



Washington State Department of

**Early Learning**

*Kids' Potential, Our Purpose*

## LICENSED CHILD CARE IN WASHINGTON STATE: 2006

*February 2008*

### Acknowledgements

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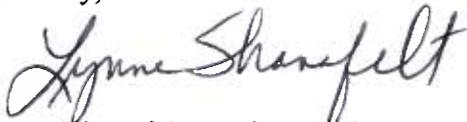
This is the tenth report based on the child care market rate survey issued in Washington State and the first report since the Department of Early Learning was created in July 2006. Since the data was gathered in the spring of 2006, a number of changes have taken place.

- A collective bargaining agreement was signed that created a Family Child Care Home collective bargaining unit.
- As a result of the collective bargaining between the State and Service Employees International Union #925, subsidy rates were raised 7 percent on July 1, 2007 for family child care homes, and will be raised 3 percent on July 1, 2008.
- License-exempt providers received a 4 percent increase effective July 1, 2007.
- To maintain parity with licensed providers, the State also funded the same increases for subsidy rates for child care centers.
- Collective bargaining included incentives and bonuses for license exempt providers to get licensed and participate in training.
- DEL became the lead agency that receives the Child Care Development Fund on October 1, 2007.

This report reflects the data and analysis collected by the Department of Social and Health Services before the Department of Early Learning was created. DEL is currently reviewing the type of data collected and developing criteria for the next market rate survey which will collect data in the fall of 2008.

Many thanks to all who worked on this report, to the many organizations that rely on it for information, and to child care providers who use this report to set their rates.

Sincerely,



Lynne Shanafelt, Assistant Director  
Parent Support and Programs



# EXECUTIVE SUMMARY

## Background

Washington State subsidized part of the child care costs for about 65,800 children per month in state fiscal year 2006. These children were from low-income families with parents who were working, going to school, homeless, or involved with child welfare services. The number of children receiving subsidies has doubled in the past decade. About eighty percent of subsidized children attend licensed family homes or child care centers.

Federal regulations require that Washington State tie child care subsidy rates to the amount that child care providers charge families without subsidies. To comply with this regulation the lead agency of the Child Care Development Fund conducts a biennial survey of all child care centers and a sample of licensed family home providers. In addition to child care rates, the surveys provide information on the child care industry. This report describes the surveys conducted in the spring of 2006. A total of 1,275 child care centers and 1,227 family home providers were interviewed.

## Major Findings

- Subsidy rates in 2006 were based on the 58<sup>th</sup> percentile of the market rate survey of providers conducted six years earlier. The 2006 market rate survey found that subsidy rates were the same or greater than the customary prices charged for 23 percent of all full-time children in centers (the 23<sup>rd</sup> percentile) and 28 percent of all full-time private pay children in family homes (the 28<sup>th</sup> percentile).
- The price of child care has increased much faster than inflation in the past fourteen years. From 1990 to 2006 the inflation-adjusted price of care increased 42 percent in centers and 34 percent in homes. That amounts to an annual rise in the price of care—*after accounting for general inflation*—of 2.2 percent in centers and 1.9 percent in homes.
- The proportion of children in licensed care whose care is subsidized has leveled off in recent years after a period of substantial increase. After remaining at approximately 15 percent from 1990 through 1996, the proportion of children subsidized in licensed care more than doubled to 32 percent during the six-year period between 1996 through 2002. Since then, the subsidized population “share” has been relatively stable.
- The number of licensed family homes dropped from 8,600 in 1996 to 5,767 in 2006, a decline of 33 percent. This decline accelerated between 2004 and 2006, when the number of licensed family homes decreased by over 1,100 from 6,875 in 2004, a 16 percent drop in just two years.
- Over the past fourteen years, the proportion of children in licensed care that attend licensed family homes has declined. While 39 percent of children in licensed care

attended licensed family homes in 1992, only 25 percent of children in licensed care attended licensed family homes by 2006.

## **General Information**

### *Findings About the Child Care Market*

- An estimated 166,980 children in Washington State were in licensed care in the spring of 2006. About 75 percent of these children were in child care centers and the remaining 25 percent were in licensed family homes.
- Licensed providers grossed about \$998 million dollars in 2006 and employed approximately 29,500 people.
- Information from the child care surveys was combined with population data from Washington State's Office of Financial Management to estimate the proportion of children of various ages in licensed care at the time of the child care surveys. Twenty-seven percent of preschoolers (children between 2.5 and 5.5), 23 percent of toddlers (children 12 to 29 months old), and 10 percent of infants (under 12 months old) and school-age children (over 5.5 years old) were estimated to be in licensed care at the time of the surveys in the spring of 2006.

### *Findings About Child Care Centers*

- The number of children in child care centers grew 47 percent in sixteen years, rising from 85,000 in 1990 to 125,080 in 2006. From 2004 to 2006 the number of children in center care rose by 6,380 from 118,700.
- Almost forty percent of children in child care centers in 2004 were preschoolers (ages 2.5 through 5.5); four percent were infants.
- Almost three-quarters of centers provide full-time care for preschool age children (73 percent), while only about one-third of centers provide full-time care for infants (36 percent).
- Fifty-nine percent of children in centers in 2006 received full-time care.
- The proportion of centers with vacancies dropped from 78 percent in 2004 to 68 percent in 2006. The overall vacancy rate across all center "slots", which had consistently grown from 1998 to 2004, dropped from 16 percent to 12 percent between 2004 and 2006. Among centers with at least one vacancy, the average vacancy rate was 20 percent of "slots" in 2006.
- At the time of the 2006 survey, pay at centers averaged \$10.50 per hour for teachers and \$8.82 per hour for aides. Average real wages for child care workers (wages adjusted for inflation) stalled between 1992 and 1998. Between 1998 and 2002 the average wage rose 3.2 percent (compound annual rate) for teachers and 3.6 percent for aides. However, between 2002 and 2006 wage changes for teachers and aides have

been slightly behind the rate of inflation, with adjusted wages for each group falling half a percent per year on average over those four years.

- The 2006 child care center survey asked about the number of individuals that had been hired in the last six months. Approximately 16 percent of teachers and 35 percent of aides had been hired within the last six months.
- In the spring of 2006 only 11 percent of centers opened before 6 in the morning and five percent closed at 7 or later in the evening. Three percent of centers were open on the weekends.
- Between 2002 and 2006 the percent of providers with internet access rose from 55 to 77 percent for centers.

### *Findings About Licensed Family Homes*

- After a period of growth in the early 1990s, the number of children in licensed family homes declined from 60,100 in 1994 to 41,900 in 2006, a drop of 30 percent in ten years.
- Forty-two percent of children in licensed family homes in 2006 were preschoolers; seven percent were infants.
- Most licensed family homes provide full-time child care for preschoolers (83 percent), while almost a third of family homes provide full-time care for infants (31 percent).
- Sixty percent of children in licensed family homes in 2006 received full-time care.
- Over two-thirds of family homes had been in operation for four or more years.
- Forty-seven percent of family homes in the spring of 2006 had vacancies, a drop from 54 percent in 2004. In 2006 the overall vacancy rate (number of vacancies/total capacity) of 15.6 percent and the vacancy rate for homes with vacancies of 34 percent were down from their 2004 respective values of 19.7 percent and 36 percent.
- The average yearly income of family home providers increased at a compound annual rate of 5.4 percent in the 10 years from 1995 to 2005. Taking inflation into account, the compound annual rate of increase was 2.8 percent, with the inflation-adjusted income of family home providers rising from \$22,094 to \$29,124, in 2005. Between 2003 and 2005 inflation-adjusted income dropped eight percent. The longer a family home provider had been in business and the more the provider depended on child care as a source of income, the higher the provider's average earnings.
- At the time of the 2006 survey, 65 percent of family homes had liability insurance, a decline from two years prior (70 percent in 2004).
- Sixty-nine percent of licensed family homes participated in the USDA food program in 2006, a decline from 77 percent in 1998.
- Twenty-three percent of licensed family homes opened before 6 in the morning and nine percent closed at 7 or later in the evening. Twenty-two percent of licensed family

- homes were open on the weekend.
- Between 2002 and 2006, the percent of providers with internet access rose from 73 to 80 percent for family home providers.

#### *Findings About Subsidized Child Care*

- According to the Department of Social and Health Services (DSHS) payment records, child care was subsidized for 114,900 individual children over the course of federal fiscal year 2006. During the time of the 2006 surveys in March through May of 2006, DSHS paid for licensed care in centers or family homes for about 52,600 children per month. Approximately 13,150 additional children per month received subsidized care from other providers. The 2006 child care surveys estimated 53,420 children received subsidized child care in either a licensed family home or child care center in the spring of 2006, slightly above the payment record counts.
- Thirty percent of children in centers and 37 percent of children in family homes were subsidized in the spring of 2006.
- At the time of the 2006 surveys, 85 percent of centers and 66 percent of licensed family homes cared for at least one subsidized child, participation rates which have changed little since 2002.
- In 1998, thirty-one percent of centers had more than one-quarter of their children subsidized and sixty-five percent of all subsidized children attended such centers. Eight years later, half of all centers met that criterion and 86 percent of all subsidized children attended centers where more than one-quarter of the children in care were subsidized.

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# CHAPTER 1. INTRODUCTION

State and federal regulations require the Child Care Development Fund (CCDF) lead agency to evaluate subsidy rates based on child care market surveys conducted at least every two years. Up to September 30, 2007, DSHS was the lead agency. Lead agency responsibilities transferred to the Department of Early Learning (DEL) October 1, 2007. This report covers the period of time prior to the transfer of responsibilities.

In the spring of 2006 the DEL subsidized child care for about 65,800 children a month. About 80 percent of these children (52,600) received care from a licensed provider and the other 20 percent received subsidized care either in their own home or in the home of a relative.

If subsidy rates are considerably lower than the going market rates, then child care providers may either limit the number of subsidized families they will serve or not accept them at all. The child care surveys enable DEL to compare subsidy rates with market rates and set those rates by region to provide equal access to the market across the state.

This report describes the findings of the child care surveys of center and family home providers conducted in the spring of 2006. While setting market-based regional child care rates are their primary purpose, the surveys also collect information on many other topics, including the following:

- The population and ages of children receiving licensed child care;
- Capacity and vacancies in licensed facilities;
- The costs associated with providing child care, such as salaries, benefits, liability insurance, and rent or mortgage;
- Characteristics of providers, such as years in operation and center type;
- Number of providers caring for DEL subsidized children;
- Hours of operation; and
- Trends in rates, compensation, and other changes in the child care market.

## **Background**

The State of Washington has been helping families pay for child care since the late 1970s. Child care programs were small at that time and targeted to very specific populations. Each program had its own funding stream and rules. More recently, in order to support the child care needs of low-income working families, state and federal funding for child care has increased. Guided by federal rules, state legislative mandates, and its own commitment to supporting families with children, the state has moved from a fragmented set of small programs toward a system with one set of income eligibility criteria and one payment schedule for all programs.

With the 1988 introduction of Washington's pilot welfare reform program, the Family Independence Program (FIP), the state began paying for child care based on market surveys of child care prices. The use of market surveys allows DEL rates to reflect the private market and to account for differences in markets across the state. DEL is then able to set rates at a uniform percentile across markets. This would enable parents to have access to the same percent of slots regardless of where they live, what type of provider they choose, and the age of their child or children.

DEL surveys the child care market every two years. Based on budget constraints and the information in these surveys, DEL sets new subsidy rates at the highest percentile that the appropriations will support.

### *Geography and Child Care Markets*

Market rates for child care vary widely across Washington State. In setting regional rates, DEL aims to ensure that clients throughout the state have equal access to child care, whether they live in areas with costly child care or areas with relatively inexpensive care.

Before 1995, the market surveys were used to identify clusters of counties with similar rates. Counties in the same cluster had the same rate schedule. Unfortunately, those clusters of counties proved to be unstable, needing re-definition with each market survey. The six DSHS Administrative Regions therefore, were selected as the geographical basis for setting subsidy rates for child care. The DSHS regions are stable, well recognized, and permit reasonable estimates of local markets.

The distribution of counties among DSHS Regions is shown in Figure 1 and Table 1.

Figure 1. DSHS Administrative Regions

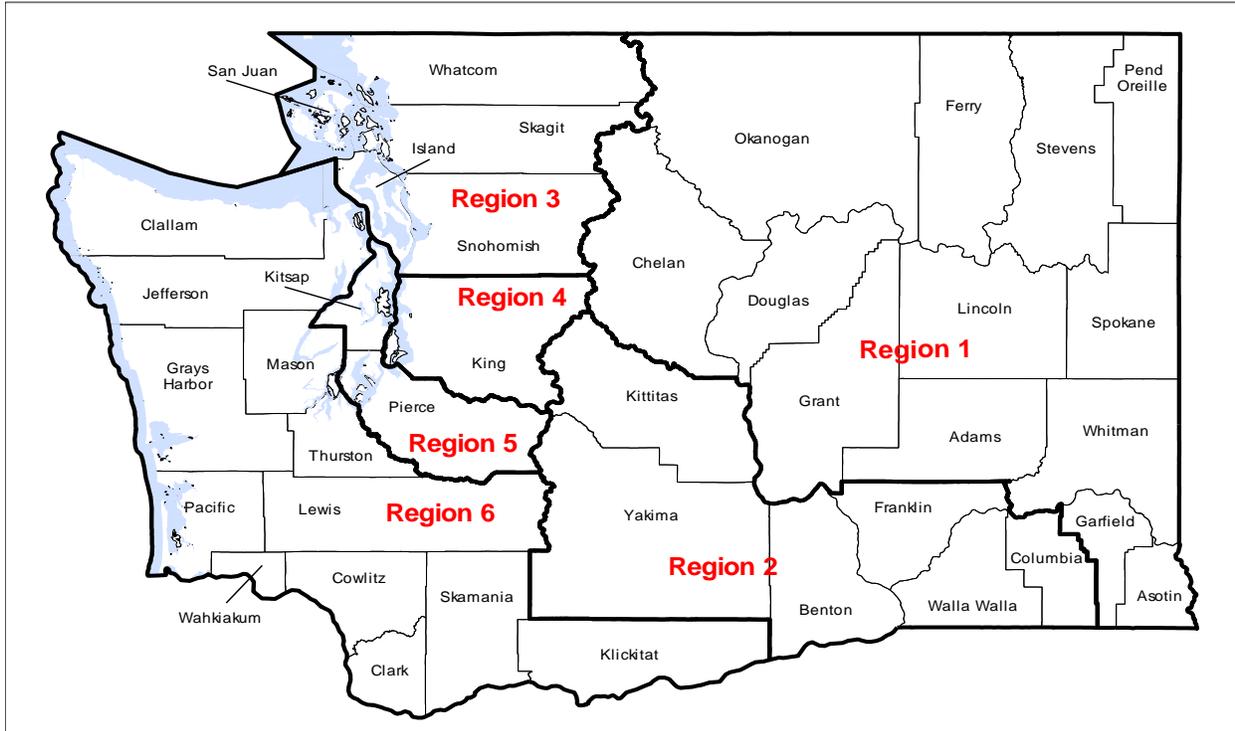


Table 1. Assignment of Counties into DSHS Regions

<u>Region 1</u>	<u>Region 2</u>	<u>Region 3</u>	<u>Region 4</u>	<u>Region 5</u>	<u>Region 6</u>
Adams	Benton	Island	King	Kitsap	Clallam
Asotin	Columbia	San Juan		Pierce	Clark
Chelan	Franklin	Skagit			Cowlitz
Douglas	Kittitas	Snohomish			Grays Harbor
Ferry	Walla Walla	Whatcom			Jefferson
Garfield	Yakima				Klickitat
Grant					Lewis
Lincoln					Mason
Okanogan					Pacific
Pend Oreille					Skamania
Spokane					Thurston
Stevens					Wahkiakum
Whitman					

## **Study Methods**

### *Licensed Facilities*

The child care surveys examine separately two types of child care facilities licensed by the state of Washington: (1) child care centers (referred to in the text as centers), and (2) family child care homes (referred to in the text as family homes or homes). These surveys do not address unlicensed or illegal care. (Not all unlicensed care is illegal. Paid child care provided in the child's home or in the home of a relative is not subject to licensing; it is legal and exempt from licensing.)

Centers, defined as facilities that are not residences, are licensed to care for a specific number of children based on staff and space requirements. Family homes are located in residences and are licensed for up to 12 children subject to the provider's training, experience, staffing, and usable indoor and outdoor space.

### *Survey of Child Care Centers*

Under contract with DSHS, staff at Washington State University's Social and Economic Sciences Research Center (SESRC) attempted to interview directors of all licensed child care centers in Washington State. The list of 2,092 centers included every child care center in the state licensing file as of January 1, 2006.

Most of the phone interviews were conducted from March through May of 2006. Some surveys from multiple-site centers were collected using either phone or mail surveys with executive directors. Centers were also able to respond using an on-line version of the survey.

Completion rate statistics for centers are summarized in Table 2. Interviewers disqualified 118 centers because they were out of business, did not have a working phone number, or were not currently offering child care. In addition, providers included information on more than one site in 52 phone interviews. Of the remaining 1,974 centers, 1,275 completed interviews for a completion rate of 65 percent of eligible centers. If a center had a working phone number, interviewers made a maximum of fifteen attempts to contact the center.

Table 2. 2006 Center Survey—Sample Completion Rate Statistics

	<u>Number of Centers</u>	<u>Sub-Total Percent</u>	<u>Grand-Total Percent</u>
<b><u>Eligible Child Care Centers</u></b>			
Completed Interviews <sup>(1)</sup>	1,275	64.6%	60.9%
Phone Interviews	791		
Mail Questionnaire	136		
On-line Survey	348		
Refused	178	9.0%	8.5%
Not Available <sup>(2)</sup>	521	26.4%	24.9%
Sub-total	<u>1,974</u>	<u>100.0%</u>	<u>94.4%</u>
<b><u>Excluded Child Care Centers</u></b>			
Ineligible <sup>(3)</sup>	53	44.9%	2.5%
Non-Working Number <sup>(4)</sup>	65	55.1%	3.1%
Sub-total	<u>118</u>	<u>100.0%</u>	<u>5.6%</u>
<b>Total Sample</b>	2,092		100%

<sup>(1)</sup> 52 of the single site responses included data for more than one center.

<sup>(2)</sup> Unable to reach in fifteen attempts, answering machine, or language problem.  
Include partial completes and non-returned mailed surveys.

<sup>(3)</sup> Not a child care provider, no longer in business or only in business in the summer.

<sup>(4)</sup> Disconnected numbers, wrong numbers, duplicates, or electronic device.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

Survey of Family Homes

In January of 2006, there were 5,767 family homes licensed in Washington State. In order to reduce the cost of conducting the family home survey, not all family homes were contacted. Since the survey aims to describe local child care markets, with the county as the smallest unit, in the larger counties family homes were methodically sampled rather than attempting a complete “census.” In the twenty-four smaller counties with fewer than one hundred licensed family homes, all family home providers were contacted. In total, 38 percent of all family home providers in the state were included in the sample.

Interviewers at SESRC tried to contact all 2,196 sampled family home providers by telephone. Family home providers were also able to respond using an on-line version of the survey. Most of the interviews were done from March through May of 2006. As a result, data from these interviews reflect the child care market as it existed during the school year.

Completion rate statistics for the family home survey are summarized in Table 3. Interviewers disqualified from the survey 264 providers who were out of business, not currently offering child care, or did not have a working phone number. Of the remaining 1,932 eligible family homes, 1,227 completed interviews, either on-line or by phone, for a completion rate of 64 percent. Seven hundred and five eligible providers either refused to participate or were unavailable during the interview period. Interviewers attempted to call all working phone numbers a maximum of fifteen times.

**Table 3. 2006 Family Home Survey—Sample Completion Rate Statistics**

	<u>Number</u>	<u>Sub-Total Percent</u>	<u>Grand-Total Percent</u>
<b><u>Eligible Family Homes</u></b>			
Completed Interviews	1,227	63.5%	55.9%
Phone Surveys	940		
On-line Surveys	287		
Refused	330	17.1%	15.0%
Not Available <sup>(1)</sup>	375	19.4%	17.1%
Sub-total	<u>1,932</u>	<u>100.0%</u>	<u>88.0%</u>
<b><u>Excluded Family Homes</u></b>			
Ineligible <sup>(2)</sup>	194	73.5%	8.8%
Non-Working Number <sup>(3)</sup>	70	26.5%	3.2%
Sub-total	<u>264</u>	<u>100.0%</u>	<u>12.0%</u>
<b>Total Sample</b>	<b>2,196</b>		<b>100%</b>

<sup>(1)</sup> Unable to reach in fifteen attempts, answering machine, language problem, or partial completes.

<sup>(2)</sup> Not a child care provider or not a family home.

<sup>(3)</sup> Disconnected numbers, wrong numbers, duplicates, or electronic device.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

*Sampling Method for the Family Home Survey*

The number of licensed homes varied widely among counties, from zero in San Juan and Garfield Counties to almost 1,300 in King County (see Table 4 and Appendix A1 or B3). Over 60 percent of the counties in Washington State had fewer than one hundred licensed family homes. If a random sample of homes had been drawn, then county-level data could not have been presented for many of the counties with a low number of licensed family homes. To prevent this from happening, the sample was stratified according to the number of licensed family home child care providers in a given county.

The numbers of homes in each county—organized into the five sample strata—are shown in Table 4. Also shown in the table are the sample sizes drawn from each county, the number of completed interviews, and their corresponding percent of the population. In our analyses, the data from family homes was weighted to account for survey participation rates and for the different sampling rates in each county.

There were 5,767 DEL licensed family homes in the state as of January 2006. In the twenty-four counties with fewer than one hundred homes, every provider was included in the sample. For all other counties, the more licensed family homes in a county, the smaller the proportion of homes surveyed: for counties with 100 to 199 family homes, 50 percent were sampled; for counties with 200 to 299 family homes, 40 percent were sampled; for counties with 300 to 699 family homes, 25 percent were sampled; and for counties with 700 or more family homes, 18 percent were sampled.

Table 4. 2006 Family Home Survey—Total Homes, Homes Sampled and Homes Interviewed

	Licensed Homes	Homes Sampled	Estimated Homes Interviewed	Percent of Homes Interviewed
<i>Fewer than 100 Family Homes (sampled at 100%):</i>				
ADAMS	35	35	21	60%
ASOTIN	6	6	3	50%
CLALLAM	41	41	27	66%
COLUMBIA	6	6	3	50%
COWLITZ	59	59	35	59%
FERRY	2	2	1	50%
GARFIELD	0	0	0	n.a.
GRAYS HARBOR	62	62	29	47%
ISLAND	46	46	26	57%
JEFFERSON	13	13	6	46%
KITTITAS	31	31	18	58%
KLICKITAT	10	10	6	60%
LEWIS	49	49	29	59%
LINCOLN	10	10	5	50%
MASON	51	51	32	63%
OKANOGAN	60	60	42	70%
PACIFIC	9	9	5	56%
PEND OREILLE	2	2	2	100%
SAN JUAN	0	0	0	n.a.
SKAMANIA	5	5	2	40%
STEVENS	19	19	11	58%
WAHKIAKUM	1	1	0	0%
WALLA WALLA	45	45	31	69%
WHITMAN	20	20	13	65%
Totals	582	582	347	60%
<i>100 to 199 Family Homes (sampled at 50%):</i>				
BENTON	194	97	58	30%
DOUGLAS	113	57	33	29%
FRANKLIN	192	96	57	30%
KITSAP	175	88	51	29%
SKAGIT	175	88	50	29%
WHATCOM	112	56	26	23%
Totals	961	482	275	29%
<i>200 to 299 Family Homes (sampled at 40%):</i>				
CHELAN	202	81	45	22%
GRANT	206	82	44	21%
SPOKANE	297	119	76	26%
THURSTON	223	89	53	24%
Totals	928	371	218	23%
<i>300 to 699 Family Homes (sampled at 25%):</i>				
CLARK	340	85	48	14%
PIERCE	554	125	70	13%
SNOHOMISH	623	139	85	14%
YAKIMA	500	156	78	16%
Totals	2,017	505	281	14%
<i>700 or more Family Homes (sampled at 18%):</i>				
KING	1,279	256	106	8%
Totals	1,279	256	106	8%
GRAND TOTALS	5,767	2,196	1,227	21%

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

## CHAPTER 2. CHILD CARE MARKET

### Child Care Population

Based on the surveys conducted from March through May of 2006, we estimate that 166,980 children in Washington State were in licensed care during that time. About 75 percent of these children were in child care centers and the remaining 25 percent were in licensed family homes.

In-home care (care in the child's home, not subject to licensing) and unlicensed out-of-home care were not part of this study. The extent of unlicensed care has not been re-estimated by DEL since a 1990 survey. Assuming that the proportion of children in those situations has not changed significantly since 1990, the numbers of children in unlicensed out-of-home and in in-home care in 2006 would have been 54,900 and 36,510, respectively. In summary, an estimated 258,390 children were in paid (licensed or unlicensed) child care in Washington State during the study period (Table 5).

In the following chapter, more detailed information about populations in licensed child care in Washington State is provided in Table 10 for centers and Table 12 for family homes.

**Table 5. Estimates of Children in Licensed and Unlicensed Child Care, 2006**

<u>Licensed Care</u>	Children Enrolled	Total Capacity <sup>1</sup>	Number of Vacancies	Vacancy Rate <sup>2</sup>
<u>Centers</u>				
Full-time	75,520			
Part-time	49,560			
Total in Centers	125,080	122,430	14,260	11.6%
<u>Family Homes</u>				
Full-time	25,180			
Part-time	16,720			
Total in Family Homes	41,900	51,730	8,130	15.7%
Total in Licensed Care	166,980	174,160	22,390	12.9%
<u>Unlicensed Care<sup>3</sup></u>				
Out-of-Home	54,900			
In-Home	36,510			
Total Unlicensed Care	91,410			
<b>Total in Licensed and Unlicensed Care</b>	<b>258,390</b>			

(1) For centers, licensed capacity. For family homes, licensed capacity minus providers' children.

(2) Vacancy rate = vacancies/capacity.

(3) Estimated from proportions in the 1990 survey. [*Child Care Rates in Washington: 1990*]

Employment and Income

Based solely on child care rates and populations reported in the 2006 surveys, we estimate that licensed child care providers in Washington State grossed about \$998 million in 2006. As shown in Table 6, the licensed child care industry employed an estimated 29,500 persons at the time of the interviews.

**Table 6. Estimates of Employment and Revenue in Washington State's Child Care Industry, 1994, 1996, 1998, 2000, 2002, 2004, and 2006**

	Total Number of Employees						
	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>2006</u>
Centers	16,220	16,667	20,400	20,700	22,000	22,300	22,500
Family Homes	9,928	10,166	9,000	8,400	8,600	8,300	7,000
<b>Licensed Facilities</b>	<b>26,148</b>	<b>26,833</b>	<b>29,400</b>	<b>29,100</b>	<b>30,600</b>	<b>30,600</b>	<b>29,500</b>
Out-of-Home Care <sup>(1)</sup>	8,521	8,797	9,400	9,400	9,600	9,600	9,200
In-Home Care <sup>(2)</sup>	15,948	15,538	16,900	16,300	16,700	16,500	16,600
<b>Unlicensed Care <sup>(3)</sup></b>	<b>24,469</b>	<b>24,335</b>	<b>26,300</b>	<b>25,700</b>	<b>26,300</b>	<b>26,100</b>	<b>25,800</b>
<b>Industry Total</b>	<b>50,617</b>	<b>51,168</b>	<b>55,700</b>	<b>54,800</b>	<b>56,900</b>	<b>56,700</b>	<b>55,300</b>
	Revenue in Million Dollars						
	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>2006</u>
Centers	\$363	\$375	\$507	\$556	\$613	\$668	\$784
Family Homes	\$178	\$187	\$183	\$187	\$223	\$221	\$214
<b>Licensed Facilities</b>	<b>\$541</b>	<b>\$561</b>	<b>\$690</b>	<b>\$743</b>	<b>\$836</b>	<b>\$889</b>	<b>\$998</b>
Out-of-Home Care <sup>(1)</sup>	\$152	\$167	\$193	\$208	\$256	\$256	\$280
In-Home Care <sup>(2)</sup>	\$104	\$110	\$128	\$138	\$170	\$170	\$186
<b>Unlicensed Care <sup>(3)</sup></b>	<b>\$256</b>	<b>\$277</b>	<b>\$321</b>	<b>\$346</b>	<b>\$426</b>	<b>\$426</b>	<b>\$466</b>
<b>Industry Total <sup>(4)</sup></b>	<b>\$797</b>	<b>\$839</b>	<b>\$1,011</b>	<b>\$1,089</b>	<b>\$1,262</b>	<b>\$1,315</b>	<b>\$1,463</b>

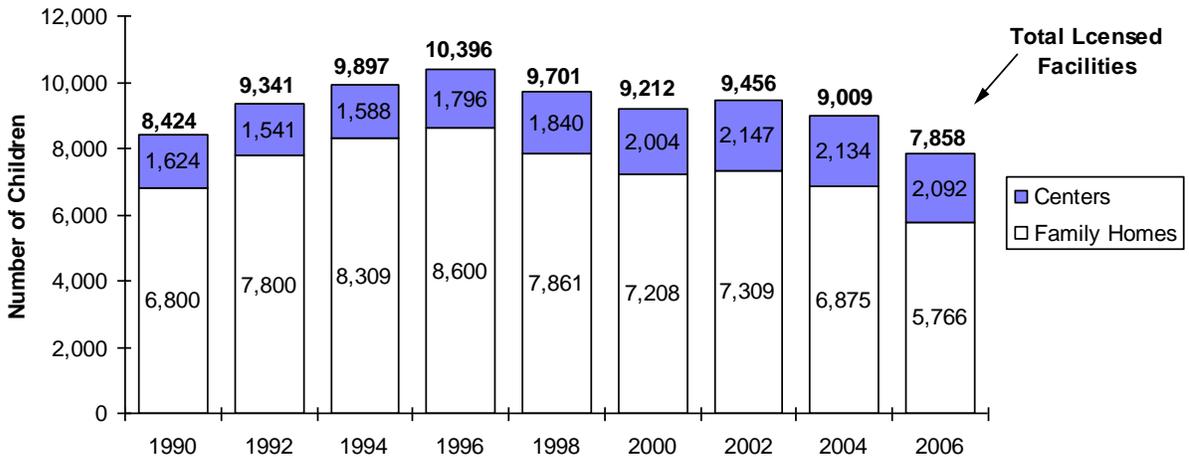
- <sup>(1)</sup> Includes unlicensed out-of-home care provided by non-relatives that should, by law, be licensed. Number employed based on family-home adult-child ratio.
- <sup>(2)</sup> Number of in-home care employees based on 1990 survey: (2.2 children/caregiver).
- <sup>(3)</sup> Assumes same cost per child as in licensed family home care (\$5096/child/year in 2006).
- <sup>(4)</sup> Because of rounding the revenue for licensed and unlicensed care does not add up to total.

Source: DSHS Division of Child Care and Early Learning  
1994, 1996, 1998, 2000, 2002, 2004, and 2006 Surveys of Child Care Centers and Family Homes

Growth of the Licensed Child Care Industry

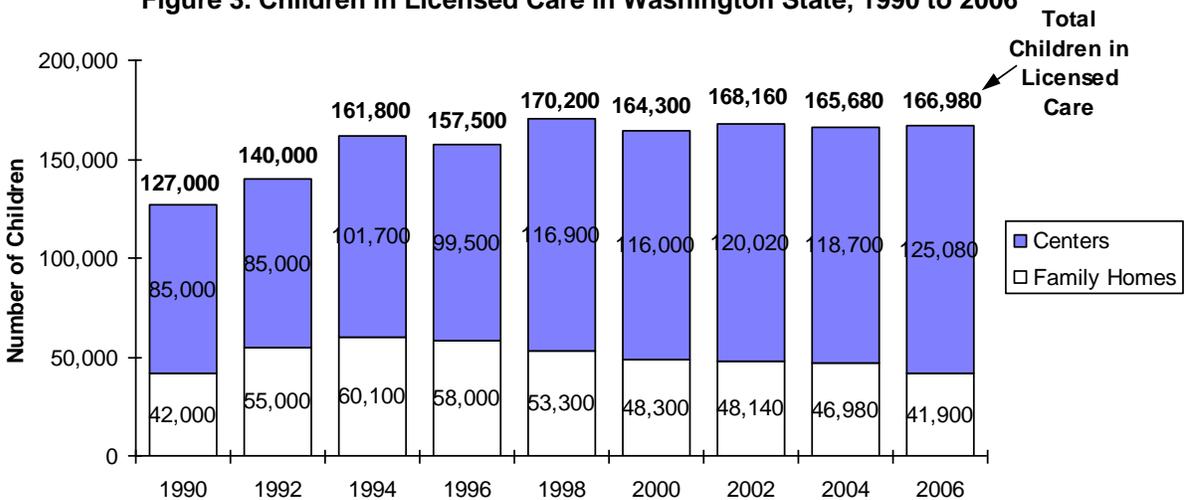
The following two graphs show changes in the size of the licensed child care industry from 1990 to 2006. Historically, from 1990 through 2002, the number of centers and number of children attending centers generally increased. Since 2002, the number of centers has slightly declined, while the number of children centers served fell in 2004 before rising again in 2006. For family homes, the number of licensed facilities and number of children cared for increased between 1990 and 1996. Since that time, those numbers have generally declined. From 2004 to 2006, the numbers of both licensed facilities and children cared for decreased to sixteen-year lows (Figures 2 and 3).

Figure 2. Licensed Child Care Facilities in Washington State, 1990 to 2006



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

Figure 3. Children in Licensed Care in Washington State, 1990 to 2006



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

*Geography of the Decline in Number of Family Homes*

While the statewide number of licensed family homes declined from 8,600 to 5,767 between 1996 and 2006, a decline of 33 percent, the decline was not uniform throughout the state. As shown in Table 7, although the number of licensed homes dropped in all regions, the percent of change ranged from eight percent in Region 2, to 40 percent in Regions 4 and 6. Except for an increase between 2000 and 2002, the number of family homes has declined at a fairly steady rate in the state, between 5.9 and 8.6 percent over each two-year period. However, from 2004 to 2006 the decline accelerated, with over 1,100 fewer family homes for a 16 percent rate of decrease. Regional decreases over the two-year period ranged from 10 percent in Region 4 to 22 percent in Regions 5 and 6.

**Table 7. Number of Family Homes, 1996 to 2006**

Region	1996	1998	2000	2002	2004	2006	Percent Change from 1996 to 2006	Percent Change from 2004 to 2006
1	1,336	1,221	1,174	1,254	1,124	972	-27%	-14%
2	1,055	1,069	1,108	1,253	1,202	968	-8%	-19%
3	1,465	1,273	1,127	1,140	1,092	956	-35%	-12%
4	2,147	1,855	1,645	1,571	1,420	1,279	-40%	-10%
5	1,150	1,084	954	956	933	729	-37%	-22%
6	1,447	1,359	1,200	1,135	1,104	863	-40%	-22%
<b>Statewide</b>	<b>8,600</b>	<b>7,861</b>	<b>7,208</b>	<b>7,309</b>	<b>6,875</b>	<b>5,767</b>	<b>-33%</b>	<b>-16%</b>

Source: DSHS Division of Child Care and Early Learning  
1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

## CHAPTER 3. CHILDREN IN LICENSED CARE

### Introduction

Licensing regulations for child care centers and family homes are determined by state law and administrative rules. In evaluating each licensed facility, DEL examines: (1) its premises, equipment, and physical conditions; (2) the number and skills of the licensee and staff; and (3) the ages and characteristics of the children in care. The regulations for family home providers differ slightly from those for child care centers.

DEL child care regulations vary according to the ages of the children in care. For example, in child care centers one adult may care for up to either four infants or fifteen school-age children. Since younger children require more adult supervision than older children, most providers charge more for the care of younger children. In family homes, the number of children under two years old is strictly limited and the number of children under two years old that a provider serves affects the total number of children that he or she can serve.

For this report, we categorized children into discrete age groups in accordance with the definitions DEL uses for licensing regulations in child care centers and subsidy payments. These categories are consistent with the age classifications used by many child care providers:

- Infants, under 12 months old;
- Toddlers, from 12 to 29 months old;
- Preschoolers, from 30 months up to entry into kindergarten; and
- School-age children, from entry into kindergarten to 12 years.

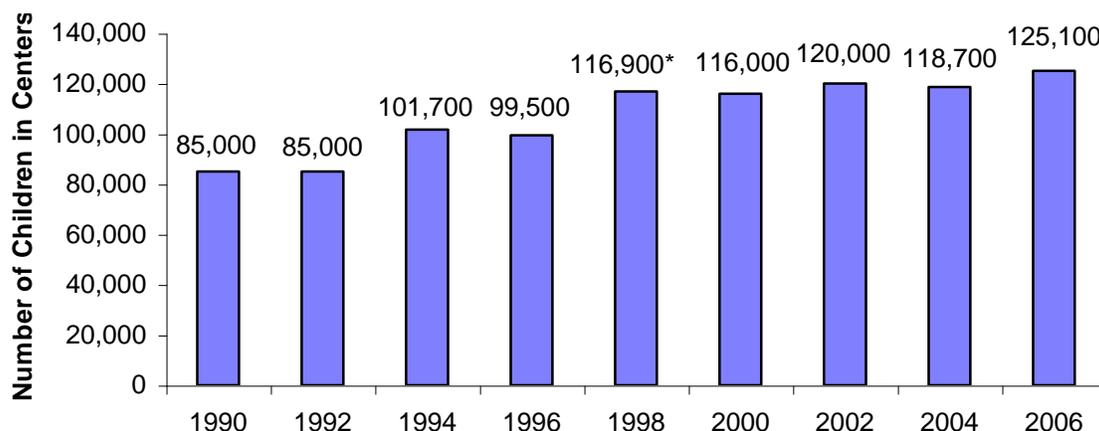
In addition to the age of the child, most providers charge more on a monthly basis for children in full-time care than for children in part-time care, but part-time care often costs more per hour than full-time care. In September 1998, the DEL subsidy program changed its definition of full-time from 30 to 25 hours. Since some providers changed their threshold for full-time to bring it into line with the new DEL definition, center providers were allowed in the 2006 survey to include children in care for 25 to 30 hours a week in their count of full-time children.

### Child Care Centers

#### *Number of Children in Care, Capacity, and Vacancies in Child Care Centers*

The number of children in child care centers has grown substantially over the past sixteen years, rising 47 percent from 85,000 in 1990 to 125,100 in 2006. During the same period, the total number of children under 13 in Washington State rose about 14 percent.

Figure 4. Number of Children in Licensed Child Care Centers, 1990-2006

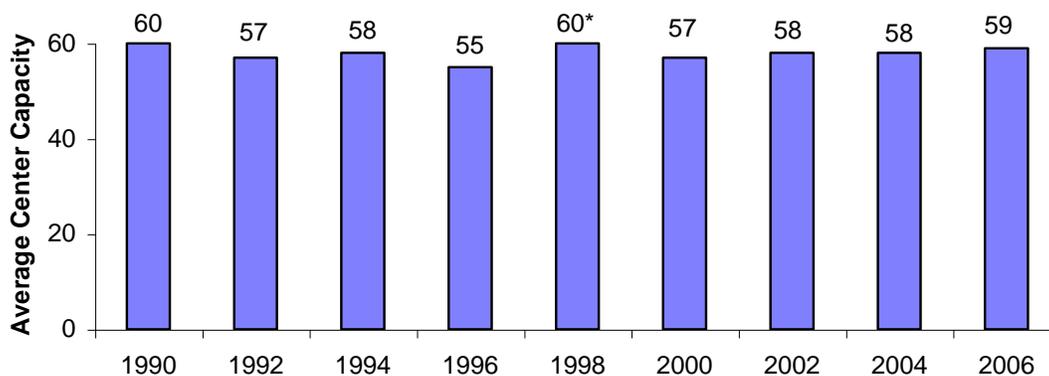


\* 1998 numbers were over-estimated due to a low response rate from small centers.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004, and 2006 Surveys of Child Care Centers

The above graph shows a large increase in the number of children in centers between 1996 and 1998; however, the number of licensed centers only grew from 1,796 to 1,840 during those two years. There was concern that a low response rate by smaller child care centers on the 1998 survey may have led to an over-estimation in the number of children served in 1998, and that seems to have been the case (see the caution about the estimate on numbers of children in centers on page 5 of *Licensed Child Care in Washington State: 1998*). Despite the problems with the 1998 data, the data for 2000/2004 indicate an increase in the number of children in center care of approximately 18 percent from the 1994/1996 period.

Figure 5. Average Capacity of Licensed Child Care Centers, 1990-2006

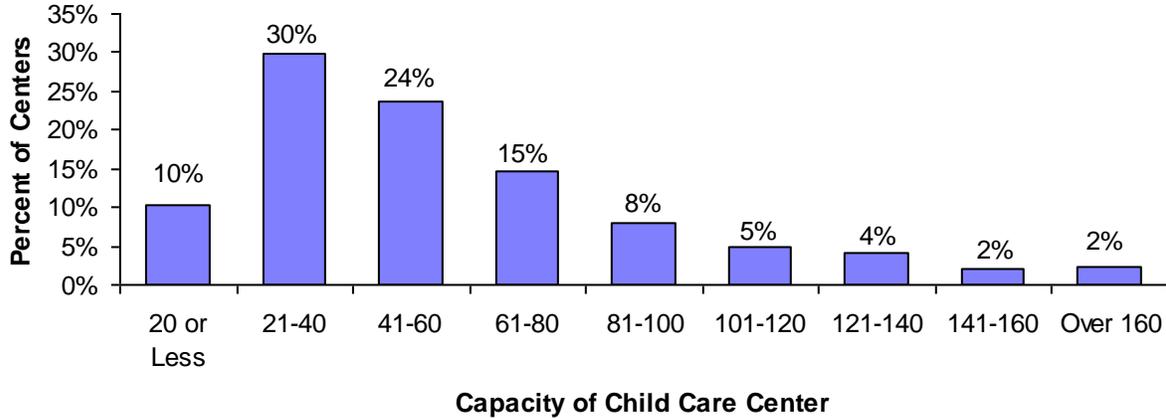


\* 1998 average capacity was over-estimated due to a low response rate from small centers.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004, and 2006 Surveys of Child Care Centers

The licensed capacity of child care centers varies widely: 40 percent of centers had a capacity of 40 or fewer children while 8 percent of centers had a capacity of over 120 (see Figure 6).

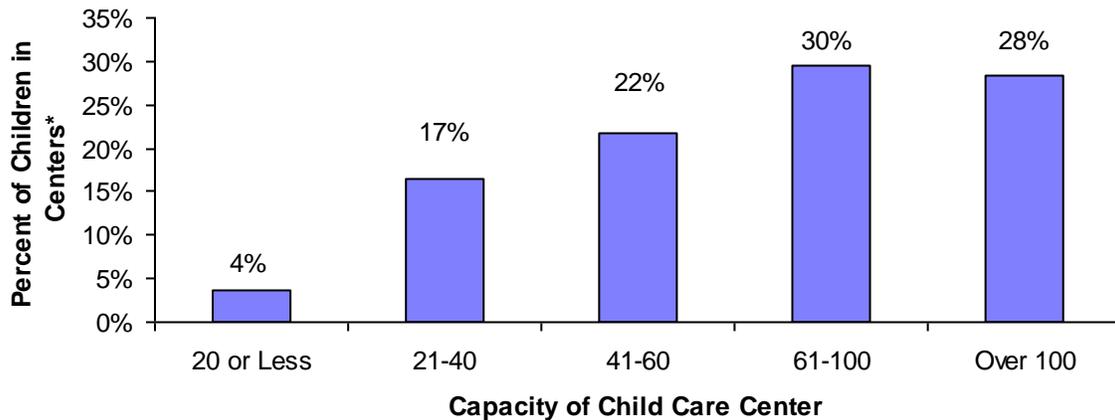
**Figure 6. Distribution of Child Care Centers by Capacity, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

While many centers were fairly small, larger centers served a high proportion of all children in centers. Over a quarter (28 percent) of all children in centers were served by the 13 percent of centers with a capacity of over one hundred. Only 21 percent of children attend the 40 percent of centers with a capacity of forty or less (see Figure 7).

**Figure 7. Distribution of Children in Child Care Centers by Capacity, 2006**



\* Because of rounding, percentages do not add up to 100 percent.

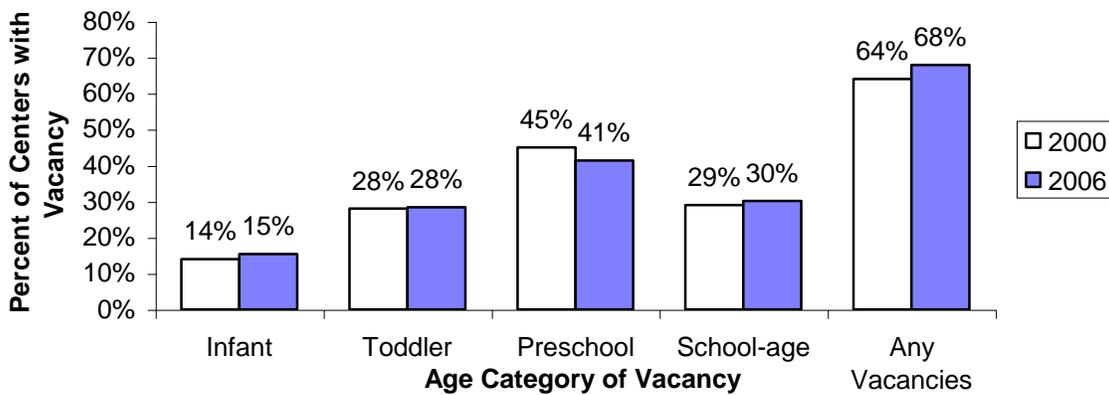
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

### Vacancies

To estimate vacancies, providers were first asked how many openings they had for children of any age. While not all facilities had vacancies, 68 percent of centers reported at least one vacancy. Centers with vacancies averaged 10.1 vacancies per center.

Centers reporting vacancies were also asked about the age groups in which they had vacancies. A vacant slot in a home or center may not be open to children of all ages. For example, the rules limit the number of children that can be placed in a facility by age as a function of staffing ratios. By licensing rules, in a center one adult may care for four infants, seven toddlers, ten preschoolers, or fifteen school-age children. Therefore, while a provider might not have sufficient staff to accept more infants, they might have room for one or more older children. The percent of centers with vacancies in various age categories for 2000 and 2006 is presented in Figure 8. Excluding school-age children, the younger the child, the less likely a center was to have an opening for that child. Comparing results from 2000 and 2006, more centers had at least one vacancy in 2006 than in 2000 even though there was a decrease in the percent of centers with preschool vacancies during the period.

Figure 8. Percentage of Centers with Vacancies by Age Category, 2000 and 2006



Source: DSHS Division of Child Care and Early Learning  
2000 and 2006 Surveys of Child Care Centers

Table 8 displays the percent of centers with vacancies for each age category by region. According to this table, Region 2 had proportionately fewer centers with vacancies in all age categories, while Regions 5 and 6 had the highest center vacancy rates of centers with vacancies in almost all age groups.

Table 8. Percentage of Centers with Vacancies by Age Category and Region, 2006

Region	Infant	Toddler	Preschool	School-age	Any Vacancies
1	13%	27%	46%	36%	69%
2	10%	21%	30%	21%	50%
3	13%	28%	38%	32%	74%
4	14%	22%	36%	27%	62%
5	24%	40%	49%	32%	75%
6	18%	34%	49%	31%	75%
All	15%	28%	41%	30%	68%

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

An alternative measure of the tightness of the child care market is the vacancy rate, the percent of total slots that are vacant. Compared with a simple measure of the proportion of centers with vacancies, the vacancy rate may give a better picture of supply and demand in the child care market. The overall vacancy rate across all center “slots” was 12 percent in 2006, a decline of four percentage points from 2004. All of the regions have similar vacancy rates, although the data are consistent with the trends in Table 8. Only among centers with at least one vacancy, the average vacancy rate was 20 percent in 2006.

**Table 9. Vacancy Rate in Child Care Centers by Region, 1998 – 2006**

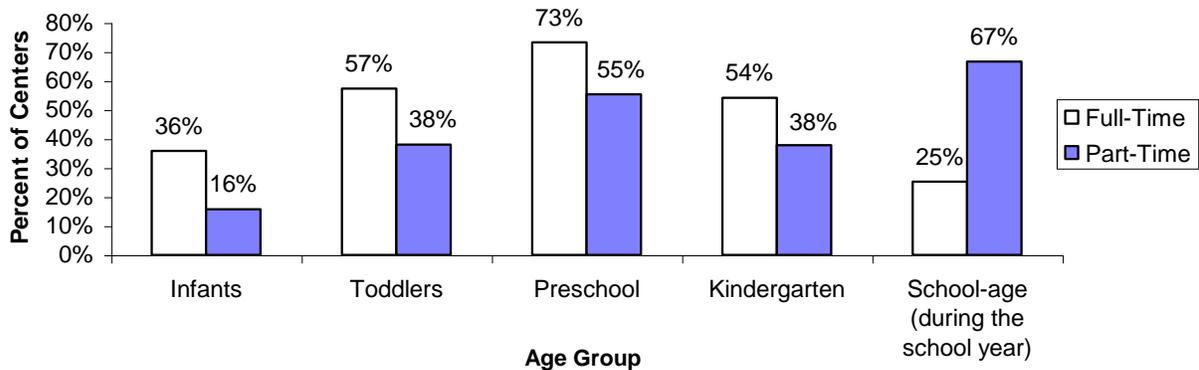
Region	Center Vacancy Rate				
	1998	2000	2002	2004	2006
1	12%	13%	12%	19%	11%
2	16%	16%	13%	15%	9%
3	11%	14%	17%	17%	11%
4	11%	10%	14%	15%	10%
5	11%	13%	12%	16%	15%
6	14%	14%	17%	18%	15%
All	12%	13%	14%	16%	12%

Source: DSHS Division of Child Care and Early Learning 1998, 2000, 2002, 2004, and 2006 Surveys of Child Care Centers

*Full-Time and Part-Time Care in Centers by Age Category*

Some centers only provide care for children of certain ages. While a substantial majority of centers in 2006 provided either full-time or part-time care for preschool-age children (76 percent), only about one-third of centers provided care for infants (37 percent). Many centers did not offer both full-time and part-time options. The percentages for centers that offered full-time and part-time care for various age groups of children are shown in Figure 9. The most commonly provided care was full-time care for preschoolers with 73 percent of centers offering such care. The least common care provided by centers was that for part-time infants: 16 percent of centers offered part-time infant care.

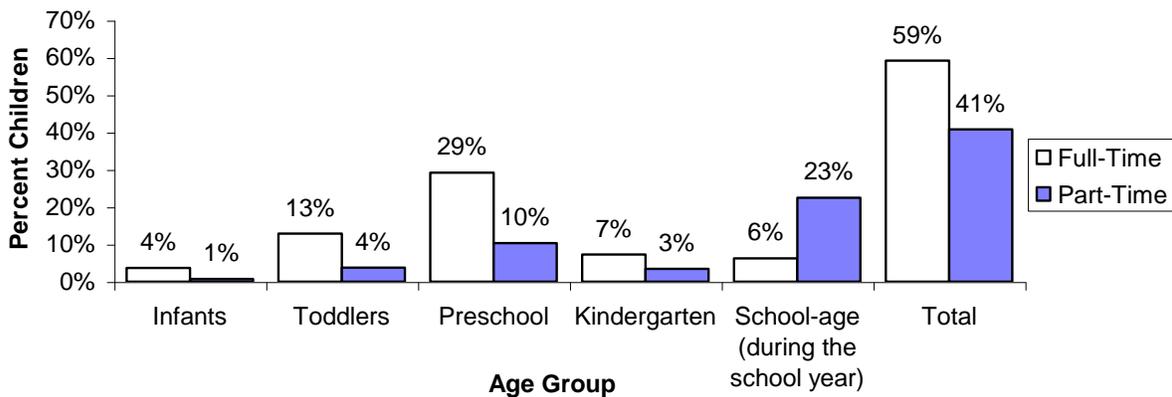
**Figure 9. Centers Providing Full-Time and Part-Time Care by Age Group, 2006**



Source: DSHS Division of Child Care and Early Learning 2006 Survey of Child Care Centers

The estimated distribution of children in centers by age group and time-in-care is summarized in Figure 10. In the survey instructions, centers were asked to count children in attendance 25 or more hours per week as full-time. In 2006, 59 percent of all children were reported as attending full-time, an increase from 56 percent in 2004. Preschoolers in full-time care constituted the largest group of children attending centers (29 percent). Infants in part-time care were the smallest group, comprising just one percent of the children in child care centers. Thirty-nine percent of the children in center care were either in kindergarten or school-age, equal to the percentage that were preschool age.

**Figure 10. Distribution of Children in Centers in Full-Time or Part-Time Care, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

Many centers planned to provide care for school-age children during the summer (data not shown). A total of 78 percent of centers offered some care for school-age children (kindergarten or above) during the school year and 61 percent planned to offer care for these children in the summer. Among centers planning to provide summer care for school-age children, most planned to provide full-time care (89 percent) while less than half planned to provide part-time care (45 percent).

Table 10 presents estimates of the numbers of children in child care centers by DSHS Region and age group. Separate estimates were made for full-time and part-time care. As mentioned earlier in this chapter, centers were asked to count all children in care for 25 hours or more per week as full-time.

Table 10. Estimated Child Care Center Populations by Age and Region, 2006

Full-Time Population Estimate <sup>[1]</sup>							
Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	650	400	550	1,550	750	690	4,590
Toddlers	2,310	1,730	2,370	4,840	2,660	2,250	16,150
Preschool	4,580	4,350	4,740	11,840	5,930	5,040	36,480
Kindergarten	1,560	880	1,310	2,490	1,590	1,230	9,060
School-age <sup>[2]</sup>	1,160	450	1,500	2,150	1,930	570	7,770
<b>Total <sup>[3]</sup></b>	<b>10,250</b>	<b>7,810</b>	<b>10,460</b>	<b>22,870</b>	<b>12,870</b>	<b>9,790</b>	<b>74,050</b>

Part-Time Population Estimate <sup>[1]</sup>							
Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	170	30	120	260	180	170	930
Toddlers	620	230	1,030	1,520	540	780	4,720
Preschool	1,870	730	1,860	4,990	1,380	2,090	12,910
Kindergarten	840	590	620	1,310	400	560	4,320
School-age <sup>[4]</sup>	4,860	2,320	3,540	8,610	3,860	4,960	28,150
<b>Total</b>	<b>8,360</b>	<b>3,900</b>	<b>7,170</b>	<b>16,690</b>	<b>6,360</b>	<b>8,560</b>	<b>51,030</b>

<sup>[1]</sup> Children in sample multiplied by a county weighting factor to estimate population.

<sup>[2]</sup> Survey was conducted during the school year. School-age children in part-time care may switch to full-time care in the summer.

<sup>[3]</sup> Because of rounding, sums of age group counts may not add up to total counts.

<sup>[4]</sup> Part-time school-age total includes before- and after-school care.

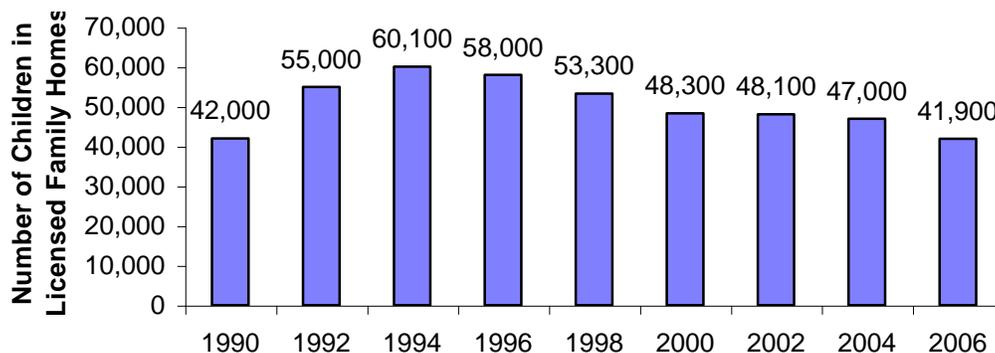
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

## Family Homes

### Number of Children in Care, Capacity, and Vacancies in Family Homes

Children in licensed family homes receive care in the residence of the provider. The number of children cared for in licensed family homes has been declining since 1994 (see Figure 11). For most of that time, the number of licensed family home providers also declined (see Figure 2).

Figure 11. Number of Children in Licensed Family Homes, 1990-2006



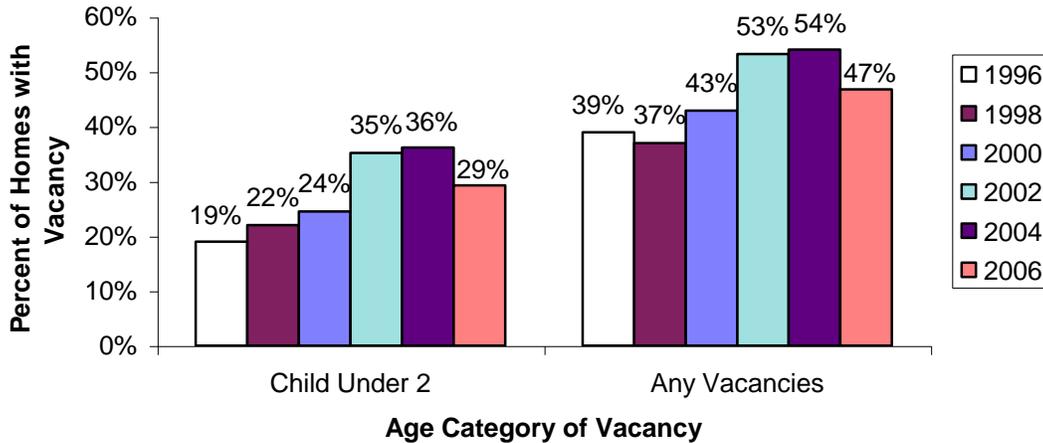
Source: DSHS Division of Child Care and Early Learning

1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

Because family homes are licensed to care for twelve or fewer children at the same time, their licensed capacity is considerably less than that of centers. The average licensed capacity for family homes in 2004 was 9.0 children per home. Licensing regulations for family homes limit the number of children under two that can be in attendance at the same time, from a maximum of two children under two with one adult providing care, up to a maximum of four children under two if two adults are providing care. [Note: References to family home capacity in this report subtract the number of the providers' own children under 12 from their licensed capacity, if the provider reports that they care for their own children during their business hours.]

To estimate vacancies, family home providers were asked how many openings they had for children of any age, as well as openings for children under age two. On average, providers reported 1.4 vacancies per family home, down from 1.7 in 2004. In 2006, the percent of homes with at least one vacancy (47 percent), the percent of homes with vacancies for children under two (29 percent), and the vacancy rate for homes with vacancies (34 percent) were lower than the respective 2004 statistics. This was the first drop since 1998 for rates of homes with at least one vacancy or with vacancies for children under two. The overall vacancy rate (number of vacancies/total capacity) in 2006 was 15.6 percent for family homes, down from 19.7 percent in 2004.

Figure 12. Percentage of Family Homes with Vacancies by Age Category, 1996-2006



Source: DSHS Division of Child Care and Early Learning  
1996, 1998, 2000, 2002, 2004 and 2006 Survey of Family Homes

The information on vacancies in centers suggested that a smaller proportion of centers in Region 2 had vacancies than in other areas in the state; while Regions 5 and 6 had larger proportions of centers with vacancies (see Table 8). Regional patterns in vacancies for family homes, however, do not mirror those for centers. Region 2 appears to have a somewhat higher percentage of providers with vacancies for children under 2 years of age as well as vacancies for children of any age (see Table 11). Regions 5 and 6 have relatively small percentages of providers with vacancies for children under age 2.

Table 11. Family Homes with Vacancies by Region, 2006

Region	Child Under 2	Any Vacancies
1	38%	55%
2	30%	51%
3	30%	45%
4	34%	46%
5	23%	52%
6	19%	37%
All	30%	48%

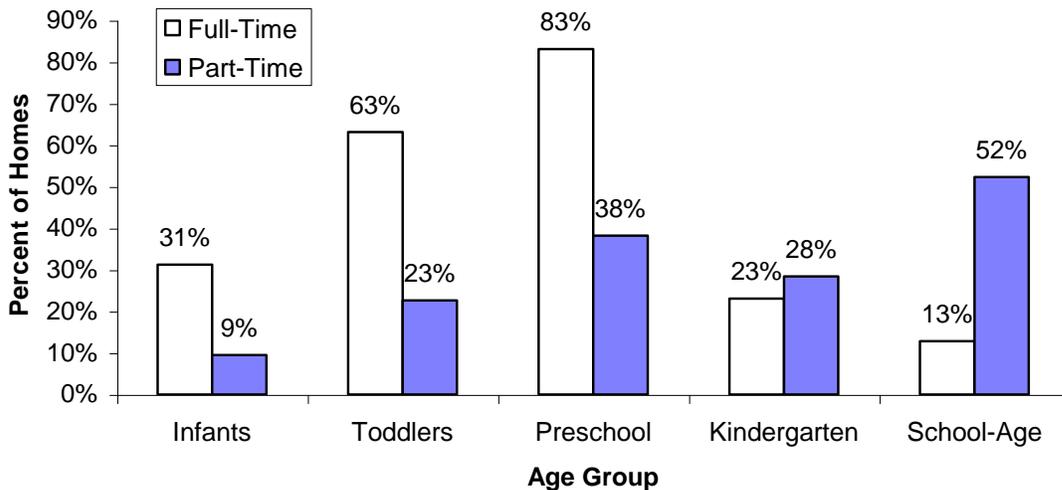
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

*Full-Time and Part-Time Care in Family Homes by Age Category*

As was the case with child care centers, the most common type of care provided by family homes was full-time child care for preschoolers. In the 2004 and 2006 surveys, family home providers were asked if the five and six year olds that they cared for attended kindergarten, so that five year olds that did not attend kindergarten could be included in the preschool category as is the case for centers. In past surveys, all children five years old or older were included in the school-age group for family home providers. Thirty hours per week was used as the cut-off for the definition of full-time care in family homes.

The inclusion of the question on kindergarten attendance makes the information on family homes more directly comparable to that for centers (compare Figures 9 and 13). Eighty-three percent of all family homes provided full-time care to preschoolers, higher than the 73 percent of centers providing full-time care to preschoolers. At the other extreme, only 9 percent of homes provided part-time care to infants. Figure 13 shows the proportion of homes that provided full-time or part-time care to each age group.

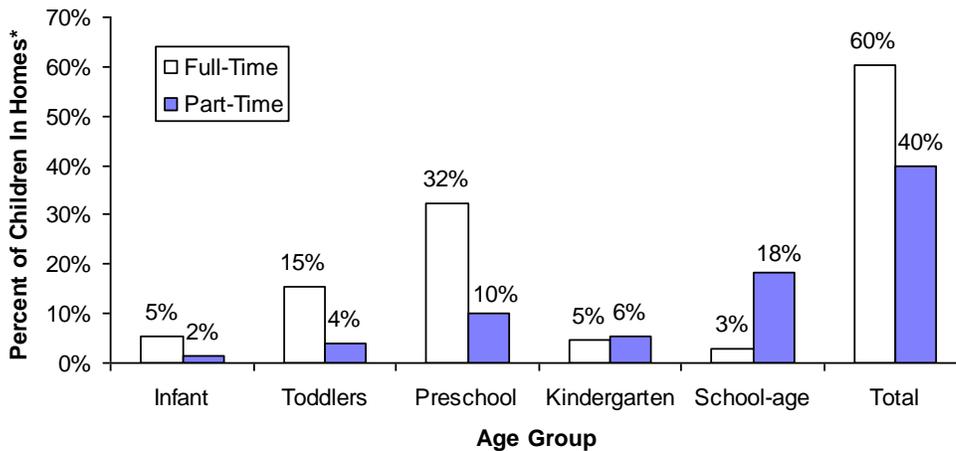
Figure 13. Homes Providing Full-Time or Part-Time Care by Age Group, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

Figure 14 shows the distribution of children in family homes by age group and part-time or full-time status, with children in kindergarten categorized separately. The distributions of children by age group for family homes and centers are similar (compare Figures 10 and 14). As in centers, the smallest category was part-time infants and the largest group of children was preschoolers in full-time care. There are differences, however, with only 32 percent of all children in licensed family care attending school (including kindergarten) as compared with 39 percent of children in centers. Almost two out of every three children in licensed family homes are either toddlers or preschoolers (62 percent) in contrast to somewhat more than half for children attending centers (56 percent).

**Figure 14. Distribution of Children in Homes in Full-Time or Part-Time Care, 2006**



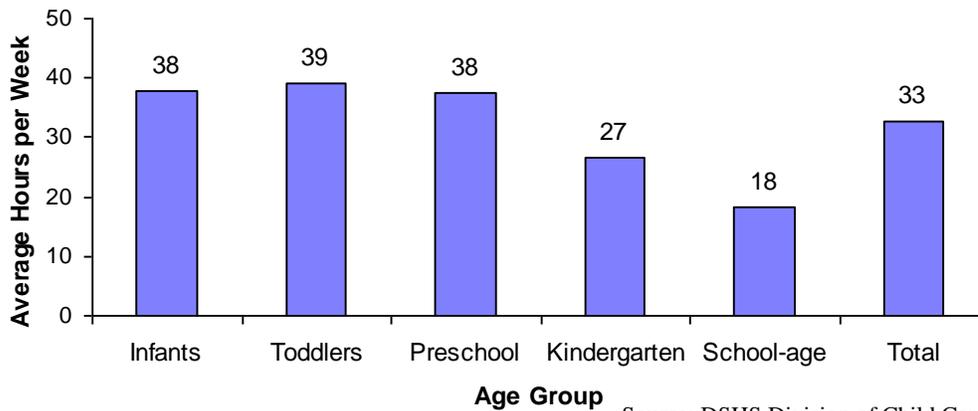
\* Because of rounding, subtotals may not match numbers in text.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

Two percent of licensed family homes served only school-age children in first grade or higher. The vast majority (74 percent) served both full-time and part-time children, and 19 percent only served full-time children.

The average number of hours per week in care by age category—presented in Figure 15—is unchanged from 2004. Children in family homes spent an average of 33 hours per week in child care. Infants, toddlers, and preschoolers spent the most time in care. School-age children beyond the age of kindergarten spent the least time in care (18 hours per week on average).

Figure 15. Average Hours per Week in Family Home Care by Age Group, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

The estimated populations of children in licensed family homes, by region, age group, and time-in-care are presented in Table 12. Because of their need for before- and after-school care, school-age children (including kindergartners) were most likely to receive part-time care. Indeed, they accounted for 61 percent of the total part-time population in family homes.

Table 12. Estimated Licensed Family Home Child Care Populations by Age and Region, 2006

Full-Time Population Estimate <sup>[1]</sup>

Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	420	440	340	460	220	290	2,180
Toddler	980	1,230	1,070	1,530	710	890	6,400
Preschool	2,290	2,160	2,150	3,130	1,610	2,130	13,460
Kindergarten	400	370	310	230	220	360	1,890
School-age <sup>[2]</sup>	210	340	240	170	140	150	1,250
<b>Total <sup>[3]</sup></b>	<b>4,300</b>	<b>4,550</b>	<b>4,110</b>	<b>5,510</b>	<b>2,900</b>	<b>3,820</b>	<b>25,180</b>

Part-Time Population Estimate <sup>[1]</sup>

Age Group	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	All
Infant	120	80	160	80	50	130	630
Toddler	280	170	400	420	180	270	1,720
Preschool	650	470	860	1,010	420	800	4,210
Kindergarten	370	450	410	330	290	490	2,330
School-age <sup>[2]</sup>	1,100	1,100	1,290	1,700	1,230	1,410	7,830
<b>Total</b>	<b>2,520</b>	<b>2,270</b>	<b>3,120</b>	<b>3,540</b>	<b>2,170</b>	<b>3,100</b>	<b>16,720</b>

<sup>[1]</sup> Children in sample multiplied by a county weighting factor to estimate population.

<sup>[2]</sup> Survey was conducted during the school year. School-age children in part-time care may switch to full-time care in the summer.

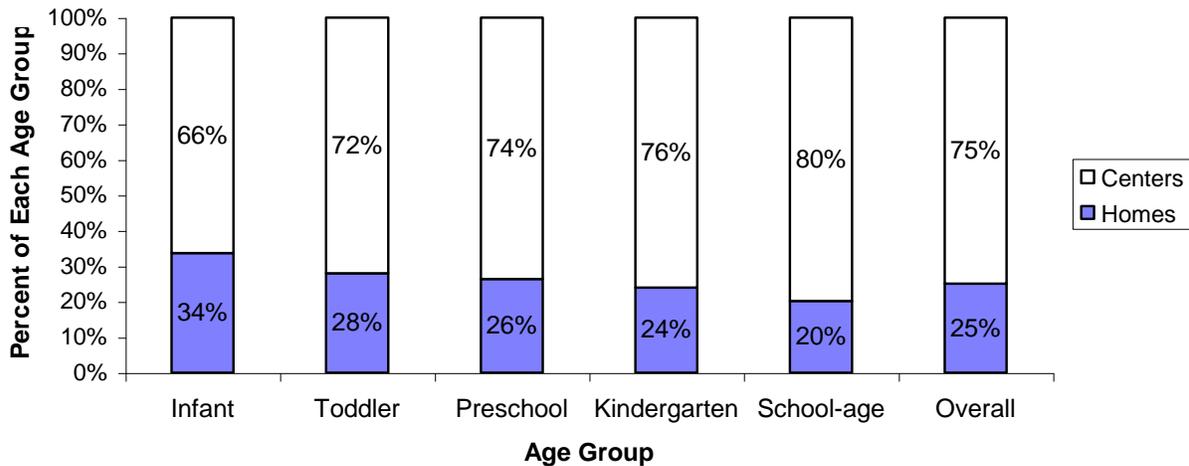
<sup>[3]</sup> Because of rounding, sums of age group counts may not add up to total counts.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

### Specialization in the Child Care Market

The overall age distribution and hours in care for children in licensed homes appear similar to those attending child care centers. But closer examination reveals some interesting differences. While more children of all ages attended child care centers than family homes, the age of the child was related to the type of licensed provider used. Compared with older children, younger children (particularly infants) were more likely to go to family homes (see Figure 16). While 25 percent of all children in licensed care at the time of the 2006 surveys went to family home providers, 34 percent of infants in licensed care went to family homes.

**Figure 16. Enrollment of Children in Licensed Home Care versus Child Care Centers, 2006**

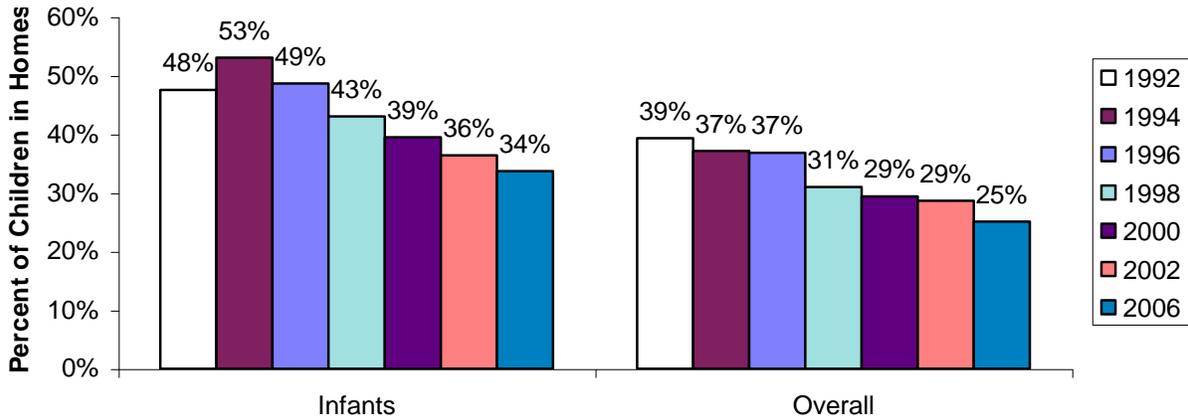


Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

### *Shift in Attendance of Children in Licensed Care from Homes to Centers*

Over the fourteen years from 1992 to 2006, the number of children attending child care centers generally increased (see Figure 4), while the number in licensed family homes has declined over the last twelve of those 14 years (see Figure 11). As a consequence, the proportion of children in licensed care that attends licensed family homes declined from 39 percent in 1992 to 25 percent in 2006. The decline in the proportion of infants in licensed care that went to family homes is particularly striking. In 1994 over half of all infants in licensed care were cared for in family homes, while in 2006 only 34 percent of all infants in licensed care were in family homes (see Figure 17).

Figure 17. Proportion of Children in Licensed Care Attending Family Homes, 1992-2006



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

*Urban/Rural Differences*

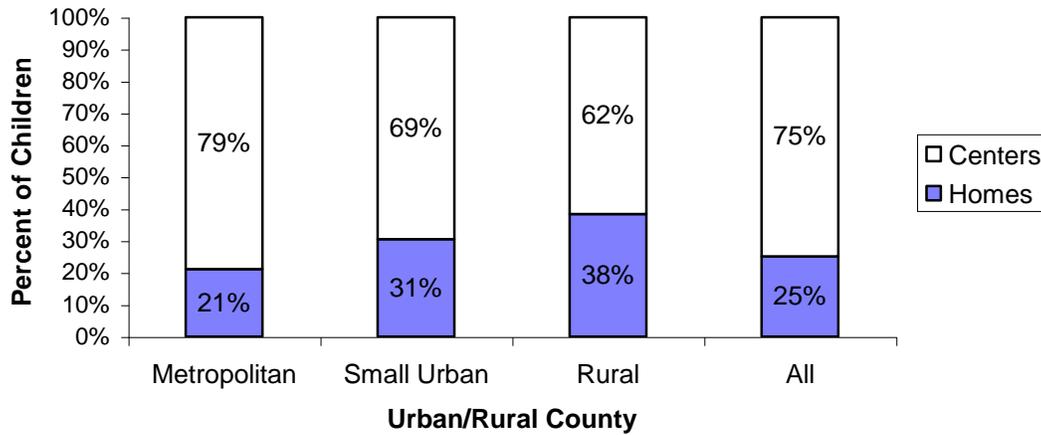
One reason for a parent to send their child to a family home provider, rather than a child care center, is the availability of care. It was expected that licensed care in child care centers would be less available in rural areas than in more urbanized areas. The thirty-nine counties in Washington State were categorized according to how many people live in cities of 10,000 or more. Counties with more than 100,000 people in cities of 10,000 or more were categorized as metropolitan, counties with more than 40,000 people in cities of 10,000 or more were called Small Urban, and the remaining counties were classed as Rural. (Population estimates for 2006 from Table 4 in OFM’s 2007 *Population Trends for Washington State*.)

Table 13. Counties by Degree of Urbanization

Metropolitan	Small Urban	Rural		
Benton	Cowlitz	Adams	Island	San Juan
Clark	Franklin	Asotin	Jefferson	Skamania
King	Kitsap	Chelan	Kittitas	Stevens
Pierce	Skagit	Clallam	Klickitat	Wahkiakum
Snohomish	Thurston	Columbia	Lewis	Walla Walla
Spokane	Whatcom	Douglas	Lincoln	Whitman
	Yakima	Ferry	Mason	
		Garfield	Okanogan	
		Grant	Pacific	
		Grays Harbor	Pend Oreille	

Using this rough division of counties according to their degree of urbanization, we see that the more rural the county, the higher the proportion of children in licensed care attending family homes rather than child care centers. Only 21 percent of children in licensed care in the six most urbanized counties in Washington State attended family homes, while 38 percent of children in licensed care in the 26 counties classified as rural attended family homes (see Figure 18).

**Figure 18. Distribution of Children in Licensed Care by Degree of Urbanization, 2006**

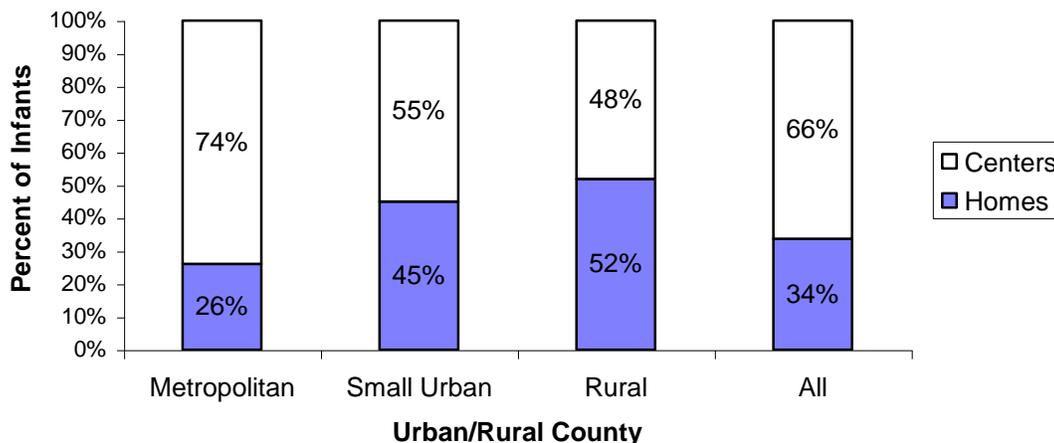


Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

As shown in Figure 16, the younger the age of the child in licensed care, the more likely they were to go to a family home rather than a child care center. In addition, the more rural the county, the more likely a child was to attend a family home rather than a child care center. As a consequence of these two trends, 52 percent of the infants in licensed care in rural counties went to family homes rather than child care centers (see Figure 19). This has remained unchanged from 2004 but is down from 1998 when 58 percent of infants in licensed care in rural counties went to family homes.

This suggests that the major factor in the shift of ‘market share’ from family homes to center is probably the much more rapid population growth in more urbanized areas of the state, and not a change in the patterns of parent preferences within urban and rural settings.

Figure 19. Distribution of Infants in Licensed Care by Degree of Urbanization, 2006

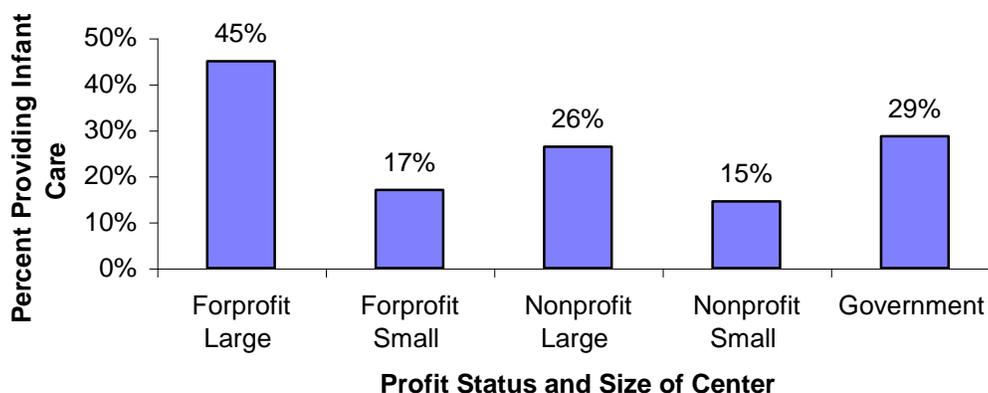


Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

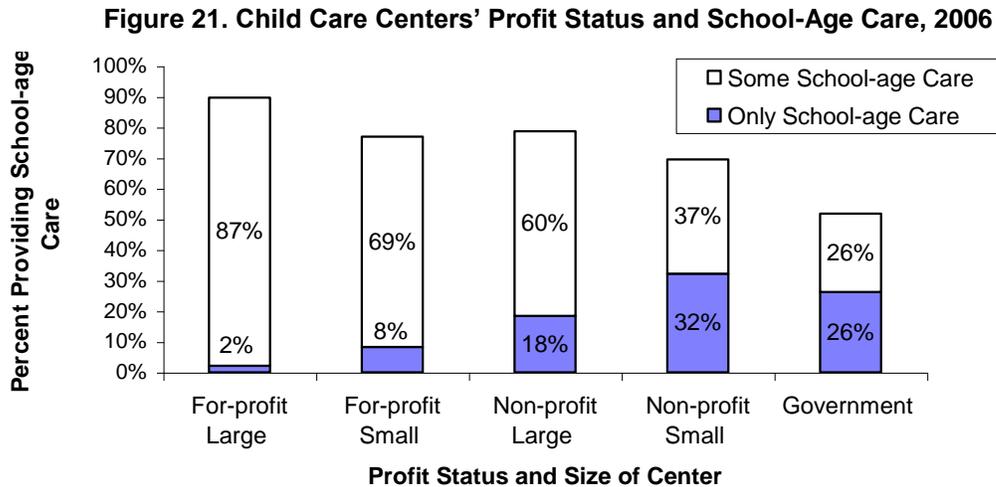
*Type of Center and Specialization*

Focusing on child care centers, differences in the profit status of centers was examined, particularly in how it related to specialization in the provision of child care. Centers were classified as either non-profit, for-profit, or government centers. (Government centers include Tribal Centers and many programs at K-12 schools and colleges.) In addition, centers with a capacity of sixty or more children were distinguished from smaller centers. Although almost every center served toddlers and preschoolers, there was evidence of specialization in the provision of care for very young and school-age children. For-profit centers with a capacity of sixty or more were the centers most likely to provide care for infants (see Figure 20). Large for-profit child care centers were also the most likely to provide care for school-age children, but a high proportion of government and small non-profit centers specialized in school-age care (see Figure 21).

Figure 20. Child Care Centers' Profit Status and Infant Care, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

### Availability and Use of Child Care

#### *Capacity and Vacancies for Licensed Child Care*

In order to understand the overall availability of licensed child care in Washington State, the information on child care centers and family home providers was combined. In that context, the decline in the number of children in licensed family homes in the twelve years from 1994 to 2006 was offset by an increase in the number of children attending child care centers. The total number of children in licensed care has been fairly stable from 1998 to 2006 (see Figure 3).

The vacancy rate indicates how much difficulty families may experience in trying to find licensed care for their children. Since 1998, the overall vacancy rate rose steadily until it reached a peak in 2004. However, between 2004 and 2006 the vacancy rate declined from 17 to 13 percent, suggesting an increasing tightness in the child care market. Table 14 presents the vacancy rates in the licensed child care market from 1994 through 2006.

**Table 14. Vacancy Rate for Licensed Child Care in Washington State, 1994-2006**

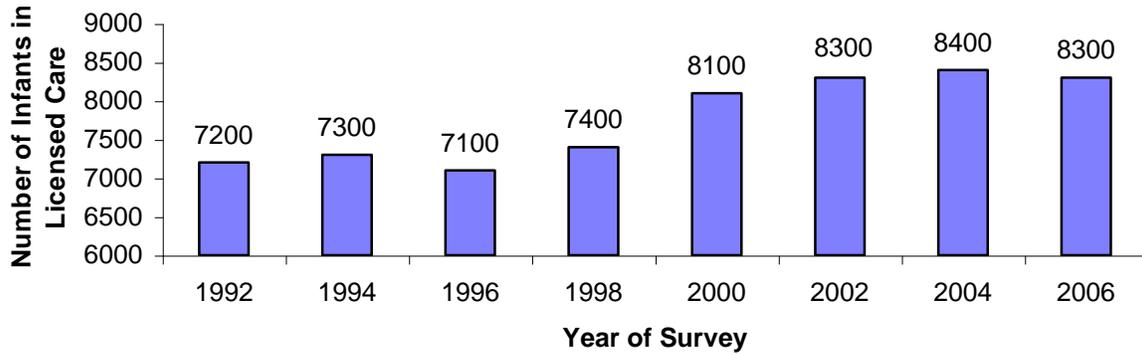
	<u>1994</u>	<u>1996</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>2006</u>
<b>Vacancy Rate</b>							
Centers	13%	16%	12%	13%	14%	16%	12%
Family Homes	16%	14%	14%	16%	19%	20%	16%
<b>All Licensed Facilities</b>	14%	15%	13%	14%	16%	17%	13%

Source: DSHS Division of Child Care and Early Learning  
1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

#### *Vacancies for Very Young Children*

The number of infants served in licensed care has increased from 1996 to 2006 (see Figure 22 on the next page). Most of that change was due to an increase in the number of infants in center care.

Figure 22. Number of Infants in Licensed Care, 1992-2006



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

While the number of infants in licensed care has grown, only 37 percent of centers and 38 percent of family homes cared for infants in 2006. Similarly, the proportion of facilities with infant vacancies was low. While 68 percent of all centers had vacancies, only 15 percent of centers had vacancies for infants (see Figure 8 earlier in this chapter). In family homes, 47 percent had vacancies and 29 percent had vacancies for children under two (see Figure 12 earlier in this chapter).

If the availability of infant slots is inadequate, then the vacancy rate for infants should be lower than that for other age groups. In fact, as Table 15 shows, the center vacancy rate for infants of 13.5 percent was slightly higher than the overall vacancy rate for children (13 percent, see Table 14) and the home vacancy rate of 28.6 percent for children under two was much greater than that for children overall (16 percent, see Table 12). Vacancy rates for young children were lower than those reported in the 2004 child care survey (35.7 percent).

Table 15. Vacancies for Very Young Children in Centers and Family Homes, 2006

	<u>Number Served</u>	<u>Number of Vacancies</u>	<u>Estimated Vacancy Rate*</u>
<b>Centers</b>			
Infants (under 1 year old)	5,526	859	13.5%
Toddlers (1 to under 2.5 years old)	20,871	2,378	10.2%
<b>Licensed Family Homes</b>			
Infants (under 1 year old)	2,805		
Children 1 to under 2 years old	4,679		
Children 2 years old and younger	7,484	3,005	28.6%

\* Vacancy rate is estimated by dividing the number of vacancies by the sum of the number of children served and the number of vacancies.

Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

### Age Differences of Children in Licensed Care

The proportion of children in licensed care rises as the children get older until they begin attending school. According to the child care surveys, approximately 166,981 children received licensed child care in the spring of 2006 (see Column (C) in Table 16). The Office of Financial Management (OFM) estimated that there were about 1,088,138 children less than 13 years of age living in Washington State at that time (see Column (A) in Table 16). By combining the OFM data with the child care survey data, we estimate that 15 percent of all children under age 13 were in licensed care in the spring of 2006 (166,981 / 1,088,138).

Table 16 combines OFM population projections and child care survey data to make estimates of the percent of children of various ages in licensed care. Column (E) in Table 16 presents estimates of the percent of children in each age category that were in licensed care. Over one-quarter of all children of preschool age (between 2½ and 5½) were in licensed care, a higher proportion than that for any other age group. Preschoolers also were a large component of the children in licensed care; comprising 40 percent of all children in licensed care (see Column (D) in Table 16). While a slightly lower proportion of all children in licensed care were school-age (37 percent, Column (D)), only 10 percent of all school-age children fewer than 13 were in licensed care (see Column (E)). Infants were also unlikely to be in licensed care, with only 10 percent of infants in licensed care (see Column (E)).

[Note: The preschool population in Table 16 includes all children 2½ through 5½ years of age. Since children must be five by the start of the school year in September to enroll in kindergarten, approximately half of all five year olds at the time of the child care survey in early 2006 were not eligible to enroll in kindergarten in the fall of 2005. Table 16 includes half of all five year olds in the preschool category and half of estimated five year olds in the school-age age category.]

**Table 16. All Children in Washington State Compared to Children in Licensed Care**

<b>Age Group</b>	<b>(A) OFM Estimate of Number in Age Group <sup>[1]</sup></b>	<b>(B) Percent of Children Under 13 in Age Group</b>	<b>(C) Estimated Number of Children in Licensed Care <sup>[2]</sup></b>	<b>(D) Age Group as Percent of All Children in Licensed Care</b>	<b>(E) Percent of Age Group in Licensed Care</b>
Infants	82,645	8%	8,331	5%	10%
Toddlers	123,911	11%	28,989	17%	23%
Preschool <sup>[3]</sup>	248,177	23%	67,066	40%	27%
School-age	633,406	58%	62,595	37%	10%
<b>Total (&lt;13)</b>	<b>1,088,138</b>	<b>100%</b>	<b>166,981</b>	<b>100%</b>	<b>15%</b>

<sup>[1]</sup> Based on estimates of 2005 and 2006 populations by OFM (Governor's Office of Financial Management).

<sup>[2]</sup> From 2006 Surveys of Child Care Centers and Family Homes.

<sup>[3]</sup> Preschool includes children ages 2.5-5.5.

A convenient statistic for comparing the distribution of licensed care across different regions of the state is the number of licensed slots per 100 children. In 2006, about 1,088,138 children under the age of 13 lived in Washington State. The total licensed capacity of centers and homes was 174,200. Therefore, there were 16 licensed slots in the state for every 100 children under 13 years old (see Table 17).

Among the DSHS Regions, licensed capacity ranged from 14 slots per 100 children in Regions 3, 5 and 6, to 19 slots per 100 children in Regions 1 and 4 (Table 17). Availability varied more widely among counties—from under 7 slots per 100 children fewer than 13 in Ferry, Garfield, Klickitat, Pend Oreille, Skamania and Stevens, to 20 or more slots per 100 children in Chelan, Douglas, Franklin and Spokane (see Table A3 and Map B4 in the Appendices). Differences in availability among Regions or counties can be attributed to many factors. Among them are differences in:

- Profitability,
- The value parents placed on licensed child care,
- The availability of safe alternatives to licensed care,
- The ability of the state to recruit and license providers, and
- The extent of seasonal fluctuation in demand.

Almost two-thirds of children in licensed care (63 percent) are not yet in school, and a separate estimate was made of the proportion of licensed slots available for those children. It was assumed that the proportion of slots available to non school-age children at a given home or child care center could be estimated by the proportion of children served who were not school-age. Using this strategy, it was estimated that Washington State had 24 licensed child care slots for every 100 children not yet enrolled in school.

**Table 17. Regional Variation in Availability of Child Care, 2006**

Region	←----- Children Under 13 -----→			←----- Non School-age Children -----→		
	Children 0-12 <sup>[1]</sup>	Licensed Slots <sup>[2]</sup>	Slots per 100 Children	Children 0-5.5 <sup>[1]</sup>	Licensed Slots <sup>[2]</sup>	Slots per 100 Children
1	145,900	27,200	19	60,500	16,000	26
2	114,300	19,200	17	48,900	12,500	26
3	183,800	25,500	14	73,900	16,000	22
4	280,900	52,300	19	123,100	34,000	28
5	179,400	24,900	14	74,100	15,000	20
6	183,700	25,100	14	74,200	15,500	21
<b>Total <sup>[3]</sup></b>	<b>1,088,100</b>	<b>174,200</b>	<b>16</b>	<b>454,700</b>	<b>108,900</b>	<b>24</b>

<sup>[1]</sup> Based on 2005 and 2006 population estimates by Office of Financial Management. The numbers for 0 - 5.5 includes all children 0-4 and one-tenth of the population estimate for the 5-9 age category.

<sup>[2]</sup> From 2006 Surveys of Child Care Centers and Family Homes. The estimates for non-school-age slots assume that the proportion of slots available to non-school-age children is the same as their representation in the child care population in the center or home.

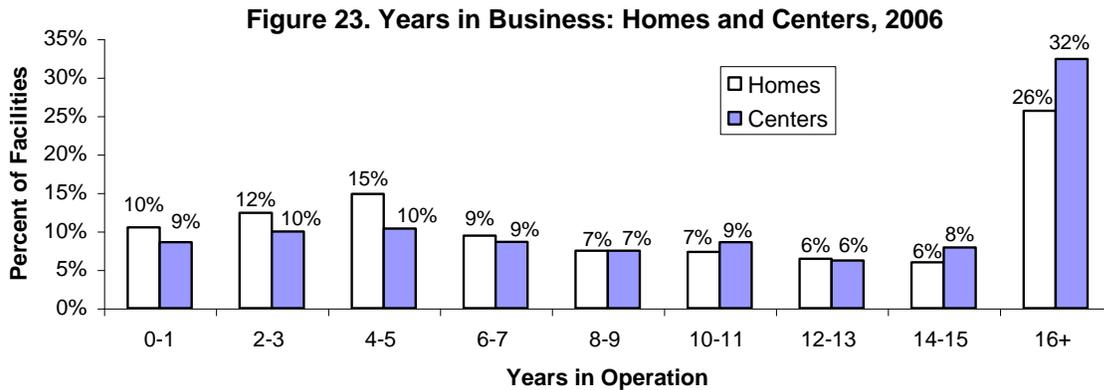
<sup>[3]</sup> Because of rounding, the sum of regional totals may not match state totals.

# CHAPTER 4. PROVIDER BUSINESS TRAITS

## Years of Operation for Child Care Centers and Family Homes

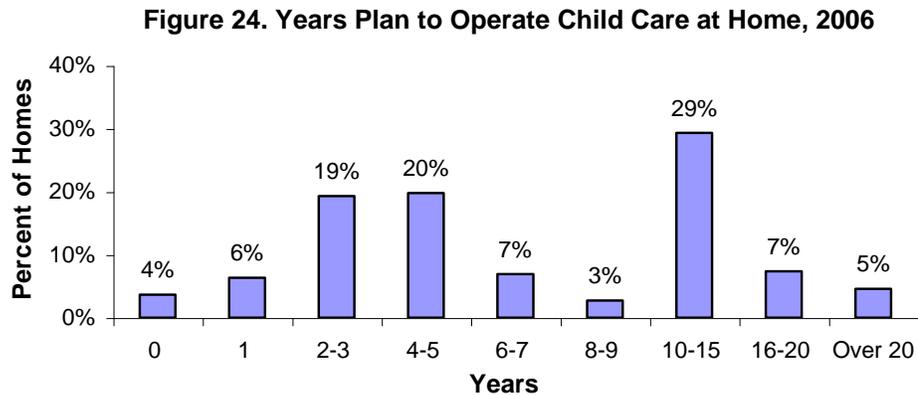
Centers generally stay in business longer than do family homes. According to the 2006 surveys, centers had been in business for an average of 12.8 years and family homes had been in operation for an average of 10.6 years. Over half of centers (55 percent) and 45 percent of family homes had been in operation for ten years or more. A higher percentage of family homes than centers had been in business for fewer than six years (37 versus 29 percent).

Family home providers reported as many as 40 years of experience. Centers reported being in business up to 95 years. The percentage of family homes and centers, by years of operation, are shown in Figure 23.



Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

Most family home providers (90 percent) planned to operate their child care business for at least two more years (see Figure 24). Only about half of family home providers (51 percent) expected to be in business for more than five more years.

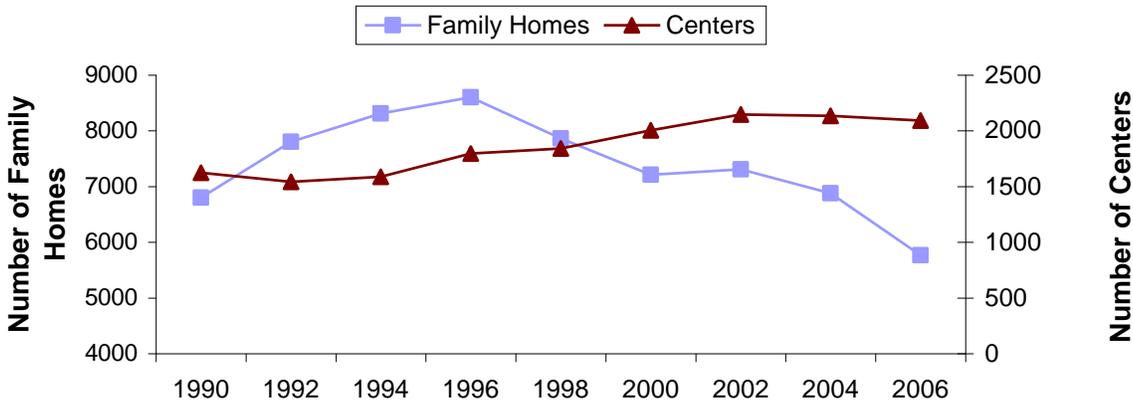


Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

### Growth and Decline in Number of Centers and Family Homes

The number of centers in Washington State has grown 29 percent over the sixteen years from 1990 to 2006, rising from 1,624 in 1990 to 2,092 in 2006 (see right axis and dark line with triangles in Figure 25). The number of family homes, on other hand, grew from 1990 through 1996 and generally has declined since that time (see left axis and gray line with squares in Figure 25). After a slight increase in the number of family homes from 2000 to 2002, the number of licensed family home providers has continued to decline, reaching a sixteen year low in 2006.

Figure 25. Number of Centers and Family Homes, 1990-2006

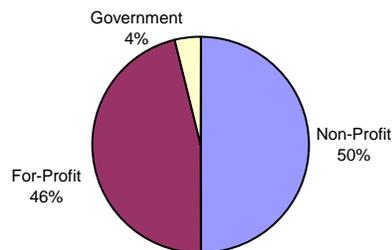


Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Centers and Family Homes

### Types of Centers

Providers identified their centers as either government operated, non-profit, or private for-profit (Figure 26). Fifty percent of all child care centers were operated by or as non-profit organizations, 46 percent were private for-profit businesses, and the remaining four percent were government-run centers. Most government centers were either Tribal centers or were located at schools or other public buildings. The proportion of centers in each of these categories has remained fairly stable since 1992.

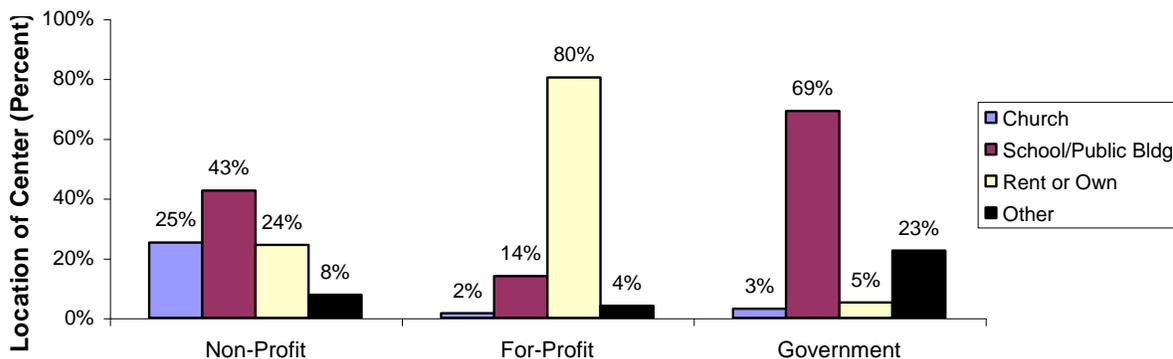
Figure 26. Types of Child Care Centers



Source: DSHS Division of Child Care and Early Learning 2006 Survey of Child Care Centers

Centers of different types tended to be located in different types of buildings. Most government centers (69 percent) were located in schools and other public buildings. On the other hand, most for-profit centers were located in private buildings that they rent or own. Many non-profit centers (43 percent) were located in schools and other public buildings. Most of the centers located in church buildings were non-profits.

Figure 27. Type of Center and Physical Location, 2006



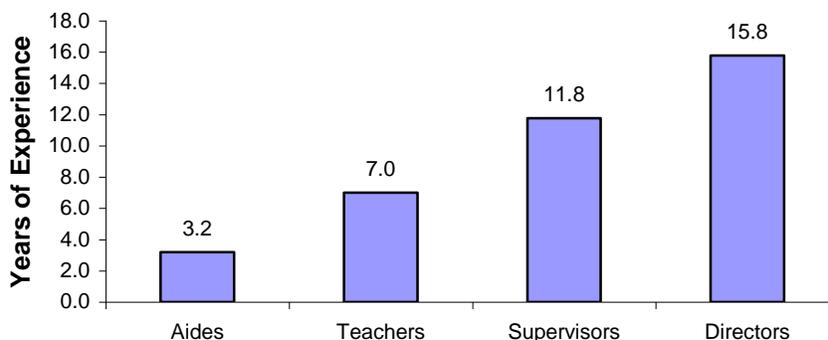
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

### Staff Experience and Education

#### *Years of Experience: Center Staff*

Respondents at centers were asked to describe the paid child care experience of their staff: aides or assistants, teachers, program supervisors, and directors. The extent of individual paid experience in child care ranged from less than a year to fifty years. Average experience varied with the type of position. Aides had the lowest average amount of experience, 3.2 years, while directors averaged 15.8 years. Figure 28 shows the average number of years in paid child care employment for each position. The average experience statistics for center staff have been stable over the past six years.

Figure 28. Average Number of Years of Paid Child Care Experience for Center Staff, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

**Paid and Non-Paid Staff at Centers**

All centers employed paid staff. Statewide, centers averaged about 11 paid employees per facility. About half (48 percent) were teachers, and about one-third were aides. Many centers received additional help from volunteers.

As shown in Table 18, the proportion of staff that was teachers and the proportion of centers that used volunteers varied by type of center. For-profit centers had a higher proportion of teachers and a lower proportion of aides on their staff than non-profit or government centers. For-profit centers also were the least likely to have volunteers (26 percent), compared to 44 percent of non-profit centers and 50 percent of government-run centers. The number of volunteers also varied by type of center. Among centers with at least one volunteer, for-profit centers averaged 3.3 volunteers, non-profits 4.0, and government-operated centers averaged 8.1 volunteers.

**Table 18. Staff Composition by Type of Center, 2006**

Type of Center	Percent of Paid Staff			Using Volunteers	Number of Volunteers*
	Aides	Teachers	Supervisors and Directors		
For-Profit	32.7%	52.1%	15.1%	26%	3.3
Non-Profit	37.7%	45.8%	16.5%	44%	4.0
Government	53.9%	33.9%	12.2%	50%	8.1
All Centers	35.9%	48.4%	15.6%	36%	4.0

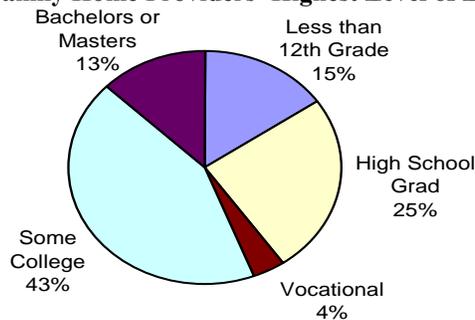
\*Only calculated for centers using volunteers

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

**Family Home Providers' Education and Training**

According to the 2006 survey, most licensed family home child care providers had completed high school (85 percent). Sixty percent of family home providers had earned some college credit or had some vocational training beyond high school, including 13 percent who had a bachelors or more advanced degree (Figure 29).

**Figure 29. Family Home Providers' Highest Level of Education, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Home

**Salaries and Benefits for Child Care Workers**

*Wages at Centers*

The average wages or salaries for center staff—aides, teachers, supervisors, and directors—are shown in Table 19. Directors earned \$2,488 per month on average. Compared to the 2004 survey, average wages by position rose about 4%, except for supervisors whose average wage rose 6% over that two year period. For all categories of employees except supervisors, the wages paid in Region 4 (King County) were higher than those paid in other regions. Region 1 had the highest paid supervisors.

**Table 19. Average Wages in Child Care Centers by Region, 2006**

Region	Number of Centers	Aides	Teachers	Supervisors	Directors
1	314	\$8.44	\$9.33	\$15.04	\$2,405
2	183	\$8.09	\$9.61	\$12.29	\$2,197
3	301	\$8.86	\$10.31	\$13.13	\$2,514
4	631	\$9.62	\$11.86	\$14.54	\$2,824
5	345	\$8.38	\$9.64	\$12.02	\$2,202
6	318	\$8.41	\$9.58	\$11.87	\$2,357
<b>Statewide</b>	2,092	\$8.82	\$10.50	\$13.54	\$2,488

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

Wages paid to aides, teachers, and supervisors varied by the type of center ownership—non-profit, government-run, or for-profit private. Wages paid at these three types of centers are shown in Table 20.

**Table 20. Average Wages in Child Care Centers by Center Type, 2006**

Type	Aides	Teachers	Supervisors	Directors
Government Center	\$9.84	\$14.52	\$16.15	\$3,044
Non-profit Center	\$8.85	\$10.82	\$13.41	\$2,508
For-profit Center	\$8.61	\$10.04	\$12.44	\$2,363
<b>Statewide</b>	\$8.82	\$10.50	\$13.54	\$2,488

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

*Wages in Family Homes*

Most family homes are one-person operations, but about 21 percent of homes employed at least one paid assistant at the time of the 2006 survey. These assistants worked an average of 33 hours per week. Their average hourly wage was \$8.74, less than the average wage of \$8.82 earned by aides in centers (compare Tables 19 and 21). For information on wage trends for assistants in family homes, see the section on wage trends in family homes later in this chapter (Figure 31).

Table 21. Assistants' Wages in Licensed Homes, 2006

Region	Total Homes	Percent with Paid Assistants	Average Wages
1	972	18%	\$8.30
2	968	25%	\$8.05
3	956	29%	\$8.77
4	1,279	21%	\$9.92
5	729	14%	\$8.07
6	862	18%	\$8.61
<b>Statewide</b>	<b>5,766</b>	<b>21%</b>	<b>\$8.74</b>

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

### *Income of Family Home Providers*

Half of the family homes surveyed reported \$26,700 or more in gross income from their child care business for 2005 (average gross income was \$29,100). Annual earnings by Region are shown in Table 22. Gross revenues for family home providers in King County (Region 4) were higher than those in all other Regions, and family home providers in Region 1 on average earned the least. (Not enough information was collected to estimate the operating costs and the net income of family home providers.)

Table 22. Average Gross Annual Earnings of Family Home Providers, 2005

Region	Average Earnings
1	\$23,698
2	\$24,842
3	\$32,368
4	\$36,269
5	\$25,361
6	\$30,435
<b>Statewide</b>	<b>\$29,124</b>

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

The earnings of family home providers are related to other factors besides geography. For about 47 percent of family home providers, child care earnings were their households' primary source of income. As shown in Table 23, the income of family home providers for whom child care was their primary source of income was considerably higher than that for other family home providers. In addition, the income of family home providers was related to the number of years that they had been in business.

Table 23. Factors Associated with Average Earnings of Family Home Providers, 2005

		Average Earnings
<b>Years in Business</b>		
	0-3 years	\$21,533
	4-6 years	\$28,665
	7+ years	\$32,054
<b>Child Care Main Source of Income</b>		
	Yes	\$33,966
	No	\$25,243

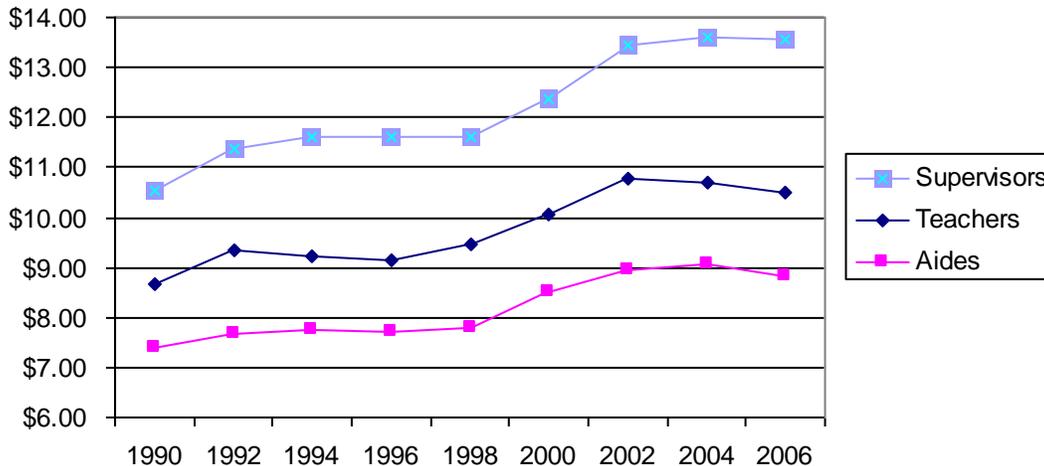
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

*Wage Trends in Centers*

Child care workers receive relatively low wages. Center aides, teachers, and supervisors averaged \$8.82, \$10.50, and \$13.54 per hour in 2006. As shown in Figure 30, average real wages for child care workers—wages adjusted for change in the consumer price index—stalled between 1992 and 1998, and then rose sharply between 1998 and 2002, perhaps spurred by the yearly increases in the state minimum wage. In 2006, the federal minimum wage was \$5.15 per hour and Washington State’s minimum wage was \$7.63 per hour.

The average inflation-adjusted wage for teachers rose 3.2 percent per year between 1998 and 2002, and for aides the increase was 3.6 percent per year. Since that time, inflation adjusted wage levels have been flat to declining for aides and teachers, and rising only slightly for supervisors, with only supervisors seeing a rise (\$0.10) from their 2002 numbers.

Figure 30. Changes in Child Care Wages from 1990 to 2006  
Adjusted to 2006 Dollars

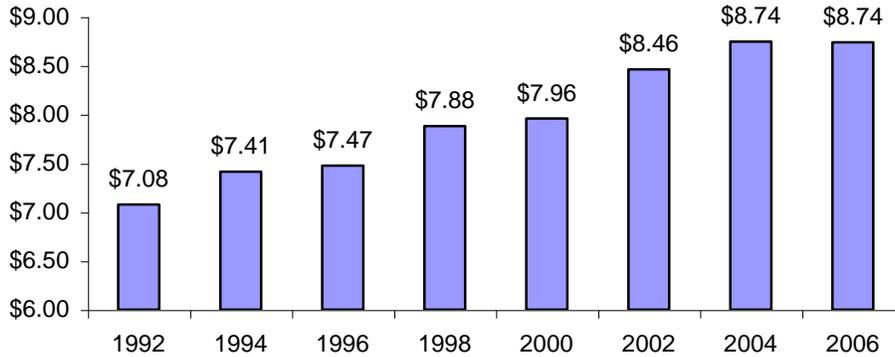


Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers

Wage Trends in Family Homes

The wages of assistants in family homes show a somewhat different trend than those for wages of child care workers in centers with a nearly steady upward trend for the past fourteen years. Between 1992 and 2006, the wages paid assistants in family homes (in constant dollars) rose from \$7.08 to \$8.74, a rise of 1.5 percent per year in inflation-adjusted wages (see Figure 31). From 2004 to 2006, the rise from the unadjusted average wage paid assistants of \$8.21 was exactly even with inflation.

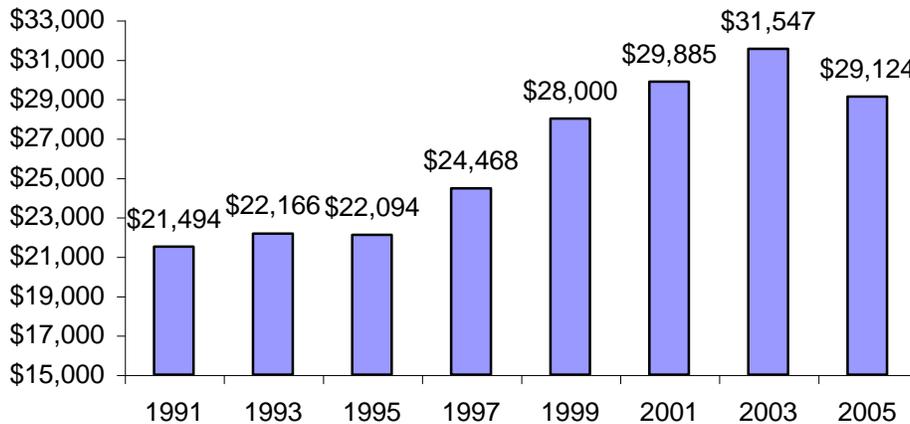
**Figure 31. Average Wage Paid Assistants in Family Homes from 1992 to 2006  
Adjusted to 2006 Dollars**



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

The family home survey asked about the total annual income for the previous year (2005). The average yearly income of family home providers had risen from \$17,200 in 1995 to \$29,700 in 2003 before falling to \$29,100 in 2005, amounting to an increase of 5.4 percent per year for those ten years. Taking inflation into account, the average gross income of family home providers rose 32 percent from \$22,100 in 1995 to \$31,547 in 2003, before falling to \$29,100 in 2005.

**Figure 32. Average Gross Earnings in Family Homes from 1991 to 2005  
Adjusted to 2005 Dollars**



Source: DSHS Division of Child Care and Early Learning  
1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

*Employee Benefits for Teachers in Centers*

Starting with the 2002 survey, centers have been asked if they provided benefits to any *teachers*. This makes Washington State data comparable to national efforts to track benefits for child care workers.

Table 24 shows how the percentages of centers offering benefits have changed over time. From 1990 to 2000 centers became more likely to provide benefits. The decline between 2000 and 2002 is attributed to the wording change discussed above. After seeing a rise in each benefits category in 2004, numbers for 2006 mostly returned to their 2002 values.

**Table 24. Employee Benefits in Child Care Centers, 1990-2006**

Year	Paid Sick Leave	Paid Vacation	Medical Insurance
1990	56%	63%	45%
1992	61%	69%	51%
1994	60%	70%	56%
1996	62%	70%	53%
1998	68%	73%	55%
2000	65%	71%	57%
2002*	58%	67%	53%
2004	65%	73%	59%
2006	58%	69%	53%

\* In 2002 the question was changed to specifically ask about benefits provided to teachers. Prior to that survey the question asked about benefits to any employees.

Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers

The percent of centers providing benefits by Region—sick leave, vacation, medical insurance, or any benefit—are shown in Table 25. Centers in Region 4 were the most likely to offer benefits.

**Table 25. Centers Providing Benefits to Teachers by Benefit Type and Region, 2006**

Region	Total				
	Number of Centers	Any Benefit	Paid Sick Leave	Paid Vacation	Medical Insurance
1	314	77%	57%	68%	44%
2	183	66%	51%	59%	44%
3	301	65%	52%	61%	43%
4	631	88%	73%	83%	69%
5	345	75%	51%	70%	43%
6	318	81%	49%	58%	56%
<b>Statewide</b>	<b>2,092</b>	<b>78%</b>	<b>58%</b>	<b>69%</b>	<b>53%</b>

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

The level of wages and benefits offered by centers are related. Centers that provided benefits were likely to also pay higher wages. Table 26 shows that wages at centers that provided medical insurance were higher than the wages paid by centers that did not provide medical insurance.

**Table 26. Medical Insurance, Benefits and Wages in Centers, 2006**

<b>Staff Position</b>	<b>Wages With Medical Insurance</b>	<b>Wages Without Medical Insurance</b>	<b>Wages With Any Benefits</b>	<b>Wages Without Any Benefits</b>
Aides	\$9.04	\$8.37	\$8.88	\$8.25
Teachers	\$11.13	\$9.48	\$10.73	\$9.01
Supervisors	\$13.92	\$11.83	\$13.42	\$11.39
Directors	\$2,767	\$2,179	\$2,610	\$2,009

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

### Staff Turnover in Child Care Centers

Centers were asked about staff turnover, a question first asked in the 2000 survey. For each job category, centers were asked how many individuals had been hired since September 1, 2005 (about 6 months earlier). These numbers will under-estimate turnover, for some staff that were hired after September 1, 2005 will have already left before the time of the survey. Table 27 presents the proportion of staff that had been hired since September 1, 2005 by Region. Only centers in business for over one year were included in this analysis.

Not surprisingly, staff turnover varied for different staff positions. The proportion of aides newly hired was more than twice that for teachers, which in turn were almost twice as high as the proportion for supervisors. The turnover rates for aides reported on the 2006 survey rose 2.8% compared to the 2004 survey (32.5 percent), while the rates for teachers and supervisors stayed within a percent of the 2004 rates.

**Table 27. Percent of Staff Newly Hired, 2006**

<b>Region</b>	<b>Aides</b>	<b>Teachers</b>	<b>Supervisors</b>
1	30.1%	16.8%	5.2%
2	35.5%	10.8%	4.3%
3	34.1%	17.5%	11.0%
4	36.8%	15.4%	14.5%
5	37.6%	18.7%	5.3%
6	36.4%	16.4%	4.3%
<b>Statewide</b>	<b>35.3%</b>	<b>16.1%</b>	<b>8.8%</b>

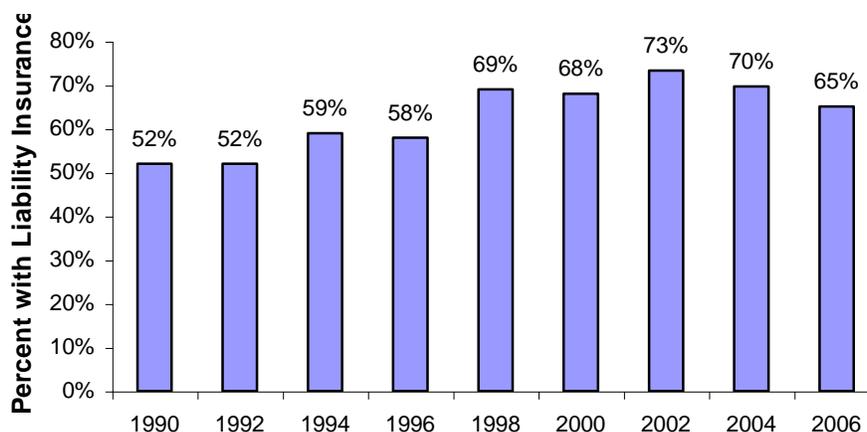
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

## Business Expenses in Centers and Homes

### *Liability Insurance in Homes*

Liability insurance is an important issue in operating a child care business. While most homes reported having liability insurance for their business, a significant and increasing proportion operate without liability insurance (see Figure 33).

**Figure 33. Percent of Family Homes with Liability Insurance, 1990 to 2006**

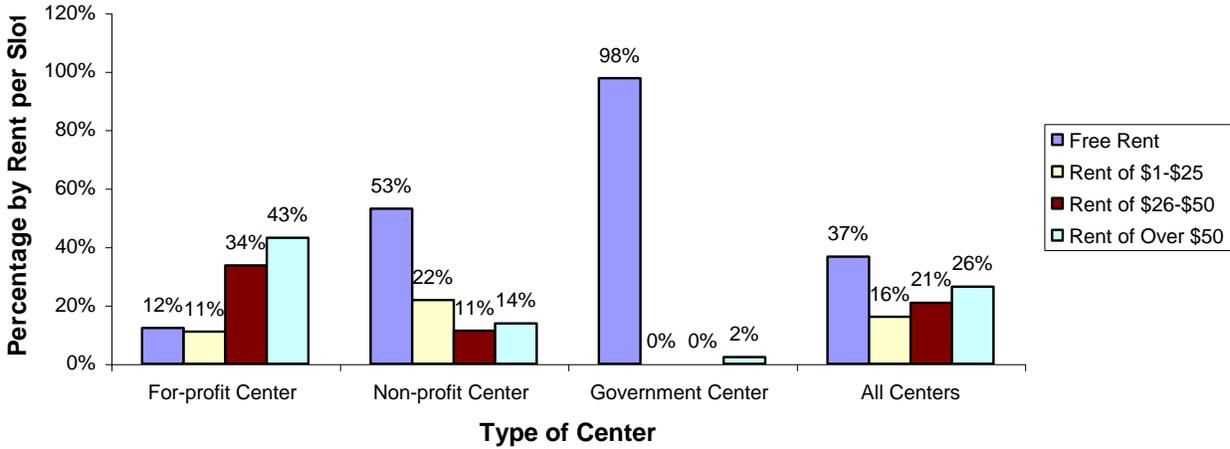


Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

### *Estimated Monthly Cost for Rent in Centers*

The center survey asked about several specific costs of doing business. Figure 34 displays the monthly cost of rent per slot. Rent costs were strongly related to the type of center, with 98 percent of government centers and 53 percent of non-profit centers paying no rent. Overall, the percent of centers with free rent has increased from 20 percent in 2000 to 37 percent in 2006. At the other extreme, while 43 percent of for-profit centers paid over \$50 per slot in monthly rent, only 14 percent of non-profit centers and 2 percent of government centers paid that much. The percent of centers that paid over \$50 per slot increased from 22 percent in 2004 to 26 percent in 2006.

Figure 34. Monthly Rent per Slot by Type of Center, 2006

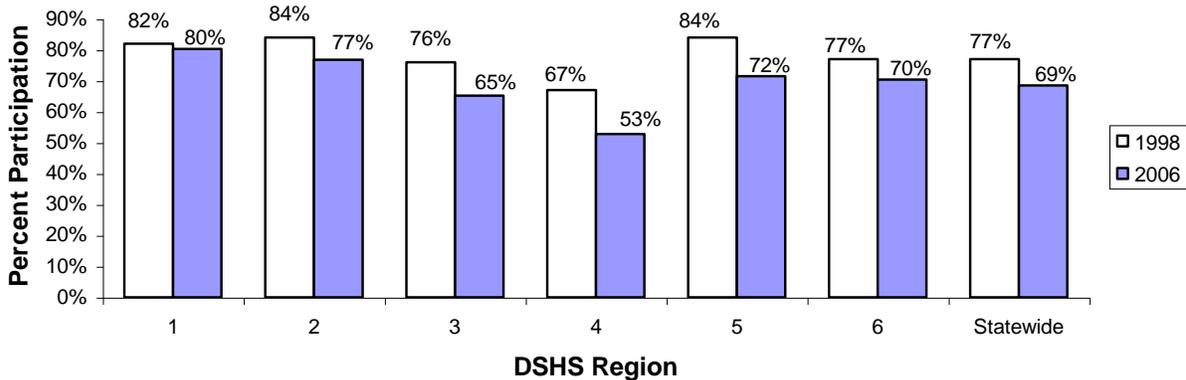


Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

*Participation of Family Homes in USDA Food Program*

The Child and Adult Care Food Program (CACFP) of the Department of Agriculture makes payments to participating centers and family homes for their meal costs. The participation of family home providers in the USDA food program remains high: almost 70 percent of all family homes participated at the time of the 2006 survey. Since 1997, family home providers located in low-income areas, or whose own households are low-income, have been reimbursed at a higher rate than other providers. Statewide participation rates have been fairly stable since 2000, ranging from 73 percent in 2000 and 2002 to 69 percent in 2006. Figure 35 shows the percent of family homes participating by DSHS Region.

Figure 35. Participation of Family Homes in USDA Food Program, 1998 and 2006

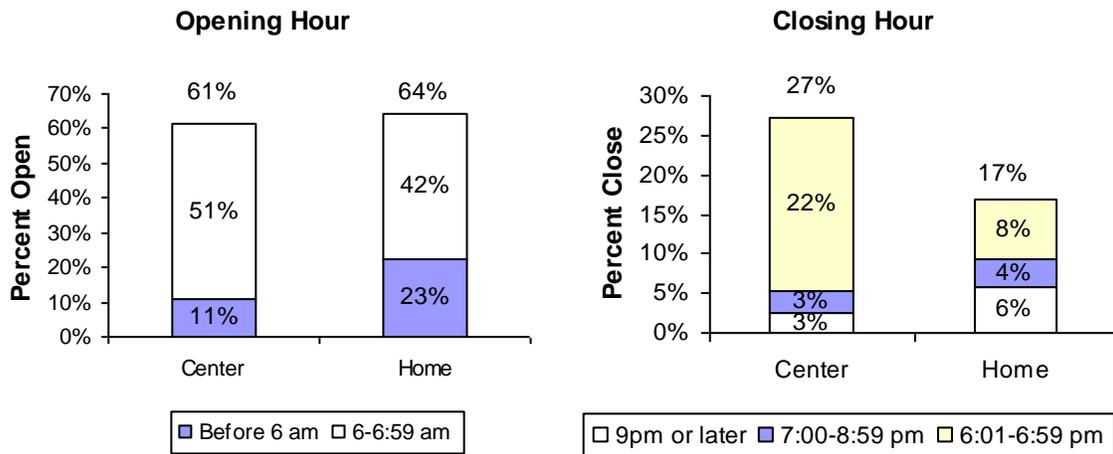


Source: DSHS Division of Child Care and Early Learning  
1998 and 2006 Surveys of Family Home Providers

### Hours of Operation

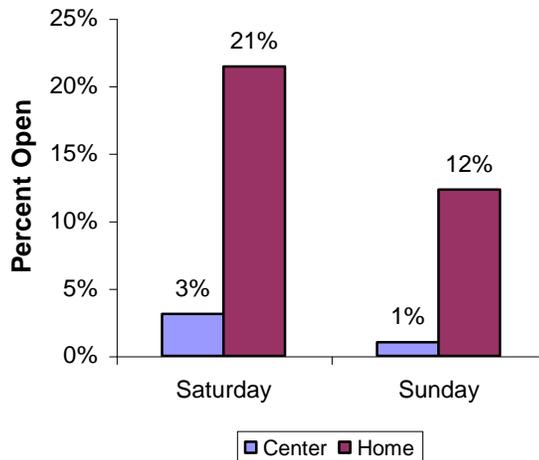
Few licensed child care facilities are open outside of the standard weekday hours, six in the morning to six at night. Only 11 percent of centers and 23 percent of homes opened before six in the morning. Similarly, only 5 percent of centers and 9 percent of homes were still open at seven in the evening. On the weekends, only 3 percent of centers were open, while 22 percent of homes had some weekend hours. Figure 36 shows the weekday opening and closing hours for centers and homes. Figure 37 displays the percent of centers and homes open on Saturday and Sunday.

**Figure 36. Hours of Operation, Monday through Friday, Centers and Homes, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers and Family Home Providers

**Figure 37. Licensed Facilities with Weekend Hours, 2006**



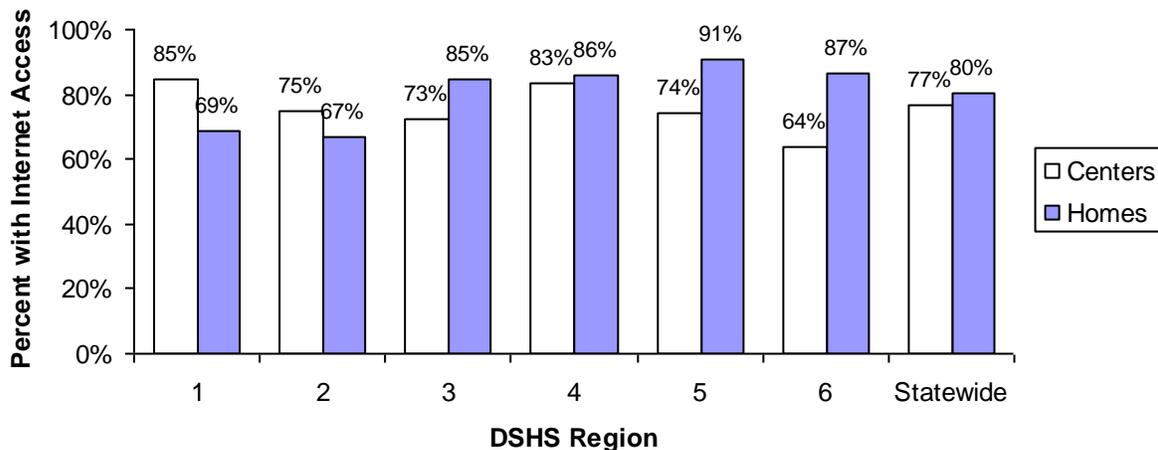
Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

### Computer and Internet Access among Child Care Providers

Child care providers were asked on 2006 survey about internet access in order to understand how much of the provider community can be reached through the internet. Previously, on the 2002 and 2004 surveys, providers were asked separately about computer and internet access.

Figure 38 shows the percent of center and family home providers with internet access in their place of business. Statewide, 77 percent of centers and 80 percent of home providers had internet access in their place of business. The percent of centers with internet access varied from a low of 64 percent in Region 6 to a high of 85 percent in Region 1. Homes varied from 67 percent in Region 2 to 91 percent in Region 4, showing a definite division between the eastern (Regions 1 and 2) and western parts of the state (Regions 3-6). In all Regions except Regions 1 and 2, center providers were less likely than home providers to have a computer with internet access in their workplace.

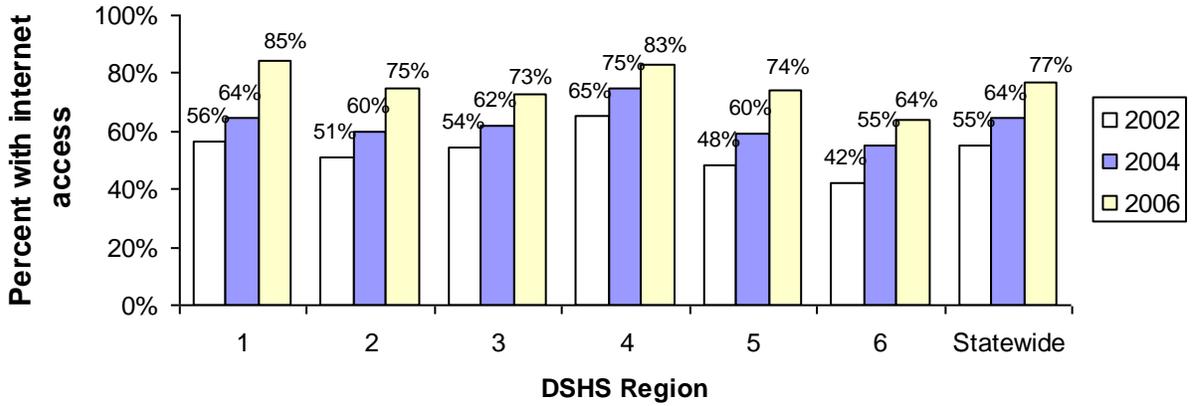
**Figure 38. Internet access for Centers and Homes by Region, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers and Family Homes

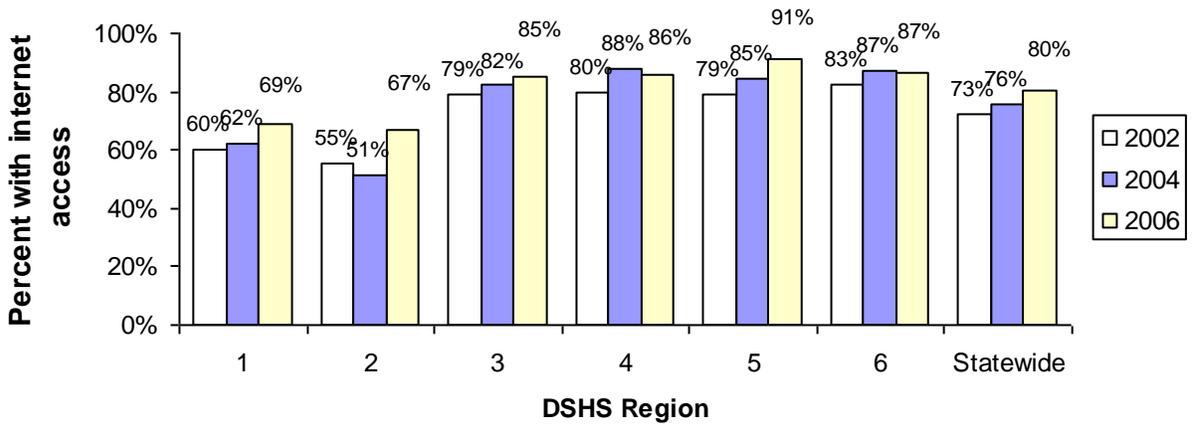
The percentage of providers with on-site internet access has steadily increased since 2002, most dramatically in centers. Figures 39 and 40 show the percentage of center and family home providers in each Region with Internet access in 2002, 2004 and 2006. Statewide, internet access in centers increased from 55 percent in 2002 to 77 percent in 2006. Region 1 had the highest percentage of centers with internet access at 85 percent, in contrast to 64 percent in Region 6. Region 1 also had the most dramatic change from 2004 to 2006, with over a 20 percentage point increase. Family homes had smaller changes in internet access, but access still increased in all Regions since 2002. From 2004 to 2006, Region 4 saw a slight decrease, while Region 2 had the largest increase, rising 16 percentage points. Internet access for family homes in the eastern Regions (1 and 2), however, is still much lower than in western Washington (Regions 3-6).

Figure 39. Internet access for Centers by Region and Year of Survey



Source: DSHS Division of Child Care and Early Learning  
2002, 2004 and 2006 Surveys of Child Care Centers

Figure 40. Internet access for Homes by Region and Year of Survey



Source: DSHS Division of Child Care and Early Learning  
2002, 2004 and 2006 Surveys of Family Homes

# CHAPTER 5. CHILD CARE PRICES

## Market Prices, Percentiles, and Subsidy Rates

### *Background*

The biennial child care surveys provide information on the prices charged for child care in Washington State. Many factors influence the prices that providers charge, including:

- Child's age (for example, providers usually charge more for infants than for toddlers or preschool-age children);
- Type of facility (centers tend to charge more than licensed family homes);
- Length of time in care (providers generally charge less per hour for children in full-time care than for those in part-time care); and
- Geographic location (providers in metropolitan areas tend to charge more than providers in rural areas).

Federal regulations require Washington State to conduct a child care market survey at least every two years so that “reasonably current market conditions” can inform the setting of state subsidy rates. The federal government also requires that the state subsidy rate be sufficient to ensure families using subsidies have equal access to the child care market as families that are paying the private rate.

Prior to federal welfare reform in 1997, all states were required to use the market rate survey to set rates so that parents using subsidies had access to 75 percent of child care slots in their community. The federal government regards equal access as assured if the subsidy rate is at least equal to the rate for 75 percent of the available slots. In 1997, as part of welfare reform, the federal government removed the requirement that the state pay a rate equal to or better than 75 percent of the market. Since 1997, the subsidy payment rate in Washington has varied depending on available funds.

When subsidy rates were last changed in November 2005, the following principles were used:

- Different subsidy rates were set for four age groups, two types of providers, and six geographic areas of the state.
- Rate-setting aimed to provide access to a fixed proportion of the child care market for all families seeking to use subsidized child care regardless of where they lived in the state, the age of their child, or their choice of provider.
- Budget constraints determined how much access subsidy rates could provide. In order to fairly distribute the available funding, child care rates were raised 6.47 percent for all licensed providers.
- The proposed Regional subsidy rates were evaluated to make sure that adequate access was provided to families in every county in the state.

*Percentiles According to the 2006 Survey*

The term “percentile” is used in this report to refer to the price at which a specified proportion (5%, 10%, 25%, 50%, etc.) of children receive care from providers charging at or below the given price. Setting rates at a fixed percentile would provide families across the state with subsidized access to an equal “share” of the child care “slots” in their region. Tables 28 and 29 display the percentiles for each age category in the six DSHS Regions. The tables also present the subsidy rates in effect at the time of the survey.

It is easiest to explain percentiles with an example. The prices charged for infants in centers in Region 6 are presented in top right corner of Table 28. The survey found that 25 percent of infants in centers went to providers charging \$638 or less per month for full-time care. Thus, the 25<sup>th</sup> percentile for infants in center care in Region 3 was \$638. Since the 50<sup>th</sup> percentile was \$660, the DSHS subsidy rate of \$639 was high enough to cover the price charged for between 25 and 50 percent of all infants in centers in Region 6 at the time of the survey. The row labeled “Percent At or Below DSHS Rates” indicates the percent of all infants in care that went to providers that did not charge more than the DSHS Regional rate. At the time of the 2006 survey, 32 percent of infants in center care in Region 6 went to providers with infant rates equal to or less than the subsidy rate.

Overall, child care subsidy rates are equal to or greater than that charged for approximately 23 percent of all children in center care and 28 percent of all private pay children in family homes. The row labeled “Percent At or Below Subsidy Rates (Adjusted)” will be explained later in this chapter. In addition, the last section of Chapter 6 discusses the level of access that families using subsidized care have to the licensed child care market.

**Table 28. Monthly Full-Time<sup>(1)</sup> Prices in Child Care Centers, 2006**

Infant: Under 12 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	State
10th	\$ 580	\$ 565	\$ 720	\$ 830	\$ 649	\$ 580	
25th	\$ 600	\$ 575	\$ 765	\$ 920	\$ 675	\$ 638	
50th	\$ 688	\$ 595	\$ 817	\$ 1,049	\$ 750	\$ 660	
75th	\$ 743	\$ 713	\$ 968	\$ 1,200	\$ 802	\$ 820	
90th	\$ 820	\$ 847	\$ 1,050	\$ 1,300	\$ 881	\$ 980	
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 570</b>	<b>\$ 575</b>	<b>\$ 761</b>	<b>\$ 886</b>	<b>\$ 649</b>	<b>\$ 639</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	8%	41%	21%	21%	12%	32%	21%
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>14%</b>	<b>41%</b>	<b>21%</b>	<b>21%</b>	<b>12%</b>	<b>34%</b>	<b>22%</b>

Toddler: 12 to 29 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	State
10th	\$ 490	\$ 480	\$ 610	\$ 725	\$ 550	\$ 500	
25th	\$ 525	\$ 485	\$ 635	\$ 795	\$ 575	\$ 550	
50th	\$ 590	\$ 595	\$ 699	\$ 913	\$ 625	\$ 600	
75th	\$ 664	\$ 695	\$ 776	\$ 1,072	\$ 704	\$ 740	
90th	\$ 715	\$ 715	\$ 936	\$ 1,248	\$ 764	\$ 901	
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 479</b>	<b>\$ 480</b>	<b>\$ 634</b>	<b>\$ 740</b>	<b>\$ 559</b>	<b>\$ 548</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	7%	23%	21%	13%	15%	24%	16%
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>8%</b>	<b>24%</b>	<b>21%</b>	<b>13%</b>	<b>15%</b>	<b>26%</b>	<b>17%</b>

Preschooler: 30 to 59 Months Old							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	State
10th	\$ 440	\$ 445	\$ 546	\$ 638	\$ 480	\$ 450	
25th	\$ 495	\$ 450	\$ 560	\$ 680	\$ 504	\$ 485	
50th	\$ 520	\$ 506	\$ 625	\$ 783	\$ 575	\$ 559	
75th	\$ 585	\$ 563	\$ 702	\$ 920	\$ 645	\$ 650	
90th	\$ 649	\$ 630	\$ 778	\$ 1,050	\$ 683	\$ 750	
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 453</b>	<b>\$ 445</b>	<b>\$ 548</b>	<b>\$ 621</b>	<b>\$ 492</b>	<b>\$ 479</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	12%	21%	13%	8%	17%	14%	13%
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>15%</b>	<b>28%</b>	<b>13%</b>	<b>8%</b>	<b>17%</b>	<b>20%</b>	<b>15%</b>

School-age: Five Years and Older							
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6	State
10th	\$ 340	\$ 294	\$ 322	\$ 340	\$ 335	\$ 369	
25th	\$ 398	\$ 327	\$ 365	\$ 405	\$ 378	\$ 440	
50th	\$ 450	\$ 394	\$ 450	\$ 500	\$ 450	\$ 536	
75th	\$ 515	\$ 440	\$ 561	\$ 720	\$ 510	\$ 601	
90th	\$ 583	\$ 616	\$ 718	\$ 868	\$ 560	\$ 686	
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 426</b>	<b>\$ 394</b>	<b>\$ 532</b>	<b>\$ 559</b>	<b>\$ 437</b>	<b>\$ 468</b>	
Percent At or Below DSHS Rates <sup>(4)</sup>	39%	52%	64%	56%	38%	30%	48%
<b>Percent At or Below DSHS Rates (Adj)<sup>(5)</sup></b>	<b>43%</b>	<b>68%</b>	<b>64%</b>	<b>56%</b>	<b>38%</b>	<b>35%</b>	<b>50%</b>

**Percent At or Below DSHS Rates For Centers, with Adjustmnets: 23%**

- (1) Full-time prices are for twenty-five or more hours per week. For daily prices, divide by 22. Centers with 85 percent or more of their children subsidized are excluded.
- (2) Percentile: the price at which the specified percentage of children receive care from providers charging at or below the shown price for that age category and Region.
- (3) Regional Rates in effect at the time of the spring 2006 survey.
- (4) The percent of children going to providers charging at or below the Regional Rates (without adjustments).
- (5) The percent of children going to providers charging at or below the Rates at time of 2006 Survey including the adjustment of rates for four counties. The budget proviso giving a rate adjustment to providers in the urban area of Spokane was not yet in effect at the time of the 2006 survey.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

**Table 29. Monthly Full-Time<sup>(1)</sup> Prices for Private Pay Children in Licensed Homes, 2006**

<b>Infant: Under 12 Months Old</b>						
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6
10th	\$ 440	\$ 392	\$ 594	\$ 660	\$ 460	\$ 462
25th	\$ 446	\$ 440	\$ 660	\$ 704	\$ 513	\$ 550
50th	\$ 550	\$ 545	\$ 660	\$ 803	\$ 550	\$ 594
75th	\$ 605	\$ 660	\$ 770	\$ 921	\$ 660	\$ 671
90th	\$ 660	\$ 660	\$ 825	\$ 1,100	\$ 660	\$ 946
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 468</b>	<b>\$ 468</b>	<b>\$ 679</b>	<b>\$ 703</b>	<b>\$ 515</b>	<b>\$ 515</b>
<b>Percent At or Below DSHS Rates<sup>(5)</sup></b>	<b>34%</b>	<b>31%</b>	<b>53%</b>	<b>20%</b>	<b>25%</b>	<b>12%</b>
						<b>29%</b>
<b>Toddler: 12 to 29 Months Old</b>						
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6
10th	\$ 413	\$ 396	\$ 550	\$ 550	\$ 440	\$ 440
25th	\$ 440	\$ 440	\$ 638	\$ 660	\$ 528	\$ 484
50th	\$ 484	\$ 484	\$ 660	\$ 770	\$ 572	\$ 550
75th	\$ 550	\$ 550	\$ 770	\$ 913	\$ 660	\$ 605
90th	\$ 616	\$ 660	\$ 814	\$ 1,100	\$ 770	\$ 660
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 422</b>	<b>\$ 445</b>	<b>\$ 586</b>	<b>\$ 695</b>	<b>\$ 468</b>	<b>\$ 468</b>
<b>Percent At or Below DSHS Rates<sup>(5)</sup></b>	<b>16%</b>	<b>38%</b>	<b>14%</b>	<b>38%</b>	<b>16%</b>	<b>21%</b>
						<b>25%</b>
<b>Preschooler: 30 to 59 Months Old</b>						
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6
10th	\$ 385	\$ 396	\$ 440	\$ 550	\$ 418	\$ 440
25th	\$ 418	\$ 398	\$ 528	\$ 578	\$ 440	\$ 460
50th	\$ 440	\$ 440	\$ 581	\$ 660	\$ 506	\$ 497
75th	\$ 506	\$ 512	\$ 660	\$ 747	\$ 594	\$ 550
90th	\$ 550	\$ 578	\$ 770	\$ 990	\$ 660	\$ 605
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 422</b>	<b>\$ 398</b>	<b>\$ 515</b>	<b>\$ 586</b>	<b>\$ 445</b>	<b>\$ 468</b>
<b>Percent At or Below DSHS Rates<sup>(5)</sup></b>	<b>30%</b>	<b>25%</b>	<b>25%</b>	<b>26%</b>	<b>31%</b>	<b>31%</b>
						<b>28%</b>
<b>School-age: Five Years and Older</b>						
Percentile <sup>(2)</sup>	Region-1	Region-2	Region-3	Region-4	Region-5	Region-6
10th	\$ 220	\$ 199	\$ 330	**	\$ 396	\$ 330
25th	\$ 330	\$ 297	\$ 440	**	\$ 440	\$ 396
50th	\$ 413	\$ 399	\$ 440	**	\$ 462	\$ 481
75th	\$ 460	\$ 440	\$ 550	**	\$ 594	\$ 528
90th	\$ 528	\$ 550	\$ 660	**	\$ 770	\$ 550
<b>DSHS Rates at Time of Survey<sup>(3)</sup></b>	<b>\$ 375</b>	<b>\$ 398</b>	<b>\$ 468</b>	<b>**</b>	<b>\$ 398</b>	<b>\$ 445</b>
<b>Percent At or Below DSHS Rates<sup>(5)</sup></b>	<b>39%</b>	<b>47%</b>	<b>50%</b>	<b>**</b>	<b>10%</b>	<b>37%</b>
						<b>41%</b>

\*\* There were insufficient responses from full-time, non-subsidized slots in Region 4 to use in calculation of a market rate.

<b>Percent At or Below DSHS Rates For Homes:</b>	<b>28%</b>
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(1) Full-time prices are for thirty or more hours per week. For daily prices, divide by 22. Only prices for private pay children are included in this table.

(2) Percentile: the price at which the specified percentage of children receive care from providers charging at or below the shown price for that age category and Region.

(3) Rates at Time of Survey: rates that went into effect November 2005 and were in effect at the time of the 2006 Child Care Survey.

(4) No counties qualified for Rate Adjustment. The budget proviso giving a rate adjustment to providers in the urban area of Spokane was not yet in effect at the time of the 2006 survey.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Home Providers

*County Adjustments*

Subsidy rates are set separately for four age groups (infants, toddlers, preschoolers, and school-age children) and two types of providers (centers and licensed family homes) in each of six DSHS Regions. The use of a uniform percentile across the state would tend to ensure that parents throughout the state have equal access to child care providers, regardless of where they live, the ages of their children, and the type of care that they choose to use.

Prior to December 1995, the state developed rate clusters using the child care survey data. Counties were placed into clusters with other counties that had similar prices for child care. Those rate clusters proved to be unstable, needing re-definition with each survey. As a result, the six DSHS Administrative Regions were selected as the geographical basis for setting child care rates. The DSHS Regions are stable, well recognized, and permit reasonable estimates of local market prices.

*Access with Adjustments*

Table 28 presents two rows, “Percent At or Below State Rates” and “Percent At or Below State Rates (Adj)”. The row entitled “Percent At or Below State Rates (Adj)” estimates the percent of children going to providers who charge at or below the State rate taking into account the higher rates given to the four counties with adjusted rates.

For example, the State rate for Region 6 is \$639 per month for infants in center care. Thirty-two percent of infants in centers in Region 6 go to providers whose rate is \$639 or less (“Percent At or Below State Rates”). When accounting for an upward adjustment of rates in Clark County to the Region 3 maximum subsidy rate of \$761, the survey estimates DSHS rates actually cover 34 percent of center infants in Region 6 (“Percent At or Below DSHS Rates (Adj)”).

At the time of the 2006 market rate survey, state rates are estimated to have been at or above the rates charged for 23 percent of full-time children in centers. Only centers with at least 15 percent private pay children were included in this estimate.

No counties had been identified as needing adjustment for family home providers. The “Percent At or Below State Rates for Homes,” 28 percent, is an estimate of the proportion of subsidized full-time children that attend providers that do not charge more than the state rate.

## Additional Notes

Washington State calculates market rates based on the private pay sector of the child care market. Center providers were asked for their unsubsidized rates, and centers with 85 percent or more of their children subsidized are excluded from rate calculations. For family homes, information was collected on each individual child in care and only prices charged full-time private-pay children are included in the calculation of the market rate.

There was a slight change in the definition of full-time, used in the 2004 survey. Previously, centers were asked to only count children in care for 30 or more hours per week as full-time. In the 2004 survey, centers were also allowed to include children in attendance for 25 to 29 hours per week in their count of full-time children. This change was made in the center survey to make our definition of full-time consistent with the definition of full-time care used for subsidy payments.

The 2004 Legislature passed a budget proviso that dedicated funds for a provider rate adjustment for the urban area of Region 1. As of July 2004, subsidy rates were increased by 2.7 percent for a period of one year from July 2004 through June 2005 for both center and family home providers in Spokane County. This budget proviso was not yet in effect at the time of the survey.

## Child Care Price Increases

This section examines how the price of child care has changed over the sixteen years from 1990 to 2006. Only children in full-time care are included, and the comparison is adjusted so that it reflects only changes in prices, not changes in the mix of ages of children over time.

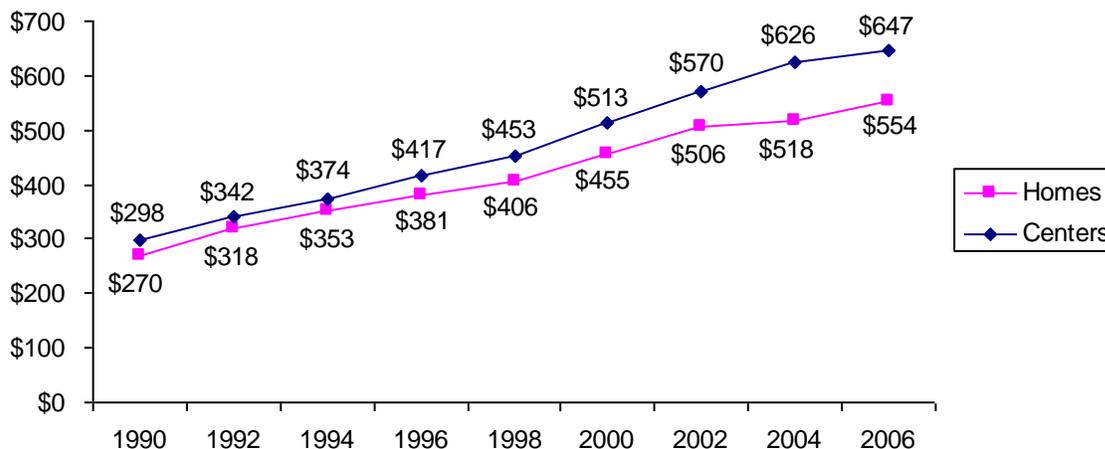
Figure 41 shows the monthly average prices for full-time care for children of all ages in child care centers and licensed family homes as estimated from the 1990 through 2006 child care surveys. Comparing 1990 to 2006, the statewide average price paid for full-time care in child care centers increased by 117 percent, from \$298 to \$647. For full-time care in family homes, the average price increased 105 percent, from \$270 to \$554.

After adjusting for inflation, about half of this price increase represents a “real” increase in the cost of child care. While the price of child care centers increased 117 percent from 1990 to 2006, inflation as measured by the US Consumer Price Index was 52 percent during that same time period. Figure 42 shows average prices for full-time licensed child care from 1990 to 2006 after adjusting for inflation. Over the period 1990 to 2006, the total inflation-adjusted cost of care increase was 42 percent in centers, and 34 percent in homes. That amounts to an annual compound rate of increase in the price of care—after adjusting for inflation—of 2.2 percent in centers and 1.9 percent in homes.

In the two-year period from 2004 to 2006, price of full-time care, not adjusted for inflation, went up 3.4 percent in centers (from \$626 to \$647) and 7.0 percent (from \$518 to \$554) in family homes. After accounting for 6.5 percent inflation between those two years, this amounts to a decrease of 2.9 percent in the price of care in centers and a slight increase of half a percent in

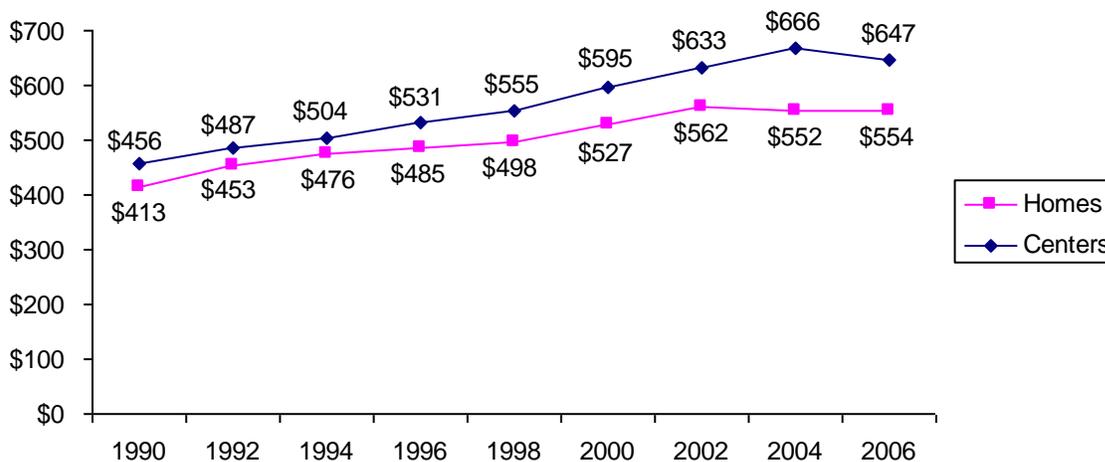
homes over the period. The decline in child care prices in centers was the first decrease for centers in these surveys since 1990.

**Figure 41. Average Monthly Prices for All Children in Full-Time Licensed Child Care: 1990-2006, Not Adjusted for Inflation**



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

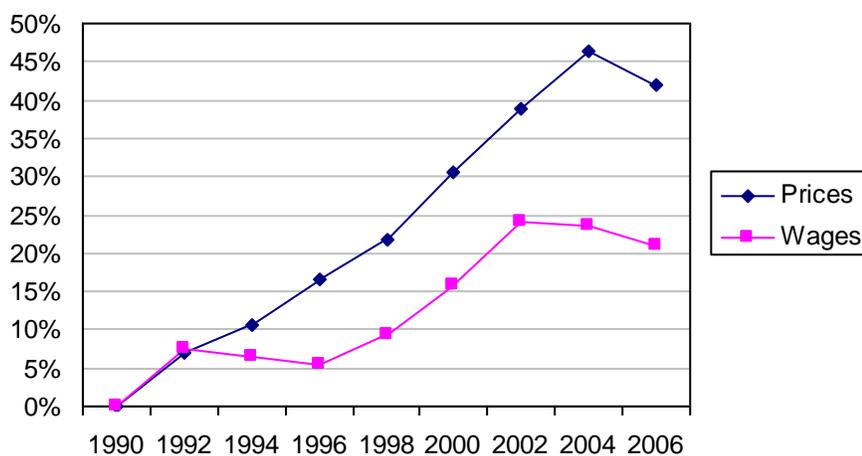
**Figure 42. Average Monthly Prices for All Children in Full-Time Licensed Child Care: 1990-2006, Adjusted for Inflation**



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

Figure 43 displays the inflation-adjusted changes in full-time child care center prices and teachers' wages from 1990 to 2006. Average child care prices charged by centers have increased 42 percent since 1990, adjusted for inflation. During the same period, the average real wages for teachers in centers increased by 21 percent. Although wages—with associated taxes and benefits—constitute a major portion of center costs, the rise in teachers' wages during recent years has been less than the rise in child care prices. After erosion from 1992 to 1996, from 1996 to 2002 teacher wages tracked closely with the rise in child care prices at centers. From 2002 to 2004, child care prices continued to rise faster than inflation, but teacher wages failed (just barely) to keep pace with inflation. Both center prices for child care and teacher wages declined in inflation-adjusted value from 2004 to 2006, with prices declining slightly faster than wages.

**Figure 43. Center Child Care Prices and Teachers' Wages Relative to 1990, through 2006 (Adjusted for Inflation)**



Source: DSHS Division of Child Care and Early Learning 1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers

## CHAPTER 6. STATE SUBSIDIZED CHILDREN

### Where Subsidized Children Received Care

An estimated 65,800 children per month received subsidized care in State Fiscal Year 2006 (Social Service Payment System, unpublished). Over the course of federal fiscal year 2006, child care was subsidized for 114,900 individual children (Federal Report ACF-800), although the average served in a month was about half as large. Children received subsidized care from a variety of providers, from centers, family homes, and from unregulated legal providers.

The surveys of child care centers and homes were conducted mostly in March through May of 2006. According to DSHS payment records, an average of about 64,650 children received subsidized care in those months. Approximately 20 percent legally received subsidized care in unregulated settings, such as a child's home or the home of a relative. The remaining 80 percent, or about 52,600 children, received care in licensed child care settings (child care centers or licensed family homes).

Data from the 2006 surveys of child care centers and licensed family homes produce an estimate of 53,420 children receiving subsidized child care in either a licensed family home or child care center at the time of the survey. This is higher than the number indicated by DSHS payment data. The discrepancy probably occurs due to sampling error or response bias.

At the time of the 2006 surveys, about one third of all Washington children in licensed child care were subsidized. Licensed family home providers cared for 15,690 subsidized children, representing 37 percent of all children in licensed family home child care. Child care centers cared for about 37,730 subsidized children, 30 percent of all children in centers. Families receiving subsidies were widely spread, with 85 percent of centers and 66 percent of family homes having at least one subsidized child (see Table 30).

**Table 30. Subsidized Children in Centers and Family Homes, 2006**

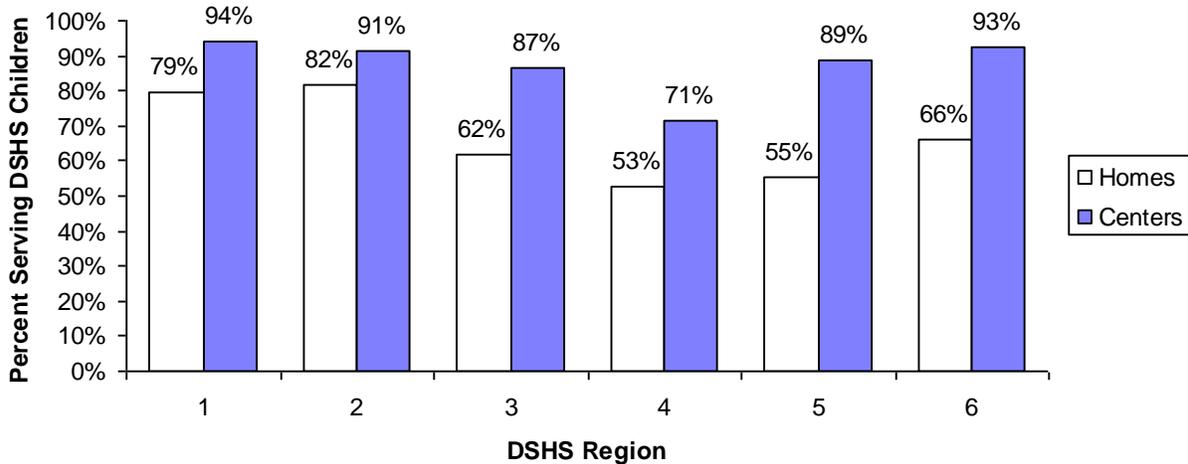
<u>DSHS Children</u>	<u>Centers</u>	<u>Family Homes</u>	<u>All Licensed Facilities</u>
Estimated Total	37,730	15,690	53,420
As Percent of All Children	30%	37%	32%
 <b><u>Number of Facilities</u></b>			
With DSHS Children	1,774	3,801	5,575
As Percent of All Facilities	85%	66%	71%

Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

Regional Variation

The proportion of licensed facilities that served at least one subsidized child varied across the state (Figure 44). The proportion of centers that served subsidized children was lower in Region 4 than in other regions, and the proportion of family homes serving subsidized children in Regions 4 and 5 was lower than that in other regions. Compared to centers, proportionately fewer family home providers served subsidized children. However, subsidized children were a larger proportion of the total number of children served in licensed family homes (see Table 30). Much of the difference between the proportion of centers and homes that served DSHS-subsidized children is attributable to the smaller size of family homes. Since family homes serve nine children on average while child care centers have an average capacity of almost sixty children, it is not surprising that a smaller percentage of family homes served at least one subsidized child.

Figure 44. Facilities Serving Subsidized Children, 2006

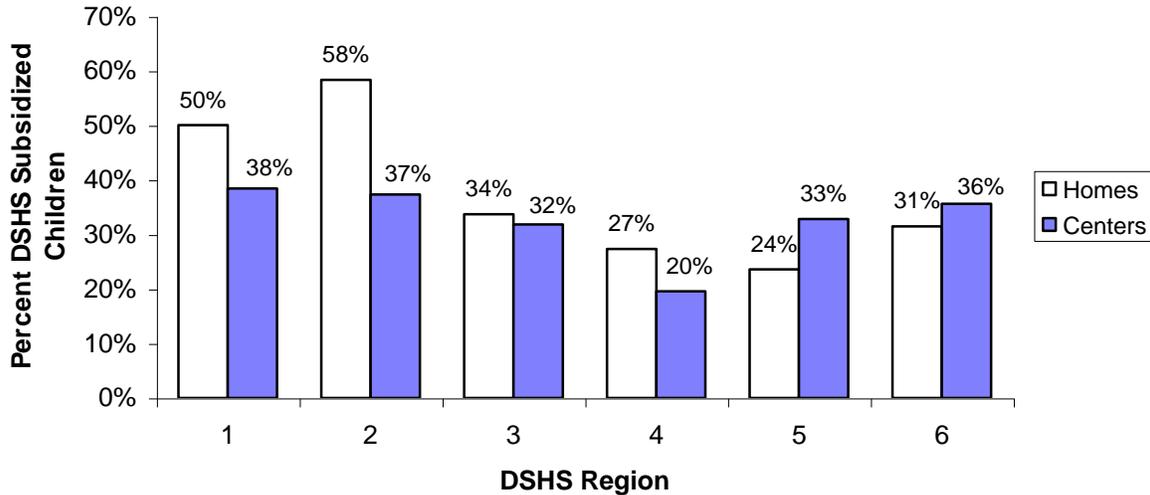


Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

Figure 45 displays the proportion of the licensed child care population subsidized by region and by type of provider. In Regions 1 and 2, subsidized children represented at least 50 percent of all children in licensed family homes, a substantial increase from 1996 when about 20 percent of children in licensed family homes in Regions 1 and 2 were subsidized.

As Figure 45 shows, except for Regions 5 and 6, the proportion of subsidized children in family homes was higher than the proportion in centers.

Figure 45. Subsidized Children as Percent of All Children in Licensed Facilities, 2006

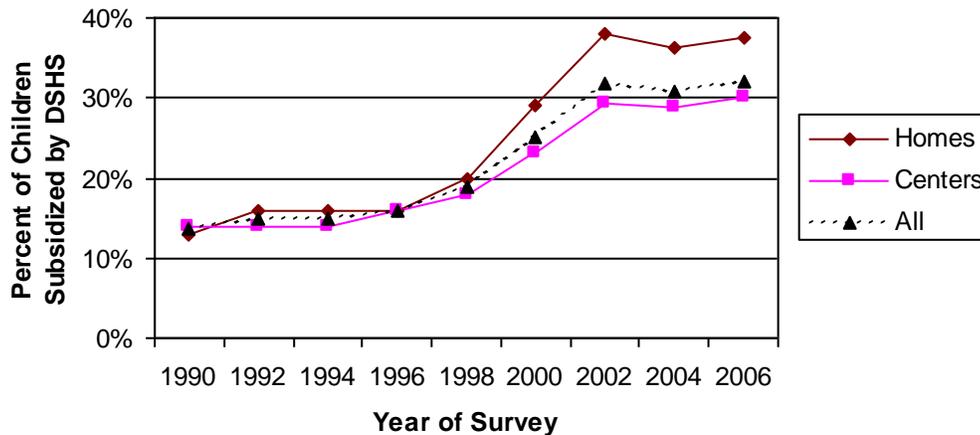


Source: DSHS Division of Child Care and Early Learning  
2006 Surveys of Child Care Centers and Family Homes

### Rise in Use of Subsidized Care

The proportion of overall children in licensed care whose care is subsidized has risen dramatically since 1996. After remaining at about 15 percent from 1990 through 1996, the proportion of subsidized children in licensed care rose to 32 percent during the six-year period up to 2002. The 2004 and 2006 surveys showed a leveling off of this trend with 31 percent of children in licensed care subsidized in 2004 and 32 percent in 2006.

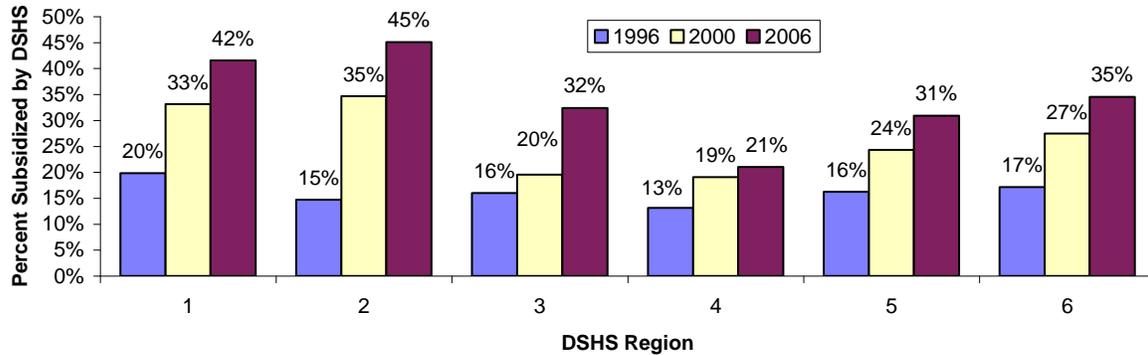
Figure 46. Annual Growth in Subsidized Children as Percent of All Children in Licensed Facilities, 1990- 2006



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Child Care Centers and Family Homes

Figure 47 displays the proportion of children subsidized by DSHS Region. Since 1996 all DSHS Regions have experienced a rise in the proportion of children in child care that had their care subsidized. Region 4 had the smallest proportional change for its population of subsidized children between 1996 and 2006, rising eight percentage points for an increase of about 60 percent. In most of the other five regions, the proportion of subsidized children doubled in that ten-year period. Region 2 had the most striking increase during that period, a threefold change from 15 to 45 percent.

**Figure 47. Percent of Children in Licensed Care Subsidized by DSHS By DSHS Region, 1996, 2000 and 2006**



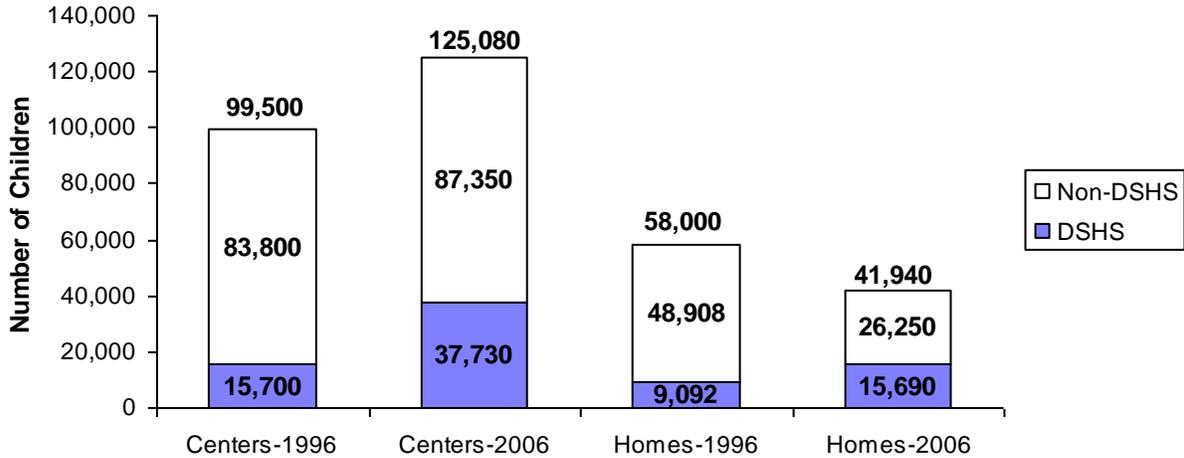
Source: DSHS Division of Child Care and Early Learning  
1996, 2000 and 2006 Surveys of Child Care Centers and Family Homes

From 1996 to 2006, the number of children in licensed care rose from 157,500 in 1996 to 166,980 in 2006, a rise of six percent (see Figure 3 on page 11). During those same years, the number of children subsidized in licensed care has more than doubled, rising from 24,790 to 53,420. The small rise in the overall number of children in licensed care in combination with the large rise in the number of subsidized children in licensed care is reflected in the rise in the proportion of children subsidized in licensed care.

Both centers and family homes have experienced a rise in the proportion of subsidized children. As shown in Figure 48 on the next page, the number of children in child care centers grew by 25,580, from 99,500 to 125,080, in the ten years from 1996 to 2006. The number of subsidized children in centers rose by 22,030 (from 15,700 to 37,730) and the number of children not subsidized rose by only 3,550 (from 83,800 to 87,350).

The situation for licensed family homes was quite different. From 1996 to 2006, the total number of children in licensed family homes declined from 58,000 to 41,940. The number of subsidized children in licensed family homes notably increased, going from 9,092 to 15,690, while the number of non-subsidized children decreased by 46 percent from 48,908 to 26,250. The decline in the number of non-subsidized children in licensed family homes in combination with a rise in the number of subsidized children attending licensed family homes has resulted in a rise in the proportion of children in licensed family homes who are subsidized, going from 16 to 37 percent.

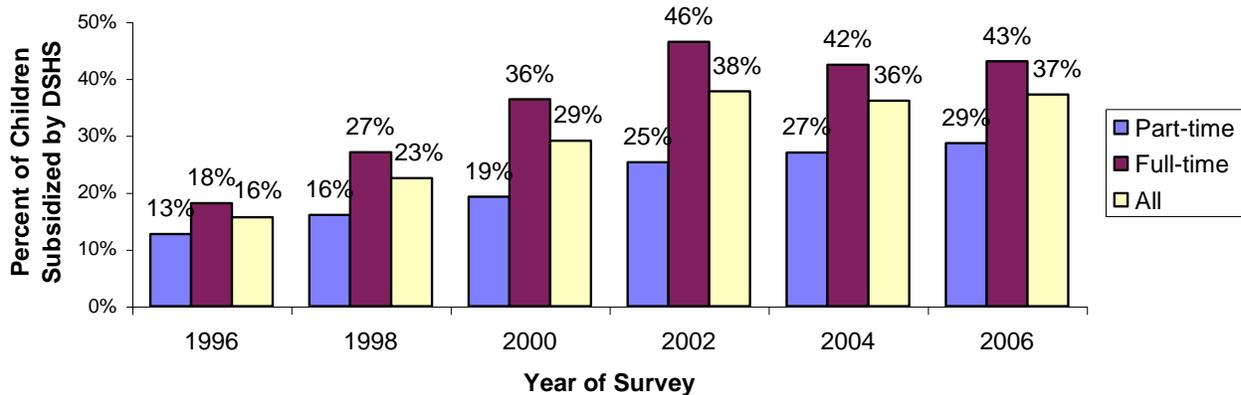
**Figure 48. Number of Subsidized and Non-Subsidized Children in Centers and Licensed Homes, 1996 and 2006**



Source: DSHS Division of Child Care and Early Learning 1996 and 2006 Surveys of Child Care Centers and Family Homes

Figure 49 provides information on the proportion of children in licensed family homes that are subsidized, tabulated by the amount of time that a child is in care. The proportion of subsidized children is higher for children in full-time care (43 percent) than children in part-time care (29 percent). The increase from 1996 to 2006 in the proportion of children subsidized by DSHS also has been greater among children in full-time child care. While the percent of children in subsidized part-time child care rose from 13 percent in 1996 to 29 percent in 2006, the percent of children in subsidized full-time child care rose from 18 percent to 43 percent. The increases in both part-time and full-time subsidized population represent growth of about 130 percent over the ten-year period.

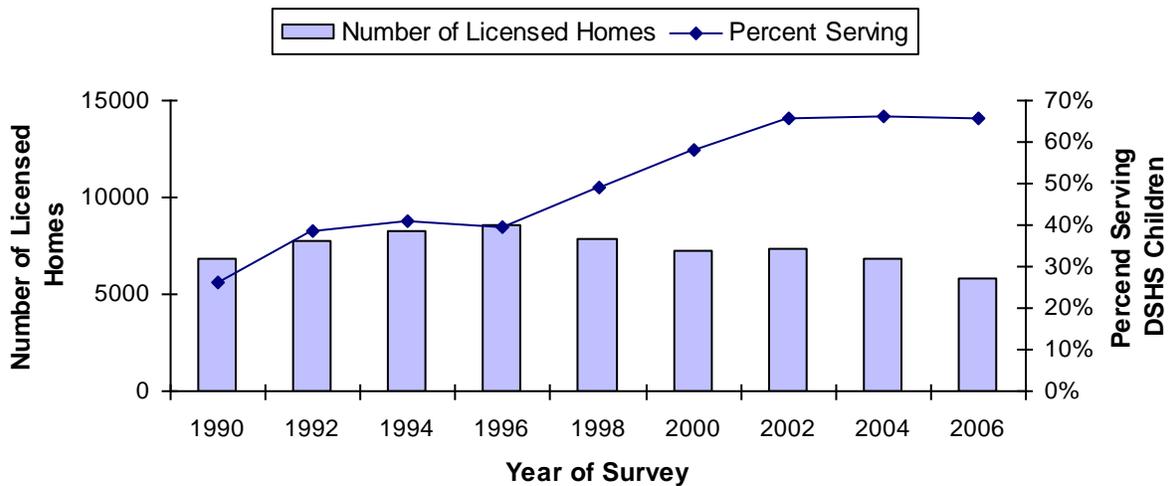
**Figure 49. Percent of Subsidized Full-Time and Part-Time Children, Children in Licensed Family Homes, 1996 - 2006**



Source: DSHS Division of Child Care and Early Learning 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

During the same period that the proportion of subsidized children in licensed homes grew markedly, the number of licensed family home providers fell from 8,600 in 1996 to 5,767 in 2006. Between 2004 and 2006, the number of family homes fell from 6,875 in 2004, a decline of over 1,100 (see Table 7 in Chapter 2). Figure 50 displays the number of licensed family homes in columns; the line shows the percent of homes caring for subsidized children. As the number of licensed family homes has declined after 1996, the proportion of homes caring for DSHS-subsidized children rose steadily through 2002, but this relationship did not appear to continue over the 2002-2006 period.

Figure 50. Number of Family Homes and Percent Caring for Subsidized Children, 1990 - 2006



Source: DSHS Division of Child Care and Early Learning  
1990, 1992, 1994, 1996, 1998, 2000, 2002, 2004 and 2006 Surveys of Family Homes

In Table 31, we present information on changes by region in the number of licensed family homes and in the percent caring for subsidized children. In 1996, almost half the family homes in Regions 1 and 2 cared for subsidized children. Over the next ten years, those regions experienced less reduction in the number of licensed homes than the other four regions.

Table 31. Number of Licensed Family Homes and Percent Caring for Subsidized Children, 1996 to 2006

Region	Number of Homes		Change Between 1996 and 2006	% Change Between 1996 and 2006	Percent Serving	
	1996	2006			1996	2006
1	1,336	972	-364	-27%	49%	79%
2	1,055	968	-87	-8%	49%	82%
3	1,465	956	-509	-35%	31%	62%
4	2,147	1,279	-868	-40%	30%	53%
5	1,150	729	-421	-37%	44%	55%
6	1,447	863	-584	-40%	45%	66%
<b>Statewide</b>	<b>8,600</b>	<b>5,767</b>	<b>-2,833</b>	<b>-33%</b>	<b>40%</b>	<b>66%</b>

Source: DSHS Division of Child Care and Early Learning  
1996 and 2006 Surveys of Family Homes

**Who Provides Care for Subsidized Children?**

In 2006, 85 percent of centers provided child care for subsidized children. And of the centers not serving subsidized children, 64 percent stated a willingness to do so. The proportion of centers not willing to care for subsidized children remains low (six percent in 2006). Of centers providing care for subsidized families, 15 percent said they limit the number of subsidized children that they enroll. This is an increase from 12 percent in 2004. For centers with limits, the average limit was 14 subsidized children. Centers in Region 4 were least likely to care for subsidized children and most apt to limit their number (Table 32). However, even in Region 4, 90 percent of centers were willing to enroll subsidized children.

**Table 32. Centers Limiting Enrollment of Subsidized Children**

DSHS Region	Number of Centers	Percent Willing to			Average Limit on DSHS Children <sup>[2]</sup>
		Serve DSHS Children	Percent Serving DSHS Children	Percent Limiting DSHS Children <sup>[1]</sup>	
1	314	98%	94%	11%	15
2	183	96%	91%	15%	18
3	301	94%	87%	12%	20
4	631	90%	71%	20%	10
5	345	96%	89%	17%	12
6	318	97%	93%	12%	17
<b>Statewide</b>	2,092	94%	85%	15%	14

<sup>[1]</sup> For centers serving DSHS children.

<sup>[2]</sup> For centers with a limit on number of DSHS children served.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

In the 2006 survey, we asked licensed family home providers if they were willing to care for subsidized children, and if they had cared for any subsidized children in the last week. The percent of family home providers that reported they either served or were willing to serve subsidized children declined from 94 to 90 percent since the 2004 survey (see Table 33). The decline was almost entirely in the proportion willing to serve subsidized children, as two-thirds of family providers currently cared for subsidized children in 2006, as in 2002 and 2004.

**Table 33. Family Homes Willing to Serve Subsidized Children**

<b>DSHS Region</b>	<b>Willing to Take DSHS Children</b>	<b>Serving DSHS Children</b>
1	97%	79%
2	95%	82%
3	93%	62%
4	84%	53%
5	79%	55%
6	93%	66%
<b>Statewide</b>	90%	66%

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

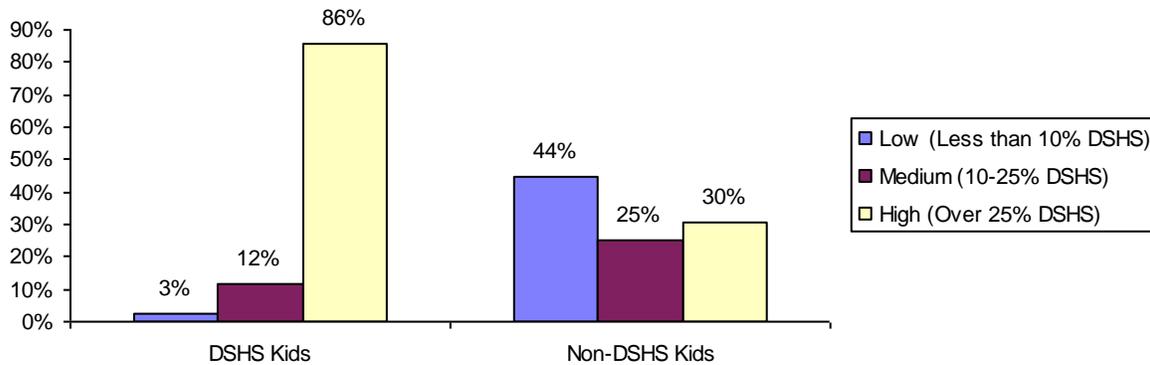
**Characteristics of Centers and Homes Providing Care for Subsidized Children**

*Distribution of Subsidized Children in Centers*

While most child care centers served at least one subsidized child, the proportion of subsidized children in a center varied widely. Centers were categorized for analysis into three groups, based on the proportion of subsidized children they served. In the 2006 survey, 31 percent of centers had less than 10 percent of their children subsidized ("Low"). At the other end the scale, 50 percent of centers had more than 25 percent of their children subsidized ("High"). The remaining 19 percent of centers had between 10 and 25 percent of their children subsidized ("Medium"). In the eight years from 1998 to 2006, the proportion of centers with more than 25 percent subsidized children ("High"), rose from 31 percent to 50 percent.

Figure 51 displays the percentages of subsidized and non-subsidized children by the concentration of subsidized children in the centers they attended (Low/Medium/High). While 31 percent of centers had less than 10 percent of their children subsidized, only three percent of subsidized children attended such centers. On the other hand, 44 percent of children who were not subsidized attended such centers. At the other extreme, 86 percent of subsidized children went to centers where over 25 percent of the children were subsidized, up from 77 percent in 2000.

**Figure 51. Distribution of Children by Receipt of Subsidies, According to the Proportion in the Center Subsidized, 2006**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

*Subsidized Children and Race/Ethnicity of Family Home Providers*

The ethnicity of family home providers is related to the percent and number of children in their care that are subsidized. Table 36 shows that while 66 percent of all family home providers served subsidized children, the percent of Hispanic, black, and Native American family home providers that served subsidized children was much higher (Hispanic: 90 percent; Black: 94 percent; Native American: 96 percent). Statewide, 37 percent of children in family homes were subsidized, however, three-quarters of children cared for by Hispanic or black providers were

subsidized. Table 34 displays the average number of subsidized children served by the ethnicity of the family home provider for homes serving subsidized children. The statewide average was 4.1 subsidized children per home (for homes serving subsidized children). The average number of subsidized children for Hispanic or black family home providers (5.5 and 5.0) was significantly higher than the state average .

**Table 34. Family Home Providers Serving Subsidized Children by Ethnicity of Provider, 2006**

Race or Ethnicity of Provider	Number of Providers	Percent of Providers	Percent Serving DSHS Children	Number of DSHS Children Served	Percent of Children Subsidized by DSHS	Average Number of DSHS Children Served*
White	3,738	65%	55%	6,933	24%	3.4
Hispanic	1,342	23%	90%	6,580	75%	5.5
Asian	99	2%	65%	281	53%	4.4
Black	188	3%	94%	882	73%	5.0
Native American	79	1%	96%	326	52%	4.3
Other or Unknown	321	6%	68%	686	31%	3.1
<b>State Total</b>	<b>5,767</b>	<b>100%</b>	<b>66%</b>	<b>15,687</b>	<b>37%</b>	<b>4.1</b>

\* Only includes homes serving any subsidized children

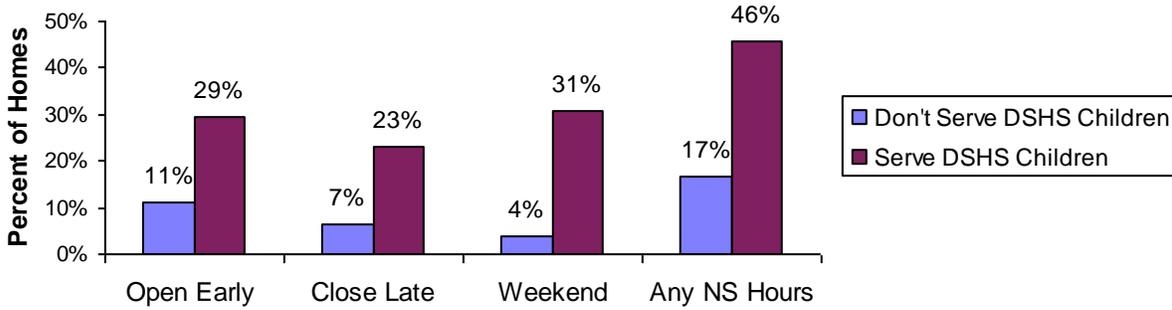
Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

*Non-Standard Hours Among Providers Serving Subsidized Children*

Chapter 4 presented information on the opening and closing times of licensed providers. The relationship between the hours that a provider cares for children and how many subsidized children they serve is examined in this section. If a provider cares for children before 6 in the morning they are categorized as “Open Early”. If a provider remains open after 6 in the evening, then they “Close Late”. If they are open on the weekend, they are “Weekend”. Last, if a provider opens before 6 am, closes after 6 pm, or has weekend hours, then they have non-standard hours (“Any NS Hours”).

Figure 52 displays the proportion of licensed family homes that had non-standard hours by whether or not they cared for any subsidized children. Home providers that cared for subsidized children were much more likely to have non-standard hours than home providers that did not care for subsidized children. Overall, 46 percent of family homes providers that cared for subsidized children had non-standard hours. In contrast, only 17 percent of homes that did not care for subsidized children had non-standard hours.

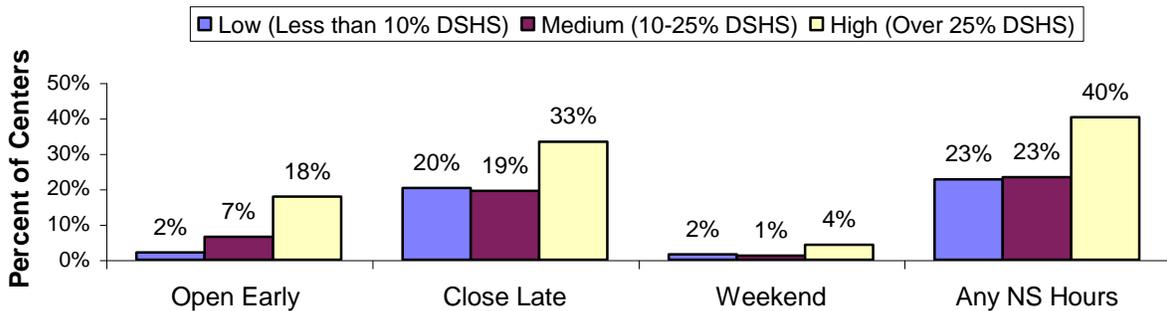
Figure 52. Percent of Family Homes with Non-Standard Hours, by Subsidy Status, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Family Homes

The relationship between non-standard hours and the percent of children subsidized by DSHS was examined for centers. Figure 53 displays the proportion of centers with non-standard hours by the percent of children in the center subsidized. Centers with more than 25 percent of their children subsidized were much more likely to have non-standard hours—to open early or close late or be open on weekends—though very few centers were open on the weekend regardless of whether they served subsidized children.

Figure 53. Percent of Centers with Non-Standard Hours, by Subsidy Status, 2006



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

**Effects of Subsidy Maximum Rates**

Depending on which is lower, DEL pays providers either their usual and customary rates or the regional maximum rate. DEL tries to adjust their maximum rates to reflect changes in market rates at least every two years. At the time of the survey, maximum rates were set at the 58<sup>th</sup> percentile of rates observed in the 2000 survey. It is reasonable to assume that the decision to accept subsidized children will depend partly on whether or not the providers will receive their customary rate. If subsidy rates are too low, parents using subsidies may be limited to fewer providers.

Among centers caring for full-time preschool children, the average rate for such care was less in centers that served subsidized children than in those centers that did not (Table 35). Region 4 had the largest impact on statewide differences, where 36 percent of the centers not serving subsidized children were located. As a result, even though the full-time rates for preschool children for centers that do not serve subsidized children (\$837) was a third higher than the rates for those that do serve subsidized children (\$622), no individual region had this significant of a difference.

**Table 35. Full-time Rates for Preschool Children, Difference Between Centers Serving Subsidized Children and Those Not Serving, 2006**

Region	Serving DSHS Children		Percent Difference in Rates
	Yes	No	
1	\$534	*	*
2	\$518	*	*
3	\$647	\$741	14%
4	\$756	\$930	23%
5	\$569	\$620	9%
6	\$583	\$616	6%

\* Too few centers to report.

Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

The higher rates charged by providers who did not care for subsidized children suggests that the level of subsidy rates may deter some providers from accepting subsidized children. Other factors may also have contributed to the observed differences in center prices.

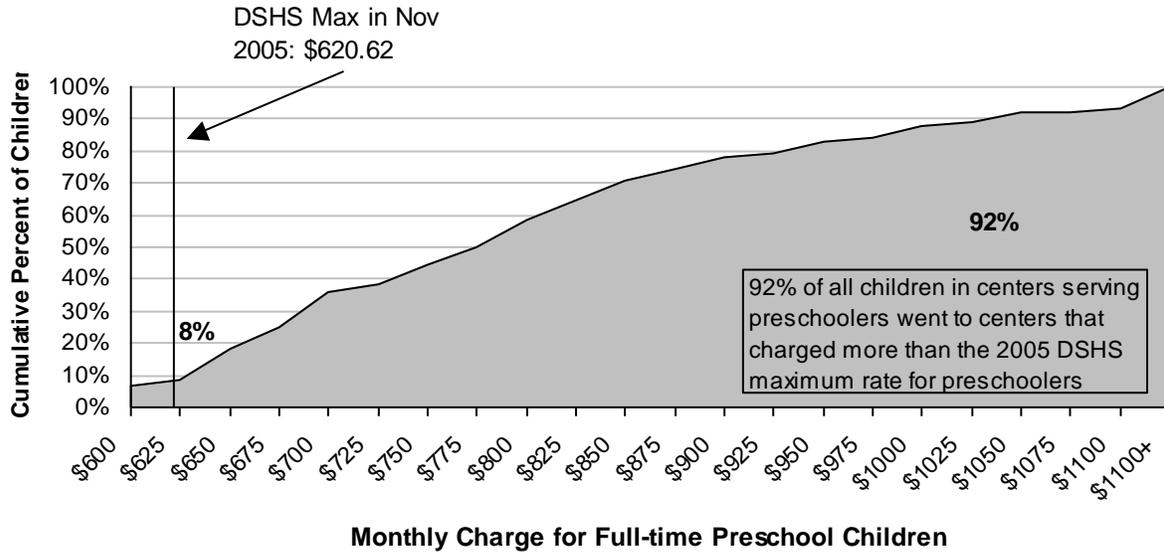
*Region 4 Centers as an Example*

This section examines the willingness of providers in Region 4 to serve subsidized children even when their customary (private pay) rates are higher than the state subsidy rates. This analysis is limited to centers that served full-time preschool-age children.

At the time of the 2006 survey, the maximum rate for preschoolers in center care was \$620.62 a month in Region 4. Figure 54 shows the percent of children attending centers by the amount that the center charged for full-time preschool. Looking at all children in centers providing care for

preschoolers in Region 4, only 8 percent received care in centers charging the subsidy rate or less for full-time preschool. Half went to providers charging \$783 or more.

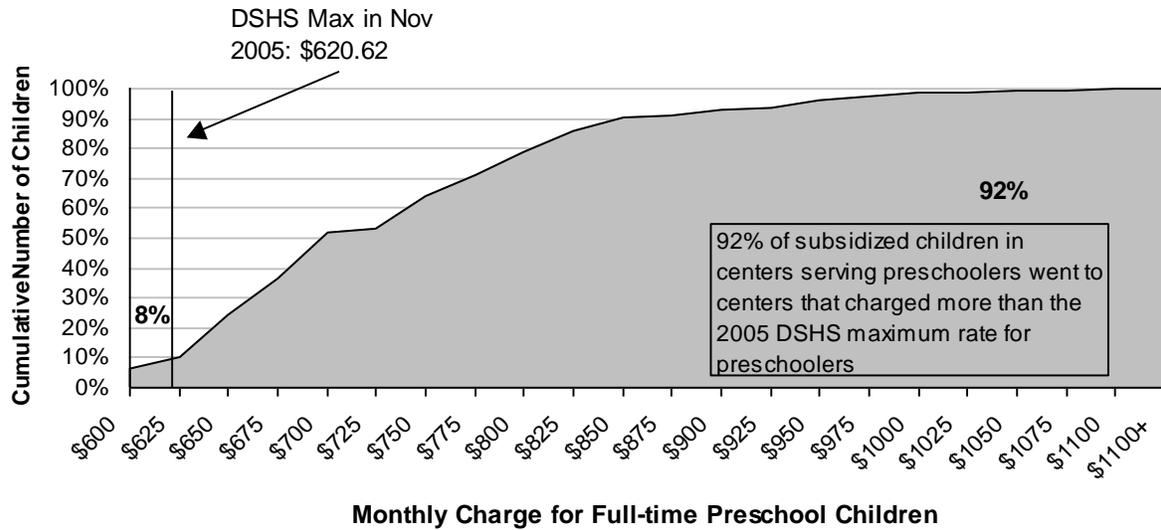
**Figure 54. Distribution of Children in Centers by Customary Monthly Charge for Full-Time Preschool Care, Region 4**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

Focusing on subsidized children, 92 percent went to centers with private pay preschool rates greater than the maximum for preschool children at the time of the 2006 survey (Figure 55). Subsidized children were equally as likely to attend centers with preschool rates above the maximum as children in general (both 92 percent). About half of all subsidized children went to centers charging \$700 or more for preschoolers, 80 dollars more than the subsidy rate for preschool. However, there was still a substantial gap between the overall average price and the average customary rate at the centers subsidized children attended. Half of all children attended centers that charged \$775 or more, but less than 30 percent of subsidized children attended those centers. Only 10 percent of subsidized children attended centers charging \$850 or more, compared with about 28 percent for all children.

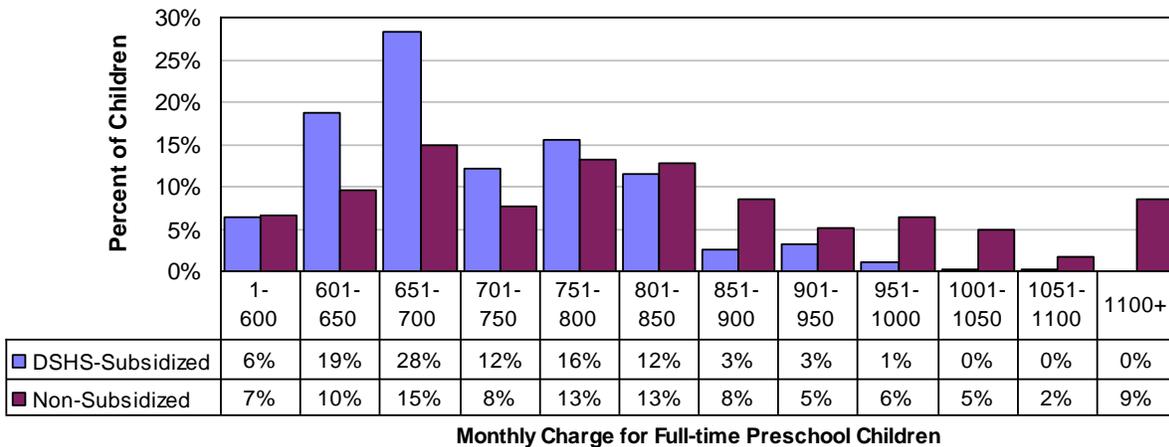
**Figure 55. Distribution of Subsidized Children in Centers by Customary Monthly Charge for Full-Time Preschool Care, Region 4**



Source: DSHS Division of Child Care and Early Learning  
2006 Survey of Child Care Centers

This tendency of subsidized children to be served in centers with lower customary charges is also reflected in the comparative distribution show in Figure 56.

**Figure 56. Distributions of Subsidized and Non-Subsidized Children Relative to Customary Monthly Charges for Full-Time Pre-School Care, Region 4**



**Table A 1. 2004 County Level Statistics: Facilities and Child Care Slots**

<u>Counties</u>	<u>Licensed Centers</u>	<u>Licensed Homes</u>	<u>Licensed Facilities</u>	<u>Slots in Centers</u> <sup>[1]</sup>	<u>Slots in Homes</u> <sup>[2]</sup>	<u>Total Capacity</u> <sup>[3]</sup>
Adams	4	35	39	145	270	415
Asotin	9	6	15	363	56	419
Benton	50	194	244	2,768	1,595	4,363
Chelan	22	202	224	1,152	2,016	3,167
Clallam	22	41	63	993	399	1,393
Clark	104	340	444	6,623	2,911	9,534
Columbia	0	6	6	0	66	66
Cowlitz	30	59	89	2,132	536	2,668
Douglas	10	113	123	685	1,024	1,709
Ferry	1	2	3	20	18	38
Franklin	25	192	217	1,446	1,684	3,130
Garfield	0	0	0	0	0	0
Grant	17	206	223	1,104	1,639	2,743
Grays Harbor	23	62	85	873	620	1,493
Island	14	46	60	643	386	1,028
Jefferson	6	13	19	209	128	336
King	631	1,279	1,910	40,447	11,813	52,259
Kitsap	67	175	242	3,690	1,506	5,197
Kittitas	9	31	40	461	219	680
Klickitat	2	10	12	75	88	163
Lewis	21	49	70	749	438	1,187
Lincoln	4	10	14	98	96	194
Mason	12	51	63	640	481	1,121
Okanogan	10	60	70	523	567	1,090
Pacific	6	9	15	288	74	362
Pend Oreille	3	2	5	68	23	91
Pierce	278	554	832	14,962	4,725	19,687
San Juan	7	0	7	217	0	217
Skagit	51	175	226	1,989	1,635	3,624
Skamania	1	5	6	49	53	102
Snohomish	173	623	796	11,115	5,702	16,817
Spokane	210	297	507	12,976	2,962	15,939
Stevens	6	19	25	198	190	388
Thurston	90	223	313	4,716	1,990	6,707
Wahkiakum	1	0	1	63	0	63
Walla Walla	17	45	62	887	401	1,287
Whatcom	56	112	168	2,783	995	3,778
Whitman	18	20	38	865	178	1,044
Yakima	82	500	582	5,419	4,244	9,663
State Total	2,092	5,766	7,858	122,433	51,727	174,160

[1] Sum of centers' licensed capacities

[2] Licensed Slots minus provider's own children

[3] Sum of Licensed Slots in Centers and Homes

**Table A 2. 2006 County-Level Statistics: Vacancies and Vacancy Rates**

Counties	Total Capacity	Vacancies, All Age Groups			Vacancy Rate <sup>[1]</sup>	Vacancies for Very Young Children			
		Centers	Homes	Total		Centers <sup>[2]</sup>		Homes <sup>[3]</sup>	
						Infants	Toddlers	Under Two	Total
Adams	415	0	67	67	16%	0	0	23	23
Asotin	419	26	0	26	6%	0	10	0	10
Benton	4,363	140	181	321	7%	4	28	38	71
Chelan	3,167	223	469	691	22%	6	8	175	189
Clallam	1,393	195	22	217	16%	17	35	5	56
Clark	9,534	865	272	1,137	12%	48	146	85	279
Columbia	66	0	4	4	6%	0	0	0	0
Cowlitz	2,668	192	72	264	10%	20	80	31	131
Douglas	1,709	17	281	297	17%	0	0	86	86
Ferry	38	8	0	8	21%	0	0	0	0
Franklin	3,130	108	291	399	13%	9	18	101	128
Garfield	0	0	0	0	0%	0	0	0	0
Grant	2,743	121	405	525	19%	1	27	119	147
Grays Harbor	1,493	111	58	168	11%	1	27	15	43
Island	1,028	33	68	101	10%	1	11	32	43
Jefferson	336	23	4	27	8%	3	0	0	3
King	52,259	4,095	1,648	5,743	11%	245	617	915	1,777
Kitsap	5,197	435	312	747	14%	63	64	86	213
Kittitas	680	27	16	43	6%	0	9	2	11
Klickitat	163	18	3	21	13%	4	4	0	8
Lewis	1,187	148	111	259	22%	10	19	34	62
Lincoln	194	16	20	36	19%	0	5	2	7
Mason	1,121	112	62	174	16%	4	11	6	21
Okanogan	1,090	43	93	136	13%	6	10	40	56
Pacific	362	43	10	53	15%	7	8	2	17
Pend Oreille	91	15	0	15	17%	0	15	0	15
Pierce	19,687	2,330	628	2,959	15%	180	446	182	809
San Juan	217	48	0	48	22%	4	11	0	14
Skagit	3,624	290	267	558	15%	7	24	88	118
Skamania	102	13	0	13	13%	0	5	0	5
Snohomish	16,817	1,235	802	2,037	12%	60	233	308	602
Spokane	15,939	1,380	446	1,825	11%	77	198	207	482
Stevens	388	8	35	42	11%	0	5	2	6
Thurston	6,707	872	204	1,076	16%	26	114	50	191
Wahkiakum	63	20	0	20	32%	3	3	0	6
Walla Walla	1,287	101	47	148	11%	0	21	15	36
Whatcom	3,778	303	141	444	12%	9	52	52	113
Whitman	1,044	73	29	102	10%	2	14	0	16
Yakima	9,663	572	1,012	1,584	16%	40	102	306	448
State Total	174,160	14,255	8,078	22,333	13%	859	2,378	3,005	6,242

[1] Vacancy rate = Vacancies/Licensed Slots

[2] Center Vacancies: Infants up to 1; Toddlers 1 to 2.5

[3] Home Vacancies for Infant/Toddlers under 2 years old

DSHS Office of Research and Data Analysis  
2006 Survey of Child Care Centers and Homes

**Table A 3. 2006 County-Level Statistics: Children in Licensed Child Care**

Counties	All Children	Non-school-age Children	Children in Licensed Care			% Under 13 in Licensed Care <sup>[2]</sup>	Total Capacity <sup>[3]</sup>	Slots per 100 Children <sup>[4]</sup>
	Under 13 <sup>[1]</sup>	Children	Centers	Homes	Total	Care <sup>[2]</sup>		
Adams	4,151	1,678	183	187	369	9%	415	10
Asotin	3,619	1,282	426	34	460	13%	419	12
Benton	31,061	11,223	3,137	1,478	4,615	15%	4,363	14
Chelan	12,968	4,838	786	1,418	2,204	17%	3,167	24
Clallam	9,249	3,155	1,047	442	1,488	16%	1,393	15
Clark	77,374	28,231	6,773	2,536	9,309	12%	9,534	12
Columbia	607	161	0	52	52	9%	66	11
Cowlitz	17,506	6,580	2,072	474	2,545	15%	2,668	15
Douglas	6,768	2,415	717	723	1,439	21%	1,709	25
Ferry	1,160	370	15	10	25	2%	38	3
Franklin	15,282	6,187	1,201	1,543	2,744	18%	3,130	20
Garfield	370	129	0	0	0	0%	0	0
Grant	17,774	7,245	1,280	1,292	2,573	14%	2,743	15
Grays Harbor	11,473	4,215	1,080	539	1,618	14%	1,493	13
Island	13,129	4,657	856	315	1,171	9%	1,028	8
Jefferson	3,306	1,078	215	108	323	10%	336	10
King	278,547	112,412	39,555	9,050	48,604	17%	52,259	19
Kitsap	41,331	14,979	4,132	1,174	5,305	13%	5,197	13
Kittitas	4,921	1,939	533	231	763	16%	680	14
Klickitat	3,433	1,190	101	107	208	6%	163	5
Lewis	12,409	4,758	714	340	1,053	8%	1,187	10
Lincoln	1,625	523	109	60	169	10%	194	12
Mason	7,979	2,774	757	402	1,159	15%	1,121	14
Okanogan	7,196	2,568	321	437	758	11%	1,090	15
Pacific	2,833	962	226	56	281	10%	362	13
Pend Oreille	1,919	605	86	32	118	6%	91	5
Pierce	138,999	52,184	15,106	3,933	19,039	14%	19,687	14
San Juan	1,729	511	215	0	215	12%	217	13
Skagit	19,576	7,356	2,480	1,358	3,838	20%	3,624	19
Skamania	1,756	578	77	90	167	10%	102	6
Snohomish	121,331	43,755	11,118	4,544	15,662	13%	16,817	14
Spokane	76,017	28,676	13,436	2,368	15,804	21%	15,939	21
Stevens	7,232	2,354	314	147	460	6%	388	5
Thurston	36,753	13,294	5,223	1,826	7,049	19%	6,707	18
Wahkiakum	559	172	61	0	61	11%	63	11
Walla Walla	9,620	3,636	1,040	398	1,438	15%	1,287	13
Whatcom	29,018	10,345	2,956	1,008	3,964	14%	3,778	13
Whitman	5,319	2,085	936	108	1,044	20%	1,044	20
Yakima	52,238	21,370	5,797	3,122	8,919	17%	9,663	18
State Total	1,088,138	412,468	125,077	41,939	167,016	15%	174,160	16

[1] Based on OFM estimates of 2005 population by county.

[2] Children in licensed care/All children under 13

[3] From last column of Table A1

[4] 100 x (Licensed slots/All children under 13)

*Licensed Child Care in Washington State: 2006*

**Table A 4. 2004 County-Level Statistics: Children with Subsidized Child Care**

Counties	Children with Subsidized Child Care						Children Under 13 in Poverty <sup>[4]</sup>	estimates made in Oct 03 1999 Census Data	
	Estimate from Child Care Surveys Spring 2004 <sup>[1]</sup> Licensed Care Only			Information from SSPS <sup>[2]</sup> Fiscal Year 2004 <sup>[3]</sup>		Poverty <sup>[4]</sup>		% Poor +under 18	#<13
	Centers	Homes	Both	Licensed Care Only	Licensed or Exempt Care				
Adams	30	123	154	181	234	1,117	23.4	4151.12	
Asotin	193	8	201	206	272	999	21.7	3618.541	
Benton	1,299	549	1,847	1,444	1,989	4,783	13.5	31060.99	
Chelan	316	821	1,137	1,147	1,381	2,555	18	12968.13	
Clallam	465	176	641	599	747	1,878	17.9	9249.063	
Clark	2,375	673	3,048	3,065	3,995	12,148	12	77374.1	
Columbia	0	18	18	16	32	129	18.3	607.044	
Cowlitz	932	238	1,169	1,176	1,610	3,694	17	17506.15	
Douglas	157	414	571	593	646	1,543	18	6768.357	
Ferry	12	10	22	20	54	367	28.2	1160.234	
Franklin	451	1,149	1,600	1,433	1,855	3,897	24.1	15281.95	
Garfield	0	0	0	0	1	77	21.3	369.9682	
Grant	552	819	1,372	1,314	1,672	4,408	22.4	17773.65	
Grays Harbor	517	210	727	660	824	2,811	21	11472.97	
Island	153	108	261	294	367	1,497	11.2	13129.13	
Jefferson	110	39	149	138	170	635	17.9	3306.047	
King	7,733	2,474	10,206	10,708	12,380	31,197	9.2	278546.9	
Kitsap	1,067	319	1,386	1,386	1,622	4,422	10.8	41330.95	
Kittitas	176	50	226	161	197	832	16.4	4921.132	
Klickitat	54	43	97	78	109	879	22	3433.277	
Lewis	342	171	513	672	895	2,804	18.5	12408.67	
Lincoln	19	8	27	35	45	294	17.4	1624.932	
Mason	179	151	330	414	520	1,604	18	7978.796	
Okanogan	304	263	567	511	673	2,137	28.9	7196.427	
Pacific	80	22	102	131	159	739	22.5	2833.248	
Pend Oreille	2	9	11	32	66	541	26.1	1919.207	
Pierce	5,249	886	6,135	6,301	7,691	18,904	12.7	138999.2	
San Juan	49	0	49	53	55	254	14.4	1728.762	
Skagit	820	711	1,530	1,357	1,599	3,896	15.1	19576.01	
Skamania	30	28	58	52	57	313	16.6	1755.92	
Snohomish	3,682	1,099	4,782	3,859	4,430	13,468	8.9	121330.8	
Spokane	5,286	868	6,154	5,526	6,664	14,443	15	76016.68	
Stevens	128	43	171	245	358	1,700	21.8	7232.334	
Thurston	1,437	429	1,866	1,964	2,311	5,109	11.1	36753.43	
Wahkiakum	22	0	22	14	19	100	15.8	559.2068	

**Table A 4. 2004 County-Level Statistics: Children with Subsidized Child Care**

Walla Walla	285	171	456	421	619	2,184	17.9	9620.129
Whatcom	912	517	1,429	1,321	1,659	4,353	13.9	29018.12
Whitman	153	26	179	165	184	915	14.3	5318.809
Yakima	2,163	2,045	4,207	4,391	5,803	15,567	25.1	52237.57
State Total	37,731	15,687	53,419	52,080	63,967	169,190	13.2	1088138

- [1] The 2006 Surveys of Child Care Centers and Homes were conducted from February through June 2006 with most of the interview information collected in February, March and April 2006.
- [2] DSHS' Social Service Payment System (SSPS) contains information on payments made for subsidized child care.
- [3] Average monthly count of children in subsidized care in February -April 2006 according to SSPS. In-state providers only.
- [4] Based on 2005 OFM estimate of children under 13 and 2005 Census estimate of percent of children under age 18 in poverty.

DSHS Office of Research and Data Analysis 2006 Survey of Child Care Centers and Homes		Region	% Poor	
1	142,130	30,019	0.211211	
2	117,717	28,467	0.241827	
3	184,783	23,467	0.126997	
4	278,547	31,197	0.112	
5	180,330	23,326	0.129353	
6	184,631	32,713	0.177178	

**Table A 5. 2006 County Level Statistics:  
Average Price of Full-time Preschool Child Care**

<u>Counties</u>	<u>Centers*</u>	<u>Homes*</u>	<u>All Facilities*</u>
Adams	< 5 facilities	\$432	\$457
Asotin	\$507	\$440	\$502
Benton	\$550	\$472	\$528
Chelan	\$471	\$436	\$449
Clallam	\$581	\$542	\$570
Clark	\$655	\$507	\$625
Columbia	< 5 facilities	\$463	\$463
Cowlitz	\$478	\$497	\$481
Douglas	\$470	\$430	\$436
Ferry	< 5 facilities	< 5 facilities	< 5 facilities
Franklin	\$544	\$445	\$496
Garfield	< 5 facilities	< 5 facilities	< 5 facilities
Grant	\$511	\$444	\$473
Grays Harbor	\$472	\$480	\$474
Island	\$546	\$527	\$541
Jefferson	\$571	\$465	\$534
King	\$804	\$688	\$781
Kitsap	\$530	\$519	\$527
Kittitas	\$510	\$458	\$490
Klickitat	< 5 facilities	\$492	\$511
Lewis	\$512	\$492	\$506
Lincoln	< 5 facilities	\$415	\$414
Mason	\$498	\$485	\$492
Okanogan	\$550	\$425	\$472
Pacific	\$423	\$456	\$433
Pend Oreille	< 5 facilities	< 5 facilities	\$303
Pierce	\$582	\$528	\$571
San Juan	\$664	< 5 facilities	\$664
Skagit	\$560	\$562	\$561
Skamania	< 5 facilities	\$495	\$501
Snohomish	\$683	\$617	\$664
Spokane	\$537	\$466	\$523
Stevens	\$520	\$484	\$505
Thurston	\$577	\$501	\$549
Wahkiakum	< 5 facilities	< 5 facilities	< 5 facilities
Walla Walla	\$603	\$480	\$567
Whatcom	\$595	\$571	\$588
Whitman	\$624	\$462	\$596
Yakima	\$484	\$423	\$464
<b>State Total</b>	<b>\$649</b>	<b>\$544</b>	<b>\$622</b>

\* Unable to estimate when fewer than 5 facilities in county.

Source: DSHS Research and Data Analysis  
2006 Survey of Child Care Centers and Homes

