

# **NEW JERSEY CHILD CARE MARKET RATE SURVEY**

**2000**

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**March 8, 2002**

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## NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2000

### EXECUTIVE SUMMARY

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

The Department of Human Services' (DHS) Office of Planning and Special Initiatives worked with the Division of Family Development (DFD) in conducting New Jersey's child care market rate survey. Information was obtained for two types of regulated child care providers:

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

A sample was drawn of 831 centers and 888 family day care providers, and surveys were distributed in the Fall of 2000. Response rates were 75% for the centers and 38% for the family day care providers.

The findings showed the highest median rates for the care of infants and toddlers followed by preschool and school age. Rates for children with special needs exceeded those for children without those needs. Centers also charged higher median rates than family day care providers:

Market Rate	Centers	Family Day Care
Weekly Median for Infants/Toddlers	<b>\$145</b>	<b>\$125</b>
Weekly Median for Preschool	<b>\$120</b>	<b>\$100</b>
Weekly Median for Summer School-Age	<b>\$120</b>	<b>\$86</b>
Weekly Median for Before/After School	<b>\$62</b>	<b>\$59</b>
Daily Median Holiday (School-age)	<b>\$25</b>	<b>\$22</b>
Median <i>Special Needs</i> Infants/Toddlers	<b>\$166</b>	<b>\$125</b>
Median <i>Special Needs</i> Preschool	<b>\$145</b>	<b>\$125</b>

Regional differences were also observed, with lower median rates in the Southern region and higher rates in the Northern and Central regions. Both centers and family day care providers offered discounted rates of about 10-14% for additional children. Centers typically charged supplemental registration and recreation fees, while family day care providers rarely required additional fees.

Comparisons of data for 1998 with these data show that from 1998 to 2000, center rates increased from 10 to 32 percent for most types of child care, while family day care rates showed greater variability; some rates increased slightly, while others either remained stable or declined.

## NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2000

### Introduction

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

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

### Terminology

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

### The Instrument

The Department of Human Services’ (DHS) Office of Planning and Special Initiatives worked with the Division of Family Development (DFD) to conduct New Jersey’s child care market rate survey. The resulting instrument was developed jointly (Appendix 1). The primary focus was on obtaining data on rates charged for different age groups and program types. Questions were also included about additional fees or charges, and discounts when more than one child was enrolled. There were a few items related to enrollment, including total enrollment and the enrollment of children with vouchers. Some additional descriptive information was obtained from existing child care provider databases. The survey for registered family day care providers was available in English and Spanish.

### Methodology

The Division of Youth and Family Services (DYFS) maintains a database of all licensed child care center providers and registered family day care providers. At the time the samples were drawn in the fall of 2000, there were a total of 3,761 programs on the licensed child care center database and a total of 5,278 registered family day care providers. Samples were drawn to establish confidence intervals of +/- 3 percent from each of these databases, resulting in samples of 831 child care centers and 888 family providers.

Surveys were mailed to providers in the fall of 2000 with an explanatory letter to the centers and family day care providers selected to be in the sample. Providers were

instructed to return surveys to the Department of Human Services in enclosed addressed, stamped envelopes or by FAX. Substitutions were made from similar communities when centers or individuals indicated that they were no longer providing child care or charged no fees (e.g., Head Start Programs). Data entry and follow-up calls to non-responding programs were outsourced to the Eagleton Institute's Center for Public Interest Polling (CPIP). Data were analyzed by the Department of Human Services.

## CENTER MARKET RATE SURVEY RESULTS

### Characteristics of Child Care Centers

Representativeness. Responses were received from 666 centers, with 626 of them providing market rates for children enrolled in their program. Therefore, out of the 831 centers in the sample, about 75% provided market rate data. The responding centers were compared to the full sample and the total population of providers on a number of dimensions including: geography, hours of operation and program sites. Responding centers had a geographic distribution similar to that of all providers.

**TABLE 1**  
**GEOGRAPHIC DISTRIBUTION OF RESPONDING CENTERS**

COUNTY	ALL PROVIDERS		SAMPLE		RESPONDENTS	
	N	%	N	%	N	%
<b>SOUTH</b>	<b>712</b>	<b>18.9</b>	<b>161</b>	<b>19.4</b>	<b>119</b>	<b>19.0</b>
Atlantic	90	2.4	21	2.5	15	2.4
Burlington	141	3.7	23	2.8	20	3.2
Camden	239	6.4	55	6.6	34	5.4
Cape May	39	1.0	12	1.4	10	1.6
Cumberland	56	1.5	21	2.5	17	2.7
Gloucester	121	3.2	26	3.1	21	3.4
Salem	26	0.7	3	0.4	2	0.3
<b>CENTRAL</b>	<b>888</b>	<b>23.6</b>	<b>199</b>	<b>24.0</b>	<b>162</b>	<b>25.9</b>
Hunterdon	73	1.9	15	1.8	13	2.1
Mercer	215	5.7	62	7.5	47	7.5
Monmouth	287	7.6	61	7.4	51	8.1
Ocean	151	4.0	36	4.3	31	5.0
Somerset	162	4.3	25	3.0	20	3.2
<b>METRO</b>	<b>978</b>	<b>26.0</b>	<b>213</b>	<b>25.7</b>	<b>144</b>	<b>23.0</b>
Essex	446	11.9	100	12.1	63	10.1
Middlesex	269	7.2	57	6.9	37	5.9
Union	263	7.0	56	6.8	44	7.0
<b>NORTH</b>	<b>1,183</b>	<b>31.5</b>	<b>255</b>	<b>30.8</b>	<b>201</b>	<b>32.1</b>
Bergen	391	10.4	67	8.1	55	8.8
Hudson	223	5.9	61	7.4	50	8.0
Morris	265	7.0	53	6.4	43	6.9
Passaic	189	5.0	48	5.8	31	5.0
Sussex	64	1.7	19	2.3	17	2.7
Warren	51	1.4	7	0.8	5	0.8
<b>TOTAL</b>	<b>3,761</b>		<b>828</b>		<b>626</b>	

Programs had variable hours of operation. Comparisons show that responding centers also resembled the sample and total database in terms of their hours of operation (see Table 2 below).

**TABLE 2**  
**HOURS OF OPERATION OF RESPONDENTS**

HOURS OF OPERATION	ALL PROVIDERS		SAMPLE		RESPONDENTS	
	N	%	N	%	N	%
Full Day Only	1,071	28.5	21	30.6	191	30.6
Half Day Only	593	15.8	23	12.9	69	11.1
Both Full & Half	1,553	41.3	55	44.0	290	46.5
Before & After School	509	13.5	12	11.7	67	10.7
Vacations	34	0.9	21	0.8	7	1.1
TOTAL	3,760		828		624	

Geographic Distribution. The geographic distribution of responding centers was similar to the total database. Among respondents, there were slightly fewer centers in the Southern part of the state (19%) and slightly more in the Northern region (32%), with about one-fourth each in the Central and Metropolitan regions. More than half of the centers could be found in 7 counties: Essex, Bergen, Monmouth, Hudson, Mercer, Union and Morris, a finding consistent with the total database.

Center Characteristics and Schedule. Many centers were one of several sites operated by a single program; more than 40% were multi-site programs. Most also operated on a not-for-profit basis (58%). About 30% of the centers (serving preschool children) had contracts to serve children in Abbott districts. Less than 3% of the centers were Head Start programs (in part because most Head Start programs do not charge fees).

Centers primarily offered either full day programs alone or in conjunction with half day programs (more than 77%). Relatively few (11%) offered only half day programs or only before/after school programs. However, many programs that were not exclusively before and after school programs accepted school age children. Almost half of the centers (N=303 or 48.6%) reported rates for before and after school programs for school-age children.

Enrollment. Centers were asked to provide information regarding current enrollment and enrollment at the start of the previous year. Overall, findings showed an enrollment increase of 5.5% from 1999 to 2000 with 24 centers added from 1999 to 2000. Median center enrollment, however, remained the same at 60 children. Forty percent of the centers had fewer than 50 children.

Ages Served and Program Type. Table 3 gives some indication of the ages of the children served by child care centers. Centers reported rates for infants/toddlers, preschool, and 3 different school-age categories (before/after school, summer and holiday). Programs typically served more than one age group and offered several different types of programs.

On average, centers served 2 or more age groups, with the preschool population being served by more than 80 percent of the centers. School-age children were served by more than 60 percent of the programs and about half served infants and toddlers. School age children were somewhat more likely to be served by before and after school or summer programs and less apt to have access to holiday-specific programs (less than 40%).

**TABLE 3**  
**AGES OF CHILDREN SERVED**  
**N=624**

<b>AGES SERVED</b>	<b>N</b>	<b>% *</b>
Infants/Toddlers	<b>310</b>	<b>49.7</b>
Preschool	<b>522</b>	<b>83.7</b>
Any School-Age	<b>381</b>	<b>61.1</b>
---Before/After	--303	--48.6
---Summer	--298	--47.8
---Holiday	--236	--37.8

\* Percentages sum to more than 100 percent due to multiple responses.

### **Center Child Care Market Rates**

The primary purpose of the Child Care Market Rate Survey was to obtain fee information for different age groups and program types. Centers were asked to report rates for three different age groups:

- Infants and Toddlers (0 – 2 ½ years old)
- Preschool Children (2 ½ - 6 years)
- School-Age Children (6 – 13 years old)

Individual center rate schedules did not always conform to these groupings. When the center made finer distinctions within the age category, for example, differentiating between infants up to 18 months and toddlers 18 months to 2 ½ years old, the two rates were averaged. If there was overlap in the rate, for example, rates up to 3 years, then the preschool rate was averaged with the rate for 0 – 3 years old. Calculations were made when centers reported annual, monthly or hourly rates in order to assure that all rates reflected a similar timeframe.

**TABLE 4**  
**STATEWIDE CENTER CHILD CARE MARKET RATES**

<b>AGE/PROGRAM</b>	<b>N</b>	<b>MEAN</b>	<b>MEDIAN</b>	<b>50% Between:</b>
Weekly Infant/Toddler	310	\$156.55	\$145.00	\$131.00 And \$173.50
Weekly Preschool	522	\$121.92	\$120.00	\$100.00 And \$142.00
Weekly Before/After School Age	303	\$73.91	\$62.36	\$50.00 And \$85.00
Daily Holiday Rate:- School Age	236	\$31.62	\$25.00	\$21.00 And \$35.00
Weekly Summer Rate School Age	298	\$127.65	\$120.00	\$100.00 And \$144.00
Wkly <i>Special Need</i> Infant/Toddler	32	\$183.47	\$165.50	\$135.25 And \$200.00
Wkly <i>Special Need</i> Preschool	46	\$150.97	\$145.00	\$110.50 And \$166.50

Table 4 displays market rates for infants and toddlers, preschool children and three different types of school-age programs (before and after school, holiday care and summer school). With the exception of the holiday rate, these were weekly rates. The highest rates were for infants and toddlers, with 50% falling between \$131 and more than \$173.50 per week, followed by summer school and preschool. Before and after school care was the least expensive, ranging from \$50 to \$85 per week.

Only 5% (N=32) indicated rates for special need infants and toddlers and 7% (N=46) provided rates for special need preschool children. Generally speaking, few programs had distinctive rates for special needs children. Most programs charged special needs children the same rates as other children. Among those that had special rates were a few highly specialized programs for children with significant medical needs. Thus, while special needs rates were higher, \$20-\$30 per week on average, they were also fairly rare.

**TABLE 5**  
**CHILD CARE MARKET RATES BY REGION<sup>1</sup>**

<b>AGE/PROGRAM</b>	<b>MEAN</b>	<b>MEDIAN</b>	<b>50% Between:</b>		
Weekly Infant/Toddler	<b>\$156.55</b>	<b>\$145.00</b>	<b>\$131.00</b>	<b>And</b>	<b>\$173.50</b>
North	173.89	150.00	135.00		176.99
Central	161.28	160.00	139.00		187.00
Metro	150.09	142.75	130.96		175.00
South	132.09	132.50	120.00		140.00
Weekly Preschool	<b>\$121.92</b>	<b>\$120.00</b>	<b>\$100.00</b>	<b>And</b>	<b>\$142.00</b>
North	129.46	120.09	101.97		145.75
Central	124.10	127.50	100.97		150.00
Metro	124.50	122.50	108.00		149.50
South	104.35	110.00	87.50		120.46
Weekly Before/After School-Age	<b>\$73.91</b>	<b>\$62.36</b>	<b>\$50.00</b>	<b>And</b>	<b>\$85.00</b>
North	84.17	65.00	50.00		89.00
Central	74.08	71.00	50.00		88.00
Metro	65.44	57.40	45.25		75.00
South	65.41	61.65	48.75		83.31
Daily Holiday Rate School Age	<b>\$31.62</b>	<b>\$25.00</b>	<b>\$21.00</b>	<b>And</b>	<b>\$35.00</b>
North	30.79	25.00	21.44		35.00
Central	35.48	30.00	24.00		40.00
Metro	31.79	25.00	22.00		38.25
South	28.02	24.00	19.25		30.12
Weekly Summer School Age	<b>\$127.65</b>	<b>\$120.00</b>	<b>\$100.00</b>	<b>And</b>	<b>\$144.00</b>
North	135.72	123.50	105.75		141.00
Central	134.56	135.00	110.00		155.00
Metro	128.97	115.24	100.00		150.00
South	107.26	100.92	87.50		121.80

Table 5 shows child care fees by region. On the whole, rates in the Northern and Central regions tended to exceed the statewide average, while those in the Southern region fell well below state averages.

<sup>1</sup> The geographic regions are defined in terms of the Division of Youth and Family Services regions, consistent with past analyses.



Included within these rates were centers that offered less than full day programs. When half-day programs were excluded, rates rose only slightly. As an example, the mean rate for infants and toddlers was \$159.16 compared to \$156.55 with half-day programs included. The primary reason that half day programs had little impact was that there were so few of them. Therefore, although their rates tended to be \$60-\$70 per week less than their full day counterparts their small number reduced their impact. On the other hand, this study could not examine the impact of programs that accepted rates set by state agencies or benefit programs. The study excluded Head Start programs which had no charge for child care. However, included were a host of programs that required adherence to a sliding scale with set maximums. These programs may have reduced average rates.

Comparisons were also made between centers with Abbott contracts<sup>2</sup> and other centers. The findings show that mean and median market rates in centers serving Abbott children were consistently lower for almost all age groups and program types. For example, median preschool rates for Abbott centers was \$110.80 per week while median rates in non-Abbott programs was \$125.00. In Abbott centers, 90 percent had rates for infants and toddlers that fell at or below \$163.25, while the comparable figure for non-Abbott centers was \$217.65. Given that all rates in Abbott programs were lower, rather than just those for preschool, it is possible that the Abbott rates reflect the fact that these programs by design were in poorer communities where all rates are generally lower.

### **Other Fees and Discounts**

The Child Care Market Rate Survey also asked questions about the availability of discounts for additional children and subsidies through targeted state programs. Findings show that most programs (77.7%) offered discounts for additional children, with the median at 10% for an additional child; percentages ranged from 1 to 54%. In addition, programs reported accepting children who have subsidies through Work First New Jersey (WFNJ) or the New Jersey Cares for Kids (NJCK) programs. Almost 80% of the centers indicated that they accepted children with subsidies. However, this may not mean that they actually enrolled children with these subsidies, but instead that the center would be willing in theory to accept a child with a voucher. Of the 518 centers accepting children with vouchers, more than half (N=303) reported requiring the family to pay the difference between the center rate and the voucher. However, some programs may have included the mandatory co-payment and may not require other charges.

Most programs also charged additional fees with registration and recreation fees being the most common (see Table 6 below). Registration fees were typically one-time or annual fees. Recreation fees were typically charged per activity or event. Other fees were less common. Activity fees were typically either annual or per activity, materials tended to be annual fees (e.g., for kindergarten books/supplies), and meal fees tended to be charged on a weekly basis. However, these fees were all relatively rare. For most fees, the median rather than the mean or average was reported. This is due to the wide variability even when controlling for the frequency that the fee was levied. The median is not affected by extreme values and represents the mid-point (with half of the values

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<sup>2</sup> The rates used were for the non-Abbott classrooms.

each falling above and below that number). As an example, annual fees for materials and supplies fees could range from \$5 to \$300. While the average was \$62.01, showing the impact of adding in extreme values, the median or mid-point was considerably less (\$45.00).

**TABLE 6  
ADDITIONAL FEES**

<b>FEES</b>	<b>N</b>	<b>%</b>	<b>MEDIAN</b>
Registration Fee	518	77.5	\$40.00
Recreation Fee	321	48.1	\$7.50
Activity Fee	53	7.9	-
--Annual	23	3.7	\$62.50
--Per activity	13	2.1	\$5.00
Materials/Supplies Fee	49	7.3	\$45.00
Meals Fee	37	5.5	\$10.00

About 5% of the programs had other fees. These were highly variable, including annual membership fees for YMCAs as well as fees for special programs, e.g., kindergarten, computer class, swimming, gymnastics, etc., which might be annual, seasonal (e.g., summer) or monthly fees, or like recreation levied when used.

### **Comparison of Rates in 1998 and 2000**

The Federal Government requires biannual surveys of child care market rates. Comparisons of results for 1998 and 2000 showed substantial increases.

Median weekly rates in child care centers for infants and toddlers increased more than 20% for special needs infants and toddlers, and about one-third for special needs preschool from 1998 to 2000. Increases for non-special need preschoolers and summer and holiday programs were less, about 10-15% and median rates for infants and toddlers increased about 4%. Only rates for before and after school programs showed no growth over the two year period (see Table 7).

**TABLE 7**  
**COMPARISON OF CENTER CHILD CARE MARKET RATES:**  
**1998 AND 2000**

<b>Market Rates</b>	<b>1998 Avg.</b>	<b>2000 Avg.</b>	<b>Increase</b>	<b>1998 Median</b>	<b>2000 Median</b>	<b>Increase</b>
Infants/Toddlers	\$141.00	\$156.55	11.0%	\$140.00	\$145.00	3.6%
Preschool	\$114.00	\$121.92	6.9%	\$110.00	\$120.00	9.1%
Before/After School	\$ 69.00	\$ 73.91	7.1%	\$ 55.00	\$ 62.36	13.4%
Holiday (Daily)	\$ 31.00	\$ 31.62	2.0%	\$ 25.00	\$ 25.00	0.0%
Summer School-Age	\$114.00	\$127.65	12.0%	\$110.00	\$120.00	9.1%
Special Needs Infants/Toddlers	\$139.00	\$183.47	32.0%	\$135.00	\$165.50	22.6%
Special Needs Preschool	\$106.00	\$150.97	42.4%	\$110.00	\$145.00	31.8%

Note: With the exception of holiday programs, all rates are weekly.

## **FAMILY DAY CARE PROVIDER MARKET RATE SURVEY RESULTS**

### **Characteristics of Family Day Care Providers**

Family day care providers are individuals offering child care services to between three and five children in their homes. For a variety of reasons, there is apt to be less continuity in their provision of services. Some may provide child care only while their own children are at home. For others, change of residence, finances, health or other personal circumstances may lead them to discontinue their provision of care. In some cases, changes of residence may result in difficulty tracking providers who remain on the registry. And a number of people who provide care may elect not to register, since their participation is voluntary. For all these reasons, determining the total number of providers and obtaining high rates of response are difficult.

Representativeness. Responses were received from 336 family day care providers, with 335 of them providing market rates for children in their care. Therefore, out of 888 providers in the sample, about 38% provided market rate information. While participation was considerably lower than for centers, this response was comparable to previous New Jersey market rate studies. The sample somewhat overrepresented the Southern region and perhaps as a result, respondents included a higher proportion of Southern region providers. There were also fewer respondents from the Metropolitan region (see Table 8).

**TABLE 8**  
**GEOGRAPHIC DISTRIBUTION**  
**OF RESPONDING FAMILY DAY CARE PROVIDERS**

COUNTY	ALL PROVIDERS		SAMPLE		RESPONDENTS	
	N	%	N	%	N	%
<b>SOUTH</b>	<b>712</b>	<b>18.9</b>	<b>258</b>	<b>29.1</b>	<b>84</b>	<b>25.7</b>
Atlantic	83	1.6	11	1.2	7	2.1
Burlington	303	5.7	53	5.8	20	6.0
Camden	344	6.5	50	5.5	16	4.8
Cape May	53	1.0	17	1.9	4	1.2
Cumberland	479	9.1	81	8.9	27	8.0
Gloucester	165	3.1	32	3.5	7	2.1
Salem	76	1.4	14	1.5	3	0.9
<b>CENTRAL</b>	<b>888</b>	<b>23.6</b>	<b>168</b>	<b>18.9</b>	<b>82</b>	<b>25.1</b>
Hunterdon	105	2.0	23	2.5	9	2.7
Mercer	302	5.7	50	5.5	27	8.0
Monmouth	275	5.2	42	4.6	23	6.8
Ocean	182	3.4	26	2.9	9	2.7
Somerset	157	3.0	27	3.0	14	4.2
<b>METRO</b>	<b>978</b>	<b>26.0</b>	<b>189</b>	<b>21.3</b>	<b>56</b>	<b>17.1</b>
Essex	569	10.8	104	11.5	29	8.6
Middlesex	296	5.6	55	6.1	16	4.8
Union	222	4.2	30	3.3	11	3.3
<b>NORTH</b>	<b>1,183</b>	<b>31.5</b>	<b>273</b>	<b>30.7</b>	<b>105</b>	<b>32.1</b>
Bergen	283	5.4	48	5.3	22	6.5
Hudson	635	12.0	111	12.2	44	13.1
Morris	174	3.3	25	2.8	10	3.0
Passaic	378	7.2	61	6.7	15	4.5
Sussex	109	2.1	15	1.7	9	2.7
Warren	88	1.7	13	1.4	5	1.5
<b>TOTAL</b>	<b>5,278</b>		<b>888</b>		<b>325</b>	

Ages Served. While centers were most likely to serve preschool children, family day care providers served all age groups, but were especially apt to serve younger children (infants, toddlers and preschool children). While almost all family day care providers served very young children, only about half of the centers did.

**TABLE 9**  
**AGES OF CHILDREN SERVED**  
**N=336**

<b>AGES SERVED</b>	<b>N</b>	<b>% *</b>
Infants/Toddlers	313	93.2
Preschool	300	89.3
School-Age	236	70.2

\* Percentages sum to more than 100 percent due to multiple responses.

### **Family Day Care Market Rates**

The table below displays family day care provider rates for different age groups. As is the case for centers, median rates were highest for infants and toddlers and lowest (on a weekly basis) for before and after school. Compared to center rates, family day care was less costly on average, about \$20 per week each for infants and toddlers and preschool age children. The one exception was rates for special needs children. A larger proportion (25% compared to less than 10%) reported distinct rates for special needs children. Compared to children without special needs, these rates averaged \$20 per week more for infants and toddlers and about \$25 per week more for preschool children. However, it is unclear how many family day care providers actually had such children in their care.

**TABLE 10**  
**STATEWIDE FAMILY DAY CARE PROVIDER MARKET RATES**

<b>AGE/PROGRAM</b>	<b>MEAN</b>	<b>MEDIAN</b>	<b>50% Between:</b>	
Weekly Infant/Toddler	\$128.01	\$125.00	\$100.00 And	\$150.00
Weekly Preschool	\$113.18	\$100.00	\$80.00 And	\$132.25
Weekly Before/After: School Age	\$63.65	\$58.50	\$50.00 And	\$75.00
Daily Holiday Rate: School Age	\$27.52	\$22.00	\$15.00 And	\$30.00
Weekly Summer: School Age	\$100.84	\$86.20	\$75.00 And	\$125.00
Weekly <i>Special Need</i> Infant/Toddler	\$147.87	\$125.00	\$125.00 And	\$167.50
Weekly <i>Special Need</i> Preschool	\$139.08	\$125.00	\$125.00 And	\$153.75

Rates varied by region with the highest median rates in the Central region for all age groups. Rates were lower in the Southern region, primarily for preschool age children. Family day care provider rates in the Northern region were sometimes lower than rates in the Metropolitan region (see Table 11).

**TABLE 11**  
**FAMILY DAY CARE MARKET RATES BY REGION<sup>3</sup>**

<b>AGE/PROGRAM</b>	<b>MEAN</b>	<b>MEDIAN</b>
Weekly Infant/Toddler	<b>\$128.01</b>	<b>\$125.00</b>
North	123.97	110.00
Central	145.79	150.00
Metro	134.33	125.00
South	109.15	110.00
Weekly Preschool	<b>\$121.92</b>	<b>\$120.00</b>
North	104.88	98.00
Central	142.42	125.00
Metro	114.59	110.00
South	91.85	88.75
Weekly Before/After School-Age	<b>\$63.65</b>	<b>\$58.50</b>
North	63.87	50.00
Central	71.14	75.00
Metro	68.76	50.00
South	57.21	50.00
Daily Holiday Rate School Age	<b>\$27.52</b>	<b>\$22.00</b>
North	32.84	25.00
Central	29.36	28.00
Metro	25.95	24.00
South	23.14	20.00
Weekly Summer School Age	<b>\$100.84</b>	<b>\$86.20</b>
North	103.51	80.00
Central	122.76	125.00
Metro	98.22	88.75
South	85.27	80.00

### Other Fees and Discounts

While about 70% of the family day care providers offered discounts if there was more than one child, this was somewhat less than the proportion of centers offering discounts. Percent discounts were similar, with a median of about 14% and a range from 5% to 60%.

A significant proportion of family day care providers (80.4%) indicated that they accepted children with subsidies through Work First New Jersey (WFNJ) or the New Jersey Cares for Kids (NJCK) programs. However, it is unclear what proportion currently had children with these vouchers in their care. Of those indicating acceptance of vouchers, 74% said that families were asked to pay the difference between family day care provider rates and the voucher payment.

Very few family day care providers charged fees in addition to their child care fee. Only about 20% (N=65) charged for registration, and less than 15% (N=42) charged fees for trips or recreation. Only 16 providers charged for meals, 10 charged for materials, and 3

<sup>3</sup> The geographic regions are defined in terms of the Division of Youth and Family Services regions, consistent with past analyses.

charged for activities. By contrast, 25 providers noted under other fees that they charged late or overtime fees, ranging from \$1 to \$25 for varying portions of an hour. The typical late fee was about \$5.00.

### Comparison of Rates in 1998 and 2000

While comparison of results for 1998 and 2000 showed substantial rate increases for child care centers, there was little increase and some reduction in market rates for family day care. Family day care providers reported average and median rates that either increased less than 10 percent, remained unchanged or declined from 1998 to 2000.

**TABLE 12**  
**COMPARISON OF FAMILY DAY CARE MARKET RATES:**  
**1998 AND 2000**

<b>Market Rates</b>	<b>1998 Avg.</b>	<b>2000 Avg.</b>	<b>Increase</b>	<b>1998 Median</b>	<b>2000 Median</b>	<b>Increase</b>
Infants/Toddlers	\$122.00	\$128.01	4.9%	\$115.00	\$125.00	8.7%
Preschool	\$111.00	\$113.18	2.0%	\$100.00	\$100.00	0.0%
Before/After School	\$ 68.00	\$ 63.65	-6.4%	\$ 55.00	\$ 58.50	6.4%
Holiday (Daily)	\$ 26.00	\$ 27.52	5.8%	\$ 25.00	\$ 22.00	-12.0%
Summer School-Age	\$106.00	\$100.84	-4.9%	\$100.00	\$ 86.20	-13.8%
Special Needs Infants/Toddlers	\$123.00	\$147.87	20.2%	\$120.00	\$125.00	4.2%
Special Needs Preschool	\$118.00	\$139.08	17.9%	\$115.00	\$125.00	8.7%

Note: With the exception of holiday programs, all rates are weekly.

### Discussion

The Child Market Rate Study found rates in licensed centers were higher than those of registered family day care providers regardless of the geographic location. Median weekly rates without supplemental fees were about \$20-25 per week higher in centers or about \$100 per month for one child. The one exception was before and after school care which was only about \$15-\$16 per month higher in centers. Centers were also more apt to charge fees in addition to basic child care rates, typically registration and recreation fees. In addition to rate differences, there were also differences in populations served. More family day care providers served infants and toddlers compared to centers, while centers were most apt to serve the preschool age population. Both centers and family day care providers indicated accepting children with subsidies and most also expected families to pay the difference between their rates and the voucher.

Regional differences were also observed. For all providers, rates were lowest among providers in the Southern region. Among centers, rates were highest in the northern part of the state; for family day care providers, rates were highest in the Central region.

Child care center rates increased, in some instances, substantially, from 1998 to 2000. Rate changes were more variable for family day care programs.

## **APPENDIX**



You are viewing an archived copy from the New Jersey State Library.  
**CHILD CARE CENTER MARKET RATE SURVEY – 2000**

Center Name: «CENTR\_NA»  
Address: «Mstreet1», «Mcity», «Mstate» «Mzip»

ID: «CENTR\_ID»  
SAMPLE#: «SAMPNO»

**1. Price for services your center provides (If you use a monthly rate, divide by 4.33 to calculate a weekly rate)**

- A. Full Time Weekly Rate for Infants/Toddlers (less than 2 ½ years old) \$ \_\_\_\_\_
- B. Full Time Weekly Rate for Preschool (from 2 ½ up to 6 years old) \$ \_\_\_\_\_
- C. Weekly Rate for Before/After School (from 6 to 13 years old) \$ \_\_\_\_\_
- D. Daily Rate for School Age (*Holiday Care* from 6 to 13 years old) \$ \_\_\_\_\_
- E. Weekly Rate for School Age (*Summer Care* in 2000 from 6 to 13 years old) \$ \_\_\_\_\_
- F. Weekly Rate for Special Needs Infants/Toddlers (under 2 ½ yrs) \$ \_\_\_\_\_
- G. Weekly Rate for Special Needs Children (from 2 ½ to 19 years old) \$ \_\_\_\_\_
- H. Are rates discounted for families with more than one child enrolled? ☐ Yes ☐ No
- I. If yes, please write-in the percent \_\_\_\_\_ % or dollar discount \$\_\_\_\_\_ per child.

**2. Additional Charges or Fees** – If you charge additional fees for any of the items listed below, please enter in the table below the amount charged and one of the following codes to indicate how often this fee is charged: (a) one-time only; (b) weekly; (c) monthly; (d) annually; or (e) special event. Describe any “Other” charges.

Description of Additional Charges or Fees	Amount	How Often Charged (Use letter codes above)
Registration or Application Processing Fee	\$	
Meals	\$	
Materials and Supplies	\$	
Activity Fees	\$	
Recreation or Trip Fees (enter a typical amount or range)	\$	
Other (describe, e.g., diapers)	\$	
Other (describe)	\$	

**3. Voucher Payments**

- A. Do you accept children who receive a child care subsidy through the Work First NJ *or* New Jersey Cares for Kids Program? ☐ Yes ☐ No
- B. If yes, when there is a difference between the State’s maximum payment rate and the amount you charge, are families in either program asked to pay the difference? ☐ Yes ☐ No

**4. Program Enrollment**

- A. Center Enrollment **LAST YEAR** (*As of October 1999*): \_\_\_\_\_
- B. Center Enrollment **NOW** (during the week of *October 2, 2000*): \_\_\_\_\_
- C. Does your center have a contract with an Abbott school district to provide preschool services? ☐ Yes ☐ No

Please return this questionnaire to the NJ Department of Human Services, Office of Policy and Planning by October 20, 2000.

Use the enclosed addressed and stamped envelope **or** Fax this page to 609-292-1743

**FAMILY DAY CARE MARKET RATE SURVEY – 2000**

Your Name: «CENTR\_NA»

SAMPLE#: «SAMPNO»

Address: «Mstreet1», «Mcity», «Mstate» «Mzip»

**1. Price you charge to parents to care for their children in your home (If you use a monthly rate, divide by 4.33 to calculate a weekly rate)**

- A. Full Time Weekly Rate for Infants/Toddlers (less than 2 ½ years old) \$ \_\_\_\_\_
- B. Full Time Weekly Rate for Preschool (from 2 ½ up to 6 years old) \$ \_\_\_\_\_
- C. Weekly Rate for Before/After School (from 6 to 13 years old) \$ \_\_\_\_\_
- D. Daily Rate for School Age (*Holiday Care* from 6 to 13 years old) \$ \_\_\_\_\_
- E. Weekly Rate for School Age (*Summer Care* in 2000 from 6 to 13 years old) \$ \_\_\_\_\_
- F. Weekly Rate for Special Needs Infants/Toddlers (under 2 ½ years old) \$ \_\_\_\_\_
- G. Weekly Rate for Special Needs Children (from 2 ½ to 19 years old) \$ \_\_\_\_\_
- H. Are rates discounted for families with more than one child enrolled? ☐ Yes ☐ No
- I. If yes, please write-in the percent \_\_\_\_\_ % or dollar discount \$ \_\_\_\_\_ per child.

**2. Additional Charges or Fees** – If you charge additional fees for any of the items listed below, please enter the amount charged and one of the following codes to indicate how often this fee is charged in the table below. (a) one-time only; (b) weekly; (c) monthly; (d) annually; or (e) special event. Describe any “Other” charges.

Description of Additional Charges or Fees	Amount	How Often Charged (Use letter code)
Registration or Application Processing Fee	\$	
Meals	\$	
Materials and Supplies	\$	
Activity Fees	\$	
Recreation or Trip Fees (enter a typical amount or range)	\$	
Other (describe, e.g., diapers)	\$	
Other (describe)	\$	

**3. Voucher Payments**

- A. Do you accept children who receive a child care subsidy through the Work First NJ or New Jersey Cares for Kids Program? ☐ Yes ☐ No
- B. If yes, when there is a difference between the State’s maximum payment rate and the amount you charge, are families in either program asked to pay the difference?  
☐ Yes ☐ No

Please return this questionnaire to the NJ Department of Human Services, Office of Policy and Planning by October 20, 2000.

Use the enclosed addressed and stamped envelope **or** Fax this page to 609-292-1743