

# Afterschool Program Funding Approaches \$12 Billion

Bob Stimolo

**M**y good friend Mike Wilson recently prepared a report on afterschool program funding. You can receive a free copy of the complete report by contacting Wilson Marketing Group at 800.445.2089 or email wilsonmg@earthlink.net. Be sure you tell them you heard about it in NSSEA's *Essentials*. Here is an excerpt from the report.

Afterschool programs will be an \$11.8 billion market in 2007. Afterschool refers to both before and afterschool funding throughout this report. Over half of this money derives from parent-paid tuition fees. The remaining \$5 billion is federal and state funding. Local funding is not included in this report.

The afterschool market has grown steadily since 2000. Despite a lull in federal funding, the afterschool portion of Title I grew by an estimated \$76 million, or 62 percent. Since 2005, the market has grown by roughly \$1.2 billion or 11 percent, mainly due to increased state afterschool funding. However, 2007 state funding will only account for 22.4 percent of all public afterschool funding.

State funding for afterschool programs will total \$1.2 billion in 2007, up 61 percent since 2005. This is primarily due to California's Afterschool Education and Safety (ASES) program which accounts for 56 percent of state funding this year. ASES is receiving its full funding of \$550 million for the

first time in 2007.

Currently, no other state funded program exceeds \$100 million. However, there are huge increases in several other states – notably New Mexico (up 650%), Tennessee (up 112%), South Carolina (up 56%), Georgia (up 33%), Illinois (up 31%), and Ohio (new program).

### Federal Funding

Federal funding for afterschool programs totals \$4.0 billion in 2007, down \$7 million since 2005. The centerpiece of federal funding is the 21st Century Community Learning Centers Act (21st CCLC), enacted in 1998.

Twenty-first CCLC is the only federal program designed specifically for afterschool programming. The program's primary focus is to provide academic enrichment opportunities to children attending poor performing schools through tutorial and academic services, youth development activities, drug and violence prevention programs, technology education, art, music, recreation programs, and counseling. Both public and private institutions, including faith-based organizations, are eligible to receive funding.

Twenty-first CCLC will only receive 39 percent of its maximum allowable funding in 2007, continuing a 5-year pattern. It is unlikely that major funding increases will soon materialize at the federal level. Therefore, state funding for afterschool is increasing as states create new programs to meet the increased demand for subsidized child care.

Currently, about three thousand

21st CCLC grants provide afterschool programs to over one million school-age children at over 8,750 schools and other community organizations. The average grant size per site is \$346,787, or about \$1,000 per student per year. Sixty-nine percent of all grantees are school districts. The money may be spent on teachers' pay as well as a wide range of recreational and educational products and services.

Title I afterschool funding has increased \$3 million or 1.5 percent since 2005 and will total \$198 million in fiscal year 2007. Total Title I funding in 2007 will be \$12.9 billion.

Title I funds schools in low-income areas nationwide. Funding is used to help children meet academic testing standards, particularly the No Child Left Behind benchmark. Money must focus on children who are failing or are most at-risk of failing.

According to the U.S. Department of Education, Title I funds reach approximately 12.5 million children in both public and private schools. Sixty-five percent of students served are in grades one through six.

### Parent Paid Tuition Fees

School-Age Child Care Arrangements, a 2006 research report conducted by the National Center for Children in Poverty (NCCP), found that 20 percent of elementary school children attend center- or school-based afterschool programs. America After 3PM, a 2002-2003 survey of 18,180 households conducted by the Afterschool Alliance, found that the average tuition per child in an afterschool program was \$22 a week. Accounting for inflation and other variables, Wilson Marketing Group projects \$6.681 billion in terms of parent-paid tuition or fees in 2007.

### Afterschool Demographics and Facts

In 2007, it is estimated that 6,711,700 children aged 5-12 will spend an average of two hours per day in center- or school-based afterschool. According to School-Age Child Care Arrangements, 32 percent of African-American children in grades K-8 attend a center or school-based program while only 23 percent of Hispanic, 20

percent Asian or Pacific Islander, and 15 percent of Caucasian children of the same age attend center- or school-based programs.

According to a 2001 survey conducted by the National Association of Elementary School Principals (NAESP), the average number of children attending public school-based afterschool programs was 65. However, this average dropped to 22.1 when private and center-based afterschool programs were included, according to a 2001 survey conducted by the National Center for Education Statistics (NCES). The average teacher to child ratio in centers and schools was 1 to 8.1.

Participation in afterschool programs increased at every family income level with the greatest increases occurring among lower income families.

Birth rates do not explain increased participation rates in afterschool programs, since school-age population actually decreased by 3.3 percent between 1999 and 2007. Increased participation is due to a combination of high employment rates, more funding, and greater public acceptance of all forms of organized child care.

School-age population is expected to increase by almost 1% between 2008-2010 and continue at about the same pace through 2015. Wilson Marketing Group projects that afterschool program enrollments will increase by one million children or 17.3 percent by 2010.

Only a fifth of the children that theoretically could be served by afterschool programs currently attend school or center-based afterschool programs. This low base population leaves ample room for growth.

According to the NCES survey, at least 9 percent of children in grades K-6 care for themselves afterschool and the remaining are cared for by parents (50%), relatives (18%), non-relatives (7%), and activities used for supervision (7%). Percentages do not add up to 100 percent because many children attend afterschool programs in multiple settings throughout the year.

Growth in the percentage of children attending afterschool programs should outpace population growth due to the number of unsupervised

## How Many Children Attending Afterschool Programs Participated In Activity

Year	Population	Afterschool Enrollment	Afterschool Enrollment Percentage of Population
2006	31,738	6,348	20.0%
2007	31,659	6,712	21.2%
2008	31,650	6,900	21.8%
2009	31,749	7,144	22.5%
2010	31,953	7,445	23.3%

Source: Wilson Marketing Group

**"IN 2007, IT IS ESTIMATED THAT 6,711,700 CHILDREN AGED 5-12 WILL SPEND AN AVERAGE OF TWO HOURS PER DAY IN CENTER- OR SCHOOL-BASED AFTERSCHOOL."**

children afterschool, a growing parent workforce, and increasing public support for afterschool programs. According to the United States Census, in 2005 there were 9,866,000 households where both parents work and 5,276,000 households where the single-parent works. This accounts for 75 percent of all households with children aged 5-12.

Between 1994 and 2002, the number of children aged 5-12 in households where both parents work increased by 260,000, or 1.9 percent, to 13,781,000 kids. Over that same period, the number of children aged 5-12 in households where the single parent works increased by 2,051,000, or 42 percent, to 6,947,000. Children with either two working parents or a single parent that works increased by 2,311,000, or 12.5 percent, while total age 5-12 population only increased by 1,562,000, or 5 percent, over this period.

### Polls and Cost/Benefit Studies

Voter support for afterschool programs is strong, since programs supervise children during juvenile crime's peak hours of 3 and 6 pm. For example, incidents of stealing, vandalism, violent acts, and arrests were 50% lower among children attending an afterschool program in twelve high-risk California communities, according to Fight Crime: Invest in Kids California. A poll conducted by Afterschool Alliance in 2003 indicated that 9 in 10 Americans believe afterschool programs are important and over half of voters think there are not enough afterschool programs available.

According to another poll conducted for the Afterschool Alliance in November 2006, 65 percent of voters say that afterschool programs "are an absolute necessity." Furthermore, 82 percent believe that there should be some type of program for children and teens that provide opportunities to learn after school.

Studies touting economic benefits of school-age care programs have fueled program support. A 2001 study conducted by the Center for Youth Development and Policy Research determined that the return on every dollar invested in afterschool programs is a gain of \$10.51. A 2002 Rose Institute study analyzing the effects of California's afterschool program determined that for every dollar invested the return ranged between \$2.99 and \$4.03 in reduced costs related to juvenile crime, grade repetition, and remedial education.

### The Forecast

Public funding for afterschool programs is a relatively new trend in the United States. At this point in early 2007, Wilson Marketing Group makes the following forecast:

A huge increase in California afterschool funding will greatly expand the school and center-based market. This is likely to contribute to a bandwagon effect in other states, resulting in higher allocations for existing programs and in new initiatives.

We expect the percentage of Title I funding that is allocated for afterschool programs to increase, since overall Title I funding has increased

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dramatically even in years when other education programs have been cut, level-funded, or marginally increased.

State afterschool funding will increase substantially to offset flat federal funding for 21st CCLC, regardless of whether states transfer more TANF money to child care programs.

However, it is axiomatic that public money that can be spent will be spent. Therefore, we would not be surprised if states earmarked more afterschool program spending by transferring more TANF funding through CCDF. Flat or reduced SSBG funding may stimulate accelerated TANF transfer funding.

In any case, more states will create programs specifically designed to fund afterschool, whether through voter mandates as in California, TANF transfer, and/or legislative initiatives.

As public funding increases, states may be forced to reexamine and consolidate their patchwork of afterschool funding into more efficient programs.

High voter support for afterschool care will continue, driven by parent/guardian employment needs, increased awareness of the dangers of unsupervised children, and the documented benefits resulting from quality programs.

It seems self-evident that afterschool programs will grow, given that three quarters of parents with children aged 5-12 work, yet only a fifth of the children that could theoretically be served currently attend a school or center-based program. Wilson Marketing Group projects at least 17 percent growth in afterschool enrollment by 2010.

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