



## The High Price of Child Care 2013

*A Study of the Cost of Child Care in Somerset County, New Jersey*



*This study was conducted by the  
New Jersey Association of Child Care Resource and Referral Agencies  
in partnership with Community Child Care Solutions, Inc.*



**November 2013**

## **The New Jersey Association of Child Care Resource and Referral Agencies**

The New Jersey Association of Child Care Resource and Referral Agencies (NJACCRRRA), New Jersey's network of child care resource and referral agencies (CCR&Rs), was incorporated in 1998. NJACCRRRA's mission is to promote a universally accessible, affordable, and high-quality system of early care and education that is responsive to parental choice. As the leading voice in child care issues and trends in New Jersey, NJACCRRRA seeks to positively impact early care and education policy, funding, and service integration through a variety of activities including professional development, advocacy, data collection, and information dissemination.

## **Community Child Care Solutions, Inc.**

Community Child Care Solutions, Diocese of Metuchen, is a non-profit corporation, created to support parents, early childhood professionals and the community in the pursuit of quality child care services. Our staff has expertise in child development, parent education, child abuse prevention and advocacy for child care and early childhood education. Training, technical assistance and mentoring are available for parents and child care providers. We assist eligible families in obtaining financial subsidies for child care and accessing other community resources. The organization serves Middlesex and Somerset Counties.

In 2012, the organization provided training and technical assistance to over 7,000 individuals, assisted over 3,000 Somerset County parents seeking child care and helped families access child care subsidies for over 1,100 children.

We recognize the importance of collaborating with community stakeholders and partners in order to improve the quality of life for families in Somerset County. We are participating members of NJACCRRRA and are pleased to share this snapshot of the Cost of Child Care in Somerset County communities.

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## **The High Price of Child Care:**

### ***A Study Profiling the Cost of Care Within Licensed Centers in Somerset County, New Jersey***

In May 2013, the New Jersey Association of Child Care Resource and Referral Agencies (NJACCRRRA), New Jersey's network of child care resource and referral agencies (CCR&Rs), conducted an analysis of the cost of child care provided through licensed center-based programs and registered family child care homes throughout the state. The resulting report documented the average cost of child care for each municipality so that an account of New Jersey's overall child care fee structure, broken down by county, could be established. In addition, the child care market rate for each county was also calculated.

The following county profile contains charts and graphs that offer a snapshot of the cost of child care in Somerset County by municipality. The data used in the analysis was obtained through the CCR&R database known as NACCRRRAware which captures and stores data on child care indicators. All providers in the county are entered into the local CCR&R database; data is updated annually or whenever a provider notifies the CCR&Rs of changes in rates or other information. Data was extracted by the CCR&R to average the child care rate in each municipality. All rates provided in this report reflect May 2013 data, which are generally considered the rates for the 2012-2013 academic year.

A total of 83 child care centers and 23 family child care providers from 18 municipalities in Somerset County participated in this study. Please note that the variance in the number of centers located within each municipality could affect the comparability of the average rate from one municipality to another. For example, one town in a highly populated community may have up to 15 centers providing child care at varying high and low rates. The average of this town's child care rates is not necessarily comparable to another community where there is only one center providing care. Just as the affordability of care varies throughout the state, the availability of care tends to fluctuate as well.

The municipal rates indicated in the report are the average weekly rates for child care within each community. The charts are broken down by each municipality where child care rates were reported and are separated by each age group of children. The county report also contains information on county-level community indicators obtained from the US Census. This data was used to offer a general comparison of how a family's median household income would be expended on child care costs as compared to other household costs (including housing). The 2012 *American Community Survey*, prepared by the U.S. Bureau of the Census, was the source for all income and housing costs used in these charts.

In 2013, there were a total of 198 licensed child care centers in Somerset County providing 20,132 child care slots and 31 registered family child care homes providing 155 slots. During 2012, Community Child Care Solutions, Inc., the local child care resource and referral agency for Somerset County, received 2,908 requests for child care including 1,334 requests for infant/toddler care, 635 requests for preschool-age care, and 618 requests for school-age care. A total of 1,342 requests received were for special needs care. Of the requests received, 2,484 were for full-time care and 238 for part-time care. A total of 6 requests were for non-traditional hour care.

In Somerset County, the average weekly price of center-based care for an infant was \$281; \$243 for a four-year old. For New Jersey, the average weekly price of center-based care for an infant was \$222; \$184 for a four-year-old. The average weekly price of family child care for an infant was \$223; \$217 for a four-year old. For New Jersey, the average weekly price of family child care for an infant was \$167; \$150 for a four-year-old.

The market rate for center-based care in Somerset County was \$325 for infant care; \$288 for a four-year-old. The market rate for family child care was \$250 for infant care; \$250 for a four-year-old. The market rate is the 75<sup>th</sup> percentile of full time rates charged by licensed child care providers in the market area. One quarter of the providers in the market area charge more than the "market rate" and three quarters charge less. The "market rate" represents the amount a family will need to be financially able to enroll their child in three out of four providers in the market area.

**For a copy of the complete New Jersey report, please visit [www.njaccrra.org](http://www.njaccrra.org).**

# Somerset County, NJ

## 2013 Average Annual Costs for Center-based Child Care

	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care* (After Care Only)
Somerset County	\$14,612	\$13,780	\$12,636	\$3,182
State of New Jersey	\$11,534	\$10,722	\$9,546	\$3,475

\*Annual cost for school-age child care is based on 43 weeks per year.

## 2013 Weekly Rates for Center Based Care

Somerset County	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
Highest Reported Rate	\$382.00	\$360.00	\$350.00	\$92.00
Lowest Reported Rate	\$165.00	\$165.00	\$100.00	\$53.00
Average Weekly Rate	\$281.00	\$265.00	\$243.00	\$74.00
Average Weekly Rate NJ	\$222.00	\$206.00	\$184.00	\$81.00
Median Weekly Rate	\$280.00	\$260.00	\$239.00	\$70.00
Median Weekly Rate in NJ	\$218.00	\$201.00	\$179.00	\$78.00
# Municipalities Reporting	16	17	17	10
# of Providers Reporting	60	66	70	27

The *mean* is the average of provider rates; when there are some extreme values, either very low or very high, the average will not be as typical of the overall distribution as the median. The *median* rate is the exact midpoint dividing the distribution in half or in other words it represents the 50th percentile. Half of the reported rates fall below the median and half are above the median rate.

## Cost of Child Care in a Licensed Center in Somerset County as a Percentage of Income

	Female-headed Household Income			Median 2 Parent Family Household Income		
	Annual Median Income	Care as a Percentage of Income	Affordability Ranking (Least to Most)*	Annual Median Income	Care as a Percentage of Income	Affordability Ranking (Least to Most)*
Center Based Care for an Infant	\$40,692	35.90%	13	\$112,199	13.02%	13
Center Based Care for a Preschooler	\$40,692	31.05%	12	\$112,199	11.26%	10

\*The Affordability Ranking ranks each county in New Jersey from the least to most affordable for child care based on percentage of median income.

# Somerset County, NJ

## 2013 Average Weekly Rates for Center Based Care by Municipality

Municipality	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
Basking Ridge	324	301	301	67
Bedminster	340	320	269	67
Bernardsville	267	252	254	68
Bound Brook	205	192	182	53
Branchburg	332	309	287	
Bridgewater	304	284	263	79
Franklin Park	287	239	225	
Green Brook	213	213	199	55
Hillsborough	286	268	250	79
Manville	249	208	208	
Montgomery	260	260	252	
North Branch	350	350	226	
North Plainfield	181	178	151	77
Pottersville		225	225	
Somerset	252	238	218	77
Somerville	277	257	224	
Warren	346	335	308	89

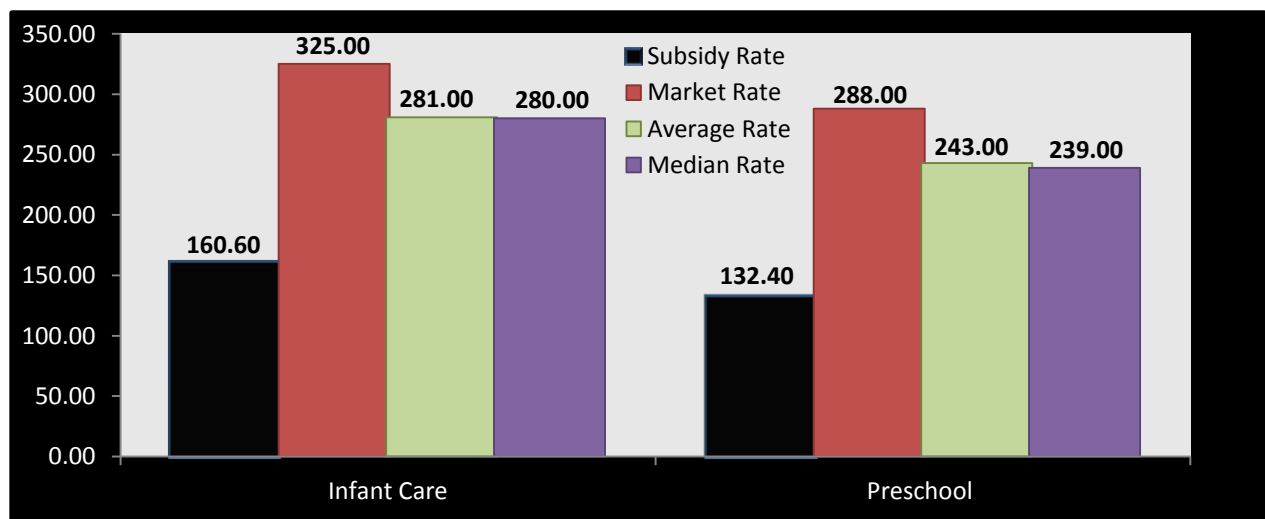
Notes: (1) Municipal rates reflect average weekly rates within each community. The number of center reporting these rates may vary depending on the number of providers located within each municipality. (2) All data used for this report was obtained from NACCRRAware in May 2013 and represents those child care centers that reported data on rates to their local CCR&R. Centers that did not report data to their CCR&R could not be represented. (3) Rates were averaged for those centers that had two rates for preschool care.

## 2013 County Market Rates for Center Based Care

Somerset County	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
<b>County Market Rate</b>	<b>\$325.00</b>	<b>\$307.00</b>	<b>\$288.00</b>	<b>\$85.00</b>

The market rate is the 75th percentile of full-time rates charged by licensed child care providers in the market area. The “market rate” represents the amount a family will need to be financially able to enroll their child in three out of four providers in the market area. One quarter of the providers in the market area charge more than the “market rate” and three quarters charge less. Federal Child Care and Development Fund rules require that child care subsidy rates must be sufficient “to ensure equal access” and allow parents freedom of choice in selecting a provider.

## Shortfall Between Rates and Child Care Subsidy for Child Care Centers



## Somerset County, NJ

### 2013 Annual Costs for Family Child Care

	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care* (After Care Only)
Somerset County	\$11,596	\$11,440	\$11,284	N/A
State of New Jersey	\$8,699	\$8,434	\$7,790	\$3,268

\*Annual cost for school-age child care is based on 43 weeks per year.

### 2013 Average Weekly Rates for Family Child Care

Somerset County	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
Highest Reported Rate	\$300.00	\$300.00	\$300.00	N/A
Lowest Reported Rate	\$160.00	\$160.00	\$150.00	N/A
Average Weekly Rate	\$223.00	\$220.00	\$217.00	N/A
Average Weekly Rate NJ	\$167.00	\$162.00	\$150.00	\$76.00
Median Weekly Rate	\$225.00	\$222.00	\$210.00	N/A
Median Weekly Rate in NJ	\$163.00	\$159.00	\$143.00	\$74.00
# Municipalities Reporting	7	7	7	N/A
# of Providers Reporting	23	23	23	N/A

The *mean* is the average of provider rates; when there are some extreme values, either very low or very high, the average will not be as typical of the overall distribution as the median. The *median* rate is the exact midpoint dividing the distribution in half or in other words it represents the 50th percentile. Half of the reported rates fall below the median and half are above the median rate.

### Cost of Child Care in a Family Child Care Home in Somerset County as a Percentage of Income

	Female-headed Household Income			Median 2 Parent Family Household Income		
	Annual Median Income	Care as a Percentage of Income	Affordability Ranking (Least to Most)	Annual Median Income	Care as a Percentage of Income	Affordability Ranking (Least to Most)
Family Child Care for an Infant	\$40,692	28.49%	13	\$112,199	10.33%	11
Family Child Care for a Preschooler	\$40,692	27.73%	8	\$112,199	10.05%	8

\*The Affordability Ranking ranks each county in New Jersey from the least to most affordable for child care based on percentage of median income.



# Somerset County, NJ

## 2013 Average Weekly Rates for Family Child Care by Municipality

Municipality	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
Bedminster	300	300	300	
Bridgewater	239	239	239	
Franklin Park	250	250	250	
Hillsborough	250	250	250	
North Plainfield	194	194	193	
Raritan	250	250	250	
Somerset	205	205	198	

Notes: (1) Municipal rates reflect average weekly rates within each community. The number of homes reporting these rates may vary depending on the number of providers located within each municipality. (2) All data used for this report was obtained from NACCRRAware in May 2013 and represents those family child care home that reported data on rates to their local CCR&R. Homes that did not report data to their CCR&R could not be represented.

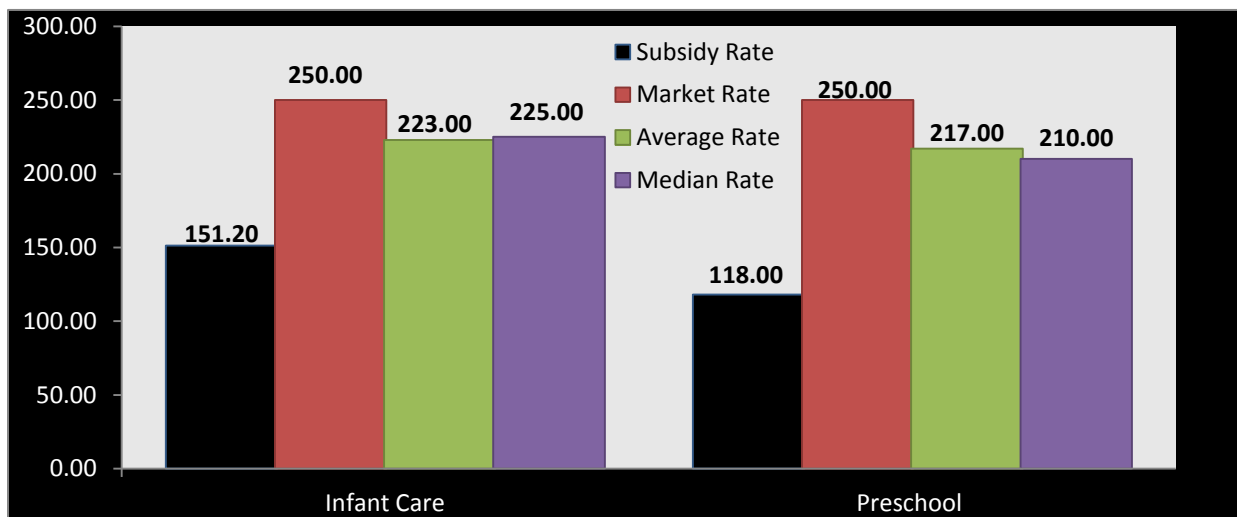
## 2013 County Market Rates for Family Child Care

Somerset County	Infants 0 - 18 months	Toddlers 19 - 30 months	Pre-School Ages 2.5-5 Years	School-Age Care (After Care Only)
County Market Rate	\$250.00	\$250.00	\$250.00	N/A*

\*Not enough homes reporting to establish a market rate.

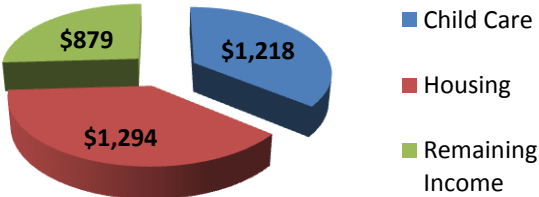
The market rate is the 75th percentile of full-time rates charged by licensed child care providers in the market area. The “market rate” represents the amount a family will need to be financially able to enroll their child in three out of four providers in the market area. One quarter of the providers in the market area charge more than the “market rate” and three quarters charge less. Federal Child Care and Development Fund rules require that child care subsidy rates must be sufficient “to ensure equal access” and allow parents freedom of choice in selecting a provider.

## Shortfall Between Rates and Child Care Subsidy for Family Child Care Homes

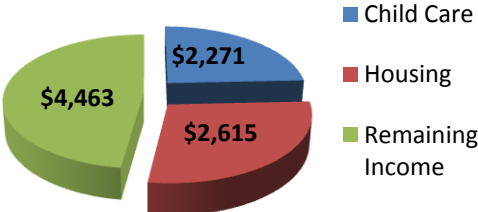


# Somerset County, NJ

Center Based Care For An Infant  
Female Head of Household - Renting  
Monthly Median Income \$3,391



Center Based Care Care For 2 Children  
Two Parent Family - Homeowner  
Monthly Median Income \$9,349



- The average earning female head of household in Somerset County (\$3,391/month) could not afford the cost of a mortgage and child care in a child care center or family child care home for either an infant or a pre-schooler.
- The average earning female head of household in Somerset County (\$3,391/month) could not afford the cost of rent and child care for two children, an infant and a pre-schooler in a child care center.