

NEW JERSEY CHILD CARE MARKET RATE SURVEY

2006

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**Office of Research and Evaluation
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**Division of Family Development
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NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2006 EXECUTIVE SUMMARY

The Federal Government requires each state to conduct a survey 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 Research 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 child care providers are individuals who deliver child care services in their own homes for from three to five children for no less than 15 hours per week.

The Department distributed surveys in the fall of 2006. Responses were received from 2,163 of the 3,401 qualifying child care centers and 1,597 of the 3,126 registered family child care providers.

Findings showed the highest median full-time rates for the care of infants, followed by toddlers, preschool and school age children. Centers charged substantially higher median rates than family child care providers, ranging from about \$12 more per week for before and after school care to \$65 per week for infant care. These differences may reflect the different services available for children in centers or the greater concentration of family child care in high density communities which may be more apt to be low-income and therefore charge lower rates. Rates for special needs care are higher than comparable care for children without these needs.¹

Market Rate	Centers	Family Child Care
Weekly Median for Infants	\$200.00	\$135.00
Weekly Median Toddlers	\$184.00	\$125.00
Weekly Median for Preschool	\$164.47	\$120.00
Weekly Median for Before/After School	\$87.00	\$75.00
Daily Median Holiday (School-age)	\$35.00	\$25.00
Weekly Median for Summer School-Age	\$155.00	\$120.00
Median <i>Special Needs</i> Infants/Toddlers	-	\$150.00
Median <i>Special Needs</i> Preschool	-	\$150.00

¹ Information on rates for special needs care was only obtained for family child care providers, because few centers offer specialized, unsubsidized services.

NEW JERSEY CHILD CARE MARKET RATE SURVEY: 2006

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 child 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 child care registration is voluntary.

Terminology

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

The Instrument

The Department of Human Services’ (DHS) Research Unit worked with the Division of Family Development (DFD) to conduct New Jersey’s child care market rate survey. The data collection instruments were central to this collaboration (see Appendix 1). Research and program staff generated questions about full-time rates charged for different age groups and program types based on the maximum hours of program operation. Additional questions captured information regarding additional fees or charges, discounts when more than one child was enrolled and hours of program operation. Information from the survey was augmented by additional descriptive information from existing child care provider databases. The survey for registered family child care providers was available in both English and Spanish.

Methods

The New Jersey Department of Children and Families (DCF) maintains a database of all licensed child care centers. The DCF Office of Licensing provided a list of 4,315 current child care centers in August 2006. DHS Research mailed surveys to 3,401 qualifying child care centers. Not included were centers that did not charge families for child care, for example, publicly run programs within counties and municipalities, centers receiving Child Care Development Fund (CCDF) dollars to provide child care services through a contract with the Division of Family Development, and all Head Start and exclusively Abbott programs.² The

² Abbott v. Burke were a series of New Jersey Supreme Court decisions governing education in the state’s urban school districts. In 1998 (Abbott V), the court mandated that public education include high quality

sample also excluded partial day programs, because they offer services for limited days and/or hours per day. These programs cannot be compared to full-time programs and serve a different client population.

Information about registered family child care providers is available from each county's Child Care Resource and Referral (CCR&R) agency formerly known as Unified Child Care Agencies (UCCA). These agencies provided lists of current family child care providers in the summer and early fall 2006; a total of 3,126 registered providers appeared on these lists.

DHS Research mailed surveys to providers in early November 2006 with an explanatory letter. The letter instructed providers to return their surveys to the Department of Human Services in the enclosed addressed, stamped envelopes or by facsimile (fax). Providers also received two postcard reminders to return their surveys. DHS engaged Braun Research, Inc. of Princeton, New Jersey to complete data entry and follow-up calls to non-responding family child care providers. DHS Research contacted non-responding child care centers and entered their survey information into a database. Research staff also analyzed both center and family provider information, and a DHS research geographer developed analytical maps.

Limitations of the Data

The 2006 Child Care Market Rate Survey differs from similar studies conducted bi-annually since 1998 in including the entire eligible provider population. Surveys conducted from 2000 through 2004 surveyed a statewide random sample. Methodological changes may affect comparability of results over time (although the same instrument has been used since 2000). In addition, the 2006 survey results present both statewide and county level information where previous surveys included statewide and regional information. Since DYFS no longer has a regional structure and resource and referral agencies are county-based, the decision was made to present county-level information in the 2006 report.

In reviewing returned surveys from the 2006 Child Care Market Rate Study, staff determined that some centers did not meet criteria for inclusion in the sample, because they did not charge for child care, had a sliding scale (i.e., did not charge market rates), had closed by the time surveys were sent in the fall, or turned out to be partial day programs. DHS Research excluded these centers from the final sample, but others mistakenly may have been included. At the same time, a small number of centers could have been erroneously excluded. For example, programs excluded as partial day programs may instead offer before and after school care for school age children.

Family child care providers were excluded primarily because they were no longer caring for children or because they had moved and could not be contacted. Again, some providers may not have responded to the survey who also no longer provided child care.

preschool for all three and four year olds residing in Abbott districts. These districts consist of low-income and predominantly urban communities with substantial numbers of minority children and youth. To date, a total of 31 school districts have been identified as Abbott.

A total of 2,163 centers and 1,597 family child care providers provided information about their rates. Center respondents included 78 programs (3.6%) that had some Abbott classrooms in addition to other child care, and 88 (4.1%) employer-sponsored child care centers.

CHILD CARE AVAILABILITY

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

Methods

The DHS geographer used a GIS to map licensed child care centers and registered family child care providers. The street addresses for 4,315 licensed child care centers were drawn from the DCF Office of Licensing database, while the addresses of 3,125 registered family child care providers came from county-based Child Care Resource and Referral Agencies. However, not all providers appear in the maps. GIS software must have a valid street address (not a post office box) and zip code in order to geocode or map a location, so a small number of providers (3 of the centers and 27 of the family child care providers) could not be geocoded.

Figure 1 shows the results of the GIS mapping. This figure consists of three maps; the first two display the geocoded locations of child care centers and family child care providers respectively, while the third, a dot density map, allows comparison of these child care locations to the 1999 distribution of children under age five³.

Some clear patterns are evident. The most noticeable aspect is the high concentration of both types of providers in northeastern New Jersey, particularly within Hudson, eastern Essex, Union, southern Bergen and Passaic counties. Population densities within these counties are among the highest in the nation. Visually, the distributions of child care centers and child population density are similar. Both radiate outward from the densely populated northeastern counties along major highway corridors and both also show secondary concentrations in Monmouth, Ocean and Camden counties. As one would expect, providers locate their child care centers where higher densities of children are present.

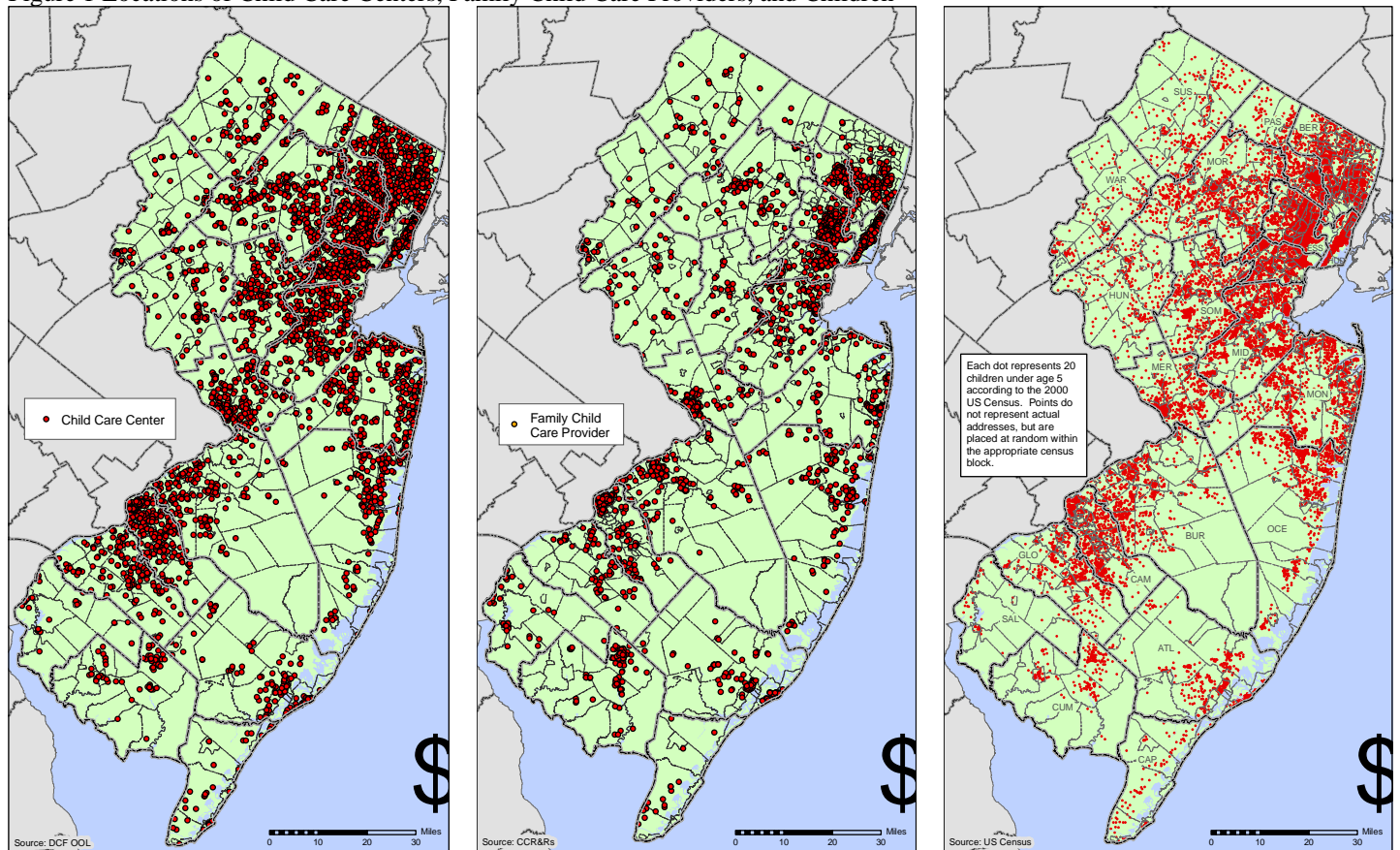
By contrast, the distribution of registered family child care providers exhibits a higher degree of urban concentration. While the disparity between the number of child care centers and the number of family child care providers complicates a direct visual comparison (there are about 1,200 more child care centers overall), an overwhelming majority of family child care providers are located in highly urbanized areas. In fact, 2,778 of the 3,098 (89.7%) registered family child care providers located by the GIS resided in census blocks with a population density greater than 1,000 persons per square mile. While most child care centers are also found in communities with higher population densities, the likelihood of finding a center in a suburban area is somewhat greater than finding a family child care provider. 1,258 of the

³ Data were obtained at the census block level to facilitate comparison with the center and family child care provider data. 1999 was the most recent year for which there are block-level data on children under 5 years old.

4,312 (29.2%) centers located by the GIS were found within census blocks with densities below 1,000 persons per square mile.

There are some obvious implications of these distributions. First, geographic access to child care appears very good in the most densely populated areas of New Jersey. Even in the southern part of the state, almost no areas with children are located more than ten miles from a child care provider. Still, access to child care may be more limited in rural southern New Jersey, particularly in Salem, Cumberland, and Cape May counties, because there are relatively few child care providers in these sparsely populated areas. Residents in these areas may have fewer choices or have to travel greater distances to find a suitable child care option.

Figure 1 Locations of Child Care Centers, Family Child Care Providers, and Children



CENTER MARKET RATE SURVEY RESULTS

Characteristics of Child Care Centers

Representativeness

As of April 15, 2007, responses were received from about 2,550 centers or about 75% of the 3,401 centers. A total of 2,163 centers provided rate information, about 64% of the centers. The reasons that rates were either unavailable or not usable are indicated in the table below.

**TABLE 1
REASONS RATES WERE UNAVAILABLE**

Reason	N
No fee for child care (Abbott/in-district/other)	147
Partial day only	153
Program closed*	98
Program pending	3
Refused to participate	15
Sliding scale	45
Other/missing	24
TOTAL	485

*Surveys not returned; information obtained from Department of Children and Families' Office of Licensing.

The responding centers were compared to the full sample and the total population of providers on a number of dimensions, including geography and hours of operation.

As shown in Table 2, the geographic distribution of responding centers resembled the total database. More than half of the centers could be found in 6 counties: Bergen, Essex, Middlesex, Monmouth, Morris and Union, a finding consistent with the total database.

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

County	All Centers		Eligible Centers		Responding Centers	
	N	%	N	%	N	%
Atlantic	110	2.5	76	2.2	33	1.5
Bergen	428	9.9	368	10.8	213	9.8
Burlington	168	3.9	142	4.2	106	4.9
Camden	259	6.0	194	5.7	127	5.9
Cape May	34	0.8	23	0.7	18	0.8
Cumberland	62	1.4	48	1.4	28	1.3
Essex	550	12.7	376	11.1	199	9.2
Gloucester	141	3.3	121	3.6	82	3.8
Hudson	301	7.0	229	6.7	102	4.7
Hunterdon	83	1.9	65	1.9	50	2.3
Mercer	240	5.6	178	5.2	119	5.5
Middlesex	313	7.3	273	8.0	213	9.8
Monmouth	291	6.7	245	7.2	167	7.7
Morris	292	6.8	231	6.8	170	7.9
Ocean	174	4.0	151	4.4	111	5.1
Passaic	217	5.0	168	4.9	95	4.4
Salem	26	0.6	22	0.6	18	0.8
Somerset	190	4.4	155	4.6	114	5.3
Sussex	78	1.8	61	1.8	48	2.2
Union	300	7.0	237	7.0	123	5.7
Warren	58	1.3	38	1.1	27	1.2
TOTAL	4,315	100	3,401	100	2,163	100

Center child care programs had variable program hours (see Table 3). About 12% of all centers are listed as partial day only programs. These centers were not included in the eligible sample. Centers primarily offered full day programs in conjunction with half day programs. About one-fourth of all centers offered full-day only and about 20% had before and after school programs. Respondents resembled the eligible sample.

**TABLE 3
PROGRAM OPERATION**

Program Operation	All Centers		Eligible Sample		Respondents	
	N	%	N	%	N	%
Full Day Only	1,119	25.9	823	24.2	485	22.4
Both Full & Half	1,839	42.6	1,761	51.8	1,148	53.1
Before & After School	821	19.0	807	23.7	497	23.0
Partial Day Only	526	12.2	---		---	
Missing	10	0.3	10	0.3	33	1.5
TOTAL	4,315	100	3,401	100	2,163	100

Ages Served and Program Type.

Table 4 gives some indication of the ages of the children served by responding child care centers. Centers typically served more than one age group and offered several different types of programs with the preschool population served by the largest proportion (72%) of the centers. School age children were most likely to be served by before and after school programs and less apt to have access to holiday-specific programs (38.4%).

**TABLE 4
AGES OF CHILDREN SERVED**

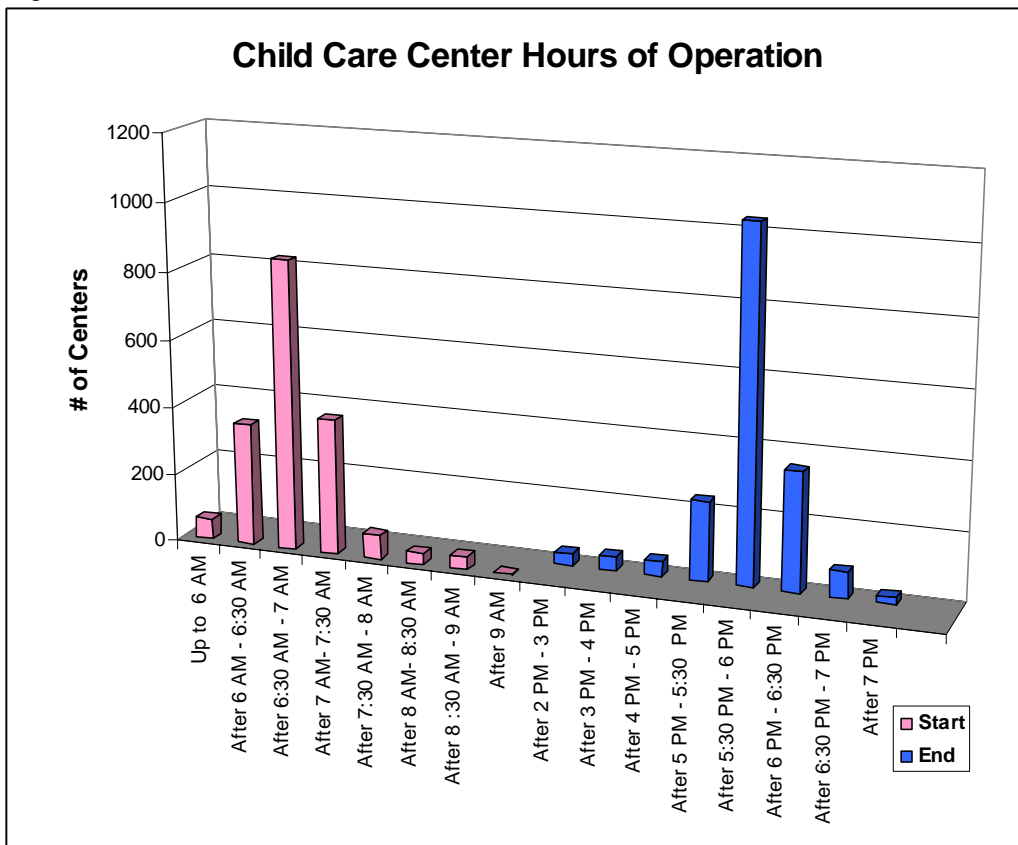
Ages Served	N *	% *
Infants	1,086	50.2
Toddlers	1,219	56.4
Preschool	1,557	72.0
School-Age (any)	1,603	74.1
Before/After	1,331	61.5
Summer	1,059	49.0
Holiday	830	38.4

* Numbers sum to more than the 2,163 centers and percentages sum over 100 percent due to multiple responses.

Hours of Program Operation

The survey asked child care centers the hours they offer full-time child care. There were a total of about 1,800 responses. Figure 2 shows that child care centers that provide full-day programming begin offering care around 5:00 AM. However, the majority open between 6:30 and 7:30 am, with the largest proportion opening at 7 AM (796 or about 44%). Services typically end between 5:30 and 6:30 pm with most ending at 6 pm (1,017 or about 55%).

Figure 2



Child Care Center Market Rates

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

- Infants (0 – 18 months old)
- Toddlers (19 months to 2 ½ years old)
- Preschool Children (2 ½+ - 6 years old)
- 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 an age category, for example, differentiating among preschool age children who were 2-3 years old, 3-4 years old and kindergarten, the different rates were averaged. If there was overlap in a rate, for example, rates up to 3 years, then the preschool rate was based on an average of the rate for 0 to 3 year olds and the rate for children older than 3 years old.

Adjustments were made when centers reported annual or monthly rates to assure that all rates reflected a similar timeframe, either weekly or daily depending on the rate. Hourly rates were reported for some before and after school programs and also daily holiday care where that was available. Employer-sponsored child care is discussed separately.

**TABLE 5
STATEWIDE WEEKLY CHILD CARE CENTER MARKET RATES⁴**

Age/Program	N	Mean	Median	50% Between: *
Weekly Infant	1,010	\$207.85	\$200.00	\$165.00 and \$242.63
Weekly Toddler	1,138	\$192.19	\$184.00	\$155.00 and \$225.00
Weekly Preschool	1,464	\$170.82	\$164.47	\$140.00 and \$196.30
Weekly School Age				
Before/After	708	\$94.70	\$87.00	\$60.00 and \$120.00
Before Separately/Only	383	\$47.38	\$27.71	\$25.00 and \$50.00
After Separately/Only	662	\$62.52	\$56.58	\$42.49 and \$70.72
Daily Holiday - School Age	745	\$42.00	\$35.00	\$29.80 and \$50.00
Weekly Summer - School Age	1,013	\$168.14	\$155.00	\$129.00 and \$200.00

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

Table 5 displays market rates for infants, toddlers, preschool children and three different types of school-age programs (before and after school, holiday care and summer camp). With the exception of the daily holiday rate, the table presents weekly rates. The younger the child the higher the rate for child care. Families paid a median of \$200 per week for infant care and \$87 per week for combined before and after school care.

It is important to note that rates reflect the hours of center operation. Many programs offer families the option of enrolling for fewer full-time hours, e.g., 8:30 am – 5:30 pm rather than 7 am to 6 pm. Therefore, the costs reported here reflect maximum utilization; families may typically pay less than the rates indicated.

⁴ The *mean* is the average of the provider rates; when there are some extreme values, either very low or very high, the average will not be as typical of the overall distribution as the median. The *median* rate is the exact midpoint dividing the distribution in half or in other words it represents the 50th percentile. Half of the reported rates fall below the median and half are above the median rate.

Less than 0.5% of programs charged hourly rates for infants, toddlers, preschool or school-age summer programs. However, from 2.5% to 5% charge hourly rates for either before and/or after school or holiday care. When offered in combination, median before/after school rates were \$5.50 per hour with the middle 50% ranging from \$4.78 to \$7 per hour. Median holiday rates were \$6.00 per hour with the middle 50% ranging from \$5 to \$8 per hour.

**TABLE 6
STATEWIDE HOURLY SCHOOL-AGE CHILD CARE CENTER MARKET RATES***

Age/Program	N	Mean	Median	50% Between:
Combined Before/After School–Age	77	\$6.33	\$5.50	\$4.78 and \$7.00
<i>Daily</i> Holiday Rate:- School Age	52	\$6.63	\$6.00	\$5.00 and \$8.00

*A small number of centers charged hourly rates for infants (N=6), toddlers (N=6), preschool (N=7) and summer care (N=7); these rates are not reported here.

Table 7 shows separate rates for employer-sponsored programs. A total of 88 work-based centers reported rates. Few rates were reported for school-based before and after school care and as a result, these rates are not reported. Employer-sponsored child care costs more than comparable care available to the general public. There may be differences in programming that may explain these cost differences.

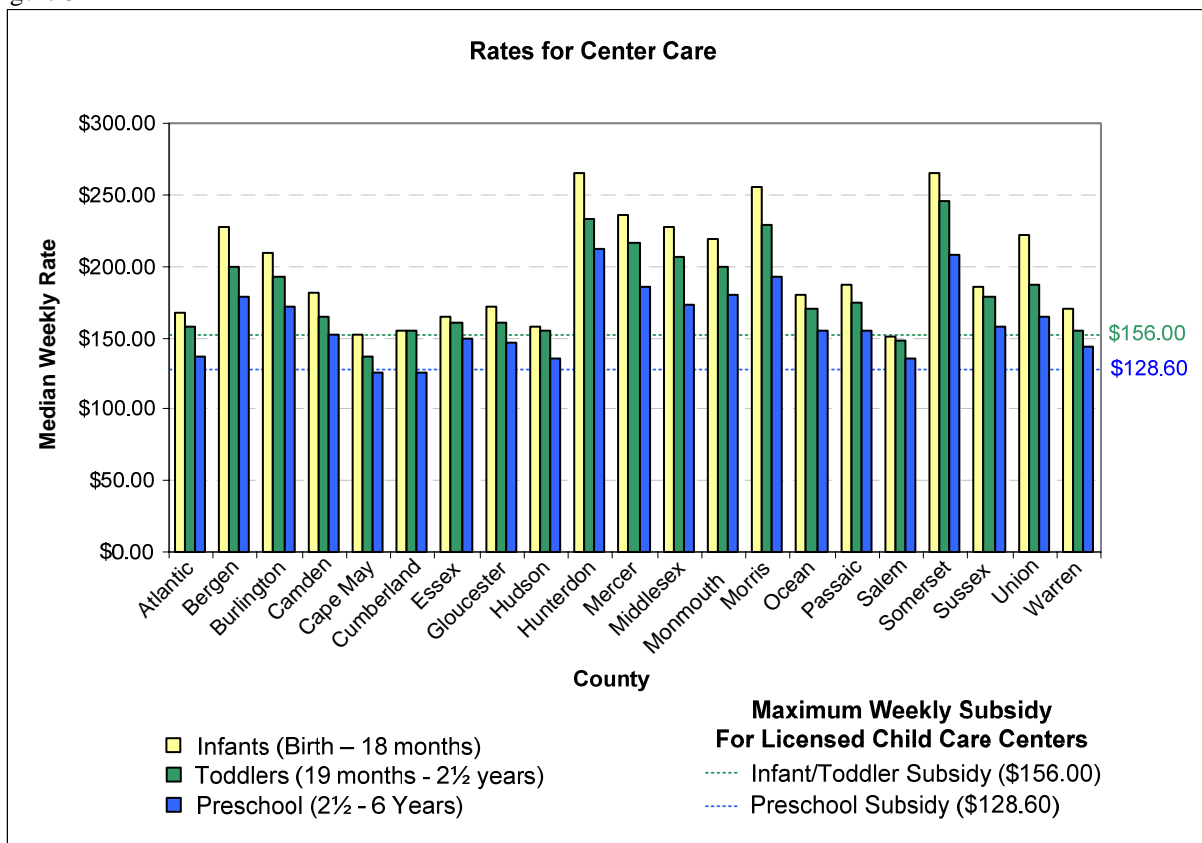
**TABLE 7
EMPLOYER-SPONSORED CENTER CHILD CARE
STATEWIDE WEEKLY MARKET RATES**

Age/Program	N	Mean	Median	50% Between: *
Weekly Infant	70	\$240.81	\$237.75	\$203.75 and \$280.25
Weekly Toddler	75	\$217.87	\$219.00	\$182.00 and \$255.88
Weekly Preschool	86	\$188.01	\$191.00	\$150.09 and \$215.68
<i>Daily</i> Holiday – School-Age	34	\$47.17	\$45.00	\$35.00 and \$52.25
Weekly Summer – School-Age	42	\$203.24	\$200.00	\$174.75 and \$240.38

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

Figure 3 (next page) shows median weekly rates by county for infants, toddlers and preschool age children in comparison to the state’s child care subsidy in 2007. Compared to family child care (see Figure 6), center median child care rates are well above the subsidy in more counties, particularly for the care of infants and toddlers. More detailed information is available in Appendix 2.

Figure 3



How Families Pay

The survey asked providers how families pay them for child care: annually, monthly, bi-weekly (every two weeks), weekly or some other way. A total of 2,107 of the 2,163 family providers listed an average of 1.4 payment schedules; 56 providers did not respond. Two options predominated. About 69% accepted monthly payment, while 43.4% accepted weekly payments.

**TABLE 8
HOW FAMILIES PAY FOR CHILD CARE**

Payment Schedule	N	%
Annually	43	2.0
Monthly	1,456	69.1
Bi-Weekly	371	17.6
Weekly	915	43.4
Other	70	3.3
Total	2,855	135.5%

Additional Fees

In addition to rates for child care, most child care centers also charged additional fees, particularly registration and trip fees (see Table 9 below). Registration fees were typically one-time (282 programs or 55.8%) or annual fees (219 programs or 43.2%). Recreation or trip fees were typically charged per activity or event (155 centers or 73.8%). Other fees were less common. Meal fees tended to be charged either on a weekly or monthly basis, but were often optional. Preschool, before and after school programs and summer camps might be sponsored by a local YMCA, YWCA or similar organization charging an annual membership fee. A total of 8.7% of the centers required families to pay membership fees.

**TABLE 9
ADDITIONAL FEES**

FEES	N	%	Median
Registration Fee	1,863	86.1	\$50.00
Recreation Fee	796	36.8	\$13.00
Meals Fee	232	10.7	\$3.00
Materials/Supplies Fee	218	10.1	\$67.50
Membership Fee	189	8.7	\$50.00

About 13% or 276 centers had other fees. These were highly variable and often optional or refundable, including annual, refundable security deposits and optional fees for enrichment activities or classes, e.g., computer class, swimming, gymnastics, dance, or educational programming. Mandatory fees were levied for summer activities or registration and special events such as graduation or holiday parties.

Discounts

The Child Care Market Rate Survey included questions about the availability of discounts for additional children from the same household. Findings show that most programs (1,790 or 82.8%) offered discounts for additional children, with the median discount at 10% for an additional child; percentages ranged from 1 to 100%. Some programs (N=192) reported dollar discounts with a median monthly discount of \$20.

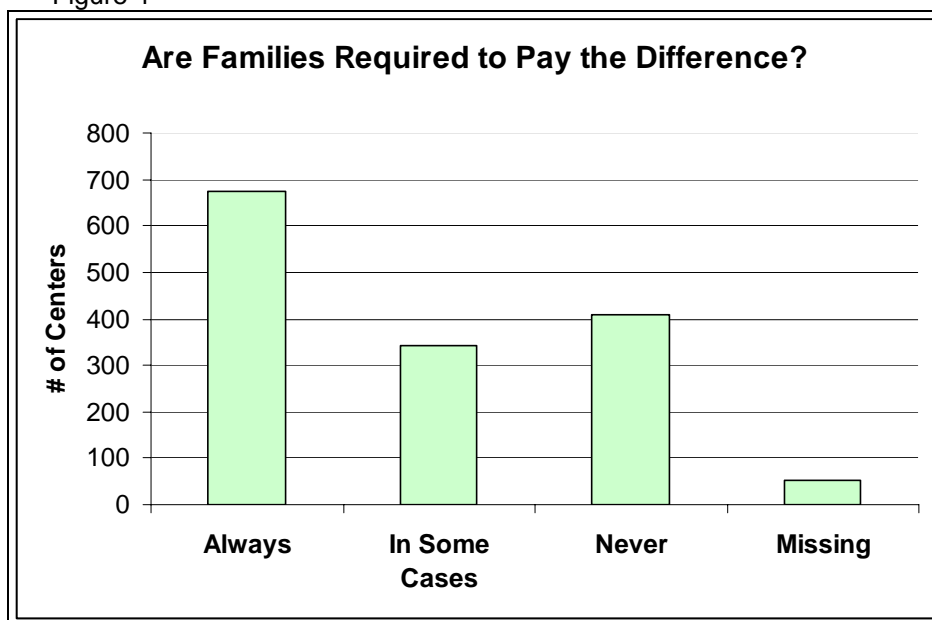
The application of these discounts varied. A total of 5.9% of the centers reduced the cost of care for each child from the family when two or more children were enrolled. However, more typically the discount was applied to the cost of care for the second child who enrolled, and could be slightly greater if a third child enrolled. In some cases, the discount applied to the lowest rate or the oldest child.

Voucher Subsidy Payments in Child Care Centers

The survey asked about subsidies to families through targeted state programs. These subsidies make child care accessible to low-income families. Most child care centers reported that they would be willing to accept children who receive subsidies through Work First New Jersey (WFNJ) or the New Jersey Cares for Kids (NJCK) programs. More than 90% (N=1,974) of the centers indicated that they would accept children with these subsidies. While a total of 1,477 centers of 68.3% currently enrolled children receiving subsidies.

Families that are awarded subsidies make a mandatory co-payment for child care. The survey asked whether families are required to make monetary contributions in addition to the co-payment when there is a difference between what the center charges and the child care subsidy. Of the 1,477 centers with children receiving subsidies, almost half would require that families pay the additional difference (675 or 45.7%), while 343 would require families in some cases to pay the difference and 408 would not expect families to pay anything beyond the mandatory co-payment.

Figure 4



It should be noted that some centers may offer discretionary scholarships to some low-income families and that other programs may be available, for example, at the local or county-level. This market rate study did not capture information about these programs.

In terms of statewide market rates, the state subsidy falls between the 10th and 20th percentiles for infant child care, around the 25th percentile for toddler care, and slightly over the 10th percentile for preschool care. However, there is enormous variation among counties in terms of the difference between median rates and the subsidy (see Appendix 2).

Comparison of Rates Over Time

A comparison of rates prior to 2006 with 2006 is complicated by the use of different survey methods in 2006. In 2004 (and prior years), a random sample of providers was drawn, while in 2006 all licensed child care centers charging families for full-time child care were sent surveys in the mail. Rate changes over time may therefore partly reflect the different methods employed rather than actual rate changes.

The Federal Government requires bi-annual surveys of child care market rates. The New Jersey Department of Human Services collected rate information from 2000 to 2006 (corresponding to state fiscal years 2001 to 2007). Comparisons showed rate increases of about 30% to 40% from 2000 to 2006 (see Table 10). The child care subsidy has increased less than half as much, around 12% for infants/toddlers and preschool age children from state fiscal year 2001 to 2007. As a result, the gap between the subsidy and the median rate for child care continues to grow.⁵

**TABLE 10
COMPARISON OF CHILD CARE CENTER MARKET RATES: 2000 TO 2006**

Median Market Rates	2000	2002	2004	2006	Rate Increase
Infants/Toddlers	\$145.00	\$170.00	\$170.00	\$190.00	31.0%
Preschool	\$120.00	\$145.00	\$150.00	\$164.47	37.1%
Before/After School	\$62.36	\$74.91	\$75.00	\$87.00	39.5%
Holiday (Daily)	\$25.00	\$30.00	\$35.00	\$35.00	40.0%
Summer School-Age	\$120.00	\$132.50	\$146.00	\$155.00	29.2%

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

⁵ There is no specific subsidy for before/after school or other school age care.

FAMILY CHILD CARE PROVIDER MARKET RATE SURVEY RESULTS

Characteristics of Family Child Care Providers

Family child care providers are individuals offering child care services in their homes to between three to five children. Compared to child care centers, there will be less continuity in the provision of services. Some family providers may offer 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 addition, changes of residence may result in difficulty tracking providers who remain on the registry, and individuals 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 to a survey are difficult.

Representativeness. Information about rates was received from 1,597 family child care providers. Therefore, of the 3,126 family providers, about half responded. While participation was slightly lower than for centers, this response is comparable to recent New Jersey market rate studies.

Table 11 (next page) shows family child care providers and respondents by the county in which they were registered. Response rates by county ranged from about 37% to 74%. This variation appears due to a variety of factors, including the fact that in some counties there is greater mobility both within and out of state and therefore surveys did not reach respondents.

**TABLE 11
GEOGRAPHIC DISTRIBUTION OF FAMILY CHILD CARE PROVIDERS**

Location	All Registered Providers		Respondents	
	N	%	N	%
Atlantic	106	3.4	65	4.1
Bergen	174	5.6	90	5.6
Burlington	157	5.0	111	7.0
Camden	211	6.7	140	8.8
Cape May	17	0.5	12	0.8
Cumberland	107	3.4	55	3.4
Essex	594	19.0	223	14.0
Gloucester	62	2.0	37	2.3
Hudson	384	12.3	183	11.5
Hunterdon	43	1.4	32	2.0
Mercer	144	4.6	59	3.7
Middlesex	156	5.0	81	5.1
Monmouth	175	5.6	79	4.9
Morris	89	2.8	61	3.8
Ocean	121	3.9	80	5.0
Passaic	236	7.5	98	6.1
Salem	47	1.5	26	1.6
Somerset	50	1.6	32	2.0
Sussex	41	1.3	27	1.7
Union	150	4.8	83	5.2
Warren	62	2.0	23	1.4
TOTAL	3,126	100	1,597	100

Ages Served. Family child care providers served all age groups, but were least apt to serve school-age children. More than 90% of family child care providers served infants and toddlers and more than 80% served preschool age children.

**TABLE 12
AGES OF CHILDREN SERVED**

Ages Served	N *	% *
Infants	1,485	93.0
Toddlers	1,489	93.2
Preschool	1,328	83.2
School-Age		
Before/After	994	62.2
Summer	1,011	61.6
Holiday	764	47.8

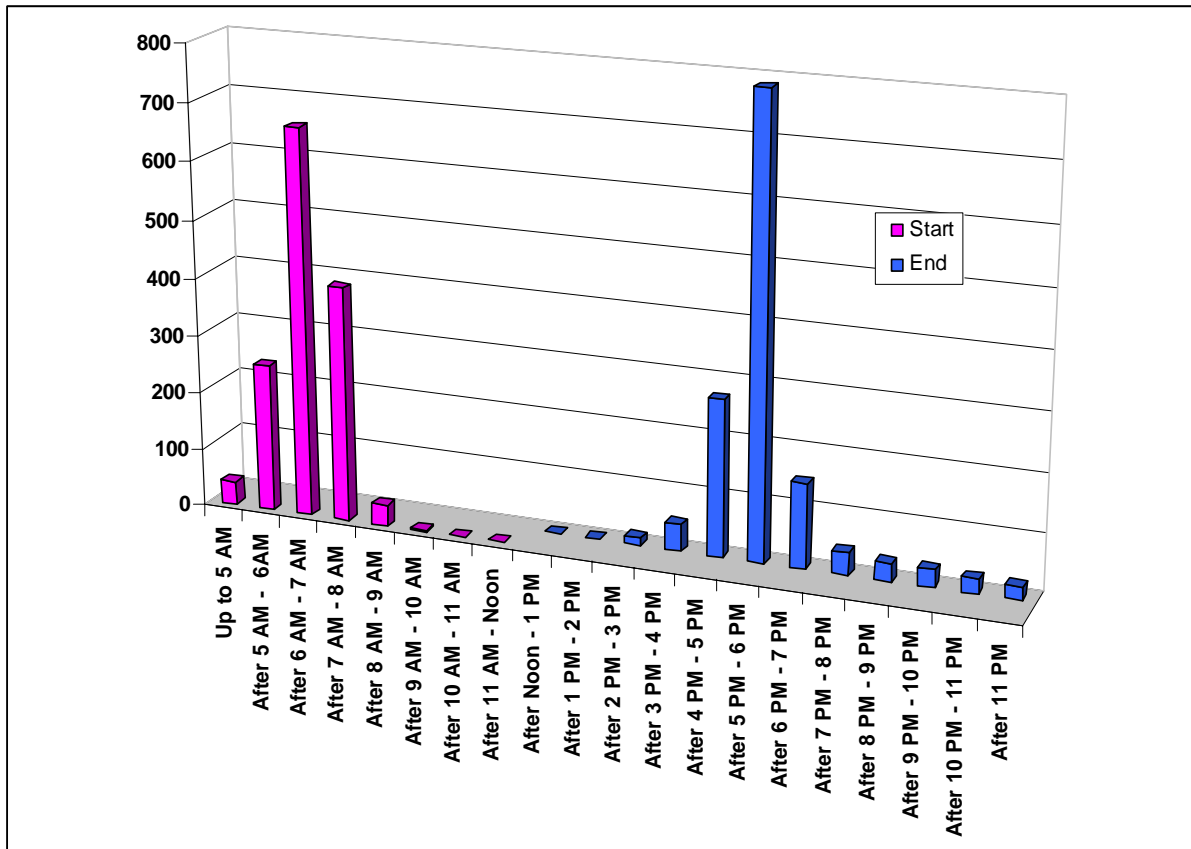
* Numbers sum to more than the 1,597 providers and percentages total more than 100 percent due to multiple responses. Information includes family providers with hourly as well as those with weekly rates.

Hours of Program Operation

The survey asked family providers the hours they offer full-time child care. There were a total of 1,415 responses. As Figure 5 (next page) shows, family child care providers who provide full-day care begin offering care around 5:00 AM with most opening between 6:00 AM and 8:00 AM. Services typically end between 5:00 and 7:00 pm. However, some providers allow children to remain later, accommodating parents who work evening shifts. A total of 135 providers or 8.5% indicate 24 hour availability.

Family Child Care Hours of Operation

Figure 5



Family Child Care Market Rates

Table 13 (next page) displays family child care provider rates for different age groups. As is the case for centers, median rates for family child care were higher for younger children. The weekly median cost for infants was \$135 per week, while the median cost for preschool age children was \$120 per week, a difference of \$15 per week.

Compared to children without special needs, median rates were about \$15-25 per week more for special needs infants and toddlers in family child care and about \$30 per week more for special needs preschool children cared for by family providers. However, it is unclear how many family child care providers actually had such children in their care, particularly since they are not permitted to charge different rates unless they provide a different service to these children.

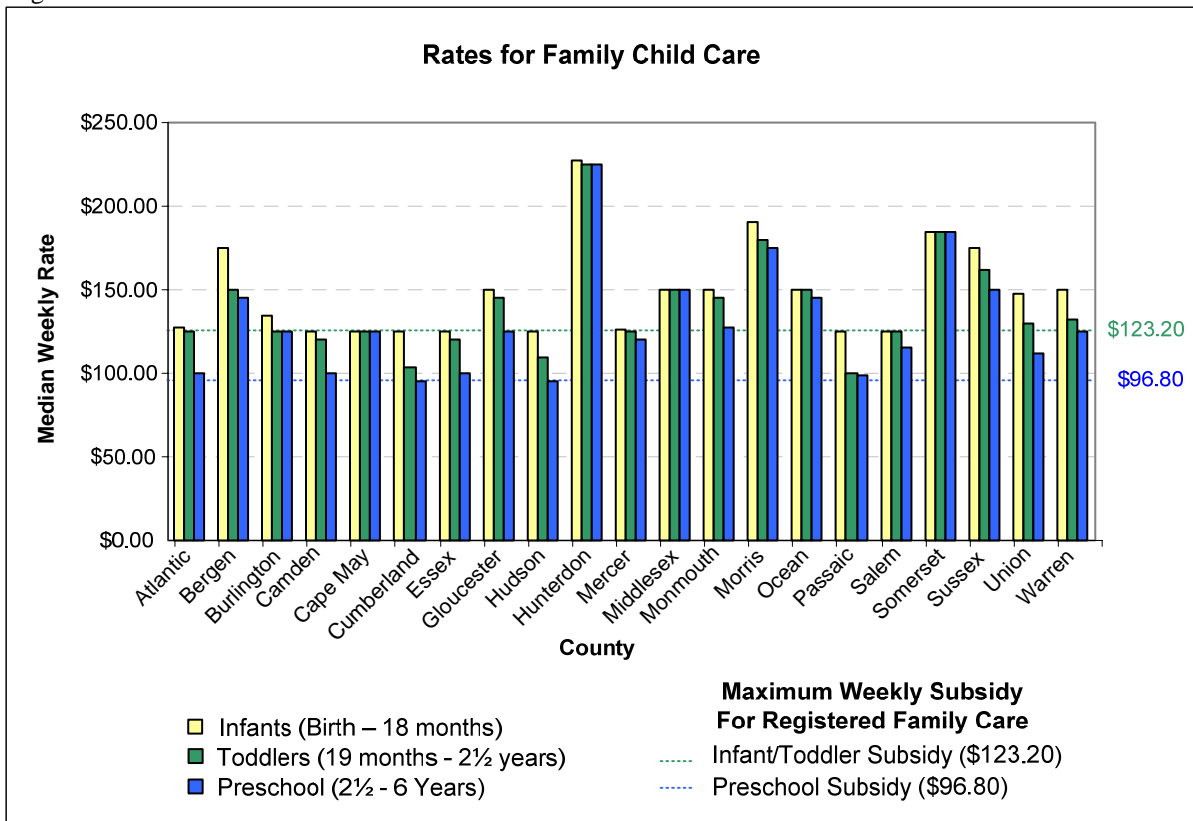
**TABLE 13
STATEWIDE FAMILY CHILD CARE PROVIDER MARKET RATES**

Age/Program	N	Mean	Median	50% Between: *
Weekly Infant	1,462	\$144.56	\$135.00	\$122.00 and \$160.00
Weekly Toddler	1,468	\$133.91	\$125.00	\$100.00 and \$150.00
Weekly Preschool	1,301	\$123.03	\$120.00	\$95.00 and \$150.00
Weekly Before/After School (Combined)	849	\$76.48	\$75.00	\$50.00 and \$90.00
Weekly Before School Separately/Alone	141	\$69.01	\$60.00	\$45.00 and \$80.00
Weekly After School Separately/Alone	169	\$69.41	\$65.00	\$50.00 and \$80.00
<i>Daily Holiday</i>	722	\$30.29	\$25.00	\$20.00 and \$35.00
Weekly Summer	984	\$121.25	\$120.00	\$95.00 and \$150.00
Weekly <i>Special Need</i> Infant/Toddler	640	\$160.04	\$150.00	\$130.00 and \$180.00
Weekly <i>Special Need</i> Preschool	539	\$154.47	\$150.00	\$125.00 and \$175.00

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

Figure 6 (next page) shows median weekly rates by county for infants, toddlers and preschool age children in comparison to the state's child care subsidy in 2007. The state's more affluent counties, Hunterdon, Morris and Somerset, report the highest median rates for child care and the greatest difference between the subsidy and median rates. More detailed information is available in Appendix 3.

Figure 6



Additional Fees

Relatively few family child care providers charged fees in addition to the cost of child care. Fewer than 30% (N=470) charged for registration. A total of 59 providers (3.7%) charged for materials and supplies, while 97 (6.1%) charged for meals. A total of 221 providers or 13.8% charged fees for trips or recreation. Registration fees, if charged, typically occurred on a one-time basis (74.3%). Trip fees were by the event, while meal fees were either charged daily or weekly.

**TABLE 14
ADDITIONAL FEES**

FEES	N	%	Median
Registration Fee	470	29.4	\$50.00
Recreation Fee	221	13.8	\$10.00
Meals Fee	97	6.1	\$10.00
Materials/Supplies Fee	59	3.7	\$20.00

How Families Pay

The survey asked providers how frequently families pay them for child care: annually, monthly, bi-weekly (every two weeks), weekly or some other way. Many offered several options, in some instances because it was more convenient for families. As a result, a total of 1,586 of the 1,597 family providers listed an average of 1.5 payment schedules; 11 providers did not respond. Almost three-fourths accepted weekly payment, while almost half (44.9%) accepted bi-weekly and 27% received monthly payments.

**TABLE 15
HOW FAMILIES PAY FOR CHILD CARE**

Payment Schedule	N	%
Annually	7	0.4
Monthly	428	27.0
Bi-Weekly	712	44.9
Weekly	1,182	74.5
Other	56	3.5
Total	2,385	150.4%

Discounts

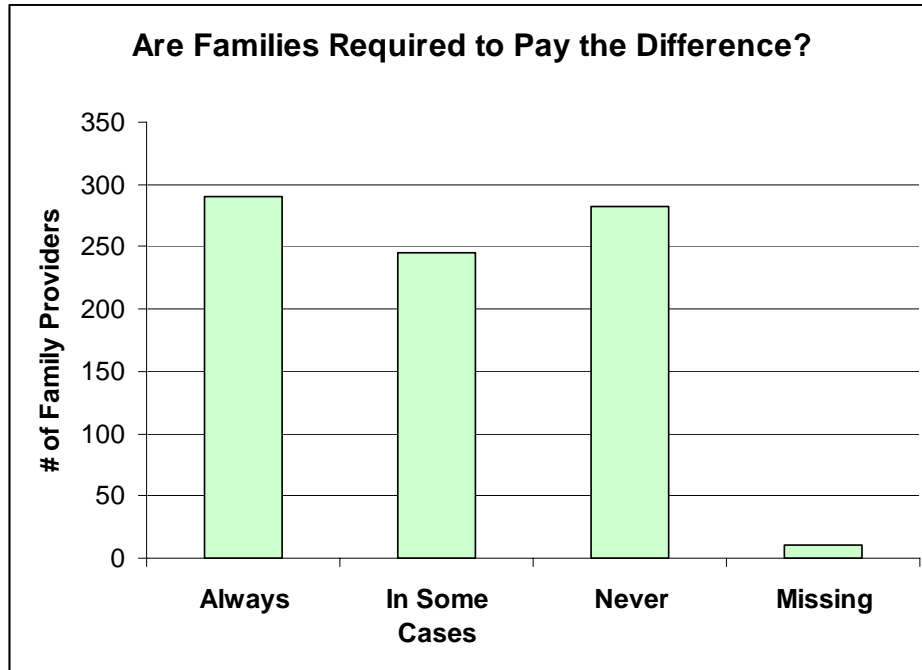
While child care rates are lower, fewer family providers than child care centers offer discounts when more than one child from a family enrolls. A total of 1,001 or about 63% of the family child care providers offered discounts when there was more than one child from the family receiving care, while the proportion of child care centers offering these discounts was about 83%. The median percent discount was 10% and the median dollar discount was \$50. Sometimes the discount was per child when there were multiple children in care; at other times, the discount only applied to additional children.

Voucher Subsidy Payments among Registered Family Child Care Providers

The survey asked about subsidies to families through targeted state programs. Most family providers reported that they would be willing to accept children who receive subsidies through Work First New Jersey (WFNJ) or the New Jersey Cares for Kids (NJCK) programs. More than 90% (N=1,453) of the family child care providers indicated that they would accept children with these subsidies. A total of 828 providers or 52% currently enroll children who receive subsidies.

Families receiving child care subsidies contribute to child care. The survey asked whether families are required to make monetary contributions in addition to the mandatory co-payment when there is a difference between what the family provider charges and the child care subsidy. Of the 828 providers with children receiving subsidies, about one-third (35%) or 290 providers would require that families pay the additional difference, while 245 would require families in some cases to pay the difference and 282 would not expect families to pay anything beyond the mandatory co-payment.

Figure 7



In terms of statewide market rates, the state subsidy falls around the 25th percentile for infant child care, around the 40th percentile for toddler care, and slightly over the 25th percentile for preschool care. However, there is enormous variation among counties in terms of the difference between median rates and the subsidy (see Appendix 3).

Comparisons Over Time

One important finding is the dramatic reduction in the number of registered family child care providers from 2004 to 2006 from 4,088 to 3,126, a drop of 23.5%. This may not reflect a change in the number of providers offering care, but fewer who are choosing to register. Also, new regulations implemented by the Department of Children and Families require registering agencies to issue six month temporary certificates to providers who do not have children enrolled. If after six months, the provider still has no children in his or her care, the certificate is not renewed. Previously, a provider could

be without children for three years, never care for children, but be counted as registered.

A comparison of rates prior to 2006 with 2006 is complicated by the use of different survey methods in 2006. In 2004 (and prior years), a random sample of providers was drawn, while in 2006 all registered family child care providers were sent surveys in the mail. Rate changes over time may therefore partly reflect the different methods employed rather than actual rate changes.

The New Jersey Department of Human Services collected rate information from 2000 to 2006 (corresponding to state fiscal years 2001 to 2007). Comparisons showed rate increases that ranged from 4% (for infants and toddlers) to more than 25% for certain types of school age care (see Table 16). The child care subsidy has increased around 12% for infants/toddlers and preschool age children from state fiscal year 2001 to 2007. This 12% growth in the subsidy has therefore narrowed the gap between median market rates and the subsidy for infants and toddlers, but the gap has increased for preschool age children.⁶

Proportionally, the greatest increase was for before/after school care. This may reflect greater demand for this type of child care or availability of longer hours to accommodate families with non-traditional work schedules or multiple jobs.

**TABLE 16
COMPARISON OF FAMILY CHILD CARE MARKET RATES OVER TIME**

Median Market Rates	2000	2002	2004	2006	Rate Increase
Infants/Toddlers	\$125.00	\$125.00	\$125.00	\$130.00	4.0%
Preschool	\$100.00	\$100.00	\$110.00	\$120.00	20.0%
Before/After School	\$58.50	\$65.00	\$65.00	\$75.00	28.2%
Holiday (Daily)	\$22.00	\$25.00	\$25.00	\$25.00	13.6%
Summer School-Age	\$86.20	\$100.00	\$100.00	\$110.00	27.6%
Special Needs Infants/Toddlers	\$125.00	\$145.00	\$150.00	\$150.00	20.0%
Special Needs Preschool	\$125.00	\$135.00	\$140.00	\$150.00	20.0%

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

⁶ There is no specific subsidy for before/after school or other school age child care.

APPENDIX 1

CHILD CARE CENTER MARKET RATE SURVEY – 2006

Center Name: _____

ID: _____

Address: _____

- | | | |
|---|-----|----|
| 1. Do you charge families a fee for child care? | YES | NO |
| 2. Are you a partial day program (less than 6+ hrs, 5 days/wk) for children under 5? | YES | NO |

If you answered "NO" to question 1 or "YES" to question 2, you can return your questionnaire now by mail or fax.

3. Price for Services (Divide monthly rates by 4.33 to calculate weekly rate)	Amount	
A. Full-time Weekly Care for Infants (birth to 18 months)	\$	
B. Full-time Weekly Care for Toddlers (19 months to 2 ½ years)	\$	
C. Full-time Weekly Care for Preschool (2½ up to 6 years) If you have different rates within preschool, please list age groups and rates	\$	
D. Full-Time Weekly Care for Before/After School (6 to 13 years)	\$	BEFORE AFTER
E. Full-Time Weekly Care for Summer Care (School-age)	\$	
F. Daily Care During Holidays (School-age)	\$	

4. Discounts

- A. Are rates discounted for families with more than one child enrolled? Yes No
- B. If yes, please write the percent of the discount _____% or \$_____ per month.
- C. Is the discount applied to (circle one):
 EVERY CHILD ONE ADDITIONAL CHILD ALL ADDITIONAL CHILDREN OTHER (Explain)

5. Additional Charges or Fees – Enter the amount and one of the following codes to indicate how often the fee is charged: (a) one-time only, (b) daily, (c) weekly, (d) monthly, (e) annually, (f) special event, or (g) other.

Description of Additional Charges or Fees	Amount	Frequency (use letter codes)	Description
One-Time Application Processing Fee	\$		
Annual Registration Fee	\$		
Meals	\$		
Special Materials and Supplies (e.g., for kindergarten)	\$		
Recreation or Trip Fees (enter a typical amount or range)	\$		
Other (e.g., special activity fees)	\$		

6. Voucher Payments

- A. Would you accept children receiving child-care subsidies through the Work First NJ or New Jersey Cares for Kids Program (NJCK)? Yes No
- B. If yes, when there is a difference (other than a mandatory co-pay) between the State's maximum payment rate and the amount you charge, would you ask families in either program to pay the difference?
 Yes, always Yes, in some cases No
- C. Do you currently have any children enrolled who receive a child-care subsidy through Work First NJ or New Jersey Cares for Kids Program (NJCK)? Yes No

7. Program Information

- A. What hours does your center provide child-care services? Starting at _____ AM until _____ PM
- B. How many months per year does your program operate? _____ months
- C. How do families pay for child care? Annually Monthly Bi-Weekly Weekly Other (specify)

Please return this questionnaire to the NJ Department of Human Services by December 12, 2006.
 Use the enclosed addressed and stamped envelope or Fax this page to 609-341-2100.

FAMILY CHILD CARE MARKET RATE SURVEY – 2006

Survey #:

Your Name:

Address:

1. Provider Information

A. Are you currently providing child care? Yes No → Skip the other questions and return your survey

2. Price for Services (Divide monthly rates by 4.33 to calculate weekly rate)	Amount		
A. <i>Full-time Weekly Care</i> for Infants (birth to 18 months)	\$		
B. <i>Full-time Weekly Care</i> for Toddlers (19 months to 2 ½ years)	\$		
C. <i>Full-time Weekly Care</i> for Preschool (2½ up to 6 years) If you have different rates within preschool, please list age groups and rates	\$		
D. <i>Full-Time Weekly Care</i> for Before/After School (6 to 13 years)	\$	BEFORE	AFTER
E. <i>Full-Time Weekly Care</i> for Summer Care (School-age)	\$		
F. <i>Daily Care</i> During Holidays (School-age)	\$		
G. <i>Weekly Rate</i> for Special Needs Infants/Toddlers (birth to under 2½ yrs)	\$		
H. <i>Weekly Rate</i> for Special Needs Children (2½ - 19 years)	\$		

3. Discounts

A. Are rates discounted for families with more than one child in your care? Yes No

B. *If yes*, please write the percent of the discount _____ % **or** \$ _____ per month.

C. Is the discount applied to (circle one)

EVERY CHILD ONE ADDITIONAL CHILD ALL ADDITIONAL CHILDREN OTHER (Explain)

4. Additional Charges or Fees – Enter the amount and one of the following codes to indicate how often the fee is charged: (a) one-time only, (b) daily, (c) weekly, (d) monthly, (e) annually, (f) special event, or (g) other.

Description of Additional Charges or Fees	Amount	Frequency (use letter codes)	Description (if needed)
Registration or Application Processing Fee	\$		
Meals	\$		
Special Materials and Supplies	\$		
Recreation or Trip Fees (enter a typical amount or range)	\$		
Other (special activity fees, diapers)	\$		

5. Voucher Payments

A. Would you accept children receiving a child care subsidy through the Work First NJ *or* New Jersey Cares for Kids Program (NJCK)? Yes No

B. *If yes*, when there is a difference (other than a mandatory co-pay) between the State’s maximum payment rate and the amount you charge, would you ask families in either program to pay the difference?

Yes, always Yes, in some cases No

C. Do you currently have any children enrolled who receive a child care subsidy through either program?

Yes No Not Applicable

6. Child Care Services

A. What hours do you provide child-care services? Starting at _____ AM until _____ PM

B. How do families pay for child care? Annually Monthly Bi-Weekly Weekly Other (specify)

Please return this questionnaire to the NJ Department of Human Services by December 12, 2006.

Use the enclosed addressed and stamped envelope **or** fax this page to 609-341-2100.

APPENDIX 2

Center Child Care

Weekly Median Rates by County⁷

Difference between Weekly Rates and Child Care Subsidy

Infant, Toddler and Preschool

⁷ In studies conducted prior to 2006, rates were reported by geographic regions based upon the service structure of the Division of Youth and Family Services (DYFS). Consistent with the county-based organization of child care resource and referral agencies, these data are presented by county.

County/Age	N	Median	Difference between Median and Subsidy
Atlantic			
Infant	23	\$168.00	\$12.00
Toddler	25	\$157.00	\$1.00
Preschool	30	\$137.34	\$8.74
Bergen			
Infant	104	\$227.50	\$71.50
Toddler	116	\$200.00	\$44.00
Preschool	171	\$178.75	\$50.15
Burlington			
Infant	55	\$210.00	\$54.00
Toddler	57	\$192.00	\$36.00
Preschool	69	\$171.00	\$42.40
Camden			
Infant	78	\$182.00	\$26.00
Toddler	80	\$165.00	\$9.00
Preschool	93	\$152.50	\$23.90
Cape May			
Infant	9	\$152.00	(\$4.00)
Toddler	12	\$137.00	(\$19.00)
Preschool	16	\$125.00	(\$3.60)
Cumberland			
Infant	20	\$154.40	(\$1.60)
Toddler	21	\$154.40	(\$1.60)
Preschool	27	\$125.00	(\$3.60)
Essex			
Infant	84	\$165.00	\$9.00
Toddler	102	\$160.00	\$4.00
Preschool	117	\$150.00	\$21.40
Gloucester			
Infant	44	\$172.00	\$16.00
Toddler	49	\$160.00	\$4.00
Preschool	60	\$146.90	\$18.30
Hudson			
Infant	70	\$157.00	\$1.00
Toddler	77	\$155.00	(\$1.00)
Preschool	86	\$135.00	\$6.40
Hunterdon			
Infant	19	\$265.00	\$109.00
Toddler	22	\$232.53	\$76.53
Preschool	23	\$212.24	\$83.64
Mercer			
Infant	57	\$236.00	\$80.00
Toddler	63	\$216.00	\$60.00
Preschool	79	\$185.50	\$56.90

Middlesex			
Infant	86	\$227.90	\$71.90
Toddler	100	\$206.85	\$50.85
Preschool	142	\$172.52	\$43.92
Monmouth			
Infant	85	\$219.40	\$63.40
Toddler	91	\$200.00	\$44.00
Preschool	114	\$180.00	\$51.40
Morris			
Infant	76	\$255.50	\$99.50
Toddler	86	\$228.32	\$72.32
Preschool	121	\$192.00	\$63.40
Ocean			
Infant	63	\$180.00	\$24.00
Toddler	70	\$170.00	\$14.00
Preschool	85	\$155.00	\$26.40
Passaic			
Infant	48	\$187.19	\$31.19
Toddler	55	\$175.00	\$19.00
Preschool	70	\$154.40	\$25.80
Salem			
Infant	14	\$151.00	(\$5.00)
Toddler	14	\$147.50	(\$8.50)
Preschool	15	\$135.50	\$6.90
Somerset			
Infant	56	\$265.14	\$109.14
Toddler	64	\$245.50	\$89.50
Preschool	89	\$207.97	\$79.37
Sussex			
Infant	28	\$185.00	\$29.00
Toddler	31	\$179.00	\$23.00
Preschool	36	\$157.00	\$28.40
Union			
Infant	48	\$222.20	\$66.20
Toddler	62	\$186.73	\$30.73
Preschool	87	\$165.00	\$36.40
Warren			
Infant	13	\$170.00	\$14.00
Toddler	16	\$155.00	(\$1.00)
Preschool	20	\$144.07	\$15.47
Statewide			
Infant	1,080	\$200.00	\$44.00
Toddler	1,213	\$185.00	\$29.00
Preschool	1,550	\$165.00	\$36.40

APPENDIX 3

Family Child Care

Weekly Median Rates by County⁸

Difference between Weekly Rates and Child Care Subsidy

Infant, Toddler and Preschool

⁸ In studies conducted prior to 2006, rates were reported by geographic regions based upon the service structure of the Division of Youth and Family Services (DYFS). Consistent with the county-based organization of child care resource and referral agencies, these data are presented by county.

County/Age	N	Median	Difference between Median and Subsidy
Atlantic			
Infant	57	\$130.00	\$6.80
Toddler	59	\$125.00	\$1.80
Preschool	61	\$100.00	\$3.20
Bergen			
Infant	79	\$175.00	\$51.80
Toddler	76	\$150.00	\$26.80
Preschool	62	\$145.00	\$48.20
Burlington			
Infant	101	\$135.00	\$11.80
Toddler	102	\$125.00	\$1.80
Preschool	89	\$125.00	\$28.20
Camden			
Infant	125	\$125.00	\$1.80
Toddler	125	\$120.00	(\$3.20)
Preschool	119	\$100.00	\$3.20
Cape May			
Infant	11	\$125.00	\$1.80
Toddler	11	\$125.00	\$1.80
Preschool	11	\$125.00	\$28.20
Cumberland			
Infant	47	\$125.00	\$1.80
Toddler	50	\$105.50	(\$17.70)
Preschool	48	\$90.00	(\$6.80)
Essex			
Infant	196	\$125.00	\$1.80
Toddler	199	\$123.00	(\$0.20)
Preschool	172	\$100.00	
Gloucester			
Infant	33	\$150.00	\$26.80
Toddler	33	\$145.00	\$21.80
Preschool	34	\$125.00	\$28.20
Hudson			
Infant	138	\$125.00	\$1.80
Toddler	144	\$117.74	(\$5.46)
Preschool	132	\$96.40	(\$0.40)
Hunterdon			
Infant	28	\$227.50	\$104.30
Toddler	29	\$225.00	\$101.80
Preschool	28	\$225.00	\$128.20
Mercer			
Infant	56	\$129.00	\$5.80
Toddler	54	\$125.00	\$1.80
Preschool	39	\$120.00	\$23.20

Middlesex			
Infant	62	\$150.00	\$26.80
Toddler	63	\$150.00	\$26.80
Preschool	58	\$150.00	\$53.20
Monmouth			
Infant	71	\$150.00	\$26.80
Toddler	69	\$145.00	\$21.80
Preschool	56	\$126.25	\$29.45
Morris			
Infant	51	\$200.00	\$76.80
Toddler	50	\$182.50	\$59.30
Preschool	46	\$180.00	\$83.20
Ocean			
Infant	73	\$150.00	\$26.80
Toddler	73	\$150.00	\$26.80
Preschool	72	\$145.00	\$48.20
Passaic			
Infant	71	\$125.00	\$1.80
Toddler	69	\$101.62	(\$21.58)
Preschool	55	\$100.00	\$3.20
Salem			
Infant	23	\$125.00	\$1.80
Toddler	22	\$125.00	\$1.80
Preschool	25	\$115.00	\$18.20
Somerset			
Infant	28	\$185.00	\$61.80
Toddler	27	\$185.00	\$61.80
Preschool	20	\$185.00	\$88.20
Sussex			
Infant	23	\$175.00	\$51.80
Toddler	23	\$162.00	\$38.80
Preschool	20	\$150.00	\$53.20
Union			
Infant	72	\$150.00	\$26.80
Toddler	75	\$130.00	\$6.80
Preschool	53	\$122.00	\$25.20
Warren			
Infant	21	\$150.00	\$26.80
Toddler	22	\$132.50	\$9.30
Preschool	22	\$125.00	\$28.20
Statewide			
Infant	1,366	\$135.00	\$11.80
Toddler	1,375	\$125.00	\$1.80
Preschool	1,222	\$120.00	\$23.20