

Parker James, Michigan League for Public Policy | March 2021

Child care continues to be a critical need. A share of licensed providers remain temporarily closed due to the pandemic and many are operating under reduced enrollment.



Source: Great Start to Quality Child Care Status Survey, as of Jan. 11th, 2021.

Even when all providers are open, quality child care can be hard to find. An estimated 44% of Michiganders live in child care deserts. A **child care desert is when the ratio of children ages 0-5 to the number of licensed child care spots is greater than 3**. Only one county in the state had enough spots for children in 2020.²

Ingham County: Low Capacity

Ages 0-5: 19,427
Capacity: 11,526
Ratio: **1.7** kids per spot

Sources: Population ages 0-5 is from National Center for Health Statistics (NCHS), Bridged-Race Population Estimates, 2019. Provider Capacity is from Michigan Department of Licensing and Regulatory Affairs, November 2020.

Families Most Affected by Lack of Child Care in Ingham County

From rural to urban areas, child care is funded mainly by parent fees. With high costs primarily on parents, there are fewer options for families with low- and middle-incomes.

Children ages 0-5 in families with low to medium incomes (below 400% of poverty) are most affected by the lack of child care.

22% live below poverty level

22% live between 100% and 200% of poverty level

31% live between 200% and 400% of poverty level

25% live above 400% of poverty level

Source: Table: B17204, American Community Survey 5-Year Estimates, 2019.

Within each county, **maps of child care deserts show patterns of economic inequality and racial segregation**. Supply is concentrated in areas with high median incomes and housing values, where residents can more often afford to pay fees. Communities made vulnerable by lower incomes and disinvestment, often due to racial segregation or geographic isolation, tend to have lower supply.

Funding must be distributed equitably to those communities with low supply.

Children Ages 0-5 in Poverty, by Race and Ethnicity

Ingham County	Number	Poverty	Percent of poverty
American Indian or Alaska Native	<10	<10	*
Asian	1,347	262	19.5%
Black or African American	2,647	1,100	41.6%
Hispanic or Latino	1,818	493	27.1%
Native Hawaiian or Pacific Islander	<10	<10	*
Some Other Race	242	73	30.2%
Two or More Races	2,442	972	39.8%
White, Non-Hispanic or Latino	11,322	1,508	13.3%

Source: Table: B17020, American Community Survey 5-Year Estimates, 2019.

Care is Even Harder to Find for Infants and Toddlers, 2020

	Michigan	Ingham
Total Number of Providers	8,292	264
Accepting Infants	5,210	168
• Centers	1,527	49
• Group Homes	1,575	59
• Family Homes	2,108	60
Average Cost of Infant Care/Month	\$708	\$765
Average Cost of Toddler Care/Month	\$683	\$745

Care is even harder to find for infants and toddlers. In 2020, only about 2 in 3 providers offer care for infants, and the average cost of care for infants and toddlers remains high.³

Both providers and families face high costs, as reimbursement rates from subsidies are not adequate to cover the full costs of providing high-quality care.

Sources: The number of providers is from Michigan Department of Licensing and Regulatory Affairs, November 2020 ; Cost of care: Early Childhood Investment Corporation, September 2020.

While subsidy reimbursement remains low, the percent of children receiving a child care subsidy has declined 65% over the past two decades due to a lack of state investment and restrictive eligibility.⁴ Although some gains have been made in recent years, still **only a small percentage of children are approved to receive child care subsidies in 2020.**

Approved for Subsidy

Michigan

(Ages 0-2)

4.3%

(Ages 0-5)

5.3%



Ingham

(Ages 0-2)

4.9%

(Ages 0-5)

6.2%

Source: Michigan Department of Health and Human Services Green Book, October 2020; Percentages generated using 2019 NCHS populations.

Michigan is among 14 states to receive a multi-year action grant from the Pritzker Children's Initiative to advance a prenatal-to-three policy agenda that was developed with the assistance of communities across the state.

Michigan P3 Collaborative 2022 State Budget Priorities for Child Care

- Target new child care funding to communities with the greatest need to expand access to high-quality care for infants and toddlers.
- Increase the supply and demand for child care by increasing child care subsidy reimbursement rates for all providers and raising initial child care eligibility to 185% of poverty.
- Support home-based child care providers by forming staffed family child care networks and shared services solutions.
- Support statewide socioemotional consultants to support child care providers.
- Require an annual comprehensive child care system financing plan that ensures that all available federal and state funds are spent.

Learn more about Think Babies Michigan at www.ecic4kids.org/policy-thinkbabiesmi

Data Notes:

1. The Great Start to Quality Child Care Status Survey has a response rate among licensed providers of 80%.
2. For this analysis, a county is considered to be a child care desert if the ratio of kids ages 0-5 to licensed spots is greater than 3, have low capacity if the ratio is between 1.5 and 3, and have moderate capacity if the ratio is below 1.5. County estimates for child care deserts will not show the variation that exists within counties. For more information on child care deserts, including a breakdown by smaller geographic levels, visit <https://childcaredeserts.org/>.
3. Providers are not required to submit cost data. In 2020, fewer providers submitted cost data due to closures and opting-out of reporting. Average monthly cost of care is determined using available data and should be considered an estimate. Some counties had no providers submit cost data and are indicated by an asterisk (*).
4. Analysis of Kids Count Data on children ages 0-12 receiving subsidies from 2000 to 2019.