The Committee for Hispanic Children and Families, Inc.



May 19, 2011

Bronx Latino Parents Speak Out About Child Care Cuts

Overview

The Committee for Hispanic Children and Families, Inc. (CHCF) has gathered this story below and prepared this brief, "Bronx Latino Parents Speak Out About Child Care Cuts," to ensure that the voices of real Latino parents in the Bronx, who are being affected by child care cuts, are heard.

Silvia Cuello is the hard-working single mother of two-year-old Alexander and four-year-old Isabella. She lives in the Bronx and relies on the city's subsidized vouchers to secure child care with a nearby family day care provider for a reasonable price so that she can work. "Well, really it's very difficult for me because you know I'm a single parent. I pay \$800 rent and I gotta pay light, a lot of other stuff ...you know it's very difficult when you don't really have the help."

Yet, Cuello is one of many working Latino parents in the Bronx who might see their child care subsidies disappear in the city's latest plans to restructure child care subsidies and change eligibility requirements. Cuello, who makes \$30,744 a year as a nutritionist at Montefiore Hospital, is considered working poor, but because she has managed to support her family without public assistance, she is a prime candidate for potentially losing child care services.

However, under the city's child care plan, the only families whose slots are ensured are those receiving public assistance funds. And even if she continues to receive child care subsidies, her weekly child care payments are already set to increase. Parents like Cuello, dedicated to working and staying off public assistance, might soon have to pay up or sacrifice their jobs. For many Latino parents, especially the poorest, they may unfortunately choose the latter option, thus joining the welfare system.

Introduction

This brief examines whether 31 Latino parents have the means to deal with a major cut in child care subsidies and the impact that the loss could have on children, parents, providers and the Bronx community. Due to the city's proposed child care cuts, numerous Bronx child care centers may close and hundreds of family day care programs might be jeopardized. With low incomes, lack of job opportunities, and a difficult economy, Bronx Latino parents will consequently confront enormous financial strains to manage paying for rent, food and transportation, and simultaneously keeping their families together, in stable and good mental and physical health.

Like any parent, Latinos want their child to succeed and know that their education is vital. They have high expectations that their children will receive a quality early education that fosters their development. They struggle to pay \$240 per year, an amount that is subsidized by city government, for their children to go to a family child care provider that will meet these expectations. For these parents, Latino family day care providers offer affordable and convenient child day care in a safe environment in their neighborhood.

With the city's proposed budget cuts to child care subsidies and increases in child care fees, many Latino children will not receive quality and safe care. Poor working Latino families will be at a disadvantage and forced to make tough choices, such as leaving children in unlicensed care or with informal caretakers, leaving children alone at home, or abandoning the workforce and going onto public assistance.

Ironically, public assistance recipients are entitled to child care, and the city will end up paying child care costs on top of its public assistance budget. Instead of supporting parents who have been able to maintain employment in the midst of a serious economic downturn, the city will take away the most important support that allows them to work. Additionally, Latino children of the Bronx who are already facing dire outcomes without early childhood education, will be less prepared to start school and remain academically engaged without the risk of falling behind.

But this negative outcome does not have to happen. There are several reasons why the Mayor and City Council should care about restoring funding for child care subsidies: 1) Children's health and experiences over their first few years of life are critical to their development and behavior as adults. Therefore, restoring the city government's investment in young Latino children will yield a substantial return for the city's future; 2) By providing subsidies, this city funding will help Latino parents and providers stay employed and less dependent on gov-

ernment assistance, such as food stamps and unemployment insurance; 3) This city funding for child care stimulates the reduction of income inequality by increasing the affordability of child care among poor working Latino families and ensuring that Latino children whose parents have low resources have equal opportunities.²

Background

Today, the New York City's Administration for Children's Services (ACS) provides quality, low-cost child care services to approximately 12,486 low-income children in the Bronx, many of whom are Latino.³ This child care subsidy plays a critical importance for Latino children, parents, providers, and the community at large in the Bronx. For children, it means preparation to succeed in K-12 education; for parents, they know their children are being cared for in a healthy and safe way that allows them to work; for providers, it means the stability of their business; and for the Bronx community, it translates to parents and providers who are gainfully employed.

In spite of the importance for Latino communities in the Bronx, the city's subsidized child care system has recently been threatened with numerous cuts, reductions and fee increases:

- 1. In 2010, **tripling the minimum payments**, for families who earn below or just slightly above the poverty level, from \$5 per week or \$240 per year to \$15 per week or \$780 per year.⁴
- 2. **Increasing maximum parent co-payments** from a maximum of 12 percent of family income to a maximum of 17 percent of income. In order to give context to this increase, a family whose household income is \$33,000 pays \$3,960 or 12 percent of their income, the increase to 17 percent brings it up to \$5,610 annually or a rise of \$1,650. ⁵
- 3. **Limiting access to child care** by, "reducing the income eligibility from 275 percent of poverty for a family of three to 200 percent of poverty for all family sizes." This means that any family making more than \$36,620 for a family of three, which is 200 percent of poverty, was no longer able to qualify for any child care subsidies.
- 4. In 2011, the city proposed to **eliminate almost 16,500 child care subsidies** for parents with a cut, which totaled \$91 million. Due to opposition, the city restored \$40 million, claiming it would cover every child currently enrolled. Yet, in the city's new budget, child care advocates have determined **7,000 fewer children from low income working families will have access** to child care next year.
- 5. In the Bronx, 24 child care centers, numerous family day care centers, and hundreds of spots for 5 year-old Bronx children may now be threatened. 12

Parent Survey

In order to understand how these child care reductions will really impact Latino parents, CHCF surveyed the parents served by a network of family day care providers to evaluate how many live below the poverty line and the percentage of their income that goes to child costs.

Survey Methodology

We conducted a telephone survey over a three-week period from the end of April to the beginning of May 2011, in which we interviewed 31 Latino parents. The parents interviewed are served by CHCF's family day care network, which includes 15 providers, managing 17 early care programs¹³ and serving 49 parents and 56 children. Most of the providers have their facilities in the following Bronx neighborhoods: Morris Heights, Kings Bridge Heights, Crotona Park, Bedford Park, Bronx River, and Melrose.

The participants responded to the following three multiple choice questions: 1) What is your civil status? a. Single Parent b. Married [Two Parents] c. Teen Parent d. Foster/Guardian e. Other Status; 2) What is your family size? a. 2 b. 3 c. 4 d. 5 e. 6; 3) What is your family income? a. \$29,140 or less. b. \$36,620 or less. c. \$44,100 or less d. \$51, 580 or less e. \$59,060 or less. An additional open-ended question asked participants how child care subsidies help them to afford child care.

Survey Findings

- Many Bronx Latino parents surveyed have to "stretch" every dollar to support their children and themselves, while also paying for child care.
- The vast majority are single women who are raising several children on their own. **71 percent surveyed reported being single parents.** 68 percent reported that their household had included one parent and two children.
- 90 percent of these Latino parents had an income of less than \$29,140. Nearly 43 percent earn less than \$18,756 per year (or less than \$1,563 per month). Some support their children on incomes as meager as \$10-12,000 per year. The majority earn incomes less than 200 percent of the federal poverty level.
- Due to their low earnings and the fact that basic living needs take up almost all their income, **nearly 80 percent pay only \$5 or less weekly for subsidized child care**, and they struggle to pay that amount every week.
- When comparing the cost of basic living needs in the Bronx housing, child care, food, health care, and transportation to what these Latino parents surveyed make, it is clear that they could not meet their expenses if they had to pay the city's rate for child care. 14

- ♦ To be self-sufficient, an adult with an infant and a preschooler would have to spend \$1,669 on child care monthly and earn \$5,379 monthly or \$64,544 annually in the Bronx. This would translate to 31% of their budget.
- ♦ As a result, if Latino parents in the Bronx were to lose their city subsidy, child care costs would likely be their single largest expense, and would be unsustainable given how much they already spend on housing.
- Housing costs are the biggest reasons Latino parents surveyed could not afford child care. In follow-up interviews with three Latino parents about the costs of basic living in the Bronx, two indicated their rent was 48 to 57 percent of their monthly income.
- Lastly, Latino parents surveyed explained what would happen if they lost child care or the cost of child care went up. Disconcertingly, Latino parents stated, "Without child care, I cannot work," "Helps me keep my job," and "Child care helps me work."

Child Care Cuts Impact

For Parents:

- Many are struggling single Latino mothers who make low wages and may have faced recent unemployment. They work in jobs where it is very difficult to take time off for child care. As sole income earners in the household, they are reluctant to quit their jobs to provide child care and go on public assistance.
- Many Latino parents will have to choose between leaving their children with legally exempt providers, neighbors, relatives or left at home unattended. These are usually considered unsafe options and detrimental for the children long-term educational development.
- For many Latino parents, it will make economic sense to give up the fight, quit their jobs and apply for public assistance. In simple terms, since public assistance recipients are entitled to child care, the city will end up paying child care costs on top of its public assistance budget.

For their Children:

- For Latino children in the Bronx, living in poverty lends an even greater importance to high quality early education and child care. As a result of poverty, statistics show that Latino children in the Bronx are likely to receive little early education, go on to score poorly in K-12 school testing and have low graduation rates, and thus have a low likelihood of earning a college degree.
- The proposed subsidy cut will prevent many low-income Latino children from attending early childhood programs. They will
 likely stay with relatives or family friends in overcrowded homes and apartments, where they are unsupervised or given little
 chance to develop cognitively. In other cases, parents who stay at home with them may not have the skilled training or time
 necessary to educate them.

For Family Day Care Providers:

- Latino family day care providers in the Bronx have been significantly impacted by the economic situation over the past few years. As economic activity has been reduced and massive budget cuts are being geared towards social services, these child care providers are reporting difficulties retaining families in their programs. Many providers have a very high vacancy rate. Other providers have decided to accept children for free or for very low fee, despite the city's rate cost of providing care.
- Such trends will mean the city's cuts will likely create some unfortunate, far-reaching negative consequences for these providers and their families. Some will continue with a destabilized program. Many may have to shut down. As a result, hundreds of professionals will be laid off. Consequently, some will go on welfare.

For the Bronx Community:

• Child care cuts for Latino parents will be devastating to the Bronx economy. It will lead to the loss of employment for Latino parents, Latino child care providers and their staff, which will only exacerbate the Bronx's unemployment and poverty rates. The Bronx faces: the highest level of unemployment in New York State; the highest percent of New York City households paying one-half or more of their income on rent; and is one of the urban areas with the largest number of residents living below the poverty line. For example, 36.5 percent of the Bronx households in 2010 were paying one-half or more of their income on renting.¹⁶

Recommendations

- Fully restore any cuts that will destabilize early childhood education- The Mayor and City Council must ensure a full restoration of the \$91 million cut, so that child care providers remain fully funded and that future capacity remains in place for Latino children. ¹⁷
- Maintain parent fees at current levels- The Mayor and City Council must restore funding for parents fees so that they can be kept at current levels to minimize the impact to Latino families.

Conclusion

Silvia Cuello, a Latino parent who exemplifies all the struggling single mothers who want the best early education and care for their children, and deserves our support. The city's budget reductions take away the child care that Latino parents, like Cuello, depend upon. For those Latino parents who do not lose their child care subsidies outright, the city's plan would triple the weekly fee making it very difficult for these low-income parents to afford for child care. As has been stated on another report on this issue, "instead of supporting parents who have been able to maintain employment, the city will take away the most important support that allows them to work." For some Latino working poor parents, especially single mothers, it will force them to leave their children with neighbors, relatives and in unsafe and unlicensed child care providers, with no early educational development. Other very poor Latino parents will find no other alternative than going on welfare and depending on government's support for food stamps and unemployment assistance. The fact that this budget cut to child care services would increase low-income Latino parents' reliance on government support is evidence that this public policy is going in the wrong direction.

¹Emergency Coalition to Save Child Care, "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 486 Neighborhood Children." Bronx Impact Brief Page 1

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³Emergency Coalition to Save Child Care, "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 486 Neighborhood Children." Bronx Impact Brief Page 1.

⁴United Neighborhood Houses, "UNH Summary of NYC FY 2011 November Plan." (November 19, 2010): Page 3.

⁵Center for an Urban Future, Subsidizing Care, Supporting Work, Report, 2011.

⁶Children's Defense Fund New York and Citizen's Committee for Children of New York Inc., Emergency Coalition to Save Child Care. "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 17,000 Children." April 2011

⁷Ibid

⁸Emergency Coalition to Save Child Care, "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 486 Neighborhood Children." Bronx Impact Brief Page 1

⁹The Mayor's Office. "Mayor Bloomberg Presents FY 2012 Executive Budget", Press Release, May 6, 2011. http://www.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0/index.jsp?pageID=mayor_press_release&catID=1194&doc_name=http%3A%2F%2Fwww.nyc.gov%2Fhtml%2Fom%2Fhtml%2F2011a%2Fpr141-11.html&cc=unused1978&rc=1194&ndi=1

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¹¹Brender, Gregory. "New talking Points From the Emergency Coalition to Save Child Care" (Accessed May 11, 2011)

¹²Emergency Coalition to Save Child Care . "Elected Officials, Parents, Advocates and Providers Call on Mayor and Council to Fully Restore Child Care Funding in Final Budget." May 6, 2011.

¹³Some providers have more than one program.

¹⁴Pearce, Diana M. (June 2010). The Self Sufficiency Standard for New York State 2010, prepared for the New York State Self- Sufficiency Standard Steering Committee. Retrieved from http://www.selfsufficiencystandard.org/docs/New%20York%20State%202010.pdf

¹⁵Pearce, Diana M. (June 2010). The Self Sufficiency Standard for New York State 2010, prepared for the New York State Self- Sufficiency Standard Steering Committee. Retrieved from http://www.selfsufficiencystandard.org/docs/New%20York%20State%202010.pdf

 $^{^{16}}$ Citizens' Committee for Children of New York, Inc. Keeping Track of New York City's Children 2010.

¹⁷Emergency Coalition to Save Child Care . "Elected Officials, Parents, Advocates and Providers Call on Mayor and Council to Fully Restore Child Care Funding in Final Budget." May 6, 2011.

¹⁸Emergency Coalition to Save Child Care, "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 486 Neighborhood Children." Bronx Impact Brief Page 1

¹⁹Children's Defense Fund New York and Citizen's Committee for Children of New York Inc., Emergency Coalition to Save Child Care. "WHEN THERE IS NO CARE: The Impact on NYC Children, Families and Economy When the Mayor Eliminates Child Care for 17,000 Children." April 2011