

The High Cost of Childcare

Childcare is costly, and deciding how your children will be cared for is a complicated issue. Here are facts and suggestions to assist you in navigating the process.

By Lydia Rueger



A single mom of two boys, ages 10 and 4, Michelle LaCasse of Lakewood can't wait until next fall. That's when her days of paying for full-time childcare will end. For years, LaCasse's son attended a Kindercare center full-time. She was happy with the care, but at \$1200 per month, she could only make it work with financial help from a family member.

"We were fortunate to get help from my grandfather, but he, too, had expenses to take care of, such as the nursing home facility he resides in," says LaCasse, who both works and attends classes at a community college. When her grandfather could no longer help out, she needed a more affordable option for childcare and started to look for other options. In the end, she made arrangements with two different stay-at-home-moms that she trusts to watch her son on different days. It's a complicated schedule, but for now, LaCasse says it's the best choice for her family.

Like LaCasse, many parents struggle with the cost of childcare in Colorado, as well as finding a schedule that works. The cost of full-time, center-based childcare for an infant is nearly half (49 percent) the median annual income for single mothers, and 39 percent for a preschooler, according to the 2013 brief, *Child Care Affordability*, produced by Qualistar Colorado.

Colorado's affordability seems to be a concern regardless of one's family situation. With an average annual childcare cost of \$12,736 per infant and \$9,619 per preschooler, Colorado is one of the least affordable states for full-time, center-based childcare.

Why Are Costs So High?

Childcare professionals are not highly paid, but costs remain high due to several different factors, according to the Child Care Affordability brief. Childcare is a labor-intensive industry due to required staff-to-child ratios. For infants and young toddlers in Colorado centers, there must be one teacher for every five children. For older toddlers, it's 1:7, for young preschoolers, 1:8 and for 3- to 4-year-olds, it's 1:10. Consider the cost of those ratios compared to an elementary school classroom or a college lecture class.

Another reason is that full-time childcare programs generally must be open for 11 or 12 hours per day in order to accommodate working families. In order for childcare programs to operate, they must be staffed with enough qualified teachers to cover all of the operating hours.

In addition, for-profit businesses in Colorado (about 65 percent of childcare centers are) pay higher property taxes than in many other states. Commercial property taxes in Colorado are more than three times the property taxes paid by residential property, a ratio that is twice as high as the national average.

Available Childcare Help

The Colorado Child Care Assistance Program (CCCAP) is the state system available to families that are working, searching for a job or in training. To qualify, families must earn an income that is 85 percent or less of the state median income (state median is \$70,831 for a family of four).

Last year, CCCAP helped 32,475 families. "Our estimates tell us that more families are eligible than are applying for it," says Bill Jaeger, vice president of early childhood initiatives for the Colorado Children's Campaign. Jaeger believes some of this is because the system can be difficult to navigate.

In addition, Colorado is the only state in which individual counties set assistance eligibility for families. "This means that we have not one, but 64 programs," Jaeger says. "The challenge is, you might be eligible in one county and not in another if you move across the street. We need to balance local priorities with consistency."

Changes to Childcare Assistance

In an effort to address this problem and to improve CCCAP's accessibility, Jaeger and others recently worked together on a joint task force. In October 2014, the State Board of Human Services unanimously approved the task force's recommended changes for CCCAP. The goal is to ensure that parents can stay in the workforce while their children are cared for in high-quality settings that promote school readiness. The following changes, in addition to others, are already being implemented.

- CCCAP is now available to families that have income of 165 percent or less of the federal poverty guideline, instead of 130 percent as before. For a family of four, this means you now need to have an income of \$39,000 or less per year to qualify, rather than \$31,000.
- Parents must be authorized for 12 months at a time. Parents without jobs who apply for CCCAP will be authorized for a total of one year and 2 months, allowing an additional 60 days for the job search. Many counties were authorizing CCCAP assistance for just a couple months at a time. The goal with this change is to reduce the risk of working parents losing their jobs because they have to leave work frequently to turn in childcare-related paperwork.
- Parents using CCCAP must pay parental fees. Previously, Colorado had the third highest co-pay expectation, at 10 percent of a person's income. Now, parents living at 100 percent of the federal poverty level pay no more

than 1 percent. "The point is to move from public assistance to self-sufficiency, and the fees were contributing to keeping people in poverty," Jaeger says.

- Counties can no longer authorize children's day care hours based on the adults' schedules. Previously, some counties only offered childcare provisions during the parents' authorized work hours, which did not always allow for drive time and unique work situations. Parents working split shifts would often have to pick up their kids during a nap and bring them back two hours later. Parents working nights couldn't get childcare during the day while they had to sleep. "(This change) thinks of the needs of the child, as well as the adult," Jaeger says. "It's the first step to thinking that the child has needs related to consistent, quality care, and we need a system that supports that."

Parents receiving CCCAP can choose their childcare center, but not all childcare centers accept CCCAP. Findings of an analysis from the National Women's Law Center said that CCCAP reimburses childcare centers in Denver 39 percent less than the market rate for infant care and 41 percent less for preschool-age care. Also, CCCAP does not pay providers for as many absences or holidays as private paying families are charged. A large center that serves a significant number of CCCAP families can lose tens of thousands of dollars of revenue each year.

"In the future, we plan to make recommendations that might get more providers to accept CCCAP, because the reimbursement rates are an issue," Jaeger says.

Alternatives To Childcare

Many Colorado families have discovered that, regardless of quality care and/or changes to the system, full-time childcare doesn't fit their life situation. They seek out alternatives, which require different sacrifices.

"Although I always wanted to stay home with my children, the fact that one or the other of our salaries would just go to day care meant it wasn't much of a choice anyway," says Vicki Little of Aurora. Little stays home and adds to her income by doing in-home childcare for one or two other children, providing less expensive care for working moms that need it.

For Parker mom Jen DeVine, a Certified Registered Nurse Anesthetist at University of Colorado Hospital, her work schedule—12 to 14 hours per day—is the main factor that keeps her from using childcare centers. With a husband that travels and no extended family in town, "Daycare is not an option, as they open too late and close too early. We have relied on nannies to keep

Childcare Checklist

Qualistar Colorado offers tips on what to watch for and what to ask when choosing childcare, whether you're seeking a large facility or in-home care. In addition to the following tips, Andrea Streff at Qualistar suggests looking for "a warm and welcoming environment, teachers that are engaged and parents that are welcomed in." For many more tips and a free childcare referral guide, call 877-338-2273 or visit qualistar.org.

Ask

- Is your program licensed by the State of Colorado?
- What training have you and your staff had?
- How long have your teachers worked here?
- What do you do when a medical emergency occurs?
- What kind of daily communication can I expect from you?
- What is your center's policy for preventing sexual abuse?

(For more details on this, visit parentingsafechildren.com)

Watch For

- Is an emergency route and emergency numbers list posted?
- Is equipment clean, in good repair and are electrical outlets covered?
- Are nutritious snacks and meals provided?
- Are nap and story times built into the day?
- Is there both indoor and outdoor playtime?
- Do teachers use positive language?
- Do the teachers attend to children who are upset?
- Are children asked questions, not just given directions?

afloat. So far, we have been very fortunate, but we are starting the search for another nanny since we are moving across town, and the commute will be too much for our current nanny."

Nanny costs can vary based on the amount of time needed, but they are even more expensive than childcare centers. According to the career website sokanu.com, the average annual nanny salary in Colorado is just under \$24,000, or about \$11.50 per hour.

For Cris Dangerfield of Arvada, her main motivation for transitioning from full-time work with a child in day care to being a stay-at-home mom was more about reducing stress than cost. "My employer was asking for more hours; it was difficult to pump at work, and at the end of the day, I missed him," she says. Dangerfield made it work by cutting back on the grocery bill and clothing expenditures for herself. Though she knows firsthand that staying home is

stressful in different ways, she says it's the best decision for her family, for now: "I am able to run errands during the day when there is less traffic, and I have more flexibility when family comes to visit."

The Cost of Leaving Work

Dangerfield, in addition to many other parents who have left their career for a time, often worry about the ability to keep up their professional skills. "The part that scares me is that I know I want to go back to work eventually, and I don't know how to keep up with technology in my field," Dangerfield says. "I'll be older and out-of-date. I wonder if I'll be able to find anything or if I'll have to go back to school."

It's a valid concern, and taking years off work does affect women financially in the long run. According to the Women's Foundation report, *The Status of Women and Girls in Colorado*: While a reduction in paid work may make economic sense for women at a single point in time...it depresses women's lifetime earnings—which, in turn, can hinder their capacity to support themselves in retirement. Research cited in the same report suggests that access to work/family supports—including reliable childcare and health insurance—increases women's earnings and job attachment, particularly for lower-waged women.

If you decide to leave the workforce for a while, there are many resources for parents once they are ready to return, such as irelaunch.com, dedicated to helping people successfully re-launch their careers. Tentiltwo.com focuses on placing people in part-time work that might not have school-day drop-off and pick-up time constraints.

In the *The Guardian's* online article, *Returning to Work After Children: Twelve Tips from our Experts*, Rachael Saunders, head of communications for Opportunity Now, encourages parents to remember that being at home with kids develops new skills that can help in a career: "Being at home with kids develops your people skills, your creative problem solving, your ability to multi-task and your time management like no job I've ever had ... You should approach every job with your head held high."

Regardless of the childcare choices you make for your family, it's worth it to spend some time researching your options. You might find a situation you had previously not considered is a better fit for your new life stage.

Lydia Rueger is an Arvada-based freelance writer and mother of two.