

IN THE KNOW: EARLY CHILDHOOD EDUCATION

Quality, affordable early child care is a long-recognized cornerstone of economic mobility and security. It's credited with contributing to better educational, employment, and health [outcomes for children](#); [higher rates of employment](#) for parents and caretakers; and a [range of benefits](#) for businesses. Yet, despite its recognized importance, the care Colorado families need [remains elusive](#), and is both unaffordable and inaccessible.

Recognizing the dire implications of this ongoing crisis, Colorado policymakers took several important actions over the past several years to create better early child care options for families.



- In 2020, Colorado passed [Proposition EE](#). With the support of [over two-thirds of voters](#), the measure guarantees 10 hours of free preschool a week for every four-year-old, [beginning in 2023](#). This additional care will be paid for through new and enhanced taxes on nicotine products.



- During the 2021 legislative session, state lawmakers created a new [Department of Early Childhood](#). This department, and the new cabinet-level position that leads it, is charged with coordinating the state's fragmented care ecosystem to create a quality, comprehensive, and community-informed early child care network.

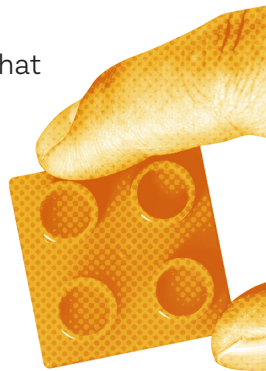


- [Recognizing COVID-19's role](#) in exacerbating pre-existing challenges, policymakers used one-time federal aid to invest in early child care throughout Colorado. Between various aid packages, the state allocated [over \\$500 million](#) to support child care subsidies for families, sustainability grants for providers, additional training and support for workers, [and more](#).



- In addition to enhanced federal funding, state policymakers continue to support early child care affordability and accessibility through a range of ongoing efforts and initiatives. These include exempting some providers from [property taxes](#), offering [tax credits for educators](#), and building out a [workforce pipeline](#) through the implementation of a [comprehensive, statewide plan](#).

While this recent work moves our state closer to an affordable, quality early child care system that works for Colorado families, much more on-going and sustained effort is needed.



Key Context

- Colorado is the [eighth most expensive](#) state in the country for child care. The average cost of care for a four-year old and infant are more than \$12,000 and \$15,000, respectively. While the U.S. Department of Health and Human Services recommends child care should cost no more than 7 percent of a family's income, infant care in Colorado costs more than 21 percent of the state's median family income.

Annual Cost in Colorado

College: \$9,540

Housing: \$13,829

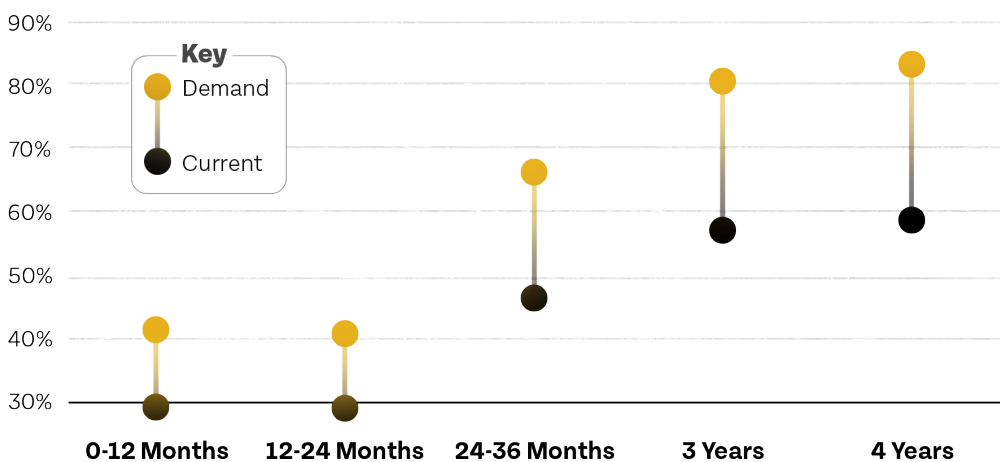
4-year-old Care: \$12,390

Infant Care: \$15,325

Source: [Economic Policy Institute](#)

- In addition to high costs, there are also simply too few early child care providers in Colorado. There are currently not enough licensed spots for almost 20 percent of [children under six](#). COVID-19 exacerbated these gaps. As of the start of January 2021, nearly [7 percent of all providers](#) remained closed as a result of the pandemic.

Estimated **Demand** For Care Is Not Being Met by **Current Participation Rates**



Source: Bell Policy Center; [Care in Colorado: A Cost Study](#)

- Early child care workers, a linchpin in the provision of quality care, are in [short supply](#), due in part to poor wages and benefits. The average child care worker in Colorado makes less than [\\$30,000/year](#). This is [more than \\$10,000 below](#) the living wage standard for a single adult in Colorado with no children.
- [Over half of all early child care](#) in Colorado is provided informally, through what is commonly referred to as 'Family, Friend, and Neighbor' providers. Despite their pivotal role in the child care ecosystem, [nearly half of these providers](#) say they are inadequately resourced to offer needed care and [almost 90 percent](#) have experienced financial challenges because of this work.
- A range of interconnected policy solutions are needed to create the early child care system Colorado families need. Chief among these solutions is enhanced public funding. According to research conducted by Meg Franco for the Bell, to meet current demand while also paying workers a living wage, the system needs [an infusion of over \\$1 billion](#). With providers already operating on low margins and families financially overstretched, there are few other options but for increased public support.