



Utah 2024 Child Care Market Rate Study and Narrow Cost Analysis

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Prepared for the Utah Department of Workforce Services Office of Child Care
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TABLE OF CONTENTS

Section 1: Introduction	2
Section 2: Data and Methods	3
2.1 Data Collection	
2.2 Survey Population	
2.3 Response Rates	
2.4 Geographic Representation and Sample Weights	
2.5 Capacity Weights	
Section 3: Market Rates	8
Section 4: Subsidy Acceptance and Charges in Excess of Co-payment	15
Section 5: Registration Fees and Payment Schedules	17
Section 6: Part-time and Non-traditional Hours	19
Section 7: Narrow Cost Analysis	21
Section 8: Affordability - Share of Household Income Spent on Child Care	29
References	32

SECTION 1: INTRODUCTION

Utah's 2024 Child Care Market Rate Study and Narrow Cost Analysis evaluates and reports current prices, fees, and provider costs in the priced and regulated child care market. This study provides Utah stakeholders with detailed information about the accessibility, affordability, and sustainability of child care markets across the state. A principal purpose of the market rate study is to inform the level of subsidies available to low-income working families under the state's child care subsidy program. In Utah, the Department of Workforce Services Office of Child Care (OCC) is the lead agency responsible for setting subsidy payment rates. Documenting current prices in the market rate study enables the OCC to set subsidy rates that provide families with access to the range of child care services available in the market. In addition, accounting for providers' costs of delivering child care using a narrow cost analysis reveals the base rates necessary to support child care that meets health, safety, and staffing requirements as well as the cost of delivering higher quality-rated care.

Utah's OCC partners with the U.S. Department of Health and Human Services Administration for Children and Families Child Care and Development Fund (CCDF) to administer the child care subsidy program and to support the provision of quality child care services in markets across the state. The federal regulations of the CCDF require states to conduct a statistically valid and reliable market rate survey and narrow cost analysis (or approved alternative methodology) every three years (Child Care and Development Fund, 2016). In order to meet the needs of the agency and satisfy the requirements of the CCDF, the OCC contracted with the Economic Evaluation Unit at the University of Utah (EEU) to provide the analysis in this report. In compliance with CCDF regulation, this study evaluates child care prices across Utah and for distinct submarkets defined by provider type, geographic area, and the ages of children served. Additionally, the study includes information on the accessibility of subsidized child care services, the supplementary financial responsibilities for care among subsidized households, and the generally-accepted payment practices of subsidy-accepting providers.

This study is the product of collaboration between the OCC, the EEU, and Utah's child care resource and referral network, Care About Childcare (CAC). Feedback from the state's Office of Child Care Advisory Committee informed the research plan and implementation throughout the process. Prompt responses from Utah's child care providers made the research possible. The resulting study represents contributions from stakeholders across Utah's child care system, in support of the goals of the OCC to promote the economic security of families, the stability of the workforce, and the safe and healthy development of Utah's children.

SECTION 2: DATA AND METHODS

2.1 DATA COLLECTION

This market rate study relies on administrative data managed by Utah's child care resource and referral network, CAC. CAC includes six regional agencies that work directly with providers in their areas to maintain a central database that includes current price, capacity, and attribute information for regulated child care facilities. The CAC database combines licensing data, data from Utah's child care quality rating and improvement system, and data entered directly by providers. The database provides a record of the population of all active programs in the state.

The 2021 Market Rate Study similarly relied on administrative data for market rates, but required a complementary provider survey to meet the CCDF requirements for information beyond prices. For the 2024 study, the OCC and CAC updated the information requirements in the CAC database rather than conduct a separate survey. Adding the questions required for the market rate survey to the administrative data has several advantages. Utah already requires providers to update their facility information in the CAC database annually, and CAC employs a team of data specialists to facilitate these updates for providers who request assistance. Incorporating the additional market rate survey questions in the CAC data reduces the reporting burden on providers by eliminating the supplementary market rate survey. It also systematizes the market rate survey using a reporting system that providers already understand with optional assistance from local CAC specialists with whom providers may already interact. The standardized reporting and facilitation through CAC can increase response rates and data quality. The consolidation of the full market rate survey in a validated database establishes a valid and reliable data source for future market rate studies.

OCC and CAC coordinated updates to the administrative data over the period from May 2023 to March 2024. In May 2023, in the early stages of planning for the current market rate survey, OCC brought a proposal to consolidate the survey requirements within the CAC database to the state's Office of Child Care Advisory Committee. Feedback from the Committee broadly supported the proposal, with providers expressing strong preference for the reduced reporting burden of the single CAC data collection program. A comment period for stakeholders to contribute feedback on the data update and collection remained open from March through August 2023. Within this period, OCC, CAC and the EEU worked together to establish clear language and guidance for the new survey questions. Implementation of the new survey questions in the data management platform and user interface

took place from September 2023 through December 2023. In December, before opening the web portal to providers for data entry, OCC, CAC, and the EEU held a training session and discussion with CAC data specialists to ensure consistency in implementation. The training included guidance on the new questions and a script for addressing questions from survey respondents related to the new material.

The survey opened on January 10, 2024 with an email notification to all active providers in the CAC database, and closed on March 31, 2024. The three-month survey window at the beginning of the calendar year has two advantages for data validity. First, the short survey period measures prices at a point in time, reducing the impact of price changes on the survey results (Administration for Children and Families, 2020). Secondly, the timing from January to March reaches school-year providers during a single session so that providers are both accessible for survey outreach and unlikely to implement price changes associated with a new year. CAC monitored response rates throughout the survey period and conducted outreach to providers in the target population. The survey primarily utilized the online data portal for providers, but outreach and facilitation from CAC data specialists added a possible second data entry modality via telephone.

2.2 SURVEY POPULATION

The object of the market rate study is to evaluate current child care prices in the market of priced, “arm’s length” transactions (Child Care and Development Fund, 2016). This market includes regulated providers who charge a price for their services, where the prices are set independently and are not affected by relationships between the producer and consumer. Although the market rate survey was open to all active providers, not all provider types are members of the target population. Providers that reported that they do not charge a price were eliminated from the study, as were providers that reported that they only serve relatives or do not serve the public. To align with the target population, the market rate study includes current price information for four types of priced and regulated child care providers: Licensed Child Care Centers, Commercial Preschools, Licensed Family Providers, and home-based providers holding a Residential Certificate. The survey population includes all providers in these four categories with active programs listed in the CAC database on the initial date of the survey, January 10, 2024.

2.3 RESPONSE RATES

Data analysis for the market rate study requires both price and capacity data. Providers that updated both price and capacity information in the CAC database during the survey window are counted as survey respondents. The overall rate of survey response (responding providers as a share of the targeted population of providers) was 83.5 percent (Table 2.1). However, response rates differed by facility type, with a significantly lower share of Commercial Preschools responding to the survey compared to other providers. 2024 marks the first year that Commercial Preschools are included in the market rate study, and targeted outreach to nonrespondents focused on the other three provider types for most of the survey period. Moreover, a large share of Commercial Preschools is not currently eligible for the Department of Workforce Services subsidy; for these providers the benefits of survey participation may have been less clear. More attention to the inclusion of Commercial Preschools will be a priority for future studies. Despite the low response rates of Commercial Preschools, market rates are reported for the category in the age groups they serve. These results provide a first-look at the price distribution of Commercial Preschools but should be interpreted with caution due to the low rate of response. Much higher response rates for Licensed Centers (88.7 percent), Licensed Family (85.2 percent), and Residential Certificate providers (79.1 percent), yield an adequate sample for evaluating market rates. Sample weighting, described below, is implemented to improve the representativeness and reliability of the results.

Not all providers serve every age group. Only providers reporting nonzero monthly prices and capacities for an age group are included in the market rates presented in Section 3.

Table 2.1: Response Rates - Survey Respondents as a Share of the Provider Population			
	Population (N)	Sample (n)	Response Rate
Center Licensed	424	376	88.7%
Commercial Preschool	56	14	25.0%
Family Licensed	843	718	85.2%
Residential Certificate	67	53	79.1%
Total	1390	1161	83.5%

2.4 GEOGRAPHIC REPRESENTATION AND SAMPLE WEIGHTS

This study includes providers from all counties within Utah where active child care providers exist, and provides summary results for geographic delineations including urban and rural areas and metropolitan and nonmetropolitan statistical areas. At the county level, response rates were nearly universally above 70 percent for Licensed Centers, Licensed Family, and Residential Certificate providers. However, because 90 percent of the Utah population resides in urban areas, there is a significant number of counties with small provider populations. Geographic analysis is presented at the higher-level geographic aggregation of metropolitan and nonmetropolitan statistical areas and market rates are suppressed for provider types and geographic areas with fewer than 5 observations. Table 2.2 shows the market rate survey response rates by metropolitan and nonmetropolitan area.

Table 2.2: Response Rates by Metropolitan and Nonmetropolitan Statistical Area		
	Population (N)	Response Rate
Central Nonmetropolitan		
Center Licensed	16	93.8%
Commercial Preschool	0	
Family Licensed	50	80.0%
Residential Certificate	2	50.0%
Eastern Nonmetropolitan		
Center Licensed	36	91.7%
Commercial Preschool	3	0%
Family Licensed	40	90.0%
Residential Certificate	1	100%
Logan		
Center Licensed	9	100%
Commercial Preschool	2	100%
Family Licensed	65	93.9%
Residential Certificate	3	100%
Ogden-Clearfield		
Center Licensed	90	91.1%
Commercial Preschool	19	47.4%
Family Licensed	139	84.2%
Residential Certificate	16	81.3%
Provo-Orem		
Center Licensed	49	79.6%
Commercial Preschool	14	0%
Family Licensed	134	93.3%
Residential Certificate	9	88.9%
Salt Lake City		
Center Licensed	207	89.9%
Commercial Preschool	15	20.0%
Family Licensed	385	81.8%
Residential Certificate	36	75.0%
St. George		
Center Licensed	17	70.6%
Commercial Preschool	3	0%
Family Licensed	30	80.0%
Residential Certificate	0	

As shown in Table 2.2, there is some variation in response rates across geographic areas. For this reason, all analysis in this study utilizes sample weights to promote the representativeness of the results. These weights adjust the frequency distribution of the sample to reflect the distribution of child care providers in the population. Weights are constructed using provider type, geography, and licensed capacity. In this way the weights account for underrepresented geographic areas and potential nonresponse bias in the sample.

Sample weights are calculated as $\text{weight} = N_{ij}/n_{ij}$, where N_{ij} equals the percentage of population total capacity (defined by child care slots) for all providers of type i within geographic region j , and n_{ij} equals the percentage of sample total capacity of type i within geographic region j .

2.5 CAPACITY WEIGHTS

In addition to the sample weights described above, all analysis in this study follows the Administration for Children and Families recommendation to weight reported prices by child care slot (Administration for Children and Families, 2018a). A slot indicates one unit of available enrollment at a child care program. Weighting by slots adjusts estimates to reflect the market presence of programs, proportionally increasing the representation of larger providers. Capacity weighted price estimates better represent the influence of large providers on market rates and the prices encountered by families seeking care.

The capacity measure used for weighting by slot is the provider's desired operating capacity for enrollment of each age group. Desired operating capacity describes the number of children in an age group that are cared for when a program is fully staffed and operating at its preferred group sizes and caregiver-to-child ratios. Some providers in the sample updated their capacity information in the CAC database without providing information on desired operating capacity. For these providers, the weight instead represents the sum of current enrollment and vacancies for the age group or facility.

This study reports market rates for each age group delineated in Utah's subsidy system. For home-based providers, capacities reported in the CAC database do not align perfectly with these reported ages. As a result, capacity weights for Family Licensed and Residential Certificate providers represent broader age groups than the reported market rates.

SECTION 3: MARKET RATES

The market rates reported in Tables 3.1 through 3.6 describe the price of child care in Utah at Center Licensed, Family Licensed, Residential Certificate, and Commercial Preschool facilities. Prices are disaggregated by age group to reflect the differentiated markets for infant, toddler, preschool, and school-aged care, and to align with the age groups delineated under the Department of Workforce Services subsidy rate system. All market rates in this section represent the monthly, per-child price of care.

Tables 3.7 through 3.12 further disaggregate the data by geographic region to provide insight into the variation in prices among local markets across the state. These tables limit reporting to Center and Family Licensed providers where sample sizes are adequate for all metropolitan and nonmetropolitan areas in the state.

Table 3.1 Monthly Per-Child Market Rate for Care, Ages 0-23 Months								
		percentile						
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	307	\$1,000	\$1,180	\$1,230	\$1,250	\$1,305	\$1,325	\$1,572
Rural	35	\$875	\$1,172	\$1,172	\$1,175	\$1,230	\$1,335	\$2,000
Urban	272	\$1,020	\$1,196	\$1,235	\$1,256	\$1,305	\$1,324	\$1,537
Family Licensed								
Statewide	706	\$650	\$840	\$850	\$850	\$880	\$900	\$1,000
Rural	75	\$700	\$840	\$840	\$840	\$850	\$875	\$1,000
Urban	631	\$650	\$840	\$850	\$860	\$900	\$900	\$1,000
Residential Certificate								
Statewide	48	\$500	\$630	\$700	\$700	\$800	\$800	\$900
Rural	2							
Urban	46	\$500	\$640	\$700	\$700	\$800	\$800	\$900

Table 3.2 Monthly Per-Child Market Rate for Care, Age 2 Years

					percentile			
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	346	\$800	\$944	\$992	\$1,040	\$1,100	\$1,125	\$1,365
Rural	44	\$765	\$881	\$1,040	\$1,050	\$1,126	\$1,167	\$1,819
Urban	302	\$802	\$950	\$992	\$1,040	\$1,100	\$1,122	\$1,325
Family Licensed								
Statewide	709	\$610	\$725	\$750	\$785	\$800	\$805	\$950
Rural	75	\$630	\$700	\$740	\$755	\$775	\$800	\$900
Urban	634	\$610	\$725	\$756	\$795	\$800	\$820	\$950
Residential Certificate								
Statewide	48	\$500	\$600	\$641	\$650	\$690	\$700	\$817
Rural	2							
Urban	46	\$500	\$600	\$650	\$650	\$690	\$700	\$817

Table 3.3 Monthly Per-Child Market Rate for Care, Age 3 Years

		percentile						
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	358	\$700	\$853	\$900	\$925	\$972	\$1,004	\$1,200
Rural	44	\$700	\$855	\$965	\$1,000	\$1,077	\$1,090	\$1,700
Urban	314	\$700	\$853	\$900	\$920	\$972	\$1,000	\$1,200
Commercial Preschool								
Statewide	13	\$135	\$195	\$195	\$250	\$395	\$395	\$395
Rural	0							
Urban	13	\$135	\$195	\$195	\$250	\$395	\$395	\$395
Family Licensed								
Statewide	717	\$600	\$700	\$725	\$750	\$750	\$795	\$900
Rural	76	\$600	\$675	\$700	\$725	\$750	\$750	\$880
Urban	641	\$600	\$700	\$725	\$750	\$758	\$800	\$900
Residential Certificate								
Statewide	51	\$350	\$600	\$600	\$600	\$650	\$690	\$800
Rural	2							
Urban	49	\$350	\$600	\$600	\$600	\$650	\$700	\$800

Table 3.4 Monthly Per-Child Market Rate for Care, Age 4 Years

		percentile						
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	355	\$667	\$823	\$875	\$893	\$930	\$969	\$1,140
Rural	43	\$665	\$800	\$930	\$950	\$990	\$1,083	\$1,600
Urban	312	\$667	\$823	\$870	\$889	\$915	\$965	\$1,132
Commercial Preschool								
Statewide	14	\$190	\$240	\$240	\$245	\$475	\$650	\$650
Rural	0							
Urban	14	\$190	\$240	\$240	\$245	\$475	\$650	\$650
Family Licensed								
Statewide	716	\$600	\$680	\$700	\$720	\$750	\$756	\$850
Rural	76	\$600	\$660	\$700	\$720	\$740	\$750	\$880
Urban	640	\$600	\$685	\$700	\$725	\$750	\$760	\$850
Residential Certificate								
Statewide	51	\$213	\$600	\$600	\$600	\$650	\$650	\$800
Rural	2							
Urban	49	\$213	\$600	\$600	\$600	\$650	\$690	\$800

Table 3.5 Monthly Per-Child Market Rate for Care, Age 5 Years

percentile								
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	332	\$660	\$780	\$825	\$865	\$888	\$908	\$1,132
Rural	40	\$665	\$755	\$875	\$880	\$930	\$1,067	\$1,600
Urban	292	\$660	\$780	\$823	\$862	\$888	\$907	\$1,125
Commercial Preschool								
Statewide	9	\$250	\$475	\$650	\$650	\$650	\$650	\$650
Rural	0							
Urban	9	\$250	\$475	\$650	\$650	\$650	\$650	\$650
Family Licensed								
Statewide	714	\$570	\$660	\$700	\$700	\$725	\$750	\$850
Rural	76	\$600	\$650	\$675	\$700	\$725	\$740	\$840
Urban	638	\$570	\$662	\$700	\$700	\$725	\$750	\$850
Residential Certificate								
Statewide	50	\$200	\$550	\$600	\$600	\$600	\$650	\$800
Rural	2							
Urban	48	\$200	\$550	\$600	\$600	\$641	\$650	\$800

Table 3.6 Monthly Per-Child Market Rate for Care, Ages 6-12 Years

		percentile						
	unweighted n	10th	50th	60th	65th	70th	75th	90th
Center Licensed								
Statewide	288	\$550	\$660	\$694	\$700	\$748	\$755	\$900
Rural	32	\$500	\$669	\$675	\$700	\$702	\$750	\$1,100
Urban	256	\$550	\$660	\$694	\$700	\$748	\$755	\$880
Family Licensed								
Statewide	696	\$550	\$640	\$650	\$675	\$700	\$700	\$810
Rural	75	\$575	\$650	\$660	\$660	\$700	\$725	\$840
Urban	621	\$550	\$640	\$650	\$675	\$700	\$700	\$805
Residential Certificate								
Statewide	46	\$400	\$520	\$575	\$600	\$600	\$640	\$800
Rural	2							
Urban	44	\$400	\$520	\$550	\$600	\$600	\$640	\$800

Table 3.7 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Ages 0-23 Months

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	14	\$875	\$900	\$1,040	\$1,172	\$1,572
Eastern Nonmetropolitan	21	\$1,040	\$1,095	\$1,175	\$1,700	\$2,000
Logan	8	\$963	\$995	\$1,020	\$1,020	\$1,020
Ogden-Clearfield	74	\$1,027	\$1,074	\$1,172	\$1,200	\$1,240
Provo-Orem	31	\$1,100	\$1,120	\$1,300	\$1,324	\$1,400
Salt Lake City	149	\$1,040	\$1,172	\$1,244	\$1,425	\$1,761
St. George	10	\$900	\$1,040	\$1,040	\$1,080	\$1,172
Family Licensed						
Central Nonmetropolitan	40	\$700	\$798	\$840	\$875	\$1,000
Eastern Nonmetropolitan	35	\$665	\$750	\$840	\$840	\$1,050
Logan	61	\$550	\$650	\$793	\$840	\$900
Ogden-Clearfield	113	\$650	\$750	\$820	\$850	\$950
Provo-Orem	123	\$700	\$772	\$843	\$1,000	\$1,200
Salt Lake City	311	\$700	\$800	\$845	\$900	\$1,000
St. George	23	\$635	\$715	\$840	\$860	\$1,040

Table 3.8 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Age 2 Years

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	14	\$765	\$819	\$825	\$881	\$950
Eastern Nonmetropolitan	30	\$700	\$867	\$1,050	\$1,800	\$1,862
Logan	8	\$727	\$845	\$845	\$855	\$855
Ogden-Clearfield	78	\$788	\$857	\$870	\$950	\$1,080
Provo-Orem	36	\$900	\$1,030	\$1,066	\$1,170	\$1,301
Salt Lake City	169	\$800	\$867	\$964	\$1,260	\$1,388
St. George	11	\$748	\$819	\$867	\$890	\$1,147
Family Licensed						
Central Nonmetropolitan	40	\$600	\$700	\$740	\$800	\$900
Eastern Nonmetropolitan	35	\$650	\$685	\$700	\$785	\$1,050
Logan	61	\$550	\$650	\$700	\$750	\$900
Ogden-Clearfield	114	\$602	\$675	\$700	\$760	\$850
Provo-Orem	124	\$600	\$700	\$750	\$900	\$1,100
Salt Lake City	312	\$640	\$700	\$750	\$832	\$900
St. George	23	\$625	\$650	\$725	\$820	\$1,040

Table 3.9 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Age 3 Years

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	14	\$700	\$775	\$775	\$850	\$1,000
Eastern Nonmetropolitan	30	\$630	\$820	\$1,050	\$1,600	\$1,700
Logan	9	\$208	\$780	\$780	\$780	\$804
Ogden-Clearfield	79	\$741	\$820	\$824	\$887	\$1,080
Provo-Orem	38	\$820	\$880	\$1,000	\$1,046	\$1,220
Salt Lake City	176	\$625	\$810	\$880	\$1,035	\$1,207
St. George	12	\$756	\$756	\$820	\$865	\$888
Family Licensed						
Central Nonmetropolitan	40	\$600	\$675	\$700	\$770	\$880
Eastern Nonmetropolitan	36	\$580	\$660	\$675	\$720	\$945
Logan	61	\$525	\$649	\$675	\$700	\$850
Ogden-Clearfield	116	\$600	\$650	\$675	\$740	\$795
Provo-Orem	125	\$600	\$675	\$718	\$880	\$1,050
Salt Lake City	315	\$600	\$675	\$700	\$800	\$860
St. George	24	\$600	\$625	\$710	\$750	\$800

Table 3.10 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Age 4 Years

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	14	\$690	\$690	\$752	\$818	\$952
Eastern Nonmetropolitan	29	\$630	\$752	\$930	\$1,400	\$1,654
Logan	9	\$208	\$649	\$780	\$780	\$804
Ogden-Clearfield	80	\$689	\$780	\$783	\$850	\$950
Provo-Orem	38	\$756	\$908	\$975	\$1,006	\$1,220
Salt Lake City	174	\$615	\$780	\$832	\$1,006	\$1,155
St. George	11	\$665	\$752	\$783	\$865	\$888
Family Licensed						
Central Nonmetropolitan	40	\$600	\$650	\$685	\$750	\$880
Eastern Nonmetropolitan	36	\$525	\$650	\$656	\$700	\$900
Logan	61	\$525	\$640	\$656	\$700	\$850
Ogden-Clearfield	116	\$600	\$650	\$660	\$715	\$770
Provo-Orem	125	\$580	\$650	\$700	\$850	\$1,006
Salt Lake City	314	\$600	\$656	\$700	\$770	\$850
St. George	24	\$576	\$625	\$688	\$750	\$800

Table 3.11 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Age 5 Years

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	14	\$669	\$729	\$750	\$825	\$875
Eastern Nonmetropolitan	26	\$630	\$729	\$880	\$1,200	\$1,619
Logan	7	\$649	\$660	\$660	\$735	\$865
Ogden-Clearfield	76	\$725	\$755	\$756	\$800	\$900
Provo-Orem	34	\$750	\$848	\$969	\$1,069	\$1,220
Salt Lake City	164	\$600	\$755	\$792	\$908	\$1,140
St. George	11	\$638	\$729	\$755	\$785	\$785
Family Licensed						
Central Nonmetropolitan	40	\$600	\$650	\$675	\$750	\$850
Eastern Nonmetropolitan	36	\$525	\$640	\$650	\$690	\$840
Logan	61	\$525	\$600	\$650	\$700	\$800
Ogden-Clearfield	116	\$580	\$640	\$650	\$700	\$750
Provo-Orem	125	\$575	\$650	\$700	\$850	\$990
Salt Lake City	312	\$575	\$650	\$675	\$750	\$800
St. George	24	\$545	\$600	\$680	\$725	\$800

Table 3.12 Monthly Per-Child Market Rate for Care by Metropolitan and Nonmetropolitan Statistical Area, Ages 6-12 Years

	unweighted n	10th	25th	50th	75th	90th
Center Licensed						
Central Nonmetropolitan	13	\$620	\$620	\$669	\$750	\$780
Eastern Nonmetropolitan	19	\$500	\$620	\$630	\$880	\$1,100
Logan	7	\$208	\$620	\$660	\$660	\$727
Ogden-Clearfield	70	\$586	\$629	\$650	\$700	\$802
Provo-Orem	30	\$670	\$700	\$819	\$953	\$1,220
Salt Lake City	138	\$450	\$620	\$660	\$765	\$850
St. George	11	\$572	\$620	\$675	\$748	\$755
Family Licensed						
Central Nonmetropolitan	40	\$600	\$610	\$650	\$740	\$830
Eastern Nonmetropolitan	35	\$525	\$610	\$610	\$660	\$840
Logan	60	\$525	\$600	\$610	\$650	\$800
Ogden-Clearfield	113	\$540	\$600	\$620	\$670	\$725
Provo-Orem	123	\$550	\$610	\$650	\$800	\$950
Salt Lake City	302	\$550	\$610	\$650	\$700	\$800
St. George	23	\$545	\$600	\$620	\$680	\$725

SECTION 4: SUBSIDY ACCEPTANCE AND CHARGES IN EXCESS OF CO-PAYMENT

The availability of safe, healthy, and high-quality subsidized child care is constrained by the willingness of providers to accept subsidized families, and by families' ability to meet any financial responsibility for costs that exceed the subsidy. The tables in this section complement the market rates reported in Section 3 by evaluating these facets of families' access to subsidized care. Table 4.1 reports the share of child care providers that accept subsidized families, whether subsidy accepting providers require the Department of Workforce Services copayment, whether they charge payments in excess of the Department of Workforce Services subsidy and copayment, and what barriers may exist to this subsidy acceptance. Table 4.2 provides greater detail regarding subsidy acceptance for metropolitan and nonmetropolitan geographic areas.

Most providers in Utah's priced and regulated child care market accept subsidized families. As shown in Table 4.1, more than 99 percent of child care slots in the market are at facilities that accept the DWS subsidy. Table 4.2 shows that this broad acceptance is characteristic of all metropolitan and nonmetropolitan areas across the state. Among those that do accept subsidized families, it is common to require the DWS copayment and to charge families for the difference between the price of care and the combined subsidy and copayment amount. For all child care slots in the state, 73.1 percent are housed at providers that report that they charge for payments in excess of the subsidy and copayment, and another 11.2 percent are at providers that report that they sometimes require this charge. The charge is most common at Licensed Centers, with 78 percent charging, compared to Commercial Preschools (5.7 percent), Licensed Family providers (56.2 percent), and providers with a Residential Certificate (48.1 percent).

Few providers report any barrier to accepting subsidized children into care. The most common limitations reported are providers that reach full capacity with private pay (unsubsidized) families, and a lack of demand for subsidized care options among consumers in the area.

Table 4.1 Subsidy Acceptance and Charges in Excess of Copayment					
	All Child Care Slots	Center Licensed	Commercial Preschool	Family Licensed	Residential Certificate
Accepts Subsidy	99.2%	99.7%	70.9%	98.0%	92.6%
Requires DWS Copayment					
Yes	81.9%	85.3%	100%	70.0%	43.3%
Sometimes	11.5%	10.3%		16.0%	13.4%
Charges payments in excess of DWS subsidy and copayment					
Yes	73.1%	78.0%	5.7%	56.2%	48.1%
Sometimes	11.2%	10.5%	1.3%	13.8%	21.8%
Reported reasons for not accepting or limiting subsidy enrollment					
Capacity is full with private pay	1.5%	1.0%	0%	3.2%	2.2%
No demand for subsidized care in the program's area	1.3%	0.6%	17.5%	2.9%	5.9%
Subsidy reimbursement rates are not sufficient	0.4%	0%	0%	1.8%	0%
Too much administrative work involved	0.8%	0.3%	0%	2.8%	0%
Program does not qualify	0.4%	0.2%	20.6%	0.3%	0%
Other	0.3%	0%	0%	1.4%	0%

Table 4.2 DWS Subsidy Acceptance by Metropolitan and Nonmetropolitan Area					
	All Child Care Slots	Center Licensed	Commercial Preschool	Family Licensed	Residential Certificate
Statewide	99.2%	99.7%	70.9%	98.0%	92.6%
Central Nonmetropolitan	100.0%	100%		100%	100%
Eastern Nonmetropolitan	99.7%	100%		100%	0%
Logan	100.0%	100%	100%	100%	100%
Ogden-Clearfield	99.5%	100%	100%	96.6%	100%
Provo-Orem	98.7%	98.9%	0%	98.4%	100%
Salt Lake City	98.9%	99.7%	0%	97.5%	91.0%
St. George	100.0%	100%		100.0%	

SECTION 5: REGISTRATION FEES AND PAYMENT SCHEDULES

Facilitating subsidy payments under the CCDF requires lead agencies to account for generally-accepted payment practices within the state (Child Care and Development Fund, 2016). These practices include required fees that increase families' cost of accessing care and the payment schedules of providers. Table 5.1 reports the prevalence, frequency, and median cost of registration fees. While the majority of Center Licensed and Commercial Preschool facilities charge a registration fee, it is less common to encounter this cost in the market for Family Licensed or Residential Certificate care.

Table 5.2 shows the share of child care slots available with providers that charge monthly, weekly, daily, and hourly rates. In the CAC database, providers are encouraged to report rates in as many rate schedules as they offer, though all subsidy-eligible providers are required to post monthly rates. Monthly rates are the most common rate schedule reported, with nearly 100 percent of providers reporting monthly prices for each age group. Less than one third of providers report payment options in each of the weekly, daily, and hourly schedules.

Table 5.1 Registration Fees					
	Percent of Child Care Slots with Any Registration Fee	Charges Fee at Initial Enrollment		Charges Fee Annually	
		Percent of Child Care Slots with Fee	Median Fee	Percent of Child Care Slots with Fee	Median Fee
Center Licensed					
Statewide	85.6%	88.6%	\$75	35.1%	\$75
Rural	70.8%	71.4%	\$100	29.0%	\$50
Urban	87.8%	89.9%	\$75	35.6%	\$75
Commercial Preschool					
Statewide	85.7%	73.6%	\$100	0.0%	
Family Licensed					
Statewide	44.3%	46.2%	\$50	8.1%	\$50
Rural	43.4%	44.4%	\$45	11.8%	\$45
Urban	44.4%	46.4%	\$50	7.7%	\$50
Residential Certificate					
Statewide	28.3%	27.1%	\$40	4.0%	\$50
Rural	0.0%	0.0%		0.0%	
Urban	29.4%	28.5%	\$40	4.2%	\$50

Table 5.2 Payment Schedules

	Share of Child Care Slots Reporting Rate Schedule				Median Rate Among Those with Reported Schedule			
	Monthly Rate	Weekly Rate	Daily Rate	Hourly Rate	Median Monthly Rate	Median Weekly Rate	Median Daily Rate	Median Hourly Rate
Ages 0-23 months								
Center Licensed	100.0%	30.3%	18.4%	9.9%	\$1,180	\$271	\$70	\$10
Family Licensed	99.8%	26.0%	27.8%	15.7%	\$840	\$210	\$42	\$5
Residential Certificate	100.0%	27.6%	25.6%	20.6%	\$630	\$150	\$30	\$5
Age 2 years								
Center Licensed	100.0%	29.3%	19.8%	8.9%	\$944	\$219	\$52	\$10
Family Licensed	99.8%	26.1%	27.7%	15.7%	\$725	\$180	\$37	\$5
Residential Certificate	100.0%	27.6%	25.6%	20.6%	\$600	\$148	\$30	\$5
Age 3 years								
Center Licensed	100.0%	28.5%	20.9%	8.9%	\$853	\$205	\$50	\$8
Commercial Preschool	100.0%	0.0%	0.0%	1.5%	\$195			\$7
Family Licensed	99.8%	26.2%	27.5%	15.1%	\$700	\$175	\$35	\$5
Residential Certificate	100.0%	25.7%	23.9%	19.2%	\$600	\$148	\$30	\$5
Age 4 years								
Center Licensed	100.0%	30.6%	22.3%	9.7%	\$823	\$196	\$50	\$8
Commercial Preschool	100.0%	0.0%	0.0%	0.9%	\$240			\$7
Family Licensed	99.8%	25.9%	27.2%	14.9%	\$680	\$170	\$35	\$5
Residential Certificate	100.0%	25.7%	23.9%	19.2%	\$600	\$148	\$30	\$5
Age 5 years								
Center Licensed	100.0%	31.7%	21.6%	9.2%	\$780	\$188	\$47	\$10
Commercial Preschool	100.0%	0.0%	0.0%	1.9%	\$475			\$7
Family Licensed	99.8%	25.8%	27.4%	14.9%	\$660	\$169	\$35	\$5
Residential Certificate	100.0%	24.4%	24.3%	19.5%	\$550	\$148	\$30	\$5
Ages 6-12 years								
Center Licensed	100.0%	31.8%	23.1%	11.0%	\$660	\$167	\$48	\$8
Family Licensed	99.9%	25.5%	26.5%	15.1%	\$640	\$158	\$34	\$4
Residential Certificate	100.0%	21.9%	21.9%	21.4%	\$520	\$133	\$26	\$5

SECTION 6: PART-TIME AND NON-TRADITIONAL HOURS

A family's ability to utilize the child care subsidy system, maintain labor force participation, and invest in opportunities for the social and cognitive development of their children, depends on access to care during the hours that meet their family's needs. Limits to this access arise when care outside of traditional 9-5 work hours is difficult to find. Tables 6.1 to 6.4 introduce rates of availability for care on a part-time or non-traditional schedule. These rates are presented as a share of the total child care slots available in the market.

Table 6.1 Share of Child Care Slots at Providers with Part-time, Drop-in, and Year-round Schedules				
	unweighted n	Accepts Part-time	Drop-in	Year-round
Child Care Centers				
Statewide	361	82%	31%	78%
Rural	45	91%	29%	82%
Urban	316	82%	32%	77%
Licensed Family				
Statewide	677	80%	52%	73%
Rural	73	85%	45%	87%
Urban	604	80%	53%	71%
Residential Certificate				
Statewide	42	90%	43%	44%
Rural	2	100%	0%	67%
Urban	40	89%	46%	42%

Table 6.2 Share of Child Care Slots at Providers that Accommodate Out-of-school Schedules						
	unweighted n	Before School Care	After School Care	After School Care, Early Release Days	School Age Summer Care	Open School Holidays
Child Care Centers						
Statewide	361	81%	83%	80%	54%	70%
Rural	45	72%	73%	72%	48%	56%
Urban	316	82%	84%	80%	54%	71%
Licensed Family						
Statewide	677	80%	83%	79%	23%	64%
Rural	73	91%	92%	90%	33%	66%
Urban	604	79%	81%	77%	21%	64%
Residential Certificate						
Statewide	42	70%	77%	68%	10%	62%
Rural	2	100%	100%	67%	0%	67%
Urban	40	68%	75%	68%	11%	62%

Table 6.3 Share of Child Care Slots at Providers that Accommodate Evening, Rotating, and Holiday Work Schedules							
	unweighted n	Graveyard Shift	Swing Shift	Rotating Shifts	4/10 Schedules	24-hour Care	Open State Holidays
Child Care Centers							
Statewide	361	1%	4%	19%	14%	1%	13%
Rural	45	0%	6%	17%	13%	0%	20%
Urban	316	1%	4%	19%	14%	2%	12%
Licensed Family							
Statewide	677	9%	8%	25%	23%	7%	23%
Rural	73	5%	13%	41%	17%	8%	29%
Urban	604	10%	8%	23%	23%	7%	22%
Residential Certificate							
Statewide	42	10%	17%	22%	22%	14%	17%
Rural	2	0%	0%	0%	0%	0%	0%
Urban	40	10%	18%	24%	23%	15%	19%

Table 6.4 Share of Child Care Slots at Providers that Accommodate Weekend and Overnight Schedules						
	unweighted n	Occasional Saturday	Occasional Sunday	Regular Saturday	Regular Sunday	Occasional Evening or Overnight
Child Care Centers						
Statewide	361	3%	2%	3%	2%	2%
Rural	45	4%	1%	1%	1%	7%
Urban	316	3%	2%	3%	2%	2%
Licensed Family						
Statewide	677	27%	16%	12%	7%	20%
Rural	73	19%	11%	13%	6%	15%
Urban	604	27%	17%	12%	7%	21%
Residential Certificate						
Statewide	42	28%	20%	20%	9%	18%
Rural	2	0%	0%	0%	0%	0%
Urban	40	30%	21%	21%	9%	19%

SECTION 7: NARROW COST ANALYSIS

A narrow cost analysis is a study of the expenses faced by child care providers that accounts for investments in health, safety, and attributes of higher-quality care, and evaluates how these expenses may vary by provider type, by the ages of children in care, and across geographic areas within the state (Isaacs, et al., 2022). Cost analysis provides information about the supply side of the market that is not available through a study of market prices alone. The CCDF requires lead agencies to consider the cost of care when setting subsidy rates under its equal access provisions (Child Care and Development Fund, 2016). To this end, the narrow cost analysis that follows in this section focuses on the relationship between cost and quality-rated care to inform rates that provide subsidized households with equal access to a range of child care options that is comparable to that of non-subsidized households in scope and quality. A related benefit of the narrow cost analysis is insight into the sustainability of markets. Cost analysis may distinguish the features of care that are most responsible for elevated costs and the conditions under which these costs are highest. In this way, an analysis that highlights the relationship between the care environment, producer costs, and the market price of care can identify the presence of gaps in the market that have the potential to undermine both equal access and access broadly.

The narrow cost analysis in this section employs Utah's child care cost estimation model, a spreadsheet-based cost model developed by the University of Utah's Economic Evaluation Unit in collaboration with the Utah Department of Workforce Services Office of Child Care. Like other cost models, the Utah model provides estimates of the expenses faced by child care providers based on structural assumptions about the care environment and data describing the state's labor and capital costs. The model reflects costs at the three ranks of Utah's quality rating and improvement system, the Child Care Quality System (CCQS). At the baseline, cost estimates for facilities with Certified Foundation of Quality ratings represent care environments that meet but do not surpass Utah child care licensing thresholds for child to caregiver ratios and group sizes, and offer limited worker benefits, investments in professional development, and caregiver time outside of the classroom for planning, developmental assessment, or engaging with families. The Certified Foundation of Quality rating represents the requisite cost of health and safety. Estimates at higher quality ratings incorporate the additional expense of meeting quality thresholds from the CCQS. The Certified Building Quality and Certified High Quality and High Quality Plus ratings incorporate lower child-to-caregiver ratios and

group sizes, additional worker compensation to attract and retain highly-qualified staff, and increased personnel time to cover caregivers’ time spent on tasks outside the classroom. These assumptions reflect the quality domains outlined in the CCQS. However, it is important to note that Utah’s CCQS employs a points system that offers flexibility for providers to choose which quality-related investments to pursue rather than imposing specific criteria or characteristics. Under the points system, individual providers of higher quality-rated care may pursue very different investment strategies to reach the same rating. While the assumptions of the Utah child care cost estimation model are drawn from CCQS data and surveys of Utah’s child care worker and provider populations, the model results will not necessarily represent costs for individual providers operating within a quality rating category.

The data informing this analysis includes the local and national data sources listed in Table 1. Table 2 shows the hourly wage data used for each staff position at each quality rating. Since the majority of child care providers’ expenses are personnel expenses, the hourly wages used in the model can have a considerable effect on the results. Wages in this analysis are based on data from Utah’s Workforce Bonus Program survey, a 2022 survey of more than 10,000 child care workers in the state (Ruetschlin and Genc, 2023). At the time of the Workforce Bonus Program survey, providers were eligible for COVID-era Child Care Stabilization Grants if they paid at least 51 percent of staff a wage equal to \$15 per hour or more. This incentive policy may have raised average and median wages in some markets while displacing the labor costs covered by the enhanced grants under the program. However financed, labor costs at current market wages represent necessary operating costs for sustainable high-quality child care and are considered in the cost of quality estimates below. Complete documentation of the development of the structural assumptions and parameters used in the cost model is available in the OCC and EEU report Utah Child Care Cost Estimation Model (Ruetschlin, 2023).

Table 7.1: Data Sources for the Narrow Cost Analysis
Model Structure and Assumptions
Utah Childcare Licensing Standards and CCQS framework
Worker Compensation
Utah 2022 Workforce Bonus Survey
Bureau of Labor Statistics Employer Costs for Employee Compensation
Rent, Mortgage, and Property Tax
National Association of Realtors
State of Utah Property Tax Division
Other Non-personnel Costs
Provider Cost of Quality Calculator
Geographic Variation in Input Costs
Bureau of Labor Statistics Occupational Employment and Wage Statistics
Bureau of Economic Analysis Regional Price Parity

Table 7.2: Median Hourly Wages

	Certified Foundation of Quality	Certified Building Quality	Certified High Quality
Center Licensed			
Lead Teacher or Caregiver	\$15	\$16	\$16
Assistant Teacher or Caregiver	\$14	\$15	\$15
Floater/Substitute	\$14	\$15	\$15.30
Director	\$19.50	\$22.50	\$25.76
Assistant Director	\$16.92	\$17.07	\$20.42
Onsite Administrative Assistant or Office Manager	\$16.25	\$18.50	\$19.95
Onsite Coach or Consultant	\$16.25	\$19.70	\$20
Family Licensed			
Full Time Assistant	\$15	\$15	\$15
Part Time Assistant	\$15	\$15	\$15
Owner or License	\$15	\$15	\$15

Source: Utah 2022 Workforce Bonus Survey

Results of the narrow cost analysis are presented in Figures 1 through 5 below.

Figure 1: Monthly Per-child Cost of Care: Centers

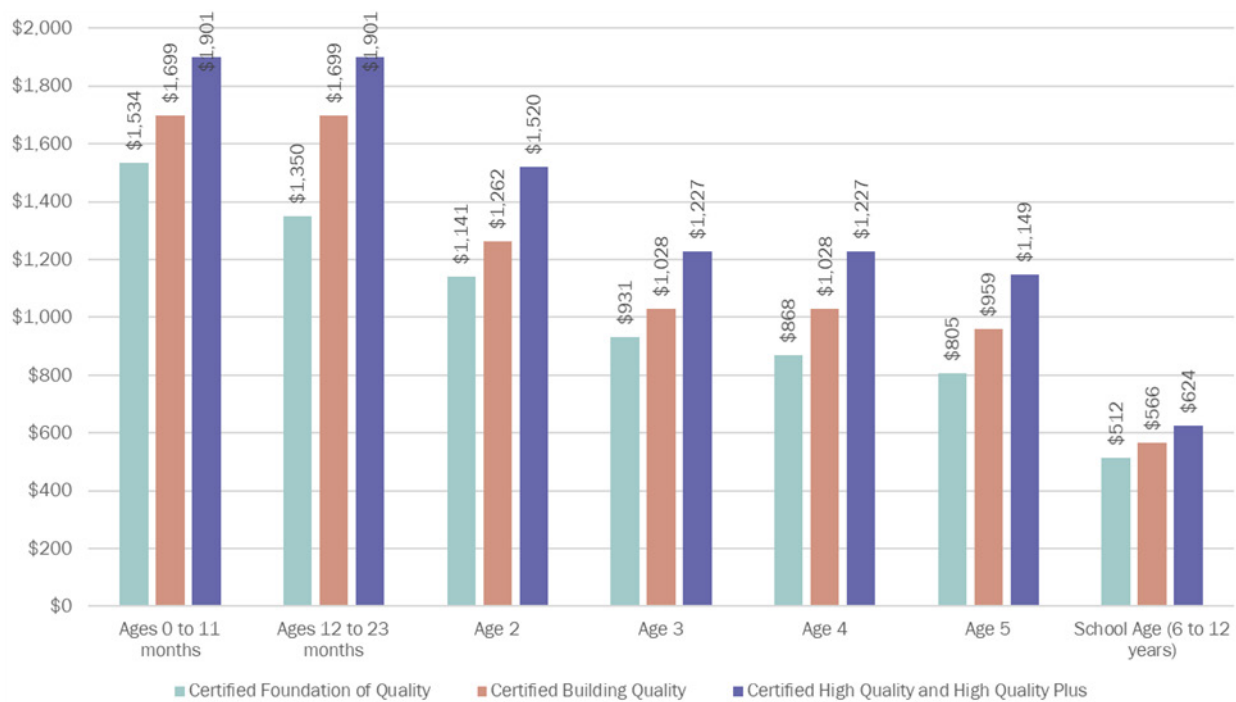


Figure 2: Monthly Per-child Cost of Care: Licensed Family

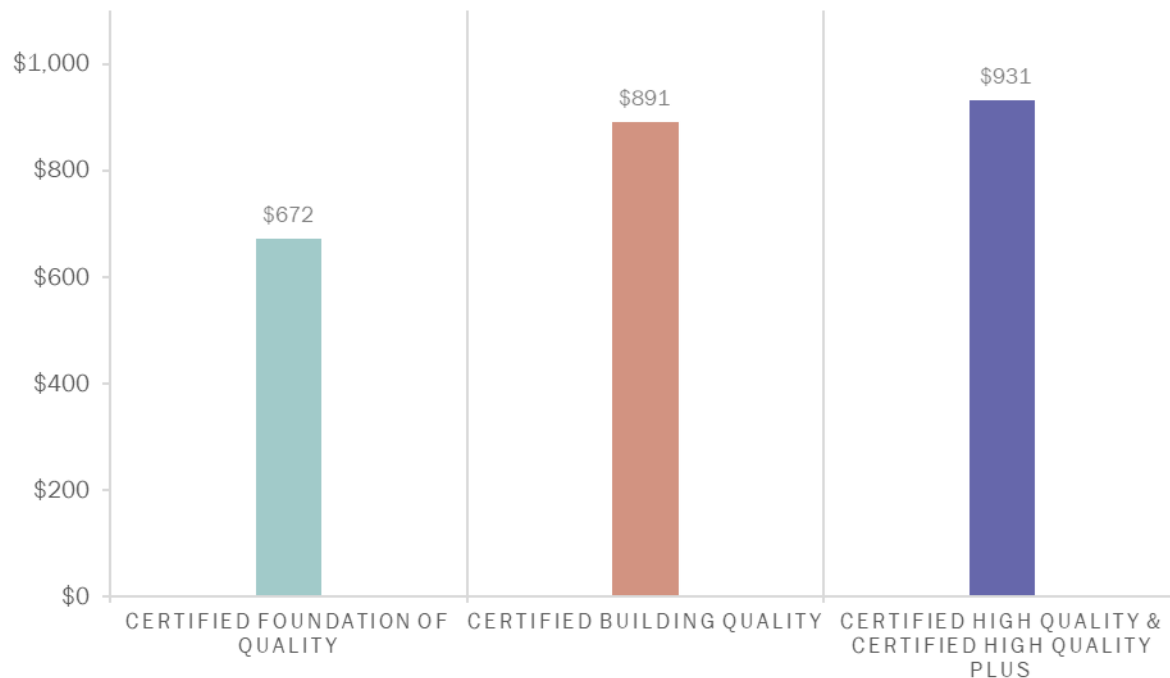


Figure 1 shows the per-child monthly cost of care by child's age and CCQS rating at center licensed care facilities in Utah. Figure 2 shows the per-child monthly cost of care for all ages by CCQS rating at licensed family providers in Utah.

- **The essential costs of health, safety, and staffing make supplying child care expensive, even before providers commit to quality-related investments.** The cost estimate at the Certified Foundation of Quality rating represents the essential cost of care for a provider that meets Utah's child care licensing requirements. These costs range from \$672 per month for a child at a family licensed provider, to \$1534 for an infant in center care. In each of these scenarios, personnel costs are the largest portion of expenses, primarily in the form of wages and benefits.
- **Care for children ages 2 and under is the costliest type of care at centers, regardless of quality rating.** Younger children are resource intensive, with the fewest children per caregiver and lowest group size required for infants, and ratio and group size thresholds rising as children age. The additional personnel necessary to provide appropriate adult supervision and interaction are a key cost driver for infant and toddler care.
- **The cost of care rises significantly with quality rating.** Achieving higher quality ratings requires personnel investments that are a significant driver of costs at both center and home-based care facilities.

- At centers, providers at the Certified Building Quality rating pay an average per-child cost of care (across all age groups) that is 16 percent higher than the baseline Foundation of Quality rating. Providers with Certified High Quality and High Quality Plus ratings pay an average per-child cost of care that is 38 percent higher than the baseline Foundation of Quality.
- At family licensed facilities, providers at the Certified Building Quality rating pay an average per-child cost of care that is 33 percent higher than the baseline Foundation of Quality rating. Providers with Certified High Quality and High Quality Plus ratings pay an average per-child cost of care that is 39 percent higher than the baseline Foundation of Quality.

Figure 3: Monthly Per-child Cost of Care in Utah by Region (Foundation of Quality Rating)

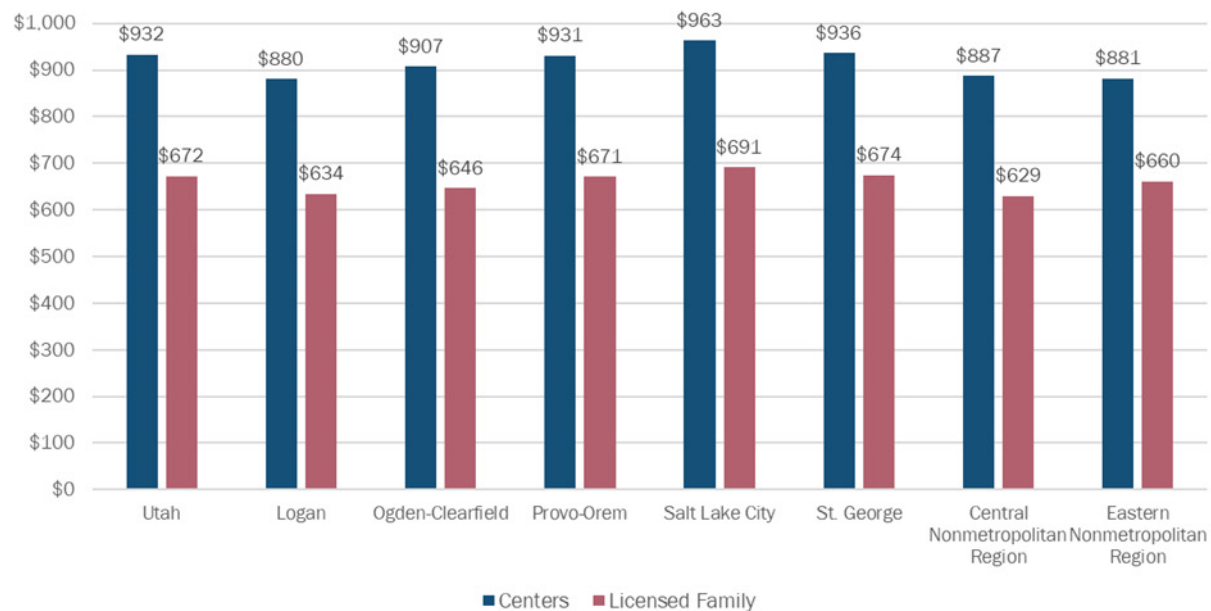


Figure 3 shows the average per-child monthly cost of care for child care providers operating at the Foundation of Quality rating across metropolitan and nonmetropolitan areas of Utah. Regional differences in wages, rent, and mortgage and property tax payments are the source of variation in the cost estimates. The regional model uses Bureau of Economic Analysis regional price parities and Bureau of Labor Statistics regional wage estimates for child care workers to estimate costs by metropolitan and nonmetropolitan area.

- Variation in the cost of child care across geographic regions is modest.
 - The cost of providing center-based child care ranges from a low of 94.4 percent of the state cost estimates in the Logan metropolitan area to 103.3 percent of the state cost estimates in the Salt Lake City metropolitan area.
 - The cost of providing home based care ranges from a low of 93.6 percent of the state cost estimates in the central nonmetropolitan region to 102.8 percent of the state cost estimates in the Salt Lake City metropolitan area.
 - Geographic variation in costs does not change with quality rating. Although not shown, regional costs as a share of state cost estimates follow nearly identical patterns for Certified Building Quality and Certified High Quality and High Quality Plus rated providers.
- Wage and price changes since 2020 have significantly decreased cost differentials between regions in Utah and reduced geographic variation in the cost of care.
 - Rising wages for the lowest earning child care workers have compressed the wage distribution and reduced the variation in hourly earnings across regions.
 - Regional price parities for goods are identical across regions.
 - Rent, mortgage, and property taxes remain substantially different across regions.

Figure 4: Comparison of Market Prices at the 75th Percentile and Cost Estimates: Centers

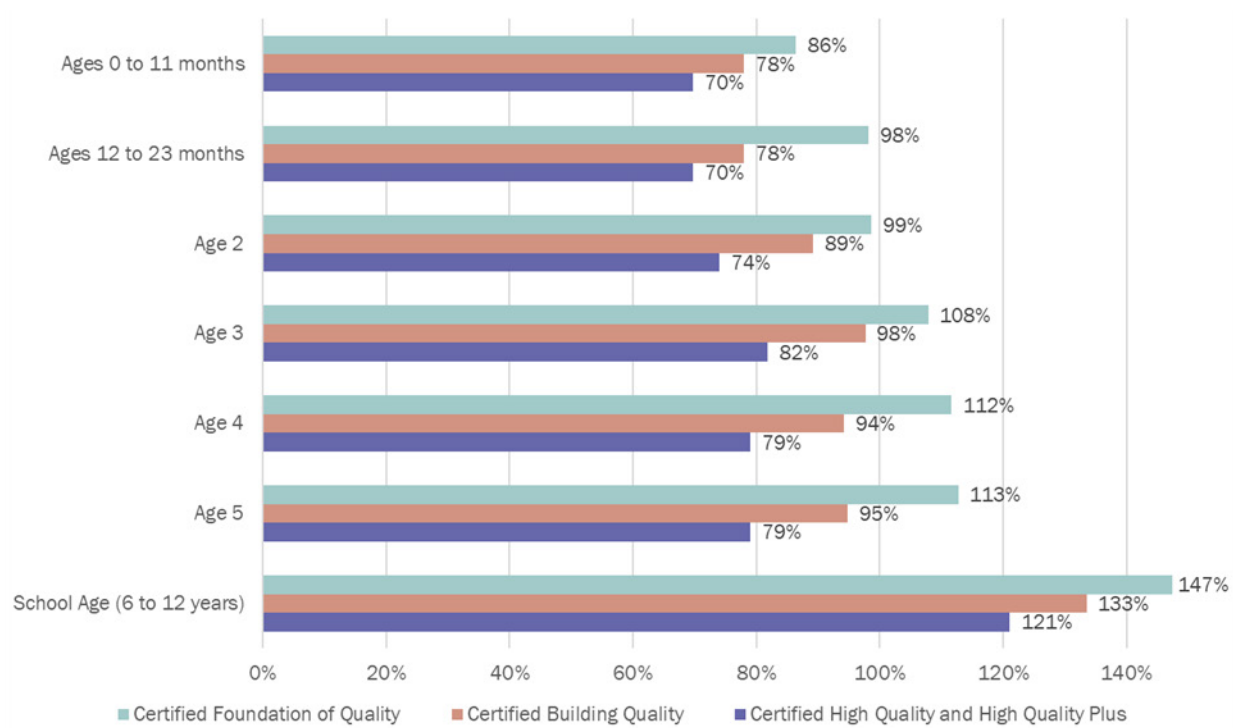


Figure 4 compares the cost of providing child care in Center Licensed facilities in Utah with the 75th percentile of market rates for Center Licensed facilities introduced in Section 3 of this report. The graph describes the share of per-child costs that would be recovered through per-child market revenues alone.

- **Providers are least likely to recover costs through market revenues for children ages 2 and under.** At all levels of quality, the 75th percentile of market rates covers less than 100 percent of costs for young children. Lower cost recovery for these ages means that providers may earn substantial losses in caring for young children, potentially leading to higher prices for older children to displace unrecovered costs, or fewer slots available in the market for infant and toddler care.
- **Significant gaps exist between price and cost for higher quality-rated center-based care for any age group under 6 years old.** Providers with Certified Building Quality, Certified High Quality, and High Quality Plus ratings do not recover costs through market revenues for any children ages 5 and younger. The enhanced subsidy grant for Certified High Quality and High Quality Plus centers may be effective at offsetting costs for the highest quality-rated providers, but does not address losses at the Certified Building Quality rating.
- **Market prices are most likely to cover the costs of providing care for school-aged children.** At all quality ratings the 75th percentile of market rates for older children more than compensates for providers' cost of care.

Figure 5: Comparison of Market Prices at the 75th Percentile and Cost Estimates: Family Licensed

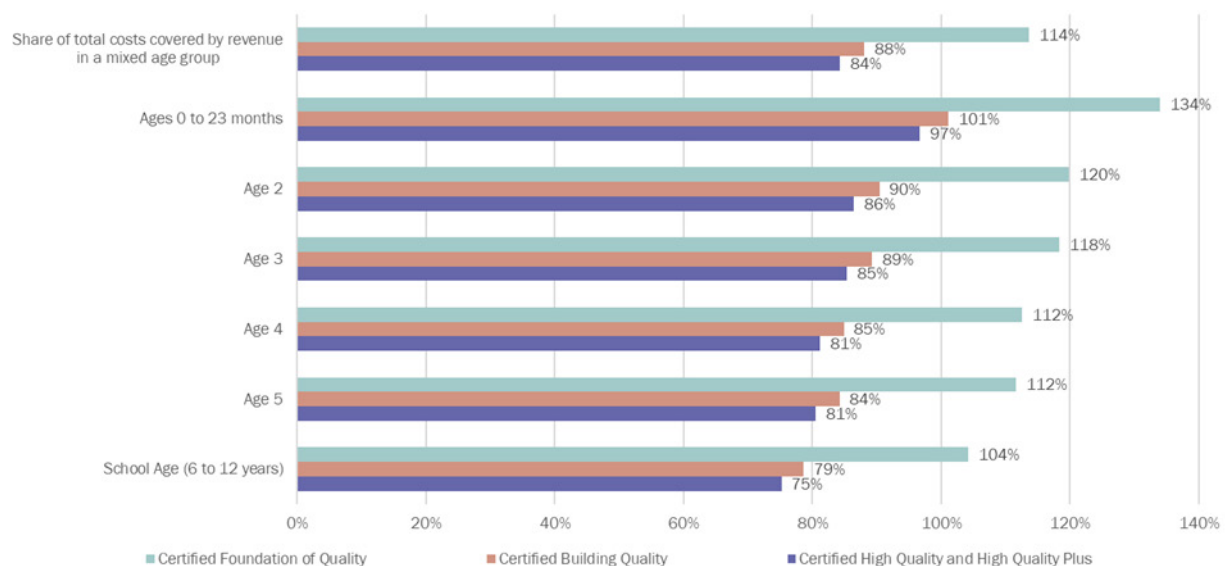


Figure 5 compares the cost of providing child care in Family Licensed facilities with the 75th percentile of market rates. The graph describes the share of per-child costs that would be recovered through per-child market revenues alone. While market prices for family licensed care reflect resource needs that differ across ages, the cost estimations for home-based care only provide average, per-child costs. For the age groups listed in Figure 5, the bars indicate the 75th percentile of prices for the age group as a share of the average per-child cost of care at each quality rating. In addition, Figure 5 includes a scenario comparing the total subsidy revenue and the total monthly cost of care for a hypothetical mixed-age group. In this scenario, the provider cares for two children from each subsidy age category for children ages 5 and under, with school-aged children making up the remaining capacity in care.

- Family Licensed providers with Certified Foundation of Quality ratings fully recover the cost of care for all age groups.
- Significant gaps exist between price and cost for higher quality-rated home-based care. Only the higher prices associated with children under 2 years old fully or nearly compensate family licensed providers in the Certified Building Quality and Certified High Quality and High Quality Plus ratings for the per-child cost of care. As a result, mixed age groups are not enough for providers to recover costs through market revenues alone.

Child care providers across Utah face high costs for investments in healthy, safe, and high-quality care, and may not be able to set market prices that adequately reflect these costs. Gaps between the 75th percentile of market rates and provider costs indicate potential disincentives for providers to care for the youngest children or pursue higher quality ratings through lower caregiver-to-child ratios and group sizes, or through raising wages to attract the highest quality staff. In this context, the role of subsidies, grants, and donations is critical to sustaining markets.

SECTION 8: AFFORDABILITY - THE SHARE OF HOUSEHOLD INCOME SPENT ON CHILD CARE

Spending on child care is often a crucial investment for families at the same time that it poses a significant strain on household budgets. Evaluating the price of care as a share of household income provides some context for understanding the affordability of child care in Utah as well as regional differences in prices observed across the state. Figures 6 and 7 in this section compare the median market rate for care of infants and toddlers with median household income by county. This comparison shows that affordability varies by region and provider type, and that child care is a considerable expense for all Utah families who engage in the market for paid care.

Figures 6 and 7 below show the median price for one child in paid care as a share of the median household income for each county in Utah. These figures rely on county-level median household income estimates from the US Census Small Area Income and Poverty Estimates (US Census, 2023), inflated to 2023 dollars using the Consumer Price Index for All Urban Consumers. Each estimate compares the median household income for the county to the median per-child market rate for the metropolitan or nonmetropolitan area to which the county belongs. Metropolitan and nonmetropolitan area market rates are used due to low provider populations in several rural counties. The metropolitan and nonmetropolitan market rates are available in Section 3 of this report.

The median price of child care for a child between 0 and 23 months old represents between 10 and 27 percent of local median income for care at Licensed Centers, and between 8 and 24 percent of income for care at Licensed Family providers.

The median price of child care for a 3-year-old accounts for 7 to 19 percent of local median income for care at Licensed Centers, and for 6 to 16 percent of income at Licensed Family providers.

As shown in Figures 6 and 7, comparing prices and income reveals important components of variation in affordability. Metropolitan areas including Provo-Orem and Salt Lake City are among the highest-priced areas for center care for children in the age groups shown. Yet the relatively high incomes of counties in these regions (Juab and Utah Counties in the Provo-Orem metro area and Salt Lake and Tooele Counties in the Salt Lake area) result in a smaller share of income devoted to child care for the median-earning household. In contrast, the Eastern Nonmetropolitan Area exhibits high prices for center care but much more dispersion between the median of county-level incomes. Within the Eastern Nonmetropolitan Area, relatively affluent counties such as Summit and Wasatch Counties are among

the lowest estimated shares of income spent for median-earning families, while lower-earning counties such as Carbon and San Juan counties are among the highest. Although not shown, these results are consistent when looking at county level median prices (rather than nonmetropolitan area prices). The numbers suggest that child care providers are not able to respond to the lower ability to pay of households in some areas with lower prices. With high costs of child care across all markets in the state, income plays a significant role in understanding access and affordability.

Figure 6: Median Price of Care for an Infant Age 0 to 23 Months as a Share of Median County Income

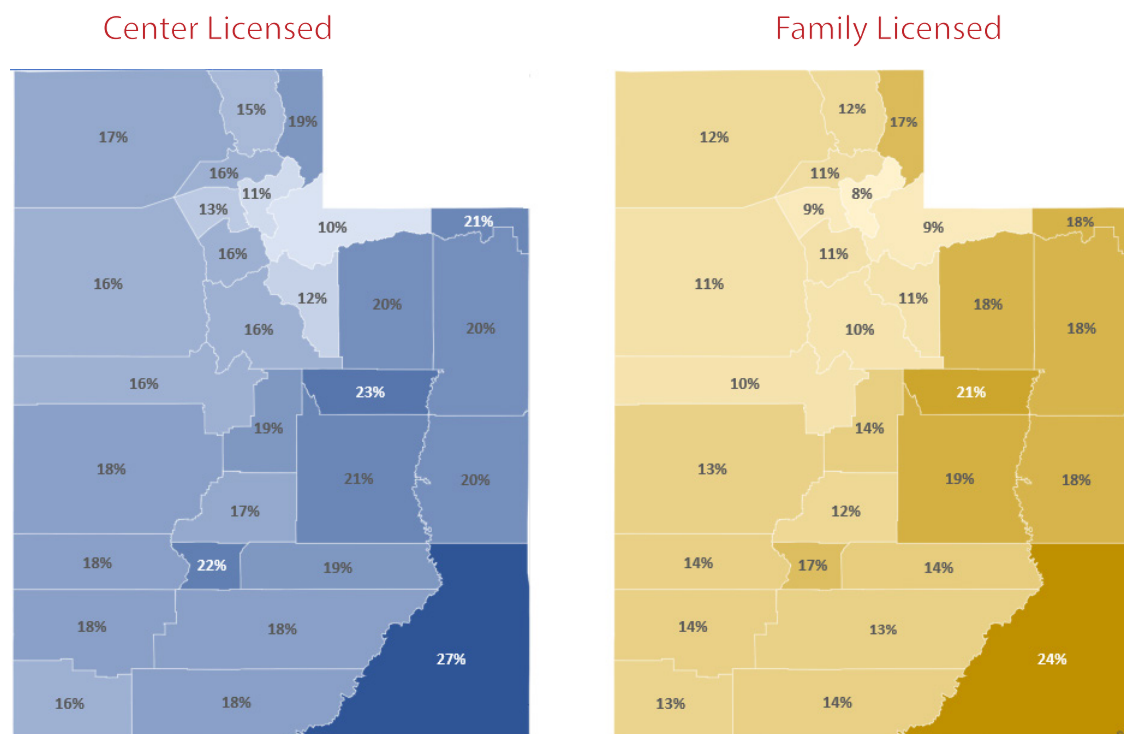
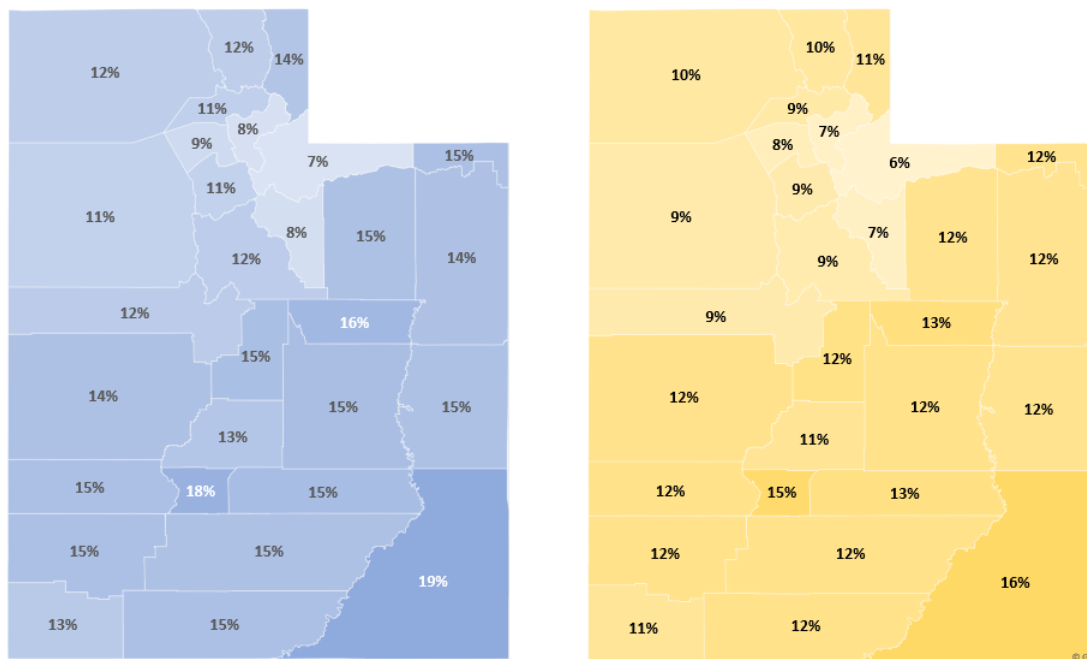


Figure 7: Median Price of Care for a 3-year-old as a Share of Median County Income



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