

## Prices Charged in Early Care and Education: Initial Findings from the National Survey of Early Care and Education (NSECE)



**NSECE TECHNICAL ANALYSIS REPORT**  
OPRE Report #2015-45 | MARCH 2015



National Survey of **Early Care & Education**

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Submitted to:

Ivelisse Martinez-Beck, Ph.D., Project Officer  
Ann Rivera, Ph.D., Research Analyst

Office of Planning, Research and Evaluation  
Administration for Children and Families  
U.S. Department of Health and Human Services

Contract Number: HHHSP23320095647WC

Project Director:  
A. Rupa Datta  
NORC at the University of Chicago  
55 E. Monroe Street  
Chicago, Illinois 60603

**National Survey of Early Care and Education Project Team (2015).** Prices Charged in Early Care and Education: Initial Findings from the National Survey of Early Care and Education (NSECE). OPRE Report #2015-45, Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

### NSECE Research Team

*This is a collaborative product of the NSECE research team. Key contributors for this brief were:*

A. Rupa Datta, Project Director  
Ann Witte, Co-Principal Investigator  
Rene Bautista  
Kanru Xia  
Deanna Schexnayder  
Lee Kreader  
Carolina Milesi  
Robert Goerge, Principal Investigator  
Nicole Forry  
Lisa Gennetian, Co-Principal Investigator  
Richard Brandon, Co-Principal Investigator  
Wladimir Zanoni

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## OVERVIEW

In this brief, we present data from the National Survey of Early Care and Education (NSECE) on prices charged for early care and education (ECE) by center- and home-based providers. We report on: 1) the proportion of providers whose care is free to all parents, and 2) the distribution of maximum, unsubsidized prices for full-time care among providers that charge for each age group. We present these data for different child ages (under 12 months, two-year-olds, three-year-olds, four-year-olds, school-age), and by type of ECE (center-based programs and two types of home-based providers). Whether center- or home-based, we also report these statistics by the providers' community poverty density and community urbanicity.

The NSECE is a set of four integrated, nationally representative surveys conducted in 2012. These were surveys of: 1) households with children under age 13, 2) home-based providers of ECE, 3) center-based providers of ECE, and 4) the center-based provider workforce. Together they characterize the supply of and demand for ECE in the United States and permit better understanding of how well families' needs and preferences coordinate with providers' offerings and constraints. The study is funded by the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF), U.S. Department of Health and Human Services.

The NSECE used a multistage probability design and two independent samples. Because the experiences of low-income families are of special interest in public policy addressing early care and education and school-age care (ECE/SA), the NSECE oversampled low-income areas. The study used a provider-cluster approach for sampling all four surveys from the same small geographic areas.

Among center-based programs, infant and two-year-old care is more expensive than care for three- and four-year-olds (at the medians, hourly prices of \$4.40 for infants, \$4.10 for two-year-olds, \$3.70 for three-year-olds, and \$3.60 for four-year-olds, shown in Exhibit 1<sup>1</sup>). At these medians, a family with one infant in care would pay \$176 per week for 40 hours, while a family with one four-year-old in care would pay \$144 for a 40-hour week.

A more striking difference across age groups is the availability of center-based care that is free to all parents. Almost 30 percent of center-based providers that serve four-year-olds provide only free care, while only 9 percent of providers serving two-year-olds do so.

Program receipt of public funding provides context for the availability of free care to all families. Among programs that are predominantly funded from public dollars, 40 percent provide two-year-old care free to all parents, and 77 percent do so for four-year-olds. In contrast, the provision of free care is no more than 10 percent to either age group among programs with mixed public and private funding, or that have exclusively private funding.

We review variation in center-based free care and prices by community poverty density. The proportion of providers providing free care to all parents increases from low to moderate to high poverty density (for four-year-olds, from 23 percent to 35 percent to 43 percent, shown in Exhibit 4). By urbanicity, the primary difference is that prices are highest in communities with

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<sup>1</sup> This and other statements comparing medians are presented without accompanying testing for statistical significance, since the standard error of a median is not well defined. The same is true for the 25<sup>th</sup> percentile and 75<sup>th</sup> percentiles of a distribution.

high urban density. For center-based care, the premium in these areas can be 30 percent more than in communities that have moderate urban density or are rural (Exhibits 5 and 6).

For home-based providers, we report separately the listed and unlisted providers of care. Very few listed providers offer care without charging any parents (under 8 percent, for all ages, shown in Exhibit 7). More than 70 percent of unlisted providers provide care for which they do not charge any parents (Exhibit 8). These unlisted home-based providers include many family members who may or may not live in the child's household. Among providers who do charge for their services, listed and unlisted providers report similar fees (at the median, \$3.00 per hour for listed and \$3.40-\$3.60 for unlisted providers for two- and four-year-olds).

## INTRODUCTION: PURPOSE AND APPROACH

This brief uses data from the National Survey of Early Care and Education (NSECE) to describe prices charged by center- and home-based providers of early care and education (ECE), as well as the incidence of care that is free to all parents. These data come from both the NSECE Center-Based Provider Survey and the NSECE Home-Based Provider Survey; external data sources were used to classify the locations of the sampled providers.

This brief describes the maximum price of full-time care, without any subsidies, that providers were charging families in 2012 (when NSECE interviews were carried out). This “market price” for care is the type of data commonly collected in Market Rate Studies required by the Child Care Development Fund. It is related to, but can be quite different from, the cost of care to parents and providers’ costs for providing care. The brief also reports the percent of providers, such as Head Start and publicly funded pre-K programs that provide care free to all the families they serve.

In addition to providing national information, we examine how prices and availability of free care vary by community characteristics such as poverty and urbanicity. For center-based programs, we also examine variation by receipt of public funding.

In the next section of the brief we describe the NSECE and other data sources for this analysis. We then present estimates for the prevalence of care that is free to all parents, and, for those programs that do charge for care, the distribution of prices for center-based programs. Home-based estimates of these two items follow. We conclude the brief with discussion of the presented estimates and suggestions for further research.

## DATA

This brief presents analyses from the NSECE Center-Based Provider and Home-Based Provider Surveys. The NSECE is a set of four integrated, nationally representative surveys conducted in 2012. These were surveys of: 1) households with children under 13 years of age, 2) home-based providers of ECE, 3) center-based providers of ECE, and 4) the center-based provider workforce. Together they characterize the supply of and demand for ECE in the United States and permit better understanding of how well families’ needs and preferences coordinate with providers’ offerings and constraints. The study is funded by the Office of Planning, Research and Evaluation (OPRE) in the Administration for Children and Families (ACF), U.S. Department of Health and Human Services.

The NSECE used a multistage probability design and two independent samples. Because the experiences of low-income families are of special interest in public policy addressing early care and education and school-age care (ECE/SA), the NSECE oversampled low-income areas. The study used a provider-cluster approach for sampling all four surveys from the same small geographic areas. This approach allows the survey to document the interaction of the supply of and demand for ECE where it occurs—in local communities—while simultaneously capturing data that efficiently construct national estimates.

This brief draws from data collected in two of the four NSECE surveys.

The **Center-Based Provider Survey** was conducted with directors and instructional leaders of ECE providers to children not yet in kindergarten that were identified from a provider sampling frame built from state and national administrative lists such as state licensing lists, Head Start program records, and pre-K rolls. These providers included regulated, licensed, and other

private providers as well. In the NSECE, a center-based program is defined as the set of all ECE services to children birth through five years, not yet in kindergarten, provided by an organization at a single location. There may be multiple types of services offered by a single program (for example, an after-school program and a preschool), and a center-based program may be freestanding or part of a larger entity such as a school district, a community service organization, or a chain. This brief draws on all 8,265 completed interviews in this survey.

The **Home-Based Provider Survey** was conducted with individuals who regularly provide care in a home-based setting for children under age 13 who are not their own. The home-based provider survey included listed and unlisted providers. Listed home-based providers were sampled from state and national administrative lists of ECE services. These were primarily licensed or regulated family child care providers, but also included other listed home-based providers such as license-exempt providers and providers participating in Early Head Start. The unlisted sample was drawn from an address-based sample of housing units screened for the presence of an adult in the household who regularly cared for children not his or her own at least five hours per week in a home-based setting. Providers appearing on the assembled state and national lists were excluded from the household sample portion of this survey. For this brief, data are drawn from almost 2,000 unlisted home-based providers and just under 4,000 listed providers.

### ***Price of Care***

In the Center-Based Provider Questionnaire, respondents reported to the following questions about their prices:

**CB\_B1\_3\_FAMPAY.**

Do you have any families that pay for their children to attend this program, or do all children attend this program free of charge?

**CB\_B1\_3A\_AGERATE.**

Does your program have a rate that you charge families for full-time care for the following ages? [Infants less than 12 months old, 2 year olds, 3 year olds, 4 year olds, School-age children]

**CB\_B1\_5\_HIGHRATE.**

What is the highest rate you are currently charging families for full-time enrollment for [AGE GROUP], without any subsidies?

Respondents used their own preferred time units, as current survey methodology literature indicates responses are most accurate when respondents are asked to report what they know without having to do arithmetic to arrive at a desired response. All responses have been converted to hourly prices of care using information about the rates charged and the hours of care covered under those rates. Price of care is indicated in these exhibits only for providers indicating current enrollment for the specified age group.

Price of care for larger home-based providers was collected and handled in a manner consistent with that used for center-based providers. Larger home-based providers were also given the option to report that they charge the same rate for all age groups. Home-based providers currently serving three or fewer children reported actual charges for each child. These numbers were used to calculate prices per age group. Our computed prices for these smaller providers may not be entirely comparable to those for larger providers if the actual charges reported incorporate subsidies, discounts, or add-ons that would have been excluded from prices for programs or larger home-based providers.

We have not adjusted the reported prices for local cost of living or for inflation since 2012.



### ***Community Characteristics: Poverty Density and Urbanicity***

American Community Survey tract-level data are used to characterize the communities in which each provider is located. A provider's community poverty density is calculated by weighting the poverty rate of census tracts surrounding the provider by the relative size of the child population in each tract and by the distance of the tract from the provider's tract. We define as low poverty density communities with less than 13.9 percent of their population in poverty; moderate density indicates poverty rates between 13.9 and 20 percent; communities with more than 20 percent of residents in poverty are designated as high poverty density.

The same weighting methodology was employed to calculate each community's urbanicity. We designate each provider as being located in a high-density urban area (85 percent or more of the total population is urban), a moderate-density urban area (at least 30 percent and up to 85 percent of the total population is urban), or rural area (less than 30 percent of the total population is urban).

### ***Programs' Receipt of Public Funding***

Center-based program respondents indicated their receipt of revenues from various sources. From these data, we classify each program as being predominantly publicly funded (no private dollars in their top two revenue sources), having mixed public and private funding, and receiving no public funds. Public funds include dollars from local, state, or federal governments or government agencies such as public school districts.<sup>2</sup>

## **PRICE OF CARE CHARGED BY CENTER-BASED PROGRAMS**

We begin by examining prices charged by center-based programs. Exhibit 1 below reports the percentage of center-based programs not charging any parents for the care in each age group, and selected points in the distribution of non-zero prices charged for that age group. These tabulations count all providers equally, without regard to the number of children they serve.

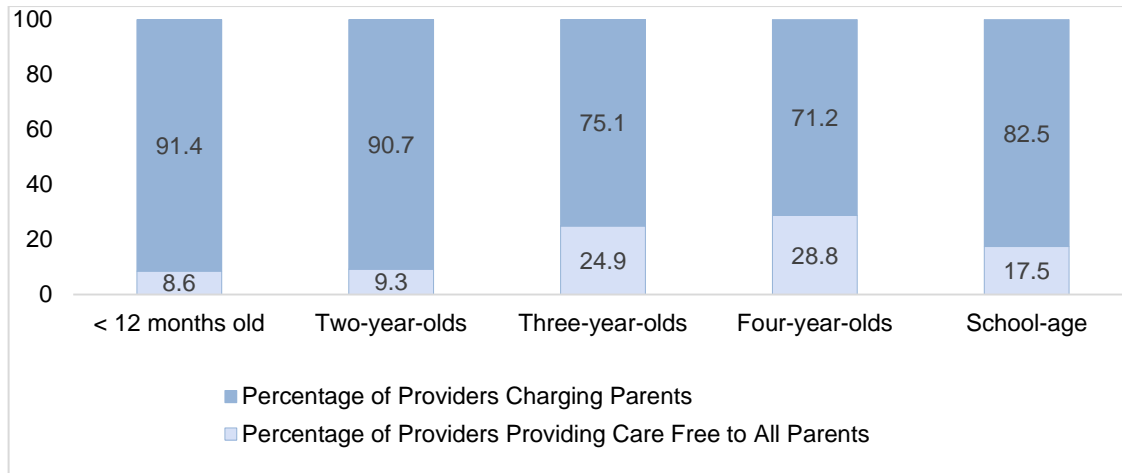
Approximately one-quarter of center-based providers serving three-year-olds (24.9 percent) or four-year-olds (28.8 percent) provide care that is free to all parents. This may reflect, for example, the availability of Head Start and pre-K programs that provide free care. In contrast, fewer than 10 percent of providers serving infants (8.6 percent) or toddlers (9.3 percent) provide care that is free to all parents.

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<sup>2</sup> See "Characteristics of Center-Based ECE: Findings from the National Survey of Early Care and Education" for additional discussion of this measure.

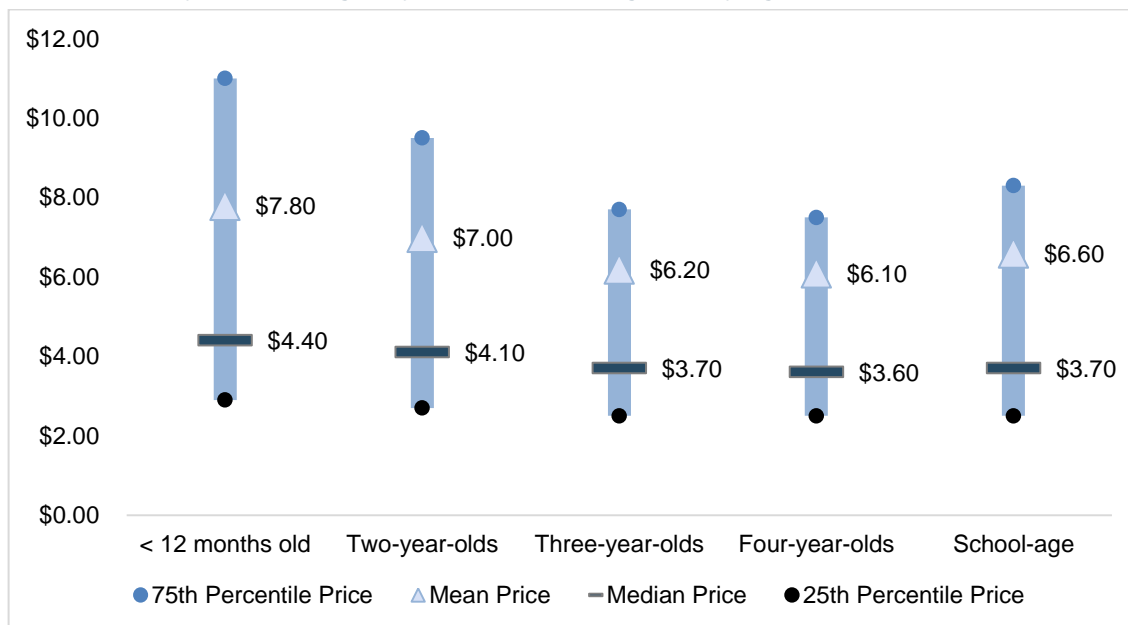


**Exhibit 1. Share of Center-Based Programs Providing Free Care to All Parents, by Age of Child**



Source: NSECE Center-based Provider Questionnaire.

**Exhibit 2. Hourly Prices Charged by Center-Based Programs, by Age of Child**



Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

Although there are a substantial number of center-based providers offering care that is free to all families, particularly for three- and four-year-olds, the vast majority of center-based programs require payment. As is commonly reported in Market Rate Surveys, the price of care is higher for younger children. We find that the median price for the care of children less than 12 months of age is \$4.40 per hour (\$176 for a 40-hour week) and \$3.60 per hour for a four-year-old child (\$144 for a 40-hour week). At the median price of care for two-year-olds, a family using 40 hours per week of center-based care for 50 weeks would incur charges of \$8,200 for this care.

School-age prices are quite similar to those charged for three- and four-year-olds, although providers are less likely to offer free care (17.5 percent for school-age children vs. 25 percent for three-year-olds and 29 percent for four-year-olds). These prices reflect only that portion of center-based school-age care provided by programs that also serve children birth through age five years, not yet in kindergarten. The NSECE center-based provider data do not provide a representative sample of center-based ECE for school-age children.

Exhibit 3 looks at combinations of free and priced care within center-based programs. We find that virtually all programs *either* charge for all age groups served, *or* are free for any age group served. The variation in free care by age groups served, then, is primarily due to variation in the types of programs offering care for each age group. Among programs serving only children age three through five, almost three-quarters (73.6 percent) provide free care to all parents. Programs serving any other combination of age groups were much less likely to offer free care to all families. For example, only 16 percent of programs that serve both children age zero to three and children age three through five offer free care to all families.

### Exhibit 3. Free and Priced Care within Programs by Combination of Age Groups Served

Combination of Age Groups Served by Center-Based Program	Programs Free to All Parents		Programs Charging for All Age Groups		All Programs	
	Row Percent	Standard Error	Row Percent	Standard Error	Number of Programs	Row Percent
3 through 5 years only	73.6	2.40	26.4	2.40	32,700	100.0
0 to 3 years and 3 through 5 years only	15.8	2.23	84.2	2.23	28,100	100.0
3 through 5 years and school-age only	40.2	4.21	59.8	4.21	16,400	100.0
All three age groups served	4.4	1.03	95.6	1.03	33,600	100.0
All other age group combinations	30.4	9.03	69.6	9.03	3,300	100.0

Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: Other cross-tabulations of the Free/Priced Care mix are available in Appendix I of this brief.

Note: Less than 0.5 percent of programs reported charging for some age groups and having other age groups that are free to all parents. These are included with 'Programs charge for all age groups.'

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

Additional information on program-level pricing patterns can be found in Appendix I, Exhibits A5 through A8.

### Center-Based Program Prices by Community Poverty Density

Exhibit 4, below, shows provider charges by community poverty density for two-year-old children. We find a higher proportion of center-based programs providing free care in high poverty density areas than in communities with a lower proportion of the population in poverty. Seventeen percent of programs in high poverty density communities provide care for two-year-olds that is free to all families while only six percent of programs in low poverty density communities do so. Exhibit 5 shows a similar pattern for four-year-olds, with 43 percent of

programs in high poverty density areas providing free care and 22 percent of programs in low poverty density areas providing such care.

Among center-based programs that charge parents for care, the prices charged for two-year-old care vary widely, particularly in low poverty density areas. For example, 25 percent of those center-based programs charge less than \$2.90 per hour and 25 percent charge more than \$10.80 per hour. Median prices for center-based care for two-year-olds are \$4.50 per hour in low poverty density areas, \$3.30 in moderate poverty density areas, and \$3.70 in high poverty density areas. Although not always statistically significant, prices in moderate poverty density areas are often lower than in both high poverty density and low poverty density areas.

Among center-based programs that charge parents for care, prices of care for four-year-olds are generally lower than prices for two-year-olds. The median hourly price of care for four-year-olds in low poverty density areas is \$3.90 and in high poverty density areas, it is \$3.20. As was found for two-year-olds, the upper 25 percent of prices in moderate poverty density areas are actually lower than in high poverty density areas (75th percentile is \$6.10 in moderate poverty density areas; 75th percentile is \$8.70 in high poverty density areas).

**Exhibit 4. Free Care and Hourly Prices Charged by Center-Based Programs for Two-Year-Olds, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	40,700	5.6	\$2.90	\$4.50	\$10.80	\$7.60	0.35
Moderate Poverty Density	14,300	13.1	\$2.50	\$3.30	\$7.90	\$5.90	0.37
High Poverty Density	13,000	16.5	\$2.20	\$3.70	\$9.50	\$6.60	0.37
All Areas	68,000	9.3	\$2.70	\$4.10	\$9.50	\$7.00	0.25

Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

### Exhibit 5. Free Care and Hourly Prices Charged by Center-Based Programs for Four-Year-Olds, by Community Poverty Density

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	69,600	22.5	\$2.60	\$3.90	\$7.20	\$6.40	0.29
Moderate Poverty Density	23,700	34.9	\$2.30	\$3.00	\$6.10	\$5.20	0.30
High Poverty Density	21,200	42.8	\$2.20	\$3.20	\$8.70	\$6.10	0.31
All Areas	114,000	28.8	\$2.50	\$3.60	\$7.50	\$6.10	0.21

Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

### Center-Based Program Prices by Community Urbanicity

Exhibits 6 and 7 present estimates of provider prices by urbanicity for two- and four-year-old children. Two patterns are noteworthy here. First, among center-based programs that charge for care, the price of care is higher in communities with a high-density urban population than in moderate-density urban or rural communities. Second, in keeping with the patterns observed above, a considerably higher percentage of providers offer free care to all parents of four-year-olds than to all parents of two-year-olds. In rural areas, half of center-based providers serving four-year-olds provide free care to all parents.

### Exhibit 6. Free Care and Hourly Prices Charged by Center-Based Programs for Two-Year-Olds, by Community Urbanicity

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	43,100	7.9	\$3.00	\$4.60	\$12.40	\$8.00	0.29
Moderate-Density Urban	17,000	9.4!	\$2.40	\$3.50	\$7.60	\$5.80	0.37
Rural	7,900	‡	\$2.20	\$3.10	\$7.70	\$4.70	0.42
All Areas	68,000	9.3	\$2.70	\$4.10	\$9.50	\$7.00	0.25

Source: NSECE Center-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

### Exhibit 7. Free Care and Hourly Prices Charged by Center-Based Programs for Four-Year-Olds, by Community Urbanicity

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	61,800	21.9	\$2.70	\$4.20	\$10.30	\$7.20	0.27
Moderate-Density Urban	30,000	26.9	\$2.40	\$3.30	\$6.20	\$4.90	0.28
Rural	22,600	50.4	\$2.10	\$3.00	\$6.20	\$4.30	0.42
All Areas	114,000	28.8	\$2.50	\$3.60	\$7.50	\$6.10	0.21

Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

### Center-Based Program Prices by Receipt of Public Funding

Information from programs about their top two revenue sources and the sources from which they receive any funds allows us to classify all programs according to their receipt of public funding. The classification includes:

- predominantly public funding, in which a program reports only public revenues (such as local, state, or federal dollars) in its top two revenue sources
- mixed private and public funding, in which a program has at least one private source in its top two revenue sources, but also receives at least some public funds
- no public funding reported, in which a program does not indicate receiving any funds from any governmental entity<sup>3</sup>

Exhibits 8 and 9 show prices for two-year-olds and four-year-olds by programs' receipt of public funding. Public school programs, Head Start and public pre-K are all instances where public funding could support a program's provision of free care. (Appendix I Exhibit A8 confirms that 70 percent of programs sponsored by public school districts are free to all parents, as are 80 percent of programs receiving Head Start funding but not sponsored by public schools.) Indeed, programs that are predominantly publicly funded are much more likely to provide care free to all parents. For two-year-olds, 40.9 percent of these programs provide free care, compared with no more than 5 percent among other categories of public funding receipt. For four-year-olds, 76.8 percent provide free care, compared with no more than 10 percent among other categories.

<sup>3</sup> See "Characteristics of Center-Based ECE" OPRE Report 2014-73a for additional discussion of programs' receipt of public funding.

**Exhibit 8. Free Care and Hourly Prices Charged by Center-Based Programs for Two-Year-Olds, by Program Receipt of Public Funding**

	Number of Providers Offering Care	Percentage of Providers Free to all Parents	25 <sup>th</sup> Percentile Price	Median Price	75 <sup>th</sup> Percentile Price	Mean Price	Standard Error of Mean
Predominantly Public	9,800	40.9	\$2.50	\$3.40	\$10.40	\$6.70	0.67
Mixed Private and Public	41,500	3.5	\$2.60	\$4.00	\$10.00	\$7.00	0.30
No Public Funding	16,200	5.0!	\$2.90	\$4.80	\$8.70	\$7.20	0.42
No Sources Indicated/ Missing	400!	‡	‡	‡	‡	‡	‡
Total	68,000	9.3	\$2.70	\$4.10	\$9.50	\$7.00	0.25

Source: NSECE Center-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

While the provision of free care varies by receipt of public funding, Exhibits 8 and 9 indicate few differences in the prices that are charged. Prices at the 25<sup>th</sup> percentile, median and mean, are all quite similar across receipt of public funding, but 75<sup>th</sup> percentile prices are lowest for programs receiving no public funding; this is true for two-year-old and four-year-old care.

**Exhibit 9. Free Care and Hourly Prices Charged by Center-Based Programs for Four-Year-Olds, by Program Receipt of Public Funding**

	Number of Providers Offering Care	Percentage of Providers Free to all Parents	25 <sup>th</sup> Percentile Price	Median Prices	75 <sup>th</sup> Percentile Price	Mean Price	Standard Error of Mean
Predominantly Public	34,000	76.8	\$2.50	\$3.30	\$8.00	\$5.80	0.54
Mixed Private and Public	49,600	8.8	\$2.50	\$3.60	\$8.00	\$6.20	0.26
No Public Funding	30,000	7.8	\$2.60	\$3.70	\$6.80	\$6.10	0.37
No Sources Indicated/ Missing	900	‡	‡	‡	‡	‡	‡
Total	114,000	28.8	\$2.50	\$3.60	\$7.50	\$6.10	0.21

Source: NSECE Center-Based Provider Questionnaire.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

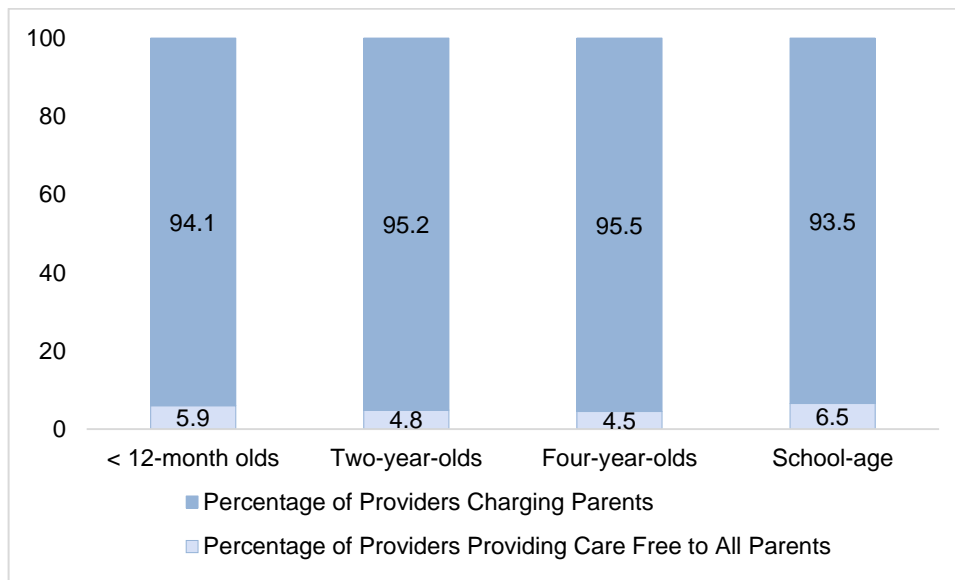
### PRICE OF CARE CHARGED BY HOME-BASED PROVIDERS

Home-based providers were sampled from two sources. The first, state and national administrative lists of home-based ECE providers (for example, licensing or registration lists), is of high policy interest because of those providers' contact with regulatory and other public entities, and is worth reporting separately in order to correspond to earlier research (Exhibit 10 and 11). The second, a household sample of individuals not appearing on those lists but regularly caring for children under age 13 who are not their own in a home-based setting, is much larger (Exhibit 12 and 13). While approximately 97,400 listed providers care for four-year-olds, 1.36 million unlisted providers care for the same age group.

In some NSECE analyses, we further distinguish between unlisted paid and unlisted unpaid home-based providers. In terms of price of care, however, any unlisted unpaid provider is by definition providing care that is free for all parents. Reporting price of care separately for that group would not be informative.

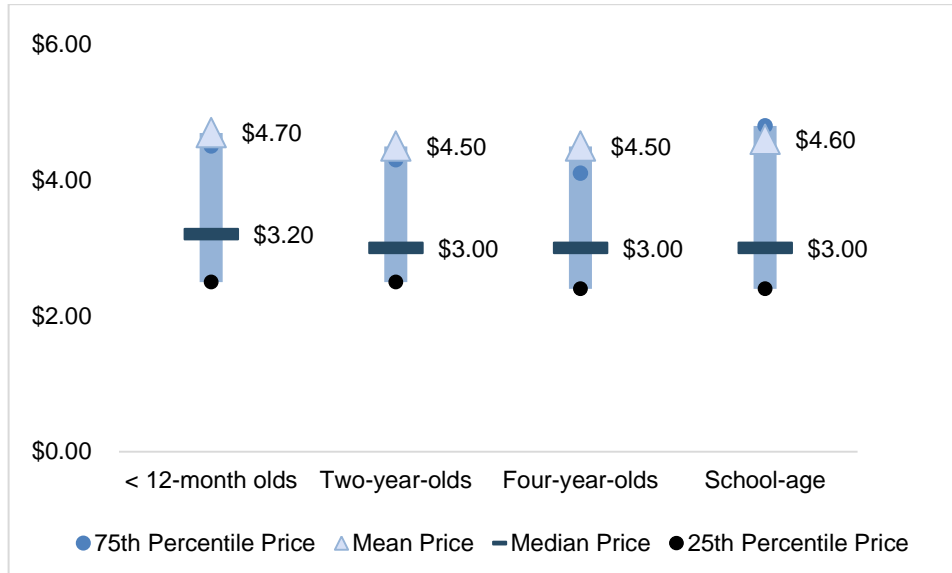
Exhibits 10 and 11 show that the pricing patterns for listed home-based care differ from those for center-based care in a few ways. Listed home-based providers rarely provide care that is free to all families; in fact, less than 10 percent of these providers offer such care. Among the home-based providers that charge parents for care, we see relatively little variation in price by age group at the mean or at the quartiles; median hourly price of listed home-based care is basically \$3.00 for all age groups. At this median price of care for two-year-olds, a family using 40 hours per week of listed home-based care for 50 weeks would incur almost \$6,000 for this care. This median is lower than the medians we saw for center-based care, which ranged from \$3.60 to \$4.40, depending on age group.

**Exhibit 10. Share of Listed Home-Based Providers Providing Free Care to All Parents, by Age of Child**



Source: NSECE Home-Based Provider Questionnaire.



**Exhibit 11. Hourly Prices Charged by Listed Home-Based Providers, by Age of Child**

Source: NSECE Home-Based Provider Questionnaire.

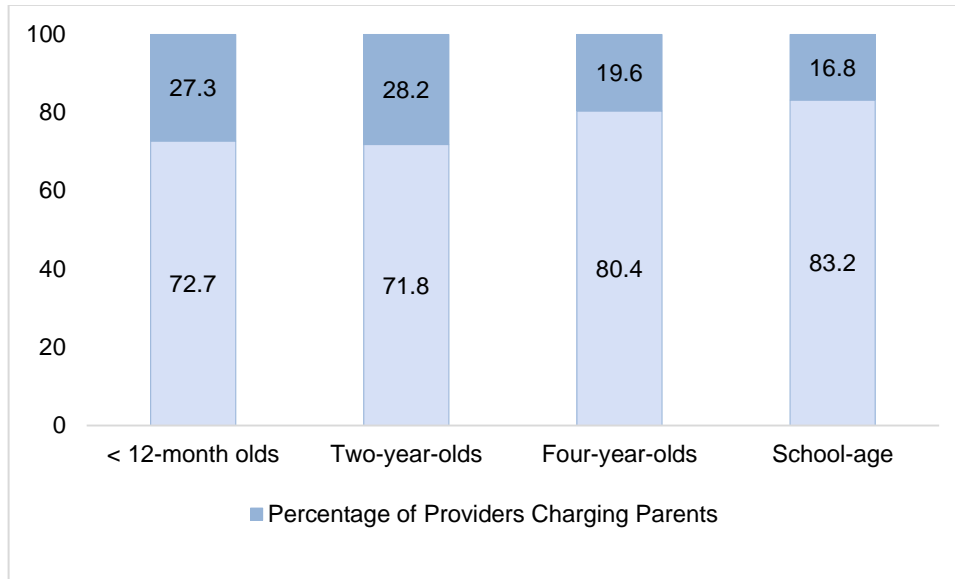
The dispersion of prices for listed home-based providers is narrower than that for center-based care. For example, the 75<sup>th</sup> percentile of prices for programs for four-year-olds is more than double the median price of care, while the 75<sup>th</sup> percentile of prices for listed home-based providers is only about 60 percent higher than the median price of care.

Exhibit 13 shows hourly prices charged by unlisted home-based providers for all four age groups. A very high proportion of providers offer care free to all parents, ranging from 72 percent for two-year-olds to 83 percent for school-age children. Unlisted home-based providers include relatives and friends who may or may not live in the child's household, as well as others who may not have had a prior personal connection to the children under their care. While we continue to use the phrase "free to all parents," we note that unlisted care is often provided by people who have prior personal relationships to the children in their care. Although all children currently cared for may receive free care, we cannot know if a new child would also receive care for free. This caveat is not really relevant in the listed home- and center-based settings.

There is some variation in prices charged among the unlisted home-based providers who charge for care. At the median, prices for infants, two-year-olds, and four-year-olds are all between \$3.40 and \$3.60 per hour; school-age care is somewhat more expensive, at \$3.90 per hour. The dispersion of charges is fairly wide for these providers, with the 75<sup>th</sup> percentile at least double and often more than triple the 25<sup>th</sup> percentile. At the median price of care for two-year-olds, a family using 40 hours per week of unlisted home-based care for 50 weeks would incur \$6,800 for this care.

Neither the listed nor unlisted home-based providers show higher mean prices for infants than we saw in center-based care.

**Exhibit 12. Share of Unlisted Home-Based Providers Providing Free Care to All Parents, by Age of Child**



Source: NSECE Home-Based Provider Questionnaire.

**Exhibit 13. Hourly Prices Charged by Unlisted Home-Based Providers, by Age of Child**



Source: NSECE Home-Based Provider Questionnaire.

**Home-Based Provider Charges by Community Poverty Density**

As with center-based programs, we review prices charged by home-based providers by the community poverty density of the provider’s location. Exhibit 14 shows hourly prices charged by listed home-based providers for two-year-old care; Exhibit 15 shows prices for unlisted providers. Although the differences are not large, we see proportionately fewer unlisted providers that provide care free to all parents among those in low poverty density communities compared to those in moderate and high poverty density communities. At the same time, we see that median, 25<sup>th</sup> percentile, and 75<sup>th</sup> percentile prices charged in moderate poverty density communities are actually lower than in low or high poverty density communities; this pattern

obtains for both listed and unlisted home-based providers. (Mean prices are not significantly different between moderate and high poverty for listed providers. For unlisted providers, mean prices are not different by poverty density.)

**Exhibit 14. Free Care and Hourly Prices Charged by Listed Home-Based Providers for Two-Year-Olds, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	67,300	3.5	\$2.60	\$3.10	\$4.50	\$4.80	0.26
Moderate Poverty Density	21,300	7.2!	\$2.20	\$2.50	\$3.30	\$3.80	0.20
High Poverty Density	18,700	7.1!	\$2.00	\$3.00	\$4.50	\$4.20	0.32
All Areas	107,000	4.8	\$2.50	\$3.00	\$4.30	\$4.50	0.19

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit 15. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for Two-Year-Olds, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	610,000	65.8	\$2.40	\$3.50	\$4.80	\$4.20	0.57
Moderate Poverty Density	401,000	76.7	\$1.40	\$2.80	\$3.80	\$3.50	0.61
High Poverty Density	389,000	76.1	\$2.40!	\$3.70!	\$8.80!	\$5.60!	1.26!
All Areas	1,400,000	71.8	\$1.90	\$3.40	\$4.80	\$4.40	0.49

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Exhibits 16 and 17 show hourly prices of home-based care for four-year-olds across community poverty density. We do not see consistent patterns of free care across poverty density among the two types of home-based providers. For prices charged, listed providers charge similar rates in moderate and high poverty density communities at the median (\$2.50-\$2.70 per hour) and at the mean (\$4.00-\$4.10 per hour). At the median, unlisted providers charge less for four-year-

olds in high poverty density communities—\$2.50 compared to \$3.70 for moderate and low poverty density communities. (The differences are not significant for mean prices.)

**Exhibit 16. Free Care and Hourly Prices Charged by Listed Home-Based Providers for Four-Year-Olds, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	61,500	3.4	\$2.50	\$3.00	\$4.40	\$4.70	0.25
Moderate Poverty Density	19,500	7.4	\$2.20	\$2.50	\$3.40	\$4.10	0.60
High Poverty Density	16,400	5.1!	\$2.00	\$2.70	\$4.00	\$4.00	0.34
All Areas	97,400	4.5	\$2.40	\$3.00	\$4.10	\$4.50	0.22

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit 17. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for Four-Year-Olds, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	668,000	82.0	\$2.90	\$3.70	\$6.10	\$5.30	0.96
Moderate Poverty Density	304,000	76.4	\$2.00!	\$3.70!	\$4.90!	\$5.10!	0.93!
High Poverty Density	386,000	80.6	\$1.10!	\$2.50!	\$4.10!	\$3.50!	0.58!
All Areas	1,360,000	80.4	\$2.00	\$3.60	\$4.90	\$4.70	0.53

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Exhibits 18 and 19 show hourly prices of home-based care for school-age children. Again, the listed providers show little difference across community poverty densities in prices or in the proportion providing care that is free for all parents. Although not significantly different, it does seem that prices are lower in moderate poverty density communities compared to both low and high poverty density communities, as we saw for two-year-olds.

**Exhibit 18. Free Care and Hourly Prices Charged by Listed Home-Based Providers for School-Age Children, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	45,800	6.1	\$2.50	\$3.20	\$5.00	\$4.90	0.32
Moderate Poverty Density	15,200	5.0	\$2.30	\$2.50	\$3.40	\$3.70	0.20
High Poverty Density	16,200	8.9!	\$1.90	\$2.90	\$4.80	\$4.40	0.44
All Areas	77,200	6.5	\$2.40	\$3.00	\$4.80	\$4.60	0.23

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Among unlisted home-based providers of school-age care, we see similar proportions of providers offering free care across poverty densities, but, for those who do charge, the prices vary. The median hourly charge of \$4.90 in low poverty density communities is almost double the \$2.50 in high poverty density communities. A similar disparity exists at the 75<sup>th</sup> percentile.

**Exhibit 19. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for School-Age Children, by Community Poverty Density**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
Low Poverty Density	1,380,000	81.9	\$2.50	\$4.90	\$8.50	\$6.60	0.84
Moderate Poverty Density	773,000	84.2	\$1.90	\$3.30	\$5.80	\$4.30	0.40
High Poverty Density	763,000	84.5	\$1.20	\$2.50	\$4.40	\$3.70	0.55
All Areas	2,910,000	83.2	\$2.30	\$3.90	\$7.60	\$5.40	0.51

Source: NSECE Home-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Differences in price patterns by poverty density among home-based providers may reflect the ways that families use home-based care at different child ages and in response to available center-based care.

***Home-Based Provider Charges by Community Urbanicity***

Exhibit 20 shows hourly prices charged by listed home-based providers for two-year-old care; Exhibit 21 shows prices for unlisted providers. There are small differences in price across

urbanicity, with care slightly more expensive for both listed and unlisted providers in high-density urban areas. A higher percentage of providers offer free care in moderate-density urban areas (79.8 percent), compared to rural (71.7 percent) and high-density urban (69.5 percent) areas.

**Exhibit 20. Free Care and Hourly Prices Charged by Listed Home-Based Providers for Two-Year-Olds, by Community Urbanicity**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	55,000	7.0	\$2.50	\$3.30	\$5.30	\$5.30	0.20
Moderate-Density Urban	34,000	2.0!	\$2.40	\$2.80	\$3.50	\$3.90	0.47
Rural	18,300	‡	\$2.20	\$2.90	\$3.60	\$3.40	0.23
All Areas	107,000	4.8	\$2.50	\$3.00	\$4.30	\$4.50	0.19

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit 21. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for Two-Year-Olds, by Community Urbanicity**

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	1,000,000	69.5	\$1.90	\$3.70	\$5.90	\$4.80	0.60
Moderate-Density Urban	289,000	79.8	\$2.50!	\$3.00!	\$3.50!	\$3.10!	0.24!
Rural	107,000	71.7!	‡	‡	‡	‡	‡
All Areas	1,400,000	71.8	\$1.90	\$3.40	\$4.80	\$4.40	0.49

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Exhibits 22 and 23 show hourly prices of home-based care for four-year-olds across urbanicity. The patterns seen in these exhibits largely mirror those seen above.

**Exhibit 22. Free Care and Hourly Prices Charged by Listed Home-Based Providers for Four-Year-Olds, by Community Urbanicity**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	50,000	6.3	\$2.50	\$3.10	\$5.00	\$5.00	0.20
Moderate-Density Urban	30,600	1.1!	\$2.40	\$2.70	\$3.50	\$3.80	0.46
Rural	16,900	‡	\$2.20	\$2.80	\$3.60	\$4.30	0.77
All Areas	97,400	4.5	\$2.40	\$3.00	\$4.10	\$4.50	0.22

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit 23. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for Four-Year-Olds, by Community Urbanicity**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	887,000	77.9	\$2.00	\$3.60	\$5.00	\$4.90	0.62
Moderate-Density Urban	327,000	85.8	‡	‡	‡	‡	‡
Rural	144,000	83.5!	‡	‡	‡	‡	‡
All Areas	1,360,000	80.4	\$2.00	\$3.60	\$4.90	\$4.70	0.53

Source: NSECE Home-Based Provider Questionnaire.

‡ Value suppressed due to small n.

! Interpret data with caution due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Exhibits 24 and 25 show hourly prices of home-based care for school-age children by community urbanicity. At the median and the mean, prices charged by listed providers are higher in high-density urban areas than in moderate-density urban or rural areas. The number of unlisted home-based providers charging for care is too small to estimate prices except in high-density urban areas.



### Exhibit 24 Free Care and Hourly Prices Charged by Listed Home-Based Providers for School-Age Children, by Community Urbanicity

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	37,600	8.3	\$2.50	\$3.60	\$5.90	\$5.50	0.26
Moderate-Density Urban	23,900	4.7!	\$2.10	\$2.70	\$3.70	\$3.40	0.22
Rural	15,700	‡	\$2.20	\$3.00	\$4.40	\$4.20	0.56
All Areas	77,200	6.5	\$2.40	\$3.00	\$4.80	\$4.60	0.23

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

### Exhibit 25. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers for School-Age Children, by Community Urbanicity

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
High-Density Urban	1,980,000	82.9	\$2.10	\$3.80	\$7.10	\$5.60	0.66
Moderate-Density Urban	579,000	79.2	\$2.30!	\$4.60!	\$8.20!	\$5.60!	1.02!
Rural	350,000	91.4	‡	‡	‡	‡	‡
All Areas	2,910,000	83.2	\$2.30	\$3.90	\$7.60	\$5.40	0.51

Source: NSECE Home-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

## CONCLUSIONS

In this brief, we present initial data from the National Survey of Early Care and Education on: 1) the proportion of providers providing free care for all families for five age groups (infants, two-year-olds, three-year-olds, four-year-olds, and school-age children), and 2) the distribution of maximum, unsubsidized prices for providers charging families for care for each age group. We present these data for center-based programs and for listed and unlisted home-based providers.

These data are primarily useful in understanding the relative costs of different types of care for different age groups, and for examining differences by community poverty and population density. We also provide prices for providers with different funding sources. Among center-based programs, infant and two-year-old care prices exceed those for three- and four-year-olds (at the medians, \$4.40 for infants, \$4.10 for two-year-olds vs. \$3.70 for three-year-olds and \$3.60 four-year-olds, as shown in Exhibit 1). The more major difference by age group is the greater prevalence of providers offering free care. Almost 30 percent of providers offer free care to all families for four-year-olds, while fewer than 10 percent of providers offer such care to families for two-year-olds.

We examine these patterns by community poverty, urbanicity, and program funding sources. There are relatively few differences by poverty density except that the proportion of providers providing care free to all parents increases steadily from low to moderate to high poverty density (for four-year-olds, from 23 percent to 35 percent to 43 percent, shown in Exhibit 4).

We also look at the relationship between the sources of funding for programs and the provision of care free to all families. The provision of such care is much more common when programs are predominantly publicly funded than when they rely more on private funds. Among programs that are predominantly publicly funded, 40 percent provide free care for two-year-olds and 77 percent for four-year-olds (see Exhibit 7 and 8). Less than 10 percent of programs with mixed private and government funding provide free care for such programs, and less than 3 percent of privately funded programs provide such care.

For home-based providers, we report separately the listed and unlisted providers of care. Very few listed providers provide care that is free for all parents (under 8 percent for all ages, Exhibit 9), while more than 70 percent of unlisted providers provide such care (Exhibit 10). These include many family members, who may or may not live in the child's household. Among those charging for care, listed and unlisted providers report similar fees (at the median, \$3.00 per hour for listed and \$3.40-\$3.60 for unlisted providers for two- and four-year-olds). These do not vary substantially by community poverty density.

Where we do see variation by community poverty density, it often seems that the moderate poverty density communities may see the lowest prices of care, although the differences are usually not statistically significant. Comparing across urbanicity, the data indicate that at the median, listed and unlisted home-based prices are higher in high-urban-density communities than in moderate-urban-density or rural communities.

We see some variation in prices of school-age care among unlisted providers, where prices throughout the distribution can be twice as high in low poverty density communities as in high poverty density areas. It is unclear why we see these disparities among unlisted school-age providers and not elsewhere, but it may be evidence that the market for school-age unlisted home-based care is separate from the market for younger children. This is consistent with the large number of unlisted home-based providers we see serving only school-age children.

## References

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## Appendix I. Detailed Tables

**Exhibit A1. Free Care and Hourly Prices Charged by Center-Based Programs, by Age of Child**

	Number of Providers Offering Care	Percentage of Providers Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
< 12-month-olds	46,600	8.6	\$2.90	\$4.40	\$11.00	\$7.80	0.33
Two-year-olds	68,000	9.3	\$2.70	\$4.10	\$9.50	\$7.00	0.25
Three-year-olds	109,000	24.9	\$2.50	\$3.70	\$7.70	\$6.20	0.21
Four-year-olds	114,000	28.8	\$2.50	\$3.60	\$7.50	\$6.10	0.21
School-age	84,700	17.5	\$2.50	\$3.70	\$8.30	\$6.60	0.27

Source: NSECE Center-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

**Exhibit A2. Free Care and Hourly Prices Charged by Listed Home-Based Providers, by Age Group**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25th Percentile Price	Median Price	75th Percentile Price	Mean Price	Standard Error of Mean Price
< 12-month-olds	105,000	5.9	\$2.50	\$3.20	\$4.50	\$4.70	0.21
Two-year-olds	107,000	4.8	\$2.50	\$3.00	\$4.30	\$4.50	0.19
Four-year-olds	97,400	4.5	\$2.40	\$3.00	\$4.10	\$4.50	0.22
School-age	77,200	6.5	\$2.40	\$3.00	\$4.80	\$4.60	0.23

Source: NSECE Home-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit A3. Free Care and Hourly Prices Charged by Unlisted Home-Based Providers, by Age Group**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to All Parents	25 <sup>th</sup> Percentile Price	Median Price	75 <sup>th</sup> Percentile Price	Mean Price	Standard Error of Mean Price
< 12-month-olds	1,200,000	72.7	\$2.10	\$3.40	\$4.40	\$3.80	0.31
Two-year-olds	1,400,000	71.8	\$1.90	\$3.40	\$4.80	\$4.40	0.49
Four-year-olds	1,360,000	80.4	\$2.00	\$3.60	\$4.90	\$4.70	0.53
School-age	2,910,000	83.2	\$2.30	\$3.90	\$7.60	\$5.40	0.51

Source: NSECE Home-Based Provider Questionnaire.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

**Exhibit A4. Free Care and Funding Hourly Prices Charged by Center-Based Programs for School-Age by Program Receipt of Public Funding**

	Number of Providers Offering Care	Percentage of Providers Providing Care Free to all Parents	25 <sup>th</sup> Percentile Price	Median Prices	75 <sup>th</sup> Percentile Price	Mean Price	Standard Error of Mean
Predominantly Public	11,000	60.8	\$2.30	\$3.10	\$10.10	\$6.80	0.76
Mixed Private and Public	37,900	3.7	\$2.50	\$3.60	\$8.10	\$6.60	0.33
No Public Funding	17,000	6.0	\$2.70	\$3.70	\$8.50	\$6.60	0.45
No Sources Indicated/ Missing	800!	‡	‡	‡	‡	‡	‡
Total	66,800	13.7	\$2.50	\$3.60	\$8.50	\$6.60	0.26

Source: NSECE Center-Based Provider Questionnaire.

! Interpret data with caution due to small n.

‡ Value suppressed due to small n.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

**Exhibit A5. Free and Priced Care within Programs by Community Poverty Density**

Community Poverty Density	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	All Programs	All Programs
	Number of Programs	Standard Error	Row Percent	Standard Error of Percent	Number of Programs	Standard Error	Row Percent	Standard Error	Number of Programs	Row Percent
Low Poverty Density	16,800	2,000	25.7	2.32	48,700	3,100	74.3	2.32	65,500	100.0
Moderate Poverty Density	9,700	1,200	38.8	2.43	15,300	1,300	61.2	2.43	25,100	100.0
High Poverty Density	11,000	1,600	47.1	3.32	12,400	1,200	52.9	3.32	23,400	100.0
All areas	37,600	2,700	32.9	1.78	76,400	3,300	67.1	1.78	114,000	100.0

Source: NSECE Center-Based Provider Questionnaire.

Note: Programs with at least one enrolled child birth through age five years, not yet in kindergarten.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.



**Exhibit A6. Free and Priced Care within Programs by Community Urbanicity**

Community Density of Urban/Rural Population	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	All Programs	All Programs
	Number of Programs	Standard Error	Row Percent	Standard Error of Percent	Number of Programs	Standard Error	Row Percent	Standard Error	Number of Programs	Row Percent
High Urban Density	16,100	1,600	26.3	1.96	45,200	2,700	73.7	1.96	61,300	100.0
Moderate Urban Density	9,100	1,400	30.4	3.06	20,700	2,300	69.6	3.06	29,800	100.0
Rural	12,400	2,100	53.9	4.36	10,600	1,800	46.1	4.36	22,900	100.0
All areas	37,600	2,700	32.9	1.78	76,400	3,300	67.1	1.78	114,000	100.0

Source: NSECE Center-Based Provider Questionnaire.

Note: Programs with at least one enrolled child birth through age five years, not yet in kindergarten.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

**Exhibit A7. Free and Priced Care within Programs by School Sponsorship and Funding**

Program School Sponsorship and Funding	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	All Programs	All Programs
	Number of Programs	Standard Error	Row Percent	Standard Error of Percent	Number of Programs	Standard Error	Row Percent	Standard Error	Number of Programs	Row Percent
School-sponsored	6,800	1,000	70.0	5.87	2,900	800	30.0	5.87	9,700	100.0
Head Start-funded, not school-sponsored	15,700	1,800	81.4	2.93	3,600	600	18.6	2.93	19,300	100.0
Public pre-K-funded, not school-sponsored or Head Start-funded	8,800	1,200	40.3	3.73	13,000	1,000	59.7	3.73	21,800	100.0
All other ECE	6,300	900	10.0	1.32	56,900	2,800	90.0	1.32	63,300	100.0

Source: NSECE Center-Based Provider Questionnaire.

Note: Programs with at least one enrolled child birth through age five years, not yet in kindergarten.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

Note: See 'Characteristics of Center-Based ECE Programs' OPRE Report 2014-73a for information on the classification of school sponsorship and funding.

**Exhibit A8. Free and Priced Care within Programs by Combination of Age Groups Served**

Combination of Age Groups Served	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Free to All Parents	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	Programs Charging for All Age Groups	All Programs	All Programs
	Number of Programs	Standard Error	Row Percent	Standard Error of Percent	Number of Programs	Standard Error	Row Percent	Standard Error	Number of Programs	Row Percent
3 through 5 years only	24,100	2,100	73.6	2.40	8,600	1,000	26.4	2.40	32,700	100.0
0 to 3 years and 3 through 5 years only	4,400	700	15.8	2.23	23,600	1,400	84.2	2.23	28,100	100.0
3 through 5 years and school age only	6,600	1,100	40.2	4.21	9,800	1,000	59.8	4.21	16,400	100.0
All three age groups served	1,500	400	4.4	1.03	32,100	2,000	95.6	1.03	33,600	100.0
All other age group combinations	1,000	300	30.4	9.03	2,300	800	69.6	9.03	3,300	100.0

Source: NSECE Center-Based Provider Questionnaire.

Note: Programs with at least one enrolled child birth through age five years, not yet in kindergarten.

Note: Price statistics are based on providers charging non-zero prices for care and are weighted to total number of providers offering care without regard to numbers of associated children served.

Note: School-age prices are for programs that also serve children birth through age five, not yet in kindergarten.

## Appendix II. Technical Notes

### AGE GROUPS OF CHILDREN SERVED: CENTER-BASED PROGRAMS

Age groups were identified first at the level of center-based programs, then applied to individual staff members by referring to the age of children enrolled in the classroom/group to which they were primarily assigned.

- **Age Groups:** Center-Based Provider respondents reported the lower and upper bounds of ages of children enrolled in each age group served by the center. Age Groups may have overlapping lower bounds and/or upper bounds. There may also be gaps between the upper bound of one Age Group and the lower bound of a subsequent Age Group.
- **Age Group Lower Bound:** the youngest age that a Center-Based Provider respondent indicated for an Age Group.
- **Age Group Upper Bound:** the oldest age that a Center-Based Provider respondent indicated for an Age Group.

Under 3 years old (Lower Bound $\geq 0$ months and Upper Bound $< 36$ months)
Infants (identified within the Under 3 category): Lower Bound $\geq 0$ months and Upper Bound $\leq 12$ months;
3 through 5 years old (Lower Bound $\geq 36$ and Upper Bound $< 60$ months) and not enrolled in kindergarten. The share of all five-year-olds enrolled in kindergarten was estimated and applied probabilistically to reported age groupings.

### AGE GROUPS OF CHILDREN SERVED: HOME-BASED PROVIDERS

Home-based providers were asked the ages of children they served within three age groupings: under three years old; three to five years old, not yet in kindergarten; and school age, kindergarten, and up. Providers serving three or fewer children reported the ages in months of each of those children; those providing care to at least one child under age five years, six months were included in this analysis.

### PRICE OF CARE

In the Center-Based Provider Questionnaire, respondents reported the highest unsubsidized price of full-time care they charged families for each of five age categories. Information was not collected about prices for part-time care. Rates were collected for care of infants, two-year-olds, three-year-olds, four-year-olds, and school-age children. Respondents used their own preferred time units, as current survey methodology literature indicates responses are most accurate when respondents are asked to report what they know and don't have to do arithmetic to arrive at a desired response. All responses have been converted to hourly prices of care using information about the rates charged and the hours of care covered under those rates. Programs could also report that they did not charge any parents for the care of their children; these values have been set to a price of \$0/hour for any age group the provider currently serves. Price of care is indicated in these exhibits only for providers indicating current enrollment for the specified age group.

Price of care for larger home-based providers was collected and handled in a manner consistent with the one used for center-based providers. Larger home-based providers were also given the option to report that they charge the same rate for all age groups. Home-based providers currently serving three or fewer children reported actual charges for each child. These numbers were used to calculate prices per age group. Our computed prices for these smaller providers may not be entirely comparable to those for larger providers if the actual charges reported incorporate subsidies, discounts, or add-ons that would have been excluded from prices for programs or larger home-based providers.

When a provider reported a rate and provided a time unit, but information on hours of care was not available from corresponding survey questions, it was inferred from the numbers of hours a provider operates per week. For example, to infer information on “full day” care, the average number of hours a program was open during a week was used. To infer information about “half day” care, the average number of hours a program was open per day was divided by two. Approximately half of one percent of cases in each age group was inferred in the construction of price of care using these methods. The top 1 percent of price values has been top-coded to the median value of that top 1 percent to protect against disclosure.

We have not adjusted the reported prices for local cost of living or for inflation since 2012.

## Glossary of Terms

**Center-based program:** all ECE services to children age zero through thirteen years provided by an organization at a single location. There may have been multiple types of services offered at a single center-based program, and a center-based program may have been freestanding or part of a larger entity, such as a community service organization or a chain. Only programs serving children five years and under, not yet in kindergarten, were sampled.

**Center receipt of public funding:** Information from programs about their top two revenue sources and the sources from which they receive any funds allows us to classify all programs according to their receipt of public funding. The classification includes: predominantly public funding, in which a program reports only public revenues (such as local, state, or federal dollars) in its top two revenue sources; mixed private and public funding, in which a program has at least one private source in its top two revenue sources, but also receives at least some public funds; and no public funding reported, in which a program does not indicate receiving any funds from any governmental entity.

**Listed home-based provider:** from state- and national-level administrative lists of individuals providing home-based care to children under age 13 (for example, for licensing, licensing-exemption, or registration).

**Poverty density of community:** Service to low-income or other communities was identified by the “density” of low-income population in the communities where programs are located; that is, as the percentage of the total population with income below certain levels. The categories are based on poverty-density categories developed by the U.S. Census Bureau in Bishaw, A. (2011). *Areas with concentrated poverty: 2006-2010*. U.S. Department of Commerce, Economics, and Statistics Administration, U.S. Census Bureau. American Community Survey Briefs, ACSBR/10-17. Weighted percentage of households (HH) in the local community below Federal Poverty Level (FPL): 1) high poverty (>20 percent of HH <FPL), 2) moderate-poverty (13.9 percent-20 percent of HH <FPL), and 3) low-poverty (0-13.8 percent of HH <FPL). Weights reflect distance between tracts and child population of tracts. Our density of poverty measures are for clusters of census tracts, but it may be helpful to readers to know that the U.S. Census Bureau reports that for 2006-2010, 26.2 percent of the U.S. population lived in census tracts with poverty rates greater than 20 percent, 16 percent lived in tracts with poverty rates between 13.9 and 20 percent, and 61.4 percent lived in tracts with poverty rates below 13.9 percent. These thresholds correspond to our definitions for high-poverty, moderate-poverty, and low-poverty clusters, respectively.

**Urbanicity of community:** Communities are classified across the rural/urban spectrum using American Community Survey data for census tracts surrounding the sampled location. A community with high density of urban population has at least 85 percent of its weighted population designated as urban. A community with weighted

urban population between 30 and 85 percent is designated as moderate density urban, and communities with less than 30 percent weighted urban population are designated rural. Weights reflect distance between tracts and child population of tracts.

**Unlisted home-based provider:** an address-based sample of households was screened for the presence of any adult in the household caring for a child under age 13 not his/her own for at least five hours per week in a home-based setting. Being paid was not a criterion for inclusion in the survey. These individuals did not appear on state or national lists of home-based providers.