

W I L D E R R E S E A R C H C E N T E R

**Child care use in
Minnesota**
Statewide survey of households

MINNESOTA DEPARTMENT OF

*Children,
Families &
Learning*

JANUARY 2001

During 1999-2000, nearly 2,500 Minnesota families participated in a ground-breaking study of child care use and preferences. The rich detail supplied by households throughout the state gives Minnesota an unprecedented understanding of the ways that families provide for the care of their children, from infancy through age 14.

The Department of Children, Families & Learning, together with Wilder Research Center, undertook this research in the belief that it would be of great interest and practical value to those who make policy decisions affecting families; to employers; to providers of care; to schools; to those who work with children and youth; and to all who want to assure that children receive stable, safe, and affordable care.

HOW CHILD CARE TERMS ARE USED IN THIS STUDY

Child care: All arrangements other than parental care and the regular school day (K-12). Includes care by relatives, informal and formal home-based care, center-based care, supervised activities, and children taking care of themselves.

Relative care: Care by relatives other than parents or step-parents. Includes siblings as well as grandparents, aunts, cousins, brothers-in-law, and others.

Self-care: Situations in which the child is responsible for his or her own care. In addition to when the child is home alone, it includes situations in which another person “checks in” but is not present, or when the child is at the library, mall, or elsewhere alone or with friends.

Family child care: Care that is given in the provider’s home by a licensed family child care provider, or by a legally unlicensed family child care provider who has registered with local authorities to be eligible for child care subsidy.

Center-based care: Includes child care centers, but also nursery schools and preschools, before- and after-school programs,

and Head Start. It also includes child care offered while a parent attends some other activity on site, such as drop-in child care at health clubs or child care during Early Childhood Family Education (ECFE) programs.

Informal care: Any non-regulated, non-registered care by friends, neighbors, babysitters, nannies, etc., either in the child’s home or elsewhere. This care may be paid or unpaid.

Supervised activities: Includes clubs, scout groups, sports and community recreation, theater groups, lessons (including tutoring), camp, and church groups or religious education.

Low-income households: At or below 200% of the federal poverty guideline, based on family size.

Out-of-pocket expenses: Actual payments made by anyone in the household for child care. For parents who receive partial subsidy through a program such as Basic Sliding Fee, out-of-pocket expenses are the portion they pay themselves. For parents who pay the full amount but later receive reimbursement, such as tax deductions, the full expenses are counted as out-of-pocket costs.

Relatives as caregivers

Relatives are the most common caregivers for Minnesota children. For children age 5 and younger, grandparents are the usual relatives providing care. By age 6, siblings are more likely than grandparents to be providing care.

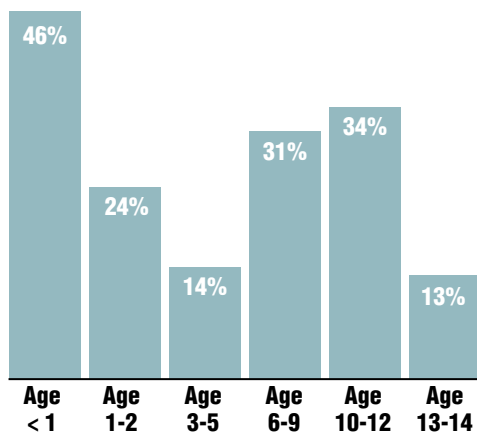
Then, by age 10, more children are on their own for part of the day. During the school year, 28 percent of children age 10 to 14 regularly care for themselves.

However, parents are not necessarily comfortable with that arrangement. Only 19 percent of surveyed parents feel it is safe, in their neighborhood, for a 10-year-old child to take care of him- or herself on a regular basis, while 82 percent think 13-year-olds are all right on their own.

Parents who rely on relatives for child care say they do so because they prefer to keep child care in their family but also due to the cost, convenience, and trust. Overall, convenience and quality top the list of why Minnesotans choose their child care arrangements, followed by trust in the caregiver and cost.

CARE BY RELATIVES

Percent of children for whom relatives provide the most non-parental care (school year only)



How many children are in child care?

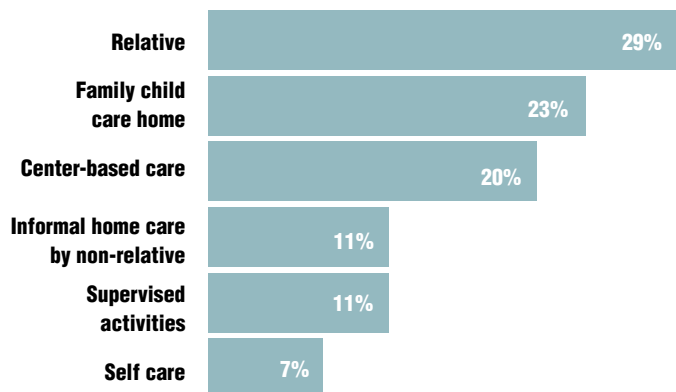
About two-thirds (68%) of Minnesota children, age 14 and younger, are regularly (at least once a week) in the care of someone other than their parents. About one-third (35%) are in care for 20 or more hours per week.

Nearly half (45%) of children age 5 and younger are in the care of someone other than their parents for 20 or more hours per week, including 30 percent in care full-time (35 or more hours per week).

Among children of working parents, 82 percent of children age 5 and younger are in child care, compared with 71 percent of children age 6 to 14.

TYPE OF CHILD CARE USED MOST

Type of care used most in the previous week by children age 14 and younger (of 1,571 children in non-parental care for 5 or more hours)



MOST COMMON TYPE OF CARE, BY AGE

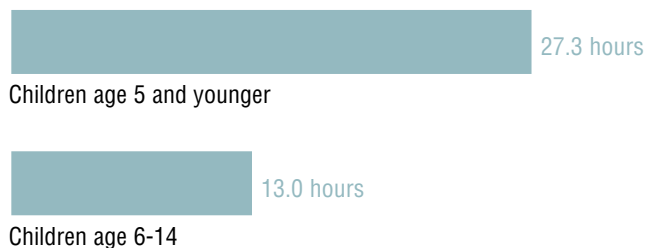
	School year	Summer
Infants	Relatives (46%)	Family child care (42%)
Age 1-2	Family child care (41%)	Family child care (43%)
Age 3-5	Center-based care (41%)	Family child care (39%)
	Family child care (39%)	Center-based care (33%)
Age 6-12	Relatives (32%)	Relatives (50%)
Age 13-14	Self-care (41%)	Self-care (49%)
	Supervised activities (39%)	Relatives (39%)

Eight out of 10 Minnesota *families* (not children) use child care of some type, regularly using an average of about two different arrangements. Households tend to have more child care arrangements when they have two or more children, when their youngest child is age 6 or older, when their incomes are higher, and when all the parents are employed.

Only about half of all Minnesota infants are regularly in non-parental care, the lowest percentage of any age group. The highest percentage by age group is around three-quarters for children age 3 to 5.

On average, children who are regularly in child care spend 21 hours per week in child care during the school year and 31.5 hours per week during the summer. Children age 5 and younger spend about twice as many hours per week in child care (27.3 hours) as school-age children (13.0 hours).

TOTAL WEEKLY HOURS IN CHILD CARE **Mean number of hours (school year only)**



Child care and working parents

One in five households with children (21%) say child care problems have interfered with getting or keeping a job in the past year.

When a child is sick or becomes ill during working hours, 75 percent of parents say their usual back-up plan is for a parent to stay home or to go home from work. Availability of care for sick children is seen as

“very important” by 65 percent of households with children in greater Minnesota, and 56 percent in the Minneapolis-Saint Paul area.

However, children’s illnesses are not the only child care issue that affects parents’ work. Twenty-three percent of households say they have lost time from work in the past 6 months due to a child care problem other than a sick child.

Nor does a certain type of child care arrangement appear more reliable than others in this regard. About 30 percent of those who rely mainly on relatives and other informal arrangements lose work time because of illness of the caregiver, similar to the percentage who lose work time due to scheduled closings of child care centers.

Finally, many families’ schedules require child care before or after the standard work day and on weekends. During the school year, over half of children age 14 or younger are regularly in care before 7 a.m., after 6 p.m., or on weekends. Relatives are the usual caregivers during these times. In addition, 23 percent of working parents have schedules that vary from week to week.

Cost and affordability

Less than half of households with children age 14 or younger (44%) have out-of-pocket child care expenses. Families may have no expenses because they use no child care regularly, or because the care is free (self-care or relative care), or because the cost of care is fully covered by a subsidy.

For those paying for child care, the average out-of-pocket expense for all children is \$109 per week (\$5,668 per year). This figure includes families with full-time and part-time care, families with any number of children, and families with partially subsidized costs. The average out-of-pocket cost to a working parent for

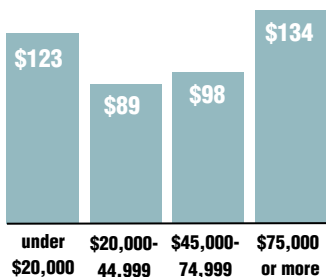
one child, age 5 or younger, in full-time formal care (35 hours or more per week) amounts to \$99.44 per week or \$5,171 per year.

Of households who use child care regularly, 58 percent are getting some type of public or private subsidy, including Dependent Care Tax Credits and the Child Care Assistance Program. Subsidies are not just for the poor; in fact, tax credits are the most widely used subsidy (30%). Higher-income households (those at or above 200% of federal poverty guidelines, based on family size) are as likely to receive a subsidy as lower-income households. Benefit amounts vary by income and family size.

Looking at the total out-of-pocket cost of care for all children in the family, families with annual incomes below \$20,000 pay, on average, \$123 per week — nearly as much as families earning \$75,000 or more. That represents about a third of the income of lower-income families, compared with 10 to 23 percent for families with incomes from \$20,000 to \$44,999, and about 9 percent for those earning \$45,000 or more. (The federal benchmark of affordability for child care is about 10 percent of household income, as established by the U.S. Department of Health and Human Services.)

WEEKLY COST OF CHILD CARE

Average weekly total cost for families who have out-of-pocket expenses, by annual household income



Use of financial assistance

Many low-income families are not aware of, and do not use, state child care assistance programs.

Over half (57%) of low-income households report being aware that financial assistance to pay for child care (the Child Care Assistance Program) is available. Twelve percent of low-income households (and 4 percent of all households in the survey) report currently receiving state child care assistance. The usage rate peaks among families in which the youngest child is age 3 to 5, and drops to a lower rate of use when the youngest child is age 10 or older.

Among low-income households, Twin Cities-area households are more likely than households in greater Minnesota to report receiving state child care assistance.

Of those low-income households that are aware of the assistance programs but not participating, 5 percent are on the waiting list, and another 14 percent are not on the waiting list but say they would be if it were not so long.

Subsidized care: Not just for the poor

Here are the primary types of child care subsidy covered in this study.

USED MORE BY LOW-INCOME PARENTS

Child Care Assistance Program:

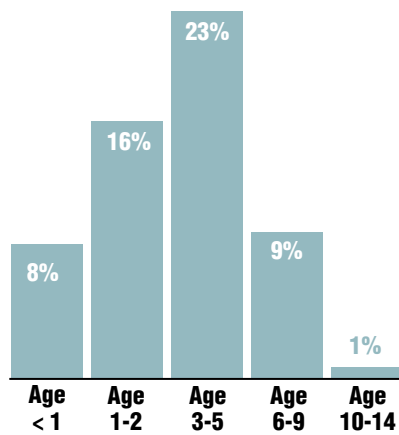
- Basic Sliding Fee Child Care Assistance
- MFIP Child Care Assistance (for welfare recipients)
- Transition Year Child Care Assistance (for those leaving welfare)

USED MORE BY HIGHER-INCOME PARENTS

- Federal Dependent Care Tax Credit
- Employer pre-tax accounts

USE OF STATE ASSISTANCE

Percent of low-income households receiving state child care assistance, by age of youngest child



Satisfaction with child care

Most parents give high ratings to the quality of their primary child care arrangement. Parents of preschool-age children tend to be more satisfied with their child care arrangements than are parents with school-age children only.

When parents rated various aspects of their children's care, clear patterns emerged regarding the perceived strengths of formal versus informal care.

Parents relying on relatives and other informal arrangements tend to rate these aspects more highly:

- Individual attention
- Flexibility
- Limited turnover

Parents using formal arrangements tend to rate the following items more highly:

- Creative activities
- Activities that are “just right” for their child
- Caregiver's knowledge “about children and their needs”
- Caregiver's ability to meet their child's needs
- Not watching too much TV

Stability of care arrangements

Most families (71%) appear to have stable child care arrangements; that is, they have not had any change in the child care arrangements for their youngest child in the past 12 months. About 20 percent have had just one change, and just under 10 percent have had two or more changes.

Children age 5 and younger from low-income families have experienced more changes in their child care arrangements during the previous year than those from higher-income families.

Of family child care arrangements that changed in the previous year, 24 percent ended because the provider stopped providing child care.

Factors that affect families' options

While most parents expressed satisfaction with their child care arrangements, 20 percent of families are not using their preferred type of care. More than one-quarter of low-income households and parents working non-standard hours say that they “had to take whatever child care arrangement they could get,” compared with one-fifth overall. Several factors influence the range of viable options for families:

Availability of informal support. More than one-third (37%) of the households rarely or never have relatives, friends, or neighbors available for regular care. The percentage without informal help available for regular care is higher in the Twin Cities area (39%) than in greater Minnesota (33%).

Shared responsibility for parenting. Eighty percent of respondents said they “always” or “usually” have someone (usually a spouse or partner) who shares parenting and child-rearing responsibilities.

Children's special needs. 14 percent of households with children age 14 and younger have one or more children with a special need that limits their child care options. Special needs include behavioral problems, developmental disabilities, health care needs that require extra attention, and learning disabilities that require specialized care.

Cost of child care. 69 percent of working parents say that a reasonable cost for child care is “very important,” higher than non-working parents (62%). On the other hand, 31 percent of working parents say that care by a relative is “very important,” lower than non-working parents (41%), suggesting that working parents are looking for reasonably priced formal care.

Recommendations

Based on the results of this study, Wilder Research Center recommends the following to assure that the supply of child care is available, of high quality, and affordable for all families in Minnesota.

Reach out to relatives who care for children. Since relatives are the most common caregivers, formal systems should find ways to support them in this role and to connect them to appropriate resources. For example, school-age care programs and other youth enrichment programs could provide opportunities for older siblings to learn more about child safety and the care of young children.

Provide more options for children age 10 to 14.

The relatively high proportion of pre-teens and early teens taking care of themselves, coupled with the relatively high proportion of families who say that this is not safe until about age 13, point to the need for more supervised activities and programs for children age 10 to 14, during the summer and after school.

Help families develop viable back-up plans. When children are sick or child care arrangements fall through, working parents miss work to care for their children. More could be done to educate parents about the potential pitfalls of different types of care so that they are prepared with back-up plans. At the same time, employers should be encouraged to offer family-friendly policies and flexibility in the workplace.

Ease the cost burden for lower-income families. Many lower-income Minnesota families are not aware of and do not use state child care assistance programs. In addition, too much of the family income of lower-income families is used to pay for child care. Ways to effectively increase awareness and use of the Child Care Assistance Program should be developed. Increased awareness and use may require additional funding. More funds may not be needed if existing funds are targeted to families with lower incomes than at present by changing income eligibility limits, or if co-pays are increased. However, this study shows that even families with incomes from \$20,000 to \$45,000 per year are paying more than is considered affordable. Relatedly, the use rate of state child care assistance in greater Minnesota is lower than in the metro area. The reasons behind this lower use and its impact on the availability and quality of care should be explored.

Increase the supply of formal child care. While informal care is a common choice, some parents report problems with reliability and, perhaps more importantly, it is not an option for nearly 4 out of 10 Minnesota families. Developing the supply of affordable, formal child care options is clearly necessary.

ABOUT THE STUDY

This statewide telephone survey describes child care use in Minnesota among 2,450 households with children age 14 and younger. Funded by the Minnesota Department of Children, Families & Learning, the survey was conducted by Wilder Research Center from June 1999 through March 2000.

Interviewers spoke with one adult in each household who was most knowledgeable about the child care arrangements. The survey collected a detailed diary of the youngest child's care for the entire prior week. Other questions covered reasons for choosing various arrangements, costs of child care, work-related issues, and satisfaction with current child care arrangements.

The 2,450 households were randomly selected; 852 answered the survey in summer and 1,598 during the school year. The survey has an acceptable response rate of 67.6 percent and an overall sampling error of about plus or minus 2 percent. The study sample is reasonably representative of the population of Minnesota households with children age 14 and younger, based on comparisons with Census data.

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For additional printed copies of this summary or the full report, please contact the Minnesota Department of Children, Families & Learning (651-582-8652 or child.care@state.mn.us) or download from www.wilder.org/research.

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