



## **Employers and Child Care Subsidies**

### **January 2019 Report**

#### **Introduction**

Child care subsidies offer many benefits. In addition to providing access to quality early childhood educational experiences, the subsidies directly benefit many employers in Buncombe County by serving employees who otherwise may not be able to participate in the workforce.

In November 2018, the Buncombe Partnership for Children analyzed child care subsidy data provided by Southwestern Child Development Commission to determine where parents who receive child care subsidies are employed and assess the impact on employers.

Child care subsidy data is organized by the eligible child, not by his/her parent/caregiver. For the purposes of this report, we refer to all parents/caregivers as parents. The data below is derived from the number of children 0-5 years old who were receiving subsidies, and then analyzes where their parents were employed. Additional child care subsidies are available for afterschool and summer care for children ages 5-12. This report only focuses on child care subsidies for children ages birth through five, before children enter kindergarten.

Parents in Buncombe County receive child care subsidies for their children based on income eligibility and other criteria. In general, parents receive subsidies to keep current employment and or to continue their education. Since North Carolina subsidy units transitioned to the NC FAST (Families Accessing Services through Technology) system in FY 16-17, the reason for seeking child care subsidy is collected on a per family basis and is no longer available for individual parents. Historically, the majority of parents have sought child care subsidies to maintain their current employment.

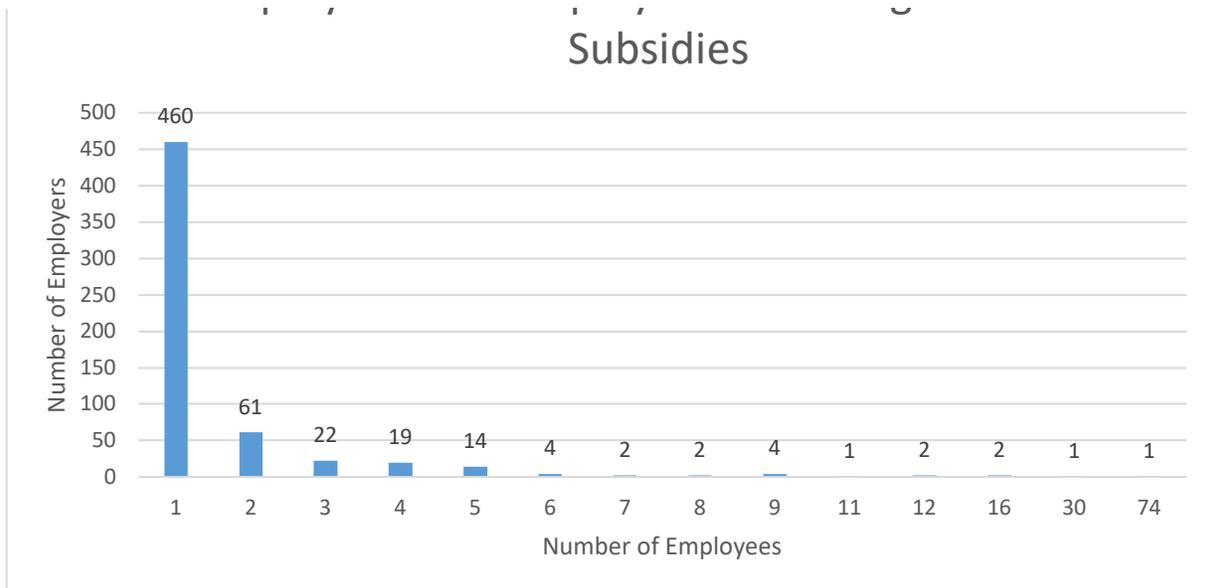
#### **Total Number of Children Receiving Child Care Subsidies with Employed Parents**

As of November 30, 2018, there were 1,088 parents who are Buncombe County residents with children (ages 0-5) receiving child care subsidies.

#### **Employment in and Around Buncombe County**

Of the 1088 parents receiving child care subsidies, 1055 are employed by businesses and 33 identify as self-employed. The 1055 parents/guardians working for businesses and receiving child care subsidies for their children were employed by 595 employers in the Buncombe

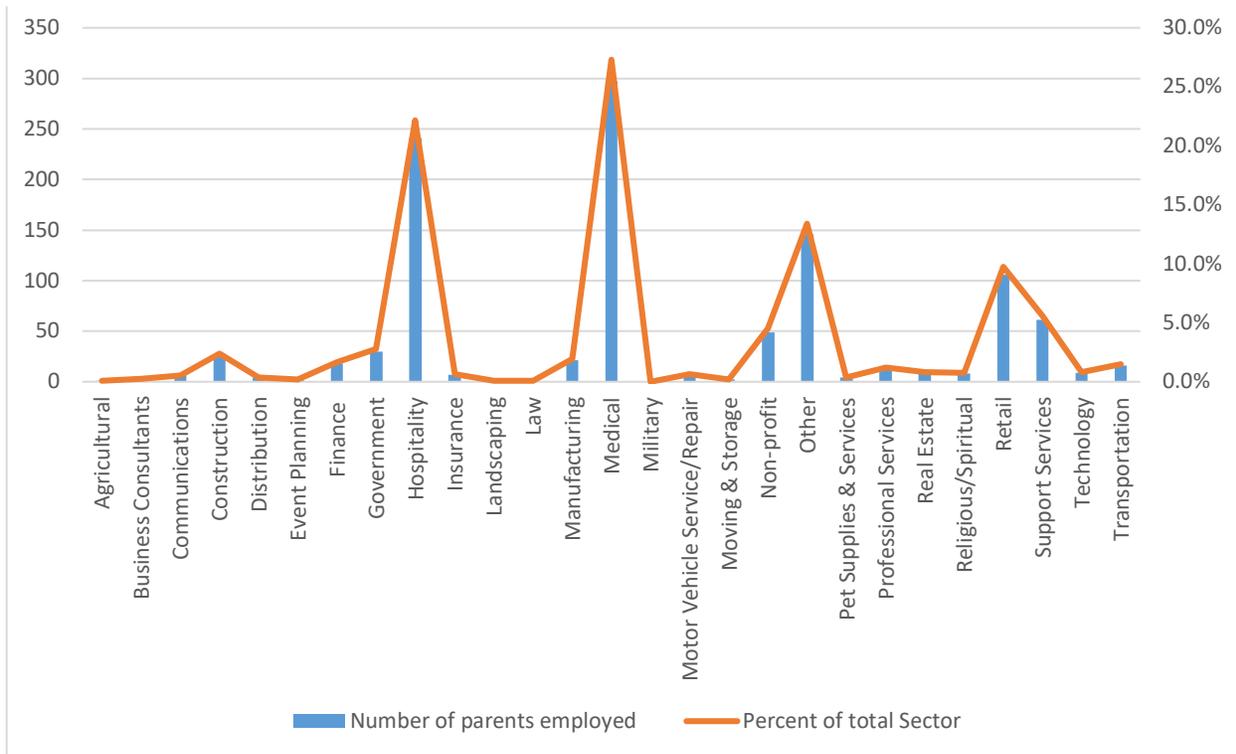
County area. The majority of parents (98% or 1037) were employed in businesses located in Buncombe County, and 2% were employed in surrounding counties, including Haywood, Henderson, Madison, Washington (TN) and Transylvania. As can be seen in the table below, of the 595 employers in the Buncombe County area, 97% had four or fewer subsidized employees and these tended to be small business employers. However, 7 employers each had 10 or more subsidized employees and accounted for 14% of the total number of subsidized parents.



BPFC, November 2018

For purposes of this report, employers were classified into business sectors using the Asheville Area Chamber of Commerce business taxonomy. Parents receiving child care subsidies are engaged in twenty-seven different business sectors. The following sectors were represented most frequently in this dataset: Medical (27.3% or 297 parents), Hospitality (22.2% or 241 parents), Other (13.4% or 146 parents), Retail (9.7% or 106 parents) and Support Services (5.6% or 61 parents). The Other category includes such employers as education and schools, self-employed individuals, and personal services, such as hair, nails and other body care services. Support Services includes businesses such as cleaning and janitorial services and employment staffing services.

As seen in the table below, parents receiving child care subsidies that work in the medical, hospitality, other, retail and support services account for a total of 78% of the total number of employees with children ages 0-5 who receive child care subsidies.



BPFC, November 2018

### Businesses with Employees Receiving Child Care Subsidies

Buncombe County has 595 different employers who together rely on 1055 employees who are receiving child care subsidies. Seven large employers each have 10 or more subsidized employees, accounting for 14% of the total number of subsidized employees in the county. These employers are: Mission Health, Ingles Market, Walmart, Child Care Network, McDonald's, Irene Wortham Early Learning Center, and Buncombe County Schools. According to the Chamber's list of largest employers, there are 56 with 200+ employees. Of those 56 businesses, a total of 211 employees receive child care subsidies for their children. Small businesses with fewer than 200 employees, have the greatest number of employees receiving child care subsidies, with 844 total employees.

As a group, self-employed individuals are one of the top consumers of child care subsidies, and represent 33 parents. Another large consumer of child care subsidies are parents who are employed by various licensed child care facilities in Buncombe County. Employees of all child care facilities who receive subsidies for their children include 73 parents (or 7%) at 23 child care facilities. This calculation is based on federal tax ID number, not individual facility locations.

## **Subsidy Funding and How to Apply**

Child Care subsidies are primarily funded by the North Carolina Division of Child Development and Early Education through County Departments of Social Services or Health and Human Services. Matching funds are provided through Smart Start and the North Carolina Partnership for Children. Local Smart Start funds are administered by Buncombe Partnership for Children through the Buncombe County Department of Health and Human Services under a contract with Southwestern Child Development Commission.

Subsidy funding allows parents to continue working or going to school by providing a portion of their child care expenses based on income eligibility and other guidelines. For families with children ages 0-5, household income must be at or below 200% of the federal poverty level. Payments are currently made directly to the licensed child care facility selected by the parent. Child care providers are reimbursed per child at a rate set by the state. Parents receiving subsidy assistance must pay a fee of 10% of gross monthly income directly to the child care center. If there is a difference between the state reimbursement rate and the tuition charged by the center, parents are often required to pay the difference to the center, or the differential rate. Subsidy assistance is available for full-time, part-time, or wrap-around care for Early Head Start, Head Start, and NC Pre-K.

To apply for child care subsidy assistance, contact the Child Care Subsidy Unit at Buncombe County Health and Human Services by phone at 828-250-5500 to schedule an appointment and learn about the documentation required. Child care subsidy assistance is also available through NC FAST, North Carolina Families Accessing Services through Technology, which allows parents to apply online.

### **Finding Child Care**

Mountain Child Care Connections (MCCC) is a regional call center providing families with free, confidential information about quality child care to meet their individual needs. Information provided includes:

- Provider contact information
- Types of care available
- Quality indicators and star licenses
- Cost of care
- Referrals to other agencies

The call center, managed by Southwestern Child Development Commission (SWCDC), serves Buncombe County and its 10 surrounding counties. Call toll free at 1-877-752-5955.

The Division of Child Development & Early Education (DCDEE) provides a guide on choosing quality child care and a search feature that allows parents to find centers based on name, location, and other criteria (<http://ncchildcare.nc.gov/>). More information about subsidized

child care options in Buncombe County can be found on the Partnership's web site (<http://buncombepfc.org/for-families/finding-child-care/>).

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### **Acknowledgements**

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