



The Economy's Impact on Parents' Choices and Perceptions About Child Care

September 2010



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About NACCRRA

NACCRRA, the National Association of Child Care Resource & Referral Agencies, is our nation's leading voice for child care. We work with more than 700 state and local Child Care Resource and Referral agencies nationwide. These agencies help ensure that families in 99 percent of all populated ZIP codes in the United States have access to high-quality, affordable child care. To achieve our mission, we lead projects that increase the quality and availability of child care, undertake research, and advocate child care policies that positively impact the lives of children and families. To learn more about NACCRRA and how you can join us in ensuring access to quality child care for all families, visit us at www.naccrra.org.

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Executive Summary

More than 11 million children under the age of 5 regularly spend time in some type of child care setting every week. The majority of parents consistently report that this care is a necessity that enables them to find and keep jobs in an economy where both parents have to work.

Parents Work To Make Ends Meet

Over time the view of child care as an economic necessity has increased, with 57 percent of parents of young children reporting that child care was an economic necessity in 2010, versus 49 percent in 2006.

Considering the importance of child care in the safety and early development of children and also as a work support, the National Association of Child Care Resource & Referral Agencies (NACCRRA) examined how the current state of the economy has affected the use and perceptions of child care in America. A majority of child care consumers say they have experienced job losses and wage cuts in the last year and have sometimes been forced to compromise on the quality of their child care. Among child care consumers, four in 10 say the current economy has adversely affected their child care arrangement and more than one-third of these parents say they had to change their child care settings as a result.

Quality and Cost Remain Top Concerns

Despite the current economy, however, all parents consistently report that their greatest concern about their child care arrangements is quality, followed by cost. Their focus on quality holds true across differences in income, education, gender, and marital status and remains consistent year after year. Understandably, parents want the best they can afford for their children. Unfortunately, their logical assumptions about the quality of care and the government's role in setting and enforcing standards differ greatly from reality.

The Gap Between Parents' Perceptions and Reality is Widening

The gap between parents' perceptions and reality widens year after year. For example, four years ago, more than two-thirds of parents believed that all child care providers must have a background check, increasing to 84 percent in 2008 and to 85 percent today. This persistent and growing gap between perception and reality reflects a pervasive lack of consumer education, and does not depend on a parent's personal level of education. The unfortunate coincidence is that as the gap between perception and reality increases, the proportion of children in unregulated care also increases.

To better understand parents' views and experiences in the current economy regarding child care, as well as the types of changes they support to improve the quality and availability of affordable child care, NACCRRA commissioned Lake Research Partners to conduct a nationwide telephone survey of 1,000 parents with children under the age of 12.

Key Findings

- ◆ Despite modest improvements in the economy, many families are still struggling. When asked whether families are economically better off than they were four years ago, nearly 40 percent (37 percent) said they were worse off.
- ◆ Three-quarters of parents rate affordable child care as the most (31 percent) or one of the most (45 percent) important factors in helping working families.
- ◆ When parents are asked to identify their single greatest concern about child care, nearly four in 10 (38 percent) choose quality as their highest concern for their children's care; the cost of care is their second biggest concern (20 percent).

- ◆ More than half (51 percent) of families with children under age 5 say the economy has affected their child care in some way with more than three-fifths (63 percent) worried at least some of the time about paying their bills.
- ◆ In the past year, 15 percent of parents said they had lost a job; 17 percent of parents said their hours were reduced; and 24 percent of parents said their wages were reduced.
- ◆ When parents were asked how often they worried that their total family income will not be enough to meet their family's expenses and bills, four in 10 (38 percent) said all or most of the time. Among child care consumers who worry frequently about their family's income not being enough to meet their family's expenses and bills, more than one-quarter (27 percent) worry about being able to afford their child care.
- ◆ When all parents were asked what, if any, measures they recently took to be able to afford child care, nearly two in 10 parents reported having used their savings to pay for child care. More than one in 10 said they have had to move their children away from a formal arrangement, moved to be closer to relatives for their help, or moved their child to a child care setting of lesser quality.
- ◆ Most parents' perceptions about child care standards far exceed government policies. For example, the majority of parents believe that child care providers are required to have training when in fact many providers in most states are not required to have any training - not in CPR or first aid; not in basic health and safety practices; and not in child development.

Parents are Willing to Invest in Quality Child Care

- ◆ Nearly three-quarters (73 percent) said that they support increased funding for child care to improve the quality of care even if it would increase their taxes by \$10 a year.

To better understand the relationship between household income and the use and perceptions of child care, NACCRRA examined survey results among parents in four income brackets. Parents earning low incomes (versus parents in poverty or higher income parents) are the most likely to say that the

reason they changed their child care arrangements was that they could no longer afford to pay for care (35 percent of low-income parents versus 23 percent of all parents). Not surprisingly, parents earning low incomes (who are less likely to receive government support for child care compared to parents in poverty) are the most likely to support using federal funds to reduce child care costs (59 percent of parents earning low incomes versus 48 percent of all parents).

Conclusion

Given parents' concerns about quality child care, they strongly support policies that would require all child care providers to pass background checks, undergo training, regular health and safety inspections, and be licensed. They tend to think these activities are already required and when they hear about the reality of state and federal policies, parents become even more supportive of proposals to strengthen the quality of child care.

Parents support increased investments to make child care more affordable, but support even more strongly increased investments to improve the quality of care. This demand for increased quality in child care is pervasive and remains consistent year over year. Unfortunately, Congress and many states have failed to put in place policies to require all child care providers caring for unrelated children to have a license, policies to require child care providers to have basic health and safety training, as well as policies to require all child care providers to have a background check including fingerprints to ensure that those individuals with a violent history are not licensed or paid with taxpayer dollars to care for children.

Because child care is a necessity that enables parents to find and keep jobs in today's down economy, it is imperative that public policy at the very least ensures the health and safety of children in non-parental care. Parents seeking to support their families should not be forced to compromise on the safety or quality of child care. And, state and federal policy should promote settings that are safe for children while fostering their healthy development. Unfortunately, most children are left to chance in many states. Chance may be okay when playing a board game, but not with the lives of children.



Recommendations

NACCRRA makes the following recommendations to Congress and the states:

1. Require all paid providers caring for unrelated children every week (like a business) to be licensed.
2. Require all paid providers to undergo a complete background check, including fingerprints, prior to working unsupervised with children.
3. Require inspections prior to the state issuing a license and conduct regular unannounced inspections throughout the year.
4. Require that inspection results and substantiated complaints be publicly posted on the Internet so that parents have access to current, accurate information and can make informed choices about child care.
5. Require 40 hours of initial training (before working with children or within the first few months) and 24 hours of annual training. Training should include child development, guidance and discipline, CPR/first-aid, recognizing child abuse and neglect, and related health and safety issues.
6. Support Child Care Resource & Referral agencies in their efforts to promote public awareness to advance safe, affordable, quality care and early learning opportunities.



Stegosaurus
This dinosaur is called
a Stegosaurus. Stegosaurus
had big pointed plates
on their backs.

Pointed plates

Parents' Perceptions of Child Care

More than 11 million children under the age of 5 regularly spend time in some type of child care setting every week (U.S. Census Bureau, 2010). The majority of parents consistently report that this care is a necessity that enables them to find and keep jobs in an economy where both parents have to work. Over time the view of child care as an economic necessity has increased, with 57 percent of parents of young children reporting that child care was an economic necessity in 2010, versus 49 percent in 2006. Given this increasingly prevalent view, it is not surprising that the factor that accounts for the majority of differences between parents' use and perceptions of child care is employment status. Parents from single-income families with one stay-at-home parent use child care infrequently, if at all, and are therefore less affected by disruptions in care and less worried about the cost of child care. Parents from dual-income families or families where they are the sole provider use child care much more frequently and are subsequently affected by disruptions in care and worried about the cost of child care.

Considering the importance of child care in the safety and early development of children and as a factor that allows parents to work, NACCRRA has examined how the current state of the economy has affected the use and perceptions of child care in America. A majority of child care consumers say they have experienced job losses and wage cuts in the last year and have sometimes been forced to compromise on quality in their child care. Among child care consumers, four in 10 said the economic downturn has adversely affected their child care arrangement, this is particularly true for younger parents, single parents (particularly single mothers), African-American parents, and low-income households. One-quarter said they had to change their arrangements because they could no longer afford child care. Those who have had job loss or wage reductions are more likely to use grandparents for child care, perhaps as a result of their job situation.

Cynthia, of San Francisco, has had to manage the recession by giving up her child care. Instead, her child's father, who switched to night shift work, cares for their 2-year-old during the day. Cynthia says she is exhausted, and while this arrangement helps in the short term, she is not sure it is sustainable.

Despite differences and recent changes in employment status, however, all parents consistently report that their greatest concern regarding their child care arrangements is quality, followed by cost. Their focus on quality holds true across differences in income, education, gender, and marital status and remains consistent year over year. While parents want the best quality child care for their children, the logical assumptions they make about government standards and oversight are far from the reality of weak state policies. Interestingly, perceptions regarding the quality of child care are less accurate among those who rely on child care the most. For example, more than any other group of parents, higher percentages of dual income parents (high users of child care) think that regulations are in place regarding the training and screening of child care providers and the licensing and inspection of child care programs. The reality is nearly half of children under the age of 5 are in unlicensed and uninspected care and/or in care that does not meet basic health and safety standards.

The gap between parents' perceptions and reality widens year after year. Four years ago, 65 percent of parents polled believed that child care providers were required to go through training; two years later this figure increased to 78 percent and remains high at 77 percent today. Four years ago nearly two-thirds of parents believed that all child care programs are required to be licensed, this figure jumped to 81 percent in 2008, where it remains today. Four years ago, more than two-thirds of parents believed that all child care providers must have a background check, this figure jumped to 84 percent in 2008 and increased again to 85 percent today. This persistent and growing gap between perception and reality reflects parents making logical assumptions, which does not depend on a parent's personal level of education. The majority of high school, college graduate, and post-graduate parents alike make these assumptions - often to the detriment of their own children.

The unfortunate coincidence is that as the gap between perception and reality increases, the proportion of children in unregulated care also increases. There are four basic types of child care in America: relative care; non-relative care, family child care; and center-based care. Both relative and non-relative types of care are considered informal/unregulated and are typically exempt from state licensing requirements. Family child care and center-based care are regulated at the state level and subject to state licensing requirements. According to the U.S. Census Bureau's most recent data, about 42.5 percent of children under age 5 are in organized child care (a child care center or family child care home) compared to about 40 percent with relatives (29.5 percent with grandparents). While it is difficult to determine the

quality of informal care, many recent studies show that informal care is generally of lower quality than formal care. Given that multiple studies over the last 20 years show that even formal child care is of poor to mediocre quality, this is especially unfortunate.

To better understand parents' views and experiences regarding child care as well as the types of changes they support to improve the quality and availability of affordable child care, NACCRRA commissioned Lake Research Partners to conduct a nationwide telephone survey of 1,000 parents with children under the age of 12. Interviews were conducted from June 7-16, 2010, by professional interviewers, who asked approximately 50 questions. The survey recorded information about parents' views and experiences with child care and the types of improvements and initiatives they would support regarding child care. This year, the survey included additional questions regarding the impact of the economy on child care and paid special attention to the views and experiences of parents in rural areas.

Key Findings

Child Care Arrangements for the Youngest Child

Parents were asked whether their youngest child was currently being cared for or had been cared for by someone other than a parent in the past five years on a regular basis. More than five in 10 parents of children birth to 5 years of age (54 percent) reported that their youngest child is or had been in some form of non-parental care. These percentages were slightly lower for parents whose youngest child is age birth to 2 years old (48 percent).

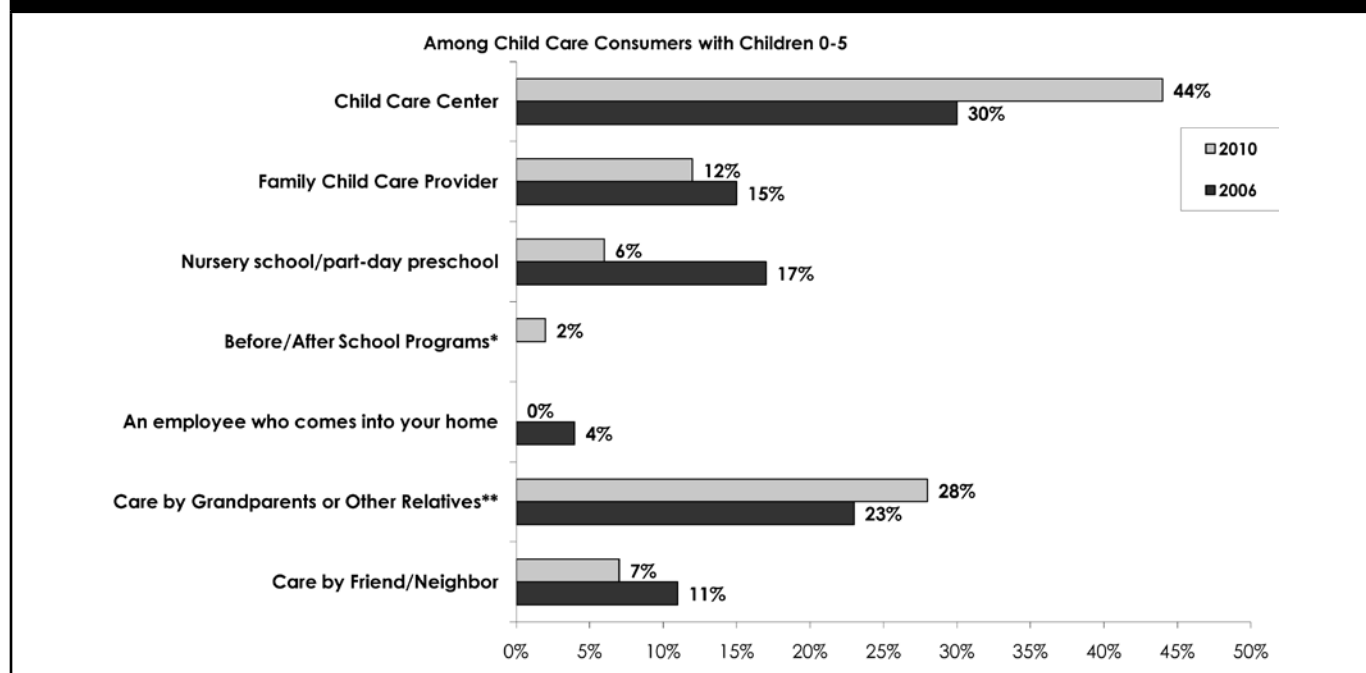
In 2010 versus 2006, parents with children ages birth to age 5 reported an increased use of center-based child care, and a drop in nursery or part-day preschool programs. The percentage of parents utilizing informal care—from a relative, friend, or neighbor—

remains steady. Within informal care, slightly fewer parents report using care from a friend or neighbor and slightly more report using relatives, including grandparents.

Formal Child Care

- ◆ Parents report using formal child care most frequently for their youngest child. Five in 10 parents of children birth to 5 years of age (52 percent) use a child care center, nursery school, or part day pre-school. Another one in 10 (12 percent) use a family child care provider.
- ◆ Regarding different types of formal child care, urban parents are more likely to use child care centers and rural parents are more likely to use family child care providers.

Figure 1:
Parents' Child Care Arrangements 2006 vs. 2010





Informal Child Care

- ◆ Among parents who choose informal child care, nearly three in 10 (27 percent) report that a grandparent or another relative cares for their youngest child and less than one in 10 (6 percent) use a friend or neighbor.
- ◆ Parents with a high school education or less report using friends and neighbors more than any other group. Nearly one in four parents with a high school education (24 percent) use friends and neighbors than parents overall (15 percent).

When asked if there was any period in which they chose to stay at home rather than place their youngest child in child care, less than half of parents (46 percent) reported having stayed at home. Nearly five in 10 parents (49 percent) said that the reason they did not stay home was because they could not afford it. This was particularly true for women age 35 or older without a college degree, parents living in rural areas, and working mothers.

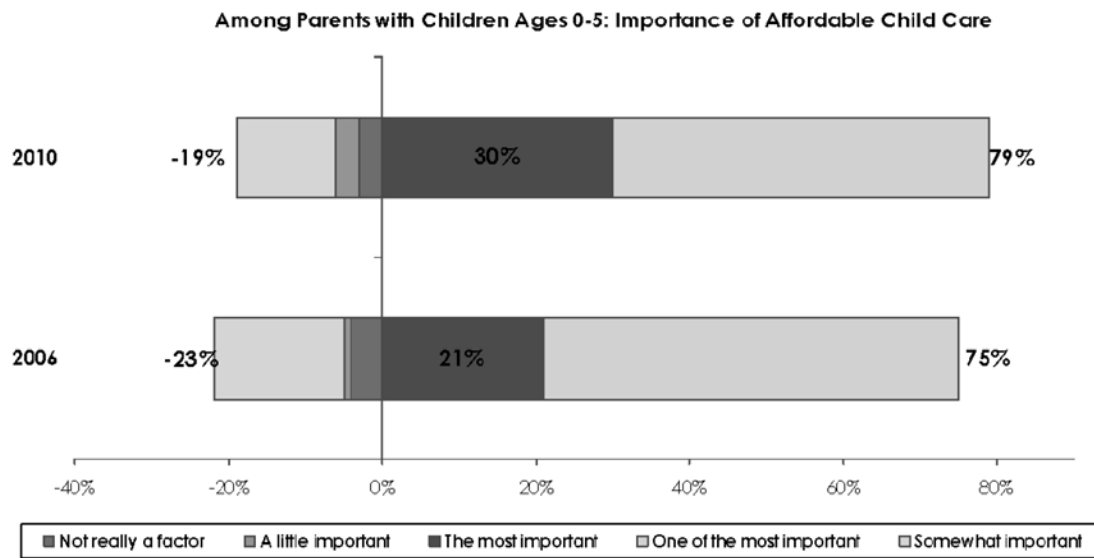
For parents who did choose to stay home for any period, the majority (52 percent) stated that they believed that children need at least one parent around. Women in the Midwest are more likely to report having stayed home than other groups and men with a college degree are more likely to believe that a child needs one parent at home.

When asked how many hours their youngest child spent in the care of someone else in the last week, parents' answers differed greatly. Slightly more than four in 10 (45 percent) said none. Roughly one in 10 (11 percent) said one to eight hours; one in 10 (12 percent) said nine to 20 hours; one in 10 (11 percent) said 21 to 30 hours; and slightly more than one in 10 (14 percent) said 31 hours or more.

- ◆ Unemployed parents and homemakers are most likely to say that their children spend no time in non-parental care.
- ◆ Parents in dual-income families where the parents either work alternating shifts or have different schedules are twice as likely as all parents to report placing their youngest in child care for nine to 20 hours.
- ◆ Parents who are sole providers and/or single working mothers are more than twice as likely than all parents to report placing their youngest in child care for nine to 31 hours or more.

When asked how long it takes to get their child to their child care setting, the majority of parents (88 percent) said 30 minutes or less. Nearly one in three (32 percent) travel less than five minutes to their child care setting, roughly another third (35 percent) travel between six to 15 minutes to their child

Figure 2
Importance of Affordable Child Care 2006 vs. 2010



care setting, and roughly one in five (21 percent) travel between 16 to 30 minutes to their child care setting.

A parent's employment status is most associated with travel time to a child care setting. Part-time workers tend to live closest; dual-income families with alternate shifts or different schedules are more likely to take six to 15 minutes to reach their child care setting; and dual-income families working the same shifts are more likely to take 16 to 30 minutes to reach their child care setting.

Greatest Single Concern about Child Care

Quality

Among parents overall, as well as child care consumers, quality is by far the single greatest concern about child care, followed by cost. When parents are asked to identify their single biggest concern about child care, nearly four in 10 (38 percent) choose quality as their highest concern for their children's care. Cost is the second greatest concern (20 percent).

Cost

While cost is secondary to quality, concerns about child care costs are sizeable. **Three in four parents rate affordable child care as the most (31 percent), or one of the most (45 percent), important factors**

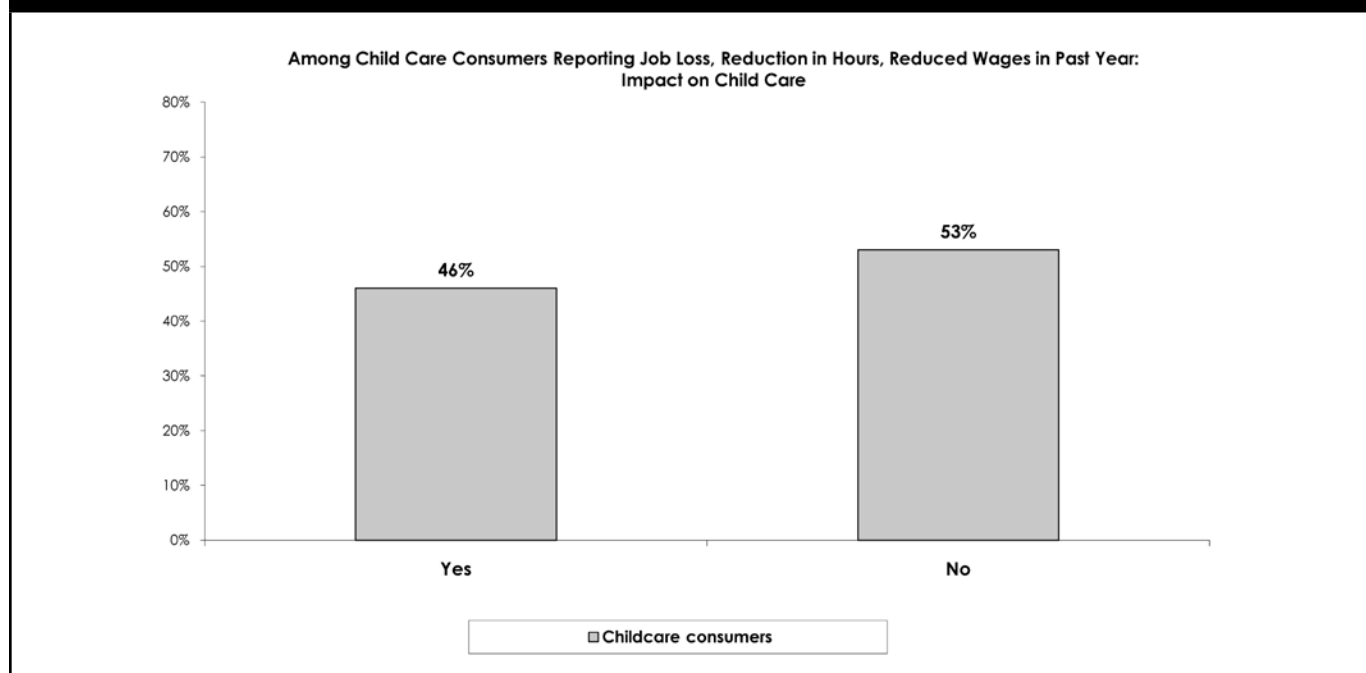
in helping working families make it in today's economy. This belief is even stronger now than in 2006. Parents most likely to rate cost over quality as their top concern include parents who use rural child care and women without a college degree.

Availability and Reliability

About one-quarter of child care consumers report their child care arrangements have caused them to miss work or take unpaid time off. Less than one in 10 said their child care arrangements have led to missing a promotion, taking a pay cut, or losing a job completely.

- ◆ The parents most likely to miss work as a result of their child care arrangements include parents who use family, friend and neighbor care. **Nearly four in 10 parents (37 percent) who use family, friend and neighbor care have missed work due to child care compared to one in 10 parents (19 percent) overall. This proportion is even higher (44 percent) for parents who use informal care in rural areas.**
- ◆ Parents from dual-income families where one person works more than two jobs are most likely to take unpaid time off as a result of their child care arrangements falling through. Nearly four in 10 parents (37 percent) say they took unpaid leave versus 18 percent of all parents.

Figure 3

Impact of Job Loss, Reduction in Hours, and/or Reduced Wages on Child Care**The Economy's Impact on Child Care**

Families and child care consumers are seeing the impact of this economy. Nearly four in 10 parents (36 percent) said they are worse off than four years ago (14 percent much worse). This is stronger among parents who lost their jobs or whose wages were reduced in the last year and among parents with older children. Almost half of parents (48 percent) said they are better off now than they were four years ago, with only 14 percent feeling this way strongly. This is stronger among parents earning more than \$50,000 a year and parents with a college education. There has been job and wage loss among parents, with nearly four in 10 acknowledging this reality.

Table 1: Family Current Economic Well Being versus Four Years Ago

Percentages of Parents Reporting They are Worse Off Today Versus Four Years Ago			
	Worse	Much Worse	Worse/Much Worse
Total Parents	22%	14%	36%
Parents of Children Birth - 5	21%	11%	32%
Parents of Children 6-11	23%	15%	38%
Child Care Consumers	21%	13%	34%

Among child care consumers, four in 10 said the economic downturn has impacted their child care situation (39 percent). Additionally, around four in 10 parents report worrying all or most of the time about not being able to meet family expenses.

The down economy is most likely to have adversely affected the child care arrangements among younger parents, single parents (particularly single mothers), African-American parents, and low-income households. While less than one in 10 parents (8 percent) report that the economic downturn has impacted their child care situation a great deal, nearly one in five separated or divorced parents (24 percent) report a great impact. Those least likely to have had their child care adversely affected include rural parents, married women, and parents earning more than \$50,000 a year.

In the past year, 15 percent of parents said they had lost a job; 17 percent of parents said their hours were reduced; and 24 percent of parents said their wages were reduced. One-quarter said they had to change their arrangements because they could no longer afford child care. Those who have had job loss or wage reductions in their households are also more likely to use grandparents for child care, perhaps in part as a result of their job situation.

Parents' Perceptions about Safety and Quality vs. the Reality

Despite the fact that the majority of parents want the best they can afford for their children, strong majorities of parents make logical assumptions about child care standards that far exceed state policies.

For example, the majority of parents believe that child care providers are required to have training when in fact in most states providers are not required to have any training - not in CPR or first aid; not in basic health and safety practices; and not in child development.

Background Checks

- ◆ **Perception:** More than eight in 10 parents (85 percent) believe some or most child care providers must have a background check. This belief is most prevalent among parents earning low incomes.
- ▶ **Reality:** Only 10 states require a comprehensive background check, including a fingerprint check against federal and state records, a check of the state sex offender registry, as well as a check of the child abuse registry before allowing adults to be licensed to provide child care.

Inspections

- ◆ **Perception:** Two-thirds of parents (67 percent) believe the government regularly inspects some or most child care programs. This belief is most prevalent among parents who use child care centers, middle-class and urban parents.
- ▶ **Reality:** For some states, monitoring is so infrequent it is almost meaningless. Georgia does not require monitoring. Twenty-five states conduct monitoring inspections of child care centers only once a year or less frequently.
- ▶ About half the states do not conduct inspections of family child care homes at least annually. Montana requires visits only once every five years and Michigan once every 10 years. **Eight states do not conduct an inspection or visit prior to issuing a license.**

Licensing

- ◆ **Perception:** More than three in four (78 percent) believe some or most child care programs are required to be licensed. This belief is most prevalent among African American and Latino parents.
- ▶ **Reality:** Only 12 states license most child care centers and all family child care homes. Louisiana and New Jersey only regulate child care centers.

Tamara, of Aspen, Colorado, had her pay cut 20 percent at the same time her husband received a 15 percent pay cut. They feel lucky to still be employed, but struggle to make ends meet with the reduction in their income. They switched their children from the child care center they loved to one that would take their children part-time at a reduced rate – getting by with the help of family and friends since full-time care is simply not affordable for them at this time.

Training

- ◆ **Perception:** Seven in 10 parents (73 percent) believe that some or most child care providers go through training in child development before they work with children. This belief is most prevalent among African American and Latino parents.
- ▶ **Reality:** Relatively low levels of education make preservice and orientation training very important. In 11 states, providers in family child care homes do not need any training before being licensed as small family child care providers. While health and safety are recognized as important areas for training in most states, one-fifth of states do not require staff to be trained on fire safety and other health and safety skills. Two states (Idaho and New York) do not require initial training on specific topics.

- ◆ **Perception:** Nearly three in four parents (74 percent) believe some or most providers receive ongoing training opportunities. This belief is most prevalent among parents who use family child care, African American and Latino parents, and upper middle-class parents.

- ▶ **Reality:** The number of required annual training hours for caregivers in most states is very low and insufficient to ensure they have the knowledge and skills needed to care for young children. Twenty-five states require fewer than 15 hours of annual training for staff in child care centers. States, on average, require fewer than 15 hours of annual training for licensed care – either in centers or family child care homes.

Learning Environment

- ◆ **Perception:** Nearly nine in 10 parents (89 percent) believe some or most child care providers promote learning opportunities for their children. This belief is most prevalent among urban parents.

- ▶ **Reality:** Licensing regulations related to program activities in most states are insufficient to adequately prepare children to enter kindergarten “ready to learn.” Only 19 states require that all six developmental areas (physical well-being and motor development, social/emotional development, approaches toward learning, language development and cognition and general knowledge) be addressed in child care center program activities. Alabama, California, Idaho and Wyoming do not require that any developmental domains be addressed in classroom activities. Thirty-one states require small family child care home providers to plan learning experiences for the children in their care. Only 14 states require providers to read to children, and even fewer (nine) require providers to introduce mathematical concepts. Fewer than half (20) of the states restrict the use of media such as television and videos in small family child care homes.

Federal Policy for Child Care

- ◆ **Perception:** More than two-thirds of parents (64 percent) believe that the federal government requires states to have quality standards in place for all child care programs to ensure the health and safety of children in order to receive federal money for child care. This belief is most prevalent among parents of children ages birth to 5.

- ▶ **Reality:** There are no federal requirements to ensure that child care centers or family child care providers offer care that meets even minimal standards for health and safety. **While 31 states meet each of 10 basic health and safety standards for child care centers, only nine states meet basic health and safety standards for family child care homes.** All states should meet these requirements for both centers and family child care home providers.

- ◆ **Perception:** More than half of parents (53 percent) believe that the federal government requires that states ensure that all paid child care providers caring for unrelated children on a regular basis have some basic training in health and safety practices and child development before working with children in order to receive federal money for child care. This belief is most prevalent among urban and Latino parents.

- ▶ **Reality:** There are no federal requirements to ensure that child care centers or family child care providers have some basic training in health and safety practices and child development before working with children in order to receive federal money for child care.

- ◆ **Perception:** Six in 10 parents (61 percent) believe that the federal government requires states to help low- and middle-income families pay for child care in order to receive federal money for child care. This belief is most prevalent among women in the Midwest and women without a college education.

- ▶ **Reality:** Most government money for child care is allocated to the states through the federal Child Care and Development Block Grant (CCDBG) to provide subsidies to families with very low incomes to better afford child care. The middle class does not qualify for subsidies and the U.S. Department of Health and Human Services estimates that only 17 percent of

eligible low-income children receive assistance. The Government Accountability Office released a report in May 2010 that found the number of children receiving assistance between FY2006 and FY2008 (the most recent available data) declined by 170,000 children (10 percent).

Paying for Child Care

- ◆ Parents who use center-based care are most likely to report paying larger percentages of their incomes for child care, while two-thirds of those who use grandparent care say they do not pay for their care.
- ◆ Single, working mothers are more likely than other parents to pay for their child care, and to say that this expense ranks in the middle-range of their monthly expenses. Additionally, half of two-parent, two-income families rank the cost of child care as within their mid-to largest bills.

The fact that most parents report that child care expenses rank somewhere in the middle of their monthly expenses holds true across all income levels illustrates that children from different income brackets are likely receiving different quality care. For example a family with a household income of \$30,000, paying 15 percent of household income (i.e., \$4,500) for child care annually, is likely paying for and receiving a different level of child care quality than a family with a household income of \$100,000 that pays 15 percent (or \$15,000) a year for child care.

When it comes to child care, cost and quality are related. NACCRRRA's data (2009) shows that in 2008 full-time center-based care for a 4-year-old child ranged from \$4,056 to \$11,678 and that the price premium for higher quality care is often substantial.

When asked if they received any help in paying for child care, child care consumers report receiving very little help. Less than two in 10 parents said they receive government support. Fifteen percent of parents with one child receive government help and 11 percent of parents with more than one child in care receive government help. Regardless of the number of children in care, six percent report receiving assistance from grandparents, four percent report receiving assistance from another relative, and two percent report receiving assistance from employers.

When parents were asked how often they worried that their total family income will not be enough to meet their family's expenses and bills, four in 10

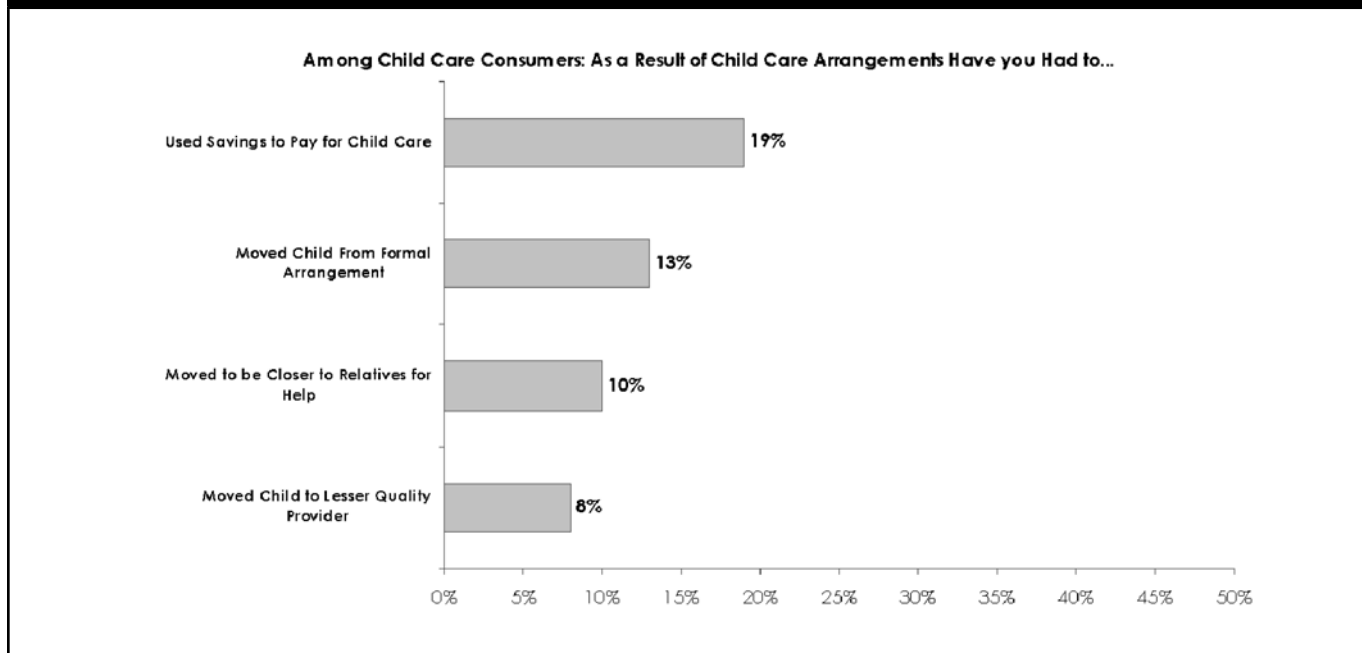
Jessica, of Dunedin, Florida, and her family struggle to make ends meet ever since her husband was laid off from his job. Even with only her income, her family did not qualify for a child care subsidy. She knows how important quality child care is, but she is not sure how long she will be able to afford her current child care on her income alone.

(38 percent) said all or most of the time. Naturally, the parents most concerned about meeting family expenses were unemployed and/or earning less than \$20,000 annually.

- ◆ More than two-thirds of unemployed parents (69 percent), two-thirds of parents earning less than \$20,000 annually (65 percent), and half (50 percent) of parents earning between \$20,000 and \$30,000 annually said they worry about making ends meet "all or most of the time" versus 21 percent of all parents.
- ◆ Divorced parents and less educated parents are also very concerned about meeting family expenses. More than two-thirds of divorced parents (65 percent) and four in 10 parents with a high school education or less (46 percent) said they worry about making ends meet "all or most of the time" versus 21 percent of all parents.
- ◆ The parents least likely to be concerned about making ends meet are college graduates and parents earning more than \$50,000 a year.

Among the four in 10 child care consumers who worry frequently about their family's income not being enough to meet their family's expenses and bills, one-quarter (27 percent) worry about being able to afford their child care. In addition to the unemployed, users of formal child care arrangements (child care centers and family child care) are more likely to worry about affordable child care.

Figure 4
Measures Taken to be able to Afford Child Care



When all parents were asked what, if any, measures they recently took to be able to afford child care, nearly two in 10 parents reported having used their savings to pay for child care. This is stronger for parents using child care centers, in particular suburban child care centers. Fewer than two in 10 say they have had to move their children away from a formal arrangement, moved to be closer to relatives for their help, or moved their child to a child care setting of lesser quality.

Income Levels and Child Care

To better understand the relationship between household income and the use and perceptions of child care, NACCRRA examined survey results among parents in four income brackets - households with less than \$20,000 per year (poverty); households between \$20,000 and \$40,000 per year (low income); households between \$40,000 and \$75,000 (middle income), and households between \$75,000 and \$150,000 (high income).

Parents in Middle- and High-Income Households

Generally speaking, the use of non-parental care increases as household income rises and the children of middle-income and high-income parents are more likely to spend greater numbers of hours in child care than children of lower-income families.

Middle-income and high-income parents are significantly more likely to report being somewhat better or much better off today than four years ago than lower-income parents. These parents are also more likely to report that the economic downturn has had little or no impact on their child care situation than lower-income parents.

Table 2: Family Current Economic Well-Being versus Four Years Ago by Household Income

Percentages of Parents Reporting They are Better Off Today Versus Four Years Ago			
	Better	Somewhat Better	Better/Somewhat Better
Total Parents	14%	34%	48%
High-Income Parents	17%	46%	62%
Middle-Income Parents	19%	33%	52%
Low-Income Parents	10%	33%	43%
Parents in Poverty	9%	20%	29%

Parents in Poverty and Low-Income Households

Parents in poverty and low-income households are more likely to report being worse off today versus four years ago than parents in middle- and high-income households. Accordingly, they are also more likely to report having lost a job or had their hours reduced than parents in middle- and high-income households.

Table 3: Lost Job or Reduced Hours by Household Income

Percentages of Parents Reporting a Job Loss, Reduced Hours or Both			
	Lost Job	Reduced Hours	Both - Lost Job & Reduced Hours
Total Parents	15%	17%	5%
High-Income Parents	11%	11%	5%
Middle-Income Parents	10%	15%	5%
Low-Income Parents	20%	21%	5%
Parents in Poverty	29%	20%	10%

These parents are also more likely to report that the economic downturn has greatly impacted their child care situation than parents in middle- and high-income households. Parents in poverty are the most likely to have had to change their child care arrangements in the last year.

Table 4: Impact of Job Loss or Reduction in Hours on Child Care by Household Income

Impact of Job Loss or Reduction in Hours on Child Care	
	Greatly Impacted
Total Parents	8%
High Income Parents	4%
Middle Income Parents	5%
Low Income Parents	12%
Parents in Poverty	21%

Both parents in poverty and low-income households are more likely to report worrying all of the time about being able to meet family expenses each month than parents in middle- and high-income households. Parents in poverty are the most likely to report worrying about not being able to afford child care all of the time (22 percent of parents in poverty versus 10 percent of all parents).

Parents earning low incomes are the most likely to say that the reason they changed their child care arrangement was that they could no longer afford to pay for care (35 percent of low-income parents versus 23 percent of all parents). Unsurprisingly, low-income parents (who are much less likely to receive government support for child care than parents in poverty) are the most likely to support using federal funds to reduce child care costs (59 percent of low-income parents versus 48 percent of all parents).

Rural Parents and Child Care

Rural parents' child care usage differs from other parents in some ways, and mirrors it in others. Rural parents are less likely to use center-based care (29 percent) than parents overall (38 percent); and much more likely to report using family child care providers than parents overall (21 percent; 12 percent overall). Their reliance on relatives (30 percent) and friends and neighbors for child care (9 percent) are comparable to parents overall.

Like other child care consumers, quality of care is the top concern for rural child care consumers. Nearly four in 10 choose quality as their highest concern for their children's care (39 percent rural consumers; 40 percent consumers overall). Strong majorities of rural parents (75 percent) stand alongside other parents (76 percent) to rate affordable child care as the most, or one of the most, important factors in helping working families in today's economy.

Support for Child Care Improvement Initiatives

Given parents' concerns about quality child care, they strongly support policies that would require all child care providers to pass background checks, undergo training, regular health and safety inspections, and be licensed. They tend to think these are already required and when they hear the current status of these lacking safety and quality controls, parents become even more favorable toward the proposal. Parents show the most support for initiatives requiring various quality standards in order for states to receive public funding for child care.

- ◆ More than nine in 10 parents (94 percent) favor proposals that would require all paid child care providers caring for unrelated children on a regular basis to have some basic training in health and safety practices before working with children.
- ◆ More than nine in 10 parents (92 percent) favor proposals that would require states to conduct a background check using fingerprints on every paid child care provider caring for unrelated children on a regular basis.

- ◆ More than eight in 10 parents (88 percent) favor proposals that would require states to inspect child care programs at least once a year, including those operated from people's homes who are paid to provide care for unrelated children, in order to receive public funds for child care.
- ◆ More than eight in 10 parents (88 percent) favor proposals that would require states to license all paid child care providers caring for unrelated children on a regular basis.

While parents rate affordable child care as the most, or one of the most, important factors in helping working families in today's economy, they tend to be more supportive of tax increases that would improve the quality of care rather than increases that would reduce costs, although two-thirds still support such a measure to reduce costs. More than seven in 10 parents (73 percent) say they support increased funding for child care quality and nearly six in 10 (59 percent) report this is either a top or high priority.





Conclusion and Recommendations

Given the role of child care as a necessity that enables parents to find and keep jobs in today's down economy, it is imperative that public policy at the very least ensures the health and safety of children in non-parental care. Parents seeking to support their families should not be forced to compromise on quality. Parents are not asking for funding to reduce costs, they ask for funding to improve quality. This demand for increased quality in child care is true for parents from all income levels, education levels, gender, and forms of marital status. This demand remains consistent year over year.

Unfortunately, Congress and many states have failed to put in place policies to require all child care programs caring for unrelated children to have a license, policies to require child care providers to have basic health and safety training, as well as policies to require all child care providers to have a background check including fingerprints to ensure that those individuals with a violent history are not licensed or paid with taxpayer dollars to care for children.

Because child care is a necessity that enables parents to find and keep jobs in today's down economy, it is imperative that public policy at the very least ensures the health and safety of children in non-parental care. Parents should not be forced to compromise on the safety or quality of child care. And, state and federal policy should promote settings that are safe for children while fostering their healthy development. Unfortunately, most children are left to chance in many states. Chance may be okay when playing a board game, but not with the lives of children.

Recommendations

NACCRRA makes the following recommendations to Congress and the states:

1. Require all paid providers caring for unrelated children every week (like a business) to have a license.
2. Require all paid providers to undergo a complete background check, including fingerprints, prior to working unsupervised with children.
3. Require inspections prior to the state issuing a license and regular unannounced inspections throughout the year.
4. Require that inspection results and substantiated complaints be publicly posted on the Internet so that parents have access to current, accurate information and can make informed choices about child care.
5. Require 40 hours of initial training (before working with children or within the first few months) and 24 hours of annual training. Training should include child development, guidance and discipline, CPR/first-aid, recognizing child abuse and neglect, and related health and safety issues.
6. Support Child Care Resource & Referral agencies in their efforts to promote public awareness to advance safe, affordable, quality care and early learning opportunities.



Appendix A: Survey Methodology

In June 2010, NACCRRA commissioned Lake Research Partners (LRP) to design and administer a telephone survey with parents with children under age 12. Interviews were conducted from June 7-16, 2010, by professional interviewers, who asked approximately 50 questions. The sample included a total of 1,000 parents with an oversample of 100 rural parents with children under age 12. Relevant cases in the base were folded into the rural oversample and the oversample was weighted into proper proportions for urbanicity among the total. The survey also oversampled parents with children ages birth to 5, and weighted this oversample back into its proper proportions for

the overall survey. Telephone numbers for the survey were drawn from a random list of parents with at least one child between the ages of birth and 11. The sample was stratified geographically based on the proportion of parents with at least one child under 12 in each region. Data in the sample were weighted slightly by age, education, region, race, urbanicity and age of children to reflect the attributes of the actual population. The margin of sampling error for the survey is +/-3.1 percentage points. The margin of sampling error for the rural oversample is +/- 4.9 percentage points.



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