



SUSTAINING & ADAPTING DURING THE PANDEMIC

Colorado Families' Experiences of Financial Instability

April 2022

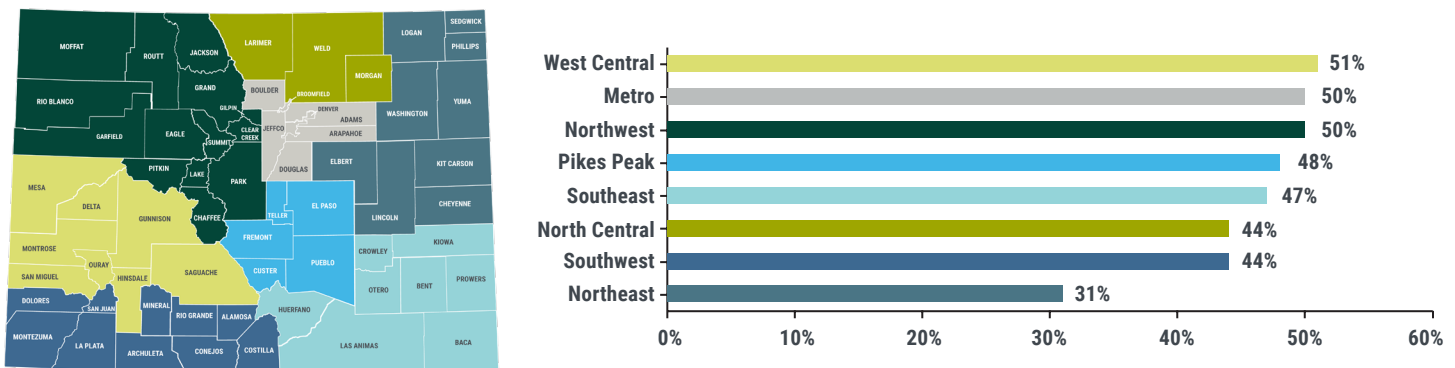


EARLY MILESTONES
COLORADO

High cost and lack of availability of child care have long challenged Colorado families. Statewide closures, ever-changing health and safety guidelines, and other pandemic-related factors have only made child care harder to find and more difficult to afford for families. This brief explores findings from a Spring 2021 Early Milestones Colorado survey¹ to understand the financial well-being of Colorado families and the pandemic's influence on the affordability of child care.

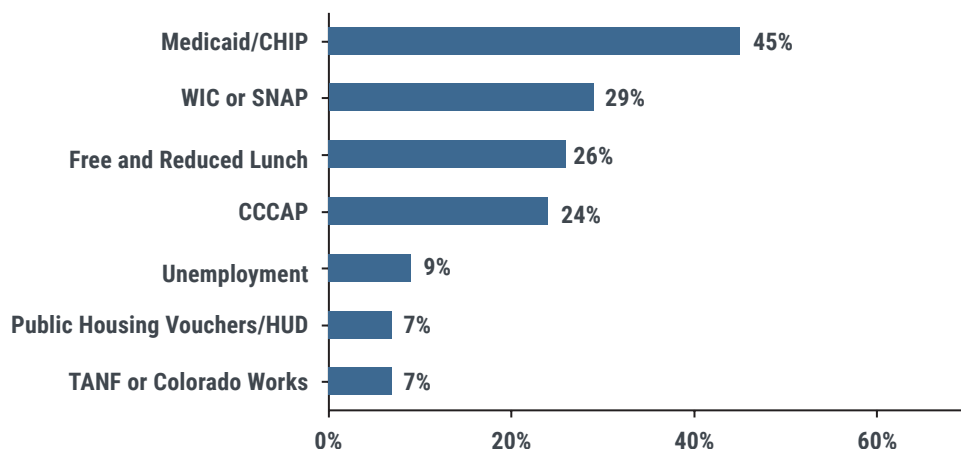
THE PANDEMIC INCREASED FAMILIES' FINANCIAL HARDSHIP

Almost half of survey respondents (49%) saw a decrease in their annual household income during the pandemic. Half of families surveyed in Colorado's West Central (51%), Metro (50%), and Northwest (50%) regions reported a decrease in annual income.



Many families also indicated accessing public assistance programs to ease these hardships, and some used multiple programs. Health insurance programs, such as Medicaid and the Children's Health Insurance Program (CHIP) were the most common response. Over half of families said they are accessing food assistance programs like the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Supplemental Nutrition Assistance Program (SNAP); and the National School Lunch Program (Free and Reduced Lunch Program).

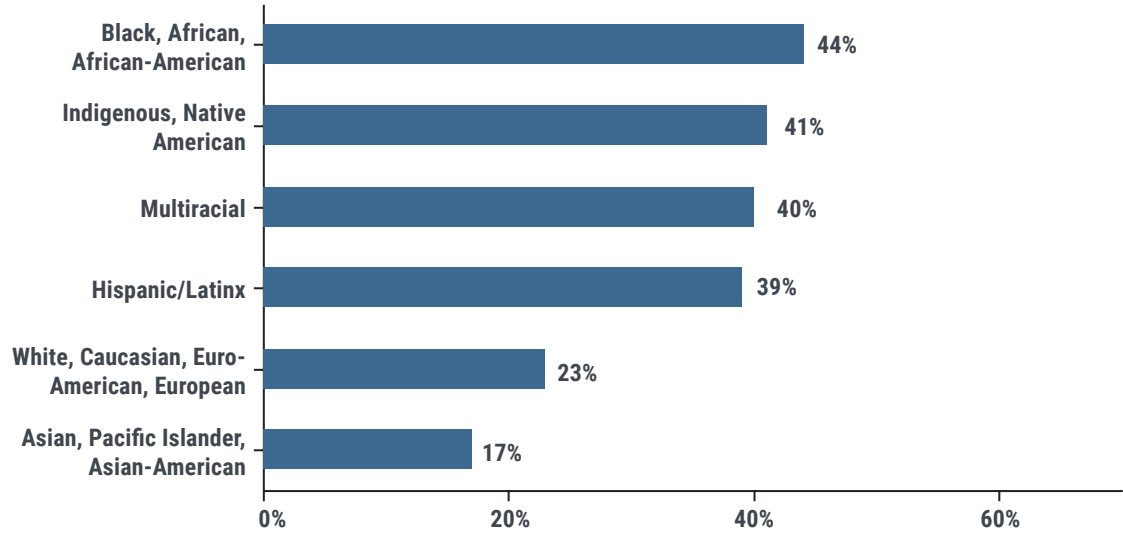
Families Accessing Public Assistance Programs



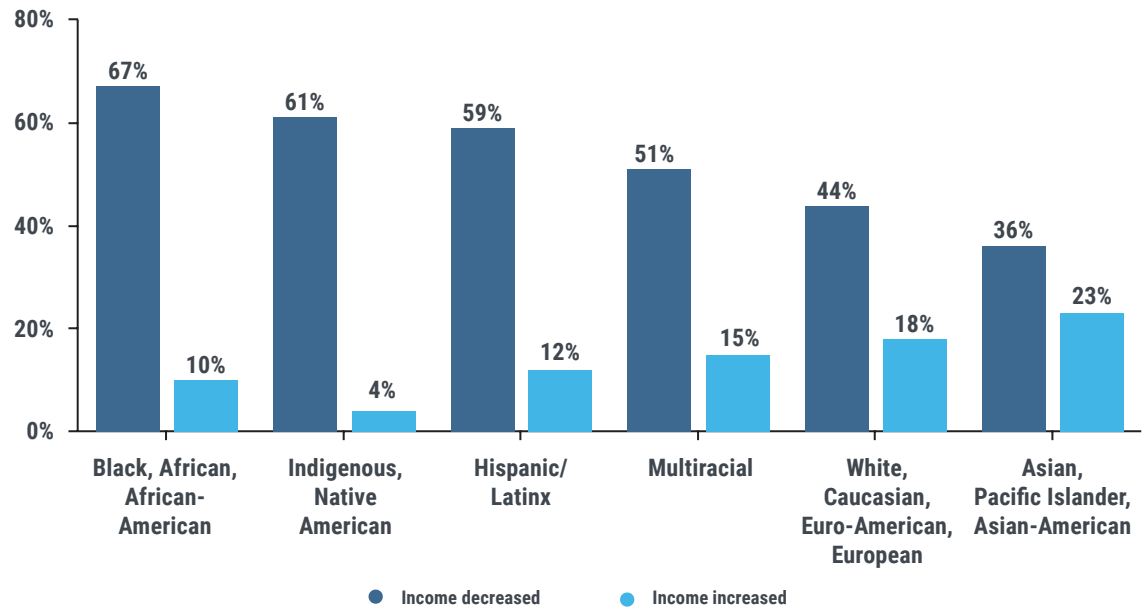
¹ Data for this brief was collected through a survey of 5,867 Colorado-based families with children 12 years old or younger, completed in May of 2021.

In our survey, 28% of families reported difficulty paying bills, with families of color experiencing higher rates of difficulty paying bills and greater rates of reporting decreases in their annual income.

Moderate or Extreme Difficulty Paying Bills
by Race/Ethnicity



Income Change by Race/Ethnicity



“Related to child care, I had to pull my daughter out of her full time day care and work from home with her the whole time. Our income took a large hit and now we are having a lot of trouble affording her care. We did put her back in school in December, but it is a significant financial strain.”

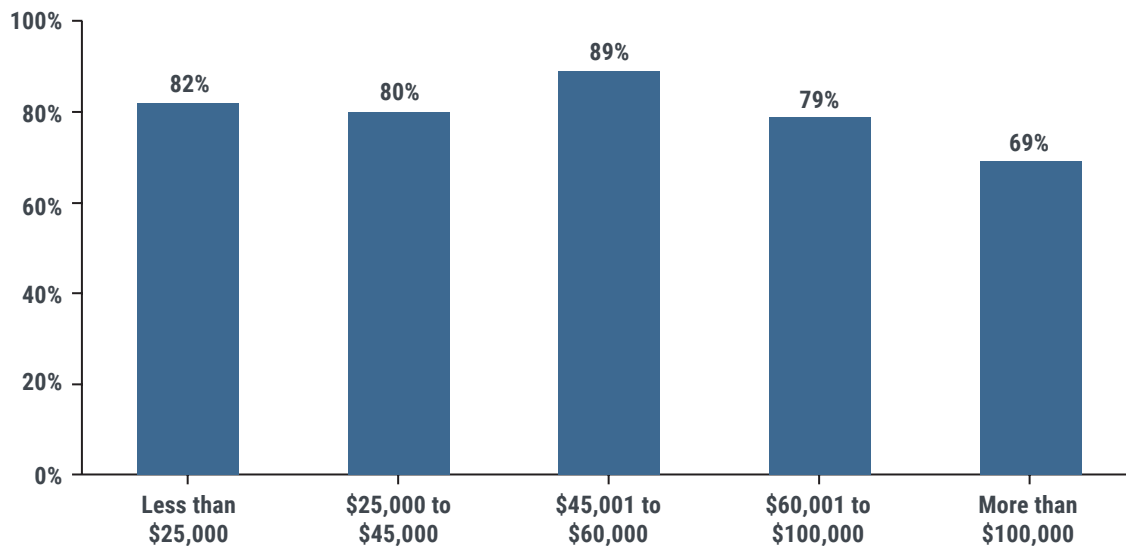
“I am not able to afford the \$500 a month it would require to place my child in a 20-hour-a-week program. This puts added stress on us as parents, because we feel he is missing out.”

CHILD CARE IS UNAFFORDABLE FOR MANY FAMILIES

In our survey, 31% of families reported not being able to access needed child care. Income was a key factor in families' ability to get the child care they needed, as two in five (41%) of those families said they were unable to afford it. Families earning more than \$100,000 per year were more likely than families with lower incomes to report having care for all their children. Four in five families (82%) with incomes below \$25,000 said they did not have care for all children, and more than half of these families (55%) were single-parent households. Only 11% of families with incomes between \$45,000 and \$60,000 reported having care for all children.

"The reality is that I have to work. I have been cobbling together a mix of in-home unlicensed child care, a nanny/friend that I pay, and work from home."

Families Without Care for All Children By Income Range



Child care also continues to make up a significant portion of many families' budgets. Child care advocates recommend that child care be no more than 7% of a family's monthly income to be considered affordable. Of families surveyed, 15% spent over a quarter of their household income on child care. More than one in four (27%) said their arrangements were unaffordable.

Families reported a growing need for financial support for child care. Slightly less than half (47%) of families felt that services to help them pay for child care are not available when they need them. More than one-third of families were unaware of the Colorado Child Care Assistance Program (CCCAP). Additionally, our data shows middle income families reported the highest percentage (89%) of unmet child care need, and yet these families may not qualify for CCCAP even though they do not have the means to pay for child care without experiencing financial hardship.

The Role of FFN Care During the Pandemic

Many Colorado families utilize family, friend, and neighbor (FFN) care. One-tenth (10%) of our survey respondents were using FFN care for their children under age five, and 15% were doing so for their school age children. Comfort and trust of the provider (40%) was the most common reason for choosing FFN care, and nearly one-third (32%) chose this option due to lower cost and flexible hours. Despite **their essential role** in the early care and learning workforce, FFN providers continue to be inadequately compensated and are often overlooked in policy and budget decision-making processes.

Considerations & Opportunities

Colorado families need help paying for child care now, especially given the pandemic's adverse impacts on family income. Helping families access affordable, high-quality care for their children could have lasting impact on families' financial well-being and children's learning opportunities.

- To support families' financial well-being, continue and expand the **Child Tax Credit** to support families in meeting their basic needs. The Child Tax Credit **has the potential** to increase long-term family social mobility.
- To help families better afford child care, increase awareness and utilization of CCCAP for families who qualify, and expand subsidy options for families who may be ineligible for CCCAP yet continue to experience financial barriers to accessing care. Awareness campaigns and guidance on available supports should be created in multiple languages.
- FFN providers play a critical role in providing families with affordable, accessible child care yet they do not have the same supports as licensed programs. Connect FFN providers with financial resources to cover the costs of providing care, including but not limited to: food, learning materials, and other basic child care supplies. Engage FFN providers and those that support them in systems-level discussions that honor their experience and expertise.
- Child care is essential for families to work. Support employers in creating innovative practices to address their employee's child care needs. Employers could offer flexible work schedules, the option to work remotely, and child care benefits (e.g., stipends, subsidies, on-site care).

Partners

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