



National Child Care Information Center

A service of the Child Care Bureau

NCCIC

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MARKET RATE SURVEY METHODS and ANALYSES

Since 1988, and especially following the enactment of welfare reform in 1996, the child care subsidy system increasingly has been designed to reflect market conditions. Current Federal regulations require States to conduct Market Rate Surveys at least once every two years and to use survey results to inform the child care subsidy reimbursement rate structure. The following resources provide information on conducting Market Rate Surveys and establishing child care subsidy rates.

State Specific Studies:

Arizona

■ *Child Care Market Rate Survey 2002* (December 2002), by Maricopa County Office of Research and Reporting, for the Child Care Administration, Division of Employment and Rehabilitation Services, Arizona Department of Economic Security, summarizes data that was collected in Arizona's seventh child care Market Rate Survey, which was conducted by the Arizona Department of Economic Security from March through May 2002. A total of 5,082 child care providers were interviewed. Findings are reported separately for licensed centers, approved family child care homes, certified group homes, and unregulated homes listed with a Child Care Resource and Referral (CCR&R) agency. This resource is available on the Web at <http://www.de.state.az.us/childcare/pdf/marketratesurvey2002.pdf>.

California

■ *2003 Regional Market Rate (RMR) Ceilings and Emergency Regulations* (2003), by the Department of Social Services, California Health and Human Services Agency, presents the results of the Statewide child care Market Rate Survey. This resource is available on the Web at <http://www.dss.cahwnet.gov/getinfo/acl03/pdf/03-41.pdf>. For additional information regarding the Regional Market Rate Survey, please contact Deborah Lindley at the California Department of Education, Child Development Fiscal Services Unit 916-324-6611 or dlindley@cde.ca.gov.

Colorado

■ *2003 Market Rate Survey* (October 2003), by the Child Care Division, Colorado Department of Human Services, summarizes the methodology and results of the child care Market Rate Survey. The survey methodology and results are available on the Web at http://www.cdhs.state.co.us/childcare/co_state_plan.htm. For additional information, contact Anne Keire, CCCAP Program Specialist, at 303-866-3960.

Delaware

■ *2003 Child Care Market Rate Study* (July 2003), by Workplace Solutions, for the Delaware Department of Social Services, summarizes the methodology used for the Market Rate Survey including sample procedures and survey findings. The report and the survey instruments associated with it are available on the Web at <http://www.state.de.us/dhss/dss/repstats.html>.

Georgia

■ *2003 Georgia Child Care Market Rate Survey* (May 2003) by Care Solutions, Inc., for the Georgia Department of Human Resources, presents survey results for the centers, schools, and group child care homes, as well as family and informal child care providers that reported they currently provide child care. This resource is available on the Web at <http://www.caresolutions.com/documents/gamr2003.pdf>.

Illinois

■ *FY 2002 Market Rate Survey of Licensed Child Care Programs in Illinois* (December 2002), by the Illinois Department of Human Resources, provides information on the market rates providers are charging families for child care. For additional information, contact the Illinois Bureau of Child Development at 217-785-0452.

Louisiana

■ *Louisiana Child Care Market Rate Survey 2003* (May 2003), by Care Solutions, Inc., presents the survey results for the 5,236 (of the 7302 responses) providers who reported that they currently provide child care, which includes 1,301 licensed child care centers, 81 school-based programs, and 3,854 registered family child day care and unregulated in-home child care providers. This resource is available on the Web at http://www.dss.state.la.us/Documents/OFS/Attachment_3_2_1.pdf.

Maine

■ *Maine Child Care Market Rate and Workforce Study* (September 2002), by Linda C. Mills, Susan N. Boston, Harlan R. Breindel, Irene F. Goodman, and Kathleen R. Mohrle, for the Maine Office of Child Care and Head Start, provides an analysis of the State's child care market that will serve as the basis for recommendations regarding issues of market rate, workforce, accessibility, and quality. This resource is available in full text on the Web at <http://www.state.me.us/dhs/workforcereport.pdf>.

Massachusetts

■ *2000 Child Care Market Rate Study for the Massachusetts Office of Child Care Services* (April 2000), by Workplace Solutions, for the Massachusetts Office of Child Care Services, includes an extensive review of survey methodology and the analysis of survey results. For more information, contact Rod Southwick, Massachusetts Office of Child Care Services, at 617-626-2089.

Nebraska

■ *Nebraska Health and Human Services Child Care Market Rate Survey 2003* (2003), by Nebraska Health and Human Services, presents the results of the survey conducted January–March 2003. The survey sample included 1187 licensed providers and 899 of those child care providers responded to the survey. This resource is available on the Web at <http://www.hhs.state.ne.us/chs/chc/docs/MarketRateSurvey03.pdf>.

New Hampshire

■ *New Hampshire Child Care and Early Education Market Rate Survey 2001* (August 2002), Michael Kalinowski and Fanny Xu, prepared for the Child Development Bureau, Division for Children, Youth and Families, Department of Health and Human Services, provides findings of the second New Hampshire Child Care and Early Education Market Rate Survey (MR2) among providers in the State of New Hampshire. This resource is available on the Web at <http://www.dhhs.state.nh.us/DHHS/CDB/LIBRARY/Program+Report-Plan/cc-rate-survey.htm>.

New Jersey

■ *New Jersey Child Care Market Rate Survey 2002* (February 2003), by the Office of Planning and Special Initiatives, New Jersey Department of Human Services, presents survey results for 778 centers and 826 family day care providers. Surveys were distributed in the fall of 2002. Response rates were 83 percent for the centers, 89 percent for the partial day programs, and 51 percent for the family day care providers. This resource is available on the Web at <http://www.state.nj.us/humanservices/dfd/NEW%20JERSEY%20CHILD%20CARE%20CENTER%20MA.pdf>.

Ohio

■ *A Study of the Child Care Payment System in Ohio Pursuant to Am. Sub. H.B. 283* (September 2000), by Eric Karolak, Ohio Legislative Budget Office, reports the findings of a study conducted in concert with the 2000 Ohio child care Market Rate Survey and includes a discussion of the method used to conduct that survey (pp. 3–6), as well as general information about the structure of Ohio’s child care subsidy payment system. The report is available on the Web at <http://www.lbo.state.oh.us/fiscal/publications/special/childcarereport.cfm>.

Oklahoma

■ *2003 Oklahoma Child Care Market Rate Survey* (2003), by the Office of Child Care, Oklahoma Department of Human Services, presents survey results for child care centers and child care homes. This resource is available on the Web at <http://www.okdhs.org/childcare/home/2003%20MRS%20Rates.pdf>.

Oregon

■ *2002 Oregon Child Care Market Rate Study* (January 2003), by the Oregon State University Family Policy Program for the Oregon Department of Human Services, identifies child care prices or rates and the geographic distribution of these rates across the State. A copy of this report is available on the Web at <http://www.dhs.state.or.us/children/publications/cc/2002marketratestudy.pdf>.

Vermont

■ *Child Care Programs in Vermont: A Survey of Market Rates and Capacity, January 2003* (January 2003), by Learning Partners, Inc., presents the results of a survey of market rates and capacity among 1,061 Vermont child care programs conducted by Learning Partners, Inc., an early childhood consulting firm. The survey provides the Child Care Services Division of the Vermont Social and Rehabilitation Services with current information about the market rates charged to consumers of child care and education services. The survey also explores the availability of child care for part time, full time, evening, and weekend usage, and how the supply of child care meets demand. Findings indicate that child care programs are serving the numbers and ages of children they prefer to serve. Programs are not routinely letting subsidy rates dictate the market value of their services. However, it appears that subsidy rates are moving further away from the market rate for child care. The child care industry continues to have a limited capacity to meet the child care needs of Vermont families, but the industry is responding to the need for more care options for school-aged children. This resource is available on the Web at <http://www.state.vt.us/srs/childcare/research/marketstudy.htm>.

Utah

■ *2002 Utah Child Care Market Rate Survey Study* (September 2002), by the Utah Department of Workforce Services, Workforce Information Services and Office of Child Care, summarizes the results of the 2002 Market Rate Survey. Only regulated or licensed child care provider rate data were studied. In addition to the findings, the report includes the 2002 Utah Child Care Market Rates, which are expressed by age range of children, by provider type, and by monthly rate. Additional information and/or a copy of this publication are available on the Web at <http://jobs.utah.gov/occ/lmrstudy2002.pdf>.

Washington

■ *Licensed Child Care in Washington State: 2002* (June 2004), by Laura Schragger and Steven Rowswell, Division of Child Care and Early Learning, Department of Social and Health Services, summarizes the results of the 2002 Washington State Market Rate Survey. A copy of this report is available on the Web at <http://www1.dshs.wa.gov/pdf/esa/dccel/02CombinedDoc.pdf>.

Wyoming

■ *Wyoming Child Care Center and Home Child Care Provider Market and Operations Survey* (April 2001), by the Wyoming Children's Action Alliance, for the Wyoming Department of Family Services, presents the results of the survey conducted in February and March of 2001. This resource is available on the Web at http://dfsweb.state.wy.us/childcare/SalaryREPORT_2000mare.htm.

Market Rate Survey Methods:

■ *Report of the Build Subsidized Child Care Rate Policy Task Force: Recommendations for Action* (June 2004), Child Care Subsidy Rate Policy Task Force, Pennsylvania Build Initiative, Pennsylvania Department of Education, discusses the lessons learned by the Child Care Rate Policy Task force. Section I summarizes key issues raised at the forums and includes concerns and suggestions made by forum participants. Section II summarizes Task Force deliberations,

research, and ideas from other States. Section III offers recommendations from the Task Force. This resource is available on the Web at <http://www.pacca.org/PDF/RatePolicyReport--FINAL6.17.04.pdf>.

■ *Market Rate Study Guidebook: A Guide to Implementing a Child Care Market Rate Study Using Child Care Resource and Referral Data* (September 2003), by Deana Grobe, Roberta B. Weber, Clara C. Pratt, and Arthur C. Emlen, published by the Oregon Child Care Research Partnership, was developed to assist States and researchers in conducting a child care market rate study using Child Care Resource and Referral (CCR&R) data. The guidebook illustrates how Oregon has used CCR&R data to study market rates and to highlight the strengths and weaknesses of this approach. Descriptions of this market rate methodology presents lessons learned from the work of the Oregon Child Care Research Partnership in its efforts to build a body of policy-relevant research methodology. The guidebook is divided into three sections, each describing a stage of the market rate study. Section I discusses the decision to use the CCR&R database as the data source and evaluates the validity of the database. Section II outlines methodological issues ranging from what data are included in the analysis to what steps are taken to identify geographic rate areas and child care accessibility. Section III details the elements of the data analysis and presentation of findings. This resource is available on the Web at <http://www.hhs.oregonstate.edu/familypolicy/occrp/publications/2003-ChildCareMarketRateStudyGuidebook.pdf>.

■ *Different Methods of Conducting Market Rate Surveys* (July 2001), a fact sheet by New England Workforce Partners (NEW Partners), includes a discussion around “What is the debate over Market Rates?” and examples of how to measure rates using surveys. NEW Partners is a joint effort by the six New England States (CT, ME, MA, NH, RI, VT) to address the difficulty of attracting and retaining qualified staff to care for children. The fact sheet provides a tabular inventory of Market Rate Surveys for each collaborating State. The fact sheet is available on the Web at <http://www.muskie.usm.maine.edu/newpartners/pdf/marketrate.pdf>.

■ *Conducting Market Rate Surveys and Establishing Rate Policies* (July 2001), eds. Eric Karolak, Ray Collins, and Louise Stoney, prepared by the National Child Care Information Center (NCCIC), provides an overview of regulatory requirements, survey methods, and strategies regarding child care subsidy rates. For a copy of the report, contact NCCIC at 800-616-2242.

■ *Effective Approaches to Market Rate Surveys* (July 2001), by the Child Care Administration Project (CCAP), is an issue brief that summarizes key issues in market rate surveying for State child care administrative staff. This resource is available on the Web at http://www.calib.com/home/work_samples/files/ratesurvey.pdf.

■ *Conducting Market Rate Surveys: How Does Your State Rate?* (March 2000), by USA Child Care, examines issues related to Market Rate Surveys as the method of determining appropriate public costs for child care. For additional information, contact USA Child Care at 703-709-0800 or on the Web at http://usachildcare.org/programs/kidsrate/market_rate_report.pdf.

■ *A Guide to Market Rate Surveys for CCDF Tribal Entities*, a paper prepared for the Fifth National American Indian and Alaska Native Child Care Conference (March 21–24, 1999), by Sally Hardy, examines how to define the market, identify potential resources in conducting a survey, develop the survey instrument, and apply the survey data. For more information, contact Sally Hardy, at 803-256-4464.

■ *Promoting Access to Quality Child Care: Critical Steps in Conducting Market Rate Surveys and Establishing Rate Policies* (1994), by Louise Stoney, for the Children’s Defense Fund (CDF), provides technical information for policy-makers, child care providers, and advocates who are working to establish rate policies in their States. Although the report references an historic regulatory framework, many of its technical comments concerning the design and implementation of a child care market rate survey remain current. For additional information, contact CDF at 202-628-8787 or on the Web at <http://www.childrensdefense.org>.

Additional Resources

■ *Child Care and Development Fund Report of State Plans FY 2002-2003* (December 2002), Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, provides information in Section 3.2 on the child care subsidy payment rates, including the timing of rate surveys, implementation of new rate ceilings, rate ceiling levels, and each State’s subsidy rate structure. This resource is available on the Web at <http://www.nccic.org/pubs/stateplan/stateplan-intro.html>.

■ *New England Early Care and Education Workforce Data Resource Guide* (January 2002), by New England Early Care and Education Workforce, presents 2001 information for the New England States (CT, ME, MA, NH, RI, VT) on the demographics, education and training, market rate and cost of care, salary and benefits, supply and demand, and turnover of the child care workforce and early care and education field. The guide is a quick reference tool providing brief descriptions and contact information on existing State data sources in a number of subject areas related to the child care workforce. This resource is available on the Web at <http://muskie.usm.maine.edu/newpartners/pdf/CompleteDataResourceGuide.pdf>

■ *Rate Setting Policies: Ensuring Access and Improving Quality*, Issues Meetings Proceedings (July 2001), Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, includes summaries and handouts of presentations made at the November 2000 Child Care Bureau National Issues Meeting on the same topic. The publication is available from NCCIC at 1-800-616-2242.

The National Child Care Information Center does not endorse any organization, publication, or resource.