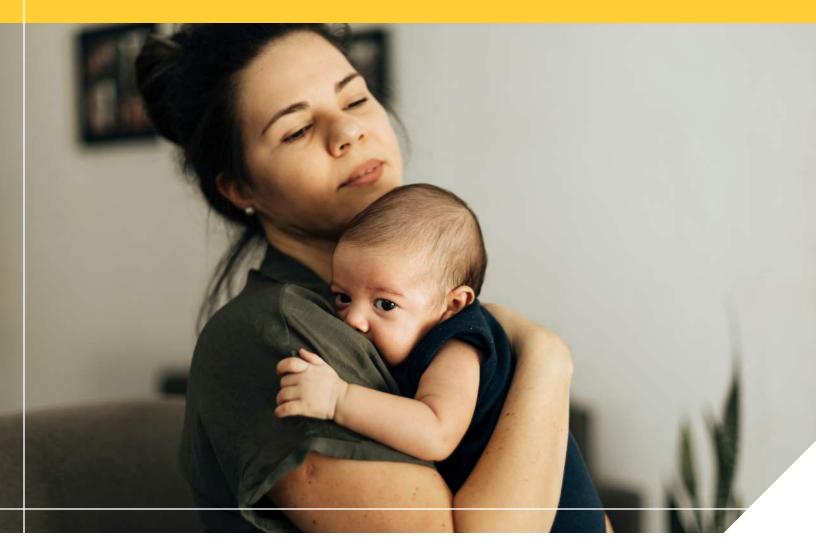


April 2025

### Child Care Among California Households With Young Children Ages 0–5

Nicole Lordi, Veronica Villacorta, Jackie Thu-Hương Wong, Angelo Williams, Martha E. Dominguez- Brinkley, Rudiel Fabian, and Won Lee









### **KEY TAKEAWAYS**

- Less than half (46%) of California's young children ages 0-5 had regular child care arrangements (i.e., child care for 10 or more hours per week) in 2023. Latinx children and children living in households below 200% FPL were less likely to have regular child care.
- One in 6 parents of children ages 0-5 could not find child care when they needed it for a week or longer in 2023.
  Affordability was the main reason parents could not find child care.
- > Seven in 10 households with young children ages 0-5 spent \$200 or more per week on child care in 2023 – a significant increase from before and during the COVID-19 pandemic.

Summary: The 2023 California Health Interview Survey (CHIS) showed that less than half of young children ages 0–5 in California have regular child care arrangements. Young children who are Latinx or who are from low-income households are less likely to have regular child care. CHIS data also indicate that nearly 1 in 5 households with children ages 0–5 are not able to secure child care when they need it for a week or longer. These households report cost as the main reason they are unable to obtain child care. Moreover, the proportion of households that spend \$200 or more per week on child care has increased since 2019. These CHIS findings highlight critical gaps surrounding child care in California.



### BACKGROUND

According to the 2023 KIDS COUNT® Data *Book*<sup>1</sup> California ranks 35th in the country in child well-being. That report links California's ranking in child well-being to the child care crisis – that is, the inability of many California households to access affordable and highguality child care. Child care allows parents to work and remain employed and supports a child's cognitive, socioemotional, and behavioral development toward academic readiness and success.<sup>2</sup> Parents are also negatively affected by the child care crisis, with 13% of parents with children ages 0-5reporting that they had experienced job challenges - such as guitting, changing, or passing up a job - due to difficulties in obtaining child care.1

Many California households with children struggled to find child care even before the COVID-19 pandemic. Despite pandemicrelated restrictions being lifted and economic conditions improving, households with children continue to struggle and experience difficulties in accessing affordable and high-quality child care. This child care crisis disproportionately affects children from low-income households, communities of color, and/or rural areas.<sup>3,4</sup>

While California provides subsidies for child care to families across the state, only 11% of eligible California children ages 0 to 12 received such services in 2022.<sup>5</sup> Children ages 0 to 5, particularly children of color, have the greatest unmet need for child care.<sup>6</sup> Further illustrating the growing complexities of California's child care crisis, the population of subsidy-eligible children increased 40% between 2015 and 2022, from 1.5 million to 2.1 million.<sup>6</sup>

This policy brief uses data from the 2019–2023 CHIS to describe the child care experiences of households with young children 0–5 years old, including unmet need for child care and household spending on child care.

### Less than half (46%) of all children ages 0–5 had regular child care.

### **Child care in California**

CHIS estimates there were 2.6 million children ages 0–5 in California in 2023. Almost half of these children were Latinx (46.6%), a quarter were white (25.1%), 13.6% were Asian, 5.0% were Black or African American, and 9.7% were either American Indian or Alaska Native, Native Hawaiian or Pacific Islander, or multiracial. Seventy percent of young children lived in households with incomes at or above 300% of the federal poverty level (FPL) (Appendix Exhibit A1).

Less than half of all children ages 0–5 (46%) had regular child care, defined as child care for 10 or more hours per week (excludes child care provided by parents, legal guardians, or stepparents). Young white children (56.7%) were more likely to have regular child care than the general population of young children. Fewer young Latinx children (34.3%) had regular child care in 2023 than the general population of young children. The proportions of young Black or African American children (55.9%) and young Asian children (53.5%) with regular child care did not differ significantly from the general population of young children (Appendix Exhibit A2).

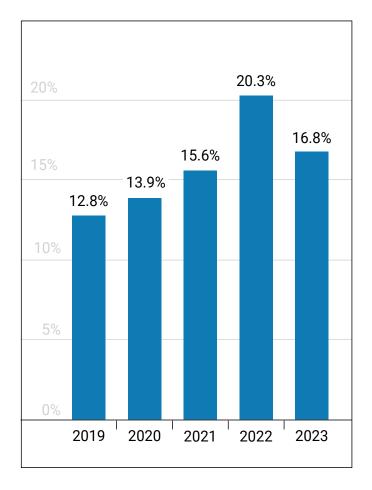
Having regular child care arrangements differed by income. In 2023, a larger percentage of children living in households earning three times or more FPL (53.7%) had regular child care, compared to children living in households with incomes of 100%– 199% FPL (23.1%) and 0%–99% FPL (26.7%) (Appendix Exhibit A2).

Among young children with regular child care arrangements, nearly a quarter (24.4%) received services informally or through a private source, such as grandparents, other family, or non-family members. A quarter received child care from a formal or public source, such as a state program or Head Start, preschool, nursery school, or child care center, and half had child care from more than one source (Appendix Exhibit A3). More than half of young children with regular child care arrangements (54.6%) were in child care full time (35 or more hours per week) (data not shown).

### Difficulty obtaining child care

In 2023, nearly 17% of parents with children ages 0–5 years reported they were unable to find child care when they needed it for a week or longer. Exhibit 1 shows that these difficulties persisted after the COVID-19 pandemic and peaked in 2022, when 20.3% of parents reported challenges in finding child care, compared to 12.8% in 2019. In 2023, the proportion was not statistically different from previous years and was similar across household income and race and ethnicity (Appendix Exhibit A5).

Exhibit 1 / Difficulties Finding Child Care for a Week or Longer, Children Ages 0–5, California, 2019–2023



Source: 2019–2023 California Health Interview Surveys

Cost was the most frequent reason parents gave for being unable to find child care. Additionally, more than a quarter of parents said the child care providers they found lacked quality or space. Parents also reported unsuitable hours or locations and other reasons for the inability to find child care (Exhibit 2).

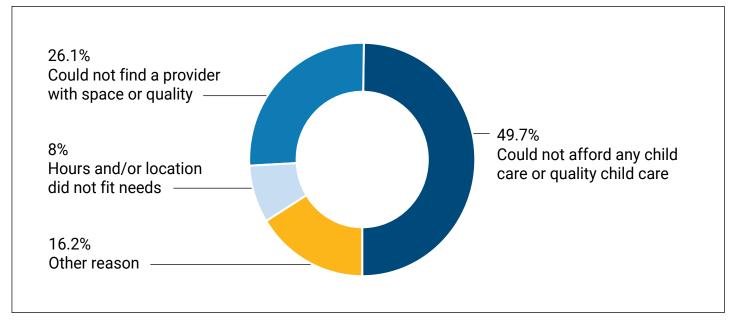
### Weekly Household Spending on Child Care

CHIS data from 2019 to 2023 indicate that child care has become more expensive for a greater share of California households. In 2023, 7 in 10 households with children ages 0–5 spent \$200 or more per week on child care, compared to 4 in 10 households that spent that amount in 2019 (Exhibit 3).

Half (52.7%) of Latinx households with young children reported spending \$200 or more on child care per week in 2023. While this is a smaller proportion than the population in general, this is a significant increase over the percentage of Latinx households that reported spending this amount in 2022 (31.5%) (Appendix Exhibit A7).

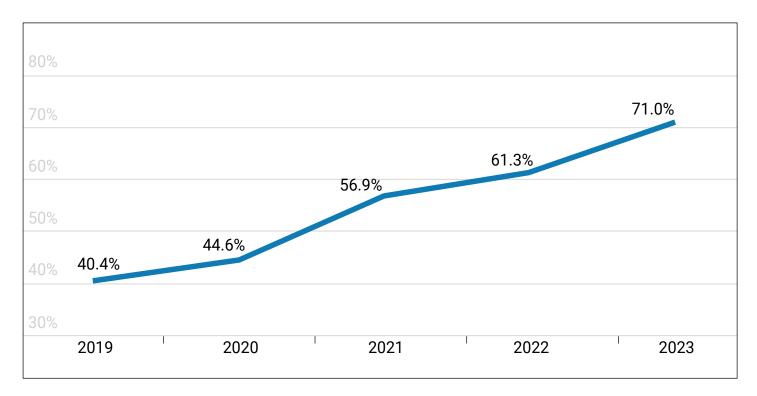
High-income households (income equal to or greater than 300% FPL) were more likely to spend \$200 or more on child care per week compared to their counterparts. Eighty-one percent (80.8%) of high-income households spent \$200 or more per week on child care, compared to 48.5% of the lowest-income households (income less than 100% FPL) (Appendix Exhibit A7).

## Exhibit 2 / Main Reasons Unable to Find Child Care for a Week or Longer, Children Ages 0–5, California, 2023



Source: 2023 California Health Interview Survey

## Exhibit 3 / \$200 or More per Week Spent on Child Care, Families With Children Ages 0–5, California, 2019–2023



Source: 2019-2023 California Health Interview Surveys

#### CONCLUSION

CHIS data show that obtaining sufficient and affordable child care has been an ongoing issue for families with young children in California. In 2023, less than half of households with young children ages 0–5 had regular child care. Obtaining child care became increasingly difficult after the COVID-19 pandemic, with as many as 1 in 5 households with young children not being able to obtain child care for a week or longer in 2022 (though the proportion of parents reporting difficulties finding child care in 2023 was similar to proportions reported prior to the pandemic). The majority of parents unable to find child care reported that it was unaffordable or that providers lacked space or quality.

Many young Latinx children lack regular child care, even though they represent the largest portion of California's young child population. Since the COVID-19 pandemic, households with young children are spending more out of pocket on child care. While Latinx households were least likely to spend \$200 or more weekly, more than one-third of Latinx households rely on family members, such as grandparents, to take care of their young children and potentially absorb the rising cost of child care. However, this may be changing, as significantly more Latinx households reported spending \$200 or more per week for child care in 2023. A recent analysis of child care affordability ranked California fourth nationwide for most expensive infant care.<sup>7</sup>

Young children in households earning less than twice the federal poverty level (FPL) were less likely to have regular child care compared to

# 1 in 6 (16.8%)

parents with children ages 0-5 reported they were unable to find child care when they needed it for a week or longer.

their counterparts in households with incomes three times or more FPL, despite the existence of state child care subsidies that prioritize lowincome households. Moreover, in 2023, reports of difficulties finding child care for a week or longer were similar across household incomes. This could be an indication that child care programs such as subsidized child care are not reaching their priority population, perhaps due to limited availability of subsidized slots.

CHIS 2023 data do not yet reflect the impact of Family Fee Reform, enacted as part of California's 2023-24 budget. The promise of Family Fee Reform is that by eliminating fees for households with incomes below 75% of the state median income (SMI) and capping fees at 1% for households at or above 75% SMI, families will no longer need to choose between child care and paying for basic needs such as rent, utilities, and groceries.<sup>8</sup> However, while the proposed state budget for fiscal year 2025–26 includes \$7.1 billion to sustain current funding for child care and development programs and funds the current child care slots, the proposal does not include additional funding for subsidized child care slots.9 To date, 146,000 child care slots out of the 200,000 the administration committed to by 2027 have been funded.<sup>10</sup>



Analyses by the National Women's Law Center and the Urban Institute highlight how proposed federal tax breaks may harm investments in children and families, potentially leading to budget cuts for the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF).<sup>11, 12</sup> Before the 2024 election, the U.S. Senate Appropriations Committee suggested increases for the Child Care and Development Block Grant.<sup>13</sup> Other proposals have included the Lowering Infant and Toddler Tuition for Learning and Education (LITTLE) Act of 2024, which doubles the Child and Dependent Care Tax Credit and creates a new credit for start-up child care centers, and the American Families Act, which makes the expanded child tax credit permanent.<sup>14, 15</sup> These investments remain uncertain as the administration finalizes spending legislation.

### Recommendations

 At the national level, advocate for increased investment in policies that will support and improve the child care system.

- Increase funding for and raise awareness of Family Fee Reform in California.
- Roll out the balance of California's intended new child care slots and increase slots allocated for 0–3-year-olds.
- Raise awareness and strengthen implementation of California's mixeddelivery transitional kindergarten for 4-year-olds.
- Invest in research to inform public policy and determine whether voucher-based child care programs can be expanded to compensate family members who provide child care.

# 1 in 2 (49.7%)

parents who could not find child care for a week or more cited affordability as the main reason.

### **Data Sources and Methodology**

This brief uses data from the 2019–2023 California Health Interview Surveys to describe the child care experiences of households with young children ages 0-5. Multiple years of CHIS data were used to examine changes over time in these experiences. CHIS is a population-based multimode (web and telephone) survey of California's residential, noninstitutionalized population. The survey was conducted continually every other year from 2001 to 2011. Starting in 2011 and continuing to the present day, CHIS has been conducted annually. For more information about CHIS, visit <a href="https://healthpolicy.ucla.edu/">https://healthpolicy.ucla.edu/</a> our-work/california-health-interview-surveychis.

In the adult dataset, the population variable representing families with young children was created using a CHIS screener question to identify adult respondents with children ages 0-5. In the child dataset, the population variable representing young children was created by determining adult proxy respondents with children ages 0-5. In this memo, we primarily used the CHIS Child Care Module found in the child section of the CHIS questionnaire to examine aspects of child care in California. In the adult section of CHIS, a series of questions regarding child care expenditures in a typical week were used to measure household spending on child care.

Data for this brief come from *Ask*CHIS, CHIS's free online data query system (<u>https://</u> <u>healthpolicy.ucla.edu/our-work/askchis</u>). Data not available on the *Ask*CHIS tool were run by the UCLA Data Access Center staff. Results are weighted to the general population to adjust for sampling design and bias. Weights are based on population estimates from the California Department of Finance. Statistically unstable estimates are flagged and should be interpreted with caution. The Appendix exhibit tables show the weighted percentages as well as the 95% confidence intervals. This confidence interval indicates there is a 95% certainty that the "true" population percentage is between the lower and upper limits. Analysis of the coefficient of variation (CV) determines the data's statistical stability. The CV is the ratio of the standard deviation to the mean; a higher CV results in greater dispersion. Estimates with a CV of 30% or higher are considered statistically unstable.

### **Author Information**

Nicole Lordi, MSC(d), is a project director at the Public Health Institute. Veronica Villacorta is a research and data dissemination coordinator at the UCLA Center for Health Policy Research. Jackie Thu-Hương Wong, MSW PPS, is the executive director of First 5 California. Angelo Williams, EdD, MA (Education), is the chief deputy director of First 5 California. Martha E. Dominguez- Brinkley, PhD, CLC, MCHES, is the deputy director of the Program Innovation and Evaluation Division at First 5 California. Rudiel Fabian, PhD, MSPH, and Won Lee, PhD, are research scientists at First 5 California.



The California Health Interview Survey covers a wide array of health-related topics, including health insurance coverage, health status and behaviors, and access to health care. It is based on interviews conducted continuously throughout the year with respondents from more than 20,000 California households. CHIS interviews were offered in English, Spanish, Chinese (both Mandarin and Cantonese), Vietnamese, Korean, and Tagalog. CHIS is designed with complex survey methods requiring analysts to use complex survey weights in order to provide accurate variance estimates and statistical testing. CHIS is a collaboration of the UCLA Center for Health Policy Research, the California Department of Public Health, the California Department of Health Care Services, and the Public Health Institute. For other information about CHIS, visit chis.ucla.edu.

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### UCLA Center for Health Policy Research

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10960 Wilshire Blvd., Suite 1550 Los Angeles, California 90024 Phone: 310-794-0909 Fax: 310-794-2686 Email: chpr@ucla.edu healthpolicy.ucla.edu

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