% FPL qualify for SNAP benefits. No food costs were accounted for in "Other Living Expenses" at 130% FPL.
  - Healthcare costs for a mother at 200% FPL was calculated by determining the premium tax credit available to a mother of a 1 year-old and 4 year-old making \$41,560 (tax credit estimated to be \$79/month) and subtracting that from the least expensive available healthcare plan in Franklin County, Ohio (MedMutual · Market HMO 7350 OhioHealth at \$148.29/month) for a total monthly cost of \$69.26 and annual cost of \$831.48. A mother at 130% FPL and children at both 130% and 200% FPL qualify for medicaid. No healthcare costs were accounted for in "Other Living Expenses" at 130% FPL or for children at 200% FPL.
  - Transportation costs based on the current price of a Central Ohio Transit Authority pass (\$62/month)
- 6. HighScope "Perry Preschool Study."



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