

Murphy Releases Report on High Cost of CT Child Care, Announces Bill to Double Child Care Tax Benefit

Child Care Flex Spending Act would double the current \$5k limit for tax-free flex spending accounts

HARTFORD-Congressman Chris Murphy today announced the results of a new report on the high cost of child care in Connecticut. The report, conducted by Murphy's office, examines the considerable burden child care can place on families in 15 towns across the state.

In response to the alarming findings, Murphy announced the Child Care Flex Spending Act, new legislation that would double the existing \$5,000 maximum that employees can set aside tax-free to help offset child care costs. The increase would help make child care more affordable for thousands of Connecticut families.

"This report confirms that child care expenses are breaking the bank for too many families," said Murphy. "Quality child care in Connecticut costs money, and middle class family budgets are already stretched thin. Families shouldn't be forced to go bankrupt in order to care for their kids, and one of the best ways the government can help is to double the amount of pre-tax money families can put into flexible savings accounts."

Since 1981, Congress has allowed employers to provide flexible spending accounts to their employees. These accounts give employees the option of setting aside money tax-free to pay for their dependent care needs. In 1986, these accounts were capped at \$5,000 but not indexed to inflation, leaving middle class families struggling with ever-higher child care costs.

Murphy's bill would allow employees to set aside up to \$10,000 per year to help pay for child care costs, and would be adjusted for inflation over time.

Study Highlights:

- According to the survey, full-time child care in Connecticut costs on average \$11,337 per year. This represents 17% of the median household income for Connecticut, nearly double what the U.S. Department of Health and Human Service considers to be the maximum affordable cost of child care.

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- The cost of child care in Connecticut varies greatly by town. The town with the lowest average cost of child care is New London at \$7,804 per year, while Stamford has the highest rates at \$15,782 per year.

- - The absolute lowest rate reported for care was found at a center in Hartford at \$6,500 per year, while the highest rate was reported by a home-based provider in West Hartford at \$21,840 per year.

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- In every town, average rates for center-based child care are consistently higher than home-based child care. The average price of center-based care for the entire state came to \$12,646 per year versus \$10,254 per year for care from home-based providers.

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- Among the different age groups, the average cost of infant care in Connecticut is \$11,827 per year, the average cost of toddler care is \$11,577 per year, and the cost of pre-school care is \$10,606 per year.

[Click here to read the full report .](#)

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