Colorado Is Facing a Child Care Crisis

New Colorado Health Access Survey Data Indicate Many Families Struggle to Access Child Care

Nearly one in 10 (9%) parents/guardians with a child 17 or younger reported that there was at least a week in the past 12 months when they needed but could not get child care, according to the 2021 Colorado Health Access Survey (CHAS). This represents over 200,000 parents/guardians statewide. Nearly 12% of families with children 5 or younger reported unmet child care needs.

Cost was the most commonly reported barrier to accessing child care. Nearly one-third (30.9%) of Coloradans who couldn’t access child care for a week or more said it was because they couldn’t afford it. Infant care in Colorado ($15,325 per year on average) is one of the biggest expenses families face, costing more than average annual rent ($13,829) or in-state tuition for a four-year public college ($9,540).

Key Takeaways

- Even during the COVID-19 pandemic when many child care centers were closed, affordability was the top barrier to child care access for socially and economically disadvantaged families.
- Parents/guardians with unmet child care needs were twice as likely to report poor general health and mental health as those who had adequate access to child care.
- Colorado policymakers are considering ways to increase child care availability, but additional funding and legislation are needed to improve the system for both providers and families.

While recent legislation to expand access is promising, additional policy and programmatic solutions are needed to support Colorado’s families and address child care gaps.

Child Care and the CHAS

Since 2013, the CHAS has asked Coloradans about various barriers to seeking medical care, one being a lack of child care access. On the 2021 CHAS, two questions were added to better understand the impact of the COVID-19 pandemic on the availability of child care for families. These questions are:

- In the past 12 months, was there a time when you could not find child care when you needed it for a week or longer?
- What is the main reason you were unable to get child care at that time?

The survey didn’t define child care in a specific way, but it can generally include formal and informal care ranging from licensed child care centers to care provided by family, friends, and neighbors.
Who in Colorado Struggles to Access Child Care?

The struggle to find child care disproportionately affected some Coloradans. Unmet child care needs in Colorado varied by geography, race/ethnicity, and income.

Geography

According to the 2021 CHAS, parents/guardians in Pueblo County and rural southwest Colorado had the hardest time finding child care. Nearly one in five (17.8%) families in Pueblo County reported not being able to access child care when they needed it, compared to the state average of 9.0% (see Map 1).

This is in line with findings from the 2019 Colorado Shines Brighter Needs Assessment conducted by CHI, which found that Pueblo County met parental preference for child care absent of barriers (such as cost, availability, quality, and accessibility) at the lowest rate compared to other urban counties.\(^3\)

For infant care, the capacity of licensed providers in Pueblo met only 18% of the ideal or desired state, compared to between 29-35% for counties in the Denver metropolitan area.

In southwest Colorado, 17.0% of parents/guardians reported not being able to access child care when they needed it. This rate is over five times that for parents/guardians in other parts of the state, such as counties in the Denver metropolitan area.
as Douglas County (3.0%), according to the CHAS. Parents/guardians in rural southwest Colorado also face a disproportionately high cost burden for child care. In Montezuma and Mineral counties, 36% of the median household income is required to pay for child care expenses, compared to 20% in Douglas County (see Map 2).

**Race/Ethnicity**

According to the 2021 CHAS, nearly one in five (18.7%) Black or African American parents/guardians reported they could not access child care when they needed it, compared to 10.2% of Hispanic/Latino and 7.1% of white parents/guardians (see Figure 1). Reasons why varied by respondents’ ethnicity, which is discussed in greater detail on page 6.

**Figure 1. Parents/Guardians of Color Were More Likely to Lack Access to Child Care**

Percentage reporting they could not access child care when they needed it for at least a week, by race/ethnicity, 2021
**Income**

While much of the focus during the COVID-19 pandemic was on whether child care facilities could safely operate, the issue of affordability never went away. In fact, it was exacerbated during the pandemic when half of all Colorado families and nearly three-quarters (71.3%) of families earning less than $25,000 per year reported income loss.⁵ CHAS data reveal significant differences in child care access by income. About 17% of parents/guardians living at or below 100% of the federal poverty level ($27,750 per year for a family of four in 2022) needed but couldn’t find child care in the past year, nearly triple the 6.1% of those living at more than four times the federal poverty level (see Figure 2). Without the Colorado Child Care Assistance Program, which aims to close the gap in access for low-income earning families, these disparities would likely be even greater.

**Why Does Access to Affordable Child Care Matter?**

Child care access is a social determinant of health that is closely tied to health and well-being. It also contributes to disparities in wage-earning potential.

**Health Care Access**

CHAS data reveal that not having child care directly impacts a parent/guardian’s ability to get health care. About one in 20 Coloradans (5.6%) with a child under 14 was unable to schedule a health care appointment in the past year because they could not find child care. This accounts for over 100,000 people statewide. From 2015 to 2019, an increasing number of parents/guardians reported not being able to schedule an appointment due to unmet child care needs (from 7.8% to 11.7%); in 2021 this dropped to 5.6%, likely due to an overall decrease in in-person appointments and the rise of telemedicine during the pandemic, which made it easier to see a provider even without child care.

However, female, Hispanic/Latino, and low-income earning parents/guardians were more likely to report they were unable to schedule an appointment due to unmet child care needs in the past year (8.2%, 8.5%, and 12.2% respectively) compared to male, white, and high-income earning parents/guardians (2.9%, 3.1%, and 2.8% respectively). In other words, female and Hispanic/Latino parents were nearly three times as likely to report not scheduling an appointment due to unmet child care needs as men and white parents. Parents/guardians with incomes at or below 100% of the federal poverty level were more than four times as likely to report this challenge as parents/guardians with incomes over 400% of the federal poverty level.

Child care access issues exacerbate existing disparities in health, creating additional barriers to care for socially and economically disadvantaged families.

**Physical and Mental Health Status**

Parents/guardians who said they struggled to access child care were also more likely to report worse overall health and mental health. Of those reporting they could not access child care when they needed it, nearly 40% also reported experiencing poor mental health (defined as eight or more days of poor mental health in the past month). By comparison, 17.3% of those who report having no difficulty accessing child care experienced poor mental health (see Figure 3).

The same is true of general health. Of those reporting they could not access child care when they needed it, 12.3% reported having poor general health — nearly double the rate of poor health for those who reported no difficulty accessing child care (6.5%).

This correlation suggests that the same underlying social and economic factors that contribute to
New Colorado Health Access Survey Data Indicate Many Families Struggle to Access Child Care

Difficulties accessing child care also affect an individual’s ability to thrive. Families that struggle to access child care would benefit from not only more affordable child care but also from social services that promote physical and mental wellness.

Parent/Guardian Well-Being

In addition to the impacts of child care access on health, having child care goes hand-in-hand with parent/guardian well-being overall.

Parents/guardians who reported unmet child care needs were more likely to report experiencing housing instability, food insecurity, and problems paying medical bills. About one in seven (14.4%) parents/guardians who reported unmet child care needs also reported experiencing housing instability, compared to about one in 30 (3.2%) of those without unmet child care needs. Food insecurity was 3.5 times more common among parent/guardians who struggled to access child care (18.3%) compared to those who did not (5.0%), and nearly 30% of parents/guardians with unmet child care needs also struggled to pay medical bills, compared to 10% of those who did not have trouble accessing child care.

A national survey of parents with kids under 5 from ParentsTogether Action reveals that 42% of parents had to make a financial trade-off to pay for child care during the pandemic. Families had to cut back on things like food expenses, utility bills, rent or mortgage payments, activities for their kids, savings, and leisure activities.6

In short, when families struggle to afford child care, they can miss out on parts of life that help them thrive, such as healthy food, safe and stable housing, fun activities, family trips, and saving for the future.

Wage-earning Potential

The unaffordable cost of child care means that many families with young children must decide if they are going to spend a significant amount of their income on child care, find less expensive but potentially lower-quality child care, or leave the workforce to care for their children. The high cost burden drives more women than men from the workforce.

In a 2018 survey conducted by the Center for American Progress, mothers were 40% more likely than fathers to report that they had personally felt the negative impact of child care issues on their careers.7 The pandemic exacerbated this disparity. Of those who lost their job during the pandemic, 26% of women reported it was due to a lack of child care compared to 13% of men.8 Missing work due to a lack of child care was more common for women of color, women without a college degree, and women living in low-income earning households.

Figure 3. Parents/Guardians Who Had Trouble Accessing Child Care Also Reported Worse Mental and Physical Health

Percentage reporting poor mental and general health, by child care access status, 2021

<table>
<thead>
<tr>
<th></th>
<th>Could Not Access Child Care</th>
<th>Could Access Child Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poor Mental Health</td>
<td>39.7%</td>
<td>17.3%</td>
</tr>
<tr>
<td>Poor General Health</td>
<td>12.3%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Parents/guardians who report unmet child care needs were more likely to report experiencing housing instability, food insecurity, and problems paying medical bills.
Why do Coloradans Struggle to Access Child Care?

Lack of affordability and availability have been persistent and long-standing barriers to child care access.

Affordability of Child Care

The COVID-19 pandemic worsened child care access, which was already out of reach for many due to its cost. The 2021 CHAS found that families cited either cost (30.9%) or a facility closure due to COVID-19 (29.1%) as the main reason for unmet child care needs. Other reasons include an inability to find a provider with space for additional children, problems with the location, or concerns over the quality of care.

The top reason for unmet child care needs differed by respondents’ ethnicity and income. Over half (52.4%) of Hispanic/Latino parents with unmet child care needs cited cost as the top reason, compared to 19.8% of non-Hispanic white Coloradans (see Figure 4). Parents/guardians with incomes at or below 200% of the federal poverty level were more than twice as likely to report affordability as the main reason for unmet child care needs, compared with parents/guardians above 200% of the federal poverty level (see Figure 5). By contrast, non-Hispanic white and high-income earning parents/guardians reported COVID-19-related facility closures as the main reason for unmet child care needs.

Families of color and low-income earning families often use family members, friends, or neighbors as child care providers instead of formal child care facilities. Family, friend, or neighbor care is flexible, allows parents to choose caregivers based on cultural or linguistic traits, and is a more accessible child care option when waitlists at daycare centers are long and the cost is unaffordable. This reliance on family, friends, or neighbors could explain why fewer Hispanic/Latino and low-income earning parents/guardians reported unmet child care needs due to facility closures during the pandemic compared to non-Hispanic white and higher-income earning parents/guardians.

---

**Figure 4. The Main Reason for Unmet Child Care Needs Differed by Ethnicity***

Percentage reporting main reason for unmet child care needs, by ethnicity, 2021

- Non-Hispanic White
- Hispanic/Latino

<table>
<thead>
<tr>
<th>Reason for Unmet Child Care Needs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couldn’t Afford Any Child Care</td>
<td>19.8%</td>
</tr>
<tr>
<td>Couldn’t Afford Due to COVID-19</td>
<td>42.4%</td>
</tr>
<tr>
<td>Child Care was Closed</td>
<td>52.4%</td>
</tr>
<tr>
<td>Due to COVID-19</td>
<td>37.1%</td>
</tr>
</tbody>
</table>

**Figure 5. The Main Reason for Unmet Child Care Needs Differed by Parent/Guardian Income**

Percentage reporting main reason for unmet child care needs, by income, 2021

- 200% FPL and Under
- Over 200% FPL

<table>
<thead>
<tr>
<th>Reason for Unmet Child Care Needs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Couldn’t Afford Any Child Care</td>
<td>20.5%</td>
</tr>
<tr>
<td>Couldn’t Afford Due to COVID-19</td>
<td>21.4%</td>
</tr>
<tr>
<td>Child Care was Closed</td>
<td>42.4%</td>
</tr>
<tr>
<td>Due to COVID-19</td>
<td>36.1%</td>
</tr>
</tbody>
</table>

* Due to insufficient sample size, data for unmet child care needs by race are not available.
Child Care Is Unaffordable Across the Nation, Including in Colorado

Child care is unaffordable for many families across the United States, and the country trails many of its peers in making care accessible. The 38 nations of the Organization for Economic Cooperation and Development spend an average of $14,000 of government funds per child per year for early childhood care. The United States, by comparison, spends $500.10 This is largely due to ideological differences; in the United States, child care is more often seen as a family matter to be funded privately rather than as a public good.11 This means the cost of child care in the U.S. is left largely to families rather than federal or state governments, making child care access inequitable and largely dependent on income.

The cost and affordability of child care differs across the nation, with Colorado ranking 8th out of 50 states and the District of Columbia for most expensive infant care. According to the U.S. Department of Health and Human Services, child care is considered affordable if it costs no more than 7% of a family’s income. By this metric, only 6.2% of Colorado families can consider their infant care to be affordable. The average annual cost of infant care in Colorado is $15,325, or more than $1,200 per month. This accounts for 21% of Colorado families’ median income and more than three-fifths (61.4%) of a minimum-wage earning parent/guardian’s income.2 Colorado families with two working adults and two children spend more on child care than they do on housing, transportation, food, or medical expenses (see Figure 6).12

Figure 6. Child Care Costs Colorado Families More Than Necessities Such as Housing, Transportation, Food, or Medical Expenses

Typical annual expenses for a Colorado family with two working adults and two children:

- **Child Care:** $22,224
- **Housing:** $18,390
- **Transportation:** $13,456
- **Food:** $11,764
- **Medical Care:** $8,148
Child Care Center and Provider Availability

Provider and facility shortages further contribute to the inaccessibility of child care. According to the Bell Policy Center, Colorado is short 94,000 slots at licensed child care facilities if it hopes to offer care for the 246,000 children under age 6 with working parents. During the early part of the pandemic, 10% of Colorado child care providers shut down, and enrollment dropped by half. Given the limited supply of licensed spots, waitlists can be two to three years long, leading some Coloradans to sign up before they even become pregnant.

There is a shortage of qualified early childhood educators in Colorado, largely due to challenges for these providers to earn a livable income. On average, early childhood educators make just above minimum wage. During the pandemic, a quarter of the workforce was furloughed or laid off as child care facilities suffered from closures and other disruptions. Of those workers who came back, less than half say they are sure they will stay in their position for the next two years.

Taken together, the high costs and demand for child care and the poor compensation for early childhood educators seem paradoxical. However, despite high demand and low supply, providers operate on such thin profit margins that the financial outlook for operating a child care center is daunting. This is largely because of costs associated with meeting infant program requirements and expenses to comply with low staff-to-child ratios.

What Is Being Done to Address Child Care Challenges?

While the child care system poses challenges, progress is underway and driven by several factors. Early childhood programs, most notably universal preschool, have been a key priority for Gov. Jared Polis during his first term in office. State legislators have been talking about the importance of paid family leave both within and outside of the legislature. The state invested $271 million of federal stimulus funds to improve access to and affordability of child care by supporting child care programs and providers statewide. This support includes grants for licensed child care programs, bonuses for newly licensed providers, and free early childhood education coursework.

See the list below to learn more about other policies, programs, and resources dedicated to improving the child care system in Colorado.

Recent Legislation

**HB 22-1295: Department of Early Childhood and Universal Preschool Program**

Bill Became Law: July 2022

The bill establishes the duties for the Department of Early Childhood, moves programs to the new department, and creates the state’s universal preschool program beginning in fiscal year 2023-24. Under the bill, children are eligible for 10 hours per week of free preschool in the year before kindergarten, and 3- and 4-year-old children with a disability must be offered services in alignment with the child’s individualized education plan. Children in low-income families or who meet at least one qualifying factor are also eligible for additional preschool services in the year before kindergarten.

**Intended Impact:** Increasing access to preschool by reducing the cost to families.

**Appropriations:** $8.2 million to the Department of Early Childhood
New Colorado Health Access Survey Data Indicate Many Families Struggle to Access Child Care

HB22-1010: Early Childhood Educator Income Tax Credit

Bill Became Law: June 2022

The legislation creates a refundable income tax credit for early childhood educators who have an adjusted gross income of $75,000 or less for a single return or $150,000 or less for a joint return and meet credentialing requirements. The credit can be claimed from 2022 through 2026. Credit amounts are between $750 and $1,500.

Intended Impact: More money in the pockets of early childhood educators, who are typically employed in close-to-minimum-wage jobs.

HB22-1006: Child Care Center Property Tax Exemption

Bill Became Law: August 2022

The bill made changes to the state constitution, which now allows property leased or rented by a tenant to operate a child care center to be eligible for the state's property tax exemption.

Intended Impact: Reducing the cost to operate child care centers.

SB22-213: Child Care Support Programs

Bill Became Law: July 2022

The bill provides funding for a variety of early childhood programs and creates an advisory group and training program for family, friend, and neighbor providers.

Intended Impact: Increasing capacity of the early childhood system through additional program funding and more training/support for family, friend, and neighbor providers.

Appropriations: $99.5 million to the Department of Early Childhood

SB21-236: Increase Capacity for Early Childhood Care and Education

Bill Became Law: June 2021

The legislation created four new grant programs to increase capacity for early childhood care and education, improve recruitment and retention rates for early childhood educators, and improve their salaries.

Intended Impact: Increase capacity of the early childhood system through increased funding to support the workforce.

Appropriations: $388 million to the Department of Human Services

Other Resources

Colorado Child Care Assistance Program

The Colorado Child Care Assistance Program helps families who are homeless, working, searching for work, or in school with finding child care assistance. Each county sets eligibility requirements but must help families with an income of 185% or less of the federal poverty level.

Intended Impact: Financial assistance to low-income earning families for child care expenses.

Colorado Shines

Colorado Shines is the state's quality rating and improvement system for child care programs. The system connects families with licensed, quality child care programs.

Intended Impact: Provides resources to families and helps them find quality child care.

Community Tool Box: Promoting Family-Friendly Policies in Business and Government

This resource outlines the need for and examples of family-friendly workplace policies for employers to consider, ranging from flextime to parental leave policies to on-site child care.

Intended Impact: Workplace policies that allow families to thrive.

Epic Employer Toolkit

Executives Partnering to Invest in Children (EPIC) is a group of business executives across Colorado. The EPIC employer toolkit outlines four ways for businesses to support early childhood care, employees, and the community.

Intended Impact: A toolkit for employers to improve their support of employees and their families.
What Else Is Needed to Improve Child Care Access?

While recent policies and programs are a promising start, they are not sufficient to ensure all Colorado families can access quality, affordable child care. Universal pre-k will benefit many families with children ages 4 and 5, but the greatest need in Colorado is care for infants and children under 2. The Bell Policy Center created a cost model to assess staffing and funding needed for Colorado to reach a desired state of child care. This desired state would include enough high-quality child care facilities to meet the demand, along with wages on which early childhood educators could live self-sufficiently. To meet this desired state, Bell staff found that Colorado would need an additional 15,000 lead and assistant teachers, and $1.71 billion to pay living wages to workers.

The Role of Public and Private Sectors in Improving Child Care Accessibility

Addressing the state’s unmet child care need will require additional investments in the early childhood system and a diverse set of family supports. Both public and private sectors have a role in supporting families by making quality child care more accessible.

Federal or state governments could substantially increase subsidies to cover various forms of child care, and even provide government-run child care centers. Additionally, extending paid family leave would allow parents/guardians to stay home for a longer period of their child’s infancy. The Family and Medical Leave Insurance Program (FAMLI), approved by Colorado voters in November 2020, will provide up to 12 weeks of paid leave to Colorado workers to care for themselves or a family member starting in 2024. This policy will help millions of Coloradans but could certainly go further by extending the amount of paid leave and increasing the percent of weekly wages employees receive while on leave, though either change would increase the cost to employers. Governments could also provide additional supports to small businesses, which make up most of the child care provider market, in order to increase the child care workforce. One approach is to make licensing and regulations minimally burdensome and to provide resources and technical assistance to child care facility owners to help them navigate requirements.

The private sector, which benefits from improving child care access and affordability, also has a role to play. The Economics Group of Wells Fargo Bank wrote in a special commentary that the unaffordable child care system affects everyone, not just parents/guardians, through lower labor force participation, greater hiring difficulties for employers, and slower potential growth. Employers can support working parents by offering flexible schedules and remote work, generous paid time off and family leave policies, breastfeeding or nursing rooms, sabbaticals, and even on-site child care. Children’s Hospital of Colorado has partnered with Bright Horizons to offer back-up care when team members need to be at work and their regular child or elder care is unavailable. The hospital also offers employees lactation facilities and lactation support consultants.

Partnerships between public and private sectors are also creating opportunities for improved child care access. Executives Partnering to Invest in Children recently joined with the Office of Early Childhood (which is now being elevated to a department) and the Colorado Department of Human Services to support 10 employers across Colorado in planning on-site or near-site child care facilities. The state-funded program could produce nearly 500 new child care slots in the next two years. This is a promising model that could be scaled to increase the supply and accessibility of child care to working families.
Conclusion

The 2021 CHAS found that nearly one in nine (11.8%) parents/guardians in Colorado with a child 5 or younger struggled to access child care, a challenge that has been exacerbated by the pandemic and rising costs. The average Colorado family spends more on child care than on necessities such as food, transportation, and housing. Access to child care is inequitable, with more low-income earning families and families of color going without child care when they need it. Unaffordable child care harms the health and well-being of parents/guardians and disproportionately affects low-income earning women and women of color, leading to greater inequities.

Improving the system will require substantial investments and policy change from both the private and public sectors, but the cost of doing nothing would be a detriment to not only parents/guardians and their children, but communities across the state.

Emily Santich, lead author
Rachel Bowyer, Alex Caldwell, Allie Morgan, Kendra Neumann, and Lindsey Whittington contributed to this report.

About the CHAS

The Colorado Health Access Survey (CHAS) is the premier source of information about health insurance coverage, access to health care, use of health care services, and the social factors that influence health in Colorado. The biennial survey of more than 10,000 households has been conducted since 2009. Survey data are weighted to reflect the demographics and distribution of the state’s population. The 2021 CHAS was fielded between February 1 and June 7, 2021. The survey was conducted in English and Spanish. New questions were added to the 2021 survey to capture the impact of the COVID-19 pandemic as well as the impact of telehealth, social factors, and other topics. Visit colo.health/CHAS21 for information on the 2021 CHAS and our generous sponsors.
Endnotes

20 Schimke A. At hospitals, food halls, and ski resorts, Colorado effort helps employers create on-site child care. (February 1, 2020). https://co.chalkbeat.org/2022/2/1/22913443/colorado-employer-provided-child-care