

# **CHILD CARE THEN AND NOW**

**Child Care In King County: 1999-2000**

**Child Care Resources**

**Bellevue, Washington**

**June 2000**

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## EXECUTIVE SUMMARY

This year marks the tenth anniversary of Child Care Resources. To celebrate its first decade, we thought that it would be valuable to analyze the changes that have taken place in child care in King County since CCR's inception. To determine the extent to which child care accessibility, affordability, and quality changed during the period 1990-2000, we reviewed past and current data from CCR and other sources, and interviewed a number of experts in the field of child care in King County

The report shows that, in general, child care become more available during the 90's as the supply of licensed child care grew faster than the population of young children. Most of the increase was in child care centers. The number of child care center slots increased by 40 percent, from 23,012 in 1990 to 32,224 in 2000. The number of slots in family homes also increased during the first half of the decade, from 8530 slots in 1990 to 13,834 in 1995, only to drop back to 11,625 slots in 2000 as a large number of family homes closed.

Some types of child care increased more than others. School-age care, in particular, saw major changes as public and private agencies recognized the importance of keeping children safe and sound during the hours before and after school. There were also significant improvements in making culturally and linguistically appropriate care more available for families of color.

Although availability improved in some respects, significant gaps still remain. Infant care is at least as difficult to find as it was ten years ago, child care during non-standard hours is still very scarce, and finding high quality care for children with special needs remains a challenge.

Child care is often the single largest expense in raising a family, and is a significant proportion of the budget for most working parents with young children. Rates vary according to the age of the child, the type of provider and the geographic area. In general, infant care is the most expensive, center-based care costs more than family home care, and provider rates are highest in East King County.

During the last decade child care rates rose at a faster pace than family incomes. For low-income families, the burden of paying for child care eased a little as the State DSHS increased the number of working families eligible for subsidies to 225% of poverty, and the City of Seattle and King County revised eligibility for child care subsidies to include families earning up to 300 percent of the federal poverty level. However, for moderate-income families, affording child care remains an enormous challenge.

Many experts in the child care field believe that only a revolutionary approach to financing child care will ease the burden on working families while ensuring that child care providers have sufficient income to pay for high quality care. Two promising approaches are the increased involvement of the business community and, in Seattle, the proposed Financial Aid Office that will link parents to public and private resources for child care.

The key to providing children in King County with consistently high quality care and education will be reducing the high turnover rate among child care workers and ensuring that trained and experienced teachers and aides remain in the system. Unfortunately, child care workers are still among the lowest paid in the state. To improve this situation, child care advocates are looking at creative ways of increasing pay and benefits for child care workers.

# CHILD CARE RESOURCES TENTH ANNIVERSARY REPORT

## *Child Care Resources*

In 1988, the Human Services Roundtable, a coalition of local governments and United Way studied the issue of child care in King County and concluded that there was a need to coordinate the vast array of child care services that existed. The Roundtable hired two consultants to determine the best method for achieving this coordination. After an extensive community wide planning process, the decision was made to form a new agency. In 1989, Child and Family Resource and Referral was incorporated, and in 1990 the agency first opened its doors with a \$650,000 budget and 17 staff operating out of three offices in Seattle, Kent and Bellevue. In 1991, the agency changed its name to Child Care Resources.

Over the 10 years of its existence, Child Care Resources has helped more than 60,000 parents find child care using its computerized data base of over 2000 licensed and licensed exempt child care providers. The agency has also trained several thousand child care providers, recruited providers offering over 3,000 new child care slots, and led numerous special projects involving every aspect of improving quality, affordability and availability of child care. The agency plays a strong role in developing state and local public policy on child care, and also provides consultation and enhanced resource and referral services to businesses. Child Care Resources is known for its technological proficiency and was the first child care resource and referral agency in the nation to develop an Internet child care referral service. Now in its tenth year of operation, Child Care Resources has a budget of over \$2 million and 34 full time equivalent staff.

In looking back over the past ten years, it is clear that not only CCR, but also the child care field as a whole has seen tremendous change. During the 90's, public and private agencies in King County focused considerable efforts and resources on making high quality, affordable child care available to working families in King County. To mark the tenth anniversary of CCR, we thought it would be valuable to review what difference these efforts have made and what has happened in the child care field in King County during the past decade.

## ***Tenth Anniversary Report***

For this report we analyzed past and current data from Child Care Resources and other sources, and we interviewed a number of experts in the child care field in King County. In examining changes in child care and the child care system we will attempt to answer the following questions.

- Is child care more available than 10 years ago? How has supply and demand changed for different types of families, or in different areas of King County?
- Is child care more accessible for families with special needs, limited English speaking parents, families of color, or parents who work non-standard hours?
- Is child care more affordable now for families in King County? Has affordability changed for different types of families, or in different areas of King County?
- Has the quality of child care in King County improved since 1990 and if so, in what respect?
- Are businesses more supportive of working families than 10 years ago?
- How have external forces such as welfare reform and changes in the regional economy affected the quality, affordability and availability of child care?
- What have been the most significant changes in child care and the child care system in King County over the past ten years?

## AVAILABILITY OF CHILD CARE: SUPPLY AND DEMAND

### *Need for Child Care*

Last year, Child Care Resources published a detailed analysis of the number of families in King County needing child care.<sup>1</sup> Based on a combination of national studies and a local survey of parents conducted by Project Lift-off, a City of Seattle initiative, we estimated that approximately 30 percent of families with infants and toddlers, 48 percent of families with preschool-aged children, and 43 percent of families with school-aged children need some type of structured child care. It is unlikely that the proportion of working families who need for child care for their young children has changed significantly since that report was published a year ago.

We do not have comparable data that would help us pinpoint the proportion of families needing child care ten years ago.<sup>2</sup> However, anecdotal evidence suggests that the demand for child care has increased over the past ten years. There are several reasons for this:

- There are now more working women than ever before. Approximately 70 percent of women with young children now work outside the home, up from 57 percent in 1990.
- Welfare reform has driven many former Temporary Assistance for Needy Families (TANF) recipients into the work force, often into low-paying jobs that require evening and weekend work. Prior to July 1999 single parents of infants under one year old were exempt from TANF work requirements. In July the exemption was reduced to just three months.
- There has been a growing awareness of the importance of high quality care in the early years. This may have led an increasing percentage of working parents to seek licensed child care.
- There has also been increased interest in structured out of school time programs for school-age children.

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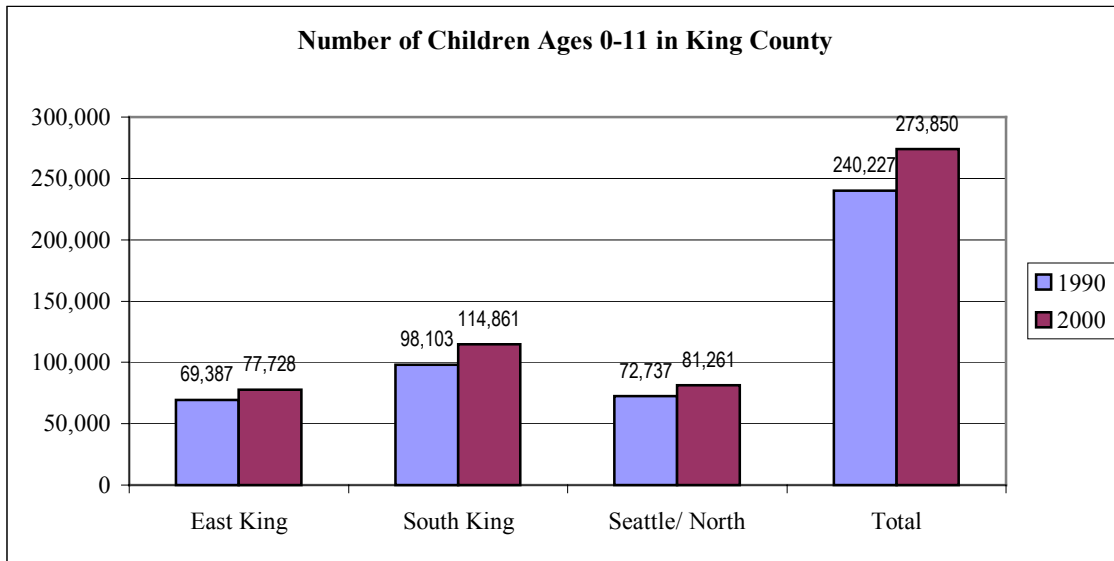
<sup>1</sup> Child Care in King County: 1999, Child Care Resources, King County Washington, June 1999.

<sup>2</sup> In a report published in June 1991, "Child Care Rates in Washington State: 1990", the Washington State Department of Social and Health Services noted that nearly 40 percent of all preschool-aged children in the state went out of home for care while their parents worked or went to school.

### **Number of Children in King County 1990-2000**

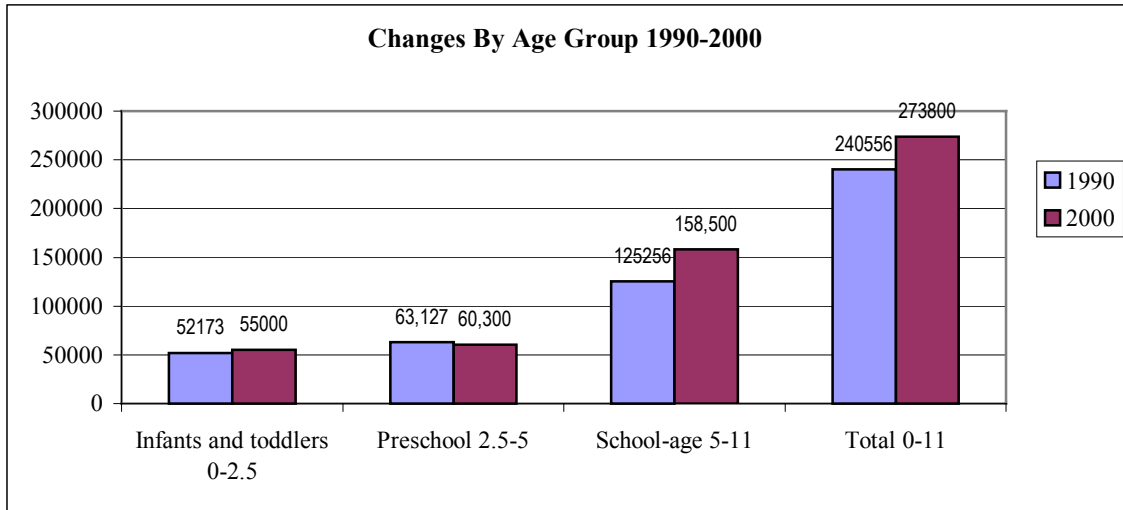
The demand for child care is, of course, largely determined by the number of children in the population. Data compiled by the Seattle-King County Health Department show that the number of children ages 0-11 increased by 14 percent during the decade, from approximately 240,200 in 1990 to 273,800 in 2000.<sup>3</sup> South King County saw a slightly higher rate of growth (17 percent) than either East King County or Seattle/North King County, both of which grew by a more modest 12 percent.

Nearly all the growth over the past decade was in the school-age population. Since 1990, the number of children ages 5-11 increased by approximately 27 percent, from 125,000 to 158,500. By contrast, the preschool population aged two and a half to five declined slightly, from 63,000 to 60,300. The number of infants and toddlers in the birth to two and a half age group increased slightly from 52,200 to 55,000.<sup>4</sup>



<sup>3</sup> In our 1999 report, we based population estimates on United Way data. Because United Way organizes data by slightly different geographical areas from the Health Department, there are slight differences in population estimates.

<sup>4</sup> The Seattle-King County Health Department compiles data on children in the 0-4, 5-9 and 10-14 age groups. We converted these data to numbers of children in the infant/toddler age group (0-2.5) preschool age group (2.5-5) and school-age group (5-11). These numbers are, of course, estimates only.



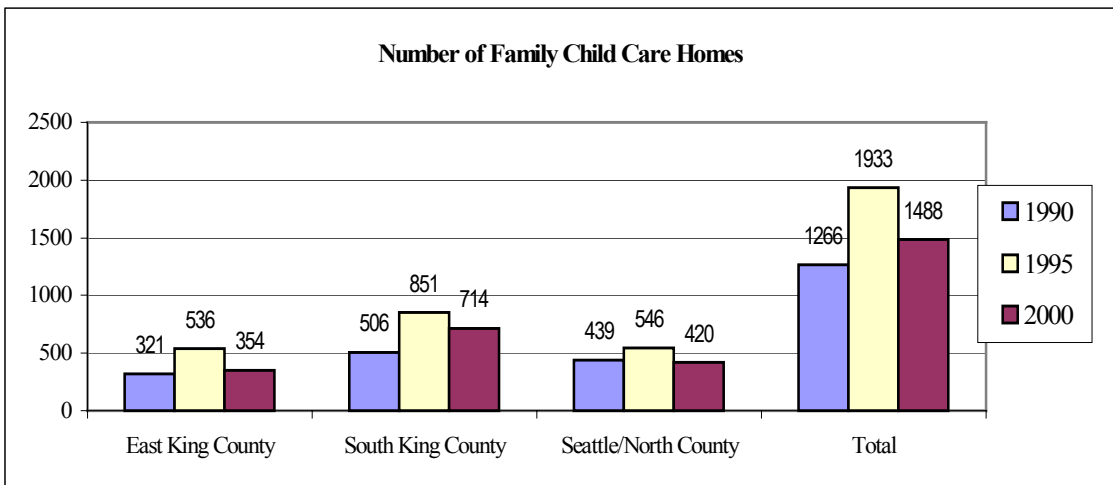
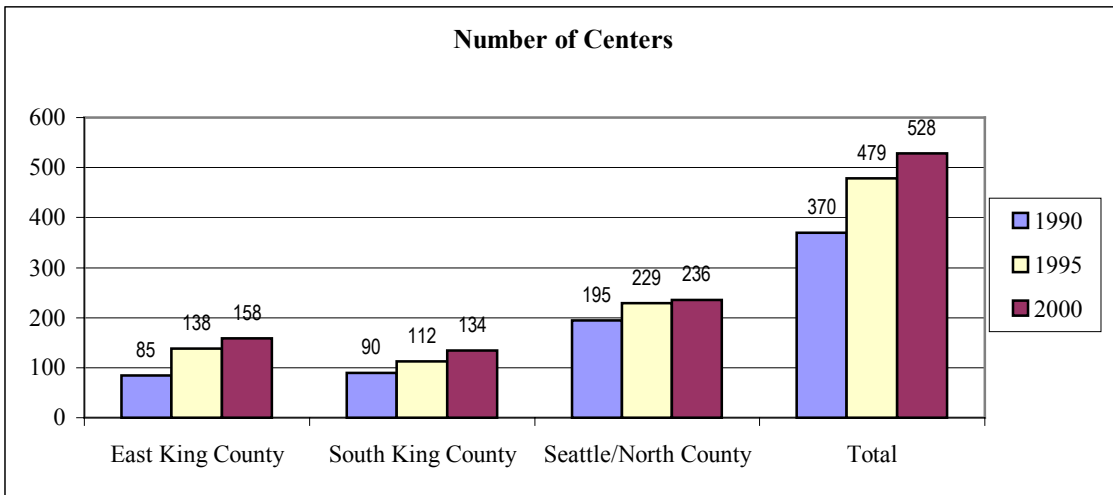
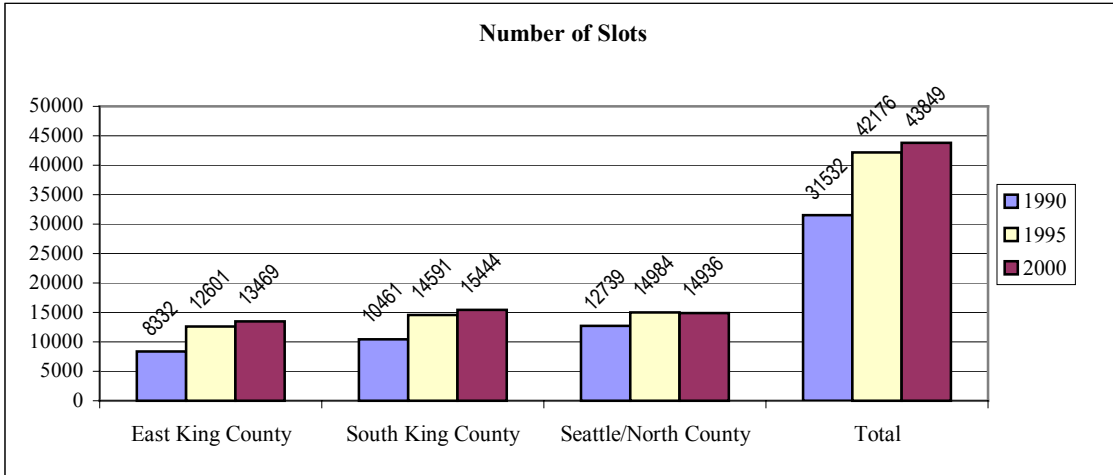
***Amount of Licensed Child Care in King County***

In part because of the efforts of Child Care Resources and other agencies, the supply of licensed child care has more than kept pace with population growth since 1990. Over the past decade, the total number slots in licensed family child care homes and centers rose from 31,500 to 44,000. This 40 percent expansion in the supply of licensed child care far exceeded the 14 percent increase in the number of children in King County

When one looks beyond the broad data however, there are some disturbing trends. The rate of increase in child care has slowed considerably in recent years and is now almost stagnant. Last year, there were 43,357 licensed child care slots in King County.<sup>5</sup> Since then, the total number of slots has increased by only one percent.

Furthermore, most of the increase during the past ten years has been in child care centers. Many family child care homes opened in the first half of the decade, only to close within a few years. In spite of significant efforts by CCR to recruit and train new providers, the number of family child care homes has dropped significantly in the past five years. From January 1998 to March 2000, Child Care Resources recruited 235 new family child care providers, adding over 1400 slots to the system. However, during that same period, even more child care homes closed, for various reasons. As a result, parents now have fewer child care options than they did five years ago.

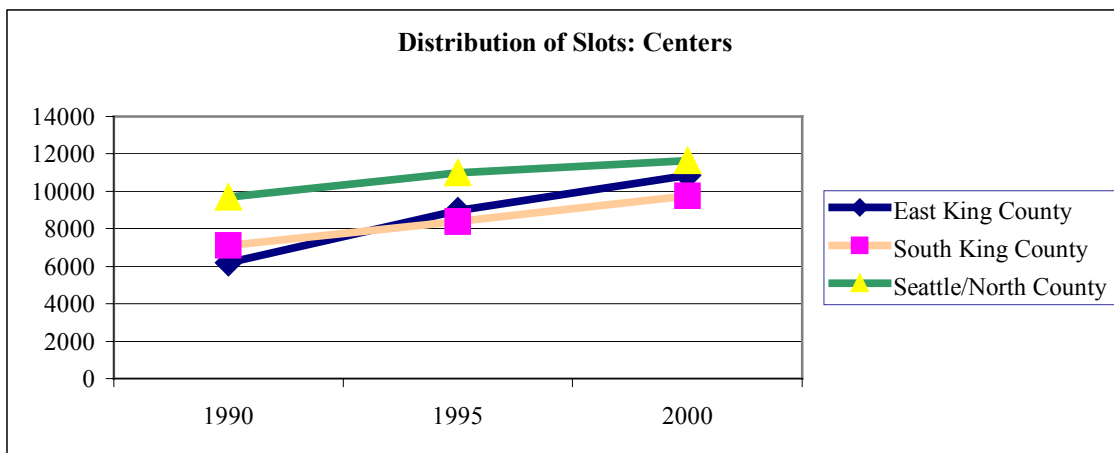
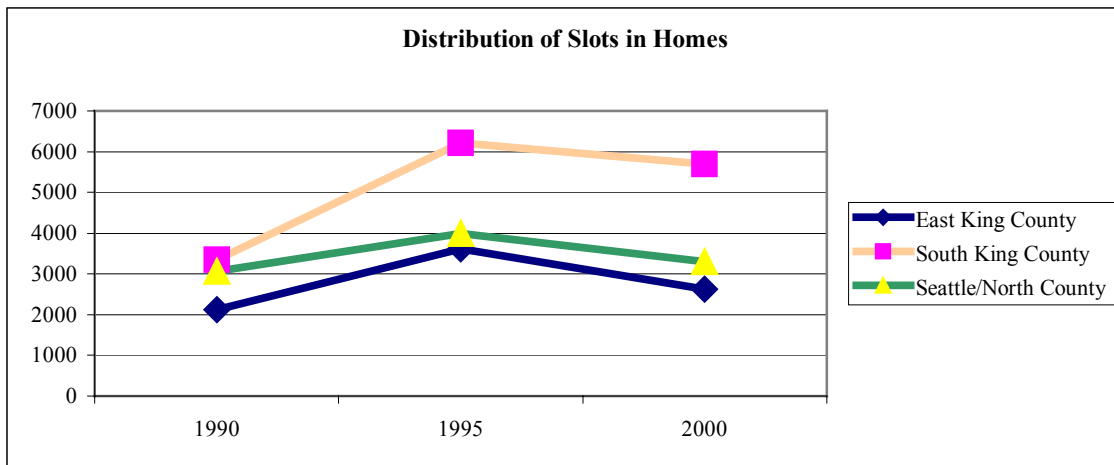
<sup>5</sup> Child Care in King County: 1999, Child Care Resources, King County Washington, June 1999.



### **Distribution of Child Care Slots**

The distribution of child care slots has changed over the past ten years, with South King County picking up most of the family slots and East King County gaining proportionately in center slots. In all three areas the number of family homes grew considerably during the first half of the decade and then fell, but in South Seattle, the loss of family homes in the second half of the decade was less dramatic than in East King County and Seattle/North County. As a result, South King County was the only area to show a significant net gain in family child care over the decade.

All three areas saw steady growth in the number of center slots. Most of the growth was in slots for school-age children. Overall, the growth was greatest in East King County. During the last five years, the rate of increase has remained steady in South King County, but has slowed somewhat in East King County and Seattle/North County.



### ***Unmet Need: Gap Between Supply and Demand***

In our 1999 report, we showed that the proportion of children who need child care is approximately 30 percent of all infants and toddlers, 48 percent of all preschool-aged children, and 43 percent of all school-age children in King County. This was based on a combination of national studies and a more recent survey conducted by the City of Seattle as part of its Project Lift-off Initiative. Parents were asked what kind of child care they were using. Those parents who were not using some type of structured program were asked whether they desired such a program. Demand for child care was then based on either current use of a program or a desire for a structured child care program.

A more recent survey (1999) of over 700 families living in King County conducted by the Seattle/King County Department of Public Health indicates a similar level of demand for child care by families of children from birth to six, but a lower level of demand for school aged care. The issue of estimating demand for school age care is complicated because many families of school aged children, particularly older children, feel that Parks and Recreation Programs, Boys and Girls Clubs, and other "activity oriented" programs are more age appropriate. The estimate of 43 percent demand for school-age care includes these Out-of-School Time (OST) programs as well as licensed child care in a family home or center.

Just as it is difficult to estimate the demand for child care for parents of older children, it is also hard to quantify the supply of Out of School Time (OST) slots. In estimating child care for the 1999 State of Child Care Report, we counted only licensed child care and school age care programs. This year's estimate of supply includes the numerous school age programs run by local parks departments and other programs exempt from licensing. We believe that the inclusion of these exempt programs gives a more accurate estimate of the total number of slots in King County.

Child Care Resources maintains the MOST (Making the Most of Out-of-School Time) database of before and after-school programs in Seattle. According to the MOST database, there are 1700 slots in Parks and Recreation programs, 430 slots in Boys and Girls Clubs, 210 slots in programs YMCA programs and 3766 slots in other out-of-school programs in Seattle.

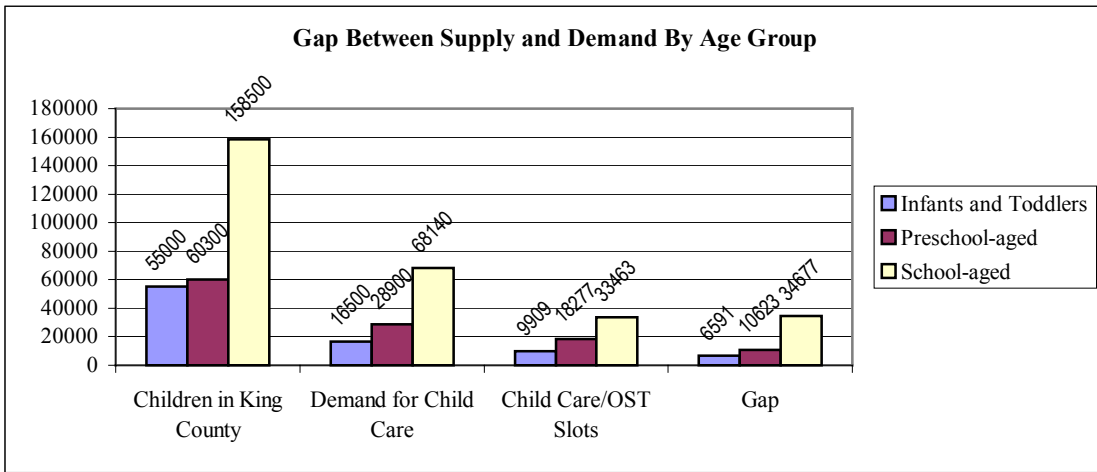
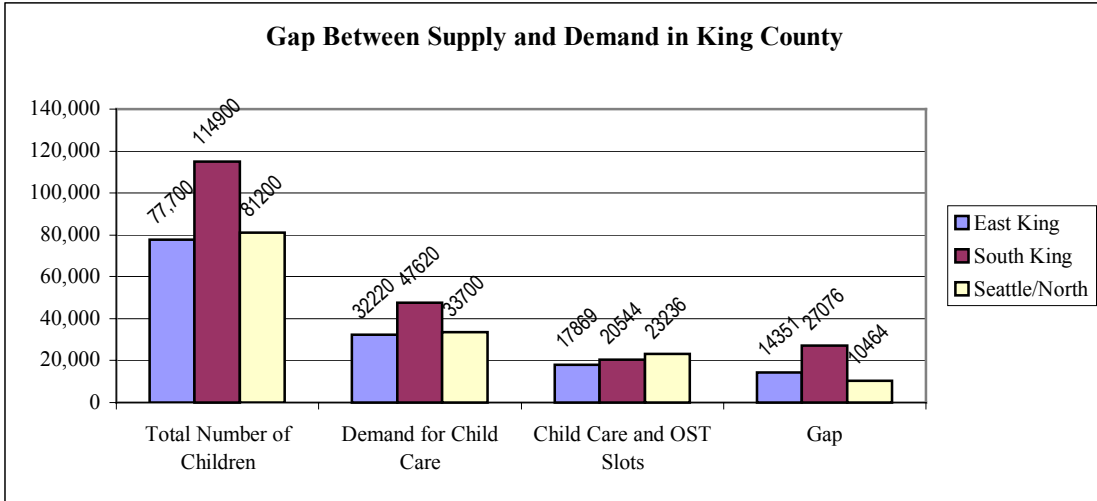
Unfortunately, the database currently includes only Seattle, although it is soon to be updated to include South King County. Although we contacted a number of Parks and Recreation employees, as well as city planners outside of Seattle, we found that very few seem to be keeping an accurate count of the number of OST slots. Therefore, we can only guess at the supply of OST slots in the balance of King County. Child care experts who were interviewed for this report believe that school-age care is far less available in King County, particularly in South King County. We have therefore assumed that the level of supply of Out-of-School Time (OST) care is 75 percent of the Seattle rate in East King County and North King County, and 60 percent of the Seattle rate in South King County. Given this assumption, we would estimate 4400 OST slots in East King County, 5100 in South King County, 6100 in Seattle and 2200 in North King County. Adding these OST slots to the licensed child care slots provides a more accurate estimate of the total supply of child care.

Appendix One contains a detailed breakout of our estimate of supply of child care for each age group in each area of King County as well as an estimate of the gap between supply and demand for each age group in each area of King County.

The greatest gaps are in South King County primarily because the increase in child care slots during the past decade was insufficient to keep up with the tremendous growth in the number of children in South King County. The gap between supply and demand in South King is larger than the gap in Seattle, North County, and East King County combined.

Seattle made greater strides toward easing the gap between supply and demand particularly for school-age care. There are, however, still areas of Seattle with extremely tight supply of certain types of care such as infant care.

Numerically, the greatest gaps in all three areas of the County would seem to be for school-age care. However, as mentioned above, parents have many options in addition to licensed child care for their school age children. Parents of school aged children do need more programs, but just building the supply of licensed child care would not meet the needs of school aged children.



## ***School-Age Care: A Major Shift in Focus***

A decade ago the importance of before- and after-school programs in meeting the social, developmental and academic needs of adolescents received little recognition. Since then a number of national studies have shown that high quality after-school programs can keep children safe, improve academic performance and nurture asset development. Now, many parents, educators, social service providers and policy makers see the hours before and after school as a time of both high risk and tremendous opportunity for adolescents.

In December 1992 the Carnegie Council on Adolescent Development published "A Matter of Time" showing that American adolescents have a great deal of discretionary time, much of it unstructured, unsupervised, unproductive, and often dangerous.<sup>6</sup> This highly influential report inspired communities across the nation to rethink after-school programs as an opportunity to keep children safe and out of trouble and to help them to develop the social, emotional, and academic skills they need to flourish.

In 1995, Seattle received a major MOST (Making the Most of Out-of-School Time) grant award from the DeWitt-Wallace-Readers Digest Fund to develop collaborative, community-wide efforts to improve the quality and availability of school-age care in the city. During the first three-year phase of the project, the Seattle MOST Initiative created 2,160 new slots in after-school programs, primarily in programs serving low-income children, children of color, and limited English-speaking children.

From the beginning, the MOST Initiative emphasized system building, nurturing leadership, and bringing together different stakeholders in the after-school system. That system-building approach continues to bear fruit. As one example, the Seattle Public Schools, in collaboration with the City of Seattle and a number of community partners, has just been awarded a major federal education grant to provide high quality after-school and summer programs, with an emphasis on academic learning experiences, for 600 third through eighth grade students a day.

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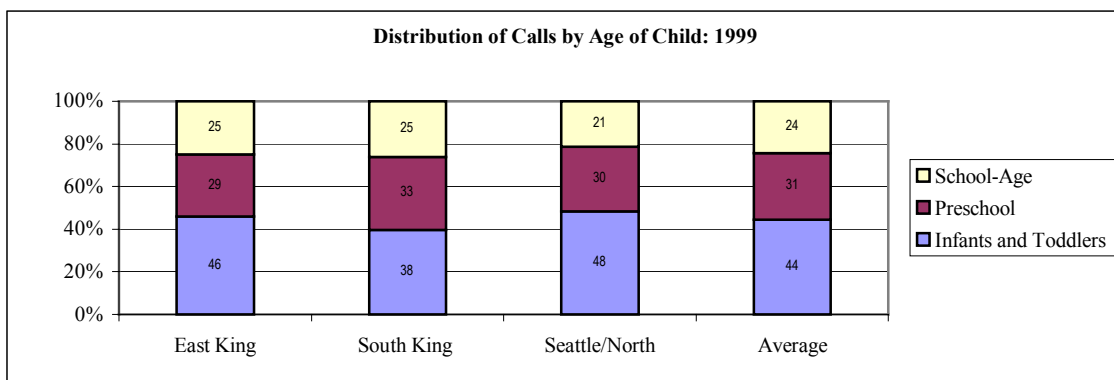
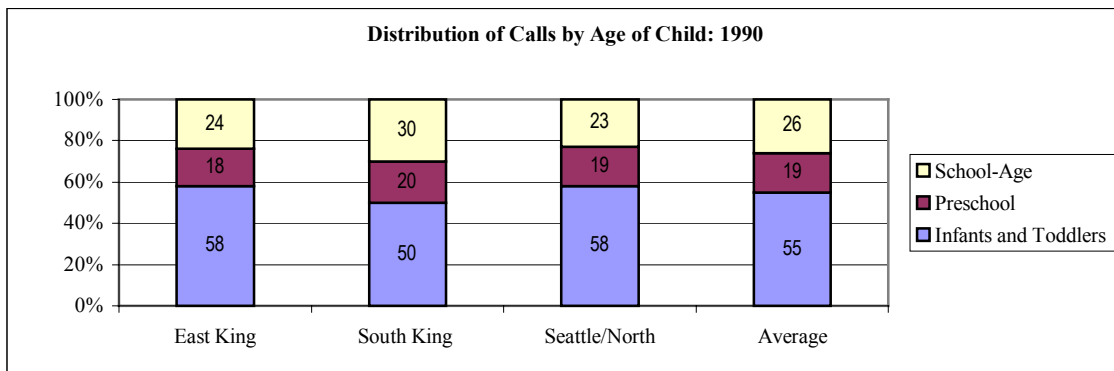
<sup>6</sup> A Matter of Time, Risk and Opportunity in the Nonschool Hours, Carnegie Corporation of New York, New York, December 1992.

## Persistent Gaps in Child Care

In a 1987 Report on the Child Care System in King County Frolich-Wallar Associates concluded that "there appears to be pretty general agreement among professionals interviewed for this report that the most difficult needs to fill ...are care for infants, care for sick children, care for children at other than daytime hours, care for children who may be in crisis and, unanimously, subsidized care for children whose parents cannot afford market rates in King County." Professionals interviewed by CCR recently note that, in many respects, this has not changed!

### Care for Infants

Between 1990 and 2000, the proportion of calls to CCR for help in finding care for infants and toddlers dropped from 56 to 44 percent of all calls. Calls for help in locating child care for preschool children increased proportionately from 19 percent to 31 percent. The proportion of calls to CCR for school-age care remained the same at 25 percent.



There are several possible reasons for the drop in calls for infant care between 1990 and 1999. Proportionately fewer children are in the infant

and toddler age group than a decade ago, and possibly more working parents are able to care for their infants at home, either by telecommuting or by sharing child care with a partner and juggling different shifts.

It is also possible that some parents simply gave up in their search for infant care, as infant care remains in short supply and difficult to find. Licensing regulations require a higher staff-to-child ratio for infant care, and hence it is more expensive to provide. As mothers with infants have returned to the work force in increasing numbers, those infant slots that do exist have filled quickly. In a recent survey of child care providers in East King County, CCR found that the vacancy rate was less than 2%. CCR's Information and Referral counselors report that there are areas of the County where infant care slots are nearly impossible to find. As one Information and Referral counselor said "From Northgate, all the way to and including downtown Seattle, openings for infant care are almost non-existent." There are other pockets of extreme shortage of infant care, including rural East King County and Issaquah.

Over the last year, since the new Welfare Reform regulation has started requiring mothers with infants to return to work when their child is 3 months of age, calls for infant care have increased at a dramatic rate. If the trend from the first quarter continues through the end of the year, we will see a 50 percent increase in the number of requests for infant care.

Fortunately, a number of child care centers have recently decided to start offering infant care and this may ease the infant care shortage. However, the attrition of family child care homes over the last few years has been a factor in the scarcity of infant care. Family child care homes may have up to two infants included in their group size, which may make it easier to provide infant care than it would be for a center, which need to develop a separate infant room in order to provide this type of care.

### ***Part-Time Care***

Although the total number of child care slots has increased in recent years, the number of children actually being served has decreased.<sup>7</sup> This is because fewer programs now offer part-time care. Some of the decrease is

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<sup>7</sup> Child Care in King County: 1999, page 9.

directly related to the decline in the number of family child care homes. Family homes are more likely than child care centers to accept children on a part-time basis. Child care centers frequently turn down requests for part-time care because it is not cost effective to fill a full-time slot with a child for whom they get only part-day reimbursement. In the state as a whole, only 13 percent of child care centers accept infants part-time, 39 percent accept toddlers part-time, and 58 percent accept preschool children part-time.<sup>8</sup> As options have narrowed, parents have increasingly turned to CCR for help with the frustrating search for part-time care. Almost half of all calls to Child Care Resources are now from parents looking for part-time care, up from 39 percent in 1990.

### ***Weekend and Evening Care***

Child care during non-standard hours is still very scarce. Only two percent of centers and 14 percent of family homes provide evening care, even fewer offer care during weekends. In some parts of King County, there are no licensed facilities at all offering evening or weekend care.

Unfortunately, the need for non-standard-hour care is even greater today than ten years ago. Many former TANF recipients, and other low-paid workers, have taken jobs in the expanding service sector. This type of job frequently requires work during evening and weekend shifts. As a result, the number of parents seeking help from CCR in finding evening and weekend care has more than tripled since 1994. However, the percentage of callers seeking non-standard hour care remains low compared to callers looking for care during daytime hours.

### ***Culturally Relevant Care***

Over the past decade, a variety of public and private agencies and advocacy groups have focused on improving child care for families and communities of color. In 1990, the African American Child Care Task Force, with technical support from both the National Black Child Development Institute and its local chapter and, conducted a research project assessing the strengths and gaps in the care of African American children in King County. The study culminated in an Action Agenda to promote quality early care and education

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<sup>8</sup> “Licensed Care in Washington State, Department of Social and Health Services, Olympia Washington, 1999

for African American Children. This was followed by three additional task forces; the Latino Child Care Task Force released its report in 1996, the Gay and Lesbian Task Force released its report in 1999 and the Asian/Pacific Islander Task Force will be publishing the results of its needs assessment later this year.

A major result of the collective efforts of the task forces has been broadening the definition of caregivers to include family, friends, and neighbors. These caregivers are now included as part of the network of providers and recognized as an important component of the child care system. Family, friends and neighbors are beginning to be included in training opportunities that were previously advertised only to family home providers and staff of child care centers. Another significant effect of the task forces has been the funding of family advocates to provide culturally relevant support and linkage to services and resources for child care providers and the families they serve.

Child Care Resources played a key role in improving the availability and quality of child care for families of color and limited-English-speaking parents. Since 1997, CCR has trained 120 immigrants and refugees to become licensed family home providers or child care teachers. CCR was also the first agency to bring "Undoing Racism" training to child care professionals in King County. A significant number of child care teachers, family providers, child care licensors, trainers, health educators and others have now been through this training, which is provided by the People's Institute for Survival and Beyond. In order to continue to expand the supply of high quality child care options for families of color, CCR now has a Director of Diversity/Inclusion working in the community and with CCR staff.

### ***Care for Children with Special Needs***

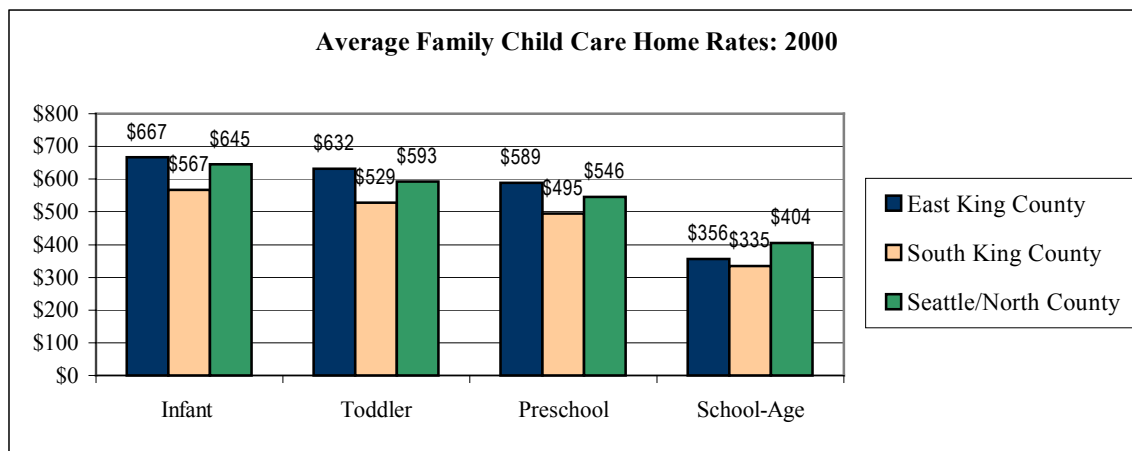
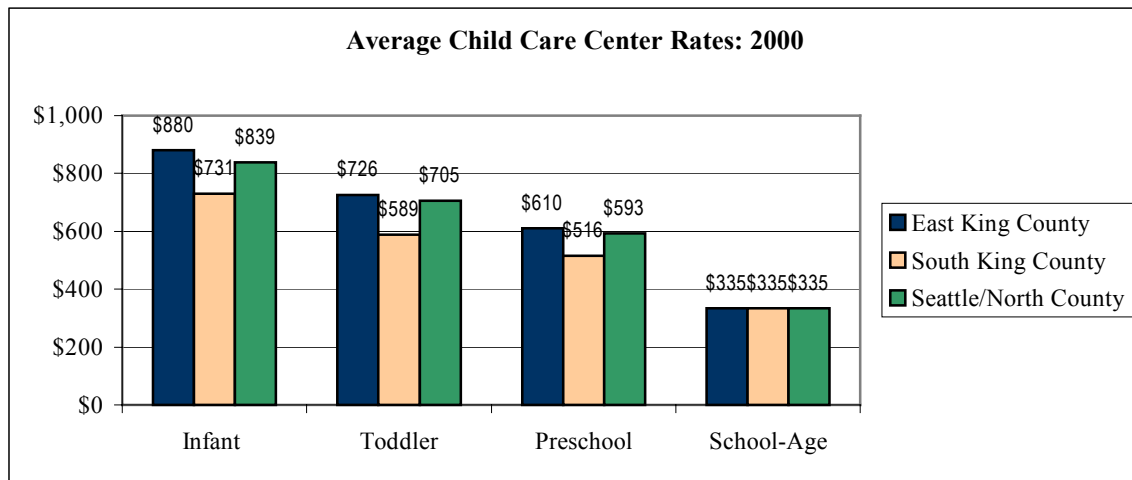
The proportion of parents calling CCR requesting care for a child with special needs has remained consistently at about 2% of all callers over the past 10 years. However, callers may tend to underreport their child's special needs because of the stigma associated with labels. It may also be that parents with children with special needs know that care for their children will be hard to find, and they may use informal networks to both find and provide care.

According to King County professionals, finding high quality licensed child care for children with disabilities and other special needs remains difficult. Although licensed providers are required by the Americans with Disabilities Act to serve children with special needs, many providers do not have adequate training or equipment. The number of licensed providers in CCR's database who report having expertise in serving children with special needs has not grown in recent years. It remains at about 39 percent of all providers. The most common special need for which providers report expertise is serving children with behavioral or emotional problems.

## AFFORDABILITY OF CHILD CARE IN KING COUNTY

### Cost of Child Care in King County

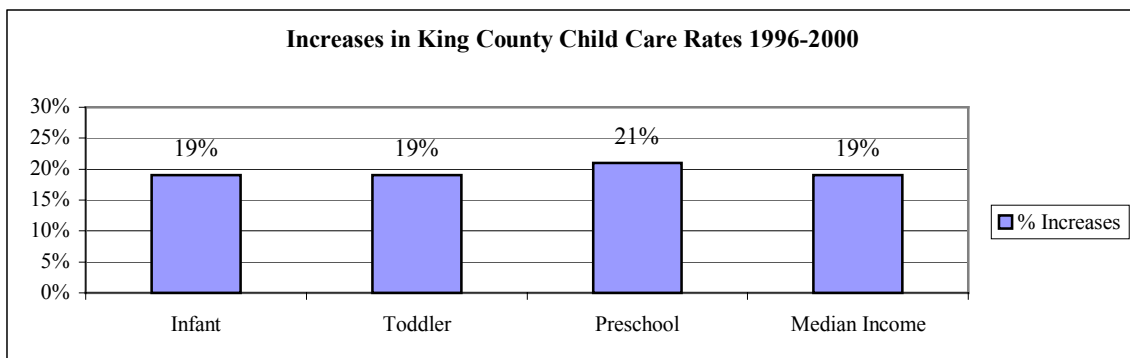
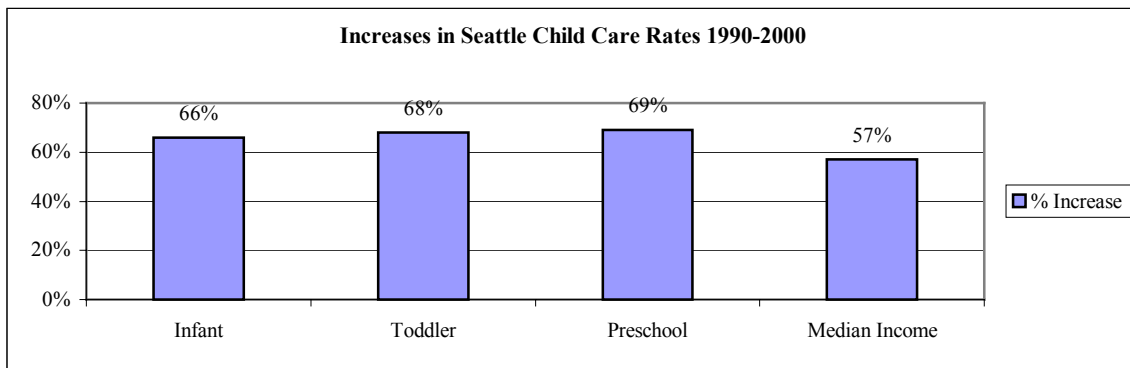
Child care is often the single largest expense in raising a family, and is a significant proportion of the household budget for most working parents with young children. Rates vary according to the age of the child, the type of provider, and the geographic area. Because younger children require closer supervision, rates drop with the increasing age of the child. Data collected by CCR show that: infant care is the most expensive, school-age care is the least expensive; family homes tend to be less expensive than child care centers; East King County is the highest priced area, South King County the most affordable. Currently, average rates range from a low of \$335 a month for school-age care in centers to a high of \$880 month for infant care in East King County.



## Changes in the Cost of Care Since 1990

Data on 1990 child care rates are not available for all areas of King County. However, a 1990 Seattle Department of Human Resources study provided information about average Seattle rates for infant, toddler, and pre-school care at that time. Comparing these with current rates in Seattle, it appears that the cost of child care outpaced wage inflation during the 1990's. Rates for infant, toddler, and preschool licensed care in Seattle increased by 66 percent, 68 percent and 69 percent respectively between 1990 and 2000. Meanwhile the median household income in the Seattle area rose by a more modest 57 percent.<sup>9</sup>

Over the past four years, the rate of increase in the cost of care has slowed. Increases in infant and toddler care since 1996 have been the same as increases in family income in the region (19 percent). Preschool care rose at a slightly higher rate (21 percent).



<sup>9</sup> US Department of Housing and Urban Development Current and Historical Median Family Incomes for the Seattle Primary Metropolitan Statistical Area as published in the State of Washington 1999 Data Book, Washington State Office of Financial Management.

### ***Subsidized Care for Low-Income Families***

Calls to CCR from low-income families have increased over the past decade in terms of total numbers and as a percentage of all calls received. In 1990, low-income parents made up 36 percent of all callers to CCR's Information and Referral line. Now, four out of five (80 percent) of callers are low-income.

Subsidies for low-income parents who are working or in school are now easier to obtain than ten years ago, primarily because of changes by the State Department of Social and Health Services (DSHS). In its efforts to support parents moving from welfare to work, DSHS subsidizes child care for families earning less than 225 percent of the federal poverty level.

Approximately 14 percent of children in family homes in King County, and 15 percent of children in centers, receive DSHS subsidies through the Working Connections Child Care Program. This is a much lower rate than in other areas of the state. According to a DSHS report, there is a strong relationship between the proportion of children subsidized by DSHS and the proportion of families in poverty. King County has the lowest proportion of children living in poor families and therefore the lowest proportion of children in State-subsidized care.<sup>10</sup>

For a variety of reasons, not all providers are willing to accept DSHS subsidies. However, access to subsidized care has generally improved since 1990. In 1990 only 74 percent of centers and 26 percent of family homes throughout the state reported serving DSHS children. By 1998, this had increased to 85 percent of all centers in the state. According to the CCR database, 80 percent of providers in East King County, 83 percent of providers in Seattle/North County, and 86 percent of providers in South King County now accept subsidies. Generally speaking, lower-income neighborhoods have a higher percentage of licensed facilities accepting subsidies than higher income neighborhoods.

Because child care rates in King County are considerably higher than other areas of the state, paying for child care is particularly difficult for low-moderate income families that do not qualify for State subsidies. Fortunately, both the City of Seattle through the Comprehensive Child Care Program, and King County through its Child Care Program, subsidize child

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<sup>10</sup> Licensed Child Care in Washington State, DSHS, Olympia, WA

care for families not eligible for Working Connections that have income from earnings up to 300 percent of the federal poverty level. This equates to \$33,756 a year for a single parent with one child.

The financing of child care is an especially complex issue because of the inherent conflict between affordability and quality. Until child care providers can charge more for care, they will be unable to adequately compensate child care staff, a situation that results in high turnover and lower quality of care. However, many parents already struggle to make ends meet and afford child care. Right now, only the public sector contributes significantly to child care subsidies, and only for low-income families. Evidence suggests that many middle-income families need help as well. The business and philanthropic sectors are both potential partners to meet the challenge of effective child care financing.

### ***Business Involvement in Funding Child Care***

A recent United Way study underscores the need to support the business community in providing family-friendly benefits. The 2000 United Way "King County Employer Benefit Survey" shows that 16 percent of large employers sponsor on-site or near-site child care, nine percent offer assistance with child care expenses, and 47 percent provide child care resource and referral services as part of their employee benefit package. According to United Way, "the findings confirm that medium and large size King County employers compare favorably with other employers, in both national and regional surveys, in the provision of family-friendly benefits. However, when compared with Washington State employers in 1989, the findings also suggest that King County employers have regressed in provision of certain flexible benefits and child care subsidies."<sup>11</sup> Compared with 1990, three times as many large employers provide child care resource and referral sources, but only half as many large employers provide actual child care subsidies for their employees. The United Way report notes that "employers are choosing to provide resource and referral services, perhaps in lieu of the more expensive sponsored childcare and childcare subsidies.

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<sup>11</sup> King County Employer Benefit Survey 2000, United Way of King County, Seattle, WA 98101, page 42

Clearly this is a disturbing trend. However, anecdotal and other evidence suggests that the business community is beginning to recognize the value of providing family-friendly benefits. A 1998 national study by the Families and Work Institute reported that 84 percent of employers say that providing family-friendly benefits is either cost effective or cost neutral.

According to Lauren Kirby, Human Services Manager for the City of Redmond "child care has now moved out of the human service arena and has become a major employer issue". This shift is directly tied to the strong regional economy. In booming areas like Redmond, where the competition to attract and retain skilled workers is fierce, employers are recognizing that they must become involved in overcoming barriers to participation in the workforce. Particularly in high-tech and other industries that attract younger employees, assisting workers obtain high quality child care has become a necessity of business survival. The benefits to companies are considerable; recruiting competitive job applicants; retaining experienced and well trained employees; reducing absenteeism; and providing for a well motivated and committed workforce.

Janet Levinger, CCR President, concurs. In the last CCR annual report, she noted that "ten years ago we reached out to families and government agencies. Now we expand our reach to include the business community as well". This developing partnership between, government, the business sector and local agencies continues to gain momentum. Several exciting new initiatives are underway to foster increased business involvement in child care.

- In 1999, CCR launched the *Business Leadership Project* with the aim of increasing business involvement in solving child care issues, particularly the financing problem. CCR hired a Business Liaison whose job is to raise awareness about child care among businesses and to increase the number of businesses that support their employees in finding affordable child care. Through the Business Leadership Project, CCR is spearheading efforts to help the business community in King County develop a larger role in financing and improving child care.
- Child Care Resources also has a *Business/Child Care Partnership* which matches small and large businesses with specific child care programs. Businesses donate goods and services to child care programs which

can then use the budget savings to increase compensation for employees. This program, funded primarily by the City of Seattle, has been recognized nationally for its creative approach to increasing child care wages and benefits.

- An even more ambitious initiative, *Project Lift-Off*, launched by the City of Seattle, is attempting nothing less than a revolution in funding child care and Out-Of-School programs. Project Lift-off is a community partnership that includes local government, the philanthropic community, business leaders, key educators and advocacy groups. One of its proposals is to create a fund development center that would expand sources of revenue for child care, assure quality programs through incentives for participating providers, and establish a Financial Aid Office to link parents with public and private resources for child care.
- Last year, the City of Redmond's *Breaking the Boundaries Project* convened a series of focus groups with employers, teachers, parents, churches, and community leaders, to determine key community issues. Overwhelmingly the issue was child care. As a result, the City of Redmond is collaborating with major employers such as Eddie Bauer and Medtronic/Physio Control to jointly fund back-up care in family homes and child care centers.
- A growing number of businesses are now piloting innovative ways of supporting child care for their employees. Employers in Sea-Tac have joined together with Lutheran Social Services to develop a new 24-hour child care facility. King County has provided funding for the consultation process, which was managed by CCR.

## QUALITY OF CARE

### *Why Quality Child Care Is Important*

The quality of child care was of concern to parents and child care experts in 1990 and these concerns have not lessened. During the 1990's a number of studies showed that, overall, the quality of care in child care centers and family homes needs to be improved dramatically. For example, a 1995 national study showed that the vast majority of the 5 million children in child care centers in the United States receive mediocre care at best.<sup>12</sup> A similar study of family child care, released around the same time, found that one in eight children in family homes were in such poor quality settings that their health and safety were threatened. Only one out of seven programs were judged to be of good quality.

Also during the 1990's some seminal national studies highlighted the critical importance of good quality care, especially for our youngest children. During the first five years of life, crucial brain development takes place which affects motor development, emotional control, vision, social attachment, language, and the development of pathways that will later help children to develop math and logic skills, musical ability and vocabulary. In 1995, the Carnegie Task Force on Meeting the Needs of Young Children published compelling data demonstrating the critical importance of the first three years as a "starting point" for future development. Their research confirmed observations that "babies raised by caring, attentive adults in safe, predictable environments are better learners than those raised with less attention in less secure settings".<sup>13</sup>

Last year, the reported results of a six-year longitudinal study confirmed that the quality of preschool experiences, especially child care, directly affects children's later performance in school. The "Cost, Quality and Outcomes Study" has shown that:

- High quality child care is an important element in achieving the national goal of having all children ready for school.

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<sup>12</sup> The Cost, Quality and Outcomes Study, The University of Colorado at Denver, the University of California at Los Angeles, the University of North Carolina and Yale University, 1995

<sup>13</sup> Starting Points, Meeting the Needs of Our Youngest Children, Carnegie Corporation of New York, New York, 1995, page 4

- High quality child care continues to positively predict children's performance well into their school careers.
- Children who have traditionally been at risk of not doing well in school are affected both positively and negatively more by the quality of child care experiences than other children.
- The quality of child care classroom practices was related to children's cognitive development, while the closeness of the child care teacher-child relationship influenced children's social development through the early school years.<sup>14</sup>

Another important study released in the last year was The Abecedarian Project conducted by the University of Alabama at Birmingham and the University of North Carolina at Chapel Hill. This study followed groups of children over 27 years who were placed in high quality child care and compared them with a control group of children who did not attend high quality child care. Both sets of children were from poor communities. From approximately 18 months onward, children in the main study group scored significantly higher on cognitive tests than children in the control group. Those children who received the high quality child care were also more likely to graduate from high school, attend college, and delay having children.<sup>15</sup>

### ***Components of Quality Child Care***

The chief ingredients in providing quality care are the child care workers themselves. Many parents, child care providers, and other early childhood experts recognize that core components of a high quality program include frequent and positive interactions with each child, consistent caregivers, individual attention as well as small groupings, and teacher skills in helping children grow in independence, social competence, intellect and self-esteem. Unfortunately, wages in the child care industry are insufficient to recruit and retain highly trained, skilled workers. The affordability issues discussed in the previous section hold down child care fees, which in turn impact the wages and benefits that centers provide to teachers and the incomes of family providers. This was true in 1990, and remains true today.

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<sup>14</sup> The Children of the Cost, Quality, and Outcomes Study Go To School, University of North Carolina at Chapel Hill, June 1999

<sup>15</sup> Early Childhood Education has positive Effects on Later Life, The Council for Exceptional Children web site at <http://special-ed-careers.org/nw/abcproj.html>

### ***Average Child Care Wages and Benefits in King County***

Data compiled by DSHS show that, on the average, wages for child care center employees barely kept up with inflation during the 1990's, while wages for assistants in family child care homes increased at an average rate of about two percent above the inflation rate. In 1998, wages for center aides, teachers and supervisors in King County averaged \$6.98, \$8.53, and \$10.51 per hour respectively. Center Directors averaged \$2,210 a month. Assistants in family homes averaged \$7.27 an hour.<sup>16</sup>

The number of child care centers offering benefits in addition to wage compensation has increased since 1990, when DSHS first surveyed child care providers about employee benefits and wage. By 1998, 89 percent of child care centers in King County provided some kind of benefit, 81 percent provided paid sick leave, 84 percent paid vacation, and 69 percent paid medical benefits. In general, centers that provide benefits are more likely to pay higher salaries.<sup>17</sup>

Although wages for family home assistants, and benefits for center employees, improved somewhat during the 1990's, overall compensation is still substantially lower than in most other fields. Workers in the Puget Sound region are among the highest paid in the nation. Currently, area workers earn an average of \$18.63 an hour.<sup>18</sup> It is little wonder therefore, that child care workers leave the field for better compensation elsewhere.

Low pay has contributed to an enormous turnover rate in child care centers throughout the nation and in Washington State.<sup>19</sup> In 1997 the National Child Care Staffing Study reported that even in higher quality child care centers, 27 percent of teachers and 39 percent of aides left their jobs during the year, for an average turnover rate of 31 percent. Project Lift-Off reports that "in Seattle, on average, 31 percent of child care and out-of-school-time workers leave their programs every year."

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<sup>16</sup> Washington State, Department of Social and Health Services, Licensed Child Care in Washington State: 1998, Olympia, WA January 2000

<sup>17</sup> Ibid

<sup>18</sup> Seattle Post Intelligencer, May 23, 2000

<sup>19</sup> Cite- The 1997 update of the National Child Care Staffing Study

## ***Effect of Training***

There is a strong correlation between the compensation paid to teachers and the quality of care offered. National research has supported the concept that providers who seek training and professional development tend to provide higher quality child care.

Unfortunately, because of high teacher turnover, child care staff often lack experience and training. The meager budgets of child care centers and homes also make it difficult to provide training. Project Lift-off surveyed child care providers and found that the average cost per child care teacher spent on training in 1998 was a mere \$182. To compound the problem, with wages being so low, many teachers find it impossible to pay for their own training. This leads to a work force that is ill equipped to deal with the complexities of helping children learn.

In spite of these barriers, the number of family child care providers who have obtained some form of early childhood education is increasing. In 1992, 56% of family providers in the State reported that they had some Early Childhood Education training. By 1998, the number had increased to 74 percent of family providers.

This increase is, in part, related to the Washington State Training and Registration System (STARS), passed in 1997, that requires at least 20 hours of basic training for all family child care providers, center directors, supervisors and lead teachers, and ten hours per year of continuing education. The STARS system also provided grants to help pay for training and a computerized registry to track training that is received. CCR is one of the major providers of STARS training and this year has tripled the number of STARS trainings it offers King County.

A two-year pilot project recently introduced by the State offers further promise for reducing turnover, and increasing training, among child care workers. It is hoped that the Wage and Career Ladder project will increase education and retention of early education and school-age teachers by paying higher wages to child care workers who stay in the field and obtain more education. The Wage and Career Ladder is being piloted in 100 centers throughout the state.

King County has also funded a smaller project, similar to the State's Wage and Career Ladder, to provide increased incentives for child care workers to remain in the field.

The Governor's Commission on Early Learning, which has been studying issues related to parent education and child care, will be bringing the Teacher Education and Compensation Helps (TEACH) program to Washington over the next year. This program, which originated in North Carolina, provides scholarships to child care teachers for community college education. Programs participating in the project agree to provide a bonus or raise for teachers completing the college training. The Washington State Child Care Resource and Referral Network will administer the TEACH program for Washington State. The City of Seattle is providing some significant seed money for some of its contracted providers to participate. The rest of the funding will come from the Early Learning Foundation that the Governor's Commission is establishing.

We are fortunate in King County to have a great deal of expertise in providing high quality early education and care and school-age care. Local agencies play an important role in training child care teachers and family providers. Child Care Resources offers workshops throughout Seattle and King County and, through the Business Child Care Partnership, provides technical assistance and resources to enhance the quality of care in centers and family homes. Seattle Central Community College conducts neighborhood-based classes for providers in early childhood education. The Schools-Out Consortium offers workshops on topics specific to school-age care. Both the City of Seattle and King County conduct regular technical assistance site visits to the child care sites with which they contract and arrange additional training and on-site consultation as needed. The Seattle-King County Department of Public Health provides on-site consultation for child care centers and family homes on health and nutrition issues. The African American, Hispanic, and Asian/Pacific Islander Child Care Task Forces offer training and technical assistance in providing culturally relevant child care.

### **School-Age Care**

As noted in the previous two sections, school-age care was not a major focus of attention at the beginning of the decade and there were few, if any, quality indicators for school-age care. Then in 1996 the National Institute for Out-Of-School Time (NIOST) at Wellesley College published a uniform assessment tool for evaluating quality in school-age programs. This has been a significant aid as public and private agencies struggle to build high standards into the staffing and design of programs for school-age children. There is now general agreement about the attributes of a good after-school program. These include: warm, caring, reliable staff; enough staff to provide individual attention each child; clear rules and adequate supervision; a well-defined but flexible schedule with a variety and choice of activities nutritious snacks; indoor and outdoor facilities and sufficient equipment and materials to support an interesting program and help children learn new skills.

In a recent evaluation of the quality of school-age care in the three cities funded through the MOST (Making the Most of Out-of-School Time) Initiative, staff at the Chapin Hall Center for Children at the University of Chicago conducted in-depth observations of ten after-school programs. They noted that most of the programs they observed, including those in Seattle, did not have adequate funding to retain the experienced and trained staff that are needed to provide consistent high quality.

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## APPENDIX ONE

### 1. Number of Children in King County

<i>Estimated Number of Children</i>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Infants and toddlers 0-2.5</b>	<b>15,400</b>	<b>23400</b>	<b>16,200</b>	<b>55000</b>
<b>Preschool aged children 2.5-5</b>	<b>16,900</b>	<b>25,700</b>	<b>17,700</b>	<b>60,300</b>
<b>School-aged children 5-11</b>	<b>45,400</b>	<b>65,800</b>	<b>47,300</b>	<b>158,500</b>
<b>Total Children 0-11</b>	<b>77700</b>	<b>114900</b>	<b>81,200</b>	<b>273800</b>

### 2. Number of Slots in Child Care Centers By Age Group

<i>Estimated No. Slots in Centers</i> <sup>20</sup>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Infants and toddler care</b>	<b>2169</b>	<b>1950</b>	<b>2326</b>	<b>6445</b>
<b>Preschool care</b>	<b>4554</b>	<b>4095</b>	<b>4885</b>	<b>13534</b>
<b>School-age care</b>	<b>4121</b>	<b>3705</b>	<b>4419</b>	<b>12245</b>
<b>Total slots in Centers</b>	<b>10844</b>	<b>9750</b>	<b>11630</b>	<b>32,224</b>

### 3. Number of Slots in Family Homes By Age Group

<i>Estimated No. Slots in Homes</i> <sup>21</sup>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Infants and toddler care</b>	<b>782</b>	<b>1697</b>	<b>985</b>	<b>3464</b>
<b>Preschool care</b>	<b>1071</b>	<b>2323</b>	<b>1349</b>	<b>4743</b>
<b>School-age care</b>	<b>772</b>	<b>1674</b>	<b>972</b>	<b>3418</b>
<b>Total slots in Homes</b>	<b>2625</b>	<b>5694</b>	<b>3306</b>	<b>11625</b>

<sup>20</sup> According to the DSHS Report “Licensed Care in Washington State: 1998, 20% of children in child care centers in King County are infants and toddlers, 42% are preschool-aged, and 38% are school-aged. In family homes, 30% of children are infants and toddlers, 40% are preschool-aged, and 29% are school-aged.

<sup>21</sup> In family homes in King County, 29.8% of children are infants and toddlers, 40.8% are preschool-aged, and 29.4% are school-aged.

#### 4. Gap Between Supply and Demand for All Age Groups

<i>Gap: 0-11</i>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Demand for child care</b>	<b>32220</b>	<b>47620</b>	<b>33700</b>	<b>113540</b>
<b>Slots in centers and homes</b>	<b>13469</b>	<b>15444</b>	<b>14936</b>	<b>45849</b>
<b>Estimated OST Slots</b>	<b>4400</b>	<b>5100</b>	<b>8300</b>	<b>17800</b>
<b>Gap between supply and demand</b>	<b>14351</b>	<b>27076</b>	<b>10464</b>	<b>51891</b>

#### 5. Gap Between Supply and Demand For Infant and Toddler Care

<i>Gap: Infants and Toddlers</i>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Demand: infant and toddler care</b>	<b>4620</b>	<b>7020</b>	<b>4860</b>	<b>16500</b>
<b>Slots in centers and homes</b>	<b>2951</b>	<b>3647</b>	<b>3311</b>	<b>9909</b>
<b>Gap between supply and demand</b>	<b>1669</b>	<b>3373</b>	<b>1549</b>	<b>6591</b>

#### 6. Gap Between Supply and Demand for Preschool Care

<i>Gap: Preschool-aged</i>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Demand for preschool care</b>	<b>8100</b>	<b>12300</b>	<b>8500</b>	<b>28900</b>
<b>Slots in centers and homes</b>	<b>5625</b>	<b>6418</b>	<b>6234</b>	<b>18277</b>
<b>Gap between supply and demand</b>	<b>2475</b>	<b>5882</b>	<b>2266</b>	<b>10623</b>

#### 7. Gap Between Supply and Demand for School-Age Care

<i>Gap: School-aged</i>	<i>East King</i>	<i>South King</i>	<i>Seattle/North</i>	<i>Total</i>
<b>Demand for school-age care</b>	<b>19500</b>	<b>28300</b>	<b>20340</b>	<b>68140</b>
<b>Slots in centers and homes</b>	<b>4893</b>	<b>5379</b>	<b>5391</b>	<b>15663</b>
<b>Estimated OST Slots</b>	<b>4400</b>	<b>5100</b>	<b>8300</b>	<b>17800</b>
<b>Gap between supply and demand</b>	<b>10201</b>	<b>17821</b>	<b>6649</b>	<b>34677</b>