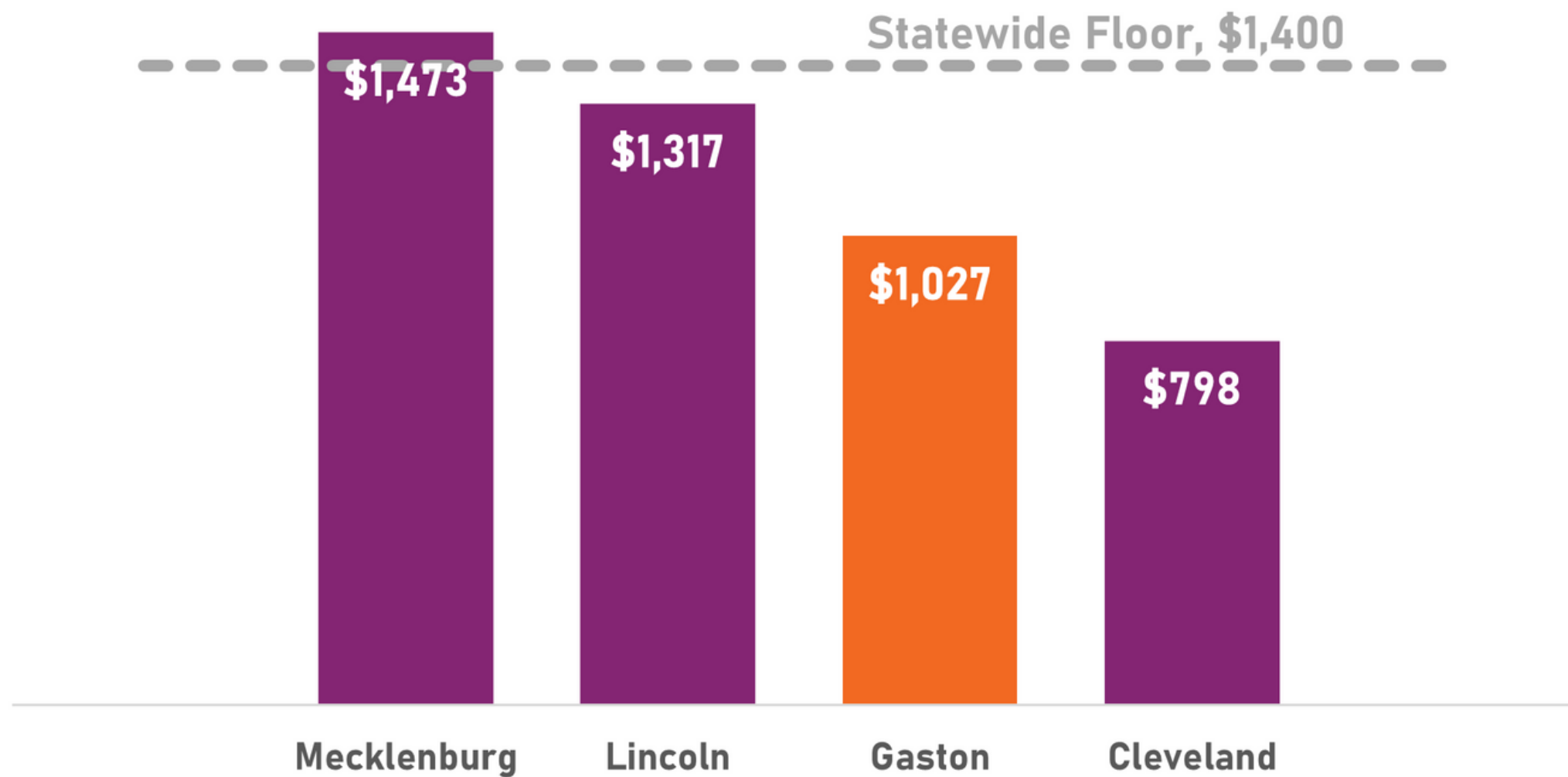


# INVESTING IN NC'S CHILDREN: IMPLEMENT A STATEWIDE CHILD CARE SUBSIDY FLOOR

**GASTON COUNTY PROVIDERS RECEIVE \$446 LESS PER INFANT IN A FIVE-STAR CENTER THAN MECKLENBURG COUNTY PROVIDERS**



SOURCE: Division of Child Development & Early Education, NC DHHS, October 2023 Market Rates

## THE ISSUE:

NORTH CAROLINA'S CHILD CARE LANDSCAPE IS STRUGGLING. WITHOUT TAKING THE PROPER STEPS TO ENSURE THIS CRITICAL INDUSTRY IS SUSTAINABLE AND SET UP FOR LONG-TERM SUCCESS, NORTH CAROLINA'S CHILDREN, FAMILIES, AND ECONOMY WILL FEEL THE IMPACT OF FAILURE.

In the most extreme swing, the difference in reimbursement between the same quality provider serving the same age children exceeds **\$700** per infant between Chatham and Randolph counties.

Most often, these discrepancies, which are caused by using county market rates, negatively and disproportionately affect rural areas.

The Century Foundation estimates that once pandemic-era investments in the child care industry end, about **155,000 children could lose care and nearly 1,800 child care facilities could close.**

**CURRENTLY, THE DEMAND OF CHILD CARE IN THE STATE FAR EXCEEDS THE SUPPLY.**

# RECOMMENDATION: IMPLEMENT A STATEWIDE CHILD CARE SUBSIDY FLOOR



## COST TO THE STATE:

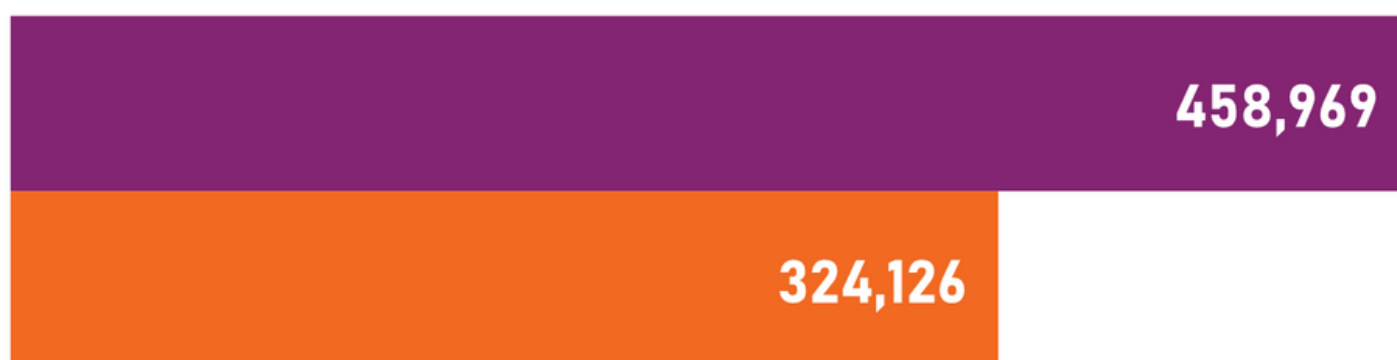
- Approximately \$95 million per year.<sup>1</sup>

## HOW MUCH DOES INACTION COST?

- Estimates by The Century Foundation suggest that NC parents' earnings could drop by **\$416 MILLION** and business activity could fall by **\$485 MILLION** per year if we don't invest in child care now.<sup>2</sup>

### ONLY 70% OF YOUNG CHILDREN HAVE ACCESS TO CARE WITH BOTH PARENTS IN THE HOUSEHOLD WORKING.

Number of kids with both parents working



Licensed capacity at child care providers

SOURCE: NC CC&R DATA (2024) AND US CENSUS BUREAU ACS 5-YEAR ESTIMATE (2022)

## ABOUT NC CHILD

NC Child is a statewide, 501(c)(3) nonprofit that advances policies that ensure all of North Carolina's children have the opportunity to thrive.

Without additional investments in child care, we could see up to 30% of child care centers in NC close their doors.<sup>3</sup>



## WHAT'S BEEN DONE SO FAR?

Through the generous investment from the North Carolina General Assembly:

- The deadlines for certain COVID relief funds were extended through June 2024.
- The subsidy rates were increased to the 2021 market level.

## CREATING A STATEWIDE FLOOR WILL LEVEL THE PLAYING FIELD.

### REFERENCES

1. Analysis of NC Department of Health and Human Services Division of Child Development and Early Education child care subsidy enrollment data, licensed center and family child care home rates, and 2021 Child Care Market Rate Study
2. & 3. Analysis of US Bureau of Labor Statistics Current Population Survey microdata via IPUMS-CPS, University of Minnesota

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