

# Prices charged in early care and education: Initial findings from the National Survey of Early Care and Education <sup>[1]</sup>

**Author:** National Survey of Early Care and Education Project Team

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## AVAILABILITY

Full report in PDF <sup>[2]</sup>

## 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 11). 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 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).

**Region:** United States <sup>[3]</sup>

**Tags:** demographics <sup>[4]</sup>

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