

# Licensed Child Care Market in Phillips

---

Neighborhood Planning for Community Revitalization (NPCR) supported the work of the author of this report but has not reviewed it for publication. The content is solely the responsibility of the author and is not necessarily endorsed by NPCR.

NPCR is coordinated by the Center for Urban and Regional Affairs at the University of Minnesota and is funded in part by an Urban Community Service Program grant administered by the U.S. Department of Education.

NPCR  
330 HHH Center  
301 19th Avenue South  
Minneapolis, MN 55455  
phone: 612/625-1020  
e-mail: [npcr@freenet.msp.mn.us](mailto:npcr@freenet.msp.mn.us)

Prepared  
by Oriane Casale

Graduate Research Assistant  
Neighborhood Planning for Community Revitalization  
Center for Urban and Regional Affairs  
University of Minnesota  
Minneapolis, MN

October 1996

*Document:* NPCR 1050

---

## Table of Contents

- [Executive Summary](#)
- [Introduction](#)
  - [Description of Phillips](#)
- [Supply of Child Care in Phillips](#)
  - [Types of Licensed Child Care Available](#)
  - [Supply of Care](#)
  - [Location of Care](#)
  - [Supply of Child Care for Nontraditional Times](#)
  - [Cost of Care](#)
  - [Quality of Programs](#)

- [Child Care for Children with Special Needs](#)
  - [Cultural Appropriateness of Care](#)
  - [Financial Health of Programs in Phillips](#)
  - [Legally Unlicensed Providers](#)
  - [Child Care Demand in Phillips](#)
    - [Who Demands Licensed Child Care in Phillips?](#)
    - [What do Phillips Families Look for in a Child Care Program?](#)
    - [How do Families Pay for Child Care?](#)
    - [Child Care Subsidies](#)
  - [The 1996 Welfare Act](#)
    - [Title I: Block grants for temporary assistance for needy families.](#)
    - [Title VI: Child Care](#)
    - [Title VII: Child Nutrition Programs](#)
  - [Recommendations](#)
    - [Support Current Programs](#)
    - [Increase the supply of child care over the next two years](#)
    - [Linking housing and child care](#)
    - [Increase the supply of after school care](#)
    - [Increase the supply of care for special needs children.](#)
    - [Educate Parents](#)
    - [Political Action](#)
  - [Bibliography](#)
  - [Appendix](#)
    - [Part I: Provider Survey](#)
    - [Part II: Results of Survey](#)
- 

## Executive Summary

This report examines licensed child care market in the Phillips neighborhood. The central research question answered is: "Is there sufficient capacity to accommodate the demand for licensed child care in Phillips currently, and is there sufficient capacity to accommodate demand for licensed child care in Phillips in two to five years when the work requirements of the Welfare Act of 1996 take effect?" The market provision of child care is taken as given and structures the main research question of the report as well as the Recommendations provided at the end of the report.

The main findings of the report are as follows:

- **Supply of Child Care:** Overall the supply of care is sufficient to meet demand. Several areas must be more fully developed however.
- **Quality :** High quality child care has the potential to greatly benefit children. Working to increase the quality of care, especially in FDC Homes, can increase supply by expanding choices for families and can greatly benefit children.

- **Care of Children with Special Needs:** There is not enough high quality care for children with special needs in Phillips. FDC providers who want to get training in this area should be supported. Also, if a Preschool or Center specializing in this care is interested in moving into the area, this should be supported.
- **Cultural Sensitivity:** There is a lack of care available to certain linguistic and cultural groups in Phillips. Somali, Laotian, Native American, and Hispanic FDC providers should be recruited in this area and supported in getting training and opening their business.
- **After school programs:** Providers who want to specialize in after school care should be supported. There is only one full time before and after school/summer program in Phillips currently.
- **Care for Irregular Hours:** Providers who want to increase the hours they are open or specialize in non-traditional hours should be supported. There is currently enough care available, but families have little choice among providers.
- **Welfare Reform Act, 1996:** As the work requirements of the Act take effect in the next 2 to 5 years, more providers will need to be recruited and supported in Phillips. Although more money is allocated to child care under this legislation, it will have to be spread even thinner than the child care resources available now because many more families will need these resources.
- **Provider Network:** Each of these goals can be accomplished though a dynamic Child Care Provider Network in Phillips.
- **Political Action:** Because the vast majority of working families in Phillips cannot afford the full cost of licensed child care, it is vitally important that public resources are expanded in this area. The Phillips community should recognize that every vote, letter and phone call counts.

---

*I wish to thank the following people for their advice and support: Sharon Henry, Deborah Levison, Deborah Swenson-Klatt, René Tripeny, an anonymous reviewer, and each of the Child Care Providers who took the time to participate in the Provider survey.*

## 1. Introduction

The Phillips' NRP Committee has identified access to child care as an important key to sustainable economic development in the Phillips neighborhood. In response to this the Phillips' Early Learning Collaborative <sup>1</sup> applied for an NPCR grant to allow them to: evaluate the accessibility of child care in Phillips; look at barriers residents face in accessing child care; examine the impact of "welfare reform" on child care demand in Phillips; and develop a strategy to increase residents' access to high quality, licensed child care.

This report examines the licensed child care market (programs that serve children birth to age 12) in Phillips <sup>2</sup> and provides recommendations on how to increase residents access to high quality child care. The question that the report will attempt to answer is; "Is there

sufficient capacity to accommodate demand for child care in Phillips currently, and is there sufficient capacity to accommodate demand for child care in Phillips in two to five years when the work requirements of the Welfare Act of 1996 take effect?"

The market provision of child care is taken as given. In other words, since the Phillips community has little influence over the system of child care provision, and that provision is currently through the market mechanism with Federal, State, County and local public subsidy, this system of provision is taken as the starting point of the report and structures the main research question of the report (above.) The Recommendations provided at the end of the report are also consistent with this approach.

The report is divided into five sections. This section (Introduction) introduces the project and briefly describes the neighborhood. The second section describes the supply of child care available within the neighborhood's boundaries. The third section of the report examines the demand for child care in Phillips and points to the barriers to accessing child care Phillips' residents face. The fourth section of the report examines the potential impact of the Welfare Act of 1996 on the demand, supply and quality of child care in Phillips. The final section provides recommendations on how the quantity of child care in Phillips can be expanded while at the same time ensuring quality.

### ***1.1. Description of Phillips***

The Phillips neighborhood/community lies between East Lake Street and 18<sup>th</sup> Street to the South and North and 35W and Hiawatha to the West and East. About 17,200 people live here <sup>3</sup> (State of the City) and it is one of the most racially and culturally diverse neighborhoods in the Twin Cities. The median family income and educational attainment of adults twenty five and older is quite low relative to Hennepin County and the poverty rate of families, especially families with young children, is quite high. The formal economic sector in this neighborhood is dominated by non-profit organizations, primarily social service and health care, and small business. Resources for children make up a small but vital part of both the non-profit and small business sector.

## **2. Supply of Child Care in Phillips**

### ***2.1. Types of Licensed Child Care Available***

There are four main types of licensed child care available in Phillips.

- Family Day Care Homes: Licensed providers who care for children in their own home. The number of children allowed at a time depends on children's ages and the type of license held by the provider. Most providers are licensed for up to 10 children (no more than two infants) at one time. Specialized licenses can be obtained by providers who prefer to care for more infants and toddlers or more school age children. Some FDC Homes have two staff persons. Licenses can be

upgraded to fourteen children. FDC providers must also meet certain safety and cleanliness regulations in their home, have a certain amount of age specific toys and equipment, and access to outdoor play space. They must also have some training in child development as well as CPR and first aid.

- **Day Care Centers:** Centers are generally larger than FDC Homes and have full day programs. Children are put in age specific classrooms which have a head teacher and, often, one or more Assistant teachers or Aids. Each age group has specific regulations on teacher-child ratio, square footage per child, equipment and toys. Teachers, Assistants and Aids must meet certain educational requirements and number of hours of classroom experience. Centers generally have a director who does not teach full time.

**Preschools:** Preschools are similar to Centers except that they generally run one or two half day sessions, may be closed during the summer months, and serve children age 3 to 5 years only. The goal of most preschool programs is to prepare children for school.

**School Age Programs:** School age programs serve children between 5 and 13 years old before and after school, on weekends, holidays and during summer vacation. Many FDC Homes accept school age children but do not specialize in school age care. The two programs that are specifically for school age children in Phillips are located in the two public schools and fall under the public school regulations in terms of groups size, teacher education and facility requirements.

## 2.2. Supply of Care

There are a total of 27 programs which can serve up to 639 children (or more depending on time and number of hours per week needed.) The following chart <sup>4</sup> shows the total supply of child care and supply of full time child care in Phillips by age group and program type.

**Table 1: Supply of Child Care in Phillips**

<b>All Providers</b>			
Age	Number of Slots	Number Full Time Slots	Number of Providers
Infant	56	56	16
Toddler	100	90	24
Preschool	287+	218	27
School age	196	162	16
Total	639+	526	27
<b>Family Day Care</b>			

<b>Providers</b>			
Age	Number of Slots	Number Full Time Slots	Number of Providers
Infant			13
Toddler			14
Preschool			14
School age			14
Total	159	159	14
<b>Centers</b>			
Age	Number of Slots	Number Full Time Slots	Number of Providers
Infant			3
Toddler			5
Preschool			7
School Age			0
Total	347	347	7
<b>Preschools</b>			
Age	Number of Slots	Number Full Time Slots	Number of Providers
Infant			0
Toddler			1
Preschool			4
Total Capacity	79+	0	4
<b>School Age Programs</b>			
School Age	54	20	2

Note: The + sign indicates that two preschools included in this chart did not report number of slots.

The "Number of Slots" column in this chart records the number of children FDC Providers, Centers and Preschools can accept in each age group while still meeting regulations. However, it should be noted that FDC Providers have flexibility built into

their licenses in terms of the number of children in each age group they can accept. Centers also often have some flexibility, over the long term.

Two more notes on program capacity should be made. The number of slots available may be slightly lower due to the fact that accredited programs must maintain lower teacher-student ratios than is required by State regulations. Finally, the two school age programs do not run simultaneously. One program is open after school and during the summer and the other is open mornings during the school year. These programs share students by bussing them between the schools. Only 20 of the 54 slots can be considered full time, meaning that they are available before and after school and during the summer.

### ***2.3. Location of Care***

Family Day Care is located within walking distance of all areas of Phillips. Most programs are located on or near the main arteries of Phillips including Bloomington, Cedar, Park and Franklin Avenues. There are four areas with clusters of programs. These clusters are located in the following areas: near the corner of Franklin and Elliot, Bloomington and 24th Street, Bloomington and 27th Street, and Park Avenue and Lake Street.

### ***2.4. Supply of Child Care for Nontraditional Times***

FDC providers are the most flexible type of program in terms of when they are willing and able to provide care. The following is a breakdown of what types of care are offered during nontraditional hours and days. Slightly sick child care has been included in this category. FDC providers, Centers and Preschools are not allowed to care for contagious children and there are no sick child care programs located in Phillips.

**Table 2: Supply of Care for Nontraditional Times** <sup>5</sup>

	Number of Programs
Type/Time of Care	Offering this Care
Saturdays	4
Sundays	2
Holidays	7
24 hour care	3
Extended hours	5
Evenings	6
Nights	3
Drop-In care	5

Emergency/Temporary care	11
Sick child care	3

Phillips has a very innovative program called the Phillips Community Initiatives for Children FDC Home. This is the only non-profit FDC Home in Phillips and it offers drop-in care at no cost to families for up to 60 days per year. After that, parents are asked to volunteer time to the program or the community. This care is meant both for highly stressed families who have few other child care options, as well as for parents who just need drop in care to run errands or because their normal child care fell through. This program reserves six slots per day for drop-ins.

## 2.5. Cost of Care

Child care costs vary slightly between programs. The following is a breakdown of cost for full time licensed care by type of program and age group, for those providers who list rates on the CareFinder database.

**Table 3: Cost of Full Time Care in Phillips**

<b>All Licensed Programs</b>				
	Average	Minimum*	Maximum*	Number of Providers
Infant	146.73	100	258.7	11
Toddler	119.57	80	226.5	12
Preschool	108.51	65	202.1	14
School age summer	89.55	45.5	124.8	11
School age s/y	62.75	45	85	4
Kindergarten	90.33	80	106	3
<b>Family Day Care Providers</b>				
	Average	Minimum	Maximum	Number of Providers
Infant	122.86	100	175	7
Toddler	97.57	80	125	7
Preschool	89.36	65	110	7
School age summer	87.17	65	110	6

School age s/y	60	45	85	3
Kindergarten	82.5	80	85	2
<b>Centers</b>				
	Average	Minimum	Maximum	Number of Providers
Infant	188.5	160	258.7	4
Toddler	150.37	120	226.5	5
Preschool	131.12	100.5	202.1	6
School age summer	123.7	122	124.8	3
School age s/y	71	71	71	1
Kindergarten	106	106	106	1
<b>Preschools</b>				
	Average	Minimum	Maximum	Number of Providers
Preschool	107	107	107	1
<b>School Age Programs</b>				
	Average	Minimum	Maximum	Number of Providers
School Age	45.5	45.5	45.5	2

- Minimum: The least that any Phillips provider charges in this category.
- Maximum: The most that any Phillips provider charges in this category.

As this chart indicates, FDC Homes are somewhat less expensive than Centers. Only one Preschool is recorded here because most have part time schedules only.

All programs in Phillips accept publicly funded subsidies. Some programs have their own funding which is generally a combination of state, federal, county and private grants. Two part time programs do not charge families and seven more offer scholarships.

The Strong Beginnings program allocates special funds to programs that serve low income children. Two FDC Homes, one Preschool and four Centers receive funding through this program. This funding allows them to keep a lower teacher to student ratio

and provide special services such as a special needs and family outreach staff person (Swenson-Klatt, 1995).

## ***2.6. Quality of Programs***

An international study of child care programs (Spence Boocock, 1995) found that high quality programs;

- promote cognitive development in the short term and prepare children to succeed in school.
- are a stronger force in the lives of low-income than more advantaged children.
- narrow to achievement gap faced by disadvantaged children, though most effects seem to diminish over time.

Unfortunately, national studies have found the quality of child care programs in the United States to be poor with the majority of programs detrimental to children's social and cognitive development (Galinsky and Howes et. al. 1994).

There is no consensus on what constitutes quality in child care programs, however, in the United States, low teacher to student ratios and teacher turnover, high teacher education and experience qualifications, culturally appropriate curriculum and materials, age appropriate materials, safe and hygienic conditions and facilities and teacher experience appropriate to the special needs of children are all considered important factors (Phillips and Howes, 1987).

It is outside the scope of this study to assess the quality of child care programs available in Phillips. However, several indicators of quality will be examined.

Providers completing the Provider Survey were asked what they perceived as parents' primary concerns about child care. Sixty five percent of providers answered either "cost" or "the availability of scholarships" as parents number one concern. Within these real or perceived financial constraints, the quality of programs seems to be quite high with the most variation in quality seen in FDC Homes.

Accreditation is an indication of quality. One FDC Home is accredited and one is in the process of becoming accredited. All the non-profit Centers in Phillips are accredited, one Preschool is in the accreditation process and one is already accredited and one school age program is in the process of accreditation. All together, 26% of programs in Phillips are accredited and another 11% are in the process of accreditation.

Involvement in a Child Care Provider Network is another indication of quality. Most providers in Phillips are not actively involved in either the Phillips' Early Learning Collaborative or the Koala Bear FDC Network. PELC is not actually a network but could easily evolve into one with the proper funding. Koala Bear is an entirely volunteer based network covering two of the three zip codes in Phillips. This network provides workshops, classes and referrals to its members.

Crime is a concern in Phillips and the neighborhood has one of the highest concentrations of traffic accidents and thus is dangerous for pedestrians (State of the City, 1995). Crime and traffic accidents decrease the quality of child care in Phillips by creating an unsafe environment of children. On a scale of 1 to 3 where 1 is a "very big concern," providers rated crime a 1.7 on average. There was little difference in the way that FDC providers and Center and Preschool directors viewed crime.

Providers and directors gave examples of crime ranging from vandalism of play ground equipment to gun shots near the playground area. One FDC provider reported that a bullet had come through one window at the front of her house and gone out another window at the back. Providers also complained that they would like to use the parks in there neighborhoods but fear the children will be in danger. The safety of the neighborhood has an impact on the quality of care.

## ***2.7. Child Care for Children with Special Needs***

The chart below indicated that almost half of the programs in Phillips have staff with experience in providing care for children with special needs. Most of these programs are equipped to care for children with ADHD/ADD, asthma and allergies, emotional and behavioral needs, and developmental delays.

**Table 4: Supply of Care for Children with Special Needs** <sup>6</sup>

	Number of Centers	Number of FDC Homes	Number of Preschools	Total
Training/Education	3	2	4	9
Experience	3	3	4	10
Wheelchair accessible	4	0	1	5
ADHD/ADD	1	2	4	7
Asthma/allergies	2	2	3	7
Developmental delay	2	1	3	6
Emotional/behavioral	2	2	4	8
Hearing	1	0	2	3
HIV/Hepatitis B	1	0	1	2
Monitor	0	1	1	2
Physical	1	1	1	3
Seizures	0	0	3	3
Special health needs	0	1	1	2
Tube feedings	0	0	1	1

Visual	1	0	1	2
Total number of programs				12

## ***2.8. Cultural Appropriateness of Care***

The child care staff and providers in Phillips are racially and culturally diverse. Most FDC providers are African American with three white provider one of whom is Spanish speaking. The Centers and Preschools have very diverse staffs composed of Native American, African American, Hispanic, Asian Pacific Islander, Somali, Hmong and European American staff persons. All of the Centers and Preschools have either white or Native American Directors.

In the survey question "In you opinion, what are parents' primary concerns about child care?" the answer "Care that reflects cultural values" was given the least priority of all the answers. Despite the fact that care givers do not perceive that culturally appropriate care is a major concern of parents several of the Preschools and Centers have staff trained in cultural diversity issues and implement cultural diversity programs for children and parents. These programs tend to have the highest awareness of issues of diversity and racism.

Beyond the resources available on site at child care programs, quality resources are available to the early childhood community in the neighborhood. The Early Childhood Resource Center, located in the Phillips neighborhood, has several high quality programs to train early childhood professionals of color in child development, cultural dynamics, special needs and leadership skills. ECRC is also developing a "Community Education" department to focus on the needs of children of color and communities of poverty with a special emphasis on "needs of the Black Child." ("ECRC: A Plan to Build Our Capacity")

## ***2.9. Financial Health of Programs in Phillips***

Child care is a low wage and low profit field of employment in the United States. Although FDC Homes have low overhead, providers earn only \$7,795 annually, or as little as \$3.25 per hours, on average in Minnesota. Wages are not much higher for Center and Preschool employees. On average, Directors make \$11.50, Teachers make \$8.50, Assistant Teachers make \$6.50 and Aides make \$5.50 on average per hour (Alliance of Early Childhood Professionals). Because the profit margin is so precarious in the child care business, the financial health of Phillips programs is measured by relative standards, not absolute standards, in this section of the report.

Most programs in Phillips are for profit businesses. Some grant money is available to for-profit programs, especially FDC Provides, but it tends to be aimed at facility improvement, training or toys and materials. The Strong Beginnings program is an

exception. Most of the non-profits are able to raise enough money to offer scholarships to some or all families in the program.

**Figure 1: Profit Status of Child Care Programs**



The financial health of programs in Phillips is varied. Of the 23 programs surveyed, two responded that they were in danger of going out of business and two responded that they were possibly in danger of going out of business. Several programs also responded that they had been in danger of going out of business in the past but had recovered.

**Table 5: Programs in Danger of Going Out of Business**

Program	In Danger	Possibly in Danger
Center	1	0
FDC Home	1	1
Preschool	0	0
School Age Program	0	1

A perceived danger of going out of business may not be a good indicator of financial health for FDC Homes. Two of the FDC Homes had no children at the time of the interview. Neither responded that they were in danger of going out of business and both were pursuing customers.

The number of filled slots may be a better indicator of financial health, especially for FDC Homes. About 82% of possible slots were filled at the programs visited. Sixteen out of the 23 programs surveyed said that not being fully enrolled is a financial concern for them. Non-profit Centers had the highest enrollment according the Provider Survey with 89% of slots filled.

**Figure 2: Filled Slots for Child Care (by Program Type)**



One note must be made here. During summer, program enrollment drops for various reasons. Since the survey was conducted during the summer, it is not an accurate measure for year round enrollment. In fact, most programs indicated that they were filled to capacity last winter. However, as an indicator of relative financial health, these numbers are fairly accurate since consistent income is important to providers.

Because most programs rely to some extent on parent payments, parents who fall behind on payments present another financial hardship for programs. Ten out of the 23 programs surveyed reported that they had to end one or more families' relationship with the program because parents did not keep current on payments. Sixteen out of the 23 programs indicated that parents in their program were not keeping up on payments and that this was a financial concern for them.

## ***2.10. Legally Unlicensed Providers***

The State of Minnesota does not require a license for someone who is at least 18 years old, cares only for children related to them and the children from one unrelated family and provides care either in his or her home or in the home of the child(ren) he or she cares for.

At this time, there are 30 legally unlicensed providers in Phillips registered with the County. Before being approved to receive subsidy money to care for children, legally unlicensed providers and members of his or her household must pass a background check, and the provider must register with the County. He or she must pay taxes on earnings.

Unfortunately, very little is known about the quality or working conditions of legally unlicensed providers. ECRC has recently received a grant to begin to work with legally unlicensed providers. This work could serve to increase quality by offering providers opportunities to become educated about children's needs, network with other providers and gain access to toys and other resources. It could also serve as a way help unlicensed providers become licensed if they should choose to pursue this.

## **3. Child Care Demand in Phillips**

Demand, meaning what people are willing and able to purchase, is examined in this section of the report. Families are able to purchase child care services by three means: pay for care privately, qualify for a public subsidy which covers all or part of the cost of child care, or qualify for a free program or a scholarship administered by a program.

Demand should not be confused with need. There is a vast unmet need for quality child care in Phillips. Unfortunately, it is extremely difficult to accurately measure this need.

### ***3.1. Who Demands Licensed Child Care in Phillips?***

According to 1990 Census data there are 3,052 families <sup>7</sup>, in Phillips. Approximately 1,970 children between the ages of 0 and 5 and 2,078 children between the ages of 6 and 13 live in these families. At the time of the survey, about 547 (12%) children between birth and age 12 were enrolled in licensed child care in Phillips of whom about 334 or 61% were Phillips residents. There are several reasons families demand child care for

children. The following sections will examine demand by workin families, and families who are in job training and education programs. The following graph breaks down family and employment status in Phillips.

### Figure 3: Children's Ages by Family Employment

1 Parent, No Income

2 Parents, 1 Income

2 Parents, 2 Incomes

1 Parent, 1 Income

2 Parents, No Income



### Working Parents

Working families in Phillips are one of the groups that demand licensed child care. The traditional measure of full time licensed child care demand in a neighborhood is a percentage of the children who live with one parent who is employed or two parents who are both employed outside of the home. In Phillips, about 661 or 34% of children fall into this category. State wide statistics indicate that about 61.2%, of these families place their children in licensed child care programs (Swenson-Klatt, 1995). In Phillips this translates into 405 children.

Resource and referral requests support the argument that most children in licensed child care have working parents. Most requests logged on the CareFinder database <sup>8</sup> were for full time care (82%), full year care (79%) and before and after school care (6%). Only 5% of parents asked for drop-in care and 1% asked for emergency care.

### Phillips' Employer Survey

In a survey of employers located in Phillips, the question "Has child care been an issue in hiring and/or retaining employees?" only about nine percent (five employers) answered "yes." All five employers were low wage, retail businesses. In a follow-up discussion with them, one indicated that a child care benefit is paid to parents who have children in child care. Another stated that employees work out their own schedule to avoid child care problems. Three indicated that they allowed parents to bring children to work if their child care arrangements fell through. On the whole, however, employers do not perceive child care as a major barrier to hiring and retaining employees. This perception may only reflect the limited information employers have about their employees.

Employment of Phillips residents is clustered in certain categories. Seventeen percent of employed people work in retail trade. The next highest number of people work in health services (14%), followed by other professional and related services, business and repair services, manufacturing of durable goods, and educational services (State of the City, 1995). Since retail and health care are the largest sectors of employment, many parents need care during irregular hours such as evenings and weekends.

The resource and referral councilors at ECRC argue strongly that in South Minneapolis there is a lack of licensed care during irregular hours, especially evenings, nights and weekends, for parents who need it. The breakdown of resource and referral requests is as follows:

**Table 6: Times Child Care is Needed**

Time	Number	Percentage
All day	287	79
Evening	35	10
Before school	21	6
After school	23	6
Weekend	15	4
Afternoon	10	3
Morning	8	2
Overnight	5	1
Total children	360	

More than 100% due to multiple times requested.

Another source of similar information is the Provider Survey. Providers were asked "How often do parents ask for each service?" The results in order of frequency requested are: temporary care, extended hours, temporary evening care, emergency care, permanent evening care, sick child care, temporary night care, and permanent night care.

While there are a limited number of providers who offer care during irregular hours this may be due to the fact that they do not find this type of care profitable. This means that parents have a limited choice of providers, may have to wait for a slot to open or may have to go out of their way or settle for a provider they are not entirely pleased with. However, unless care during irregular hours is subsidized or parents are willing to pay more so that it is more profitable for providers, it is unlikely that many more providers will choose to remain open during irregular hours.

Similar problems arise for before and after school care for school age children. While most FDC Homes accept school age children, there are very few slots available in

programs that *specialize* in school age care. Again, this may be because it is not profitable for programs to specialize in part time care or because parents are less likely to feel it important to find licensed care for their school age children. (Both care during irregular hours and school age care will be considered further in "Recommendations.")

### Parents Persuing Education and Job Training

Another group of families in Phillips use licensed child care while parents participate in high school, college, job training and job search programs. These parents generally need full or part time care during the school year. This is one reason programs in Phillips tend to be less full during the summer months than during the school year.

### Preschool Demand

A final group of families use part time Preschool care to prepare children for primary school. Demand for this care is not tied to parents' work or school but is instead tied to a perception of children's need for the program.

## 3.2. What do Phillips Families Look for in a Child Care Program?

### Location and Type of Care

Most of the parents from Phillips who called for resource and referral asked for care near their home (93%). According to the Provider Survey about 61% of the children in programs in Phillips are Phillips residents.

Parents often look for a specific type of care. Data from CareFinder indicates that most parents in Phillips see FDC and Center based care as interchangeable. The low number of requests for Preschool care indicate that most parents who call for information and referral are looking for full time care.

**Table 7: Type of Programs Requested, by Age of Child**

					Age of Child:			
	total	<1	1	2	4-Mar	5	6/7/08	>9
Center	93%	91%	98%	87%	91%	100%	94%	90%
FDC Home	92%	95%	95%	96%	89%	91%	89%	95%
Preschool	4%	2%	0%	2%	8%	0%	2%	5%

### Quality of Care

Parents look for quality in programs. While most programs in Phillips were nearly full at the time of the Provider survey, two programs had no children. There are many possible reasons for this, for example, the programs were fairly new and had not had time to become established or there is an oversupply of slots available in the area. However, other new programs in the same area were flourishing. One probable reason these two programs had no children is that parents perceived them as poor quality programs or do not feel comfortable with the providers. Programs that parents are unwilling to use, in effect, cut down on the supply of child care in the neighborhood. (See Recommendations.)

### **Children with Special Health Needs**

There are other important demographics that effect demand for child care. Special health needs and cultural and linguistic issues are both very important. According to the Stein definition commonly used by the Department of Health <sup>9</sup>, 18% of children in Phillips (about 729 children birth to age 13) have special health needs.

While just fewer than half of the programs in Phillips are prepared to some extent to deal with certain special needs through training and previous experience, this number may be somewhat misleading. For example, of the thirteen FDC providers surveyed, five stated they had to "end one or more families' relationship with the Home due to behavioral problems of children."

"Providing care for children with special needs increases costs, work loads and, for FDC providers, contributes to loss of enrolled or potential clients." (Greenman, p. 27.) In order to increase supply, FDC providers and Centers would have to find it more profitable to care for special needs children. This could be accomplished through providing a subsidy or increased subsidy for children with special needs.

While there is certainly evidence of an unmet need for special needs services, there may be evidence of an unmet demand for these services as well. Southside Family Nurturing Center, which provides care for children with special emotional and behavioral needs who live in South Minneapolis, has a 70 child waiting list. Of the other five programs that are the best equipped to care for children with special needs, four are full day programs, two had waiting lists and two had available slots at the time of the survey. (See Recommendations.)

### **Culturally Appropriate Care**

The children who live in Phillips represent a rich diversity of culture, race and language with 46% of the population Caucasian, 23% Native American, 21% African American and 7% Southeast Asian of whom many are Hmong. Since the 1990 Census, Somali refugees have emigrated to Minneapolis and settled in Phillips and surrounding neighborhoods <sup>10</sup>. Because they are such a recent population, it is difficult to estimate how many Somalis now live in Phillips. Finally, 4% of Phillips residents are Hispanic

(PCIC Report, 1996.) It is crucial that all of these racial, cultural and linguistic groups are represented in the providers in Phillips.

Although Preschool and Center staff are racially, culturally and linguistically diverse in Phillips, FDC providers are not. Most of the FDC providers are African American with two European American, one Hispanic and one multi-racial provider.

Given this information, language and cultural barriers could prevent Asian and Hispanic parents in Phillips from accessing child care that meets time flexibility requirements (most often available in a FDC setting) and that they feel comfortable with. Native Americans parents may be uncomfortable placing their children with a non-Native American FDC providers fearing that the care is not culturally appropriate. The Somali population faces religious as well as cultural and linguistic barriers to accessing FDC in Phillips.

### ***3.3. How do Families Pay for Child Care?***

As the bar graph below indicates, about 75% of the 3,052 families in Phillips, have an annual income of less than \$25,000. The median family income is just \$11,460 annually .

**Figure 4: Family Income**

Where:

1 = Less than \$5,000

2 = \$5,000 to \$9,999

3 = \$10,000 to \$14,999

4 = \$15,000 to \$24,999

5 = \$25,000 to \$34,000

6 = \$35,000 to \$49,000

7 = \$50,000 to \$74,000

8 = \$75,000 to \$99,999



These income demographics translate into very high poverty rates <sup>11</sup> for children living in

Phillips. As the graph below indicated, most of the children who live in Phillips live in families whose annual income falls below the poverty line (first set of columns is all children compared to all children in families below poverty line.) Children under six (second set of columns) are more likely than children age 6 to 13 (third set of columns) to live in families whose annual income is below the poverty line. (Freenet).

#### **Figure 4: Child Poverty Rate**

= Total number of children

= Number of children living in families below poverty

1 = All children younger than 18 years

2 = Children under five years old

3 = Children between five and 17 years old



The full cost of child care is far too high for most families in Phillips to afford. On average, the cost of full time infant care 50 weeks a year is 64% of the median income of \$11,460 annually. Toddler care is 52%, preschool care is 47% and after school and summer care combined is 26% of the median income in Phillips. Care is a major expense even for the top half of the income range in Phillips. About 25% of residents earn \$25,000 or more annually. For those who earn \$25,000 infant care is still 29% of their annual income.

#### **Note on Cost**

According to a study conducted by the Children's Defense Fund in Minnesota, families who have an annual income of \$18,252 annually can afford to pay no more than \$31 per month for child care (Schlick et. al. 1996).

The low incomes of Phillips families, especially those with young children, drives down demand for licensed child care in Phillips. "There is continual need for child care services - and often this need is represented on center waiting lists, statistics from the Child Care Information Network and the Hennepin County Subsidy waiting list. But it is not a "demand" backed up by funding. These parents cannot purchase care without assistance. To change from "need" to "demand" subsidy must be available to pay for service." (Greenman, p. 15)

### ***3.4. Child Care Subsidies***

Phillips' income demographics indicate that most families who use licensed child care on a full time basis qualify for child care subsidies. In fact Phillips' providers reported that 88% of the children in their programs were on subsidies and/or scholarships.

Scholarship funds, for the most part, are raised and administered by the individual programs which offer them. Usually, the financial need of the family is the most important factor for receiving a scholarship. In discussions, several Directors indicated that scholarship funds were often used to fill holes in the public subsidy system. For example, families on a subsidy waiting list are sometimes able to utilize scholarship funds.

Two of the preschool programs in Phillips are run at no cost to families. These programs are means tested and generally operate with waiting lists.

Many Phillips families with children in licensed child care qualify for one of the five means tested subsidy programs available through the state and county "Child Care Fund." These include four AFDC linked programs and one non-AFDC program:

- ACCESS is for parents who are on AFDC and going to school or looking for work and who are over age twenty four or have been on AFDC for less than three years. This is not a fully funded program meaning that there may be a waiting list.
- STRIDE is a program for parents who have been on AFDC for three years or are under twenty four years old and have not finished high school or have worked little in the past year.
- Working AFDC parents are eligible for a certain amount of subsidy toward child care.
- The Transition Year program is for parents who have lost AFDC eligibility due to increased earned income or increased hours of employment or a family whose income is less than 75% of the State Median Income. Families can only qualify for this program for up to twelve months.
- Basic Sliding Fee is the non-AFDC program for working parents who earn less than 75% of the State Median Income taking into account size of family. A sliding fee scale is used so that parents pick up some of the cost of care. This is not fully funded and there is generally a waiting list of a year or longer. Certain families, such as those headed by teen parents, are given priority.

About 470 families in Phillips are currently receiving a child care subsidy through ACCESS, STRIDE or the Basic Sliding Fee program <sup>12</sup> (Swenson-Klatt, 1995). (This represents about 86% of children enrolled in programs in Phillips currently.) Another 172 are on the waiting list for the Basic Sliding Fee subsidy. Another group of families use free programs available in Phillips. About 73 free slots are available in Phillips although not all are reserved for Phillips residents. Some NRP money will also be used to provide child care subsidies for parents. This money will cover about 22 families (30 children.)

The Basic Sliding Fee waiting list is an important barrier to accessing child care for Phillips' families . If all the children from the waiting list who live in Phillips were

provided a subsidy, demand for care in Phillips could increase by 31%. (See Recommendations.)

In analyzing the results of the Provider survey, it became evident that stability of care was a problem for children whose families participated in one of the AFDC linked child care subsidy programs. Sixty five percent of providers stated that children stayed in their program only on a temporary basis because parents dropped out of their school or training program or did not continue the program over the summer.

Eligibility for ACCESS and STRIDE child care subsidies, for example, is linked to parents successful participation in job training and education programs. If parents are not successful in their program, the subsidy is ended and children are pulled out of their child care program. Also, funding does not generally extend over the summer or during school holidays. This transient child care population is difficult for providers both financially and programmatically as well as for children who may be negatively effected by unstable child care.

## **4. The 1996 Welfare Act**

It is very difficult to know what the Personal Responsibility and Work Opportunity Reconciliation Act of 1996' will mean for child care demand in Phillips until the Minnesota completes the implementation plan (due July 1997.) However, several aspects of the current legislation will have a strong impact on families in Phillips. This section will review all of the provisions of the Act that will have a direct impact on demand, supply and quality of child care (from the Summary of Provisions.)

### ***4.1. Title I: Block grants for temporary assistance for needy families.***

- The Act block grants AFDC, Emergency Assistance and JOBS into a single capped entitlement to states (called TANF). There is a separate allocation specifically for child care. This will end entitlement to income assistance and child care for working parents on AFDC or transitioning off AFDC.
- Time Limits: Families who have been on the rolls for five cumulative years (or less at state option) will be ineligible for cash aid. Some exceptions are allowed. This means that up to 80% of the current long term users of AFDC could be without benefits within five years.
- Work Requirements: As part of their state plan, states must demonstrate that they will require families to work after two years on assistance. Parents with a child under age 6 must work twenty hours per week. Two parent families with young children must work 35 hours per week. Single parents with young children who cannot find "appropriate" child care cannot be penalized for failure to meet work requirements. *It will be up to Minnesota to determine what appropriate child care is, whether that be licensed care or whether it will have a broader definition .*

Individuals who are not working or are exempt from work requirements are required to participate in community service ( *as defined by the state .* )

With adequate state commitment to licensed child care and the funding to back this commitment, these work requirements could mean that within two years, the demand for licensed child care will skyrocket in the Phillips neighborhood.

- Work Activities: Could include unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, *or providing child care services to individuals who are participating in community service .* Teens up to 19 who are in school will be counted as working. However, no more than 20 percent of the caseload could count toward the work requirement because they are participating in vocational training or are a teen parent in school.

Since Minnesota has a progressive approach to job training, even counting four year college as job training, these requirements could penalize the state. MN may be forced to lower its commitment to training and education. In turn, this could make it more difficult for families to earn living wages and support their children at an adequate level. In this case, a long term commitment to child care subsidies will be important.

The language on public assistance participants providing child care for the children of parents who participate in community service has been called problematic by child care experts and educators. A Family and Work Institute study on FDC providers concluded that "no public policies at the federal or state level should push or require people to care for children if they do not want to be providers." (Galinsky et al. p. 97) This recommendation is based on the finding that providers who see child care as a career of their choosing are much more likely to be quality providers. Only 9% of homes in the study were rated as good quality, 56% were rated as adequate/custodial and 35% were rated as inadequate or growth-harming. With these statistics, it is vitally important that Minnesota adopt policies that promote quality child care.

## ***4.2. Title VI: Child Care***

- Funding: The Act authorizes \$13.9 billion in mandatory funding for FYs 1997-2002. States will receive approximately \$1.2 billion of the mandatory funds each year. The remainder will be available for state matches (at the Medicaid rate). *States must maintain 100% of FY 1994 or 1995 child care expenditures (whichever is greater )* to draw down the matching mandatory funds. There are some discretionary funds.

Because MN has relatively progressive policies on child care and has decreased its welfare rolls in the past five years, the state will have a financial cushion for the first couple of years. However, this advantage will quickly evaporate as the work requirements kick in.

- Health and Safety Protections: The current requirement that all states establish health and safety standards for the prevention and control of infectious diseases is retained.
- Quality: Provides 4% of the total funds for customer education, enhancement of parental choice, and improvement of the quality and availability of child care (i.e. resource and referral funds.)
- Entitlement to child care: The bill does **not** provide a child care guarantee.

Federal child care funding will increase slightly, but will be stretched much thinner than it already is. This could mean that cash assistance recipients moving to work will have priority over the low income families who have not participated in cash assistance programs. In other words, to compensate for increased need by public assistance participants, the Basic Sliding Fee program could be cut still further, increasing the waiting list and limiting access to licensed child care. Quality, health and safety of child care will not be significantly impacted by this bill.

### ***4.3. Title VII: Child Nutrition Programs***

- Reimbursement rates: Reimbursement for FDC Homes under the child care food program is decreased slightly.
- Rounds down to the nearest cent when indexing reimbursement rates for full price meals in school breakfast and lunch programs and in child care centers.

Overall, Title VII will slightly reduce access to publicly provided meals for children both in schools and in child care centers and FDC homes. This is problematic for children who live in Phillips especially in light of the sharp cuts in the food stamp program and for providers in Phillips who currently receive food subsidies. Moreover, some FDC homes may choose not to remain in business because the decrease in food subsidy.

Ultimately, the programmatic and funding decisions that Minnesota makes in the next year will determine how the demand for child care will change over the next five years. Due to the large number of families in Phillips who do not currently participate in the work force, we can expect the demand for child care to increase somewhat in the next two years as parents anticipate the changes in benefit eligibility. The best case scenario would be that, over the next five years, demand for licensed child care for children under six on at least a part time basis would increase by 1100 children or 210% of the number of children currently enrolled. This is based on the number of children under six who live with no parent who is employed outside of the home. As this happens, it will be important to support new as well as established providers to make sure that demand is met.

### **Need for Child Care**

The need for child care has not been addressed in the report thus far. It is a very different question for demand and is not easy to qualify for several reasons. There is not one

definition as to who needs care and there is limited data on child care need. Overall, however, we can draw several conclusions.

- There is a vast unmet need for licensed child care in Phillips currently. Only about 9% of children who live in Phillips use child care in Phillips. Most Phillips parents who look for licensed child care look for care in Phillips.
- Need will increase greatly over the next five years due to the work requirements in the 1996 Welfare Legislation. As many as 1100 children who live in Phillips will be affected by the welfare legislation. Even if only 50% of effected families want to find licensed child care for their children and qualify for subsidies, over 550 more child care slots will be needed in Phillips in the next 5 years.

## **5. Recommendations**

Supporting current providers would be good for parents, providers and children

- Providers want community support: 96% of providers said that they would participate in a Provider Network. In the Comment section of the Provider Survey, three providers mentioned that they would like more support from the community and two asked about available grants.
- Studies indicate that Provider Networks and other supports for child care programs help to increase the quality of child care (Galinsky et. al., 1994).
- Supporting programs to increase quality will, in effect, expand supply by expanding the number of high quality programs parents have to choose from.
- Increasing child care quality will benefit children's social and cognitive development and has the potential to help children succeed in school.

### ***5.1. Support Current Programs***

A strong, neighborhood based child care Network is a cost effective way to increase child care quality and support providers in Phillips. A Network, broadly defined, is simply a way to bring providers in a certain area (or of a certain type) together and channel resources to them. In Phillips a Network could:

- Help providers find and apply for grants to improve their facility and their program. Providers rated "facility improvement" as the item that they would give the highest priority to if they had the resources to improve their program. Playground improvement, toys and safety equipment were also of some concern to providers.
- Offer courses or help bring courses into the neighborhood so that providers could increase their education and credentials in the child care field. Providers rated "teacher/provider education and training" as the second most important item they would give priority to if they had the resources to improve the quality of their program. FDC providers rated this as the most important item. Providers should make the decisions on what courses are to be offered so that they are as useful and

appropriate as possible. Every attempt should be made to keep the courses very low cost or free to providers.

- Assist providers in getting accredited through the National Association for the Education of Young Children or the National Association of Family Day Care. Accreditation was rated as the third most important way in which providers want to increase the quality of their programs.
- Research the possibility of creating a substitute teacher program. All of the providers surveyed stated that they would be interested in participating in this type of program. The Network should only recruit qualified, experienced providers to work as substitute teachers. Recruiting inexperienced people could be dangerous to the children and discourage provider participation in the program <sup>13</sup>
- Help the Neighborhood Association work with providers to improve safety in their neighborhood and thus increase the quality of child care.
- Use the CareFinder data base and the knowledge of the referral councilors to provide information to providers on demand for irregular hours. If there seems to be a particular need for more evening or night care, for example, the Network could assist providers who are interested in filling this niche, to figure out if expanding their hours would be beneficial to their business.

## ***5.2. Increase the supply of child care over the next two years***

Provided that Minnesota continues its commitment to child care, the 1996 Welfare Act could greatly increase the demand for child care in Phillips over the next five years. If this is true, it will be important for parents to have access to high quality programs in their neighborhood. Much of the following work can be done through a Network.

- **Support existing programs to expand** . 74% of the providers surveyed are interested in increasing the size of their program. According to studies, increased size does not detract from the quality of FDC Homes. In fact, high quality programs tend to be run by professional, business oriented providers (Galinsky et al.). Expanding successful programs assures that quality will be maintained in Phillips. Support could include assistance accessing grants and loans, and assistance finding qualified and reliable staff.
- **Support Somali, Hmong, Native American and Hispanic providers to become licensed.** It is crucial that new providers be recruited from all racial, cultural and linguistic groups so that all residents can find providers they feel comfortable with. There are several Native American, Hispanic and Hmong legally unlicensed providers in the neighborhood. This is one place a Network could begin to look.
- **Support legally unlicensed providers who want to become licensed.** ECRC recently began making contact with legally unlicensed providers to find ways of assisting them to improve the quality of care. Providers who want to get a license and expand their program could be referred to a network. The network could provide information and assistance to them in getting a license.

### ***5.3. Linking housing and child care***

Creating more FDC Homes through renovation and building helps to insure that the space is appropriate for a child care program. However, appropriate space does not ensure a high quality program. In fact, one program in an apartment that was built specifically to house FDC had no children at the time of the survey. Any plans to link housing with child care should consider the following things:

- The quality of a FDC Home depends on the provider who runs it. If resources are put into developing FDC Homes, the recruiting and screening process to find a provider is crucial. Providers with experience and training should be recruited and diversity should be taken seriously.
- FDC homes are fairly well spread out through neighborhood with concentrations in certain areas. New homes should be developed in other areas of the neighborhood, for example along or near Cedar Avenue, north of Franklin Avenue and near Anderson Elementary School.
- An assurance of ongoing child care provision can be built into a loan contract or lease. This is important if child care is an important part of a housing redevelopment plan or if the housing or loan is subsidized to financially assist the child care provider.

### ***5.4. Increase the supply of after school care***

As mentioned in part IV, there is only one program that specializes in after school and summer care and one that specializes in before school care in Phillips. The Boys and Girls Club located at the YWCA also provides a safe place for school age children.

- Make sure that the two school age programs do not leave Phillips. The Neighborhood Association should make it a priority to contact these programs and let them know they are important to the community.
- Phillips has no school age programs in any of its parks. The Neighborhood Association should encourage the Parks Department to develop a school age summer and/or after school program in Phillips. This program could serve a double purpose by increasing families' access to school age care and by making the parks in Phillips safer, cleaner and more beautiful.
- A network could support FDC providers who want to specialize in school age care <sup>14</sup> by linking them with available grants and loans and by linking them with potential customers.

### ***5.5. Increase the supply of care for special needs children.***

- A network could assist interested providers to get the training and ongoing support they need to care for children with special needs.

## ***5.6. Educate Parents***

- Outreach to Phillips residents needs to include information on subsidies for child care and the information and referral service located at ECRC.
- ECRC needs to be sure that parents know that there are resources that can help them pay for child care such as the Basic Sliding Fee scale. It is important that parents apply and get on the waiting list even if they cannot access the funding for over a year.
- ECRC needs to continue its commitment to educating parents about the importance of high quality child care.

## ***5.7. Political Action***

Looking at child care as a supply and demand issue is very limiting in a poor neighborhood such as Phillips. The only way that large numbers of families will be able to access safe, high quality child care is through participating in publicly funded child care programs and subsidy programs. It is of vital importance to this neighborhood that Minnesota and Hennepin County continue and increase their commitment to child care. Child care is a political issue. Every vote, letter and phone call counts.

# **6. Bibliography**

- Alliance for Early Childhood Professionals, "1995 Early Childhood Workforce Study." Minneapolis, MN.
- CareFinder, Provider Reports, August 1996.
- CareFinder, Customer Reports, August 1996.
- ECRC: A Plan to Build Our Capacity."
- Freenet Home Page. Census Data by Neighborhood.
- Galinsky, E.; Howes, C.; Kontos, S.; and Shinn, M. (1994) The Study of Children in Family Child Care and Relative Care: Highlights of Findings. New York, NY: Families and Work Institute.
- Galinsky E. and Larner, M. (1994) In the Neighborhood: Programs that Strengthen Family Day Care for Low-Income Families. National Center for Children in Poverty. NYC.
- Greenman, J., Johnson, N. (1990) Moving Beyond a Cycle of Crisis: The Inner City Child Care Marketplace. Greater Minneapolis Day Care Association, Minneapolis. p. 27.
- Phillips, D. and Howes, C. (1987). "Indicators of Quality in Child Care: Review of the Research." In D.A. Phillips (Ed.), Quality in Child Care: What Does the Research Tell Us? National Association for the Education of Young Children. Washington D.C.
- The Researching Our Community's Capacity Research Project: Who are We? A Description of Residents of Phillips. Phillips Community Initiatives for Children. Minneapolis, MN; 1994.

Schlick, D, and Zaffiro, J. (1996). The Other Side of the Child Care Story: Economic Development Trends and the Need for Child Care Subsidies . Community Human Services Department, St. Paul, MN.

Spence Boocock, S. (1995) "Early Childhood Programs in Other Nations: Goals and Outcomes." in The Future of Children . Vol 3, No 3, Winter 1995```.

State of the City 1995: A Statistical Portrait of Minneapolis . City of Minneapolis Planning Department. Minneapolis, MN; 1996. Demographics are from the 1990 Census.

Interview with Jane Strauss, Director of Job Development. Somali Community of Minneapolis. August 9, 1996.

Summary of Provisions: Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (H.R. 3734) . (1996) Prepared by the Office of the Assistant Secretary for Planning and Evaluation, D.H.H.S.

Swenson-Klatt, D. Caring for Our Future: Early Childhood Care and Education in Hennepin County, 1995 . GMDCA: MN 1996.

Tichy, C. (1995) What the 1990 Census Says About Minnesota: Income and Poverty . CURA, Minneapolis, MN.

## 7. Appendix

### 7.1. Part I: Provider Survey

The Provider Survey was conducted in July and early August 1996. Face to face interviews were used and the providers were interviewed on site at their programs.

#### Provider Survey

July 18, 1996

**Explanation of Survey to Providers:** The Phillips Early Learning Collaborative and the People of Phillips Neighborhood Organization are interested in the concerns that you, as a Provider of child care in the neighborhood, have. Completing this survey will help these two organizations serve you better in their capacity as promoters of business, family, and community well-being in Phillips.

**Note:** This will be an anonymous survey. The organizations conducting this survey will not make public names of providers or location of Home or Center.

1. Type of Program \_\_\_ FDC Home

\_\_\_ Day Care Center

\_\_\_ Preschool

For Profit

Non-Profit

Legally unlicensed child care provider

2. How long have you been in business? \_\_\_\_\_

3. Please fill in number of filled slots in your facility by age group.

Infant

Toddler

Preschool

School age

4. If you have a waiting list, please specify how many children in each category.

Infant

Toddler

Preschool

School age

### **Your Concerns as a Child Care Provider**

5. Do you want to increase the size of your program? Yes/ No

6. **If yes** , what are the barriers to expanding your program? (check all that apply)

Space

Money: no loans or grants available to help you expand business.

No demand / customers

Difficult to find qualified staff

7. If you had the resources to improve the quality of your Program, which items would you give the highest priority to? (rate in order where 1 = greatest concern)

*Facility* needs improvement

Teacher/ Provider *education/ training*

Lower teacher *turnover*

Need more/better *toys*

Need more/better *play ground* equipment

Need more/better *safety equipment*

Want *accreditation* from the National Association for the Education of Young Children or the National Association of Family Day Care.

Other \_\_\_\_\_  
\_\_\_\_\_

8. Would you participate in a Provider Network if it were available to you? Yes/ No

9. Would you use a substitute teacher program if it were available to you? Yes/ No

10. What are your biggest financial concerns for this business/ non-profit? (Mark all that apply where 1 = most important concern.)

Not full enrollment

Parents do not keep up on payments

Expenses associated with facility upkeep

Expenses associated with licensing procedure

Staff salaries

Problems in billing process of subsidies

Other \_\_\_\_\_  
\_\_\_\_\_

11. Are you in danger of going out of business due to financial concerns?  
Yes/Possibly/No

12. Rate crime in your neighborhood as a concern in your role as a provider. (1 - very big concern; 3 - no concern)

**Parents and Children**

1. How many of the children in your Home or Center live in Phillips? \_\_\_\_\_

2. Have you had a number of children who stay only on a temporary basis? Yes/ No

Please specify if children have left for any of the following reasons. \_\_\_ Because parents move out of area

\_\_\_ Parents loose job

\_\_\_ Parents cannot keep up with payments

\_\_\_ Parents have temp or seasonal employment

\_\_\_ Parents only need temporary care

\_\_\_ Other. Please explain.

\_\_\_\_\_

\_\_\_\_\_

3. Have you had to turn families away or end their relationship with the Center or Home for any of the following reasons?

\_\_\_ Behavioral problems of children

\_\_\_ Parents fall behind on payments

\_\_\_ Inadequate facilities, e.g. for special needs children?

\_\_\_ Inability or unwillingness to provide care for irregular hours?

\_\_\_ Other \_\_\_\_\_

4. How often do parents ask for each service?

Often Some- Never

times

\_\_\_ \_\_\_ \_\_\_ Extended hours - past normal hours

\_\_\_ \_\_\_ \_\_\_ Temporary care

\_\_\_ \_\_\_ \_\_\_ Emergency care

- Holiday care
- Evening care - temporary
- Evening care - permanent
- Night care - temporary
- Night care - permanent
- Sick child care

5. How often do you provide each service when it is asked for?

Usually Some- Never

times

- Extended hours - permanent
- Temporary care
- Emergency care
- Holiday care
- Evening care - temporary
- Evening care - permanent
- Night care - temporary
- Night care - permanent
- Sick child care

6. In your opinion, what are parents' primary concerns about child care? (Mark all that apply where 1 = greatest concern)

- Cost
- Availability of subsidy or scholarship
- Care that reflects cultural values
- Educational quality of child care

\_\_ Disciplinary issues

\_\_ Times/ flexibility of care

\_\_ Stability of care

\_\_ Safety of child

\_\_ Love and affection provided by caregiver

\_\_ Other \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. How many of the families at your Center or Home receive child care subsidies? \_\_\_\_\_

8. Do you have other concerns or comments? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Thank you for taking the time to complete this survey.*

## ***7.2. Part II: Results of Survey***

Twenty three providers were interviewed. Following are the results of the survey.

1. Type of Program

FDC Home = 13

Day Care Center = 7

Preschool = 2

School Age Program = 1

For Profit = 14

Non-Profit = 9

Legally unlicensed child care provider = 0

2. How long have you been in business?

Average = 6.8

Median = 5

Range = 5 months to 22 years

3. Please fill in number of filled slots in your facility by age group.

Infant = 44

Toddler = 118

Preschool = 256

School age = 99

Total = 517

4. If you have a waiting list, please specify how many children in each category.

Number of Children Number of Programs

Infant 27 3

Toddler 40 6

Preschool 53 4

School age 56 3

5. Do you want to increase the size of your program?

Yes = 17

No = 6

6. **If yes** , what are the barriers to expanding your program? (check all that apply)

Space = 14

Money = 11

No demand = 4

Staff = 6

7. If you had the resources to improve the quality of your Program, which items would you give the highest priority to? (rate in order where 1 = greatest concern)

# marked "1" # Marked "2"

*Facility* needs improvement 4 9

Teacher *education* 5 6

Lower teacher *turnover* 3 0

Need *toys* 4 0

Need *play ground* equipment 2 3

Need *safety equipment* 2 1

Want *accreditation* 3 4

Other

8. Would you participate in a Provider Network if it were available to you?

Yes = 22 (96%)

No = 1 (4%)

9. Would you use a substitute teacher program if it were available to you?

Yes = 23 (100%)

No = 0 (0%)

10. What are your biggest financial concerns for this business/ non-profit? (Mark all that apply where 1 = most important concern.)

# Marked "1" # Marked "2"

Not full enrollment 5 8

Parents do not keep up on payments 3 4

Expenses associated with facility upkeep 3 2

Expenses associated with licensing procedure 0 1

Staff salaries 9 2

Problems in billing process of subsidies 3 2

Other 0 1

11. Are you in danger of going out of business due to financial concerns?

Yes = 2 (9%)

Possibly = 2 (9%)

No = 19 (82%)

12. Rate crime in your neighborhood as a concern in your role as a provider. (1 - very big concern; 3 - no concern)

Average = 1.7

1. How many of the children in your Home or Center live in Phillips?

Total = 314

2. Have you had a number of children who stay only on a temporary basis?

Yes = 18 (78%)

No = 4 (17%)

n/a = 1

Please specify if children have left for any of the following reasons.

Because parents move out of area = 6

Parents loose job = 3

Parents cannot keep up with payments = 4

Parents have temp or seasonal employment = 3

Parents only need temporary care = 3

Other = 15

3. Have you had to turn families away or end their relationship with the Center or Home for any of the following reasons?

Behavioral problems of children = 10

Parents fall behind on payments = 10

Inadequate facilities, e.g. for special needs children = 4

Inability or unwillingness to provide care for irregular hours = 5

Other = 0

4. How often do parents ask for each service?

Often Some- Never n/a

times

Extended hours - past normal hours 3 12 4 3

Temporary care 4 14 1 3

Emergency care 1 10 8 3

Holiday care 3 5 11 3

Evening care - temporary 2 12 5 3

Evening care - permanent 2 7 10 3

Night care - temporary 0 6 13 3

Night care - permanent 0 6 13 3

Sick child care

5. How often do you provide each service when it is asked for?

Usually Some- Never n/a

times

Extended hours - permanent 6 5 9 3

Temporary care 13 5 2 3

Emergency care 8 3 9 3

Holiday care 3 4 13 3

Evening care - temporary 6 5 9 3

Evening care - permanent 5 1 14 3

Night care - temporary 4 1 15 3

Night care - permanent 2 1 17 3

Sick child care 0 3 17 3

6. In your opinion, what are parents' primary concerns about child care? (Mark all that apply where 1 = greatest concern)

# Marked "1" # Marked "2"

Cost 11 0

Availability of subsidy or scholarship 4 7

Care that reflects cultural values 1 1

Educational quality of child care 0 2

Disciplinary issues 0 0

Times/ flexibility of care 0 3

Stability of care 0 2

Safety of child 3 3

Love and affection provided by caregiver 3 4

Other 0 0

7. How many of the families at your Center or Home receive child care subsidies?

Total = 453

- 
- <sup>1</sup> The Phillips Early Learning Collaborative is composed of the Early Childhood Resource Center, People of Phillips, the Phillips Community Initiatives for Children and many of the providers in the neighborhood.
- <sup>2</sup> Although the report looks at Phillips as an isolated area, parents, children and child care providers are not constrained by these boundaries. There is crossover between the north Powderhorn community and the south Phillips community in the child care programs that families use. Also, Phillips is convenient to downtown and families from south Minneapolis and the surrounding south suburbs often choose to use Phillips based programs. Over all, however, Phillips' child care providers care primarily for children who live in Phillips.
- <sup>3</sup> All demographics in this report are from the 1990 Census.
- <sup>4</sup> Data is compiled from the CareFinder database and the Provider Survey.
- <sup>5</sup> Compiled from data on CareFinder and Provider Survey
- <sup>6</sup> CareFinder, August 1996
- <sup>7</sup> The US Census defines families as a group of persons who live together and are related by birth, adoption or marriage. Most of the demographics in this report are from the 1990 Census unless otherwise indicated in the text or the footnotes.
- <sup>8</sup> Information from resource and referral requests represents a select group of people, those parents who know about the service and chose to use it even though in most cases this involves a cost.
- <sup>9</sup> The Stein definition estimates the number of children with serious ongoing health conditions or disorders that have a biological, psychological or cognitive basis, have lasted or will last for at least one year and produce limitation in one or more of the following:
- function, activity or social role in comparison with healthy age peers
  - dependency on medications special diets, medical technology assistive technology or personal assistance
  - need for medical care or related services psychological services or educational services.
- Children who fall into this category would need to have specially trained providers and in some cases a specially equipped facility. Nancy Vanderburg, MN Dept. of Health, Division of Family Health.
- <sup>10</sup> Interview with Jane Strauss, Director of Job Development, Somali Community of Minneapolis.
- <sup>11</sup> The federal poverty level is based on the cost of feeding a family on an economy food plan, adjusted annually for inflation. The poverty level is adjusted for the number of children in the family and the age of the householder (Tichy, 1995).
- <sup>12</sup> Information on other programs are not available by neighborhood.
- <sup>13</sup> For example, the Families and Work Institute report on FDC providers stated that welfare to work programs should never force AFDC recipients into child care because

lack of experience, training, and desire to provide child care by the provider can create dangerous situations for children.

<sup>14</sup> For example, Beatrice Williams, a FDC provider in Phillips, is interested in specializing in school age care. She has plans to renovate her basement to have a computer lab and a play room for school age children.

---

Published 14 Feb 1997 by [Mark Brose](#) on the World Wide Web