

# Improve Childcare Access and Affordability

Affordable and accessible childcare is essential for a growing workforce and economy. Yet, for many credit union members across Iowa, the high cost of childcare is a barrier to their financial stability. That's why credit unions support public policy to make childcare more affordable and accessible.

**\$935  
MILLION**

Annual loss to Iowa's economy due to childcare issue.

**\$153  
MILLION**

Lost state tax revenue due to childcare issues.

**\$781  
MILLION**

Annual cost to employers due to childcare-related absences and turnover.<sup>1</sup>

The cost of childcare is rising in Iowa, and families across the state are struggling to both find and afford childcare. The State of Iowa provides childcare assistance to some families at or below 225% of the Federal Poverty Level (FPL).

However, this program has a cliff; once a family exceeds a particular income level, they lose their childcare assistance completely rather than graduating off the program. For families on the edge, this means that a small increase in pay could lead to a net loss of hundreds of dollars each month.

Additionally, the assistance program has an entry requirement – families must enter the program at 145% FPL or below in order to access any of the assistance. This means two families of four could each be making \$40,000 a year, but only one is receiving help with childcare costs.

Iowa's credit unions support expanding access for low-income families to the state childcare assistance program by addressing the program's cliff and entry requirements.



**#1**

Iowa ranks No. 1 in states with children under age 6 who have all available parents in the labor force, making childcare a necessity.



**94.7%**

of parents receiving childcare assistance are working, but a raise of just 15 cents an hour could put them in jeopardy.



**89%**

The average cost of childcare in Iowa consumes 89% of the income of an Iowan working full-time at minimum wage.



**\$10,131**

is the average annual cost for an infant to go to a licensed childcare center in Iowa.

*Data collected by the United Way of Central Iowa.*

<sup>1</sup> "Untapped Potential – How Child Care Impacts Iowa's State Economy," a study released by the US Chamber of Commerce Foundation, along with Iowa Association of Business and Industry (ABI), in February 2020.