

Elements of Child Care Supply and Demand

FY 2004 (July 1, 2003–June 30, 2004)

Prepared by the Research Department of Action for Children. Funded in part by The MacArthur Foundation and the Illinois Department of Human Services



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Introduction



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Every year, Action for Children issues a report on Child Care in Cook County. Our goal is to provide both a larger picture and salient details of child care and early education in Cook County for planners, policy makers, people in the child care field, researchers, journalists and other interested parties. We appreciate hearing from users and readers of this report about what they find particularly useful and what could be done to improve its practical application.

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Preface

The 2004 Report

With the *2004 Report on Child Care in Cook County*, Action for Children continues to present **a multi-dimensional portrait of the supply of and demand for** child care in Cook County.

For reasons we detail in Appendices 2 and 3, we do not believe any simple number can reflect the need or the demand for child care in Cook County, or for that matter, child care supply. Too many overlapping factors influence the amount of early care and education a family needs, or what it will demand in the market place, and what a provider will supply.

Practical economists who perform such estimations of demand and supply in other fields develop very complex models for estimations and require a wide array of information to put into these models. In a descriptive report such as this, perhaps the most reliable and honest information we can provide is to present many

overlapping dimensions of a complex story and not collapse them all into a single number.

To develop our multi-dimensional portrait of child care in Cook County we continue to combine data from a variety of sources:

Child care data in this report come largely from three sources. Action for Children administers the Child Care Resource and Referral Program for Cook County. It is our responsibility to assist parents in their search for child care by providing them with referrals to child care providers. Providers register voluntarily in order to be referred to parents, as well as to be eligible for Illinois Quality Counts grants and to receive other services.¹ Action for Children also serves Cook County parents seeking Illinois Child Care Assistance and collects information concerning children, families and providers participating in the Illinois Child Care Assistance Program. Action for Children

operates both programs under contract with the Illinois Department of Human Services. A third important source of information is the Illinois Department of Children and Family Services, which licenses child care centers and family child care homes.²

Demographic and income data come from Census 2000, a survey that is aging rapidly. In coming years, more recent American Community Survey data will be available and reliable for small geographic areas and may well reveal demographic shifts in Cook County.

We repeat a final terminological note of caution this year concerning **early education programs** and **child care programs**: Many child care centers and homes routinely offer enrichment programs or formal education which go far beyond simple notions of “watching” or “caring” for children.

While we call the subject of this report *child care* and continue to emphasize this care, it bears noting that the actual programs we examine typically extend far beyond *mere child care*, as some readers might understand that term, to early care and education programs.

¹ In addition to providing a standard referral to parents, Action for Children provides enhanced referrals through contracts and special projects. Unavoidable database changes in FY2004 made some of the data presented in this year's report incompatible with data reported in previous years.

² In sheer numbers, the majority of providers in Illinois and Cook County are not licensed but can legally operate as license-exempt if they meet a number of standards.

Section I

Families With Children

The demand for child care in Cook County is based first of all in the number of children in Cook County. When considering the demand for child care, we can not simply consider the number of children. Not all parents will seek non-parental care for their children or do so under all family circumstances. Appendix 2 discusses some of the complexities we face in thinking about the demand for child care. Here we look at some basic numbers behind families' demand for child care.

A Children in Cook County

Over one million children ages 12 and under reside in Cook County. Table I-1 enumerates children in Chicago and suburban Cook County by age groups based on the US Census 2000. As the table shows, over 54 percent of the children in Cook County in 2000 resided in Chicago, and presumably current numbers are similar. Potentially all of the children under three years old and those from three through five years old need child care or early education. It is unrealistic, however, to suppose that the parents of all these children actually seek care. Similarly, many older children ages six through twelve need before or after-school care.

Table I-1. Children in Cook County, 2000 Census

Children	Chicago Total	Suburban Cook Total	Total Cook County
Under 3 Years	131,472	101,662	233,134
Ages 3 through 5	129,764	108,764	238,528
Ages 6 through 12	302,221	260,216	562,437
Totals	563,457	470,642	1,034,099
Under 3, In Poverty	36,522	8,873	45,395
Percent of Age Group in Poverty	28%	9%	19%
Ages 3-5, In Poverty	37,557	9,773	47,330
Percent of Age Group in Poverty	29%	9%	20%
Ages 6-12, In Poverty	88,077	22,868	110,945
Percent of Age Group in Poverty	29%	9%	20%
Under 3, Income Eligible*	65,267	21,923	87,190
Percent of Age Group Eligible*	50%	22%	37%
Ages 3-5, Income Eligible*	66,689	23,871	90,560
Percent of Age Group Eligible*	51%	22%	38%
Ages 6-12, Income Eligible*	156,743	55,147	211,891
Percent of Age Group Eligible*	52%	21%	38%

* Income-eligible for Illinois Child Care Assistance. The income limit is 50% of state median income, or approximately 185% of the federal poverty level, depending upon family size. *Work* eligibility is also required, but not factored in here. Ages of children both in poverty and income-eligible are calculated from the proportions of all children in different age groups.

B Children in Need: In Poverty and Eligible for Illinois Child Care Assistance

Table I-1 also shows that up to 29 percent of the children in Chicago are poor. Chicago has far larger portions of children living in families with lower incomes than does the remainder of Cook County. Chicago children are over three times more likely to be poor than other Cook County children. Since poverty rates have risen since 2000, the rates for both regions are now probably higher than the table indicates.

Table I-2. Children in Cook County, 2000 Census

Children	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Under 3 Years	44,551	31,292	55,629	47,193	22,465	32,004
Ages 3 through 5	39,172	30,806	59,786	49,475	24,174	35,115
Ages 6 through 12	87,102	71,408	143,711	117,634	53,412	89,170
Under 3, In Poverty and % in Poverty	7,331 16%	11,887 38%	17,304 31%	2,569 5%	2,562 11%	3,742 12%
Ages 3-5, In Poverty and % in Poverty	6,729 17%	12,142 39%	18,686 31%	2,676 5%	2,886 12%	4,211 12%
Ages 6-12, In Poverty and % in Poverty	15,682 18%	27,800 39%	44,595 31%	6,475 6%	5,671 11%	10,722 12%
Under 3, Income Eligible & % Eligible*	16,556 37%	19,090 61%	29,621 53%	7,215 15%	6,443 29%	8,265 26%
Ages 3-5, Income Eligible & % Eligible*	15,420 39%	19,327 63%	31,942 53%	7,582 15%	7,057 29%	9,232 26%
Ages 6-12, Income Eligible & % Eligible*	35,369 41%	45,621 64%	75,753 53%	17,626 15%	14,988 28%	22,534 25%

* Income-eligible for Illinois Child Care Assistance. The income limit is 50% of state median income, or approximately 185% of the federal poverty level, depending upon family size. *Work* eligibility is also required, but not factored in here. Ages of children both in poverty and income-eligible are calculated from the proportions of all children in different age groups.

The final six rows of Table I-1 also present the number of children living in families whose income would make them eligible in 2004 for Illinois Child Care Assistance. In Illinois, a family's income can rise as high as 85 percent above the federal poverty level for the family to be eligible for such assistance. Under this standard, about half of Chicago children under 13 and about one-fifth of suburban children in Cook County are income-eligible for Illinois Child Care Assistance. Note that in addition to an income requirement, the Illinois Child Care Assistance Program also requires that all parents present in the family be in the labor force or in training or school. We will consider working parents later in this report.

Table I-2 presents identical information for six regions of the county, three in suburban Cook County and three in Chicago. Several times in this *Report* we divide Cook County into these six regions. Chicago regions include North and Northwest; Central and West; and South and Southwest Chicago. Suburban Cook County is broken into North and Northwest; West; and South and Southwest.

See Appendix 1 for more detailed definitions of these regions.

As table I-2 shows, families in poverty and families with low incomes tend to concentrate in the western and southern parts of Chicago. The comparable parts of suburban Cook County also have more poverty and income eligibility than the north and northwestern regions.³

As few as 5 percent and as many as 39 percent of children living in a region are officially poor. With respect to lower incomes, in the six regions as few as fifteen percent and as many as 64 percent of children in different age groups live in families eligible by income for Illinois Child Care Assistance.

C Children With All Working Parents

When estimating families' demand for child care, researchers commonly look first at families with *every* parent working outside of the home. They assume that those families with at least one parent not in the labor force have a child care-giver available in the family. This ignores the fact that other reasons exist for families to seek child care, including going to school and having a disability or illness. On the other side, when they look at families with every parent in the labor force, some researchers overlook the fact that there might be another relative available to care for children and the fact that many parents stagger their work schedules so that one parent is always available to care for their children. As a consequence some researchers have assumed that all families in which every present parent works outside of the home “demands” child care. While we advise readers not to make this assumption, we do recognize

that the need of parents to work stands behind much of the demand for child care in Cook County.

At least half of all children in Cook County live in families in which all parents present in the household are in the labor force.⁴ That is, either the single parent in single-parent families or both parents in two-parent families are in the labor force.

Of the approximately 472,000 children under age six in Cook County in 2000, more than 50 percent, or 238,000 children, had either their single parent or both of their parents in a two parent family in the labor force.⁵ Fifty-nine percent of children in suburban Cook County and 43 percent of Chicago children live in such working families. Table I-3 presents the number of such children in the six regions of Cook County.

Table I-3. Children With All Present Parents in Labor Force, 2000 Census

Children	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Children Under 6 Years	51,614	23,105	38,386	41,772	26,678	56,394

D Children Eligible For, But Without, Child Care Assistance—Potential Demand for Care

For a family to be eligible for Illinois Child Care Assistance, every parent present needs to be working,⁶ and family income can be no higher than 50 percent of the state median income (roughly 185% of poverty level) for a family of its size. Tables I-1 and I-2 above enumerate children in such families that are income-eligible. Table I-3 enumerates children under the age of six in Cook County whose present parents are all in the labor force. This section takes the analysis to its next step: **estimating the number of children in the six regions of Cook County who are eligible for Illinois Child Care Assistance but who do not receive it.**⁷

Table I-4 presents these estimates for the different age groups and regions.

We estimate that in any given month, 11 percent of Cook County children ages 12 and under, some 115,662 children, live in families that are eligible for but do not receive Illinois Child Care Assistance. About 15 percent of Chicago children are in this group of unserved children, while the suburban Cook County portion is 7 percent.

Do all of these children have unmet need for child care? We cannot suppose that the parents of every eligible child would choose to use Illinois Child

Table I-4. Estimate of Unserved Children

Children Eligible for Child Care Assistance But Not Receiving It Calculated from 2000 Census and Illinois Child Care Assistance Program 2004 data						
Children	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Under 3 Years	6,059	4,526	6,191	2,932	1,470	1,110
Ages 3 through 5	4,761	3,379	4,938	2,815	1,337	653
Ages 6 through 12	14,909	14,324	24,428	9,713	5,138	6,980
Total:	25,730	22,228	35,557	15,460	7,945	8,742
Cook County Total:	115,662					

Care Assistance even if it were offered to them. Some might prefer to have a relative care for the child (with little or no payment). Some parents might not be able to find a child care provider to match their off-hour or changing work schedules. Others might not be able to afford to pay a provider even if they receive Assistance. Some parents with partners stagger their work schedules in order to share caring for their children. Others may have enrolled children in Head Start or Illinois Pre-K and are satisfied with those hours of care.

The figures in Table 1-4, then, should be seen as an upper end of a range rather than an on-target estimate of unmet need for Illinois Child Care Assistance.⁸ We can say that as many as 115,662 of eligible children in Cook County have an unmet need for Illinois Child Care Assistance.

³ Here *low income* means 50 percent of Illinois median income or lower. Of course, a closer look at each region would find that some smaller areas within a region have more heavily concentrated poverty and lower incomes than others.

⁴ Technically the labor force includes unemployed people looking for work. We count these, since parents looking for work need child care.

⁵ Another 27 percent of children live in two-parent families that have only one parent in the labor force.

⁶ In Illinois, parents may be in training or school, but in practice relatively few parents get approval unless they work outside of the home.

⁷ To arrive at the measure of children with a possible unmet need for child care assistance, we (1) combine information on income-eligibility and work-eligibility to estimate the number of children who are eligible for Illinois Child Care Assistance and (2) from this number, subtract the number of children who actually received that assistance in a recent month.

⁸ Of course, some parents who are currently ineligible because they have higher incomes or who are in training or in school might have a need for child care assistance and would use it if they were eligible. In this sense, our estimate *undercounts* some need.

Section II

Child Care Providers

Child care supply in Cook County comes from a rich mix of some 70,000 entrepreneurs including individual providers, educators, non-profit enterprises, for-profit enterprises and public agencies. Appendix 3 discusses some of the factors that enter into the supply of child care. This section examines some critical elements of that supply.

A Child Care Providers in Cook County

In 2004 providers in Cook County increased the amount of child care they offer. This section looks at several dimensions of child care supplied—the number and types of providers there are, their geographical distribution across Cook County and the number of slots they report to us. We also present one factor that influences the amount of supply, the wages of the child care workforce. Section III will present the rates that providers charge parents.

While this section presents basic numbers on available child care in Cook County, it does *not*, for example, forecast how providers would respond if the Illinois Child Care

Assistance Program increased its rates for reimbursing providers for child care or effects of any other changes. In *this* respect the report does not fully present child care supply in Cook County.

Table II-1 shows the best count we can provide of the number of child care programs in Cook County. The table divides child care programs into the type of child care setting they provide—licensed and license-exempt home child care, and licensed and license-exempt center care. These types of child care settings are defined in the Glossary. Appendix 4 discusses the data sources we use and some problems we encounter in calculating these numbers. One feature of the table to note is that from 2003 to 2004 license-exempt centers grew much

faster than licensed centers. This increase mostly reflects the success of Action for Children’s Child Care Resource and Referral program in recruiting license-exempt centers onto its referral database.

Table II-1. Best Counts of Child Care Programs in Cook County*

Type of Program	FY2003	FY2004
Licensed Centers	1,199	1,206
License-Exempt Centers	537	641
Licensed Homes	3,776	3,857
License-Exempt Homes	23,706	26,379
Total Programs	29,218	32,083

*The best currently available source of information for each kind of care. See Appendix 4.

Note that the TOTAL row adds dissimilar homes and centers together, and should be considered a total only for recorded child care establishments irrespective of size.

Table II-2. Child Care Slots in Cook County, FY 2004

Type of Program	1. Providers (From Table II-1, Column 3)	2. Slots Provided by Centers & Homes in Column 1
Licensed Centers	1,206	84,611
License-Exempt Centers	641	28,673
Licensed Homes	3,857	29,140
License-Exempt Homes	26,379	59,880*
Total	32,083	202,304

* Most license-exempt homes do not list child care slots anywhere. For this estimate of slots, we multiplied the number of license-exempt homes by their average actual enrollment (2.27 children) according to Illinois Child Care Assistance Program data. State regulations allow providers without licenses to care for three unrelated children, or more than three children if they are all related to each other. Our estimate assumes that these home providers do not want any additional enrollment, even though they could legally add 19,257 children.

B

Places for Children in Cook County Child Care

Table II-2 shows the number of potential child care slots available with these Cook County providers. The table divides child care programs into the type of child care setting they provide. This number understates the actual number of children in Cook County child care since many providers who are exempt from licensing do not list their slots with any official sources.⁹ Two facts about child care slots in 2004 are worth noting:

- In terms of *known* capacity, centers offered slightly more than half of the capacity in Cook County.¹⁰
- About 75 percent of slots in child care centers in Cook County in 2004 were in licensed centers.

We have some indications that the supply of child care has been growing in Illinois and possibly also in Cook County. According to DCFS data, the

number of *licensed* slots in the state grew 17 percent in the years from FY2000 to FY2004, and since Cook County has 40 percent of all licensed slots in Illinois, the growth in Cook County is probably also roughly 17 percent.

In the listings of the Action for Children Child Care Resource and Referral Program the combined number of both licensed and license-exempt daytime center slots and licensed home care slots in Cook County has grown over 21 percent since 2000, or about 5 percent each year, from about 105,466 to 128,016.¹¹ This count does not reflect the changes in slots available from license-exempt home providers or legally invisible providers over this period. Those providers tend not to list their homes with the Resource and Referral Program.

The Illinois Child Care Assistance Program provides a count of license-exempt home providers and slots in Cook County for the entire year. In Fiscal Year 2004, some 43,600 Cook County license-exempt home providers received Illinois Child Care Assistance payments during at least one month of

Table II-3. Center & Home Child Care Slots In Cook County Regions, 2004

Center and licensed home slots include daytime only. Source: Action for Children Child Care Resource and Referral Program, DCFS, and the Illinois Child Care Assistance Program

Program Type	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Licensed Centers	9,088	11,844	17,716	21,511	7,389	17,063
License-Exempt Centers	5,070	5,912	9,149	5,742	1,949	851
Licensed Homes	2,575	5,009	11,048	2,219	2,482	5,807
License-Exempt Homes	4,063	16,918	28,756	819	2,722	6,601
Total	20,796	39,683	66,669	30,291	14,542	30,322

the year, though the monthly average is just 27,068 providers. These providers can legally care for three unrelated children, although many prefer to care for fewer children.

Of the total of 142,424 center and licensed home child care slots, 77,411 were available in Chicago and 65,013 were in suburban Cook County. Table II-3 shows how these 142,424 slots were distributed among centers and licensed homes in regions of Cook County. It also shows the distribution of the 59,880 known license-exempt home slots.

C Child Care Centers

This section presents some details about the centers listed with the Action for Children Resource and Referral program. Of the 1,206 licensed child care centers in Cook County in 2004, some 88 percent were listed with the Resource and Referral program (1,066 centers). About 89 percent of the slots in licensed centers were listed with the Resource and Referral Program. Given the large participation rates of licensed centers in the Resource and Referral Program, we can be confident that in discussing details about these centers we have a representative view of licensed centers in Cook County.

In 2004 the number of child care slots available in centers listed with the Resource and Referral Program increased by seven percent (see Chart 1). As we noted earlier this sharp rise reflects greater interest by license-exempt centers in listing their programs with the Resource and Referral Program more than a jump in actual supply in Cook County.

Table II-4 shows the distribution of 97,592 slots in licensed and license-exempt child care centers among different age groups in different regions of Cook County in 2004.¹² Overall, the total age-identified center slots are split almost equally between Chicago and suburban Cook County regions.

It is often noted that infant care and school-age care are among the most difficult for parents to find. The table confirms this observation. With a

total of 2,770 slots, fewer places exist for infants than for any other age group under school age. Programs for school age children, with a total of 18,797 slots for all age groups, have the lowest number of slots per age. There are about twice as many Resource and Referral Program slots listed for just three and four year olds as there are for the entire school age group, ages 6 through 12.

A comparison of suburban Cook County center slots with Chicago center slots reveals unequal balance in different age groups. Suburban Cook County has 63 percent more center slots for children under three years-old than the city of Chicago has: 10,558 slots to 6,469. Again, however, Chicago has disproportionately more center slots for the three through five year-old age range: 35,525 slots to 26,243 slots.

Chart II-1. Trend in Child Care Center Slots

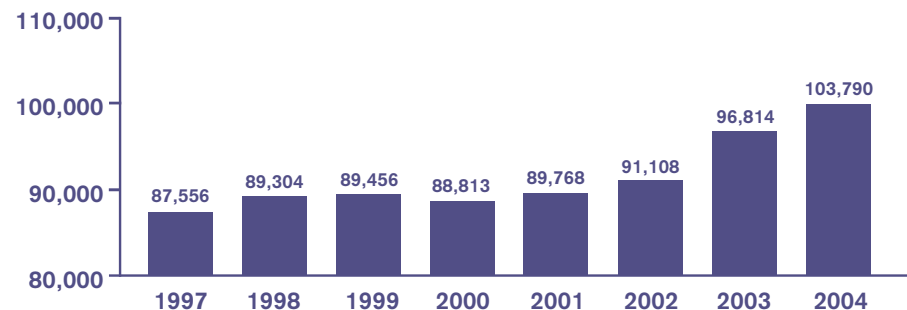


Table II-4. Child Care Center Slots in Cook County by Age in 2004

Source: Action for Children Child Care Resource and Referral Program

Age	N & NW Chicago	C & W Chicago	S & SW Chicago	Chicago Total	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook	Suburban Cook Total	Total
Infant	115	298	340	753	1,239	193	585	2,017	2,770
Toddler	229	336	533	1,098	1,516	265	878	2,659	3,757
2 Years Old	1,027	1,201	2,390	4,618	3,343	798	1,741	5,882	10,500
3-4 Years Old	4,121	5,809	9,801	19,731	7,927	2,721	3,960	14,608	34,339
5 Years & K	3,325	4,978	7,491	15,794	6,682	1,806	3,147	11,635	27,429
School Age	2,615	2,731	4,376	9,722	5,791	1,817	1,467	9,075	18,797
Total	11,432	15,353	24,931	51,716	26,498	7,600	11,778	45,876	97,592

D Access to Centers for the Neediest Children

Many families need to use public child care assistance programs to purchase child care for their children. The Action for Children Child Care Resource and Referral Program collects some relevant data about Cook County centers’ responsiveness to this need in 2004:

- Sixty-seven percent of the listed licensed and license-exempt centers in Cook County—825 centers—accept children who use Illinois Child Care Assistance.¹³

- Fewer centers accept the Department of Children and Family Services assistance, mostly for foster children: 428 centers, or thirty-five percent.
- 240 centers have direct public-sector contracts, and 71 percent of these are in Chicago (compared to 77 percent in FY2003).

It is probably fair to say that for many centers the public child care assistance programs represent a significant source of income.

E Licensed Child Care Homes

Some parents find that child care homes respond better than centers to a child’s or family’s needs. For example, in Section H we shall see that very few centers offer overnight or weekend care and only a few offer evening care, while as many as 41 percent of licensed child care homes offer some of this care. Parents who prefer to place their children in child care homes can choose between licensed homes and smaller license-exempt homes.

For licensed homes, the Department of Children and Family Services had listed 3,857

licensed family and group child care homes in Cook County as of June 2004. This is an increase of 2.1 percent from 2003, with daytime slots for 29,140 children. The large majority are family child care homes, which can have a legal capacity up to 12. A few group homes can have a legal capacity up to 16.¹⁴ The actual average licensed capacity, however, is considerably lower: 7.6.

Table II-3 [above] showed how the 29,140 listed slots break down by the six Cook County regions.

To explore details about licensed child care homes, we can turn to the Action for Children Resource and Referral Program listings. Seventy-seven percent of licensed homes and about 83 percent of the slots in licensed homes in Cook County were listed with the Resource and Referral Program in June 2004: 2,984 licensed family and group homes with slots for some 24,226 children.

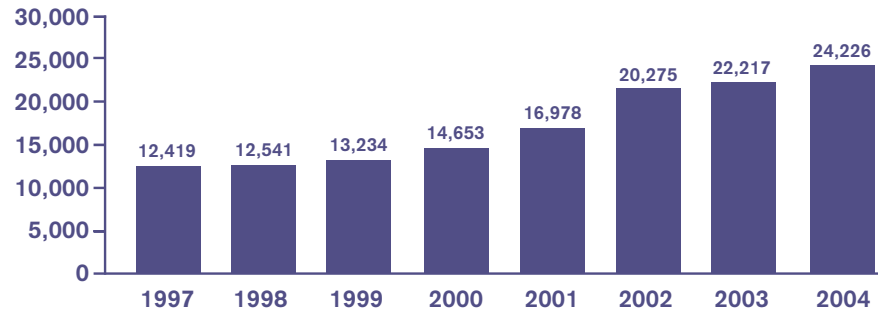
Details on these listed homes showed that 97 percent (some 2,898) reported that they accept children with Illinois Child Care Assistance. About 61 percent reported that they accept children who have DCFS assistance.

Two-thirds of the child care spaces in licensed homes are located in Chicago, while the other third is in suburban Cook County.

The capacity of licensed home providers listed with the Resource and Referral Program has grown 65 percent since 2000, or about 16 percent each year. Chart 2 shows this growth. As with centers, some of this growth is due to more comprehensive registration by homes with the Resource and Referral Program rather than actual capacity growth in Cook County.

Chart II-2. Licensed Child Care Home Slots

Source: Action for Children Child Care Resource and Referral Program, 2004



F

Detailed Geographical Distribution of Child Care Slots

Maps 1 and 2 show how center and licensed home slots added together are spread across the geography of Chicago and suburban Cook County. While providers offer more child care slots in Chicago than in suburban Cook County, there is a wide variation in the number of slots in both suburban Cook and Chicago neighborhoods. License-exempt home slots are not included here because the data we have provide only a portion of a widely unknown supply, and because the supply of license-exempt home care is more variable than licensed care. We explain further in the next section.¹⁵

G

License-Exempt Home Providers

Home providers who have license-exempt status may legally care for as many as three unrelated children who are not their own children. Although we provisionally estimated slots in known license-exempt homes in Table II-3, the reader should be aware that many, though not all, license-exempt home providers do not offer child care slots or spaces in the same way that centers and licensed homes do. Instead, many are relatives, neighbors or family friends who choose to care for *particular* children for particular periods of time rather than offer care to any child as part of an on-going

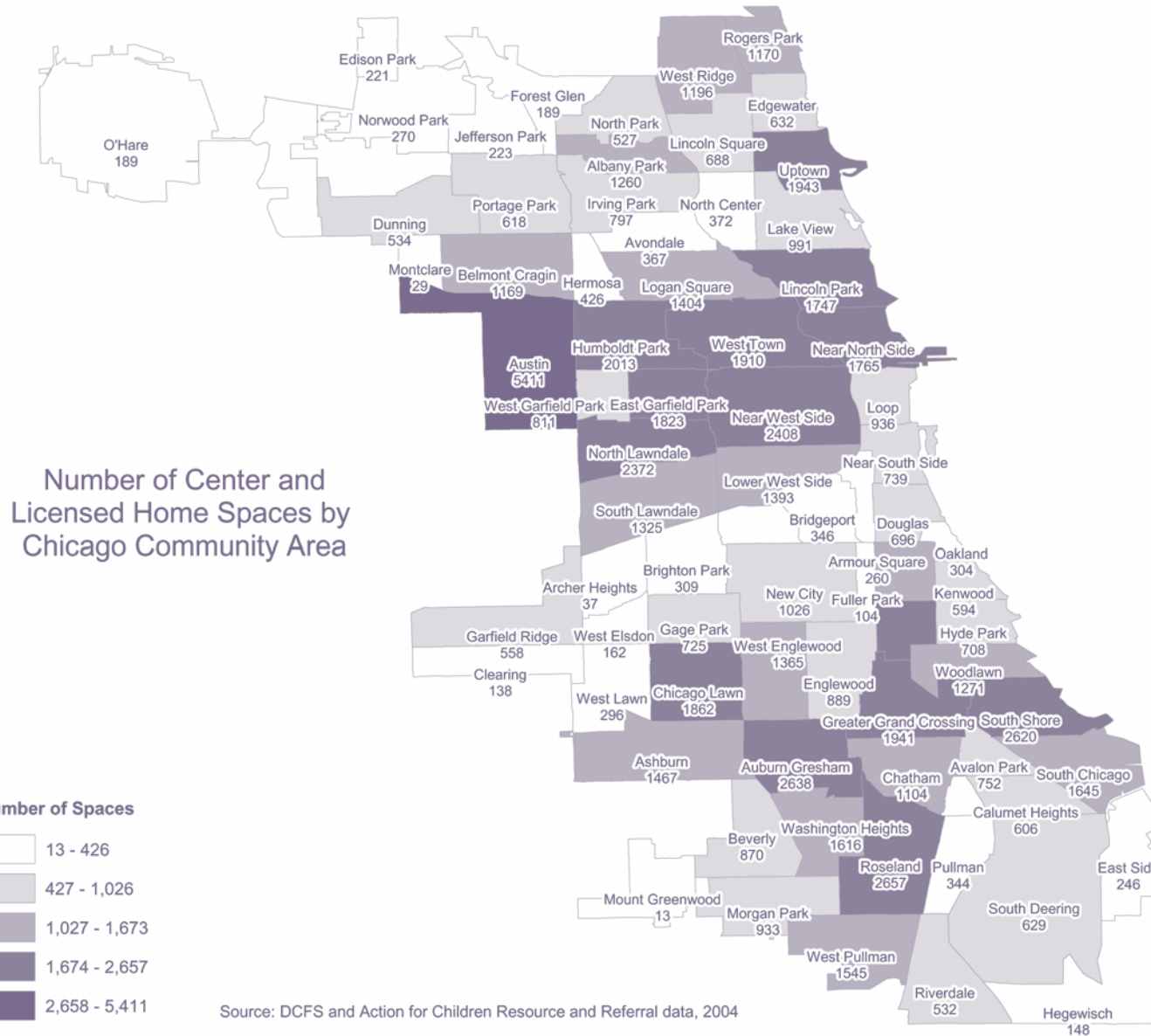
business. In fact in Cook County, license-exempt providers for whom we have records could legally offer care to over 19,000 additional children.

Neither the Department of Children and Family Services nor the Child Care Resource and Referral Program has significant information on license-exempt providers, although we learn more every year through the Resource and Referral Program. We know most about those license-exempt home providers who receive payments from the Illinois Child Care Assistance Program for providing child care to low-income working families.

Chart 3 shows how prevalent license-exempt care is among families that receive Illinois Child Care Assistance. This chart compares families' usage of center care, licensed home care and license-exempt home care in different age groups. In each age group, use of home care predominates over center care, and *license-exempt* home care is used more than other types of care.

In a recent month there were 26,379 license-exempt home child care providers in Cook County receiving payment through the Illinois Child Care

Map 2: Center and Licensed Home Slots in Chicago Community Areas



Source: DCFS and Action for Children Resource and Referral data, 2004

H

Non-Traditional Schedules

Only about 29 percent of Americans who have full time jobs work traditional hours, that is, work only during the daytime on weekdays when most child care programs are available.¹⁸ The remainder work non-traditional schedules involving at least some evening, night or weekend hours. Many also work schedules that change periodically, either predictably or irregularly. Some of the most common or fastest-growing jobs require non-traditional hours, including retail and food services, office cleaning, hospitals and nursing homes and factory work. In general, low paying jobs are more likely to require parents to work non-traditional schedules than better paying jobs.¹⁹ These work schedules give rise to one of the most intractable problems facing many parents seeking child care. Relatively few programs accommodate parents' needs for various types of child care including: evening, overnight, weekend, rotating work shifts and last minute changes in work shifts.

Chart II-3. Type of Care Used by Child Age: Cook County Families With Child Care Assistance

Source: Illinois Child Care Assistance Program data, March 2004

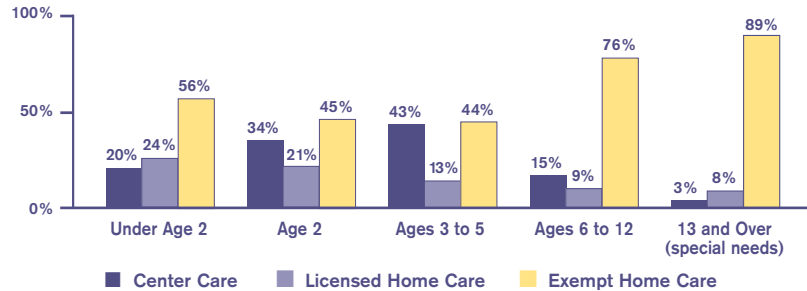


Table II-6 shows the number of centers and homes in Cook County available for Action for Children to refer parents to for evening child care, overnight care, weekend care and care during rotating shifts. It also shows the percentage of all centers and homes in the Resource and Referral Program that offer care during non-traditional hours.

Several facts in the table stand out about the availability of child care during non-traditional hours. First, relatively few centers or homes offer care during non-traditional hours. In terms of both numbers and percentages, child care homes offer much more non-traditional hours of care than centers offer.

This confirms the frequently-heard comment that child care homes are more flexible than

center programs in accommodating parents' work schedules. It should be noted, however, that since the average center serves many more children than the average homes does, the actual totals of children who can be served by each type of program are comparable. What does offer greater flexibility for parents is the geographical spread of homes: 1,359 home sites in Cook County offering non-traditional hours are geographically more convenient for parents than the 113 center sites. Finally, noteworthy differences exist between Chicago and suburban Cook County. While suburban Cook County has a slight majority of centers offering care during non-traditional hours, Chicago has 71 percent of the homes offering such care.

Chart II-4. Type of Care Used by Families With Child Care Assistance, By Region

Source: Illinois Child Care Assistance Program data, July 2004

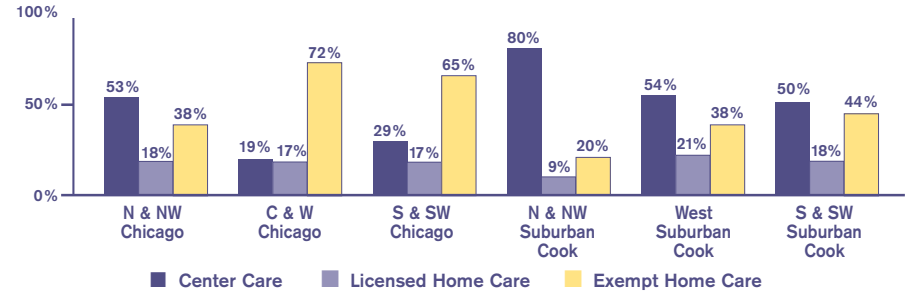


Table II-5. License-Exempt Home Child Care Providers, March 2004

Source: Illinois Child Care Assistance Program

Type of Care	Region					
	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Home of Non-Relative	222	583	994	45	115	244
Relative's Home	631	2,734	4,452	110	459	1,168
Non-Relative in Child's Home	460	2,254	3,896	82	305	762
Relative in Child's Home	477	1,882	3,326	124	320	734
Total	1,790	7,453	12,668	361	1,199	2,908

Child Care Labor Costs and Turnover

Salaries are a major factor that affect how much child care centers and homes will provide in

Cook County. Salaries and benefits generally account for well over half of a center's expenses.²⁰ The higher staff compensation is, the harder it is for providers to offer child care unless they can charge higher fees.

Staff salaries and benefits also affect the *quality* of the child care supplied by centers and

Table II-6. Cook County Providers With Non-Traditional Care

Source: Action for Children Child Care Resource and Referral Program

	Chicago	Suburban Cook County	Total	Percent of all Listed Centers or Homes
Centers with Any Non-Traditional Care	52	61	113	7%
Evening	12	6	18	1%
Overnight	0	1	1	0%
Weekend	13	3	16	1%
Rotating Shifts	34	55	89	5%
Homes with Any Non-Traditional Care	962	397	1,359	41%
Evening	447	147	594	18%
Overnight	207	69	276	8%
Weekend	179	77	256	8%
Rotating Shifts	656	282	938	28%

homes. Better trained, more experienced and more skilled teachers, for example, will generally cost a center or home more to hire and retain than less trained, less experienced and less skilled staff. One major aspect of quality, an enduring relationship between provider and child, suffers when lower compensation makes it difficult to retain staff. On average, the center or home that pays below going rates for staff will offer lower quality care (though of course, this is true only on average, and not for all programs).

Child care providers thus face the dilemma of trying to keep staff compensation low in order to stay in business, but needing

to keep compensation high in order to maintain high quality.

It is no secret that child care workers are generally not well-paid. In Cook County in 2003, full-time center teachers in full-year licensed programs earned an average of \$10.50 per hour, while assistant teachers earned \$8.50.²¹ This amounts to less than half of what elementary school teachers earn (in a system fully subsidized by the public sector). Elementary school teachers, moreover, are more likely to have benefits such as health insurance and retirement plans than are child care teachers.

A consequence of low compensation rates in child care is high turnover among child care staff.

We do not know turnover rates for Cook County, but we know that in Illinois for every 100 early childhood teachers working for centers in 2003, some 38 left their jobs in the previous two years. Of every 100 assistant teachers, fifty-five left their jobs. As a further consequence of this high turnover rate, in 2003 43 percent of center teachers and 59 percent of assistant teachers had been at their current job for two years or less.²² Since one reason child care experiences such workforce instability is inadequate compensation, studies find that low quality is generally correlated with low cost.

9 Even when the number of slots is known, it is only an estimate of the number of children served. Some providers might have empty slots, in which case the number of slots exceeds the number of children in the care of these providers. On the other hand, two or more part-time children might fill some slots, in which case the number of children in care exceeds the number of slots.

10 The very considerable *unknown* license-exempt care would, if known, place home care slots in the majority.

11 The reader should note that this increase reflects both actual growth of slots and improved listings of existing daytime slots. Summer camp-only programs are not counted here.

12 These are slots for which an age is specifically mentioned. There may be some double counting in as much as a center might offer a slot to either four-year-olds or five-year-olds. About 6,000 slots have no age attached.

13 In this and the next item centers that are Pre-K or Head Start-only programs are not included in the percentage.

14 A home's operator might not want to provide care for the home's full legal or licensed capacity.

15 The fact that many, though not all, license-exempt homes do not strictly offer slots but have more personal and variable enrollment creates enormous problems for estimating child care supply and demand. A related but smaller problem is that while centers and homes are legally licensed for a certain number of children, some restrict their actual enrollment to a smaller number.

16 Since some parents use more than one type of child care while their care is active, percentages can exceed 100 percent.

17 Sixty-four homes could not be placed in a region.

18 Harriet Presser, *Working in a 24/7 Economy: Challenges for American Families* (New York: Russell Sage Foundation, 2003), p. 15.

19 *Ibid.* pp. 20-25.

20 A study of Massachusetts' child care centers found that 71 percent of an average center's expenses go to salaries and benefits. *The Cost and Quality of Full Day Care, Year-round Early Care and Education in Massachusetts* (A study prepared for the Massachusetts Department of Education by the Wellesley College Centers for Women, 2001).

21 *Illinois Salary and Staffing Survey of Licensed Child Care Facilities: Fiscal Year 2003* (A study prepared for the Department of Human and Community Development by Dawn Ramsburg, Dale Montenelli and Emily Rouge, April 2004.) Table 21. Cook County salaries were not low by comparison with other counties in Illinois, although teachers in Lake, McHenry, Kane and DuPage Counties earned as much as Cook County teachers or more. A new survey will be conducted later in FY2005.

22 *Ibid.*, Tables 7 and 16.

Section III

Child Care Rates

In economic theory, the price of child care is determined by levels of demand and supply. If the demand for child care is greater than the amount supplied, the price will rise, while the price will fall if supply exceeds demand. Whether or not a child care market actually works this way in Cook County requires a special study. This section presents basic price information that can provide a foundation for a study of supply and demand dynamics: Average rates for care for different age groups in Cook County and some information on trends in rates.

A

Average Rates

Tables III-1 and III-2 present the average market rates that 643 child care centers and 2,690 homes respectively charge parents in the six regions of Cook County. Action for Children’s Child Care Resource and Referral Program collects these rates for full time and part-time child care.

Tables III-1 and III-2 show that sharp differences occur in rates charged depending upon the age of the child and the region in which the care occurs. In child care, it is well-known that the younger the children, the more expensive it is to provide their care, largely because regulations forbid an adult from caring for as many younger children as older children. Reading these tables across every row, from younger to older child, will confirm that the younger the child, the more providers charge.

Table III-1. Child Care Center Full-Time Weekly Rates, 2004

Licensed and License-Exempt Centers, FY2004.

Source: Action for Children Child Care Resource and Referral Program

	Infant	Toddler	2 yrs old	3-4 yrs old	5 yrs old & K	Before/ After School
N & NW Chicago	\$196	\$183	\$152	\$137	\$133	\$86
C & W Chicago	\$199	\$199	\$165	\$145	\$141	\$98
S & SW Chicago	\$166	\$160	\$123	\$110	\$108	\$76
N & NW Suburban Cook	\$238	\$215	\$190	\$169	\$156	\$98
West Suburban Cook	\$202	\$178	\$148	\$136	\$132	\$94
S & SW Suburban Cook	\$174	\$162	\$141	\$128	\$123	\$87
IDHS Full Time Payment Rates	Under 2-1/2 Years Old 168.85 per week 33.77 per day		2-1/2 Years Old and Older 121.70 per week 24.34 per day			School Age 60.85 per wk 12.17 per day

Table III-2. Child Care Home Full-Time Weekly Rates, 2004

Licensed and License-Exempt Centers, FY2004.

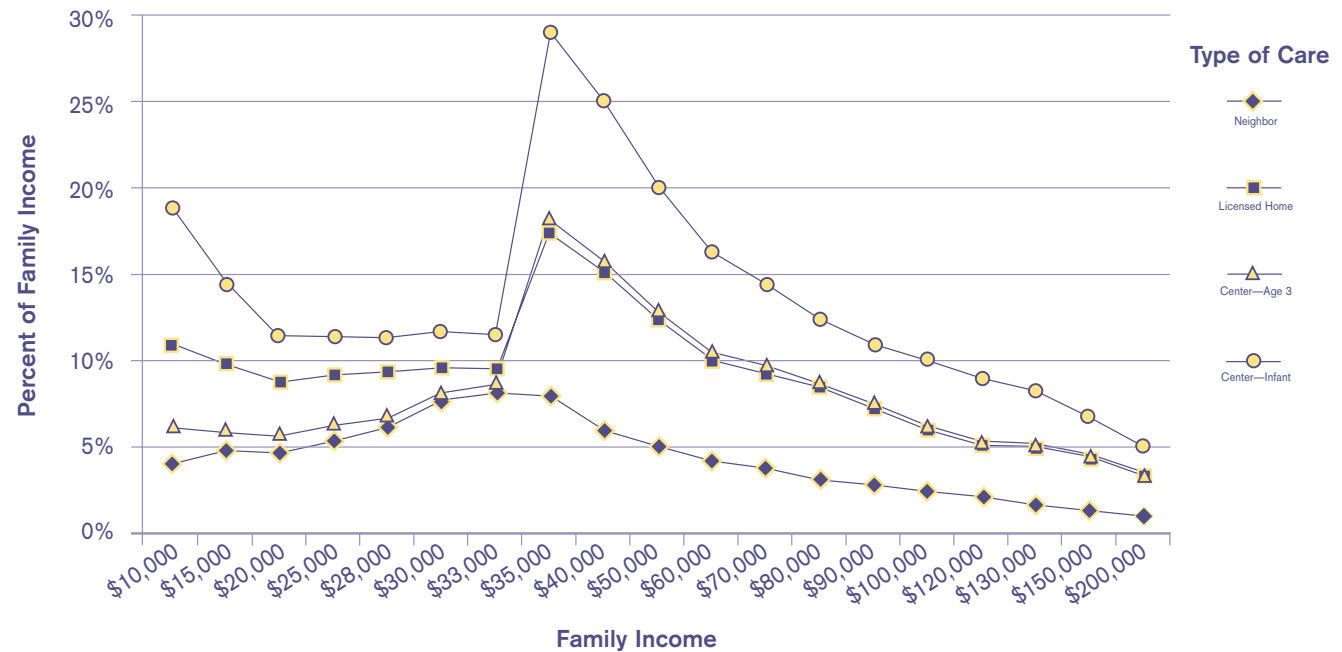
Source: Action for Children Child Care Resource and Referral Program

	Infant	Toddler	2 yrs old	3-4 yrs old	5 yrs old & K	Before/ After School
N & NW Chicago	\$144	\$138	\$134	\$130	\$126	\$99
C & W Chicago	\$120	\$116	\$112	\$108	\$106	\$78
S & SW Chicago	\$116	\$112	\$110	\$105	\$102	\$75
N & NW Suburban Cook	\$173	\$169	\$165	\$163	\$160	\$100
West Suburban Cook	\$136	\$129	\$126	\$122	\$119	\$80
S & SW Suburban Cook	\$121	\$116	\$113	\$109	\$105	\$75
IDHS Full Time Payment Rates	Under 2-1/2 Years Old Licensed Homes: 107.65/wk 21.53/day; L-E Homes: 47.40/wk, 9.48/day		2-1/2 Years Old and Older Licensed Homes: 102.50/wk, 20.50/day L-E Homes: 47.40/wk, 9.48/day			School Age L:51.25/wk, 10.25/day; L-E: 23.70/wk, 4.74/day

The south and southwestern regions of both Chicago and suburban Cook County generally have the lowest rates. This probably reflects the lower levels of family incomes and less ability to pay for care in these regions. It might also reflect the fact that there are relatively more providers—in most kinds of care—in these communities. [See Tables II-3, II-4, II-5, II-6, and II-7.] Private and public sector entrepreneurs have been relatively successful in building needed child care capacity in many of these communities, and this might keep their average rates lower. One finding is peculiar: The central and west Chicago region has low *home* child care rates but the second highest *center* rates of all regions. Ordinarily economists would expect the low cost of child care home providers to undercut center rates, but in this region, apparently, a number of parents do not switch to home child care despite the differences in rates.

Chart III-1. What Families Need to Spend on Child Care

Family Size of 4, 1 Child in Care.



B Affordability

As the previous tables indicate, child care places a costly burden on families. For example, according to the US Census, the typical (median) family income in Chicago was \$40,879 in 2003, before taxes.²³ Care for one infant in a Chicago child care center, at an average cost of \$182 per week, or \$9,100 over a fifty-week year, costs 22 percent of the typical Chicago family

income. At \$8,800 per year, toddler care takes up almost the same portion of the family income.

The median rent in Chicago in 2003 was \$8,904, according to the same US Census report. By this measure, infant care in Chicago centers is just as expensive as rent for the typical Chicago family, and toddler care is almost as expensive. Similarly, child care is more expensive than average fees and tuition at State colleges and universities in Illinois. At \$6,565, these

average fees and tuition cover only 72 percent of the cost of infant care in Chicago centers and 62 percent of the cost of infant care in suburban Cook centers.²⁴

As we have seen, the Illinois Child Care Assistance Program was designed to help working parents who earn less than 50 percent of the state's median family income afford child care. Child care advocates and policy makers are keenly interested in whether the Illinois Child Care Assistance Program enables

low-income parents in Cook County to afford quality child care. While Tables III-1 and III-2 do not answer this question completely, they suggest an answer. The last row of each table presents how much the Assistance Program pays to providers for different types of care. As these rows indicate, the rates that the Assistance Program pays to Cook County centers and homes in almost all cases *fall below the average rate* that centers and homes actually charge parents.

Under the Illinois Child Care Assistance Program, moreover, parents must make a co-payment: they pay the provider a part of the Assistance rate listed in the bottom row of Tables III-1 and

III-2. The amount of a family’s co-payment depends on its income. A family of three must pay at least \$1.00 and as much as \$43.00 per week with one child in care (or \$74 for two children). Additionally, since the average provider reporting in Cook County charges more than what the Assistance Program will pay them, parents may also have to pay that difference on top of co-payments required under the Assistance Program (or else they must convince their providers to accept a lower payment than they normally charge parents).

It is fair to conclude that even after receiving State Assistance a families’ choice of provider and the quality of options can

remain seriously limited. While hearsay evidence indicates some providers do work with the family to determine an acceptable rate, many providers cannot afford to reduce their rates to meet families’ ability to pay.

Another affordability issue for families of modest income is that the Illinois Child Care Assistance Program cuts them from the program if their income rises above a relatively low level. For example, a family of three with an income of \$29,100 is ineligible for Assistance. Yet even a relatively modest weekly expenditure of \$170 for infant or toddler care would take a large 29 percent of this family’s income. Chart III-1 shows the same problem faced by a work-

ing family of four. At an income of \$35,000 this family loses its eligibility for Illinois Child Care Assistance, and without this Assistance the cost of infant or toddler care in Cook County shoots up from 11 percent of the family’s income to almost 29 percent. Having two children in care can double the percentages of a family budget that child care requires

Action for Children believes the Child Care Assistance Program needs to raise its level of payments to providers closer to rates that providers actually charge in Cook County, primarily to relieve pressure on parents to pay more to providers than their required co-payments. Moreover, while the Program has recently increased the level of income eligibility that cuts a family off from Assistance, many additional working families currently struggling to pay for child care need to be made eligible for Assistance. Eligibility cut-offs need further examination.

Table III-3. 2003 Average Weekly Market Rates & Rate Increases Since 2000

Source: Action for Children Child Care Resource and Referral Program. Rounded to nearest dollar or percent.

Age	Chicago Centers	Percent Growth Since 2000	Chicago FCC	Percent Growth Since 2000	Suburban Cook Centers	Percent Growth Since 2000	Suburban Cook FCC	Percent Growth Since 2000
Infant	\$182	4%	\$122	10%	\$213	17%	\$140	6%
Toddler	\$176	7%	\$118	10%	\$192	17%	\$134	5%
2 yr old	\$137	21%	\$115	11%	\$165	19%	\$131	5%
3-4 yrs. old	\$124	17%	\$110	11%	\$148	17%	\$128	4%
5 yr old	\$121	15%	\$107	10%	\$141	12%	\$123	3%
Before or After School	\$83	27%	\$79	30%	\$94	17%	\$81	18%
School Age Summer	\$121	39%	\$105	21%	\$136	13%	\$113	14%

C

Trends in Child Care Rates

If we know how child care rates change over a period of years, we can infer many things about supply and demand. For example, if the rate for one type of child care rises very fast over several years, we might put this together with other information to conclude that demand has increased. On the other hand, additional information might lead us to conclude not that demand has increased, but that supply has decreased (perhaps because programs have closed, forcing parents to pay more for the relatively fewer remaining slots of a certain type). We will not draw these conclusions here, but we do look at basic trends in child care rates.

Table III-3 presents the aggregate rate increases in centers and homes for all of Chicago and all of suburban Cook County.²⁵ The dollar columns show the most recent rates for different age groups in Chicago and suburban Cook County centers and family child care homes (FCC). Next to each rate is a column that presents the

percent increase over the four years from July 2000 to July 2004.

Last year we reported that the more rapid growth in child care rates occurred in child care centers rather than among homes. This remains partially true this year with some important exceptions in Chicago in the young and older age groups. We can put this information together with the fact that the number of slots appears to be growing in both centers and homes. It thus appears that Cook County parents—or those who can afford to pay for care—have a demand for center care growing faster than their demand for home care, especially in the ages above toddler.

For both centers and homes, except in the younger age groups, Chicago has experienced more rapid child care rate increases over these four years than has suburban Cook County. In almost every case the percentage increases for Chicago slots is larger than the comparable center or home care for suburban Cook County. In another notable trend, before-and-after-school care rates have generally risen faster than other types of care, especially in Chicago.

²³ 2003 American Community Survey, US Census Bureau. This is the last year available at the time of writing. The Census does not present data on the entire suburban Cook County as we do.

²⁴ Average annual tuition and fees paid for a 4-year public institution in Illinois, from www.collegeillinois.com.

²⁵ This year's report uses a new state data collection tool, NACCRRAware, and our calculations of average rates may be especially sensitive to this tool. While some rate trends based on the new collection tool were not surprising, a few were. For example, in southern and southwest Chicago average rates for infant care fell from \$175 per week in 2003 to \$166 as reported in Table III-1 and in central and western Chicago weekly infant rates fell by \$29 for 2003 to 2004. Both changes are large enough to suggest taking some care in interpreting the results. Since substantially more centers reported their rates this year, 2004 data might be more accurate.

Section IV

Child Care Referrals

Child care in Cook County is more readily available in some communities than in others. It is also more abundant for children of certain age groups than others. Even when a community has child care openings, factors such as affordability, hours of care needed, a child's specific needs, as well as a parent's particular preferences, can affect a family's success in finding care.

The State of Illinois assists parents in their search for child care by funding Child Care Resource and Referral agencies to provide child care referrals to parents. Action for Children is

the Resource and Referral agency administering the referral service in Cook County. Action for Children child care consultants do not recommend specific child care providers to parents, but they do generate a custom list of providers that match a family's specific needs and preferences. They also educate parents on quality care indicators to help them find settings they feel they can trust.

The data presented here provide a useful picture of child care demand in Cook County but do not represent the entire group of families in the county

in need of child care. Many Cook County families find child care on their own, through word of mouth or using other resources.

Also, since most child care settings listed with Action for Children are what we might consider "formal" care—child care centers, preschools and licensed family child care homes—our data do not fully represent parents who use relative, friend or neighbor care and who do not seek out other options. A small but growing number of license-exempt family child care homes are listed on the referral database.

In 2004, 13,911 families, representing 19,890 children, received child care referrals from Action for Children. Of these families, 71 percent lived in Chicago, 27 percent in the surrounding suburbs and the remaining 3 percent lived outside Cook County. These percentages are similar to those of 2003.

A

Child Care Schedules

Almost all parents using the referral service in 2004 were in need of full-year care and full-day care. While the majority of children needed care for the traditional Monday through Friday day-time schedule, 13 percent needed care during evening hours or overnight, and eight percent needed child care during weekend hours. Chart IV-1 gives the number of children in need of evening, overnight and weekend care for Chicago and suburban Cook County.

As seen in Section II, child care outside of the traditional hours is limited, particularly care in centers, where only 7 percent offer care during non-traditional hours. In comparison, 41 percent of family child care homes provide care during some non-traditional hours.

Chart IV-1. Children in Need of Non-Traditional Hours of Care

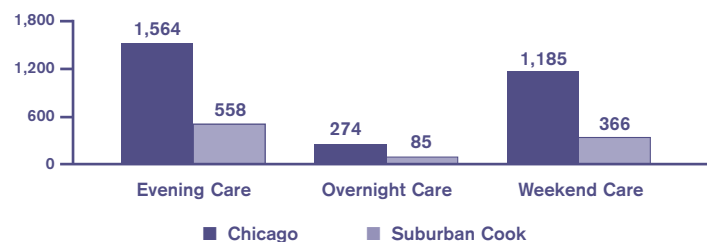


Table IV-1. Requests for Child Care by Age

Source: Action for Children Child Care Resource and Referral Program, 2004

Age	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook	Cook County Totals
Under 2	2,041 44%	1,134 39%	2,346 36%	746 45%	698 40%	684 33%	7,649 39%
2 Years Old	676 15%	460 16%	1,005 16%	211 13%	221 13%	252 12%	2,825 15%
3-4 Years Old	958 21%	593 21%	1,467 23%	332 20%	385 22%	424 21%	4,159 21%
5 Years & K	258 6%	168 6%	407 6%	103 6%	126 7%	169 8%	1,231 6%
School-Age	672 15%	512 18%	1,241 19%	278 17%	295 17%	535 26%	3,533 18%
Total	4,606 100%	2,868 100%	6,467 100%	1,671 100%	1,726 100%	2,065 100%	19,398 100%

B Age of Child

As in 2003, care was most often requested for children under age two—39 percent of all requests. The percentage of requests for children under 2 was somewhat higher on the north side of the county, (44 percent for NNW Chicago and 45 percent for NNW Suburban Cook), while lower on the southern side of the county, (36 percent for SSW Chicago and 33 percent for SSW Suburban Cook). See Table IV-1 for the breakdown of referral requests by child age and region.

As discussed in Section II, the number of slots available for children under age two is the lowest of all age groups. Only seven percent of all center slots are for infants and toddlers. This limited supply of slots is not surprising, since it is very costly to provide care for this age group. Many families with infants and toddlers look to family child care homes for care; however, even family child care homes, understandably, are limited by law to watching three children under age two at one time unless an assistant is present.

C Cost of Care

As discussed in Section 3, the cost of child care can consume a large portion of a family's budget.

Several resources exist to help families meet their child care costs. The Illinois Department of Human Services (IDHS) offers the Illinois Child Care Assistance Program. Through this program, the State reimburses the family's chosen child care provider for his or her services. Some child care centers also have direct contracts with the State. The Department of Children and Family Services (DCFS) offers a second form of child care assistance by providing child care vouchers to families with foster children. Third, Head Start and Pre-Kindergarten programs provide free early education for low-income and/or academically at-risk children. In addition to these government resources, a number of child care providers help parents

meet the cost of care by offering multi-child discounts, sliding scale fees or negotiable rates.

In 2004, eighty percent of families seeking referrals had incomes at or below 50 percent of the state median income, making them eligible for the Child Care Assistance program if they were working or in an approved training program. To take advantage of this financial assistance, these families had to locate a provider who accepted the IDHS or DCFS vouchers or had a contract with IDHS. Chart IV-2 shows the number of children represented in requests for these child care providers by region.

D

Special Needs Care

In 2004, 784 children with one or more special need were represented in referral requests. Of all children with a special need, over 35 percent had a developmental delay and over 25 percent had asthma or severe allergies. Chart IV-3 shows the number of children with each type of need.

Families with children with special needs were asked to complete a follow up survey about their experience in finding child care. Of the 293 who responded, 22 percent said they were still in search of a child care provider. This percentage is similar to that of all parents using the referral service who completed a follow-up survey, as we will discuss next.

Chart IV-2. Children Represented in Requests for Providers Accepting Illinois Child Care Assistance or DCFS Vouchers

Source: Action for Children Child Care Resource and Referral Program, 2004

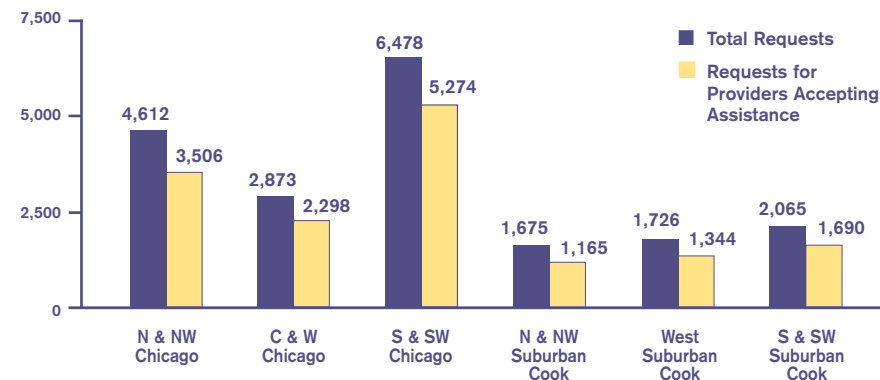
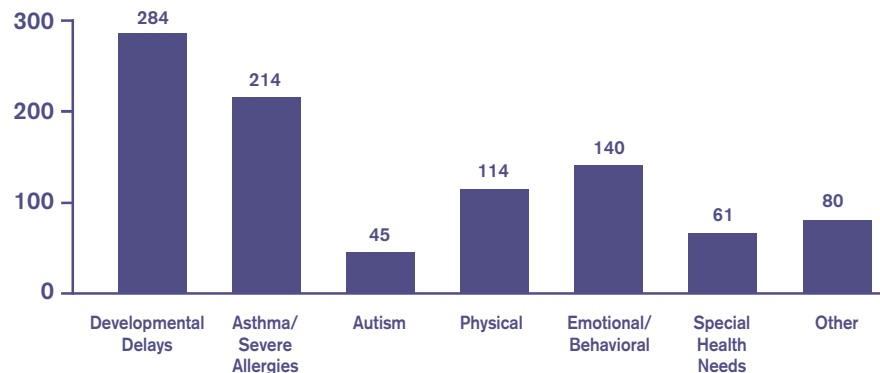


Chart IV-3. Type of Special Needs Requests

Source: Action for Children Child Care Resource and Referral Program, 2004



E

Problems Finding Care

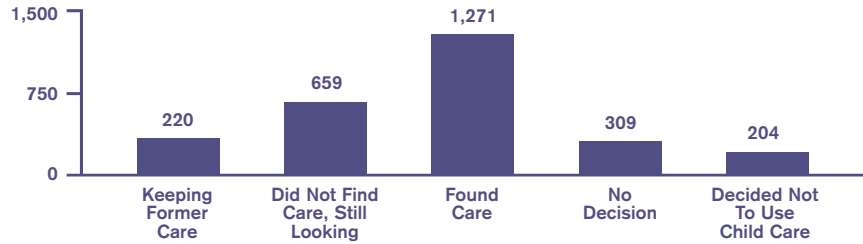
Twenty-two percent of all families who used the Resource and Referral service in 2004 completed a follow up survey regarding their search for child care. Of parents who responded, 23 percent said they were still looking for care, while 43 percent reported they found care. (See Chart IV-4.)

In their child care search, 47 percent of families stated they had no problems finding care. Of families reporting one or more problems, the top issues they encountered were no openings and problems with schedules or the location of care. Of course, many of these problems are interrelated—a parent might find no openings at the cost they can afford in the areas in which they are searching. Chart IV-5 shows the frequency of problems encountered.

Parents were surveyed on the top three reasons why they chose their new child care provider. Chart IV-6 shows the top reasons of the 1,282 respondents; these were location, schedule and a warm and caring

Chart IV-4. Follow Up Survey: Ability to Find Child Care

Source: Action for Children Child Care Resource and Referral Program, 2004



environment. There are some noticeable, though not surprising, variances among age groups. Parents with infants and toddlers more frequently based their choice on “warm and caring environment” and “small group size” than parents of pre-

school age children more frequently reported “educational environment” as a reason for choosing care; while parents of school age children were more likely to report that “schedule” was a top reason they chose the care they did.

Chart IV-5. Problems Encountered When Seeking Child Care

Source: Action for Children Child Care Resource and Referral Program, 2004

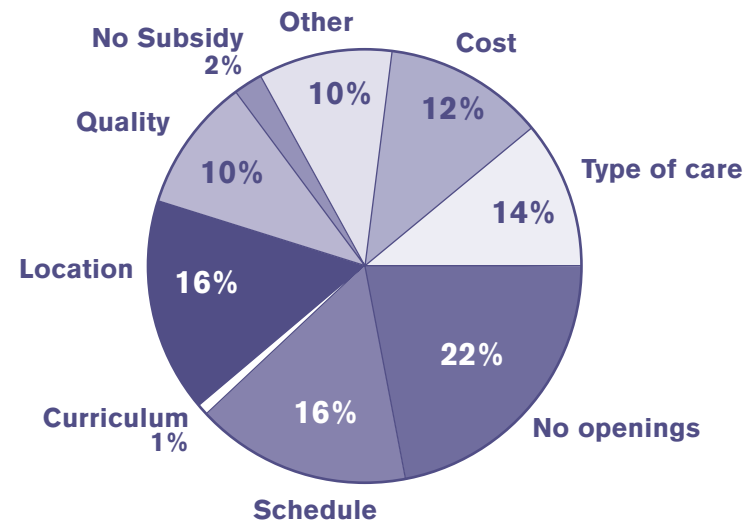
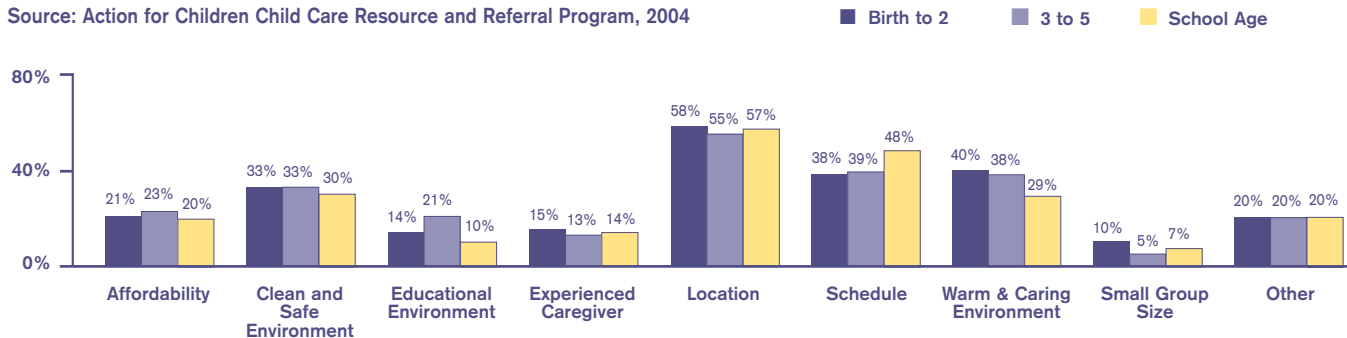


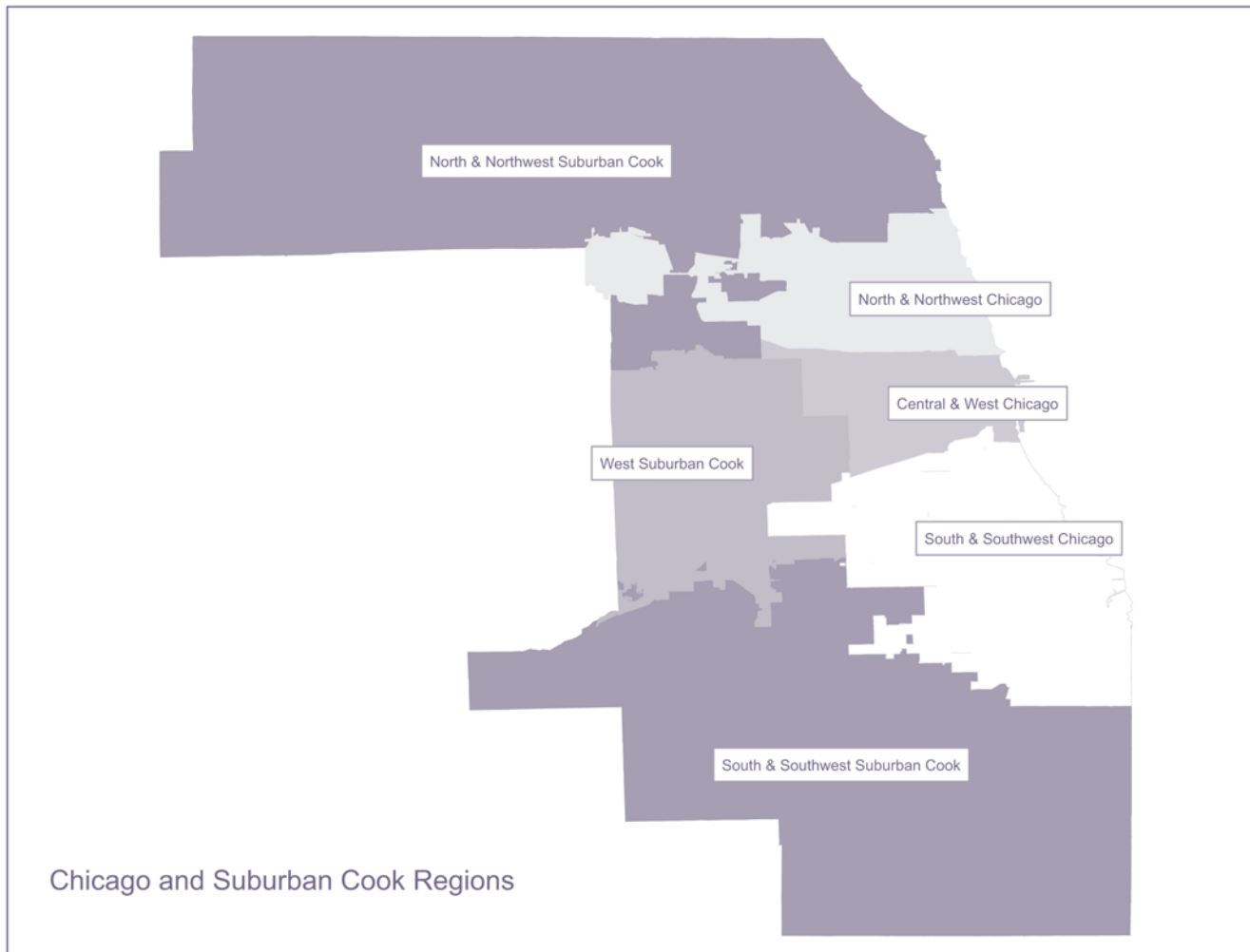
Chart IV-6. Reasons Parents Chose Their New Provider, by Child Age

Source: Action for Children Child Care Resource and Referral Program, 2004



Appendix 1

The Six Cook County Regions



Through out this *Report* we divide Cook County into six geographical regions: three in Chicago and three in suburban Cook County. The map and tables on the next two pages of this Appendix define the six regions.

The most recognizable form of Chicago geographical units are the Chicago Community Areas, which correspond to city neighborhoods. This Appendix places the seventy-seven Chicago Community Areas into three Chicago regions: North and Northwest; Central and West; and South and Southwest.

The most recognizable Cook County geographical units are municipalities. The Appendix identifies the three suburban Cook County regions according to the Cook County municipalities belonging to each region: North And Northwest; West; and South and Southwest.

When presenting census data for Chicago and Cook County in this report, we built our aggregate units from data for the individual Chicago Community Areas and municipalities. Our aggregate data, therefore, may deviate somewhat from aggregate data provided by the US Census.

2004 Report on Child Care in Cook County: Elements of Child Care Supply and Demand

North and Northwest Suburban Cook	West Suburban Cook	South and Southwest Suburban Cook	North and Northwest Chicago	Central & West Chicago	South and Southwest Chicago
Arlington Heights	Bedford Park	Alsip	Albany Park	Austin	Archer Heights
Barrington	Bellwood	Blue Island	Avondale	East Garfield Park	Armour Square
Bartlett	Berkeley	Burbank	Belmont Cragin	Humboldt Park	Ashburn
Des Plaines	Berwyn	Burnham	Dunning	Loop	Auburn Gresham
East Dundee	Bridgeview	Calumet City	Edgewater	Lower West Side	Avalon Park
Elgin	Broadview	Calumet Park	Edison Park	Near North Side	Beverly
Elk Grove Village	Brookfield	Chicago Heights	Forest Glen	Near South Side	Bridgeport
Elmwood Park	Burr Ridge	Chicago Ridge	Hermosa	Near West Side	Brighton Park
Evanston	Cicero	Country Club Hills	Irving Park	North Lawndale	Burnside
Franklin Park	Countryside	Crestwood	Jefferson Park	South Lawndale	Calumet Heights
Glencoe	Forest Park	Dixmoor	Lake View	West Garfield Park	Chatham
Glenview	Forest View	Dolton	Lincoln Park	West Town	Chicago Lawn
Golf	Hillside	East Hazel Crest	Lincoln Square		Clearing
Hanover Park	Hodgkins	Evergreen Park	Logan Square		Douglas
Harwood Heights	Indian Head Park	Flossmoor	Montclare		East Side
Hoffman Estates	Justice	Ford Heights	North Center		Englewood
Inverness	La Grange	Glenwood	North Park		Fuller Park
Kenilworth	La Grange Park	Harvey	Norwood Park		Gage Park
Lincolnwood	Lyons	Hazel Crest	O'Hare		Garfield Ridge
Morton Grove	Maywood	Hickory Hills	Portage Park		Grand Boulevard
Mount Prospect	McCook	Hometown	Rogers Park		Greater Grand Crossing
Niles	Melrose Park	Homewood	Uptown		Hegewisch
Norridge	North Riverside	Lansing	West Ridge		Hyde Park
Northbrook	Oak Park	Lemont			Kenwood
Northfield	River Forest	Lynwood			McKinley Park
Northlake	Riverside	Markham			Morgan Park
Palatine	Stickney	Matteson			Mount Greenwood
Park Ridge	Stone Park	Merrionette Park			New City
Prospect Heights	Summit	Midlothian			Oakland
River Grove	Westchester	Oak Forest			Pullman
Rolling Meadows	Western Springs	Oak Lawn			Riverdale
Rosemont	Willow Springs	Olympia Fields			Roseland
Schaumburg		Orland Hills			South Chicago
Schiller Park		Orland Park			South Deering
Skokie		Palos Heights			South Shore
South Barrington		Palos Hills			Washington Heights
Streamwood		Palos Park			Washington Park
Wheeling		Park Forest			West Elsdon
Wilmette		Phoenix			West Englewood
Winnetka		Posen			West Lawn
		Richton Park			West Pullman
		Riverdale			Woodlawn
		Robbins			
		Sauk Village			
		South Chicago Heights			
		South Holland			
		Steger			
		Thornton			
		Tinley Park			
		Worth			

Appendix 2

The Demand for Child Care— Basic Factors

Families with children who want and can afford to place their children in child care are the source for demand for child care in Cook County. Their demand is simply how much child care they would buy at a going price. In general the size of this demand depends upon the number of children of child care age in those families, from infants to school age children, who might need before-school or after-school care. Demand also has deeper influences, however, including these:

- Whether family incomes are sufficient to pay for child care, especially in comparison to the prices of other necessities.
- Whether families have access to child care assistance programs to help pay for child care when they cannot afford to buy it directly. For example, working families' access to Illinois Child Care Assistance since 1997 has provided a powerful stimulus to demand for child care in Illinois.
- Whether parents can afford to stay at home with children or receive income from programs such as the now-terminated Aid to Families with Dependent Children that allows them to remain home.
- Whether families have available substitutes to purchasing child care, such as these:
 - Relatives who can care for children while parents work.
 - Alternative care that is available and subsidized (Head Start, state pre-K programs, and so on).
 - Work schedules that allow parents in two-parent families to share care -- one caring for children while the other works.
- Parents' preferences about letting others care for their children. This factor behind parents' demand often depends on the child's age.
- Parents' perceptions of the quality of care available.

How much child care Cook County families will want to purchase depends on all of these factors. With these factors in the background, the amount of care families actually purchase and use depends on the price and availability (or supply) of this care.

While no one currently possesses enough information about these deeper factors to put together a complete and accurate portrait of child care demand in Cook County, we are moving closer to such a portrait.

Appendix 3

The Supply of Child Care— Basic Factors

Individual providers, educators, non-profit enterprises, for-profit enterprises and public agencies supply child care in Cook County. They supply care by mobilizing and organizing people, skills, facilities and materials for the purpose of caring for children. As Section II of this *Report* demonstrates, such mobilization of resources for child care appears in great variety across Cook County. Child care entrepreneurs also engage diverse agencies that finance, regulate zoning, license and accredit. Finally they recruit in labor markets for the child care workforce and contract with suppliers of goods and services, from food and maintenance to books.

Child care supply is based upon the willingness and ability of providers to bring people and such resources together, given the cost of all of the resources they need in Cook County. Among the factors that we expect to influence the supply of child care services in Cook County are the following:

- The cost of resources, not only materials and equipment, supplies including food, overhead, and the rent of space, but especially employees' wages and salaries.
- Public, non-profit or donor subsidies of child care, including wage supplements if any exist. For example, if a religious congregation or a community agency supplies space rent-free or at a discounted rent, this will generally increase the supply of child care services in Cook County.

- Background conditions: business regulations, zoning, child care accreditation and licensing conditions and restrictions. These do not change much from year to year, and so do not change supply much from year to year. They can affect the overall level of child care operations, however. In some localities, zoning changes have seriously affected providers.

How much child care providers want to supply in Cook County will depend on all of these factors. Even non-profit providers must cover their basic costs and respect these restrictions. The amount of care that they *actually* provide at any given time depends on the income providers derive from this care.

Appendix 4

Sources for Data on Child Care Providers in Cook County

Our information about child care providers in Cook County comes from three different sources:

1. The Child Care Resource and Referral (CCR&R) Program, which refers parents to providers in their geographical area, can count the providers in its database.
2. The Illinois Child Care Assistance Program can count the providers who care for children with child care assistance.
3. The Illinois Department of Children and Family Services (DCFS) lists programs in Cook County that it has licensed.

The first two are programs administered in Cook County by Action for Children for the State of Illinois. They have the best current lists for license-exempt child care centers and homes, but because not all centers and homes participate in the State programs, the lists are incomplete. The DCFS list of licensed child care centers

and homes is the best source of *licensed* programs, but contains no information on programs without licenses. These three sources complement each other. However, they do not form a complete listing of child care in Cook County. They do not fully capture the child care activity in Cook County that is legally exempt from licensing or the otherwise illegal care.

Table A3 presents the count of child care providers available from the three alternative sources of information. It covers the four main types of child care in Cook County in 2004, home and center providers that are either licensed or license-exempt. In the Table, column 4 shows the most accurate count from the three sources. Because the major source of error in counting child care programs is one of undercounting programs that operate under the radar of official lists, the maximum count in this case is also the most accurate count available.

Table A3. Child Care Providers in Cook County in 2004, Three Counts

Type of Program	1. State Assistance Count	2. CCR&R Count	3. DCFS Count	4. Most Accurate Count
Licensed Centers	771	1,066	1,206*	1,206*
License-Exempt Centers	269	641*	NA	641*
Licensed Homes	2,635	2,984	3,857*	3,857*
License-Exempt Homes	26,379*	343	NA	26,379*
Total	30,054	5,034	5,063	32,083*

*Signifies the best currently available source of information for each kind of care.

Column 1 shows Cook County programs that received payments from the Illinois Child Care Assistance Program in March 2004. Column 2 shows programs listed with the Child Care Resource and Referral Program as of June 2004. Licensed and license-exempt center counts do not include summer camp-only programs. Column 3 shows programs licensed by the Department of Children and Family Services during the period of April through June 2004.

Note that the TOTAL row adds dissimilar homes and centers together and should be considered a total only for recorded child care *establishments* irrespective of size.

Glossary

Chicago Community Areas (CCA). Seventy-seven formal designations of Chicago neighborhoods. See Appendix 1.

Child Care Resource and Referral Agency (CCR&R). One of seventeen agencies throughout Illinois whose goal is to work with parents, business leaders, government officials, and child care providers to make high quality child care available to Illinois families. This includes supporting child care providers, preparing individuals to enter the child care field, and assisting families in locating child care and accessing the Illinois Child Care Assistance Program.

Family Child Care Homes (FCC). Child care located in providers' homes. While there are 26,000 known license-exempt child care homes in Cook County, sometimes the term FCC refers solely to the 3,857 *licensed* child care homes. In this report, it refers to all 30,000 child care homes.

Illinois Child Care Assistance Program (ICCAP). Program established using the federal Child Care Block Grant following welfare reform to provide child care assistance for working families earning less than 50 percent of the state median income.

Illinois Department of Children and Family Services (DCFS). In this report: DCFS grants and enforces licensing of child care centers and homes. It also helps pay for child care for foster children.

Illinois Department of Human Services (IDHS). Home of the Bureau of Child Care and Development which administers many of the State's child care programs, including the Illinois Child Care Assistance Program, Resource and Referral Agencies and the Quality Counts program.

Illinois Network of Child Care Resource and Referral Agencies (INCCRRA). An organization of 17 member regional Child Care Resource & Referral (CCR&R) agencies serving communities throughout the state of Illinois whose goal is to make high quality and affordable early care and education opportunities available for families and children of Illinois.

Income-Eligible. A family whose income falls under 50 percent of the state median income, making its income eligible for the Illinois Child Care Assistance Program. Income eligibility in Illinois depends upon family size.

Licensed Child Care Centers. Centers that have been certified by the Illinois Department of Children and Family Services as meeting certain health and safety standards and that are subject to inspection by DCFS.

Licensed Child Care Homes. Homes that have been certified by the Illinois Department of Children and Family Services as meeting certain health and safety standards and that are subject to inspection by DCFS.

License-exempt Child Care Centers. The Child Care Act of 1969 excludes some facilities from the requirement to be licensed. These exclusions from the licensing requirement may be found in Section 2.09 of the Child Care Act of 1969 [225 ILCS 10/2.09] and are explained in Department rules 89 Ill. Adm. Code 377, Facilities and Programs Exempt from Licensure. Centers that are legally exempt from licensing include those run by a religious institution, government program, school, college or university.

License-exempt Child Care Homes. Sometimes called “family, friend and neighbor child care” or “kith and kin child care.” Child care in a home that is legally exempt from licensure because the provider cares for fewer than four unrelated children. In the Illinois Child Care Assistance Program, the provider receiving a payment must have passed a background check.

Non-Traditional Hours of Care. Hours of child care that fall outside the typical Monday through Friday day time schedule (6 a.m. to 7 p.m.). This includes evening, overnight and weekend care, as well as days and times that change from one week to the next.

Reimbursement Rates. The payments approved for centers, licensed homes and license-exempt homes under the Illinois Child Care Assistance Program. These rates vary across regions of Illinois. Parents pay part of the rate to providers as parent co-payments, while the Illinois Child Care Assistance Program pays the remainder.

State Median Income. The income at which half of the families in Illinois earn more and half earn less. The Illinois Child Care Assistance Program uses a different state median income for different family sizes.

Special Needs Child Care. Refers to a child care provider with experience or training in caring for a child with an emotional, physical, developmental or special health need or disability.



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