



# Child Care Workforce 2000

## A Profile of the El Dorado County Child Care Workforce

Findings from the 2000 Survey  
Of Child Care Centers and  
Family Child Care Homes

<b>Table of Contents</b>	<b>Page</b>
Acknowledgements.....	2
Introduction.....	3
Child Care Center Staff .....	5
Family Child Care Providers.....	13
Conclusion.....	21
Notes.....	22

## **Acknowledgments**

- Report by Sheila Silan of Silan Consulting.
- Survey instrument developed by the Center for the Child Care Workforce – founded in 1978 to document, advocate, train, and organize around the issues of better compensation and working conditions for child care providers.
- Data collection and technical assistance provided by Choices For Children, local child care resource and referral agency.
- A special thanks to the child care providers participating in the survey.

All questions about this report should be directed to Kathi Walker, Coordinator for the Child Care and Development Planning Council at (530) 295-2312.

## **Mission Statement**

The Child Care and Development Planning Council of El Dorado County is a public-private partnership of business, education, child care providers and consumers, community and governments.

The mission is to serve as the focal point for the planning and development of accessible, affordable, quality child care and development programs for children and families in El Dorado County.

## **Child Care and Development Planning Council Membership**

Judi Harkins, Liaison  
Lynn B. Lucas, Liaison  
Tina Barna, Chair  
Jennifer Lawrence, Chair  
Wendy Burri  
Linda Campbell  
Lois Denowitz  
Lisa Harris  
Jenny Hubbard  
Eileen Johnson  
Shelley Shepard  
Susanne Milton

Aloha Montgomery  
Kris Neeser  
Sue Stillings

County Board of Supervisors  
County Superintendent of Schools  
Choices for Children, South Lake Tahoe  
Choices for Children, Western Slope  
St. Stephens Preschool  
Extended Day, School Age Child Care  
South Lake Tahoe Women's Shelter  
Child Care Consumer, Western Slope  
Child Care Consumer, South Lake Tahoe  
Child Abuse Prevention Council  
Family Connections  
El Dorado County Office of Education,  
Child Development Programs  
Department of Social Services  
South Lake Tahoe Family Child Care  
Department of Public Health

Ginger Swigart

Debra Ward

El Dorado County Office of Education,  
Child Development Programs  
Child Care Consumer, Western Slope

## **Introduction**

This report contains the results of the Child Care Workforce Survey commissioned by the El Dorado County Child Care and Development Planning Council to identify characteristics of the El Dorado County child care workforce, including qualifications, compensation and rates of turnover. This is a cooperative effort of the local planning council and Choices For Children.

In 1990, the Census Bureau issued a statistical brief entitled “What Does It Cost to Mind the Kids?” The report found that families spent approximately seven percent of their family’s budget for child care expenses. The goal of affordable child care in El Dorado County is for each family to spend no more than seven percent of their monthly budget on child care. A family of three at the state median income in El Dorado County currently spends between 10 and 17 percent of their income to care for one child. Therefore, the cost of child care in El Dorado County is a significant burden.

Our efforts to keep child care services relatively affordable have often ended up displacing the burden of child care costs onto child care workers themselves. According to the Center for Child Care Workforce (CCW):

“Low wages and poor benefits subsidize the current child care system. Even when public dollars go directly to families to help pay for child care, reimbursement rates are set at low levels that simply maintain the status quo. The consequence: teachers and providers (especially the most skilled and educated) leave the field at an alarming rate, and program quality suffers.”

The CCW goes on to say,

“Although we've put a lot of money into child care worker training programs, these rarely lead to pay raises or offer incentives to stay in the field. As a result - with turnover rates of 30-40% a year – we keep training more and more new people, because many of last year's trainees have left child care to make a better living elsewhere.”

Legislators in California have acknowledged the role of child care providers in supporting families. In 1998, legislation entitled C.A.R.E.S. (Compensation and Recognition Enhances Stability) was passed by both the Senate and Assembly but later vetoed by the governor. The C.A.R.E.S. bill was designed to address retention of family child care providers and center based teaching staff and directors through two components. The Child Development Corps awards stipends to providers for ongoing professional development, including education and training, providers with higher levels of education, and providers who stay in the field for at least a year. The Resources for Retention program provides resources to programs seeking to improve staff

compensation and working conditions. C.A.R.E.S. was reintroduced in 1999 by Dion Aroner as a two-year bill, requiring a local match for funding. The bill is currently awaiting the governor's signature.

In order to establish regional trends, this report is modeled after the compensation survey conducted by Sacramento County in 1998. Therefore, references will be made to both this survey and national research. It is the desire of the Child Care and Development Planning Council to survey the child care workforce on a regular basis to establish trends in the profession and assess the needs of the workforce and families in the county.

- Child Care and Development Planning Council, 2000

## Child Care Center Staff Findings

### Research Design

The findings reported here are drawn from responses to the *Child Care Staff Salary, Benefits and Working Conditions Survey*.<sup>i</sup> According to the California Department of Social Services, Community Care Licensing Division, there were a total of 228 licensed child care providers in El Dorado County in March 2000. Of those, 114 are small family child care homes, 54 are large family child care homes, and 50 are child care centers. Ten were no longer providing child care. Surveys were mailed to a stratified random sample of open child care center sites in the spring of 2000. Twenty-one programs, representing 52 sites, responded to the survey, allowing us to profile in this report the work environment of 375 child care staff, including 191 teachers, 118 assistant teachers, 42 teacher-directors, and 24 directors.

Forty-three percent (43%) of the centers in the final sample are for-profit programs, another 43% are independent non-profits, and 14% are subsidized non-profits. In all of our analyses, we have grouped independent and subsidized non-profits together in order to explore broad differences between non-profit and for-profit programs. In addition, each of the subdivisions within the non-profit category contained only one or two centers.

### Demographics

As is true nationally, child care teaching staff in El Dorado County are predominantly (95%) women between the ages of 20 and 50. Almost all are Caucasian (86%), with the only other significant population being the 11% Hispanic/Latino. This breakdown reflects the ethnic composition of El Dorado County as well. The ethnic composition, gender and age of child care staff are similar among the different positions within the profession. See Figures 1 and 2.

**FIGURE 1.** Ethnicity of Center-Based Teachers in El Dorado County

Ethnicity	All positions combined	Teachers	Assistant Teachers	Teacher/Directors	Directors
Caucasian	89%	89%	85%	90%	92%
African American	n=1	n=1	n=0	n=0	n=0
Latino	8%	11%	6%	10%	9%
Asian American	1%	n=0	4%	n=0	n=0
Alaskan Native, American Indian, or Other	3%	3%	4%	n=0	4%

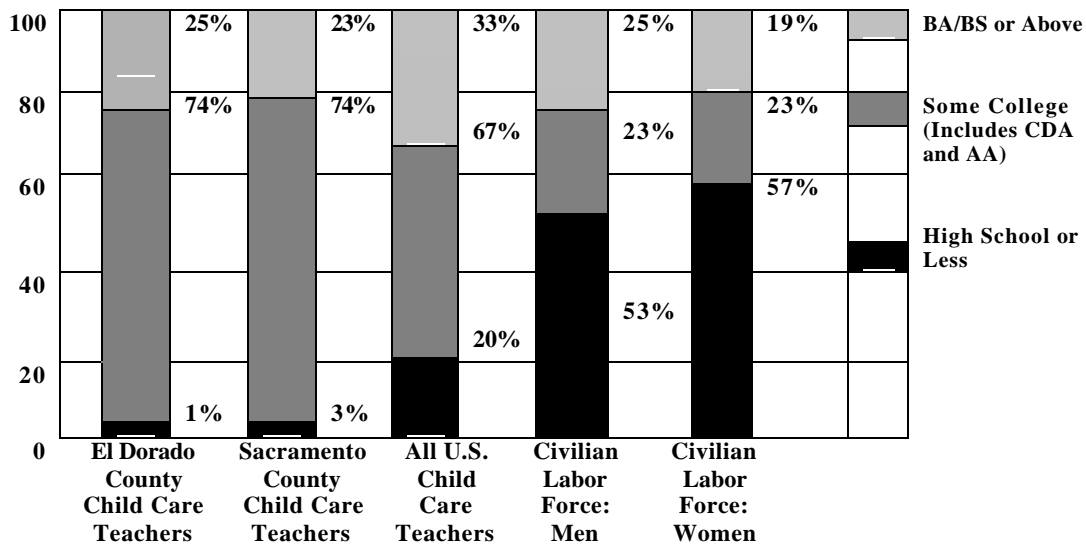
**FIGURE 2.** Age of Center-Based Teachers in El Dorado County

Age	Teachers	Assistant Teachers	Teacher/Directors	Directors
Under 20	2%	13%	n=0	n=0
20-29	25%	36%	19%	n=0
30-39	32%	26%	40%	27%
40-49	34%	17%	33%	50%
50-59	7%	7%	5%	23%
60+	1%	1%	2%	n=0

**Education and Training**

The educational profile of teachers and assistants reveals a well-educated workforce with specialized training in early childhood education. Educational levels of El Dorado County teachers are significantly higher than those of both the general population and child care teachers nationwide. Twenty-five percent (25%) of teachers have earned a Bachelor's Degree (BA) or higher, 17% have an AA or Child Development Associate (CDA) certification, 57% have completed some college units, and only 1% have a high school degree or less. These figures are similar to the Sacramento findings. See Figure 3.

**FIGURE 3.** Comparison of Educational Attainment for Center-Based Providers



\*Sources: U.S. Department of Labor, 1997, Cost, Quality, and Child Outcomes in Child Care Centers, Technical Report, 1995.

The highest level of education for assistants is most likely to be some college units, (68%), with 6% having a BA or higher and only 26% having a high school degree

or less. Directors in El Dorado County also have achieved a high level of education. They are likely to have pursued higher education in child development or a related field.

Sixty-six percent (66%) of teachers have received 20 clock hours or more of child development or related training in the last 12 months. Over 50% of other child care staff have received 20 clock hours or more of child development or related training in the last 12 months.

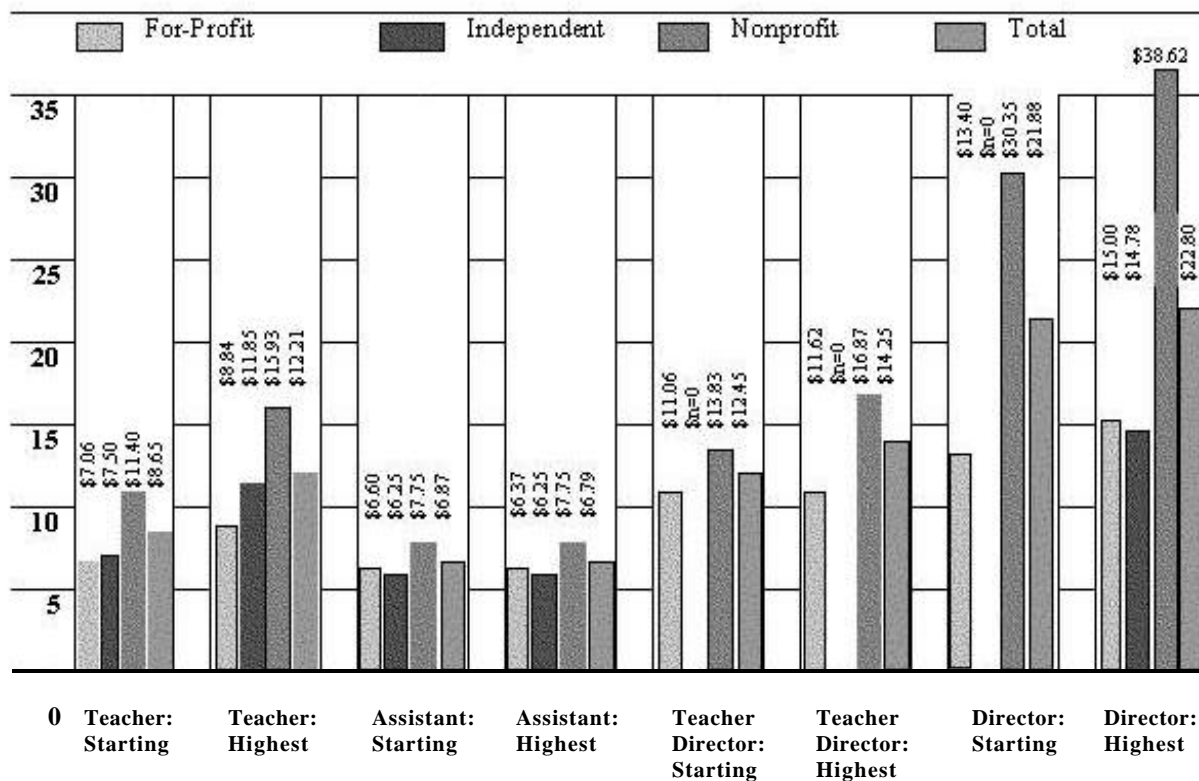
With regards to accreditation, although a few centers declined to respond to the question, of those who did respond 21% (n=4) reported that they were accredited, with three of those being accredited through NAEYC and one through the American Montessori Society. Several (13%) reported being in the process of pursuing accreditation, with a few of those not pursuing mentioning that the process was too expensive.

### *Salaries*

Despite the high level of educational attainment found among child care teaching and administrative staff, their compensation remains low. The salary findings shown in Figure 4 reflect the starting hourly wages and the highest hourly wages currently being paid to teachers, assistants, teacher/directors and directors. Findings for for-profit, non-profit independent, and subsidized non-profit are shown separately, as they differ greatly. One center in each of the three categories declined to respond to financial questions and some responses were incomplete. Despite this, the findings were similar to those of Sacramento County, although El Dorado County salaries are higher across the board. Average starting wage for teachers is \$8.65 per hour (as compared to \$7.24 in Sacramento County), and when considered with the average number of hours per week, 38, becomes an annual income of \$16,960. The average starting wage for assistants is \$6.87 (as compared to \$6.36 in Sacramento County) or \$10,717 at 30 hours per week (the average number of hours worked per week reported for assistants). Union workers findings did not vary significantly from non-union.

Experienced teachers, who earn the highest salaries in their centers, at an average of \$21,687 per year, fare somewhat better than the lowest-paid teachers, but their average wage is still below the average earned by both the Sacramento and El Dorado County general labor force. Although we found that child care teachers in the area have significantly more education on average than the general workforce, they are not rewarded for such investments in their professional development. And, according to the California Child Care Resource and Referral Network, the 1999 Child Care Portfolio listed the entry-level salary for a public school teacher as \$23,835. Since child care teachers earn an average of \$21,687 at the highest level, even with only a Bachelor's Degree, child care centers are unable to compete with school district employees in their efforts to recruit and retain the most skilled teaching staff.

Figure 4: Comparison of Average Hourly Wage for Center-Based Providers in El Dorado County



While directors earn more than teachers and assistants, their wages are still low when compared with other with similar levels of education and responsibility. The lowest paid directors earn an average of \$34,944 per year and the highest paid earn \$48,951, a modest salary range given the years of experience that many directors bring to their jobs. Subsidized non-profits pay significantly higher salaries to directors than do both independent non-profits and for-profits. Lowest paid directors earn \$17.00 per hour in subsidized non-profits, compared with \$14.78 for independent non-profits and \$13.40 for for-profits. This leaves some directors making less than teachers in other centers.

About one-fourth of the centers employed other personnel such as cooks, secretaries, bookkeepers and custodians, which added significantly to the cost of doing business for them.

**Benefits<sup>ii</sup>**

Benefits play an important part in assessing an employee's overall compensation package, with health insurance typically the most expensive and valued benefit that employers offer. The National Child Care Staffing Study (1998) found that 21% of centers offer fully-paid coverage to all staff, while another 20% offer full coverage to

teachers and directors only, and 52% fail to offer fully-paid coverage to any child care staff. ("Fully-paid" coverage is defined here as an insurance plan for which the employer covers the full premium for the individual employee.)

On average, almost half of the centers in El Dorado County offer fully paid health insurance to teachers (38%) but only 17% offer the same to assistants. As has been noted in other studies, there was significant disparity between the different types of programs; while 75% of the non-profit centers offered teachers paid health insurance (and 34% for assistants), no (0%) for-profit centers offered the same for either teachers or assistants. For-profit centers also offer no partially funded health insurance or dental coverage, unlike non-profit centers. However, low-paid child care employees are in many cases unable to afford the premiums and co-payments required by partially-paid plans. We do not know what percentage of employees accept partially-paid plans in these centers, but recent evidence suggests that employees across all industries are increasingly rejecting partially-paid insurance plans because of their growing cost.<sup>iii</sup> The percentage of centers whose employees have no health coverage, therefore, may be significantly higher than reported here. See Figure 5.

**FIGURE 5.** Comparison of Benefits for Center-Based Providers in El Dorado County

Benefits	Teachers Not for Profit	Teachers for Profit	Assistants Not for Profit	Assistants for Profit
Full Health Coverage	75%	0	34%	0
Partial Health Coverage	--	0	--	0
Full Dental Coverage	50%	0	50%	0
Pension Plan	75%	17%	50%	0
Paid Sick Leave	100%	38%	67%	0
Paid Holidays	100%	50%	67%	25%
Paid Vacation	100%	63%	67%	0
Paid Maternity Leave	100%	60%	85%	60%
Unpaid, Job-Protected Maternity Leave	100%	60%	85%	60%
Reduced-Fee Child Care	45%	100%	43%	100%
Educational Stipends	86%	57%	86%	0

There is a significant disparity between the other benefits offered to teachers and assistants by for-profit and non-profit centers. While over two-thirds of non-profit centers offer paid sick leave, holidays and vacation to teachers and assistants, only half of the for-profit centers offer these same benefits to teachers, and less than 10% offer them to assistants, with the average number of days being 7 for sick leave, 10 for holiday, and for 8.5 for vacation. See Figure 5 for specific benefit findings. As with a similar finding in Sacramento County (average sick leave of 7.8 days), the offering of sick leave at around five hours a month is minimal for a profession in which communicable diseases are common. The only area in which for-profits provided for their employees better than non-profits was in offering reduced fees for child care (100% of for-profits offered this benefit, while only 44% of non-profits).

There is also a disproportion in the findings regarding pension plans between the for- and non-profit centers. Two-thirds (75%) of the non-profit centers offer paid pension plans to teachers (50% to assistants), while only 17% of for-profit centers offer pension plans (0% to assistants). Almost half of the non-profits offer paid maternity leave, in contrast with no for-profits, while 100% of the non-profits offer unpaid, job-protected maternity leave to teachers (85% to assistant). These figures may, in fact, be due to federal statutes relating to maternity leave.

### ***Working Conditions and Professional Support<sup>iv</sup>***

Non-monetary working conditions, and the work relationships that are shaped by these policies, can also be important variables in a child care employee's job satisfaction and continuity. Such items as written job descriptions, grievance procedures and contracts can clarify employee roles and make the workplace more equitable. Professional support, through provisions such as paid preparation and paid release time for training allows teaching staff the opportunity to grow on the job.

We looked at a number of working conditions and forms of professional support offered to teachers and assistants, and the differences between for- and non-profit centers are generally not significant. About half of the centers offer paid lunch, written salary schedules, paid release time for off-site trainings and a staff room. Two-thirds of all centers offer teachers paid breaks, prep time (averaging 5 hours a week), and written contracts and grievance procedures. They also paid staff and parent meetings, merit increases and paid release time for in-service training. All centers offer teachers written job descriptions, compensation for overtime and annual evaluations. These types of benefits are offered to assistants, but at fewer centers and in widely varying combinations. See Figure 6.

Previous studies of child care workers' job satisfaction have found that employees report a high level of "intrinsic" and a low level of "extrinsic" satisfaction with the work: that is, child care staff typically rate the content of their work highly, but are unhappy with the pay and value placed on their work by others.<sup>v</sup> Lacking positive working conditions, such as those listed in Figure 6, may decrease employees' intrinsic satisfaction, which is more contingent on having sufficient planning time, ongoing training and a grievance procedure.<sup>vi</sup>

**FIGURE 6.** Comparison Between Non-profit and For-profit Center-Based Teachers' and Assistants' Working Conditions in El Dorado County

<b>Benefits</b>	<b>Teachers for Profit</b>	<b>Teachers Not for Profit</b>	<b>Assistants for Profit</b>	<b>Assistants Not for Profit</b>
Paid release time for in-service training	77%	64%	50%	100%
Paid release time for off-site training	50%	55%	50%	100%
Written contract	63%	100%	50%	50%
Written salary schedule	50%	55%	50%	67%
Grievance procedure	53%	91%	75%	84%
Paid breaks	67%	8%	100%	86%
Paid lunch	50%	82%	50%	58%
Paid Preparation Time	75%	78%	50%	43%
Paid Staff Meetings	75%	70%	100%	100%
Paid Parent Meetings	88%	64%	85%	100%
Written Job Description	100%	100%	100%	100%
Cost of Living Adjustment	100%	78%	67%	86%
Merit Wage Increases	100%	89%	100%	57%
Comp Time	100%	100%	100%	100%
Staff Room	43%	73%	25%	83%
Annual Evaluation	100%	100%	100%	100%

### ***Turnover***

Previous research has demonstrated that the training and job stability of child care staff are the key ingredients of quality child care programs. We defined staff turnover as high if the staff stay less than one year, medium if they stay between 1-3 years and low if they stay longer than 3 years. In El Dorado County, unlike Sacramento County that reported a 39% high turnover, centers reported only a 19% high turnover rate, a 19% medium turnover rate, and 61% low turnover rate.

Class-size reduction policy, that has been implemented throughout California, has had the consequence of increasing job opportunities for child care teaching staff with B.A.'s and above in elementary schools, another factor which will probably increase staff turnover. Centers paying lower wages to their highest-paid teachers report higher rates of turnover than do other programs.

Turnover among teacher-directors and directors is quite low with 67% and 88% respectively staying on the job for three or more years.

### ***Funding Sources***

Non-profit child care centers have long looked to a variety of sources beyond parent fees in order to fund their programs, including public subsidies, private donations and corporate subsidies, among others. In recent years, for-profit programs have also had increasing access to public subsidies, in the form of state-funded vouchers to pay for the care of children of low-income subsidies. In El Dorado County, a total of \$6,380,022 was allocated in 1998-1999 fiscal year from state and federal grants serving 1,785 families. Eight agencies in the county were contracted to provide twenty-one programs to serve 2,153 children. Thirty-two percent (32%) of those children participate in half-day child development programs.

### **Summary**

Child care teachers and directors in El Dorado County have achieved more education, on average, than members of the overall U.S. civilian workforce and child care workers in other parts of the country. Yet, in spite of this achievement, teachers and directors in this area earn exceptionally low wages that have remained stagnant for several years. And although turnover rates appear low compared to Sacramento County, supporting evidence indicates that this is in part due to reasons beyond pay and working conditions. These may include having a spouse or partner who provides the necessary income and health insurance to provide for the families' needs and perhaps is able to maximize the use of the tax benefits of having a child care business.

This study, echoing other research on child care compensation, highlights the need for investments explicitly targeted to building a skilled and stable child care workforce, one that will be able to provide the quality of services that young children and their families need and deserve.

# Family Child Care Provider Findings

## Introduction

More than four million children in the United States are cared for each day by family child care providers. With the advent of welfare reform, family child care has been identified by many policy makers as a potential job and as a child care option for thousands of parents transitioning from welfare to work. Training welfare recipients to become family child care providers has been proposed as an answer to the shortage of employment options for women leaving welfare and to the limited child care options for low- and middle- income working parents. A closer look at the economics of family child care in El Dorado County, raises serious questions about whether it is a feasible path out of poverty for single earner families aiming to become economically self-sufficient.

In El Dorado County, as elsewhere throughout California, providers can be licensed to operate a "small" or "large" family child care home. Providers of small family child care homes care for up to eight children, while large homes can accommodate up to 14 children. They

- provide caregiving and education through age-appropriate activities and interactions;
- are responsible for purchasing equipment and supplies, bookkeeping duties, establishing policies and contracts, and marketing services;
- plan and prepare meals for children.

As shown in Figure 7, the typical family child care provider in this study has been in operation for ten years, works fifty-three hours per week and cares for seven children. These figures are remarkably similar to those found in Sacramento County. In addition, the typical provider in El Dorado County is a Caucasian female who has received some college level education and grosses \$21,000 annually. After her expenses are accounted for, she nets an annual income of \$7,374, again quite similar to the Sacramento figures.

## Research Design

In the spring of 2000, the *Family Child Care Provider Income and Working Conditions Survey* was mailed to a stratified random sample of 168 family child care homes in El Dorado County. Although 43 % of those who were mailed surveys responded to the survey, of that number only 50% gave any financial information, with few providers offering completed responses to the financial questions. Therefore, the formula utilized by Sacramento County to calculate financial data such as net income could not be used. Direct responses to the net income question, both calculated and estimated (58% of total sample answered this question) were used to address this area. Surprisingly, the findings still were remarkably similar to those of Sacramento County.

Due to the small numbers of large family home providers participating (less than 10%), their findings have been combined with those of the small family home providers.

**The Findings**

***Demographics***

As has been found in all other studies of family child care providers, El Dorado County providers are predominantly female (100 %) and between the ages of 30 and 59 years old. More than two-thirds of all providers have children under age 18, with most reporting that their children are of school age. A majority of providers are Caucasian (92%) with the only other ethnicity reported being Hispanic/Latino (5%), again reflecting the ethnic make-up of El Dorado County. The majority of El Dorado County providers are married or living with a partner (66%), and most report a moderate household income (53% report an income over \$40,000). For comparisons to the general characteristics of Sacramento County providers see Figure 7.

**FIGURE 7.** Typical Family Child Care Provider in El Dorado County

	<b>El Dorado County</b>	<b>Sacramento County</b>
Years in operation	10	8
Work week (in hours)	53	61
Children in care	7	7
Education	Some college	Some formal education in child development
Annual Gross Income*	\$21,000	\$22,691
Annual Net Income**	\$ 7,374	\$ 7,462
Health Coverage	Available only through privately-purchased plan	Available only through privately-purchased plan

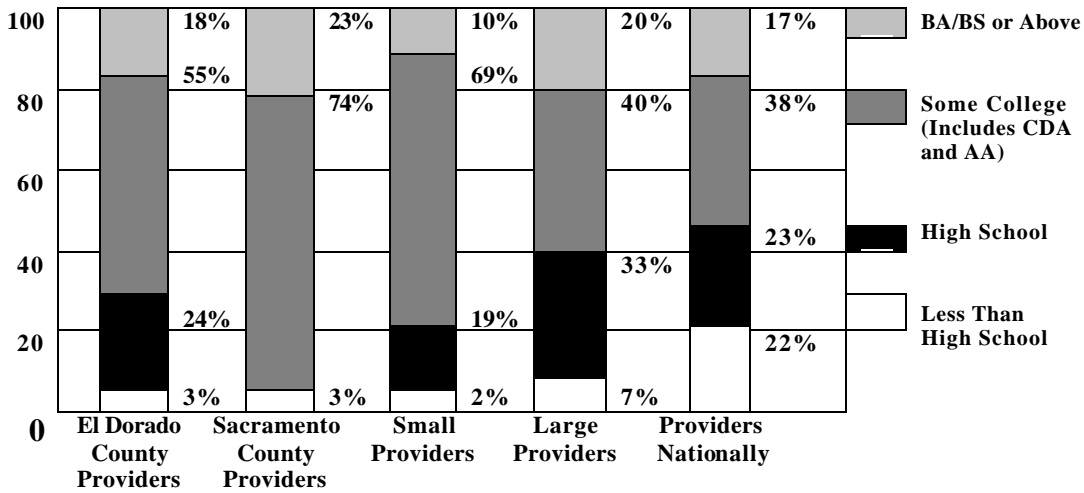
\*Before expenses

\*\*After direct and business use of home expenses.

***Education and Training***

Family child care providers in El Dorado County are better educated on average than are providers nationally.<sup>vii</sup> Eighteen percent (18%) have a BA/BS degree or higher, fifty-five percent (55%) have completed some college, twenty-four percent (24%) have a high school degree and only three percent (3%) have less than a high school degree. A surprising sixteen percent (16%) of providers had obtained a public school teaching certificate. See Figure 8.

**FIGURE 8.** Comparison of Educational Attainment for Family Child Care Providers in El Dorado County



\*National findings from *The Study of Children in family Care and Relative Care*, New York: Families and Work Institute, 1995

Over three-fourths of providers (89%) report that they have received some specialized training in child development (CD), with the majority of providers receiving training at a local workshop or program (61%) and/or through formal college courses (45%). A significant number of providers (32%) attended workshops at professional and/or association meetings. However, only thirty-two percent (32%) received 20 clock hours or more of business or child development related training in the last 12 months. See Figure 9.

**FIGURE 9.** Level of Child Development Training for Family Child Care Providers in El Dorado County

	Some courses	AA in CD	BA in CD	Some graduate classes or higher
El Dorado County	89%	8%	5%	5%
Sacramento County.	68%	5%	14%	4%

Unlike Sacramento County, most El Dorado County providers felt that they had adequate training opportunities (63%). Among those who expressed dissatisfaction with their training opportunities, all reported that they would need access to evening trainings and most would require some respite and/or child care to attend. Other issues reported were, in descending order of significance, lack of trainings in their community, the high cost of trainings and a lack of financial reward for increased training. Only one provider felt that the quality of existing training was poor.

Only 5% (n=2) of the family child care providers had received the Family Child Care Accreditation from NAFCC (National Association of Child Care).

## *Income and Expenses*

The instrument used in this study asked providers to report their best estimate of specific business expenses. Their responses constitute two broad categories: direct expenses, and expenses for business uses of the home. To calculate net income, the intention was to use the information supplied by the providers about fees, the number of children enrolled, and expenses. However, many providers either refused to address the income and expenses related portions of the survey or left many parts incomplete. Less than 10% of respondents completed all parts of the survey needed to calculate net income properly. Interestingly, the findings that could be calculated were still remarkably similar to those of Sacramento County. Family child care providers' annual gross income in El Dorado County averages \$21,000, as compared to \$22,691 in Sacramento County. After accounting for the range of expenses associated with operating a family child care home, most providers yield low profits. For example, after expenses, El Dorado County providers earn an average of \$7,374 per year, or \$2.47 per hour (as stated previously, this figure was not calculated, rather was reported as a direct response).<sup>viii</sup> The Sacramento County providers earned an average of \$7,462 per year, or \$2.45 per hour. To earn these minimal wages, El Dorado County providers report working an average of 53 hours a week with children and another 12 hours to plan activities, shop for food and clean for their child care businesses. See Figure 10.

**FIGURE 10.** Comparison of Net Income for Family Child Care Providers

Net Income	El Dorado County	Sacramento County
0-5,000	47%	45%
5-9,999	11%	15%
10-14,000	26%	26%
15,000+	16%	14%

Net income reported by El Dorado County providers is slightly lower than findings reported in a 1994 national sample by Kathy Modigliani, who found an average net income for all family child care providers of \$8,999. The lower earnings in El Dorado County become even more concerning when one considers that this study was completed over six years ago, and presumably earnings nationally will have increased since that time.

Information provided for the expenses related to providing child care was especially sporadic and fragmented. And, although the findings for expenses for food, toys, child care equipment and household supplies were similar to the findings in Sacramento County, the findings for office supplies, marketing, insurance, professional and other business expenses were reported as almost double those of Sacramento County. See Figure 11.

**FIGURE 11.** Comparison of Direct Business Expenses for Family Child Care Providers

<b>Total Direct Business Expenses</b>	<b>El Dorado County</b>	<b>Sacramento County</b>
<b>Total Direct Expenses*</b>	<b>\$11,056</b>	<b>\$7,257</b>
Food	\$2,659	\$2,818
Toys	\$ 653	\$ 914
Child Care Equipment	\$ 942	\$ 592
Household	\$ 474	\$ 541
Office	\$ 407	\$ 167
Marketing	\$ 254	\$ 178
Professional	\$ 590	\$ 344
Insurance	\$ 836	\$ 438
Other	\$4,241	\$1,266

\*100% deductible expenses

Business uses of the home are expenses that the I.R.S. defines as partially deductible expenses linked to running a home-based business. These expenses include utility bills, insurance and repairs. Although the provider who chooses to deduct her business use of home expenses realizes a small tax advantage, at the same time, like all home-based workers, she incurs extra expenses that must be factored into her net income. For example, a provider will have more wear and tear on her home's flooring and yard, and may incur subsequent higher insurance costs. In addition, a low-income provider who earns too little to pay taxes is unable to offset their expenses through the advantages of tax deductions. El Dorado County providers report a total of \$7,119 for annual business use of home expenses, as compared to \$5,157 for Sacramento County providers. See Figure 12.

**FIGURE 12.** Comparison of Expenses for Business Use of the Home for Family Child Care Providers

<b>Annual Business Use of Home Expenses</b>	<b>El Dorado County</b>	<b>Sacramento County</b>
<b>Total Business Use of Home*</b>	<b>\$7,119</b>	<b>\$5,157</b>
Time/Space Formula	33%	36%
Retired	\$ 3,699	\$ 867
Mortgage	\$ 5,916	\$ 6,646
Home	\$ 618	\$ 439
Repairs/Maintenance	\$ 1,914	\$ 1,016
Utilities	\$ 2,923	\$ 2,295
Depreciation	\$ 4,718	\$ 581
Other	\$ 2,891	\$ 2,320
Subtotal	-----	\$14,166
*Calculated by multiplying time-space formula by expenses for business use of home		

Although we do not have a comprehensive picture of how El Dorado County providers subsist on typically low incomes, several findings provide at least some information regarding this question. Sixty-two percent (62%) of providers are married or live with a partner who contributes at least some income to the household. And 8% of providers report working a second job in addition to their child care business. In fact, like Sacramento County providers, who report a low combined household income (one-third earning less than \$29,000 annually), over one-third (37%) of El Dorado County providers report a combined household income of less than \$29,000 annually.

Few providers (25%) claim the Earned Income Tax Credit (EITC), a tax credit program available to low-income families with children. Even families whose incomes are too low to pay taxes are eligible to receive the EITC. And while most providers' income is low by any measure, about one-fourth (21%) choose to offer some discounts and scholarships to children in need.

Income generated from owning and operating a family child care business varies but is modest at best. Given the statistics, we were interested in whether child care providers receive public subsidies. The findings show that few providers receive public supports. Only three percent (3%) of providers (n=1) report receiving Cal-Works, the government assistance program that replaced AFDC. Another thirteen percent (13%) report receiving welfare assistance in the past. Eleven percent (11%) currently receive public food subsidies, while 8% received such supports in the past. Thirteen percent (13%) currently receive Medicaid or other publicly supported health coverage, while 8% report having done so in the past.

### ***Health Insurance***

Twenty-one percent (21%) of all providers report that they have no health insurance from any source. Of providers that do have health coverage, close to half (39%) receive partial or full health benefits through a spouse's employer. About one-fourth (21%) receive fully paid health care for themselves and their dependents, while 53% must purchase their own insurance. See Figure 13.

**FIGURE 13.** Comparison of Health Care Coverage and Source for Family Child Care Providers

<b>All Providers</b>	<b>Sacramento County</b>	<b>El Dorado County</b>
No Coverage	22%	21%
Providers with Health Coverage:	78%	79%
Assistance with Health Coverage	49%	39%
Spouse's employer pays 100%	31%	21%
Spouse's employer pays partial amount	10%	13%

### ***Social Security and Retirement Plans***

The federal Social Security system provides the only publicly funded safety net for retirees. Sixty-one percent (61%) of providers contribute to Social Security, but only a small percentage (18%) contribute to a retirement plan other than Social Security. As low-income workers who probably have few financial assets, providers will be particularly in need of retirement income.

### ***Business Policies***

Although 89% of El Dorado County providers report having another care giver to contact, in general family child care providers work in isolation from other adults. By caring for and educating young children in their own homes, they are performing a job which many see as a woman's natural calling rather than a skilled professional or formal business. As a result, providers often face an uphill battle in establishing standard workplace provisions such as vacation, sick pay, and standard hours of service.

Most family child care providers in El Dorado County (89%), function as independent business operators, and have a signed contract with parents that explains their fees and policies. Many also have policies in place to ensure continuity of their income, although they frequently report many special provisions and circumstances in which they do not charge parents. In particular, although 66% report extra charges for time out of regular schedules, almost half of those reported that they did not often enforce these policies. Most providers (82%) do receive payment when children are absent, although only 42% receive payment when a child is on vacation. Eighty-seven percent (87%) of providers close their businesses for holidays, vacation, sick days or training, for an average of 11 days per year, but 37% are not paid for these days. And less than one-fourth (21%) of all providers have an ongoing arrangement with another person to serve as a substitute in case of illness or emergency. See Figure 14.

**FIGURE 14.** Comparison of Policies for Family Child Care Providers

	<b>El Dorado County Providers</b>	<b>Sacramento County Providers</b>
Receive payment when children are absent because of illness*	82%	85%
Secure a signed contract with parents that explains fees.	89%	91%
Close for holidays, vacations, sick days, training or other days off (with or without payment)**	87%	96%
Receive payment when children are on vacation	42%	72%
Charges extra when children are picked up late or dropped off early	86%	52%

\***When children are absent because of illness:** 15% report that they charge no payment; 3% charge partial payment; and 82% charge full payment.

\*\***When closed because of holidays and providers' other days off:** 16% charge no payment; 39% charge partial payment and 45% charge full payment.

### *Commitment to Family Child Care*

On average, providers in El Dorado County report having been in operation for ten years, but their long-term commitment to the profession is uncertain. Over two-thirds (66%) report that they do not know how long they will continue to provide family child care. Of those who indicate that they know how much longer they will provide care, the average response is eight years.

Most providers report that economic improvements would encourage them to remain in the field of child care. Almost three-fourths of providers (71%) report that a higher income would motivate them to continue, while 50% would like to see more respect given to their work, and 37% felt that respite care would enable them to continue in the profession.

### *Summary*

Family child care providers in El Dorado County do not earn a family-sustaining wage that provides sufficient income, health insurance coverage or retirement benefits. And although the turnover rates appear low compared to Sacramento County, supporting evidence indicates that this is in part due to reasons beyond pay and working conditions, such as having a spouse or partner who provides the necessary income and health insurance to provide for the families' needs and perhaps is able to maximize the use of the tax benefits of having a child care business.

Public and private investments in family child care are greatly needed to ensure a family-sustaining wage and a stable supply of providers. Investments might take the form of increased reimbursement rates for subsidized children, more financial assistance and training to providers working with families, and economic rewards for providers who complete training.

## Conclusion

These studies of child care center staff and family child care providers reveal many similarities between the two groups of workers. Regardless of the setting, child care staff earn low incomes and have limited health and other benefits. Many child care workplaces lack sufficient supportive working conditions and policies. One of the most concerning consequences of the low pay and poor working conditions found in child care workplaces is the impact on the quality of the care that our children receive every day. Another consequence of low pay and poor working conditions is a high turnover rate for center based teaching staff and a doubtful level of long-term commitment to the job among family child care providers.

Efforts to financially reward teachers and providers for attaining more education would be an important step toward stabilizing the child care workforce in El Dorado County. Yet teachers and providers who have already completed high levels of education should also be rewarded for this educational investment and for their ongoing professional development. Plans to place welfare recipients in child care jobs must take into account the limited incomes typically earned by family child care providers and entry-level assistants and teachers. Only by receiving more intensive training and support are welfare recipients likely to access the relatively few child care jobs that pay a family-sustaining wage.

Improving child care jobs would mean improving the stability and quality of child care services that are so essential to parents' ability to work, children's readiness for school, and the well-being of the communities of El Dorado County. The answer, however, is not simply to raise child care fees for families, rather, publicly funded investments should be explicitly targeted to building a skilled and stable workforce, one that will be able to provide the quality of services that young children and their families need and deserve.

## Notes

---

<sup>i</sup> A written survey published by the Center for the Child Care Workforce, formerly the Child Care Employee Project.

<sup>ii</sup> Centers were asked only about what benefits they offer to full-time employees.

<sup>iii</sup> "Tracking Small-Firm Coverage, 1989-1996," P. Ginsburg, J. Gabel and k. Hunt. *Health Affairs*, January/February 1998, Vol. 17, No 1.

<sup>iv</sup> Centers were only asked about the working conditions of full-time employees.

<sup>v</sup> *Who Cares? Child Care Teachers and the Quality of Care in America, 1990*

<sup>vi</sup> *Model Work standards for Teaching Staff in Center-Based Care*, Washington, DC: Center for the Child Care Workforce, 1998.

<sup>vii</sup> Galinsky et al found that 22% of providers had less than a high school degree, 22% were high school graduates, 38% had an AA degree or some college units, and 17% had a BA degree or higher.

<sup>viii</sup> The calculation of the hourly wage is based on the 65-hour average work week (53 hours with children and 12 for other activities) reported by providers, and assumes that an average provider works 50 paid weeks per year.