

**REPORT OF THE
DEPARTMENT OF SOCIAL SERVICES**

**A STUDY OF THE QUALITY,
AFFORDABILITY AND
ACCESSIBILITY OF CHILD CARE IN
THE COMMONWEALTH OF VIRGINIA**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



SENATE DOCUMENT NO. 4

**COMMONWEALTH OF VIRGINIA
RICHMOND
2000**



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730 East Broad Street
Richmond, Virginia 23219-1849

COMMONWEALTH of VIRGINIA
State Board of Social Services

September 30, 1999

TO: The Honorable James S. Gilmore

The Commission on Early Childhood and Child Day Care Programs

And

The General Assembly of Virginia

The report contained herein is pursuant to Senate Bill 595 enacted as Chapter 629 of the 1998 Acts of Assembly.

Senate Bill 595 requires "that the State Board of Social Services, in cooperation with the Department of Social Services, the Health Department, and other state agencies as appropriate, shall study the quality, affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth." This final report is due by October 1, 1999.

In accordance with the provisions of the bill, an interim report that reviewed previous studies evaluating these child day care issues in Virginia was submitted on October 1, 1998. The attached report concludes the study conducted in response to Senate Bill 595.

Respectfully Submitted,

A stylized signature of Brian E. Campbell, consisting of several overlapping loops and a long horizontal stroke.

Brian E. Campbell
Chairman

A Study of the Quality, Affordability and Accessibility Of Child Care in the Commonwealth of Virginia

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FORWARD

This study is offered in response to the passage of Senate Bill 595 during the 1998 session of the Virginia General Assembly. The State Board of Social Services was asked to “study the quality, affordability and accessibility of licensed and unlicensed child care programs in the Commonwealth.”

The provision of child care services to the families of Virginia is unusually complex with its multi-faceted array of services from which parents can choose. It is an area for which the Commonwealth’s elected officials have markedly divergent perspectives and points of view. This is also true of the public of which an increasingly large percentage depends upon such services to obtain and maintain employment. The additional important impact of child care arrangements upon the well-being of children as well as their physical, emotional and educational growth and development significantly raises the stakes of the decision-making process faced by parents who choose to place their children in the care of others.

The State Board of Social Services with the active participation of the Department of Social Services has responded to the study request by completing in 1998 a review of all relevant studies of child care issues and in 1999 by initiating a comprehensive market approach to the issues of quality, affordability and accessibility. This unique market assessment has utilized a combination of focus groups and telephone interviews of both consumers and providers of child care. The statistically valid results have addressed the major questions raised by Senate Bill 595 and the findings and conclusions are set forth elsewhere in this report. The Board believes these results provide a strong foundation for understanding the child care marketplace and the issues that are relevant to quality, affordability and accessibility.

The market place approach to study consumers and providers of child care services was chosen after an extensive search process. All state-supported colleges and universities were invited to submit proposals to a panel that included the Chair of the Child Day Care Council, the Chair of the Child Day Care Subcommittee of the State Board of Social Services, the Executive Director of the Action Alliance for Virginia’s Children and Youth, and the Department of Social Services’ Project Director for this study. The panel selected the Mercatus Center at George Mason University and their study results are reported here.

The Department of Social Services participates in numerous ways in Virginia’s child care marketplace. There are two major levels of involvement for the agency. The first is through the licensure of child care centers and family day care homes and the voluntary registration of family day care homes. The second is the provision of child care subsidies for low-income Virginians who cannot afford to pay for the care themselves in order to work.

The Department is initiating other efforts to address quality child care services, especially with the Virginia Department of Health. Of course, the two agencies work closely together in their collaborative efforts to license appropriate child care centers and family day care homes. While the Department of Social Services determines if the facilities meet regulatory standards, the

Department of Health may approve water supplies, sewage disposal systems and food service. The Health Department staff may also be called to inspect for sanitary conditions, to insure children are immunized, to provide TB assessments/screenings and to respond to reports of communicable diseases.

The two departments are also initiating an agreement to: (1) help immunize children who receive subsidized day care services, (2) distribute health and safety materials to non-regulated family day care homes, and (3) increase consultation with day care providers regarding health issues. This agreement addresses areas of need while taking steps to minimize any potential duplication of resources.

The conclusions found in this report suggest approaches by which the Department can make child care provider information available to the consumer public, including the recommendation for a web page that could be accessed by families seeking child care services. In fact, child care provider information is currently available to the public through the statewide Human Services Information and Referral System that is supervised by the Department of Social Services. The six regional providers currently make child care resource and referral information available to consumers. These same regional providers will be moving toward the creation of web pages with the new requirements that are included in the most recent information and referral request for proposals.

The Department of Social Services plays a significant role in the affordability of child care services. Through its child care subsidies for eligible low-income families, including recipients of Temporary Assistance for Needy Families, the department pays for services received in accordance with market rates. The department is currently conducting a federally required survey to update its market rates. The survey will help assure that subsidy payments will reflect current market rates and provide eligible families with access to the providers in their communities.

The study that follows sets forth detailed information that addresses the major issues raised by Senate Bill 595. There are sometimes significant differences of opinion regarding the state's role in monitoring and regulating child care providers and in the quality, affordability and accessibility of child care services in the Commonwealth of Virginia; however, the findings of this study lead the reader to the conclusion that the State of Virginia may have achieved the proper balance between controlling the child care marketplace and allowing free market principles to apply. While the system is not without issues, especially for low-income Virginians who struggle to afford substitute care for their children, the overwhelming majority of consumers and providers believe that children are receiving quality care at a reasonable price and that care is readily available and accessible to them.

Frequency tables are available from the surveys of parents and providers during Phase II of the study. Anyone interested in receiving copies should contact the Office of Planning and Policy in the Virginia Department of Social Services.

EXECUTIVE SUMMARY

AN ASSESSMENT OF THE QUALITY, AFFORDABILITY, AND ACCESSIBILITY OF THE CHILD CARE MARKET IN VIRGINIA—The Virginia Department of Social Services commissioned this study on behalf of the Virginia Board of Social Services as required by the Virginia General Assembly per Senate Bill 595 (1998). Senate Bill 595 as signed by the Governor, requires a study of the quality, affordability and accessibility of child care be completed and the findings reported to the Governor and General Assembly by October 1, 1999. This study presents findings from the second (quantitative) phase of a two-phase research project. This report was preceded by a phase one focus group study. This phase two study is a statistically representative survey of the experiences and attitudes of the general population of households with children age 6 and under in Virginia.

This study finds no discernible failure in the market for child care services in Virginia. The market for child care services appears to be highly competitive with producers showing considerable sensitivity to consumer preferences. The market for child care services in Virginia functions efficiently for households with children age 6 and under. A large majority of consumers report they are satisfied with the quality (95%), prices (80%), accessibility (75%), and availability (69%) of child care services offered in Virginia.

This study further finds that producers of child care services for children age 6 and under face a highly competitive market with no single producer or group able to exert power over prices. Providers are extremely diverse and respond to a range of consumer preferences for child care services in the Virginia market. Potential providers range from relatives such as grandparents to day care centers with professionally trained educators. Producers of child care services appear to offer the attributes of quality parents value. Additionally, the demand for child care services is relatively inflexible. However, individual providers are unable to exert any market power over prices charged for their services simply because parents can switch to alternative providers with relative ease.

Methods

1. **Are the findings from this study representative of all Virginia households with children age six and under?**
 - Yes. The study used random-digit-dialing, the most effective and efficient random sampling technique available. The authors estimate that about 96 percent of Virginia households have telephones. The authors also estimate—based on U.S. Census projections—they achieved a 95 percent response rate. Demographic measures of the sample are statistically consistent with 1999 projections based on U.S. Census estimates.

2. What are the study limitations?

- Responses were limited by the close-end format of the questionnaires. Yet, this study strikes a balance between two types of questions by using the open-ended format in focus groups for questionnaire development, and then making use of close-ended questions for the telephone survey.¹ Thus, the survey instrument benefits from both the detail derived from open-ended questions from the focus group process and the quantitative precision and efficiency which are characteristic of close-ended questions.
- There may be a slight selectivity bias due to the small share of households without telephones and the less than 100 percent response rates. The bias appears minimal. Any potential selectivity problems are judged minor given that the demographic profile of the sample is consistent with the U.S. Census profile for the general population of Virginia.

3. How many parents and providers participated in the telephone surveys and when did they occur?

- The statewide sample consisted of 1,417 parents and 164 child care providers. The statewide sample telephone interviews were conducted from July 8th to August 4th, 1999. The researchers also increased the sample sizes for particular regions of the state, a process known as oversampling, to facilitate a more complete analysis of regional differences. This provided an additional 653 responses collected from August 5th to the 15th, selected from regions with relatively small populations. These 653 responses cannot be used for the statewide analysis simply because they would have over-weighted certain regions relative to their actual share of the Virginia population.

Quality Findings

4. What attributes of quality are most important to parents when selecting a child care arrangement?

- Most parents (73%) reported “*loving & attentive care*,” or “*safety & security*” are the attributes of quality most important when selecting child care for their young children.

5. Can we trust what parents report on quality or did parents just tell the interviewer what they thought the interviewer wanted to hear?

- Parental behavior with regard to market choices is consistent with the preferences they state in the interviews with regard to quality. For example, about 21 percent of parents with children age 6 and under in child care report that they had moved a child because of safety and health concerns. About 18 percent stated that they had moved a child from a care arrangement due to the lack of loving and attentive care. About 13 percent of respondents replied that they had moved a child from a care arrangement due to educational activities concerns, a relatively lower priority quality attribute. Key attributes are more likely to be a reason for moving a child than one of the non-key attributes of quality.

¹ Phase one of this project included focus groups of parents and providers in five different regions in Virginia.

6. What attributes are most important to providers in defining quality child care?

- Providers agree with parents on what attributes of quality are most important. The two leading attributes among both parents and child care providers are “*loving and attentive care*” or “*safety and security*.” Parents are equally split on love/attentive care (37%) or safety/security (36%) as the most important attributes. More child care providers report that loving and attentive care (49%) is most important, followed by safety and security (33%).

Affordability Findings

7. How would you characterize a parent’s willingness to pay for child care services?

- The child care market study reveals that consumers of child care in Virginia are willing to pay for their definition of “quality” child care services. For example, regression analyses of reported consumer behavior demonstrates that a price increase of ten percent for child care would reduce the number of hours per week in child care by only four percent. Using the sample mean, this amounts to a decrease from forty hours to thirty-eight and a half hours per week. Economists characterize this as an “inelastic” demand curve. In short, parents have a high willingness to pay for child care services and are relatively inflexible on this purchase.

8. Is willingness to pay different for those in lower or higher income brackets?

- This study indicates that household income significantly affects the child care decision. Households with higher incomes are more likely to select paid child day care than lower income families. Regression analysis finds that a 10 percent increase in income raises the probability of selecting paid child day care by 3.2 percent.
- Regression analysis also finds that a 10 percent increase in income results in a 1.3-percent increase in the number of hours in care per week. A 1.3-percent increase evaluated at the sample mean equals roughly 26 minutes per week, an even smaller effect than that estimated for price. Here again, this relatively small effect suggests that differences in income among families play a minor role in the amount of time children are placed in day care settings.

9. Is the price of child care a barrier to market access for any income group?

- Evidence from the child care market study suggests that income may be a barrier to full participation in the market for one specific income group. Thirty-two percent of Virginia households with children age 6 and under and income ranging from \$15,000 to \$24,999 who do not participate in the child care market, report that the cost of child care is prohibitive. This is considerably larger than the twelve percent of all households reporting they do not participate in the child care market because of the “*high cost*.”

Accessibility and Availability Findings

10. How satisfied are parents with the accessibility and availability of child care?

- Most parents (75%) are satisfied with the accessibility of child care services in Virginia.
- Most parents (69%) are satisfied with the availability of child care services in Virginia.

11. What type of actions have parents taken due to a lack of access to child care?

- About two out of five parents (38%) in households with children age 6 and under in a paid child care arrangement report having to take a job-related action due to the lack of access to child care.
- The most common job-related action taken due to lack of access to child care was for parents to adjust their schedules (24%). The second most common action was to quit work (13%). Fewer than one in ten parents took other actions including remaining in a job they wanted to leave (9%), changed jobs (8%), and quit school (4%).

12. Is the search for child care difficult or easy?

- Parents are roughly split on evaluating whether their search for an appropriate child care arrangement was difficult (47%) or easy (53%). However, only about one of five parents (19%) reported that the search for appropriate child care was “*very difficult*.”

13. What is the average commute time for parents with young children in child day care arrangements?

- The average commute time from home to the child day care arrangement was about 11 minutes. The average commute from the child day care arrangement to work was about 20 minutes. The average commute times were not statistically different among the eight regions of the Commonwealth.
- Most parents (91%) appear to be satisfied with the driving time to and from their child care arrangement. About two of three parents (67%) are “*very satisfied*” with this commute.

Market Structure Findings

14. How many children are there in Virginia who are age 6 and under?

- In 1999, there are about 650,000 children age six and under living in an estimated 440,000 Virginia households. Responses from the study suggest that about 45 percent of these children, or 300,000, are in a paid child care arrangement for at least two days per week. About 70 percent, or 210,000 of these children, are in regular child care arrangements for at least five days per week and consume over 80 percent of the capacity.

15. **How many child care providers are there in Virginia who provide care for children age 6 and under?**
- Statistical analysis suggest the population of child care providers lies in a range between 30,000 to 42,000 with a mean estimate of 36,000. This estimate is based on a one percent incident rate for Virginia households in the survey and a projected 3.5 million person labor force in Virginia, per U.S. Census estimates.
16. **What percent of child care providers work in licensed settings?**
- About 30 percent of child care providers work in licensed settings. Another 30 percent of providers report working in settings without any official government designation. About one in seven report working as “*approved*” providers. Approved providers have fewer state standards than licensed providers. Another one in seven providers report being “*exempt*” providers, that is, a provider that does not require licensing, including those with a religious affiliation. One in ten report being “*registered*” providers.
17. **What are the most common types of settings where child care providers work?**
- About 40 percent of providers report working in a family home day care setting. About 30 percent of providers report working in day care centers. About 10 percent report working in the child’s home as a nanny or au pair, and about 15 percent report working in a type of child care setting described as “*Other*.”
18. **What percent of child care arrangements offer part-time child care services?**
- About 75 percent of child care providers offer part-time child care services. About 56 percent of providers report offering both full and part time child care services. About 20 percent offer part time only and 25 percent offer only full time child care services.
19. **What percent of child care arrangements offer care during non-traditional hours?**
- About 52 percent of family home daycare providers offer child care during evening hours compared to 12 percent of providers working in daycare centers. About 47 percent of family home daycare providers reported offering overnight services compared to zero percent of daycare centers. Similarly, 45 percent of family home daycare providers reported offering weekend hours of care for children compared to two percent of providers working in daycare centers.
20. **What are the most difficult issues for child care providers when communicating to parents about children in their care?**
- About 28 percent of providers identified behavior problems as the most difficult issue to communicate to parents. About 16 percent of providers identified keeping sick children at home as the most difficult issue to communicate to parents. Late payments and late pickups were the most difficult issue to communicate to parents for about 12 percent of providers.

21. What is the estimated turnover rate for child day care providers and why do they leave?

- About 18 percent of providers reported that they are looking for another job. Providers also reported being at their current child care center or home an average of 55 months (4 years and 7 months). Based on this information, turnover rates are estimated to be about 20 percent per year for child care providers in Virginia. The national average turnover (movers & leavers) for elementary school teachers was about 14.6 percent (1993-94 to 1994-95). The teacher turnover rate was 21.4 percent (1993-94 to 1994-95) for elementary and post-secondary schools with less than 150 students, according to the National Center for Education Statistics.

22. How much does the average child day care provider earn, before taxes?

- The average monthly income reported by child care providers is \$1,243 or \$14,916 per year.

23. What percent of child day care providers have health insurance?

- About 76 percent of child care providers report having health insurance. This is somewhat less than the estimated statewide share of persons in Virginia with health insurance (87%).
- About 43 percent of child care providers report providing their own health insurance, presumably through the individual market. About 41 percent of child care providers report receiving health insurance through a spouse's employer. Only 14 percent of providers report receiving health insurance coverage through their own employer.

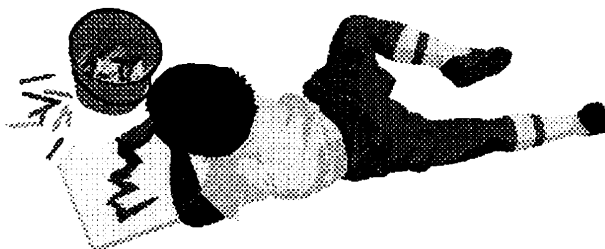


**An Assessment of the Quality, Affordability and
Accessibility of Child Care in the
Commonwealth of Virginia
Phase One: Parent and Provider Focus Groups**

**A Report Prepared for:
The Department of Social Services
Commonwealth of Virginia**

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June 1999



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EXECUTIVE SUMMARY

This is a summary of a study conducted by the Mercatus Center at George Mason University and commissioned by the Virginia Department of Social Services on behalf of the Virginia Board of Social Services as required by the Virginia General Assembly per Senate Bill 595 (1998). Senate Bill 595 as signed by the Governor, requires a study of the quality, affordability and accessibility of child care be completed and the findings reported to the General Assembly by October 1, 1999. This report covers the first phase of a (qualitative phase) of a two-phase research project to examine the child care market in the Commonwealth of Virginia. This phase is to be followed by phase two (quantitative phase) of the research project. This report is designed to give the project sponsors early feedback on major issues of concern and to refine questions to be asked in the quantitative phase of the research project. Qualitative research in the form of focus groups is not designed to provide a statistically representative interpretation of the experiences and attitudes of the general population. The experiences of the focus groups participants should not be extrapolated to the general population of persons in the Commonwealth of Virginia.

Focus Group Methods

1. **How many parents and providers participated in the focus groups and when did they occur?**
 - Ten focus group discussions were held in Virginia during the weeks of April 19 and April 26, 1999 to discuss issues of quality, affordability, and accessibility of child day care in the Commonwealth. Five focus groups were conducted with a total of 40 parents with children age 6 and under in child day care arrangements. Five focus groups were also conducted with a total of 40 people currently providing child care either in their home or away from their home.
2. **Where did the focus groups take place?**
 - Focus groups were convened in Fairfax County, Richmond City, Virginia Beach, Roanoke City and Danville. In each locality there was one focus group with parents and one focus group with providers with eight participants in each group.
3. **Who conducted the focus groups?**
 - Focus groups were conducted by Dennis and Company, a national marketing and public opinion research firm. The facilitator has had more than 15 years experience in conducting focus groups, including scores of focus groups of families with young children.

4. What were the major limitations of the focus groups?

- The household income profile for parental focus group participants was higher than the estimated average household income (Virginia Statistical Abstract, 1996-97 Edition) for all localities by an average of about 30 percent.
- The higher than average income profile of parent focus group participants may have resulted in an overemphasis on quality rather than affordability of child care in this phase of the research study. However, the potential overemphasis on quality rather than affordability is not a substantive limitation for this research project. The quantitative phase of the study is designed to capture the experiences and opinions of all Virginians proportionately, including those living in low-income households.
- Another limitation is that the parent focus groups only included parents with children age 6 and under who were in child day care **five days per week**.

5. If focus groups are not statistically representative, how can they be useful?

- The parent focus groups were arranged to include a variety of voices. Parental focus group participants were screened to include different child day care options. The provider focus groups were also arranged to include a variety of voices similar to the parent focus groups. Provider focus group participants were screened to include a voice for the different child care options.
- The results from the focus group phase provide a useful and informative foundation for the development of the survey instruments to be used in the second, quantitative, phase of this study.

6. How did the focus groups assist in the development of the quantitative phase of the Virginia child care market research project?

- The focus groups narrowed substantially the elusive concept of quality child care as perceived by parents and providers.
- The research team learned that significant agreement exists on the key elements of quality child day care among parents and child day care providers.
- The research team expects different responses to the elements of quality child day care depending on the age of the child. In the quantitative phase, the research team asks for more precise information on the age of the child.
- Issues of quality, affordability, and accessibility are linked for parents of children age 6 and under in the Commonwealth.
- The research team decided against asking questions having to do with hypothetical tax credits for child day care based on strong and almost uniformly negative responses to tax credit amounts less than \$1,200 per year.
- Sixth, the research team discovered in the focus group results potentially important regional differences on issues having to do with government intervention in the market.
- Parents participating in the focus groups generally minimized the affordability of child care as a predominant factor in selecting an arrangement or a particular provider. We explore this issue in great detail in the quantitative phase of this research study.

- The survey instrument seeks to collect sufficient data on the prices actually paid, household income, and the quantity and quality of child day care consumed. Statistical analysis of these data will allow us to estimate with more precision the relevant factors driving parental choices.

Parent and Provider Perceptions of Quality Child Care

7. What are the principle elements of “quality” child care from the perspective of parents and providers?

- Parents and providers largely agree on what constitutes “quality.” Parents and providers agree that quality can only exist if child day care providers genuinely love and enjoy being with children. The following are the attributes of quality listed in rough order of frequency and intensity by parents and providers.
 - **Loving care**
 - **Patient and respectful**
 - Providers must **know the children**, their distinct personalities and needs
 - **Attentive** to child’s needs and changes
 - **Safe and secure** facility
 - **Healthy facility**
 - **Foundation in child day care** by providers either through experience with children, training, or formal education
 - **Stability and low turnover** of staff
 - **Structure and routine** gains more importance for parents as the children near school age
 - **Appropriate discipline** with standards for expected behavior and natural consequences
 - **Curriculum**—as children get closer to kindergarten age
 - **Pre-school readiness**--colors, numbers, the alphabet, shapes, some reading, music, arts, crafts, and science.
 - **Socialization**--learn manners, how to share, respect one another, develop consideration for others, learn how to take turns, learn how to interact with others
 - **Life skills**--how to drink from a cup, how to tie a shoe, how to use a utensil, how to go to the bathroom, know their name, address, and phone number
 - **Nutritious, balanced meals and snacks**
 - **Openness** of the provider or facility encouraging random drop-in visits by the parents
 - **Licensing** elicited mixed thoughts from both parents and providers as an indicator of quality
 - A few parents and providers stated that **accreditation** by a recognized body is a better indicator of quality than licensing
 - **Environment**--tidy, colorful, bright, cheerful, child-friendly, homey, smoke-free, alcohol and drug free, calm, and encourages happy children
 - Most parents believe the smaller the **ratio** of children to teachers/providers, the more attention and time each child will receive

- A **well-equipped facility** having enough age appropriate materials to stimulate the children
- Other criteria mentioned for a quality program include **good communication** with the provider and larger **sized** facility.

8. **What are the key differences in “quality” child care perceptions for parents and providers?**

- Child day care providers agree that the most difficult aspect of their job is dealing with the parents, especially with regard to limits, **appropriate discipline** of children and structure
- **Communication of the child’s progress** can create tension. Parents say that they want to know about the progress of the child, activities and accomplishments, and problems encountered. However, some providers believe that some parents really do not want to hear of progress because the parents become envious that they have missed out on something like a child’s first steps, reciting the ABC’s, tying a shoe, etc.
- **Communication of contractual items** is an issue with which child care providers constantly struggle. Providers claim to have a difficult time communicating with the parents and getting them to “hear” what they are saying about:
 - late pick-ups,
 - late payments,
 - keeping sick children home,
 - respecting the rules of the facility, and
 - supporting the work of the provider.

Parent Satisfaction and Selection Criteria for Child Care

9. **How satisfied were parents of children age 6 and under with their current child care arrangements in Virginia?**

- Most of the parents participating in the focus groups were very satisfied with the quality of their current child care provider and have little reason to seek a change. However, many parents described the initial search for child care as a stressful task.

10. **How do parents with children age 6 and under identify potential child care providers in Virginia?**

- Parents with children age 6 and under in the focus groups reported that when going through the process of identifying possible child day care providers they rely heavily on personal referrals and recommendations of friends who have used child care. Parents who are new to a community reported that they tend to use government and professional sources such as lists of licensed or certified child day care providers to identify possible child day care providers.

11. What do parents rely on most to determine whether a child care provider is safe and appropriate for their child?

- Parents report that the most important step is to make a personal visit to the facility/provider as a “safety check” for the parent and as an opportunity for both parent and provider to ensure a compatible fit.

12. What factors influence the child care setting parents select for their child?

- Parents report three primary factors that influence the type of child day care, in-home or center, they select for their child:
 - the age of the child,
 - the amount of education or curriculum desired by the parent, and
 - the cost of the child day care provider.

13. What are the key criteria parents use when selecting child care for their child?

- Key criteria used to select a child day care provider are closely related to notions of quality held by parents. Parents believe that the two most critical criteria are loving care and safety. Other characteristics parents look for in the staff or the provider are stability, experience, and training. Training does not necessarily mean formal education in childhood development.

Parent Perceptions on Affordability and Accessibility

14. What are parent perceptions on the issue of child care affordability?

- **Affordability** or “cost” is one of many factors parents consider in making child day care arrangements for their child. Cost was one of the selection criteria mentioned by parents, but in selecting child care they believe cost is secondary to a **loving environment**. The parents stated that they are willing to make sacrifices to ensure their child receives quality child day care.¹ There is also a belief that higher cost does not necessarily result in better care.

15. What are parent perceptions on the issue of child care accessibility?

- **Location** or **proximity** plays a role in the selection process. In cases of emergency or other problems, parents want to get to the child quickly. Many parents want a provider close to their work site. Others select a site close to another family member.
- Most parents reported being satisfied with the available hours of operation.

¹ Note that focus group participant average household income was higher than the estimated average household income in Virginia. See Limitations section in Methods chapter for a discussion of this issue.

Parent and Provider Perceptions on Policy Options

16. **What are parent perceptions on the potential impact of increased child care regulation?**
- Most parents believed increased government regulation of child care would raise child care prices. In addition, most parents felt that increased regulation pertaining to ratio, training, or other standards might have a **negative impact on quality**.
17. **What are provider perceptions on the responsibility to monitor child care quality?**
- Some providers expressed the sentiment that it is the **parents' responsibility, not the government's responsibility**, to seek out, monitor, and support quality child day care. If parents find poor or dangerous situations, they should report them. If they are receiving inferior care, they should pull the child out. Some child care providers believe parents need to be better educated about what to look for and expect from a child care provider and then support the delivery of high quality care. Providers believe that parents can be more effective than government agencies at creating incentives for quality child care.
18. **What are parent perceptions on the potential impact of tax credits?**
- Parents expressed the sense that tax credits, unless a major credit in excess of \$1,200 per year, would have little influence on either affordability or their selection of providers. In addition, many parents thought that the extra disposable income would be used to purchase consumer items other than child care.²
 - The only tax credit policy receiving significant support was the policy to allow stay-at-home parents to receive tax credits. Most think these people deserve a break for staying at home.

² Note that focus group participant average household income was higher than the estimated average household income in Virginia. See Limitations section in Methods chapter for a discussion.

READING THIS REPORT

This report, ***An Assessment of the Quality, Affordability, and Accessibility of Child Care in the Commonwealth of Virginia, Phase One: Parent and Provider Focus Group***, is the first a systematic two-part (qualitative and quantitative) study. The qualitative research phase included a series of focus groups designed to explore issues of concern (quality, affordability, and accessibility) for parents with children age 6 and under and child care workers across the Commonwealth of Virginia.

This qualitative research report is intended to:

1. inform the design of the survey instrument to be used in the quantitative phase of the research project; and,
2. give the Virginia Department of Social Services early feedback on major issues of concern among parents with children ages 6 and under and child care providers regarding child care in the Commonwealth of Virginia.

The purpose of this report is to provide an in-depth examination of the range, intensity, and mutuality of experiences and attitudes regarding quality, affordability, and accessibility of child care for families with children ages 6 and under and child care workers in the Commonwealth of Virginia.

Caution should be taken in generalizing the experiences of the focus groups participants to the population of persons with young children in child care in the Commonwealth of Virginia. Information provided in this report represents the experiences and opinions of 40 parents of children ages 6 and under and 40 licensed or unlicensed child care providers in the Commonwealth. The information provided for this report was, *by design*, collected using a structured research method. Yet, this focus group report remains statistically non-representative of the general public. Qualitative research is not designed to provide a statistically representative interpretation of the experiences and attitudes of the general population.

However, qualitative research methods are extremely useful for suggesting ideas and indicating likely directions and trends of experiences and attitudes. In most cases, information gathered in focus groups should be tested using valid and reliable quantitative research methods. Testing will be accomplished in the phase two quantitative part of this research.

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BACKGROUND

Senate Bill 595 as passed by the 1998 Virginia General Assembly and signed by the Governor requires a study of the quality, affordability and accessibility of child day care be completed and the findings reported to the General Assembly by October 1, 1999.

Determining the appropriate role for state government in child care presents a complex issue to Virginia policy makers. Critical child care policy questions cannot be addressed without adequate information about how the existing market process is responding to family child care needs. Such information simply does not exist. For example, what factors enter into parental decisions to place children into care outside the home and what determines the selection of a provider? What characteristics constitute "quality child care" in the minds of parents and providers? How well does the market process respond to parental child care preferences? An analysis of the market that identifies, examines and assesses the decisions made by market participants regarding the conditions of quality, affordability, and accessibility is a necessary foundation for any forward-looking policy decision.

This report is the first of a two-phase research study designed to explore issues of concern (quality, affordability, and accessibility) for parents with children age 6 and under and with child care workers. This report presents the qualitative phase of the research.

This report is designed to provide early feedback on major issues of concern and to refine questions to be asked in the quantitative phase of the research project.

Report Outline

This report is organized into four chapters:

- This Background chapter summarizes the purpose of the research and organization of the report.
- The Methods chapter describes the screening method used to select focus group participants and other method considerations.
- The Results chapter presents the information obtained from ten focus groups in five different regions across the Commonwealth of Virginia regarding the quality, affordability, and accessibility of child care for children age 6 and under.
- The Conclusions chapter highlights the most significant trends and relevance for phase two of the research project.

The report also includes four appendices:

- Appendix A provides a copy of the screening survey that was used to select parents for the focus groups.
- Appendix B provides a copy of the screening survey that was used to select providers for the focus groups.
- Appendix C provides a copy of the focus group guide that was used to facilitate discussion in the parent focus groups.
- Appendix D provides a copy of the focus group guide that was used to facilitate discussion in the provider focus groups.

METHODS

Ten focus group discussions were held in Virginia during the weeks of April 19 and April 26, 1999 to discuss issues of quality, affordability, and accessibility of child care in the Commonwealth. Five focus groups were conducted among parents with children age 6 and under in child care arrangements. Five focus groups were also conducted among people currently providing child care either in their home or away from their home.

The focus groups were conducted by Dennis & Company (a marketing research and public opinion research firm) in five different regions to reflect the geographic diversity of child care in Virginia. Focus groups were convened in Fairfax County, Richmond, Virginia Beach, Roanoke City and Danville. In each city there was one focus group with parents and one focus group with providers. Each focus group was comprised of eight Virginians and lasted approximately one and one-half to two hours.

Recruiting

Nearly all commercial marketing research focus group recruiting is done via databases that are maintained by facilities where focus groups are conducted. Focus group participants for this study were recruited using this standard method. Recruiting focus group participants by database and referral--both methods used in this study--are not representative of the population as a whole.¹

Parent Focus Groups

Criteria used to select the parents included:

- respondent had to have at least one child age 6 and under living at home and placed in a child care arrangement
- respondent had to be the primary decision-maker regarding child care
- respondent had to have their child in a child care arrangement for five days per week
- respondent had no participation in a focus group discussion during the past six months

The parent focus groups were arranged to include a variety of voices. Parental focus group participants were screened to include different child care options (licensed, unlicensed, center, in-home, friend, family member, compensated, and uncompensated). Special effort was also made to ensure that the parent focus groups included voices less inclined to participate in focus groups in general, and child care discussions in particular. The screening and selection process was designed to ensure participation of parents with the following voices:

¹ Commercial focus group centers keep a list of potential participants in a database. These persons are called and put through a screening interview that includes asking the respondent to identify others who they believe might be interested in participating in future focus groups. As a result, the sample of potential focus group participants becomes larger and changes over time.

- minority persons
- male persons
- low-income persons

The parents' groups were first asked to discuss the identification and selection process for obtaining child care. Parents were then asked to identify the elements of "quality child care." Parents were also asked about the effects on affordability and quality for several hypothetical Commonwealth policy options. Policy issues of interest included tax credits for child care, increased child care regulation, and tax credits for stay-at-home parents.

Provider Focus Groups

The criteria used to select the provider focus group participants were:

- respondent provides child care services a minimum of three days per week
- respondent provides child care services for children ages six and under
- respondent had no participation in a focus group discussion during the past six months

The provider focus groups were also arranged to include a variety of voices similar to the parent focus groups. Provider focus group participants were screened to include the different child care options. Though the provider focus groups were predominantly directly involved with the children, the voices of child care center owners and administrators were also represented. Again, special efforts were made to ensure that the child care provider focus groups included voices less inclined to participate in focus groups in general, and child care provider discussions in particular.

Providers were first asked to describe their background, training, and education in child care. Providers were then asked what they thought was the most important service they provide, what they like most about the job, difficulties, benefits, and additional training needed. Similar to the parent focus groups, the provider focus groups were asked to list and define the elements that make up "quality child care." This was done to see where parents and child care providers agreed and disagreed on the elements of quality. Special attention was drawn to questions surrounding the amount/type of education conducted in the different child care settings.

Demographics

Demographic information is generally not collected for marketing research focus groups. Information gathered in focus groups is neither statistically representative nor statistically reliable. Providing detailed demographic information on focus group participants implies a level of precision inconsistent with qualitative research.

The Mercatus Center research team collected selected demographic information from focus group participants to ensure a diversity of voices. Demographic information relevant to potential bias in the reported results is identified in the limitations section that follows.

Limitations

Focus group research is not inherently inadequate for drawing analytical conclusions for issues discussed among participants. The major drawback of focus group research lies in the

uncertainty of generalization about populations due to potentially unrepresentative and small sample sizes. Focus group research is a qualitative technique that is a useful tool for framing issues and designing quantitative research. Focus groups are useful for learning about the broad issues. However, conclusions should not be based solely on results of focus groups because participants are not drawn from a representative sample and because sample sizes are too small.

This study has other potential limitations. The household income profile for parental focus group participants was higher than the estimated average household income (Virginia Statistical Abstract, 1996-97 Edition) in all localities by about 30 percent. This upward selection bias in household income occurred in all five regions despite efforts in one region to recruit participants with lower than average income. There are at least two possible reasons identified for this difference. First, the commercial focus group infrastructure in Virginia is designed to conduct market research on consumers with higher disposable income. Focus group centers are located in demographic areas with above average disposable income. As a result, low-income Virginians, who are more likely to depend on public transportation and live farther away from focus group centers, are less likely to be willing to travel long distances to participate in a focus group session. Another barrier for low-income parents with young children is finding evening child care in order to attend focus group sessions. Despite these barriers, parents of children age 6 and under in a child care arrangement with household incomes of less than \$20,000 per year were identified and included in focus group sessions.

The higher than average income profile of parent focus group participants may have resulted in an overemphasis on quality rather than affordability of child care in this research study. However, the potential overemphasis on quality rather than affordability is not a substantive limitation for this research project. The quantitative phase of the study is designed to capture the experiences and opinions of all Virginians proportionately, including those living in low-income households.

Another limitation is that the parent focus groups only included parents with children age 6 and under who were in child care five days per week during traditional working hours. The Mercatus Research Team wanted to hear voices from the most frequent consumers of child care services in order to receive more intense or decisive responses to the questions raised during the focus group. Again, the potential overemphasis on more frequent consumers of child care is not a substantive limitation for this research project because the quantitative phase of the study is designed to capture the experiences and opinions of all Virginians proportionately, including part-time consumers of child care.

RESULTS

The parents and providers in this study agree that children are a precious resource to be valued, nurtured, and protected. Parents and providers further believe they are doing what they can to ensure the children in their care receive the highest level of quality.

A clear trend emerges from the focus group phase of this research project: Most of the parents participating in the focus group are very satisfied with the quality of their current provider and have little reason to seek a change. Parents indicate a high willingness to pay for what they consider an appropriate and high-quality child care environment for their children.

Parents and providers interviewed in focus groups agree that quality is the number one consideration in choosing appropriate child care for children ages 6 and under. Quality consists of many perceived elements by parents and providers. However, parents and child care providers alike consider the most important elements to be: a loving and attentive environment, safety, experience in child care by providers, and low turnover/stability of providers.

Key differences between parents and child care providers emerged regarding what constitutes good parent/provider communication and the different disciplinary standards and methods used at home compared to the child care environment.

Factors that are important to parents in the selection of child care providers are nearly identical to factors used in determining child care quality. This supports the contention by parents that quality is the primary consideration in the selection of child care for their child.

The age of the child affects the factors that are most important in assessing what constitutes quality child care for parents. Consequently, selection criteria are also dependent on the age of the child to be placed in child care.

This chapter, organized into six sections, presents more detail on the findings listed above and provides additional insights and findings. The first section provides impressions of the child care provider selection process used by parents of children ages 6 and under in the Commonwealth of Virginia. Section two provides impressions on the key elements of quality child care by both parents and providers. Parents and providers are analyzed together on the quality issue because the two groups basically agree on the key elements of quality child care. Section three looks at differences between parents and providers on the quality-related issues of parent/provider communication and appropriate disciplinary standards. Section four looks at issues of cost and accessibility on the part of parents searching for quality child care. Section

five provides reactions by parents and providers to possible state policy changes. Policy issues explored in the focus groups include mandatory licensing, reducing child to caregiver ratios, increasing state regulatory activities, and providing Commonwealth of Virginia tax credits for parents with children ages 6 and under. Section six provides impressions of the labor market for child care providers and the factors that motivate workers in this sector.

Section 1: Provider Selection by Parents

Child care arrangements vary widely in Virginia, a commonly known yet critically important starting point for the analysis. This variety cuts across the income status of families and across geographic regions of the Commonwealth. Single-parent, dual-parent, one-wage earner, two-wage earners, and you-name-it households consume child care services. A key task of the project involves a clear characterization of the demand for these services. Understanding what parents want, and how much they are willing to pay is the first and essential step toward analyzing how well the market responds. And if the market fails to respond adequately, what barriers seem to be impeding the market performance?

Some parents place their children in child care for five days a week. Others place their children in child care on a part-time basis. Some parents place their children in child care eight plus hours a day, others for four to five hours per day. Some parents prefer licensed providers, others unlicensed providers. Some parents prefer child care centers while others prefer provider homes. Some families prefer providers with some sort of credential or degree. Some families rely on family members as child care providers while others turn to non-family members. Finally, some parents compensate child care providers and a few do not compensate providers. Clearly, the Virginia market exhibits a wide variety of arrangements for child care.

Finding acceptable child care requires a time-intensive investment for most parents. One parent went so far as to state:

"Finding child day care is a nightmare."

-Parent-

Searching for an acceptable child care arrangement is troublesome for one simple reason: the costs of a poor choice are high. Parents view their young children as extremely vulnerable, and therefore unable to judge for themselves the right service. Parents want to protect their children from unsafe or unhealthy environments. Parents also want to promote the happiness, learning, and emotional security of their children. In other words, parents typically want to replicate the home environment but such a choice is unrealistic, or more accurately, prohibitively expensive.

Moreover, the quality of child care service is not easily determined "in advance," but rather is known only after the service has been experienced. Naturally, parents seek signals of service quality during their search process, and such signals become critical elements in the care market.

Logistical problems create stress. In some cases, there may not be openings in a preferred child care setting. There is also considerable uncertainty about whether the date of availability of openings in the child care matches the date parents want to start a child in care. These uncertainties and others create unpleasantness in searching for child care.

Parents choose to put children ages 6 and under in child care settings and arrangements for several different reasons. Many parents seek child care because the mother's maternity leave is up. Some seek child care because a previous provider is no longer available. In some cases, an unsatisfactory care situation acts as a catalyst for change. Still other families change child care arrangements because of job relocation.

In cases of unforeseen changes, most families do not thoroughly research all the child care options available in the market. Many turn to a trusted friend or relative who has used child care and ask for child care recommendations. In less time-sensitive situations, families also use personal references for selecting a child care provider. Parents rely very heavily on personal referrals as a way to identify appropriate child care for their young children. The experience of trusted friends and relatives is the best source of reliable information for most families when selecting a child care provider.

Parents who are new to a community tend to use government and professional resources such as lists of licensed or certified child care providers. These parents tend to be more systematic in their search for appropriate child care. Parents using formal systems in seeking child care may call the state or local social services department for a list of child care providers. Parents may use referral services such as child care resource and referral agencies, receive lists of licensed providers, obtain books listing child care programs, search newspaper ads, use the Yellow Pages, or obtain resources such as local magazines.

Parents often identify one or more possible providers and visit potential child care facilities after determining there is an opening for their child. Visiting the facility is an important step. Parents use the visit to confirm that the child care provider and facility meets their needs and the needs of the child. The interview process is an opportunity for both the parent and the provider to discuss needs, expectations, and services to ensure a good fit. Based on impressions gained from visiting the facility, the parent and provider decide whether the child care arrangement is a good fit for the child. The search resumes until a satisfactory arrangement is found. Depending upon available time, this process may take a few days. It may take weeks.

Selection Criteria

There are several key criteria when selecting a child care provider and these criteria are directly related to notions of quality held by parents. Parents believe that the two most critical criteria for selecting a child care provider are **loving care** and **safety**. These apply to children of **all** ages.

"Some place where you know they're going to be loved, not just taken care of."

-Parent-

"Somewhere where they are loved and safe."

-Parent-

"Treat them like their own."

-Parent-

"I want a hugger."

-Parent-

"Treat them the same as if I'm in the room."

-Parent-

"Love and attention."

-Parent-

Other characteristics parents look for in the staff or the provider in addition to loving care are **stability**, **experience** and **training**. Training does **not** necessarily mean education in childhood development.

"Doesn't have to be a great deal of training as long as they're loving people."

-Parent-

"I want them (care givers) to have the practical experience of what to do. You can't get that at school."

-Parent-

"I don't care if they don't have a degree. I care that they listen to my child, I care that they care about the children. That's more important than any degree."

-Parent-

"I think experience outweighs education."

-Parent-

"I don't want someone they just pull in off the streets, but I also don't need someone with a master's in early childhood development."

-Parent-

Another key selection criterion is the desire for **structure** and **education**. This takes on added importance as the children approach kindergarten age.

"I wanted him to be able to play, but I wanted him challenged also."

-Parent-

-Parent-

"Learning versus parking the children."

-Parent-

"I don't want him sitting in front of the TV all day."

-Parent-

"Where kids are stimulated and not left to watch TV or be on their own."

"...develop skills and abilities, not just a glorified babysitting service."

-Parent-

Environment is another key selection criterion. The most important aspects of the environment: cleanliness and a loving and caring attitude.

When deciding where to put the children, some of the parents consider the provider-to-child **ratio** because they want to be sure their children are getting the attention and love needed.

This ratio also relates to the safety aspects, with a lower ratio signaling that each child is more carefully watched.

Another measure some use when selecting a provider is the **mental comfort** of the parent and the child. Parents want to feel assured and at ease that loving, safe care is being provided.

"If the child screams or cries when he goes there, something is wrong."

-Provider-

"If you're not comfortable, you're not going to leave them."

-Parent-

Some parents seek providers who share similar **moral, religious, or philosophical values and beliefs**. They want to be sure that the teaching and learning at home is supported and reinforced in the child care setting.

Some parents value **licensing and accreditation** of providers. This seems to be particularly true for parents new to a community, who lack a network of friends or associates to draw upon for recommendations. The licensing or accreditation gives them an assurance that certain minimum standards have been met, that a background check has been done on the provider, that certain standards for medical care have been satisfied, and that there is some recourse for reporting problems. Licensing also signals that the provider cares enough, is professional enough to submit to the requirements necessary to be licensed.

"If you're new to the area, it's helpful because you don't know people."

-Parent-

"The value of the licensing is knowing she cared enough to go through the process and is willing to let someone come into her home."

-Parent-

"Background checks make me feel better about the quality of people they have."

-Parent-

"They have met some guidelines."

-Parent-

Some parents, particularly those with a personal network to rely on for information, did not perceive licensing as a factor for selection.

"It's a plus, but it's not most important. The quality of the care is more important."

-Parent-

"License doesn't mean quality."

-Parent-

"My mom's not licensed, but I trust her."

-Parent-

"Just means they went through the basics to get licensed."

-Parent-

"Experience is more important than a license."

-Parent-

Factors Affecting the Type of Child Care Facility Selected

Several factors influence the **type** of child care parents may choose, in-home or center. One of the factors is the **age** of the child. The younger the child, the more likely parents use an in-home provider, a friend, or a relative. The perceived advantage of an in-home setting is more emphasis on loving and individual care. Parents of infants, in particular, favor this in-home option.

"When he was six months old, I wanted individualized care, someone to treat him like her son. I didn't care about the teaching at that point."

-Parent-

"I felt my infant should be in a private home with a loving, mother type."

-Parent-

"Casual, non-professional...a neighbor and very close."

-Parent-

"The priority for the one year old is just to be sure she's safe everyday."

-Parent-

"She's with my mom right now, but when she gets a little older, I'd like her to go to a pre-school to give her a little more structure."

-Parent-

"Parents of infants want the baby clean, safe and loved."

-Parent-

The amount of education wanted or the desire for a **curriculum** also influences what type of child care setting is selected. As the child approaches three or four years old, there is more emphasis placed on learning and structure, as parents begin to consider settings which offer more education and structure. They want their children to be ready for kindergarten both intellectually and socially.

"Neighbor... okay for an infant but not when you get to the toddler age, not equipped to deal with an active child or toddler, to do curriculum, manipulatives or any of that kind of thing."

-Parent-

"Older, pre-school children go to day care more to learn."

-Parent-

"I can provide love, socialization, but you want a day care center (for pre-school readiness)."

-Parent-

"He's (four years old) not going to get (in-home) certain things he'll need for kindergarten."

-Parent-

"If they want them taught a curriculum, they send them to a day care center."

-Provider-

Section 2: Elements of Quality (Parents and Providers)

Most parents are very satisfied with the quality of the child care they currently have. From their perspective, even if price were no object, most would continue to use their current provider; they see no reason to change.²

Quality child care means different things to different people, so an effort was made to determine the dimensions of “quality child care” from the perspective of both parents and providers. A key finding of the focus groups is the substantial agreement between the parents and providers as to what constitutes “quality.” Likewise, the list of selection criteria and quality attributes are remarkably similar.

“Aren’t these two (lists) the same?”

-Parent-

“Like a second mom.”

-Provider-

“We’re talking about the same things (selection and quality) here.”

-Parent-

“Being there when Mom can’t.”

-Provider-

“I see them (selection criteria and quality) as the same.”

-Parent-

“I love my niece as my own.”

-Provider-

“The security that their children are going to be well taken care of.”

-Provider-

While many of the quality attributes are the same as the selection criteria, the importance of some elements of quality changes with the age of the child and with what type of child care facility the parents have selected--a center or a home.

One of the key elements as seen by parent and provider is the **loving care** of the provider or staff. This is the foundation upon which all else is built. Quality can only exist if child care providers genuinely love and enjoy being with children. This comes from the heart and cannot be taught.

“He calls her Granny.”

-Parent-

“She loves them as much as we do.”

-Parent-

“Genuine caring about the children.”

-Parent-

“If they run to the child day care provider and jump into their arms, you know they’re cared for.”

-Parent-

² Note that focus group participant average household income was higher than the estimated average household income in Virginia. See Limitations section in Methods chapter for a discussion.

"I'm their daytime mom."
-Provider-

"If you don't love them, you can't keep them."
-Provider-

"Love like your own."
-Provider-

When questioned about the best part of their job and the most important service they provide, most of the providers cited the love and care of the children.

"I love each and every one of them."
-Provider-

"Loving the kids."
-Provider-

"The love I get back and the love I give."
-Provider-

"Love and attention."
-Provider-

Besides being loving, caring people, parents believe providers must have related attributes. They must be **patient** and **respectful** of the children. Providers must **know the children**, their distinct personalities and needs. Parents rely on child care providers to identify changes in the mood or attitude of their children. Child care providers must be **attentive** to those needs and changes.

"Know my child and their needs and abilities."
-Parent-

"Emphasis is on the children, not on the money."
-Parent-

"I care that they listen to my child."
-Parent-

"My child has life-threatening allergies. I want them to know that about her and watch out for her."
-Parent-

The primary indicator of quality child care is associated with love and attention. Parents use the **mental comfort** of both the child and parent as an indicator of quality child care. If the parent feels at ease with the care, if they are mentally comfortable with the care, if they trust the provider, then it is quality care. If the children want to go to the provider, if they run and greet the provider with smiles and kisses, and if they cry because they have to leave, they are getting quality care.

The **safety and security** of the children is another key indicator of quality care. This is paramount to the peace of mind of the parent.

"I can't ever leave mine if I don't feel safe."
-Parent-

"I'd do whatever it took to know my child was safe and secure."
-Parent-

Components to quality safety and security mentioned by parents include:

- Provider/staff who treats the children well
- Smoke alarms, detectors, extinguishers, fire drills
- Some medical training such as CPR, First Aid (having a nurse is not a necessary element of quality care)
- Release procedures to authorized persons only, i.e. knowing who you're releasing the child to at the end of the day
- Child-proof premises
- Marked exits
- Background checks on staff
- Animals controlled/prohibited
- Equipment and facility in good repair
- Safe play areas and surfaces
- Fenced yard and gates
- Door and cabinet locks
- Age appropriate toys, equipment, and supplies
- Knowing of any medical problems or allergies
- Adequate control over children

Some of the parents have moved their children from one provider to another for health and safety reasons. Some of the incidents cited include:

- A few parents moved the children when the children were scratched or hit by the other children. To them this was an indication that the provider didn't have the children under control or that she wasn't paying close enough attention.
- One provider was not vigilant about particular food allergies of a child,
- Several found the provider smoking while tending the children
- One provider had been drinking alcohol while on the job
- Another had left the children in care of a twenty-something year old son
- One didn't change or clean the children
- Another provider greeted the parent while wearing a robe and slippers

The providers we interviewed also see **health** and **safety** as a key element in quality. They take the health and safety aspects of their job very seriously. When one provider was lamenting that the state requires more stringent controls on the safety of the environment than they do of parents or households, another provider responded:

"We have to be better than parents. It's our job."

-Provider-

Many providers were sensitive to the safety of the children.

"I have my EMT (Emergency Medical Technician certification), mainly because I'm frantic about somebody getting hurt!"

-Provider-

In order to deliver quality child care, the provider or staff must have some **foundation in child care**, either through experience with children, training, or formal education. There is a strongly held view that formal child development education does not ensure quality child care.

However, as the children get older, the need for education and a more structured situation begins to be more important. Parents seek more emphasis on child development education.

“(Child development education) It’s more important at 4, 5 or 6 years old because you want your child to get the best start.”

-Parent-

“Educated in early childhood behavior to meet the needs of the older children.”

-Parent-

“In the center it’s good to have someone who has a degree to help develop curriculum, structure, and training.”

-Provider-

Parents also recognize that some formal training in medical procedures, such as CPR and First Aid, is important.

Another key element of a quality provider for parents is **stability or low turnover**. A stable child care provider is seen as ensuring consistency of care, discipline, routine, and teaching. The children know the routine, the boundaries, and who they should turn to for reassurance. This is a mental comfort for children and parents. Parents want the child care provider to know the needs and quirks of the individual children so they can respond appropriately. Stability of staff is also a sign of a well-managed facility for parents.

“Tells you the center is doing something to keep employees happy (if there is low turnover).”

-Parent-

“High turnover makes you wonder.”

-Parent-

“My son had five teachers in a year and a half at the last place. It was horrible!”

-Parent-

Along with stability is the element of **structure or routine** as an indicator of quality. Structure or routine gains more importance for parents as the children near school age. The presence of some structure or routine provides a sense of order to the experience. The children have a sense of what to expect and what is expected of them. There is security for the children with the familiarity. As a result of this, the children feel more comfortable.

“If every two days it’s someone different, they don’t know who to run to with a boo-boo.”

-Provider-

“Kids don’t like change.”

-Provider-

"Rules, procedures change, so the child gets confused."
-Provider-

"Kids feel more secure and safe (with routine)."
-Parent-

"Hard having to adjust and learn new boundaries."
-Provider-

"(Structure) prepares them for real school."
-Provider-

"Free play is like dessert. If I wanted them to play, they could stay home all day."
-Parent-

Most parents were not referring to a rigid schedule or routine but rather of a loose plan of what will happen or should be accomplished.

"There's plenty of time for that (homework) later."
-Parent-

"Need time to play and can learn at the same time."
-Parent-

Hand-in-hand with structure and routine is **discipline** as an element of quality child care. Discipline means there are rules or standards of expected behavior and repercussions for ignoring the rules. Also important is consistency and fairness in the enforcement of these rules. This results in an orderly environment and a safe environment.

Most of the providers, with the exception of the directors of the centers, did not receive **formal child development education** prior to becoming a provider. And most providers have had little formal education since beginning their career. This seems especially true of the unlicensed providers. Some providers studied child development in the process of earning an elementary education teaching degree. Others received formal education in psychology while attending a four-year or community college.

In contrast to formal education, most providers have sought out and received training and educational opportunities offered by the Virginia Department of Social Services, local colleges and universities, associations, the counties, and national and local child care organizations. This is especially true of providers who work in child care centers and those who work in the urban areas of the Commonwealth. Many providers, both in-home and center-based, agree that the most useful education is on job training and special training opportunities. This includes workshops, seminars and classes required for licensing.

In the opinion of many in-home providers, most child care classes seem to focus on center-based care rather than on in-home care. As a result, in-home providers tend to value child care training less than center-based providers. Some in-home providers have accessed the Internet and publications looking for ideas on projects for children. Some have purchased videos from PBS and other sources to help them develop educational activities for the children.

Many of the unlicensed providers have had little formal education or training in child development. Most of their training has been through raising their own children or babysitting others.

The absence of a high level of formal child development education among the providers appears to be an unimportant issue for most parents. It can be a plus, an added benefit, but by itself is not important enough to be a key element of quality. There was also a sense by some parents and child care providers that loving care cannot be identified or mandated by government.

"Training is not as important as positive interaction with the child."

-Parent-

"Some training, yes, but not degree-type training."

-Provider-

"Depends on the age of the child. I don't need someone with a college degree to take care of my one year old."

-Parent-

"I don't care if they have a degree if they're loving, but it's one more plus."

-Parent-

"(Degree?) No. My mom doesn't have a degree, but I'd feel comfortable with her because she has raised 10 kids."

-Parent-

"I've had providers who couldn't speak English, but my kids were loved, they were safe, so I didn't care."

-Parent-

"Common sense and the desire to do the right thing for the children is important."

-Provider-

"You can have a person who has high education, but can't teach you anything or develop a relationship with a child."

-Parent-

"College education isn't that important. You can educate yourself everyday by reading."

-Provider-

Curriculum is a major element of quality and its importance is directly correlated of the age of the children. The closer the children get to kindergarten, the more important a curriculum becomes. Because of this there is often a shift from in-home care to center care. Several parents have moved the children as the needs of the children change. Some parents of children who are being watched by relatives or who are in a small group at in-home care want more socialization for the children. Others want more emphasis on the basics of numbers, colors, letters, etc. Some in-home providers lack the resources, time, or desire to "educate" the children, so the parents seek a change.

"I want him to learn the basics, but I also want him, as he gets older, to learn to interact with others."

-Parent-

"I have a sense that centers prepare better for kindergarten because they're in a larger group."

-Parent-

"We're looking for a more educational type of environment for the 3 year old, something to challenge her mind."

-Parent-

"Children can outgrow the home environment."

-Parent-

"Wanted to move her into a center setting so she'd learn more as she got older."

-Parent-

"Expectation that large centers are run by degreed people versus in-home stay at home moms so they don't expect the same structured curriculum."

-Parent-

"I'm considering a pre-school for my 4 year old just to give him a little uumph for kindergarten."

-Parent-

Almost all centers interviewed have a formal educational curriculum. Many in-home providers also have a curriculum for children who are approaching kindergarten. Most providers mentioned that a quality curriculum centers on age appropriate tasks and has age appropriate expectations.

One of the major areas of learning is socialization. Most parents want the children to learn manners, how to share, respect one another, develop consideration for others, learn how to take turns, and learn how to interact with others. Another area of learning mentioned by parents is life skills -- how to drink from a cup, how to tie a shoe, how to use a utensil, and how to go to the bathroom. Parents also want their child to know their name, address, and phone number. A third area of learning mentioned by parents is pre-school readiness which includes some of the aforementioned tasks as well as basics such as colors, numbers, the alphabet, shapes, some reading, music, arts and crafts, and science. For some parents there is a fourth area of education. These parents want the teaching of moral and/or religious values that are taught or valued in the home. For some, having a religious orientation is an important element of a quality curriculum in child care.

The parents want the children mentally and physically stimulated. They want them challenged to use their imaginations and to be creative. However, parents emphasize the importance of allowing children to proceed at their own pace and enjoy learning. Few parents expressed a preference for rigid structure. Most parents believe that learning can occur at any time or place.

"Learn how to interact during playtime."

-Parent-

There is usually a good match between what the parents want in the way of a curriculum and what the providers offer. Some of this is due to the interview process during which expectations and services are discussed to be sure there is a match. And some of this is due to the provider educating the parent about what the child really needs to know and when. Few parents, especially those using in-home care, offer opinions about what they want the child to learn once enrolled. They already know from referrals and recommendations what will be offered. At most, they ask only that the provider support the teaching that is going on at home.

One of the barriers to the in-home provider offering a more extensive curriculum is the wide range of ages often present in the home. It is not always possible to devote the time to specific pre-school basics and to still tend to the needs of the younger children. In-home providers also report that educational field trips are difficult because of transportation and liability considerations.

Both providers and parents alike find the presence of **nutritious, balanced meals and snacks** a sign of quality care. Providers report that offering nutritional meals is do-able, but getting the children to eat them is another matter. Most do their best. Some try introducing new foods, like kiwi, to the children to broaden their horizons and bring variety.

Another indication of quality care is the **openness** of the provider or facility. This is demonstrated by having a policy of encouraging random drop-in visits by the parents. This policy indicates that the provider has nothing to hide and is confident in the quality provided. And it serves as a safety check and assurance for the parents. A facility which only allows scheduled visits raises red flags in the parents' minds causing them to wonder what happens when they are not there.

"I would not send my child to a place that didn't allow drop-in visits."

-Parent-

"Sometimes I just show up early to see what's going on."

-Parent-

There are mixed thoughts from both parents and providers as to the role of **licensing** in providing quality child care. Some believe licensing does result in quality care as the providers have met some set of standards, the most important being a background check. In addition, the facility itself satisfied a list of standards to ensure the health and safety of the children. While these may not result in a **high** degree of quality, they can eliminate poor or low quality providers or dangerous situations.

"(Licensing) means they've been trained."

-Parent-

"It's good because it forces us to take our job seriously. It says a lot about a person. You feel more secure, someone's checking on them."

-Provider-

"It's an assurance for parents about what will be happening."

-Provider-

"Unscheduled visits (by inspectors) to keep us on our toes."
-Provider-

"Promotes but doesn't ensure quality."
-Provider-

Others find licensing of little value as far as ensuring quality. It's far more important that they know and trust the person providing the care. Many of the parents would rather trust their own instincts than a government agency.

"But what does it take to get licensed?"
-Parent-

"They only check them twice a year."
-Parent-

"Just because they're licensed doesn't mean they're good."
-Parent-

"False security. Just because you're licensed doesn't make you a good provider."
-Parent-

"The worst one they were at had the best license."
-Parent-

"(Better quality?) Maybe on the day the inspectors visit."
-Provider-

"(Current provider licensed?) I don't know. She's a friend so I could care less."
-Parent-

"Regulations don't make quality. The person sitting at the top is the key person. If that person cares, you get quality."
-Parent-

For a few, the more powerful indicator of quality is **accreditation** by some recognized and respected body. Accreditation is felt to be more valuable because the standards are higher and because there is also a standard for the curriculum, which is not present for licensing. Others use the terms "accreditation" and "licensing" interchangeably and don't understand the difference.

"If you want to improve the quality, you need to go for higher standards, like NACCI."
-Provider-

"If you strive for the standards (accreditation), even though you don't get it, you improve quality."
-Provider-

Environment is another indicator of quality. The elements of a quality environment include cleanliness where cleanliness refers to the children as well as the facility. According to parents, the environment should be tidy, attractive, colorful, bright, cheerful, child-friendly, homey, comfortable, smoke-free, alcohol and drug free, calm, and encourage happy children.

The size of the facility is not necessarily an indicator of quality, but some parents use the **ratio** of providers to children as an indicator of quality.

"Large is not an indicator."

-Parent-

"Size could be for show."

-Parent-

"Doesn't need to be big."

-Parent-

"The smaller the classroom, the better off they're going to be."

-Parent-

Most parents believe that the smaller the ratio the more attention and time each child will receive. No clear consensus emerged regarding an appropriate ratio because it is dependent upon the ages of the children how much attention they need.

A **well-equipped facility** can also indicate quality, but well-equipped does not necessarily mean having the newest technology available. It means having enough age appropriate materials to stimulate the children. It means having a variety of materials and equipment available. Some parents, in fact, like that children have to use basic materials and rely on their creativity and imagination.

"You can give them a cardboard box (for a house) and they're happier than with a \$25,000 piece of equipment."

-Parent-

"You don't need the latest equipment. You can do a lot with recycled paper and scissors."

-Parent-

Other quality-related criteria mentioned include **good communication** with the provider, the ability to make random **unannounced visits**, appropriate **discipline** methods, the availability of **after school programs**, **nutritious food**, a **well-equipped facility**, **routine/schedule**, and larger **sized** facility.

Because most parents are quite satisfied with the current quality, generally the only suggestion they had on how to improve it was to offer better wages or benefits for the providers to reduce turnover and increase the stability of the staff. The parents believed this goal could best be achieved by offering government subsidies or tax incentives to child care providers.

Section 3: Differences Between Parents and Providers in Perceptions of Quality

Child care providers agree that the most difficult aspect of their job is dealing with the parents, especially with regard to **limits**, **appropriate discipline** and **structure**. Based on their experience, most providers view many parents as unwilling to hear about the behavioral shortcomings of their children. Further, many parents are not able to accept constructive criticism or child rearing suggestions. Parents often question the advice and suggestions of the providers. Providers believe many parents lack proper parenting skills and parenting education,

so they become defensive when offered advice by child care providers because of parental insecurity.

"Parenting courses should be required of all parents."

-Provider-

Child care providers report the failure of parents to expect the same behavior from the child that the provider expects while the child is under the provider's care. It seems that many parents demand order and discipline in the child care setting, yet are unwilling to demand the same at home. It was not uncommon to hear from the providers that some parents were amazed that the children were so well behaved with the provider and so unruly at home.

"I get asked all the time, 'Why is my child so much better with you?'"

-Parent-

"They'll tell me, 'I can't get him to do that at home.'"

-Provider-

These different disciplinary standards can be a source of friction between the parent, who is envious that the child care provider gets better behavior from the child, and the frustrated provider who sees the parent as unwilling to do his/her job.

Both parents and providers feel **communication** is key to quality care. Parents say that they want to know about the progress of the child, activities and accomplishments, and problems encountered. They want to share concerns that they have about the child and enlist the child care providers help and support with these concerns. Additionally, parents want the provider to re-enforce the moral and religious values the children are being taught at home, and feel the need to discuss this with the provider.

However, some providers believe that some parents really do not want to hear of progress because the parents become envious that they have missed out on something in the child's life like first steps, reciting the ABC's, tying a shoe, etc.

Providers also have a difficult time communicating with the parents getting them to "hear" what they are saying about late pick-ups, late payments, keeping sick children home, respecting the rules of the facility, and supporting the work of the provider. Communication is an issue child care providers struggle with on a consistent basis. Several felt that learning how to communicate with parents would be a valuable topic for training workshops.

Some child care providers reported mixed opinions on the necessity for having a computer available to the children. Some parents believe computers are the wave of the future and children will have to know how to use them. Other parents and providers believe children need to be children, to imagine and to create. Computer skills will be taught soon enough in school.

"I'm constantly telling parents it's not necessary, they (children) need to learn to play and have fun."

-Provider-

Section 4: Affordability and Accessibility for Parents

Affordability

Affordability or cost is one of many factors parents consider in making child care arrangements for their child. However, parents routinely expressed that cost is not a key consideration for most child care decisions. Cost was one of the selection criterion mentioned by parents, but in selecting child care they believe cost is secondary to a **loving environment**. The parents also agreed that the **safety and emotional well-being** of the children is extremely important, so they are willing to make sacrifices to ensure their child receives quality child care.

3

*"Is cost our number one priority?
Of course not. The safety of our
children is more important."*

-Parent-

*"No limit to the money you'd pay for
the safety of your child."*

-Parent-

"Comes way down there."

-Parent-

"Not the driving force."

-Parent-

"Low on my list."

-Parent-

Many parents consider themselves financially stretched, but have made economic trade-offs within their family budget to pay for what they believe is quality child care. When selecting a provider, many parents first find a preferred provider. The parents must be comfortable with the provider. They then find a way to make it work financially. Child care is viewed as a necessary expense much like a mortgage or rental payment. They have a child care budget in mind, but they often find they exceed it to get what they want.

*"Sure you start with a budget. Then
you find out what it really costs and
go from there."*

-Parent-

*"If I felt it was the best for her, I'd
pay it. You find a way."*

-Parent-

*"I'd rather pay more and know
they're taken care of than buy a pair
of jeans."*

-Parent-

*"You'll make some sacrifices to
make sure your child has a good day
care."*

-Parent-

³ Note that focus group participant average household income was higher than the estimated average household income in Virginia. See Limitations section in Methods chapter for a discussion.

"It cost \$100 more a month and that hurts a little bit, but I'd pay that for the safety and happiness of my child."
-Parent-

"When we found one we were really comfortable with, we said, 'Okay, this is what we have to do.'"
-Parent-

"We all adjust to what we have to pay."
-Parent-

"Your children come first, so if you have to do without, you do that."
-Parent-

An important perception among some parents, particularly those in the smaller communities, is that most child care providers charge roughly the same price. Based on this perception, parents discount the quality gains from seeking an alternative provider.

"The costs are not that different from one another."
-Parent-

"They all run pretty much the same, within \$5 to \$20 a week of each other."
-Parent-

Some of the "sacrifices" parents are making, ways they are "making it work," include cutting out the premium cable channels, giving up newspapers, scaling back on some entertainment costs like movies and dinners, or reducing the extras like foregoing a new pair of jeans. A few have extended the life of a current car or delayed purchasing a second car. One has remained in her existing home instead of moving to a larger one, while another is breast-feeding her infant rather than buying formula.

"We don't drive as nice cars because it's more important to send her to the Montessori school."
-Parent-

There is also a belief that higher cost does not necessarily mean better care. As mentioned earlier, centers are believed to be more costly than in-home care because of the overhead for the building, upkeep, staff, insurance, benefits, licensing requirements, etc. and these factors do not necessarily affect perceived quality.

"You can spend a lot of money and have really crappy care." -Parent-

"Just because you're spending a lot of money doesn't mean you're getting the best care."
-Parent-

Cost is also a discriminator for some, but not the key discriminator. For economic reasons, some will use an uncompensated family member to care for the children. Some will select in-home care because it is perceived as less costly than centers, because it does not have

the overhead centers do. Also, in-home child care providers can be more flexible in designing a payment schedule and in deferring payments.

"I don't think you're paying for quality (at a center). I think you're paying for other stuff (insurance, building, benefits, staff, etc.)."

-Parent-

"If I can't pay one week, she'll say, 'Okay, give it to me next week.'"

-Parent-

Most have been able to find and afford the quality of care they want. They are very satisfied that they are getting a good value, that is, an acceptable price-quality mix.

Accessibility

Location or **proximity** plays a role in the selection process. The benefit to having the provider nearby is if there is an emergency or a problem, the parent can get to the child quickly. Many want the provider close to their work site as that is where the parent is during the day. Others select a site close to another family member.

"(Work) If an emergency happens, you can be there in a snap."

-Parent-

"If something happens, I want to get right there."

-Parent-

"I could be there in a very short time."

-Parent-

"Important that she be close to me so if she needed me for anything, I could be there."

-Parent-

"Someone nearby, my husband, my parents, as a fallback."

-Parent-

Parents who do not work close to the child care provider and who have kindergarten-aged children often choose a provider located close to their home. This is a way for parents to solve the problem of long commutes/poor accessibility from work to the child care provider. Other parents opt for school-based child care for the kindergarten-aged child so there is no transportation issue.

Finding a child care provider who can provide care during the right **timeframe** is also important. Most parents are quite satisfied with the available hours of operation—6 a.m. to 6 p.m. or 7 a.m. to 6 p.m..

"I like the hours because I can leave my job at 5:30 saying I have to pick up my kids at day care."

-Parent-

Some parents need more flexibility so they use a family member who can take the child for longer periods or at odd hours.

"It's good to know I have someone if I need to work until 3 a.m."

-Parent-

Some expressed the desire to have child care available on weekends and holidays because they often have to work these times. A few also wanted more part-time care available. They feel restricted having to commit to a five-day plan if all they need is a few days a week. Few places seem to want children on a drop-in or part-time basis. For a few single parents there is a need for child care during the second and third shift hours.

Section 5: Reactions to Possible Governmental Policies by Parents and Providers

Increased Government Regulation

The parents were asked if increased government regulation would affect the affordability and quality of child care. Most thought it **would** have an impact, specifically that--it would raise child care prices. While many believed it would also alter quality, they were less clear if that impact would be positive or negative.

There is recognition that increased regulation would affect the affordability of child care by increasing costs.

"It's going to up our weekly price."

-Parent-

"More because they have to hire more people."

-Parent-

"The more they provide to you, the higher the cost."

-Parent-

"Cost would go up. Well, if you have to pay, you have to pay it, but I wouldn't be happy."

-Parent-

"They pass the (higher) cost on to us."

-Parent-

"(Providers) are being so regulated that parents can't afford to leave their child in a home or child day care center, so they're leaving them at home (alone)."

-Parent-

One parent posited that instead of increasing the regulations, the current ones should be enforced more vigorously and consistently.

"Start by enforcing the existing mandates

-Parent-

If they are going to have to pay more, then many would rather the money go for higher wages or benefits to increase the stability of the staff and reduce turnover. This has more of an impact on quality than requiring more training or education or licensing.

"I'd pay more for stability of teachers I liked."

-Parent-

"I pay more for stability."

-Parent-

When questioned about the impact on quality, a few posited that increased regulation might improve quality. A minimum set of training standards would ensure a certain degree of quality and background checks would protect against unsavory people caring for the children.

"Yes, I don't want a child watching my child."

-Parent-

"It would weed out some people which might entice more qualified people to be day care providers."

-Parent-

"(Licensing?) Improve quality because running checks on people, on the homes."

-Parent-

"(Ratio?) They (children) get more attention."

-Parent-

Most, however, did not feel that increased regulation pertaining to ratio, training, or licensing would positively affect the quality of care. In fact, a surprisingly large number of parents feel that increased regulation might have a **negative** impact on quality.

"More important to have good people, not degrees."

-Parent-

"They could learn a million things from someone who isn't college educated and not licensed."

-Parent-

"People put too much emphasis on degrees."

-Parent-

"We lose many good, loving homes because of the strict regulation."

-Parent-

"Experience is more important than degrees."

-Parent-

"If rules for in-home get more strict, it's going to make it a real pain in the neck. You are going to see many more unlicensed providers."

-Provider-

"My son learned more from a high school drop-out in the one year he was there than he has learned in the last year in the day care center."

-Parent-

"Many may go underground."

-Provider-

"I don't care how much training you get, it's the experience from working, patience, and need to like children."
-Provider-

"(Degree) doesn't mean they're going to love the child."
-Provider-

"I've never had a parent ask me about formal childhood education."
-Provider-

"When they cut back (ratio) two years ago, I let some go and now two of those kids are home alone. What's worse, me having eight kids in a home that's safe or having a lower ratio?"
-Provider-

"Well informed is more important than well educated."
-Parent-

Most providers also agree that increased government regulations would not improve the quality of child care in the Commonwealth. However, providers support increased enforcement of existing regulations. A yearly or tri-annual inspection seems rather meager if one is serious about enforcing regulations.

"More frequent would keep you on your toes."
-Provider-

"Don't come enough."
-Provider-

"If they know you, they come even less (than once every three years)."
-Provider-

"Need more frequent visits. What's happening the other 364 days a year?"
-Provider-

Other providers noted the **inconsistency** of emphasis by Commonwealth of Virginia child care inspectors.

"They (inspectors) all stress different things."
-Provider-

"Home inspection is more like a home invasion. We don't need the white glove test, especially in areas not part of the child day care facility (car garage)"
-Provider-

"It depends on the person. My inspector is very lenient."
-Provider-

The providers do not feel that more regulations are needed to ensure the health and safety of the children.

"We already have rules and regulations for health and safety." -Provider-

"You do your best to try to prevent it, but bizarre things happen."

-Provider-

"Difficult to predict everything."

-Provider-

"I don't think government can make a difference."

-Provider-

Some providers expressed the sentiment that it is the **parents' responsibility** to seek out, monitor, and support quality child care. In this view, it is not the responsibility of the government. If parents find poor or dangerous situations, they should report them. If they are receiving inferior care, they should pull the child out. Some child care providers believe parents need to be educated about what to look for and demand from a child care provider, and then support providers who deliver high quality care. They believe parents can be more effective than government agencies.

"I think it's time government got out of our homes!"

-Provider-

"It's the parents' responsibility to take them some place safe. They need to do their homework."

-Provider-

"It's up to the parent to get good quality."

-Provider-

In summary, increased regulation, according to most parents and providers, would have an impact on affordability, namely resulting in higher costs. We find considerable ambiguity about the expected impact on service quality.

Tax Credit

The question was asked if tax credits provided by the Commonwealth of Virginia would impact the quality and affordability of child care. There seemed to be confusion as to how a tax credit really works at first. First of all, there was confusion or lack of understanding of what a tax credit really is. As they spoke of it, most seemed to be visualizing it as a rebate, or a deduction. Currently several of the respondents stated that they deduct some, a minimal amount, of their child care cost from their income and they were thinking in those terms when questioned about the credit.

"Oh yeah. The big \$200 bucks I got on my tax form for my \$4000 I pay (laughter)."

-Parent-

"I spend \$3200 and get \$480 credit (from the federal return), but it's nothing!"

-Parent-

Generally, the policy relating to tax credits was often met with laughter. Of the amounts proposed, \$250, \$500, \$750, \$1000, none really seemed sufficient given what they currently pay for child care.

"Every little bit helps, but if you're going to give me a tax credit, give me a tax credit!"

-Parent-

"It doesn't make that much of a difference."

-Parent-

"It's nice, but no way does it cover care (laughter)."

-Parent-

"(\$250) A year? (laughter)"

-Parent-

"(\$250?) That's not even a week!"

-Parent-

"Not given what we pay annually."

-Parent-

"If we're spending \$120 a week, we're not getting a very big tax credit."

-Parent-

"You're not going to get better day care or spend more money on day care if tax credit is minimal. If you divide it by 12 months..."

-Parent-

Parents expressed the sense that tax credits, unless a major credit, would have little influence on either affordability or their selection of providers.

"They might jack the rates up."

-Parent-

"Gives you more flexibility in your options."

-Parent-

"I don't think anyone puts it directly back into child day care."

-Parent-

"Use the money to play catch-up with all the things you let ride during the year."

-Parent-

"Use the money for things you need."

-Parent-

"We'd still stay with the same people we have."

-Parent-

"Maybe more of a choice."

-Parent-

"Would I change? No."

-Parent-

"Money isn't the issue."

-Parent-

For many parents, the starting point for increasing affordability of child care would be \$1,200 a year or \$100 a month. Some parents questioned why they couldn't just deduct what they spend. A few parents even wondered about the viability of the plan, questioning how the Commonwealth would make up for the loss of tax income. "What programs would be cut or what else would be taxed?"

"You start giving me \$2000 and you wipe out my state taxes. You're owing me money. What are you going to do with the state budget? It has to come out of someone else's pocket."

-Parent-

There were mixed reactions on whether tax credits would influence the quality of care. Some believed it might.

"Maybe weed out people or draw in people who are more qualified because it pays more."

-Parent-

"Maybe they could offer more services (hours, trips, etc.) because they could charge you more."

-Parent-

"Affects the access to the quality of day care, not the quality of the care itself."

-Parent-

Other parents did not believe a tax credit for families with children ages 6 and under would enhance the quality of care. Some believed that the credit should go to the provider to improve the quality of care. This point of view supports that of the providers who believe they need some subsidies or incentives in order to pay better wages and benefits to attract better workers.

"If you're getting the tax credit, it has nothing to do with them (provider)."

-Parent-

"Only way it would work is if you offered the tax incentive to the day care."

-Parent-

Some parents thought that the money should be used to provide more scholarships for early childhood development classes, either in colleges or training schools. It could be used to support workshops or seminars for providers already in the field to broaden knowledge. Some parents also believe the funds could be used to help stabilize the field of providers so they could continue to offer good, consistent quality care to the children.

Stay-At-Home Credit

The only tax credit policy receiving significant support was the policy to allow stay-at-home parents to receive tax credits. Most think these people deserve a break for staying at home. The reasoning was that being home limits the family income. The credit might enable the stay-at-home parent to afford some relief, such as a babysitter a few hours a week. A few parents

who support the idea of a tax credit for families with stay-at-home parents feel there should be some kind of income requirement or ceiling to qualify for the credit. For example, some parents suggested that a family earning \$150,000 should not be eligible.

"It would allow me to have someone come in and give me a hand occasionally."

-Parent-

"Yes. They're home taking care of their children."

-Parent-

"They're doing what the day care is doing, caring for their child."

-Parent-

"Everyone should (get the credit). It's a personal choice to stay at home."

-Parent-

"They're home providing child day care."

-Parent-

"They have to work all day."

-Parent-

"It would help make up for what they're giving up."

-Parent-

"The more you make, the less break you get."

-Parent-

A few rejected the idea believing that if someone is staying home, they are doing so because they can afford to live on one income.

"They don't need the credit if they can afford to stay home."

-Parent-

Section 6: Child Care Provider Job Opportunities and Motivations

Job Opportunities

Providers identified several different jobs they held prior to their child care position or they are considering as an alternative to their child care position. Other job opportunities included:

- Legal transcription
- State child care facility inspector for DSS
- Marketing for a mortgage company
- Kindergarten teacher
- Grocery store stocker
- Grocery bagger
- Cleaning houses
- Traffic manager (trucking company)

Motivations

Many child care providers reported several non-monetary rewards associated with child care that makes working with children more rewarding than other jobs for which they might be qualified.

"I'm an outdoor person and I get to spend time outside with children."

-Provider-

"I keep coming back to it even though there isn't much money, it is the most rewarding."

-Provider-

"I get to stay at home with my own and save money (on child care)"

-Provider-

"It's rewarding all the way around."

-Provider-

However, the low pay does lead to high staff turnover. Staff turnover is a problem, particularly at child care centers. According to the providers, one of the reasons people leave the field is the need for benefits, particularly **health insurance**. Except for some of the chain operations or large facilities funded in part by an employer for its employees, none of the providers offer health insurance to employees.

"We can't keep teachers because we do not have benefits."

-Provider-

"Younger girls need benefits."

-Provider-

"No way you can fund, pay all the taxes, get everything up to code, pay the insurance required, keep everything else paid, pay salaries, and still provide benefits. It's impossible. You need some other funding or a benefactor to do that."

-Provider-

CONCLUSIONS

The results from the focus group phase provide a useful and informative foundation for the development of the survey instruments to be used in the second, quantitative phase of this study. The following summarizes the key contributions in this regard.

First the focus groups narrowed substantially the ephemeral concept of quality child care. This makes the concept slightly more manageable, not only with regard to the number of dimensions considered to be important, but also regarding the language parents and child care providers use when they describe the elements of quality.

Second, we now expect different responses to the elements of quality child care depending on the age of the child. We therefore target more precise information about the children's age.

Third, considerable agreement exists on the key elements of quality child care among parents and child care providers. Other elements of quality also show significant agreement among the two groups. The quantitative study will allow for exploration of this relationship. We attempt to identify in the large-sample survey different preferences for quality that were imperceptible in the focus groups. We will use statistical techniques to determine if the agreement is statistically significant.

Fourth, based on results from the focus groups, issues of quality, affordability, and accessibility are linked for parents of children age 6 and under in the Commonwealth. The quantitative phase of this research will test which elements in each domain differ for various demographic groups. For example, one naturally expects greater emphasis on affordability for low-income Virginia households. Yet, how does this emphasis on affordability versus quality vary as a function of household income? By geographic region? Is the difference statistically significant? Are there other intervening variables such as number of children in the household? We plan to test the strength of elements from each domain (quality, affordability, and accessibility) against the other.

Fifth, we had initially intended to ask questions about a tax credit. However, we decided against asking questions having to do with hypothetical Commonwealth tax credits for child care based on strong and almost uniformly negative responses to tax credit amounts less than \$1,200 per year.

Sixth, we discovered in the focus group results potentially important regional differences on issues having to do with government intervention in the market. Northern Virginia and urban counties throughout the Commonwealth can be expected to be more open to consideration of government intervention in the child care market. In order to note differences with some precision in the quantitative phase of the research study, we plan to code data on the county in which respondents reside.

Seventh, parents participating in the focus groups generally minimized the affordability of child care as a predominant factor in selecting an arrangement or a particular provider. In the standard vernacular of economics, parents express a highly inelastic demand for child care. We question the credibility of this frequently expressed preference ordering, or at least the degree to which child care choices are insensitive to price and household income. This elevates the importance of relying on objective data to model actual consumption behavior. To this end, the survey instrument seeks to collect sufficient data on the prices actually paid (as opposed to expressive opinions about the willingness to pay), household income, and the quantity and quality of child care consumed. Statistical analyses of these data will allow us to estimate with more precision the relevant factors driving parental choices.

Appendix A

DENNIS AND COMPANY RESEARCH, INC.

Parent Childcare Focus Groups

10000 State Highway 55

Project #

Plymouth, MN 55441

April, 1999

PARENT SCREENER

Name: _____		Phone: _____	
Address: _____			
City: _____		State: _____	Zip: _____
Interviewer Name: _____		Date: _____	

Hello, my name is _____ and I'm calling from (AGENCY), located in (CITY). Today we are talking to parents about childcare and would like to include your opinions. My questions will take less than 5 minutes of your time.

1. First of all, do you have children ages 6 and under living in your household?

Yes..... 1
No..... 2



Does anyone in your household provide daycare for children ages 6 and under, either in your home or as an employee of a daycare center? **IF YES, GO TO "PROVIDER SCREENER"**

2. Are any of these children . . . (READ LIST)

	<u>Yes</u>	<u>No</u>
Under one year old?	1.....	2
One to three years old?	1.....	2
Four to six years old?	1.....	2

3. Are you the person in the household responsible for making the decisions regarding childcare?

Yes..... 1
No..... 2

→ **ASK TO SPEAK TO PERSON RESPONSIBLE FOR CHILDCARE DECISIONS. WHEN THAT PERSON IS ON THE LINE, RE-INTRODUCE YOURSELF AND CONFIRM THAT HE/SHE IS CHILDCARE DECISION MAKER.**

4. Do your children currently receive childcare outside your home five days a week?

Yes..... 1
No..... 2

→ **THANK & TERMINATE**

5. Which of the following includes your age? **(READ LIST)**

Under 25 1
25 – 34 2
35 – 44 3
45 and over..... 4
Refused X

6. Have you ever participated in a focus group discussion panel?

Yes..... 1
No..... 2

→ **HOW LONG AGO WAS THAT?**
IF LESS THAN 6 MONTHS TERMINATE & TALLY

7. Which of the following best describes the type of childcare setting you currently use for your children? **(READ LIST)**

Licensed Daycare Center..... 1
Licensed Family Home Daycare..... 2
Unlicensed Family Home Daycare 3
Compensated Family
Member or Friend..... 4
Uncompensated Family
Member or Friend..... 5
Other **(SPECIFY):**..... 6

(CHECK QUOTAS)

8. **(DO NOT ASK)** Record gender of respondent.

Male..... 1
Female 2

INVITATION

(AGENCY NAME) frequently conducts informal group discussions with people like yourself, to explore perceptions and attitudes about various products and services. These discussions consist of about eight people and a group facilitator who guides the discussion and reports what the group has to say. Most participants find these discussions to be extremely interesting and enjoyable.

On (DATE) at (TIME) we are hosting a discussion group regarding how parents make childcare decisions, and would like to include you. The discussion will be held at (FACILITY) and will last no longer than two hours. You will be paid \$50 cash for your participation and travel time. No sales are involved in this group discussion.

9. Would you be able to attend?

Yes1

No2

Maybe.....3

→

→

**TERMINATE & TALLY.
RECORD REASON ON
FRONT OF PAGE, THEN ASK FOR
DAYCARE PROVIDER REFERRAL
ARRANGE A CALLBACK, THEN ASK
FOR DAYCARE PROVIDER
REFERRAL**

OBTAIN RESPONDENT INFORMATION ON FRONT OF SCREENER

Because we invite only a small number of people, your participation is very important to us. If for some reason a scheduling conflict should occur, please call our office as soon as possible. Our telephone number is (PHONE NUMBER).

We will send you a confirmation letter and a map to the facility. In addition, we will give you a reminder call before the discussion.

DAYCARE PROVIDER REFERRAL:

We will also be conducting discussion groups with childcare providers. Would it be alright with you if we contacted your childcare provider to see if they might have an interest in participating?

Yes..... 1

No2

→

WHOM WOULD YOU RECOMMEND WE CONTACT?

NAME: _____

TELEPHONE NUMBER: _____

THANK RESPONDENT.

Appendix B

DENNIS AND COMPANY RESEARCH, INC.

Childcare Provider Focus Groups

10000 State Highway 55

Project #

Plymouth, MN 55441

April, 1999

PROVIDER SCREENER

Name: _____		Phone: _____	
Company Name (if applicable): _____			
Address: _____			
City: _____		State: _____	Zip: _____
Interviewer Name: _____		Date: _____	

Hello, my name is _____ and I'm calling from (AGENCY), located in (CITY). Today we are talking to daycare providers about decisions parents face regarding childcare and would like to include your opinions. My questions will take less than 5 minutes of your time.

IF REFERRAL FROM PARENT SAY: We have spoken to (NAME) and s/he thought it would be alright if we contacted you.

1. First of all, which of the following best describes the type of childcare provider you are?
(READ LIST)

- Licensed Daycare Center..... 1
- Licensed Family Home Daycare..... 2
- Unlicensed Family Home Daycare 3
- Compensated Family
Member or Friend 4
- Uncompensated Family
Member or Friend 5
- Other (SPECIFY): 6

(CHECK QUOTAS)

2. Do you, yourself, provide childcare services three or more days each week?

Yes..... 1
No..... 2 → **THANK & TERMINATE**

3. Do you care for any children ages 6 and under?

Yes..... 1
No..... 2 → **THANK & TERMINATE**

4. Are any of the children in your care . . . (READ LIST)

	<u>Yes</u>	<u>No</u>
Under one year old?	1.....	2.....
One to three years old?	1.....	2.....
Four to six years old?	1.....	2.....

5. Which of the following includes your age? (READ LIST)

Under 25 1
 25 – 34 2
 35 – 44 3
 45 and over..... 4
 Refused X

6. Have you ever participated in a focus group discussion panel?

Yes..... 1 → **HOW LONG AGO WAS THAT?**
 No..... 2 **IF LESS THAN 6 MONTHS TERMINATE & TALLY**

7. **(DO NOT ASK)** Record gender of respondent.

Male..... 1
 Female 2

INVITATION

(AGENCY NAME) frequently conducts informal group discussions with people like yourself, to explore perceptions and attitudes about various products and services. These discussions consist of about eight people and a group facilitator who guides the discussion and reports what the group has to say. Most participants find these discussions to be extremely interesting and enjoyable.

On **(DATE)** at **(TIME)** we are hosting a discussion group regarding how parents make childcare decisions, and would like to include you. The discussion will be held at **(FACILITY)** and will last no longer than two hours. You will be paid \$50 cash for your participation and travel time. No sales are involved in this group discussion.

8. Would you be able to attend?

Yes1

No2

→

**TERMINATE & TALLY.
RECORD REASON ON
FRONT OF PAGE**

Maybe.....3

→

ARRANGE A CALLBACK

OBTAIN RESPONDENT INFORMATION ON FRONT OF SCREENER

Because we invite only a small number of people, your participation is very important to us. If for some reason a scheduling conflict should occur, please call our office as soon as possible. Our telephone number is **(TELEPHONE NUMBER)**.

We will send you a confirmation letter and a map to the facility. In addition, we will give you a reminder call before the discussion.

THANK RESPONDENT.

Appendix C

PARENT GROUPS

INTRODUCTION

Moderator

Procedures

Respondents--name, # of children, # in daycare, where, brief description of facility

DECISION PROCESS

Briefly describe selection process--how many considered/visited, why those, how were you aware of them, what did you know of them, areas of concern/issues to be addressed/questions

(Write) Key criteria used to select provider

Criteria used to select provider (probe convenience to work, quality of teachers, quality of administrators, hours, large well-equipped facility, cost, child's morale and sense of security, own relief/peace of mind leaving child at daycare arrangement)

(Write) Which 1-2 most important to you? Discuss

QUALITY

How do you define "quality daycare" for your child?

-- Indicators used to judge whether daycare provider can provide quality for child, Probe:

- caring teachers--how define
- quality of administrators
- size of facility
- well-equipped facility--define
- nurse on staff
- child development curriculum (teacher directed vs. free play vs. Montessori) Probe: What want child to learn?
- sufficient regulation (licensing, education/training of workers, child to provider ratio)
- other

-- Which is most important?

AFFORDABILITY

Do you think you're getting a good value (cost and quality)? Why/why not?

Trade-offs

-- Are you willing to pay more for better trained workers (high school graduate, two-year degree, college graduate)?

- (Write) What % more?

-- Are you willing to pay for lower child to teacher ratio?

- (Write) What % more?

ACCESSIBILITY

Hours

-- Are hours of operation convenient? If not, how could they be changed to better meet your needs?

SATISFACTION

Generally, how satisfied are you with the childcare received by child?

Ever moved your child from a daycare/pre-school arrangement? Why? (Probe because of concern for health/safety of child, because of concern about educational quality of care)

What needed to make you more satisfied/what's missing?

POLICY PREFERENCES

In your opinion, would increased state government regulation (stricter licensing requirements, higher level of education/training required of child daycare workers, lower child to teacher ratio) impact quality AND affordability of child daycare? Why/why not?

Do you think state government tax credits (\$250/\$500/\$750/\$1000 per year) would impact affordability AND quality of child daycare? How?

Should parents who stay home to care for their children receive state government tax credits? Why/why not?

CLOSING COMMENTS

Appendix D

DAYCARE WORKERS

INTRODUCTION

Moderator

Procedures

Respondents--name, where employed, describe facility, how long been employed there, responsibility, how long been a daycare worker, how many miles and minutes travel to job

CAREER ISSUES

What type of training, if any, prepared you for job in child daycare?

What type of training would have been/be helpful to you?

What types of jobs other than daycare worker have you had?

Are you considering a job change? If so, what type of job are you considering?

JOB/EMPLOYER ISSUES

How find out about current job?

What like best?

Most important service you provide in job?

Most difficult part of job?

Get health benefits from employer? Describe

Have retirement plan from employer? Describe

Has employer provided any training for your job? Describe
(If changed jobs) From what? What attracted to current job?

QUALITY ISSUES

In your opinion, what makes for a high quality daycare setting/elements of high quality daycare setting? (Probe:)

- caring teachers--how define
- quality of administrators
- size of facility
- well-equipped facility--define
- nurse on staff
- child development curriculum (teacher directed vs. free play vs. Montessori)
- sufficient regulation (licensing, education/training of workers, child to provider ratio)

In your opinion, what ensures a safe and healthy daycare setting? (Probe: state and local rules and regulations, attention to rules and strict enforcement by administrators, nurse on staff)

-- Do you know of a child ever receiving a preventable serious injury or illness?
Describe

In your opinion, is additional government action needed to improve health and safety of daycare operations? Suggestions/examples

EDUCATION PROGRAMS

Describe briefly any kind of "education/teaching" done at facility.

Do parents express opinion about type of education program they'd like you to offer?

-- What do they say they want you to teach/what do parents want child to learn?
Does program where you work solicit parental opinions about education?

-- Is that "do-able"/agree/disagree with parents?

-- Do you think place where you work meets those needs?

-- Barriers to providing that

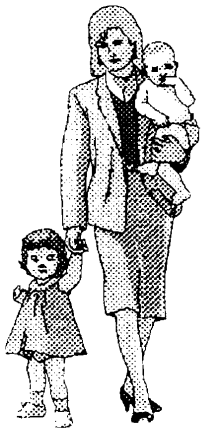
Name one element you'd change about education program where you work

-- What, if anything, is the main barrier to making such a change?

CLOSING COMMENTS



**An Assessment of the Quality, Affordability and
Accessibility of the Child Care Market in Virginia
Phase Two: Parent and Provider Surveys**

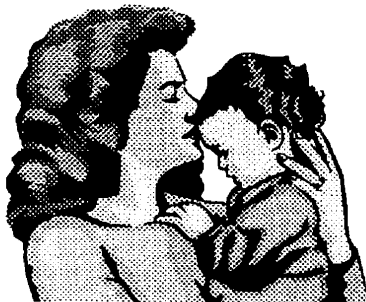


**A Report Prepared for:
The State Board of Social Services
Commonwealth of Virginia**



**By
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August 1999



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Special thanks go to several individuals who made significant contributions to the development of this report. First, we thank the thousands of Virginia citizens who took the time to complete the telephone interviews. This report would have been impossible without their contributions. We also appreciate the guidance of the State Board of Social Services, Child Care Subcommittee – especially Brian Campbell – who chaired that subcommittee. We also appreciate excellent technical assistance from Connie Hall, Vincent Jordan, Elizabeth Whitley Baron, Lynette Isbell, Ben Greenberg, Ben Winslow, Brad Frevert, Jessica Wald, Robert McCutcheon, Robert Mottice, Nicole Crain, and Tyler Cowen. Any deficiencies in this report are the responsibility of the authors and cannot be assigned to those offering guidance and technical assistance.

INTRODUCTION

Senate Bill 595 as passed by the 1998 Virginia General Assembly and signed by the Governor requires a study of the quality, affordability and accessibility of child day care be completed and the findings reported to the Governor and the General Assembly by October 1, 1999.

Determining the appropriate role for state government in child care presents a complex issue to Virginia policy makers. Critical child care policy questions cannot be addressed without adequate information about how the existing market process is responding to family child care needs. For example, what factors enter parental decisions to purchase child care services and what determines the type of care selected? What characteristics constitute “quality child care” in the minds of parents and providers? How well does the market process respond to parental child care preferences? An analysis of the market that identifies, examines and assesses the decisions made by market participants regarding the conditions of quality, affordability, and accessibility is a necessary foundation for forward-looking policy decisions.

This report is the second of a two-phase research study designed to explore issues of concern (quality, affordability, and accessibility) for parents with children age six and under and for child care providers. This report on the quantitative phase of the research provides a baseline of information, is designed to identify potential market failure, and analyzes key elements of the child day care market in Virginia.

Report Outline

The remainder of the report is organized into three chapters:

- The Methods chapter describes the research methods underlying the data collection and analysis.
- The Findings chapter presents information obtained from almost 2,100 telephone interviews with Virginia parents with children age six and under, and with almost 300 providers of child care services.
- The Conclusions chapter highlights the most significant findings identified from the data and provides a comprehensive picture of the Virginia child care market.

The report also includes five appendices:

- Appendix A provides a copy of the Parent Questionnaire.
- Appendix B provides a copy of the Provider Questionnaire.
- Appendix C provides frequency tables for all data obtained from the parent surveys.
- Appendix D provides frequency tables for all data obtained from the provider surveys.
- Appendix E provides a list of Virginia counties with groupings used in the regional analyses.

METHODS

Background

This study aims to provide Virginia policy makers with a comprehensive assessment of the child day care market for young children in the Commonwealth. As a basis for this assessment we compile and analyze an extensive and representative database relating to the quality, affordability, and accessibility of care. The database includes parent and provider perceptions of these key aspects of the market, as well as objective measures such as the number of hours in care and the price of care to assess behavior and market choices.

In order to characterize the child care market in Virginia, two quantitative survey instruments were developed based on focus groups conducted in several regions of Virginia with parents and daycare providers. The survey instruments were administered over the telephone to both parents and day care providers in Virginia. We used random-digit-dialing (RDD) to provide a representative sample of both populations. The samples were drawn from the non-institutionalized population in households with telephones having at least one child age six and under in Virginia.

Data collection took place between July 8 and August 15 of 1999. Screening questions for parents were initiated after contact was made with an adult member of the household. The screening questions were used to: 1) determine whether any child age six and under lived in the household, and 2) to identify the parent/guardian responsible for making decisions on child care for the household. Households with more than one eligible child (age six and under) were asked to provide basic child care information for all eligible children and more detailed information on a single, randomly selected child.

A major strength of the study is that it does not rely solely on the perceptions of parents to assess quality, affordability, and accessibility. Unlike most examinations of childcare, a separate survey instrument was administered to child care providers to tap their unique knowledge and experience with child care in the Commonwealth.

The remainder of this section will be described in detail the populations of interest for this study and basic descriptive statistics of the sample. First, we describe the manner in which the survey instruments were developed. Second, we describe the sampling technique and summarize the results of this technique. Limitations and basic frequency tables are also presented.

Two Populations of Interest

Households with Children Age Six and Under

The first population of interest was households with children age six and under. About 100,000 ten-digit random numbers (beginning with 540, 804, 757, and 703 to correspond with Virginia area code exchanges) were generated to produce about 18,000 valid household telephone numbers. This count of random numbers was projected to be necessary in order to reach the goal of interviewing 2,500 households with children age six and under in Virginia. This number of cases was judged to balance available project resources with generating a representative sample capable of considerable state-wide and regional statistical power.

Child Care Providers

The second population of interest was child care providers in licensed and unlicensed child day centers, family day homes, and uncompensated family & friend care settings. We expected a child care worker incidence rate equal to about 1.3 percent of all households or about 200 interviews using RDD sampling techniques. Early results from the RDD sampling technique produced a 0.7 percent survey incidence rate for child care providers after the first 1,800 household contacts. The interim incident rate for child care providers was about one percent after the first 5,000 household contacts. As a result of the lower than expected survey incidence rate for this population, sampling techniques were revised from random-digit dialing to a referral technique after the interim incidence rate was derived. The referral technique required the addition of questions in the household survey for households with a child in a child care arrangement. These questions asked qualified respondents if they would provide telephone numbers for their child care provider(s). We note that the referral technique provided a sample equally representative to the RDD technique, while increasing the number of completed interviews for this study. The change to a referral sampling technique allowed a more efficient use of the project budget and yielded a sample of 286 child care providers.

Questionnaire Development

Our earlier report, *An Assessment of the Quality, Affordability and Accessibility of Child Care in the Commonwealth of Virginia, Phase One: Parent and Provider Focus Groups (June 1999)*, described the findings from five focus group sessions around the Commonwealth. The focus group process laid the groundwork for the questionnaires, for example, allowing us to reduce the notion of "quality child care" to a relatively comprehensive, yet manageable, number of dimensions.

In order to maximize the number of completed interviews and economize project resources, the Mercatus Center research team designed the questionnaires so that interviews would last no longer than 10 minutes. The Virginia Department of Social Services (DSS) approved the final telephone interview questionnaires. Technical support for questionnaire design and sampling was provided by Dennis & Company Research, a commercial public opinion and survey research firm in Minnesota. Dennis & Company Research acquired a random-digit-dialing sample of about 100,000 Virginia telephone numbers from Scientific Telephone Samples (STS).

Interview questions for parents were designed to identify the qualities they value in child care (safety and health, child to teacher ratios, curriculum, satisfaction, etc.), affordability (price, income, satisfaction, etc.), and accessibility (satisfaction, hours of operation, travel time, etc.). Additional specific questions of interest for policy makers were developed in collaboration with the Commonwealth of Virginia's Department of Social Services.

A single screening question was used to determine whether or not the adult contact was a child care provider. Interview questions for child care providers were designed to determine perceptions of quality and determinants of affordability (job mobility, child care provider income). Additional specific questions of interest for policy makers were developed in collaboration with the Commonwealth of Virginia's Department of Social Services.

The "second-draft" parent questionnaire was pre-tested on a small sample. This pre-test raised concerns by the Mercatus Center research team because of a low 3.8 percent response rate. In order to improve the response rate, the primary screening question was moved from the first position to the third position to reduce the number of polite refusals and increase the incidence rate. The telephone interview preface was also changed to include reference to the study as a university-based research project being conducted by the Mercatus Center at George Mason University. The second draft questionnaire was then pre-tested with parents. The changes made to the survey increased the subsequent incidence rate to 18 percent. The questionnaires included about 50 questions each for parents with children age six and under and child care providers. Appendix A contains the questionnaire for the parent survey and Appendix B contains the questionnaire for the provider survey.

Sample Selection

Random Digit Dialing

The most important element of valid and reliable survey research is securing a random sample in which each member of the population has an equal opportunity to participate in the survey. This is necessary to make any general statements based on the sample to the population at large. In order to assure that the random sampling assumption was met, random-digit-dialing (RDD) was used because it is the most effective and efficient sampling technique available.

RDD also provides for the inclusion of unlisted (also known as ex-directory) telephone households. Dennis and Company estimates that as many as 20 percent of telephone households in Virginia are not published in a telephone directory. There may be considerable and important differences between telephone households published compared to those not published. Samples drawn from only directory-listed numbers may be biased and not representative of the general population. The RDD sampling technique was chosen for this research study because the sample would be representative of an estimated 97 percent of households in the Commonwealth of Virginia with telephones.

Other advantages of RDD include sample efficiency. The RDD sampling technique provides: 1) quickly obtained samples in electronic format, 2) an effortless user interface with data entry and dialing systems, 3) better targeted sampling procedures, 4) less time for data collection compared to mail surveys and door-to-door interviews, 5) improved control—such as oversampling of low incidence subpopulations—of the sample while in the field, and 6) savings as a result of reduced labor costs.

This study used a 10-call design. This means that each randomly dialed household was called up to 10 times on different days and time the day before the number was removed from the call list. Almost 12,000 households with telephones in Virginia were contacted for this survey.

Sample of Parents

Sampling procedures identified a representative sample of households with at least one child age six and under in Virginia using two simple criteria: (i) select households in Virginia, and (ii) select households with at least one child age six and under. Given the first selection criterion, Dennis and Company obtained a randomly generated sample list of telephone numbers from STS, Inc. About 100,000 ten-digit random numbers (beginning with 540, 804, 757, and 703 to correspond with Virginia area code exchanges) were generated to produce about 18,000 valid household telephone numbers. Consistent with a randomized design, the sample was selected so that each household had an equal chance of being called for the telephone interview.

Virginia households with telephones were selected using the random digit dialing technique described above. When reached, households were asked a series of questions, including a set of screening questions to determine whether they qualified for the questionnaire. Qualified members of that household were asked a series of questions during the telephone interview.

Incidence and Response Rate

Parents

Nationally, about 20 percent of households have at least one child age six and under. Virginia has a slightly older age profile than the U.S. This demographic profile provided the Mercatus Center research team with a projected 19 percent of households having at least one child age six and under.

The telephone call incidence rate goal for this study was 15 percent, or about a 75 to 80 percent response rate. The response rate assumption of 75 to 80 percent was consistent with telephone survey response rates for the general population. The expected number of completed responses was about 2,500 for the parent questionnaire. This sample size would yield an expected statewide sampling margin of error between parents in the child care market and parents out of the child care market to be no greater than +/- 2.0 percent.¹

The total parent sample consists of 2,070 survey responses, corresponding to a telephone call incidence rate of 18 percent (a response rate of about 95 percent). The statewide analysis was

¹ This estimate uses the standard error formula for an infinite population. Arkin, H. and Colton, R. *Statistical Methods*, Barnes and Noble, 1970: p. 149.

conducted using the first 1,417 parent responses, a sample size that allows for a statewide sampling margin of error no greater than +/- 2.3 percent on any two values in a variable. We note that this number of responses was lower than our target of 2,500 responses. However, this lower number of responses was not a limiting factor for completing the study because of the clarity of responses from the 1,417 respondents. That is, the responses turned out to reflect a sufficiently large consensus to provide statistically valid inferences about the general population. Had the responses reflected less uniformity, this lower than targeted number of responses might have presented limitations in explaining the responses.

The additional 653 responses thus focused on increasing the sample sizes for particular regions of the state, a process known as oversampling, to facilitate the analysis of regional differences. The additional 653 responses were selected from regions with lower population counts. To be clear, these 653 responses cannot be used for the statewide analysis simply because they would have over-weighted certain regions relative to their actual share of the Virginia population. Oversampling simply provides greater statistical power for identifying differences among the eight regions of Virginia.

Providers

Prior to this study, we estimated about 45,000 child care providers were employed in the Commonwealth of Virginia, caring for an estimated 330,000 children.² The U.S. Census estimates there were 642,546 children age six and under in Virginia at mid-year of 1997. These data implied an incidence rate of about 1.3 percent for child care workers in Virginia. The incidence rate assumption of 1.3 percent was consistent with national labor force statistics during 1996. The expected total number of responses was 200 for the provider questionnaire yielding a sampling margin of error no greater than +/- 8.0 percent. Achieving a +/- 3.0 percent margin of error would have required an additional 800 responses.

We received 164 statewide responses on a sample of just over 12,000 telephone calls for a 1.4 percent survey incidence rate. The random incidence rate for child care providers was about 1.0 percent. Because of the lower than expected incidence rate, we shifted from a randomized population sampling method after the first 81 responses to a randomized referral sampling method. Referral sampling means that we asked parents of children age six and under and in child care arrangement to share the name and telephone number of their child's provider. Consequently, the survey incidence rate was increased and allows for an overall sampling margin of error no greater

² This estimate is based on two sources. The first source is the number of children estimated to be in child care settings nationally as reported in the National Center for Education Statistics, *Child Care and Early Education Program Participation of Infants, Toddlers, and Preschoolers*. (October 1996) proportionally adjusted for U.S. Census estimates of the share of children age six and under in Virginia. The second source is the Virginia Department of Social Services regarding the number of children allowed per child day care worker for licensed child care centers for children ages six and under which ranges from 4 to 12 with a median of 10 children per caregiver. Dividing 330,000 children age six and under by a median of 10 children per caregiver provides a point estimate of 33,000. The mean number of children per caregiver is likely to be lower given the proportion of the youngest children who enjoy a ratio of 4 children per caregiver. Therefore, a rough estimate of 40,000 to 50,000 child care providers in Virginia appears to be reasonable.

than +/- 7.7 percent on any two values in a variable. Regional oversampling was conducted for the final 122 responses collected for a total of 286 providers in the regional sample.

Response Recoding

Response recoding refers to reviewing the responses to ensure that they make sense. For example, it is impossible for a respondent with an age of 3 years old to have a sixyear old child. All variables were reviewed for unreasonable codes. In most cases, these values were deleted from the statistical analysis. However, some variables with recognizable keypunch errors were carefully evaluated, recoded, and re-evaluated to ensure internal consistency. Variables that had cells recoded include household income, year of birth for respondent, and age of child chosen. No variable had more than 12 values recoded.

Limitations

The survey and subsequent analysis of the data appear to offer reasonable representations of consumers and providers of child day care Virginia. The strongest measure of integrity for this study is that the estimates appear to be consistent with demographic data provided by the U.S. Bureau of the Census. The sample sizes are large enough to have produced relatively narrow sampling margins of error; valid results and the questionnaires are believed to have produced reliable responses. However, one potential limitation bears consideration.

All research projects demand tradeoffs and this project is no different. One of the most difficult decisions for researchers to make involves deciding whether to use open-ended or close-ended survey questions. Open-ended questions allow respondents to reply in more depth and allow researchers a more nuanced and detailed understanding of the issue at hand. However, this type of question is time intensive, costly, and valid coding of responses is often difficult. In contrast, close-ended-questions are more cost-efficient and the data is more conducive to quantitative analysis. In the end, we chose to strike a balance between these two types of questions by using the open-ended format in focus groups for questionnaire development then making exclusive use of close-ended questions for the telephone survey. Thus our survey instrument benefits from both the detail derived from open-ended questions and the precision and efficiency which are characteristic of close-ended questions.

We note two possible limitations rooted in selection bias. First, the pool of potential respondents is limited to households with phones. We project, based on the U.S. Census estimates, that about 96 percent of Virginia households do not have telephones. Second, the sample of respondents has the possibility of being skewed because we estimate a 95 percent response rate. We judge both of these potential limitations as minor given that the demographic profile of the sample matches extremely well with the profile for the general population of Virginia.

Representativeness of the Sample

Income Profile

Household income categories included in Table 1 show that the median household income for all respondents is about \$50,000. The study sample is about six percent higher than U.S. Census Bureau projections of the median income of \$46,833 for households in Virginia with a similar age profile. Though respondent median income is somewhat higher than the U.S. Census estimate, we believe the difference in median income is consistent with the different profile of the two samples. Research shows that children are normal goods. This means that household income is positively correlated with having children. In other words, as household income increases, households are more likely to have one or more children. Therefore, survey respondents (households with at least one child age six and under) from our sample are expected to have a higher median income than respondents to the U.S. Census updates because the Census estimate includes both types of households with and without children age six and under in residence.³

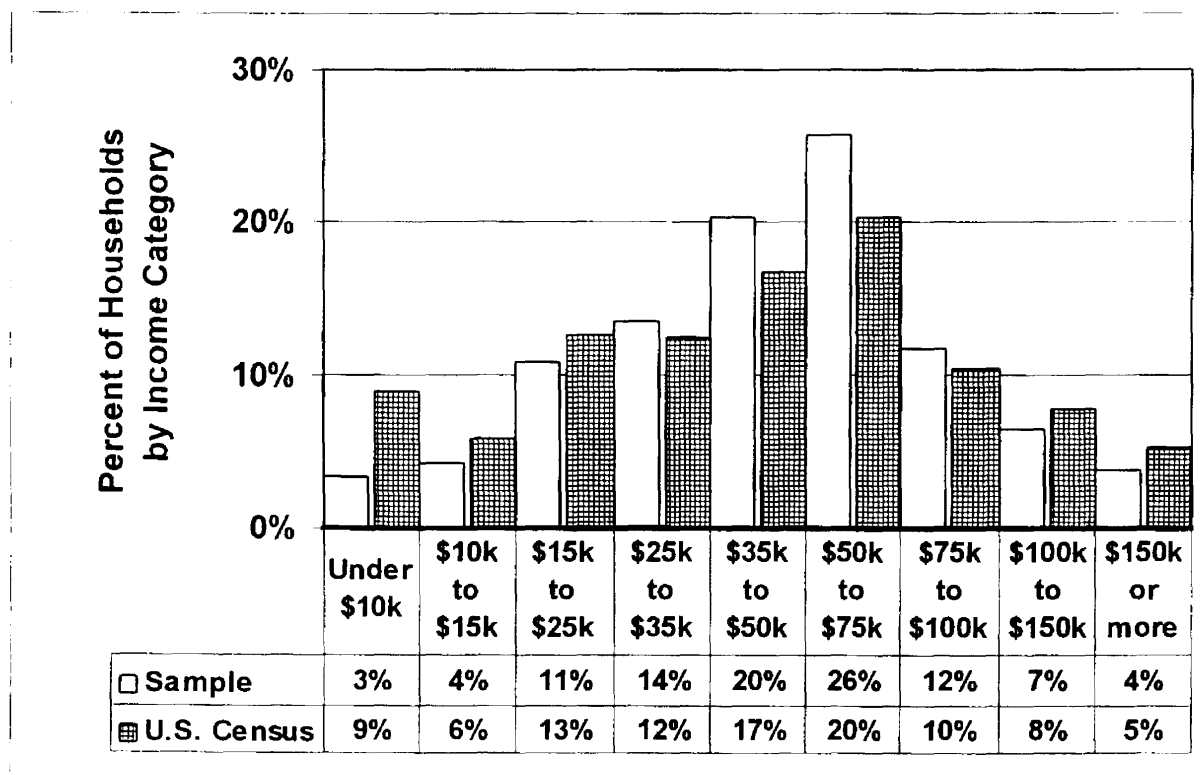
Table 1

Income Categories, Sample Count, and Percent of the Sample by Age of Householder			
Age of Householder	Household Income Categories	Sample	Estimated U.S. Census
15-24 years	Under \$50,000	83%	84%
	\$50,000 and above	17%	16%
25-34 years	Under \$50,000	57%	64%
	\$50,000 and above	43%	36%
35-44 years	Under \$50,000	39%	47%
	\$50,000 and above	61%	53%
45-54 years	Under \$50,000	55%	42%
	\$50,000 and above	45%	58%
ALL	Under \$50,000	52%	56%
	\$50,000 and above	48%	44%
	Median Income	\$50,000	\$46,833

³ This estimate is based on the midpoint of U.S. Bureau of the Census data for householders age 25-44 projected forward to 1999 by Claritas Inc. Projected median income for all Virginia households is \$43,455. Projected median income for Virginia households with householders age 25-34 is \$40,563 and for householders age 35-44 is \$53,103. The midpoint estimate between these two projections equals \$46,833. The percentage of households by householder ages 25-44 in the sample is 82 percent. The percentage of households by householder ages 25-44 in per U.S. Census data projected by Claritas Inc. is 41 percent. The 25-44 age cohorts are twice as likely to have a child age 6 and under than the general population according to this sample of Virginians.

Further comparison of our study's sample income profile with U.S. Census income group data for Virginia confirms the notion of "children as normal goods," that is, the number of children is positively correlated with income.⁴ Figure M-1 demonstrates that the lowest income households in Virginia are less likely to have at least one child age six and under in residence compared to higher income groups. For example, the proportion of all households with an annual income under \$10,000 comprises only 3 percent of the sample of households with at least one child age six and under. The U.S. Census estimates that all households in Virginia (including those with and without at least one child age six and under) comprise about 9 percent of the State population in this income category. This "children as normal goods" trend shifts beginning for income groups over \$25,000 per year. The proportional difference between the Virginia population as a whole and our sample peaks for households with annual income between \$50,000 and \$75,000. The \$50,000 to \$75,000 income group comprises about 26 percent of the total sample, while the share of all households in the U.S. Census estimate comprise only 20 percent of the total.

Figure M-1: Statewide Sample Compared to U.S. Census Data for Virginia--Percent of Households by Income Category



⁴ To examine this relationship for Virginia, we ran the following regression model:
 $\text{Natural log (Household Size)} = \text{Constant} + B \text{ natural log (Household Income)}$. The estimated coefficient, B, is 0.031, and the relationship is significant at the 5 percent confidence level. This finding indicates that as income increases by 10 percent, household size increases by 3.1 percent.

Race and Ethnicity

Table 2 provides a comparison of race and ethnicity from the sample selected for this study with U.S. Census Bureau estimates. The racial and ethnic profile of the sample is statistically consistent with Census estimates for all racial and ethnic groups. However, the sample has a higher share of respondents self-identified as Native Americans. The Census Bureau estimates are 0.3 percent for this racial/ethnic group and the sample share is 1.6 percent. This large difference does not invalidate the sample because Native Americans have a low incidence rate in the population. Another difference is that our survey provided respondents the option of self-identifying themselves as "Other." The Census Bureau does not collect data for this category. This category captures respondents who do not self-identify into the standard racial and ethnic categories for which data is collected. Respondents selecting the "Other" category may share identification with several racial and ethnic groups. These respondents likely account for the smaller shares self-identifying in the Asian, African-American/Black, and Hispanic racial and ethnic categories.⁵

Table 2

Sample and Population Projections by Race/Ethnicity		
Race/Ethnicity	Sample	Estimated U.S. Census
Asian	2.3%	3.4%
African American/Black	19.2%	19.9%
Caucasian/White	71.1%	72.9%
Hispanic	2.8%	3.5%
Native American	1.6%	0.3%
Other	3.1%	Not Collected

Regions

In addition to questions on income and race/ethnicity, our survey asked respondents to identify which county or city they lived in to compare and identify any regional differences in Virginia. The counties were assigned to one of eight regions based roughly on twenty-one planning districts in Virginia.⁶ The eight regions are Region One: Southwest Virginia; Region Two: Shenandoah; Region Three: Northern Virginia; Region Four: Central Virginia; Region Five: Southside/Piedmont; Region Six: Richmond; Region Seven: Eastern Virginia; and Region Eight: Tidewater. Appendix E provides a list of counties within each region. Table 3 highlights the number of observations used to conduct the regional analyses.

⁵ U.S. Census Bureau. Statistical Abstract of the U.S., 1998: Oct. 16, 1998. Table No. 34, Resident Population by Race, Hispanic Origin, and State, 1997.

⁶ Virginia Statistical Abstract, 1996-1997 Edition. Weldon Cooper Center for Public Service at the University of Virginia. Map 16.1 and Table 16.4: pp. 550 and 558.

Table 3: Regional Frequency Counts and Percents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Southwest Virginia	227	11.0	11.1	11.1
	Shenandoah	219	10.6	10.7	21.7
	Northern Virginia	307	14.8	14.9	36.7
	Central Virginia	270	13.0	13.1	49.8
	Southside/Piedmont	181	8.7	8.8	58.6
	Richmond	245	11.8	11.9	70.5
	Eastern Virginia	255	12.3	12.4	83.0
	Tidewater	350	16.9	17.0	100.0
	Total	2054	99.1	100.0	
Missing	DK/RF/NA	18	.9		
	Total	18	.9		
Total		2072	100.0		

Statistical Techniques

Correlation Tests

We analyze all variables using bivariate correlation matrices. Bivariate correlation analysis is a statistical technique used to identify two types of relationships among variables. The first relationship indicates whether two variables exhibit a positive or inverse relationship. Do two variables move in the same direction or in opposite directions and how closely tied are these movements? The measure of this relationship is called the correlation coefficient. The second relationship identified in the analysis indicates whether the correlation is statistically significant based on probability theory. That is, what are the odds that the observed relationship (the correlation coefficient) reflects a systematic pattern as opposed to simply a random occurrence? In the report, we adopt the conventional standard to assess the statistical significance of correlations—correlation coefficients greater than 0.3 and the 0.05 level of significance.

Chi-Square Tests

Further refinement is made by using the Chi-Square Test for hypothesis testing of sample data meeting the conventional standard for significant relationships in the correlation matrix analysis. In a Chi-Square Test, the data are analyzed in the form of contingency tables or cross-tabulations using the hypothesis that the columns and rows are statistically related for variables of interest. In effect, the Chi-Square Test assesses the odds that an observed pattern in the data could have occurred randomly. Other variables of policy interest are analyzed and reported in addition to those showing a statistically significant relationship at the 95 percent level in the correlation matrix analysis. This is the case, for example, where an anticipated relationship was not supported by the results.

Regression Analysis

We use multivariate regression analysis to examine the determinants of child day care decisions. For example, this technique examines whether parents are more (or less) likely to use paid child care providers as household income increases. We also test the influence on child day care decisions of other factors such as household size, marital status, race, parents' education level and child's age. This facilitates an analysis of what types of care arrangements are selected, for example, a day care Center, an "in-home provider," a licensed provider, and so on.

Regression analysis also provides a tool to estimate the sensitivity of the amount of child day care purchased to price (the price elasticity) and to income (the income elasticity). A final application of the regression analysis examines the factors that affect the price of child care services, for example licensed versus unlicensed providers, the ratio of children to providers, and the age of the child.

Frequency Tables

Frequency tables for all responses to questions asked in the telephone interviews are provided in Appendices C and D for readers who may want to examine further the data collected in the surveys.

FINDINGS

Introduction

The survey results are presented in the following four sections. Within each section, summary results are presented in graphic, tabular, and narrative formats. Each section contains three parts. The first part reports the statewide survey results. The second part describes statistically significant differences among the various geographic regions of Virginia. We divide the state into eight regions for this purpose, and these divisions are described in Appendix E. The third part of each section analyses Virginia's child care market based on the results identified in parts one and two. Details of how the data were developed are provided in the Methods chapter.

Section One presents findings on the perceptions of quality by parents and providers. Parental behavioral responses regarding selected attributes of quality are also presented in Section One. Section Two provides findings on the perceptions of affordability by parents and providers. Section Three presents findings on perceptions of accessibility and availability by parents. Section Four presents findings and analysis on the structure of the child care market in the Commonwealth.

Section One: Quality

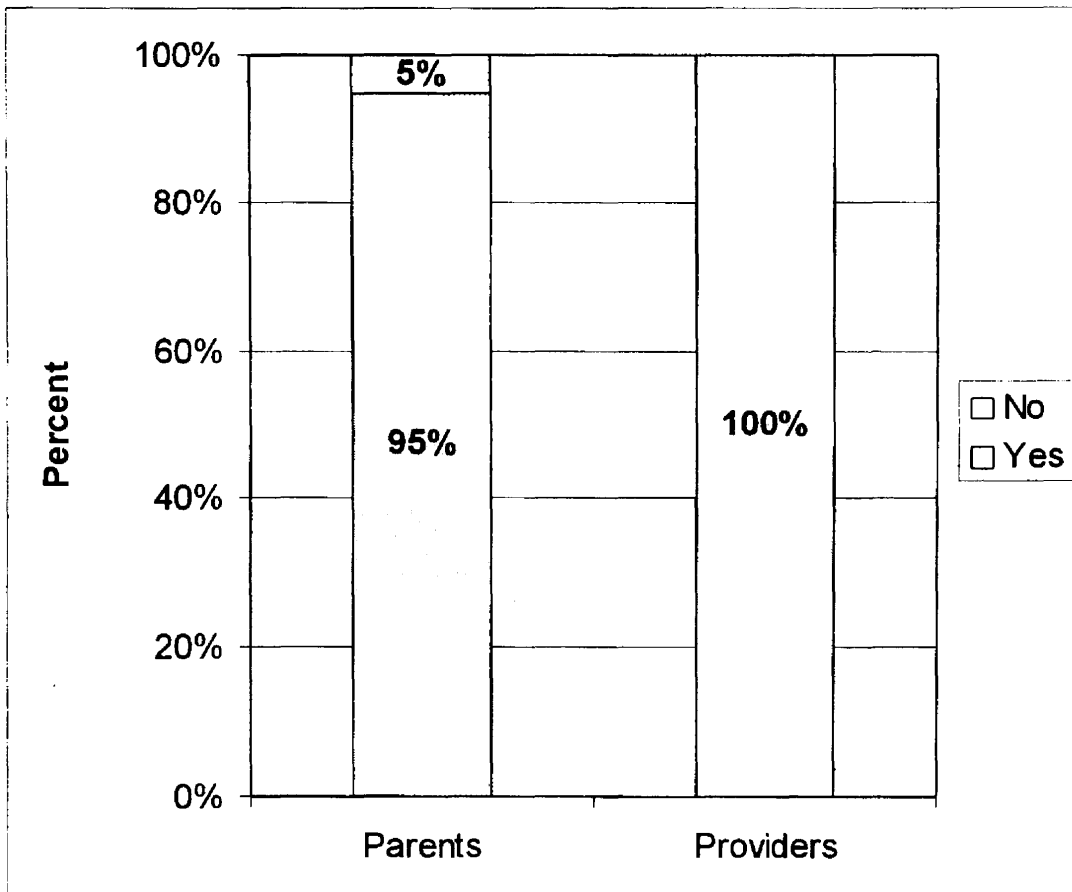
Statewide Results

We asked parents, "Are you satisfied with the *quality* of child care you currently receive?" and providers were asked, "*Do you think parents are generally satisfied with the quality of child care you provide?*" The first question was designed to measure parental satisfaction with the quality of care they receive from their provider. Similarly, providers were asked in the second question to share their perceptions of parental satisfaction with the quality of care their service.

We emphasize that the responses presented here include parents with at least one child age six and under and who use a paid care provider two days a week or more.⁷ As shown in Figure 1 more than nine out of ten of these parents report that they are satisfied with the quality of care they receive from their child care provider. Virginia child care providers were unanimous (100 percent) in their perception that parents are satisfied with the quality of care they provide.

⁷ As discussed in further detail later in the report, the questionnaire asks follow-up questions for parents who do not use non-parental care at least two days a week.

Figure 1: Are you (your parents) satisfied with the QUALITY of child care you (they) currently receive? ⁸

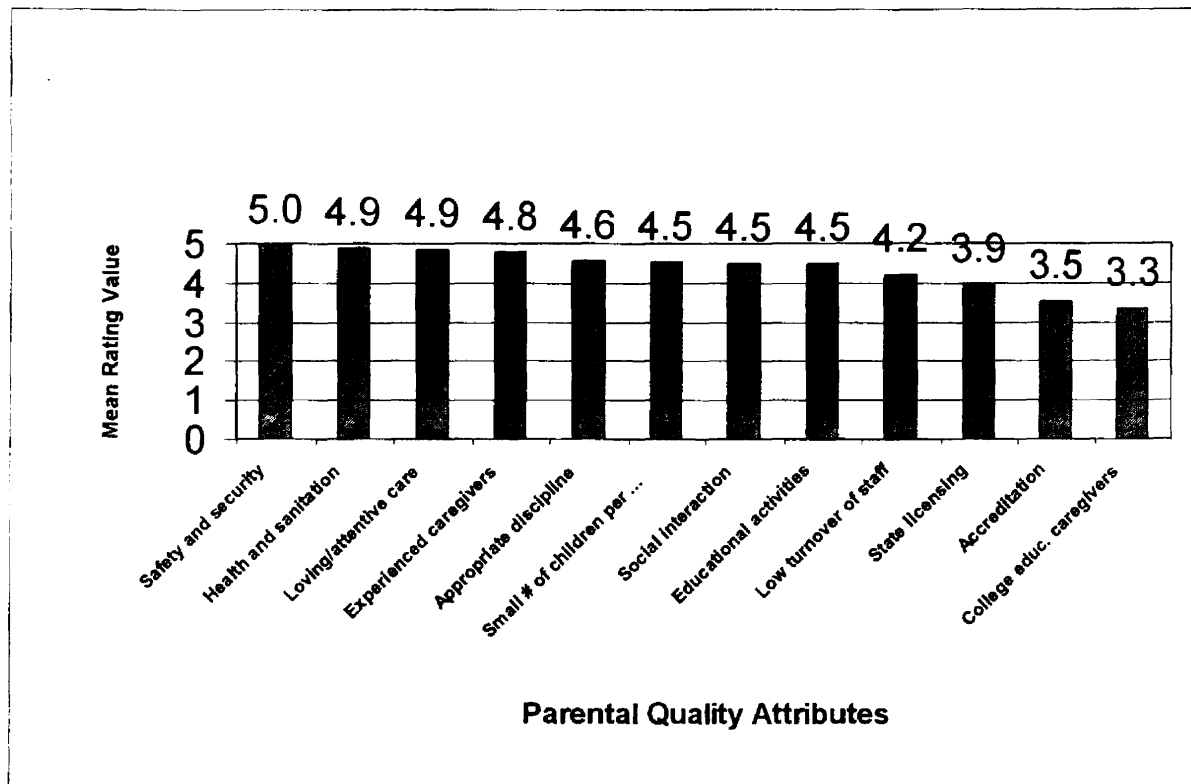


The focus group process helped the Mercatus research team to identify mutually held attributes of quality by parents and providers. This process allowed us to reduce the notion of "quality child care" to a relatively comprehensive number of dimensions. This process of identifying the most commonly and mutually held attributes of quality child care simplified the data gathering process in the field. The findings from the telephone interviews conform to the findings from the focus group process. Consistent with the focus group process, parents in the survey identify "loving and attentive care" and "safety and security" as the most important attributes of quality.

⁸ This question provides valid responses from a random selection of 611 parents with children age six and under in a child care arrangement and 117 child care providers of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by plus or minus 1.6 percent for parents and plus or minus 3.9 percent for providers.

Parents and child care providers were both asked, “I’m going to read you a series of items parents use to describe quality child care. For each one, please tell me whether you think each attribute tends to be important or unimportant on a scale of 1 to 5 with 1 being NOT AT ALL IMPORTANT and 5 being VERY IMPORTANT. You may use any number from 1 to 5.” Responses from parents for all attributes of quality received relatively high average scores ranging from 3.3 (college-educated caregivers) up to 5.0 (safety and security). Figure 2 shows the average scores for each of the twelve attributes of quality tested in the parent survey.⁹

Figure 2: Please tell me whether you think each attribute tends to be important or unimportant on a scale of 1 to 5 with 1 being NOT AT ALL IMPORTANT and 5 being VERY IMPORTANT. You may use any number from 1 to 5.¹⁰

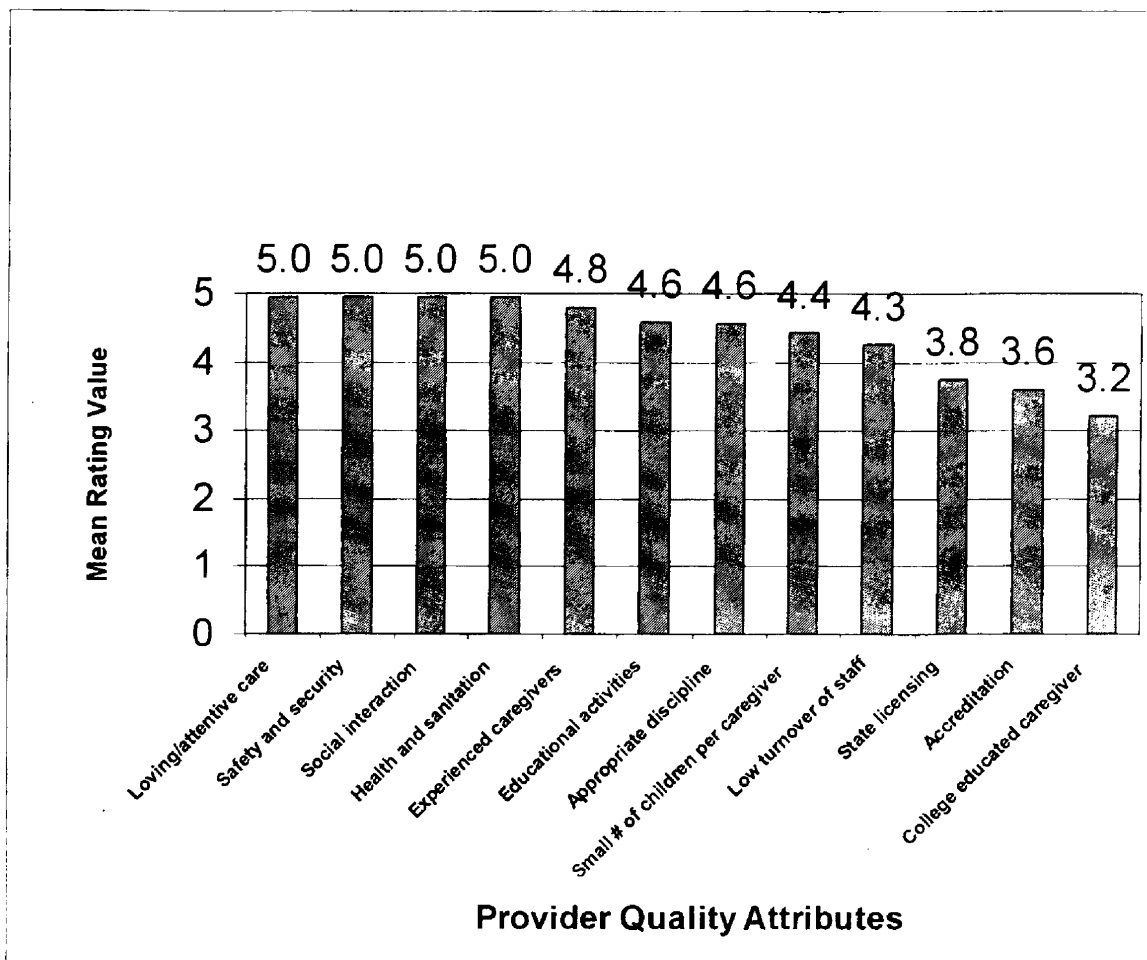


⁹ We note that the interviewers randomized these quality attributes in the survey. This procedure mitigated a potential bias based on the order in which the specific quality attributes were asked.

¹⁰ This question provides valid responses from a random selection of at least 607 parents with children age six and under in a paid child care arrangement. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 3.0 percent.

Responses from providers for all attributes of quality also received relatively high average scores ranging from 3.2 for college educated caregivers up to 5.0 for loving/attentive care, safety and security, social interaction, and health/sanitation. Figure 3 shows the average (mean) scores for each of the twelve attributes of quality tested in the telephone interview for child care providers.

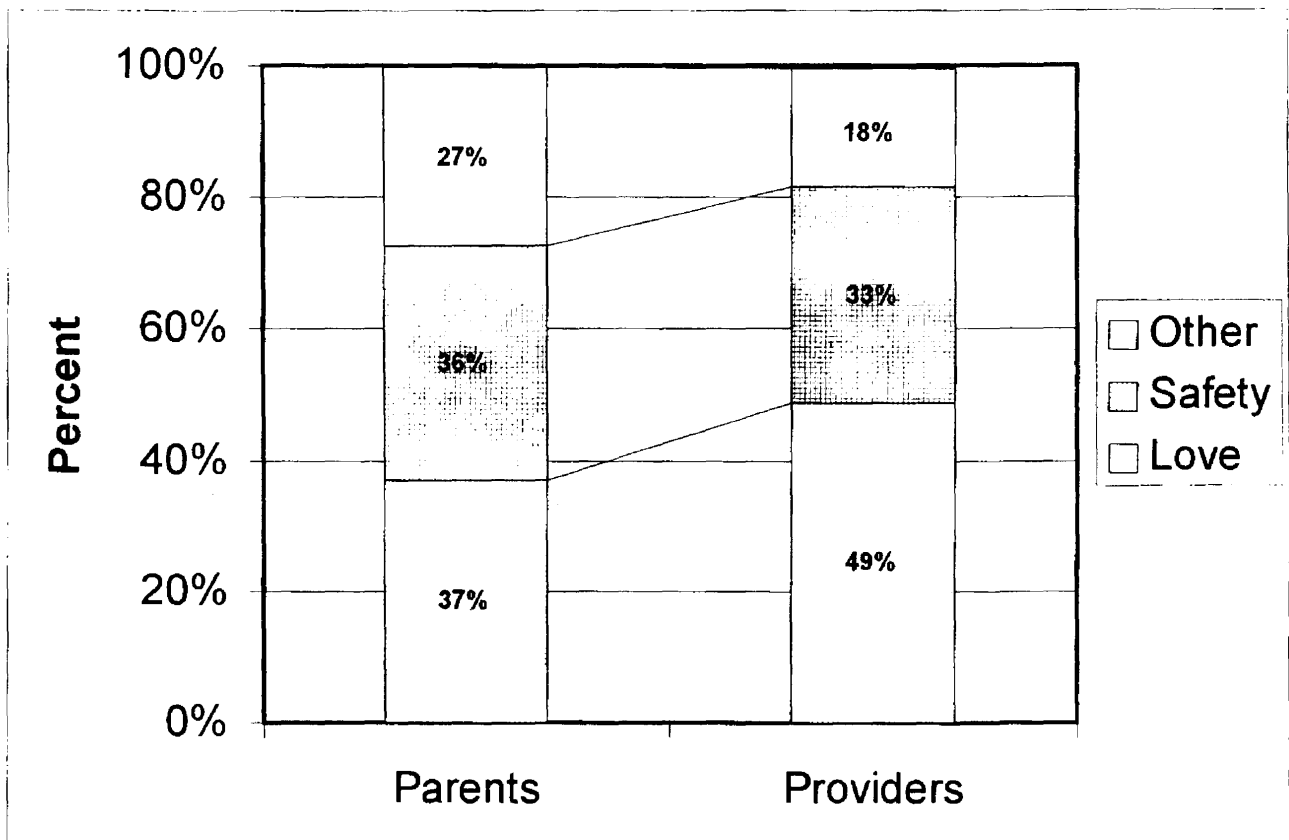
Figure 3: Please tell me whether you think each attribute tends to be important or unimportant on a scale of 1 to 5 with 1 being NOT AT ALL IMPORTANT and 5 being VERY IMPORTANT. You may use any number from 1 to 5. ¹¹



¹¹ This question provides valid responses from a random selection of at least 156 child care providers of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by plus or minus no greater than 7.8 percent.

Parents and child care providers were also both asked, “Of the reasons I’ve just mentioned, which one is MOST IMPORTANT to you in selecting quality childcare for your child/ in defining quality child care? Here, the responses are notable for several reasons. First, parents and providers agree on which attributes of quality are most important. The two leading attributes among both parents and child care providers are “loving and attentive care,” and “safety and security.” Parents are equally split on love/attentive care (37%) or safety/security (36%) as the most important attributes. Child care providers are more certain that loving and attentive care (49%) is most important, followed by safety and security (33%).

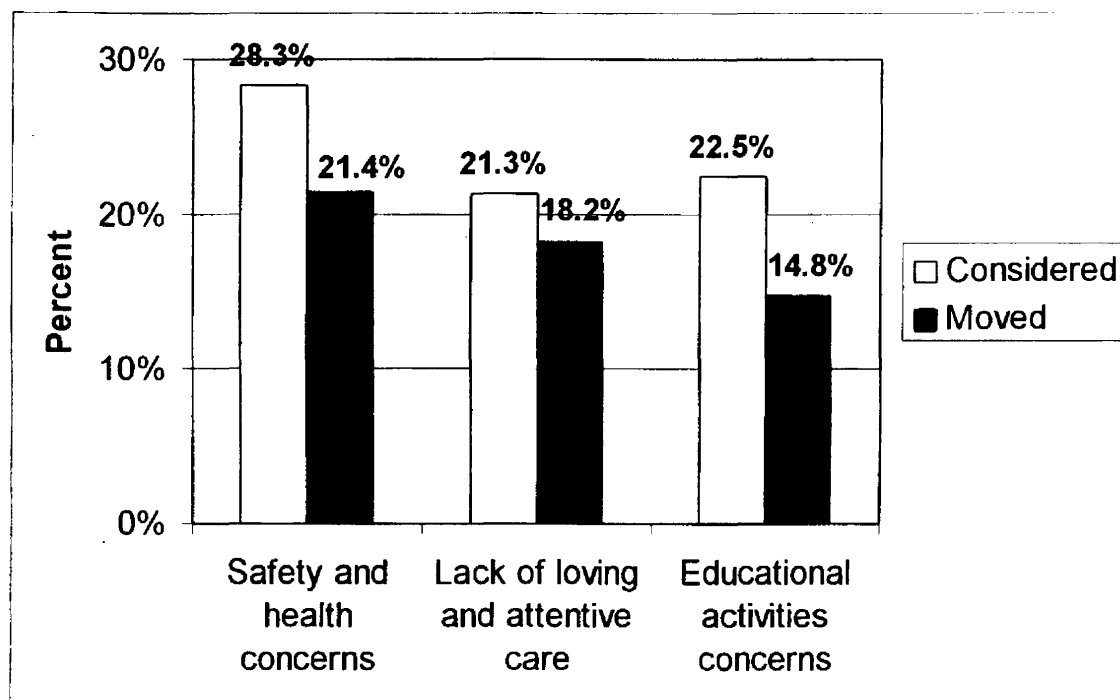
Figure 4: Of the reasons I've just mentioned, which one is MOST IMPORTANT to you in selecting quality childcare for your child.” and, “Of the reasons I've just mentioned, which one is MOST IMPORTANT to you in defining quality child care?”¹²



¹² This question provides valid responses from a random selection of 599 parents with children age six and under in a child care arrangement and 156 child care providers of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 2.7 percent for parents and plus or minus 7.8 percent for providers.

Parents were also asked a series of six questions measuring behavioral actions relating to three attributes of quality listed in earlier questions measuring the relative importance of each quality attribute. Parents were asked, “Have you ever *CONSIDERED* moving a child from a child care arrangement because you were concerned about the safety or health of the child?”, and “Have you ever *ACTUALLY MOVED* a child from a child care arrangement because you were concerned about the safety or health the child?” and , “Have you ever *CONSIDERED* moving a child from a child care arrangement because you were concerned about the quality of educational activities for the child?”, and “Have you ever *ACTUALLY MOVED* a child from a child care arrangement because you were concerned about the quality of educational activities for the child?” and , “Have you ever *CONSIDERED* moving a child from a child care arrangement because you were concerned about the lack of loving and attentive care for the child?”, and “Have you ever *ACTUALLY MOVED* a child from a child care arrangement because you were concerned about the lack of loving and attentive care for the child?” Figure 5 presents the findings from these questions.

Figure 5: Have you ever CONSIDERED MOVING/ACTUALLY MOVED a child from a child care because you were concerned about . . . ?¹³

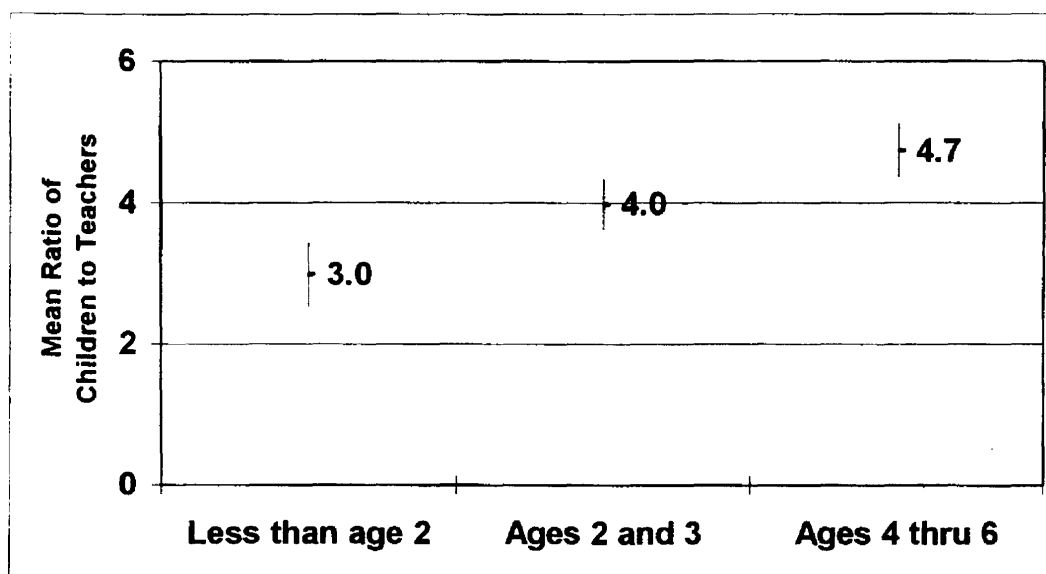


¹³ The “*considered moving*” question provides valid responses from a random selection of 622 parents with children age six and under in a child care arrangement. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 3.9 percent. The “*considered moving*” question provides valid responses from a random selection of at least 133 providers with children age six and under in a child care arrangement. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.7 percent.

The parent's behavioral responses as measured by this set of questions demonstrate a ranking consistent with the stated perceptions measured in earlier questions about the three attributes of quality (loving and attentive care, safety, and educational activities).

One of the attributes of quality included "*smaller number of children per caregiver*," commonly referred to as the child to teacher ratio. Based on parent's responses, the average child to teacher ratio across the entire sample was 4.3 children for every one teacher. We found that children under age two had an average child to teacher ratio of three to one; children age two and three had a four to one average child to teacher ratio; and children ages four through six had a child to teacher ratio of average of 4.7 to 1. Figure 6 show these ratios.

Figure 6: Mean Ratio of Children to Teachers by Age of Child According to Parent's Responses ¹⁴



Finally, we note that average ratio of children to teachers differs significantly among alternative types of care arrangement. For example, the mean ratio in Day Care Centers (5.4) exceeds the ratio in non-Center (3.6) by 1.8. The mean ratio for licensed providers (5.0) exceeds the ratio for non-licensed providers (3.2) by 1.8. The mean ratio for child care provided in a child's own home (2.5) is less than the ratio for children cared for outside a child's own home (4.6) by 2.1. All three of these ratio differences are statistically significant at the one percent confidence level.

¹⁴ The estimated average child to teacher ratio range for each age group is based on a 95% confidence interval. This means that 95 percent of the reported child to teacher ratios lie within the range represented by the vertical line.

Significant Regional Results

An analysis of regional differences with respect to child care quality produced no statistically significant findings. That is, the statewide findings reported above regarding parent satisfaction with quality and regarding the rankings of attributes of quality are statistically identical for all geographic regions in the Commonwealth. Therefore, we do not break out the results for quality by region.

Analysis of Results

These findings reveal several key elements about the market for child care. First, 95 percent of parents express satisfaction with the quality of services they receive. This suggests strongly that the existing combination of market forces and regulatory oversight works well from the standpoint of parents, the consumers of child care services.

Secondly, two key attributes of quality are the first consideration for parents of children age six and under seeking child care.¹⁵ These parents value “*loving and attentive care*” and “*safety and security*” above all attributes of quality identified in the focus group process. Seventy-three percent of all respondents with children in paid child care selected either “*loving and attentive care*” (37%) or “*safety and security*” (36%) as the most important attributes in selecting quality child care.

Moreover, child care providers reflect values similar to parents in evaluating quality child care. Eighty-two percent of child care providers selected “*loving and attentive care*” (49%) or “*safety and security*” (33%) as the most important attributes of quality child care. This mirroring of the most important attributes of quality on the part of providers suggests the quality attributes parents are seeking in the child care market are abundant.

Parents’ behavioral responses are consistent with stated preferences on the rank order of attributes of quality. For example, about 21 percent of parents with children age six and under in child care report that they had moved a child because of safety and health concerns. About 18 percent stated that they had moved a child from a care arrangement due to the lack of loving and attentive care. Finally, 13 percent of respondents replied that they had moved a child from a care arrangement due to educational activities concerns. Clearly, the key attributes were more likely to be cause for moving a child than one of the non-key attributes of quality.

¹⁵ See *An Assessment of the Quality, Affordability and Accessibility of Child Care in the Commonwealth of Virginia, Phase One: Parent and Provider Focus Groups (June 1999)*.

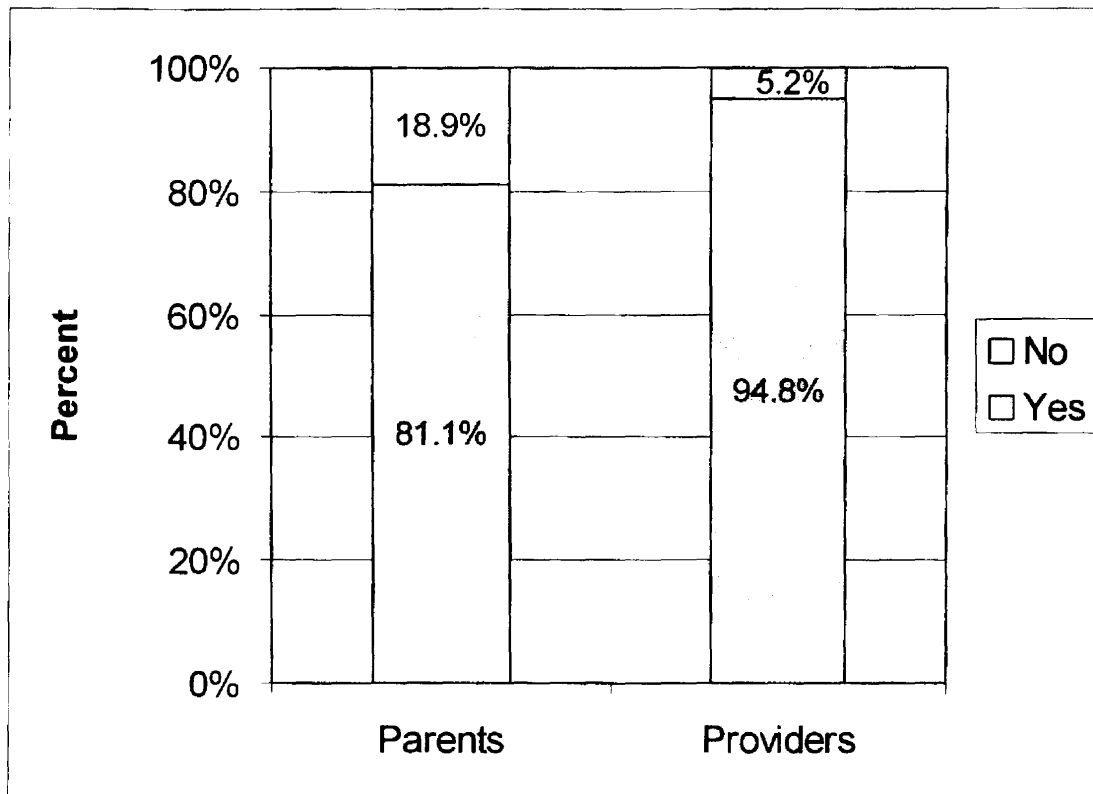
Section Two: Affordability

Statewide Results

We asked parents, “*Are you satisfied with the price of child care you currently pay?*” and providers were asked, “*Do you think parents are generally satisfied with the affordability of child care you provide?*” The first question was designed to measure parental satisfaction with the price they pay for child care services. Similarly, providers were asked in the second question to share their perceptions of parental satisfaction with regard to the affordability of child care.

More than four out of five parents (81.1 percent) report they are satisfied with the price they pay for child care. An even larger share of Virginia child care providers (94.8 percent) believe parents are satisfied with the price of child care.

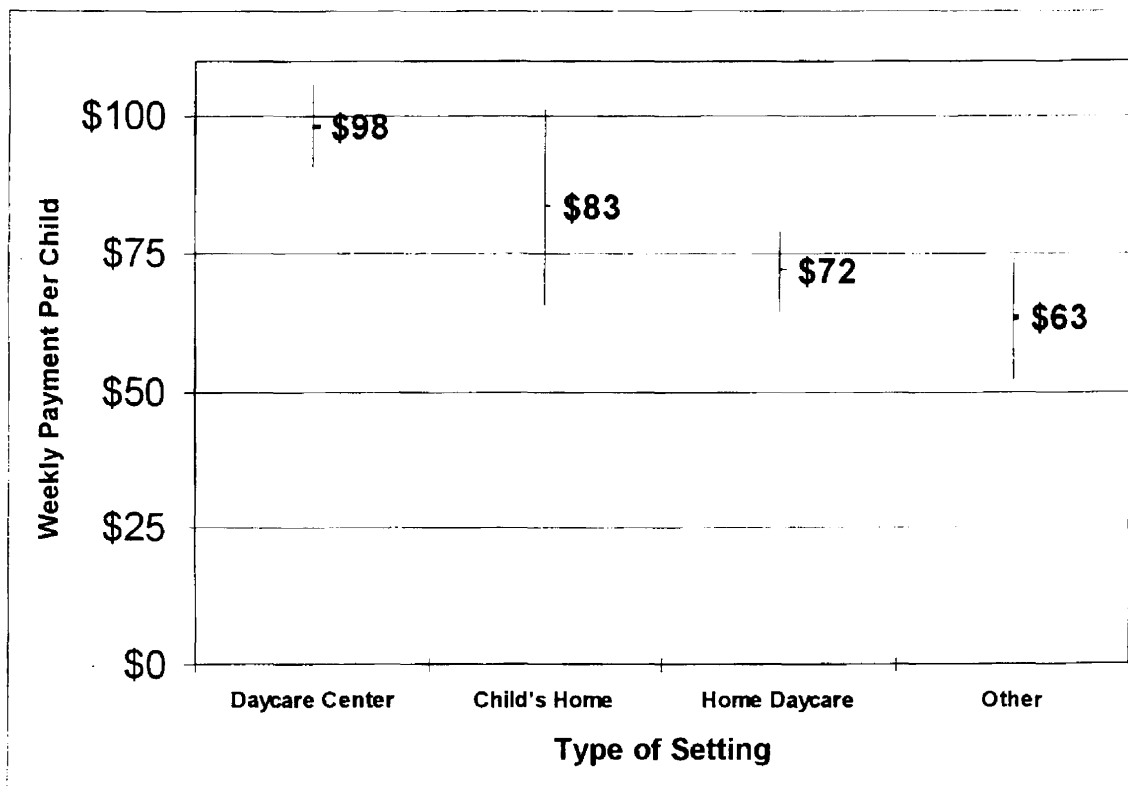
Figure 7: “Are you satisfied with the PRICE of child care you currently pay?” and “Do you think parents are generally satisfied with the AFFORDABILITY of child care you provide?”¹⁶



¹⁶ This question provides valid responses from a random selection of 610 parents with children age six and under in a child care arrangement and 116 child care providers of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by plus or minus 4.0 percent for parents and plus or minus 3.9 percent for providers.

Parents were asked, “*What is the total amount you pay for child care each week?*” The response represents the household amount paid for ALL children age six and under in child care. We adjust the total household amount paid to a per child amount, and report the results in Figure 8. The average (mean) value for all settings is \$84 per week. In addition, the survey documented four types of paid settings: “daycare centers,” “care in the child’s home,” “care in a home other than the child’s,” and “other.”¹⁷ Among these four settings the average weekly payments range from \$63 per week for the “Other” category to \$98 for daycare centers. The vertical lines above each label in Figure 8 represent the estimated range of per child payments for each setting.¹⁸ The tick mark in the middle is the average (mean) weekly payment per child.

Figure 8: What is the total amount you pay for child care each week?



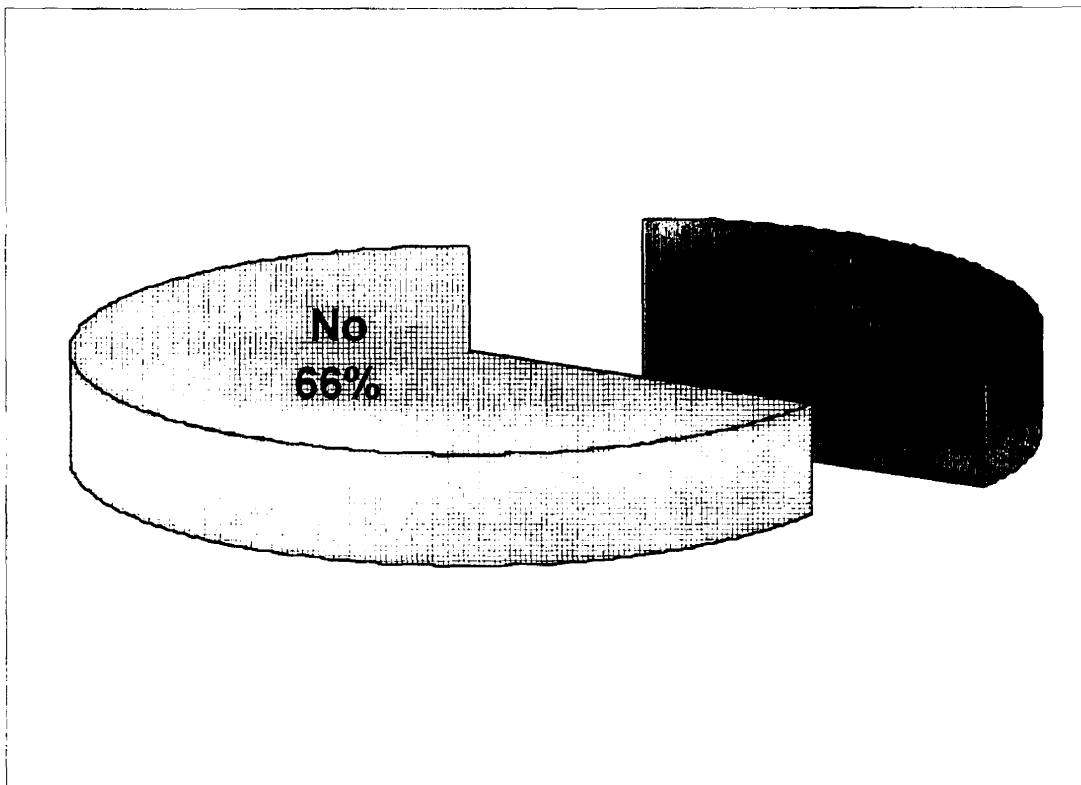
We asked parents, “*Based on your income today, would you be willing to pay more if the number of children were reduced by one, an action that would ideally give your child*

¹⁷ “Other” settings could include the public schools or other non-traditional settings.

¹⁸ The estimated range for each child care setting is based on a 95% confidence interval. This means that 95 percent of the reported payments per week lie within the range represented by the vertical line.

more attention?” Only about one-third of parents indicated a willingness to pay more for a lower child to teacher ratio. Moreover, two-thirds of parents express no willingness to pay more for a reduction in child-to-teacher ratios. In light of our regression model results described in the analysis section of this chapter (the price of child care is highly inelastic), these results provide an additional indication that most parents are satisfied with their existing provider arrangements. Figure 9 illustrates this split in preferences.

Figure 9: “Based on your income today, would you be willing to pay more if the number of children were reduced by one, an action that would ideally give your child more attention?”¹⁹

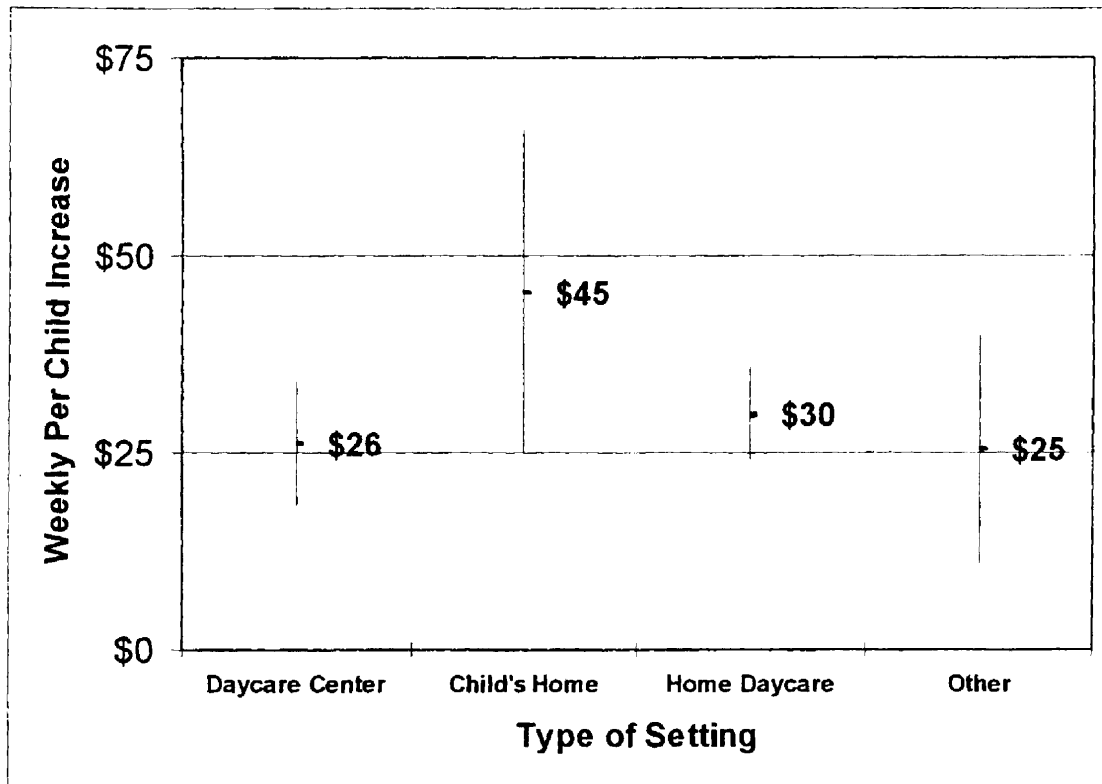


As a follow-up question, parents stating they would be willing to pay more for a lower child to teacher ratio were asked, “*If the number of children were reduced by one, an action that would ideally give your child more attention, how much more would you be willing to pay per week?*” The average amount parents would be willing to pay per week

¹⁹ This question provides valid responses from a random selection of 538 parents with children age six and under in a child care arrangement. Chances are 95 in 100 that the real population response lies in the range defined by plus or minus 4.2 percent.

for a lower child to teacher ratio across all settings was about \$30. Parents paying to have their child cared for in the child's own home reported being willing to pay the most for a lower child to teacher ratio at about \$45 per week. Parents with their child in a day care home reported being willing to pay the most for a lower child to teacher ratio at about \$30 per week.

Figure 10: If the number of children were reduced by one, an action that would ideally give your child more attention, how much more would you be willing to pay per week? ²⁰



We explore the influence of child to teacher ratios and other factors on child care prices and on the quantity of child care demanded using multivariate regressions in both the *Analysis* section and the *Significant Regional Results* section below.

Analysis of Results

The price-quality mix in Virginia's child day care market appears to be roughly in competitive equilibrium. Four out of five parents express "satisfaction" with the price they

²⁰ The estimated range for each child care setting is based on a 95% confidence interval. This means that 95 percent of the reported weekly per child increase in payment lies within the range represented by the vertical line.

pay for child care services, perhaps a surprising result in any market-setting given the natural proclivity to desire "more for less." Moreover, two-thirds of parents express no willingness to pay more for a reduction in child-to-teacher ratios, a sign of satisfaction with their existing provider arrangements. Again, we take these findings with respect to affordability as evidence that the existing market process and regulatory regime functions well from the perspective of Virginia parents.

Importantly, the above results are subject to a potential "selectivity bias." Namely, these parent responses reflect the views of those who currently purchase child day care services. If, for example, income were a barrier to purchasing child day care, poor parents would be excluded from this market. The data sample would not reflect their views, views more likely to express concerns over the affordability of child care.

By design, the parent survey also interviewed parents that did not use a paid child care provider as well as those parents that did. This feature of the survey instrument allows us to compare analytically the characteristics of children and families that do and do not use paid providers. We employ multivariate regression analysis for this purpose.

Table 4 presents the results from the regression analysis that seeks to explain the broad parental child care choice: whether to use a child care provider or not (at least two days a week).²¹ The analysis evaluates the impact of nine factors, and we describe the results in the order shown in Table 4. The coefficients in Table 4 indicate the impact of the variables on the probability that a child received child care from someone other than the parent at least two days a week.

²¹ Because the dependent variable in this model reflects a binary choice (Yes or No), a Probit model is the appropriate regression technique. The survey generated 987 responses that included data for all the variables used in this Probit regression analysis; of these, 458 parents responded "yes" (*i.e.*, 46 percent used a non-parent provider) and 529 responded "no" (54 percent did not use a non-parent provider).

Table 4. "During the past school year, did any of your children receive childcare, either outside or at their home, at least two days a week by someone other than the parent?" (458 yes, 529 no)

Dependent Variable = 1 if used a provider at least two days a week, and =0 otherwise ^a

Independent Variables	Estimated Coefficients ^c
Single Parent (=1 if Yes, =0 if No)	0.48
	(3.84) **
Number of Children age six and under	-0.32
	(-5.39) **
Family Size, excluding children age six and under	-0.32
	(-6.53) **
Ln (Annual Family Income) ^a	0.32
	(4.44) **
Education Level of Parent ^b (=1 if BA degree or higher, =0 otherwise)	-0.08
	(-0.86)
Provider / Child Care Worker ^b (=1 if Yes, =0 if No)	0.77
	(3.26) **
Asian (=1 if Yes, =0 if No)	-0.79
	(-2.34) *
African American (=1 if Yes, =0 if No)	0.12
	(1.03)
Hispanic (=1 if Yes, =0 if No)	-0.14
	(-0.56)
Constant	-2.34
	(-2.99) **
Log-likelihood Function	-623
Sample Size	987

Explanatory Notes to Table 4:

^a Refers to responses to Parent Questionnaire # 3A: "During the past school year, did any of your children receive childcare, either outside or at their home, at least two days a week by someone other than the parent? (458 yes, 529 no)

^a Ln stands for the natural logarithmic transformation of the variable.

^b Pertains to the parent self-identified as responsible for the family's child day care decisions.

^c t-statistics are shown in parentheses under the coefficient values, where:

** indicates significance at the one-percent level of confidence, and

* indicates significance at the five-percent level of confidence.

The single most important determinant of selecting a paid provider is the marital status of the parent. Single parents are 48 percent more likely to use a day care provider than non-single parents, holding other factors the same.²² The number of children in the household age six and under is negatively correlated with the decision to select paid child care. This means that families with multiple young children (six and under) are more likely to rely on non-paid arrangements than families with only one young child. The variable for family size (excluding those age six and under) also exhibits a significantly negative correlation. This probably reflects the fact that as the number of older siblings increases, the within-family options for child care increase, thus reducing the need for outside providers.

The education level of the parent identified as responsible for child care decisions shows no statistically significant effect on this child care decision. Parents who are child care providers or workers, however, are significantly more likely to have their child in a child care setting. The model includes three variables controlling for the race or ethnicity of the family: Asian, African American, and Hispanic. The results indicate that only the variable for Asian families is statistically significant, and the estimated magnitude of the effect is quite large: Asian families are 79 percent less likely to use non-parental child care arrangements than non-Asian families.

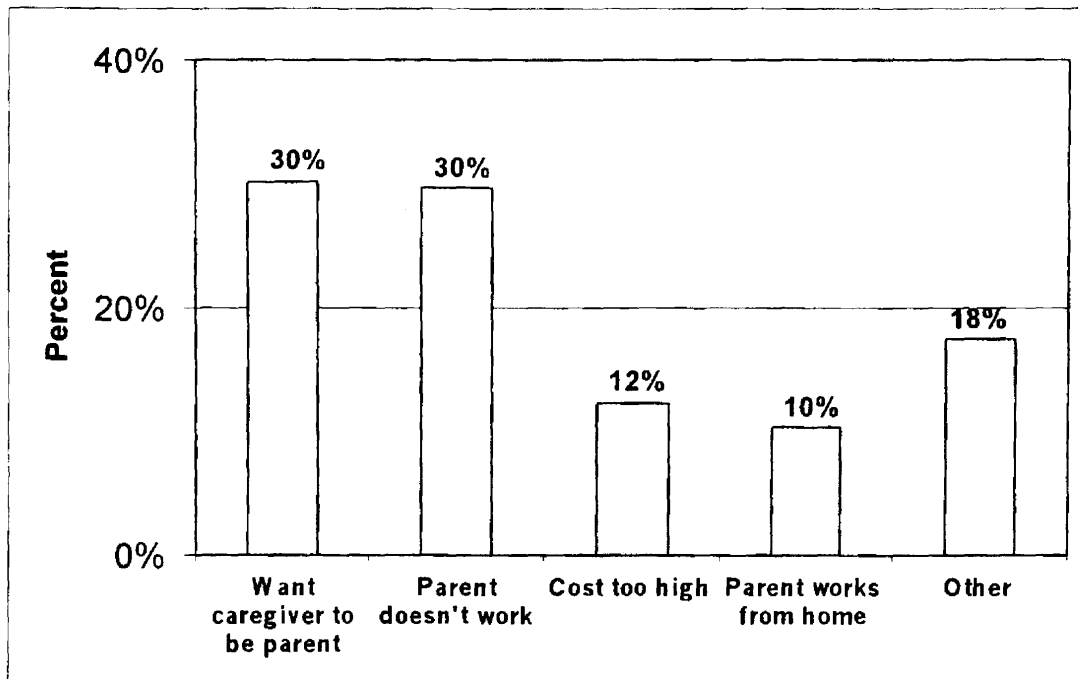
Importantly, the analysis indicates that household income significantly affects the child care decision: households with higher incomes are more likely to select paid child day care than lower income families. Based on the estimated coefficient reported in Table 4, a 10 percent increase in income raises the probability of selecting paid child day care by 3.2 percent. As noted above, this suggests that income may be a potential barrier to child care services.

Is income a major barrier to child care opportunities? Alternatively, to what extent does the decision by parents to care for their own children reduce their income? For example, one parent may exit the labor force to stay at home with the child, a choice that obviously would reduce household income.

We explore these alternative explanations with reference to question # 3b in the Parent Survey. This question asks parents not participating in the child care market: "*Which of the following best describes the primary reason why your child(ren) is(are) NOT in a child care arrangement? [cost of child care is too high, currently on leave from job, child care providers not available in your community, inconvenient child care hours, not satisfied with the quality of child care, parent doesn't work, parent works at home, transportation to and from daycare unavailable, want primary caregiver to be a parent, and other.]*" Figure 11 summarizes the responses.

²² A key advantage of multivariate regression analysis is that it evaluates the "partial" effect of one factor while controlling for other variables, that is, "holding them constant". As an illustration, a single parent is 48 percent more likely to use child day care for a given level of income, family size, ethnicity, and so on.

Figure 11: “Which of the following best describes the primary reason why your child(ren) is(are) NOT in a child care arrangement?”²³

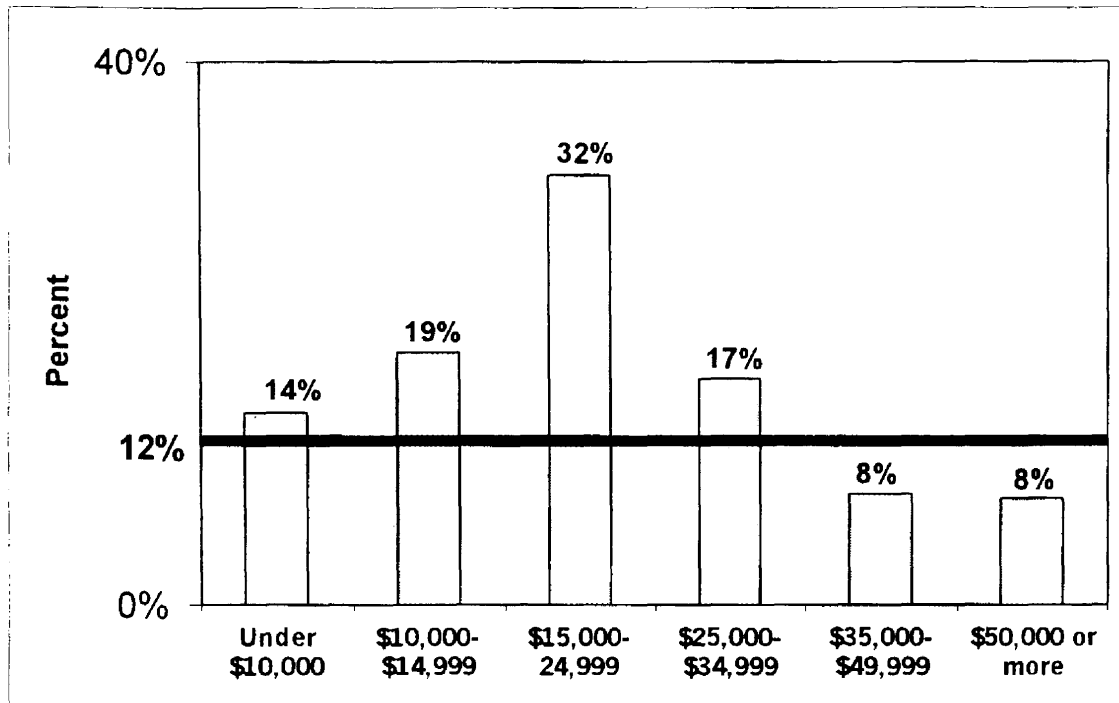


As Figure 11 indicates, 12 percent of the households that did not select paid providers cite "cost" as the most important factor. This suggests that income may be a significant barrier for about 7 percent of households with children age six and under—that is—12 percent of the 55 percent of households with children age six and under that do not use paid child care.

We find that respondents who do not participate in the child care market with household income ranging between \$15,000-\$24,999 have a significantly higher share of responses (32%) that the cost of child care is the primary reason why they are not in the child care market. As the thick black line in Figure 12 shows, the sample-wide share of respondents not in the child care market and citing a lack of affordability is 12 percent. This finding is consistent with the regression analysis reported in Table 4. It also identifies which household income group is more likely to perceive a lack of affordability in the child care market than other income groups.

²³ This question provides valid responses from a random selection of 764 parents with children age six and under and not in a child care arrangement. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 3.0 percent.

Figure 12A: Percentage of Parents Not in Child Care Market With Primary Reason for Absence Being Cost of Child Care Too High by Income Category ²⁴

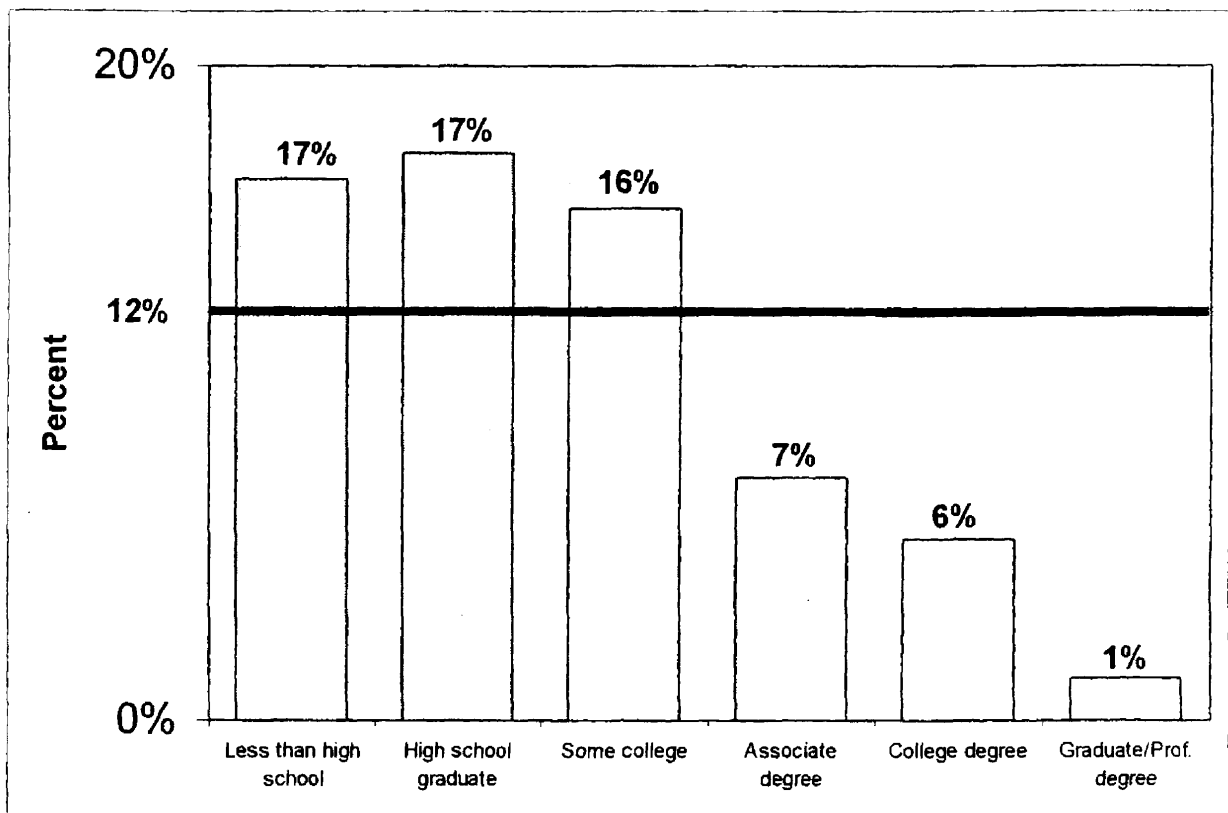


However, these findings raise more questions about policy considerations on behalf of this income group. What, if any, dimensions account for the perceptions of Virginians in this income bracket who did not report the high cost of child care as the primary reason for not participating in the child care market (about 70%) compared to those who perceive child care services as unaffordable (about 30%)? Are these dimensions behavioral and can they be remedied through educational or outreach programs? Are the dimensions chronic or life-cycle related and can government programs be targeted efficiently? Are there no identifiable dimensions? What is the likelihood that any particular government action will disrupt an efficient child care market? For example, the perception of lack of affordability could be due, in part, to other factors such as inexperience with the child care market, lack of education/skills valued in the labor market, lack of basic budgeting skills, etc. This line of thought is supported by the parent responses provided in Figure 12B. Figure 12B shows that about 17 percent of households with children age six and under with parents having educational attainment levels of some college or less are more likely to report that the high cost of child care is the primary reason they do not participate in the child care market compared to households with parents having attained higher educational

²⁴ The Pearson's chi square has a significance level of less than .001. If there were no relation between income category and perception of lack of affordability, the probability of obtaining discrepancies as large or larger as we see in our sample would be less than 0.1 percent. It is very unlikely that this large a sample difference between income groups would be obtained if there were no differences in the population.

attainment. A wealth of social research suggests education and income are clearly related. Parents who value education may be less likely to find child care unaffordable. Therefore, it may be more socially efficient to identify and develop public policies to address root causes of low incomes rather than providing a cash subsidy.

Figure 12B: Percentage of Parents Not in Child Care Market With Primary Reason for Absence Being Cost of Child Care Too High by Educational Level ²⁵



In any event, our findings suggest policy approaches relating to addressing affordability for a narrow population of Virginians rather than policies relating to the efficiency of the market. For example, child care subsidies might provide relief for these families, allowing them to make choices from available market opportunities. This marginal course of action differs markedly from a policy that advocates government provided child care programs.

²⁵ The Pearson's chi square has a significance level of less than .001. If there were no relation between income category and perception of lack of affordability, the probability of obtaining discrepancies as large or larger as we see in our sample would be less than 0.1 percent. It is very unlikely that this large a sample difference between income groups would be obtained if there were no differences in the population.

In the parent survey responses as well as in the earlier focus group responses we find a prevailing sentiment: "price does not matter." In the jargon of economists, this connotes a highly inelastic demand. This expressed sentiment appears at odds with most consumption activities; few choices in life appear to be unresponsive to price. The empirical question thus centers on the degree to which choices respond to price. We now turn to investigate this issue more rigorously by estimating the relevant demand function for child day care services in Virginia. Here we seek to explain the quantity of child day care services consumed (by an individual family) as a function of the usual factors that influence consumer demand such as the unit price of the service and consumer income. This approach reveals the price elasticity and the income elasticity, the responsiveness in the quantity of child day care services consumed to these factors.

The dependent variable in the regression is the quantity of child day care services consumed, measured as the number of hours per week that a child is in child day care. We measure the price of child day care services as the hourly rate, simply dividing the reported weekly payments per child by the number of hours per week. The demand equation includes nine other explanatory variables: Household Income, Single Parent Household, Education Level of Parent, Age of the Child in Child Day Care, Number of Children Age six and Under in the Household, Family Size (excluding Children Age six and Under), and three variables for family ethnicity: Asian, African American, and Hispanic.

Table 5 provides the regression results for the demand equation. First with regard to price, the evidence indicates an inelastic relationship, equal to -0.43 , generally consistent with the views expressed in the survey.²⁶ In essence, consumption patterns respond to price but less than proportionately. For example, a 10 percent increase in price results in a 4.3 percent decrease in the number of hours in care per week. To put the magnitude of this relationship in perspective, we illustrate the predicted responsiveness using the sample mean value for the number of hours in day care, which equals 34 hours per week. A 4.3-percent decrease evaluated at the sample mean amounts to a reduction of roughly one hour and 27 minutes per week. To state this relationship in the reverse, suppose the price of all day care in Virginia were reduced by 10 percent across the board. The projected effect would be to increase day care hours by one hour and 27 minutes per week. As expressed in the survey responses, price appears to play a relatively minor role in the determining the amount of time children are placed in day care settings.

With regard to income, the estimated elasticity is 0.13; a 10 percent increase in income results in a 1.3-percent increase in the number of hours in care per week. A 1.3-percent increase evaluated at the sample mean equals roughly 26 minutes per week, an even smaller effect than estimated for price. Here again, this relatively small effect suggests that differences in income among families play a minor role in the amount of time children are placed in day care settings.

²⁶ Note that the variables are entered into the regression equation as natural logarithmic transformations. This procedure means that the coefficients reflect the effect of percentage changes in the independent variables on percentage changes in the dependent variable, which by definition yields an elasticity.

Table 5. The Demand for Child Care

Dependent Variable = Ln (Number of Hours per Week in Child Day Care) ^a

Independent Variables	Estimated Coefficients ^d
Ln (Price per Hour for Day Care) ^a	-0.43
	(-5.92) **
Ln (Annual Family Income) ^a	0.13
	(3.12) **
Single Parent Household (=1 if Yes)	0.16
	(2.75) **
Education Level of Parent ^b (=1 if BA degree or higher, =0 otherwise)	-0.01
	(-0.19)
Age of Child in Care (six and under)	-0.01
	(-0.31)
Number of Children age six and under	0.02
	(0.26)
Family Size, excluding children age six and under	0.001
	(0.04)
Asian	-0.30
	(-0.51)
African American	0.02
	(0.34)
Hispanic	0.18
	(1.35)

Explanatory Notes to Table 5:

- ^a Ln stands for the natural logarithmic transformation of the variable.
- ^b Pertains to the parent self-identified as responsible for child day care decisions.
- ^c Sample includes all respondents that have one child age six and under in child day care at least two days per week.
- ^d t-statistics are shown in parentheses under the coefficient values, where:
 - ** indicates significance at the one-percent level of confidence, and
 - * indicates significance at the five-percent level of confidence.

In Table 5, the variable on single parent households is positive and significant, indicating that children in these households are placed on day care 16 percent longer than non-single parent households. The Education Level of Parent variable exhibits no significant relationship to child care hours. Likewise, the Age of the Child, the Number of Children Age six and Under, and Family Size (excluding children age six and under) show no significant effect on the demand for child care in Table 5. The variables controlling for family ethnicity (Asian, African American, Hispanic) also prove to be insignificant.

A related issue regarding the demand for child day care services concerns the type of care setting selected by parents. We investigate the factors that go into this parental choice again using multivariate regression analysis. These results are displayed in Table . There we show regression models that analyze seven different types of settings: Day Care Center, Licensed Provider, In Home, Relative, Relative In Home, Outside Home (non-Center), and Relative Outside Home (non-Center). These categories are largely self-explanatory, but we should clarify that the "Outside Home" setting does not include care in a Day Care Center. In each regression model the dependent variable is equal to one if the parent selects that setting for the child and equal to zero otherwise. As in Table 5, the use of binary dependent variables makes Probit regression the appropriate technique.

The regressions examine the influence of five factors: the age of the child, marital status of the parent ("Single Parent"), household income, education level of the parent, and ethnicity. We summarize the impact of each factor in turn.

Age of the Child. Age is positively correlated with In Home, and Relative In Home, and negatively correlated with Outside Home and Relative Outside Home. In other words, older children are more likely to receive care in their own home than younger children (by a relative or otherwise); younger children are more likely to be receive care outside their own home than older children (by a relative or otherwise). Age exhibits no significant influence on whether other settings are selected, *e.g.*, Centers, Licensed Providers, or Relatives *per se*.

Single Parent. Interestingly, while marital status proved to be one of the most significant determinants of whether a child is placed in day care and the number of hours a child is in care, this variable shows no significant effect with regard to the type of setting selected. The coefficient is not significant in any of the seven regression models.

Household Income. None of the coefficients on the Income variable are significant. This implies that the choice of a care setting is unrelated to household income.

Education Level of Parent. This factor is significant in two models. Parents who have attained a BA degree of higher are more likely to place their child in a Day Care Center than parents with less formal education. In addition, parents who have attained a BA degree of higher are less likely to place their child in the care of a relative outside the home than parents with less formal education.

Ethnicity. Of the three variables that control for ethnicity (Asian, African American, and Hispanic) only one coefficient turns out to be statistically significant. Hispanics are significantly more likely than non-Hispanics to have child care provided by a relative in their own home.

TABLE 6. FACTORS THAT INFLUENCE THE TYPE OF CHILD DAY CARE SETTING SELECTED

Dependent Variable is the "Type of Setting" selected (=1 if child is cared for two days a week in a particular setting, and =0 if not)

Independent Variables	Dependent Variables						
	Day Care Center	Licensed Provider	In Home	Relative	Relative In Home	Outside Home	Relative Outside Home
Age of Child in Care (6 and under)	0.06 (1.32)	0.04 (1.01)	0.15 (2.59) **	-0.03 (-0.67)	0.25 (2.90) **	-0.18 (-4.04) **	-0.13 (-2.54) **
Single Parent (=1 if Yes)	0.25 (1.28)	0.14 (0.71)	0.19 (0.75)	-0.14 (-0.71)	-0.16 (-0.44)	-0.29 (-1.45)	-0.30 (-1.27)
Ln (Annual Family Income) ^a	0.08 (0.52)	0.16 (1.16)	0.02 (0.12)	-0.03 (-0.20)	-0.11 (-0.42)	-0.06 (-0.42)	-0.13 (-0.79)
Education Level of Parent ^b (=1 if BA degree or higher, =0 otherwise)	0.35 (2.11) *	0.21 (1.31)	0.05 (0.24)	-0.34 (-1.93)	0.03 (0.09)	-0.32 (-1.90)	-0.51 (-2.41) *
Asian	-0.22 (-0.30)	0.17 (0.22)	-7.40 (-0.00)	0.43 (0.57)	-7.10 (-0.00)	0.08 (0.11)	1.01 (1.36)
African American	0.26 (1.37)	0.09 (0.49)	-0.002 (-0.01)	0.34 (1.78)	0.19 (0.62)	-0.12 (-0.65)	0.16 (0.76)
Hispanic	0.24 (0.49)	0.51 (1.01)	1.00 (1.95)	0.84 (1.73)	1.50 (2.76) **	-8.42 (-0.00)	-7.42 (-0.00)
Constant	-1.64 (-1.01)	-1.96 (-1.27)	-2.09 (-0.99)	-0.06 (-0.04)	-1.49 (-0.49)	1.28 (0.79)	1.10 (0.61)
Log-likelihood Function	-198	-215	-106	-185	-56	-192	-131
Sample Size	309	317	309	317	316	309	316

Explanatory Notes:

Refers to responses to Parent questionnaire # 3A: During the past school year, did any of your children receive childcare, either outside or at their home, at least two days a week by someone other than the parent? (458 yes, 529 no)

^a Ln stands for the natural logarithmic transformation of the variable.

^b For to the parent self-identified as responsible for the family's child day care decisions.

^c Sample includes all respondents that have one child age six and under in child day care.

^d t-statistics are shown in parentheses under the coefficient values, where:

** indicates significance at the one-percent level of confidence, and

* indicates significance at the five-percent level of confidence.

Significant Regional Results

The results for the Regional variables in Table 7 provide evidence of significant geographic variation in the quantity of child care consumed. The omitted region is Northern Virginia (its effect is reflected in the regression Constant term), and therefore the regional variable coefficients in Table 3 reflect the difference in day care hours in each region relative to Northern Virginia. For example, the estimated regression coefficient in Table 4 for the Southwest Region is -0.31 (which is statistically significant at the one-percent level of confidence). This estimate implies that in Southwest Virginia the typical child (in day care) spends 31 percent fewer hours in day care than the typical (day care) child in Northern Virginia. In addition to Southwest Virginia, three other regions appear to differ significantly from Northern Virginia with respect to number of hours in day care: the Shenandoah Region, the Central Region, and the Richmond Region. The largest difference appears in the Shenandoah Region, where the typical day care child spends 42 percent fewer hours in day care than the typical day care child in the Northern Virginia Region.

Table 7
Regional Differences in Hours per Week in Child Day Care

Dependent Variable = Ln (Number of Hours per Week in Child Day Care) ^a

Regional Variables	Estimated Coefficients ^d
Southwest Region	-0.31
	(-3.10) **
Shenandoah Region	-0.42
	(-2.53) *
Central Region	-0.26
	(-2.33) *
Southside Region	-0.20
	(-1.93)
Richmond Region	-0.22
	(-2.00) *
Eastern Region	-0.13
	(-1.36)
Tidewater Region	-0.15
	(-1.77)
Constant (Northern VA Region)	2.54
	(5.15) **
Adjusted R-squared	0.22
F-statistic	5.25 **
Sample Size ^c	257

Explanatory Notes to Table 7:

^a Ln stands for the natural logarithmic transformation of the variable.

^b Pertains to the parent self-identified as responsible for child day care decisions.

^c Sample includes all respondents that have one child age six and under in child day care at least two days per week.

^d t-statistics are shown in parentheses under the coefficient values, where:

** indicates significance at the one-percent level of confidence, and

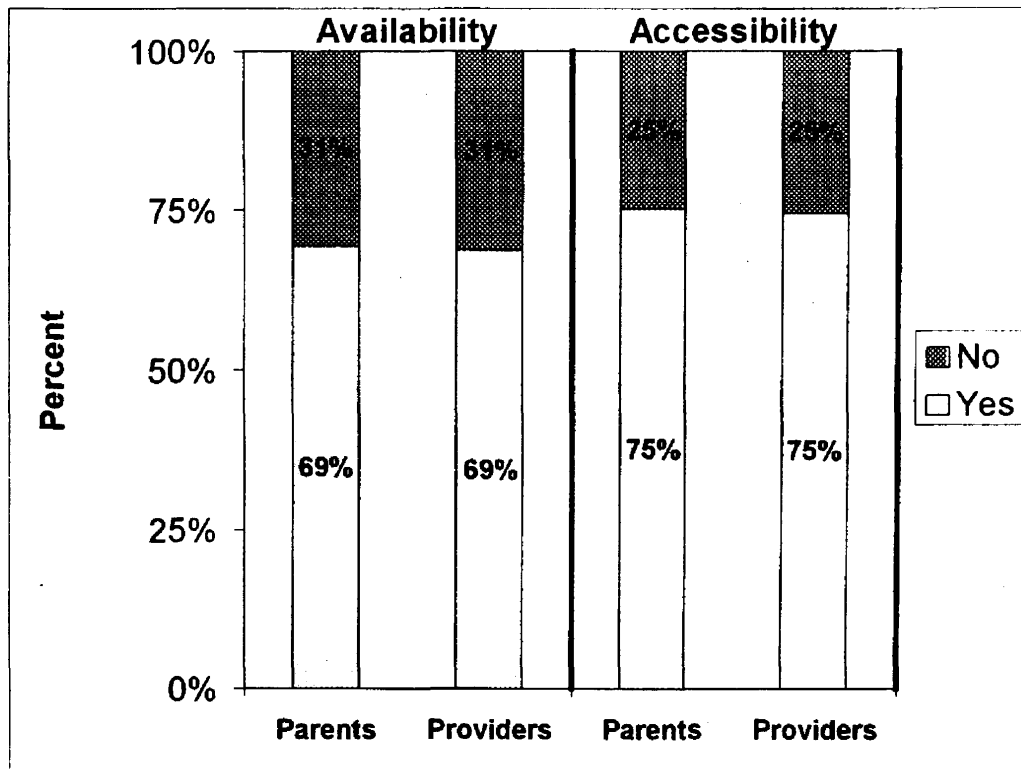
* indicates significance at the five-percent level of confidence.

Section Three: Accessibility and Availability

Statewide Results

We asked parents, “Are you satisfied with the availability of child care in your area?” and, “Are you satisfied with the accessibility of child care in your area as it relates to your situation?” Providers were asked, “Do you think parents are generally satisfied with the availability of child care in your area?” and, “Do you think parents are generally satisfied with the accessibility of child care in your area?” The parent survey questions were designed to measure parental satisfaction with the availability and accessibility of their child care. Similarly, providers were asked to share their perceptions of parental satisfaction with the availability and accessibility of child care providers in the local area. Figure 13 provides the results of these questions.

Figure 13: Are you/your parents . . . satisfied with the availability of child care in your area? Are you/your parents . . . satisfied with the accessibility of child care in your area? ²⁷

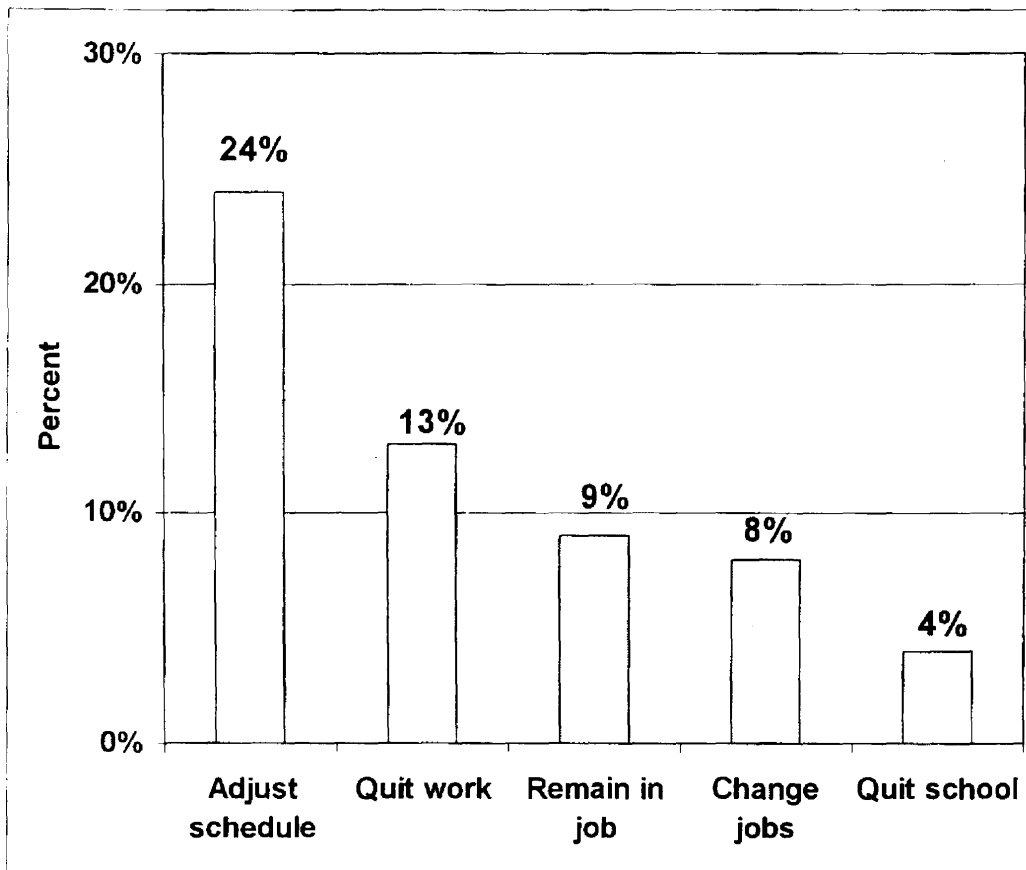


²⁷ This question provides valid responses from a random selection of at least 603 parents with children age six and under in a child care arrangement and 113 child care providers of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by plus or minus 3.2 percent for parents and plus or minus 8.4 percent for providers.

About seven of ten parents report being satisfied with the availability of child care in their area. About three of four parents report being satisfied with the accessibility of child care in their area. Provider perceptions of parental satisfaction mirror parent perceptions on both questions about availability and accessibility.

We asked parents, “Have you ever taken one of the following actions due to lack of access to child care? [Adjust your work schedule; Change jobs; Quit working; Quit school; Remain in a job you wanted to leave.]” The most common action taken due to lack of access to child care was for parents to adjust their schedules (24%). The second most common action was to quit work (13%). Fewer than one in ten parents took each remaining action including remaining in a job they wanted to leave (9%), change jobs (8%), and quit school (4%). Figure 14 shows the results related to the question.

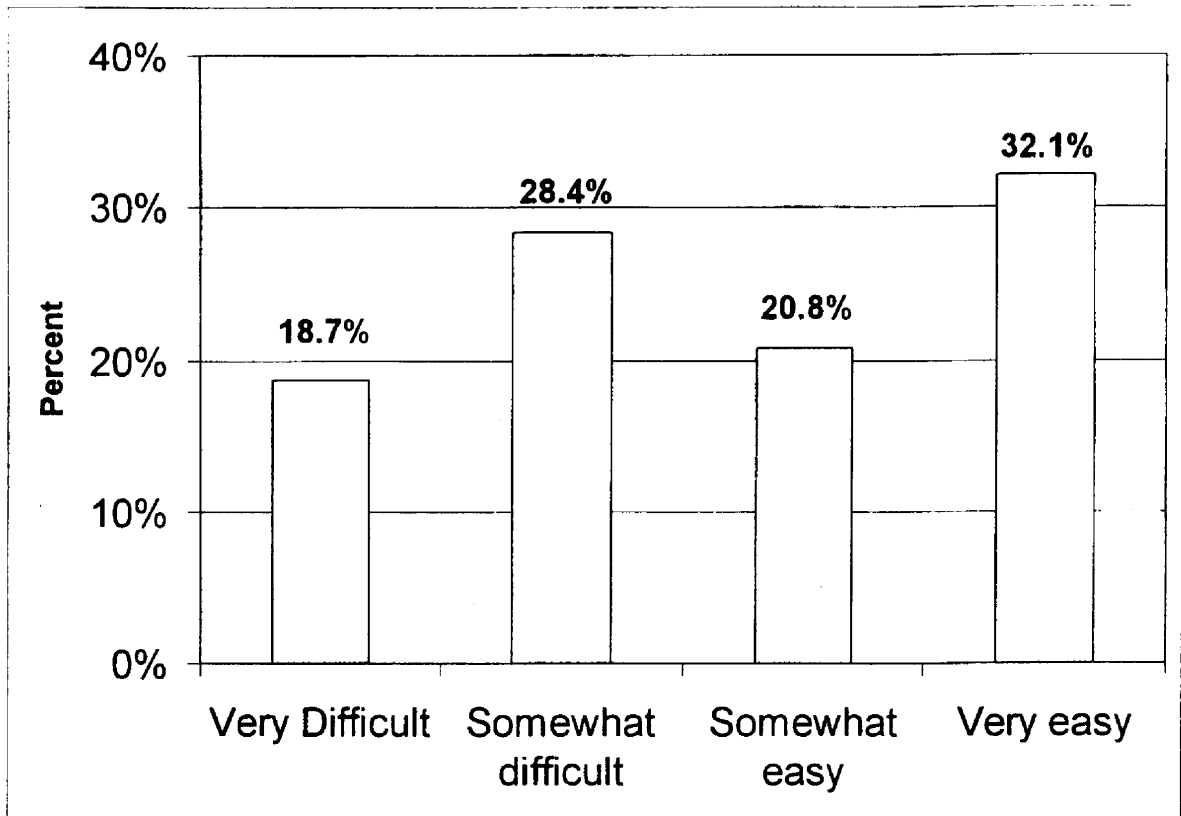
Figure 14: “Have you ever taken one of the following actions due to lack of access to child care?”²⁸



²⁸ This question provides valid responses from a random selection of at least 902 parents of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 2.9 percent.

Parents were also asked, “How difficult or easy would you say your search was for an appropriate child care arrangement?” Parents’ responses were evenly split with 50 percent stating that the search was easy and 50 percent that the search was difficult. Only one in five parents said that the search for child care was very difficult. About a third of parents reported that their search for child care was very easy. Figure 15 summarizes the results from this question.

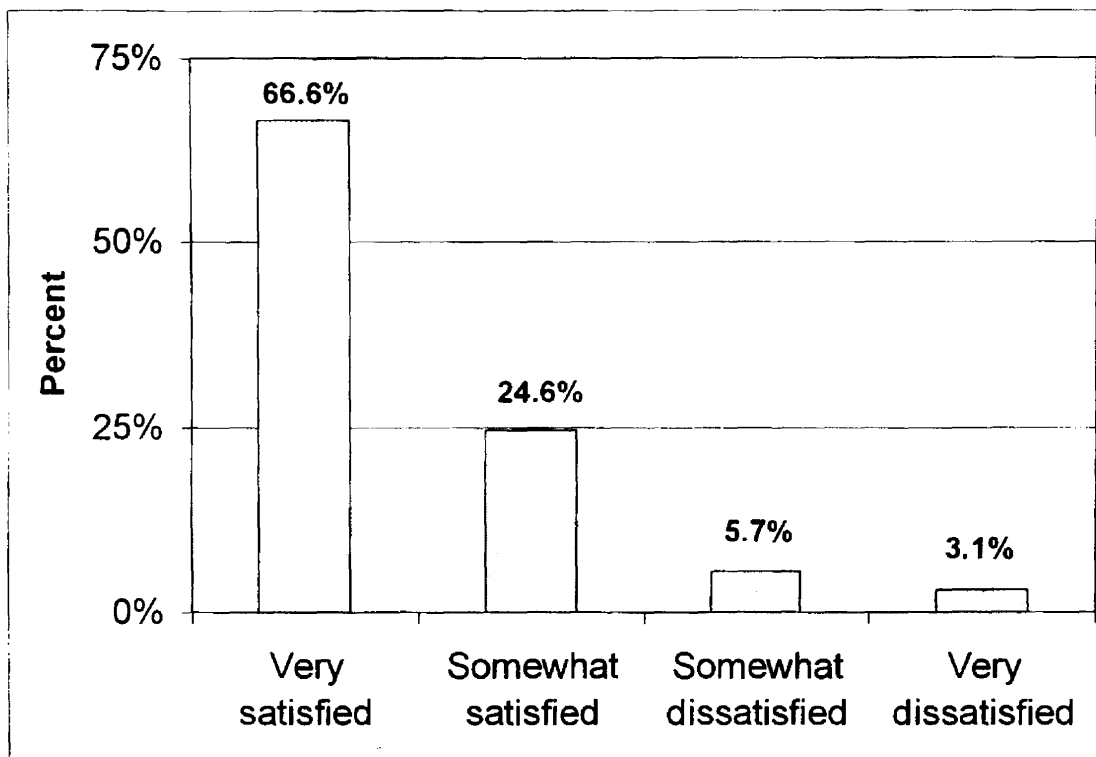
Figure 15: “How difficult or easy would you say your search was for an appropriate child care arrangement?”²⁹



²⁹ This question provides valid responses from a random selection of 616 parents of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 3.9 percent.

We asked parents, “Would you say you are . . . (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied). . . with the driving time to and from your child care arrangement?” Over 90 percent of parents responded that they were at least somewhat satisfied with the driving time to and from their child care arrangement. Two-thirds reported being very satisfied with the driving time to and from their child care arrangement. Figure 16 provides an illustration of the parent responses for this question.

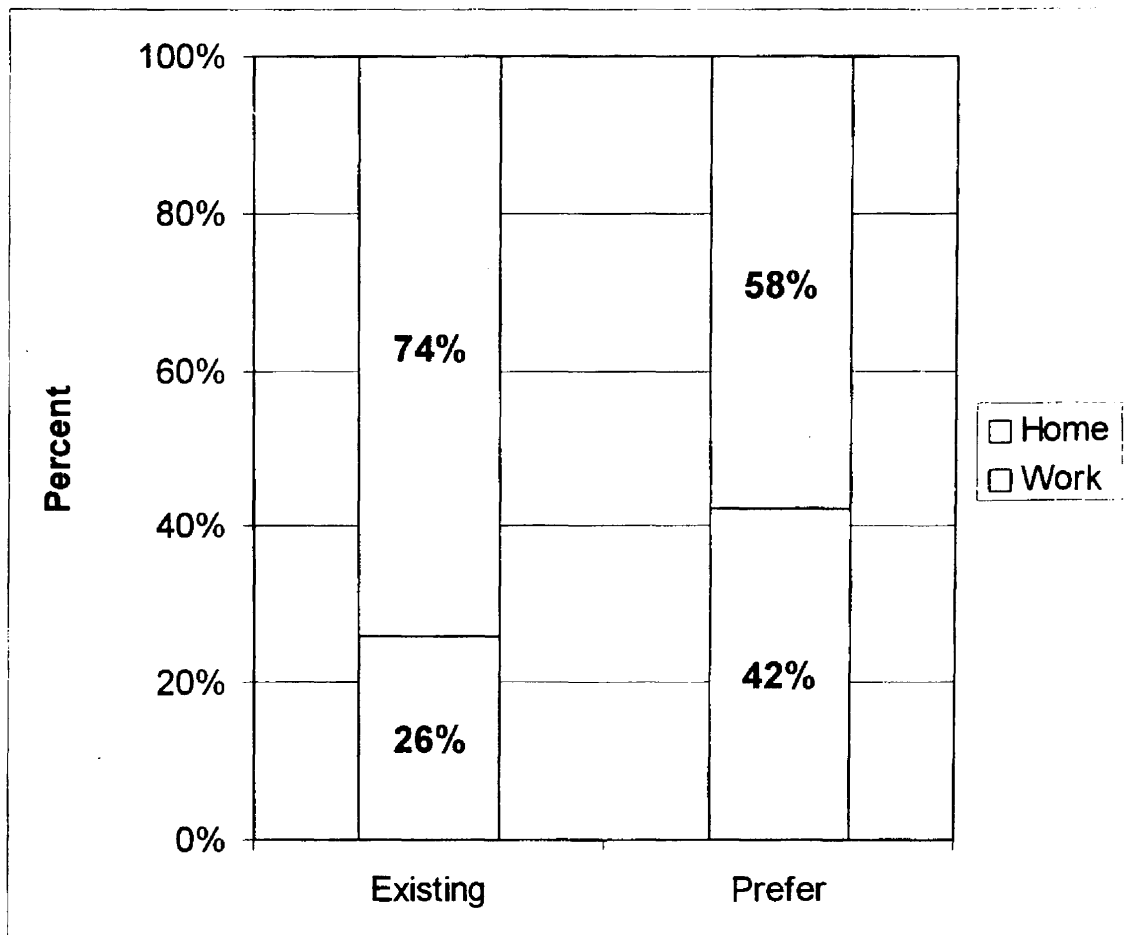
Figure 16: “Would you say you are . . . with the driving time to and from your child care arrangement?”³⁰



³⁰ This question provides valid responses from a random selection of 614 parents of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 2.9 percent.

We also asked parents, “*Would you prefer that your child care arrangement be closer to home or to your place of work?*” and, “*Is your primary child care arrangement closer to home or closer to your place of work?*” About three of every four parents responded that their existing child care arrangement is closer to home than work. In contrast, two out of five parents reported they would prefer having their child care arrangement closer to work than home. Figure 17 provides an illustration of these parent responses.

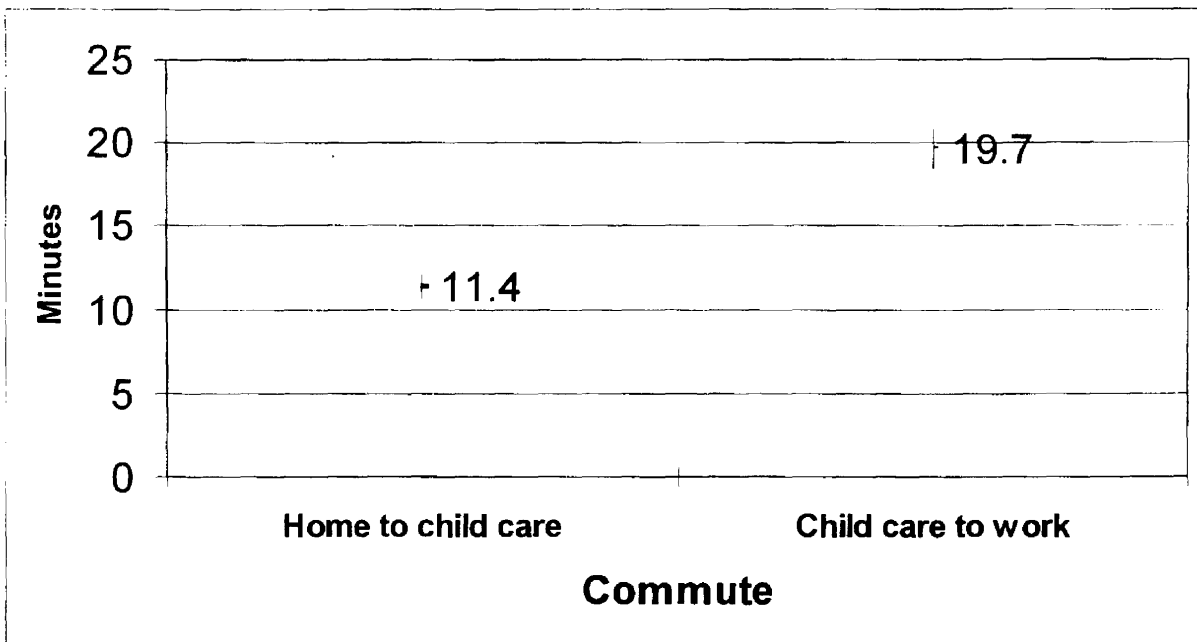
Figure 17: “Is your primary child care arrangement closer to your home or to your place of work?” and, “Would you prefer that your child care arrangement be closer to home or to your place of work?” ³¹



³¹ This question provides valid responses from a random selection of at least 538 parents of children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 4.0 percent.

Parents were asked “*What is the driving time, in minutes, between your home and your child care arrangement?*” and, “ *What is the driving time, in minutes, between your place of work and your child care arrangement?*” The total average commuting time from home to child care arrangement and on to work is about half an hour. Consistent with the information provided by parents in Figure 13, average driving time from home to the child care arrangement, about 11 minutes, is less than the driving time from the child care arrangement to work, about 20 minutes. Figure 18 summarizes the results from this question.

Figure 18: “What is the driving time, in minutes, between your home and your child care arrangement?” and, “What is the driving time, in minutes, between your place of work and your child care arrangement?” ³²



Significant Regional Results

We expected to find substantive statistical differences among regions regarding satisfaction with driving time and the number of minutes it takes to drive from home to the child care arrangement to the parent’s work site. We expected greater dissatisfaction in the three regions with large and densely populated urban/suburban centers. The densely populated centers were Northern Virginia, Richmond, and the Tidewater regions. Importantly, we find no statistically significant differences between any of these regions on the issue of driving time or satisfaction with driving time.

³² The estimated range for each driving time is based on a 95% confidence interval. This means that 95 percent of the reported driving times lie within the range represented by the vertical line.

Analysis of Results

A majority of parents are satisfied with the accessibility (75%) and availability (69%) of child care arrangements in Virginia. In addition, about three out of five parents (62%) in households with children age six and under in a child care arrangement have never had to take a job-related action due to the lack of access to child care.

Parents are roughly split on evaluating whether their search for an appropriate child care arrangement was difficult (47%) or easy (53%). However, only about one of five parents (19%) reported that the search for appropriate child care was very difficult. These results are not surprising. Searching for an acceptable child care arrangement can require a high investment to gather information on the available child care choices, quality, and prices. Acquiring information in the child care market can be costly in time and money. Parents view their children's well-being as worth a considerable search for a loving and safe child care environment. Furthermore, it would appear that the investment of time and money to search for quality child care almost always pays off, given the levels of satisfaction (95%) parents report with the quality of care they receive in the child care market.

Most parents (91%) appear to be satisfied with the driving time to and from their child care arrangement. About two of three parents (67%) are very satisfied with this commute. Again, this finding was somewhat surprising given the high profile of highway transportation issues in certain regions of the state; most notably in Northern Virginia. Parents may be satisfied with the commute to their child care arrangement, but less satisfied with the commute to their place of employment.

There appears to be minor variations between the existing and preferred proximity of child care arrangements by parents. Almost three out of four parents (74%) report that their current child care arrangement is closer to their home than their work. Yet, only three out of five (58%) parents responded that they prefer their child care arrangement to be closer to home than work.

Accessibility and availability of child day care are the weakest links in the child care market based on reported levels of satisfaction. Parents appear to be more satisfied with the quality (95%) and price (82%) of child care than accessibility (75%) and availability (69%). Yet, the levels of satisfaction for accessibility and availability are strong and broad. Satisfaction levels hold across all regions, income levels, and other demographic factors.

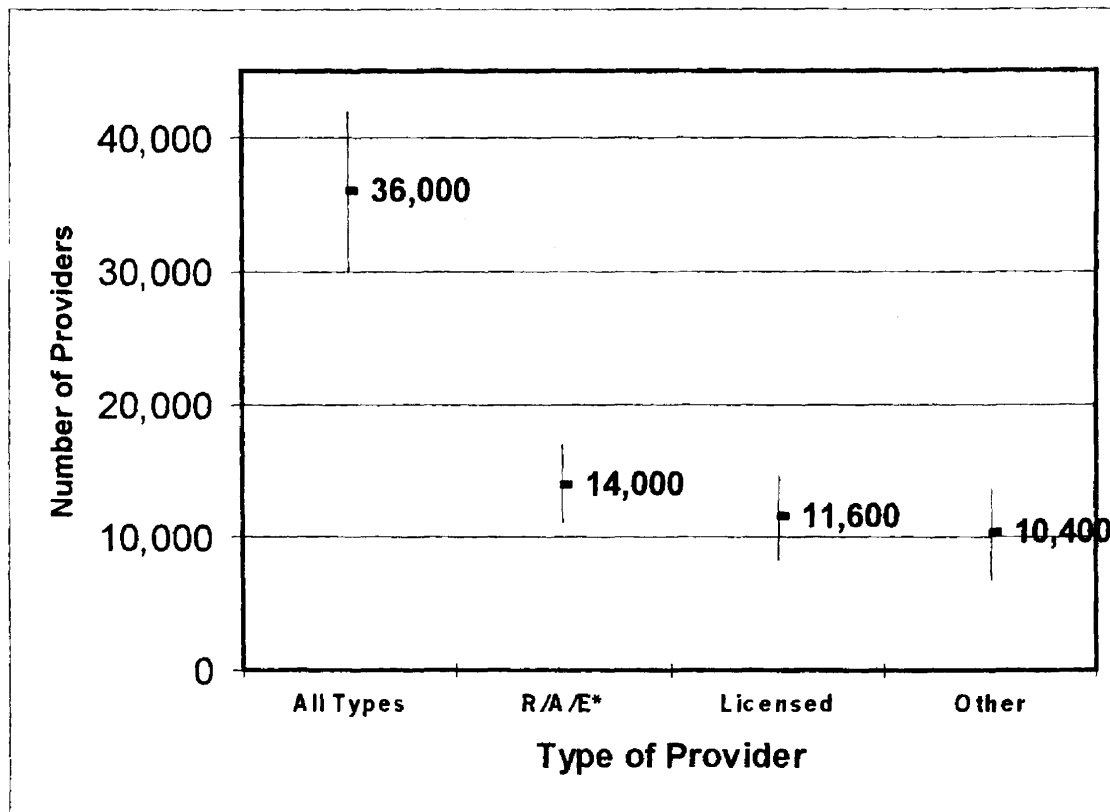
Section Four: Market Structure

Statewide Results

During 1999, there are about 650,000 children age six and under living in an estimated 440,000 Virginia households.³³ We estimate that about 45 percent of these children, or 300,000, are in a child care arrangement for at least two days per week. About 70 percent, or 210,000 of these children, are in regular child care arrangements for at least five days per week and consume over eighty percent of the resources.

We estimate about 36,000 child care providers/workers in Virginia provide child care for children age six and under. This estimate is based on a one percent incident rate for Virginia households and a projected 3.5 million person labor force in Virginia.³⁴ Statistical confidence intervals suggest a 95% chance that the real population of child care providers/workers ranges between 30,000 to 42,000. Figure 19 summarizes the estimates.

Figure 19: Estimated Number of Child Care Providers for Children Age six and Under in Virginia by Type



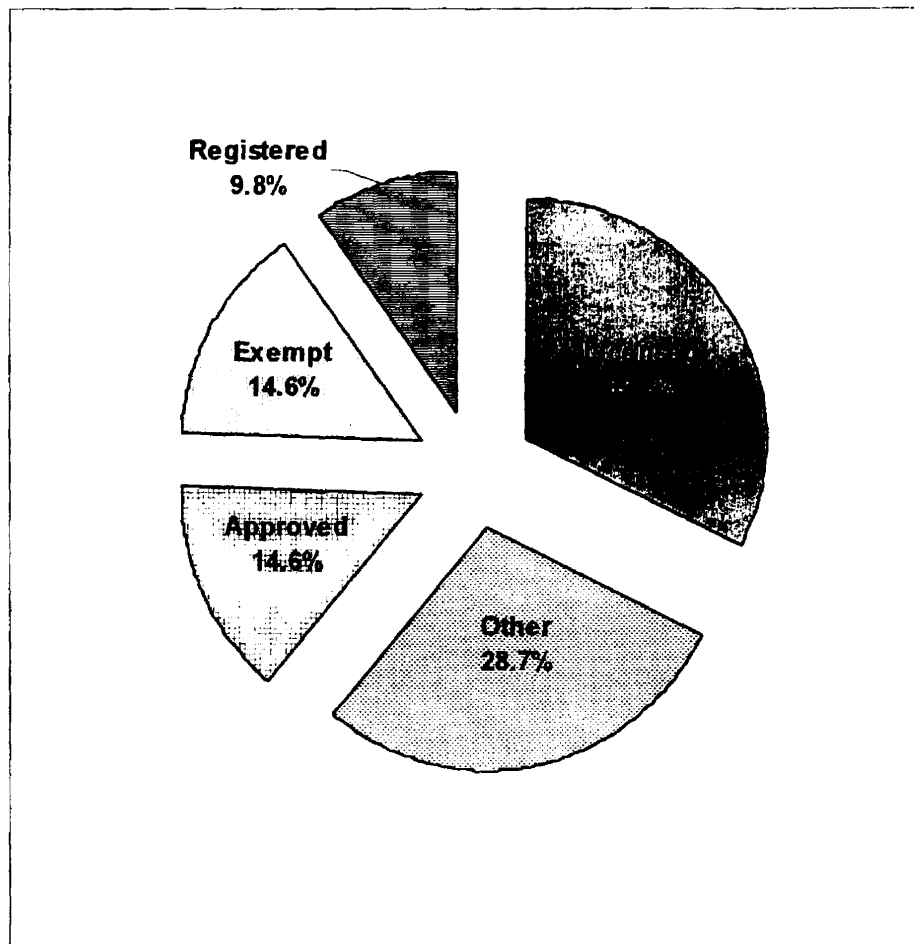
*R/A/E represents registered, approved, and exempt provider types.

³³ The Census Bureau estimates there were 642,546 children age 6 and under in Virginia in June of 1997. <http://www.census.gov/population/estimates/state/stats/ag9797.txt>

³⁴ Virginia Statistical Abstract

Child care providers were asked, “Which of the following best describes the type of provider you are?” About 30 percent of child care providers work in licensed settings. Another 30 percent of providers report working in settings without any official government designation. About one in seven report working as “approved” providers. An approved provider has to meet fewer state standards than licensed providers. Another one in seven providers report being “exempt” providers, that is, a provider that does not require licensing, including those with a religious affiliation. One in ten report being “registered” providers. Figure 20 illustrates the relative shares of providers who self-identified with each provider type.

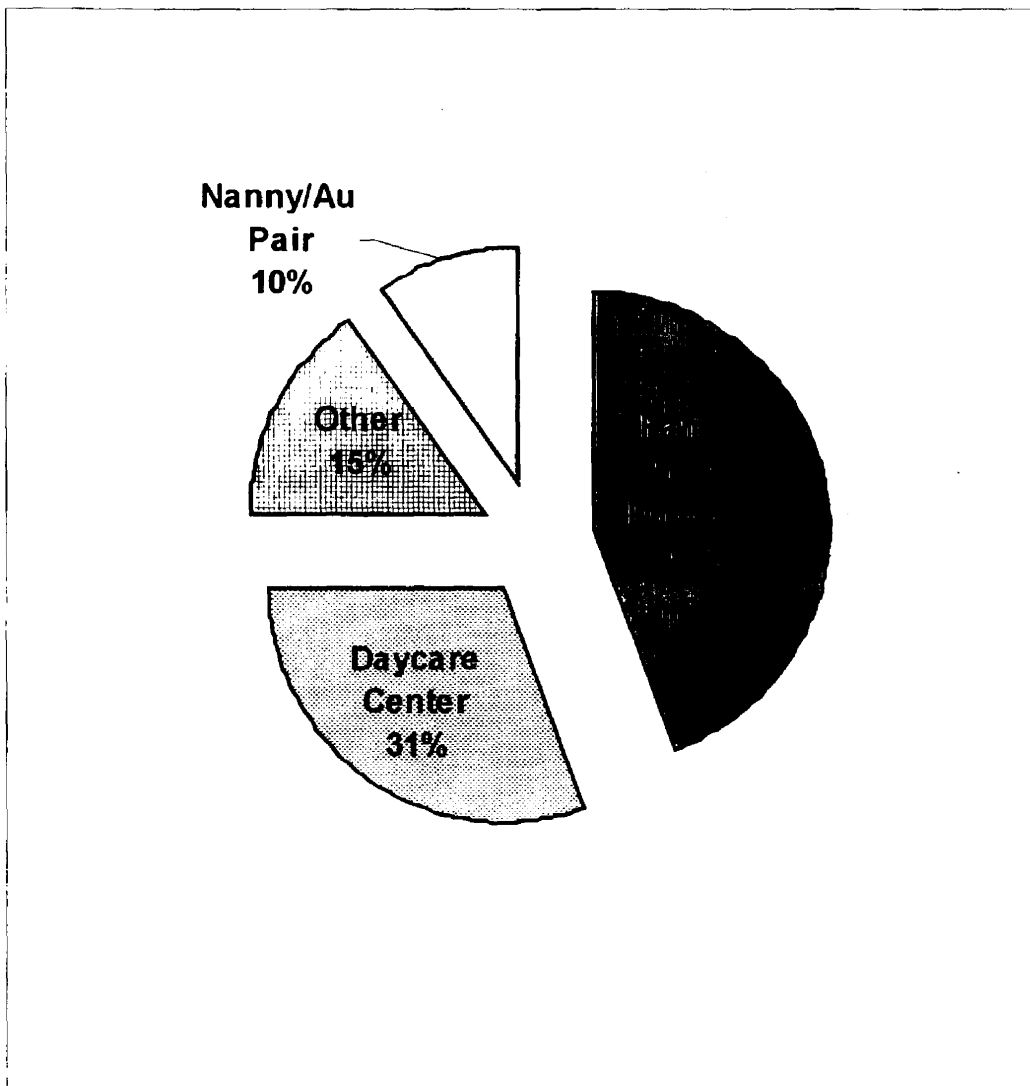
Figure 20: “Which of the following best describes the type of provider you are?”³⁵



³⁵ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

We asked providers “Which of the following best describes the type of child care setting in which you work?” About 40 percent of providers report working in a family home day care setting. Three in ten providers report working in day care centers. About ten percent report working in the child’s home as a nanny or au pair, and about one in seven report working in a type of child care setting described as “Other.” Figure 21 illustrates these responses.

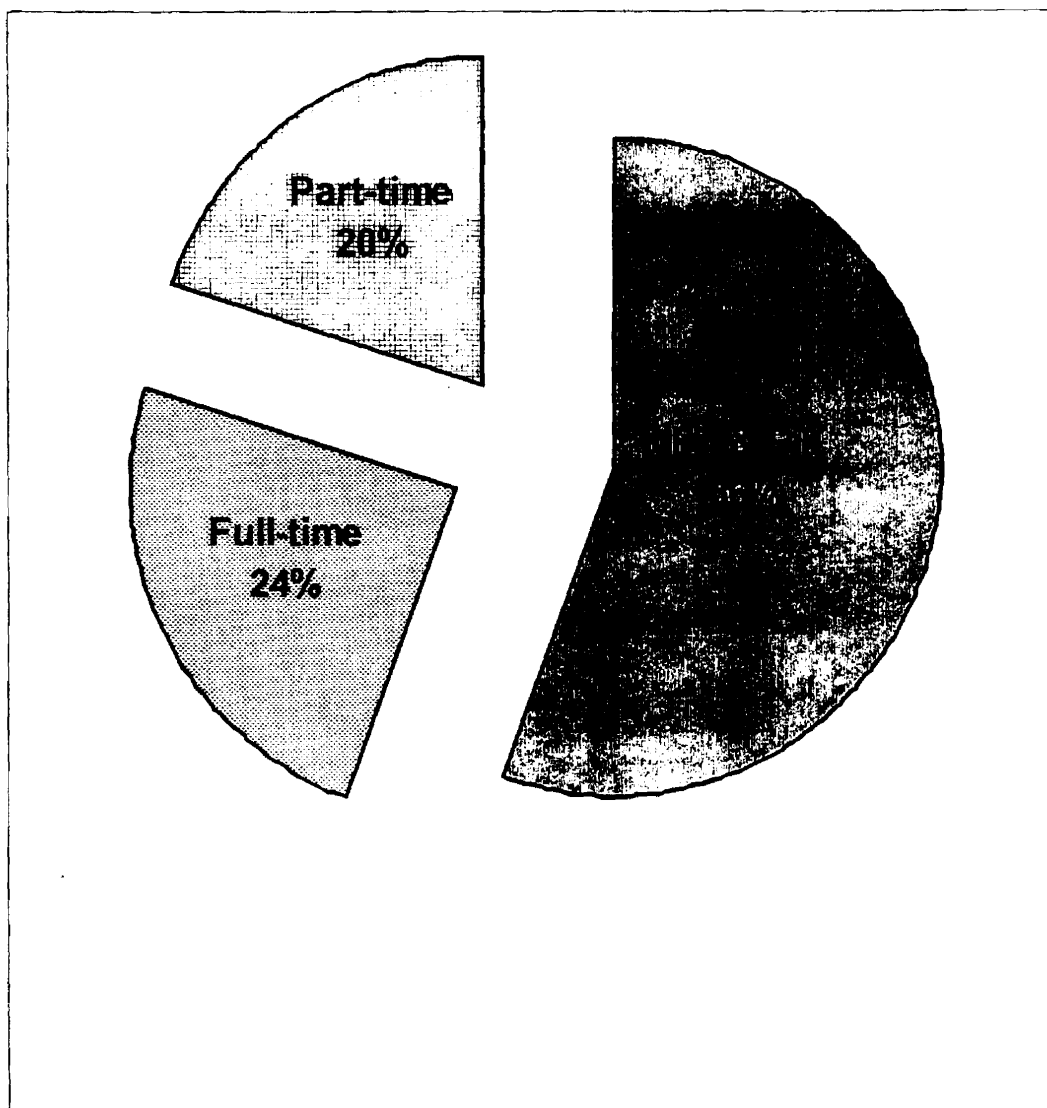
Figure 21: Which of the following best describes the type of child care setting in which you work?³⁶



³⁶ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were also asked, "Does your child care offer full-time child care only, part-time child care only, or a mix of full and part-time care?" Fifty-six percent of providers report offering both full and part time child care services. About 20 percent offer part time only and one-quarter offer only full time child care services. Figure 22 shows the share of provider responses to this question for each category.

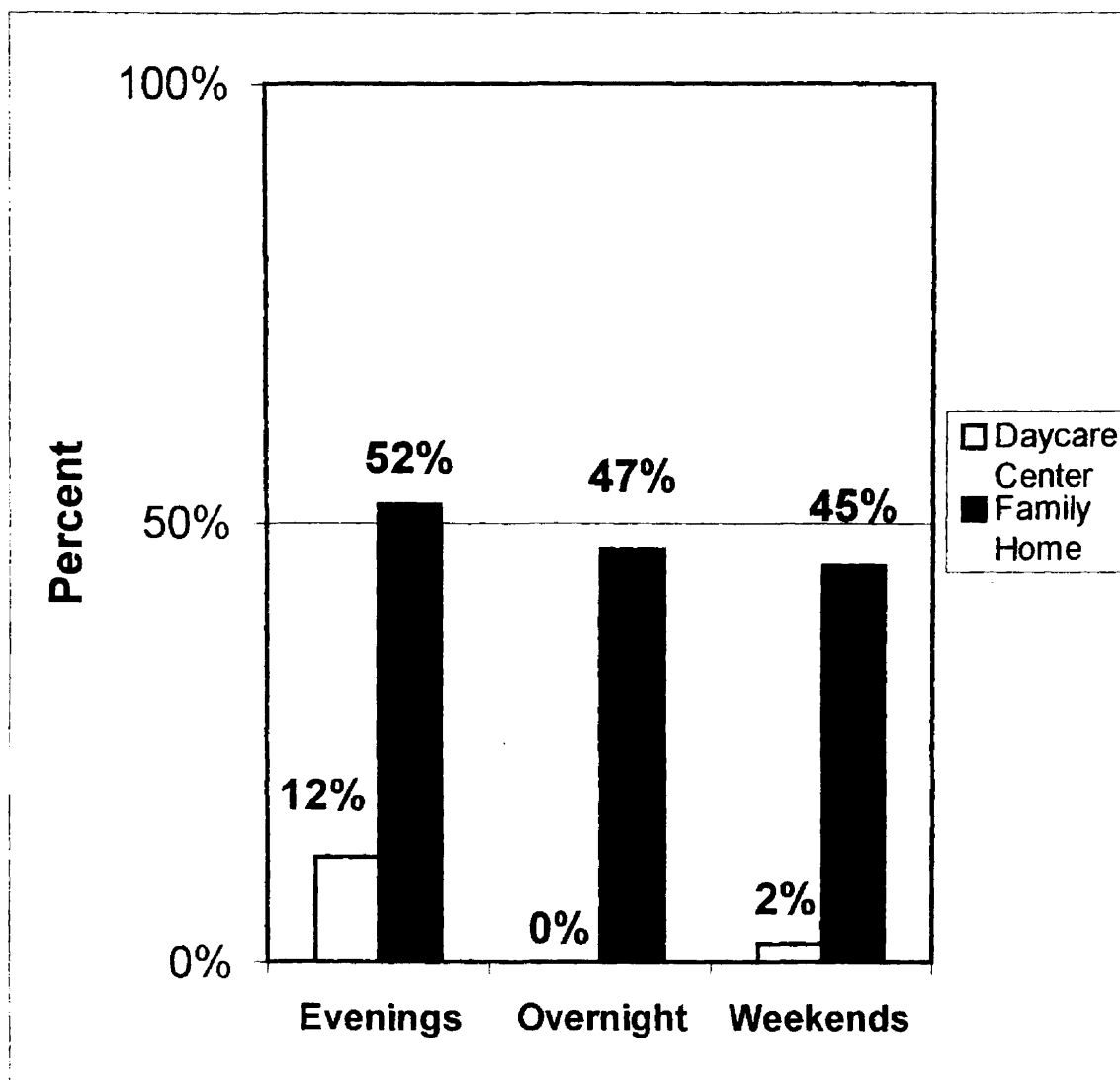
Figure 22: "Does your child care offer full-time child care only, part-time child care only, or a mix of full and part-time care?"³⁷



³⁷ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were asked, “[Do you/Does your center] offer child care during any of the following non-traditional hours?” Two of five providers offer child care during evening hours. About three in ten providers offer overnight and about three in ten offer weekend hours of care for children. Figure 23 illustrates the share of child care providers who offer non-traditional hours of care.

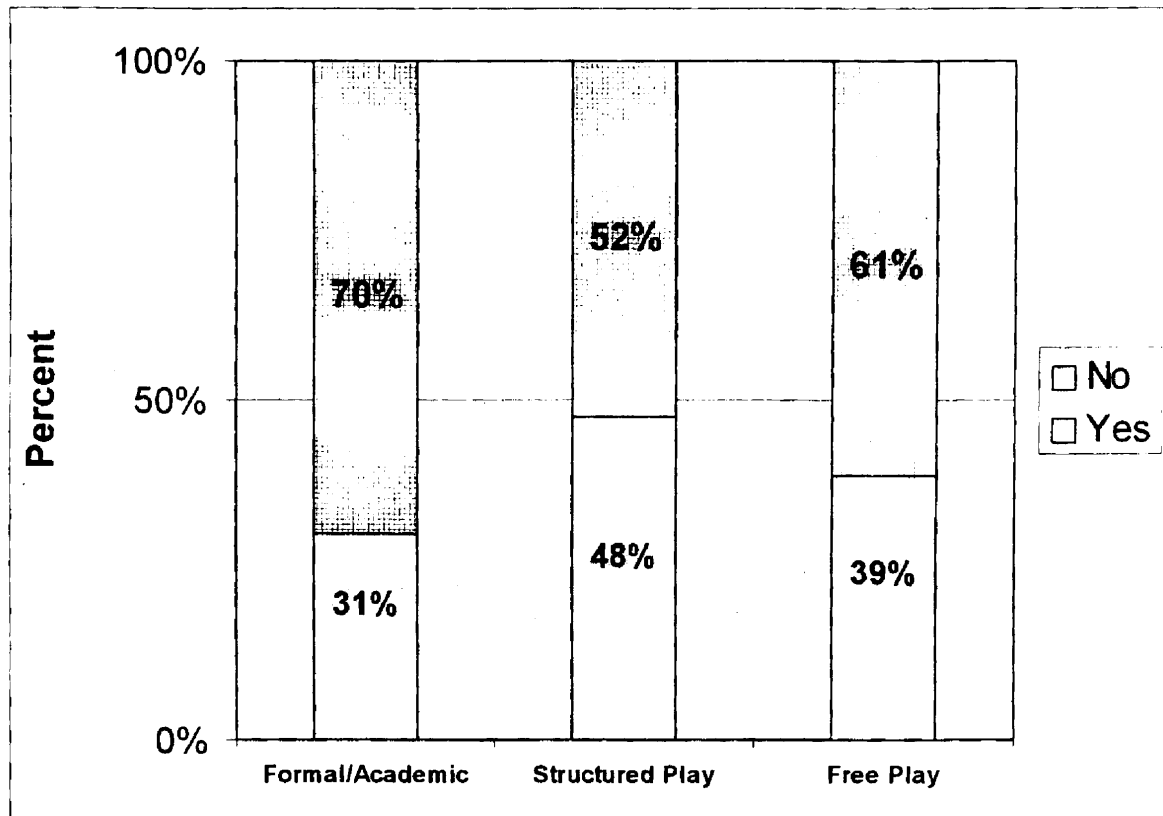
Figure 23: “[Do you/Does your center] offer child care during any of the following non-traditional hours?”³⁸



³⁸ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were also asked, “How would you characterize your approach to child care? Would you characterize it as formal/academic, structured play, or free play?” Almost half of respondents characterized their approach to child care as structured play. Almost two of every five respondents characterized their approach to child care as free play. Just over three of every ten respondents characterized their approach to child care as formal/academic. These results are illustrated in Figure 24.

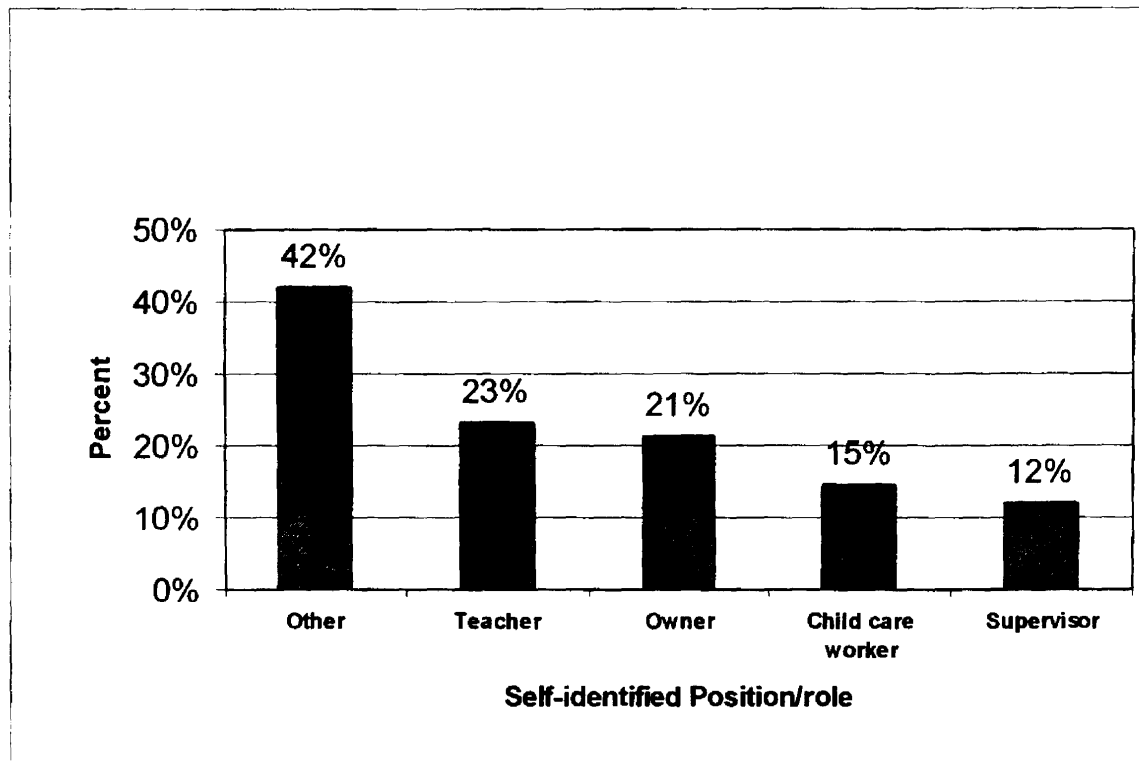
Figure 24: “How would you characterize your approach to child care? Would you characterize it as . . .”³⁹



³⁹ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were asked, “*What is your position/role in the child care center in which you work?*” The category with the largest share of responses was other (42%), followed by teacher (23%), owner (21%), child care worker (15%), and supervisor (12%). Figure 25 shows the responses of providers on this question.

Figure 25: “What is your position/role in the child care center in which you work?”⁴⁰

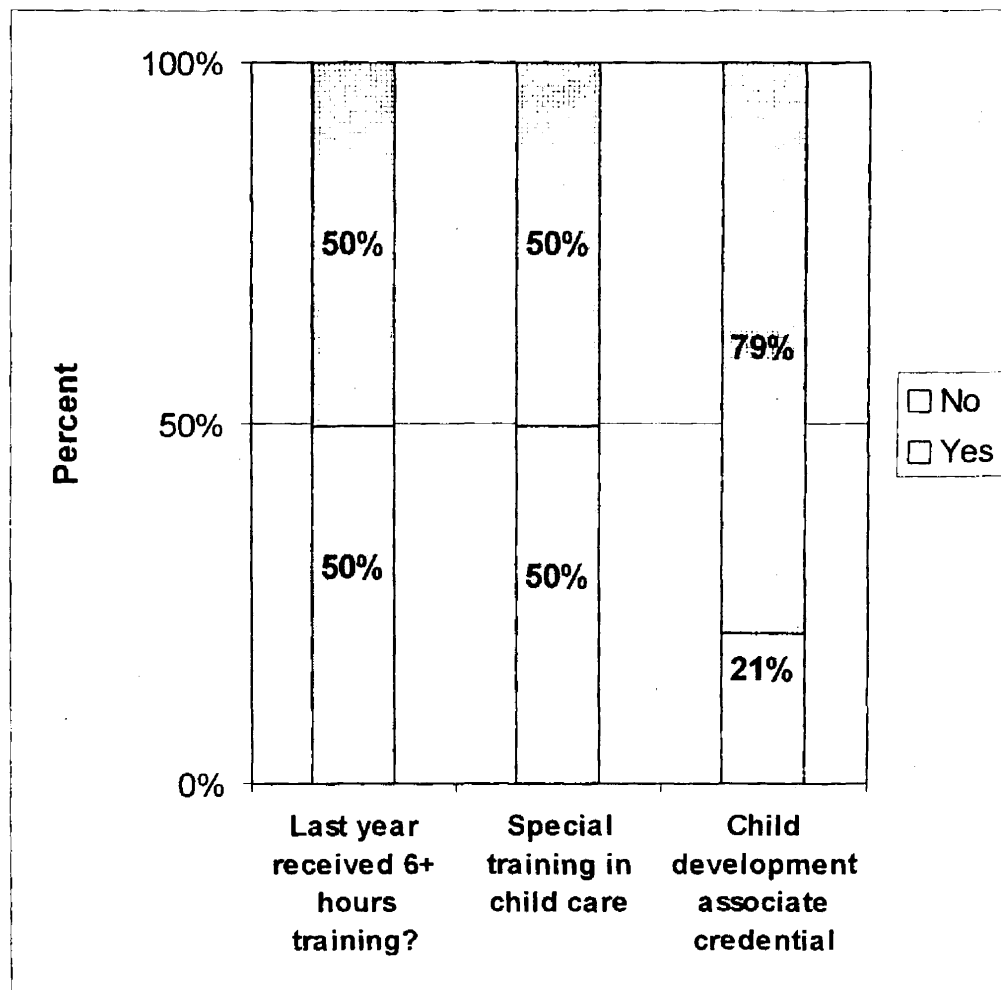


We note that the largest category of self-identified position/role is the “Other” category. After reviewing the focus group transcripts, it suggests that many child care providers may consider themselves “babysitters.” We did not include this category in our survey for this question. Those self-identifying as “Other” may have viewed themselves in other roles as well.

⁴⁰ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were asked, "In the last year have you received six hours or more of additional child related training?" and, "Have you had any special training in child day care?" and, "Do you have a child development associate credential?" About half of respondents reported having six hours or more of additional child related training and general special training in child day care. About one in five reported having a child development associate credential. Figure 26 summarizes the results from this question.

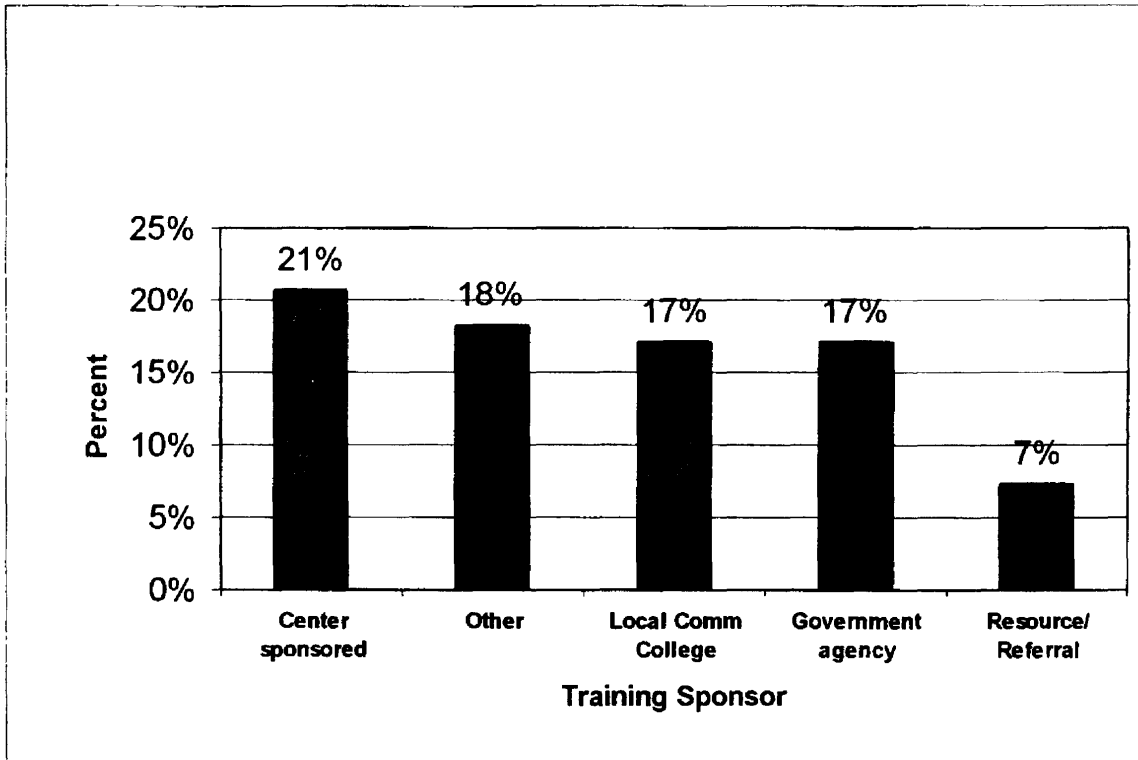
Figure 26: "In the last year have you received six hours or more of additional child related training?" and, "Have you had any special training in child day care?" and, "Do you have a child development associate credential?"⁴¹



⁴¹ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were asked, "In the last year, have you received any training from the following . . . (local or community college, a resource or referral network, a government agency or program, a program sponsored by your center, other)?" About one in five respondents replied local or community college, a government agency or program, a program sponsored by your center, and other. About one in fifteen replied a resource or referral network. Figure 27 summarizes the results from this question.

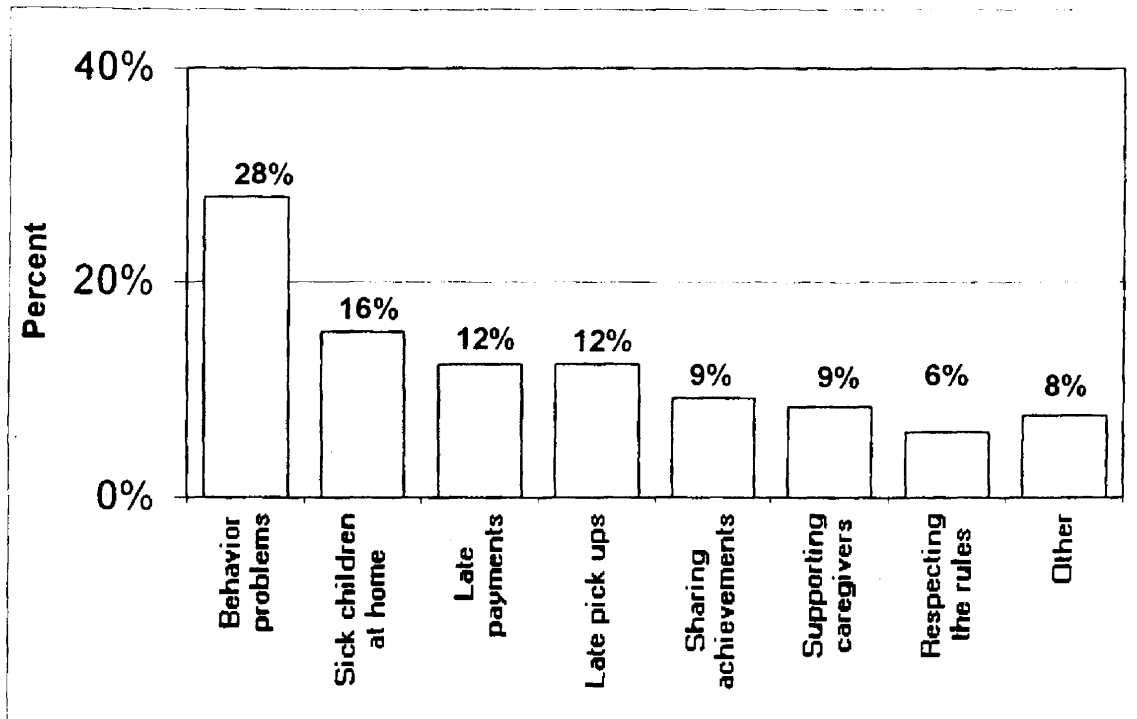
Figure 27: "In the last year, have you received any training from the following . . ." ⁴²



⁴² This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.0 percent.

Providers were asked, “*In your opinion, what is the most difficult issue for you to communicate with parents of children in your care?*” Over one-quarter of respondents identified behavior problems as the most difficult issue to communicate to parents. About one in seven providers identified keeping sick children at home as the most difficult issue to communicate to parents. Figure 28 summarizes all of the responses by providers.

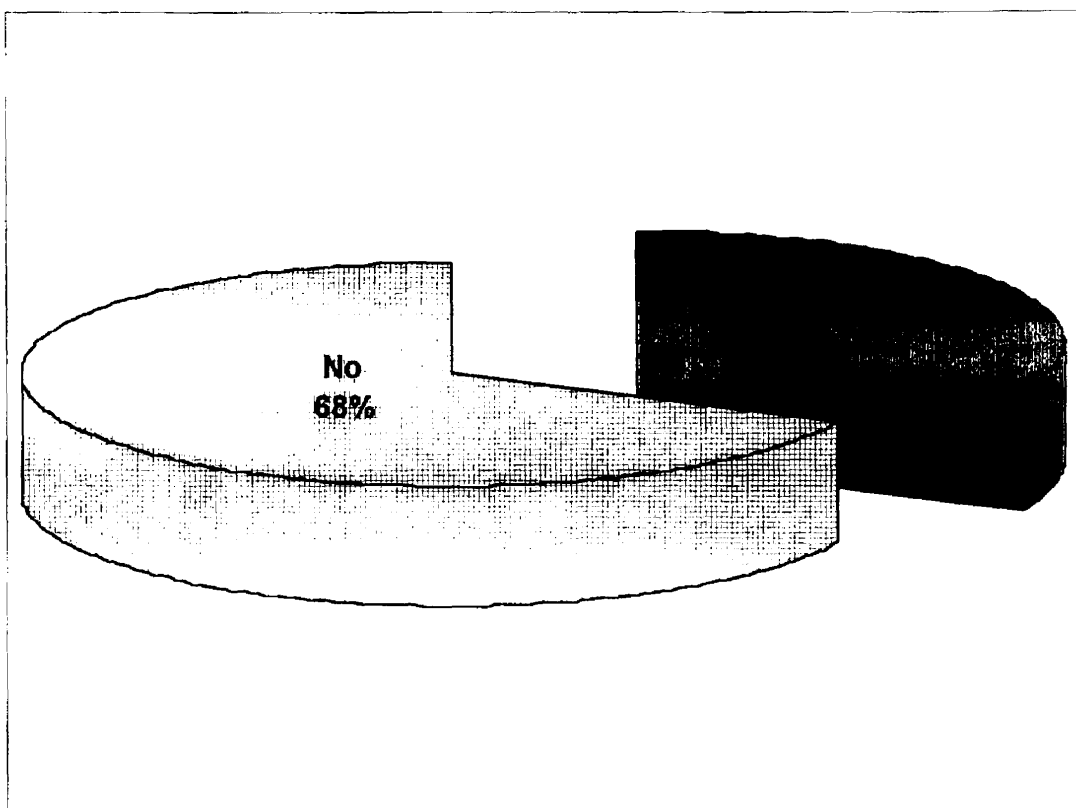
Figure 28: “In your opinion, what is the most difficult issue for you to communicate with parents of children in your care?”⁴³



⁴³ This question provides valid responses from a random selection of 129 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 8.6 percent.

Providers were asked, "In the past year, did any children have any behavior discipline problems in your classroom or home that resulted in the child's parents being sent a note or being asked to talk with you or the director?" About one-third of respondents replied "yes" to the above question. Figure 29 shows the share of respondents replying "yes" or "no."

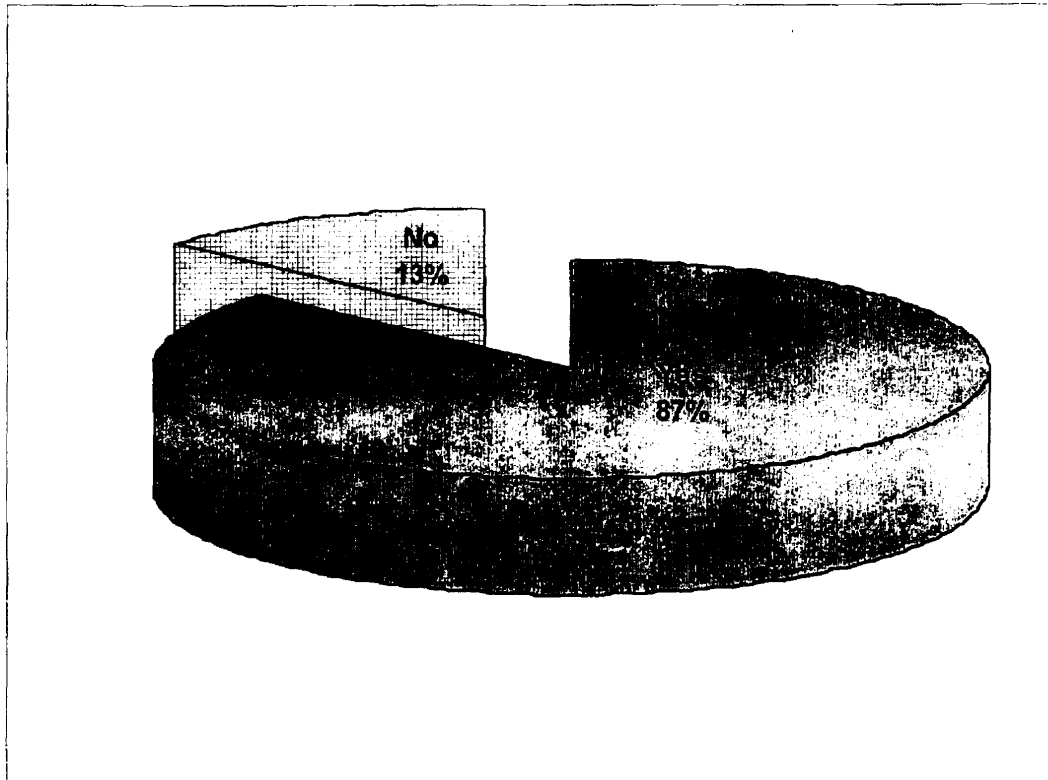
Figure 29: "In the past year, did any children have any behavior discipline problems in your classroom or home that resulted in the child's parents being sent a note or being asked to talk with you or the director?" ⁴⁴



⁴⁴ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were asked, "Does your child care program encourage parental participation?" Almost ninety percent of respondents replied "yes" to the above question. Figure 30 shows the share of respondents replying "yes" or "no."

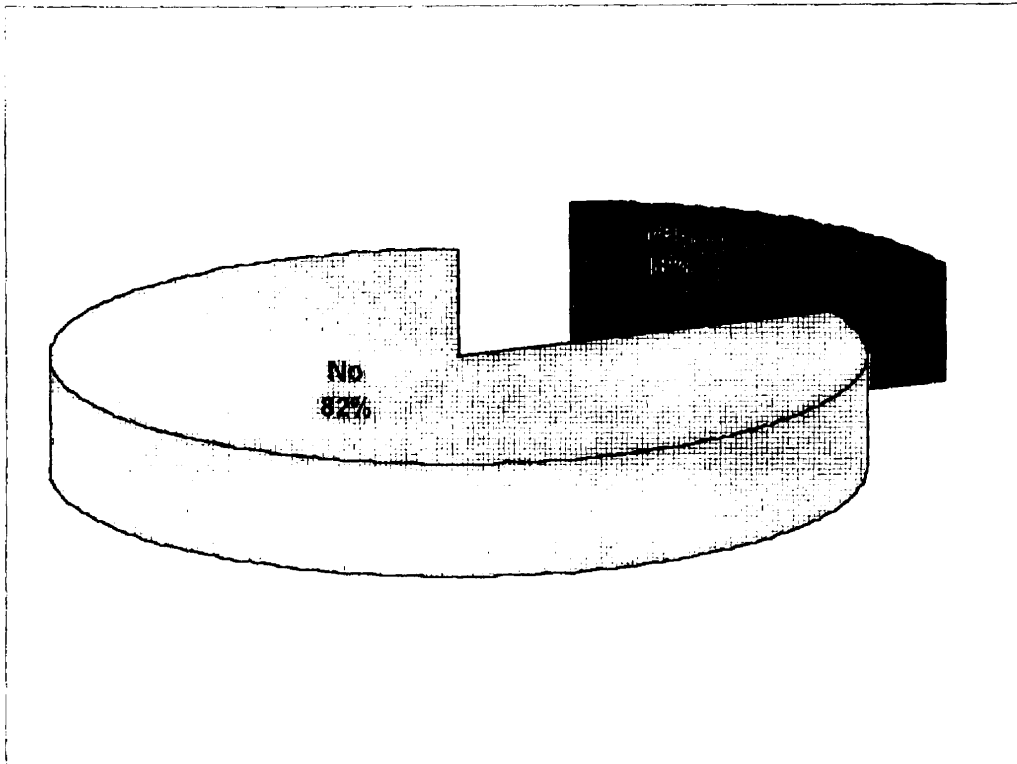
Figure 30: "Does your child care program encourage parental participation?"⁴⁵



⁴⁵ This question provides valid responses from a random selection of 157 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 5.8 percent.

Providers were asked, "Are you now considering another job?" Just fewer than one in five respondents replied "yes" to the above question. Figure 31 shows the share of respondents replying "yes" or "no."

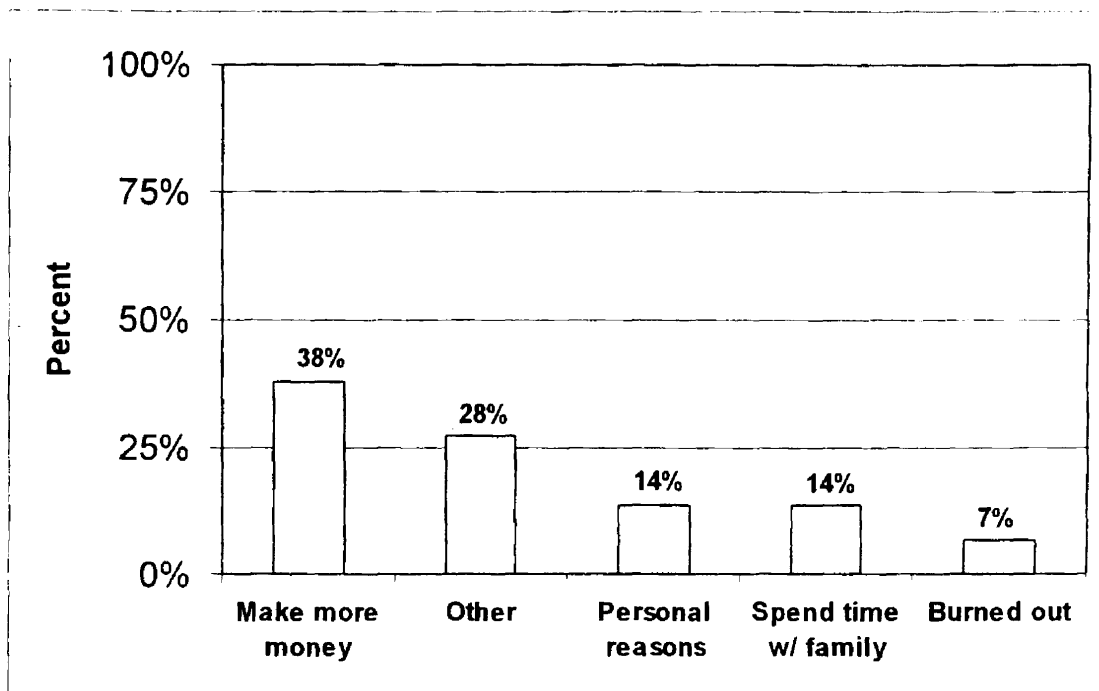
Figure 31: "Are you now considering another job?"⁴⁶



⁴⁶ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 6.8 percent.

Providers who were considering another job were asked, “Which of the following best describes the reason why you are considering a new job. [I am burned out on child care, I want to start, my own business, I want to make more money, I want to spend more time, with my family, personal reasons, other]” About two out of every five respondents who were considering another job replied that the reason was to make more money. Just under three in ten replied other. One in seven cited personal reasons and being able to spend more time with family. One in fifteen replied that they were too burned out on their current job. Figure 32 summarizes the results from this question.

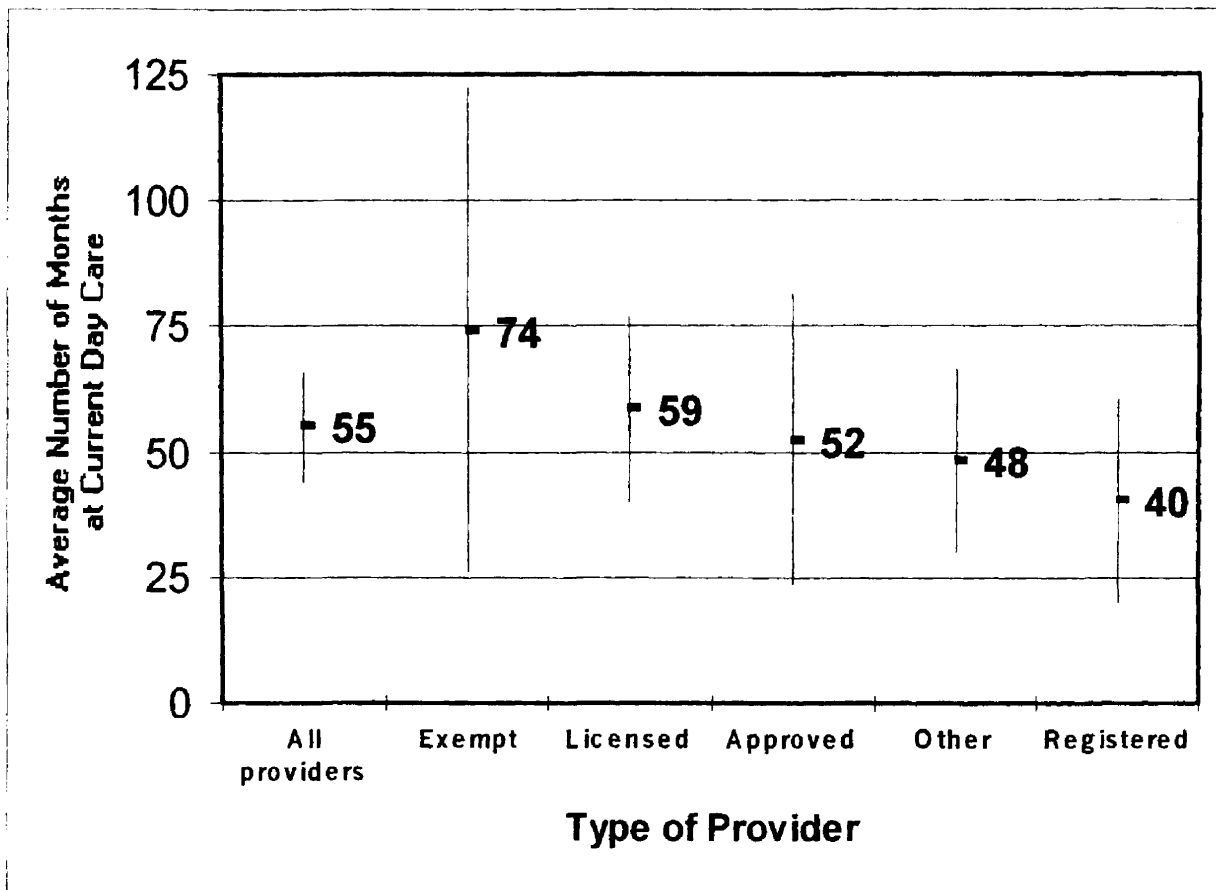
Figure 32: “Which of the following best describes the reason why you are considering a new job.”⁴⁷



⁴⁷ This question provides valid responses from a random selection of 29 providers of child care for children age 6 and under. Note that only 29 respondents stated they were looking for another job. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 19.0 percent.

We asked providers “*How many years or months have you taught at this particular day care center or home?*” Providers reported that they have been at their current job, on average, for 55 months. Exempt providers reported being on their current job the longest—an average of 74 months. Registered providers reported the shortest number of months with an average of 40 months. Figure 33 shows the average number of months that providers reported having worked at their current child care arrangement by provider type.

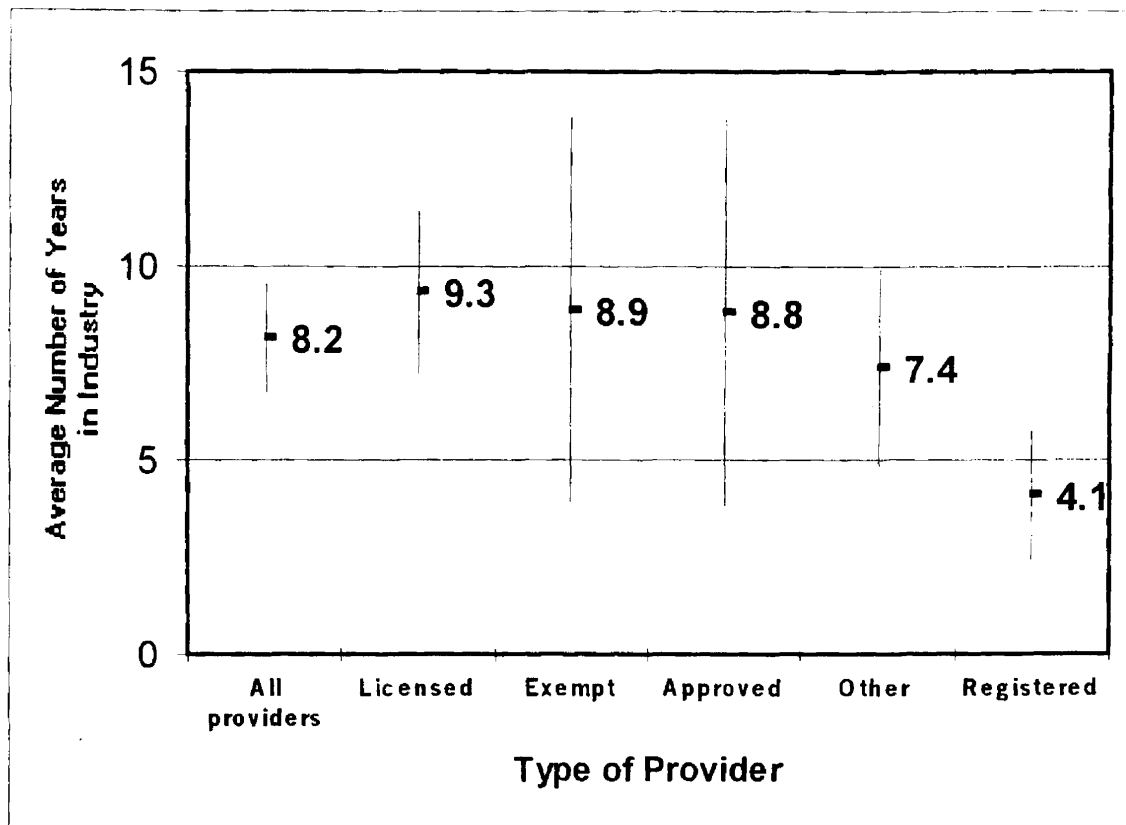
Figure 33: “How many years or months have you taught at this particular day care center or home?”⁴⁸



⁴⁸ This question provides valid responses from a random selection of 159 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response for ALL PROVIDERS lies in the range defined by no greater than plus or minus 20.0 percent.

We asked providers “Approximately, how many years have you been working as a child daycare provider?” Providers reported that they have been working in the child care industry, on average, for 8.2 years. Licensed providers reported having worked in the industry the longest—an average of 9.3 years. Registered providers reported the shortest number of in the industry with an average of 4.1 years. Figure 34 shows the average number of years providers reported having worked in the industry by provider type.

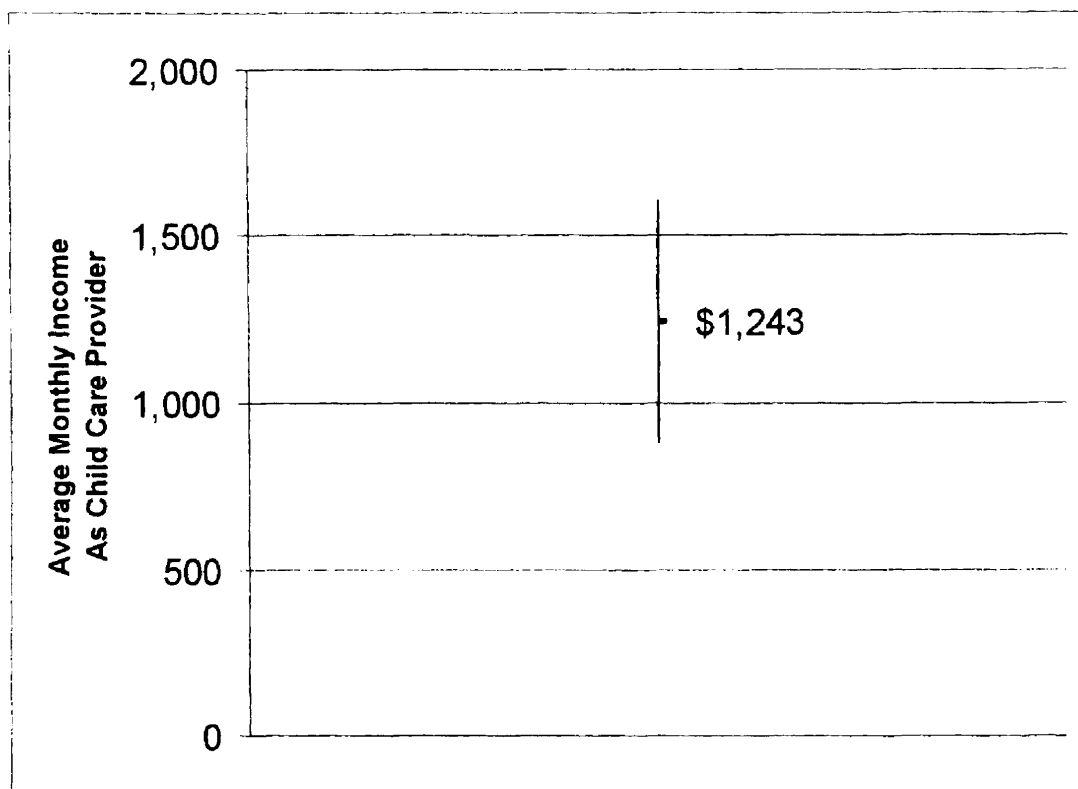
Figure 34: “Approximately, how many years have you been working as a child daycare provider?”⁴⁹



⁴⁹ This question provides valid responses from a random selection of 144 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response for ALL PROVIDERS lies in the range defined by no greater than plus or minus 17.2 percent.

Providers were also asked, “*Approximately what is your monthly income as a child day care provider, before taxes?*” The average monthly income reported by child care providers is \$1,243. Figure 35 summarizes the results from this question.

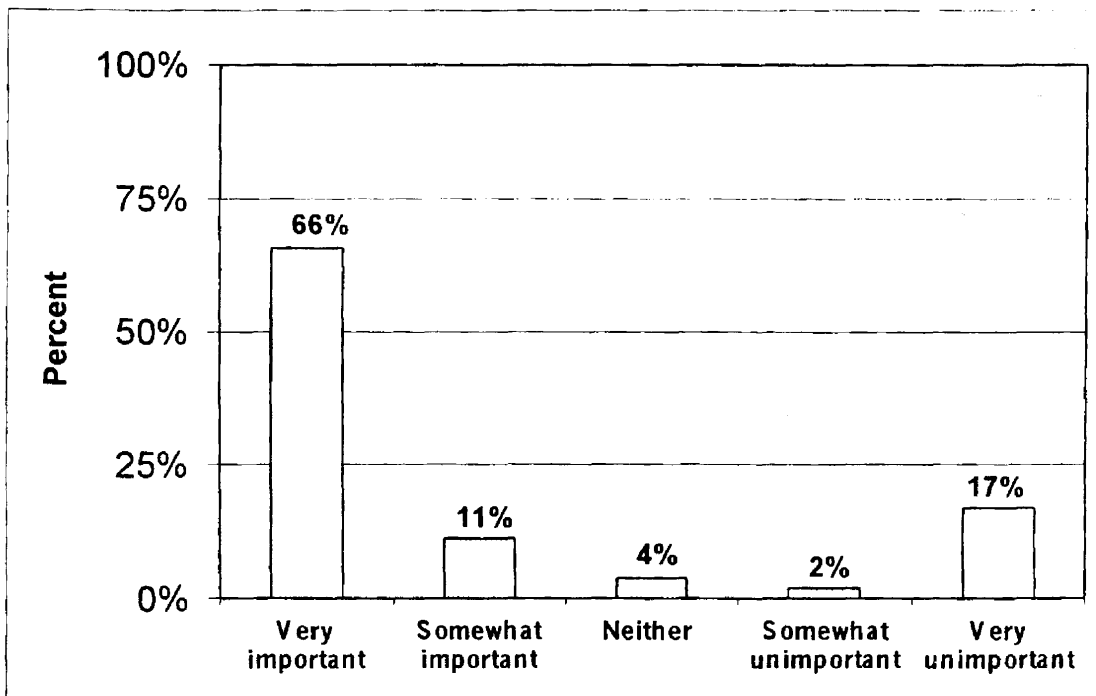
Figure 35: “Approximately what is your monthly income as a child day care provider, before taxes?”⁵⁰



⁵⁰ This question provides valid responses from a random selection of 84 providers of child care for children age 6 and under. Many providers were not willing to disclose their salary. Non-respondents either did not know or refused to answer the question. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 29.5 percent.

We asked providers, “Using a scale from 1 to 5 with a 1 meaning “not at all important” and a 5 meaning “very important” please tell me how important are employer paid health benefits to you? Are they... You may use any number from 1 to 5.” Almost three out of four providers assigned at least some importance to having employer paid health benefits. Two out of three assigned the highest value, “very important” to having employer paid health benefits. Figure 36 summarizes the results from this question.

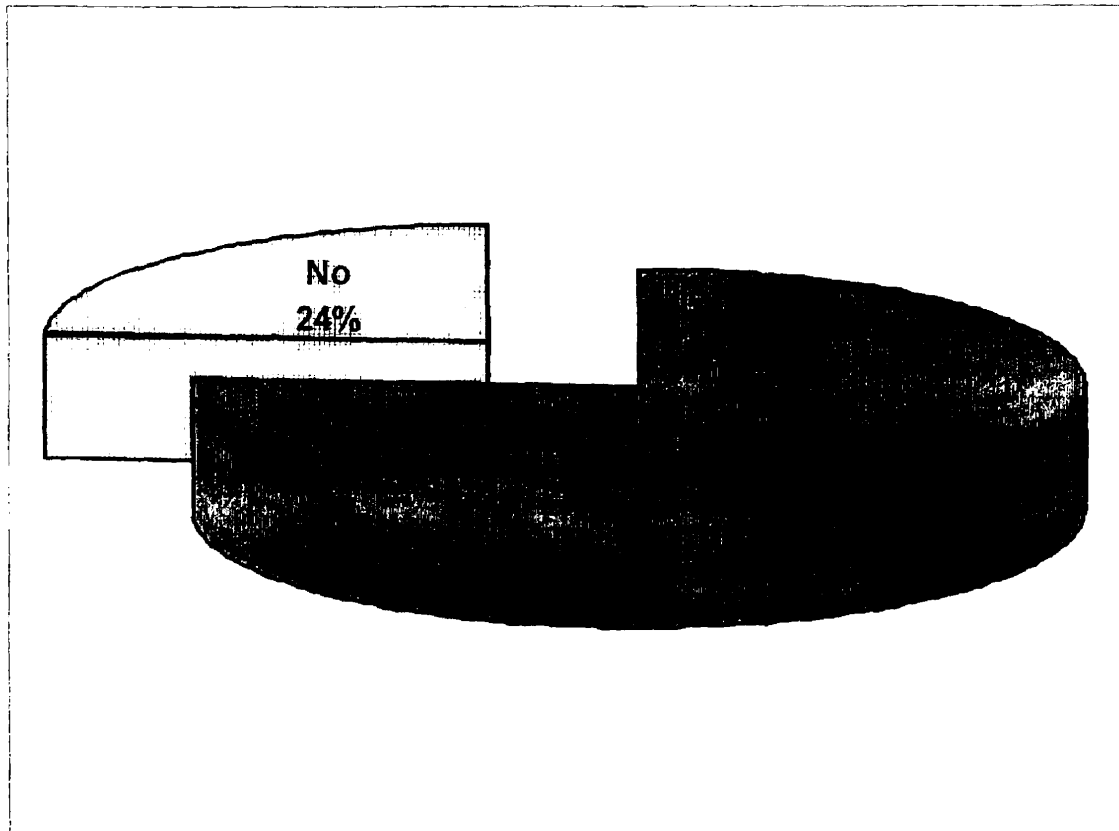
Figure 36: “Using a scale from 1 to 5 with a 1 meaning “not at all important” and a 5 meaning “very important” please tell me how important are employer paid health benefits to you? Are they... You may use any number from 1 to 5”⁵¹



⁵¹ This question provides valid responses from a random selection of 152 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.8 percent.

Providers were then asked “Do you have health insurance?” Just over three of four (76%) providers reported having health insurance. This is somewhat less than the estimated statewide share of persons in Virginia with health insurance (87%).⁵² Figure 37 summarizes the results from this question.

Figure 37: “Do you have health insurance?”⁵³

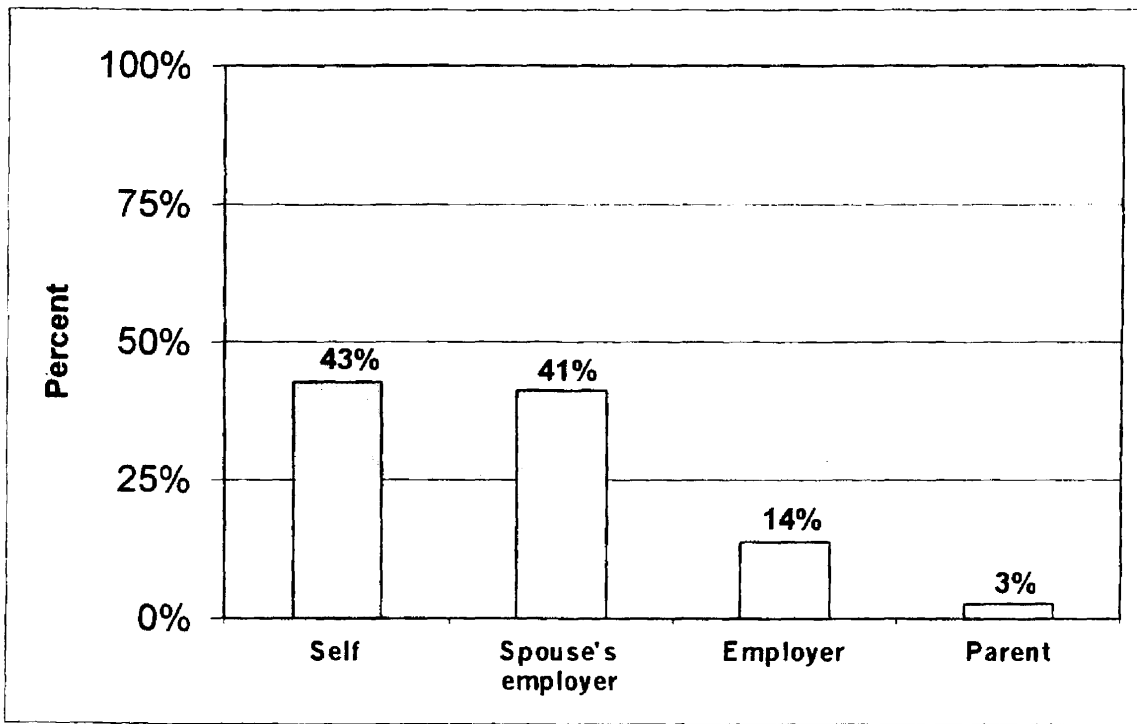


⁵² Pyles, M.A. et al. *Study to Determine the Impact of the PBM Practice of Therapeutic Interchange on Citizens in the Commonwealth of Virginia*, Virginia Commonwealth University. August, 1999. Eighty-three percent of Virginians reported having pharmacy coverage during 1998. Pharmacy benefits are estimated to be included in about 95 percent of all health insurance plans.

⁵³ This question provides valid responses from a random selection of 164 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 7.6 percent.

Providers were also asked “*Who provides your health insurance?*” About two out of five (43%) child care providers reported providing their own health insurance, presumably through the individual market. Another two out of five (41%) child care providers reported receiving health insurance through a spouse’s employer. Only about one in seven (14%) providers report receiving health insurance coverage through their own employer. Figure 38 summarizes the results from this question.

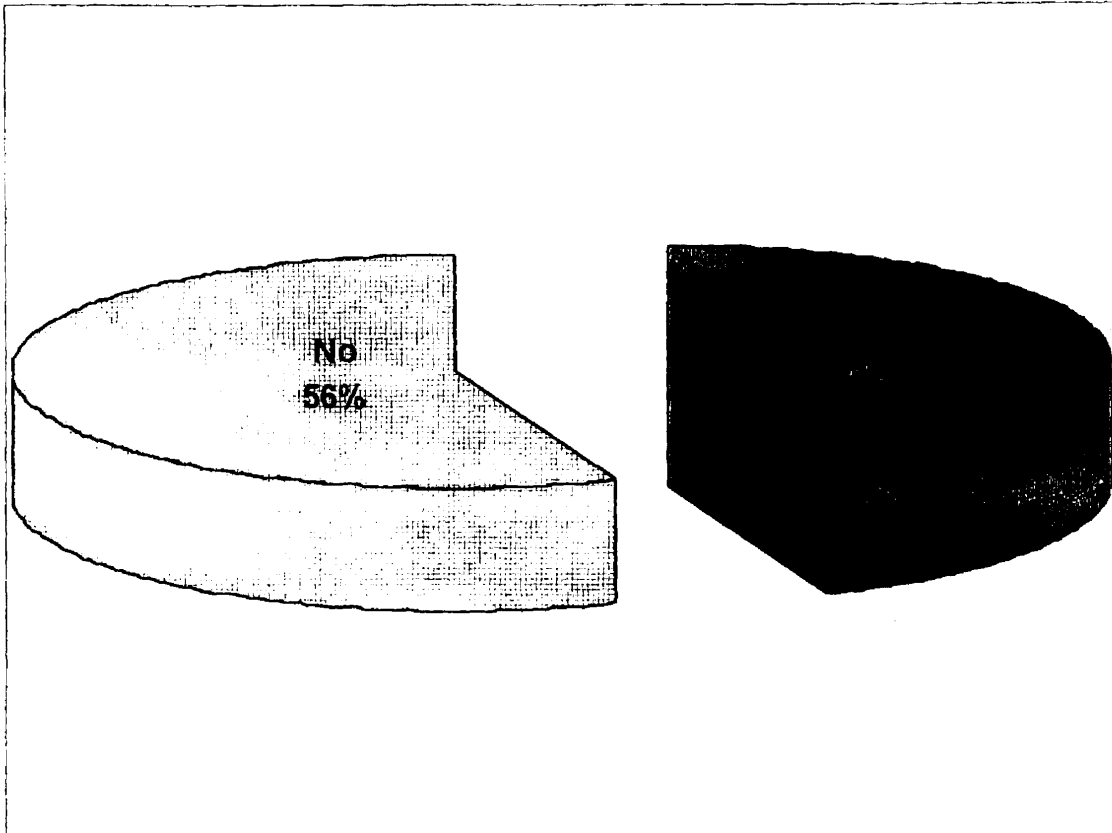
Figure 38: “Who provides your health insurance? Is it . . .”⁵⁴



⁵⁴ This question provides valid responses from a random selection of 117 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 9.1 percent.

Providers were asked “Do you have a child of your own, six years of age or younger, with you at your child care facility?” Just over two of five (44%) providers reported having their own child with them at the child care facility where they work. Figure 39 summarizes the results from this question.

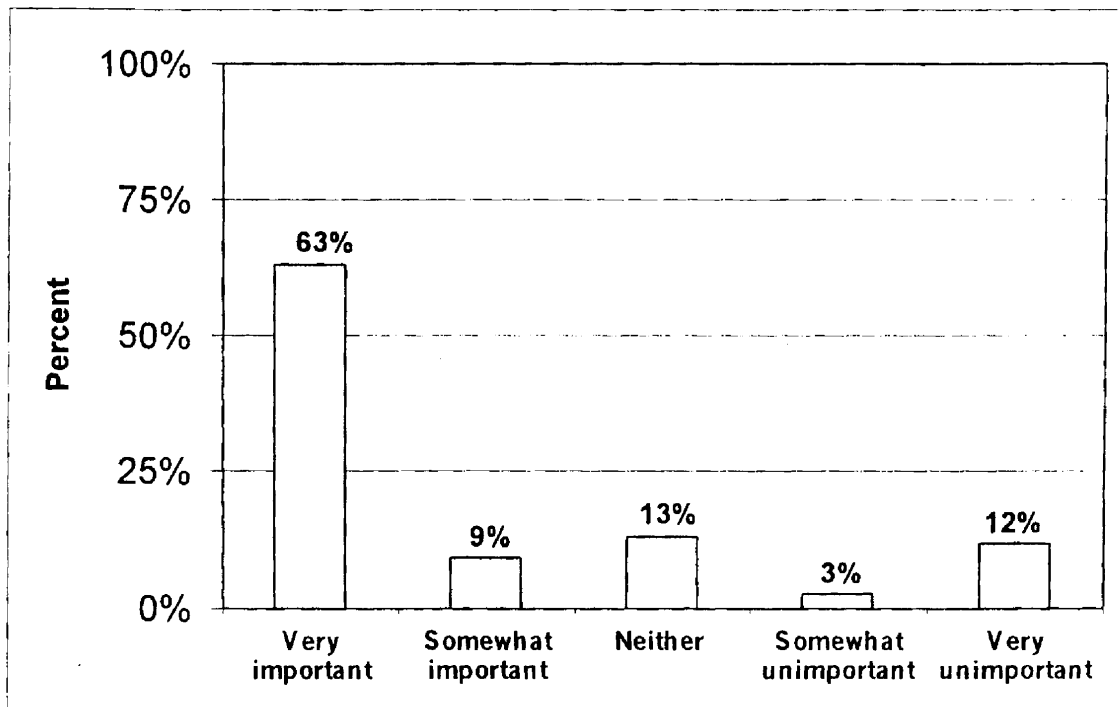
Figure 39: “Do you have a child of your own, six years of age or younger, with you at your child care facility?”⁵⁵



⁵⁵ This question provides valid responses from a random selection of 93 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 10.2 percent.

We asked all providers “Using a scale from 1 to 5 with a 1 meaning “not at all important” and a 5 meaning “very important,” How important is it to have your child with you at the child care where you work? Is it...?” About seven out of ten providers assigned at least some importance to having their child with them at work. Three out of five assigned the highest value, “very important” to having their child with them at work. Figure 40 summarizes the results from this question.

Figure 40: “Using a scale from 1 to 5 with a 1 meaning ‘not at all important’ and a 5 meaning ‘very important,’ How important is it to have your child with you at the child care where you work? Is it...”⁵⁶



Significant Regional Results

We find no statistically significant regional differences with regard to these responses from child care providers.

⁵⁶ This question provides valid responses from a random selection of 76 providers of child care for children age 6 and under. Chances are 95 in 100 that the real population response lies in the range defined by no greater than plus or minus 11.2 percent.

Analysis of Results

The findings from the provider survey are less clear than the findings from the parent survey. This could be due to either the relatively small number of cases observed or few strong relationships among provider data variables. We carefully analyzed the provider survey data to identify statistically significant relationships at the 95 percent confidence level. This analysis did not identify any notable statistically significant relationships. However, the provider data do present a picture of the producers of child care services that have a strong bearing on the competitiveness of the child care market.

Producers are extremely diverse by type (licensed, registered, approved, exempt, and other), by setting (family home daycare, daycare center, nanny/au pair, and other), by type of care offered (full-time, part-time), and by hours of operation (evenings, weekends, and overnight). This diversity suggests that providers are able to respond to a range of individual preferences for child care services in the Virginia market. In addition, potential producers of child care services range from relatives such as grandparents to day care centers with professionally trained educators.

Another revealing piece of information is the relatively low wage and benefit levels for child care workers. Virginia's child care workers report an average of \$1,243 per month in income which equals \$14,916 per year. This is about 36 percent lower than the per capita personal income for Virginia, \$23,459 (1997, U.S. Census) per year. In addition, employers generally do not provide health insurance for child care workers.

The extreme diversity of producers, low average wage and benefit levels, combined with a strong agreement between parents and providers on the attributes of quality suggests the supply of child care services is uniquely continuous, fluid, and finely tuned to the attributes of quality parents value. Any individual child care provider faces a highly elastic demand simply because parents can easily switch to alternative providers. These findings also suggest the supply of child care services for children age six and under is highly elastic (competitive) with no single producer or group able to exert power over prices.

Another related issue is the impact of alternative provider settings and other supply-side factors on the cost of day care services. We focus on this issue using data from the parent survey by estimating a regression model that examines the variation in the price as a function of these factors. Price in this model reflects the hourly rate, measured as in Table 6 in Section Two: Affordability by dividing the weekly child care payment by the number of hours per week the child is in care.⁵⁷

⁵⁷ To make this metric valid we only include those responses, for which all children age 6 and under (in a given household) were in the same type of care setting. While this reduces the sample size, it insures that the setting-type variables are valid.

As a backdrop for the analysis, the mean hourly rate in the sample is \$2.55 including all regions and all types of care settings. Notably, the hourly rates vary dramatically, by almost a factor of 100. This surely reflects the great diversity of child care possibilities within the Commonwealth.

Table 8 reports these results, and we discuss the price-effect of each of the factors in turn. Note that we enter the dependent variable (price per hour) into the regression equation as its natural logarithmic transformation, which means that the estimated coefficients reveal the impact on percentage changes in price.

Licensed Provider. The estimated coefficient on this variable is positive and significant. Moreover, the magnitude of the effect is quite large: the price charged by licensed providers is 22 percent higher than the price charged by non-licensed providers, other things the same. In perspective, if we evaluate the differential between licensed versus non-licensed providers at the sample mean implies a price difference of \$0.56 per hour ($=0.22*2.55$).

Day Care Center. The estimated coefficient, 0.18, is positive and significant. This implies that prices are 18 percent higher in Day Care Centers compared to non-Center settings. At the mean this price difference amounts to \$0.46 per hour ($=0.18*2.55$).

Day Care Provided In Child's Home by Non-Relative. The estimated coefficient implies that parents pay 49 percent more per hour (or \$1.25 per hour at the mean) for in home care provided by a non-relative versus other settings. Presumably this result reflects a large premium being paid by parents using nannies and au pairs. It is interesting to recall that household income was not a significant factor in determining which families selected this type of care setting (see the findings reported in Table 5 above). Combined, these two findings reinforce the conclusion that the demand for child care is price inelastic. That is, the selection of an in-home care arrangement by a non-relative appears to be independent of household income, yet it costs considerably more than other arrangements.

Day Care Provided In Child's Home by Relative. The estimated coefficient, -0.63, is negative and significant. To assess the effect on price this factor, we need to sum this coefficient and the coefficient on the Day Care Provided In Child's Home by Non-Relative variable ($= -0.63 + 0.49$). This result ($= -0.14$) indicates that parents relying on a relative for in home care pay 14 percent less than other settings. This amounts to \$0.36 per hour using the mean price.

Ratio of Children to Teachers. Interestingly, the estimated coefficient for this variable is not significant. This factor exhibits no systematic effect on price after controlling for the other factors in the model.

Age of Child. The coefficient of the Age variable is not significant.

Ethnicity. The results indicate that Asian families pay a 43 percent higher price per hour than white families (the omitted category), and that African American families pay a 15 percent lower price than white families, other things the same. The coefficient on the Hispanic variable is not significant, indicating no systematic difference in price between Hispanic and white families.

Number of Hours In Care per Week. This coefficient is negative and significant, which probably reflects the presence of "quantity discounts." Put simply, the hourly rate falls as a child is enrolled in care for longer periods of time. The coefficient indicates an elasticity of -0.48; a ten percent increase in hours lowers the hourly rate by nearly five percent.

Household Income. The Household Income coefficient is positive and significant, with an estimated elasticity of 0.25. A 10 percent increase in household income is associated with a 2.5 percent rise in the price per hour. We note that this relationship is most likely picking up regional differences in the cost of living across the Commonwealth. For example, income and prices are both higher in Northern Virginia in comparison to other regions of the state. As additional evidence to this effect, when we run this regression model including the regional variables (not reported), the coefficient on the income variable is no longer significant. Thus, the income variable in this model proxies cost of living differences, which in turn predictably would have an impact of child care rates.

Provider/Child Care Worker. The estimated coefficient is negative, as expected but just misses being significant at the standard (five-percent) level of confidence. It provides at least tentative evidence that providers/workers typically receive a 15 percent discount on the price of child care.

TABLE 8. REGRESSION ANALYSIS: FACTORS THAT AFFECT THE PRICE OF CHILD DAY CARE

Dependent Variable = Ln (Price per Hour on Child Day Care) ^a

Independent Variables	Estimated Coefficients ^d
Licensed Provider	0.22
	(2.71) **
Day Care Center	0.18
	(2.49) *
Day Care Provided in Child's Home by Non-Relative	0.49
	(2.63) **
Day Care Provided in Child's Home by Relative	-0.63
	(-2.15) *
Ratio of Children to Teachers	-0.001
	(-0.06)
Age of Child in Care (for Child 6 or under)	-0.02
	(-0.86)
Asian	0.43
	(3.47) **
African American	-0.15
	(-2.09) *
Hispanic	0.35
	(1.70)
Ln(Number of Hours per Week in Care)	-0.48
	(-7.50) **
Ln (Household Income) ^a	0.25
	(5.12) **
Provider/ Day Care Worker	-0.15
	(-1.81)
Constant	-0.31
	(-0.52)
Adjusted R-squared	0.37
F-statistic	13.0 **
Sample Size ^c	245

Explanatory Notes to Table 8:

- ^a Ln stands for the natural logarithmic transformation of the variable.
- ^b For to the parent self-identified as responsible for child day care decisions.
- ^c Sample includes all respondents that have at least one child age 6 or under in child care, and for which all variables were provided in their survey responses.
- ^d t-statistics are shown in parentheses under the coefficient values, where:
 - ** indicates significance at the one-percent level of confidence, and
 - * indicates significance at the five-percent level of confide

CONCLUSIONS

Our study provides myriad findings that highlight critical features of the market for child care in Virginia. These facts form a solid foundation for assessing how well the existing combination of government oversight and market forces perform in meeting the state's child care needs for households with children age six and under. We approach this assessment largely relying on the views of parents, who as agents for their children's interests make the basic child care choices: whether to purchase child care services, what types of service to purchase, how much to purchase, and so on. In conjunction with the views expressed by parents and providers in the interview process, we rely on measurable data — prices, household income, provider characteristics, and the like — to reveal a well-functioning child care market in Virginia.

Our conclusions are presented in three parts. Part one evaluates efficiency in the child care market in Virginia. Part two provides a discussion of a social equity issue raised by the findings from our study. Part three is a short summary of potential policy options to be considered in light of the findings from our study.

Market Efficiency

The market for child care services in Virginia functions well for households with children age six and under. A large majority of consumers report satisfaction with quality (95%), prices (80%), accessibility (75%), and availability (69%) of child care services offered in Virginia. This finding is especially meaningful given the high standards of service consumers appear to expect in this market.

The demand for child care reflects the preferences of parents, acting as agents of their children in the child care market. Virginia parents show remarkable uniformity with respect to the qualities of care they value most highly. Most Virginia parents with children in child care (73%) define quality care as consisting of one of two key attributes. The first key attribute of quality for parents is “*loving and attentive care*.” The second is concern for “*safety and security*.” Parents also cite educational activities, social interaction, health and sanitation, experienced caregivers, appropriate discipline, and low child to teacher ratios as important elements of quality. However, “*loving and attentive care*,” and concern for the “*safety and security*” of their children were the leading attributes of quality sought by parents who consume child care services.

Our findings also suggest that understanding how parents conceptualize quality offers considerable insight into their tastes, preferences and actions in the child care marketplace. Regression analysis reveals that consumers of child care in Virginia are willing to pay for their definition of “quality” child care services. For example, regression analyses of

reported consumer behavior demonstrates that a price increase of ten percent for child care would reduce the number of hours per week in child care by only four percent. Using the sample mean, this amounts to a decrease from forty hours to thirty-eight and a half hours per week. This relatively inelastic (inflexible) demand for child care services places parents in a potentially vulnerable position if producers of child care services gain the power to set prices.

Fortunately for consumers in Virginia, our study suggests that the supply of child care services for children age 6 and under is highly elastic (competitive) with no single producer or group able to exert power over prices. Producers are extremely diverse and able to respond to a range of individual preferences for child care services in the Virginia market. Potential producers range from relatives such as grandparents to day care centers with professionally trained educators. The supply of child care services appears to be uniquely continuous, fluid, and finely tuned to the attributes of quality parents value. In other words, while the demand for child care services is inelastic, any individual provider faces a highly elastic demand simply because parents can easily switch to alternative providers.

Producers appear to be sensitive to consumer preferences. For example, this study shows that child care providers agree with parents on which attributes of quality child care are most important. The two predominant attributes of quality parents seek when shopping for a child care provider are not scarce. These attributes require no specialized or expensive training. In sharp contrast, the two key attributes of quality appear to be abundant in the available child care provider labor pool and available at low prices.

Lastly, while parents detail high levels of satisfaction across the domains of quality, affordability, and accessibility, they report being the least satisfied with child care accessibility (75%) and availability (69%) in their area. Thus, while the majority of parents are satisfied with the availability of child care in their area, a sizable minority report having to adjust their schedules, remain in a job they wanted to leave, quit their job or change jobs because of difficulty in accessing child care. In addition, about fifty percent of parents with children in child care report that the search for appropriate child care arrangements was at least "somewhat difficult." This is not surprising given the importance parents place on their children and the high investment parents make in finding the best environment for their children.

In summary, there appears to be no discernible market failure in the market for child care services across Virginia. In fact, the market for child care services appears to be highly competitive with producers showing considerable sensitivity to consumer demand.

Social Equity

The task of evaluating the concept of social equity is made difficult by the fact that equity is defined differently by equally well meaning observers. Social equity can be defined in several ways. Social equity can mean "equal opportunity" or "equal outcomes." In some cases, social equity can be specified with precision, and yet be defined to one

extreme or another. In short, while the task of evaluating market efficiency can generally be agreed upon based on an objective standard, we recognize the task of evaluating social equity is an inherently subjective process. About twelve percent of households with young children and not in the child care market cite the "high cost" as the reason they do not purchase child care services. This translates into about seven percent of all respondents, including those currently participating in the child care market.

While the evidence suggests a market process responsive to consumers of child care in Virginia, we do discover signs that income may be a barrier to full participation in the market for one specific group. Thirty-two percent of Virginia households with young children and income ranging from \$15,000 to \$24,999 who do not participate in the child care market report that the cost of child care is prohibitive. This percent is considerably larger than the twelve percent of all households reporting they do not participate in the child care market because of the "high cost."

Policy Implications

Our findings do not lend support for wide-scale policy initiatives for the child care market in Virginia. A large majority of consumers in Virginia are satisfied with the quality, affordability, accessibility, and availability of child care services. The child care market is highly competitive. There is an abundant labor supply providing key attributes of quality valued by consumers. These supply dynamics help to keep the price of child care services as low as possible for consumers.

However, even from the vantage point of market efficiency, there may be room for improvement in the child care market. For example, about fifty percent of parents report that the search for child care was either "very difficult" or "somewhat difficult." This indicates that acquiring sufficient information about providers requires a substantial, time-consuming investment. The state might consider ways to facilitate information flows such as an Internet site, where providers might describe services and consumers might anonymously post standardized ratings on their experiences with providers. However, safety related privacy issues may be a barrier to implementing publicly available information about facilities with several children, especially for family day homes. Alternatively, a Web-based information clearinghouse could be provided by the private sector.

There may be an opportunity for improving the efficiency of the market by improving the administrative enforcement of health and safety standards in child care facilities across the Commonwealth. While most parents reported being pleased with the quality of their child care situation; a sizable portion of the providers in the focus groups reported they felt inspectors were inconsistent in the application of state regulations. State regulators may want to consider further studies concerning the issue of consistency of enforcement. These studies could first verify whether enforcement of existing rules is consistent. If inconsistencies exist, an evaluation of the potential risk due to inconsistent enforcement could be conducted.

Social equity also merits consideration. Income may be a barrier to participation in the child care market for some low-income workers in Virginia. Currently, the Commonwealth of Virginia provides a child care subsidy for low-income households totaling just over \$130 million per year. Based on this information and in the interests of social equity, Virginia policy-makers may opt to increase the subsidy for low-income workers in Virginia. Policy-makers may also consider tax credits for low-income workers who want to place their children in a child care arrangement. Another potential policy option includes the development of outreach/educational programs for less-educated and low-income working parents. The outreach/educational programs could include increasing vocational training resources for this group.

Appendix A
Parent
Questionnaire

DENNIS AND COMPANY RESEARCH, INC.
10000 State Highway 55
Plymouth, MN 55441
(612) 542-9442

Parent Childcare Phone Interviews
Project #M2260-51
June, 1999

QUESTIONNAIRE

Name: _____	Phone: _____
City: _____	State: _____ Zip: _____
Interviewer Name: _____	Date: _____

ASK TO SPEAK WITH MALE/FEMALE HEAD OF HOUSEHOLD

Hello, my name is _____ and I am conducting a survey on behalf of a university-based research project for the Mercatus Center at George Mason University. My questions will take less than 10 minutes of your time. I promise you no sales are involved in this call and your responses are anonymous.

A. How long have you lived at your current address? (DO NOT READ LIST)

- Less than one year 1
- 1-2 years..... 2
- 3-5 years..... 3
- 6-9 years..... 4
- 10 or more years..... 5
- DON'T KNOW/REFUSED x

B. Do you own or rent your home?

- Own 1
- Rent 2
- DON'T KNOW/REFUSED x

1A. How many children 6 years old and under do you have living with you in your household?

- Zero 0
- One 1
- Two..... 2
- Three..... 3
- Four 4
- Five 5
- Six..... 6
- Seven or more 7

1B. Does anyone in your household provide any paid or unpaid child care for children ages 6 and under, in your home, another home, or as an employee of a daycare center?

Yes..... 1 → (NOTE Q1A RESPONSE AND CHECK QUOTAS)
No..... 2

- IF ONE OR MORE KIDS AT Q1A AND Q1B="YES", CHECK QUOTAS. ASSIGN TO ONE QUOTA AS NEEDED.
 - IF PARENT QUOTA, CONTINUE WITH Q2
 - IF WORKER QUOTA, GO TO "CHILD DAYCARE WORKER" QUESTIONNAIRE
- IF ONE OR MORE KIDS AT Q1A AND Q1B="NO", CONTINUE WITH Q2.
- IF Q1A=0 AND Q1B="YES", GO TO "CHILD DAYCARE WORKER" QUESTIONNAIRE
- IF Q1A=0 AND Q1B="NO", TERMINATE AND TALLY

2. What are the ages of your (RESPONSE FROM Q1A) children ages 6 and under? (RECORD AGES BELOW). NOTE: RECORD AGE IN YEARS. IF UNDER ONE YEAR OLD, SEE HELP SHEET.

Child #1	Child #5
Child #2	Child #6
Child #3	Child #7
Child #4	Child #8

3A. During the past school year did any of your children receive childcare, either outside or at their home, at least two days a week by someone other than the parent?

Yes..... 1 → SKIP TO Q.3C
No..... 2

3B. Which of the following best describes the primary reason why your child(ren) are not in a child care arrangement. (READ LIST. RECORD ONE MENTION ONLY.)

- Cost of child care is too high..... 1
- Currently on leave from job 2
- Child care providers not available in your community..... 3
- Inconvenient child care hours..... 4
- Not satisfied with the quality of child care..... 5
- Parent doesn't work..... 6
- Parent works at home..... 7
- Transportation to and from daycare unavailable..... 8
- Want primary caregiver to be a parent..... 9
- Don't know X → ASK: "What is the primary reason?"

3C. How many of your children have ever been in a child care arrangement?

- None 0 → IF Q.3A="NO", SKIP TO Q.DI
- One 1
- Two 2
- Three 3
- Four 4
- Five 5
- Six or more 6
- DON'T KNOW/REFUSED X

3D. Have you ever ended a child care arrangement due to inconvenient hours of operation?

- Yes 1
- No 2

3E. Have you ever taken one of the following actions due to lack of access to child care?

- Adjust your work schedule ... 1
- Change jobs 2
- Quit working 3
- Quit school 4
- Remain in a job
you wanted to leave 5

IF Q.3A="NO", SKIP TO Q.DI

4. Are you the person in the household responsible for making the decisions regarding child care for your children?

- Yes 1
- Yes, jointly 2
- No 3 → **ASK TO SPEAK TO PERSON RESPONSIBLE FOR CHILD CARE DECISIONS. WHEN THAT PERSON IS ON THE LINE, RE-INTRODUCE YOURSELF AND CONFIRM THAT HE/SHE IS CHILDCARE DECISION-MAKER.**

IF Q1A=1, SKIP TO Q6A

5. Are all of your children in the same child care arrangement?

- Yes 1
- No 2 → **SKIP TO Q7**

6A. [Are/Is] your child(ren) in more than one child care or preschool arrangement?

- Yes..... 1
- No..... 2

6B. Which of the following best describes the type of child care setting you currently use for your child(ren)? (READ LIST) (RECORD ONE MENTION ONLY)

- Daycare Center..... 1
- Family Home Daycare..... 2
- Child care provided in the child's home..... 3
- Other (SPECIFY):..... 4

6C. Which of the following best describes the type of provider you currently use for your child(ren)? (READ LIST.)

- Licensed Relative..... 1
- Unlicensed Relative..... 2
- Licensed Non-Relative..... 3
- Unlicensed Non-Relative..... 4
- Other (SPECIFY):..... 5

6D. What is the total amount you pay for child care each week?

WEEKLY \$ AMOUNT: _____

SKIP TO INSTRUCTIONS BEFORE Q.10

ASK Q7 FOR EACH AGE CHILD

7. Which of the following best describes the type of child care setting you currently use for your (Q.2 AGE) child? (REPEAT FOR EACH AGE CHILD).

Child #1	Child #2	Child #3	Child #4	Child #5	Child #6	Child #7	Child #8
				(Age)	(Age)	(Age)	(Age)
Daycare Center.....	1	1	1	1	1	1	1
Family Home Daycare.....	2	2	2	2	2	2	2
Child care provided in the child's home.....	3	3	3	3	3	3	3
Other (SPECIFY):.....	4	4	4	4	4	4	4
NONE.....	5	5	5	5	5	5	5

8. Which of the following best describes the type of provider you currently use for your (Q.2 AGE) child? (REPEAT FOR EACH AGE CHILD).

	Child #1 (Age)	Child #2 (Age)	Child #3 (Age)	Child #4 (Age)	Child #5 (Age)	Child #6 (Age)	Child #7 (Age)	Child #8 (Age)
Licensed Relative	1	1	1	1	1	1	1	1
Unlicensed Relative	2	2	2	2	2	2	2	2
Licensed Non-Relative	3	3	3	3	3	3	3	3
Unlicensed Non-Relative	4	4	4	4	4	4	4	4
Other (SPECIFY):	5	5	5	5	5	5	5	5

9. For the children we just listed, what is the total amount you pay for child care each week?

WEEKLY \$ AMOUNT: _____ (DO NOT ACCEPT A RANGE)

INTERVIEWER INSTRUCTION: OFFER MIDPOINT IF RESPONDENT WILL NOT GIVE EXACT NUMBER AFTER PROBING

IF Q1A=1, SKIP TO Q.10A

10. **READ:** Today I'm interested in your opinions regarding just one of the types of child care you currently use, so I would like to randomly talk about just one child. Which of your children ages 6 and under and currently in child care has the next birthday? How old is that child? (CLARIFY AGE OF CHILD WITH NEXT BIRTHDAY).

CHILD (AGE): _____

You indicated that this child receives child care from a (Q7 TYPE OF CHILD CARE FOR Q11 AGE CHILD). For the rest of this interview, please give me your opinions regarding this child's child care provider only. (IF MORE THAN ONE CHILD CARE ARRANGEMENT. ASK THEM TO TALK ABOUT THE ONE THEY USE MOST OFTEN.)

10A How many days per week is this care usually provided for this child?

DAYS PER WEEK: _____

10B How many hours per day is this care usually provided for this child?

HOURS PER DAY: _____

10C Has this child experienced developmental delays or disabilities?

- Yes..... 1
- No..... 2
- DON'T KNOW/REFUSED..... 3

11A How many child care arrangements did you call or visit before choosing your current child care arrangement? (READ LIST. RECORD ONE MENTION ONLY)

NUMBER OF CHILD CARE ARRANGEMENTS: _____

11B How difficult or easy would you say your search was for an appropriate child care arrangement?

(READ LIST. RECORD ONE MENTION ONLY)

- Very difficult 1
- Somewhat difficult..... 2
- Somewhat easy 3
- Very easy..... 4
- DON'T KNOW/REFUSED..... X

IF CHILD OVER AGE 2 @Q.2 OR AT Q.10 SKIP TO Q.12B

12A How many childcare arrangements have you had for this child?

- One 1
- Two..... 2
- Three..... 3
- Four or more 4
- DON'T KNOW/REFUSED X

12A1 How many MONTHS has this child been in child care since being born?

_____ NUMBER OF MONTHS

SKIP TO Q.13

12B How many childcare arrangements have you had for this child in the past two years?

- One 1
- Two..... 2
- Three..... 3
- Four or more 4
- DON'T KNOW/REFUSED X

12B1 How many YEARS has this child been in child care since being born?

_____ NUMBER OF YEARS

13. I am going to read you a series of items parents use to describe quality childcare. For each one, please tell me whether you think each attribute tends to be important or unimportant on a scale of 1 to 5 with 1 being *not at all important* and 5 being *very important*. You may use any number from 1 to 5. (READ LIST)

ROTATE:	Not important					Very Important	DO NOT READ	
	At all						DON'T KNOW	REFUSED
Loving and attentive care.....	1	2	3	4	5		X	Y
Experienced caregivers.....	1	2	3	4	5		X	Y
College educated caregivers.....	1	2	3	4	5		X	Y
Safety and security.....	1	2	3	4	5		X	Y
Low turnover of staff.....	1	2	3	4	5		X	Y
Educational program activities.....	1	2	3	4	5		X	Y
Appropriate discipline.....	1	2	3	4	5		X	Y
Small number of children for each caregiver.....	1	2	3	4	5		X	Y
Social interaction of child with other children.....	1	2	3	4	5		X	Y
State licensing.....	1	2	3	4	5		X	Y
Accreditation by national organizations.....	1	2	3	4	5		X	Y
Health and sanitation.....	1	2	3	4	5		X	Y

14 Of the reasons I've just mentioned, which one is most important to you in selecting quality childcare for your child? (DO NOT READ LIST UNLESS REQUESTED. CIRCLE ONE BELOW).

- Loving & attentive care..... 1
- Experienced caregivers..... 2
- College educated caregivers..... 3
- Safety and security..... 4
- Low turnover of staff..... 5
- Educational program activities..... 6
- Appropriate discipline..... 7
- Small number of children
for each caregiver..... 8
- Social interaction of child
with other children..... 9
- State licensing..... 10
- Accreditation by national
organizations..... 11
- Health and sanitation..... 12
- DON'T KNOW/REFUSED..... X

- 15A Are you satisfied with the *price* of child care you currently pay?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3
- 15B Are you satisfied with the *quality* of child care you currently receive?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3
- 15C Are you satisfied with the *availability* of child care in your area?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3
- 15C1 Are you satisfied with the *accessibility* of child care in your area as it relates to your situation?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3
- 15D Have you ever considered moving a child from a child care arrangement because you were concerned about the safety or health of the child?
 Yes..... 1
 No..... 2 → SKIP TO Q.15F
 DON'T KNOW/REFUSED..... 3 → SKIP TO Q.15F
- 15E Have you ever actually moved a child from a child care arrangement because you were concerned about the safety or health of the child?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3
- 15F Have you ever considered moving a child from a child care arrangement because you were concerned about the quality of educational activities for the child?
 Yes..... 1
 No..... 2 → SKIP TO Q.15H
 DON'T KNOW/REFUSED..... 3 → SKIP TO Q.15H
- 15G Have you ever actually moved a child from a child care arrangement because you were concerned about the quality of educational activities for the child?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED..... 3

- 15H Have you ever considered moving a child from a child care arrangement because you were concerned about the lack of loving and attentive care for the child?
 Yes..... 1
 No..... 2 → SKIP TO Q.16
 DON'T KNOW/REFUSED..... 3 → SKIP TO Q.16
- 15I Have you ever actually moved a child from a child care arrangement because you were concerned about the lack of loving and attentive care for the child?
 Yes..... 1
 No..... 2
 DON'T KNOW/REFUSED.....3
16. How many teachers/providers are there at your child's current child care facility/classroom?
 # of teachers : _____ (DO NOT ACCEPT RANGE)
17. How many children including your child are there at your child's current child care facility/classroom?
 # of children : _____ (DO NOT ACCEPT RANGE)

SKIP Q.18 & Q.19 IF Q.16=1 and Q.17=1

18. Based on your income today, would you be willing to pay more if the number of children were reduced by one, an action that would ideally give your child more attention?
 Yes..... 1
 No..... 2 → SKIP TO Q.20
 DON'T KNOW/REFUSED..... 3 → SKIP TO Q.20
19. If the number of children were reduced by one, an action that would ideally give your child more attention, how much more would you be willing to pay per week?
 WEEKLY \$ AMOUNT: _____ (DO NOT ACCEPT RANGE)
20. What is the driving time, in minutes, between your home and your child care arrangement?
 _____ minutes one-way (DO NOT ACCEPT A RANGE)
 Don't drive to/from home0
 DON'T KNOW/REFUSEDX

21A. What is the driving time, in minutes, between your place of work and your child care arrangement?

_____ minutes one-way (DO NOT ACCEPT A RANGE)

Don't drive to/from work0
DON'T KNOW/REFUSEDX

21B. Would you say you are . . . (READ LIST) with the driving time to and from your child care arrangement?

Very satisfied 1
Somewhat satisfied 2
Somewhat dissatisfied 3
Very dissatisfied 4
DON'T KNOW/REFUSED X

21C. Would you prefer that your child care arrangement be closer to home or to your place of work?

Work 1
Home 2
DON'T KNOW/REFUSED X

21D. Is your primary child care arrangement closer to home or closer to your place of work?

Work 1
Home 2
DON'T KNOW/REFUSED X

Now, I am going to ask you a couple questions about your child for classification purposes.

DA. What is the birthday month of your child that we have been referring to throughout the survey?
(DO NOT READ LIST. RECORD ONE MENTION ONLY)

January 1
February 2
March 3
April 4
May 5
June 6
July 7
August 8
September 9
October 10
November 11
December 12
DON'T KNOW/REFUSED X

- DB. What is the gender of your child?
 Male 1
 Female 2
 DON'T KNOW/REFUSED X

DEMOGRAPHICS

Finally, I have a few questions about yourself and your household simply for classification purposes.

- D1. In what year were you born?

YEAR BORN: 19 ____

- D2. Including yourself, all adults, and any children living at home, how many people live in your household? (DO NOT READ LIST - RECORD ONE ANSWER ONLY)

- Two 2
 Three 3
 Four 4
 Five 5
 Six or more 6

(DO NOT READ) Don't know/refused Y

- D3. Which of the following best describes your marital status? (READ LIST)

- Single 1
 Married 2
 Separated/divorced/widowed 3
 DON'T KNOW/REFUSED Y

- D4. What is the last grade of school you completed? (DO NOT READ LIST)

- Less than high school 1
 High school graduate/GED 2
 Some college (no degree) 3
 Associate degree 4
 College graduate 5
 Graduate/professional degree .. 6

(DO NOT READ) DON'T KNOW/REFUSED X

D5. To make sure we have included the opinions of all groups, please tell me which of the following best describes you. (READ LIST)

- Asian..... 1
- African-American/Black 2
- Native American 3
- Caucasian/White 4
- Hispanic 5
- Or, Other Group (specify):
_____ ()
- REFUSED Y

D6. Approximately what was your total household income from all sources, before taxes in 1998?
RECORD EXACT NUMBER BELOW – DO NOT ACCEPT A RANGE.

HOUSEHOLD INCOME: _____

(IF RESPONDENT HESITATES, SAY:)

Which of the following income ranges best represents your total household income, before taxes, in 1998? (READ LIST, CIRCLE ONE ANSWER ONLY)

- Under \$10,000 1
- \$10,000 to under \$15,000 2
- \$15,000 to under \$25,000 3
- \$25,000 to under \$35,000 4
- \$35,000 to under \$50,000 5
- \$50,000 to under \$75,000 6
- \$75,000 to under \$100,000 7
- \$100,000 to under \$150,000 8
- \$150,000 and over 9
- (DO NOT READ) DON'T KNOW/REFUSED Y

D7. In what county do you currently live? (DO NOT READ LIST)

Accomack	1	Franklin	46	Norton	91
Albemarle	2	Franklin-City	47	Nottoway	92
Alexandria	3	Frederick	48	Orange	93
Alleghany	4	Fredericksburg	49	Page	94
Amelia	5	Galax	50	Patrick	95
Amherst	6	Giles	51	Petersburg	96
Appomattox	7	Gloucester	52	Pittsylvania	97
Arlington	8	Goochland	53	Poquoson	98
Augusta	9	Grayson	54	Portsmouth	99
Bath	10	Greene	55	Powhatan	100
Bedford	11	Greensville	56	Prince Edward	101
Bedford-City	12	Halifax	57	Prince George	102
Bland	13	Hampton	58	Prince William	103
Botetourt	14	Hanover	59	Pulaski	104
Bristol	15	Harrisonburg	60	Radford	105
Brunswick	16	Henrico	61	Rappahannock	106
Buchanan	17	Henry	62	Richmond	107
Buckingham	18	Highland	63	Richmond-City	108
Buena Vista	19	Hopewell	64	Roanoke	109
Campbell	20	Isle Of Wight	65	Roanoke-City	110
Caroline	21	James City	66	Rockbridge	111
Carroll	22	King And Queen	67	Rockingham	112
Charles City	23	King George	68	Russell	113
Charlotte	24	King William	69	Salem	114
Charlottesville	25	Lancaster	70	Scott	115
Chesapeake	26	Lee	71	Shenandoah	116
Chesterfield	27	Lexington	72	Smyth	117
Clarke	28	Loudoun	73	South Boston	118
Clifton Forge	29	Louisa	74	Southampton	119
Colonial Heights	30	Lunenburg	75	Spotsylvania	120
Covington	31	Lynchburg	76	Stafford	121
Craig	32	Madison	77	Staunton	122
Culpeper	33	Manassas	78	Suffolk	123
Cumberland	34	Manassas Park	79	Surry	124
Danville	35	Martinsville	80	Sussex	125
Dickenson	36	Mathews	81	Tazewell	126
Dinwiddie	37	Mecklenburg	82	Virginia Beach	127
Emporia	38	Middlesex	83	Warren	128
Essex	39	Montgomery	84	Washington	129
Fairfax	40	Nelson	85	Waynesboro	130
Fairfax City	41	New Kent	86	Westmoreland	131
Falls Church	42	Newport News	87	Williamsburg	132
Fauquier	43	Norfolk	88	Winchester	133
Floyd	44	Northampton	89	Wise	134
Fluvanna	45	Northumberland	90	Wythe	135
				York	136

D8. Lastly, how many years have you lived in this county? (READ LIST)

- Less than one year..... 1
- Two to three years 2
- Four to five years 3
- More than five years..... 4

D9. **(DO NOT ASK - RECORD GENDER OF RESPONDENT)**

- Male 1
- Female 2

That's all the questions I have for you today. Thank you very much for your participation.

RECORD RESPONDENT INFORMATION ON FRONT PAGE

Appendix B

Provider Questionnaire

DENNIS AND COMPANY RESEARCH
10000 State Highway 55
Plymouth, MN 55441
(612) 542-9442

Worker Childcare Phone Interviews
Project #M2260-5058
June, 1999

QUESTIONNAIRE

Name: _____	Phone: _____	
Address: _____		
City: _____	State: _____	Zip: _____
Interviewer Name: _____		Date: _____

IF CONTINUING FROM PARENT SCREENER, START WITH Q1 -
OTHERWISE, ASK TO SPEAK WITH MALE/FEMALE HEAD OF HOUSEHOLD

Hello, my name is _____ and I am conducting a survey on behalf of a university-based research project for the Mercatus Center at George Mason University and would like to include your opinions. My questions will take less than 10 minutes of your time. I promise you no sales are involved in this call and your responses are anonymous.

1. Are you the person who is responsible for providing child care?

Yes..... 1

No..... 2 → **ASK TO SPEAK WITH THAT PERSON. WHEN PERSON IS ON THE LINE, RE-INTRODUCE YOURSELF AND CONFIRM THAT HE/SHE IS A CHILDCARE PROVIDER. IF NOT AVAILABLE, SCHEDULE CALLBACK.**

2A. Which of the following best describes the type of child care setting in which you work? (READ LIST)

- Daycare Center..... 1
- Family Home Daycare..... 2
- Nanny/Au Pair..... 3
- Other (SPECIFY): _____... 4

2B1. Which of the following best describes the type of provider you are? (READ LIST)

- Registered 1
- Approved 2
- Exempt 3
- Licensed 4
- Other (SPECIFY): _____ 5

2B2. Are any of the children in your care related to you? (READ LIST)

- Yes 1
- No 2
- Don't Know/Refused 3

2C. What is your position/role in the child care center in which you work? (DO NOT READ LIST. RECORD ALL THAT APPLY.)

- Childcare worker 1
- Owner 2
- Supervisor 3
- Teacher 4
- Other (SPECIFY): _____ 5

READ: Even though you may provide child care for children of all ages, for the rest of this interview, please give me your opinions regarding the children age 6 and under only.

3. Does your child care offer full-time child care only, part-time child care only, or a mix of full and part-time care?

- Full-time only (40 hours or more per week) . 1
- Full-time AND Part-time 2
- Part-time only 3

4. I am going to read you a series of items used to describe quality child care. For each one, please tell me whether you think each item tends to be important or unimportant on a scale of 1 to 5 with 1 being *not at all important* and 5 being *very important*. You may use any number from 1 to 5. (READ LIST)

ROTATE:						DO NOT READ	
	Not important <u>At all</u>					Very <u>Important</u>	DON'T <u>KNOW</u>
Loving and attentive care.....	1	2	3	4	5	X	Y
Experienced caregivers.....	1	2	3	4	5	X	Y
College educated caregivers.....	1	2	3	4	5	X	Y
Safety and security.....	1	2	3	4	5	X	Y
Low turnover of staff.....	1	2	3	4	5	X	Y
Educational program activities.....	1	2	3	4	5	X	Y
Appropriate discipline.....	1	2	3	4	5	X	Y
Small number of children for each caregiver.....	1	2	3	4	5	X	Y
Social interaction of child with other children.....	1	2	3	4	5	X	Y
State licensing.....	1	2	3	4	5	X	Y
Accreditation by national organizations.....	1	2	3	4	5	X	Y
Health and sanitation.....	1	2	3	4	5	X	Y

5. Of the reasons I've just mentioned, which one do you feel is the most important in defining quality child care? (DO NOT READ LIST UNLESS REQUESTED. CIRCLE ONE BELOW).

Loving & attentive care.....	1
Experienced caregivers.....	2
College educated caregivers.....	3
Safety and security.....	4
Low turnover of staff.....	5
Educational program activities.....	6
Appropriate discipline.....	7
Small number of children for each caregiver.....	8
Social interaction of child with other children.....	9
State licensing.....	10
Accreditation by national organizations.....	11
Health and sanitation.....	12
DON'T KNOW/REFUSED.....	X

IF Q.2A=DAYCARE CENTER, CONTINUE WITH Q.7. OTHERWISE, SKIP TO INSTRUCTIONS BEFORE Q.9A

7. About what percentage of child care workers at your center do you believe provide high quality child care to the children in their classroom?

_____ % (RECORD PERCENTAGE. DO NOT ACCEPT A RANGE.)

8. About what percentage of child care workers at your center do you believe provide satisfactory childcare to the children in their classroom?

_____ % (RECORD PERCENTAGE. DO NOT ACCEPT A RANGE.)

IF Q.2A=DAYCARE CENTER OR FAMILY HOME DAYCARE CONTINUE WITH Q.9A OTHERWISE SKIP TO Q.10

9A. Do you think parents are generally satisfied with the *affordability* of child care you provide?

Yes.....1
No.....2
DON'T KNOW/REFUSED..... X

9B. Do you think parents are generally satisfied with the *quality* of child care you provide?

Yes.....1
No.....2
DON'T KNOW/REFUSED..... X

9C. Do you think parents are generally satisfied with the *availability* of child care in your area?

Yes.....1
No.....2
DON'T KNOW/REFUSED..... X

9d. Do you think parents are generally satisfied with the *accessibility* of child care in your area?

Yes.....1
No.....2
DON'T KNOW/REFUSED..... X

Now, I am going to ask you a few questions about child to teacher ratios for child care providers.

10. How many teachers/providers are there at your child care classroom/home?

of teachers : _____ (DO NOT ACCEPT RANGE)

11A. How many children are there currently in your child care classroom/home?

of children: _____ (DO NOT ACCEPT RANGE)

11B. How many of these (Q11A RESPONSE) children in the classroom/home are . . . ? (READ LIST)

Infants less than one year old	_____	} → SKIP TO Q.13.
One year old	_____	
Two years old	_____	
Three years old	_____	} → IF ONE OR MORE PER AGE. ASK Q.12 OTHERWISE SKIP TO Q.13.
Four years old	_____	
Five years old	_____	
Six years old	_____	
DON'T KNOW/RF	X	

12. How many of your 4,5,and 6 year olds are in kindergarten?

in kindergarten _____ (DO NOT ACCEPT A RANGE.)

DON'T KNOW/RF..... X

13. How many of these (Q.11A RESPONSE) children in your classroom or home would you categorize in the following way... (READ LIST.)

Asian	_____	} → RECORD NUMBER. DO NOT ACCEPT A RANGE.
African American/ Black	_____	
Native American	_____	
Caucasian/White	_____	
Hispanic	_____	
Or, other group	_____	
REFUSED.....	X	

14. In the past year, did any children have any behavior discipline problems in your classroom or home that resulted in the child's parents being sent a note or being asked to talk with you or the director?

Yes..... 1

No..... 2 → SKIP TO Q.15A.

15. In the past year, about how many behavior problems occurred in your classroom or home that resulted in the child's parents being sent a note or being asked to talk with you or the director? (DO NOT READ LIST.)

- One 1
- Two.....2
- Three.....3
- Four.....4
- Five.....5
- Six.....6
- Seven.....7
- Eight.....8
- Nine.....9
- Ten.....10
- More than ten.....11

15A. [Do you/Does your center] offer child care during any of the following non-traditional hours?

- Evenings.....1
- Weekends.....2
- Overnight.....3
- DON'T KNOW/RF.....X

16. Does your child care program encourage parental participation?

- Yes.....1
- No.....2
- DON'T KNOW/RF.....X

17. How many years or months have you taught at this particular day care center or home? (RECORD NUMBER. DO NOT ACCEPT A RANGE.)

_____ months

_____ years

18. How would you characterize your approach to child care? Would you characterize it as... (READ LIST.RECORD ALL MENTIONS)

- Formal/Academic.....1
- Structured play.....2
- Free play.....3
- DON'T KNOW/RF.....X

19. Do you spend more time on formal/academic education or socialization skills in your classroom/home?

- Formal/Academic education .. 1
- Socialization skills2
- Both equally3
- DON'T KNOW/RF X

20. In your opinion, what is the most difficult issue for you to communicate with parents of children in your care? (READ LIST. RECORD ONE MENTION ONLY.)

- Keeping sick children home .. 1
- Late payments2
- Late pick ups3
- Respecting the rules of
the facility.....4
- Supporting the efforts of
the caregiver or teacher.....5
- Sharing achievements of a
child with their parents.....6
- Behavior problems.....7
- Other (SPECIFY):

_____ () → DO NOT READ
DON'T KNOW/REFUSED X

21. How often do you usually talk about the activities or progress of each child in your care with their parents? (DO NOT READ LIST. RECORD ONE MENTION ONLY.)

- Every day 1
- Almost every day.....2
- Once a week3
- Once every two weeks.....4
- Once every month.....5
- Once every three or
four months6
- Twice a year7
- Once a year.....8
- Rarely.....9
- Never 10
- DON'T KNOW/REFUSED X

22. Do you give parents written notes of their child's activities or progress?

- Yes..... 1
- No2 → SKIP TO Q.24.

23. How often do you usually give parents written notes of their child's activities or progress? (DO NOT READ LIST. RECORD ONE MENTION ONLY.)

- Every day 1
- Almost every day 2
- Once a week 3
- Once every two weeks 4
- Once every month 5
- Once every three or
four months 6
- Twice a year 7
- Once a year 8
- Rarely 9
- DON'T KNOW/REFUSED X

24. Using a scale from 1 to 5 with a 1 meaning "not at all important" and a 5 meaning "very important" please tell me how important are employer paid health benefits to you? Are they... You may use any number from 1 to 5. (READ LIST. RECORD ONE MENTION ONLY.)

- Very important 5
- Somewhat important 4
- Neither important nor unimportant... 3
- Somewhat unimportant 2
- Not important at all 1
- DON'T KNOW/REFUSED X

25. Do you have health insurance?

- Yes 1
- No 2 → SKIP TO Q.28.

26. Who provides your health insurance? Is it... (READ LIST. RECORD ONE MENTION ONLY.)

- Your child day care
employer 1
- Your spouse's employer 2]
- A parent 3 | → SKIP TO Q.28.
- Yourself 4 |

27. Does your child care employer pay for part or all of your health insurance?

- Part 1
- All 2
- DON'T KNOW/RF X

IF Q.2B2="NO" SKIP TO DEMOS

28. Do you have a child of your own, six years of age or younger, with you at your child care facility?

Yes.....1

No.....2

29. Using a scale from 1 to 5 with a 1 meaning "not at all important" and a 5 meaning "very important" How important is it to have your child with you at the child care where you work? Is it... You may use any number from 1 to 5. (READ LIST. RECORD ONE MENTION.)

Very important.....5

Somewhat important.....4

Neither important nor unimportant...3

Somewhat unimportant.....2

Not important at all.....1

DON'T KNOW/REFUSED.....X

DEMOGRAPHICS

Finally, I have a few questions about yourself and your daycare simply for classification purposes.

D1. In what year were you born?

YEAR BORN: 19____

D2. What is the last grade of school you had the opportunity to completed?

- Less than high school 1
- High school graduate/GED 2
- Some college (no degree) 3
- Associate degree 4
- College graduate 5
- Graduate/professional degree .. 6

(DO NOT READ) DON'T KNOW/REFUSEDX

D3. Have you had any special training in child day care?

- Yes..... 1
- No..... 2
- DON'T KNOW/RF X

D4. Do you have a child development associate credential?

- Yes..... 1
- No..... 2
- DON'T KNOW/RF X

D5. In the last year have you received six hours or more of additional child related training?

- Yes..... 1
- No..... 2
- DON'T KNOW/RF X

D6. In the last year, have you received any training from the following...(READ LIST. RECORD ALL MENTIONS.)

- Local or community college..... 1
- A resource or referral network 2
- A government agency or program 3
- A program sponsored by your center 4
- Other (SPECIFY):
_____ ()
_____ ()

D7. What other job, other than childcare, did you work at immediately before this position? (CLARIFY ONLY.)

D8. Are you now considering another job?

Yes..... 1
No..... 2 → SKIP TO Q.D10.

D9A. What job are you considering? (CLARIFY ONLY.)

D9B. Which of the following best describes the reason why you are considering a new job. (READ LIST.)

I am burned out
on child care 1
I want to start
my own business..... 2
I want to make
more money..... 3
I want to spend more time
with my family 4
Personal reasons 5
Or, other (SPECIFY):
_____ ()
REFUSED..... X

D10. Approximately, how many years have you been working as a child daycare provider?

of years: _____

D11. To make sure we have included the opinions of all groups, please tell me which of the following best describes you. Are you... (READ LIST. RECORD ONE MENTION ONLY.)

Asian 1
African American/Black 2
Native American 3
Caucasian/White 4
Hispanic 5
Or, other group (SPECIFY):
_____ ()
REFUSED..... X

D12. Which of the following includes your total household income, from all sources, before taxes, in 1998? (READ LIST. RECORD ONE MENTION ONLY.)

- Under \$10,000.....1
- \$10,000 to under \$15,000.....2
- \$15,000 to under \$25,000.....3
- \$25,000 to under \$35,000.....4
- \$35,000 to under \$50,000.....5
- \$50,000 to under \$75,000.....6
- \$75,000 to under \$100,000...7
- \$100,000 to under \$150,000.8
- \$150,000 and over.....9

DO NOT READ → DON'T KNOW/REFUSED..... X

D13. Approximately what is your monthly income as a child day care provider, before taxes? (RECORD EXACT NUMBER BELOW. DO NOT ACCEPT A RANGE.)

\$ _____

IF Q2A.=DAYCARE CENTER, CONTINUE WITH Q.D14. OTHERWISE SKIP TO D16.

D14. About how many years has your daycare facility been in business?

of years: _____ (DO NOT ACCEPT RANGE)
DON'T KNOW/RFX

D15. And, about how many total employees are there at your worksite?

of employees: _____ (DO NOT ACCEPT RANGE)
DON'T KNOW/RFX

D16. In what county is your child care located? (DO NOT READ LIST)

Accomack	1	Franklin	46	Norton	91
Albemarle	2	Franklin-City	47	Nottoway	92
Alexandria	3	Frederick	48	Orange	93
Alleghany	4	Fredericksburg	49	Page	94
Amelia	5	Galax	50	Patrick	95
Amherst	6	Giles	51	Petersburg	96
Appomattox	7	Gloucester	52	Pittsylvania	97
Arlington	8	Goochland	53	Poquoson	98
Augusta	9	Grayson	54	Portsmouth	99
Bath	10	Greene	55	Powhatan	100
Bedford	11	Greensville	56	Prince Edward	101
Bedford-City	12	Halifax	57	Prince George	102
Bland	13	Hampton	58	Prince William	103
Botetourt	14	Hanover	59	Pulaski	104
Bristol	15	Harrisonburg	60	Radford	105
Brunswick	16	Henrico	61	Rappahannock	106
Buchanan	17	Henry	62	Richmond	107
Buckingham	18	Highland	63	Richmond-City	108
Buena Vista	19	Hopewell	64	Roanoke	109
Campbell	20	Isle Of Wight	65	Roanoke-City	110
Caroline	21	James City	66	Rockbridge	111
Carroll	22	King And Queen	67	Rockingham	112
Charles City	23	King George	68	Russell	113
Charlotte	24	King William	69	Salem	114
Charlottesville	25	Lancaster	70	Scott	115
Chesapeake	26	Lee	71	Shenandoah	116
Chesterfield	27	Lexington	72	Smyth	117
Clarke	28	Loudoun	73	South Boston	118
Clifton Forge	29	Louisa	74	Southampton	119
Colonial Heights	30	Lunenburg	75	Spotsylvania	120
Covington	31	Lynchburg	76	Stafford	121
Craig	32	Madison	77	Staunton	122
Culpeper	33	Manassas	78	Suffolk	123
Cumberland	34	Manassas Park	79	Surry	124
Danville	35	Martinsville	80	Sussex	125
Dickenson	36	Mathews	81	Tazewell	126
Dinwiddie	37	Mecklenburg	82	Virginia Beach	127
Emporia	38	Middlesex	83	Warren	128
Essex	39	Montgomery	84	Washington	129
Fairfax	40	Nelson	85	Waynesboro	130
Fairfax City	41	New Kent	86	Westmoreland	131
Falls Church	42	Newport News	87	Williamsburg	132
Fauquier	43	Norfolk	88	Winchester	133
Floyd	44	Northampton	89	Wise	134
Fluvanna	45	Northumberland	90	Wythe	135
				York	136

D17. How many years have you lived in this county?

- Less than one year..... 1
- Two to three years 2
- Four to five years 3
- More than five years..... 4

D18. **(DO NOT ASK - RECORD GENDER OF RESPONDENT)**

- Male 1
- Female 2

That's all the questions I have for you today. Thank you very much for your participation.

RECORD RESPONDENT INFORMATION ON FRONT PAGE

APPENDIX

CHAPTER 629

An Act requiring the Board of Social Services, the Department of Social Services, and the Department of Health to study the quality affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth.

{S 595}

Approved April 15, 1998

Be it enacted by the General Assembly of Virginia:

1. Section 1. That the State Board of Social Services, in cooperation with the Department of Social Services, the Health Department, and other state agencies as appropriate, shall study the quality, affordability, and accessibility of licensed and unlicensed child day care programs in the Commonwealth.

A. The study shall (i) examine quality of care mechanisms currently in place for child day care programs and providers, including, but not limited to, state and federal statutes and regulations and review by private accrediting bodies; (ii) assess the sufficiency of these mechanisms for ensuring quality and providing parents with a means of having their inquiries and complaints addressed; (iii) examine how the Department of Social Services and the Department of health coordinate their roles for ensuring quality of child care and child day care in a manner which minimizes duplication of resources; and (iv) identify the appropriate role of the Department of Social Services and any other appropriate state agencies in monitoring the quality, affordability, and accessibility of child day care programs.

B. The study also shall consider whether changes in existing law or regulations are warranted with respect to quality, health, and safety standards for all child day care programs.

C. The Board of Social Services shall submit an interim report by October 1, 1998, and a

final report by October 1, 1999, to the Governor, the Commission on Early Childhood and Child Day Care Programs, and the General Assembly which, in addition to the matters to be reported on as set forth above, (i) recommends the appropriate role of the Commonwealth in monitoring and improving the quality, affordability and accessibility of care in child day care programs; (ii) recommends the Commonwealth's role in providing consumer information on child day care issues; and (iii) assesses the licensing and registration functions for individual and institutional child day care providers currently performed by the Department of Social Services.