

center-based infant care can
cost a typical Chicago family
nearly one-quarter of their income

23%

child care in cook county: elements of child care supply + demand

2007

an illinois action for children research report

funded in part by the macarthur foundation and the illinois department of human services



Illinois

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**2006 report on child care in cook county:
elements of child care supply and demand
FY 2006 (July 1, 2005–June 30, 2006)**

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Executive Summary

Finding the right child care is one of the most important decisions that a parent faces. Quality child care makes it possible for parents to work, ensures their children's health and safety and provides the developmental experiences that are crucial to growing bodies and minds.

Each family's needs are unique, and finding the right child care arrangements is key to a family's ability to succeed. That's why it is important that parents have access to a range of child care options.

This report discusses child care options available to families in Cook County, from informal relative, friend or neighbor care, to more formal licensed home-based care, to the larger child care center. A family's success in finding quality child care is based on many factors including the family's location, a child's age, the hours of care needed, the amount the family can afford to pay, a child's specific needs and the parent's particular preferences.

The report finds that, though many types of child care exist in Cook County, options that meet the needs of working families are severely limited by the following factors.

AFFORDABILITY:

- Infant and toddler care in Cook County centers is just as expensive as rent for the typical family. Child care in centers is more expensive than the average tuition and fees at State colleges and universities in Illinois.
- A family earning the median Cook County income would need to spend 29 to 35 percent of their income to place an infant and a preschooler in a child care center.
- Child care costs are on the rise. For families making less than \$70,000 per year, license exempt care by a family member, friend or neighbor is the only type of care that will cost less than 10% of family income.
- Illinois Child Care Assistance helps 50,000 families each month to afford quality child care in Cook County. Nevertheless, not all families who need assistance qualify for it, and sometimes even with assistance, families find center and licensed home child care too costly.

AVAILABILITY:

- Parents often find that child care homes and centers have no openings. This is especially true for parents seeking infant care.

SCHEDULES:

- 42% of Illinois parents work evening, weekend or variable hours, but only three percent of child care centers offer care during evening hours, while merely one percent provide weekend care.
- Since non-traditional work schedules often go hand in hand with low-income jobs, families seeking child care during non-traditional hours are often challenged with affordability issues as well.

Problems with affordability, availability and scheduling leave working parents with few child care options. When parents are forced to make choices based on the affordability or availability of child care, rather than its quality, children's well being can be compromised.

We believe that parents should have choices when selecting a child care provider and that all child care providers should have access to the resources they need to foster the development and well being of our children.

It is our hope that this report will serve as a guide and resource to advocates and policy makers working to improve the accessibility of quality child care to all families in Cook County and the State of Illinois.



INTRODUCTION

Families and Child Care in Cook County

Over one million children under the age of 13 live in Cook County. A large proportion, and perhaps a majority, of these children receive regular care from someone other than their parents or guardians: from another relative, a friend or neighbor, a family child care home, a child care center, or a park district or other after-school program.

This *2006 Report on Child Care in Cook County* discusses the employment and economic status of families who may use child care, where in Cook County they live and seek child care, what type of care is available to them and what type they use. It reports the experiences of some parents who seek referrals to child care providers, examines the problems and dilemmas they face in choosing a provider and the compromises they make.

The *2006 Report* also examines Cook County's child care providers whose work we can document. It presents the different settings in which child care takes place, the number of children in each type of care and the fees that parents pay to different types of providers.

A NOTE ON SUPPLY AND DEMAND

While we subtitle this report "Elements of Child Care Supply and Demand," we want to caution readers that the factors that determine the supply of and demand for child care are numerous and complex. We cannot simply

EXAMINING COOK COUNTY CHILD CARE BY REGION

Throughout this *Report* we divide Cook County into six regions to show how geographic differences can affect parents' success in finding child care.

CHICAGO

- 1) North and Northwest
- 2) Central and West
- 3) South and Southwest

SUBURBAN COOK COUNTY

- 4) North and Northwest
- 5) West
- 6) South and Southwest

See Appendix 1 for more detailed definitions of these regions.

compare the number of child care slots and the number of children in need of care. Appendix 2 provides a detailed discussion of the various elements that influence both child care supply and demand and explains why an effective analysis can be so complex.

WHAT TYPES OF CHILD CARE ARE AVAILABLE?

A family's success in finding quality child care is based on many factors including the family's location, a child's age, the hours of care needed, the amount the family can afford to pay, a child's specific needs and the parent's particular preferences. Assuming for a moment that families can access all types of child care, let's look at the available options.

Many families only use parental care. Either one parent stays home to care for the children, or the parents stagger their schedules so one can care for the children while the other works, goes to school or fulfills other responsibilities.

Parents who need or want to look beyond parental care may like the idea of a home child care setting. They may take their child to the home of someone they know well, such as a family member, friend or neighbor, or someone they discovered through word of mouth or through a referral service. They might also choose a caregiver who can provide care in the child's home, as a nanny does.

Many home-based child care providers, especially those who provide care as an on-going profession, choose to become licensed. This means the care provided in their homes is regulated by the Illinois Department of Children and Family Services (DCFS) as well as their local licensing agency if one exists. Throughout this report we refer to these caregivers as *licensed home providers*, and we refer to those without licenses as *license-exempt home providers* or as *family, friend or neighbor care*. (See the glossary for detailed definitions of these terms.) License-exempt home child

care can be provided in the home of the caregiver or the child.

Parents also have the option of taking their child to a child care center. While most of these facilities are licensed by DCFS, certain centers are exempt from being licensed, including those based in schools or affiliated with religious groups. Center care might include all-day child care programs, before- and after-school programs (including those provided by park districts and YMCAs), as well as part-day or part-week preschool programs.

It is important to note that preschool programs do not fill the same role as child care. The intent of preschool is not to care for children so parents can go to work, school, etc. but to provide children with early learning experiences to prepare them for kindergarten. However, many child care centers do an excellent job of incorporating early learning activities into their programs, and a growing number of public preschool programs (Head Start

and Preschool for All) are extending their hours or collaborating with child care programs in order to meet families' full-day child care needs.

HOW DO FAMILIES FIND CHILD CARE?

Families seek child care by asking relatives or friends for referrals, looking at notices and advertisements, and visiting child care centers in their communities. The State of Illinois offers a resource for families in the form of a referral service.

Illinois Action for Children administers this service for families in Cook County. The Illinois Action for Children Resource and Referral Program maintains a database of child care providers who register voluntarily to be referred to parents. The providers supply detailed information about their programs so the referral consultants can help parents find providers that match their needs and preferences. Referral consultants also educate parents on

what constitutes quality child care so parents are more equipped to evaluate the programs they visit.

WHAT IS THE TYPICAL FAMILY EXPERIENCE?

While many parents and guardians are quite satisfied with the care their children receive, many find the process of searching for and deciding on a child care provider stressful. They frequently have trouble finding the right care at the right hours, right location and right price.

Families search for child care under vastly different circumstances, and no one family's story can represent them all. Still, we shall introduce several "typical" families, and discuss the different dimensions of their child care needs in an attempt to convey something of the complex problems and hard decisions Cook County families face in arranging their child care.

JENNIFER ACOSTA AND HER FOUR-YEAR-OLD SON

Jennifer is a single mother who works full-time. She recently obtained a steady job that pays her just over minimum wage, \$6.85 per hour or \$14,248 each year. Jennifer lives with her mother who also works full-time during the day at a minimum wage job. Jennifer needs full-day child care. While her income makes her son eligible for free early education programs such as the preschool class offered at the nearby public elementary school, this program is only 2-1/2 hours each day. To take advantage of free preschool, Jennifer would need to find a child care center with a preschool program on site or a provider who can transport her son to and from the elementary school's preschool program.

DENISE AND IVAN WILLIAMS AND THEIR 10-MONTH-OLD DAUGHTER

Denise and Ivan both work full-time. Together they work 60 hours per week in one full-time job and two part-time jobs. They earn about \$32,500 each year, too much for a family of three to receive Illinois Child Care Assistance. (The maximum allowed is \$30,369.)

Although they have some relatives nearby, none can provide care for their daughter during their daytime work hours. A nice neighbor offered to provide care at \$100 per week (\$2.50 per hour), or about 16 percent of their income. The neighbor is sometimes ill, however, or must take her own child to the doctor. During those times Denise or Ivan have to stay home from work to care for their daughter.

They realize that if they quit the most irregular of their part-time jobs, they would not lose much. Their income would drop by \$2,308 to below \$30,369, making them eligible for Illinois Child Care Assistance. By quitting that job, the family would gain in Child Care Assistance much of what they would lose in income, and also gain about 18 hours of free time each month. They are considering doing this but are uncomfortable about it. Instead they hope to find better full-time jobs.

REGINA THOMAS AND HER 3-YEAR-OLD AND 7-YEAR-OLD DAUGHTERS

Regina has a full-time job as a retail sales manager earning \$59,000 per year. This income is above the median income of families with children in Cook County, which is about \$54,000. Regina's job, however, requires her to work afternoons and evenings. While she is happy that she can take her seven-year-old to school each morning and spend the day with her three-year-old, she regrets that she is not there for them after school or in the evenings. She is in search of a provider who can help her older daughter with homework in a comfortable setting. She is also exploring ways she can begin to socialize her three-year-old to get her ready for school.

I. Family Dilemma: Child Care Affordability

A. THE COST OF CHILD CARE

Each year, the Illinois Action for Children Resource and Referral Program asks providers to report the rates they charge parents. Tables I-1 and I-2 present the average market rates that 697 child care centers and 2,634 homes respectively charge in the six regions of Cook County. Centers average between \$126 and \$259 each week to care for children under age six. Home providers charge an average of \$109 to \$187 weekly, depending upon age and region. The last rows of both tables show the rates that the Illinois Child Care Assistance Program reimburses Cook County providers. We will discuss these rates further in Section I-D.

Tables I-1 and I-2 show that sharp differences occur in child care rates depending upon the region in which the care occurs and the age of the child. In child care, it is well-known that the younger the children, the more expensive it is to provide their care, largely because of the extra care and attention younger children require.

The South and Southwestern regions of both Chicago and suburban Cook County generally have the lowest rates. These regions also have lower average incomes and higher numbers of child care providers. [See Section II.] Private and public sector entrepreneurs have been relatively successful in building needed child care capacity

Table I-1. Child Care Center Full-Time Weekly Rates

Licensed and License-Exempt Centers, FY2006.

Source: Illinois Action for Children Resource and Referral Program

	Infant	Toddler	2-year-old	3- to 4-year-old	5-year-old & K	Before or After School
N & NW Chicago	\$211	\$199	\$168	\$150	\$145	\$92
C & W Chicago	\$204	\$202	\$179	\$158	\$155	\$120
S & SW Chicago	\$161	\$159	\$141	\$127	\$126	\$100
N & NW Suburban Cook	\$259	\$236	\$209	\$187	\$181	\$119
West Suburban Cook	\$208	\$189	\$168	\$151	\$149	\$92
S & SW Suburban Cook	\$185	\$174	\$158	\$139	\$135	\$105
IDHS Full Time Payment Rates	\$179.80		\$155.40	\$127.20		\$63.60

Table I-2. Child Care Home Full-Time Weekly Rates

Licensed Homes, FY2006.

Source: Illinois Action for Children Resource and Referral Program

	Infant	Toddler	2-year-old	3- to 4-year-old	5-year-old & K	Before or After School
N & NW Chicago	\$153	\$149	\$144	\$139	\$134	\$108
C & W Chicago	\$124	\$120	\$116	\$112	\$109	\$90
S & SW Chicago	\$123	\$119	\$117	\$113	\$110	\$90
N & NW Suburban Cook	\$187	\$183	\$180	\$177	\$171	\$125
West Suburban Cook	\$143	\$137	\$134	\$130	\$126	\$97
S & SW Suburban Cook	\$124	\$120	\$117	\$113	\$110	\$87
IDHS Full Time Payment Rates	\$117		\$115.25	\$110.50		\$55.25

in many of these communities, and this more plentiful supply might keep their average rates lower.

An unusual finding in the Central and West Chicago region is that *home* child care rates are low while *center* rates are the second highest of all regions. The explanation is that this region includes central Chicago which is relatively wealthy as well as the west side of Chicago which is one of the poorest areas in the county. Ninety-two percent of the home providers in this region are located in the western portion, while centers are distributed more evenly throughout.

In the next section we show how average child care center rates generally have increased four to six percent per year since 2000, with the exception of Chicago infant and toddler center rates which have risen one percent per year. Between 2005 and 2006, however, there were two noteworthy exceptions. In the North and Northwest suburbs, average center rates increased eight to ten percent for infant through four-year-

old care, 13 percent for five-year-old and kindergarten care, and as much as 19 percent for before- and after-school care. At the same time, in the South and Southwestern region of Chicago, average infant and toddler center rates actually decreased, down five percent and two percent respectively from 2005. (We should note that long-term trends are more reliable than the year-to-year changes if a different mix of establishments is reporting rates each year.)

B. TRENDS IN CHILD CARE RATES

Like most expenses, child care costs tend to rise every year. Table I-3 presents the aggregate rate increases in centers and family child care homes for Chicago and suburban Cook County. The dollar columns show the most recent rates for each age group. Next to each rate is a column that presents the percent increase over the six years from July 2000 to July 2006. Increases ranged from 4 to 57 percent. Over the same

period of time, all consumer prices rose about 18 percent nationally.¹ Some child care rates rose below that average inflation rate, but many far exceeded that rate, especially center rates.

While the average cost of child care for all age groups is higher in suburban Cook County than in Chicago, Chicago has experienced more rapid rate increases over the last five years than has suburban Cook County. This is the case for both center and home care for all age groups, with the exception of infant and toddler center care.

In another notable trend, before- and after-school care rates have generally risen faster than other types of care, especially in Chicago.

Overall, the more rapid growth in child care rates occurred in centers rather than among homes. Two important exceptions where home rates outpaced those of centers were infant and toddler care in Chicago and before- and after-school care in suburban Cook County. It

Table I-3. 2006 Average Weekly Market Rates and Rate Increases Since 2000

Source: Illinois Action for Children Resource and Referral Program. *Rounded to the nearest dollar or percent.*

Age	Chicago Centers	Growth Since 2000	Chicago Homes	Growth Since 2000	Suburban Cook Centers	Growth Since 2000	Suburban Cook Homes	Growth Since 2000
Infant	\$182	4%	\$128	15%	\$223	23%	\$145	9%
Toddler	\$177	7%	\$124	16%	\$204	24%	\$140	10%
2-year-old	\$154	35%	\$121	17%	\$182	30%	\$137	9%
3- to 4-year-old	\$139	31%	\$117	17%	\$162	28%	\$133	8%
5-year-old	\$136	30%	\$113	16%	\$158	26%	\$128	7%
Before or After School	\$102	57%	\$92	52%	\$107	34%	\$95	39%
School-Age Summer	\$129	48%	\$110	27%	\$144	20%	\$117	18%

appears, then, 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.

C. WHAT PERCENT OF INCOME IS REASONABLE TO SPEND ON CHILD CARE?

The data are clear: child care places a large financial burden on families. According to the U.S. Census, the typical (median) income for families with children under 18 in Cook County was \$54,719 before taxes in 2005, and even lower for Chicago families at \$40,331.² 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 23 percent of a typical Chicago family's income. At \$8,850 per year, toddler care takes up almost as much. Licensed home care for an infant or toddler is more affordable at \$6,200 to \$6,400 per year, but even this is 15 to 16 percent of a family's income.

The median rent in Chicago in 2005 was \$9,396, according to the same U.S. Census report. By this measure, infant and toddler care in Chicago centers is just as expensive as rent for the typical Chicago family. Similarly, child care is more expensive than average fees and tuition at State colleges and universities in Illinois. At \$7,875, these average fees and tuition cover 87 percent of the cost of infant care in Chicago centers and only 71 percent of the cost of infant care in suburban Cook centers.³

Is 16 percent of a family's income too much to pay for an infant's child care? Is 31 percent too much to pay for an infant and a toddler? What is the proper proportion between child care expenses and income? There is no generally accepted level that everyone agrees is the "proper" percentage to pay.

Researchers have calculated the amount that families actually pay. Most national studies since the 1990s found that average two-parent middle-income families paid between six percent and ten percent of their income for child care.⁴ If, for illustration, we pick the higher, ten percent level as a rule of thumb, we calculate that a family in 2007 would have to earn \$91,000 for a single infant in Chicago center care and just over \$160,000 for both an infant and four-year-old in a Chicago center to keep their child care costs within 10 percent of their income. To meet the 10 percent rule of thumb in suburban Cook County centers, a family paying for infant care would require an income of \$111,500, while center care for both an infant and a four-year-old would require an income of \$192,500.⁵

D. HELPING PARENTS MEET THE COST OF CHILD CARE

Several government-funded resources exist to help families pay for their child care costs, and child care providers themselves often have tuition policies to assist families who struggle to pay.

The main source of financial assistance to help Illinois parents with

child care costs is the Illinois Child Care Assistance Program. A family eligible for this program chooses a child care provider and the State reimburses this provider for his or her services. Parents pay a portion of the cost of care, a co-payment, which depends on the family's size and income. Illinois Child Care Assistance is available to families that earn at or below 50 percent of the state median income, or \$36,192 for a family of four in 2006. Parents must work or participate in an approved school or training program to be eligible. The Illinois Child Care Assistance Program is primarily a voucher system, which is administered in Cook County by Illinois Action for Children under contract with the Illinois Department of Human Services (IDHS). Some child care centers, however, have direct contracts with IDHS to serve families eligible for Illinois Child Care Assistance.

Another state program that provides child care assistance, but to a more specific population, is the Department of Children and Family Services (DCFS). DCFS provides child care vouchers primarily to families with foster children.

Beyond government-funded programs, a number of child care providers offer their own forms of child care assistance. These include discounts for parents with more than one child in their care, sliding scale fees based on a family's ability to pay, scholarships and negotiable rates. Some providers will accept the Illinois Child Care Assistance reimbursement as full payment even though the amount they receive through the program may be less than what the providers typically charge.

WHICH FAMILIES ARE ELIGIBLE TO RECEIVE CHILD CARE ASSISTANCE?

JENNIFER ACOSTA: WORKING MOM WITH FOUR-YEAR-OLD. INCOME IS \$14,248 A YEAR.

Jennifer is eligible for Child Care Assistance. She will need to pay a co-payment of \$86.66 per month, or 7 percent of her gross income. If she chooses a child care provider who charges more than the Assistance program pays, she may have to make additional payments. If she has an available relative, friend or neighbor to provide care, they might be more willing to waive all or part of her co-payment or be more flexible with when she has to make her co-payments.

DENISE AND IVAN WILLIAMS: WORKING PARENTS WITH INFANT. INCOME IS \$32,500.

Though each parent earns little more than minimum wage, this family is over the income limit for Child Care Assistance for a family of three (\$30,369). They will need to cover the full cost of child care on their own unless they quit one job or otherwise reduce their income enough to be eligible for Assistance.

REGINA THOMAS: WORKING MOM WITH THREE-YEAR-OLD AND SEVEN-YEAR-OLD. INCOME IS \$59,000.

Regina's income is far above 50 percent of the state median income for a family of three (\$30,369) so she is not eligible for Assistance. Perhaps she can find a child care provider who offers a reduced price for having two children in care.

E. CHILD CARE AFFORDABILITY WITH ASSISTANCE

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 program enables low-income parents in Cook County to afford quality care. While Tables I-1 and I-2 above 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 rates* that centers and homes actually charge parents.

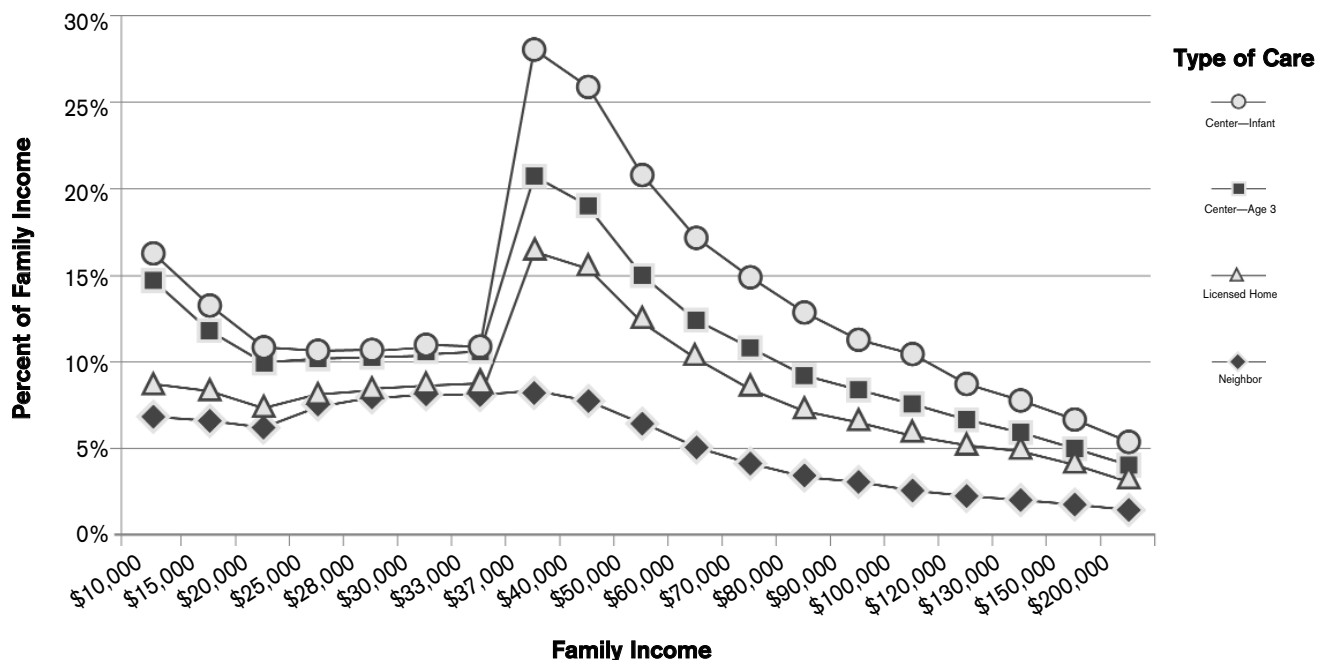
Under the Illinois Child Care Assistance Program, parents must make a co-payment. They pay the provider a part of the Assistance rate listed in Tables I-1 and I-2. The amount of a family's co-payment depends on income. A family of three must pay at least \$1.00 and as much as \$49.00 per week with one child in care (or \$84 for two children). Parents may also face an additional payment. Since the average provider in Cook County charges more than what the Assistance Program will pay them, parents may

also have to pay that difference in addition to their co-payments (or else they must convince their providers to accept a lower payment than they normally charge).

It is fair to conclude that even after receiving Child Care Assistance, a family's choice of provider and the quality of options available to it can remain seriously limited. While we have hearsay evidence that some providers do work with the family to determine an acceptable rate, many providers cannot afford to reduce their rates to meet a family's ability to pay.

Figure I-1 (on the next page) develops the story of child care affordability with Illinois Child Care Assistance

Figure I-1. What Families Need to Spend on Child Care
Family Size of 4, 1 Child in Care



in more detail, in this case for a family of four in Cook County.⁶

It presents the cost of care for just one child as a percentage of different family incomes ranging from \$10,000 to \$200,000. The chart's four lines are cost lines, with the highest cost line representing the high price of center care for an infant and the lowest cost line representing the more affordable price of family, friend or neighbor care for an older child. The four kinds of child care costs appear as percentages of each income level that is measured on the horizontal axis. The chart is realistic in the sense that it includes the effect of receiving Illinois Child Care Assistance, which is available to low income if all present parents are employed.⁷

Figure I-1 shows Cook County parents can pay less than five percent of family income (for informal neighbor child care) and as much as 28 percent (for infant center care) for one child, depending on their level of income, the age of the child and type of care they use. Note that Figure I-1 builds upon *average* rates of care such as those in Tables I-1 and I-2. Some parents might have to pay a higher rate than the average while others will pay below the average. Placing more children in care, moreover, will cost parents more.

Beginning with a family with almost no income on the left and moving up to a family income of about \$35,000, we see that a family of four would spend between 6 percent and 17 percent of its income for full-time care for one child, depending on age and type of care.

It is Illinois Child Care Assistance alone that makes it possible for child care to cost this little for working families with these low incomes. If the working family's income rises above \$36,000, the family ceases to be eligible for Illinois Child Care Assistance and most child care costs shoot up to a prohibitively high percentage of the family's income (from 17 to 28 percent).

Only family, friend and neighbor care changes little as a percentage of income and remains affordable for families earning just over \$36,000. Consider the example of ten-percent-of-income we used earlier in this section to discuss affordability. Once a family's income rises above \$36,000 and the family becomes ineligible for Child Care Assistance, it takes an income of \$61,000

WHAT TYPES OF CHILD CARE CAN FAMILIES AFFORD?

Assuming “affordable” means paying no more than ten percent of the family income on child care, here are the types of care our families can afford based on the average cost of care.

JENNIFER ACOSTA: WORKING MOM WITH FOUR-YEAR-OLD. INCOME IS \$14,248 A YEAR.

To stay within ten percent of her income, Jennifer would be able to pay as much as \$28 per week on child care. If she uses Illinois Child Care Assistance, for which she is eligible, she will have to pay \$20 per week for her co-payment. If Jennifer is able to find a child care provider who accepts Illinois Child Care Assistance and who expects no additional payments on top of her co-payment, she will have access to both center and licensed home care.

However, since the rates paid by the Illinois Child Care Assistance program are less than the average rates charged by center and licensed home providers, these providers might ask her to pay the difference. In this case, Jennifer would be priced out of average-priced center care except in the South and Southwest Chicago region. Licensed home care in the Central and West Chicago region and the South and Southwest Chicago and suburban regions would be affordable. In all other regions she would only be able to afford license-exempt home care.

DENISE AND IVAN WILLIAMS: WORKING PARENTS WITH INFANT. INCOME IS \$32,500.

Since this couple is not eligible for Illinois Child Care Assistance, their options are more limited. Working within ten percent of their income, they could pay as much as \$65 per week toward child care, or about \$280 per month. Even if their child was preschool or school-age rather than an infant, they would not be able to afford the average cost of either licensed home or center care.

Options for this couple include looking for family, friend or neighbor child care, taking jobs where they could stagger their work schedules, or reducing their wages enough so they could be eligible for Illinois Child Care Assistance.

REGINA THOMAS: WORKING PARENT WITH THREE-YEAR-OLD & SEVEN-YEAR-OLD. INCOME IS \$59,000.

Regina earns above the Illinois median income for a family of three, well above the cut off for Illinois Child Care Assistance. She can spend up to \$118 per week to stay within ten percent of her income. But if she wants to use center care, \$118 would not even cover the cost of care for her three-year-old. In three regions she could afford to place one child in licensed home care, but in no region could she afford this care for both children. Like the Williams Family, Regina would need to consider family, friend or neighbor care if she is to spend no more than ten percent of her income on child care.

Regina was also interested in part-day preschool for her three-year-old so she could get some exposure to classroom activities. Her daughter was not eligible for free public preschool, and paying for private preschool would leave little, if any, money for child care during the other hours needed.

before licensed home care for a three-year-old returns to ten percent of the family's income. It takes an income of \$104,000 before the cost of infant care in a center returns to ten percent of the family's income. Again, for a family earning less than \$61,000, only informal family, friend or neighbor child care is affordable at ten percent of family income. These higher incomes, needless to say, are substantially above the typical family income in Illinois.

F. THE USE OF ILLINOIS CHILD CARE ASSISTANCE

Despite its limitations, the Illinois Child Care Assistance Program supports about 50,000 Cook County families each month, and assistance for foster care helps thousands more. To take advantage of this assistance, an eligible family must first find a child care provider willing to work with the IDHS or DCFS payment system. The Illinois Action for Children Resource and Referral Program asks providers on its database whether or not they are

willing to accept children with Illinois Child Care Assistance or DCFS vouchers. In 2006:

- Seventy-one percent of Cook County centers listed with Illinois Action for Children (or 884 centers) said they would accept children who use Illinois Child Care Assistance.⁸
- Fewer centers accept the DCFS assistance for foster children: 634 centers, or 51 percent.
- Direct public-sector contracts to serve families with Illinois Child Care Assistance are in place in 69 centers—71 percent of these are in Chicago and 29 percent are in suburban Cook County.
- 2,939 licensed home providers, 88 percent of those listed with Illinois Action for Children, reported that they accept children with Illinois Child Care Assistance. Fifty-eight percent reported that they accept children who have DCFS vouchers.

Providers themselves report the above data to Illinois Action for Children. IDHS has separate

reports on the number of providers who *actually* receive payment from the Illinois Child Care Assistance Program at any given time. In FY2006, 1,221 child care centers and 3,800 licensed homes in Cook County were paid through the Illinois Child Care Assistance Program for some child care services.

Referrals Given to Families Eligible for Child Care Assistance

In 2006, 14,654 Cook County families called Illinois Action for Children in search of child care referrals. Of these families, 81 percent had incomes at or below 50 percent of the state median income, making them eligible for Illinois Child Care Assistance if they were working or in an approved school or training program.

Note: In Section V we return to the topic of Illinois Child Care Assistance and report on the total number of children eligible in Cook County and the number of eligible children not being served. In Section VI we report on the types of child care used by families with Assistance.

WHY DOES CHILD CARE IN CENTERS COST SO MUCH?

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

SALARIES IN COOK COUNTY

It is no secret that Illinois child care workers generally are not well-paid. In 2005 in Cook County, full-time center teachers in full-year licensed programs earned an average of \$10.54 per hour, while assistant teachers earned \$9.00.** This amounts to less than half of what public elementary school teachers earn (in a system fully subsidized by the public sector). Elementary school teachers also are more likely to have benefits such as health insurance and retirement plans than are child care teachers.

SALARIES AND QUALITY

In thinking about the high cost of child care, we need be aware that staff compensation also affects the *quality* of the child care supplied by centers and homes. One major aspect of quality, the relationship between provider and child, suffers when lower compensation makes it difficult to retain staff. 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.

Low compensation rates in child care bring a high turnover among staff. In Illinois for every 100 early childhood teachers working for centers in 2005, some 32 left their jobs in the previous two years. Of every 100 assistant teachers, 53 left their jobs. A further consequence of this high turnover rate is a lower level of job experience: the median number of years that teachers and assistant teachers had worked in their current child care centers were 3.5 and 1.9 years respectively.[†]

Since inadequate compensation is one reason why child care experiences such workforce instability, studies find that low quality is generally correlated with low cost. On average, the center or home that pays below going rates for staff will offer lower quality care.[‡]

Child care providers thus face a vexing dilemma. They must keep staff compensation low in order to stay in business, but need to keep compensation high in order to maintain high quality and pay a living wage.

* 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).

** *Illinois Salary and Staffing Survey of Licensed Child Care Facilities: FY 2005* (A study prepared for the Department of Human and Community Development by Philip C. Garnier, May 2006.) Table 28.

† *Ibid.*, Tables 9 and 20.

‡ Of course, this is true only on average, and not for all programs. Many skilled and dedicated teachers remain at low salaries.

II. Family Dilemma: Access to Available Child Care Slots

A. CHILD CARE PROVIDERS AND SLOTS IN COOK COUNTY

A family's access to child care depends not only on affordability but also on the number of available child care slots in the community for the child's age group. Child care supply in Cook County comes from a rich mix of some 30,000 entrepreneurs including individual providers, educators, non-profit and 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: the number of providers, their geographical distribution across Cook County and the number of slots they report to us.

Table II-1 shows the best count we can provide of the number of child care programs in Cook County, while Table II-2 shows the number of child care slots provided by these programs. Each table divides the programs into type of child care setting: licensed and license-exempt center care, and licensed and license-exempt home care. These types of child care settings are defined in the Glossary. Appendix 4 discusses the data sources we use in more detail.

These tables understate the actual number of providers in Cook County and the children they can serve. Centers and homes that are

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

Type of Program	FY2005	FY2006
Licensed Centers	1,221	1,236
License-Exempt Centers	632	625
Licensed Homes	4,042	4,031
License-Exempt Homes	26,087	20,647
Total Programs	31,982	26,539

* 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
Center and licensed home slots include daytime slots only.***

Type of Program	FY2005	FY2006
Licensed Centers	86,387	88,902
License-Exempt Centers	29,916	31,012
Licensed Homes	29,744	29,432
License-Exempt Homes**	78,261	61,941
Total	224,308	211,287

* Licensed homes have the capacity to serve an additional 8,840 children during evening hours. Child care centers provide an additional 1,250 evening slots. See Section III-A.

** To estimate slots in license-exempt homes, we multiply the number of license-exempt homes known through the Illinois Child Care Assistance Program by three children per home. License-exempt home providers legally can care for no more than three children unless all children are related. While this number reflects the potential capacity of license-exempt home providers, on average the actual number of children enrolled per provider is closer to two.

exempt from licensing do not have to list their slots with any official source, so many go uncounted.⁹ While a large number of license-exempt *centers* do list their programs with the Illinois Action for Children Resource and Referral Program, we have a more limited list of license-exempt *home* providers in Cook County.

In 2006, 1,861 known child care centers offered 119,914 child care slots. Child care centers offered somewhat more than half of the total known capacity in Cook County. About 74 percent of the slots in child care centers were in licensed centers.

As of June 2006, the Department of Children and Family Services (DCFS) had listed 4,031 licensed family and group child care homes in Cook County with daytime slots for 29,432 children. The large majority of licensed family child care homes can have a legal capacity up to 12. There is also a limited number of group child care homes which can have a legal capacity up to 16.¹⁰ The actual average licensed capacity of homes, however, is considerably lower: 7.3.

The tables also report the number of known license-exempt home providers and their available slots. As mentioned, license-exempt home providers are a much more elusive group. Neither DCFS nor the Illinois Action for Children Resource and

Referral Program has significant information on license-exempt home 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, so those are the ones we report on here.

In Fiscal Year 2006, some 45,936 Cook County license-exempt home providers received Illinois Child Care Assistance payments during at least one month of the year, though fewer participate at any one time. In June 2006, 20,647 license-exempt home child care providers were receiving Illinois Child Care Assistance payments.¹¹

Home providers who have license-exempt status may legally care for as many as three children who are not their own.¹² While we provisionally estimate 61,941 slots in known license-exempt homes in Table II-2, the reader should be aware that many, though not all, license-exempt home providers do not offer child care slots 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.

B. PROVIDERS AND SLOTS BY REGION

Some parents will have a more difficult time finding child care because of where they live. The 119,914 spaces in child care centers are almost evenly divided between Chicago and suburban Cook County. By comparison, almost two-thirds (65 percent) of the 29,432 licensed home spaces are located in Chicago. Table II-3 shows how center and licensed home slots are distributed among the regions of Cook County.

The last row of Table II-3 shows the total number of center and licensed home slots as a percent of the number of children under 13 within the region. These percentages are not included to suggest met or unmet need but to allow some comparison of known supply across the regions, which differ in population.

Table II-4 presents the distribution of the 61,941 known license-exempt home slots. Again, these data represent only a portion of the actual number of license-exempt home providers—namely, those serving families with Child Care Assistance. We know, however, that license-exempt care is used widely across all incomes.

Table II-3. Center and Licensed Home Child Care Slots in Cook County Regions, 2006

Includes daytime slots only.

Source: Illinois Action for Children Resource and Referral Program and DCFS

Program Type	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Licensed Centers	10,203 56%	13,175 55%	18,653 47%	21,243 70%	7,473 65%	18,155 70%
License-Exempt Centers	5,210 29%	6,012 25%	9,306 24%	6,954 23%	1,500 13%	2,030 8%
Licensed Homes	2,712 15%	4,973 21%	11,420 29%	1,946 6%	2,503 22%	5,878 23%
Total Center and Licensed Home Slots	22,184 100%	39,703 100%	69,808 100%	31,130 100%	14,488 100%	33,974 100%
Total Slots as a Percent of Children Under Age 13	11%	18%	15%	14%	11%	17%

Eighty-one percent of the license-exempt home providers participating in the Child Care Assistance program fall within Chicago while only 19 percent are in suburban Cook County. The table shows the numerical concentration of these homes in Chicago's South and Southwestern and Central and West regions, mirroring the distribution of low-income families who are eligible for Assistance.

License-exempt home care can be broken down further into care provided by relatives versus non-relatives and care provided in the child's home versus the provider's home. Table II-4 shows the distribution of these four types of license-exempt home care for the six Cook County regions.

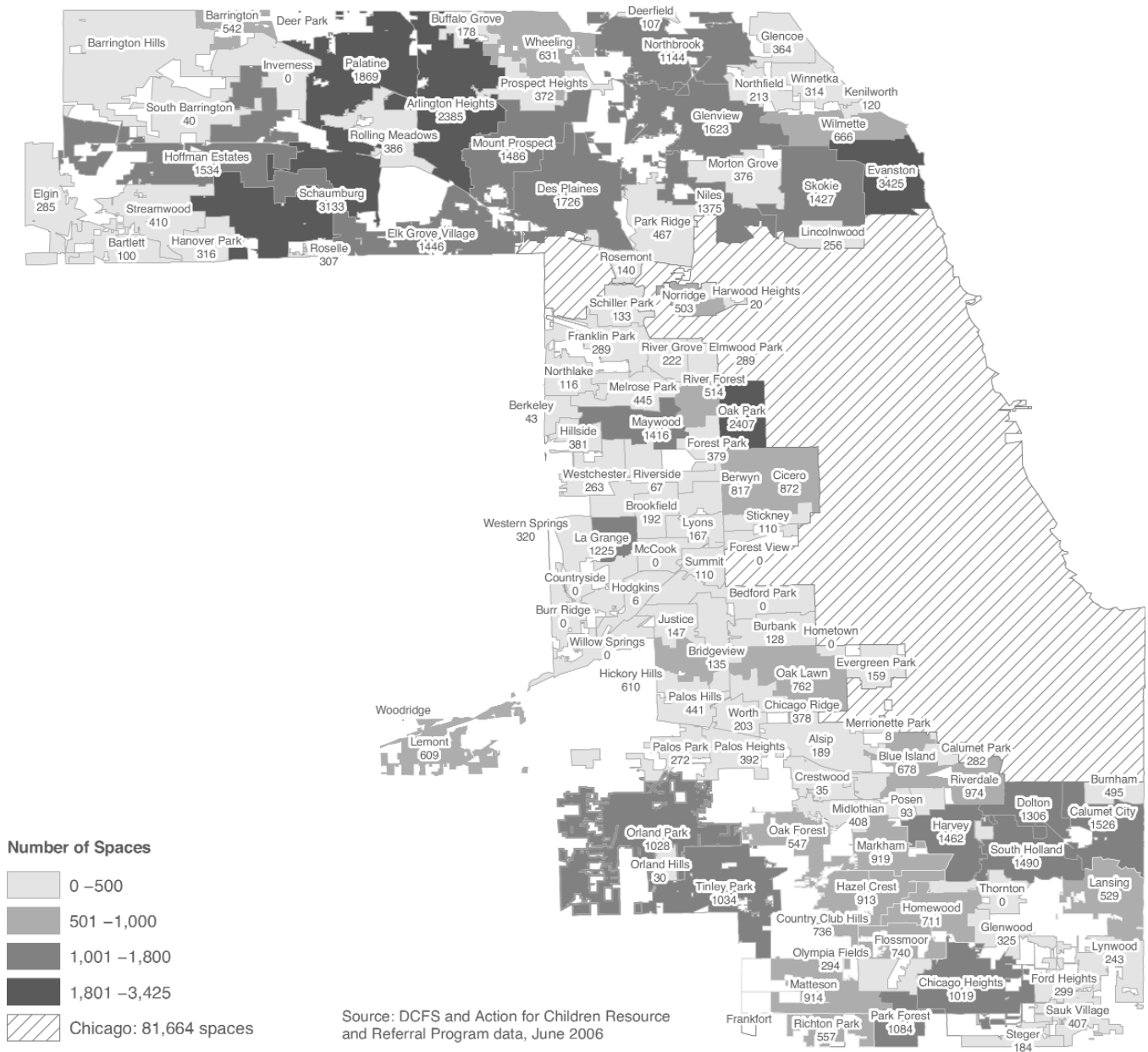
**Table II-4.
License-Exempt Home Child Care Slots, June 2006**

Source: 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
Total	4,059	15,543	30,429	987	3,012	7,911
Home of Non-Relative	558	1,920	3,615	165	390	996
Relative's Home	1,590	6,036	11,298	342	1,251	3,201
Non-Relative in Child's Home	843	3,654	7,668	192	528	1,665
Relative in Child's Home	1,068	3,933	7,848	288	843	2,049

Maps 1 and 2 show how center and licensed home slots added together are spread among the individual communities of Cook County. 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 as we explained earlier in this section.¹³ While providers have more child care slots in Chicago than in suburban Cook County, the number of slots in both the suburban communities and Chicago neighborhoods vary.

Map 1: Center and Licensed Home Slots in Cook County Municipalities



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

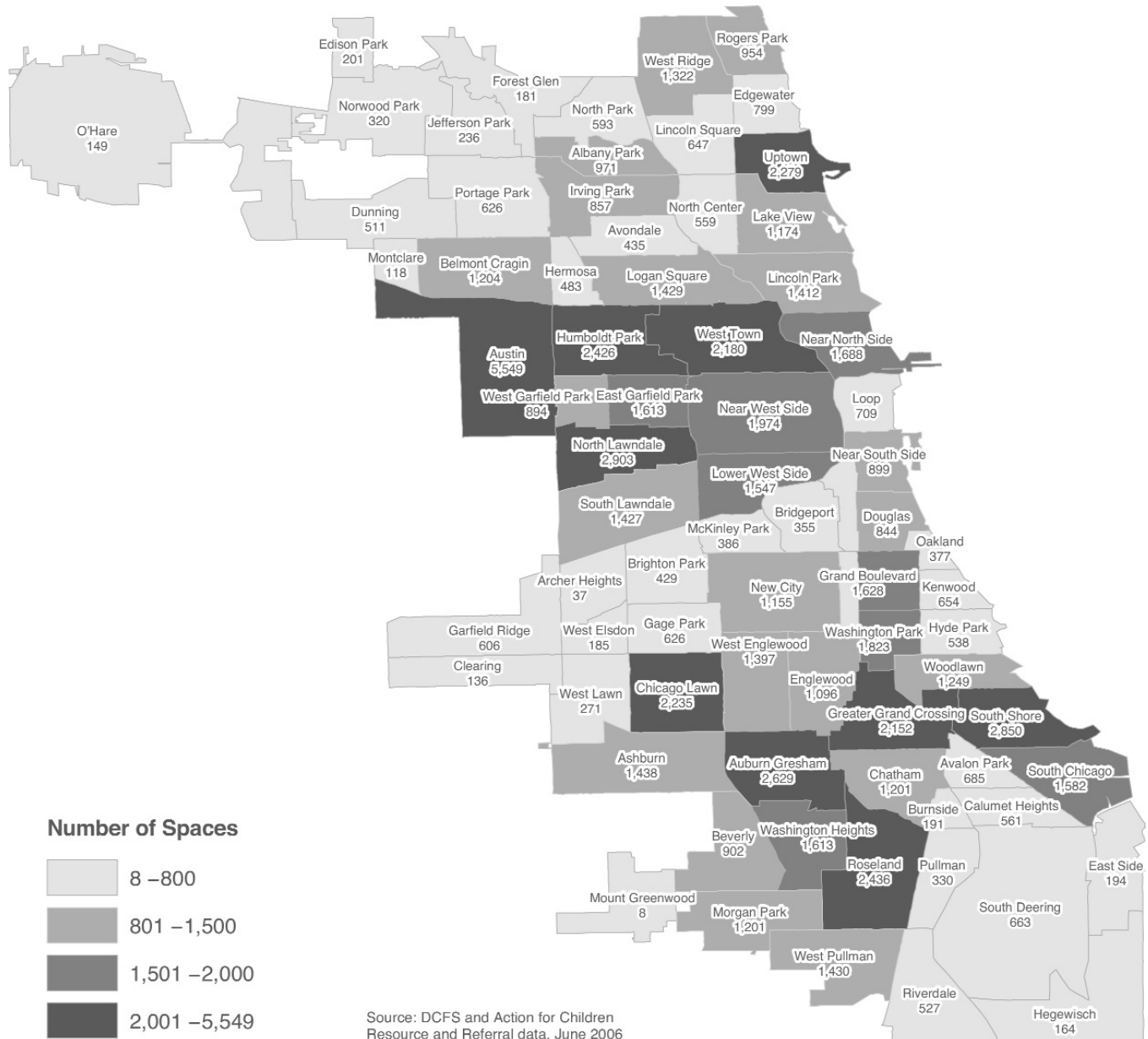


Table II-5. Child Care Center Slots in Cook County by Age in 2006

Source: Illinois Action for Children 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	262	608	833	1,703	1,486	374	1,236	3,096	4,799
Toddler	486	725	1,098	2,309	1,978	551	1,662	4,191	6,500
2-year-old	1,452	1,555	2,993	6,000	3,463	1,091	2,709	7,263	13,263
3- to 4-year-old	4,710	6,012	9,291	20,013	7,159	3,108	5,384	15,651	35,664
5-year-old & K	2,937	4,489	6,584	14,010	6,440	1,808	3,373	11,621	25,631
School-Age	2,491	3,002	4,425	9,918	7,289	1,562	3,149	12,000	21,918
Total	13,038	16,408	25,375	54,821	26,840	8,736	18,206	53,782	108,603

C. CENTER SLOTS BY AGE

Some parents will have more difficulty finding child care because of the ages of their children. This section presents the number of children in each age group that Cook County child care centers can serve. Home child care providers have more flexibility in the ages of children they can enroll and these change frequently. For this reason we do not provide comparable data for child care homes.

In 2006, 1,810 child care centers listed with Illinois Action for Children reported the number of children they serve per age group. Table II-5 shows the distribution of 108,603 slots in licensed and license-exempt child care centers among the different age groups in the six regions of Cook County.¹⁴ 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.

Table II-5 confirms this. With a total of 4,799 slots, fewer places exist for infants than any other age group under school age. Only ten percent of all center slots are for infants and toddlers. This limited supply of infant and toddler slots is not surprising since it is costly for centers to provide care for this age group. Many families with infants and toddlers look to family child care homes for this 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.

Programs for school-age children, with a total of 21,918 slots for all age groups, have the lowest number of slots per age. There are about three times as many slots listed for just three- through five-year-olds as there are for the entire school-age group, ages six 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 45 percent more

center slots for children under age three than the city of Chicago has: 14,550 slots to 10,012. Again, however, Chicago has disproportionately more center slots for the three through five-year-old age range: 34,891 slots to 27,232 slots.

D. REFERRALS GIVEN TO PARENTS IN 2006 BY CHILD AGE

Parents looking for child care often seek referrals from Illinois Action for Children's referral service. As in previous years, child care referrals were most often requested for children under age two—36 percent of all requests. Requests for children under age two were relatively higher on the north side of the county at 41 and 42 percent, while lower on the southern side of the county at 32 and 33 percent. In South and Southwestern suburban Cook County, there was a particularly high percent of requests for school-age care. See Table II-6 for the breakdown of referral requests by child age and region.

Table II-6. Requests for Child Care by Age

Source: Illinois Action for Children Resource and Referral Program, 2006

Age	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook	Cook County Total
Under 2	2,067 42%	1,083 36%	2,179 32%	812 41%	689 38%	702 33%	7,532 36%
2-year-old	661 13%	428 14%	907 13%	265 13%	280 15%	253 12%	2,794 14%
3- to 4-year-old	1,282 26%	889 29%	2,077 30%	425 22%	405 22%	469 22%	5,547 27%
5-year-old & K	247 5%	174 6%	407 6%	140 7%	131 7%	155 7%	1,254 6%
School-Age	640 13%	457 15%	1,246 18%	329 17%	310 17%	531 25%	3,513 17%
Total	4,897 100%	3,031 100%	6,816 100%	1,971 100%	1,815 100%	2,110 100%	20,640 100%

BEST AND WORST REGIONS FOR FINDING INFANT CARE

A family looking for infant care in a center or licensed home will likely have the greatest success in finding care if they live in the South and Southwest suburban region of the county. This region has a low number of infants per infant slot, both in centers and in licensed homes—making it easier for families to find care.

The North and Northwest Suburban region also does well with infant center care. However, for a family priced out of this type of care, there are relatively few licensed home options in the region.

Infant care is most scarce in the North and Northwest Chicago region. Here center infant care is three times scarcer than any other region, and licensed home care for infants is less abundant than almost all other areas.

	Number of Infants in the Community per Center Slot	Number of Infants in the Community per Licensed Home Provider
North and Northwest Chicago	63	48
Central and West Chicago	18	17
South and Southwest Chicago	22	13
North and Northwest Suburban Cook	11	61
West Suburban Cook	21	23
South and Southwest Suburban Cook	8	13

Note: The number of infants per region is from the 2000 Census and does not reflect population changes over the last six years.

III. Family Dilemma: Finding Child Care that Matches the Family's Schedule

Most child care programs are available only during the daytime on weekdays, but only 66 percent of Illinoisans with full-time jobs work these traditional hours.¹⁵ Half of part-time employees and one-third of full-time employees work non-traditional schedules that include at least some evening, night or weekend hours. Many also work schedules that change periodically, either in a predictable manner or irregularly. Some of the most common or fastest-growing jobs require non-traditional hours, including retail, food services, office cleaning, hospitals and nursing homes. In general, low paying jobs are more likely to require parents to work non-traditional schedules than better paying jobs.¹⁶ 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 evening child care, overnight care, weekend care, care during rotating work shifts and care during work shifts scheduled almost at the last minute.

A. PROVIDERS OFFERING CARE DURING NON-TRADITIONAL HOURS

Table III-1 shows the number and percentage of centers and homes in Cook County available for Illinois Action for Children to refer parents to for evening child care, overnight care, weekend care and care during rotating shifts.

Table III-1.
Cook County Providers with Non-Traditional Care¹⁷

Source: Illinois Action for Children Resource and Referral Program

	Chicago	Suburban Cook County	Total	Percent of All Listed Centers or Homes
Centers with Any Non-Traditional Care	70	119	189	11%
Evening	21	25	46	3%
Overnight	0	1	1	0%
Weekend	10	6	16	1%
Rotating Shifts	48	95	143	8%
Homes with Any Non-Traditional Care	1,419	609	2,028	61%
Evening	933	392	1,325	40%
Overnight	128	61	189	6%
Weekend	187	78	265	8%
Rotating Shifts	774	312	1,086	32%

In the table several facts stand out about the availability of child care during non-traditional hours. First, very few centers offer care during non-traditional hours. In terms of both numbers and percentages, more child care homes than centers offer non-traditional hours of care. However, while two-fifths of homes offer evening care, only a small percentage offer overnight or weekend care.

The fact that homes are more likely than centers to offer non-traditional hours of care confirms the frequently heard comment that child care homes are more flexible than center programs in accommodating parents' work schedules. In addition, the spread of homes geographically offers greater flexibility for parents: the 2,028 home sites in Cook County

offering non-traditional hours are more convenient geographically for parents than the 189 center sites. Noteworthy differences exist between Chicago and suburban Cook County. Seventy percent of homes offering non-traditional hours of care fall within Chicago. Suburban Cook County outnumbers Chicago in the number of centers offering care during rotating shifts.

Table III-2 breaks down the number of evening *slots* by type of care and region, showing that evening slots are concentrated in licensed homes. The North and Northwest region of suburban Cook County has the fewest number of evening slots, while the South and Southwest Chicago region has the greatest number. In recent years, licensed evening

Table III-2. Evening Slots by Cook County Region*

Sources: DCFS and Illinois Action for Children Resource and Referral Program, June 2006

Type of Care	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook	Cook County Total
Centers (licensed and license-exempt)	2,067	1,083	2,179	812	689	702	7,532
Licensed Homes	661	428	907	265	280	253	2,794

*Includes those centers or homes licensed for a nighttime capacity by DCFS and those licensed-exempt centers listing an evening shift with Illinois Action for Children.

REGINA THOMAS: WORKING PARENT WITH THREE-YEAR-OLD AND SEVEN-YEAR OLD. INCOME IS \$59,000.

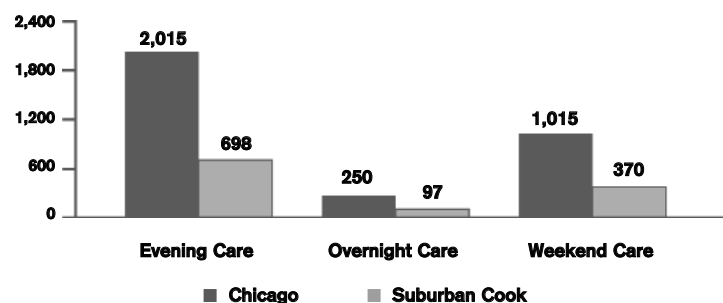
As a retail sales manager, Regina works from 2 p.m. to 10 p.m. each weekday. We have already learned that both center and licensed home care for her two children are unaffordable for Regina, making family, friend or neighbor care the most realistic option.

Regina's work schedule presents an additional barrier to using center or licensed home care. Even if affordability were not a factor, 97% of center slots and 60% of licensed home slots would be unavailable to her because of her evening work hours.

The school that her seven-year-old attends might provide after-school programming during the afternoon or early evening hours. Even if this were the case, if the school does not provide transportation to the provider's home, Regina will need to find a provider who can pick up her daughter from school or find someone reliable to help her child get to the provider's home, a responsibility sometimes left to an older child.

Figure III-1. Children in Need of Non-traditional Hours of Care

Source: Illinois Action for Children Resource and Referral Program, 2005



capacity has been growing. Between 2003 and 2006, the total number of evening slots in licensed child care centers rose 57 percent from 428 to 672. During the same period, evening slots in licensed homes rose 130 percent, from 3,820 to 8,840 slots.

Despite growth in the amount of care provided during non-traditional hours, families looking for child care during these times have a greatly reduced pool of center and licensed home slots available to them compared with families needing weekday, daytime care. Since non-traditional work schedules often go hand in hand with low-income jobs, families seeking child care during non-traditional hours are often challenged with affordability issues as well. It is not surprising, then, that many parents

turn to relatives, friends and neighbors to care for their children. These providers often offer a more flexible and affordable alternative.

B. REFERRALS GIVEN TO PARENTS IN NEED OF NON-TRADITIONAL HOURS OF CHILD CARE

Parents sought referrals for 20,640 children through Illinois Action for Children in 2006. Fifteen percent of these children needed care during evening hours or overnight, and seven percent needed child care during weekend hours. Figure III-1 gives the number of children in need of evening, overnight and weekend care for both Chicago and suburban Cook County.

IV. Family Dilemma: Finding the Right Provider

The story of parents' search for child care goes well beyond critical questions of the parents' work schedules, the region where the parents live or work, the child's age and the type of child care setting that parents want for their child. Each child is a specific individual and has individual needs that parents hope the right provider can meet.

A. WHAT DO CHILDREN NEED?

We have little hard data on the individual needs that parents most seek to accommodate. One good piece of information about what parents look for in a provider comes from a survey of parents who use the Illinois Action for Children Resource and Referral program. Parents surveyed were asked to check the top three reasons why they chose their new child care provider. Figure IV-1 shows the top reasons of the 1,337 respondents. These were location, schedule, a clean and safe environment and a warm and caring 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," "clean and safe environment" and "small group size" than

parents of older age groups, while parents of school-age children were more likely to report that "educational environment" was a top reason they chose the care they did.

B. SPECIAL NEEDS

In addition to every child's individual needs, some children have special needs. In 2006, parents requested referrals from Illinois Action for Children for 779 children with one or more special needs. Of all children with a special need, 31 percent had a developmental delay and 27 percent had asthma or severe allergies. Figure IV-2 shows the number of children with each type of need.

Like all parents, those who have children with special needs were asked to complete a follow up survey about their experience in finding child care. Of the 316 parents of children with special needs who responded, 28 percent said they were still in search of a child care provider. This is slightly smaller than the 32 percent of total respondents with or without children with special needs who were still searching for care.

Figure IV-1. Reasons Parents Chose Their New Provider, by Child Age

Source: Illinois Action for Children Resource and Referral Program, 2006

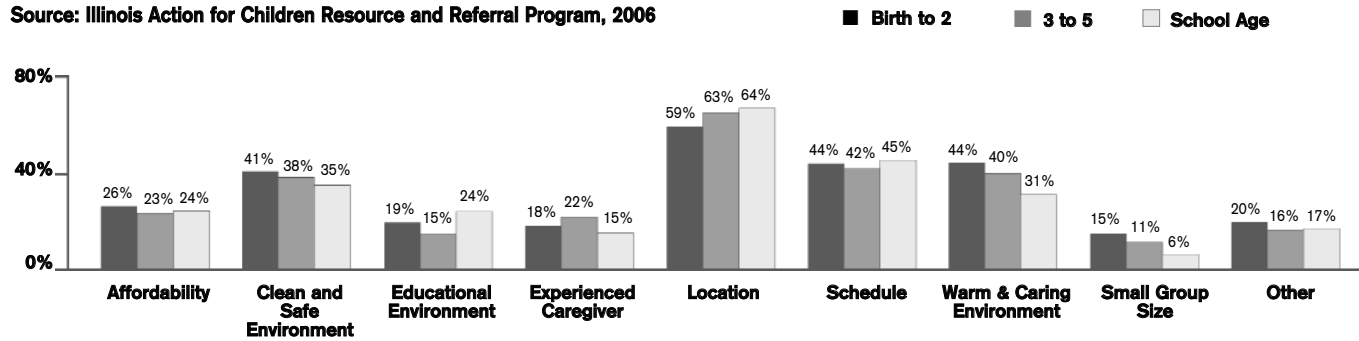
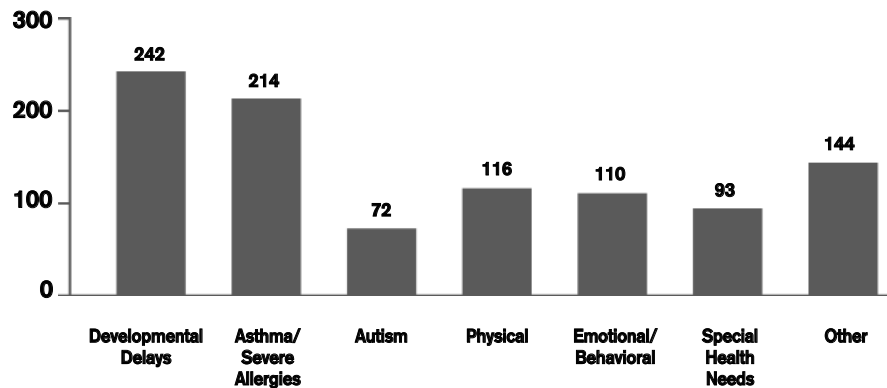


Figure IV-2. Type of Special Needs Requests

Source: Illinois Action for Children Resource and Referral Program, 2006



V. Public Dilemma: Who Needs Child Care? Who Needs Support?

Sections I through IV present dilemmas that families may face in seeking and obtaining child care: finding care that is affordable, locating open slots, obtaining care during the hours needed, and finding the best provider for a child's specific needs. This section is about basic questions the public faces in these matters.

The public sector in Illinois is actively involved in helping families address their child care needs. Yet the public sector faces its own dilemmas. In particular the public sector must decide how many resources it should devote to solving families' child care problems, especially compared to applying resources to address other public needs. In thinking about this issue, the public has to decide who needs child care, how much the public should support child care, what kind of care to support and who needs support paying for child care. In this section we discuss some of the ways of thinking about who needs child care and who might deserve public support.

A. CHILD POPULATION, POVERTY AND LOW INCOME

Over one million children ages 12 and under reside in Cook County. The first four rows of Table V-1 enumerate children in Chicago and suburban Cook County by age groups based on the U.S. Census 2000. As the table shows, over 54 percent of the children in Cook

Table V-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
% of Age Group in Poverty	28%	9%	19%
Ages 3-5, In Poverty	37,557	9,773	47,330
% of Age Group in Poverty	29%	9%	20%
Ages 6-12, In Poverty	88,077	22,868	110,945
% of Age Group in Poverty	29%	9%	20%
Under 3, Income Eligible*	65,267	21,923	87,190
% of Age Group Eligible*	50%	22%	37%
Ages 3-5, Income Eligible *	66,689	23,871	90,560
% of Age Group Eligible*	51%	22%	38%
Ages 6-12, Income Eligible	156,743	55,147	211,891
% 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. The work requirement for Illinois Child Care Assistance is 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.

County in 2000 resided in Chicago. Potentially all of the children age five years old and under 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.

The next six rows of Table V-1 show levels of poverty among children in

Cook County. Many of these children in poverty have parents in the labor force earning poverty-level incomes, but others do not. One way that the public sector supports some poor families is through supporting early care and education opportunities for poor children, especially as a way to prepare them to succeed in school. The table shows that up to 29 percent of the children in Chicago were poor in

Table V-2. Children in Cook County by Region, 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. The work requirement for Illinois Child Care Assistance is 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.

2000. Chicago children were over three times more likely to be poor than other Cook County children. Because poverty rates have risen since 2000, the rates for both regions are now probably higher than the table indicates.

The final six rows of Table V-1 present the number of children living in families whose incomes make them eligible in 2006 for Illinois Child Care Assistance. In Illinois, a family's income can rise approximately 85 percent above the federal poverty level before the family is no longer 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 the income require-

ment, the Illinois Child Care Assistance Program also requires that all parents present in the family be in the labor force or in education or training programs. Working parents are discussed in section B below.

Table V-2 breaks down the same information on child population, poverty and low income for the six regions of the county. Families in poverty and families with low incomes tend to concentrate in the western and southern parts of Chicago. The southern and western parts of suburban Cook County also have more poverty and more families eligible for Child Care Assistance than the county's North and Northwest regions.¹⁸

Up to 39 percent of children living in a Cook County region are officially

poor. With respect to incomes that make families eligible for Illinois Child Care Assistance, 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 for Assistance.

B. CHILDREN WITH WORKING PARENTS

Public policy often supports working families in particular. To estimate the demand for child care in a region such as Cook County, researchers often start with the number of families with every parent working outside of the home and ignore families with at least one parent not in the labor force. This approach neglects the fact that substantial numbers of

Table V-3. Children With All Parents in the Household 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	41,778 53%	26,678 49%	56,394 56%	51,614 55%	23,105 53%	38,386 61%

Table V-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 2006 data

Children	N & NW Chicago	C & W Chicago	S & SW Chicago	N & NW Suburban Cook	West Suburban Cook	S & SW Suburban Cook
Cook County Total:	107,590					
Under 3 Years	6,378	5,285	7,457	2,854	1,491	1,171
Ages 3 through 5	5,096	4,218	6,268	2,677	1,313	610
Ages 6 through 12	15,982	16,658	28,689	9,747	5,469	7,769
Total:	27,456	26,161	42,414	15,279	8,273	9,550

parents who are not in the labor force still seek child care in order to attend school or for other reasons such as a disability or illness. This approach also assumes that all families with every parent in the labor force must turn to external sources for child care, neglecting the fact that families might have other relatives available to care for the children and that many parents stagger their work schedules so one parent is always available to provide care. It is important to keep these complexities in mind when reviewing the data that follow on families with all present parents working.

Of the approximately 472,000 children under age six in Cook County in 2000, about 50 percent, or 238,000 children, lived in families in which all parents present in the

home were in the labor force. This means either the single parent in a single-parent family or both parents in a two-parent family were in the labor force.¹⁹ The percentage of children in these families in suburban Cook County is 56 percent while in Chicago it is 53 percent. Table V-3 presents the number of such children in the six regions of Cook County.

C. CHILDREN ELIGIBLE FOR BUT WITHOUT CHILD CARE ASSISTANCE

For a family to be eligible for Illinois Child Care Assistance, every parent present in the home needs to be working,²⁰ 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. We've looked at children in families that are income-eligible in Tables V-1 and V-2 above, as well as children under 6 with all present parents in the labor force in Table V-3 above. This section takes the analysis to its next step: combining the two to estimate the number of children in the six regions of Cook County who are eligible for Illinois Child Care Assistance but do not receive it.²¹

Table V-4 presents these estimates for the different age groups and regions. We estimate that in any given month, 12 percent of Cook County children ages 12 and under, some 129,133 children, live in families that are eligible for but do not receive Illinois Child Care Assistance. About 17 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 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 stagger their work schedules in order to share caring for their children. Others may have enrolled children in an educational program such as Head Start or Illinois Pre-K and are satisfied with those hours of care.

The figures in Table V-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.²² We can say that as many as 129,133 children in Cook County eligible for Illinois Child Care Assistance are not using it.

We should note that this estimate has important limitations. The estimate is based on 2000 Census data on families and children. It does not capture changes in child population and family income (that is, changes in eligibility for Child Care Assistance) over the last six years, nor does it reflect the expansion in the number of children eligible for Illinois Child Care Assistance since new eligibility rules in 2004.

PUBLIC DILEMMAS

The State of Illinois recently expanded the number of families eligible for Illinois Child Care Assistance and has room to expand further under the federal child care block grant. Yet the working family of Denise and Ivan Williams, introduced earlier in this report, remains ineligible.

Most working families in Illinois earn more than the \$32,500 that the Williamses earn annually. If this family earned \$2,131 less (\$30,369), they would be eligible for Child Care Assistance.

Denise and Ivan pay \$5,000 annually for child care, over 15 percent of their income, while the national average spent on child care is about 7 percent.* Do they deserve additional child care support? If so, do they deserve as much as the \$2,600 that would reduce their child care expenditure to 7 percent of their income?

Illinois policy makers, of course, feel they face a dilemma in balancing funding for Child Care Assistance with funding for other items, such as improving education and health insurance for children. And within the Child Care Assistance Program, the State must also balance two goals: increasing the number of families that receive Child Care Assistance and increasing the amount of Assistance that goes to individual families already in the program.**

While others may disagree, most child care advocates believe that the State of Illinois can contribute more to both sides of the balance without threatening the public treasury.

* Like many working families they may also be eligible for a very modest child care income tax credit.

** Either way, an increase would go directly to a child care provider and affect the quality of care that provider can offer.

VI. Child Care Choices of Cook County Families

There is only limited information on the type of child care used by families in Cook County and the reasons behind parents' choices. Much of what we do know comes from data from the Illinois Child Care Assistance Program and from families using Illinois Action for Children's Resource and Referral program. The results presented in this section, however, cannot be generalized to the entire population.

Figure VI-1 shows the types of care used by Cook County families with Illinois Child Care Assistance according to the age of the children in care. In each age group, the use of home care predominates over center care. The use of *license-exempt* home care is especially high for school-age children. Sixty-eight percent of 6- to 13-year-olds and 88 percent of children over 13 with special needs use license-exempt home care. Children under age 2 are also more likely to use license-exempt home care than center or licensed home care.

The biggest use of center care is by three- through five-year-olds. This is not surprising considering there are more center slots available for this age group. Also, center care is more affordable for this age than for younger ages, and many parents wish to expose their preschool-age children to more formal social settings to prepare them for kindergarten.

Figure VI-1. Type of Care Used by Child Age: Cook County Families With Child Care Assistance

Source: Illinois Child Care Assistance Program data, June 2006

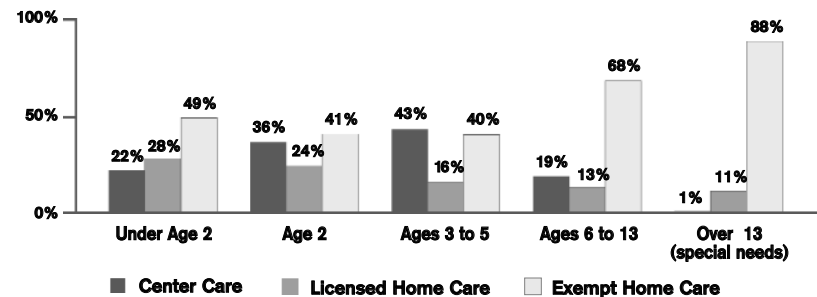


Figure VI-2. Type of Care Used by Region: Cook County Families with Child Care Assistance

Source: Illinois Child Care Assistance data, June 2006

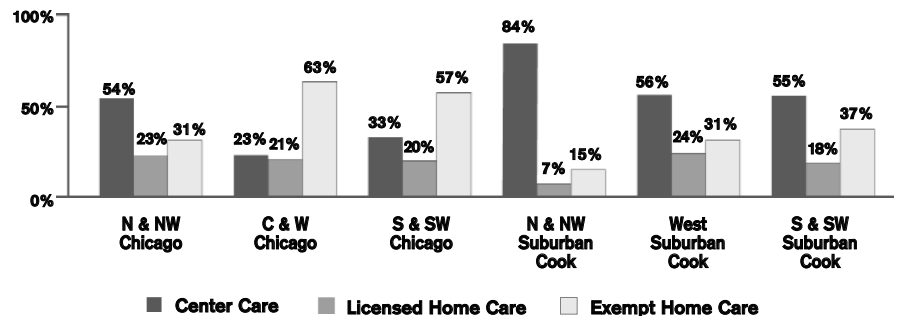


Figure VI-3. Follow Up Survey: Ability to Find Child Care

Source: Illinois Action for Children Resource and Referral Program, 2006

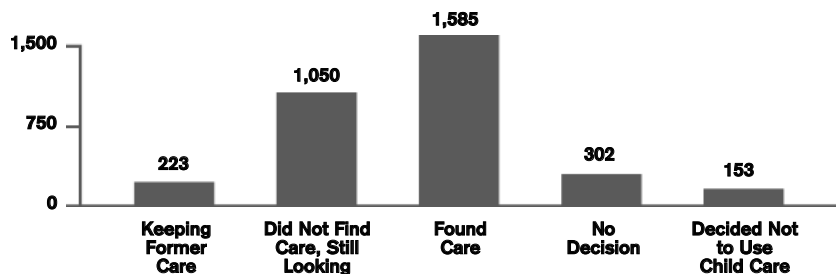


Figure VI-2 presents differences in use of center care, licensed home care and license-exempt home care for the six regions of Cook County.²³ In the North and Northwest suburban region, an overwhelming number of families with Child Care Assistance, 84 percent, use center care. The remaining suburban regions as well as the North and Northwest Chicago region use center and home care in roughly equal proportions. Families in the South and Southwest Chicago region and the Central and West Chicago region have the highest use of license-exempt home care and the lowest use of center care.

Another source of information on parents' child care decisions comes from the Illinois Action for Children Resource and Referral program. Parents use this service because they want or need to find a caregiver beyond or in addition to a relative or friend they already know. Data from this program represent parents who seek mainly licensed home care or center care, though these parents may ultimately decide to use license-exempt home care.

Illinois Action for Children asks all parents who seek child care referrals to complete a follow up survey on their search experience. In 2006,

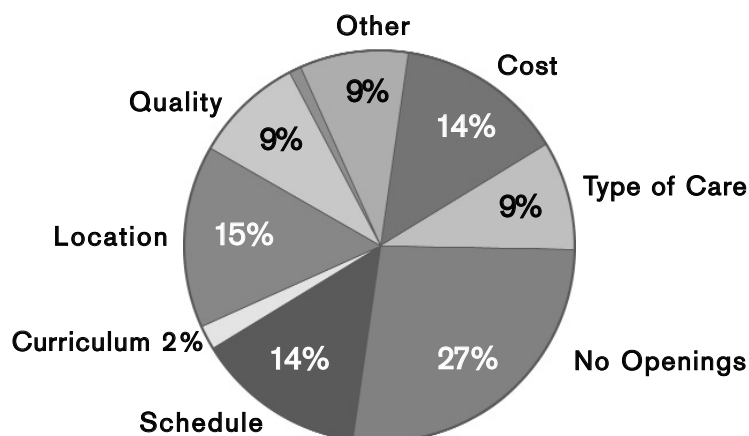
twenty-three percent of families responded to the survey.

Did parents have success in finding child care? Forty-eight percent of respondents said that they had indeed found child care, though we do not have a sense of their overall satisfaction with the care they found. Another 32 percent said they were still looking for care. Figure VI-3 shows the complete breakdown of responses.

Finally we asked parents what problems they encountered while searching for child care. Fifty-five 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, problems with the location of care and schedule and cost problems. 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. Figure VI-4 shows the frequency of problems encountered.

Figure VI-4. Problems Encountered When Seeking Child Care

Source: Illinois Action for Children Resource and Referral Program, 2006



Footnotes

- ¹ Consumer prices as measured by CPI-U by U.S. Department of Labor, Bureau of Labor Statistics; <http://data.bls.gov/cgi-bin/surveymost>, accessed November 8, 2006.
- ² 2005 American Community Survey, U.S. Census Bureau. This is the last year available at the time of writing. The Census does not present data on suburban Cook County as we do.
- ³ Average annual tuition and fees paid for a 4-year public institution in Illinois for the 2006-2007 school year, from www.collegeillinois.com.
- ⁴ See for example, the National Child Care Survey, 1990 and *Child Care Expenses of American Families*, Urban Institute, 1997. The Census Bureau finds that child care payments average 6.9 percent for families with mothers and with children under 15, and average 7.2 percent if the mother has a job. Having more children or lower incomes raises the percentages. *Who's Minding the Kids? Child Care Arrangements: Winter 2002*, U.S. Bureau of the Census, Oct. 2005, Table 6.
- ⁵ If we used 6 percent as a rule of thumb, these incomes must be at least \$151,700 and \$267,500 respectively in Chicago and \$185,800 and \$320,800 in suburban Cook County.
- ⁶ For details, see the following: http://www.actforchildren.org/_uploads/documents/live/Cost_of_Care_1Child_Family_of_4_FY07.pdf.
- ⁷ In some cases, the parent(s) can be in school instead of working. The chart assumes that parents receiving Child Care Assistance pay their assigned co-payment as well as the difference between the price their child care provider charges and the rate their provider is reimbursed by the Child Care Assistance Program.
- ⁸ In this and the next bullet, centers that are Pre-K or Head Start-only programs are not included in the percentage.
- 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 A home's operator might not want to provide care for the home's full legal or licensed capacity.
- ¹¹ The number of participating providers fluctuates from month to month just as the number of participating families fluctuates. In October, 2005, for instance, there were 25,328 participating license-exempt home providers.
- ¹² If the children are all related, the provider can care for more than three at one time.
- ¹³ 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.
- ¹⁴ 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 11,000 slots have no age attached.
- ¹⁵ *Working Later In Illinois: Work Schedules, Incomes and Parents' Access To Child Care*, Illinois Action for Children, 2006.
- ¹⁶ *Ibid.*
- ¹⁷ Here evening care is defined as care provided between 7 p.m. and 2 a.m., while overnight care is care provided between 2 a.m. and 5 a.m.
- ¹⁸ Here *low income* means below 185 percent of the federal poverty level. 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.
- ¹⁹ Technically the labor force includes unemployed people looking for work. We count these, since parents looking for work need child care. Another 27 percent of children live in two-parent families that have only one parent in the labor force.
- ²⁰ In Illinois, parents may be in training or school, but in practice relatively few parents get approval unless they work outside of the home.
- ²¹ 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 (June 2006).
- ²² 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.
- ²³ Since some parents use more than one type of child care while their case is active, percentages can exceed 100 percent.



Conclusion

Finding the right child care is one of the most important decisions that a parent faces, and with more options, the likelihood is greater that parents will succeed in finding the provider best suited for their child. But costs, schedules and availability limit parents' choices, this is especially true for low income parents.

Each individual child care program has characteristics that parents may find attractive—perhaps an especially warm and experienced caregiver, a well-developed curriculum, a caregiver with experience with a particular disability, or a colorful, inviting facility. Ideally a family's ultimate decision would be based on the program's quality and ability to meet the child's individual needs.

Unfortunately, limiting factors play a role in the decision-making process, particularly for middle and low-income families. Most significantly, the high cost of center or licensed home programs can prohibit families from using these types of care. While the Illinois Child Care Assistance program helps some families access these services, not all families who need assistance qualify for it, and

sometimes even with assistance, these child care settings still can be too costly.

Families are also limited by the number of child care openings in their community. We find this particularly the case for parents seeking infant care. Other families find that it is not just about finding openings, but finding them at the right times. A growing number of families work outside the traditional Monday through Friday daytime schedule, yet most center and licensed home settings do not offer care in the evenings, overnight or on weekends.

While many types of child care exist, the reality is that many families do not have options. We hope this report will provide insight into the realities faced by working families and the types of support that these families and their child care providers need.

We hope these data on child care supply and demand can guide advocates and policy makers as they work to improve the accessibility of quality child care for all families who seek it in Cook County and the State of Illinois.



APPENDIX 1

The Six Cook County Regions

Chicago and Suburban Cook Regions



Throughout 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 Chicago; Central and West Chicago; and South and Southwest Chicago.

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 Suburban Cook County; West Suburban Cook County; and South and Southwest Suburban Cook County.

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 U.S. Census.

The 2006 Report of Child Care in Cook County

NORTH AND NORTHWEST SUBURBAN COOK

Arlington Heights
Barrington
Bartlett
Des Plaines
East Dundee
Elgin
Elk Grove Village
Elmwood Park
Evanston
Franklin Park
Glencoe
Glenview
Golf
Hanover Park
Harwood Heights
Hoffman Estates
Inverness
Kenilworth
Lincolnwood
Morton Grove
Mount Prospect
Niles
Norridge
Northbrook
Northfield
Northlake
Palatine
Park Ridge
Prospect Heights
River Grove
Rolling Meadows
Rosemont
Schaumburg
Schiller Park
Skokie
South Barrington
Streamwood
Wheeling
Wilmette
Winnetka

WEST SUBURBAN COOK

Bedford Park
Bellwood
Berkeley
Berwyn
Bridgeview
Broadview
Brookfield
Burr Ridge
Cicero
Countryside
Forest Park
Forest View
Hillside
Hodgkins
Indian Head Park
Justice
La Grange
La Grange Park
Lyons
Maywood
McCook
Melrose Park
North Riverside
Oak Park
River Forest
Riverside
Stickney
Stone Park
Summit
Westchester
Western Springs
Willow Springs

SOUTH AND SOUTHWEST SUBURBAN COOK

Alsip
Blue Island
Burbank
Burnham
Calumet City
Calumet Park
Chicago Heights
Chicago Ridge
Country Club Hills
Crestwood
Dixmoor
Dolton
East Hazel Crest
Evergreen Park
Flossmoor
Ford Heights
Glenwood
Harvey
Hazel Crest
Hickory Hills
Hometown
Homewood
Lansing
Lemont
Lynwood
Markham
Matteson
Merrionette Park
Midlothian
Oak Forest
Oak Lawn
Olympia Fields
Orland Hills
Orland Park
Palos Heights
Palos Hills
Palos Park
Park Forest
Phoenix
Posen
Richton Park
Riverdale
Robbins
Sauk Village
South Chicago Heights
South Holland
Steger
Thornton
Tinley Park
Worth

NORTH AND NORTHWEST CHICAGO

Albany Park
Avondale
Belmont Cragin
Dunning
Edgewater
Edison Park
Forest Glen
Hermosa
Irving Park
Jefferson Park
Lake View
Lincoln Park
Lincoln Square
Logan Square
Montclare
North Center
North Park
Norwood Park
O'Hare
Portage Park
Rogers Park
Uptown
West Ridge

CENTRAL AND WEST CHICAGO

Austin
East Garfield Park
Humboldt Park
Loop
Lower West Side
Near North Side
Near South Side
Near West Side
North Lawndale
South Lawndale
West Garfield Park
West Town

SOUTH AND SOUTHWEST CHICAGO

Archer Heights
Armour Square
Ashburn
Auburn Gresham
Avalon Park
Beverly
Bridgeport
Brighton Park
Burnside
Calumet Heights
Chatham
Chicago Lawn
Clearing
Douglas
East Side
Englewood
Fuller Park
Gage Park
Garfield Ridge
Grand Boulevard
Greater Grand Crossing
Hegewisch
Hyde Park
Kenwood
McKinley Park
Morgan Park
Mount Greenwood
New City
Oakland
Pullman
Riverdale
Roseland
South Chicago
South Deering
South Shore
Washington Heights
Washington Park
West Elsdon
West Englewood
West Lawn
West Pullman
Woodlawn

The Demand for and Supply of Child Care—Basic Factors

WHY DEMAND AND SUPPLY?

Many analysts believe that understanding the demand for and supply of child care is critical. Without such knowledge, we can never know whether a region such as Cook County has enough child care services. Nor can we understand why child care prices are rising or what the effects of rising rates are: for example, whether rising prices primarily drive working parents away from using child care or primarily encourage child care providers to expand and provide higher quality care. Finally, understanding supply and demand helps us understand ways to influence child care prices, expand the use of child care among working parents and improve child care quality. This Appendix discusses the basic concepts of demand and supply in child care and shows why it is so difficult to speak about them authoritatively.

Demand

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 services 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 older children needing before- or after-school care. Demand also has deeper roots including these factors:

- Whether family incomes are sufficient to pay for child care, especially in comparison to the prices of other necessities the family buys.
- 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 with children.
- 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.

Supply

Individual providers, educators, non-profit enterprises, for-profit enterprises and public agencies supply child care services in Cook County by mobilizing people, facilities and materials for the purpose of caring for children. As Section II of this Report demonstrates, child care takes a variety of shapes across Cook County, including providers in their own homes, caregivers who go to the children's homes, non-profit and for-profit centers, public and private preschools, after-school programs and so on. Many child care program developers and directors also engage diverse agencies that finance, regulate zoning, license and accredit child care. Finally they recruit in labor markets for the child care workforce and contract with suppliers of goods and services, such as food, building maintenance and books.

Child care supply is based upon the willingness and ability of providers to bring people and such resources together given the cost of the resources they need. Among the

factors that we expect to influence the supply of child care services in Cook County are the following:

- The cost of resources such as facilities, materials, equipment, supplies, overhead and especially employees.
- 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 decides to supply space rent-free or at a discounted rent, this will generally increase the supply of child care services in Cook County.
- Regulatory conditions including business, zoning, child care accreditation and licensing restrictions. These change little from year to year, and so do not change child care supply much from year to year. They can, however, affect the overall level of child care operations. And 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 on offering services. The amount of care that they *actually* provide at any given time depends on the income providers derive from this care.

USING SUPPLY AND DEMAND ANALYSIS

In economic theory, the price of child care services and the amount actually bought is determined by levels of demand and supply. If the demand for child care is greater than the amount supplied, the price will rise as parents seek scarce slots for their children. On the other hand, if supply exceeds demand, providers may drop their prices to attract more children. That is the so-called law of supply and demand.

To determine whether or not a child care market actually works this way in Cook County would require a special study. The key point we want to underscore here is that because so many factors affect demand and supply understanding the total effect will be extremely complex.

Supply and demand analysis must incorporate this complexity in order to be useful. It must first of all be based on excellent knowledge of all the factors identified above as influencing child care demand and supply. Leaving out any factor could spoil an analysis. Supply and demand analysis must, moreover, weigh the effects of all the factors influencing the child care market *simultaneously*. So complex is supply and demand analysis, in fact, that most economists rely on sophisticated statistical and mathematical tools to perform it.

Short of that sophisticated, comprehensive analysis, supply and demand analysis will be very partial

or one-sided, and *when we use it we should acknowledge it as such*. For example, suppose we know that new child care center licensing regulations will require child care teachers to have more education credits in college. We might predict that salaries of these teachers must rise to reimburse them for obtaining the additional credentials, and that will increase the cost of providing child care. Higher costs of providing child care, in turn, will lower the amount of child care supplied, as some providers will leave the business because they cannot afford to pay the newly credentialed teachers what they demand. We can conclude that *if nothing else is changing* in the child care market, lower supply will drive up the amount parents need to pay to find scarcer slots.

Too frequently, however, analysts do not acknowledge what we just stated in the italics above. They leave the impression that they have told the entire story. We should always acknowledge that other events in the child care market might outweigh the factor we are raising at the moment. Perhaps teacher salaries will not rise that much, or the new credentials will attract enough new children to centers to cover the higher costs. Or perhaps in the next month, for example, the State of Illinois will greatly increase its subsidies to child care providers. That will lower costs and could even reverse the impact of higher salaries on supply—*if nothing else is changing*.

APPENDIX 3

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 Illinois Action for Children Resource and Referral Program, which maintains a database of Cook County child care providers.
2. The Illinois Child Care Assistance Program, which has information about providers who care for children with child care assistance.
3. The Illinois Department of Children and Family Services (DCFS),

which lists programs that it has licensed in Cook County.

The first two programs are administered in Cook County by Illinois Action for Children for the State of Illinois. Illinois Action for Children has 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 well. Even together, 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 provides the source of data for each type of provider as well as some basic notes on who is included in each type. The table covers the four main types of child care: home and center providers that are either licensed or license-exempt.

Table A3. Child Care Providers in Cook County in 2006 Best Sources by Type (All data from June 2006)

Type of Program	Source*	Notes
Licensed Centers	Department of Children and Family Services	Includes any center listed with DCFS with a license status of 1, 2, 12 or 14. Preschool, Head Start and before- and after-school programs are included if they are licensed. Centers with permits are not included.
License-Exempt Centers	Illinois Action for Children Resource and Referral	License-exempt center counts do not include summer camp—only programs. License-exempt preschools, Head Start and preK programs, before- and after-school programs and park and recreation programs are included if they are listed with Illinois Action for Children.
Licensed Homes	Department of Children and Family Services	Includes homes licensed by DCFS with a license status of 1, 2, 12 or 14.
License-Exempt Homes	Illinois Child Care Assistance Program	Includes license-exempt home providers participating in the Assistance program as of June 2006. Note that the number of participating home providers varies from month to month just as the number of participating families varies.

Glossary of Terms

Chicago Community Areas (CCA).

Seventy-seven formal designations of Chicago neighborhoods. See Appendix 1.

Child Care Resource and Referral Agency (CCR&R). There are 16 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. Illinois Action for Children is a CCR&R.

Family Child Care Homes (FCC).

Child care located in providers' homes. While there are over 20,000 known license-exempt child care homes in Cook County, sometimes the term FCC refers solely to the approximately 4,000 *licensed* child care homes. In this report, it refers to both types of 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, Child Care Resource and Referral Agencies and the Quality Counts program.

Illinois Network of Child Care Resource and Referral Agencies (INCCRRA). A member organization consisting of 16 regional Child Care Resource & Referral (CCR&R) agencies serving communities throughout the state of Illinois. Its 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 it 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 complete a registration process and 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 (defined in this report as 5 am to 7 pm). This includes evening, overnight and weekend care, as well as days and times that change from one week to the next.

Reimbursement Rates. The payment levels 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 determines a family's eligibility using 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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