

Child Care Arrangements, Costs, and Financial Benefits for Families Using Child Care Scholarships in Maryland

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This brief presents findings from a survey of parents who applied for child care subsidies through **Maryland's Child Care Scholarship (CCS) Program** in April 2025 with a focus on families who received a scholarship from April to June 2025.

Scholarships provide financial assistance to eligible working, training, or student families to help them pay for child care and early education at licensed/registered providers¹ or with approved informal providers.

In the following sections, we provide an overview of the child care arrangements, costs, and financial benefits for 107 families who received CCS for children from birth to age 12.

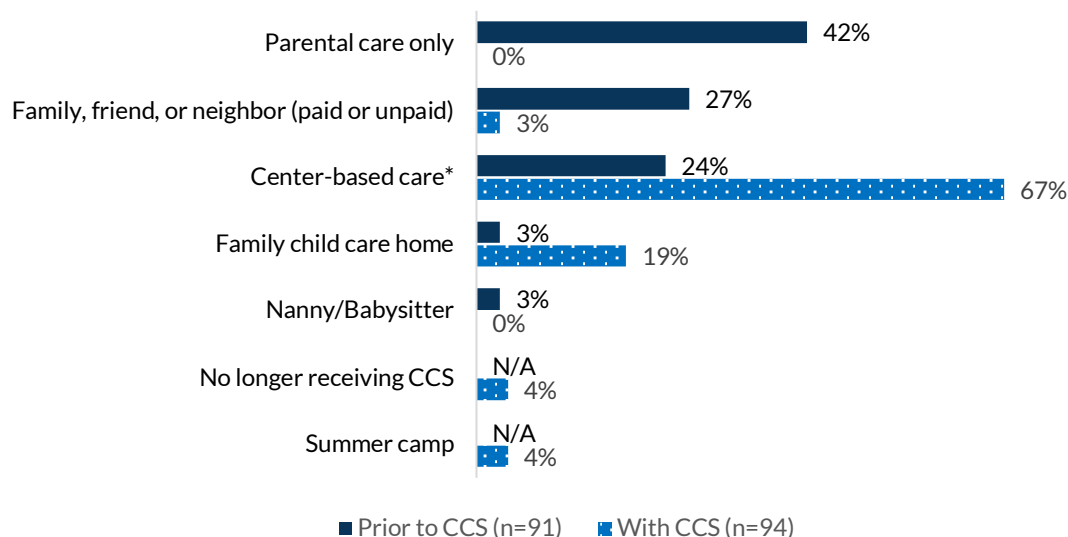
More about this research

partnership: Child Trends and the Maryland State Department of Education (MSDE) are collaborating on a four-year research partnership (2022-2026) to understand the ECE workforce in Maryland and changes to the Child Care Scholarship Program. For details on the data and analyses in this brief, please visit the [product page](#). For other publications from this project, please visit the [project website](#).

Most children switched to licensed care after receiving scholarships.

For a selected focal child, parents reported the type of care they used most frequently prior to receiving a scholarship, as well as the type of provider that accepted their current scholarship (see Figure 1.).

Figure 1: Child care prior to receiving a scholarship and after receiving a scholarship



Note. *Center-based care category includes centers, faith-based care, public pre-k, Head Start, before/after care in a center or public school, nursery school and preschool.

¹ "Licensed or registered provider" refers to any individual, agency, or organization explicitly authorized and regulated by the [Maryland State Department of Education \(MSDE\) Office of Child Care \(OCC\)](#), including Family Child Care Homes, Centers, Before or After School Care Providers, or Letter of Compliance (LOC) Facilities.

- Parents' use of informal care providers (for example, family, friend, and neighbor care) decreased from 27 percent of children to 3 percent after receiving a scholarship.
- Parents' use of licensed centers and family child care providers (FCCs) increased from 27 percent to 86 percent after receiving a scholarship.

Almost half of parents with scholarships had no out-of-pocket expenses.

Though Maryland's CSS family co-pay (the amount parents are required to pay as part of their scholarship) is small (\$0-\$3 per week), parents may also be required to pay their provider:

- The difference between the CCS payment rate and the provider's private tuition rate
- Program registration fees
- Program fees for expenses such as activities, diapers, and supplies

Figure 2: Does the Child Care Scholarship cover all of your child care expenses in a typical week or month? (n=83)



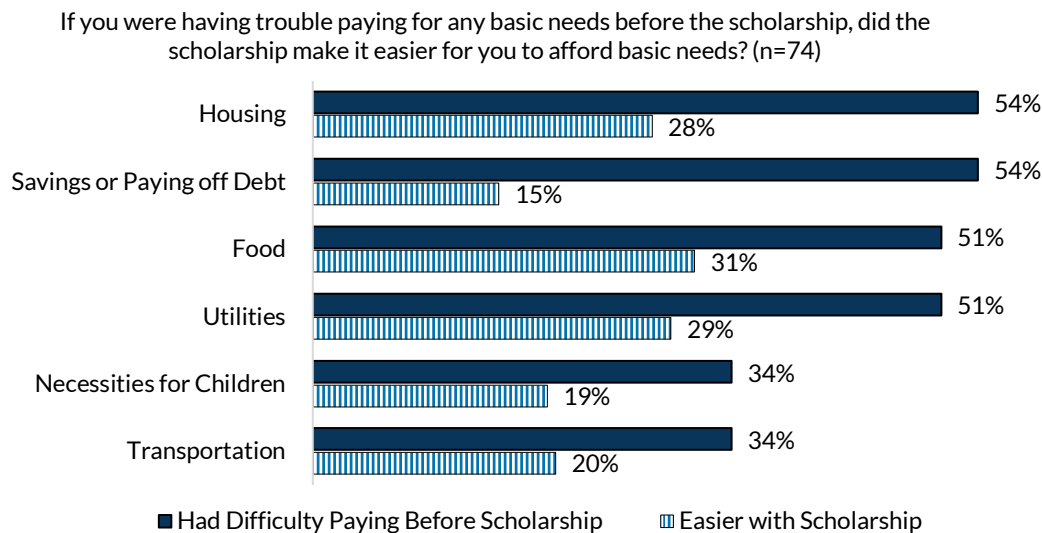
Figure 2 shows that 54 percent of parents paid out-of-pocket expenses (i.e., co-pays and additional fees). Among these parents, the median cost for one child was \$4,810 per year.

Scholarships made it easier to pay for basic needs.

Families had received a scholarship for three months or less at the time of the survey. We asked parents to indicate whether they had difficulties paying for any basic needs before receiving a scholarship; we then asked if the scholarship helped them pay for basic needs they previously had difficulty paying for.

- About half of the families surveyed indicated they had difficulty paying for housing, food, utilities, and/or saving or paying off debt prior to scholarship receipt.
- Families reported that scholarships were most helpful with the costs of housing, food, and utilities.

Figure 3: How Child Care Scholarships Helped with Basic Needs



Scholarships increased families' child care options.

We asked parents to describe how receiving a scholarship affected the number of child care options available to them. Sixty-four percent said that receiving a scholarship increased their options, 21 percent said the scholarship had no effect on their options, and 12 percent said other positive things about scholarships that were unrelated to the number of options available. Less than 3 percent said that receiving a scholarship limited the child care options available to them.

It **increased my options**.
My child is in a **safe and nurturing environment**.

The CCS has helped me to find **better child care**, not only for my kids, but **for my needs** as a single mother of three who works full-time.

This scholarship has given me **the gift of choice** that isn't hindered by price.

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