Family Perspectives on Availability and Affordability: Improving Access to Quality Early Education

Carmen Alban
Catherine Belyakov, Undergraduate Intern
Chloe Decker, Undergraduate Intern
Nicole Lawrence, Ph.D
Elizabeth Snyder-Fickler, Ph.D

BACKGROUND
North Carolina received multiple federal Preschool Development Grants Birth Through Five (PDG B-5) to develop and coordinate comprehensive, mixed delivery early care and learning systems for all children and families to achieve equitable access to high-quality early care and learning.

As part of this work, a comprehensive needs assessment update was conducted in 2022 that included a review of multiple data sources, including administrative data and literature, as well as focus groups and interviews with early care and education (ECE) providers, stakeholders, and parents in North Carolina. Findings from focus groups were a key part in creating recommendations to inform strategic planning as families and providers are most impacted and often best positioned to offer diverse perspectives.

This brief synthesizes the system strengths, needs, and ideas for improvement with respect to availability and affordability that were mentioned by the more than 250 parents and providers who participated in the focus groups.

Science has consistently demonstrated that the earliest years of life create the foundations on which a child’s future learning, behavior, and health depend. Young children need safe, stable, nurturing environments and relationships to thrive and reach their full potential. Children are learning and developing from the moment they are born, and when children do not have safe, secure, enriching environments and relationships, they lag their peers developmentally. The environments in which children spend their earliest years dramatically influence their long-term success in school and in life. Without positive, enriching day-to-day interactions between young children and the adults caring for them, children are less likely to reach all the developmental milestones needed for success in school.

High-quality early care and education (ECE) provides young children with well-trained, supported teachers and safe, nurturing environments where they can learn and build relationships—setting the stage for them to achieve success in school, work, and life. Unfortunately, many families are unable to access high-quality child care due to both a lack of availability and affordability.

BARRIERS TO HIGH-QUALITY EARLY CARE AND EDUCATION: ACCESSIBILITY AND AFFORDABILITY

North Carolina has long been a national leader of innovative programs and policies, due to the state’s strong commitment to improving access to high-quality early care and learning. Examples of North Carolina’s innovations include the creation of Smart Start, high-quality public pre-K via NC Pre-K, compensation strategies like WAGES and AWARD$, scholarship programs such as T.E.A.C.H., and the state’s Quality Rating and Improvement System—which North Carolina introduced before any other state in the country. Despite North Carolina’s ability to innovate, many families feel as though high-quality early care and learning is inaccessible due to widespread workforce shortages, low availability of early care and learning programs, and the increasingly high costs of child care.

In 2023, North Carolina had approximately 587,800 children ages zero to four. One in four children ages zero to four is enrolled in licensed child care, including both center-based and family child care homes. While it is unknown how many children ages zero to four are in any form of child care, 68 percent live in families where their sole parent or both parents are working. Child care is critical for these families’ ability to work. With only 25 percent of children ages zero to four in licensed child care, the majority of North Carolina families with children ages zero to four are utilizing some form of non-licensed care arrangement (e.g., kinship care, unlicensed providers, religious-sponsored programs, and drop-in centers). While it is unknown how many would prefer to use licensed child care, in August of 2023 there were more than 3,000 eligible children on the waiting list for child care subsidies, indicating a great need for affordable child care.

Despite an increasing population, access to licensed child care in North Carolina has decreased over the past five years. In August 2023, 5,425 licensed early care and learning programs in the state served 220,161 children, reflecting a 13 percent decline in sites and a 10.3 percent reduction in available spaces since January 2018. While declines in ECE sites and enrolled children began before 2020, the pandemic only worsened these trends. The persistent declines are most likely due to staff shortages. Importantly, with increased compensation and subsidy grants from federal relief funds and stabilization grants, these numbers began to improve in 2022. These funds will be fully expended by June 2024, however, leaving many parents and ECE providers increasingly worried about more pronounced access and affordability issues.

To address access challenges, the availability and affordability of care must be considered. Many families participating in focus groups noted that cost, long waitlists, and limited hours of operation were factors that contributed to the lack of access to quality care for their children.

“I am on a waitlist in three places because I have a 5-month-old, and now I am going crazy because I can’t find child care. The situation is really hard at the moment.”

–Monolingual Spanish Speaking Parent

“I am a full-time worker and I work outside the home, and the child care hours are inside my work schedule. I have to be late for work every day and cut short somewhere and it make it up somewhere else. On Fridays, they close at 3:30pm and I don’t get off work until 4:30 or 5pm so my husband and I tag team and so far, we have been blessed to be able to do that.”

–Rural Center-based Parent
CHILD CARE AVAILABILITY

Many child care centers are not able to accommodate the number of families requesting their services, and many families struggle to find any available child care services. Finding child care has proven particularly challenging for families of color, families living in rural areas, families with tribal affiliation, and families with infants and toddlers. Forty-four percent of North Carolina’s families live in a child care desert, which is an area with less than one available space for every three children ages five and under. Disparities exist in rates of access to child care, with 45 percent of Hispanic and Latino families and 54 percent of rural area families living in an area without enough licensed child care to meet demand.

Many families expressed struggles to find any child care, let alone high-quality child care. Currently, North Carolina does not have a system for collecting comprehensive data on child care waitlists. Such data would provide the state with a better understanding of how great the need is, where the need is most pronounced, and which families face the greatest hardships in accessing care.

“I took a new job and the daycares have basically said it will be two years before they might have an opening. Daycare has been a complete nightmare for our family.”

– Rural Center-based Parent

“My biggest issue is that I have three children. I have a 4-month-old, a 1-year-old, and a 2-year-old. When you have those different age ranges, they charge different, and they also have to have available space. I don’t want to put my 4-month-old at a different facility than my 1- and 2-year-olds. It is trying to get them all together under one roof.”

– Urban/Suburban Center-based Parent

Only 10% of eligible children birth to five had access to child care subsidies in North Carolina before the pandemic.
While child care centers serve the largest share of children in licensed early care and education, many families place their children in licensed family child care homes, which offer smaller group sizes, a consistent educator in a family-like environment, and are oftentimes a more affordable option. Family child care is often the only type of care available, especially in more rural areas, and often offers flexibility for those working non-traditional hours. While family child care homes fill an important need, the number of sites has declined significantly. Over 3,000 providers, representing a 73 percent decline, closed between 2005 and 2022.

North Carolina has a history of commitment to supporting family child care home providers and is seeking to grow the number of family child care homes through an array of Preschool Development Grant-funded initiatives.

**CHILD CARE AFFORDABILITY**

Even when child care providers have available spots, the high costs of services affect many families’ ability to access care. The average cost of care in North Carolina is $1,155 per month for infants, or $13,860 annually. For preschool-aged children, the average cost of care in North Carolina is $732 per month, or $8,784 annually. Child care costs in some regions of North Carolina are significantly higher.

For a family making North Carolina’s median income, $61,979 annually, infant care for one child will cost 22 percent of their income. If the same family has two children, an infant and a four-year-old, they will spend 37 percent of their income on child care alone. This makes licensed care inaccessible for many families because, according to the U.S. Department of Health and Human Services, child care is only considered affordable if it accounts for no more than seven percent of a family's household income—a goal in the North Carolina Early Childhood Action Plan.

A lot of daycare centers in Charlotte don’t take newborns so she is at a home daycare.”

– Parent of a Child with a Disability

“I have an 18-month-old and for me, I was definitely wanting a small place because I had COVID anxiety.”

– Urban/Suburban Family Child Care Home Parent

“Well, daycare is super expensive. I have even cut him down to going to daycare only three days a week instead of five because it’s so expensive.

– Parent with Tribal Affiliation

“My husband and I make a very good living, and I don’t know how people do it who work just to pay for child care. For some people it takes up their whole salary.”

– Urban/Suburban Center-based Parent
North Carolina has multiple methods of subsidizing child care; however, demand for child care subsidies exceeds supply, with more than 3,000 children on the waitlist as of August 2023. Families earning up to 200 percent of the federal poverty level ($55,500 for a family of four), working, attempting to find work, or enrolled in school or a job training program are eligible, however, funds are limited. Access to child care subsidies improves outcomes for children and families through increased access to higher-quality care and by helping families remain in the workforce, boosting their lifetime earnings and improving their long-term financial health. In turn, higher family incomes and reduced time in poverty are both associated with better long-term outcomes for children. However, many families still cannot obtain adequate funding; only 10 percent of eligible children birth to five had access to child care subsidies in North Carolina under federal standards before the pandemic. Even fewer eligible children are accessing care now, due to fewer available spaces.

“I am getting a subsidy right now for my 8-month-old and my 2-year-old, but it is only because of COVID. They have funding right now, but if the money runs out, they will no longer be able to go (to child care).”
– Parent of a Child with a Disability

“I have tried to get a voucher, but I have not heard a response. I contacted DSS, who referred me to a worker, but I still have not had any follow-up from them.”
– Urban/Suburban Family Child Care Home Parent

“It is very unfortunate. I have applied (for subsidy) about six months ago and I am still waiting for an answer. At least they accepted my child in NC Pre-K, but I have to work, and I need help 8 or 9 hours a day. I am a single mother, and I don’t have the luxury to sit and wait at home to receive something that will never come.”
– Monolingual Spanish Speaking Parent

North Carolina also has several public preschool programs, including Title I Preschool and Exceptional Children’s Preschool through DPI; NC Pre-K through DCDEE; and Head Start through local communities. While NC Pre-K, Head Start, and Title I Preschool provide much-needed services to many families, these programs are currently unable to serve all eligible children. In addition, these programs are only required to provide instruction and services for approximately six and a half hours a day–leaving many families without child care coverage for those working longer hours.

“I found out that Head Start is open from 8:00am to 2:30pm. I am in an internship until 5pm. So, if my daughter gets into Head Start in the fall, I will have to find transportation to another [child] care center. The scheduling for these federal programs—I don’t understand how people are utilizing them if they work an 8 to 5 job—which is a typical work schedule.”
– Urban/Suburban Family Child Care Home Parent

“My child is in Head Start, and I have been looking for jobs so was looking into vouchers. I was trying to figure out how to do this if there is no wraparound care (at Head Start). I was told that I can’t apply for subsidy for before and after care until I actually have a job.”
– Urban/Suburban NC Pre-K/Head Start Parent
SUMMARY AND RECOMMENDATIONS FOR STRATEGIC PLANNING

1. Access to early care and learning is a growing challenge across North Carolina, as is seen through decreased enrollment numbers and a reduction in available child care slots since 2020. These decreases are even greater for families of color, families living in rural areas, families with tribal affiliation, and families with infants and toddlers.

2. In addition to access, child care affordability is a leading factor causing families to have limited ability to enroll their children in high-quality care.
   - The current system of reimbursing providers that participate in child care subsidies, which is based on a percentage of what a family would typically pay rather than the actual market rate, is unsustainable for providers long term.
   - In addition, the long waitlists for a family to be granted a child care subsidy means that many families are currently not able to access care.

3. North Carolina’s public preschool programs—NC Pre-K, Head Start, and Title I Preschool—serve the state’s most vulnerable families, but access to these programs is especially limited.
   - Presently, funding for NC Pre-K serves just over half of eligible children, and funding for Head Start serves 19 percent of eligible children.
   - Moreover, the programs do not offer free wraparound care to families for before- and after-school care, impacting those families with full-time employment.

Pandemic-related relief funds helped stabilize a critical industry in crisis by raising wages so educators could be retained, thereby increasing the number of available and affordable slots for families. However, these funds are set to expire in June 2024. When families can’t access or afford care, the financial impacts extend beyond their households to the larger economy. There is an urgent need for greater financial investment in an increasingly fragile, but essential, ECE system. This investment must be collective and include not only state and federal resources, but also the business community. The recent North Carolina budget allocated $900,000 for a tri-share pilot where child care funding would be covered by state, business, and families in three counties. This is an exciting initiative and, should positive findings result, may lead to additional funding in future budgets.
REFERENCES

1. North Carolina Child Care Resource & Referral Council, Child Enrollment in Licensed Child Care Programs by Type of Care, License Type, and Child Age Group, 2023.

This research brief is part of a four part series to enhance qualitative analysis of parent and provider feedback collected for the 2022 update of NC DHHS DCDEE Needs Assessment and Action Plan.

All four are available online at https://childandfamilypolicy.duke.edu/research-item/nc-preschool-development-grant/

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