

Association for the Education of Young Children of Missouri Position Statement on Increasing Missouri's Child Care Subsidy

AEYC-MO recognizes and appreciates the progress the Missouri state legislature made in 2007 towards increasing the child care subsidy. However, in order to ensure that all parents have access to affordable child care, AEYC-MO supports an increase in the limits of income eligibility to 185 % Federal Poverty Level by 2012. Increased subsidies will support parents as they support their families. Increased subsidies will allow a greater percentage of Missouri's at risk children to succeed in school and life. Additionally, AEYC-MO support an increase of the subsidy reimbursements rates for child care providers to the 75th percentile of the most recent market rate survey.

Missouri's child care subsidy program is a service to low income families that promotes long term economic benefits. It is a smart investment in many ways. The high cost of quality early childhood programs can be overwhelming. The average cost for two children is over \$7000 which is beyond the ability of many working families. These families cannot bear the cost of childcare alone. Child care subsidies help keep parents working and supporting their families. However, Missouri has one of the lowest eligibility levels in the country. Most states set the maximum a family can earn and be eligible at 185-200% of Federal Poverty Level. However, Missouri currently ranks 46 with an eligibility level of 127% of Federal Poverty Level.

Prior to the age of three, 85% of a child's brain structure is formed. On average, children birth to eight years of age, spend 40 hours a week in early childhood programs. It is prudent to ensure that our youngest children are receiving the quality of care they need. Numerous studies have shown that high quality programs yield economic returns of \$4 - \$7 for every dollar invested. The Minneapolis Federal Reserve estimates economic returns as high as \$17 dollars. High quality programs help children be prepared for success in school and increased productivity as adults. Child care subsidies help parents afford care that will help their child succeed

Child care is a necessary industry. In Missouri, regulated child care supports 120,000 workers in other industries and produces \$635 million in gross annual receipts. Yet the average hourly child care wage is \$7.40. Programs struggle to keep qualified staff, maintain adequate teaching supplies and keep equipment functioning safely. Additional child care subsidies could also provide program directors with funds to address staff compensation issues and therefore improve the overall quality by reducing staff turnover.

i Written Testimony House Appropriations – Health, Mental Health and social services. December 3, 2007

ii. Missouri Department of Social Services (February 2007). *Purchase of Child Care*

iii. Grunewald (March 2005). *Early Childhood Development: Economic Development with a High Public Return.*

iv. Missouri Child Care Resource and Referral Network (July 2005).

Child Care Keeps Missouri working the Missouri

Child Care Industry Economic Impact Report.