

NEW JERSEY CHILD CARE MARKET RATE SURVEY

2010

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**Office of Research and Evaluation
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**Division of Family Development
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NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2010 EXECUTIVE SUMMARY

The Federal Government requires each state to conduct a survey every two years of child care market prices. The results are one factor used in establishing rates that providers will be reimbursed for child care costs.

The Department of Human Services' (DHS) Office of Research and Evaluation worked with the Division of Family Development (DFD) and New Jersey's Child Care Resource and Referral (CCR&R) agencies in conducting New Jersey's child care market rate survey. Information was obtained for two types of regulated child care providers:

- Licensed child care centers are facilities maintained for the care, development or supervision of six or more children who are under 13 years of age.
- Registered family child care providers are individuals who deliver child care services in their own homes for from three to five children for no less than 15 hours per week.

The Department distributed surveys to licensed child care centers in the fall of 2010. Child Care Resource and Referral agencies were contacted to provide information about family providers as well as some non-responding child care centers. Responses were received from 681 of the 1,037 qualifying child care centers and summarized by CCR&Rs for 2,719 registered family child care providers.

Findings showed the highest average full-time rates for the care of infants, followed by toddlers, preschool and school age children. Centers charged substantially higher rates than family child care providers for most types of care, ranging from the lowest of about \$36 more per week for weekly preschool care to the most, about \$56 per week more for weekly infant care. Differences are greater for centers that charge monthly rates for care of children under six years old. These differences may reflect the different services available for children served in centers or the greater concentration of family child care in urban communities more apt to be low-income. Child care subsidies offer families a wider choice among family child care providers than among centers for care of children under 6 years old, particularly in more affluent locales where rates are the highest.

By contrast, mean rates for before and/or after school care are higher among family child care providers. This may reflect the limited number of children family providers can care for in their homes or the patterns of family use of before/after school care.

Market Rate	Center Weekly	Center Monthly/ 4.33	Family Care*
Weekly Mean - Infants	\$212.12	\$240.30	\$155.63
Weekly Mean - Toddlers	\$198.85	\$223.62	\$150.34
Weekly Mean - Preschool	\$188.85	\$198.89	\$152.46
Weekly Mean - Before School	\$63.20	\$32.95	\$90.24
Weekly Mean - After School	\$75.35	\$59.94	\$87.78
Weekly Mean - Before/After School	\$108.52	\$76.42	\$93.49
Daily Mean - Holiday (School-age)	\$38.66	---	\$27.21
Weekly Mean - Summer (School-age)	\$181.05	\$174.46	\$127.55

* All family care rates are weekly rates. Holiday rate is divided by 5 to obtain the daily rate.

NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2010

Introduction

The Federal Government requires each state to conduct a survey every two years of prices community providers charge families for child care. This information is one consideration used to establish the rates that providers will be reimbursed for child care costs.

New Jersey collects fee data on two types of regulated providers: A licensed child care center is any facility which is maintained for the care, development or supervision of six or more children who are under 13 years of age. By contrast, a registered family child care provider is a caregiver who offers child care services in her own private residence to no fewer than three and no more than five children at any one time for no fewer than 15 hours per week. Whereas the licensing of child care centers is mandated by law, family child care registration is voluntary.

Terminology

Throughout this report, the term “*market rate*” or “*rate*” is used consistent with federal nomenclature to describe *prices* that are set in the open market by child care providers. This must be distinguished from the *rate of payment* established by the Department of Human Services for reimbursing child care providers.

The Instrument

The Department of Human Services’ (DHS) Office of Research and Evaluation (ORE) worked with the Division of Family Development (DFD) and New Jersey’s Child Care Resource and Referral agencies (CCR&Rs) to conduct New Jersey’s child care market rate survey.

The data collection instruments were central to this collaboration. Research and program staff at DFD generated questions about full-time rates charged for different age groups and program types based on different payment schedules, e.g., weekly or monthly. Additional questions captured information regarding additional fees or charges, discounts when more than one child was enrolled, acceptance of children with subsidies and hours of program operation. For family providers, modifications were made consistent with the data already reported on the NJ Association of Child Care Resource & Referral Agencies (NJACCRRRA) database. Information from these sources was augmented by descriptive information from existing child care provider databases.

Methods

The New Jersey Department of Children and Families (DCF) was the primary source for information about licensed child care centers. The DCF maintains a database of all licensed child care centers. In August 2010, the DCF Office of Licensing provided DHS ORE with an unduplicated list of 3,804 currently operating child care centers. Excluded from the list were 408 Head Start programs and centers receiving Child Care Development Fund (CCDF) dollars to provide child care services through a contract with the Division of Family Development; these centers do not charge families for child care. A random sample of 1,037 child care centers received mail surveys.

DHS Research mailed surveys to child care centers in September 2010; surveys were accompanied by letters from the Director of the Division of Family Development and instructions for completing the survey. Providers could complete the survey online or complete a hard copy that could be returned to DHS by fax or mail.

The desired response rate was 65% among qualifying providers. To ensure an adequate response rate, DHS ORE contacted non-responding child care centers by phone. Staff also searched for rates on center internet websites and requested assistance with rate information from Child Care Resource & Referral (CCR&R) agencies.

Information about registered family child care providers is available from each county's Child Care Resource and Referral (CCR&R) agency formerly known as Unified Child Care Agencies (UCCA). These agencies provided spreadsheets with current family child care provider addresses for mapping; a total of 2,624 registered providers appeared on these lists. For the rates, CCR&Rs averaged weekly rates for specified age categories and provided these summaries to DHS. Rate information was summarized for 2,719 providers. The reason for the discrepancy is unclear.

DHS data entry and research staff entered, corrected and analyzed both center and family rate information, and a DHS research geographer developed analytical maps.

Limitations to the Data

There were a number of limitations to the source data. Center data were obtained from centers directly based upon a list of current open centers with fees from DCF's Office of Licensing. Despite their efforts to exclude centers without fees from the working database, some responding centers reported that they did not charge families for child care. Also, even though the database identified currently operating centers, some closed in the interim. These ineligible centers were excluded from the analysis.

The center licensing database also includes a number of types of child care that are not appropriate for inclusion in the child care market rate study:

- Partial day programs which operate less than five days per week or offer less than full-time care (i.e., less than 6 hours per day). These services are not suitable for working families. Centers that could be identified as partial day programs were excluded from the analysis.
- Kindergarten child care wrap around programs, which are not covered by child care subsidies

An unavoidable limitation of these data is that while it is possible to determine the number of ineligible centers among those returning surveys, it is not possible to identify ineligible centers among the non-responding centers. The response rate will be somewhat lower since it is likely that some ineligible centers did not respond to the survey and therefore cannot be excluded when calculating the response rate.

Another potential concern is that information about child care centers came from different sources: licensing data, respondent surveys, websites, and CCR&R data. Websites and CCR&R information may or may not be current and were less apt to include information regarding discounts, fees, or vouchers.

The sole source of information about family child care providers were the county-based Child Care Resource and Referral agencies. They queried each of their databases and provided summary information that included total numbers of providers and average rates. One consequence is that it is

not possible to calculate a rate that corresponds to the 75th percentile to compare to state subsidies for different types of family care.

In addition, while information was collected from November 2010 to February 2011, it is conceivable that not all rates upon which the summary was based had been updated. There were 21 CCR&Rs and they collect somewhat different data in somewhat different formats. As a result, some had broader or narrower age categories or captured a wider or narrower range of rates (e.g., hourly and monthly). Finally, data collected by CCR&Rs does not include some of the details that are available from direct surveys, including percent discounts, amounts of fees and the like. These differences raise questions regarding comparisons to data from previous years.

Rate information was obtained for 681 responding child care centers from the sample of 1,037 centers, and in summary form, for 2,719 family child care providers.

CHILD CARE AVAILABILITY

A secondary goal of this report was to gauge the geographic distribution of child care across New Jersey. Ideally, parents should not have to travel long distances for child care. This section of the report utilizes a geographic information system (GIS) to get a better sense of access to providers and the types of care available.

Methods

The DHS geographer used a GIS to map licensed child care centers and registered family child care providers. The street addresses for 4,315 licensed child care centers were drawn from the DCF Office of Licensing database, while the addresses of 3,125 registered family child care providers came from county-based Child Care Resource and Referral Agencies. However, not all providers appear in the maps. GIS software must have a valid street address (not a post office box) and zip code in order to geocode or map a location. Due to the high quality of the data, the analyst mapped all 4,214 licensed child care centers (CCC's) and all but 11 (0.4%) of the 2,624 family child care (FCC's) providers.

Figure 1 shows the results of the GIS mapping. This figure consists of three maps; the first two display the geocoded locations of child care centers and family child care providers respectively, while the third, a dot density map, allows comparison of these child care locations to the 1999 distribution of children under age five¹.

A quick glance at the distributions holds few surprises for anyone familiar with New Jersey's human geography. As one would expect, child care providers are located in areas with the highest concentrations of children. The highest concentrations of both types are arrayed along the population corridors traced by New Jersey's major interstate highways, the NJ Turnpike and the Garden State Parkway. Sparsely populated areas like park lands along Kittatinny Ridge in northwestern New Jersey, the Pinelands in the interior of South Jersey and the lowlands along the Delaware Bay have very few providers of either type.

A closer look at the two datasets reveals some notable difference. Despite masking by the greater number of CCCs, it is still apparent that FCC's are more tightly clustered and are clustered in the most densely populated areas of New Jersey. Statistics bear out this relationship. There are 566 municipalities in New Jersey, but 30 percent of New Jerseyans live in the thirty most populous cities.

¹ Data were obtained at the census block level to facilitate comparison with the center and family child care provider data. 1999 was the most recent year for which there are block-level data on children under 5 years old.

Over half of all FCCs (50.8%) are located within these 30 most populous municipalities, while less than one third of all CCCs are located there.

There is a similar relationship between FCCs and population density. Approximately one quarter of New Jersey residents live in the state's fifty most densely populated municipalities. Just over half (51.1%) of FCCs are located in these municipalities, while only 27% of CCCs are located in the same communities.

Finally, we examined the relationship between the location of childcare providers and household income within NJ municipalities. Using income data from the 2000 Census (the most recent municipal data available at this time), we ranked the 566 New Jersey municipalities in terms of median household income. Over half of FCCs (1,351 or 51.7%) were located in the fifty municipalities with the lowest median household income, while less than a quarter of CCCs were located in the same communities. The gap in the distribution gets even wider when we look at the 150 municipalities with the lowest mean household income. While these municipalities only account for one third of New Jersey's residents, two-thirds of FCCs (1,743) are located there. Only 1,446 CCCs (34.3%) are situated in the same communities.

While the relationship between population, population density, median income and location of FCCs seems clear, the implications for access are not as easy to discern. Though there are greater numbers of FCC providers in urbanized areas and areas of lower income, the individual capacities of those providers are low, i.e., six or fewer children. There are relatively fewer CCCs in the same areas, but their capacities tend to be much higher than those of individual FCCs.

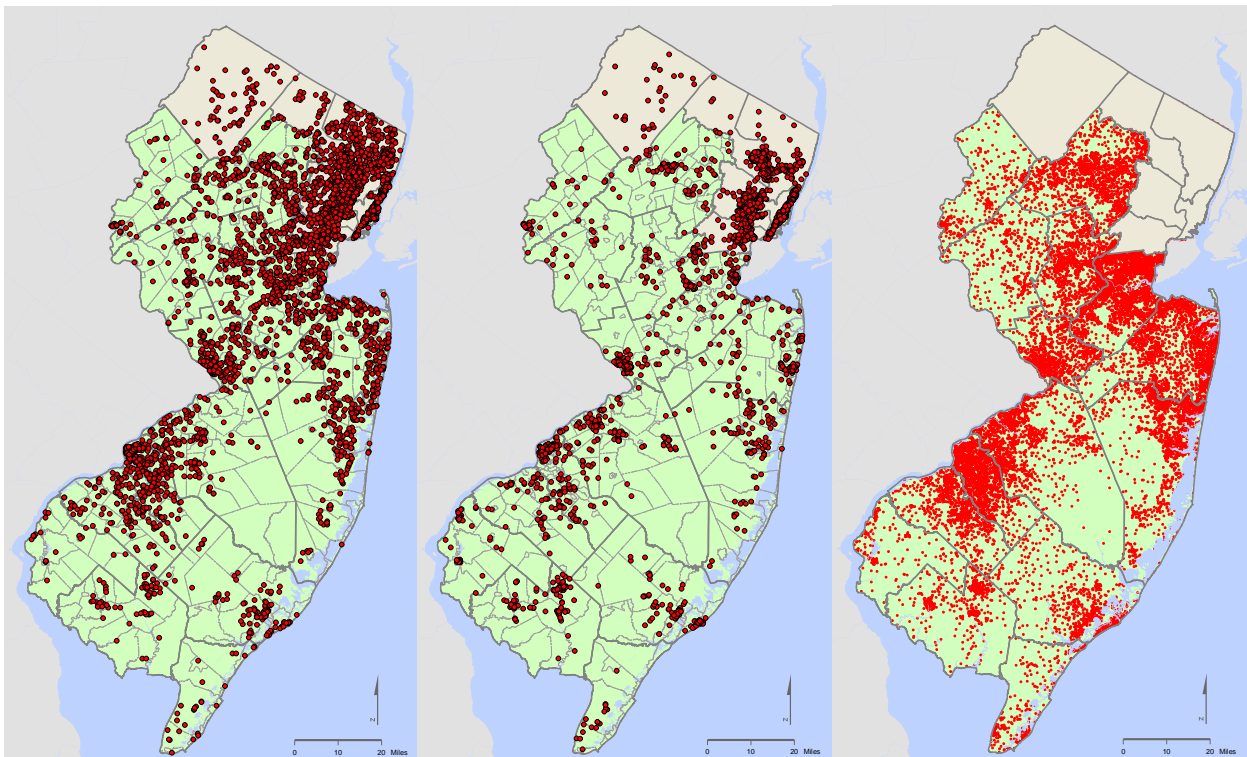


Figure 1: Left: Distribution of 4,214 child care centers. Middle: Locations of 2,613 family child care providers. Right: Distribution of children age 4 and below in 2000. Each dot represents 20 children.

CENTER MARKET RATE SURVEY RESULTS

Characteristics of Child Care Centers

Representativeness

The database from which the sample was drawn included 3,804 qualifying centers. Excluded were centers that were known (on the database) to not charge fees for child care, including Head Start programs and Child Care Development Fund grantees. A random sample of 1,037 centers was drawn, equivalent to a 2.6% confidence interval. Counties with relatively few centers, such as Cape May and Salem, were over-sampled. Based on surveys that were returned, an additional 86 centers were ineligible; the largest number (57 or 66.3%) being partial day only programs that served children under the age of 6 for less than six hours per day and/or less than five days per week.

As of March 15, 2011, rate information was obtained from 681 centers or 71.6% of the 951 centers that were qualifying and not known to be ineligible (1,087-86). It should be noted that some centers that did not return surveys may also be ineligible. The reasons that qualifying centers were ineligible are shown in Table 1 below.

**TABLE 1
REASONS FOR INELIGIBILITY OR EXCLUSION**

Reason	N
Employees only	2
No fee for child care	20
Partial day only	57
Program closed	7
TOTAL	86

The responding centers were compared to the full sample and the total population of providers on a number of dimensions, including geography. As shown in Table 2, the geographic distribution of qualifying child care centers in the licensing database differs from the sample that was drawn. In particular, the two counties with the smallest number of centers (Cape May and Salem) were included in their entirety and therefore comprise a larger proportion of the sample database. Responding centers closely resemble the sample with one exception; there are substantially fewer responding centers from Passaic County. This occurred because information about non-responding centers either could not be obtained from the internet and information was not provided by the CCR&R. Still, about half of the centers (47.9%) could be found in 6 counties: Bergen, Essex, Middlesex, Monmouth, Morris and Union, a finding consistent with the total database (51%).

**TABLE 2
GEOGRAPHIC DISTRIBUTION OF RESPONDING CENTERS WITH RATES**

COUNTY	QUALIFYING CENTERS		SAMPLE		RESPONDING CENTERS	
	N	%	N	%	N	%
Atlantic	82	2.2%	19	1.8%	14	2.1%
Bergen	410	10.8%	103	9.9%	73	10.7%
Burlington	148	3.9%	39	3.8%	24	3.5%
Camden	204	5.4%	54	5.2%	38	5.6%
Cape May	24	0.6%	24	2.3%	18	2.6%
Cumberland	57	1.5%	11	1.1%	6	0.9%
Essex	432	11.4%	112	10.8%	66	9.7%
Gloucester	130	3.4%	31	3.0%	24	3.5%
Hudson	260	6.8%	70	6.8%	41	6.0%
Hunterdon	82	2.2%	24	2.3%	18	2.6%
Mercer	200	5.3%	56	5.4%	43	6.3%
Middlesex	291	7.6%	82	7.9%	51	7.5%
Monmouth	287	7.5%	72	6.9%	44	6.5%
Morris	257	6.8%	76	7.3%	46	6.8%
Ocean	166	4.4%	53	5.1%	34	5.0%
Passaic	199	5.2%	41	4.0%	19	2.8%
Salem	19	0.5%	19	1.8%	15	2.2%
Somerset	176	4.6%	43	4.1%	33	4.8%
Sussex	71	1.9%	17	1.6%	16	2.3%
Union	263	6.9%	77	7.4%	46	6.8%
Warren	46	1.2%	14	1.4%	12	1.8%
TOTAL	3804	100.0%	1,037	100.0%	681	100.0%

Other Program Characteristics.

The Department of Children and Families maintains a database of licensed child care centers. This database also records other information about licensed programs, including funding and program type (before/after school, full day, or school vacations/holidays). The licensing data show that responding programs were almost all (652 or 95.7%) privately-funded. The vast majority were also full day programs (447 or 65.6%). About 30% (199 or 29.2%) offered either before and/or after school programs. A relatively small number were half and full day programs (28 or 4.1%) or provided care during school vacations and holidays (6 or 0.9%). The primary difference compared to the licensing database and the random sample is the small number of half and full day programs; these programs made up about 12.5% of the licensing database and 8.8% of the random sample that was drawn. This discrepancy no doubt occurred because half and full day programs include partial day programs that were excluded from the study because they do not provide full-time child care.

The licensing database also captures the licensed child capacity for each of the programs. The range is substantial, from a minimum of 12 up to a maximum of 400 with a median of 60. More than 50% of the responding centers had licensed capacity for 25-74 children and almost 85% were licensed for up to 124.

Figure 2 Licensed capacity of responding centers with rates

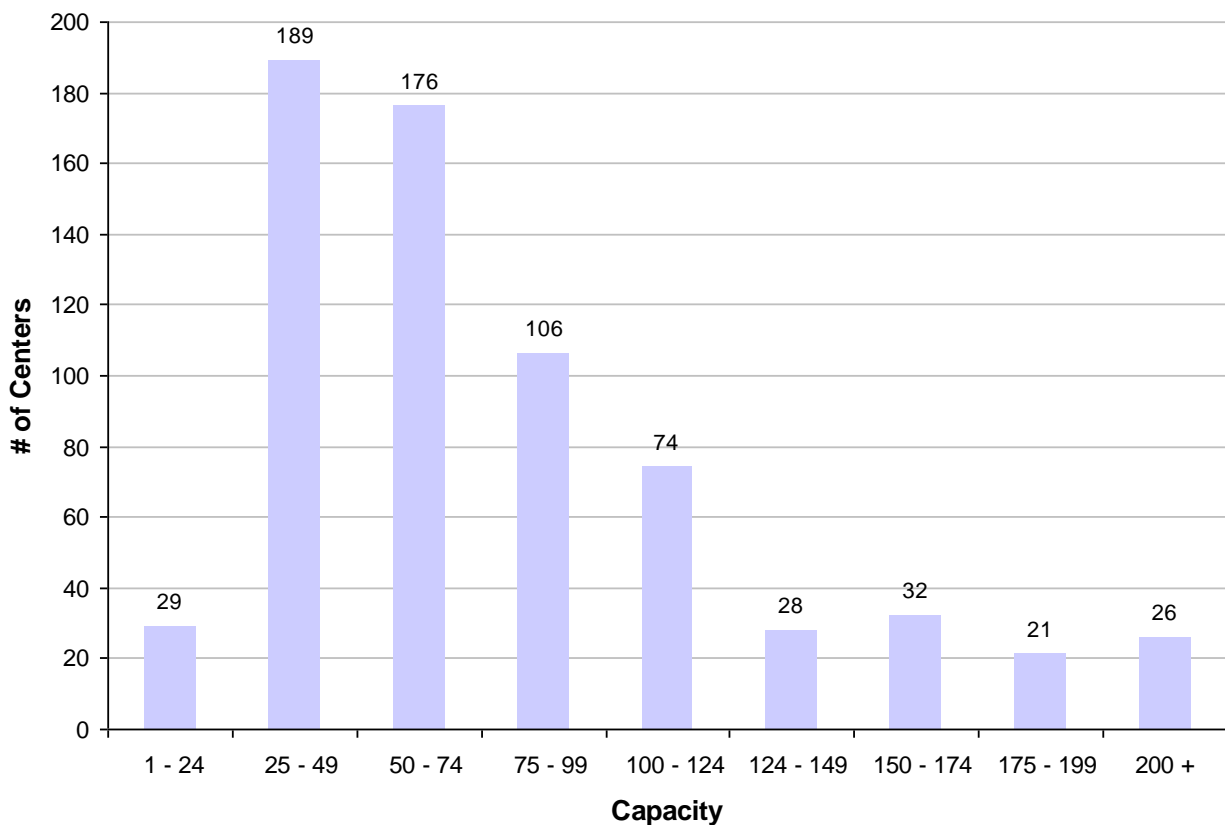


Table 3 gives some indication of the ages of the children served by responding child care centers. Centers typically served more than one age group and offered several different types of programs. However, preschool population was served by the largest proportion (72%) of responding centers. School age children were most likely to be served by before and after school programs and less apt to have access to holiday-specific programs (38.4%).

**TABLE 3
AGES OF CHILDREN SERVED**

Ages Served	N *	% *
Infants	315	46.3
Toddlers	359	52.7
Preschool	440	64.6
School-Age (any)**	446	65.5
Before/After	377	55.4
Summer	223	32.7
Holiday	223	32.7

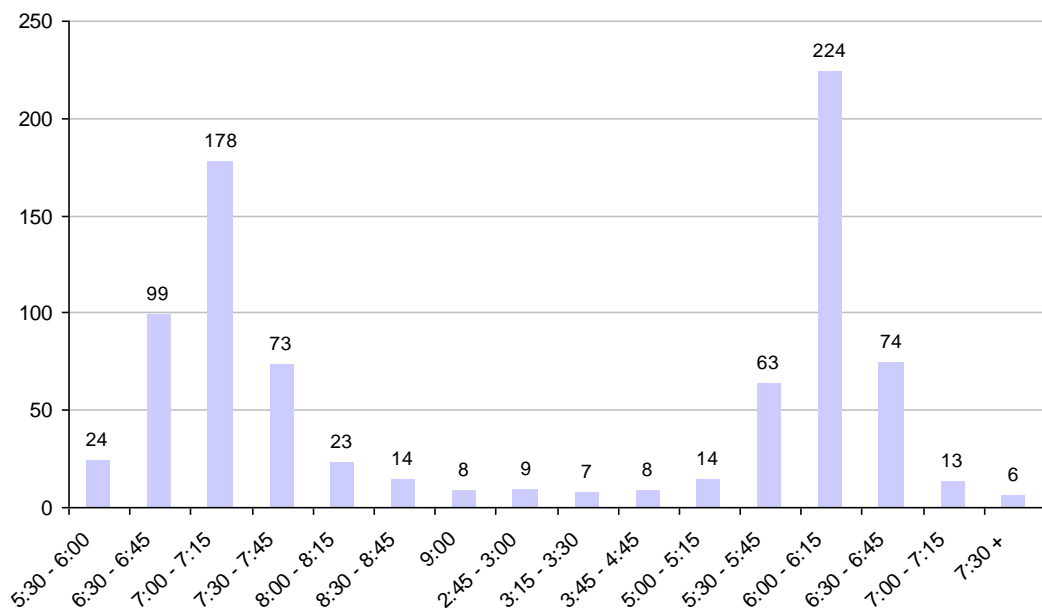
* Numbers sum to more than the 681 centers providing rate information and percentages sum over 100 percent due to multiple responses.

** Programs where the CCR&R were contacted were only asked to provide infant, toddler and preschool age rates; some of these programs may also offer school-age care, but are not represented here.

Hours of Program Operation

The survey asked child care centers the hours they offer full-time child care (i.e., care for infants, toddlers and preschool age children). There were a total of 419 responses. Figure 3 shows that child care centers that provide full-day programming begin offering care around 5:30 AM. However, the majority open between 6:30 and 7:30 AM, with the largest proportion opening at 7 AM (170 or about 41%). Services typically end between 6:00 and 6:15 PM with the largest number ending at 6 PM (216 or 52%).

Figure 3 Child care center hours of operation for children under 6 years (opening and closing times)



Median program hours for centers serving infants, toddlers and preschool age children is 11 hours, although families may not necessarily require child care coverage for the entire time. Of the centers serving children under 6 years, 353 or 88.7% operate year-round, an additional 38 or 9.5% operate for 10 months of the year, i.e., during the school year.

Before and after school programs operate during the school year but have starting and closing times that resemble full-time child care. Most before school programs start at 7 am (44.1%), while most after school programs close at 6 PM (65.8%).

Child Care Center Market Rates

The primary purpose of the Child Care Market Rate Survey was to obtain fee information for different age groups and program types. Centers were asked to report rates for the different age groups that they serve. Rates were averaged for the following age categories:

- Infants (0 – 18 months old)
- Toddlers (18 months to 2 ½ years old)
- Preschool Children (2 ½ - 6 years old)

It should be noted that some centers charged the same rate for all children under 6 years old, while others had as many as 4 different rates within each of these three age categories. If there was overlap in a rate, for example, if there was one rate for children up to 3 years old and another for children older than 3, then the preschool rate was an average of the rate from 0 to 3 years old and the rate for children older than 3 years old.

Centers were asked to record the different rates that they charged, for example, hourly, daily, weekly, monthly or some other rate. Information about these different rates is reported separately. In addition, conversions are made from a monthly to a weekly rate to examine the increase or reduction resulting from different payment schedules.

**TABLE 4
STATEWIDE WEEKLY CHILD CARE CENTER MARKET RATES²**

Age/Program	N	Mean	Median	50% Between: *
Weekly Infant	220	\$212.12	\$200.00	\$170.00 and \$245.75
Weekly Toddler	242	\$198.85	\$187.93	\$165.00 and \$225.68
Weekly Preschool	207	\$188.85	\$180.00	\$150.50 and \$211.88
Weekly School Age Before/After	64	\$108.52	\$105.00	\$81.25 and \$129.50
Before Separately/Only	60	\$63.20	\$55.00	\$34.25 and \$85.00
After Separately/Only	83	\$75.35	\$75.00	\$60.00 and \$85.00
Daily Holiday - School Age	212	\$38.66	\$40.00	\$26.48 and \$45.00
Weekly Summer - School Age	155	\$181.05	\$165.00	\$140.00 and \$217.00

* This is the middle 50% falling between the 25th and 75th percentiles.

Table 4 displays market rates for infants, toddlers, preschool children and three different types of school-age programs (before and after school, holiday care and summer camp). With the

² The *mean* is the average of provider rates; when there are some extreme values, either very low or very high, the average will not be as typical of the overall distribution as the median. The *median* rate is the exact midpoint dividing the distribution in half or in other words it represents the 50th percentile. Half of the reported rates fall below the median and half are above the median rate. The middle 50% fall between the 25th and 75th percentiles.

exception of the daily holiday rate, the table presents weekly rates. The younger the child the higher the rate for child care. Families paid a median of \$200 per week for infant care and \$180 per week for preschool age care.

It is important to note that rates may reflect the hours of service utilization. Some programs offer families the option of enrolling for fewer full-time hours at a lower rate. The costs reported here reflect maximum utilization; families may pay less than the rates indicated.

**TABLE 5
STATEWIDE MONTHLY CHILD CARE CENTER MARKET RATES³**

Age/Program	N	Mean	Median	50% Between: *
Monthly Infant	102	\$1,040.51	\$1,045.00	\$838.50 and \$1,127.00
Monthly Toddler	119	\$968.26	\$950.00	\$760.00 and \$1,108.00
Monthly Preschool	155	\$861.21	\$850.00	\$695.00 and \$974.00
Monthly School Age				
Before/After	88	\$330.92	\$322.50	\$265.25 and \$390.75
Before Separately/Only	181	\$142.68	\$130.00	\$117.00 and \$161.00
After Separately/Only	240	\$259.52	\$250.00	\$216.00 and \$300.00
Monthly Summer - School Age	56	\$755.42	\$773.00	\$600.00 and \$915.75

* This is the middle 50% falling between the 25th and 75th percentiles.

Monthly rates are less common than weekly rates for infants, toddlers and preschool age children, but more common than weekly rates for school-age child care. It should be noted that some programs offer many different payment schedules, allowing families to choose the option that best meets their needs.

Monthly rates were divided by 4.33 to yield estimated weekly costs. As shown in Table 6 (next page), families paying monthly spend about \$10-\$28 more per week than families who pay on a weekly basis for care for children under six years old. By contrast, school age care costs less when paid monthly. Families paying monthly spend from \$15-\$32 per week less than families paying weekly for various types of before and after school care for their school-age children. These lower costs suggest that a benefit accrues from paying “up front” for school-age child care. There is only a slight benefit (\$7 per week) for monthly payment for summer care.

³ The *mean* is the average of the provider rates; when there are some extreme values, either very low or very high, the average will not be as typical of the overall distribution as the median. The *median* rate is the exact midpoint dividing the distribution in half or in other words it represents the 50th percentile. Half of the reported rates fall below the median and half are above the median rate.

**TABLE 6
COMPARISON OF STATEWIDE AVERAGE WEEKLY CHILD CARE CENTER MARKET
RATES TO MONTHLY RATES ON A WEEKLY BASIS**

Age/Program	N	Month to Week	N	Week
Infant	102	\$240.30	220	\$212.12
Toddler	119	\$223.62	242	\$198.85
Infant/Toddler	122	\$225.66	244	\$203.06
Preschool	155	\$198.99	207	\$188.85
School Age				
Before/After	88	\$76.42	64	\$108.52
Before Separately/Only	181	\$32.95	60	\$63.20
After Separately/Only	240	\$59.94	83	\$75.35
Summer - School Age	56	\$174.46	155	\$181.05

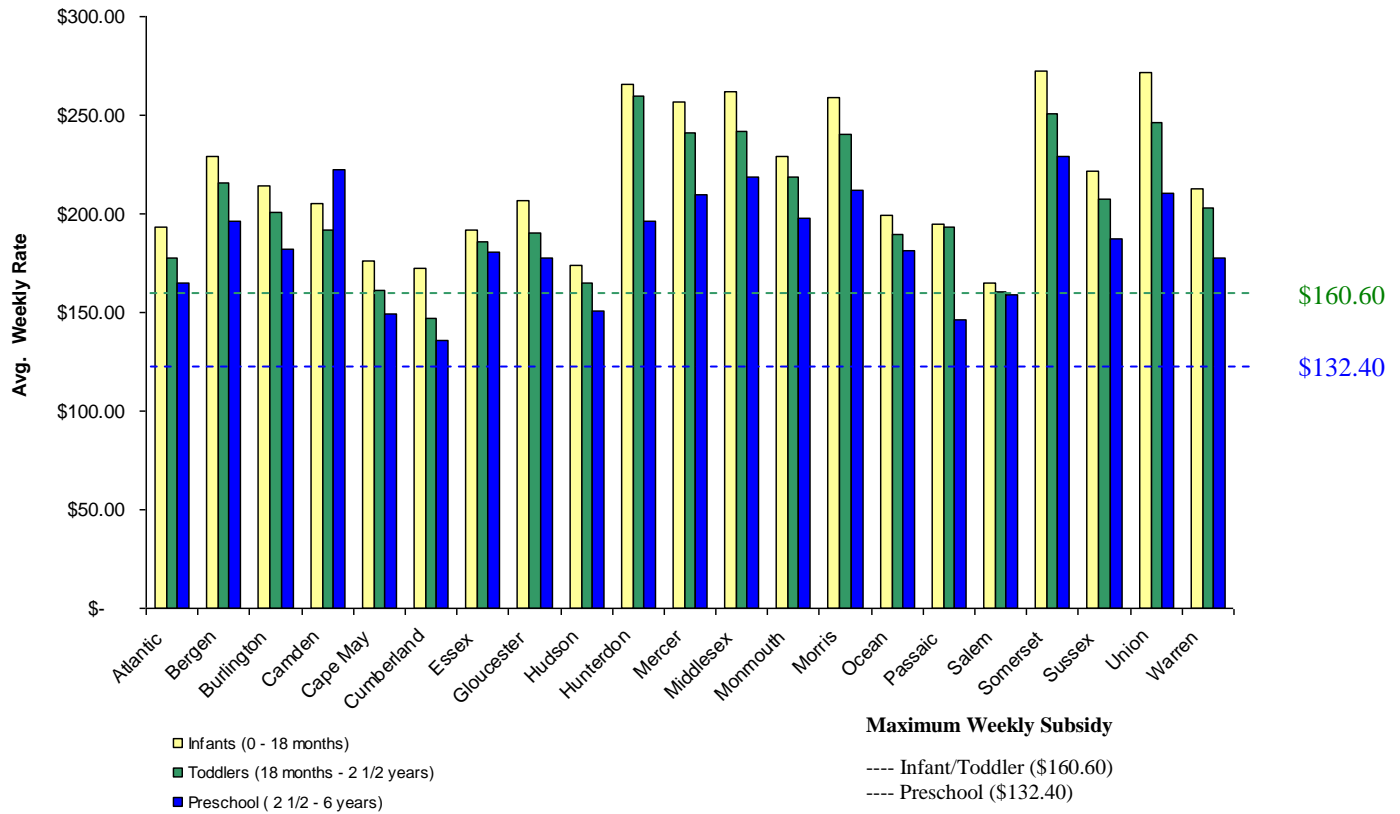
Hourly rates were obtained for before and after school and holiday care. When offered in combination, median before/after school rates were \$6 per hour with the middle 50% ranging from \$4.75 to \$8.50 per hour. Median holiday rates were \$9.00 per hour with the middle 50% ranging from about \$6 to \$10 per hour.

**TABLE 7
STATEWIDE HOURLY SCHOOL-AGE CHILD CARE CENTER MARKET RATES**

Age/Program	N	Mean	Median	50% Between:
Before Separately/Only School-Age	46	\$7.04	\$7.00	\$5.56 and \$9.00
After Separately/Only School-Age	44	\$6.52	\$6.00	\$5.00 and \$8.75
Combined Before/After School-Age	21	\$6.23	\$6.00	\$4.75 and \$8.50
Holiday Rate:- School Age	17	\$12.61	\$9.00	\$6.08 and \$10.00

Figure 4 (next page) shows average weekly rates by county for infants, toddlers and preschool age children in comparison to the state's child care subsidy in 2010. Compared to family child care (see Table 13), center child care rates are well above the subsidy in more counties and for all types of care.

Figure 4 County average weekly center rates for child care by type of care in comparison to child care subsidy



Additional Fees

In addition to rates for child care, some centers also charged additional fees, particularly registration fees (see Table 8 below). One-time application fees were reported by 202 centers, while 305 charged annual registration fees. Recreation or trip fees charged per activity or event were reported by 130 centers. Preschool, before and after school programs and summer camps might be sponsored by a local YMCA, YWCA or similar organization charging an annual membership fee. A total of 119 centers required families to pay annual membership fees. About 77 centers had other fees. These were highly variable and included transportation charges and fees for materials and summer activities.

**TABLE 8
ADDITIONAL FEES**

FEES	N	Median
One-Time Application Fee	202	\$50.00
Annual Registration Fee	305	\$50.00
Daily Meals Fee	23	\$3.00
Recreation or Trips Fee	130	\$15.00
Membership Fee	119	\$70.00

Discounts

The Child Care Market Rate Survey included questions about the availability of discounts for additional children from the same household. Findings show that of those programs responding to the question, most (422 or 83.9%) offered discounts for additional children, with the median discount at 10% for an additional child; percentages ranged from 5 to 50%. Some programs (N=49) reported dollar discounts with a median monthly discount of \$20.

Almost always one child paid the full rate, while additional children paid a reduced rate. In a small number of instances, centers mentioned that discounts increased for each additional child. Generally, centers indicated that the discount applied to the lowest rate or the oldest child.

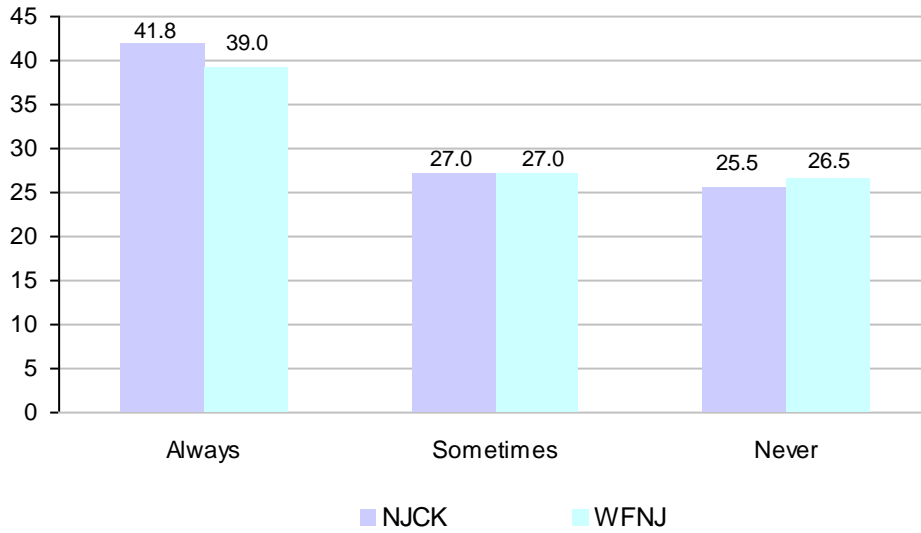
Voucher Subsidy Payments in Child Care Centers

The survey asked about subsidies to families through targeted state programs. These subsidies make child care accessible to low-income families. Most child care centers reported that they would be willing to accept children who receive subsidies through Work First New Jersey (WFNJ) or the New Jersey Cares for Kids (NJCK) programs. A total of 90% (N=385) of the 428 responding centers indicated that they would accept children with these subsidies, while a total of 286 centers or 74.3% currently enrolled children receiving a NJCK subsidy and 250 or 63.6% enrolled children with a WFNJ subsidy. These percentages may actually be higher, since some programs enrolled children with subsidies received through their Child Care Resource and Referral agency; these subsidies include NJCK and WFNJ subsidies.

Families that are awarded subsidies make a mandatory co-payment for child care. The survey asked whether families are required to make monetary contributions in addition to the co-payment when there is a difference between what the center charges and the child care subsidy. Of the 296 centers with children receiving NJCK subsidies, almost half would require that families pay the additional difference (120 or 40.5%), while 80 (27%) would require families in some cases to pay the difference and 86 (29.1%) would not expect families to pay anything beyond the mandatory co-payment. For ten centers (3.4%), information was missing.

Of the 240 centers enrolling children with WFNJ subsidies, 90 or 36% would require families to always pay the difference; 73 or 29.2% would sometimes require families to pay the difference depending on their circumstances; 77 or 30.8% would never expect families to pay the difference between the subsidy and the center's charge for care. For 10 centers or 4%, information was missing.

Figure 5 Are families required to pay the difference between the subsidy and what centers charge? (Percentages)



It should be noted that some centers reported discretionary scholarships to some low-income families or that other programs may be available, for example, at the local or county-level.

In terms of statewide market rates, the state subsidy falls at or below the 10th percentile for both weekly and monthly infant child care, between the 10th and 25th percentiles for toddler care, and below the 10th percentile for both weekly and monthly rates for preschool care. However, there is enormous variation among counties in terms of the difference between average rates and the subsidy (see Figure 4 for weekly rate information).

Subsidies for school-age children fare somewhat better, corresponding to between the 33rd and 50th percentiles for before/after school combined (4-5 hours or $\frac{3}{4}$ time), to the 25th percentile for the holiday rate for school-age children, and between the 10th and 25th percentiles for both monthly and weekly rates for full-time summer care for school-age children.

FAMILY CHILD CARE PROVIDER MARKET RATE SURVEY RESULTS

Characteristics of Family Child Care Providers

Child Care Resource and Referral (CCR&R) agencies provided data about rates charged by registered family child care providers. Information was extracted from December 2010 through January 2011. Rates reported were weekly averages for all providers for the following age categories:

- Infants (0-18 months)
- Toddlers (18-30 months)
- Infants and Toddlers combined (0-30 months)
- Preschoolers (2 ½ - 6 years)

In addition, CCR&Rs also reported rates for the following types of school-age care for children 6 to 13 years of age:

- Before/after school care (weekly and hourly)
- Holiday care (weekly and daily)
- Summer care (weekly)

Prior child care market rate studies sent surveys to registered family providers listed on the databases that Child Care Resource and Referral agencies maintain in each county. Surveys sent to these providers requested information about rates for different types of child care, fees, discounts, hours and days of operation, and other information. However, response rates tended to average about 45% and follow-up contact with individual providers was both costly and time-consuming.

This year, the Department requested family provider information directly from the CCR&Rs. Their databases contain rates as well as other information about family child care providers. This approach had the advantage of capturing rates for the entire population of registered family child care providers (as opposed to a sample of survey respondents), but also had several limitations:

- Not all rates may be updated and current.
- There is variability among CCR&Rs in the information collected (e.g., only weekly data, or only before/after school combined rather than separate rates for before and after school).
- Some information elicited in previous surveys is not captured by any of the CCR&R databases and thus cannot be replicated for 2010.
- Information is aggregated by county, and therefore, only county and statewide averages can be obtained; of particular importance is the inability to report the rate that corresponds to the 75th percentile, the nationally-recommended subsidy level.

Geographic Distribution. CCR&Rs reported rates for 2,719 registered family child care providers. Table 9 shows the number of registered family child care providers by the county in which they were registered. Compared to 2008, there was a statewide decline of 278 providers or 9.3%.

However, some counties, particularly those in some low-income counties such as Cumberland, Hudson, Passaic and Salem reported increases. According to the American Community Survey data for 2009, these four counties rank in the top five in the state for the percentage of related children living below the Federal Poverty Level (at 22.8%, 22.6%, 25.8% and 17.3% respectively). While the number of registered family child providers is significantly related to the child population in 2009 ($r=.568$), it is also strongly correlated with 2009 rates of child poverty ($r=.675$). The literature suggests that families that work non-traditional schedules, minority families, and low-income families without subsidies are more apt to use family providers, which may contribute to the increases in these counties.⁴

TABLE 9
GEOGRAPHIC DISTRIBUTION OF FAMILY CHILD CARE PROVIDERS

County	2008		2010		Change
	N	%	N	%	N
Atlantic	121	4.0%	89	3.3%	-32
Bergen	168	5.6%	113	4.2%	-55
Burlington	158	5.3%	133	4.9%	-25
Camden	205	6.8%	157	5.8%	-48
Cape May	15	0.5%	18	0.7%	3
Cumberland	138	4.6%	176	6.5%	38
Essex	484	16.1%	479	17.6%	-5
Gloucester	76	2.5%	54	2.0%	-22
Hudson	359	12.0%	380	14.0%	21
Hunterdon	38	1.3%	25	0.9%	-13
Mercer	102	3.4%	95	3.5%	-7
Middlesex	145	4.8%	121	4.5%	-24
Monmouth	149	5.0%	118	4.3%	-31
Morris	103	3.4%	86	3.2%	-17
Ocean	137	4.6%	99	3.6%	-38
Passaic	253	8.4%	272	10.0%	19
Salem	36	1.2%	47	1.7%	11
Somerset	51	1.7%	38	1.4%	-13
Sussex	42	1.4%	37	1.4%	-5
Union	158	5.3%	138	5.1%	-20
Warren	58	1.9%	44	1.6%	-14
Missing	1	0.0%	0	0.0%	-1
TOTAL	2,997	100.0%	2,719	100.0%	-278

⁴ See National Child Care Information and Technical Assistance Center. Child Care Bulletin. Issue 34, Fall 2007 <http://nccic.acf.hhs.gov/files/resources/issue34.pdf> and Burstein, N. and Layzer, J. (2007). National study of child care for low-income families: Patterns of child care use among low-income families. http://www.acf.hhs.gov/programs/opre/cc/nsc_low_income/reports/patterns_cc/patterns_childcare.pdf

Ages Served. Family child care providers primarily served infants, toddlers, and preschool-age children. About 75%-80% of registered family child care providers served children up to 6 years old. At least 45% served school-age children, primarily in before and after school programs. Only about 10% provided holiday care and about 36% provided summer care for school-age children.

**TABLE 10
AGES OF CHILDREN SERVED**

Ages Served	N *	% *
Infants	2,035	74.8%
Toddlers	2,080	76.5%
Preschool	2,146	78.9%
School-Age		
Before/After	1,248	45.9%
Before Only	609	22.4%
After Only	608	22.4%
Summer	971	35.7%
Holiday	286	10.5%

* Numbers sum to more than the 2,719 providers and percentages total more than 100 percent due to multiple responses; information reflects providers with weekly rates. Reporting did not allow for unduplicated counts of those with separate hourly or daily rates.

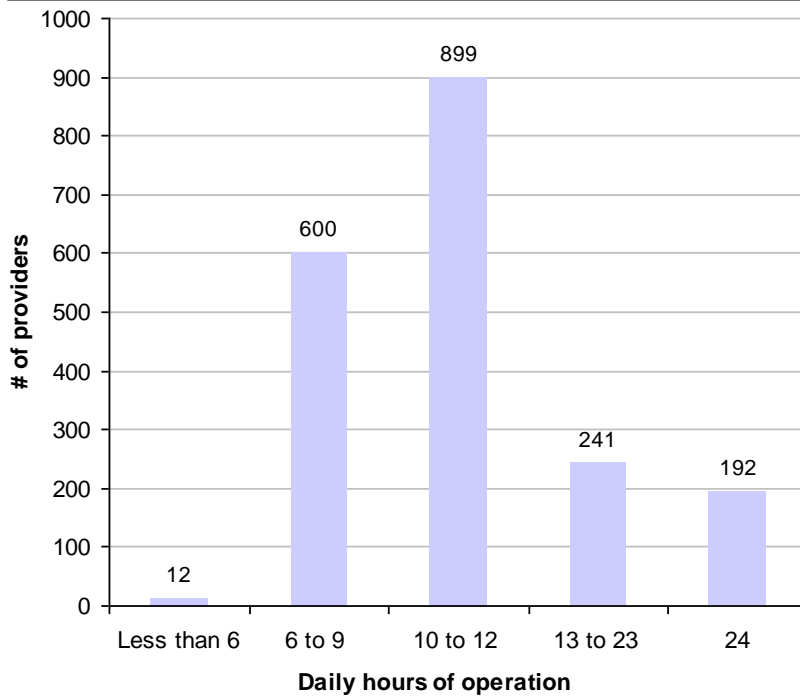
Days and Hours of Program Operation

CCR&Rs were asked to provide information about the days and hours that family providers offer child care. The agencies reported aggregate data, for example, the number of family providers who operated on Saturdays or the number offering 24 hour care.

Of the 2,719 family providers, 2,561 or 94.2% offered care Monday through Friday. A much smaller percentage offered care on either Saturdays (N=455 or 16.7%) or Sundays (N=308 or 11.3%).

Of the 21 county agencies, 20 reported information regarding the hours that family providers offered child care; one agency with 113 registered family providers did not report this information. Data were thus available for 20 counties and 1,944 providers (71.5% of the total). The data showed that most family providers operated for either 6 to 9 hours (30.9%) or 10 to 12 hours (46.2%). About 12% operated 13 to 23 hours and not quite 10% offered round-the-clock care. Less than 1% operated for less than 6 hours daily.

Figure 6 Daily hours of operation of family child care providers



Family Child Care Market Rates

Table 11 displays weekly family child care provider rates for different age groups. Two types of rates, weighted and un-weighted are provided for each age/program category. The weighted average considers the number of providers in each county, so that rates in counties with more providers contribute more to the statewide average than rates in counties with fewer providers. By contrast, the un-weighted average considers each county equally.

Since not all counties reported rates for each age/program category, the number of counties is indicated in the table. Within each county, providers may not offer all types of care, and thus, the table reports the number of providers for each rate/program category. These data show that slightly more providers served preschool age children (N=2,146) than either infants (N=2,035) or toddlers (N=2,080).

Rate information shows that the younger the child, the more costly the care. As shown in Table 11, the weekly average cost for infants was \$155.63 per week, while the average cost for preschool age children was \$135.25 per week, a difference of about \$20 per week. Rates for infants were also about \$5-\$6 more on a weekly basis than toddler rates (at \$150.34 per week). Rates for combined before and after school rates averaged about \$100 per week; separately, each was about \$85 to \$90 per week. Weekly holiday care resembled rates for preschool age care, while summer care was about \$8 per week less than either holiday or preschool age care.

**TABLE 11
STATEWIDE WEEKLY FAMILY CHILD CARE PROVIDER MARKET RATES**

Age/Program	Providers	Weighted Average	Unweighted Average	Counties
Infant	2,035	\$155.63	\$164.68	21
Toddler	2,080	\$150.34	\$158.78	21
Infant/Toddler	1,962	\$152.46	\$160.80	19
Preschool	2,146	\$135.25	\$143.84	21
Before/After School (Combined)	1,248	\$93.49	\$111.94	17
Before School Separately/Alone	609	\$90.24	\$86.41	12
After School Separately/Alone	608	\$87.78	\$88.63	15
Holiday	634	\$136.04	\$145.85	9
Summer	971	\$127.55	\$136.24	11

In addition to weekly rates, CCR&Rs could report other rates that their family child care providers charged for school-age child care, including daily rates for holiday care and hourly rates for before and/or after school and holiday care. As shown in Table 12, fewer counties collected daily or hourly rate information for their family child care providers. Weekly rates tended to be the most common for all types of child care.

**TABLE 12
HOURLY AND DAILY RATES FOR SCHOOL-AGE CHILD CARE**

Age Group/ Program	HOURLY				DAILY			
	Weight	Unweight	County	Providers	Weight	Unweight	County	Providers
Holiday	\$6.78	\$7.30	6	112	\$27.14	\$35.04	8	251
Before Sch. (alone)	\$7.10	\$6.58	11	143	---	---	---	---
After Sch. (alone)	\$7.13	\$6.63	11	146	---	---	---	---
Before/After Sch.	\$7.15	\$6.62	10	166	---	---	---	---

It should be noted that on a weekly basis, the hourly rate costs more. As an example, in one county the average hourly price charged by its family child care providers for after school care is \$7.10 per hour. The average weekly rate for that care is \$62.50. If a family uses two hours daily the weekly total would be \$71.00, but if they used 3 hours daily for the five days it would come to \$106.50. Thus, hourly rates are only cost effective for families who use relatively few hours or limited days, perhaps combining family child care with other options such as free relative care.

Rates also varied by county. The five counties with the highest overall weekly rates were Hunterdon, Somerset, Sussex, Morris and Bergen. The five counties with the lowest rates were Monmouth, Hudson, Camden, Essex and Atlantic. Obviously, the higher the county's rates, the less affordable family care was for those using subsidies. Average infant/toddler rates are less than the subsidy in a number of the low-income counties, e.g., Atlantic, Essex, and Hudson,⁵ but substantially higher in high-income counties such as Hunterdon and Somerset. Average costs for preschool age family care exceeded averages in all but three counties (Atlantic, Hudson and Monmouth).

**TABLE 13
WEEKLY RATES FOR CHILD CARE BY COUNTY**

County	Infant	Toddler	Infant/Toddler	Preschool	Before/After School
Atlantic	\$135.40	\$130.14	\$132.77	\$116.85	\$108.14
Bergen	\$183.55	\$171.23		\$163.29	
Burlington	\$156.16	\$150.41	\$153.29	\$130.28	\$103.48
Camden	\$140.52	\$136.10		\$120.85	
Cape May	\$168.77	\$163.22	\$163.22	\$147.23	\$122.00
Cumberland	\$163.47	\$155.27	\$159.34	\$139.05	\$137.81
Essex	\$139.84	\$135.05	\$137.45	\$125.96	\$82.08
Gloucester	\$158.41	\$156.69	\$157.55	\$142.47	\$108.75
Hudson	\$147.03	\$145.58	\$146.31	\$116.07	\$84.93
Hunterdon	\$224.60	\$224.85	\$224.60	\$215.25	\$176.11
Mercer	\$154.13	\$149.80	\$151.96	\$130.50	\$77.20
Middlesex	\$160.05	\$150.02	\$155.04	\$138.33	\$107.69
Monmouth	\$150.00	\$125.00	\$150.00	\$115.00	\$100.00
Morris	\$185.28	\$180.28	\$168.17	\$169.93	\$165.87
Ocean	\$181.00	\$178.00	\$175.00	\$159.86	
Passaic	\$158.00	\$157.00	\$157.50	\$147.00	\$65.00
Salem	\$152.25	\$149.92	\$151.08	\$120.72	\$90.08
Somerset	\$197.98	\$194.28	\$196.13	\$186.83	
Sussex	\$187.59	\$179.83	\$183.51	\$174.25	\$162.87
Union	\$154.20	\$155.89	\$134.30	\$122.41	\$87.96
Warren	\$160.15	\$145.90	\$157.95	\$138.52	\$122.96
Statewide	\$155.63	\$150.34	\$152.46	\$135.25	\$93.49
Subsidy	\$151.20	\$151.20	\$151.20	\$118.80	\$89.10

Rates and Subsidies

Current child care subsidies (SFY 2010) are virtually identical to average rates charged by registered family providers for infants and toddlers. However, subsidies are slightly lower than the average for preschool child care as well as care for school-age children. For analytic purposes, $\frac{3}{4}$ time (4-5 hours) subsidies for school-age children, daily full-time subsidies for school-age children, and weekly full-time subsidies for school-age children were compared to average rates for before/after school care, daily holiday care, and weekly summer care for

⁵ And probably also Camden, since infant and toddler rates are both below the subsidy for the infant/toddler combined rate.

school-age children. The weekly difference is greatest (on a weekly basis) for holiday care, followed by preschool and before/after school care.

Figure 7 Average rates of different types of family child care in comparison to the subsidy

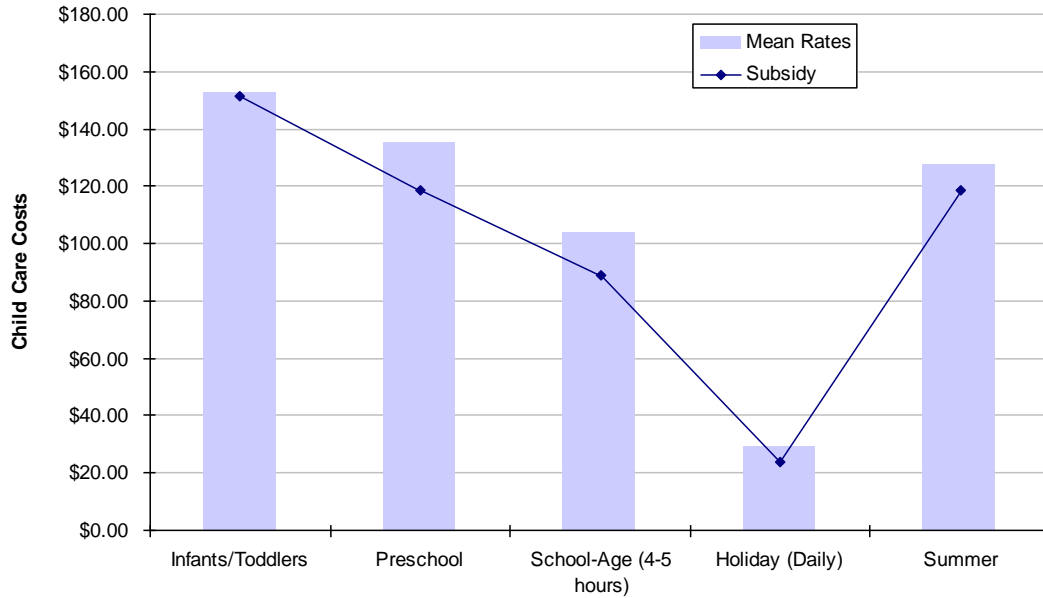


TABLE 14
COMPARISON OF WEEKLY RATES TO THE SUBSIDY

Age Group	Weighted Average Rates	Subsidy	Difference
Infants/Toddlers *	\$152.46	\$151.20	\$1.26
Preschool *	\$135.25	\$118.80	\$16.45
Before/After School *	\$103.86	\$89.10	\$14.76
Holiday *	\$136.04	\$118.80	\$17.24
Holiday (Daily)	\$29.09	\$23.76	\$5.33
Summer *	\$127.55	\$118.80	\$8.75

* Weekly

Additional Fees

Relatively few family child care providers charged fees in addition to the cost of child care (see Table 15 on the next page). Less than 30% (N=672) charged for registration and 349 providers (8.2%) charged for trips and recreation, while 263 (9.7%) charged for meals. Only 174 family providers or 6.4% charged for transportation.

**TABLE 15
ADDITIONAL FEES**

FEES	N	%
Registration Fee	672	24.7
Trips Fee	349	12.8
Meals Fee	263	9.7
Transportation Fee	174	6.4

Discounts and Vouchers

The Child Care Market Rate Survey included questions about the availability of discounts for additional children from the same household. Findings show that a very small percentage of family providers (572 or 21%) reported to CCR&Rs that they offered discounts for additional children. Direct mail surveys to family providers in 2008 showed higher proportions (about 60%) offering these discounts. It may be that a sizable number of providers do not provide this information to the CCR&R.

The survey also asked about subsidies to families through targeted state programs. CCR&Rs reported that 1,850 (68%) family providers accept New Jersey Cares for Kids (NJCK) vouchers and 1,808 (66.5%) would accept children who receive subsidies through Work First New Jersey (WFNJ). Direct surveys of providers conducted in 2008 indicated that more than 90% would accept children with these child care subsidies. Here too there may be a differential response to this item.