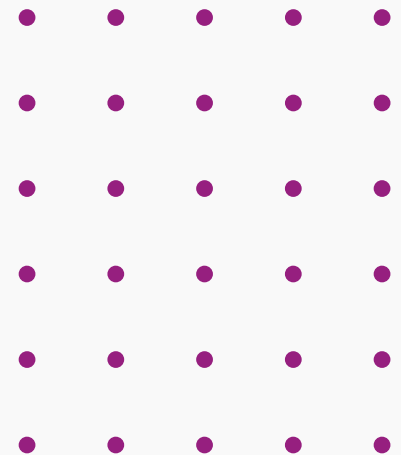




The True Cost of Child Care in King County and Seattle

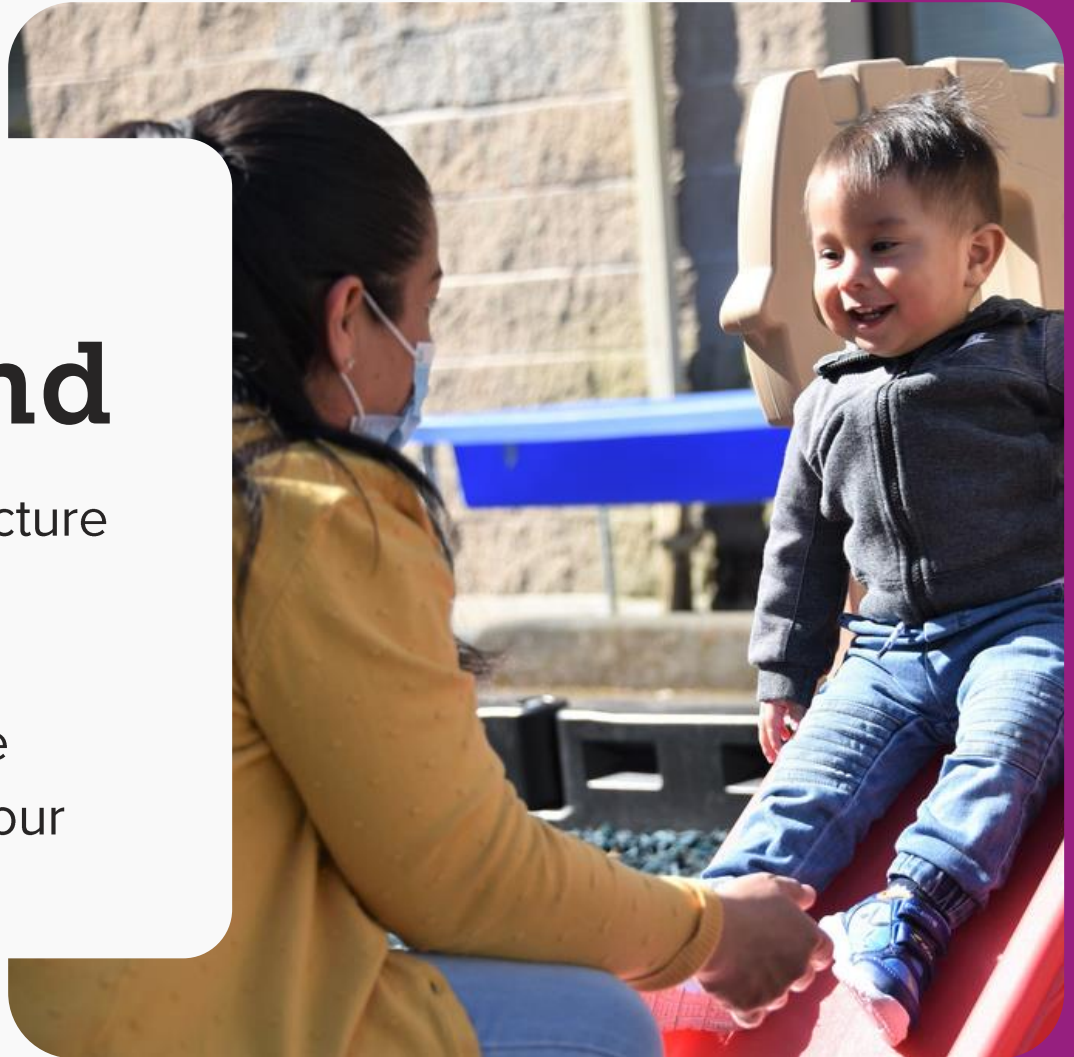
BRIEFING ON THE COST OF CARE REPORT JOINTLY COMMISSIONED BY SEATTLE AND KING COUNTY



Background

Child Care is vital infrastructure for our communities.

King County residents face unique challenges due to our high cost of living.



Through Child Care Infrastructure:



Babies and kids are exposed to protective factors that promote healthy brain development.



Parents and caretakers get the support they need to work and make a positive economic impact in their communities.

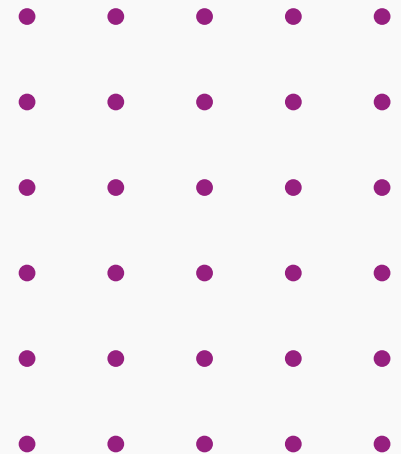


Child care workers keep the economy running; the sector represents 13,300 jobs in King County.



Best Starts for Kids

Best Starts for Kids is a community-driven initiative to support every baby born and child raised in King County so they reach adulthood happy, healthy, safe, and thriving.



Serving families through partnership

Seattle and King County have stepped up to invest in essential supports for the child care sector to better meet the needs for families and providers in our region.

Areas of investment



FY 24 subsidy commitments

King County: \$24M
City of Seattle: \$4.3M

Expanded eligibility and increased demand for subsidy assistance has led to waitlists for families.



City of Seattle



**Best Starts for
KIDS**

Best Starts for Kids Child Care Subsidy

- Build on and fills gaps in statewide system
- Sliding scale with deep subsidization for lowest income families
- Aligns with state subsidy rates



Best Starts for Kids Wage Boost Pilot Project

- Provides a wage enhancement to select child care workers across King County
- Studies relationship between increased wages and retention, quality of care, and worker well-being.



Finding the true cost of care

To better understand the dynamic of child care costs in our region, Seattle and King County commissioned an over-sampling of our region to find the true cost of care.

Understanding the true cost of child care in the City of Seattle and King County

July 2023



Simon Workman & Jeanna Capito,
Prenatal to Five Fiscal Strategies





Key Terms

Price of Care	Cost of Care	True Cost of Care
What families spend on child care at the market rate.	The actual cost of providing services.	The cost of providing quality services by adequately compensated staff.

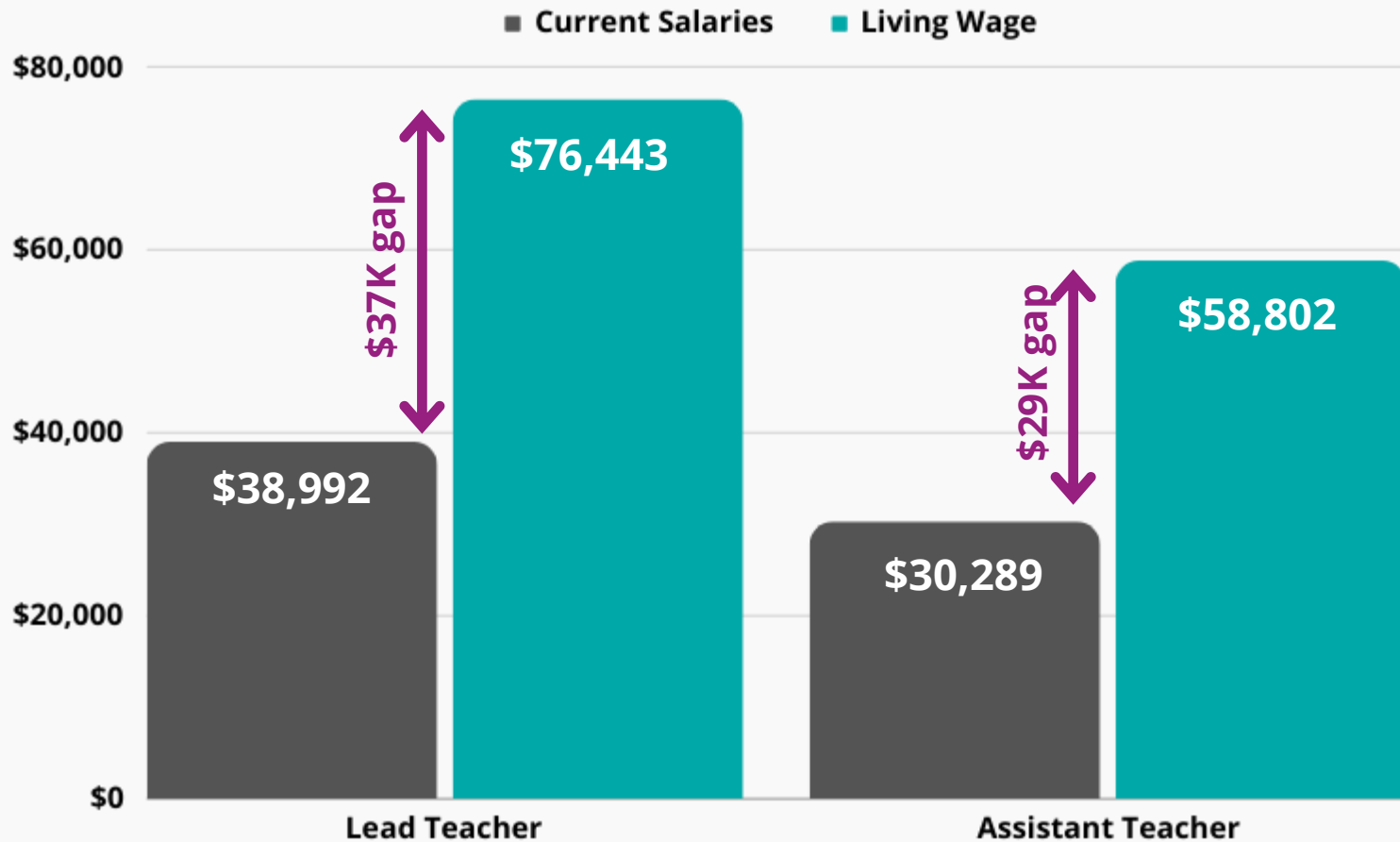
What the report affirms

- Child care workers are underpaid
- Families navigate an expensive market
- Existing subsidy programs reimburse less than true cost of care
- Providers operate on razor thin margins



Setting a Living Wage Floor

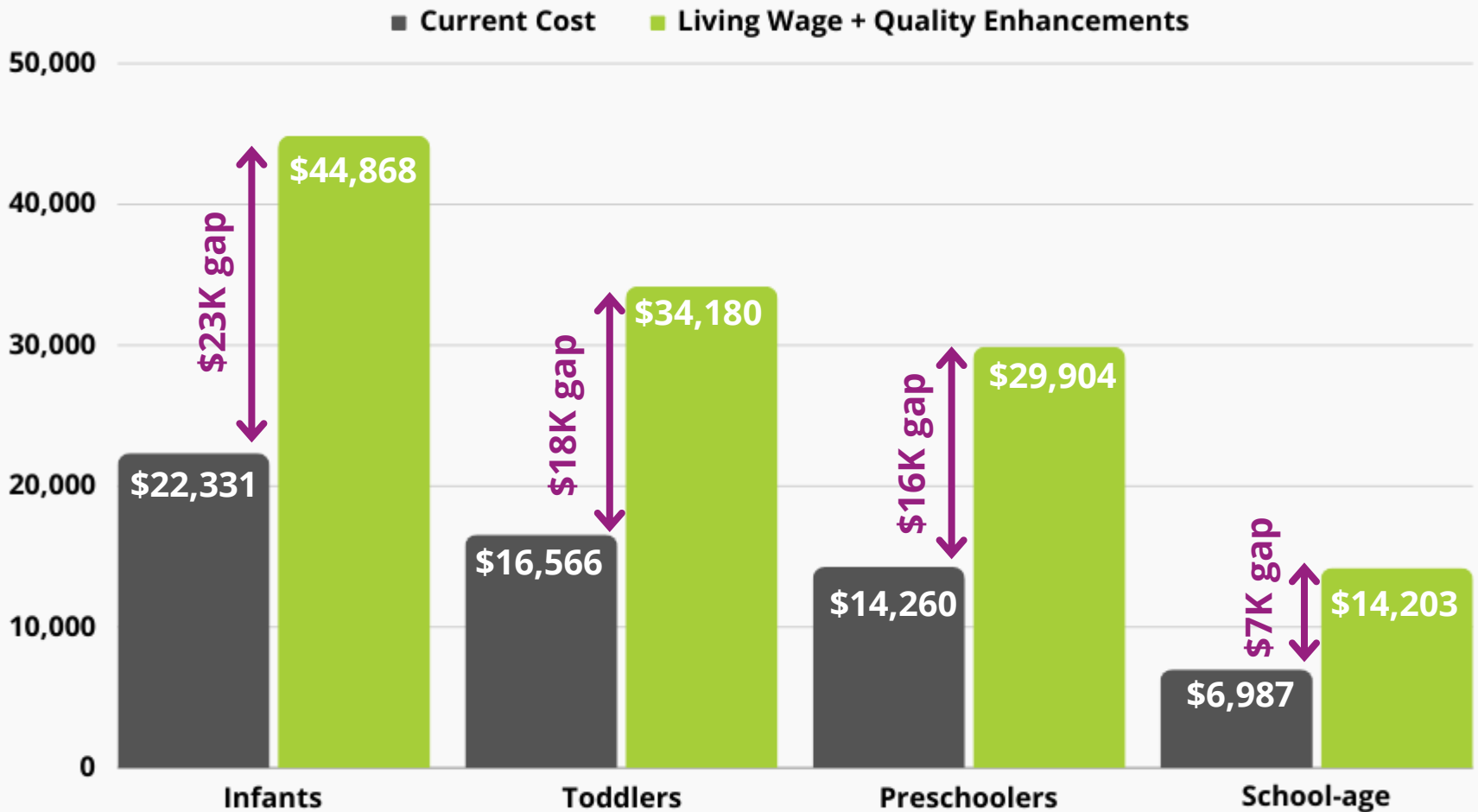
King County Annual Salaries



See Table 1 on page 8 of Understanding the true cost of care in the City of Seattle and King County.

Annual cost per child, King County

Center-Based Child Care



See Table 4 on page 10 of Understanding the true cost of care in the City of Seattle and King County.

Families navigate an expensive market

The **true cost** of child care for an infant in a child care center is equivalent to around **35% of the median household income** for a family in King County.

5x

the amount
recommended by
US DHHS



Existing subsidy programs reimburse providers less than true cost of care



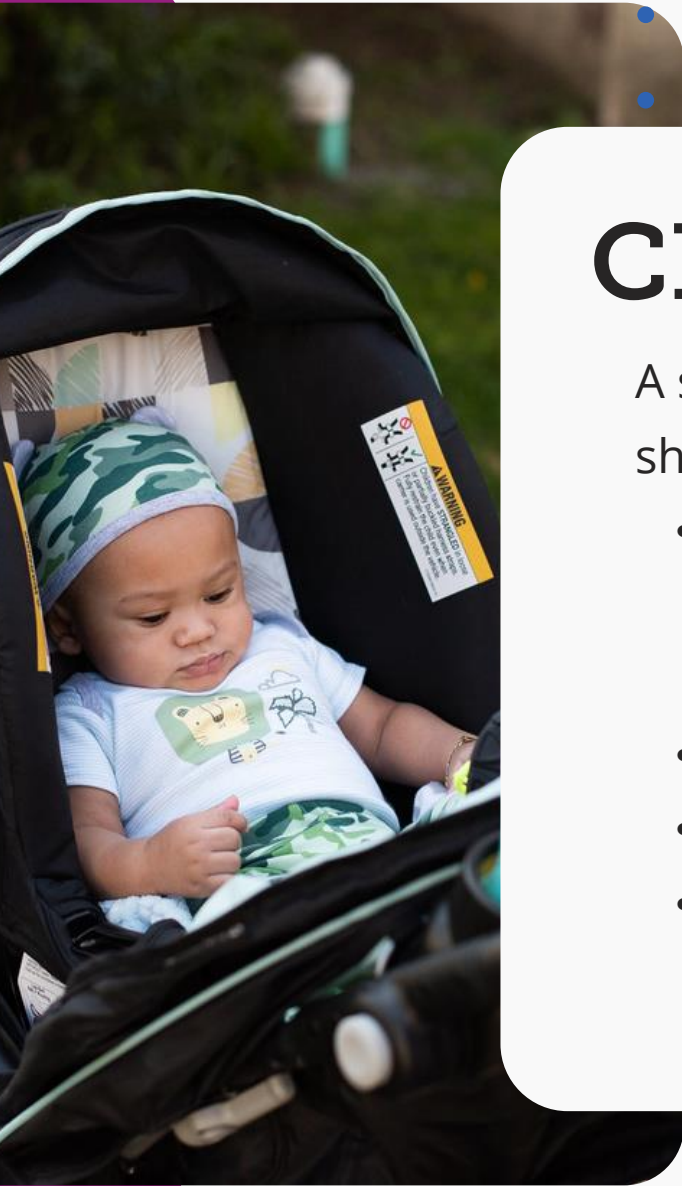
- Best Starts and CCAP reimburse closest to true costs for school-age care
- For all other age groups, providers must fill a **gap of up to \$10K annually per child in centers** and **\$32K in family child care programs**



Providers operate on razor thin margins

- **70 percent** of a child care program budget is personnel expenses
- Unlike the K–12 school system, families primarily bear the cost of child care
- Federal and state funding account for **less than 40 percent of industry revenue**





Child care is essential

A survey of families receiving the Best Starts subsidy showed:

- Increased ability to pay for basic needs, including food, healthcare, child care, formula and diapers, and transportation
- An **18%** reduction in employment disruption
- Reduced stress and improved quality of life
- More freedom to pursue career goals or advancement for **95%** of families!



Our Recommendations

- Increase collaboration between agencies, providers, and families
- Continue to deepen investments
- Focus investments on innovation

Policies we back

Federal:

- [Child Care for Working Families Act](#)
- [Executive order to lower child care costs and support providers](#)

State:

- Child Care Access and Living Wage Proviso for the 2023–2025 state budget

Call to Action

To ensure sustainable care, support families, and child care workers, we need deep investments from the federal and state governments.





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