A Profile of the Family Child Care Workforce in the County of Los Angeles California

Findings from the 2003 Survey of Family Child Care Income and Working Conditions

Prepared for the
County of Los Angeles
Child Care Planning Committee
December 2003

Acknowledgments

Report and data analysis by:

Alice Burton

UCLA Center for Improving Child Care Quality Research Team
Principal Investigator: Carollee Howes, Ph.D.;
Program Director: Jan Brown;
Data analysis: Brandt Chamberlain, Ph.D.;
Data analysis support: Ulises Gonzalez, Heather Watts;
Data entry and formatting: Brigitte Le, Arvin Ratanavongse, Brian Duff, Ph.D.

Data collected by: Lesley Blacher, County of Los Angeles, Office of Child Care.

The instrument used in this study was developed by the Center for the Child Care Workforce, Washington, DC, 2002.

Special thanks to Lesley Blacher, Kathy Malaske-Samu, Laura Escobedo, and Kirsten Deichert who provided editorial advice, and Loren Clapp for production help.

Design and composition: Archetype Typography, Berkeley, California.

Cover photograph courtesy of: Child Development Consortium of Los Angeles

Page 35 photograph courtesy of: Glendale Adventist Medical Center Children's Center

The County of Los Angeles Child Care Planning Committee appreciates the support of local family child care associations in promoting the survey, and each of the family child care providers who took the time to complete and submit a survey.

For more information about the family child care survey, contact:
Lesley Blacher, Research Coordinator
County of Los Angeles, Office of Child Care, 222 South Hill Street, 5th Floor
Los Angeles, CA 90012
Tel. (213) 974-4603
lblacher@cao.co.la.ca.us

For more information about child care in the County of Los Angeles, contact:
Laura Escobedo, Child Care Planning Coordinator
County of Los Angeles, Office of Child Care, 222 South Hill Street, 5th Floor
Los Angeles, CA 90012
Tel. (213) 974-4102
lescobed@cao.co.la.ca.us

Contents

Introduction

This survey of the earnings, benefits, and working conditions of family child care providers is the first of its kind to be conducted in the County of Los Angeles (County), and among the first to be conducted in California. Previous studies of the child care workforce in the County[1] focused exclusively on staff working in child care centers. This study is a companion to *A Profile of the Child Care Center Workforce in Los Angeles County,* published in 2002.

Licensed family child care providers care for groups of children in their own "family child care homes," and are responsible for activities associated with operating a small business. Specifically, providers offer caregiving and education through age-appropriate activities and interactions with children; plan and prepare meals for children; and are responsible for purchasing equipment and supplies, bookkeeping, establishing policies and procedures, and marketing their services. In the County, as elsewhere throughout California, family child care providers can be licensed to operate "small" or "large" home-based child care businesses. Providers operating small family child care homes care for up to eight children, and large homes can accommodate up to 14 children. Providers operating homes licensed for 14 children employ assistants to meet the needs of the children in their care, and to satisfy State of California adult/child ratio regulations.

This report is being published at a time when the importance of the child care workforce, including family child care providers, has become more widely recognized at the national, State, and local levels. Researchers have emphasized the link between quality child care programs and positive outcomes for young children, especially in terms of brain development and readiness for school. In California, such findings have led to substantial investments by the State and many local First 5 California (Proposition 10) Commissions to promote the professional development and retention of the child care workforce. First 5 LA's planning of a high-quality, universal preschool experience for 4-year-olds has also underlined the need to build a well-trained and well-compensated workforce of family child care and center-based providers.

While there is a growing recognition of the family child care providers' role in caring for young children, little is known about their earnings and expenses, benefits, educational backgrounds, and demographic characteristics. This study seeks to gain a clearer picture of the economic viability of operating a family child care home, as well as provide an educational and demographic profile of providers in the County. By virtue of working in private home settings, family child care providers are often an overlooked segment of the child care workforce. This study was prompted out of an interest to better understand family child care providers' status as members of an important workforce for young children and their families in the County. Funding for the study was provided by the California Department of Education.

Research Design

In the winter of 2003, the *Family Child Care Provider Income and Working Conditions Survey* was sent to 1,356 randomly selected licensed family child care providers in the County. Of those providers, 19 percent (N = 254) participated in the survey (See Figure 1.). This accounts for 2.5 percent of the total number of licensed family child care providers in the County (N = 10,168). "Small home" providers are licensed to care for eight or fewer children. "Large home" providers are licensed to care for as many as 14 children. As shown in Figure 1., providers who participated in the survey are representative of the distribution of small and large home providers in Los Angeles County.

Previous research has shown that the licensed capacity of family child care homes accounts for much of the variation in family child care earnings, expenses, and business practices. The sample's proportional representation of small and large home providers is an important indication of these findings' reliability, and allows us to view the results with confidence. It should be noted that in the absence of demographic data about the population of providers in the County, such as ethnicity, gender, and age, it cannot be said for certain that the sample is representative of family child care providers and homes currently in operation in the County. This study did not include providers who are exempt from licensure, many of whom are the relatives or neighbors of the children in their care.

FIGURE 1. Distribution of Small and Large Family Child Care Homes

	All Family Child Care Providers in the County		**Family Child Care Providers in the Sample**	
	Number	Percentage	Number	Percentage
Small home providers	6,694	66%	172	68%
Large home providers	3,473	34%	82	32%
Total	10,167*	100%	254	100%

*Information used to identify the licensed capacity of one Los Angeles County family child care provider was not available.

Family child care homes were selected for the sample in proportion to the distribution of programs throughout the County's eight "Service Planning Areas" (SPA's). The sample is regionally representative of providers throughout the County, with the exception of providers in the South SPA, who are under-represented, and West SPA, who are slightly over-represented (See Figure 2.). The sample size (N = 254) does have implications for the ability to identify meaningful differences among family child care providers, based on the SPA in which they operate. See the regional findings (page 23) for a more detailed discussion of the sample and its implication for the SPA analysis.

Several County family child care associations played a role in increasing the response of the providers in the randomly-selected sample. Spanish- and Cantonese-speaking providers, together with others, conducted outreach to providers in their communities to encourage their participation, and were also available, upon request, to provide technical assistance in completing the survey, including assistance with translation.[2] Each provider selected for the sample received an English- and Spanish-language set of letters requesting their participation, and survey booklets, allowing them to use materials in the language they preferred. Sixteen percent of the returned surveys were Spanish-language, with no significant difference in language between small and large home providers. Careful measures were taken to insure confidentiality of the survey results. Providers returned their survey booklets to the University of California, Los Angeles researchers, who, upon receipt of the surveys, separated and destroyed all identifying information about providers from the survey booklets.

FIGURE 2. Location of Licensed Family Child Care Homes

	All Family Child Care Providers in the County		Family Child Care Providers in the Sample	
	Number	Percentage	Number	Percentage
SPA 1: Antelope Valley	651	7%	23	9%
SPA 2: San Fernando	1,608	16%	39	15%
SPA 3: San Gabriel	1,632	16%	46	18%
SPA 4: Metro	679	7%	19	8%
SPA 5: West	324	3%	16	6%
SPA 6: South	1,846	18%	33	13%
SPA 7: East	1,250	13%	30	12%
SPA 8: South Bay/Harbor	2,010	20%	48	19%
Total	10,000*	100%	254	100%

*Information used to identify the SPA's of 168 providers in the County was not available.

The survey instrument used in the study, developed by the Center for the Child Care Workforce (CCW), and used in several studies by CCW in California, offers a comprehensive profile of providers' earnings and expenses. This detailed and lengthy survey is more likely to be completed by providers who maintain current financial records about their businesses. Therefore, those who do not maintain current records and/or are newer to family child care are probably under-represented in this sample. The sample of participating providers is likely more heavily weighted toward experienced providers who may share other characteristics, such as more extensive experience with child development training and professional associations.

Countywide Findings

As shown in Figure 3., the average family child care provider in this study's sample has been in operation for seven years, works 62 hours per week, cares for six children, received some college-level training in early childhood education, and earns an annual gross income of $36,695. After the expenses are accounted for, however, the provider nets an annual income of $15,004. As a group, the large home providers in the sample have been in business longer, work more hours, and care for more children than small home providers in the sample.

FIGURE 3. Profile of an Average Family Child Care Provider in the Study Sample

	Small Home Provider	Large Home Provider	All Providers
Years in Operation	6.3	8.4	7
Work Week (in hours)[3]	57	73	62
Children in Care	5	10	6
Education	Some college credit-bearing education in early childhood education/child development		
Annual Gross Income	$25,384	$58,030	$36,695
Annual Net Income	$11,968	$19,254	$15,004
Health Coverage	46% lack health insurance; 54% rely on a privately-purchased plan, a spouses' plan, or publicly-provided assistance for health insurance.		

Family child care providers care for a wide range of children, including infants (0-11 months), toddlers (12 to 35 months), preschool-age children (3 years to 4 years, 11 months), and school-age children (5 to 12 years). Figure 4., shows the average number of children in care among providers in the sample, including those who reported having no children in a particular age category. Among all family child care providers in the sample, 41 percent care for infants, 74 percent care for toddlers, 57 percent care for preschool-age children, and 58 percent care for school-age children. As would be expected, large home providers care for a significantly greater number of children of all ages, with the exception of infants, than small home providers.

FIGURE 4. Average Number of Children in Care in Sample, by Children's Age Group*

	Small Home Provider	Large Home Provider	All Providers
Infants (0–11 mos.)	.55	.91	.67
Toddlers (12–35 mos.)	1.4	2.5	1.8
Preschoolers (3–4 yrs. 11 mos.)	.92	2.5	1.4
School-Age Children (5–12 yrs.)	1.3	2.7	1.7

*Includes all providers in the sample. Not all providers care for children in each age group.[4]

Demographics

Like family child care providers, nationwide, the providers who participated in this study are overwhelmingly female (in the case of this sample, 100%, see Figure 5.). A majority of providers are over age 30, with approximately half of the sample (53%) between ages 30 and 49, and 38 percent age 50 and above (See Figure 6.). Most providers (66%) are married, and an even greater percentage (71%) have children of their own (an average of three per provider, with two under age 18). Forty-five percent of providers report that their family child care incomes are their families' sole support, and most providers, including those married or living with a partner (61%), have modest annual total household incomes of less than $45,000 (See Figure 7.). Sixty-seven percent of providers with children of their own have them present while they care for children in their family child care homes.

As shown in Figure 8., there is some ethnic/racial disparity between the providers in this sample and the child populations of the County, with Latino providers somewhat under-represented, and African-American and Asian American/Pacific Islander providers somewhat over-represented.[3] This disparity may have implications for securing appropriate cultural and language matches between providers and the children they serve.

FIGURE 5. Gender of Sample

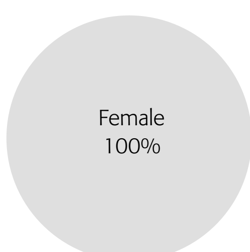


FIGURE 6. Age of Sample

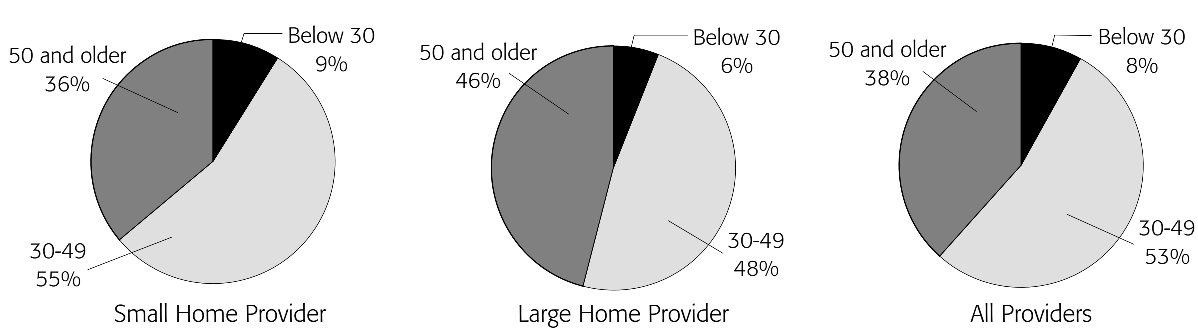


FIGURE 7. Total Annual Household Incomes of Sample

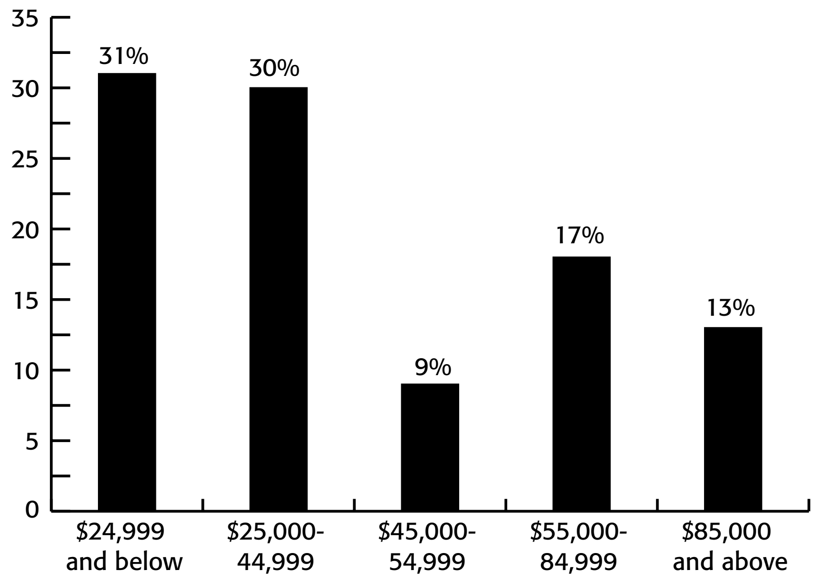
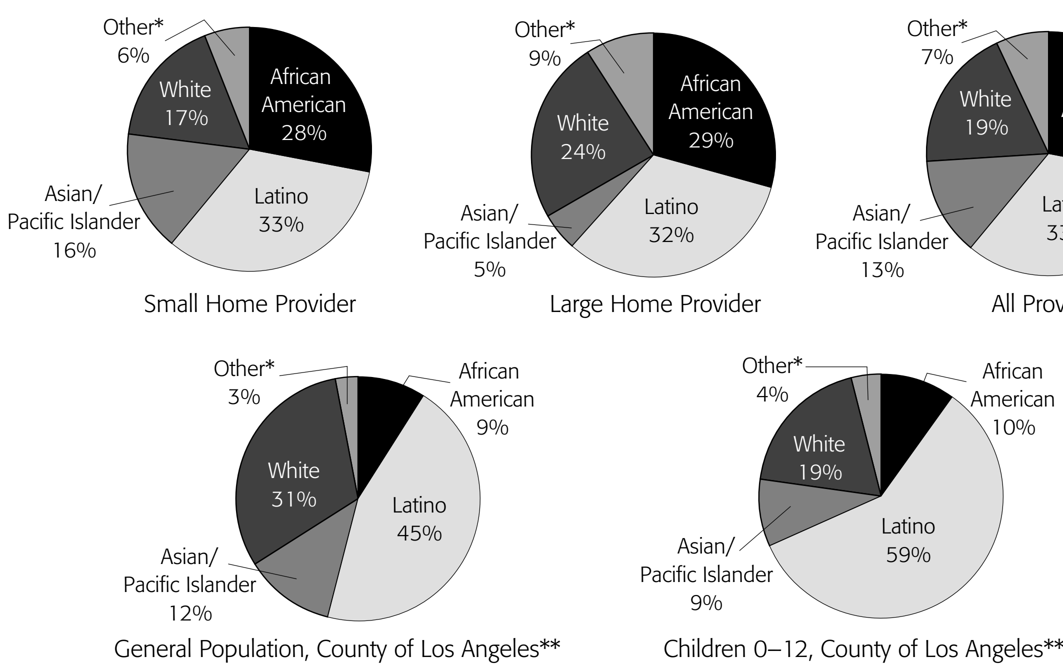


FIGURE 8. Ethnicity of Sample

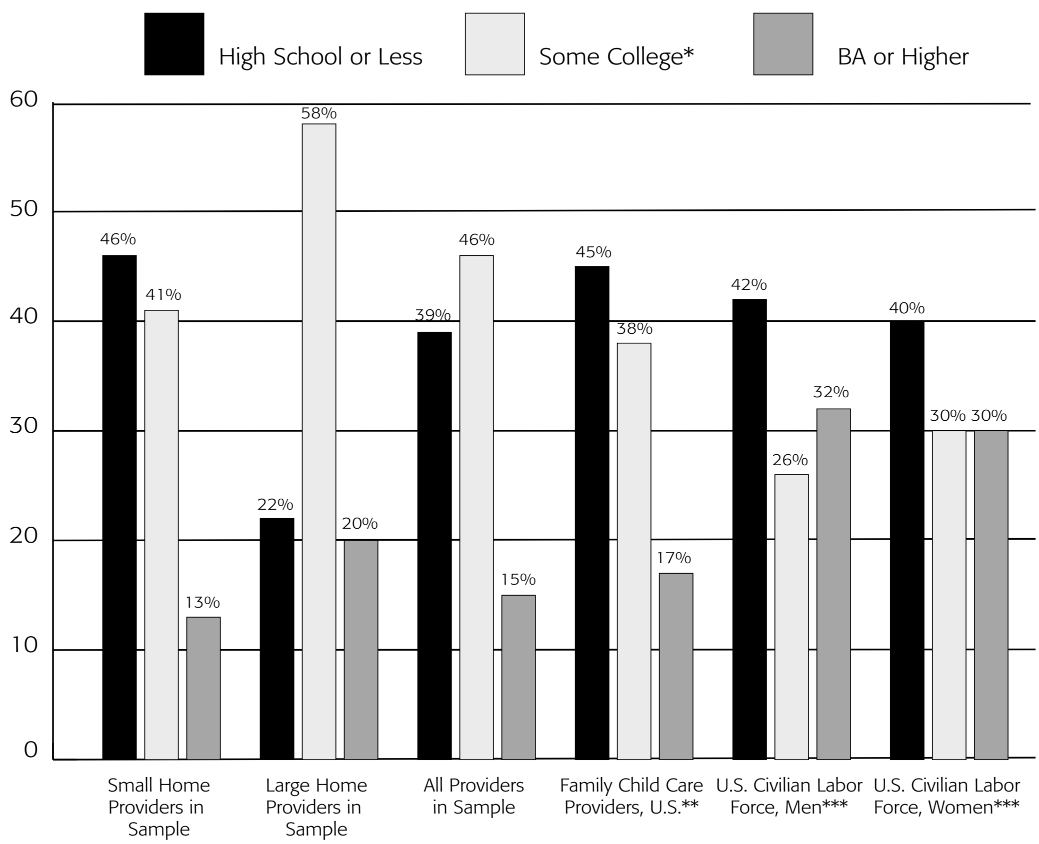


Source for County of Los Angeles population ethnicity: U.S. Census Bureau, Census 2000 Summary File 1 (SF 1) 100-Percent Data.
*The category "Other" includes American Indian, Alaskan Native, Multiracial, and others.
**Does not add up to 100% because of statistical rounding error.

Education

Family child care providers in the sample are somewhat better-educated, on average, than providers nationally as shown in Figure 9. Large home providers in the sample, in particular, are more likely to have completed some college-level work and/or a college degree, than providers nationally (58% compared with 38%, nationwide). A majority of all providers have completed at least some college or university units in early childhood education or child development. Five percent of providers hold a Bachelor's degree or above in early childhood education or child development. More typically, providers in the County sample, like providers in other California counties, have completed a certain number of early childhood education courses, ranging from 1 to 24 units[4] (See Figure 10.).

FIGURE 9. Educational Attainment of Sample in Any Subject, Compared with Other United States Workers



*Includes those with a two-year (A.A.) degree.

**Source: *The Study of Children in Family Care and Relative Care*. New York: Families and Work Institute, 1995.

***Source: 2001 Annual Averages, Unpublished Tabulations from the Current Population Survey, Bureau of Labor Statistics, U.S. Department of Labor. Percentages include the entire U.S. labor force ages 25 and over, either employed or currently seeking employment.

Most semester-length early childhood education courses are equivalent to three units. Large home providers in the sample have attained more early childhood education units than small home providers, as well as more formal education in any subject.

FIGURE 10. Highest Level **Early Childhood Education (ECE)** Attained by Sample at the College or University Level

	Small Home Provider	Large Home Provider	All Providers
No ECE units[7]	38%	26%	34%
1–11 ECE units	28%	19%	25%
12-23 ECE units	14%	15%	14%
24 ECE units or more, no degree	13%	30%	18%
Associate (A.A.) Degree in ECE	3%	6%	4%
Bachelor (B.A./B.S.) Degree in ECE	4%	1%	4%
Graduate degree in ECE	0%	3%	1%

Ninety percent of this sample of providers report that they have participated in some kind of early childhood training in a workshop or vocational program. When asked about specific training venues, 64 percent said they participated in training in a community workshop, 58 percent received training from a professional association, and 22 percent received training under the auspices of a high school or vocational school. About one-half of providers (54%) received at least 20 hours of ongoing training in the last year, however, fewer than half (42%) of those pursuing ongoing training received college credit (See Figures 11. and 12.). Early childhood trainings outside of college or university settings often do not carry college credit, although, increasingly, providers and trainers are seeking college credit for these "community-based trainings" so that the training experience can count toward a degree and/or qualify providers to apply for a Child Development Permit.

When asked to assess the opportunities for training in their community, most providers (66%) see them as adequate. This perception was the same among small and large providers. When asked about the barriers they encounter to obtaining more training, providers are most likely to report that they cannot get time off in the daytime for available training (61%), they do not have enough time (59%), and/or there are not enough courses in the community (27%). Family child care providers who work long hours find it particularly difficult to access classes and training offered during the day.

FIGURE 11. Providers in Sample Receiving 20 or More Hours of Ongoing Training in Child Development and/or Business in Last Year

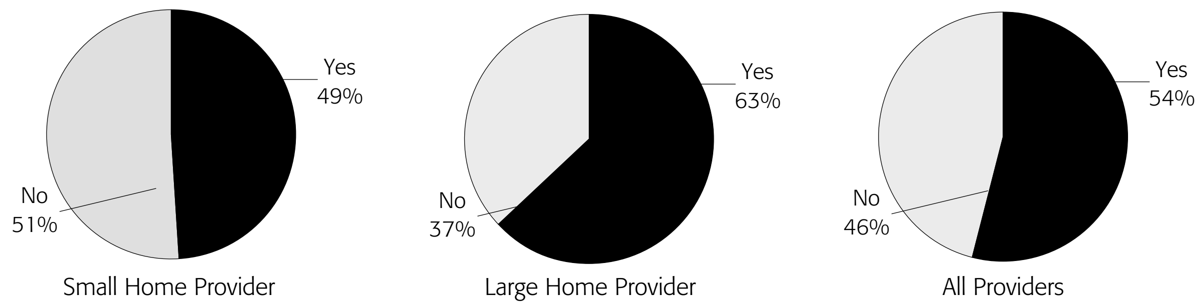
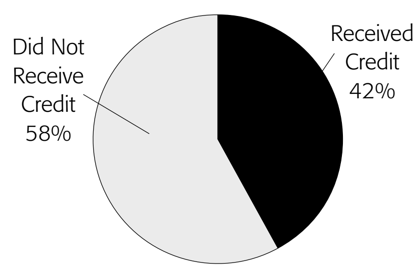


FIGURE 12. Providers in Sample Receiving College Credit for Ongoing Training*



*Includes only those providers who indicated that they had pursued ongoing training in the last year (see Figure 11). No differences were found in the likelihood of small and large providers receiving college credit for ongoing training.

Family child care providers in the sample vary in their levels of professional affiliation. Approximately one-quarter of providers are members of a local providers association (24%), a State, or a regional providers' association (26%). Providers who operate large homes are more likely than small home providers to be members of local associations (37% of large vs. 18% of small) and/or the National Association of Family Child Care (24% of large vs. 9% of small). One-third of providers (33%) have been previously employed in a child care center in some capacity. Most providers report that they have access to a computer (79%) and use the Internet (60%).

Earnings and Expenses

Family child care providers in this sample earn average annual gross incomes of $36,695, with large home providers grossing, on average, more than twice the amount of small home providers (large home providers gross $58,030, compared with $25,384 for small home providers). After accounting for the wide range of expenses associated with operating a family child care home, most providers' child care earnings of $15,004 per year, fall far below what is needed to support a family in the County. The Self-Sufficiency Standard for a family of three,[5] for example, is $40,870 in the County. However, according to the U.S. Census and the U.S.

Housing and Urban Development Agency (HUD) projections, median income for the County is higher: in 1999, the US Census reported that household income was $42,189 and, in 2003, HUD estimates that median household income will reach $50,300[6] (See Figures 13., 14., and 15.). Despite long hours, net family child care earnings for the average provider only represent approximately 30 percent of the median income in the County in 2003.

To earn these minimal salaries, providers in this sample report working an average of 49 hours per week with children, and another 13 hours per week to plan activities, shop for food, cook, clean, and perform other business-related duties. Providers of large homes net more per year ($19,254) than providers of small homes ($11,968), in part because they care for more children. The difference between small and large home providers' net incomes is smaller than the difference between their gross incomes, noted above.

FIGURE 13. Average Annual Family Child Care Net Incomes Sample

		Small Home Provider	Large Home Provider
Earnings:	Gross income*	$25,384	$58,030
Expenses:	Direct business expenses	$8,273	$23,199
	Home deduction**	$4,430	$9,501
	Salary of assistant provider and substitute	$1,565	$11,240
Net Income:	Net income***	$11,968	$19,254

Note: Data reported by a sub-sample of providers who answered a majority of the income and expenses questions in the survey (n=108).

*Gross income is based on reported fees, number of children enrolled, and hours when children are in care. Federal Child and Adult Food Program (USDA) revenues are also included in the calculation of gross income.

**The figures reported here are the portions of providers' "business use of home" expenses that are deemed deductible by the Internal Revenue Service.

***Net income was calculated as gross income, minus direct business expenses, business use of home deductions (multiplied by time/space formula), assistants' yearly salary, and providers' costs for substitute care.

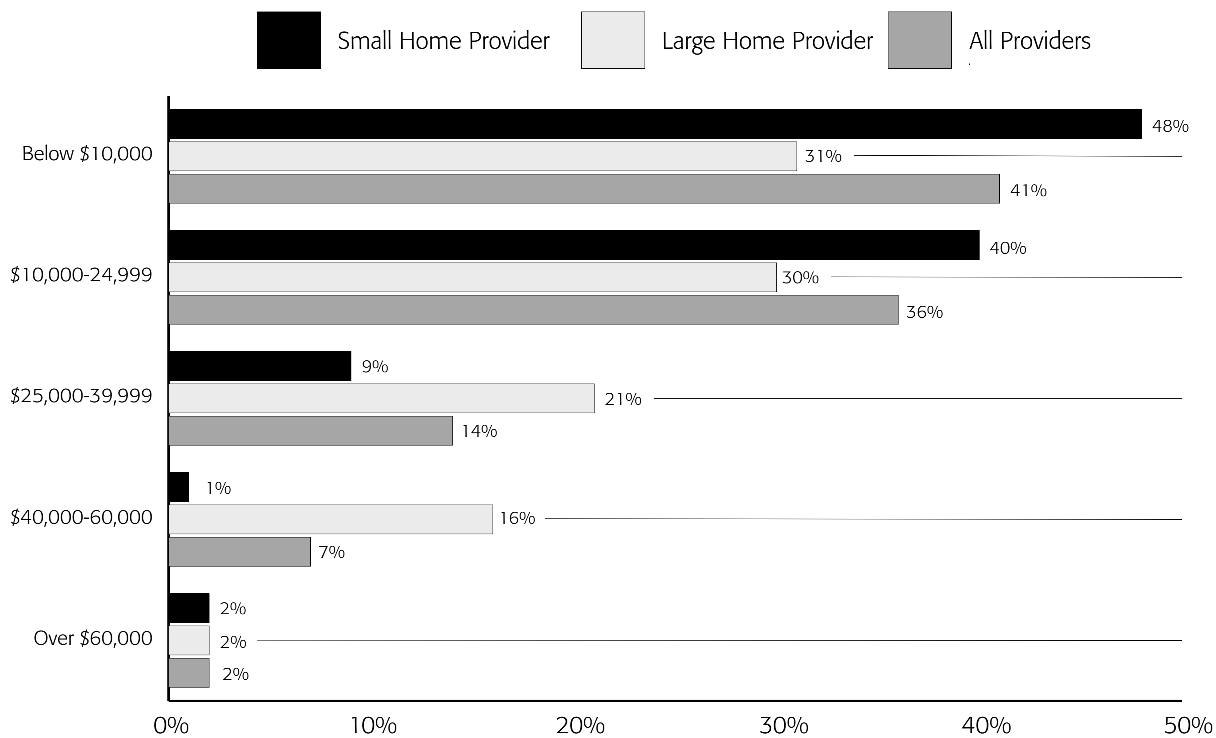
FIGURE 14. Self-Sufficiency Wages for the County of Los Angeles*

	One Adult	One Adult and One Preschooler	One Adult, One Preschooler, and One School-age Child
Hourly	$8.54	$15.65	$19.35
Annual	$18,040	$33,056	$40,870

Source: *Self-Sufficiency Standard for the County of Los Angeles, CA, 2000.* Wider Opportunities for Women, 2000. The County of Los Angeles providers have 3 children of their own, on average, with 2 under the age of 18.

*The "self-sufficiency wage," a concept developed by the advocacy organization, Wider Opportunities for Women, is based on the level of earnings that a family needs, in a particular community, in order to cover such basic expenses as food, housing, child care, and transportation, without any dependence on public assistance or subsidies.

FIGURE 15. Distribution of Annual Family Child Care Net Earnings of Sample



To calculate average net incomes, as shown in Figure 13., we used information supplied by providers about fees, the number of children enrolled, and expenses. Because of a somewhat lower response rate to the income and expenses questions in the survey, the net income figure was calculated from responses of the 43 percent who responded (N = 108).[7] This lower response rate may be due to confidentiality concerns, or perhaps because some providers felt unequipped to respond to these detailed financial questions.

The instrument used in this study asked providers to report their best estimates of specific business expenses. Their responses constitute two broad categories: direct expenses and expenses for business uses of the home. Direct expenses include such items as food, toys, and insurance, and are 100 percent tax-deductible. Business uses of the home are expenses that the Internal Revenue Service defines as "partially deductible" because they are linked to running a home-based business. These include real estate taxes, mortgage interest, rent, utility bills, insurance, and repairs (See Figures 16. and 17.). Providers were also asked to report the wages they pay to assistants and/or substitutes; this expense was factored into the calculation of providers' net incomes, as shown in Figure 13.

Providers in the sample reported estimates of costs that potentially could be deducted from their income taxes. Many providers (70% of this sample), are not aware of their total deductible expenses, and thus, may not report and deduct

FIGURE 16. Direct Business Expenses of Sample

Annual Direct Business Expenses	Small Home Provider	Large Home Provider	All Providers
Total Direct Expenses (100% Deductible)	**$8,273**	**$23,199**	**$13,224**
Food	$3,160	$8,440	$4,885
Toys	$920	$2,146	$1,331
Child Care Equipment	$774	$1,217	$921
Household Supplies	$766	$1,208	$912
Office	$327	$787	$480
Marketing	$333	$722	$460
Professional Services	$388	$995	$584
Insurance	$413	$1,866	$878
Other	$1,170	$5,818	$2,688

Note: Includes responses by 200 providers who supplied this information.

FIGURE 17. Expenses for Business Use of the Home of Sample

Annual Business Use of Home Expenses	Small Home Provider	Large Home Provider	All Providers
Total Business Use of Home* (calculated by multiplying time-space formula by expenses for business use of home)	**$4,430**	**$9,501**	**$6,467**
Time/Space Formula	44%	56%	49%
Real Estate Taxes	$1,030	$2,031	$1,414
Mortgage Interest	$2,409	$5,846	$3,741
Homeowners/Apartment Insurance	$377	$633	$475
Repairs/Maintenance	$1,331	$2,781	$1,908
Utilities	$1,627	$2,173	$1,839
Depreciation	$439	$1,265	$755
Other	$2,219	$2,450	$2,308
Subtotal**	$9,948	$17,156	$12,843

*Note: Data reported by a sub-sample of providers who answered business use of home questions (n=122).

**Mean subtotal of business use of home expenses.

these expenses sufficiently. Further, low-income providers who earn too little to pay taxes are unable to offset their expenses through the advantages of tax deductions.

Although we do not have a comprehensive picture of how providers in the sample subsist on typically low earnings, several findings shed light on this question. Over one-half (55%) of providers are living in households in which one adult, in addition to them, contributes to the household income. Providers who live in households with other adults who contribute income, not surprisingly, have significantly higher household incomes than those who are the sole earners of their households. Nonetheless, many providers' combined household incomes are quite low: 31 percent of providers' households in the sample earn less than $25,000 per year. Additionally, a surprising number of providers (15%, N = 37) work second jobs, in addition to providing family child care, in order to supplement their incomes, for an average of 22 hours per week, and at an average wage of $11.75 per hour. Small home providers appear to work second jobs more frequently than large home providers, although the difference did not reach statistical significance. Thirty-five percent of providers claimed the Earned Income Tax Credit (EITC), a credit available to low-income families with children, even those whose incomes are too low to pay taxes.[8] Even more providers may be eligible for this credit; of those in the sample who had not claimed the EITC, 76 percent did not know about it.

While most providers' earnings are low by any measure, many, offer financial assistance to families in need. Twenty-three percent of providers in the sample reported that they offer some scholarships, which may affect their incomes negatively if they are not able to offset this reduced tuition with sufficiently high fees paid by other families. Over half of the providers (54%) reported that they care for at least one child who receives government subsidies to pay for their care. Large home providers are more likely to care for subsidized children (68%) than are small home providers (47%).

Benefits

A substantial percentage of the sample of providers reported that they have no health coverage (40%). Small home providers in the sample are less likely to have health coverage than large home providers: 42 percent of small home providers have no coverage, compared with 34 percent of large home providers. Of providers who do have health coverage, 32 percent receive partial or full benefits through a spouse's employer, 15 percent receive assistance from MediCal, Medicare, or Healthy Families (the latter covers insurance only for their children), and 11 percent receive assistance from another source.[9] Forty-three percent of providers purchase health insurance without financial assistance from any source (See Figure 18.).

The Federal Social Security system provides the only publicly-funded income support for retirees, and, yet, only 55 percent of the providers in the sample report that they pay self-employment tax, which covers Social Security and Medicare. Large home providers are more likely than small home providers to report paying the self-employment tax.[10] In a provider population in which 38 percent are 50 years or older, it is notable that a majority (86%) do not have a retirement or pension fund, other than Social Security, for themselves.

Business Policies

Family child care providers, particularly those operating small homes, often work in isolation from other adults. By caring for and educating young children in their homes, they are performing a job that many perceive to be a woman's "natural calling," rather than a skilled profession or formal business. As a result, providers may face an uphill battle with parents in establishing and using standard workplace provisions for themselves, such as vacation leave, sick pay, and standard hours of service.

FIGURE 18. Health Insurance Access of Sample

Providers without Health Insurance	Providers with Health Insurance
40%*	60%
Among providers with health insurance:	
Receive no financial assistance to purchase plan	43%
Spouses' employer pays full cost of plan for dependents and provider	18%
Spouses' employer pays full cost of plan for provider only	7%
Spouses' employer pays partial cost of plan for dependents and provider	7%
MediCal or Medicare	8%
State plan for dependents only (Healthy Families)	7%
Some other assistance**	10%

*Includes providers whose only health insurance is that targeted to their dependents through Healthy Families or other insurance (7%).

**Providers reported a range of "other" assistance with insurance. Several reported that a second job covered their health insurance or that they used public health clinics. A number reported that their spouse's insurance covered some part of their health insurance, but they did not indicate the level of coverage received.

Most family child care providers in the sample have developed and use a signed contract with parents that explains their fees and policies (76%). A smaller percentage have policies in place to ensure continuity of income: 56 percent receive full payment when children are absent for illness, and 14 percent receive partial pay; in the case of children's absences during vacation, 28 percent receive full payment and 47 percent receive partial payment. Large home providers are more likely to have beneficial business policies in place than small home providers (See Figure 19.).

Family child care is also characterized by a relative lack of time off for vacation, holidays, or illness, or to follow other pursuits, such as ongoing training. While most providers in the sample (76%) close their businesses periodically for holidays, vacation, sick days, or training, the average total days off per year for all of these categories is 9.7 for small homes and 11.3 for large homes. One barrier is a lack of substitutes; one half of the providers (51%) report that they have no ongoing arrangement with another person to serve as a substitute in case of illness or emergency.

FIGURE 19. Business Policies Utilized by Providers in the Sample

	Small Home Provider	Large Home Provider
Uses signed contract to explain fees	73%	81%
Charges extra if children are dropped off early or picked up late	47%	62%
Receives full pay when children are absent because of sickness	52%	64%
Receives partial pay when children are absent because of sickness	14%	16%
Receives no pay when children are absent because of sickness	35%	20%
Receives full pay when children are on vacation	25%	33%
Receives partial pay when children are on vacation	19%	21%
Receives no pay when children are on vacation	57%	46%
Closed for holidays, sick days, vacation, or for provider training*	73%	82%
Receives full pay when family child care home is closed	36%	45%
Employs a substitute**	41%	63%

*Small home providers report being closed 9.7 days, on average, per year for any reason. Large home providers report being closed 11.3 days, on average, per year for any reason.

**Average wages for substitutes range between $7.25 per hour (paid by small home providers) and $7.95 (paid by large home providers).

Tenure and Turnover

On average, family child care providers in this sample report having been in operation for 7 years, with large home providers typically having more years of experience (8 years), compared with small home providers (6 years). As noted earlier, this sample is probably weighted more heavily toward providers with longer tenures, and thus, may include a disproportionate share of providers who have made investments in their businesses and/or training. Most providers (72%) indicate that they plan to be in business for three years or longer, but this question is a limited predictor of behavior, based on the findings of previous research.[11] The small percentage of new family child care providers in the sample (23% have been providers one year or less) also limits our understanding of the level of providers' commitments. The long-term commitments of the County of Los Angeles providers to continue operating family child care businesses remains uncertain.

Summary

As is true nationally, family child care providers in this County sample are almost exclusively female. Most providers are between age 30 and 49, and they have an average of three children of their own, with two under age 18. Most providers (66%) have completed some college courses or a degree in early childhood education or child development. While having completed slightly higher levels of education than providers nationally, providers in the sample have completed less education than center-based child care teaching staff in the County (99% of center teachers and 81% of center assistants have completed at least some college level early childhood education). This sample of providers includes a relatively high percentage of members of provider associations, and thus, may be somewhat weighted toward those with more experience and/or formal education than is true of the overall family child care provider population of the County.

The economic status of family child care providers in the sample is lower than that of an average County resident. A majority (67%) of providers in this sample are members of moderate-income households earning less than the County median income projected for 2003.[12] When the expenses of operating a family child care home are deducted from gross earnings, providers realize low net incomes, regardless of whether they operate large or small child care homes, their length of tenure, or whether they have high or low levels of educational attainment. Many providers lack health insurance (40%), and among those who have insurance, 43 percent do not receive financial assistance from a spouse's employer, or any other source, in purchasing a health insurance plan.

Policy Implications

While a majority of family child care providers in this sample have completed college-level early childhood courses, approximately one-third (34%) have completed no college-level early childhood education, which is increasingly the passport for child care workers' professional development. First 5 LA's plans for a universal preschool initiative in the County almost certainly will include increasing educational requirements for participating teachers and family child care providers. Moreover, family child care providers who attain college-level training have been found to provide more developmentally-appropriate care for children that promotes children's optimal development and prepares them for school. College credit-bearing training, offered on the weekends, in community locations, is crucial if providers are to access valuable educational experiences and qualify for economic incentives. When asked about training opportunities, providers in this sample registered concern about the difficulty of taking time away from their work during the week to attend classes, and felt that they did not have enough time to attend training. Conveniently scheduled and located training should allow more providers to enhance their professional development.

Providers' low net incomes and the relatively high expenses incurred in operating family child care homes, coupled with the rising cost of housing in the County, suggest that some family child care businesses are economically tenuous. Since many providers in this sample realize few economic rewards on their own, initiatives that offer financial incentives for training and retention, or economic support for facilities improvements, can make valuable contributions to family child care capacity and quality in the County. Supporting the businesses and homes of licensed family child care providers who serve a broad age-range of children in home settings is a strategy for addressing the shortage of child care facilities and the limited infant care choices that exist in the County. Because family child care providers contribute significantly to filling the gap between supply and demand for child care services, County efforts to sustain the viability of their family child care homes are needed.

Public policy reforms are needed at the State level to address family child care providers' low earnings and the current lack of incentives for providers to enhance their programs' quality. Most parents using family child care are moderate- to low-income themselves, and thus, cannot finance improvements in providers' earnings and benefits. Providers who have completed higher levels of education and offer better adult/child ratios, which are associated with better outcomes for children, do not receive higher reimbursement under the current reimbursement rate formulas. Reimbursement rate reform is an important strategy to address family child care earnings, however, other efforts will be needed as well to improve family child care earnings, since most providers' income is derived directly from parent fees. Efforts are underway in California among several labor unions and community-based organizations to promote public policy reforms and organize family child care providers to improve their status.

Family child care networks and associations can also play an important role in building the capacity and quality of family child care by offering support, training, and opportunities for providers to voice their opinions when professional development initiatives are planned. Although most providers in this sample (92%) reported that they have at least one other provider with whom they can talk about their work, other providers in the County may be more isolated. Active provider associations can play a role in connecting providers and increasing providers' voices in public policy forums.

For those providers who purchase health insurance without any financial assistance, initiatives that would lower health insurance costs for self-employed workers and their dependents would also be valuable. As the cost of health insurance plans rise, high premiums and co-payments, and/or inadequate coverage can compromise the health, both fiscal and physical, of family child care providers and their families.

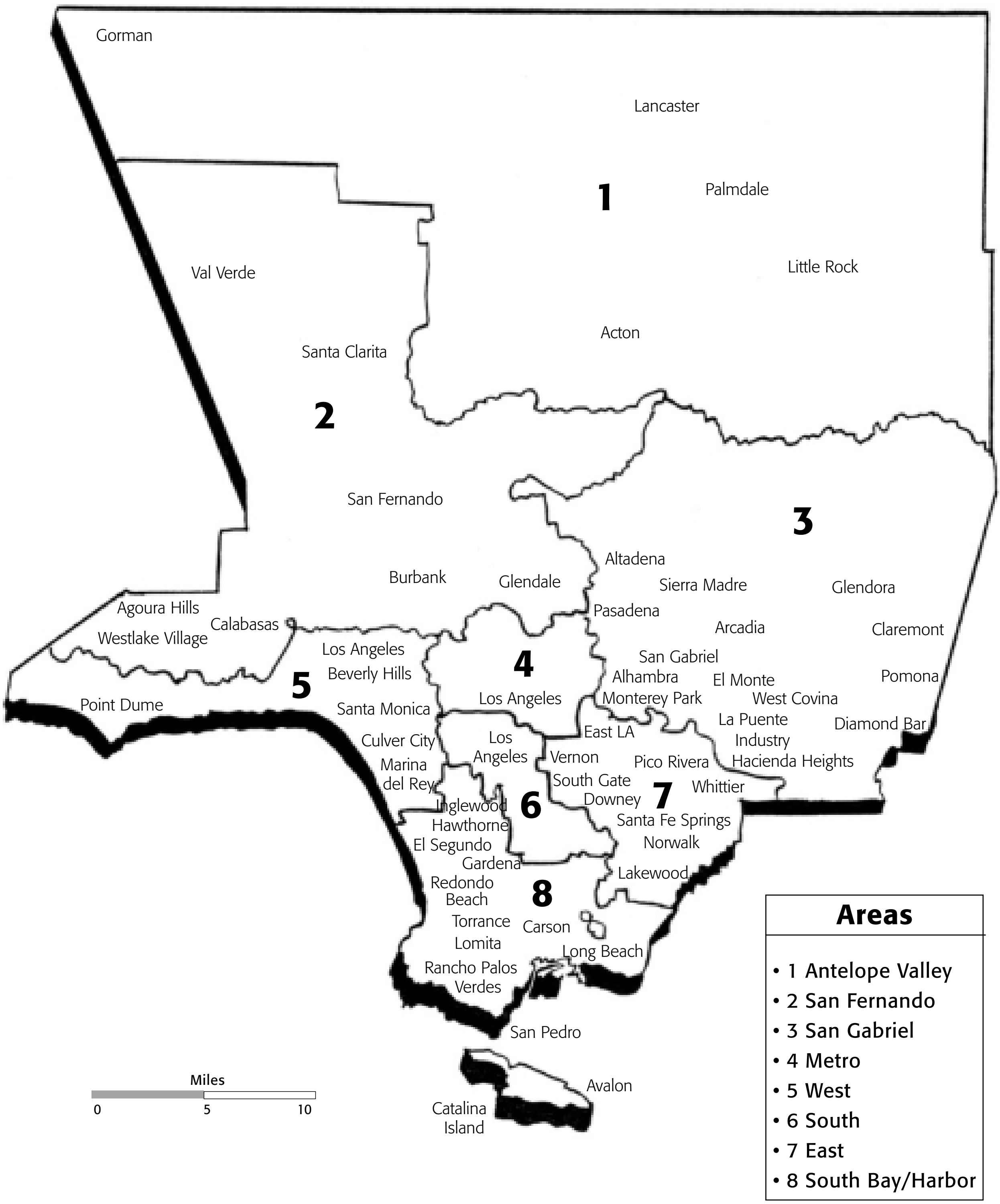
Regional Findings: Providers in the County of Los Angeles' Eight Service Planning Areas

Introduction

The County is divided into eight geographic service planning areas (SPA's) to facilitate planning for an array of community needs, such as child care services, for the County's more than 9 million inhabitants. These areas are: Antelope Valley, San Fernando, San Gabriel, Metro, West, South, East, and South Bay/Harbor (See Figure 20. for SPA map). The SPA's of the County are demographically and economically diverse, which suggests that family child care providers and their businesses may also differ, depending on the SPA's in which providers work and live.[13] This section of the report profiles the characteristics of family child care providers in different SPA's of the County, and identifies all significant regional differences between family child care providers, with respect to their businesses, ethnicity, education, and access to health care. While several differences emerge, overall, family child care providers who participated in this study appear similar throughout the SPA's of the County.

The research design may contribute to the finding that providers and their businesses are relatively uniform across different SPA's. First, as noted earlier, the survey instrument, which is detailed and lengthy, may discourage the participation of providers who have recently begun operating family child care homes, as well as those who do not maintain detailed financial records. Participating providers are probably more experienced than average and, thus, may share other characteristics, such as having more exposure to child development training. Furthermore, although the sample is representative of the County's population of providers, by licensed capacity of their homes and by region, because of the study's modest sample size (N = 254), our ability to identify differences between providers in eight SPA's is limited. A larger sample size would permit more regional comparisons of providers, and might reveal additional differences.

FIGURE 20. Service Planning Areas* (SPA's), County of Los Angeles



* Approved, County of Los Angeles Board of Supervisors, November 16, 1993
Prepared for the County of Los Angeles Children's Planning Council - May 1996

SPA Findings

Provider Profile

Family child care providers operate businesses that are similar in profile, regardless of their location in the County. This sample of providers are experienced operating family child care businesses, work more than 50 hours per week, and, yet, report earning modest net annual incomes that hover around $15,000 (See Figure 21.). Several regional differences among this sample of providers, however, are worthy of note. Providers located in West who have been in business 12 years, on average, have longer tenures and, with 9 children enrolled, care for more children, on average than providers in other SPA's. East providers also care for larger numbers of children, on average, than providers in other SPA's. In spite of comparable hours of work and numbers of children in care, Antelope Valley providers yield significantly lower net incomes ($4,294 annually) than providers in most other SPA's.[14] South Bay/Harbor providers earn annual net incomes that are higher than those earned by providers in several SPA's.

FIGURE 21. Profile of Samples' Businesses by SPA

	Average Years in Operation	Average Work Week (hours)	Average Number of Children in Care	Average Net Income*
Antelope Valley	7	72	7	$4,294
San Fernando	7	59	6	$11,113
San Gabriel	6	62	5	$12,110
Metro	7	66	7	$10,718
West	12	64	9	$17,269
South	6	60	5	$8,101
East	6	62	8	$15,162
South Bay/Harbor	8	59	6	$16,441
County of Los Angeles Sample	7	62	6	$12,575

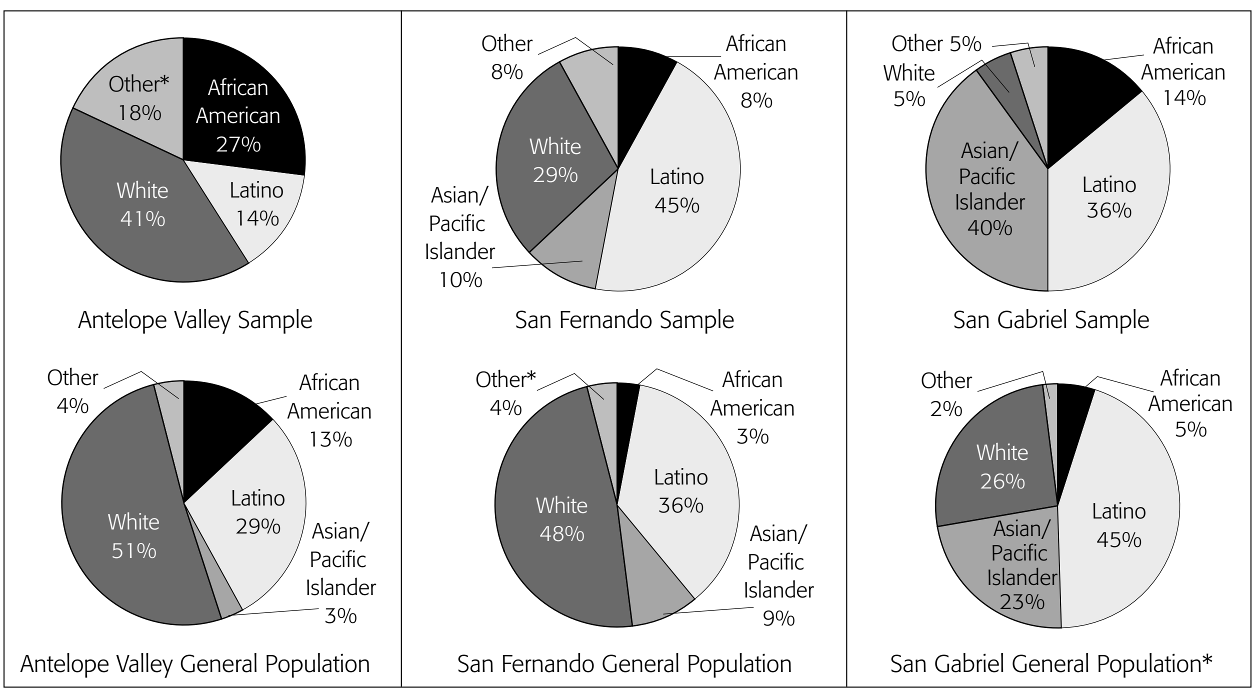
*These are the average net incomes reported by providers who indicated that they knew their net incomes from the previous year (N=135). Providers' reported net incomes differ slightly from the net incomes calculated from providers' estimated incomes and expenses, which were reported in Part 1.

Ethnicity

The sample of family child care providers throughout the SPA's of the County are ethnically diverse, and more likely to be women of color than are members of the County's general population. The exception to this pattern is that Latino providers appear to be under-represented in most SPA's of the County, based on their participation in this study. For example, in South Bay/Harbor, 35 percent of the general population is Latino, but only 7 percent of South Bay/Harbor providers participating in this study are Latino. Latinos comprise 31 percent of providers participating in this study in South, but comprise 60 percent of the general population in this SPA. Only in San Fernando and Metro are Latino providers present in greater proportions than in the general population (See Figure 22.). Because children age 0-5 are more likely to be Latino than are members of the general population, the imbalance between Latino providers and children is probably even greater than indicated in Figure 22. As mentioned in Part 1 of the report, the disparity in ethnicity between providers and children is of interest because it may have implications for securing appropriate cultural and language matches between providers and children.

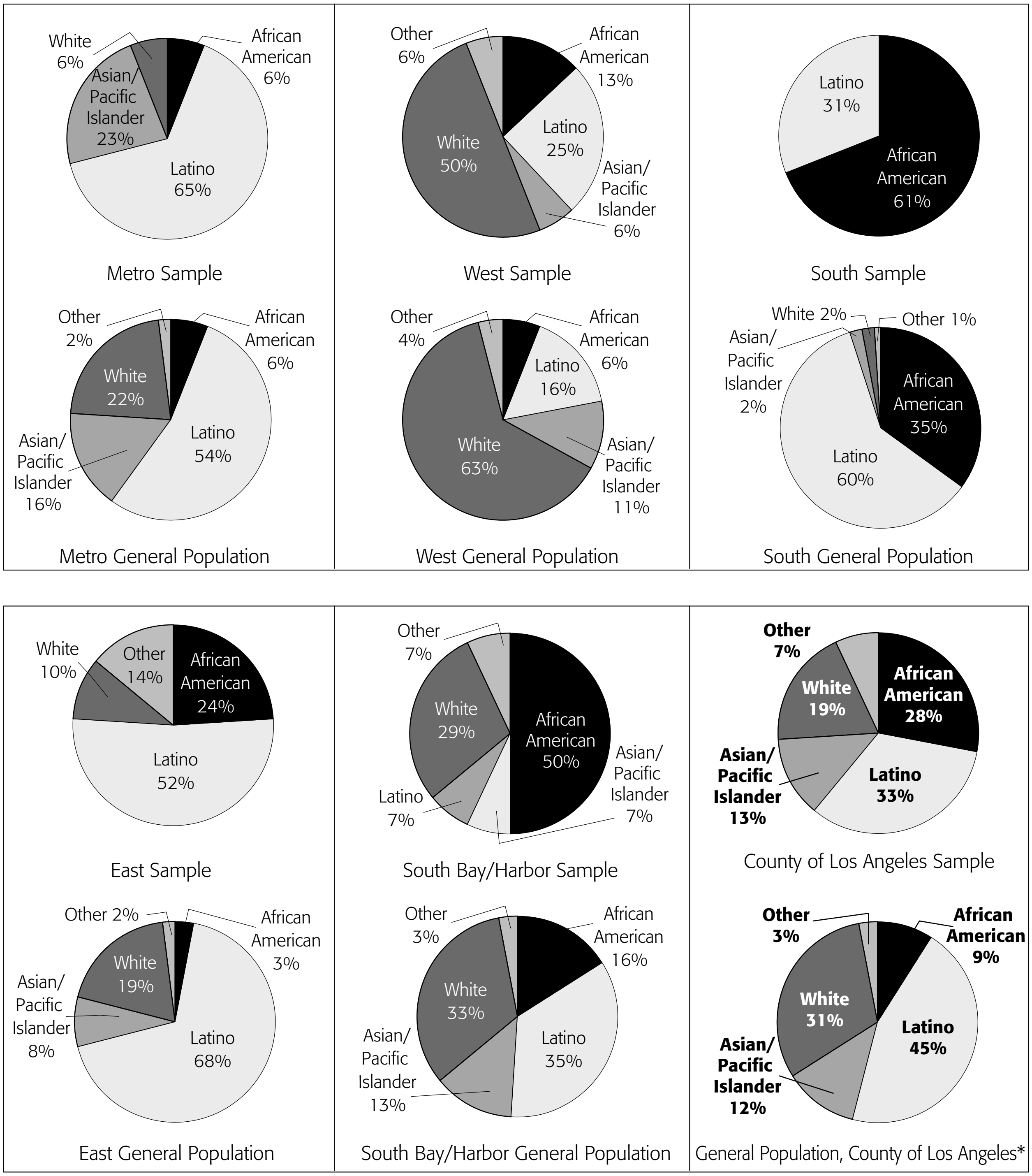
Providers in the sample reflect the ethnicity of the general population in several SPA's. Asian American/Pacific Islander providers in the sample are more likely to be located in San Gabriel and Metro than in other SPA's of the County. East and Metro have the largest proportions of Latino providers. White providers comprise a greater proportion of providers in Antelope Valley and the West than in other SPA's of the County. There are a higher proportion of African-American providers in South than in other SPA's. A higher percentage of African-American providers in the sample operate businesses in Antelope Valley and South Bay/Harbor than in other areas (with the exception of South).

FIGURE 22. Ethnicity of Sample, by Service Planning Area:



(continued next page)

FIGURE 22. (continued)



*Does not add up to 100% because of statistical rounding error.

Education

The majority of family child care providers in the sample throughout the SPA's of the County reported that they have completed at least one course in early childhood education or child development for college credit (See Figure 23.). Between 15 percent (Metro) and 53 percent (San Fernando) of providers had no exposure to unit-bearing early childhood training at the time of the survey. Providers, throughout the County, who have taken college-level early childhood courses are most likely to have completed between 1 and 24 units, rather than having completed a degree. While some differences appear to exist in providers' educational preparation in different SPA's, only one statistically significant regional difference emerged, perhaps because of the limited sample size. Providers in the San Fernando sample are less likely to have completed an early childhood course for college credit than are providers sampled in Metro, West, and South. San Fernando providers' educational attainments did not differ significantly from that of providers in Antelope Valley, San Gabriel, East or South Bay/Harbor.

In addition to asking providers about their college-level training in early childhood education, the survey asked providers whether they had completed college courses or a degree in any subject. We would expect that providers would report comparable or higher levels of college completion in any subject, since early childhood courses for college credit would be included as part of this college

FIGURE 23. Highest Level **Early Childhood Education (ECE)** Attained by Sample at the College or University Level, by SPA:

	No Units in ECE	1-11 Units in ECE	12-23 Units in ECE	24 Units or More in ECE, No Degree	Associates Degree in in ECE	Bachelor's Degree in in ECE	Graduate Degree in in ECE
Antelope Valley	30%	20%	15%	25%	10%	0%	0%
San Fernando	53%	9%	22%	16%	0%	0%	0%
San Gabriel*	44%	31%	13%	13%	0%	0%	0%
Metro	15%	38%	0%	23%	8%	8%	8%
West	38%	31%	6%	19%	6%	0%	0%
South	22%	17%	22%	13%	4%	13%	9%
East	39%	35%	9%	13%	4%	0%	0%
South Bay/Harbor	21%	26%	14%	29%	5%	5%	0%
County of Los Angeles Sample	34%	25%	14%	18%	4%	4%	1%

*Does not add up to 100% because of statistical rounding error.

background. In fact, San Gabriel, Metro, South, East and South Bay/Harbor providers in the sample reported *lower* levels of college course completion in "any subject" than in early childhood courses (See Figure 24.). The discrepancy is particularly dramatic in Metro. This anomalous finding, which did not emerge in the Countywide analysis, suggests several possible interpretations. If providers have taken credit-bearing classes in community settings located outside of a college campus, such as a Resource and Referral Agency, they may not have included these classes in their answers when asked about college training in any subject. Additionally, when asked in the survey about their early childhood classes for college credit, providers may have erroneously included courses for which they received Continuing Education Units or professional growth hours, for example, but were not college-credit bearing. These contradictory results about credit-bearing training highlight the lack of a coherent professional development path for family child care providers in California, as is true in many states, which can result in confusion for providers, parents, and others. The results also suggest that additional study will be needed in these SPA's, ideally with larger samples, to resolve this ambiguity about providers' educational backgrounds.

FIGURE 24. Education Attained by Sample in Any Subject, by SPA:

	High School or Less	Some College*	B.A. Degree or Higher
Antelope Valley	23%	64%	13%
San Fernando	46%	35%	19%
San Gabriel	54%	39%	7%
Metro	62%	13%	25%
West	40%	53%	7%
South	38%	41%	21%
East	26%	63%	11%
South Bay/Harbor	26%	57%	17%
Los Angeles County	39%	46%	15%

*Includes those with a two-year (A.A.) degree.

Health Insurance

Providers in the sample who lack health coverage range from 26 percent of providers (in Antelope Valley) to 50 percent of providers (in Metro). Antelope Valley and San Fernando providers' access to health coverage appears marginally better than that of providers in other areas of the County, however, these differences fall short of statistical significance. Among providers who have coverage, relatively few receive financial support to purchase a plan. For example, approximately one-half of providers with health insurance in West (50%), San Fernando (49%), San Gabriel (49%), South Bay/Harbor (46%), and Metro (44%) purchase health insurance without any financial assistance. Given the low average net incomes reported by providers in the sample, purchasing health insurance is burdensome for many, and probably explains the low level of health insurance coverage reported in SPAs. Spouses' employers are the most common source of financial support providers in the sample receive to purchase health insurance throughout the County. Additionally, providers report that they rely on MediCal, Medicare, and/or Healthy Families (See Figure 25.).

FIGURE 25. Health Insurance Coverage of Sample, by SPA:

	Antelope Valley	San Fernando	San Gabriel	Metro	West	South	East	South Bay/ Harbor	All Providers
Providers without health insurance	26%	31%	45%	50%	44%	47%	37%	40%	**40%**
Providers with health insurance	74%	69%	55%	50%	56%	53%	63%	60%	**60%**
Among providers with health insurance:									
Receive no financial assistance to purchase plan	18%	49%	49%	44%	50%	39%	38%	46%	**43%**
Spouse's employer pays full cost of plan for provider and dependents	23%	13%	17%	0%	25%	7%	38%	18%	**18%**
Spouse's employer pays full cost of plan for provider only	9%	8%	2%	0%	13%	11%	14%	5%	**7%**
Spouse's employer pays partial cost of plan for provider and/or dependents	14%	3%	3%	11%	6%	11%	3%	9%	**7%**
MediCal or Medicare	9%	8%	10%	11%	0%	14%	0%	9%	**8%**
State plan for dependents only (Healthy Families)	14%	0%	12%	28%	0%	7%	0%	2%	**7%**
Some other assistance**	13%	19%	7%	6%	6%	11%	7%	11%	**10%**

**Providers reported a range of "other" assistance with insurance. Several reported that a second job covered their health insurance or that they used public health clinics. A number reported that their spouse's insurance covered some part of their health insurance, but they did not indicate the level of coverage received.

Summary

Family child care providers in the sample throughout the eight SPA's of the County share many of the same characteristics. They are ethnically diverse, have completed at least some college-level training, and earn low net incomes, considering they work long hours with young children and after-hours on their businesses. Providers in the sample, in most cases, are more diverse than the general populations of their SPA's. The notable exception is that Latino providers are under-represented in most SPA's. This study revealed few differences in the earnings of the sample of providers in different areas of the County, with the exception that providers in Antelope Valley earn lower net incomes.[15] As described in Part 1, providers in the sample who operate large family child care homes earn significantly higher net incomes than those operating small homes, thus, licensed capacity appears to be a stronger determinant of income for this sample than the location of the family child care business.

Most educational differences between providers in the sample in different parts of the County are not significant. However, providers in San Fernando are less likely to have completed college-level courses in early childhood education than are providers located in several other SPA's. A more conclusive trend toward higher levels of education for providers operating large homes, compared with those who operate small homes, was noted in Part 1 of the report. While providers in Antelope Valley and San Fernando have marginally better levels of health coverage, providers in all SPA's have, on average, very low levels of health coverage. If providers are fortunate enough to have coverage, they must finance all or part of the cost of insurance for themselves and their dependents.

Notes

1. Previous studies include: A Profile of the Child Care Center Workforce in Los Angeles County, California (2002, 1995), both by the Center for the Child Care Workforce: Washington, DC.
2. Association members who assisted with the outreach and technical assistance targeted all those randomly selected to participate in the survey, rather than their respective association members. These are the following Family Child Care Associations that provided technical assistance with the survey:
   Southern California Chinese Family Child Care Association
   Hispanic Child Care Provider's Association of Los Angeles County
   Pep for Family Child Care
   Family Child Care Educator's Association
   Greater Long Beach/Lakewood Family Child Care Association
   Compton Family Day Care Association
   California Federation Family Child Care Associations, Inc.
   Family Day Care Association of the Santa Clarita Valley
   Family Child Care Council of the San Fernando Valley
3. The disproportionately high response rate of Asian/Pacific Islander providers may be the result of extensive outreach conducted by the Southern California Chinese Family Child Care Association.
4. In San Mateo County, 8 percent of providers have Bachelor's degrees or above in early childhood education or child development, and in Marin County, 10 percent of providers have achieved Bachelor's degrees or above in these disciplines. See *A Profile of the San Mateo County Child Care Workforce, 2001* and *A Profile of the Marin County Family Child Care Workforce, 2002,* both by the Center for the Child Care Workforce: Washington, DC.
5. This annual income ($40,870) will allow a family comprised of one adult, one preschool-age child, and one school-age child to be self-sufficient in the County of Los Angeles.
6. From 1999 and Estimated 2003 Decile Distributions of Family Income by Metropolitan Statistical Areas and Non-Metropolitan Counties, Los Angeles—Long Beach, CA PMSA, Housing and Urban Development Data Sets, 2003.
7. Although only 108 providers provided sufficient information to calculate a net income, a larger number (N = 200) provided information to calculate their direct business expenses and business use of home expenses (N = 122).
8. Among all income tax filers in Los Angeles, 21 percent claimed the EITC, according to the Children's Scorecard prepared by the Children's Planning Council (www.childrensplanningcouncil.org).
9. Providers reported a range of "other" assistance with insurance. Several reported that a second job covered their health insurance or that they used public health clinics. A number reported that their spouse's provided some part of their health insurance, but they didn't indicate the level of coverage received. In one case, an ex-spouse's employer provided insurance only for the provider's children.

10. It is possible that providers who said that they are not paying the tax, are unfamiliar with the terminology of self-employment tax and/or unaware that they are paying the tax, particularly if they have retained a professional tax preparer.
11. *The National Child Care Staffing Study,* Whitebook, M. et. al, Washington, DC: Center for the Child Care Workforce, 1990, 1993.
12. County of Los Angeles median income ranges from $42,189, reported by the U.S. Census in 1999, and $50,300, estimated by HUD in 2003.
13. For more information about the SPA's which comprise the County of Los Angeles, see www.childrensplanningcouncil.org
14. The low average net income of Antelope Valley providers may result from the fact that a provider in this relatively small sample (N = 23) reported a negative net income.
15. Because of the economic diversity within SPA's, geographic differences might emerge in a study with a larger sample that would further permit comparisons within SPA's.