Child Care in Washington State

Key Child Care Trends in 2005

With about 175,000 children in licensed care with an estimated 35,000 or more caregivers in Washington State on any given day, child care is a key component of the state’s economic and social picture. Parents and policymakers alike have a stake in ensuring that care is affordable, accessible and high quality. In terms of affordability (see p. 4), parents still stretch to meet a cost of care that can amount to a quarter or a third of their income. Cost impacts providers as well, who must operate on the thinnest of margins in order for parents to afford their fees (p. 3). Accessibility is variable—with large declines in the number of family child care facilities (p. 2), some parents are finding fewer choices in their communities. Quality is the most difficult to gauge, but R&Rs and other components of the professional development system continue to provide training opportunities that encourage providers to reach their highest potential.

Notable highlights of this report:

- Over the past five years, the number of licensed facilities has declined by about 15% overall. Family child care closures account for nearly all of the net decline.
- Nearly a quarter of licensed facilities report that one or more staff members speak Spanish.
- Infant care continues to be the most difficult care to find and the most expensive; the median annual cost of infant care ranges from $6,500 to $8,840.
- For a family with an infant and a preschooler in full-time care, the cost represents a quarter to a third of the state’s median household income for 2005.
- Families count on resource and referral to help them find child care: 94% of those surveyed would share the phone number with a friend or family member.

Since established by state statute in 1989, the Washington State Child Care Resource & Referral Network (Network) has been a key component of the child care infrastructure. The Network is charged with helping parents find child care; educating parents, providers and the community about what quality child care looks like; supporting providers through training and technical assistance; strengthening the child care system at all levels; and collecting data about child care supply and demand in Washington State.

During 2005, the Network’s 18 member agencies:

- Handled 94,445 calls;
- Processed 33,998 public referral calls;
- Served 24,011 families and 34,736 children; and
- Assisted 13,342 low-income families find child care.

Child Care Resource & Referral Supports Communities by:

- Helping parents find child care and financing options;
- Improving the quality of child care, early learning and after school programs;
- Advocating for children, parents, and child care providers;
- Increasing the availability of child care;
- Bridging child care and K-12 education; and
- Supporting families to raise healthy children.

Contact Information:

Washington State
Child Care Resource & Referral Network
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Tacoma, WA 98402
253-383-1735
www.childcarenet.org

The Network’s mission is to support families and caregivers, shape policy, and build communities that promote the learning and development of children and youth throughout Washington State through a strong statewide network of local child care resource and referral programs.
Licensed Child Care in Washington State

How many licensed child care facilities exist in our state?

Family child care (FCC) businesses account for 72% of the 7,771 licensed and 93 exempt (primarily schoolage care) facilities in the state. In the past five years, the overall number of licensed facilities has declined by a net 1,364, or 15%.

Since the peak in 2002, there has been a 19% decline in the number of family child care businesses, with a net loss of 1,357 facilities. Center facilities have been on the increase since 2003, however. In 2005 there were only 7 fewer center facilities than in the 2002 peak year.

How has the number of child care slots changed over the last five years?

Over the past five years, the state has experienced a net increase of 5,582 potential slots, with the increase in center and exempt slots more than making up for the loss of 7,144 potential family child care slots. Exempt slots have increased due to ongoing significant expansion of school-age only facilities, primarily in the state’s more urban counties.

What is the distribution of slots by type of care and by age?

Because of a higher required ratio of adults to children under 2 years old in licensed care, there are fewer slots for infants and toddlers than for other age groups. The ratio is highest (1 adult to 4 infants) and the supply the smallest in centers. Family child care offers nearly twice as many infant slots as centers, making it a critical option for working parents.

Notes:
1 Care Zone is defined as the number of children who live in a single-parent or two-parent home where the parent or both parents are working.
2 The living wage measure is based on a family of four and represents twice the federal poverty level income. Twice the federal poverty level is the income cut off for families receiving child care subsidies.

Data Sources for the Report:

Note: The number of slots for all children is overstated in this comparison. It shows each age group filled as if there were no other children in the other age group. If a slot is filled for one age group it cancels out the potential slot for the other age group. This chart does not represent actual enrollment of children in care.
What languages are spoken?
Over 90% of providers speak English, and nearly a quarter speak Spanish. Over 30 additional languages are spoken, including French, Vietnamese, Tagalog, German, Somali, Japanese, Chinese, Farsi, Korean, Arabic, Ukrainian, and Punjabi, among others. Percentages include providers who speak more than one language.

How much non-standard care is available in my community?
Most providers offer full- and part-time care during weekdays only. A few regularly offer care past 6:30 PM, overnight, or on the weekend. About 3,300 facilities report regular nonstandard hour care. Most offer evenings (18%) and weekends (16%); fewest offer overnight (9%).

Economics of Child Care Providers
What do child care providers earn compared to Kindergarten teachers?

<table>
<thead>
<tr>
<th>2004 Average Salary Comparisons: Kindergarten Teachers vs. Child Care Providers</th>
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<tbody>
<tr>
<td>Public School Kindergarten Teacher</td>
</tr>
<tr>
<td>-----------------------------------</td>
</tr>
<tr>
<td>$40,330/yr</td>
</tr>
<tr>
<td>$3,361/mo</td>
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</table>

Washington’s kindergarten teachers earn 44% more than center directors, almost double what child care teachers earn, and 31% more than family child care providers’ gross earnings in the state. The substantial wage differential can be attributed to higher educational requirements for kindergarten teachers and relatively low turnover in public schools. The lack of competitive wages makes it difficult to recruit and retain educated child care workers and can have a negative impact on the quality of care.

How does the child care subsidy reimbursement rate affect provider profitability?
Current state child care subsidy reimbursement rates are one constraint on wages, quality, and financial solvency for providers.

<table>
<thead>
<tr>
<th>2004 Ranges: Monthly Full-Time Subsidy Reimbursement Rates (rates vary by geographic area)</th>
<th>Infant</th>
<th>Toddler</th>
<th>Preschool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centers</td>
<td>$535 - $832</td>
<td>$450 - $695</td>
<td>$425 - $583</td>
</tr>
<tr>
<td>Family Child Care Homes</td>
<td>$440 - $638</td>
<td>$396 - $653</td>
<td>$396 - $550</td>
</tr>
</tbody>
</table>

In a typical family child care home, one provider might have two infants and four preschoolers. A provider’s gross earnings if all the children are on subsidy would be $2,464 to $3,476 per month. Out of these earnings, the provider must pay for all expenses, including salaries, benefits, taxes, rent, meals, training, equipment and supplies.

To support the average salary of a teacher, aide and part of the cost of the director for an infant classroom in a center, a program would need to enroll 5 to 7 subsidized full-time infants. Licensing permits a maximum of 8 infants in a room at any one time. Income generated from the other 1 to 3 infants would have to cover all other classroom costs including benefits, training, meals, rent and supplies.
About the Families

Callers to the referral lines are regularly surveyed by the R&R Network in order to better understand what they want and need for children in their care. Often families have difficulty locating child care that meets their basic needs: an accessible location, available the hours needed, affordable, and safe – not to mention a quality program.

How did parents find their child care arrangement?

- 46% through the R&R
- 20% through friends or family
- 13% were still looking for care
- 1% chose to stay home
- 20% through providers, the phone book, or other means

What are the top three challenges that parents have in finding child care?

1. Openings
2. Affordability
3. Quality

Affordability for Families

How much does child care cost in Washington State?

Statewide, the annual median household income in 2005 was $51,794. The tables below indicate the annual median price of full-time care for one child by age group and type of care. The median price indicates that half the providers in the area charge more and half charge less than the prices quoted here.

<table>
<thead>
<tr>
<th>Centers</th>
<th>2005 Median Annual Cost for 1 Child</th>
<th>% of 2005 Med. Household Inc.</th>
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</thead>
<tbody>
<tr>
<td>Infant</td>
<td>$8,840</td>
<td>17%</td>
</tr>
<tr>
<td>Toddler</td>
<td>$7,540</td>
<td>15%</td>
</tr>
<tr>
<td>Preschool</td>
<td>$6,916</td>
<td>13%</td>
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<tr>
<td>School Age</td>
<td>$3,900</td>
<td>8%</td>
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</tbody>
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</thead>
<tbody>
<tr>
<td>Infant</td>
<td>$6,500</td>
<td>13%</td>
</tr>
<tr>
<td>Toddler</td>
<td>$6,500</td>
<td>13%</td>
</tr>
<tr>
<td>Preschool</td>
<td>$5,720</td>
<td>11%</td>
</tr>
<tr>
<td>School Age</td>
<td>$3,120</td>
<td>6%</td>
</tr>
</tbody>
</table>

While the median cost of family child care can be up to 37% less than the cost of care in a center, child care continues to represent a substantial cost for families. The cost of full-time care for an infant represents 13% to 17% of the median income. Care for an infant and a preschool child would represent 26% to 30% of median income in the state.

Families Using R&R Services

Who are families that call the R&R Line?

In 2005, 24,011 families received referrals. Over half (56%) of the families served were low-income. Almost half (49%) were headed by single parents.

What ages of children are referred?

There is a relatively even distribution of children served across age groups. However, even though the largest population of children eligible for licensed care are school-age (5-12 years old), over two-thirds of the children referred are birth through four years old.

<table>
<thead>
<tr>
<th>CHILDREN REFERRED BY AGE</th>
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<tbody>
<tr>
<td>School Age 33%</td>
</tr>
<tr>
<td>Toddler 26%</td>
</tr>
<tr>
<td>Infant 20%</td>
</tr>
<tr>
<td>Pre School 2%</td>
</tr>
</tbody>
</table>

How many children need non-standard care?

Parents of 10,549 children requested referrals to licensed facilities offering non-standard hour care. A majority (46%) of requests were for evening care (extending past 6:30 PM).