

PARENTS ON THE EDGE:

How Chicago's Early Care and
Education System Fails Families





MARIBEL AGUIRRE, Brighton Park Parent



Last year, my five-year-old was enrolled in a Pre-K program at my local elementary school. Unfortunately, because the program was only two and half hours long, I couldn't keep him there. My husband and I both work, and we couldn't leave work to drop him off and pick him up in the middle of the day.

I was able to enroll him in an affordable full-day child care program that was subsidized by the state, but then we had a new baby and found out we couldn't enroll our newborn because the funds for that program had been cut.

We didn't know what to do. We have to work to support our family, but we can't work without affordable child care. My husband ended up taking some time off from his job to stay home with our kids, but we really can't afford to do that.

I just don't understand why making child care and Pre-K accessible isn't a priority. Most parents need to work full-time so how can they drop their kids off for less than three hours for Pre-K? And what sense does it make to cut affordable child care when it means that parents won't be able to work and take care of their children?

What we need is programs that we can actually use, and that we can depend upon, so we can work hard and support our children and provide them with a decent future.

PARENTS ON THE EDGE: How Chicago's Early Care and Education System Fails Families

Recently Chicago Mayor Rahm Emanuel has claimed that access to early education programs has expanded under his administration, in particular for low-income and high-risk children. But a survey of hundreds of Chicago parents, and a review of actual enrollment numbers, paint a different picture of early education access in the city.

Instead of expanded early-education access, including quality pre-Kindergarten, the city has experienced declining enrollment, increasing costs and insufficient political will to address the tremendous needs of low income families across the city for full-day, universal, high-quality and free early education and care.

Early care and education are increasingly considered vital services for families with young children, with every dollar invested in programming heralded as a victory for the city. Yet the early care and education system in Chicago has been failing working parents and young learners, with a fragmented, chronically under-funded system, that is difficult to navigate and access, and does not fulfill the needs of working families. In late summer and early fall of 2014, **over 760 parents in Chicago were surveyed about their experiences and needs in the early care and education system**, including 462 who had children ages 5 or younger. **Their responses paint a clear picture of the challenges for working parents and shortfalls of the current offerings: the hours are too few, the costs are too high, and the programs too difficult to access.**

While city representatives, most especially the mayor in the midst of his reelection campaign, have made claims of major progress in increasing early education access, the numbers and daily realities of parents tell a different story.

EARLY CARE AND EDUCATION: Game Changers for Children and Parents

In recent years there has been growing public interest in the value and importance of early care and education. Year after year, studies have shown the substantial impacts that the early years have on child development, including effects on children's success in school, social and emotional development, and health. Quality early care and education programs are game-changing for parents too, enabling parents to attend school, go to work, or look for employment. Stakeholders from private foundations to heads of corporations, as well as elected officials across party lines, have been calling for increased investment in programs that serve children during their first five years.

Longitudinal studies have concluded that the public returns on investment for funding in early care and education can reach as high as **\$7 for every \$1 spent**.¹ The savings come from a variety of positive results attained

through programs and wrap-around services, including: reduced spending on special education in the later school years, the increase in high school graduation rates, the decrease of involvement in the justice system, and the increased earning potential in adulthood for those who attend early learning programs as children. In addition, recent literature points to the inherent connection between early childhood development and health outcomes, with impacts seen into adulthood.²

Not only are there clear, proven benefits for young children, early care and education programs provide a vital work support to families. A recent policy brief from the Center on Law and Social Policy (CLASP) confirms what families across the city know: "when parents do better economically, their children do better as well," and that affordable child care helps families stay in the workforce longer.³ Early care and education that fits parents' work schedules is essential, enabling them to be actively employed and provide for their families.

A PATCHWORK MAZE: Early care and education in Chicago

The public early care and education system in Chicago is a difficult-to-navigate maze of myriad local, state, and federal programs with significant coverage gaps. The programs that represent the most substantial investment and have the largest reach include:

- Preschool for All, a state program funded through the Chicago Public Schools (CPS) that includes approximately 22,788 funded slots, providing preschool services for three- and four-year-olds who are considered at-risk, most often defined as low-income (at or below 185% of FPL or \$44,123 annual income for a family of four, which qualifies for free or reduced price lunch); CPS also provides some limited early education programming through Child Parent Centers, accounting for approximately 2,008 slots, funded by federal Title I dollars;
- Head Start and Early Head Start, a federally funded program administered by the Chicago Department of Family and Support Services with 16,808 and 923 funded slots respectively, which provides early education services, health screenings and parent engagement to children birth to age five who are living in poverty (\$23,850 annual income or less for a family of four); and
- The Child Care Assistance Program (CCAP), a state program that provides subsidized child care to low-income, working families (at or below 185% of FPL or \$44,123 annual income for a family of four) on a sliding-scale, which is accessed either through a voucher or through contracted slots, including a contract held by the Chicago Department of Family and Support Services, and serving approximately 26,000 children birth through age four in Chicago.

THE BARRIERS: Access, Capacity and Funding

While the above-mentioned programs are designed to increase access to high-quality services that improve child outcomes and stabilize parent employment, their availability and hours of programming offered are limited, their eligibility standards are not aligned, the application processes can be onerous, and the funding is drastically insufficient.

One of the most drastic—and timely—instances of program instability is that of the Child Care Assistance Program. In recent years, parents have frequently had trouble accessing the program, even when it has been fully funded and when they meet all the eligibility requirements, because of bureaucratic program issues including difficulty with the vendor-run eligibility and payment approval system.

In recent weeks, the program has faced a budget shortfall of nearly \$300 million, and both parents and providers have been put on notice that they should expect delayed payments and possible cuts in services in the coming months. Parents who depend upon this program in order to work and attend school in order to support their families and build a better future are being subjected to drastic consequences as a result of inaction in Springfield. Unfortunately, even if this current budget crisis is “solved,” they have every reason to fear future crises and interrupted services unless long-term, dedicated funding solutions are identified and adopted.

Parents attempting to find the services they need in order to work and to provide their children with the lasting developmental benefits of quality early education and care encounter not just a maze, but one that is confusing, unnecessarily complex, and that for many, offers no way out.

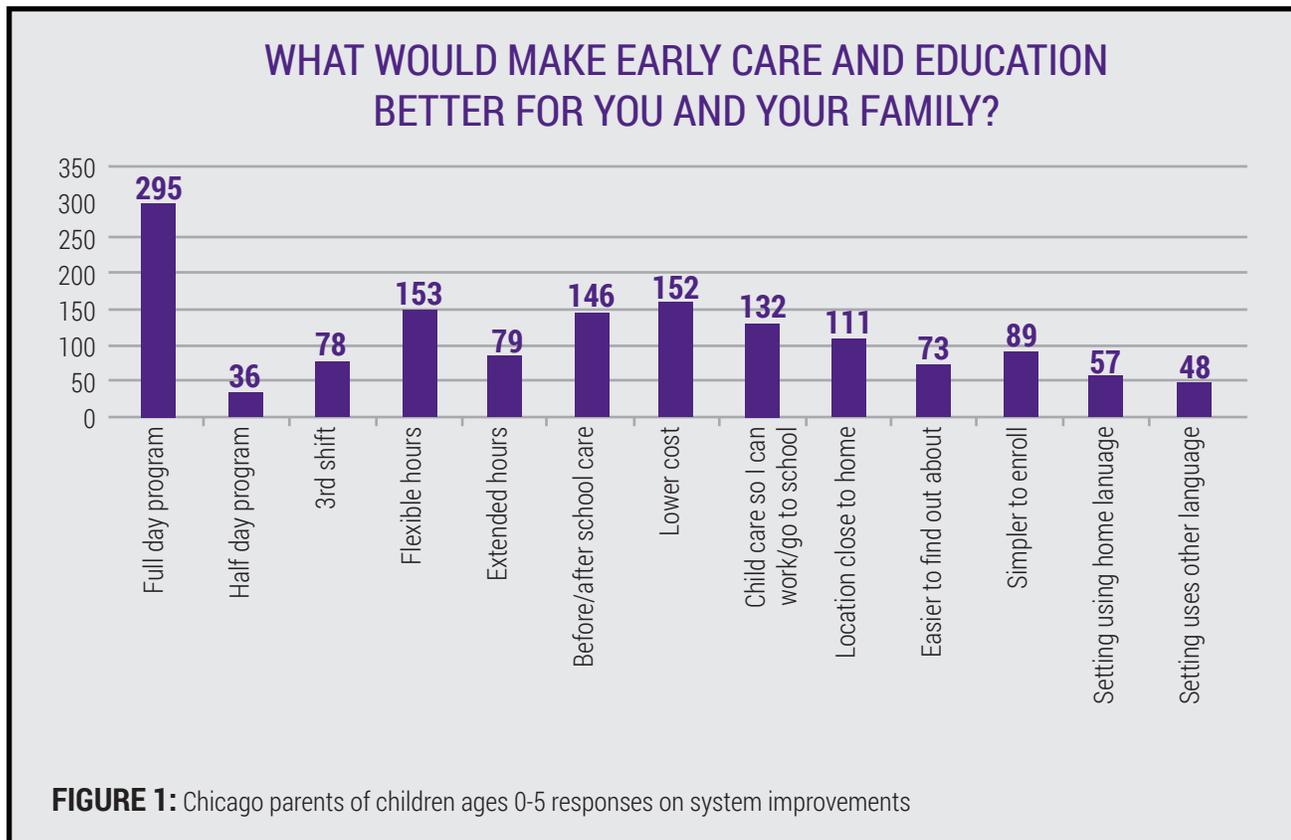
PARENTS ON THE EDGE: The Need for Increased and Flexible Program Hours

When surveying Chicago parents and their ties to the early care and education system, it became clear that families were balancing the development and education of their children with their own needs to work or attend school, and that the existing programs in Chicago were not addressing both of those needs. Some of the most troubling survey responses related the impacts that a lack of child care can have on parents' ability to work:

- 1 in 4 Chicago parents surveyed have had to change their work schedule because they couldn't find child care.
- More than 17% have had to turn down a job or couldn't work due to lack of child care, and more than 12% have missed a job interview or work because they had no one to watch their children.
- 1 in 10 Chicago parents have lost pay or faced discipline at work due to a lack of child care.

Finding early care and education programs becomes an even greater challenge for parents who work non-traditional hours, or are employed in industries which frequently provide unpredictable schedules for their workers. A recent report from the Ms. Foundation for Women, which surveyed those in the low-wage workforce, concluded that parents faced severe penalties, including "less desirable shifts or fewer hours when caregiving responsibilities led them to arrive late or leave early."⁴

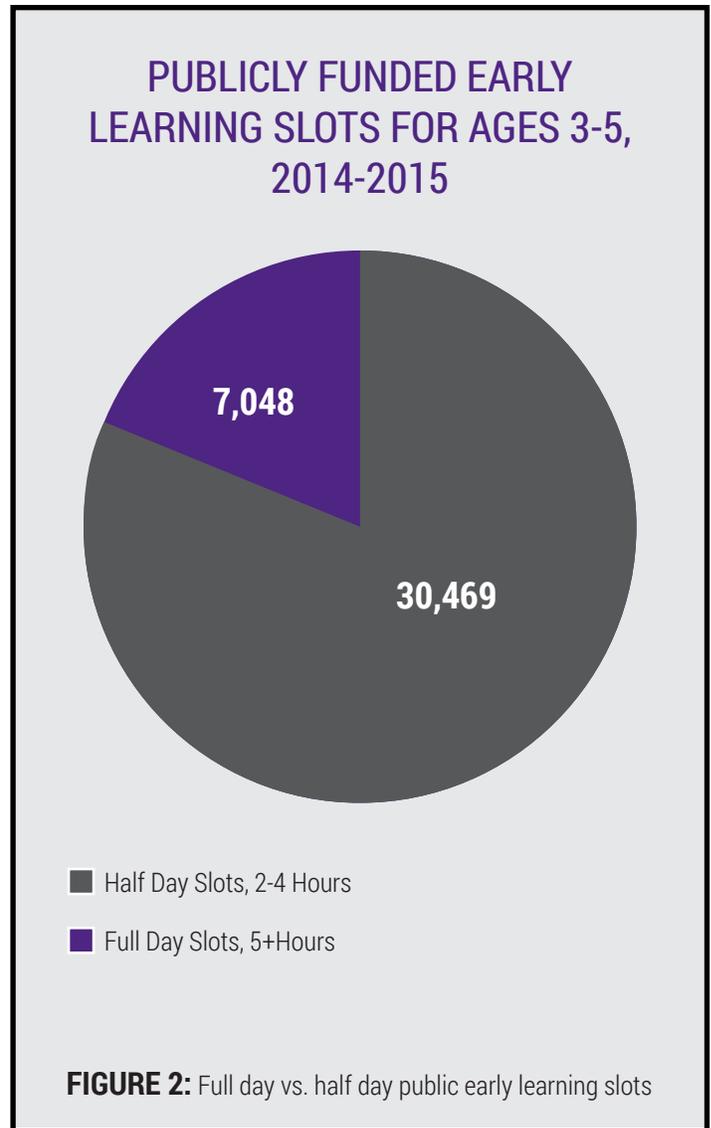
When asked what improvements families would like to see in the early care and education system, approximately one third of Chicago parents of young children said they need a system to include flexible hours to accommodate work schedules, before- and after-school care, and lower costs for early care and education programs, as seen in Figure 1.



While a strong majority of parents wanted full-day programs for the youngest Chicagoans, most tellingly 72% of parents of children ages birth to five who have their child either currently enrolled or who were enrolled last year in a half-day program preferred that their child attend a full-day program.

Unfortunately, the city's current early learning programming, including Preschool for All, Head Start, and Child Parent Centers, provide primarily half-day slots for three- and four-year-olds, many just three hours or less each day, as seen in Figure 2.

Few parents work such limited hours. Most would be unable to work at all without wrap-around child care to supplement the meager offerings and a means to transport children mid-work shift. In addition, recent studies have shown that full-day early learning programs improve kindergarten readiness and reduce absenteeism over half-day options.⁵ While the new federal investment in preschool announced early in December 2014 will increase full-day slots at CPS by 1,100, the expansion is dwarfed by the need. Moreover, 82% of the new full-day slots will be converted from current half-day slots rather than creating new opportunities for children who had not previously had access.⁶



LAPORSCHA GLOVER

“When I was seeking out a Pre-K program for my son, I really needed a full-day program but I could only find programs that were less than half day. It’s important that he gets to go, so I leave work early and cut my hours back to make it work, but we really can’t afford that. That’s a choice no parent should have to make—between giving your child a strong start in life and working the hours you need to so you can pay the rent and put food on the table.”

PARENTS ON THE EDGE: The Need for Affordable Early Learning and Care

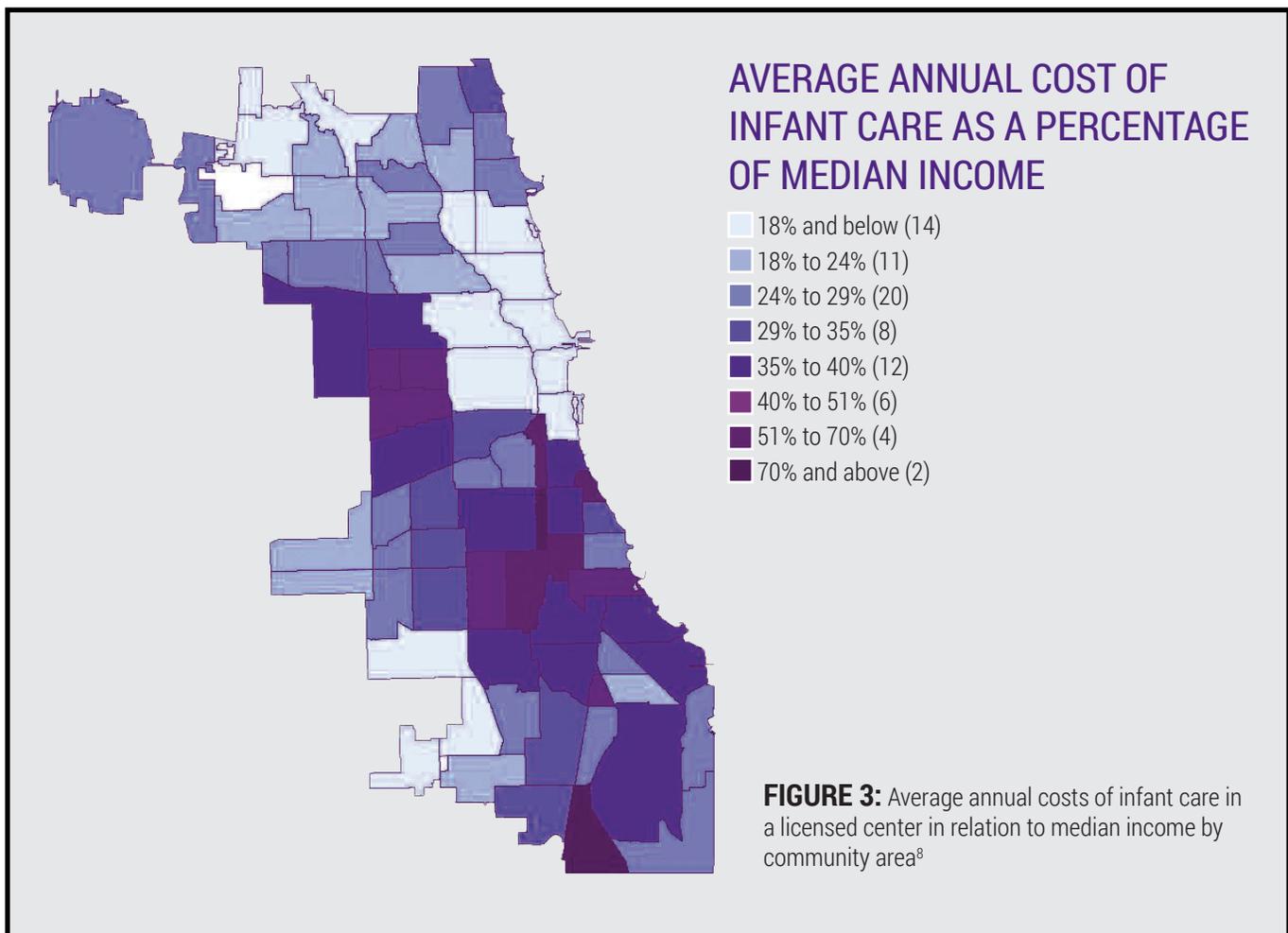
While programs are designed to serve children who are most at risk, each unique funding stream has its own eligibility standards and application requirements, creating a disjointed system where parents may qualify for some programs, but not those that provide the hours or location the family needs. Families who do not fit into the limited definitions of who qualifies for publicly funded programs, or who may qualify but are unable to find slots in their community or at accessible locations, face a private market in which costs are rapidly outpacing Chicago-area incomes.

Child care is considered affordable if it represents 10 percent or less of a family's income, yet Illinois Action for Children's 2014 report on Child Care in Cook County

found that "in 2012, the cost of center care for a 2-year-old was more than 17 percent of the median family income [in Cook County]."⁷ **The report also found that the annual cost of child care for an infant in a child care center exceeds a year's worth of in-state tuition and fees at a public university.**

In our survey of Chicago parents, more than 1 in 6 stated that they didn't enroll their child in an early care or education program because it was too expensive.

When comparing the average annual costs of care provided by Illinois Action for Children to median incomes by community area, the crisis becomes even clearer, especially when looking at the expense of finding care for the youngest children.

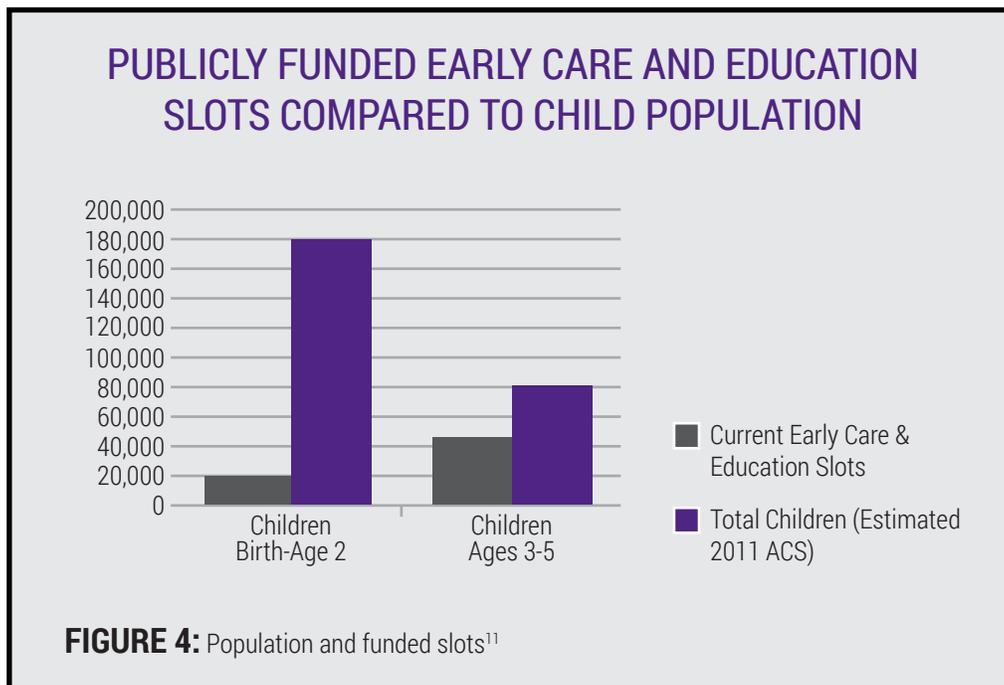


While the average annual cost of center care for an infant is greater than 10% of the median income in every community across the city, **in several communities the average annual cost exceeds 60% of the median income** for that community: Englewood (61.4%), Fuller Park (74.8%), and Riverdale (83.4%).

While it is likely that working families in those neighborhoods with the lowest median incomes may qualify for some financial relief through CCAP subsidies, it is estimated that only 31 percent of children eligible for CCAP are using it.⁹ Even moderate income communities struggle to afford care and would not qualify for any public assistance, forcing parents to make tough choices about their budgets. A recent report from the Center for American Progress included early childhood expenses as a major component of what they termed “the middle class squeeze.”¹⁰ These families have seen the cost of child care rise by 37% in 12 years, representing 20 percent of the pay for moderate-income families, and exceeding the median cost of rent in every state. In many moderate-income neighborhoods in Chicago, including Jefferson Park (cost of infant care is 19.6% of median income), Hyde Park (cost is 24.2% of median income), and Belmont Cragin (cost is 27.5% of median income), there is a considerable burden in paying for care for young children while parents work, as seen in Figure 3.

As eligibility currently exists, **only an estimated 54% of Chicago children ages five and under qualify for publicly funded early care and education programs based on their families’ income**, leaving thousands of parents with no support. This gap in eligibility is more pronounced among the youngest age group, infants and toddlers, where care is so expensive and slots are so rare that even low-income families who should qualify do not have access to programs. When comparing available public programming to the estimated population, the disparity becomes obvious, as seen in Figure 4.

Slots only exist for only an estimated 6% of children from birth through age two in either Early Head Start or Prevention Initiative programming in Chicago, and there are not enough licensed child care slots for infants and toddlers in the city of Chicago to meet the need of working families. Illinois Action for Children estimates that **in some areas of the North and Northwest side of the city there are only enough licensed infant and toddler child care slots to accommodate 5% of the infants in that area.**¹²



MEETING THE NEED: Less Rhetoric, More Action

While the mayor has publicly declared support for early education and has claimed in both campaign ads and press conferences to have increased program access, enrollment numbers from publicly available sources show that fewer children are benefitting from early education than before his administration. In fact, there are 1,634 fewer children enrolled in school-based preschool since the roll-out of Chicago: Ready to Learn! in 2013.¹³ The hard truth backed by the numbers and reported by our survey respondents is that families across the city remain without access to quality, affordable early care and education that meets the needs of their work schedules.

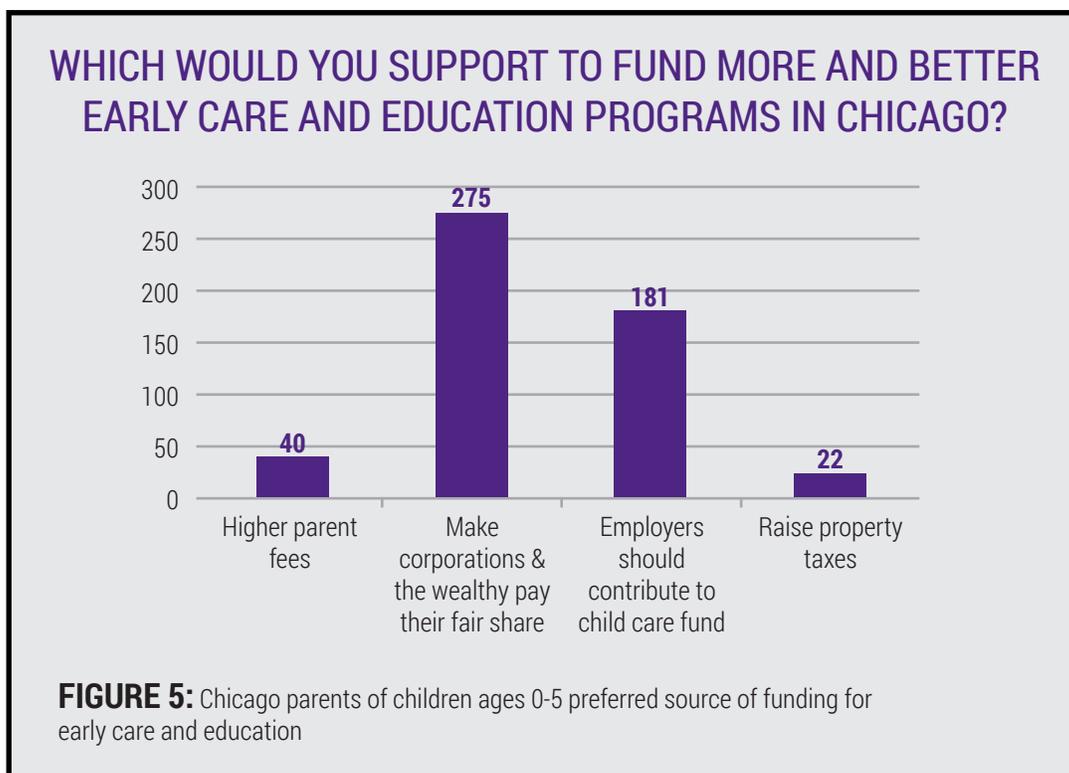
Chicago families deserve a high-quality, truly universal early care and education system that:

- Includes full-day programs that allow parents to work full-time hours;
- Is affordable and accessible in the communities where families live and work;
- Is guided by community needs and input by working families.

FUNDING A LASTING SOLUTION

Current services are paid for by braiding together a web of funding streams which on their own are insufficient to fully fund programs, and are wholly dependent on government appropriation processes subject to political will and persistent budget constraints. The inherently instable nature of government funding can be seen in the cuts to Head Start implemented as a result of federal sequestration in 2013, and the current crisis in CCAP funding, leaving the program \$300 million short for the final five months of the current fiscal year (February through June, 2015).

A program that serves all families for all the hours they need and gives children the start they deserve would take a large investment from the city. Parents understand this, and responded overwhelming in our survey as to who should be making that investment: **nearly 60% of survey responders said that corporations and the wealthy should pay their fair share, and over a third believe that employers should contribute to a child care fund, as seen in Figure 5.**



The city's latest tactic to achieve stable funding, while being touted by the Emanuel administration as innovative, is primarily a privatization scheme marketed as public-private partnership. **Social Impact Bonds allow private investors to profit off the well-known and long-studied returns of early education, putting the city and Chicago Public Schools on the hook for paying out \$2 for every \$1 of investment to private firms including Goldman Sachs, Northern Trust, and the Pritzker Foundation, instead of investing those funds back into educating Chicago children, siphoning up to \$34.5 million out of our communities.** Instead of further enriching the bottom line of investors, the city needs to secure funding through progressive revenue sources:

- Renegotiate toxic interest rate swaps: The city of Chicago and CPS entered into risky financial deals, called interest rate swaps, which became particularly costly after the financial crisis. The bad terms of these deals have resulted in nearly \$800 million in losses for the city and CPS. The banks need to be forced to the table to renegotiate or terminate these deals.
- Financial transaction tax: Also known as the LaSalle Street tax, it would tax the trading of financial assets including stocks and derivatives at the Chicago Mercantile Exchange (CME) and the Chicago Board Options Exchange (CBOE), which combined have annual trading volumes in the hundreds of trillions of dollars. With even a modest tax, billions of dollars could be generated.¹⁴

- Reform TIF and other corporate subsidies: TIF and other taxpayer funded initiatives to ostensibly promote development and job creation have reached far beyond their original intent, with public dollars being spent in primarily wealthy neighborhoods and benefitting wealthy corporations. TIF reform would limit spending and return tax dollars to schools and communities.
- Fair taxes on the wealthy: Illinois current income tax is calculated at a flat rate, which hits lower income earners the hardest, constricts public budgets, and results in the 5th most regressive tax system in the country.¹⁵ Recent initiatives to apply additional taxes on high-income earners, like the Millionaires tax, or instituting a graduated income tax rate, which would shift the tax burden to those most able to pay, could increase revenue by more than \$2 billion annually.¹⁶

The city of Chicago cannot continue to offer up misleading claims of increased and improved access while parents and children suffer the costs of inaccessible and unavailable early education and care. Instead of boasts of improved access, and promises for future expansion, families desperately need and want the city to take meaningful action. As reflected both in data on program availability and utilization, and by the first-hand accounts uncovered in our parent survey, families cannot afford to wait for other stakeholders to take action, or for wages to catch up to the costs of care. The time to take decisive and meaningful action is now, and parents must be at the table in building an integrated and expanded early care and education system in Chicago.

CRISTINA RODRIGUEZ, Pilsen Parent and Pilsen Alliance Board Member

“Without early education and care programs that are truly accessible and affordable, a lot of parents are going to have to quit their jobs. I know I’m facing that choice, and I’m not alone. We need to work to care for our families and we can’t do that if we can’t afford or access child care and education programs that we can trust.”

ENDNOTES

1. Temple, Judy A. & Reynolds, Arthur J. (2007). Benefits and costs of investments in preschool education: Evidence from the Child-Parent Centers and related programs. *Economics of Education Review*, 26 (2007), 126-144/
2. Campbell, F., Conti, G., Heckman, J. J., Hyeok Moon, S., Pinto, R. Pungello, E., Pan, Y. (2014, March 27). Early childhood investments substantially boost adult health. *Science*, 343. Retrieved from <http://heckmanequation.org/content/resource/early-childhood-investments-substantially-boost-adult-health>
3. Matthews, Hannah & Walker, Christina. (2014, July 24) "Child Care Assistance: Helping Parents Work and Children Succeed." Center on Law and Social Policy. Retrieved from <http://www.clasp.org/resources-and-publications/publication-1/Child-Care-Assistance-Helping-Parents-Work.pdf>
4. Ms. Foundation for Women. (2014, June). "Listening to workers: Child care challenges in low-wage jobs." Retrieved from http://www.nwlc.org/sites/default/files/pdfs/listening_to_workers_child_care_challenges_in_low-wage_jobs_6.24.14.pdf
5. Reynolds A.J., Brandt, A., Richardson B.A., Hayakawa, M., Lease, E. M., Warner-Richter, M., Englund, M.M., Ou, S., Sullivan, M. (2014). Association of a Full-Day vs. Part-Day Preschool Intervention With School Readiness, Attendance, and Parent Involvement. *JAMA*. 2014;312(20):2126-2134.
6. Office of the Mayor. (2014, December 10). "Mayor Emanuel Announces Expansion of High-Quality Early Educational Programming to 2,200 Children." Retrieved from http://www.cityofchicago.org/city/en/depts/mayor/press_room/press_releases/2014/dec/mayor-emanuel-announces-expansion-of-high-quality-early-educatio.html
7. Illinois Action for Children. (2014). "2014 Report on Child Care in Cook County." Retrieved from http://www.actforchildren.org/site/DocServer/2014_Report_on_Child_Care.pdf?docID=7181
8. Average annual cost of infant care in a licensed center is estimated at: \$11,600 in the city of Chicago in 2012, based on Illinois Action for Children weekly Chicago estimates multiplied by 50 weeks (\$232 x 50). Median incomes based on the 2012 ACS 5 year estimates retrieved from <http://robparal.blogspot.com/2014/12/declining-and-shifting-chicago-income.html?q=income+by+community>.
9. Illinois Action for Children. "2014 Report on Child Care in Cook County."
10. Center for American Progress. (2014, September). "The Middle-Class Squeeze: A Picture of Stagnant Incomes, Rising Costs, and What We Can Do to Strengthen America's Middle Class." Retrieved from http://cdn.americanprogress.org/wp-content/uploads/2014/09/MCS_3EarlyChildhood.pdf
11. Slots include the following programs (data sources in parentheses): Prevention Initiative (numbers retrieved from FOIA to CPS), Early Head Start (2014 Head Start Program Information Report), and CCAP for infants and toddlers (data from Illinois Early Childhood Asset Map, or IECAM); Preschool for All (FOIA to CPS), Child Parent Centers (FOIA to CPS), Head Start (2014 Head Start Program Information Report), and CCAP for children ages three to five (Illinois Early Childhood Asset Map, or IECAM). Population estimates by age retrieved from Illinois Early Childhood Asset Map, or IECAM at <http://iecam.illinois.edu/>.
12. Illinois Action for Children. "2014 Report on Child Care in Cook County."
13. Comparing 20th day enrollment numbers for school-based preschool and early learning programs from the 2012-2013 school year to the 2014-2015 school year. Data retrieved from: <http://www.cps.edu/schooldata/Pages/SchoolData.aspx> under "Demographics."
14. Chicago Political Economy Group. (2014). "A Financial Transaction Tax to Meet Human Needs." Retrieved from <http://www.cpegonline.org/wp-content/uploads/2014/05/RHT-QA.pdf>
15. Institute on Taxation and Economic Policy. (2015). "Who Pays? A 50-state Report." Retrieved from <http://www.itep.org/whopays/states/illinois.php>
16. Center for Tax and Budget Accountability. (2012, February). "The Case for Creating a Graduated Income Tax in Illinois." Retrieved from http://www.ctbaonline.org/sites/default/files/reports/ctba.limeredstaging.com/node/add/repository-report/1385494205/R_2012.02_CTBA%20Graduated%20Income%20Tax%20FINAL%20Report%20Feb%202012.pdf



BRIGHT FUTURE CHICAGO: Where Kids and Parents Come First

is a campaign for universal pre-K and early care and education supported by a coalition of the following community groups:

Action Now

Brighton Park Neighborhood Council

Chicago Teachers Union

Communities United

Kenwood Oakland Community Organization

Pilsen Alliance

SEIU Healthcare Illinois

Parents, community advocates and other coalition members of the Bright Future Chicago: Where Kids and Parents Come First Campaign for Universal Pre-K and Early Care and Education.