



California Budget
& Policy Center

Investing in Young Children: Key Context for Marin County

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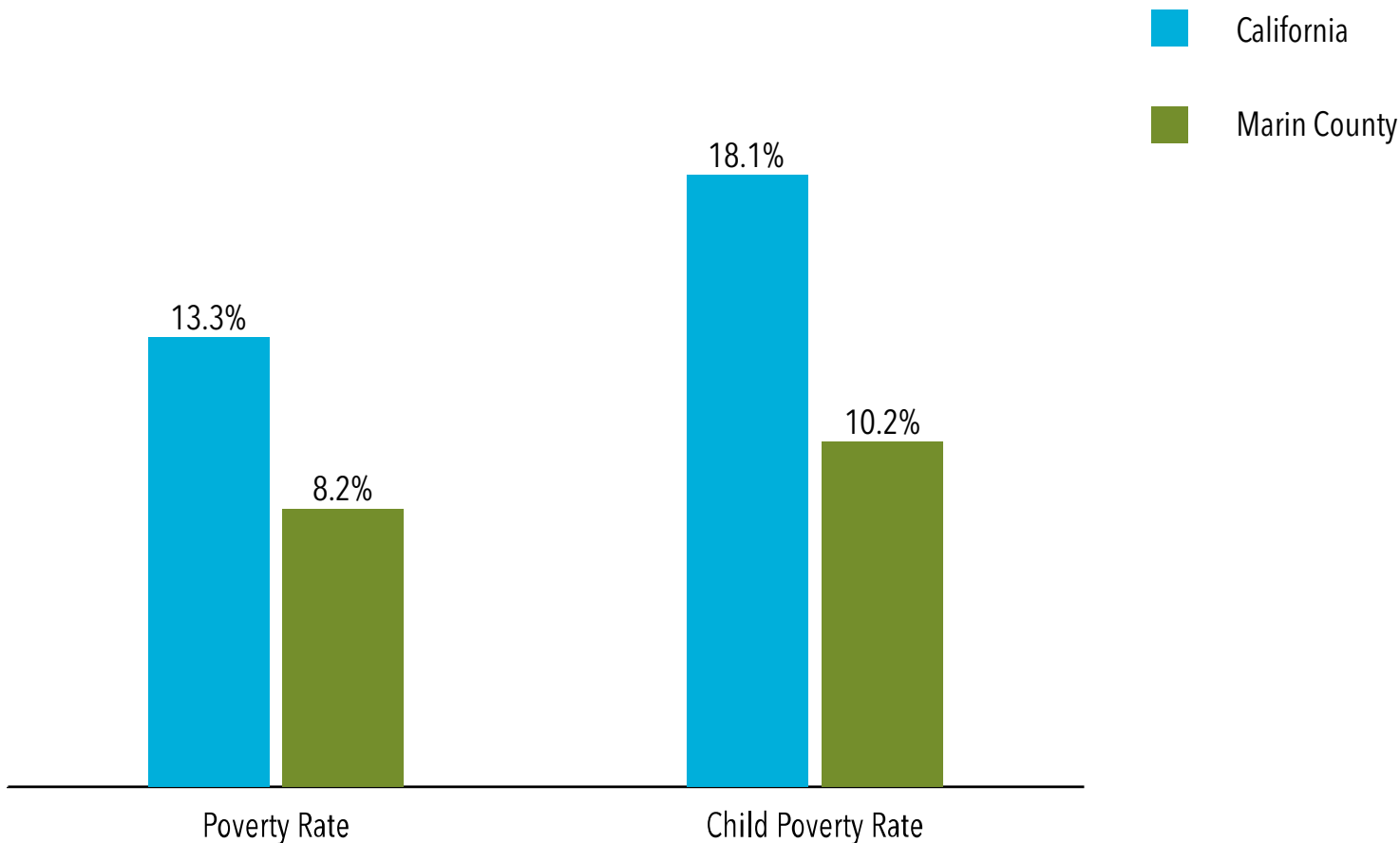
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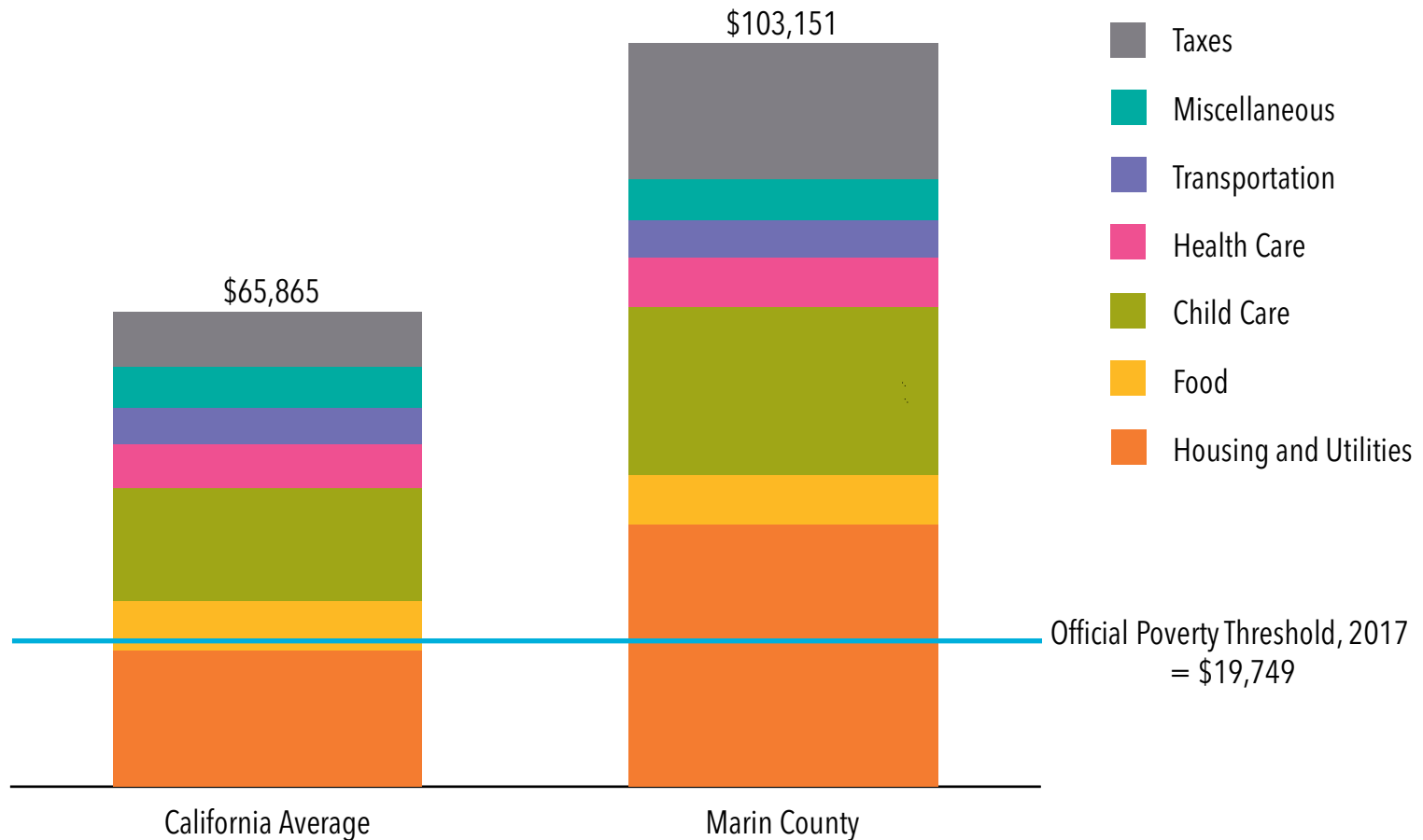
Economic Hardship Is Less Common in Marin County

Percentage of Californians With Incomes Below the Official Federal Poverty Line, 2017



The Basic Cost of Living for Families in California Is Much Higher Than the Official Poverty Threshold

Annual Basic Family Budget for a Single-Parent Family With Two Children, 2017

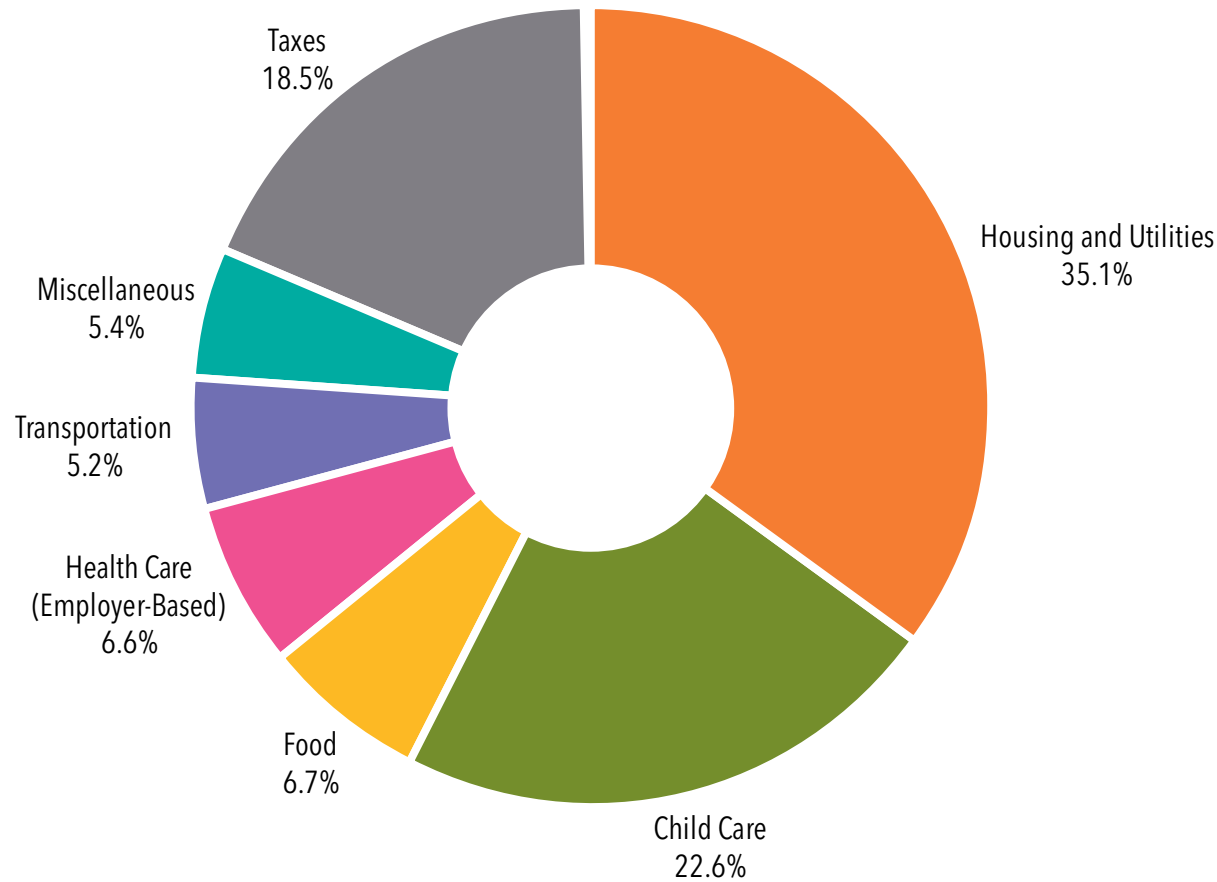


Note: Assumes one preschool-age and one school-age child and a single parent working full-time.
Source: Budget Center *Making Ends Meet* 2017 analysis and US Census Bureau



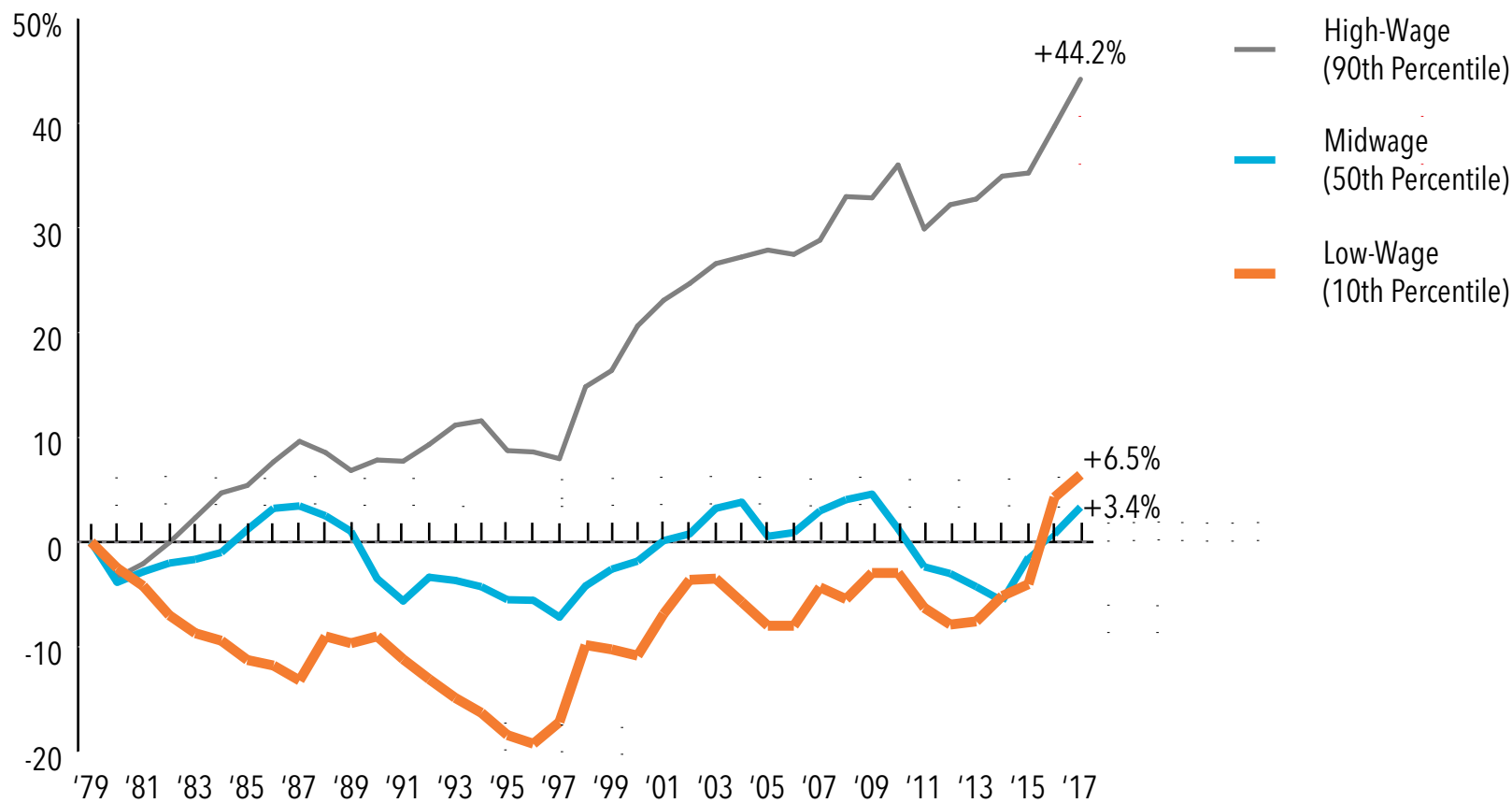
More Than Half of the Single-Parent Family Budget in Marin County Pays for Housing and Child Care

Annual Basic Family Budget for a Single-Parent Family in Marin County = \$103,151



California's Low- and Mid-Wage Workers Have Seen Only Modest Gains Since 1979

Percent Change in Inflation-Adjusted Hourly Wages for Workers Ages 18-64



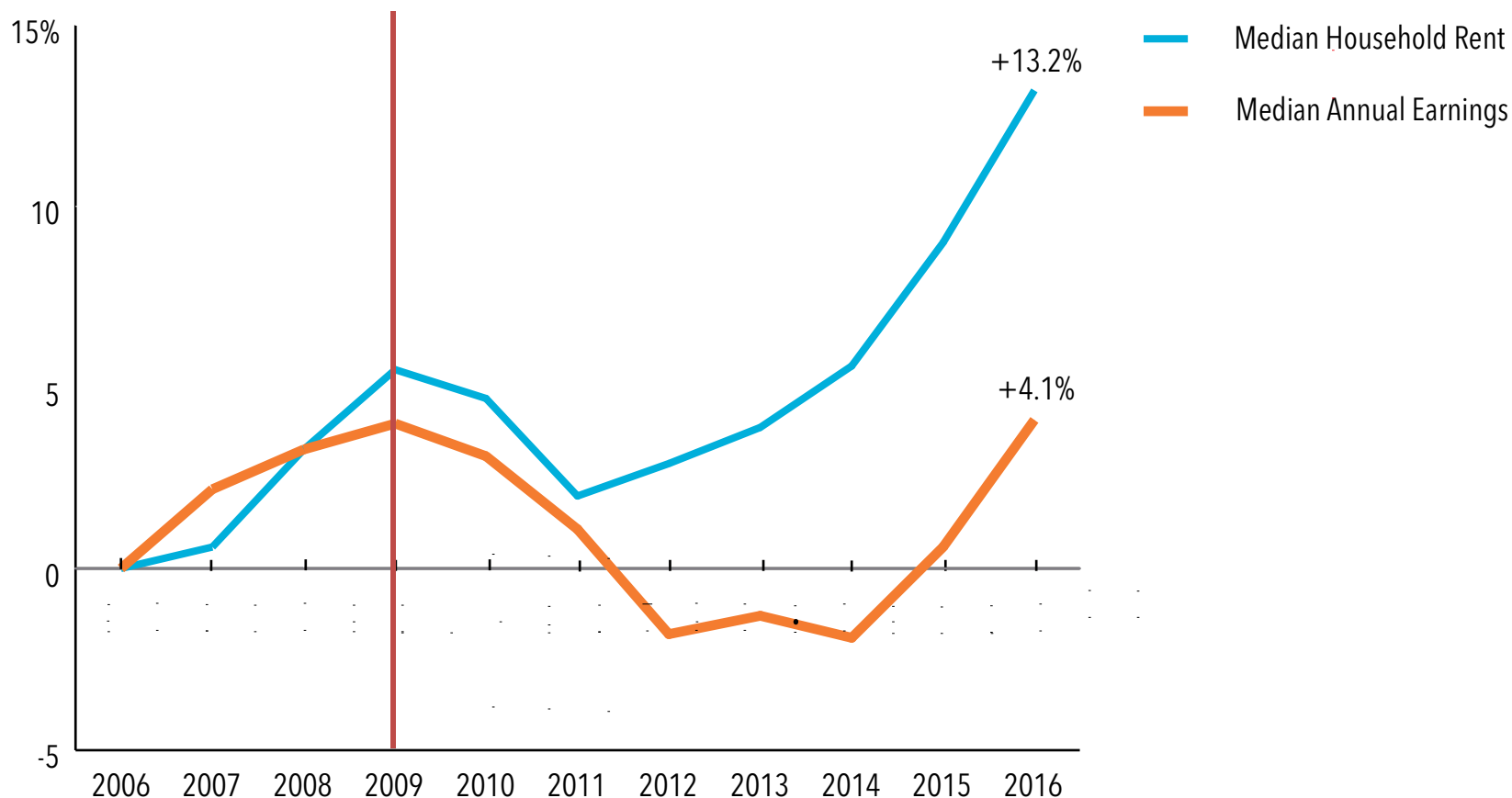
Note: Figures reflect 2017 dollars.

Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data



Workers' Earnings Have Not Kept Pace With Rents in California

Percent Change in Inflation-Adjusted Median Rent and Median Annual Earnings Since 2006



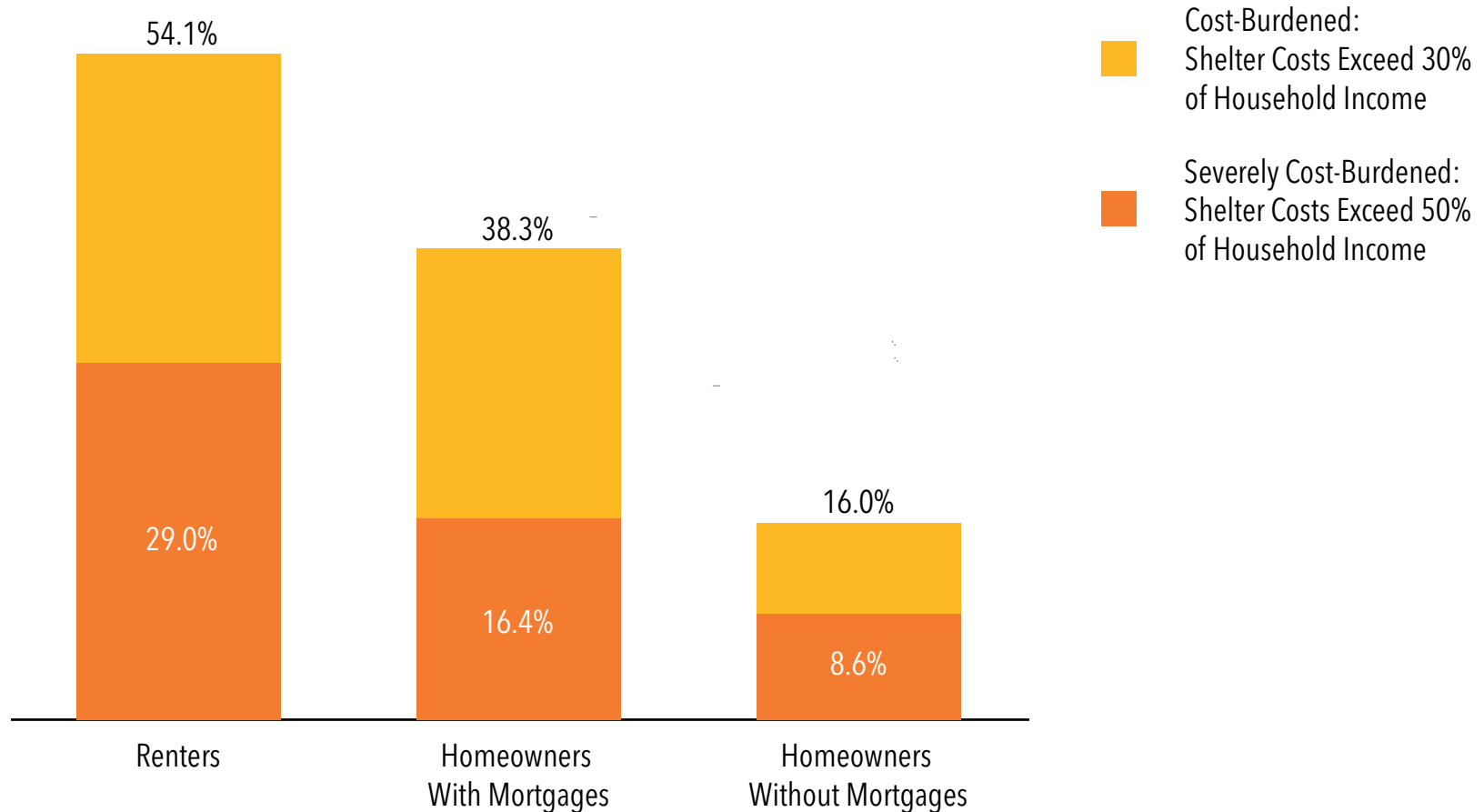
Note: Median annual earnings for individuals working at least 35 hours per week and 50 weeks per year. Excludes workers with \$0 or negative total earnings.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



More Than Half of California's Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost Burden, 2016



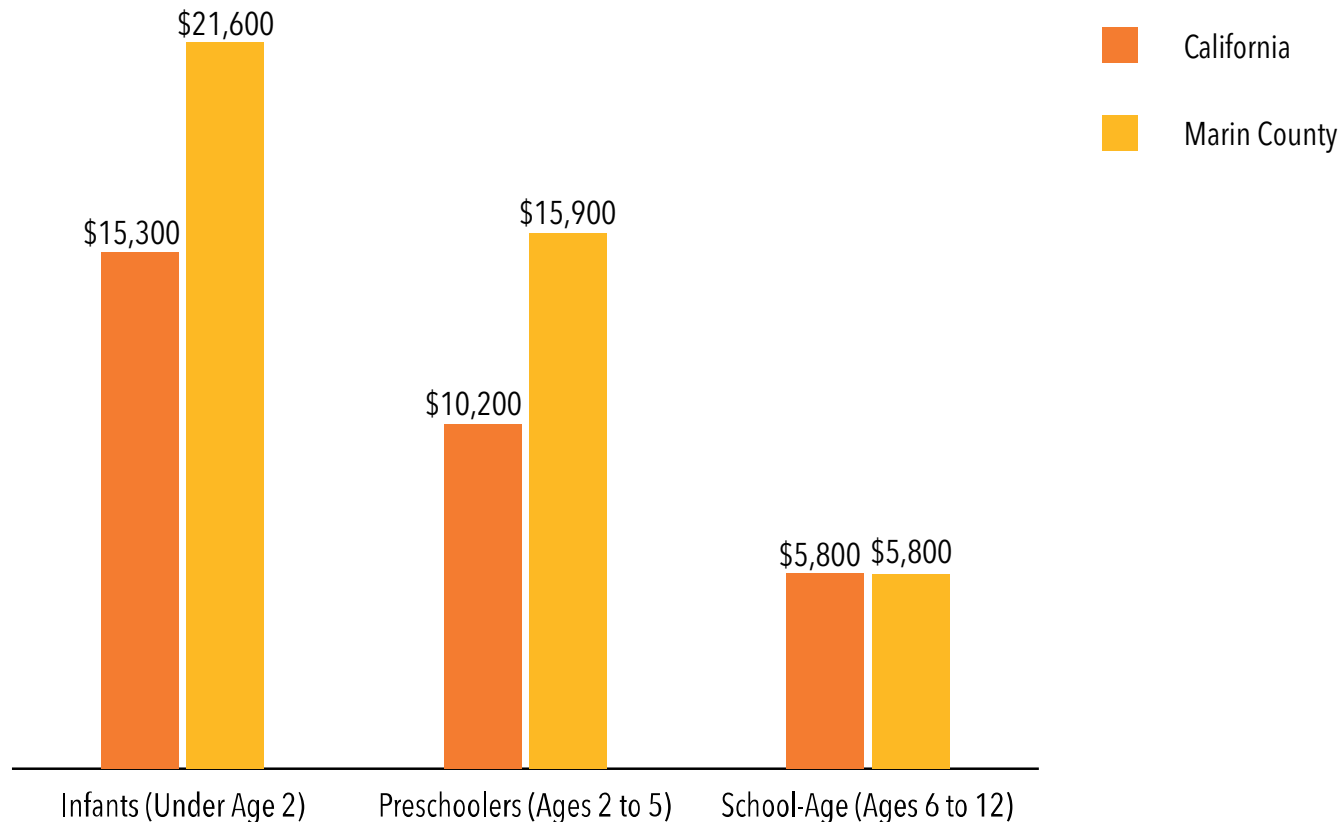
Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



The Cost of Child Care Is Prohibitively High in California

Median Annual Cost of Care Statewide in a Licensed Child Care Center, 2017



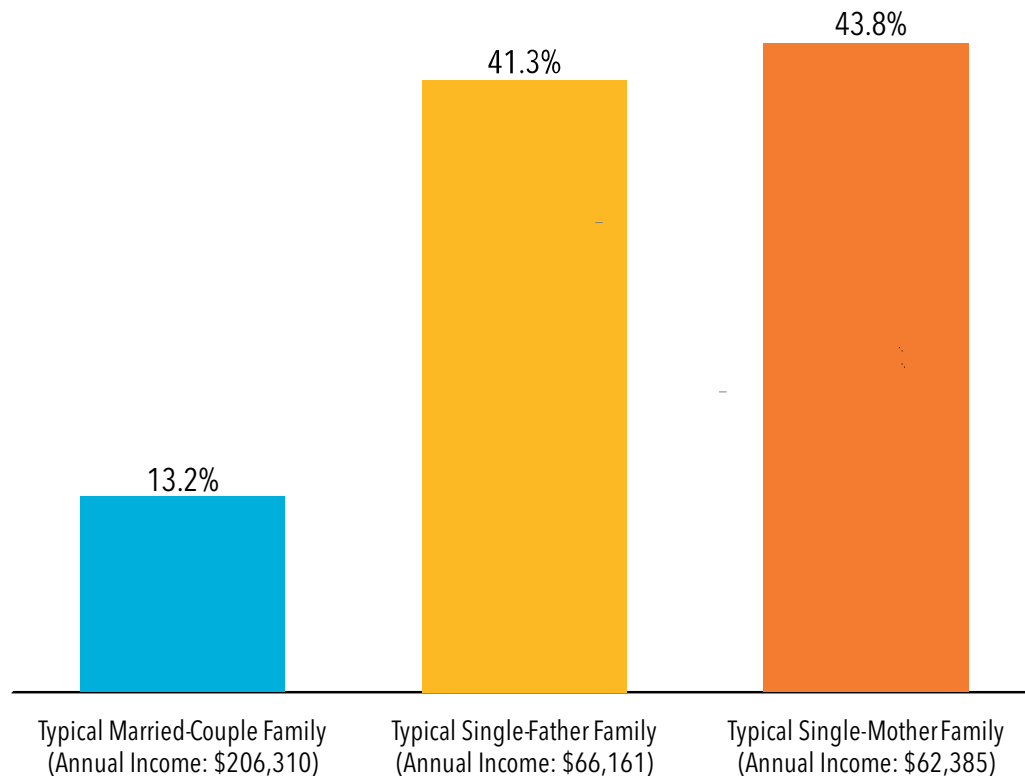
Note: Figures are rounded to the nearest hundred. Cost of care is full-time for infants and preschoolers and prorated according to the school year for a school-age child. Costs are based on counties' median cost of care weighted to reflect each county's child population and are adjusted for inflation to reflect 2017 dollars.

Source: Budget Center analysis of California Department of Education, 2016 Regional Market Rate Survey



The Cost of Child Care in Marin County Is Very High for Families, but Especially for Single Parents

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2017



Note: Cost of care is for a licensed center in Marin County in 2016 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation. Costs reflect the median cost of care in Marin County.

Source: Budget Center analysis of data from the California Department of Education, 2016 Regional Market Rate Survey and from the US Census Bureau, American Community Survey



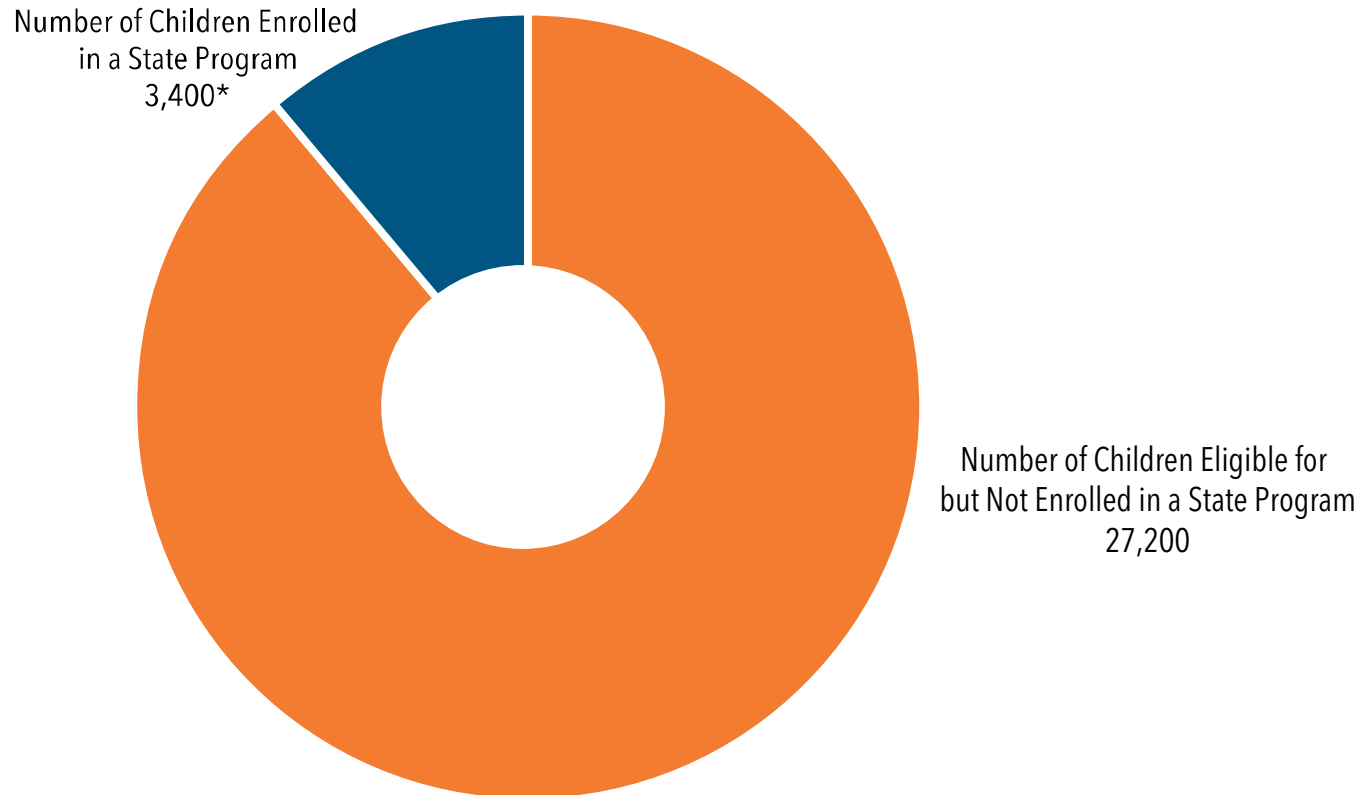
Affordable child care and preschool helps families make ends meet.

Without access to affordable care, many families face difficult choices about where to leave their children while they are working.



The Local Unmet Need for Subsidized Care Is Very High

Estimated Number of Children In Marin, Napa, and Sonoma Counties Eligible for Subsidized Child Care in 2017 = 30,600



* Enrollment is for children from birth through age 12 in October 2017. Includes children enrolled in the full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program.

Source: California Department of Education, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



Moving the Needle: Basic Policy Approaches to Address Child Poverty and Boost Child Development



Three Primary Approaches to Address Child Poverty

- Increase families' incomes
- Reduce the costs families face to meet basic needs
- Build resilience in children to minimize the long-term consequences of growing up in poverty



**Cash supports, tax credits,
and paid employment can all
serve to increase families'
incomes.**



Boosting Low-Income Families' Incomes Can Improve Children's Life Chances

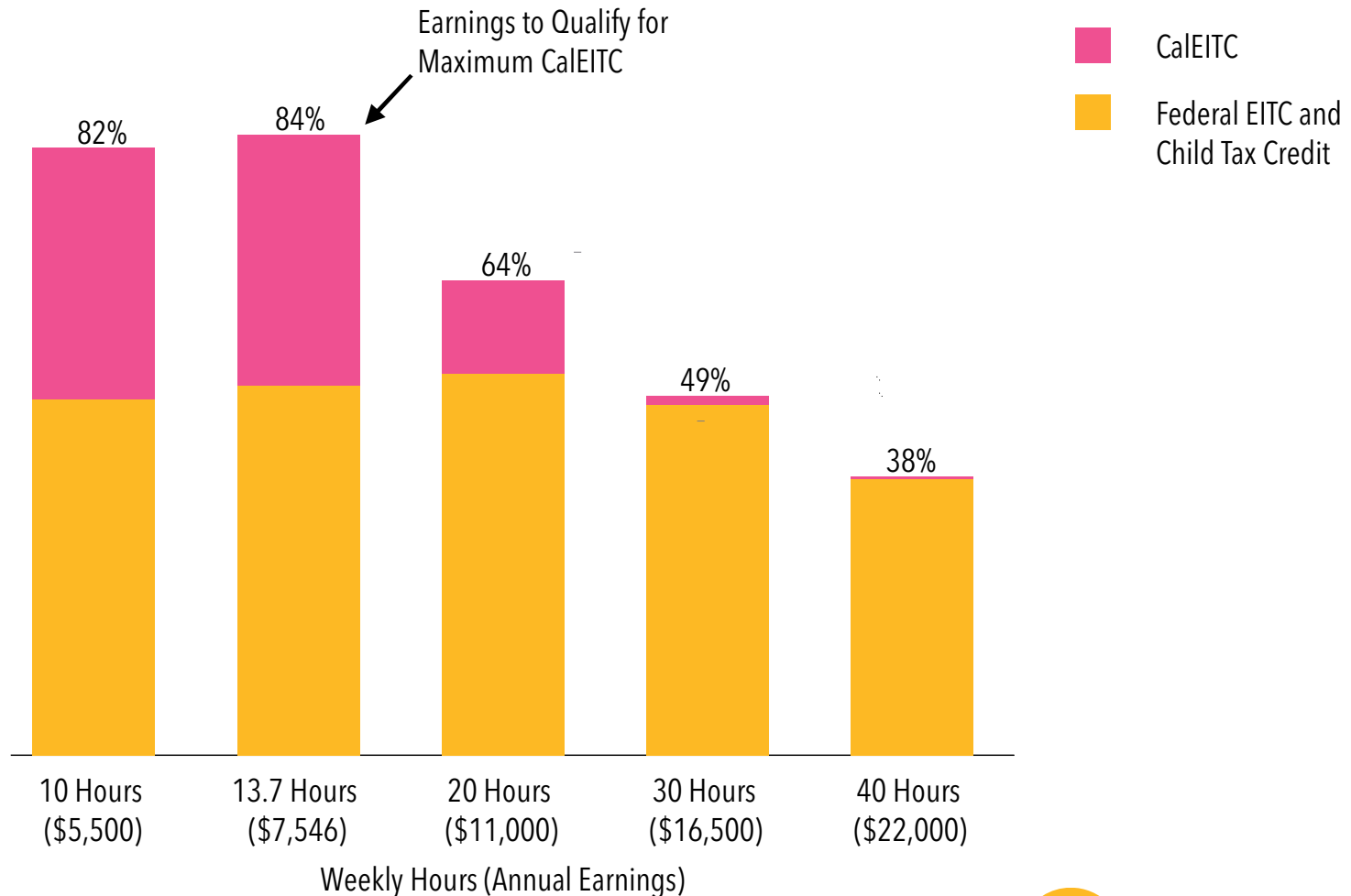


For each **\$3,000 a year** in added income that children in low-income families received before age 6...

...their **annual earnings** between ages 25 and 37 **increased by 17%.**

The CalEITC, Together With Federal Tax Credits, Significantly Boosts the Incomes of Families With Low Earnings From Work

Percent Increase in Income for Parents With Two Children, Tax Year 2018



Note: Assumes an \$11 hourly wage and 50 weeks of work per year.

Source: Budget Center analysis of Section 17052 of the California Revenue and Taxation Code and Section 32 of Title 26 of the Internal Revenue Code



CalEITC Policy Expansion Options

- The Governor's proposed 2019-20 budget significantly expands the CalEITC, including an additional \$500 credit to families with young children
- Other options to strengthen and expand the CalEITC include:
 - Including immigrant families who file taxes with Individual Taxpayer Identification Numbers (ITINs)
 - Modifying the credit to provide a child allowance for all low-income families, similar to expanding the definition of work to include caregivers with no paid employment
 - Allowing tax filers to opt in to deferred monthly payments
 - Expanding tax filers' access to free tax preparation services



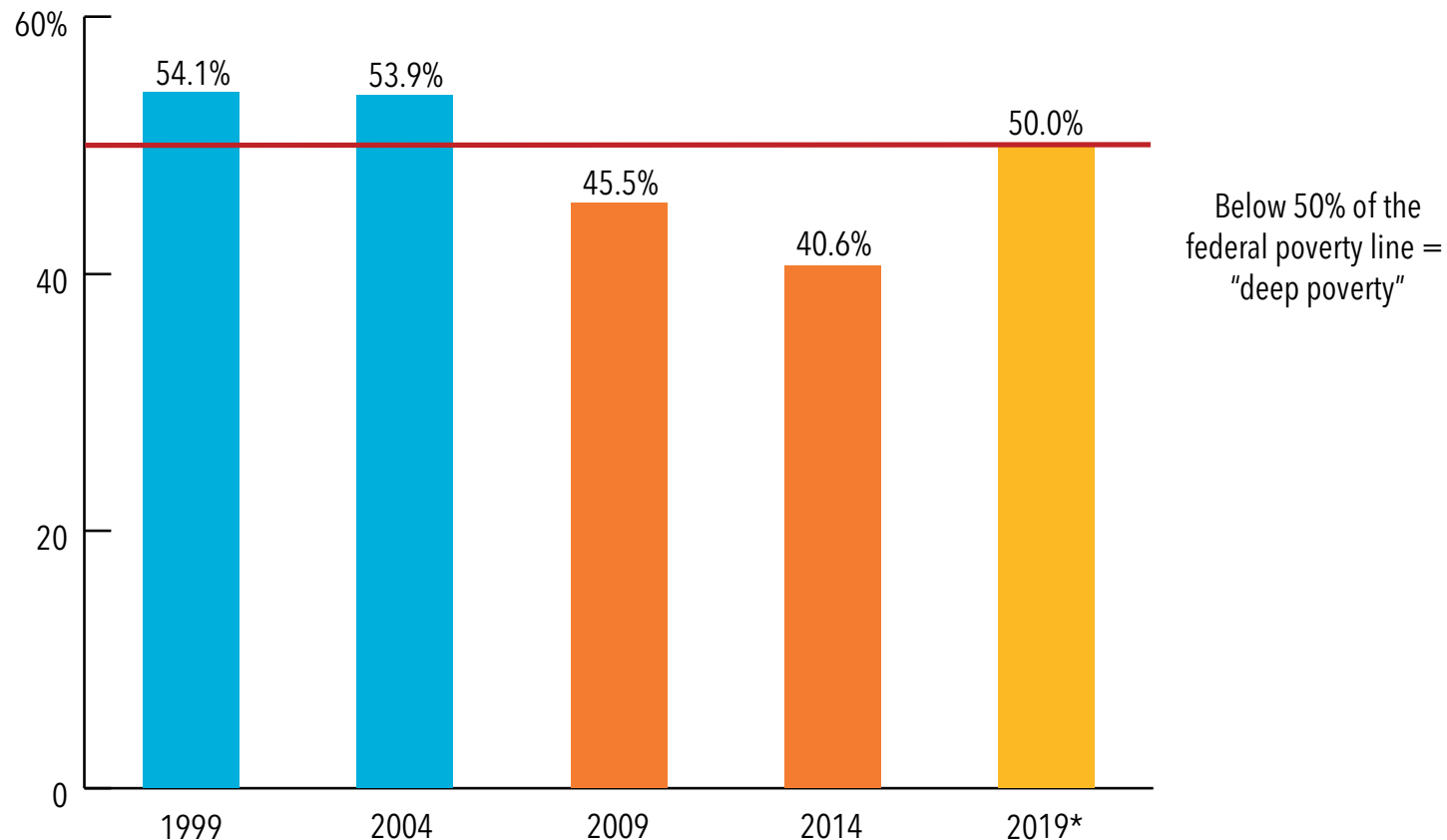
CalWORKs provides modest cash assistance to families while helping parents find and keep jobs.

About 1,000 children in Marin County receive assistance from CalWORKs.



The Governor Proposes Returning CalWORKs Grants to the Deep-Poverty Line for the First Time in Over a Decade

Monthly Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line



* Reflects the Governor's proposal to increase the maximum CalWORKs grant by 13.1%, effective October 1, 2019.

Note: Grants are for high-cost counties in October of each year.

Source: Budget Center analysis of Department of Finance, Department of Social Services, US Department of Health and Human Services, and US Social Security Administration data



Reducing the Cost of Basic Needs

Housing and child care are the largest basic expenses for families with children.



The Governor proposes a multi-pronged, state-level approach to housing affordability. Proposals include regulatory changes, one-time planning and incentive funding, and an ongoing expansion of tax credits that help finance affordable housing development.



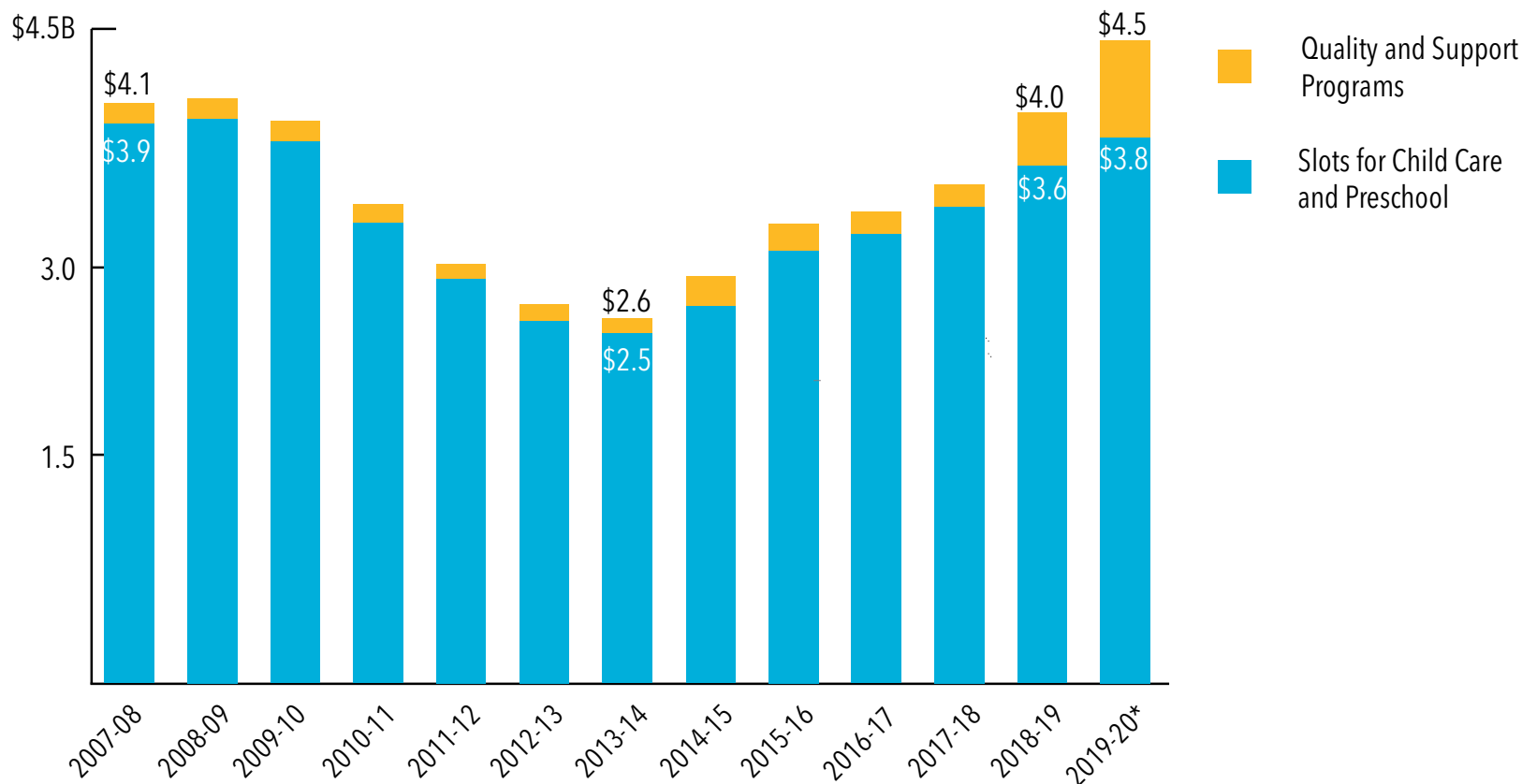
Investments in the Subsidized Child Care and Development System

- Provides \$737 million one-time General Fund support for child care infrastructure:
 - \$245 million for child care facilities
 - \$245 million for workforce development for providers
 - \$247 million for the California State University system
- Increases access to the CA State Preschool Program:
 - \$125 million General Fund for 10,000 full-day, full-year preschool slots
 - \$297 shifted out of Prop. 98 for non-LEA providers
 - Eliminates the parental work or school requirement for full-day preschool
- \$10 million one-time General Fund for a plan to address access, capacity, revenue options, and other issues



Proposed Funding for Child Care and Preschool Surpasses Pre-Recession Levels With Boost From One-Time Dollars

Funding for Subsidized Child Care and Preschool in California (Billions), Inflation-Adjusted



* Proposed.

Note: Figures reflect the enacted budget each year except for 2008-09, which reflects the revised budget as of February 2009. Figures include federal and state funds for slots as well as for quality and support programs and are in 2019-20 dollars. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



Building Resilience in Children in Poverty

Cash, housing, and early childhood education, along with strategies like home visiting, are all linked to improved long-term outcomes for children in poverty.



Home Visiting for Families Living in Poverty

- Research shows that home visiting is a cost effective method to improved outcomes in health and behavior for children growing up in poverty.
- The Governor's proposed 2019-20 budget recognizes the value of these programs and invests in them in several ways:
 - Allocates \$78.9 million federal TANF and state General Fund to home visiting initiative in CalWORKs
 - Provides \$23 million General Fund for home visiting outside of CalWORKs



Additional Supports for Children and Families in the Proposed Budget

- Invests \$7.5 million General Fund in the Black Infant Health program
- Proposes bold plan to extend California's Paid Family Leave program from 6 weeks to 6 months
- Provides \$105 million in federal funds and special funds to provide more developmental screenings for young children and to provide ACES screening through the Medi-Cal program



Additional Supports for Children and Families in the Proposed Budget (cont.)

- Invests \$50 million one-time General Fund in child savings accounts pilot projects
- Provides \$750 million one-time General Fund for full-day kindergarten facilities
- Provides \$122 million General Fund to increase support for students parents, along with \$247 million one-time General Fund for CSU that can be used for on-campus child care facilities







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