

The Parenting Place Child Care Survey

La Crosse County

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Executive Summary:

Child care services in La Crosse County appear highly variable between users, likely due to the unique situations faced by families. However, some issues appear to surface in the La Crosse County child care survey undertaken by The Parenting Place and associated partners. Some of these issues determined by the survey results being:

- 86% of responding families indicated a limited ability in child care options in La Crosse County
- Over half (56%) of La Crosse County families utilized a regulated child care provider, while nearly 1 in 4 utilized a non-regulated child care provider.
- The number one issue affecting a family's child care search was finding a facility located near their home.
- The largest majority of families paid between \$500 and \$1000 for child care monthly, however over 27% pay \$1,000 or more per month on child care expenses.
- Child care expenses represented at or greater than 25% of total family income for 19% of families surveyed (nearly 1 in 5).
- 83% ranked their child care services as excellent or good.
- 38% of survey respondents indicated child care issues affect their work productivity.

Background:

The 7 Rivers Alliance released The Wise Plan (Workforce Innovation for a Strong Economy) in September 2017. It identified "limited and unaffordable child care options" as a barrier to recruiting and retaining a strong workforce. In June 2017, The Parenting Place issued the report "Exploring the Child Care Gap for Jackson, Juneau and Monroe Counties in Wisconsin". The report was initiated by 7 Rivers Alliance to collect data to support the SET (Stronger Economies Together) High Quality Work Plan to better understand child care availability in the three counties. A census of existing regulated and unregulated care was conducted along with child care needs data from workforce in the same counties. The report validated the perceived child care shortage (a gap of 6,533 child care slots to meet need). A second survey was conducted by the Jackson County Child Care Task Force to better understand how the child care shortages impact employers. A significant finding from this survey is that parents making alternative arrangements for child care during work time account for \$2.5 million in lost productivity. La Crosse County employees have also struggled with a severe lack of regulated child care. Since 1998 there has been a steady decline of the number of regulated, child care businesses; in 1998 over 450 regulated child care businesses existed, in 2019 that number dwindled to 115 regulated child care businesses. Following the model of the afore mentioned surveys, 7 Rivers Alliance and The Parenting Place initiated this survey to better understand the impact of the decreasing availability of child care on the workforce and employers in La Crosse County. Karl Green from UW Madison Division of Extension - La Crosse County was enlisted to survey employers, collect data, analyze and summarize in this report. The La Crosse Chamber of Commerce was a partner in this project by distributing the survey to employers in La Crosse County.

Methodology

Surveys were developed in Qualtrics, and links were provided to all participating organizations. One difficulty in developing a survey like this is determining whom to ask. While many parents work in La Crosse County, not all people with children require child care due to their children's age, or choice of

family to have one adult stay home. The American Community Survey (ACS) 2017 (2013-2017) estimates the number of La Crosse County households with children 18 or under at 12,031 households. Our combination of surveys distributed to employees via the La Crosse Area Chamber of Commerce, 7 Rivers Alliance and La Crosse County (Employer) received 506 total responses from people with at least one child requiring child care in their household. Four hundred and ninety (490) of those respondents lived in La Crosse County. This indicates a 4.07% response rate (of all La Crosse County families), a 95% confidence interval, and a 4.34% margin of error.

La Crosse Child Care Availability

Childcare Facility Type	# of Facilities	Capacity
Licensed Family Child Care Providers	40	320
Licensed Group Centers	20	2311
Licensed Home Providers	29	232
Certified Home	21	126
Licensed Preschool	5	169
School Age	17	931
Head Start	3	150
Unregulated Child Care (Estimated)	65	unknown
	200	3,856

The American Communities Survey estimates 15,832 children under the age of eleven (11) in La Crosse County (2013-2017). The La Crosse County child care total capacity is estimated around 24.3% of total children under age 11. While we are uncertain as to the capacity of unregulated child care, it is highly unlikely these make up the 75.7% difference between number of kids and available child care capacity. A stay at home parent may also fill some of this void, but likely not its entirety.

Survey Results:

Parental makeup consisted predominantly of biological parents (93%), with adopted (2%), biological/step (2%), grandparents (1%) and biological/adopted (1%) making up the most common household parental relationships with children in child care.

The numbers in Table 1 below align similarly with La Crosse County American Community Survey results for the entire county, with grandparent relationships appearing slightly under represented in this survey.

This may be due to the nature of survey implementation (employers) which could be less representative of employees in a typical age of grandparents.

Parental Relationship	# of responses	Percentage
Biological Parent	470	92.8%
Biological Parent, Step-Relationship	12	2.3%
Adopted Parent	10	2.3%
Grandparent	6	1.2%
Biological Parent, Adopted Parent	3	.6%
Step-Relation	2	<.1%
Adopted Parent/Foster	1	<.1%
Foster	1	<.1%
Other	1	<.1%
Total	506	100%

TABLE 1

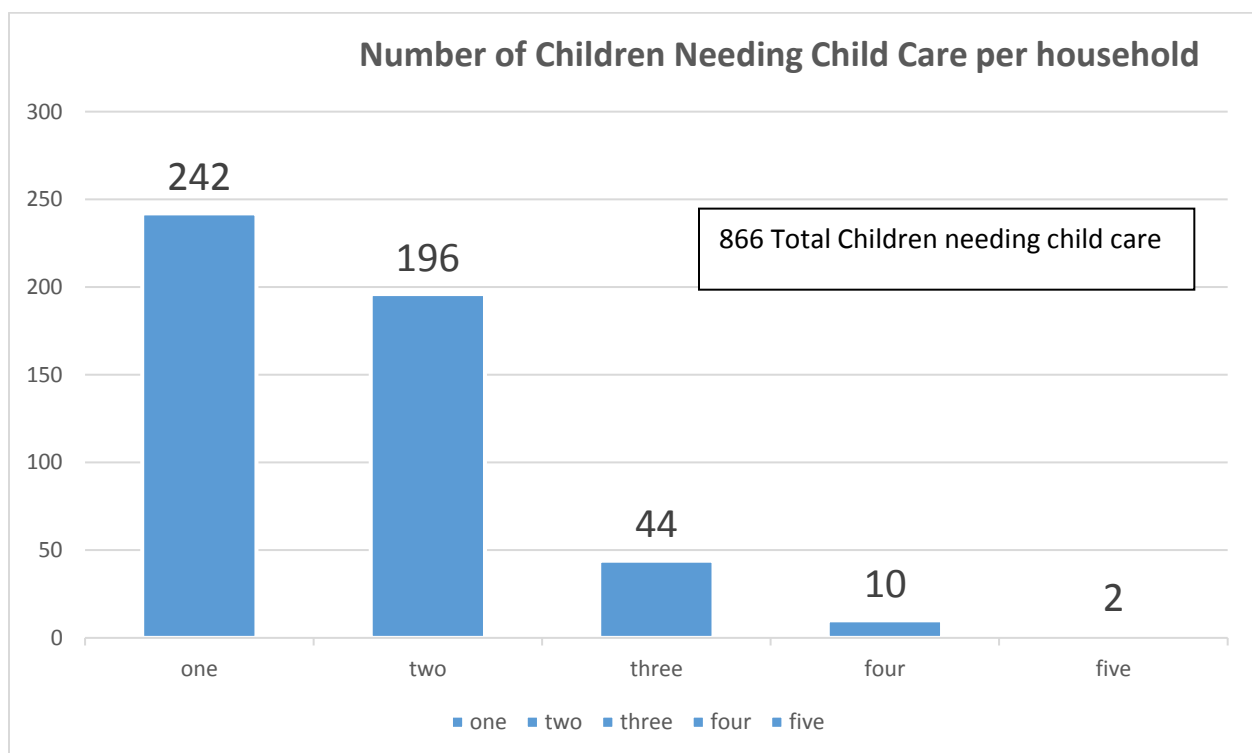


FIGURE 1

Figure 1 illustrates the number of children in households of requiring child care. While total children numbers are variable, it appears families with children in child care highly dominated with one or two children per household. La Crosse County's average family size, as reported by the American Communities Survey (2013-2017) is 2.91. The total number of children in child care represented by the survey's 490 families equals 866 total children. There are an estimated 15,832 children age 11 or younger in La Crosse

County according to the 2017 American Communities Survey. Technically, all 15,832 children require child care. However, we are uncertain how many families have an at home parent providing this care.

Monthly incomes for survey respondents indicated a significant number of households earning greater than \$4,500/month.

La Crosse County's ACS (2013-2017) average family income value is \$72,540. This value represents "gross income". Survey respondents reported net monthly income (take-home), and therefore represented their incomes following taxes, potential retirement savings, health insurance etc.

While respondents' net take-home may be slightly different, if we estimate a total deduction percentage of 25%, to estimate what \$72,540 would equate to in take-home pay: approximately \$54,405 annually, or an approximate monthly income of \$4,500.

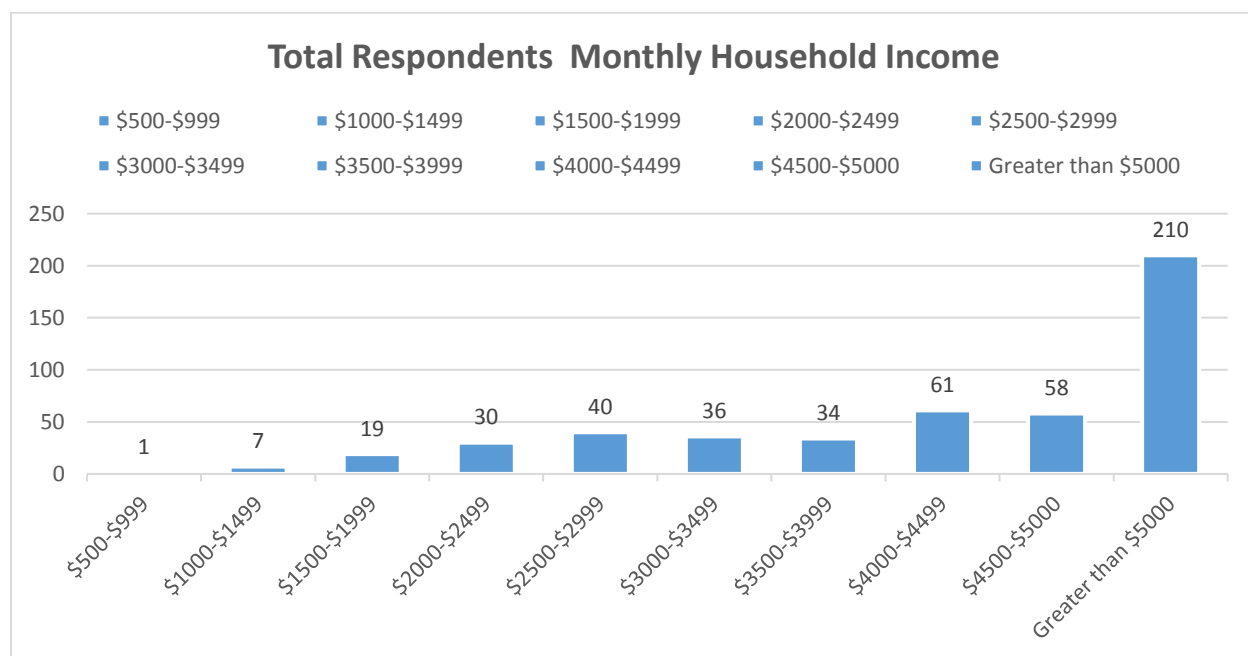


FIGURE 2

Based on these assumptions in Figure 2, total respondents indicate 268 (54%) people earning above \$4,500, and 228 (46%) earning below the median family income. A median value is the middle value of income. Our survey's take-home income results, even with all the assumptions, appear to disperse relatively close to the county median value dispersion.

When we compare the number of children to monthly incomes, we see a similar dispersion of single-child families and two-child families (Figures 3 & 4).

Understanding the costs associated with child care can be difficult due to the number of highly variable factors. While we may assume the total number of children should be the main contributing factor to child care expense, other factors also play into the equation:

- Age of child in child care- infant care (children under two year) is more expensive than care for older children.
- Working schedule of parents - If a parent works second or third shifts they may be able to stagger their schedules with another parent, potentially limiting the total child care expenses paid; conversely single parent households, or families where both parents work 2nd or 3rd shifts may experience more difficulty finding child care services.
- Type of child care - We will illustrate the various types of child care used in this study, but some forms may be less expensive than other forms (ex. Regulated care provider versus grandparent)
- Age difference of children - With twins, both children may need the same type of care simultaneously, while variation in age of children may change the type of child care requirements, in particular once children enter school ages.
- Parental overtime work requirements - A parent or parents working later than expected may incur late pickup charges.
- Children with special needs children (ex. autistic spectrum) may require higher cost/child care than non-special needs children

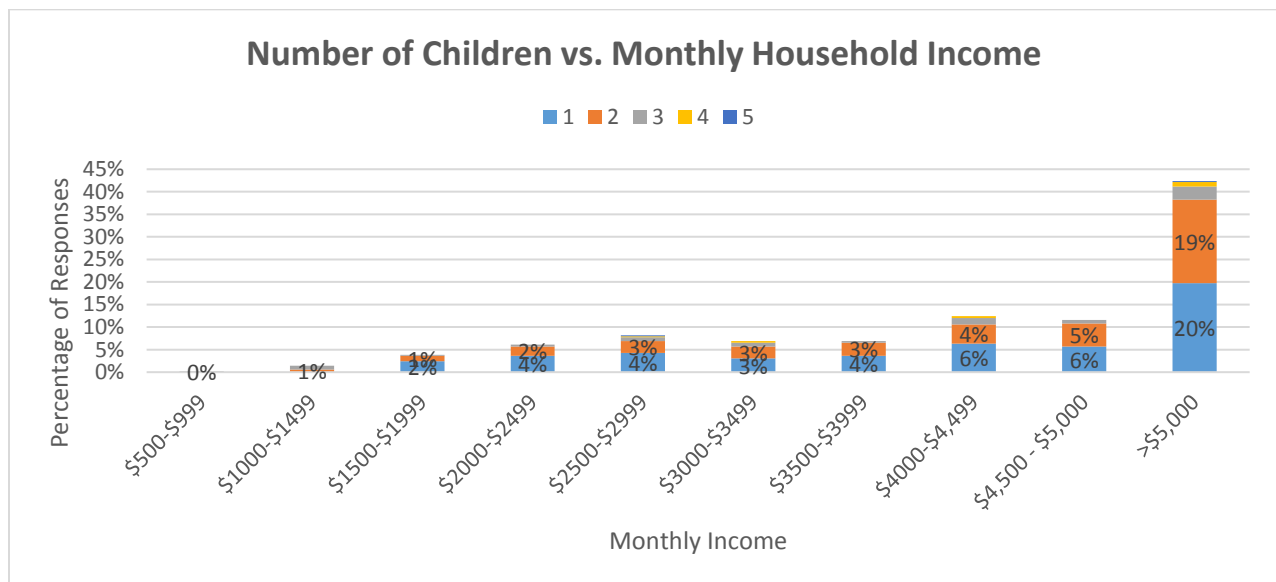


FIGURE 3

As illustrated below in Figure 4, the largest common cost category for child care is between \$500 and \$999 dollars monthly (out of pocket). However, total out of pocket costs does not seem to strongly correlate with the number of children, as detailed above.

Figure 4 has reported percentages cumulative (all added would equal 100%), thereby illustrating the following:

- 30% of all respondents paid less than \$500/month for monthly child care expenses
- 42% of all respondents paid between \$500 and \$999 for monthly child care expenses
- 20% of all respondents paid between \$1,000 and \$1,499 in monthly child care expenses
- 7% of all respondents paid >\$1,500 for monthly child care expenses

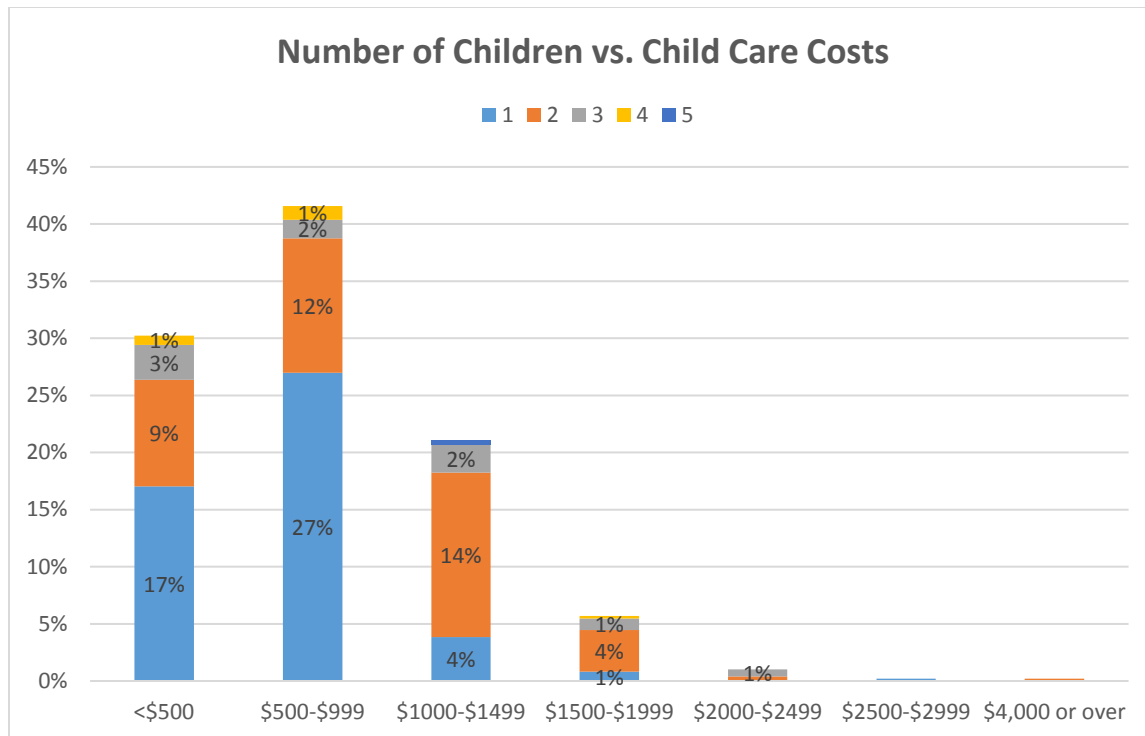


FIGURE 4

Figure 5, below, illustrates what type of child care services expenses paid for:

- Approximately 56% of respondents paid a regulated child care service to watch their child/children.
 - 5% paid under \$500 monthly for regulated child care services
 - 30% paid between \$500 and \$999 monthly for regulated child care services
 - 15% paid between \$1,000 and \$1,499 for regulated child care services
 - 5% - 6% paid greater than \$1,500 monthly for regulated child care services
- 19% of respondents paid for before/after school care.
 - 11% paid under \$500 monthly for before/after school care services
 - 5% paid between \$500 and \$999 monthly for before/after school care services
- Approximately 13% paid a relative for child care services (unregulated).
- Approximately 8% paid child care services to an unregulated, non-relative child care provider.
- Approximately 2% utilized either a friend or a babysitter (unregulated).
- Approximately 1% were unable to find adequate child care.

It is noted, the majority (2/3) of respondents that indicated child care costs below \$500 annually were users of either before/after school child care, or a relative. It thus appears respondents indicating lower costs of child care is related to the type of child care, not more competitive pricing.

To better understand the impact of these costs, we need to compare the family's monthly expenses with their monthly incomes. Table 2, below, illustrates the various child care costs ranges, compared to the family's reported monthly income.

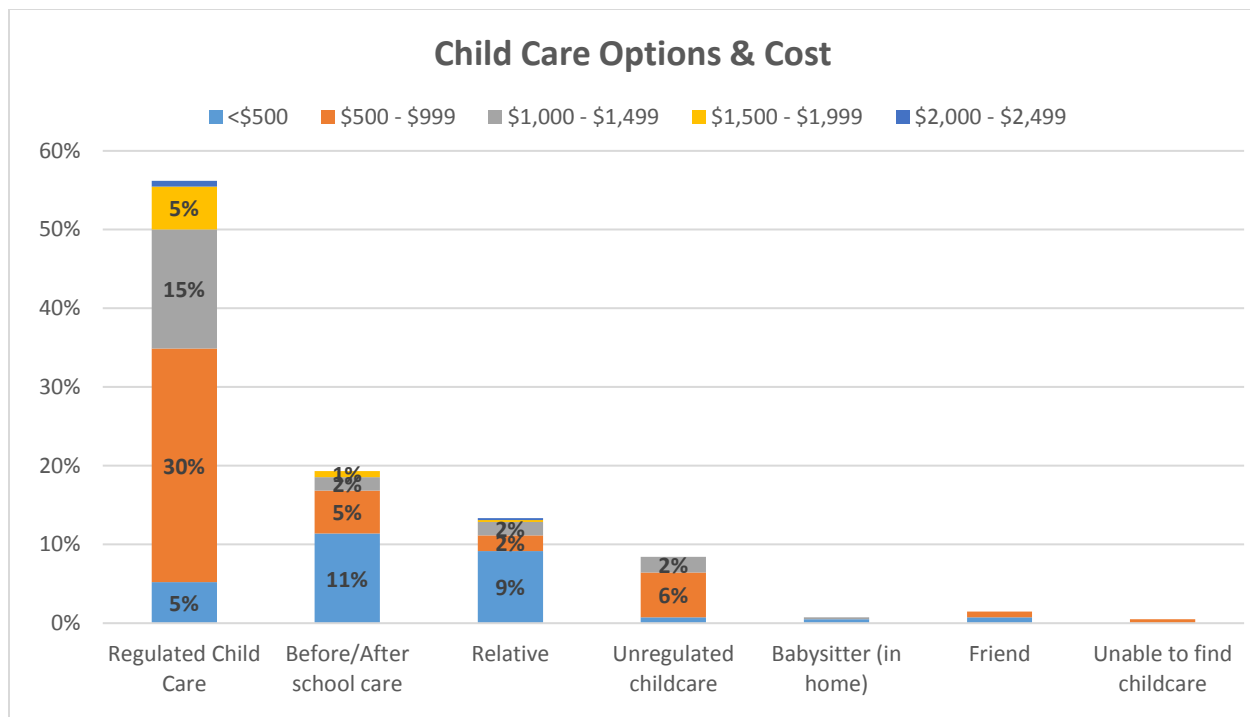


FIGURE 5

	Monthly Income Range									
Childcare Expenses (Monthly)	\$500-\$999	\$1000-\$1499	\$1500-\$1999	\$2000-\$2499	\$2500-\$2999	\$3000-\$3499	\$3500-\$3999	\$4000-\$4499	\$4500-\$5000	Greater than \$5000
Under \$500	1	4	8	14	15	11	15	19	16	45
\$500-\$999		2	5	12	16	12	8	28	26	96
\$1000-\$1499		1	5	4	7	9	10	8	12	48
\$1500-\$1999			1		1	1		5	3	17
\$2000-\$2499				1	1	1		1		1
\$2500-\$2999										1
> 25% Income Towards Childcare		3	11	17	9	11	10	14	15	2

TABLE 2

The highlighted cells in Table 2 illustrates where families pay greater than 25% of their income towards child care. This equates to 92 families, or approximately 19% of all families in this survey. To say about 1 in 5 families pay at least 25% of their family's income towards child care, we begin to understand the impact child care expenses have on families in La Crosse County.

Quality of Child Care

While paying for child care illustrates a hardship for many families in La Crosse County, finding quality child care is another factor contributing to the challenges in the child care field. The survey, asked respondents about their ability to find child care. To understand this situation, we asked about their ease in finding child care both considering and not considering the cost of the provider.

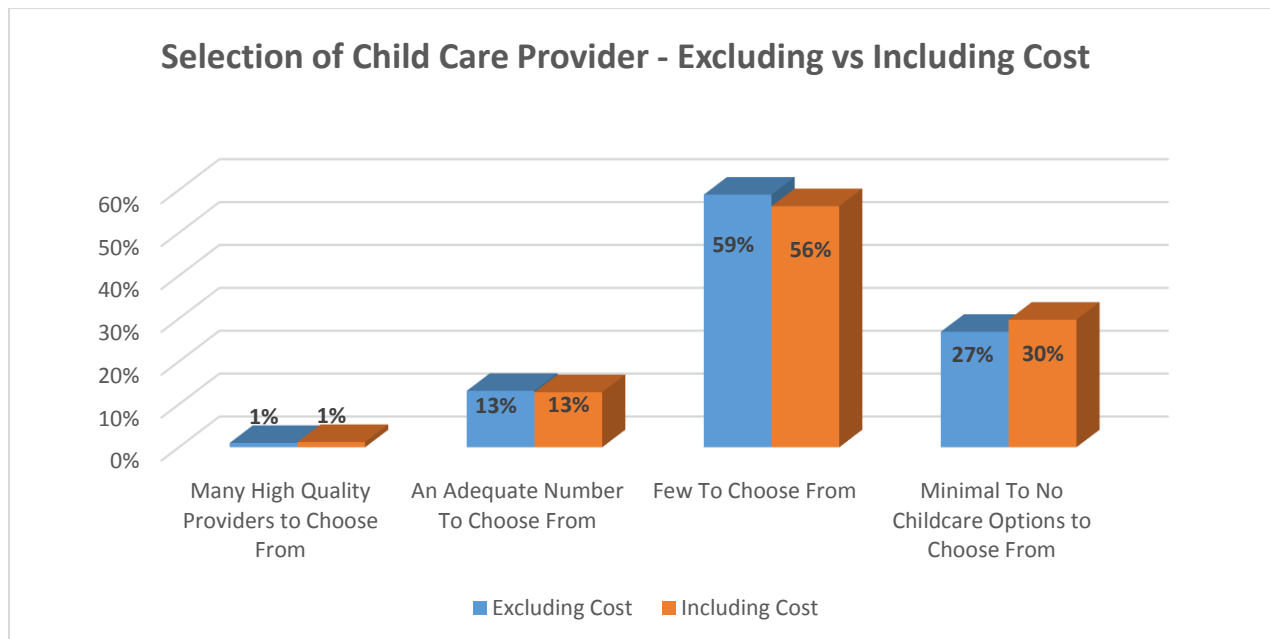


FIGURE 6

As illustrated in Figure 6 above, approximately 86% of all respondents indicated child care options as either few or minimal for their individual situation, regardless of cost. This begs the question – if so many families are experiencing difficulty finding child care, why are more child care facilities not opening? Does child care service not respond to typical supply-demand economics? If not, why not?

When ranking the parents overall perception of care, most respondents (83%) indicated either good or excellent care from their child care provider. Thus, it appears once a child care provider is selected, 4 out of 5 families seem happy with the services they receive (Figure 7).

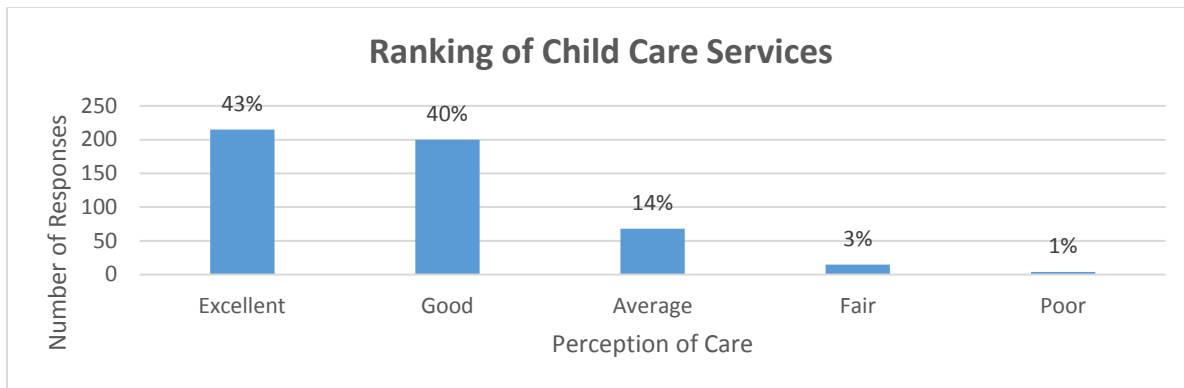


FIGURE 7

Survey respondents were asked to select the level of child care related disruptions they typically received during a year.

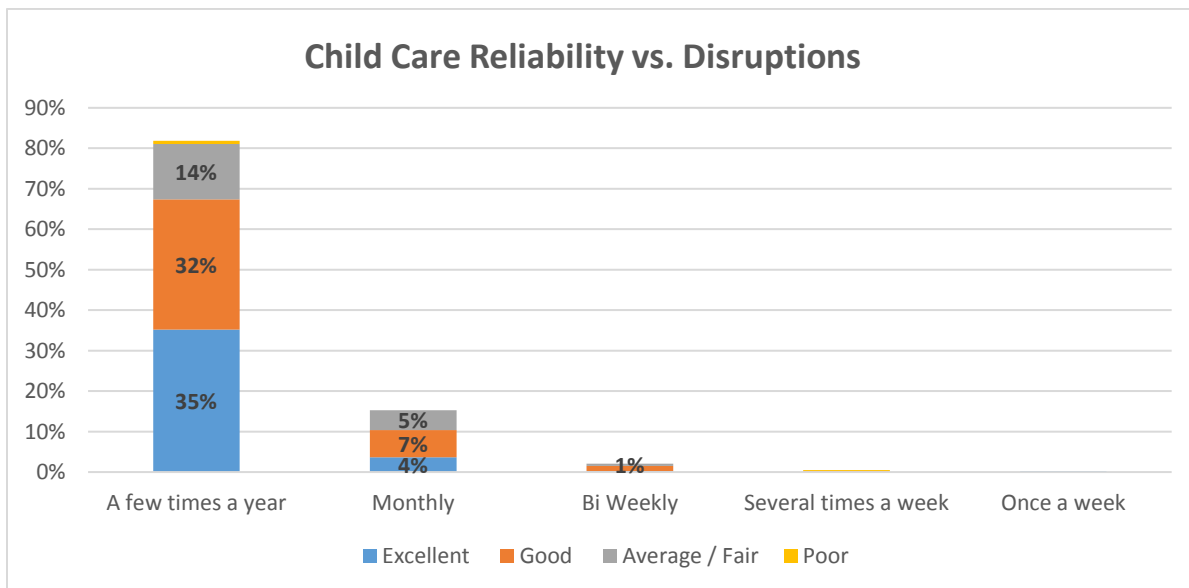


FIGURE 8

Figure 8 illustrates the level of perception of care with the self-defined number of disruptions they receive annually. Over 80% of respondents indicate disruptions as only a few times a year. A significantly lower amount (approximately 16%) indicated disruptions at a monthly level.

Additionally, worker productivity appears somewhat impacted by time required to arrange alternative child care arrangements. Approximately 38% of survey respondents indicated that dealing with child care issues influences their productivity at work (Figure 9).

Addressing Child Care Issues Affects Productivity

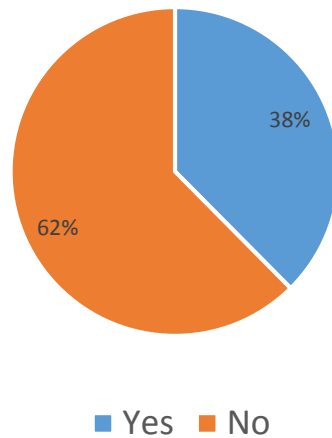


FIGURE 9

When asked to estimate the hours spent monthly arranging for alternative care, one out of four indicated requiring more than two hours per month arranging alternative child care coverage. Reasons for requiring alternative child care arrangements were situations like illness of child/care provider, or weather related disruptions. Figure 10 indicates that child care disruptions account for less than 1 hour of lost productivity for the majority of respondents (74%). However, the 25% that experience 2-5 hours or more per month arranging alternative child care service represent a potentially significant amount of productivity lost by local employers.

Hours Spent Arranging Alternate Child Care Monthly (at work)

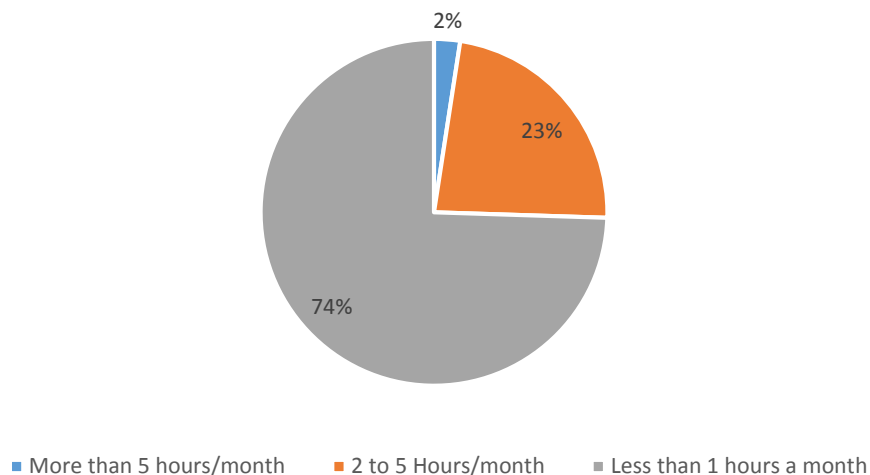


FIGURE 10

Figure 11 illustrates that child care issue that inhibit productivity are relatively evenly distributed amongst all income ranges.

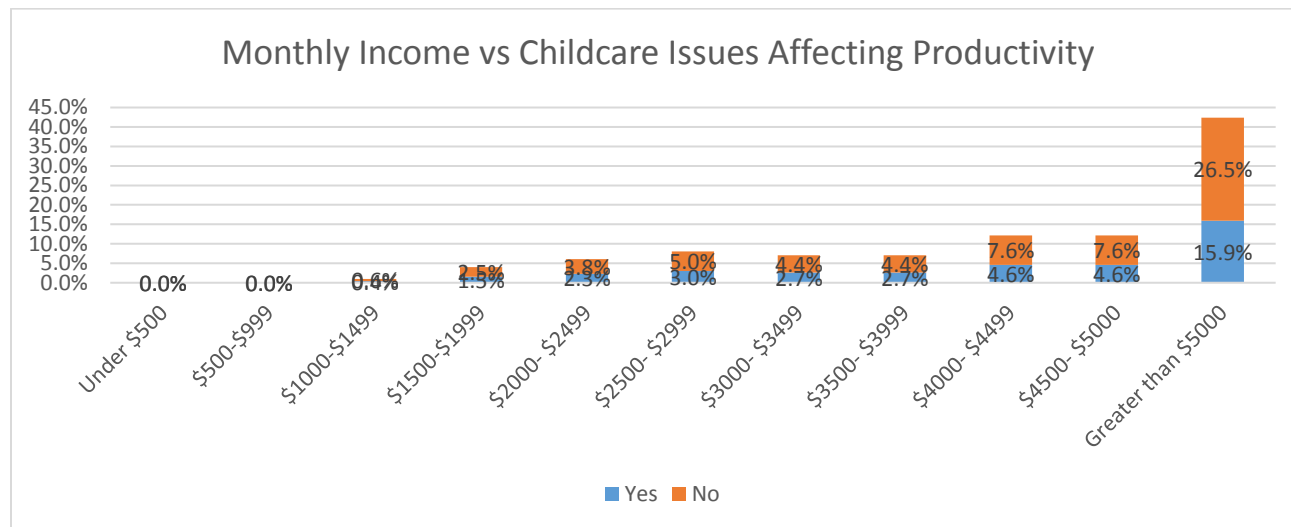


Figure 11

When asked which of the following issues affected the search for child care, Figure 11 shows a common issue. Nearly 60% of all respondents reported the biggest issue affecting their child care search as a lack of child care services near the home. Also affecting their search was the actual cost of child care (second largest issue), as reported by approximately 12% of responses.

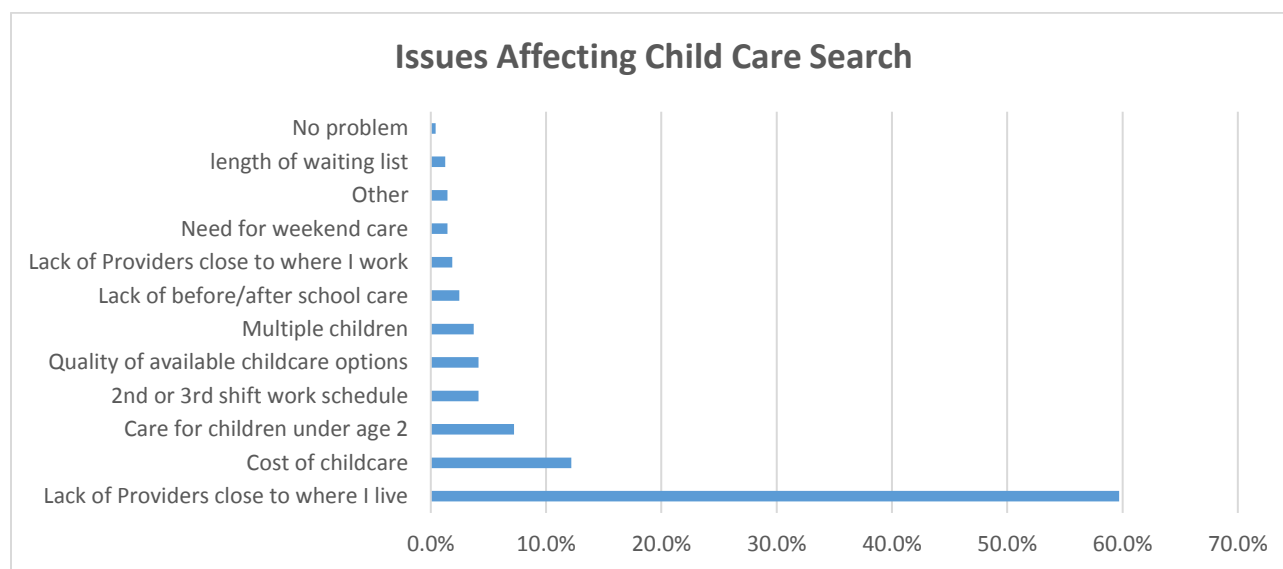


FIGURE 12

Finally, as a means of understanding possible solutions for improving child care options, we asked respondents to rank the following five suggested options of possibly improving their situation for handling child care:

Child Care option	Ranking				
	1	2	3	4	5
Higher salary to help household cover private child care expenses	141	116	75	74	51
Employer owned child care facility at or near your work	139	83	80	61	95
Flexible hours that allow you to best maximize your households schedule to minimize child care needs	77	97	85	115	82
Offer flexible spending account for child care (pre-tax dollars from your paycheck)	59	71	74	95	171
Employer paid vouchers/credit to partially help cover child care expenses	53	90	146	105	62

TABLE 3

As illustrated in Table 3, no single answer resounded with any majority score. The two Ideas that scored highest included higher pay and employer owned child care near the workplace. This second option seems to counter the preference indicated in Figure 11 of finding child care services near the family's home.

Findings and Conclusions

Child care services are expensive for families to afford, and may represent a significant proportion of a family's paycheck. Nearly one in five families pay greater than twenty five percent (25%) of household income on child care services. These expenses affect families through all income ranges, however most predominantly impact **households** earning lower than \$5,000 monthly.

Approximately twenty seven (27) percent of families surveyed pay one thousand dollars (\$1,000.00) or more monthly for child care services. This amount is **not** solely dependent on the number of children in child care.

La Crosse County has an estimated shortage of child care options, with approximately one slot for every four kids under age eleven. For most families, finding an adequate child care provider was difficult, and nearly seven out of eight families considered their options limited, regardless of expenses. Additionally, one in four families (25%) used the services of an unregulated child care facility for their child care options. Nearly one in five utilized before and after school care services for their child care options.

The majority of survey respondents looking for child care services stated their largest issue in finding adequate child care was locating a provider near their home. Evidently, parents prefer child care be located closer to their home (59.7%) rather than work, as far fewer (1.9%) indicated an inability to find child care close to work. It is unclear the nature of this preference, and if it that would change with the right provider. In La Crosse County quality of child care does not seem to impact the majority of families; only one percent (1) indicated their perception of child care as poor.

Approximately thirty eight (38) percent of all employees indicated their work productivity was impacted by child care issues. Putting a dollar figure to this is difficult, but twenty five (25) percent indicated spending 2-5 hours per month addressing child care interruptions due to various reasons. These productivity issues appears to affect employees equally at all income ranges.

It is apparent that the child care industry is changing, with opportunities for regulated child care facilities disappearing at the same time as demand increases. While regulation is important of this industry, regulated child care providers indicated knowledge of a relatively large volume of unregulated child care providers (sixty five). It appears that this industry has a low profit margin, even with the modest salaries earned by regulated child care providers.

Due to the wide variety of situations affecting families in La Crosse County, prescribing specific solutions is extremely difficult. However, survey respondents seemed to favor either higher wages to help households their families cover private child care expenses, or employer owned child care facilities at or near their work.