



DSHS

Subsidized

Child Care

A Briefing Paper



Washington State Department of Social & Health Services
Management Services Administration • Research & Data Analysis

DSHS SUBSIDIZED CHILD CARE: A BRIEFING PAPER

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Executive Summary

Washington's welfare reform program, WorkFirst, became effective in November 1997. This program requires parents receiving welfare grants to work or engage in work-related activities. The Economic Services Administration (ESA) anticipated that the new work requirements would lead to an increase in the number of families using subsidies under the Working Connections Child Care program. The WorkFirst Division of ESA commissioned this study to determine: 1) whether the child care market had sufficient capacity and flexibility to accommodate an increase in the number of subsidized children, and 2) whether clients were getting the help they needed to access child care.

This report gathers together information from three telephone surveys:

- 1) a survey of every child care center in Washington
- 2) a survey of a stratified random sample of licensed family child care homes (where the provider cares for children in her own home), and
- 3) a survey of clients eligible for or receiving Working Connections subsidies.

A picture of the general child care market was derived from the first two surveys, which are conducted every two years, primarily for the purposes of setting subsidy rates. However, these two surveys also yield much information on child populations, capacity, vacancies, industry wages, and DSHS-subsidized children. The surveys were expanded in 1998 to include more questions about providers' willingness to serve the subsidized population, and their experience doing so. These two surveys answered questions about supply of care in the licensed market.

The third survey of clients eligible for or receiving Working Connections subsidies dealt with issues of employment, child care choices, parent experiences finding and using child care, and the assistance they received in finding child care.

Major Characteristics of the 1998 Child Care Market

The number of families using Working Connections Child Care subsidy programs grew by 25% from January to June 1998. The licensed child care market has absorbed many of them.

- ◆ In the spring of 1998, licensed child care providers reported a total capacity of 167,000 slots and 172,000 children in their care. Capacity is the maximum number of children allowed at a given time. Because two or more part-time children may occupy one full-time slot, the total number of children may exceed capacity.

- *1,841 child care centers, with a total capacity of 110,000, were serving 118,200 children.*
- *7,861 family child care homes, with capacity of 56,700, were serving 53,800 children.*
- ◆ The number of licensed family child care homes **decreased** by 739 between 1996 and 1998.
- ◆ The child care market may be tightening. In 1998, providers reported a total of 21,100 vacancies, for an overall rate of 13%. The vacancy rate in centers was only 12%. In 1996, the overall vacancy rate was 15%; in centers it was 16%.
- ◆ Vacancies for infants may be scarce. Statewide, only 600 infant vacancies were reported in centers; 2,800 vacancies in homes could be filled by children under two years old.
- ◆ Few providers are open before 6 a.m. or after 7 p.m. Family homes are more likely than centers to be open during non-standard hours.
- ◆ Licensed providers reported serving 34,300 DSHS-subsidized children. This represents an increase of **38%** since 1996.
- ◆ DSHS-subsidized children now represent 20% of all children in licensed child care.
- ◆ DSHS-subsidized children are served by a broad spectrum of child care providers. About 47% of family homes and 84% of child care centers served at least one subsidized child.
- ◆ Almost all providers said they would be **willing** to serve subsidized families.
 - *90% of family child care homes, and*
 - *96% of child care centers said they would be willing to accept DSHS subsidies.*

DSHS Clients and the Child Care Market: Results Of A Parent Survey

Parents in the survey sample had been eligible for subsidies in January 1998. Eighty percent of respondents had received child care subsidy in January 1998. The other 20% were apparently eligible for child care subsidies but were not receiving them. That is, in January, these families received a TANF grant, had earned income, had one or more children under 11 years old, but DSHS made no child care payments on behalf of these families.

Statistics cited here reflect their responses in July 1998.

- ◆ The vast majority of parents (94%) were working, in school or training, or looking for work.

- ◆ Although all families appeared eligible for child care subsidies in January, one third of them were **not** receiving child care subsidies in July. **Of the 33% of families NOT receiving subsidies:**
 - 40% said someone cared for their children for free;
 - 36% didn't think they qualified;
 - 34% said DSHS wouldn't pay their provider;
 - 30% said the DSHS subsidy was too much hassle or paperwork;
 - 23% said they make too much money;
 - **23% worried that child care subsidies would affect their 5-year limit on assistance.** Note: This last reason represents a misconception. The laws limiting assistance to 5 years, or 60 months, apply to TANF only, not to child care subsidies.
- ◆ For many parents in the survey, child care responsibilities had limited their employment options. **Because of child care responsibilities**, in the past 12 months:
 - 59% were unable to work certain shifts
 - 29% worked fewer hours on a regular basis
 - 21% had turned down a job offer
 - 18% had quit a job or school/training
 - 15% had turned down a higher paying job
 - 14% had been unable to look for work.
- ◆ Child care arrangements were related to a family's receipt of a subsidy. Parents were more than twice as likely to be using licensed care if they were receiving a subsidy.
- ◆ Child care arrangements were also related to parents' work schedules. Among employed parents, if the parent worked weekdays, her child was twice as likely to be in licensed care than children of parents who worked evenings, nights or weekends.
- ◆ On average, parents had made 2.2 new arrangements in the past year.
- ◆ Most parents (68%) said they had no problems finding child care. Those **32% of parents who DID have problems** identified the following:
 - 62% had difficulty finding a provider who shared her/his values
 - 57% didn't feel good about providers
 - 53% had an odd work schedule or shift
 - 51% said the available care was of poor quality.
- ◆ Parents who have children with long term physical, mental or behavioral conditions were more likely (54% compared to 32% of all parents) to have problems finding child care.
- ◆ The vast majority (over 90%) of parents reported that they were satisfied with their child care arrangements. Overall, 70% said they were **very** satisfied. In general, parent satisfaction was less if parents experienced problems finding child care or if they were not receiving a subsidy.

Challenges for DSHS

- ◆ The number of family home providers has decreased since 1996. These providers are more likely to be flexible with respect to hours open for business. Because many parents have non-standard work schedules, a drop in the number of homes may ultimately affect the availability of licensed care for subsidized families.
- ◆ Few child care centers had vacancies for infants. Likewise, some parents surveyed had difficulty finding care for infants.
- ◆ Clients need to understand that using child care subsidies will not affect the five-year limit on assistance.
- ◆ Parents most often (70%) cited family and friends as a source of help when looking for child care. Only 36% said they were helped by Child Care Resource and Referral Agencies.
- ◆ Most parents (68%) said they had no trouble finding child care, but they had to contact on average 3.6 providers before they settled with their current providers.
- ◆ Parents of children with special needs were more likely to have trouble finding child care (54%).
- ◆ Having a DSHS subsidy actually was a barrier to some families (38% of families who reported problems finding child care).

INTRODUCTION

In November 1997, Washington State initiated a new welfare program, WorkFirst. WorkFirst changed the rules for welfare families. With few exceptions, parents receiving welfare (Temporary Assistance for Needy Families, TANF) now must work or participate in work-related activities.

When WorkFirst was implemented, several of the State's child care programs were consolidated into a single program, Working Connections Child Care. This program provides assistance with child care payments to low income working families (both TANF and NON-TANF), and TANF recipients engaged in work-related activities. Working Connections is in the middle of rapid expansion. Between January and June 1998, the number of children served increased about 25 percent, from 40,300 to 50,000.

The Legislature and the Department of Social and Health Services (DSHS) had anticipated this program growth. To enable more low income parents to work, the legislature appropriated an additional \$100 million to fund an increased Working Connections Child Care caseload in the 1997-99 biennium. However, it was impossible to tell how the child care market would respond to the increased demand for subsidized child care. It was also unclear whether DSHS was giving adequate support to families shopping for child care.

To help understand changes in the child care market and DSHS clients' child care experience under welfare reform, DSHS Economic Services Administration asked Research and Data Analysis (RDA) to conduct a survey of DSHS clients. During June and July 1998, under contract to DSHS, the Social and Economic Sciences Research Centers (SESRC) at Washington State University interviewed 947 DSHS clients. These clients had been receiving, or were eligible to receive, child care subsidies in January 1998.

During April and May 1998, RDA, on behalf of DSHS Children's Administration, conducted its regular surveys of licensed child care providers: one of child care centers and the other of licensed family child care providers. These surveys are conducted every two years, primarily for the purposes of setting subsidy rates. The surveys also yield information on child populations, capacity, vacancies, industry wages, and enrollment of DSHS subsidized children. The surveys were expanded in 1998 to include more questions about providers' willingness to serve the subsidized population and their experience doing so. Assessments of supply of licensed child care were based on these two surveys.

Here we report preliminary results from the three surveys. The provider surveys gathered information on the supply of licensed care, and the client survey gave insight into the experiences of clients accessing child care and using the subsidy programs.

THE CHILD CARE MARKET: RESULTS FROM PROVIDER SURVEYS

Every two years, DSHS conducts two surveys of licensed child care providers, one of centers and one of licensed family child care homes. The provider surveys focus on issues of child care rates, population, capacity, vacancy, industry wages, and enrollment of DSHS subsidized children. In 1998, the surveys were modified to gather more information about services to families receiving DSHS subsidies. These surveys help map out the general market conditions, particularly the supply of licensed child care.

Basic population statistics for the licensed child care market in 1998 are summarized in Table 1, with comparable data for 1996. A total of 9,701 child care facilities, with a combined capacity of 166,700 children, were licensed in Washington in January 1998. The licensed capacity is the maximum number of children allowed on site at any one time. Because two or more part-time children can fill a single full-time slot, the number of children can exceed capacity. Licensed child care providers served 172,000 children at the time of the surveys. More details about the child care market in the state are summarized in the County Statistics Tables in the Appendix.

Table 1. Capacity and Vacancy in Licensed Child Care in Washington State, 1996 and 1998

	1996 DATA			1998 DATA		
	Centers	Homes	All Facilities	Centers	Homes	All Facilities
Number of Facilities	1,796	8,600	10,396	1,841	7,860	9,701
Number of Children	99,500	58,000	157,500	118,200	53,800	172,000
Capacity	99,600	61,300	160,900	110,000	56,700	166,700
Vacancies	15,500	8,500	23,900	13,000	8,100	21,100
Vacancy rate	16%	14%	15%	12%	14%	13%
Facilities with Vacancy	66%	39%	53%	57%	37%	47%

Note: Number of children is a head count, which includes full-time and part-time children. Capacity is the maximum number of children legally allowed on site at any time. Because of part-time children, the number of children can exceed capacity. The capacity for homes is the Effective Capacity (Licensed Capacity minus the providers' own children).

Sources: DSHS Research and Data Analysis, 1996 and 1998 Surveys of Child Care Centers and Homes.

The Relative Supply of Child Care: Slots per 100 Children

A convenient statistic for comparing availability of licensed care among different areas is a ratio of availability to potential demand—the number of licensed slots per 100 children.

The total capacity (the number of children permitted on-site at any one time) was 166,700. The Washington State Office of Financial Management estimates a total of 1,100,964 children under 13 years of age in Washington in 1998. This gives a ratio of 15 licensed slots per 100 children. (See Table 2)

This measure of availability is useful as it permits comparisons over time, without the confounding effects of a changing child population. We have calculated this ratio for each provider survey since 1992. In 1992 and 1994, the ratio was 13 slots per 100 children. In 1996 and again in 1998, the ratio was 15.

Capacity Changes Since 1996

The total number of child care centers increased by 2.5% between 1996 and 1998, while the total number of children they cared for grew 19% to 118,200 in 1998. In 1996, total number of children in centers was 99,500. See Table 1.

The total number of licensed family homes decreased by 8.6% between 1996 and 1998, from 8,600 to 7,900, with a similar decrease in total capacity and number of children served (Table 1). The reason for this decrease is not clear. However, the center capacity increases were large enough to offset the losses in family homes. Overall, the capacity of the child care market increased by nearly 4% to about 167,000 slots.

Vacancies

For parents looking for child care, the number of slots in the market may be less important than the number of vacancies. At the time of the survey, we found 21,100 vacancies in licensed child care, 13,000 in centers and 8,100 in family homes (Table 1). These numbers reflect an overall decrease of 2,800 slots since 1996.

The vacancy rate (number of vacancies as a percent of capacity) is a measure of the availability of care. The more slots providers have open, the easier it may be for parents to find providers to care for their children. In 1998, overall vacancy rate was 13%, 12% in centers and 14% in family homes. Both the number of vacancies and the vacancy rate decreased between 1996 and 1998. (Table 1).

Another measure of availability is the percent of providers who have any vacancies. If vacancies are spread evenly across a number of providers in all places, parents will have more choices than if a few providers have many vacancies. Statewide, 37% of family homes and 57% of centers had at least one vacancy at the time of the survey (Table 1). Across the state, the proportion of facilities with vacancies decreased between 1996 and 1998.

Geographic Differences in Supply of Child Care

Local differences exist in the supply of child care. For administrative purposes, DSHS has divided the state into six regions (Figure 1). These regions are useful boundaries for comparing local markets. (For data at the county-level, see Appendix.)

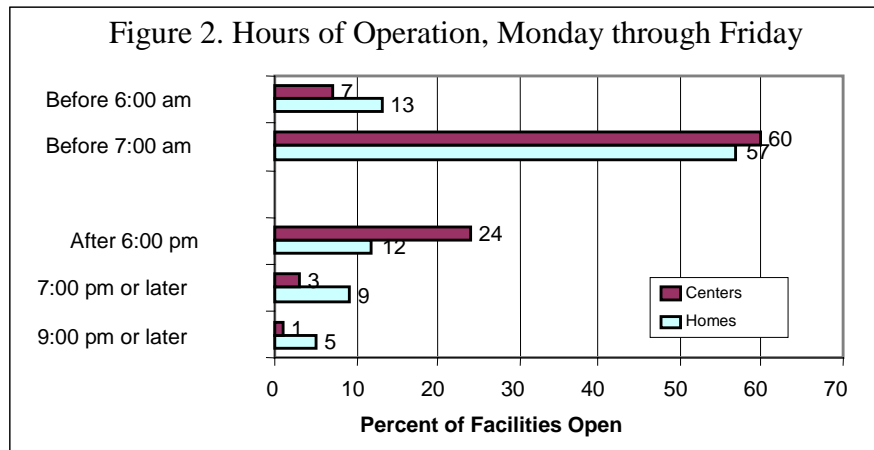
Vacancies for Very Young Children

Vacancies for very young children are relatively fewer than vacancies for older children. This is especially true in centers. Statewide, centers reported about 600 vacancies for infants (children under 12 months old) and 2,300 vacancies for toddlers (children 12 months to 29 months old). This represents 21% of vacancies in centers. (See Appendix, Table 2.)

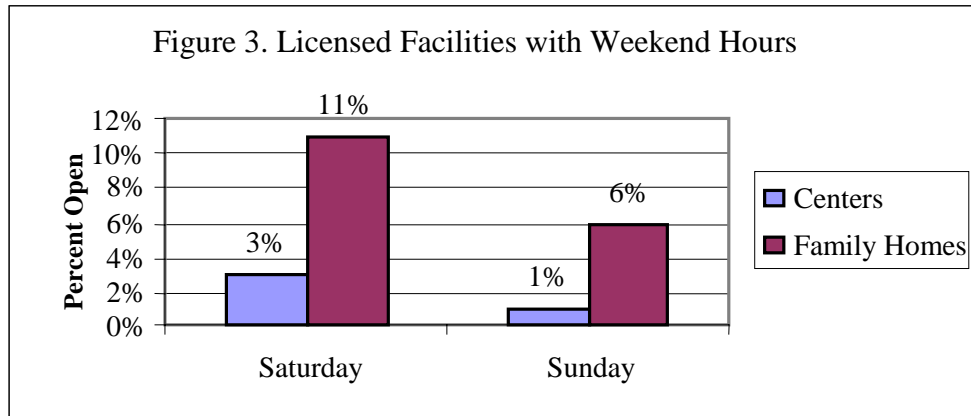
In family homes, licensing rules limit the number of very young children (under two years old). Family homes reported a total of 2,800 vacancies for children under two. This represents 35% of vacancies reported in family homes. (See Appendix, Table 2.)

Availability of Off-Hours Care

Few licensed providers are open before or after standard business hours on weekdays. Only 13% of homes and 7% of centers are open before 6:00 am, and only 9% of homes and 3% of centers are open at or after 7:00 pm (Figure 2.) In general, family homes are more likely than centers to open early and close late. Even fewer facilities are open on Saturdays or Sundays (Figure 3).



Source: DSHS Research and Data Analysis, 1998 Surveys of Child Care Centers and Homes

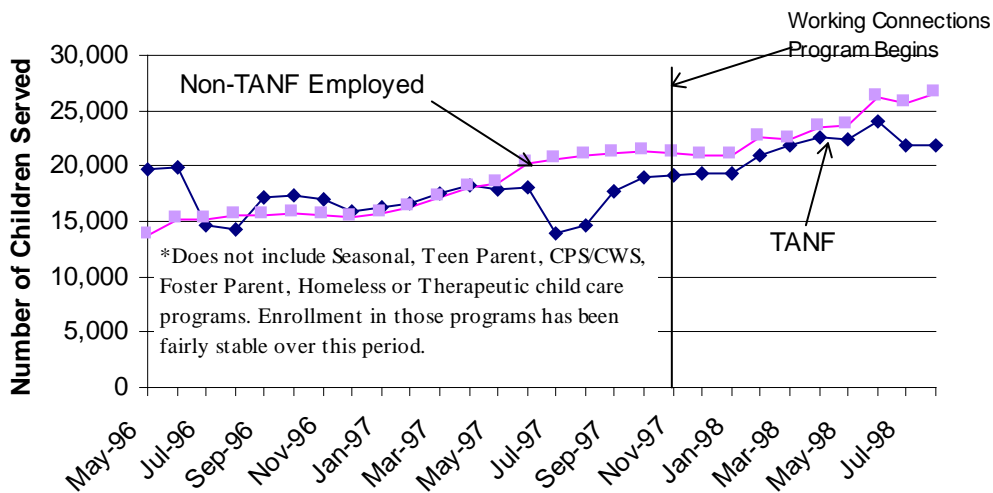


Source: DSHS Research and Data Analysis, 1998 Surveys of Child Care Centers and Homes.

DSHS Subsidized Children

At the time of the 1998 surveys, 34,300 children received DSHS subsidized care in licensed facilities. This number is 38% more than in 1996, when 24,800 subsidized children were served by centers and family homes. These changes are consistent with changes in child care caseload over this time period. The numbers of children served per month by the programs, which now constitute Working Connections Child Care, are illustrated in Figure 4.

Figure 4. Growth of Income-Eligible Child Care Programs*



Source: Research and Data Analysis

Two major changes contributed to the increase in the number of subsidized children in this period. First, in 1996, Washington State increased funding for the Employment Child Care Program (now part of the Working Connections Child Care) by \$10 million. Secondly, welfare policy changed so that most parents receiving TANF are now required to participate in work-related activities.

DSHS subsidized children now make up 20% of the all the children in licensed child care (Table 3). From 1990 through 1996, subsidized children were 14% to 16% of all children in child care.

Table 3. DSHS Subsidized Children and Facilities Serving Them in Washington State

	1996 DATA			1998 DATA		
	Centers	Homes	All Facilities	Centers	Homes	All Facilities
Percent of All Facilities						
Serving DSHS Children	84%	39%	46%	88%	47%	55%
Willing To Accept DSHS	NA	92%	NA	96%	90%	91%
Number of DSHS Children	15,700	9,100	24,800	22,800	11,500	34,300
Percent of all children	16%	16%	16%	19%	21%	20%

Sources: DSHS Research and Data Analysis, 1996 and 1998 Surveys of Child Care Centers and Homes.

Nearly half of homes and 88% of centers serve at least one DSHS subsidized child (Table 3). Most providers who were **not** serving subsidized families said they would be **willing** to do so. Ninety percent of family homes and 96% of centers are willing to serve subsidized families.

However, among centers that served DSHS subsidized children, 17% said that they limited the number of DSHS subsidized children they would enroll. On average, the limit was ten children.

Why Some Centers are Unwilling to Accept DSHS Subsidies

Four percent of all child care centers were unwilling to accept DSHS subsidized children. Those few centers identified their reasons. Nearly half of them said DSHS didn't pay their full rates (Table 4).

Table 4. Reasons Some Centers Are Unwilling to Accept DSHS Subsidies

Response from 4% of Centers	Percent*
DSHS does not pay full rate	49%
DSHS pays a month late	28%
Too much paper work	23%
Parents do shift-work	18%
Parents have unstable schedule	18%
Don't like to deal with DSHS	17%
DSHS children require extra work	15%
Don't understand billing rules	11%

*Percentages sum greater than 100% because multiple responses were allowed.

Source: DSHS Research and Data Analysis, 1998 Survey of Child Care Centers.

PARENTS USING CHILD CARE: RESULTS FROM A SURVEY OF DSHS CLIENTS

To understand access to the child care market for DSHS subsidized families, we conducted a telephone survey of DSHS clients. A total of 947 interviews were completed out of an initial sample of 2,400. The sample was drawn from client records for January 1998, 600 clients each from four subgroups:

- 1) TANF-Employed: Parents receiving a TANF grant, who were employed and receiving a child care subsidy.
- 2) TANF-WorkFirst: Parents receiving a TANF grant, who were not employed but were engaged in other WorkFirst activities and were receiving a child care subsidy.
- 3) Non-TANF Employed: Parents with low income who were employed, who were not receiving a TANF grant, but who were receiving a child care subsidy.
- 4) Eligible families: Parents receiving a TANF grant, who had earned income and a child under 11, but who were not receiving a child care subsidy.

This population was difficult to reach. Out of the 2,400 names drawn initially, we found addresses and phone numbers for only 1,908. Of these, 510 phone numbers were not working. In twelve attempts to reach them, 313 phone numbers were answered by machines or not at all. Twenty-two interviews were not completed due to language incompatibility and another 19 due to other reasons.

Of the 1,044 parents who could be contacted by phone, 88 refused to be interviewed and 9 completed only part of the interview. Table 5 lists the number of completed interviews by the clients' status in January 1998. Sampling error for all subgroups was 3%, and the overall sampling error was 2%.

The survey was translated into Spanish. The letter sent to parents asking them to participate also had a notification in Spanish and a toll-free number to call for a complete translation. Native speakers conducted nine interviews in Spanish.

Table 5. Number of Completed Interviews by Subgroup

<u>Client Status in January 1998</u>	<u>Number of Completed Interviews</u>
Receiving Child Care Subsidy	
TANF Employed	257
TANF WorkFirst	259
Non-TANF Employed	239
Not Receiving Child Care Subsidy	
Apparently Eligible	193
Total Respondents	947

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

As mentioned earlier, DSHS subsidized children represent 20% of the licensed child care market in Washington. The client access survey focused on several aspects of child care: subsidy, accessibility, choice of providers, and satisfaction. Many of these issues are common to all parents using child care. However, the sample included only families who were either eligible for or receiving DSHS child care subsidies in January 1998. It is, thus, impossible to generalize responses from the survey to the broader child care market.

Use of Child Care Subsidies

In July 1998, 94% of the families surveyed were working, in school or training, or looking for work. The survey found that two-thirds of these families received a child care subsidy in July and one-third did not. Over half (55%) of those **not** receiving a subsidy in July **had been receiving one** in January 1998.

Families not receiving child care subsidies identified the reasons listed in Table 6. The most frequently cited reason was that someone cared for the child for free.

Table 6. Why Parents Don't Use Child Care Subsidies^[1]

Answers From the 1/3 Of Parents NOT Receiving A Child Care Subsidy (N=305)	Percent
Someone cares for child(ren) for free	40%
I didn't think I qualified	36%
DSHS won't pay my provider	34%
Subsidy is too much hassle/paperwork	30%
I make too much money	23%
I worry about 5 year limit on assistance	23%
I didn't know such help existed	17%
My co-payment was too high	11%
INS said it would affect immigration status	2%
<i>No child care arrangements yet^[2]</i>	3%
<i>Don't need</i>	3%
<i>Family provides care</i>	1%
<i>DSHS not responsive</i>	1%
<i>Other reasons</i>	3%

[1] Percentages sum to greater than 100% because multiple responses were allowed.

[2] Responses in italic are volunteered by respondents.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Thirty-six percent said they didn't think they qualified. Among this group, 62% had received a subsidy in January. Similarly, 23% said they make too much money (and of this group 75% had received subsidies in January). It is likely that some these families had increased their earnings since January, so that they were no longer eligible for subsidies. This is consistent with the higher earnings reported for families not receiving subsidies (Table 13).

About one third said that DSHS wouldn't pay their provider. While DSHS will pay for care by licensed providers and for unregulated child care in the child's home or in the home of a relative, it will not pay for care in the home of an unlicensed non-relative.

One response reflected a misconception. Twenty-three percent of those not receiving a subsidy were worried about the five year limit on assistance. Federal welfare reform legislation has limited lifetime receipt of TANF cash assistance to 5 years or 60 months. This limit does NOT apply to child care subsidies.

There were slightly more adults in the household of parents not receiving subsidies compared to households of parents receiving subsidies (1.6 vs. 1.4 adults). This difference is small but highly significant.

Problems Due to Child Care Responsibilities

Child care responsibilities can cause difficulties in the lives of working parents. Survey respondents identified many problems they had had in the past year, due to child care. The responses are listed below (Table 7).

Table 7. Problems Caused by Child Care Responsibilities
in the Past Year*

Answers from DSHS Parents in Work or Work-related Activities, Now or Last Year (N=926)	Percent
Unable to work certain shifts	59%
Late/absent from work/school/training	50%
Distress/distract at work/school/training	39%
Work fewer hours on a regular basis	29%
Turn down a job offer	21%
Quit a job, school/training	18%
Turn down a higher paying job	15%
Not look for a job	14%
Burden on family and friends	2%
Child behavior problems	2%
Child care not affordable	1%
Other	1%

*Percentages sum greater than 100% because multiple responses were allowed.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Clearly, child care responsibilities had limited the employment options of many parents. Nearly 60% were unable to work certain shifts and 29% had to work fewer hours on a regular basis. Some parents also reported turning down job offers (21%), quitting a job or school/training (18%), turning down a higher paying job (15%), and not looking for work (14%).

Parents Changing Child Care Arrangements

In the past year, parents had changed child care an average of 2.2 times. Fifty-seven percent of all parents in the survey had to make new child care arrangements in the past. Parents who had made new arrangements were asked to name the **main** reason for the change. A summary of what parents said was the main reason is listed in Table 8.

Table 8. Main Reason Made New Child Care Arrangements Most Recently *

Answers from 57% of Respondents (N=527)	Percent
Unspecified problems with child care providers	26%
Job or schedule changed	24%
<i>Providers went out of business/changed jobs**</i>	15%
Had problems with your DSHS subsidy	8%
<i>Respondent moved</i>	7%
Had problems with paying child care	6%
Partner changed job or schedule	6%
<i>Burden on family/friends</i>	3%
<i>Transportation problems</i>	1%
Other reasons	4%

*Percentages may not sum to 100% due to rounding.

** Italics represent answers volunteered by the respondents.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Sources of Help for Parents Looking for Child Care

Parents in the survey identified multiple sources of help finding child care (Table 9). The most commonly cited source (70%) was friends and relatives. Child Care Resource and Referral agencies helped 36% of parents. Thirty-one percent said suggestions from DSHS were helpful. DSHS employees may not recommend child care providers to parents. They may, however, advise parents about how to look for child care. They may also distribute the DSHS brochure “Choosing Child Care.” The close working relationship between DSHS and Child Care Resource and Referral may have led some parents confuse the two.

Table 9. Sources Helpful to Families Looking for Child Care*

Responses of DSHS Clients	Percent
Friends or relatives	70%
A child care resource and referral agency	36%
Suggestions from the DSHS	31%
Advertisements and the yellow pages	23%
Local school	18%
Housing/employer/college based	1%
Other social service/health professional	1%

* Percentages sum greater than 100% because multiple responses were allowed.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Some Parents Had Problems Finding Child Care

Most parents (68%) said they had no problems finding child care. The 32% of parents who **did** report having problems finding child care were asked about the nature of those problems. Many parents reported multiple problems. Their responses are included in Table 10.

The most common problem was difficulty in finding providers who shared their values (62%) and 57% cited a related issue, that they didn’t feel good about the providers they contacted. Roughly half of parents who had problems locating child care judged that the providers who were available were of poor quality. Odd work schedules made finding a provider difficult for about half of parents in this group. For 37% of parents, having a DSHS subsidy caused problems in finding a provider. Six percent of parents who said finding care was a problem had difficulty finding care for infants.

Table 10. Problems Finding Child Care*

Nature of Problems as Reported by the 32% Parents with Difficulty Finding Child Care (N=269)	Percent
Difficult to find provider who shared my values	62%
Didn't feel good about providers	57%
Have an odd work schedule or shift	53%
Available child care was of poor quality	51%
Provider rates too high	38%
Received a DSHS subsidy for child care	37%
Child care too far away from home/work	33%
Subsidy didn't cover provider rate	30%
Difficult find provider speak my language	10%
Few providers with vacancies	9%
Hard to find infant care	6%
Hard to find licensed providers	4%
Other (language, diet, medical)	7%

*Percentages sum to greater than 100% because multiple responses were allowed.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Some of the categories listed in Table 10 were intentionally subjective, in order to reflect parent perceptions. We assume, for example, that “shared values” could range from shared views on physical punishment to similar religious beliefs.

Parents who reported problems finding child care were less satisfied with their child care arrangement than parents who reported no problems (see details on page 18). On average, all parents responding to the survey had to contact 3.6 providers before securing their current child care. Parents who eventually chose a child care *facility* made more provider contacts – an average of 4.8. Because we did not survey the general population, it is impossible to say whether DSHS clients expend more effort in locating providers than parents who are not DSHS clients.

Ninety-seven parents identified at least one of their children as having “long-term physical, mental or behavioral conditions that require additional attention.” These parents were more likely to have problems finding child care (54% compared to 32% of all parents in the survey). However, the child care arrangements they used were similar to those used by other parents in the survey.

Why Parents Chose Their Child Care Providers

Parents were asked about why they chose their current provider. They could choose multiple reasons and some parents identified reasons not on the list. The reasons, and the percent of parents citing each reason, are listed in Table 11.

As a group, parents in the survey were nearly unanimous regarding the importance of 1) the provider’s warm attitude toward their children; 2) their children liking the child care provider; 3) a provider who shared the parent’s values; and 4) quality of care offered. Clearly, parents had to choose from among providers with vacancies and 95% of parents chose their providers at least partly because they were available (Table 11).

Table 11. Reasons Why Parents Chose Their Child Care Providers. ^[1]

Responses of DSHS Clients	Percent
Provider had warm attitude toward my child(ren)	97%
Provider could take my child(ren)	95%
Provider spoke my language	95%
My child(ren) liked the provider	95%
Quality of care	94%
Provider shared my values	92%
Convenient location	81%
Child care environment like home	79%
Provider offered flexible hours	74%
Provider accepted DSHS subsidy	73%
Provider was licensed	58%
Provider was someone I know and trust	58%
Care was free	20%
<i>Provider had good reputation^[2]</i>	4%
<i>Provider furnished transportation</i>	2%
<i>Care for special/medical needs</i>	1%
<i>Other</i>	1%

[1] Percentages sum to greater than 100% because multiple responses were allowed.

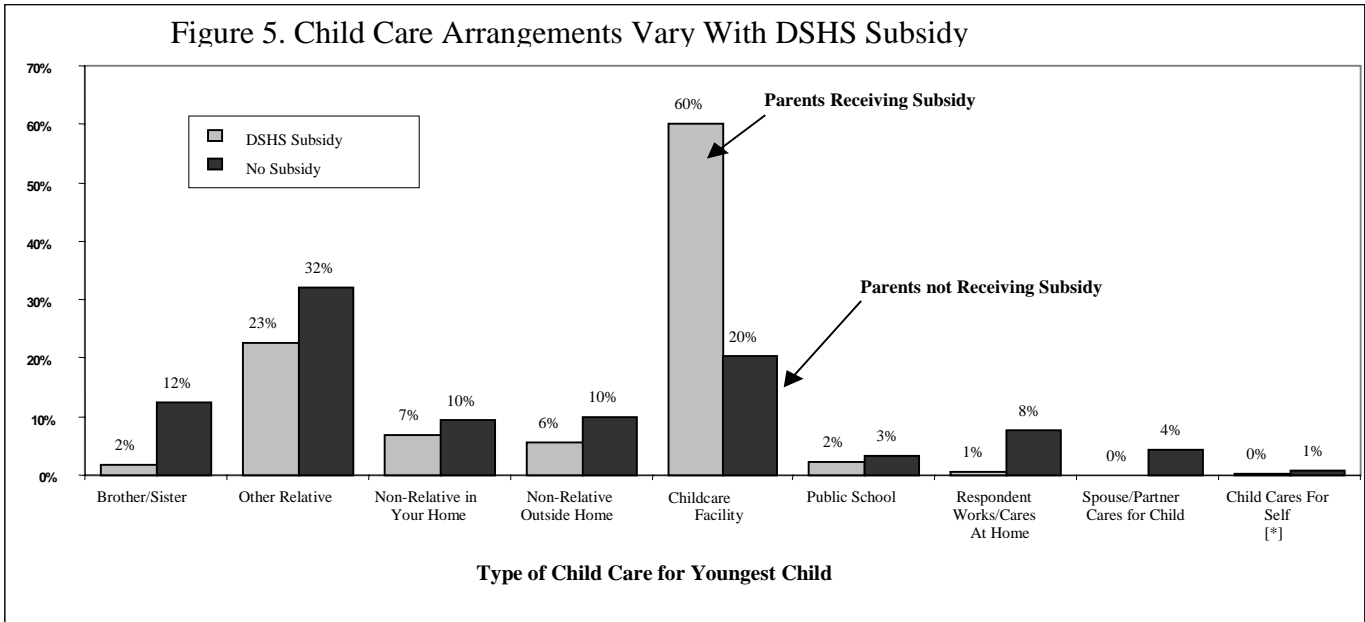
[2] Responses in italic are volunteered by respondents.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Child Care Arrangements

Parents who were working, in school or training, or looking for work described all child care arrangements for each of their children. While two-thirds of children were in only one child care arrangement, the average number of arrangements per child was 1.4.

For brevity, we report here only the main arrangement for the youngest child (Figure 5). Parents receiving child care subsidies were much more likely to use formal child care than parents who were not. Over half of parents not using subsidies relied on family for child care (siblings, 12%; other relatives, 32%; respondent, 8%; spouse/partner 4%). Two parents reported that their youngest child was in self-care. These children were 10 and 11 years old, respectively (Figure 5).



*Two parents not receiving a subsidy reported leaving children alone. One child was 10 and the other 11 years old.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

The type of care used was closely related to the parent’s work or school/training schedule. Parents with weekday or daytime schedules only, were more than twice as likely to be using licensed care as parents with other schedules. Parents working days used licensed care 57% of the time, compared to 28% of parents with other schedules (data not shown.) The type of care used was also significantly related to number of adults in the household. Parents using formal child care and other non-relative care reported an average 1.4 adults in their household compared with 1.7 adults per household for parents who use parent and relative care.

Parent Satisfaction with Child Care

Parents reported a high degree of satisfaction with their child care arrangements. Overall, 70% of the parents surveyed said they were very satisfied with their child care arrangements. Eight percent of parents expressed dissatisfaction with their arrangements, but only 3% said they were very dissatisfied (Table 12).

Among parents in the survey sample, those receiving child care subsidies were slightly more likely to rate themselves “Very Satisfied” with their child care, compared with those parents not receiving subsidies.

This high degree of satisfaction is consistent with a recent DSHS survey¹ of families who exited from welfare between December 1997 and March 1998. Ninety percent (90%) of parents said they were “very satisfied” and “somewhat satisfied” with their child care arrangements.

Table 12. Satisfaction with Child Care Arrangements*

Level of Satisfaction	Receiving Child Care Subsidy (N=574)	Not Receiving Child Care Subsidy (N=302)	All Clients
Very satisfied	74%	64%	70%
Somewhat satisfied	20%	24%	22%
Somewhat dissatisfied	4%	8%	6%
Very dissatisfied	2%	5%	3%

*May not sum to 100% due to rounding.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Parent satisfaction varied significantly with the type of care. Parents whose children received care provided by grandparents, or by themselves while working at home, reported the highest satisfaction: more than 80% said they were “Very Satisfied” (data not shown.)

Parents who reported problems finding child care were less likely to say they were satisfied with their child care than parents who said they had no problems.

Income and Parents’ Child Care Payments

Parents receiving DSHS subsidies who were working, in school or training, or looking for work paid an average \$71 per month for child care for all their children. Those parents who were employed worked an average of 35 hours per week with an their average monthly earned income was \$937. The average monthly household income for all respondents was \$1,166. For comparison, the 1998 Federal Poverty Guideline for a family of three is \$1,138/month.

While there were wide variations in reported income and child care expenses, the \$71 average cost of care for all parents represented 6.2% of monthly household income. This compares favorably with a Census Bureau report² about child care expenditures in families with preschool-age children in 1993. On average, American families were paying 7% of income for child care for children under 6 years of age. That study found poor families were disproportionately burdened by child care costs, spending about 20% of income for child care.

While the average parent in the survey paid less than 10% of their income for child care, receipt of subsidies had a significant effect on that proportion. Parents not receiving subsidies paid a higher percentage of household income for child care than parents not receiving subsidies (Table 13).

Table 13. Income, DSHS Subsidy, and Child Care Expenses

Income And Child Care Expenses	Receiving Child Care Subsidy (N=580)	Not Receiving Child Care Subsidy ^[1] (N=305)	All Clients (N=885)
Respondent monthly take home pay from jobs ^[2]	\$944	\$923	\$937
Monthly household income ^[3]	\$1,140	\$1,269	\$1,169
Amount parents paid for child care last month ^[4]	\$55	\$100	\$71
Child care cost as percent of monthly household income ^[5]	5%	9%	6.2%

[1] Not receiving child care subsidy for a variety of reasons (see TABLE 6).

[2] For working respondent answering survey question (N=627) including commissions and tips. Difference between groups not statistically significant.

[3] From all household members' income, from all sources, including TANF cash assistance. Difference between groups not significant (N=856).

[4] Does not include child care subsidy. Difference significant at p=. 0001.

[5] Difference between groups significant, p=0.001.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

DEMOGRAPHIC CHARACTERISTICS OF THE CLIENT SURVEY SAMPLE

Demographic characteristics of the 947 respondents to the survey are summarized in Table 14. Almost all respondents were female. Most of the respondents were white (75%), and nearly half of respondents had never been married. The average age of the respondents was 29 years old and they averaged 1.8 children under 12 years of age. Slightly more than half had received education beyond high school. Again, the characteristics of the population are very similar to findings in the recent DSHS³ report cited above.

Table 14. Demographic Status Of Survey Respondents (N=947)

Respondents' Demographic Status			
Family Structure:		Marital Status:	
Percent of female respondents	97%	Single, never married	46%
Average age of respondents	29	Divorced	28%
Average number of children 12 and under	1.8	Separated	11%
		Married	9%
Race/Ethnicity: *		Living with a partner	6%
Latino/Hispanic (all races)	7%	Widowed	1%
Black/African American	12%	Education:	
American Indian/Alaska Native	5%	Less than High School	16%
Asian	2%	High School/GED	32%
Hawaiian/Pacific Islander	2%	Some College	36%
White	75%	Two Year Degree	12%
Other race	4%	BA or more	4%

*Because respondents could choose more than one category, percents will not sum to 100.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

Family circumstances had changed for many respondents between January 1998, when the sample was drawn, and the time of the survey six months later. In Table 5, we list the distribution of respondents by their status in January 1998. These changes are displayed in Table 15. For example, only 37% of those families we designated as "TANF-Employed" (received DSHS child care subsidies and a TANF grant, and were employed in January), were still receiving a TANF grant in July. Conversely, 18% of Non-TANF employed families were receiving a TANF grant at the time of the survey. Most families were employed. Statistically significant differences among the groups are included in Table 15.

Table 15. Change in Status of Survey Respondents, January to July 1998.

<u>Status in July 1998</u>	<u>Status in January 1998</u>				<u>All</u>
	<u>Receiving Child Care Subsidy</u>			<u>No Subsidy</u>	
	<u>TANF</u>	<u>TANF</u>	<u>Non-TANF</u>	<u>Apparently</u>	
	<u>Employed</u>	<u>Other WorkFirst</u>	<u>Employed</u>	<u>Eligible</u>	
Employed*	82%	56%	88%	72%	74%
In School/Training*	15%	36%	11%	12%	19%
Receiving TANF*	37%	67%	14%	48%	42%
Receiving Child Care Subsidy*	74%	73%	84%	18%	66%

* Parents may be in more than one category.

Source: DSHS Research and Data Analysis, 1998 Survey of DSHS Clients.

SUMMARY

Access to Licensed Child Care

While the number of families using Working Connections child care subsidy program has grown, the child care market has accommodated many of them. The number of licensed child care slots has increased since 1996. The number of DSHS subsidized children receiving licensed care has increased even faster. Children in DSHS subsidized care now represent 20% of all children in licensed care.

The vast majority of parents said they were satisfied with their child care arrangements. Seventy percent said they were very satisfied.

Parents named many sources of help in their search for child care. Most often, friends and relatives helped them. Parents also identified Child care Resource and Referral agencies (36%) and suggestions from DSHS (31%) helpful in finding child care.

About one-third (34%) of the sample was not receiving a DSHS subsidy. Among families who were not using subsidies, 40% said someone cared for their child for free. One fourth said that they make too much money to qualify.

Challenges.

- Few child care centers had vacancies for infants. Likewise, some parents reported difficulty finding care for infants.
- Most parents (68%) said they had no trouble finding child care, but they had to contact on average 3.6 providers before they settled with their current providers.
- Among parents who had more difficulty finding child care, the most common problem was finding a provider who shared their values.
- Parents of children with special needs were more likely to have trouble finding child care (54%).
- Having a DSHS subsidy actually was a barrier to some families (38% of families who reported problems finding child care).
- A quarter of those not receiving a subsidy thought a child care subsidy would affect their 5-year time limit for TANF.
- The number of family home providers has decreased since 1996. These providers are more likely to be flexible with respect to hours open for business. Because many parents have non-standard work schedules, a drop in the number of homes may ultimately affect availability of licensed care for subsidized families.

- Parents most often (70%) cited family and friends as a source of help when looking for child care. Only 36% said they were helped by Child Care Resource and Referral Agencies.

Endnotes

- ¹ DSHS, Economic Services Administration, Management Reports and Data Analysis 1998. *Washington's TANF Single Parent Families Shortly After Welfare.*
- ² Casper, Lynne M., March 1995, U.S. Bureau of the Census, Current Population Reports, Series P70-52. *What Does It Cost To Mind Our Preschoolers?*
- ³ DSHS, Economic Services Administration, Management Reports and Data Analysis 1998. *Washington's TANF Single Parent Families Shortly After Welfare.*

Table 1. 1998 County-Level Statistics: Number of Facilities and Licensed Child

Counties	Licensed	Licensed	Licensed	Licensed Capacity		Effective Capacity	Total [4]
	Centers	Homes	Facilities	Centers [1]	Homes [2]	Homes [3]	Capacity
Adams	5	24	29	187	203	174	361
Asotin	9	13	22	405	96	83	488
Benton	51	302	353	3,153	2,457	2,129	5,282
Chelan	26	191	217	921	1,715	1,532	2,453
Clallam	16	62	78	782	532	475	1,257
Clark	80	659	775	5,521	5,177	4,311	9,832
Columbia	0	2	2	NA	22	20	20
Cowlitz	25	69	94	1,617	539	460	2,077
Douglas	6	86	92	258	750	658	916
Ferry	2	1	3	41	NA	NA	41
Franklin	20	164	184	1,296	1,418	1,254	2,550
Garfield	0	0	0	NA	NA	NA	NA
Grant	12	193	205	835	1,359	1,131	1,966
Grays Harbor	21	77	98	814	701	634	1,448
Island	13	84	97	649	591	510	1,159
Jefferson	3	28	31	165	236	200	365
King	578	1,855	2,433	36,649	15,380	13,638	50,287
Kitsap	64	337	401	3,415	2,940	2,617	6,031
Kittitas	11	51	62	570	366	308	878
Klickitat	2	27	29	57	236	214	271
Lewis	19	62	81	811	566	471	1,282
Lincoln	2	10	12	55	80	64	119
Mason	7	57	64	151	493	436	587
Okanogan	11	57	68	440	566	498	938
Pacific	4	17	21	113	135	121	234
Pend Oreille	2	7	9	54	56	41	95
Pierce	227	747	974	13,099	6,555	5,687	18,786
San Juan	6	12	18	175	105	87	262
Skagit	31	152	183	1,386	1,307	1,152	2,538
Skamania	3	4	7	102	32	25	127
Snohomish	166	904	1,070	11,068	7,569	6,319	17,387
Spokane	182	566	748	11,586	4,930	4,252	15,838
Stevens	5	28	33	167	256	229	396
Thurston	85	296	381	4,611	2,605	2,282	6,893
Wahkiakum	1	1	2	68	NA	NA	68
Walla Walla	16	60	76	1,011	473	393	1,404
Whatcom	45	121	166	2,448	1,006	903	3,351
Whitman	13	44	57	984	340	284	1,268
Yakima	72	490	562	4,604	3,679	3,189	7,793
State Total	1,841	7,860	9,738	110,268	65,471	56,782	167,050

[1] = Sum of Centers' Licensed

[2] = Sum of Family Homes' Licensed

[3]=Licensed Capacity in Home minus Provider's Own

[4]=Sum of Licensed Capacity in Centers and Effective Capacity in

Due to higher level of detail, columns may not always agree with totals in this table or totals shown elsewhere.

Research and Data Analysis
1998 Survey of Child Care Centers

**Table 2. 1998 County-Level Statistics:
Vacancies and Vacancy Rates**

Counties	Total Capacity	Vacancies, All Age Group			Vacancy Rate [5]	Infant Vacancies		
		Centers	Homes	Total		Centers	Homes	Total
Adams	361	38	30	69	19%	0	11	11
Asotin	488	18	7	25	5%	9	3	12
Benton	5,282	695	241	936	18%	14	87	101
Chelan	2,453	115	288	404	16%	6	94	99
Clallam	1,257	50	54	104	8%	0	24	24
Clark	9,832	385	514	899	9%	11	131	142
Columbia	20	NA	0	0	NA	NA	0	NA
Cowlitz	2,077	207	61	267	13%	2	31	33
Douglas	916	8	169	177	19%	0	51	51
Ferry	41	0	0	0	0%	0	0	0
Franklin	2,550	136	267	403	16%	0	70	70
Garfield	NA	NA	0	0	NA	NA	0	NA
Grant	1,966	78	212	290	15%	0	69	69
Grays Harbor	1,448	143	49	193	13%	10	10	20
Island	1,159	52	45	97	8%	6	14	20
Jefferson	365	21	14	35	10%	12	5	17
King	50,287	3,915	2,210	6,125	12%	150	734	884
Kitsap	6,031	519	476	995	16%	18	165	183
Kittitas	878	56	42	98	11%	2	25	27
Klickitat	271	10	35	45	17%	0	15	15
Lewis	1,282	149	52	201	16%	4	21	25
Lincoln	119	25	1	26	22%	0	1	1
Mason	587	53	37	90	15%	0	17	17
Okanogan	938	139	57	196	21%	15	23	37
Pacific	234	15	29	44	19%	3	3	6
Pend Oreille	95	16	1	17	18%	0	0	0
Pierce	18,786	1,235	663	1,898	10%	79	215	294
San Juan	262	8	0	8	3%	0	0	0
Skagit	2,538	98	199	297	12%	5	108	113
Skamania	127	11	3	13	11%	0	1	1
Snohomish	17,387	1,412	780	2,192	13%	110	346	456
Spokane	15,838	1,543	401	1,944	12%	70	211	281
Stevens	396	13	23	36	9%	2	9	10
Thurston	6,893	883	296	1,179	17%	18	97	115
Wahkiakum	68	41	0	41	60%	1	0	1
Walla Walla	1,404	99	49	148	11%	9	13	22
Whatcom	3,351	173	169	343	10%	0	30	30
Whitman	1,268	?	28	28	2%	?	4	4
Yakima	7,793	691	627	1,317	17%	70	209	279
State Total	167,050	13,050	8,130	21,180	13%	626	2,846	3,472

[5] = (Total Vacancies All Ages / Total Capacity) x 100

Due to higher level of detail, columns may not always agree with totals in this table or totals shown elsewhere.

DSHS Research and Data Analysis
1998 Survey of Child Care Centers and Homes

**Table 3. 1998 County-Level Statistics:
Children in Licensed Child Care**

Counties	All Children 0-12 YO [6]	Children in Licensed Care			% of All [7] Children 0-12	Total [4] Capacity	Slots per 100 Children [8]
		Centers	Homes	Total			
Adams	3,935	168	150	318	8%	361	9
Asotin	3,925	610	103	713	18%	488	12
Benton	29,542	2,681	2,114	4,795	16%	5,282	18
Chelan	13,262	914	1,176	2,090	16%	2,453	18
Clallam	11,070	1,136	560	1,696	15%	1,257	11
Clark	66,459	6,133	4,230	10,363	16%	9,832	15
Columbia	711	NA	13	13	2%	20	3
Cowlitz	18,246	1,804	550	2,354	13%	2,077	11
Douglas	6,138	281	538	819	13%	916	15
Ferry	1,483	50	0	50	3%	41	3
Franklin	11,253	936	1,169	2,105	19%	2,550	23
Garfield	409	NA	0	0	0%	NA	NA
Grant	15,533	1,020	1,162	2,182	14%	1,966	13
Grays Harbor	13,355	1,041	628	1,669	12%	1,448	11
Island	13,830	781	524	1,305	9%	1,159	8
Jefferson	4,262	136	226	362	8%	365	9
King	296,565	38,432	11,920	50,352	17%	50,287	17
Kitsap	48,503	4,430	2,452	6,882	14%	6,031	12
Kittitas	4,949	516	312	828	17%	878	18
Klickitat	3,723	82	211	293	8%	271	7
Lewis	13,667	889	612	1,501	11%	1,282	9
Lincoln	1,725	62	86	148	9%	119	7
Mason	8,697	160	573	733	8%	587	7
Okanogan	8,036	680	562	1,242	15%	938	12
Pacific	3,542	130	117	247	7%	234	7
Pend Oreille	2,254	62	57	119	5%	95	4
Pierce	138,227	13,928	5,051	18,979	14%	18,786	14
San Juan	1,981	236	96	332	17%	262	13
Skagit	19,094	1,703	1,152	2,855	15%	2,538	13
Skamania	2,003	149	21	170	8%	127	6
Snohomish	115,804	11,764	6,319	18,083	16%	17,387	15
Spokane	79,235	12,775	3,955	16,730	21%	15,838	20
Stevens	7,620	245	212	457	6%	396	5
Thurston	38,207	4,054	2,164	6,218	16%	6,893	18
Wahkiakum	675	86	0	86	13%	68	10
Walla Walla	9,700	1,203	413	1,616	17%	1,404	14
Whatcom	29,246	2,861	1,051	3,912	13%	3,351	11
Whitman	5,827	778	272	1,050	18%	1,268	22
Yakima	48,269	5,328	3,036	8,364	17%	7,793	16
State Total	1,100,964	118,242	53,787	172,029	16%	167,050	15

[4] = Based on **Table 1**. Sum of Licensed Capacity in Centers and Effective Capacity in Homes.

[6] = Based on Office of Financial Management (OFM) estimate of 1998 population of children under 13 years old.

[7] = (Children in licensed care/All Children under 13) x 100

[8] = (Total Capacity/All Children under 13) x 100

Due to higher level of detail, columns may not always agree with totals in this table or totals shown elsewhere.

DSHS Research and Data Analysis
1998 Survey of Child Care Centers and Homes

**Table 4. 1998 County-Level Statistics:
Children in Subsidized Child Care**

<u>Counties</u>	Children in Licensed Care Subsidized by DSHS in [9]		
	<u>Centers</u>	<u>Homes</u>	<u>Both</u>
Adams	27	40	67
Asotin	124	12	136
Benton	518	491	1,009
Chelan	201	420	621
Clallam	251	242	493
Clark	841	725	1,566
Columbia	NA	2	2
Cowlitz	315	230	545
Douglas	53	247	300
Ferry	NA	NA	NA
Franklin	440	689	1,129
Garfield	NA	NA	NA
Grant	190	432	622
Grays Har.	240	162	402
Island	103	118	221
Jefferson	36	61	97
King	6316	1,694	8,010
Kitsap	785	416	1,201
Kittitas	39	32	71
Klickitat	15	95	110
Lewis	442	242	684
Lincoln	9	12	21
Mason	46	178	224
Okanogan	198	182	380
Pacific	51	31	82
Pend Oreille	9	18	27
Pierce	3,300	859	4,159
San Juan	24	23	47
Skagit	389	291	680
Skamania	32	4	36
Snohomish	2115	1,055	3,170
Spokane	2983	763	3,746
Stevens	50	47	97
Thurston	781	296	1,077
Wahkiakum	12	NA	NA
Walla Walla	230	127	357
Whatcom	803	231	1,034
Whitman	176	16	192
Yakima	1,169	996	2,165
State Total	23,311	11,479	34,790

[9] Monthly average for federal fiscal year 1998 from SSPS.
DSHS Research and Data Analysis
1998 Survey of Child Care Centers and Homes



Research and Data Analysis
Report Number 7.97