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May 15, 2015

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## **Need for Child Care Subsidies in Mid-Hudson Far Outstrips Supply**

MID-HUDSON VALLEY, NY—Demand for government child care subsidies far outstrips supply, leaving many low income families struggling to pay the high cost of child care throughout the Mid-Hudson Valley, according to a recently-released report by the Center for Government Research (CGR).

The report, [\*Child Care Subsidies in the Mid-Hudson Valley: An Analysis of Need, Availability and Trends\*](#), states that only 12% percent of eligible children in Dutchess County were receiving child care funding in 2013, while the percentages participating were even lower in Ulster (11%), Sullivan (11%), Orange (10%), Columbia (10%), Greene (10%), and Putnam (7%), counties.

Child care can be an expense that is simply out of reach for low-income families. A family needing full-time care for an infant can pay as much as \$13,100 per year. “Compare that to the before-tax earnings of a minimum wage worker - \$18,200. If this worker has a second child, work becomes a near impossibility,” the report states.

“The Dyson Foundation supported CGR’s research for this report because access to quality child care for economically disadvantaged families is so important but so often a financial hardship. This report provides subsidy data and trends to advocates, policy makers, and the public, and will hopefully inform conversations about how to address this ongoing need,” said Cecilia Stancell, program officer at the foundation.

In recent years, Dutchess and Orange have each created waiting lists, as the number of families seeking subsidies outpaced the number the counties could afford to serve. Both counties also reduced the eligibility threshold to 125% (from 200%) of the federal poverty level. In the fall of 2013, about 80 Orange County families lost their subsidies with 10 days’ notice when the threshold was reduced.

“With child care subsidies reaching only 10% of the children who could potentially benefit, it’s clear there is unmet need throughout the Mid-Hudson Valley. And with subsidies increasingly concentrated in poor families, many working families with low incomes are struggling to meet their child care needs,” said Erika Rosenberg, the study’s author.

From 2007 to 2013, the number of subsidies provided in Columbia, Dutchess, Greene, Orange, Putnam, and Ulster counties increased 6%, from 2,866 to 3,031. Aside from a bump up in 2010 to 3,285 due to additional federal funding from the stimulus package, the number of subsidies provided has hovered very close to 3,000 per year. The number of subsidies increased in Dutchess (12%), Orange (3%), Columbia (18%) and Putnam (27%) and decreased in Ulster (-2%) and Greene (-10%).

Over the same time period, federal and state funding for subsidies increased 22% in Dutchess and 12% in Columbia, while falling 16% in Greene and Putnam, 11% in Orange, and 9% in Ulster after adjusting for inflation.

The federal government provided additional funding for subsidies in 2010 as part of the stimulus package aimed at lifting the economy out of recession. In that year, the number of subsidies increased in the three counties to almost 2,900. But when that funding expired, counties had to find ways to cut back, often by lowering the income eligibility level.

As you would expect, this has had the effect of concentrating subsidies among poorer families. From 2011 to 2013 (the only years with available data), the number of subsidies going to families with income below the poverty level increased 38% in Columbia, 34% in Dutchess, 24% in Putnam, 18% in Greene, 18% in Orange, and 2% in Ulster, while there were declines in subsidies to families with income above the poverty level in all counties.

“The Child Care Council of Dutchess and Putnam, Inc. receives calls daily from parents who are looking for child care, but are unable to afford the cost and do not qualify for a subsidy. Parents want their children to be in safe, nurturing and educational programs. But without financial assistance, working families are often forced to settle for unregulated, unsafe and undependable care or leave the workforce altogether,” said Jeanne Wagner, executive director of the council.

Child care is expensive – not only for families but also for government. Spending in Dutchess, Orange and Ulster totaled \$17.4 million in 2014-15, but estimates by CGR suggest it would cost \$100 million just to serve all eligible families with incomes below poverty.

But, the study suggests, there are ways to target additional subsidies to those most in need. For example, targeting families with income at or below poverty, or those with children 0-3 are two potential strategies.

As research and attention continues to focus on the importance of the early years of childhood in setting a good foundation for learning, and the benefits of reliable child care to workers and employers, New York policymakers will likely face increased pressure to support quality care and education – including the child care subsidy program.

To learn more, see the full report (updated in April), [\*Child Care Subsidies in the Mid-Hudson Valley: An Analysis of Need, Availability and Trends.\*](#)

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