



**FAMILY FORWARD**  
**OREGON**

*Smart policies for today's families.*

February 6, 2015

Testimony in Support of HB 2091 and HB 2115: Working Families  
Child Care Tax Credit  
Submitted by Kate Newhall, Family Forward

Thank you for the opportunity to provide testimony in support of HB 2091 and HB 2115. **Family Forward supports both renewing the Working Families Child Care Tax Credit and increasing it to make it a larger benefit for low-income working families.** We know that families with young children struggle with the high cost of childcare and this tax credit is vital, particularly for low-income families.

Family Forward is committed to advancing policies that support families and help them succeed, both in the workplace and at home. Our mission is to create a family-friendly Oregon where all families can be economically secure and have the time it takes for work and family responsibilities. Today, too many families are forced to sacrifice one or the other. Family Forward supports policies, like making childcare more affordable, that make economic stability and work-life balance more achievable for Oregon families.

It is no surprise to any working parent that childcare is far too expensive and unaffordable for too many Oregonians. **A 2013 report from the Oregon State University found that the median cost of child care can be nearly twice as much as college tuition at Oregon's public universities: \$11,064 per year for a toddler versus \$6,670 annual college tuition.**<sup>1</sup> This same report found that childcare costs in Oregon increased 10% from 2004 to 2012 while household incomes declined 9% (15% for single mothers). As wages fall and childcare expenses rise, more parents find themselves under severe financial stress and barely able to afford the care that enables them to keep working.

Childcare is one of the biggest budget items for working families – **the annual cost of child care for two-parent families is 18% of annual income and 61.6% of annual income for single-parent families**<sup>2</sup> – and frequently dictates whether a parent can afford to work outside the home or pursue education and training.

Maternal poverty rates are really high- especially for women with young kids. Access to childcare makes work possible and lifts moms and kids out of poverty.

Beyond the immediate workforce impacts and affordability, we also need to ensure parents can afford quality childcare. **Increasing the Working Families Tax Credit will help make**

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<sup>1</sup> "Child Care and Education in Oregon and its Counties: 2012," Oregon State University, 2013

<sup>2</sup> Child Care Aware. (2013). Parents and the High Cost of Child Care.



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**quality childcare more affordable for families.** Affordability should not be the only consideration for parents in choosing a childcare provider.

While the consequences of the lack of affordable, quality childcare are often overlooked, the problems produced are real and severe. **Children in higher quality early learning programs have better cognitive outcomes, including measurably better reading, math skills, language/vocabulary, and applied problem solving.<sup>3</sup> These cognitive outcomes are particularly strong for low-income children.<sup>4</sup>** The early years are a unique period of development and early experiences form the foundation for future success. Ensuring high quality, affordable childcare is available to working families is crucial to maintaining an economically stable and competitive workforce now and in the future.

For these reasons Family Forward supports both extending the sunset on the Working Families Child Care Tax Credit and increasing that benefit so it gives working families more relief from child care costs. Working families need access to affordable, high quality childcare services.

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<sup>3</sup> Clifford, R. M., Reszka, S. S., & Rossbach, H. G. (2010). Reliability and validity of the Early Childhood Environment Rating Scale.

<sup>4</sup> Burchinal, P., Kainz, K., Cai, K., Tout, K., Zaslow, M., Martinez-Beck, I., & Rathgeb, C. (2009). Early Care and Education Quality and Child Outcomes.