Public Policy Forum
moving the region forward

Research Brief

VOLUME 96, NUMBER 5 MAY 2008

Child-care Provider Survey Reveals Cost Constrains Quality

A survey of 414 child care providers in southeastern Wisconsin reveals that cost as well as low wages and lack of benefits for workers can constrain providers from pursuing improvements to child-care quality.

High-quality early childhood care and education has been found to produce short- and long-term educational, cognitive, and social benefits for children. Consequently, we sought to measure whether our region's child care providers have the capacity to supply that type of beneficial care and we wanted to learn from providers where barriers to quality exist.

We surveyed licensed and/or certified providers in the seven-county region, about half of whom are family (home-based) child care providers and half are center-based (group) providers or preschools. Of our survey respondents, 13% have at least three of five structural factors often associated with highest quality care. In addition, over three-quarters of our sample is neither accredited nor seeking accreditation.

When asked why accreditation has not been pursued, most providers indicate that it is too expensive. Costs are also cited as a barrier to obtaining or providing additional training, while low wages and the lack of benefits are the main reasons staff have chosen to leave their child care jobs.

This lack of capacity to pursue quality improvements is relevant to the debate in Wisconsin regarding parent subsidies for child care. Currently, our state spends over $300 million per year in subsidies aimed at increasing access to child care for low-income families. Other than the requirement that the subsidies be used to purchase care from a licensed or certified provider, the monies are not tied to the quality of the provider. Recent attempts by the governor to make that connection via a quality rating system have not been supported by the legislature.

Our survey findings indicate there may be other opportunities to develop public policy aimed at improving quality through increasing organizational capacity. A majority (58%) of providers say they rely on funds from the government (usually in the form of parent subsidies), with a quarter of all providers reporting that public funds account for over 90% of their budgets. Even without a quality rating system, these funds could provide incentive for quality improvements, perhaps in the form of mini-grants for capital purchases, health care purchasing pools, or wage supplements, as have been implemented in other states.

Public Policy Forum
633 West Wisconsin Avenue, Suite 406
Milwaukee, Wisconsin 53203
414.276.8240
www.publicpolicyforum.org

Research Director:
Anneliese Dickman, J.D.
adickman@publicpolicyforum.org

Researcher:
Melissa Kovach, M.P.P.
mkovach@publicpolicyforum.org

Administrative staff:
Rob Henken, President
Jerry Slaske, Communications Director
Cathy Crother, Office Manager

Research funded by:
The Brico Fund, Buffet Early Childhood Fund, Dick Weiss Family Foundation, The Faye McBeath Foundation, Greater Milwaukee Foundation, The Joyce Foundation, The Richard and Ethel Herzfeld Foundation, Rockwell Automation

Key findings

- Three-fourths of providers (77%) indicate they are neither accredited nor working toward accreditation. Top reasons given are that it is too expensive and unnecessary.

  Implication: If policymakers decide that accreditation should be encouraged as a way to improve child care quality, public investment may be necessary due to the cost constraints facing providers. Since many parents do not value or are not aware of accreditation as a marker of quality (per the Forum's recent parent survey), providers may continue to feel the costly and time-consuming accreditation process is unnecessary.

- Over half (58%) of providers' budgets contain government funds such as parent subsidies.

  Implication: If public investment were to link child-care subsidies with incentives to improve child care quality, it could impact many providers due to the subsidies' significant role in Wisconsin's child care market.

- Top reasons for leaving child care jobs are low wages and lack of health benefits. The top two barriers to obtaining training are affordability and a lack of funding for substitutes to replace those attending the training.

  Implication: Cost is a factor in whether providers can retain qualified staff and increase their quality through training. Financial incentives and grants may be key to improving quality if parent fees are not sufficient.

- We compiled a subgroup of respondents showing elements of organizational capacity and structural quality including accreditation, highly qualified staff, paid staff training, and use of curricula and achievement tests. That subgroup has higher rates of employee benefits, use of government funds, research-based instructional philosophies, and communication with schools regarding school readiness.

  Implication: Since organizational capacity is associated with many markers of quality, policy interventions to increase that capacity could impact quality.

Data and methodology

A four-page, 33-question survey was sent to 3,405 state licensed and/or certified child care providers in late January 2008. The database of child care providers was compiled from the child care resource and referral agencies serving the seven counties of southeastern Wisconsin. Because available lists contained only licensed and certified providers, our data do not reflect unregulated and informal child-care providers.

Of the mailed surveys, 414 were completed and returned and 103 were returned as undeliverable or otherwise invalid, for a total response rate of 13%. Table 1 shows response rate by county. Washington County had the highest response rate, 31%.

Table 1: Response rate by county

	Mailed	Invalid	Received	Rate
Kenosha	404	11	48	12%
Milwaukee	2167	63	218	10%
Ozaukee	108	2	25	24%
Racine	313	12	34	11%
Walworth	69	1	16	24%
Washington	78	7	22	31%
Waukesha	266	7	50	19%
***Other**	1	0	1	N/A
Total	**3406**	**103**	**414**	**13%**

*County of origin unable to be detected

While the survey results cannot allow us to categorize providers as high or low quality, we are able to draw some conclusions about structural quality. Early childhood education researchers sometimes distinguish between process-oriented and structure-oriented elements of child care quality (Emlen, A. *A Packet of Scales for Measuring Quality of Child Care from a Parent's Point of View*. Portland: Portland State University, 2000). Process-oriented elements of quality, comprising what a child actually experiences in a care setting, include difficult-to-measure facets such as the warmth of the caregiver. Structural elements of quality, such as regulation compliance, curriculum usage, and training, are easier to capture in a mail-administered provider's survey.

We wanted to see how providers with many structural elements of quality were different from others, so we

identified a subset of respondents that we call the Structural Quality group. This subgroup is made up of providers possessing any three or more of the following five structural elements:

- Accredited or working toward accreditation
- Any staff with bachelor's degree or above
- Program pays all or part of staff training fees
- Uses commercially available manual, program guide, curriculum, parts of a curriculum, or lesson plans
- Uses achievement tests to measure children's progress

While this Structural Quality group possesses many research-based markers of high quality, we are careful not to label this our "high-quality group," because structural quality can sometimes indicate organizational capacity more so than quality. Organizational capacity, comprised of time, money and staff resources, does not necessarily create or indicate quality. Providers with low organizational capacity can still provide high-quality care.

Fifty-five providers (13% of all respondents) comprise the Structural Quality subgroup, meeting at least three of the five structural quality elements. The subgroup consists of 58% center-based/group child care centers (vs. 35% in the overall sample), and 31% home-based/family child care providers (vs. 54% in the overall sample). The Structural Quality subgroup was also more likely to be non-profit than the overall sample (42% vs. 35%).

Sample characteristics

Of the respondents, 86% are state licensed or working toward licensure and 20% are state certified (in Wisconsin certain family providers can be both licensed and certified).

As Table 2 shows, most respondents (54%) are home-based child care providers working in a private home. Over a third of respondents (35%) are center-based (group) child care providers, mostly working in independent centers. Other centers are located in a house of worship or in public or private schools. Most providers run the child care businesses as for-profit enterprises (56%), and most are not owned by a religious organization (84%).

Table 2: Survey respondent characteristics by child care type and location

Type	
Home-based providers	54%
Center-based providers	35%
Preschool/nursery school	15%
Head Start or Early Head Start	2%
Multi-site family child care	1%

Location	
Private home	53%
Independent center	23%
Church/synagogue	17%
School-based	12%
Other	11%

Rates of home-based child care providers responding to the survey varied according to county. Milwaukee County had the most home-based providers, at 66%, followed by Walworth County at 56%. Ozaukee County had the fewest home-based providers, at 24%, followed by Waukesha County at 30%.

Respondents reported serving 10,739 children in southeastern Wisconsin. While 54% of the sample consists of home-based providers, these providers account for only 1,331, or 12%, of children served. Home-based providers serve smaller numbers of children than most center-based child care centers. For instance, the average enrollment size for home-based providers is seven, compared to 62 for group child care centers (see Table 3).

Almost all respondents (96%) provide weekday child care, but many also provide other types, including drop-in child care (28%), weekend child care (16%), and nighttime or overnight care (14%).

Table 3: Enrollment by child care type

	Home-based	**Center-based/ preschool**
Mean	7	62
Median	6	58
Total	1331	9408
N	190	153

Accreditation

The sample for our mail survey was drawn from a list of certified and/or licensed child care providers. Accreditation is conferred by an independent accrediting organization, such as the National Association for the Education of Young Children (NAEYC). It can be a marker of quality because it specifies the standards met by the care provider or preschool. The goals of accreditation are to ensure children are cared for in safe, stimulating environments leading to interactions that foster all aspects of a child's development.

However, accreditation is costly to obtain and maintain. Initial accreditation fees vary by size of center. The initial fees for the NAEYC application process, plus the annual fees for the first five years of accreditation, total $3,550 for a center with 121-240 children. This excludes the costs of making improvements necessary to meet accreditation, including, for example, professional development, capital expenses, and staff time for planning and self-assessment.

Most of our sample (77%) indicate they are neither accredited nor working toward accreditation. Of the home-based child care providers, 81% fit the category of neither being accredited nor pursuing accreditation. The most popular accrediting agencies for the 12% of providers who are accredited are NAEYC, "other," and the National Association for Family Child Care (NAFCC).

Though the sample of accredited providers is low (N=50), it is worth noting that the sample's rates of accreditation varied somewhat among the seven counties. Washington County respondents have the highest rate of accreditation, 23%; Kenosha County follows at 17%; Milwaukee and Walworth counties each have 13% and Ozaukee County has the lowest rate, 4%.

When asked why accreditation has not been pursued, most indicate that it is too expensive, while many also feel it is unnecessary (see Table 4). Home-based child care providers are more likely to say they lack knowledge of the accrediting process, while center-based providers are more likely to say accreditation is too expensive. About a third of both types of providers said accreditation is not needed to continue in the child care field.

Not surprisingly, the Structural Quality subgroup of respondents has higher rates of accreditation than the rest of the group (47% vs. 12%) because accreditation was one of the factors defining the subgroup. Interestingly, those in the subgroup who are *not* accredited are two times less likely than the overall sample to report "no knowledge of accreditation process" (8% vs. 19%) and "not necessary to continue employment in the field" (12% vs. 35%) as reasons for their lack of accreditation. Fifty-six percent of the subgroup give lack of money as a reason, essentially the same rate as the overall sample. (Figures do not add to 100% because respondents could choose more than one answer.)

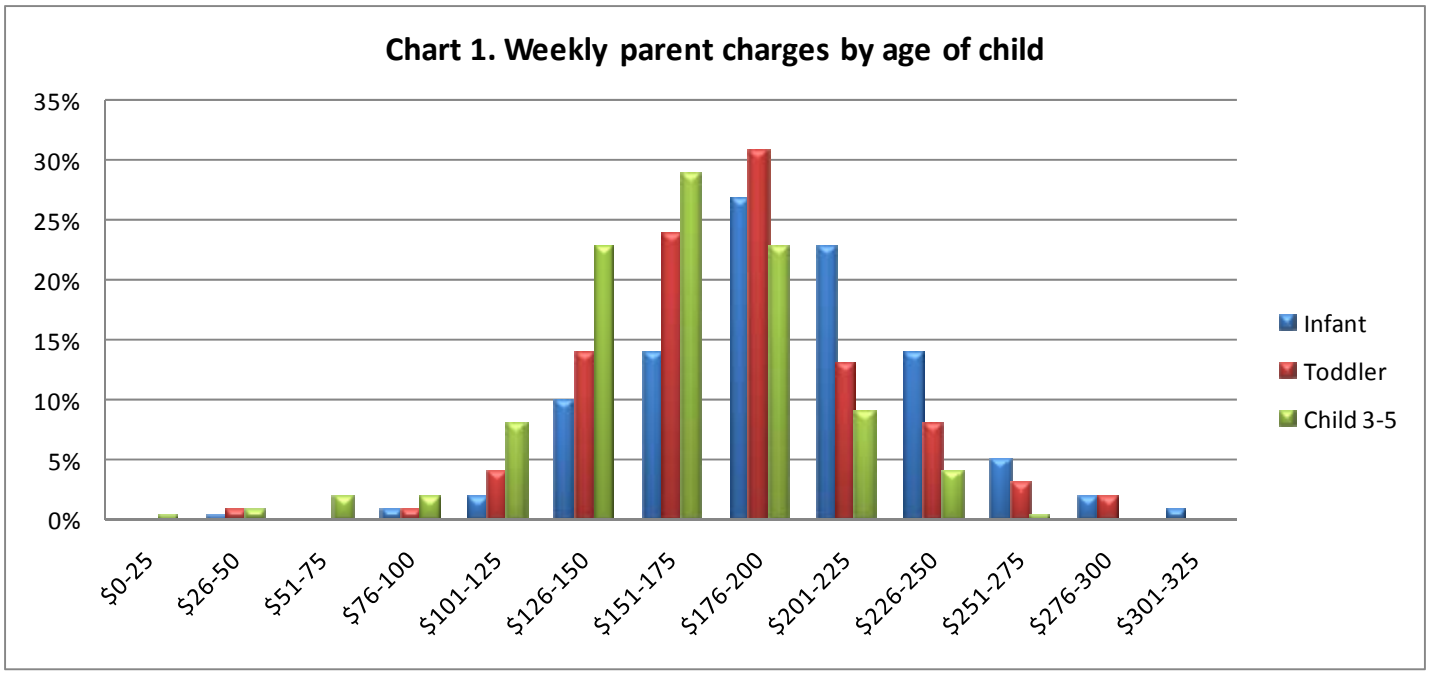
If policymakers decide that accreditation should be encouraged as a way to improve child care quality, public investment may be necessary due to the cost constraints facing providers. We have found in prior survey work that many parents do not value or are not aware of accreditation as a marker of quality. Consequently, providers may continue to feel the costly and time-consuming accreditation process is unnecessary.

Charges and subsidies

Almost all providers charge on a weekly basis, with some also offering hourly, part-day, full-day and monthly rates. The most popular weekly charge for infants and toddlers is $176-$200, with 27% of providers in this rate category for infants and 31% for toddlers. Rates for children ages 3 to

Table 4: ***Why aren't you accredited?***

	Total	Home-based	Center/ preschool
No money to pay for additional training, education, facility upgrades	57%	42%	90%
Not necessary to continue employment in the field	35%	31%	44%
Other	31%	30%	32%
No knowledge of accreditation process	19%	22%	10%



5 tended to be slightly lower, with $151-175 the most popular weekly charge for this group, selected by 29% of providers (see Chart 1). The lowest charge reported is $20 per week to care for children ages 3 to 5; the highest is $320 per week for infant care.

Different types of providers have different average weekly rates (see Table 5). Accredited center-based providers charge the most, $221 per week on average ($23 per week more than non-accredited centers). Home-based providers charge $166 per week on average, and preschool providers, who often offer only part-day programs, charge $155 per week on average.

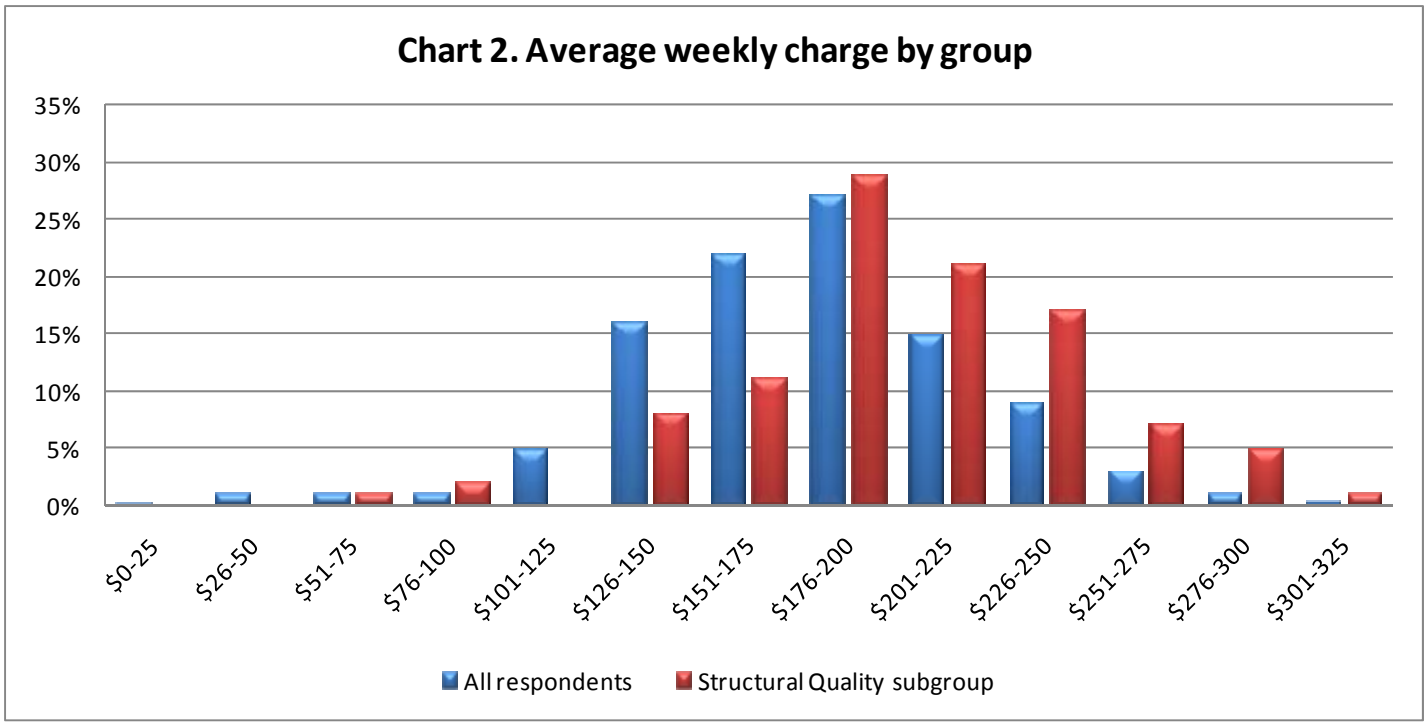
Accredited providers are able to charge about $20 more per week, which makes it surprising that so few providers in our sample are accredited. However, it is important to understand the large upfront costs in earning accreditation (see page 4). Some of the three-fourths of our sample who are not accredited may have determined that the ability to charge more eventually did not balance the high upfront accreditation costs.

Other factors also impact parent fees. Among home-based child care providers, licensed providers charge more on average than certified providers. That is most likely because licensing requires home-based providers to have more training than does certification. For toddlers, for example, the average weekly home-based provider charge is $166. The average charge of this type for certified home-based providers is $128; for licensed home-based providers, it is $177. Charges are higher for infant care.

Charges are fairly uniform across the seven county area, with 81% of average weekly rates for any age group falling between $150 and $200. Ozaukee County providers charge the most per week, an average of $206 for infants, $192 for toddlers and $173 for children ages 3 to 5. Walworth County providers charged the least per week, an average of $159 for infants, $146 for toddlers, and $134 for children ages 3 to 5.

Table 5: Average weekly charges by child care type

	Infants	Toddlers
Accredited center-based providers	$245	$221
Center-based providers	$219	$198
Home-based providers	$178	$166
Preschool providers	N/A	$155



The Structural Quality subgroup tends to charge higher rates than respondents as a whole. Chart 2 compares average weekly rates of all respondents to those of the subgroup.

As for the sufficiency of these charges, the overall sample was nearly evenly split in their response to the question, "*Do [parent] charges adequately fund your program's operating expenses?*" Forty-nine percent feel the charges are adequate, and 41% feel they are not. When looking at just home-based child care providers, the balance tipped, with 47% feeling the charges are too low and 43% feeling they are adequate.

A majority (58%) of providers say they rely on government funds in their budgets, usually in the form of Wisconsin Shares subsidy funds. This program provides low-income parents with money to supplement their child care payments; thus, the subsidy funds are passed onto their chosen providers. For a quarter of all providers, these public funds supply 90%-100% of their budgets. Among home-based providers, these rates increase; 65% of home-based providers rely on government funding, and over a third (36%) have budgets comprised nearly entirely of government funds.

Respondents in the Structural Quality subgroup are more likely to report receiving government funds (73% vs. 58%). It is possible that this group's high organizational capacity lends itself to the time and skills needed to access government monies.

These results suggest that public funds are a substantial player in the child care market in Wisconsin. Indeed, the state currently spends over $300 million per year in the Wisconsin Shares program. However, there is not a policy link between the child care subsidies that pass through qualifying parents to providers and improving child care quality. Parents may use the subsidy at any licensed or certified provider, high quality or not. The governor's recent attempts to make a policy connection to quality via a quality rating system for providers have not found legislative support. Other research in Wisconsin found that subsidized child care providers with the highest enrollments of low-income children were the lowest quality, leading to the conclusion that the state is funding *low*-quality environments for the children most in need of high-quality programs (Wisconsin Child Care Research Partnership. *Are program characteristics linked to child care quality?* Issue Brief No. 3, 2001).

Child care staff

Of course, the biggest factor in child care quality is the quality of the caregiving staff. When asked whether staff retention is a problem, 48% of respondents say they do not have trouble retaining staff, 13% do have trouble, and 34% indicate the question is not applicable (most likely because they are sole practitioners). Since many home-based family child care providers do not have employees other than themselves, we wanted to understand how respondents who were *not* home-based care providers answered the question. Among these center-based and preschool respondents, 70% do not have trouble retaining staff, 21% do have trouble, and 5% checked "not applicable."

When asked if their programs have trouble attracting staff with bachelor's or associate's degrees, 31% of providers agree, 19% disagree, while the question was not applicable to 42%. Of center-based and preschool providers, about half (53%) have trouble attracting new staff with degrees, 28% do not have trouble. Thirteen percent indicate the question is not applicable.

Table 6: ***Please check the common reasons past staff members have given for leaving their job***

Low wages	31%
Lack of health benefits	24%
Left for job in another field	22%
Changing careers	22%
Not a long-term career choice	21%
Other	15%
Stress of job	12%
Left to work for competitor	7%
Long hours	6%
Location of center	3%

When asked to select from a list of reasons why staff choose to leave child care jobs, providers cite low wages as the number one reason, with lack of health benefits ranking second (Table 6). The Structural Quality subgroup rated each reason listed higher than was done in the overall sample. It is possible that this subgroup's more highly qualified staff require better health benefits and wages, or are perhaps less likely to consider child care a long-term career choice.

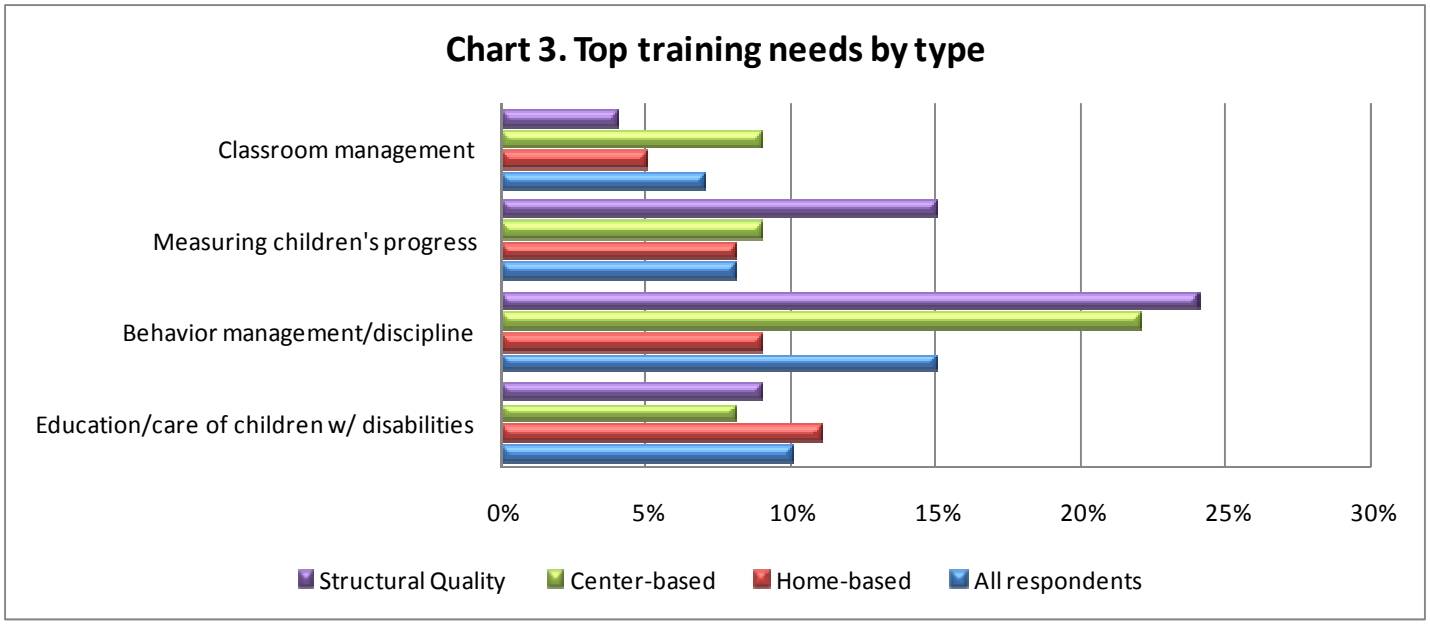
Table 7: ***Do full-time staff receive any of the following types of benefits?***

Paid sick leave/personal days	37%
Child care (included free/reduced)	35%
Health insurance for self	19%
Tuition reimbursement	18%
Other	16%
Retirement benefits	16%
Health insurance for family	14%
Disability insurance	14%

When asked what types of benefits they provide their employees, 49% of providers did not answer the question either because they do not have employees or because they offer no benefits. Of those that did answer, over a third provide paid personal/sick days; a similar number provide reduced or free child care. Less than 20% provide any kind of health care, retirement benefits, or disability insurance (Table 7).

Those in the Structural Quality subgroup offer benefits at higher rates than other providers. For instance, 66% of this group offers paid sick leave, 60% offers free or reduced child care, and 40% offers health insurance for individuals. Large differences in rates of tuition reimbursement (46% vs. 18% among all respondents) could be evidence of a greater commitment to staff quality in the Structural Quality subgroup, or it could merely indicate organizational capacity.

It is likely that providers who count tuition reimbursement as a benefit are those who also pay for training expenses for their employees. When asked whether training is paid for, 46% of all providers report they pay for training in full, while another 19% pay in part. However, when asked whether employees are paid for their time spent in training, 43% of all providers indicate they are not, while 29% pay full wages for time spent in training and 11% pay partial wages.



A caregiver's lost wages for time spent in training may explain the response to a question about problems encountered when pursuing training. Affordability ranks as the biggest issue, and the lack of funding for substitute caregivers ranks second (Table 8). Among those in the Structural Quality subgroup, a lack of funding for substitutes is the most-selected answer (53%), followed by "cannot afford" at 49%.

The area of greatest need for more staff training, according to respondents, is in behavior management (e.g. discipline) (15%), education and care of young children with disabilities (10%), and measuring children's progress (8%). Other highly-rated categories include classroom management/organization of a group of children (7%), helping children get along with others (5%), and working with families (5%).

Providers of different types selected their top training needs differently. Chart 3 indicates the most popular areas of need by provider characteristics. The Structural Quality subgroup selected need greater training in "measuring children's progress" (15%) and "behavior management/discipline" (24%) than other respondents. Home-based providers indicate less need for training in behavior management/discipline than other respondents (9%), with the greatest need for training in the education and care of children with disabilities (11%).

Table 8: ***Are any of the following problems for you or your staff when trying to obtain training?***

Cannot afford	41%
Lack of funding for substitutes to replace those attending training	30%
Staff not interested in training beyond the required hours	25%
Staff not paid for time spent in training	21%
Training opportunities are not accessible	20%
Training is too elementary	16%

Learning environment

We also attempted to gauge certain aspects of the learning environment in the care setting, probing about curriculum, instructional philosophy, assessment, and coordination with local schools.

Sixty-five percent of providers surveyed do not use a commercially-available manual, program guide, curriculum, parts of a curriculum, or lesson plan. While it is certainly possible to provide high-quality programming without a purchased curriculum, such curricula often support quality because they are usually based on child development research.

When asked to indicate the instructional philosophy of their programs (Chart 4), only six percent of respondents report they lack a guiding philosophy. Most respondents indicate their philosophy is to provide developmentally appropriate activities (62%), while a substantial portion believe in free play (39%). Many also subscribe to the Creative Curriculum approach (31%). Less than 10% of

respondents indicate compliance with philosophies such as Montessori, Waldorf, or Reggio Emilia.

The Structural Quality subgroup shows noticeable differences in instructional philosophy from the group as a whole, using philosophies that are more clearly identifiable as principled and/or research-based (i.e., High Scope, Reggio Emilia) at higher rates. Seventy-five percent of the Structural Quality subgroup believe in developmentally appropriate activities, compared to 62% of the overall sample. While "free play" was the second-most-popular philosophy overall, the Structural Quality subgroup's second most-popular choice is Creative Curriculum, at 44%, compared to 31% of respondents overall.

Most dramatically, rates of High Scope usage jump from 9% overall to 24% in the subgroup, while rates of Reggio Emilia usage increase from 2% to 6%. The only decrease that stands out is the rate of "recreation," which decreases among the Structural Quality subgroup to 7%, compared to 12% overall. Results suggest that providers with many elements of structural quality are more likely to base their practice on philosophical principles.

Regardless of which instructional philosophy is employed, we would expect to see skill development among children in care. While some skills are obviously not relevant for infants, we asked about 14 categories of skills.

Over half of all respondents indicate they do teach any given skill (Table 9); for nine of the 14 categories, 85% or more providers teach the skill.

Home-based child care providers display a similar pattern as the overall sample, with each category receiving a positive response from over half the home-based providers. For five of the 14 categories, 85% or more of home-based providers teach the skill. However, home-based providers have lower rates of skill development in 10 out of 14 categories (71%) compared to the overall sample.

The most commonly-taught skills for all providers include "names of colors/shapes," "play cooperatively," "follow directions," "recognize letters of alphabet," and "count to ten." The skill taught the least – "read many words" – appropriately has the lowest rate, since most children younger than age five are not developmentally ready to learn to read.

We also measured usage of achievement tests to assess children's progress. The use of such tests in young children is controversial, which is reflected in our findings: the majority (61%) of providers do not use achievement tests to measure children's progress. In fact, fewer than five percent of providers use any of the commercially available tests listed in the survey. The most popular answers for those that do use tests are "other" (9%) and "created own" (8%) (Chart 5).

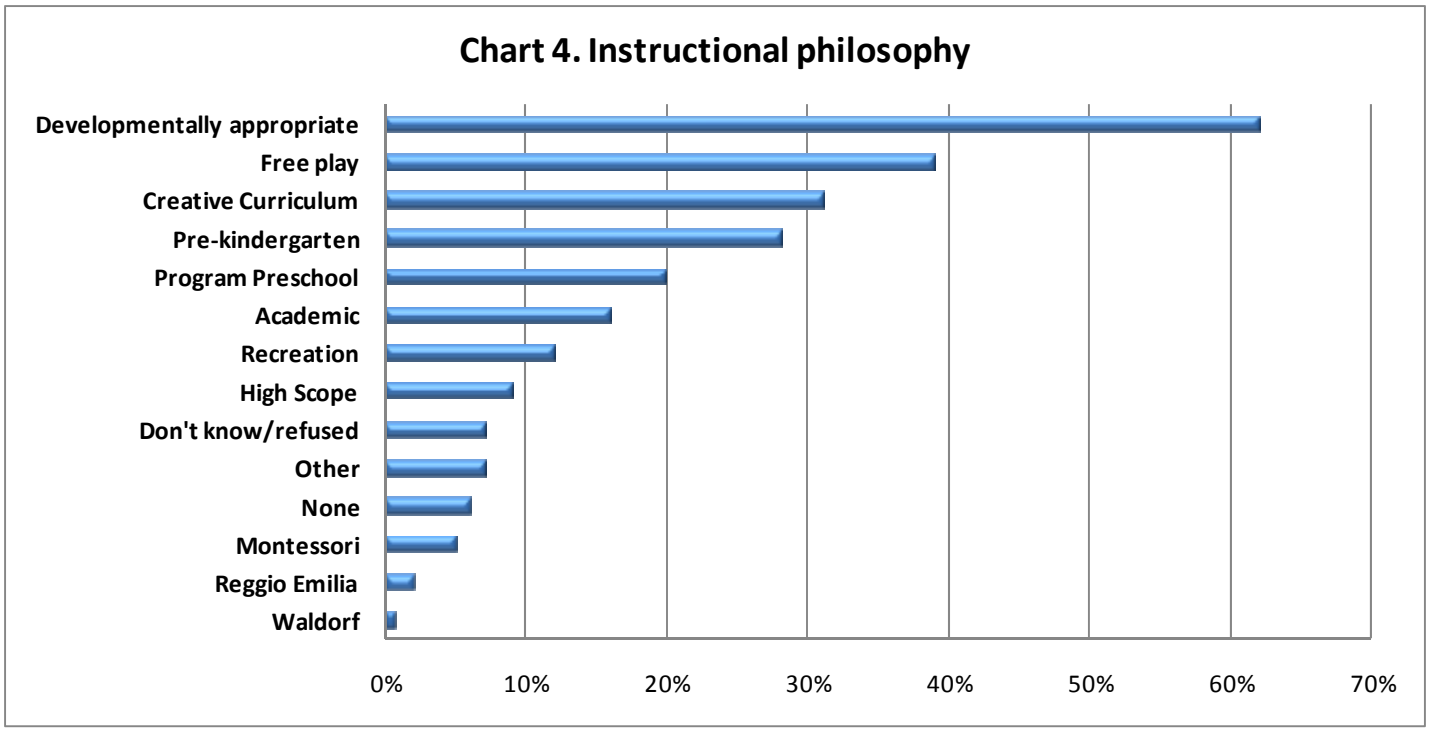


Table 9. Skills Taught by Child Care Providers

SKILL	ALL PROVIDERS	FAMILY-ONLY PROVIDERS
Name of colors/shapes	94%	96%
Play cooperatively	94%	94%
Follow directions	93%	92%
Recognize letters of alphabet	91%	92%
Count to ten	91%	92%
Recognize feelings	87%	83%
Hop, skip and move to music	86%	83%
Hands-on art techniques	86%	83%
Prewriting	85%	83%
Work independently	84%	81%
Cooperate with teacher	83%	77%
Appreciate their culture/others	77%	69%
How to separate from parents	68%	60%
Read many words	56%	59%
Don't know/refused	3%	4%
N	414	223

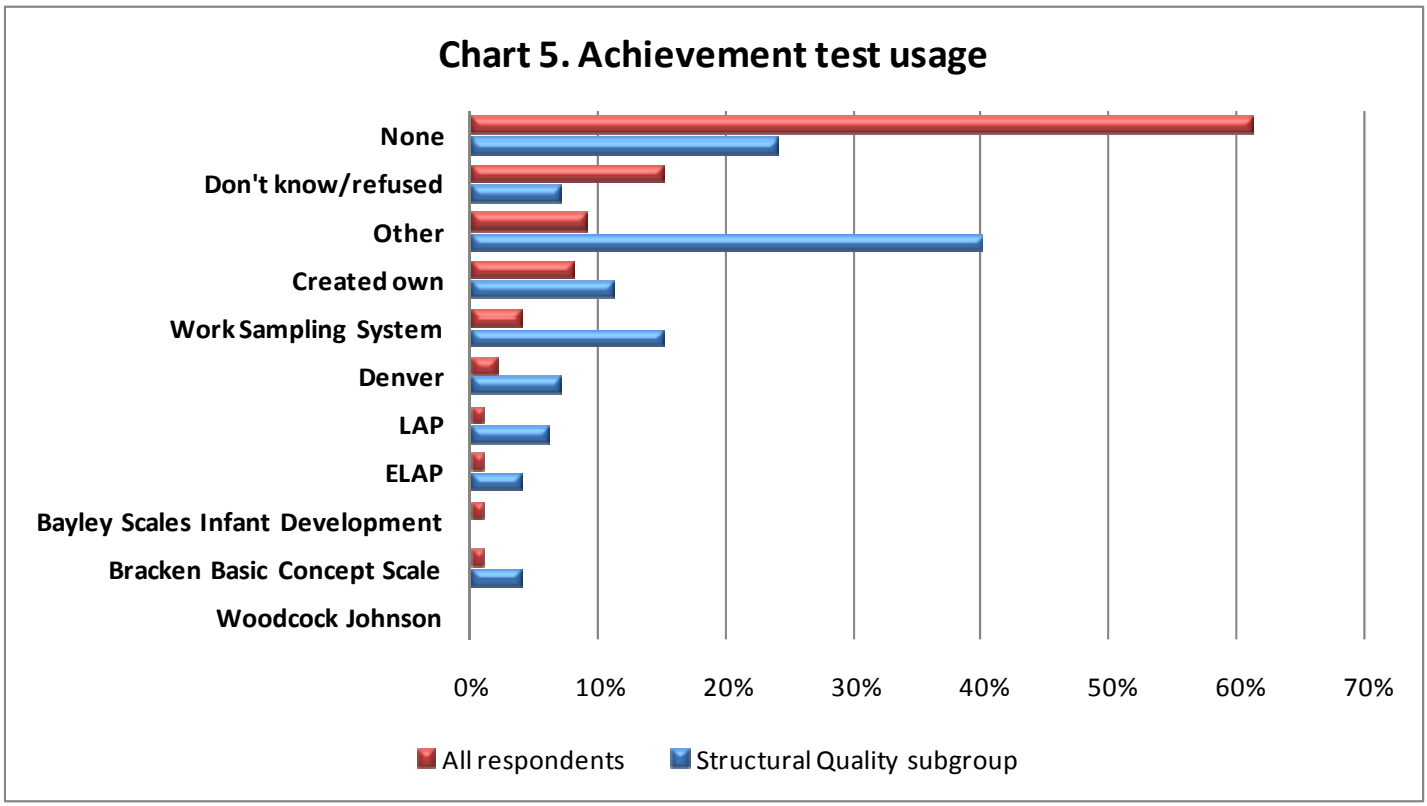
The use of achievement tests is greater in the Structural Quality subgroup, not surprising since using tests is one of five measures defining the subgroup. Caution is warranted due to low counts, but interestingly, the subgroup not only used more achievement tests, but appeared to use different tests than the overall sample. For instance, 40% of the subgroup chose "other," compared to nine percent of the sample as a whole, and 15% chose "Work Sampling System," compared to four percent of the whole sample.

Our final measure of the learning environment is whether the provider communicates or cooperates with the local elementary school. This question gauges the extent to which a provider is focused on school readiness. It should be noted, however, that providers who serve only infants are obviously less likely to communicate with public schools, as are providers affiliated with a private school. We asked providers, "Does your program interact or communicate with the public schools in your area in any of the following ways? " The survey provided a list of options for respondents to check. The largest percentage of respondents indicate they "help inform parents about kindergarten readiness and expectations" (42%). Thirty percent of providers talk with school teachers and 21% inform schools of children coming to them with special needs. However, 36% of providers report they have no contact with public schools (see Table 10).

The Structural Quality subgroup has higher rates of communication with schools in every category. Compared to respondents as a whole the subgroup is nearly three times less likely to have "no contact" with local schools: 13% of the subgroup vs. 36% of the overall sample. The largest gaps between the subgroup and overall sample are in the categories "inform parents about kindergarten readiness and expectations" (73% subgroup vs. 42% all) and "K4 collaboration" (31% sub-group vs. 14% all).

It is possible that providers with the qualities of the Structural Quality subgroup place a greater value on communicating with schools and parents than other providers. Another explanation could include the possibility that Structural Quality providers have greater enrollment, and that it may be more practical to devote staff resources to communicating with schools when there is a larger group of pre-kindergarten children. Most Structural Quality providers are group child care centers.

Survey results regarding the providers' learning environments speak to the variety and diversity of child care options. While most respondents do not use a curriculum, such a tool may or may not be appropriate depending on the instructional philosophy.



A "free play" philosophy, for instance, does not lend itself to curricula. However, at this time of growth for young children, a mark of quality should be to monitor children's developmental progress, which most providers indicate they are not doing in standardized ways. The lack of direct interaction with local schools is troubling during a time in which achievement gaps persist in K-12 education across our region.

Table 10. ***Does your program interact or communicate with the public schools in your area in any of the following ways?***

	All respondents	Structural Quality subgroup
Inform parents about kindergarten readiness and expectations	42%	73%
Talk with public school teachers to teach the social and academic skills needed to prepare children for school	30%	42%
Inform the school of children coming to them with special needs	21%	35%
Provide early/late care on school site	16%	22%
K4 collaboration	14%	31%
Coordinate kindergarten registration	10%	18%
Take preschool children to visit their public schools	9%	15%
Hold conferences with school	5%	11%
No contact	36%	13%
Don't know/refused	9%	4%

Conclusion

Child care providers report that cost is a major factor as to whether they pursue certain quality improvements such as accreditation or professional training. In addition, low wages and a lack of benefits inhibit their ability to keep qualified staff. These findings could indicate a need for policymakers to structure financial support for providers in ways that add organizational capacity and create incentives for providers to pursue quality improvement.

Evidence from the Structural Quality subgroup suggests that organizational capacity is associated with some elements of high-quality care. The subgroup has higher rates of employee benefits, use of government funds, research-based instructional philosophies, and communication with schools regarding school readiness. Policy interventions to increase organizational capacity could impact quality.

Providing high quality care is expensive. Because our other recent survey research has found parents either cannot afford or do not see a need for higher quality offerings, it appears that financial incentives outside of parent fees are needed if providers are to be of higher quality. Because numerous studies have concluded that higher quality care results in significant benefits to children and society, tying these incentives to public money may be appropriate. The next phase of the Forum's research will enumerate the costs and benefits of making such investments.

Southeastern Wisconsin is not alone in confronting this issue. Many other states and local jurisdictions have grappled with this same dilemma: How can public policy encourage higher quality care and will the benefits outweigh the costs? In many places, private funding helps achieve the policy goal with less burden on the taxpayers. There are many diverse financing mechanisms from which our region could model a solution, should it be determined that the benefits do indeed outweigh the costs.

Public Policy Forum
moving the region forward
Research Brief

Nonprofit organization
U.S. Postage
PAID
Milwaukee, WI
Permit No. 267