

Capping the Co-pay: A State-by-State Analysis

Child Care Proposal Will Keep More Money in Families' Pockets

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It is no secret that the cost of child care is unbearable for most families. In many states, the monthly cost of child care often exceeds the average **mortgage payment** and the annual cost is higher than **in-state college tuition**. Historically, this cost has fallen to parents and providers as the child care system has been significantly underfunded. The lack of funding exacerbates the structural racism embedded in the system and disproportionately affects **families of color, women, and single parents**.

To make matters worse, the COVID-19 pandemic ravaged the child care system, significantly impacting parents and providers. The pandemic has made it even more difficult for families to afford the high cost of care. Moreover, the lack of affordable child care falls most directly on women, whose **labor participation has fallen** drastically throughout the pandemic. The risk of mothers' departure from the labor force or reduced work hours as the result of caregiving needs could cost up to **\$64.5 billion per year in lost wages and economic activity**. Investing in an equitable system that supports families, children, and essential workers who are caring for them, is crucial to the economic recovery of our country.









Biden's proposed federal investment of \$450 billion for the child care industry is estimated to serve **8.27 million young children** in the tenth year of implementation. With this investment, it is essential to make care affordable and control the out-of-pocket costs for families. The **Child Care for Working Families Act** (CCWFA), which was reintroduced in congress this year, provides a sliding scale structure for co-payments. Under this plan, families' co-payments, or their share











of the cost, is based on their income and co-payments vary based on state median income (SMI). Co-payments vary based on income, ranging from no out-of-pocket costs for families earning under 75 percent of the SMI to co-payments capped at 7 percent of income for families earning under 150 percent of the SMI. By incorporating a sliding scale in a future investment in child care, parents in the lower income brackets—who are disproportionately **people of color**—would be alleviated of the burden of the high cost of care, and have more money to meet other needs. By investing in the child care system, we will both recover from the economic challenges of the pandemic and create systemic change for a brighter, equitable, and more prosperous future.

State Median Income Range	Co-payment as a Share of Income
Under 75% of SMI	0% of income
75-100% of the SMI	>0% but <2% of income
100-125% of the SMI	>2% but <4% of income
125-150% of the SMI	>4% but <7% of income

Capping the Co-pay for Families

The scenarios below detail various families in different states and what their respective child care co-payment could be under a child care proposal that uses the CCWFA co-payment structure. These examples are illustrative and do not reflect actual families.

Location	Example Scenario
United States 	A family of 4 in the United States making \$100,000 with children ages 3 and 5 would pay between \$1,000 and \$2,000 a year for child care.
Arizona 	A family of 3 in Arizona making \$60,000 with an 8-month-old baby would pay between \$600 and \$1,200 a year for child care.
California 	A California family of 4 making \$80,000 with children ages 2 and 4 would pay between \$800 and \$1,600 a year for child care.
Delaware 	A family of 3 in Delaware making \$80,000 with a 4-year-old child would pay between \$2,400 and \$3,200 a year for child care.
Georgia 	A single mother in Georgia making \$53,000 with 3 children ages 1, 3, and 5 would pay \$0 a year for child care.
Maine 	A single mother in Maine making \$58,000 with children ages 2 and 5 would pay between \$580 to \$1,160 a year for child care.
Massachusetts 	A family of 3 in Massachusetts making \$125,000 with a 2-year-old child would pay between \$6,250 and \$8,750 a year for child care.
Minnesota 	A single father in Minnesota making \$74,000 with a 4-year-old child would pay between \$2,200 and \$2,960 a year for child care.

Montana		A grandmother in Montana making \$57,000 with custody of her 3-year-old grandson would pay between \$570 and \$1,140 a year for child care.
Nevada		A single mother in Nevada making \$64,000 with children ages 1 and 5 would pay between \$1,920 and \$2,560 a year for child care.
New Hampshire		A single mother in New Hampshire making \$77,000 with a 1-year-old would pay between \$2,310 and \$3,080 a year for child care.
New York		A single father in New York making \$62,000 with a 4-year-old child would pay between \$620 and \$1,240 a year for child care.
Oregon		A family of 3 in Oregon making \$97,000 with a 3-year-old would pay between \$4,850 and \$6,790 a year for child care.
Pennsylvania		A single parent in Pennsylvania making \$63,000 with a 4-year-old child would pay between \$1,890 and \$2,520 a year for child care.
Rhode Island		A single parent in Rhode Island making \$45,000 with a 2-year-old child would pay \$0 for child care.
Virginia		A family of 3 in Virginia making \$76,000 with a 10-month-old baby would pay between \$760 and \$1,520 a year for child care.
Washington		A family of 3 in Washington making \$86,000 with a 4-year-old child would pay between \$2,580 and \$3,440 a year for child care.
West Virginia		A single father in West Virginia making \$45,000 with a 3-year-old child would pay between \$50 and \$900 a year for child care.

Child Care Family Co-payment by State and Income

The analysis below includes the sliding scale detailed in the CCWFA. The table outlines families' state median income within each percentile bracket for a four-person household, as well as the respective child care co-payment that parents would be responsible for at the noted income level.

State	75% State median income	Family Co-pay 0%	100% State median income	Family Co-pay 1%	Family Co-pay 2%	125% State median income	Family Co-pay 3%	Family Co-pay 4%	150% State median income	Family Co-pay 5%	Family Co-pay 6%	Family Co-pay 7%
Alabama	\$53,573	\$0	\$71,431	\$714	\$1,429	\$90,895	\$2,727	\$3,636	\$109,074	\$5,454	\$6,544	\$7,635
Alaska	\$73,881	\$0	\$100,280	\$1,003	\$2,006	\$125,351	\$3,761	\$5,014	\$150,421	\$7,521	\$9,025	\$10,529
Arizona	\$54,413	\$0	\$72,551	\$726	\$1,451	\$92,320	\$2,770	\$3,693	\$110,784	\$5,539	\$6,647	\$7,755
Arkansas	\$50,965	\$0	\$67,953	\$680	\$1,359	\$84,941	\$2,548	\$3,398	\$103,764	\$5,188	\$6,226	\$7,263
California	\$63,481	\$0	\$84,641	\$846	\$1,693	\$107,705	\$3,231	\$4,308	\$129,246	\$6,462	\$7,755	\$9,047
Colorado	\$71,832	\$0	\$97,499	\$975	\$1,950	\$121,873	\$3,656	\$4,875	\$146,248	\$7,312	\$8,775	\$10,237
Connecticut	\$85,646	\$0	\$116,249	\$1,162	\$2,325	\$145,311	\$4,359	\$5,812	\$174,373	\$8,719	\$10,462	\$12,206
Delaware	\$70,846	\$0	\$96,160	\$962	\$1,923	\$120,200	\$3,606	\$4,808	\$144,240	\$7,212	\$8,654	\$10,097
District of Columbia	\$85,698	\$0	\$116,319	\$1,163	\$2,326	\$145,399	\$4,362	\$5,816	\$174,479	\$8,724	\$10,469	\$12,214
Florida	\$54,662	\$0	\$72,883	\$729	\$1,458	\$92,743	\$2,782	\$3,710	\$111,291	\$5,565	\$6,677	\$7,790
Georgia	\$55,282	\$0	\$73,709	\$737	\$1,474	\$93,794	\$2,814	\$3,752	\$112,552	\$5,628	\$6,753	\$7,879
Hawaii	\$74,053	\$0	\$100,514	\$1,005	\$2,010	\$125,642	\$3,769	\$5,026	\$150,771	\$7,539	\$9,046	\$10,554
Idaho	\$53,766	\$0	\$71,688	\$717	\$1,434	\$91,222	\$2,737	\$3,649	\$109,466	\$5,473	\$6,568	\$7,663
Illinois	\$68,886	\$0	\$93,500	\$935	\$1,870	\$116,876	\$3,506	\$4,675	\$140,251	\$7,013	\$8,415	\$9,818
Indiana	\$58,578	\$0	\$78,103	\$781	\$1,562	\$99,386	\$2,982	\$3,975	\$119,263	\$5,963	\$7,156	\$8,348
Iowa	\$63,075	\$0	\$84,100	\$841	\$1,682	\$107,016	\$3,210	\$4,281	\$128,420	\$6,421	\$7,705	\$8,989
Kansas	\$63,079	\$0	\$84,106	\$841	\$1,682	\$107,024	\$3,211	\$4,281	\$128,429	\$6,421	\$7,706	\$8,990
Kentucky	\$55,025	\$0	\$73,367	\$734	\$1,467	\$93,359	\$2,801	\$3,734	\$112,031	\$5,602	\$6,722	\$7,842
Louisiana	\$54,342	\$0	\$72,456	\$725	\$1,449	\$92,199	\$2,766	\$3,688	\$110,639	\$5,532	\$6,638	\$7,745
Maine	\$61,888	\$0	\$82,517	\$825	\$1,650	\$105,002	\$3,150	\$4,200	\$126,003	\$6,300	\$7,560	\$8,820
Maryland	\$85,099	\$0	\$115,506	\$1,155	\$2,310	\$144,383	\$4,331	\$5,775	\$173,260	\$8,663	\$10,396	\$12,128
Massachusetts	\$85,828	\$0	\$116,497	\$1,165	\$2,330	\$145,621	\$4,369	\$5,825	\$174,745	\$8,737	\$10,485	\$12,232

Michigan	\$62,669	\$0	\$83,559	\$836	\$1,671	\$106,329	\$3,190	\$4,253	\$127,595	\$6,380	\$7,656	\$8,932
Minnesota	\$76,850	\$0	\$104,310	\$1,043	\$2,086	\$130,388	\$3,912	\$5,216	\$156,465	\$7,823	\$9,388	\$10,953
Mississippi	\$46,204	\$0	\$61,606	\$616	\$1,232	\$77,007	\$2,310	\$3,080	\$94,071	\$4,704	\$5,644	\$6,585
Missouri	\$61,301	\$0	\$81,734	\$817	\$1,635	\$104,006	\$3,120	\$4,160	\$124,808	\$6,240	\$7,488	\$8,737
Montana	\$60,362	\$0	\$80,482	\$805	\$1,610	\$102,412	\$3,072	\$4,096	\$122,896	\$6,145	\$7,374	\$8,603
Nebraska	\$63,224	\$0	\$84,299	\$843	\$1,686	\$107,269	\$3,218	\$4,291	\$128,723	\$6,436	\$7,723	\$9,011
Nevada	\$55,068	\$0	\$73,423	\$734	\$1,468	\$93,431	\$2,803	\$3,737	\$112,116	\$5,606	\$6,727	\$7,848
New Hampshire	\$82,091	\$0	\$111,424	\$1,114	\$2,228	\$139,280	\$4,178	\$5,571	\$167,136	\$8,357	\$10,028	\$11,700
New Jersey	\$86,761	\$0	\$117,763	\$1,178	\$2,355	\$147,204	\$4,416	\$5,888	\$176,645	\$8,832	\$10,599	\$12,365
New Mexico	\$45,505	\$0	\$60,673	\$607	\$1,213	\$75,841	\$2,275	\$3,034	\$92,647	\$4,632	\$5,559	\$6,485
New York	\$69,476	\$0	\$94,302	\$943	\$1,886	\$117,877	\$3,536	\$4,715	\$141,453	\$7,073	\$8,487	\$9,902
North Carolina	\$55,001	\$0	\$73,335	\$733	\$1,467	\$93,318	\$2,800	\$3,733	\$111,981	\$5,599	\$6,719	\$7,839
North Dakota	\$72,855	\$0	\$98,889	\$989	\$1,978	\$123,611	\$3,708	\$4,944	\$148,333	\$7,417	\$8,900	\$10,383
Ohio	\$62,711	\$0	\$83,615	\$836	\$1,672	\$106,398	\$3,192	\$4,256	\$127,679	\$6,384	\$7,661	\$8,938
Oklahoma	\$52,155	\$0	\$69,540	\$695	\$1,391	\$86,924	\$2,608	\$3,477	\$106,186	\$5,309	\$6,371	\$7,433
Oregon	\$60,543	\$0	\$80,725	\$807	\$1,614	\$102,722	\$3,082	\$4,109	\$123,266	\$6,163	\$7,396	\$8,629
Pennsylvania	\$68,588	\$0	\$93,096	\$931	\$1,862	\$116,370	\$3,491	\$4,655	\$139,643	\$6,982	\$8,379	\$9,775
Puerto Rico	\$24,715	\$0	\$32,952	\$330	\$659	\$41,191	\$1,236	\$1,648	\$49,428	\$2,471	\$2,966	\$3,460
Rhode Island	\$75,872	\$0	\$102,983	\$1,030	\$2,060	\$128,729	\$3,862	\$5,149	\$154,475	\$7,724	\$9,268	\$10,813
South Carolina	\$54,281	\$0	\$72,374	\$724	\$1,447	\$92,095	\$2,763	\$3,684	\$110,515	\$5,526	\$6,631	\$7,736
South Dakota	\$61,556	\$0	\$82,074	\$821	\$1,641	\$104,439	\$3,133	\$4,178	\$125,326	\$6,266	\$7,520	\$8,773
Tennessee	\$52,229	\$0	\$69,638	\$696	\$1,393	\$87,568	\$2,627	\$3,503	\$106,337	\$5,317	\$6,380	\$7,444
Texas	\$58,031	\$0	\$77,374	\$774	\$1,547	\$98,458	\$2,954	\$3,938	\$118,150	\$5,908	\$7,089	\$8,271
Utah	\$60,197	\$0	\$80,262	\$803	\$1,605	\$102,132	\$3,064	\$4,085	\$122,559	\$6,128	\$7,354	\$8,579
Vermont	\$70,196	\$0	\$95,278	\$953	\$1,906	\$119,098	\$3,573	\$4,764	\$142,918	\$7,146	\$8,575	\$10,004
Virginia	\$73,806	\$0	\$100,178	\$1,002	\$2,004	\$125,222	\$3,757	\$5,009	\$150,267	\$7,513	\$9,016	\$10,519
Washington	\$70,027	\$0	\$95,049	\$950	\$1,901	\$118,811	\$3,564	\$4,752	\$142,574	\$7,129	\$8,554	\$9,980
West Virginia	\$53,921	\$0	\$71,894	\$719	\$1,438	\$91,485	\$2,745	\$3,659	\$109,781	\$5,489	\$6,587	\$7,685
Wisconsin	\$67,397	\$0	\$91,479	\$915	\$1,830	\$114,349	\$3,430	\$4,574	\$137,220	\$6,861	\$8,233	\$9,605
Wyoming	\$62,584	\$0	\$83,445	\$834	\$1,669	\$106,183	\$3,186	\$4,247	\$127,420	\$6,371	\$7,645	\$8,919
United States	\$75,744	\$0	\$102,809	\$1,028	\$2,056	\$128,511	\$3,855	\$5,140	\$154,213	\$7,711	\$9,253	\$10,795

Data Sources and Methodology

Information regarding income level as dollar figures of SMI percentages was retrieved from the National Center for Children in Poverty's **Income Converter**, which uses the data from the latest **American Community Survey** (2019). Each state's median household income in the table was analyzed using a family household of 4, unless otherwise noted in the blurbs with different family compositions. The co-payments reflect annual totals, not monthly payments.

The income data were inflated to 2022 using average wage increase trends detailed in **The U.S. Income Distribution: Trends and Issues**. The co-payment percentages were retrieved for each state by using the co-payment structure outlined by the CCWFA.

Due to data limitations, this analysis does not account for the impact of the COVID-19 pandemic. As a result, these data do not account for possible changes to state median income or different trends in wages over time.