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President's Budget Projects 300,000 Low-Income Children to Lose Child Care by 2010

(Washington, DC)—According to the Administration's own calculations, an estimated 300,000 fewer low-income children will receive child care assistance by 2010. The President's budget would freeze child care funding for 2006—and projects that child care funding would remain frozen for the next five years, through 2010. Yet, child care assistance is critical to the success of low-income working families.

“Hundreds of thousands of parents across the United States are working hard, but not making enough to fully pay for the child care they need to keep their jobs,” said Danielle Ewen, Senior Policy Analyst at the Center for Law and Social Policy. “These working parents should be supported, not penalized. But under this budget, with each passing year, it will become increasingly difficult for low-income families to get help with child care expenses.”

Reports by the General Accounting Office and the National Women's Law Center have shown that states have responded to frozen child care funding and rising costs by cutting working families from the program, raising the cost to families to participate, and reducing programs that improve the quality of care.

Last year's budget showed that in 2003, an estimated 2.5 million children were served by all major federal funding streams for child care. These funding streams include the Child Care and Development Block Grant (CCDBG), the Temporary Assistance to Needy Families (TANF) block grant, and the Social Services Block Grant. According to the Administration's data, the number of children receiving child care fell to 2.3 million in 2004. These budget projections show that the number of children served will further decline to 2 million by 2010.

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To download the full 2-page analysis of the proposed child care budget cuts, visit http://www.clasp.org/publications/cc_2006_budget.pdf. To set up an interview with Danielle Ewen, contact Gayle Bennett at (202) 906-8013.

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A national, nonprofit organization founded in 1968, CLASP conducts research, policy analysis, technical assistance, and advocacy on issues related to economic security of low-income families with children.