

Why Quality Child Care Matters to Employers in New York

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Why should employers care about child care?

- Employees with safe, reliable, quality child care are less likely to miss days of work due to child care related challenges.
- Employees with safe, reliable, quality child care are more likely to be able to focus on their work without the anxiety of worrying about their children while they are at work.
- Parents with quality child care know that their children are in a safe setting that promotes their children's healthy development.
- Children who are in a quality child care setting are more likely to start school ready to succeed. And, children who start school ready to learn are more likely to perform at grade level, less likely to drop out of school, and more likely to become part of a strong workforce in the future.

Quality Child Care and Low-Income Families

- Quality child care matters for the healthy development of *all* children with working parents. However, studies show that low-income children benefit the most from quality child care settings.
- Research shows that low-income mothers who are provided state and federal child care subsidies are more likely to work (and work 40 hours per week) than their peers who do not receive assistance.¹
- In New York, nearly 25 percent of children under age 5 are living in poverty. More than 40 percent of children under age 5 living in single parent families headed by their mother are living in poverty.²

Average Price of Child Care in New York

In New York, the average annual price of child care is:

- \$14,144 for center-based infant care
- \$11,700 for center-based preschool care
- \$10,140 for family child care home based infant care
- \$9,776 for family child care home based preschool-age care

About 63.6 percent of children under age 6 in New York have working parents.³ The cost of care is a struggle for many families, particularly for those with more than one young child.

Employers Can Help

Employers can help families by letting them know about:

The Federal Dependent Care Tax Credit (DCTC), worth up to \$1,050 for one child and \$2,100 for two children. For more information, see: <http://www.irs.gov/pub/irs-pdf/p503.pdf>.

The NY State Child Care Tax Credit, a minimum of 20% and as much as 110% of the federal DCTC. For more information, see: http://www.tax.ny.gov/pdf/current_forms/it/it216i.pdf.

The New York City Child Care Tax Credit, which is available for children up to age 4. For more information, see: http://www.tax.ny.gov/pdf/current_forms/it/it216i.pdf and <http://www1.nyc.gov/assets/dca/downloads/pdf/consumers/NYCChildCareTaxCreditFastFacts.pdf>.

In addition, employers can receive a tax credit equal to 25% of qualified expenses for employee child care and 10% of expenses for child care resource and referral services for employees.

Qualified child care expenses include: (1) costs paid or incurred: to acquire, construct, rehabilitate or expand property that is used for an employer's child care facility; (2) for the operation of an employer's child care program, including the costs of training and compensation for employees working in the child care program (and scholarship programs); or (3) contracts with a child care program to provide child care services for employees of the employer. Programs must meet applicable state

and local laws and regulations. Such programs must have open enrollment to employees of the employer, not discriminate in favor of highly paid employees, and at least 30% of the children enrolled must be dependents of the employer's employees.

Qualified child care resource and referral services are amounts paid or incurred under a contract to provide child care resource and referral services to employees of the employer.

Fast Facts About Quality Child Care and Early Childhood Development:

- [Early language and literacy development](#)
- [Early Brain Development](#)
- [Preschool Programs Can Boost School Readiness](#)
- [The 30 Million Word Gap](#)
- [Research by the Harvard Center on the Developing Child](#)



¹ Marshall, N.L., Robeson, W.W., Roberts, J.R. & Dennehy, J. (2013). *Child Care for Low-Income Families*. Wellesley Centers for Women. <http://www.wcwoonline.org/pdf/SubsidyStudyOverview.pdf>

² Selected Economic Characteristics, 2010-2014 American Community Survey 5 Year Estimates, Table DP03. http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_5YR_DP03&prodType=table

³ Ibid.