



Minnesota Department of **Human Services**

Child Care Use in Minnesota

*2004 Statewide
Household Child Care
Executive Summary*



Child Care Use in Minnesota

2004 Statewide Household Child Care Survey

Executive Summary

NOVEMBER 2005

Prepared by:

Richard Chase, Joanne Arnold, Laura Schauben and Ben Shardlow

Wilder Research
1295 Bandana Blvd. North, Suite 210
St. Paul, MN 55108
(651) 647-4600
www.wilderresearch.org

Summary

Study purposes and methods

This report on a statewide telephone survey describes child care use in Minnesota among households with children 12 and younger. The survey was conducted from May 2004 through March 2005 to reflect child care use during the summer and the school year.

Interviewers spoke with one adult in each household who was most knowledgeable about child care arrangements. The survey collected information about all the types of child care used at least once in each of the prior two weeks for one randomly selected child per household. The study also includes information on reasons for choosing various arrangements, costs of child care, work related issues and parent satisfaction with current child care arrangements.

The results provide an overview of the availability, quality and affordability of child care for all families in Minnesota.

In this study, child care refers to all arrangements other than parents and the regular school time (K-12). It includes informal home-based care by family, friends and neighbors; licensed home-based care; center-based care (including preschool, nursery school and school-age care programs before and after the school day); organized activities such as clubs or sports, and self care by the child. For complete definitions, see page 13 of the report.

The study included 1,363 randomly selected households (391 surveyed in the summer and 972 during the school year). The base sample is stratified by region (in Greater Minnesota) and by county (in the Twin Cities metropolitan area). The survey has a good response rate of 67.4 percent and an overall sampling error of about plus or minus 2.7 percent.¹

The households in this survey are reasonably representative of all Minnesota households with children ages 12 and younger, based on comparing several sample characteristics with U.S. Census data. For example, about 80 percent of the households surveyed have two parents present, and about 86 percent identify themselves as White, 3 percent as Black or African American, 2 percent as Hispanic or Latino, 2 percent as Asian and 1 percent as American Indian. About 5 percent are of other racial or ethnic identification or

¹ Sub-samples have higher sampling error. For example, the sub-sample of households with low incomes with a child care subsidy has 94 households and a sampling error of plus or minus 10 percent. The sampling error does not diminish any statistical significance but should be taken into account when generalizing results or making population estimates.

of mixed race or ethnicity. Slightly over half of the respondents (56 percent) live in the seven-county Twin Cities metropolitan area, and 44 percent live in Greater Minnesota.

A similar statewide child care survey was conducted in 1999 of 2,450 households with children ages 14 and younger, which offers the opportunity for comparisons.² Because of some methodological differences, however, comparisons should be done with caution. The 1999 survey used an open-ended diary format to collect and categorize detailed information on child care arrangements and schedules for the youngest child in the household (up to age 14). For this survey, respondents chose child care arrangements and schedules from a pre-categorized list for a randomly selected child (up to age 12), which may or may not be the youngest child.

Key findings

Profile of child care use, hours and schedules

About three-fourths of Minnesota families (74 percent) with children under age 13 regularly use some type of child care arrangement.

- On average, households have two child care arrangements.
- Thirty-six percent of households use just one child care arrangement; 39 percent use two and 26 percent use three or more.
- Most families have stable child care arrangements; that is, they have not changed their child care arrangements in the past 12 months for the child covered in the survey. About 19 percent had one arrangement other than their current ones, and just 7 percent have had two or more other arrangements.
- On average, children spend about 24 hours per week in child care.
- Twenty-eight percent of children are in child care full time (35 or more hours per week), similar to findings in the 1999 *Child Care Use in Minnesota* survey (30 percent).
- The average amount of time in child care is about 28 hours in the summer and 22 hours during the school year. Those averages are fairly close to the averages found in the 1999 survey.
- During both the summer and the school year, on average, children are in licensed family child care and center-based care more hours than in any other type of care.

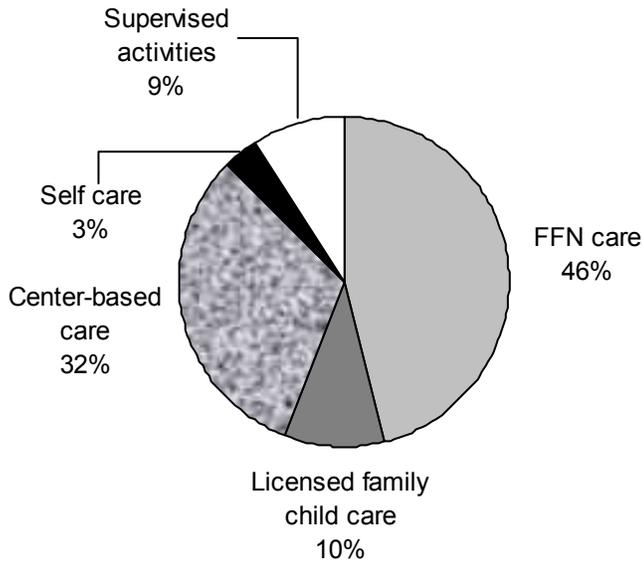
² Chase, R. and Shelton, E. 2001. *Child Care Use in Minnesota, Report of the 1999 Statewide Household Child Care Survey*. St. Paul, MN: Wilder Research.

- Children ages 5 and younger spend an average of 27 hours per week in child care during the school year, while school-age children spend smaller but still significant amounts of time in child care. (Children ages 6 to 9 spend an average of 18 hours in child care, and those ages 10 to 12 spend an average of 13 hours.)

Relatives are the primary caregivers overall.

- Of households that use child care, 46 percent use family, friend and neighbor (FFN) care in their own homes (28 percent) or in someone else's home (18 percent) as their primary arrangement. See Figure 1.
- The FFN caregivers are mainly grandparents (34 percent) and nonrelatives (24 percent), followed by older siblings (14 percent) and other relatives (17 percent).
- For children under age 6, the FFN care is more commonly provided by grandparents. For children ages 6 to 12, the FFN care more often is provided by older siblings.
- In addition, FFN care is the secondary arrangement in 25 percent of the surveyed households. See Figure 2.
- In this survey, 81 percent say they—at least sometimes—have at least one relative, neighbor or friend available to provide child care on a regular basis. This is a key change since 1999, when only 64 percent of households with one or more child care arrangements reported they had informal help with child care available.

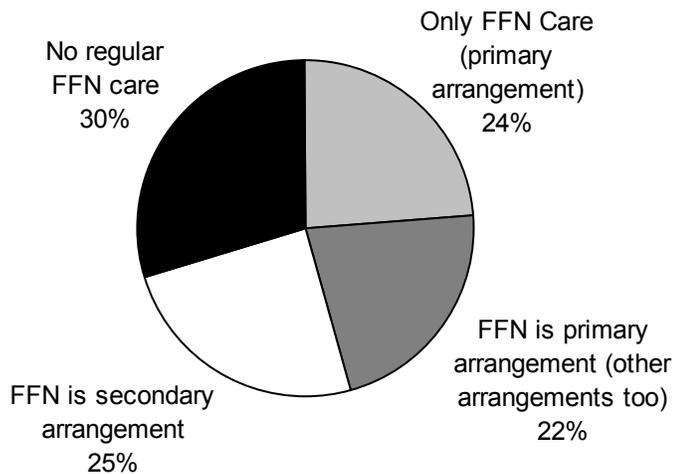
1. Primary child care arrangements for children 12 and younger



Source: 2004 Minnesota statewide household child care survey

Note: Defined by the parent as arrangements used at least once per week in each of the last two weeks for one randomly selected child per household. (N=1,363)

2. Use of family, friend and neighbor (FFN) care for children 12 and younger



Source: 2004 Minnesota statewide household child care survey

Center-based care is the next most frequent type of primary arrangement.

- One-third of households use center-based care as their primary arrangement, including child care centers, preschools, Head Start and before-school and after-school programs.
- Center-based care is the most common primary arrangement during the school year for children ages 3 to 5 (60 percent, up from 41 percent in 1999), followed by 33 percent for children under 3 and 28 percent for children ages 6 to 9.
- Among households with low incomes (at or below 200 percent of the federal poverty guideline for a family of their size), those receiving child care assistance are more likely than those without a subsidy to use center-based care as their primary arrangement (57 percent versus 18 percent, compared with 33 percent for households with higher incomes) and less likely to use FFN care as their primary arrangement (28 percent versus 65 percent, compared with 42 percent for households with higher incomes).³

During the school year, the types of child care vary by the children's ages.⁴

- Two-thirds of children are in the care of family, friends or neighbors at least part of the time during the school year (67 percent), followed by center-based care (49 percent), supervised activities (40 percent), self care (13 percent), and licensed family child care (12 percent).
- During the school year, FFN care use is highest for children under 3 (78 percent) and, though still fairly high, least frequent for children ages 3 to 5 (61 percent).
- Center-based care use during the school year is highest for 3- to 5-year-olds (79 percent), followed by children under age 3 (43 percent), children ages 6 to 9 (41 percent) and children ages 10 to 12 (25 percent).
- Supervised activities during the school year are fairly common child care arrangements for children ages 6 to 9 (52 percent) and those 10 to 12 (56 percent), compared with 36 percent of 3- to 5-year-olds.

³ This center-based category includes all types of center-based care, including child care centers, Head Start and before- and after-school programs. When the analysis includes only the child care centers, the percentages drop to 43.6 percent for households with low incomes with child care assistance, 9.4 percent for those without a subsidy and 22.3 percent for households with higher incomes. The Child Care Assistance Program (CCAP) encourages eligible families to apply to Head Start but does not reimburse any Head Start-only expenses. Families may use child care provided in partnership with Head Start, which may be subsidized through CCAP.

⁴ This section reports all the arrangements used during the school year for the selected child, so the percentages are duplicated.

- Forty-one percent of children ages 10 to 12 are in self care regularly during the school year, compared with 16 percent of children ages 6 to 9. During the summer, 42 percent of children ages 10 to 12 and 4 percent of children ages 6 to 9 are in self care. The percentage in self care for children ages 10 to 12 is higher than the percentage found in the 1999 survey (26 percent school year and 20 percent summer).

Family schedules commonly require child care before and after standard work hours (7 a.m. to 6 p.m.) and on weekends.

- During the school year, Monday through Friday, between 7 a.m. and 6 p.m., is at least part of the child care schedule for 93 percent of children and is the only schedule for 32 percent.
- In addition to standard weekday hours during the school year, 48 percent of children are regularly in non-parental care during weekday evenings (6 p.m. to 10 p.m.), and 44 percent are regularly in non-parental care on weekends. Thirteen percent are in non-parental care after 10 p.m. on weekdays, and 14 percent in the early mornings before 7 a.m. Family, friends and neighbors are the usual caregivers during these times.
- Twenty-seven percent of working parents have schedules that vary from week to week, up from 23 percent in 1999.

Cost of child care

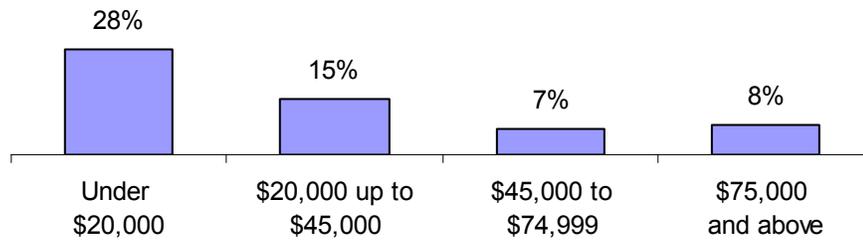
Most families who use child care for children ages 12 or younger have out-of-pocket child care expenses. Households with low incomes have the biggest cost burden relative to their incomes.

- Seventy percent pay something out-of-pocket for child care, up from 59 percent in 1999 among households with children 12 and younger with one or more child care arrangements.⁵
- For those paying for child care, the average out-of-pocket weekly expense for all children is \$111 (\$5,781 per year), just about \$2 more per week on average than reported in 1999. On average, metro-area households pay more than Greater Minnesota households per week for all their child care (\$127 versus \$90).

⁵ This increase in the percentage of households with out-of-pocket child care expenses may be due to an increase in registered FFN, paid FFN, and copays for households using child care subsidies.

- On average, those with child care payments are paying 10 percent of their annual household income for child care, which is considered affordable. However, families in the lowest income group (under \$20,000 per year) pay a much higher percentage. (See Figure 3.)

3. Proportion of annual household income going for child care costs

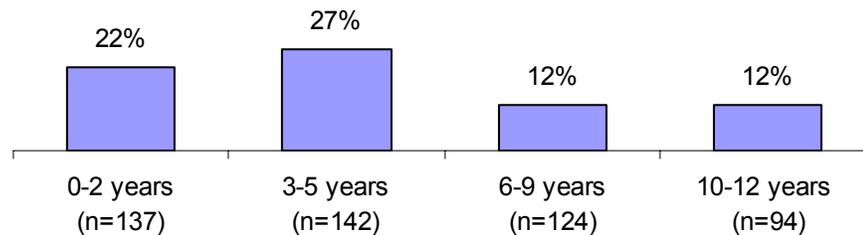


Source: 2004 Minnesota statewide household child care survey

Some families receive help paying for child care through government assistance and tax benefits. More families are eligible for this help than are receiving it.

- Nineteen percent of households with low incomes (at or below 200 percent of federal poverty guidelines) report currently receiving a subsidy through the state Child Care Assistance Program (CCAP). (See Figure 4.) About one-third of low-income households that are currently eligible but not receiving child care assistance say they are not aware of the subsidy.
- Forty-three percent of households with incomes above 200 percent of poverty claim a tax credit for child care, and 36 percent have child care (pre-tax) expense accounts. (Benefit amounts vary by income and family size.)

4. Proportion of households with low incomes receiving state child care assistance, by age of selected child



Source: 2004 Minnesota statewide household child care survey

Selecting child care: choices and barriers

Convenience, quality and cost are the top reasons for choosing specific child care arrangements.

- For FFN care, preference for care by a family member and trust are also main reasons. Parents also choose center-based care and supervised activities for the structure and the activities.
- From a list of important considerations in choosing child care, the special training of the caregiver is the top “very important” reason overall (73 percent) and the most important consideration for parents of children 9 and younger.
- Eighty-four percent of parents with low incomes say that a reasonable cost for child care is very important in choosing child care, compared with 61 percent of parents with higher incomes.

A sizeable percentage of parents, including those whose children have special needs, indicate they have limited child care options.

- Eighteen percent of households with children ages 12 and younger have one or more children with a special need that affects their child care options. Special needs include behavioral problems, developmental disabilities, health care needs that require extra attention or learning disabilities that require specialized care. Parents report that children ages 6 to 12 are more likely than younger children to have special needs (22 percent versus 14 percent).
- Twenty-nine percent of all parents say that in choosing child care they “had to take whatever child care arrangement they could get,” up from 21 percent in the 1999 survey.
- Among all parents, parents of color are more likely than White parents to report feeling they had to take whatever arrangement they could get (38 percent versus 28 percent), and so are those whose primary language is not English (43 percent versus 29 percent).
- In addition, parents with children who have special needs are also more likely to feel that way (39 percent versus 27 percent of parents whose children have no special needs).
- Income is also a factor. Parents with low incomes (38 percent) are more likely to feel that way compared with parents with higher incomes (27 percent).

Parental ratings of child care quality

Most parents give high ratings to the quality of their primary child care arrangement.

- Parents of younger children, households with higher incomes and those using their preferred type of care tend to report higher satisfaction with their primary arrangements.
- Compared to parents using center-based care and licensed family homes as their primary arrangements, parents using FFN care as their primary arrangement tend to be more satisfied with the individual attention their child receives and the flexibility of their child care arrangement.
- Parents using center-based and licensed family homes as their primary arrangements, on the other hand, tend to rate these items higher: creative activities and activities that are just right for their child, the knowledge of the caregiver about children and their needs, the caregiver's ability to meet their child's needs ("do not feel they are too demanding"), and not watching too much TV.

Child care among households with low incomes

On balance, households with low incomes have more challenges, less choice, and more problems with child care than do households with higher incomes, but child care assistance nearly levels the playing field.

- Twenty-two percent of households in this study are considered low-income; that is, their annual income is within or below the income range that includes 200 percent of the federal poverty guideline for a household of their size. For example, for a household of four people, 200 percent of the federal poverty guideline is \$38,700. For perspective, in 2003, the estimated median family income for Minnesota families with children under age 18 was \$62,303 and \$76,733 for all four-person families.
- Households with low incomes are more likely than households with higher incomes to say that in choosing child care they feel they had to take whatever arrangement they could get (38 percent versus 27 percent), to report that child care problems have prevented them from accepting or keeping the kind of job they wanted in the past 12 months (36 percent versus 14 percent) and to have a child with special needs requiring a lot of extra effort (13 percent versus 5 percent).
- Among households with low incomes, those who have child care subsidies are more likely than those without subsidies to be aware of Child Care Resource & Referral Services (CCR&R) (86 percent versus 61 percent), to learn about their current primary arrangement through community or CCR&R services (19 percent versus 9 percent) and, similar to households with higher incomes, to choose child care due to

the quality of the care (15 percent versus 9 percent) rather than due to cost (2 percent versus 14 percent).⁶

- Among households with low incomes, those without a child care subsidy are more likely than those with a subsidy to prefer care by a family member (20 percent versus 12 percent). Households with low incomes with a child care subsidy are similar to households with higher incomes in this regard.
- Among households with low incomes, those with child care subsidies tend to rate their child care arrangements higher than those without child care subsidies, and similarly to households with higher incomes, on these items: creative activities and activities that are just right for their child, the knowledge of the caregiver about children and their needs and not watching too much TV.

Parental employment issues related to child care

Child care problems reduce employee productivity and income.

- Seventy-nine percent of mothers in the surveyed households are working, looking for work, and/or going to school. About half are doing that full time (40 or more hours per week).
- Twenty percent say child care problems have interfered with getting or keeping a job in the past year, similar to the 1999 survey. Child care problems that interfere with employment more commonly affect parents of color (35 percent), parents who have a child with a special need (34 percent), parents with low incomes (36 percent) and parents who have child care subsidies (38 percent) than other parents by about two to one.
- Thirty-seven percent of households say they and/or their spouse or partner have lost time or income in the past six months due to a child care problem other than a sick child.
- When a child is sick or becomes ill during work hours, 83 percent of parents say their usual backup plan is for a parent to stay home or to go home from work, up from 75 percent in the 1999 survey.

⁶ The sub-sample of households with low incomes using a child care subsidy has 94 households and a sampling error of plus or minus 10 percent. The sampling error does not diminish the statistical significance but should be taken into account when generalizing results or making population estimates.

Recommendations

Based on the results of this study and discussion with researchers and the study advisory committee, the Department of Human Services recommends the following to ensure that child care is available, of high quality and affordable for all Minnesota families who need it.

1. Develop the supply of high-quality child care options.

The supply of high-quality child care options could be developed by supporting specialized training for child care providers, by encouraging providers and offering them incentives to improve the quality of their care and by empowering parents to make informed decisions about their child care choices. Survey results indicate that parents value highly trained caregivers regardless of their primary child care arrangement or the child's age, but especially for preschool children. In addition, most parents say they would find it helpful if their community had a child care quality rating system that would give them information they could use for selecting the highest quality care.

2. Continue public and private efforts to develop the supply of affordable child care options.

While family, friend and neighbor care is a common child care choice, some parents using that care would prefer center-based programs but cannot afford them. Ways to improve affordability of all child care options include increasing the use of child care tax credits, increasing access to pre-tax child care expense accounts through employers and reducing copayments or out-of-pocket expenses for parents receiving child care assistance.

3. Find ways that formal systems can provide support to family, friend and neighbor caregivers and connect them to appropriate resources.

Grandparents should be eligible for Early Childhood Family Education (ECFE). Schools, school-age care programs, and other youth enrichment programs could provide opportunities for children who are responsible for caring for their younger siblings to learn more about child safety and child care.

See also the recommendations in *Family, Friend, and Neighbor Caregivers: Report of the 2004 Minnesota Statewide Household Child Care Survey*.⁷

⁷ Chase, R., et al. 2005. *Family, Friend, and Neighbor Caregivers, Report of the 2004 Minnesota Statewide Household Child Care Survey*. St. Paul, MN: Minnesota Department of Human Services.

4. Support programs that provide supervised, developmentally appropriate activities for pre-teens.

The relatively high and growing (compared with 1999) proportion of pre-teens providing self care throughout the year points to the need for more supervised activities and programs for 10- to 12-year-olds during the summer and after school.



Minnesota Department of **Human Services**

Children and Family Services
444 Lafayette Rd. N.
St. Paul, MN 55155
www.dhs.state.mn.us

This information is available in other forms to people with disabilities by contacting us at (651) 282-5329 (voice). TTY/TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.