

Quality Early Care and Education... where our future begins

Westchester County Child Care Status Report 2011

Report Process and Format

The goal of our survey was to obtain information from regulated child care programs and providers on their enrollment levels and financial status. We sought representative responses from a diverse population of child care businesses serving children in care through the Westchester County Department of Social Services Child Care Subsidy Program as well as those paid by private parent fees. The survey was distributed electronically through SurveyMonkey.com to approximately 750 child care businesses on the Council's email lists.

Respondents were asked to complete the survey using May 2011 as the reference date for both enrollment and financial information. Questions addressed overall enrollment level, by age groupings, comparisons with May 2010 and October 2010, changes in staffing and licensed capacity, status of cash flow and projection of year end financial status. Additional previous year data was extracted from the Council's *Westchester County Child Care Supply and Demand Survey 2005*,



Westchester County Child Care Capacity and Enrollment Report 2007, *Westchester County Child Care Status Report July 2010*, and a survey completed for October 2010. Capacity information was also obtained from the Council's referral database.

Although 139 surveys were received, an overall response rate of 19%, one was from a regulated program outside the county and another was from a non-regulated Westchester program. For the purpose of this report, the non-Westchester response was excluded.

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Respondents

Modality

Over half of the surveys came from licensed centers. Family-based providers represented almost a third of the respondents. School age programs accounted for less than 15%.

Respondents by Type of Child Care Modality		
Modality	All Respondents*	
	#	%
Child Care Centers	74	53%
School Age Programs	20	14%
Group Family Child Care Providers	31	22%
Family Child Care Providers	13	9%
Other (non-regulated)	1	1%
Totals	139	99%

*Total percentage may not equal 100% due to rounding.

Location

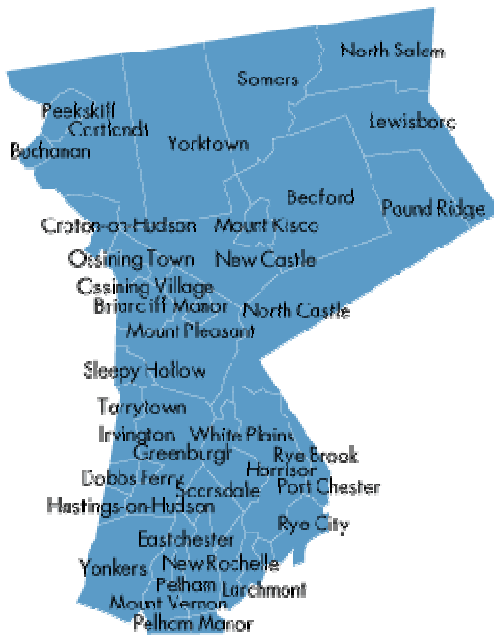
Respondents were evenly distributed throughout the county as were respondents who reported serving a high percentage of private pay parents. The largest single block of respondents came from Southern Westchester, which also contained the highest percentage of respondents with subsidized children enrolled. It should be noted that respondents reporting high levels of subsidized children were less than 20% of all respondents.

Respondents by County Region	
Region	# of Respondents
Southern Westchester	51 (37%)
Northern Westchester	47 (34%)
Central Westchester	41 (29%)

High Levels of Subsidized Enrollment by County Region			
Region	All Respondents	Respondents with High Levels of Subsidized Children	
	#	#	%
Southern Westchester	51	14	27%
Northern Westchester	47	7	15%
Central Westchester	41	6	15%
Totals	139	27	

High Levels of Private Pay Enrollment by County Region			
Region	All Respondents	Respondents with High Levels of Private Pay Children	
	#	#	%
Southern Westchester	51	25	49%
Northern Westchester	47	31	66%
Central Westchester	41	28	68%
Totals	139	84	

The largest number of respondents came from the city of Yonkers. Six urban communities represented 63 of the respondents, almost half of the total.



Cities/Towns with > 3 Respondents	
City/Town	Total # Respondents
Yonkers	25
White Plains	12
Mount Vernon	10
Yorktown Heights	8
New Rochelle	6
Port Chester	5
Harrison	4
Hasting-On-Hudson	4
Scarsdale	4
Mount Kisco	4
Peekskill	4
Sleepy Hollow	4
Somers	4

Revenue Sources

A majority of the respondents reported high levels of private parent payments (60%) compared to DSS Child Care Subsidy Program revenues (19%). However, the programs/providers with significant private pay revenues indicated that a good number of children also received partial assistance from additional revenue sources from other sources including Head Start, Universal Pre-K, or private scholarships funded by their own child care programs, suggesting that many child care businesses rely on a mix of revenues. Several respondents reported a definite change from the “old days” when parents registered for full time care, paid on time, paid the full rate, and did not need as much partial financial assistance to afford care.

High Levels of Private Pay Enrollment by Child Care Modality			
Modality	All Respondents	High Levels of Private Pay Children	
	#	#	%
Child Care Centers	74	46	62%
School Age Programs	20	13	65%
Group Family Child Care Providers	31	16	52%
Family Child Care Providers	13	8	62%
Other (non-regulated)	1	1	100%
Totals	139	84	60% of all respondents

High Levels of Subsidized Enrollment by Child Care Modality			
Modality	All Respondents	High Levels of Subsidized Children	
	#	#	%
Child Care Centers	74	13	18%
School Age Programs	20	0	0%
Group Family Child Care Providers	31	11	35%
Family Child Care Providers	13	3	23%
Other (non-regulated)	1	0	0%
Totals	139	27	19% of all respondents

Only 27 respondents or 19% of the total, reported significant reliance on the Child Care Subsidy Program, but of this group, a majority indicated that 75% to 100% of their children were subsidized. This high concentration was true particularly for centers and group family providers.

Range of Subsidy Enrollment in Regulated Programs with High Levels of Subsidized Children				
Modality	High Levels of Subsidized Children Respondents	All (100%)	Majority (75%)	Half (50%)
Child Care Centers	13	2	6	5
School Age Programs	0	0	0	0
Group Family Child Care Providers	11	5	4	2
Family Child Care Providers	3	1	1	1

Enrollment

As of May 2011

Only 35% of the respondents reported being enrolled to licensed capacity and 65% indicated that they were below. Under enrollment was most pronounced for family child care providers at 85%.

Percentage of Respondents Below Licensed Capacity on May 1, 2011 by Modality	
Modality	Below Licensed Capacity
Child Care Centers	67% (46 out of 69)
School Age Programs	68% (13 out of 19)
Group Family Child Care Providers	53% (16 out of 30)
Family Child Care Providers	85% (11 out of 13)

Enrollment levels were low at every age group though particularly for kindergarten and up. Although some respondents reported that their enrollments had remained somewhat consistent in the last year, they also noted that the enrollment process had become more challenging than in previous years.

Enrollment Levels by Age Group – All Respondents							
Age Groups	# of Respondents Serving Age Group	% of Full Enrollment*					
		100%	90%	75%	50%	25%	0%
6 wks to 18 mos (Infant)	68	40%	9%	22%	13%	6%	10%
19 mos to 3 yrs (Toddler)	92	45%	14%	14%	9%	12%	7%
3 to 4 yrs (Preschool)	106	36%	20%	10%	13%	9%	11%
5 yrs (Kindergarten)	66	32%	15%	8%	9%	9%	27%
6 to 8 yrs (1st thru 3 rd)	57	26%	19%	14%	9%	9%	23%
8 to 12 yrs (4th thru 6 th)	51	27%	22%	8%	8%	8%	27%

*Total percentage may not equal 100% due to rounding.



Enrollment was slightly higher, in every age group, for the 19% of respondents with at least 50% subsidized children compared to all respondents and those with a higher percentage of private pay children.

Enrollment Levels by Age Group – Respondents with High Levels of Subsidized Children							
Age Groups	# of Respondents Serving Age Group	% of Full Enrollment*					
		100%	90%	75%	50%	25%	0%
6 wks to 18 mos (Infant)	22	59%	0%	18%	18%	5%	0%
19 mos to 3 yrs (Toddler)	24	63%	4%	13%	13%	4%	4%
3 to 4 yrs (Preschool)	27	56%	11%	0%	19%	11%	4%
5 yrs (Kindergarten)	17	47%	6%	0%	12%	12%	24%
6 to 8 yrs (1st thru 3 rd)	14	50%	14%	7%	7%	7%	14%
8 to 12 yrs (4th thru 6th)	13	54%	8%	8%	8%	0%	23%

*Total percentage may not equal 100% due to rounding.

Enrollment was slightly lower, in every age group, for the respondents with at least 50% private pay children compared to all respondents and the small sample of respondents with a higher percentage of subsidized children enrolled.

Enrollment Levels by Age Group – Respondents with High Levels of Private Pay Children							
Age Groups	# of Respondents Serving Age Group	% of Full Enrollment*					
		100%	90%	75%	50%	25%	0%
6 wks to 18 mos (Infant)	40	35%	15%	25%	13%	5%	8%
19 mos to 3 yrs (Toddler)	59	37%	19%	19%	10%	12%	3%
3 to 4 yrs (Preschool)	66	30%	24%	9%	15%	11%	11%
5 yrs (Kindergarten)	38	26%	16%	13%	8%	8%	29%
6 to 8 yrs (1st thru 3 rd)	30	13%	20%	20%	13%	10%	23%
8 to 12 yrs (4th thru 6th)	27	15%	22%	11%	11%	7%	33%

*Total percentage may not equal 100% due to rounding.

Low enrollment was attributed to a number of factors. Almost half of the respondents indicated that they had lost children because parents had lost their jobs or had to change their work hours; nearly half reported parents could no longer afford care, their children outgrew/aged out of the program, or parents moved out of Westchester County.

Frequency of Enrollment Loss Factors (duplicated count)	
<i>Factors</i>	<i># of Respondents</i>
Lost their jobs	44
Lost hours at work	40
Could no longer afford care	38
Relocated/moved out of Westchester County	34
Children had to leave because they outgrew the program/aged out	30
Lost DSS Child Care Subsidy	17
Relocated/moved within Westchester County	14
Parents only needed summer care	14
Could not afford co-pay (subsidized parents only)	12

Impact on Program Capacity

Despite widespread enrollment vacancies, some child care businesses expanded. Others contracted. Three centers indicated that they closed a total of 6 classrooms in early 2011. One in Briarcliff closed an infant and toddler classroom; one in Bedford Hills closed an infant classroom; and one in Sleepy Hollow closed a toddler, preschool, and a 5 year old classroom.

Four group family child care providers reported that they expanded, however they were referring to the fact that they had been approved to care for an increased number of children under the June 2010 modification of the NYS child care regulations. Based on tracking completed in June 2011, the Council found that 65% of all regulated family-based providers were approved for an increased number of children under this regulatory change.

Impact on Business Decisions

Eighty percent of the respondents provided feedback on the impact that their financial situation had on their staff, indicating that low enrollment led them to make adjustments in the past year in staffing hours, salaries and benefits:

- 47 lowered staff hours
- 21 laid off staff
- 14 reduced salaries
- 17 cut benefits

“We have had to reduce many staff benefits, as well as reduce hours. We are not making any sort of profit and just are barely able to pay our bills and salaries.”

However, another cluster of respondents reported that in the past year they increased staffing or compensation:

- 39 increased salaries
- 23 hired new positions
- 22 increased their staff hours
- 13 added some kind of staff benefits

Financial Stability

Meeting Operating Expenses

More than half of the respondents, even those with a high percentage of private pay or subsidized families, reported that their monthly revenue covered all their business expenses. However, several of the respondents indicated that their financial survival is due to grants (including Head Start funding), drawing on their savings, and by reducing their expenses. Two noted that their rent and taxes were causing some hardship.

Adequacy of Monthly Revenue to Expenses*			
<i>Revenue to Expense</i>	<i>All Respondents N=118</i>	<i>Respondents with High Levels of Subsidized Children N= 23</i>	<i>Respondents with High Levels of Private Pay Children N= 80</i>
Adequate	58% (68)	61% (14)	58% (46)
Inadequate	28% (33)	22% (5)	28% (22)
Sometimes Adequate	14% (17)	17% (4)	15% (12)

*Total percentage may not equal 100% due to rounding.

Year End Financial Outlook

About half of the respondents expected to break even or achieve a surplus at year end. Respondents with high levels of subsidized children anticipated breaking even at nearly twice the rate as those with high levels of private pay children. Private pay respondents reported much more variation in financial outlook than did those with high levels of subsidized children.

Projected Financial Position*			
<i>Status at Year End</i>	<i>All Respondents N=119</i>	<i>Respondents with High Levels of Subsidized Children N=23</i>	<i>Respondents with High Levels of Private Pay Children N= 80</i>
Break Even	31% (37)	49% (11)	29% (23)
Deficit	26% (31)	13% (3)	29% (23)
Surplus	24% (29)	13% (3)	29% (23)
Unsure	19% (22)	26% (6)	14% (11)

*Total percentage may not equal 100% due to rounding.

Many the respondents are clearly struggling. Eleven respondents (9%) were concerned that they would need to close and another fourteen (12%) reported that they might need to consider closing.

Comparisons with Prior Surveys

The Council's *Westchester County Child Care Supply and Demand Survey 2005*, *Westchester County Child Care Capacity and Enrollment Report 2007*, *Westchester County Child Care Status Report July 2010*, a survey completed for October 2010, and licensed capacity information obtained from the Council's referral database were used in the comparison.

Respondents

Actual participants in the surveys have varied, with about 50 completing the May 2010 and 2011 surveys. The mix of respondents by modality was slightly different with an increase in the percentage of child care centers, and a reduction in the percentage of school age programs.

Respondents by Type of Child Care Modality *						
Modality	All Respondents May 2010		All Respondents October 2010		All Respondents May 2011	
	#	%	#	%	#	%
Child Care Centers	54	45%	56	48%	74	53%
School Age Programs	29	24%	28	24%	20	14%
Group Family Child Care Providers	21	17%	23	20%	31	22%
Family Child Care Providers	11	9%	8	7%	13	9%
Other (non-regulated)	6	5%	2	2%	1	1%
Totals	121	100%	117	101%	139	99%

*Total percentage may not equal 100% due to rounding.

County representation of respondents was fairly similar with a slight increase in Central Westchester in the May 2011 survey.

Respondents by County Region			
Region	All Respondents May 2010* N=121	All Respondents October 2010 N=117	All Respondents May 2011 N=139
Southern Westchester	50 (41%)	45 (38%)	51 (37%)
Northern Westchester	44 (36%)	49 (42%)	47 (34%)
Central Westchester	27 (22%)	23 (20%)	41 (29%)

*Total percentage may not equal 100% due to rounding.

Throughout the series of surveys, respondents have been predominantly from child care businesses serving high levels of private pay customers.

Respondents by Revenue Sources			
Revenue Mix	All Respondents May 2010 N=121	All Respondents October 2010 N=117	All Respondents May 2011 N=139
High Levels of Private Pay Enrollment	81 (67%)	77 (66%)	84 (60%)
High Levels of Subsidized Enrollment	24 (20%)	29 (25%)	27 (19%)

Enrollment

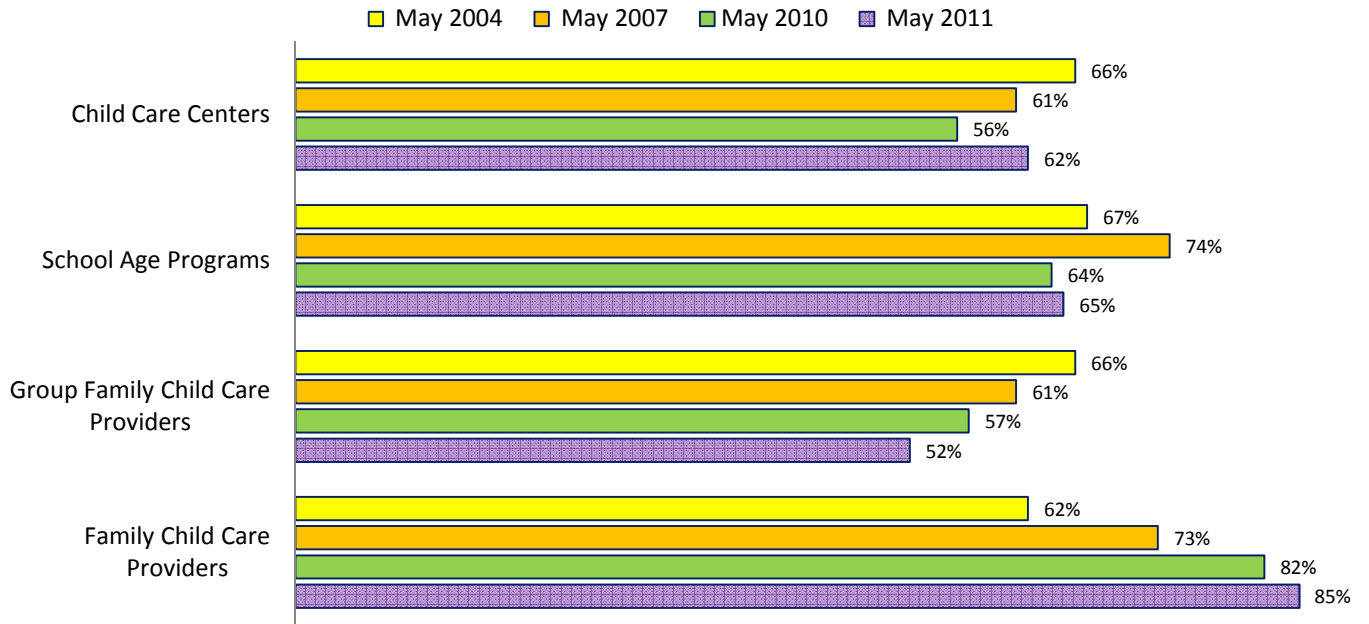
The Council first investigated enrollment levels in 2004 when 63% of respondents indicated that they were enrolled below their licensed capacity. Our subsequent surveys have demonstrated a persistent issue with low enrollment.

Percentage of Respondents Below Licensed Capacity May 2004 to May 2011				
May 2004	May 2007	May 2010	October 2010	May 2011
63%	66%	62%	76%	65%



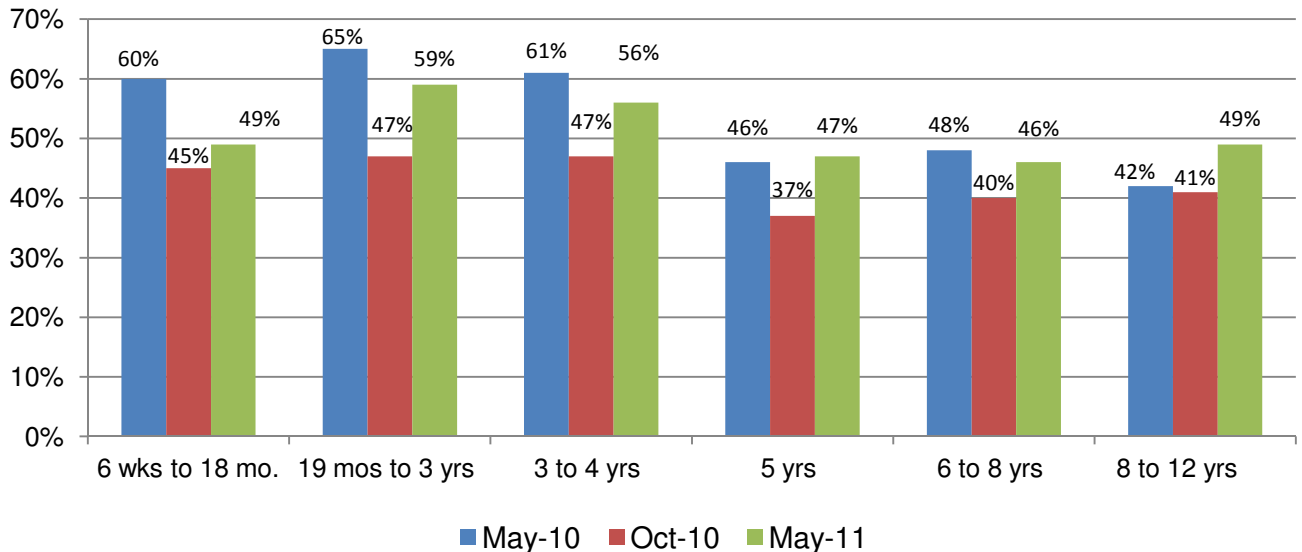
Although every modality experienced low enrollment throughout the period 2004 to 2011, group family child care respondents showed steady improvement while family child care enrollment worsened.

% Respondents Under Licensed Capacity by Modality



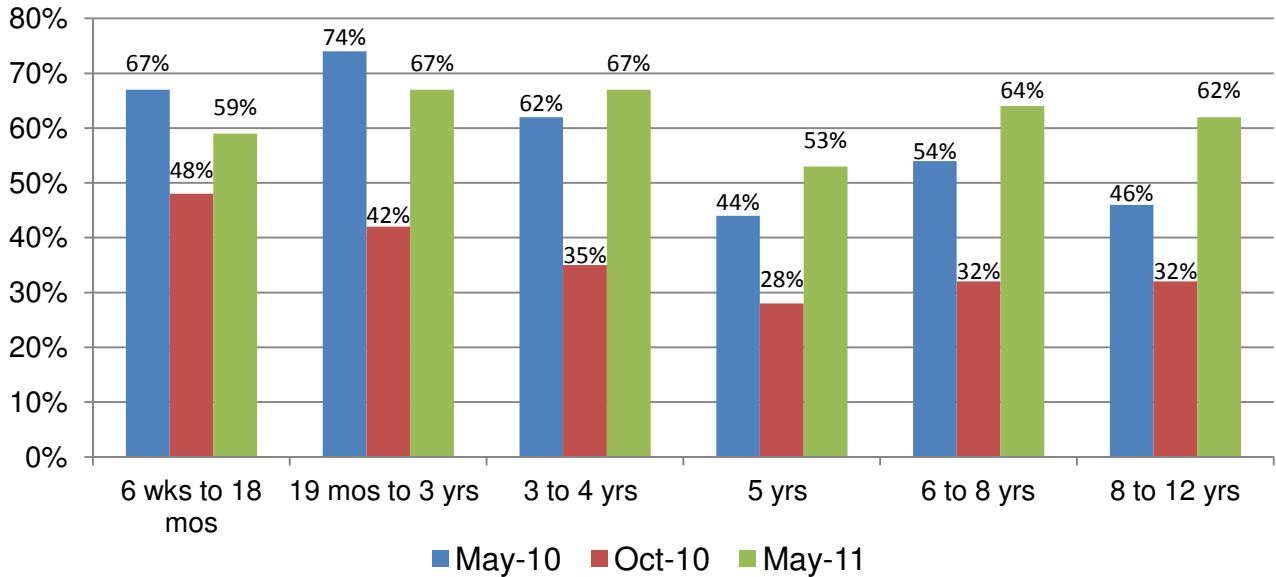
Experts suggest that child care centers require an enrollment level of 90% to be financially viable. Almost half the respondents indicated that their enrollments did not meet that target. Enrollment was generally highest for the toddler age grouping.

% Respondents At or Above 90% Capacity from May 2010 to May 2011

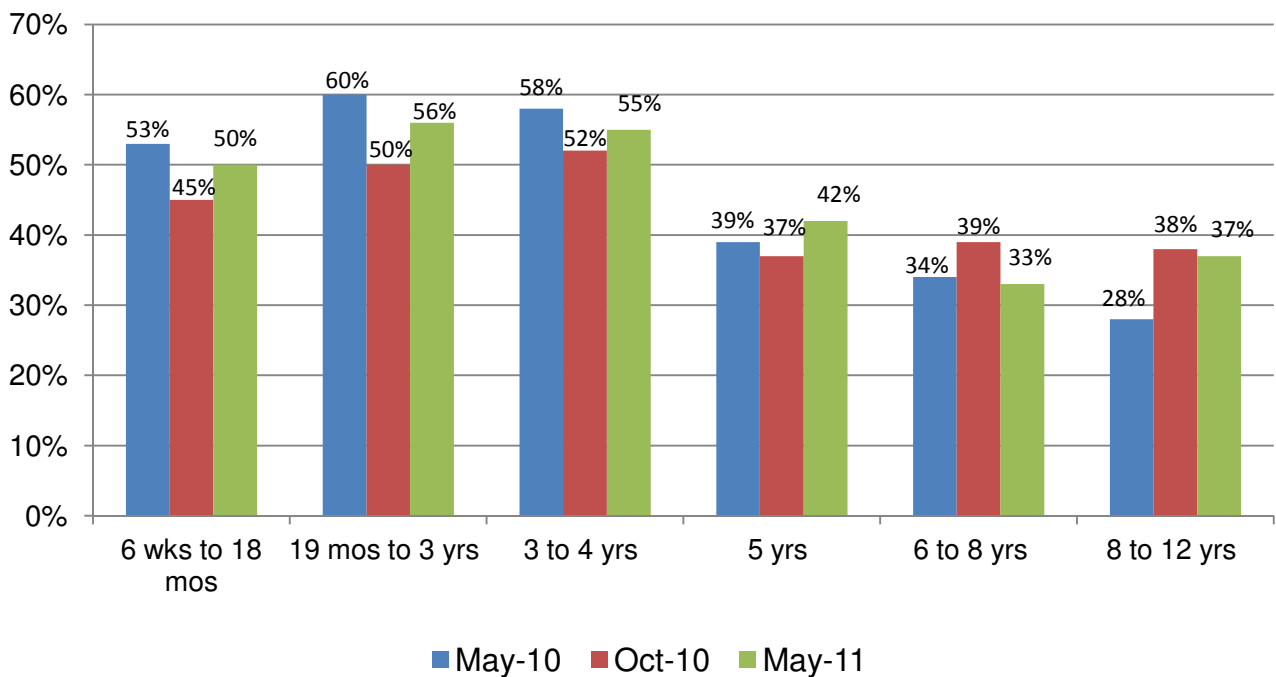


Enrollment levels have been consistently higher for respondents serving high percentages of subsidized children as opposed to those serving high levels of private pay families.

**% Respondents with High Levels of Subsidized Children
At or Above 90% Capacity from May 2010 to May 2011**



**% Respondents with High Levels of Private Pay Children
At or Above 90% Capacity from May 2010 to May 2011**



2011 Compared to 2010

When asked to compare 2011 enrollment levels to those of 2010, the majority of the respondents indicated that their enrollment was either the same or less than last year:

- 39% replied their enrollment was the same as last year
- 38% replied their enrollment was less than last year
- 24% replied their enrollment was more than last year

However, respondents reported that the actual process of enrolling children has become more difficult. Only 13% described enrollment as easier in 2011, while 52% indicated it was more difficult. Respondents with high levels of subsidized children found the enrollment process more challenging this year.

Enrollment Difficulty in 2011 Compared to Prior Year*			
Difficulty Level	All Respondents	Respondents with High Levels of Subsidized Children	Respondents with High Levels of Private Pay Children
More Difficult	52%	41%	35%
The Same	35%	33%	41%
Easier	13%	26%	24%

*Total percentage may not equal 100% due to rounding.

Year End Financial Outlook

Respondents serving high levels of subsidized children reported a better financial position with twice as many projecting to break even at year end. At the same time, there was a significant decrease among those anticipating a deficit. There was a modest decrease among respondents with high levels of private pay children expecting a surplus or breaking even. Respondents with high levels of private pay children fared less well, with a higher rate of financial uncertainty.

Projected Financial Position*			
Respondents with High Levels of Subsidized Children			
Status at Year End	May 2010 N=23	May 2011 N=23	% of change
Breaking Even	22% (5)	49% (11)	123%
Deficit	39% (9)	13% (3)	-67%
Surplus	9% (2)	13% (3)	44%
Unsure	30% (7)	26% (6)	-13%

*Total percentage may not equal 100% due to rounding.

“Cost of food/groceries, our rent may go thru the sky; our landlord is struggling and thinks the center can keep them afloat. Every expense has gone up. Our tuition cannot keep up with this.”

Projected Financial Position*			
<i>Respondents with High Levels of Private Pay Children</i>			
Status at Year End	May 2010 N=76	May 2011 N= 80	% of change
Breaking Even	33% (25)	29% (23)	-12%
Deficit	29% (22)	29% (23)	0%
Surplus	32% (24)	29% (23)	-9%
Unsure	7% (5)	14% (14)	100%

*Total percentage may not equal 100% due to rounding.

Factors Influencing Regulated Child Care Enrollment and Financial Health

The 2007 capacity and enrollment survey was conducted before many of the Westchester County initiatives to increase subsidy utilization and child care affordability were fully implemented including reductions to the family share, delivery of subsidy support services, the elimination of the child support cooperation requirement as a condition of child care subsidy eligibility and the creation of the Westchester County Child Care Scholarship Program.

Since 2007, there have been major changes in the environment in which child care operates:

Unemployment

According to the *NYS Department of Labor Division of Research and Statistics* the unemployment rate was 3.9 in May 2004. Since then, it has almost doubled, reaching 6.4 in May 2011.

Westchester County Unemployment Rate¹				
May 2004 to May 2011				
May 2004	May 2007	May 2008	May 2010	May 2011
3.9%	3.4%	4.5%	7.0%	6.4%

Poverty

In 2009, the poverty rate for children under the age of 18 reached 11.9% in Westchester County according to the *U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE)* program. This is a 17% increase since 2005, where it was 10.2%. The County poverty rate also reached 9%, according to the *Westchester Children By the Numbers*, which it has not reached in over 5 years.

Westchester County Poverty Rate (All Ages)²					
2004 to 2009					
2004	2005	2006	2007	2008	2009
7%	8%	7%	7%	8%	9%

¹ New York State Department of Labor Division of Research and Statistics

² *By the Number*, found on <http://data.wca4kids.org/datafinder>

Child Care Financial Assistance

Westchester's child care subsidy family share was at 33% for many years and lowered steadily until it reached 10% in April 2008. In January 2010, the family share was increased to 15% and then to 20% in June 2010. The County reduced the family share to 15% in June 2011. However, child care subsidy income eligibility became more restrictive, when Title XX Child Care Subsidy was frozen for new applicants in April 2010, open only to low income and TA subsidy recipients whose incomes moved them into Title XX levels. The Westchester County Child Care Scholarship Program, which assisted families just over the Title XX income cap, was terminated in May 2010.

Regulated Child Care Slots

In a five-year span, from 2005 to 2010, there has been a 6% increase in the total number of regulated child care programs. The total number of slots available rose by 23% at a time when unemployment was increasing and child care financial assistance was less available.

Regulated Child Care Programs and Licensed Capacity 2005 to 2010		
Year	Total # of Programs	Total # Slots
2005	707	25,413
2006	664	26,171
2007	666	26,444
2008	694	28,285
2009	710	30,577
2010	751	31,283

Over this time period, the number of school age programs remained fairly stable and child care centers increased by 12%. The most dramatic change took place in family-based businesses that saw registered family child care providers drop by nearly a third and licensed group child care providers grow by 80%.

Child Care Programs and Licensed Capacity by Modality 2005 to 2010								
Year	Child Care Centers		School Age Programs		Group Family Child Care Providers		Family Child Care Providers	
	# of Programs	# Slots	# of Programs	# Slots	# of Programs	# Slots	# of Programs	# Slots
2005	166	12,198	124	9,867	138	1,660	279	1,668
2006	167	13,181	111	9,722	154	1,862	232	1,406
2007	163	13,111	113	9,882	171	2,058	219	1,393
2008	173	13,764	118	10,789	199	2,390	204	1,342
2009	176	14,306	123	12,341	221	2,662	190	1,268
2010	187	15,196	124	11,285	249	3,448	191	1,354

Major Findings

- A significant percentage of Westchester regulated child care programs and providers are operating well below their licensed capacity.
- Overall, high enrollment vacancies persist at every age level but especially for school age children. However, there has been a decrease in vacancies for programs with high level of subsidized children.
- Child care businesses serving high levels of subsidized children report better enrollment and greater financial stability, though the respondent percentage was only 19% of all respondents.
- Year-end financial projections have slightly improved since 2010 but are still concerning for many respondents.
- Parents' job loss and decrease in work hours are the most frequent factors cited for declining enrollment in child care businesses.
- The continued increase in child care supply in the face of a worsening economy and reduced child care financial assistance makes a competitive market even more so, putting more pressure on all child care programs to reach or sustain the enrollment levels they need.

Conclusion

According to Winning Beginning NY, nationally 63% of children under five are in some type of child care arrangement every week. On average, young children with working mothers spend 36 hours a week in child care. Recent research tells us that the years from birth to 5 are pivotal in preparing a child for academic, social and occupational success and that high quality child care is a difference-maker in that process. So the need for access to quality child care is clear and compelling, not only for individual families, but also for our community.

However, regulated child care is expensive in general, and especially in Westchester County, where rates are among the highest in a state with the second most expensive care in the nation. With full-time preschool center-based care averaging over \$14,000 annually, child care costs present a particular challenge for parents at every income level. Although even moderate income households may receive financial assistance for college, many families are completely on their own for child care, or find themselves with a substantial contribution as child care subsidy recipients.

Westchester child care businesses have been struggling with under enrollment and the accompanying financial negatives. To some extent, those relying on moderate income

households have suffered more since unemployment intensified and families faced increased financial hardship.

The pervasive levels of under enrollment and financial strain experienced by Westchester's child care sector are troubling when one considers the likely impact on program quality. Previously, the *Westchester County 2006 Child Care Utilization Study Final Report*³ asserted that "the high cost of Westchester child care, in combination with dissatisfaction with the quality of programs, caused many families to opt out of regulated child care programs". The study prompted new investment by Westchester County in our child care system to improve quality and expand access; the Westchester County Child Care Scholarship Program was one of many initiatives generated by the research findings. The County reversed its trend of increased child care funding in 2010, ending the Scholarship Program and denying the subsidy to new applicants in the Title XX income range. County funding to the Council for quality improvement projects which was initiated in 2001 was reduced in 2008 and eliminated entirely in 2009, though the Council was able to secure private funding to continue some initiatives on a more limited basis.

In an effort to stay open, some child care businesses report laying off staff, lowering hours and salaries, cutting back on benefits and limiting materials, supplies, and program activities – none of these actions support quality.



Never has the rationale for access to high quality child care been more clearly understood, with support for early childhood investment coming from the U.S. Chamber of Commerce, the Partnership for America's Economic Success, Nobel Economist James Heckman, the Society for Human Resource Management, and former Minneapolis Federal Reserve Bank executive Art Rolnick. Quality rating improvement systems (QRIS), systematic programs to improve child care program quality, have increasingly become a key indicator of a state's progress in achieving measurable child care quality. New York lags 25 states with fully implemented QRIS programs, as its own initiative, QUALITYstarsNY, waits for the funding it needs for full implementation.

We have to do better!

³ *Westchester County 2006 Child Care Utilization Study Final Report*, found on http://www.childcarewestchester.org/pdf/Westchester_CCReport_ETC.pdf