

# South Dakota Child Care Workforce and Market Rate Report Executive Summary

March 2011

**Prepared by the  
Department of Social Services  
Division of Child Care Services  
in cooperation with  
Department of Labor  
Labor Market Information Center**

## PREFACE

The Child Care and Development Fund (CCDF) administered through the Department of Social Services, Division of Child Care Services, supports low-income working families through child care financial assistance and promotes children's learning by improving the quality of early care and education and afterschool programs.

In order to receive funding, all states must submit a comprehensive State Plan every two years. In addition, to ensure that child care payments reflect the price of care in local markets, CCDF regulations require a biennial market rate survey conducted no earlier than two years prior to the effective date of the currently approved State plan [45 CFR 98.43(b)(2) and 98.16(l)]. The Division of Child Care Services, in cooperation with the Department of Labor, Labor Market Information Center conducts the market rate survey prior to the submission of the State Plan. Data from the market rate survey is critical in determining what level of payment might provide equal access to services. Other factors can be considered when establishing rates such as type of provider, geographic location, age of children and available funding.

Because there have been no significant increases in funding available, child care provider reimbursement rates will not be increased this biennium. They will remain at the 2009 level.

## Labor Market Information Center

The Labor Market Information Center (LMIC) is part of the South Dakota Department of Labor. Their purpose is to collect, analyze and provide to the public information on the labor market of the state, such as employment levels, unemployment rates, wage and earnings data, estimates of available labor, employment projections, business staffing patterns, career planning information, etc. The Labor Market Information Center is South Dakota's representative for federal-state cooperative programs with the U.S. Bureau of Labor Statistics, and therefore has access to labor market information for the nation and other states as well.

Among those who use their information are employers, career decision-makers and education, economic development, job placement and training program planners. The Labor Market Information Center is staffed by a team of labor economists who are both primary and secondary researchers, information specialists, statisticians, statistical assistants and dedicated clerical support workers. The LMIC staff possesses expertise in such subjects as employment trends, labor economics, prevailing wages and labor supply and demand.

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# Family Child Care Provider Characteristics

**Family Child Care:** the provision of regular care and supervision of no more than 12 children including the provider's own children who are under the age of six years for part of a 24-hour period as a supplement to regular parental care. Registration is voluntary.

## Overall response summary

- 980 registered and in-process Family Child Care providers were invited to complete the Market Rate Survey.
- 724 providers completed the Market Rate Survey resulting in a **73.9% response rate**.

## Business Operation

- Average number of days of operation per week: 5.2
- Average number of hours of operation per day: 11.7
- Average number of hours per week for full-time children: 45.5
- Average number of hours per week for part-time children: 23.0

## Rates and Fees

- 55% (398) of Family Child Care providers charge a full-time weekly rate, while 41% (297) of providers charge a full-time hourly rate. 75% (543) of all providers charge a part-time rate.
- The top three factors that most influence the rates set by family child cares:
  - Operating costs: as reported by 62% (451) of providers
  - Rates in the community: as reported by 38% (274) of providers
  - Staff salaries/costs: as reported by 15% (106) of providers
- The majority of providers do not charge additional fees aside from their regular child care rates. The fee required by the most providers was a registration fee as reported by 11% (78) of providers.

## Enrollment/Opening

- Responding providers reported a total of 7,405 children enrolled in care.
- 39% (281) of responding providers are caring for their own children (under age 6) as part of their day care business.
- Though 80% (581) of providers offer infant care, 45% of providers report that they rarely have an opening for an infant lasting longer than one month.
- 56% of providers report that they rarely have an opening for a toddler lasting longer than one month.

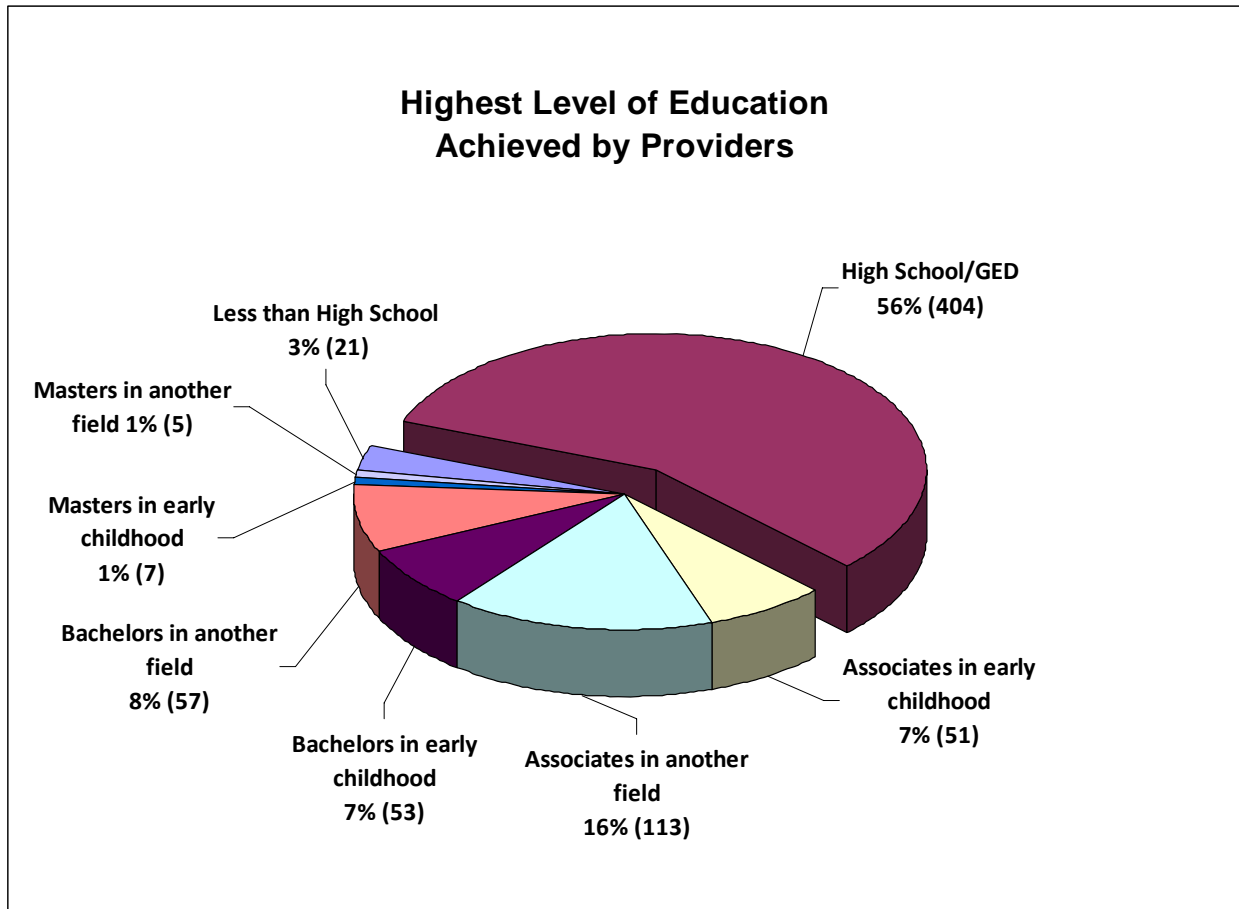
## Services Offered

Child care for non-traditional hours or special circumstances continues to be offered on a limited basis in a family day care setting.

- Care for mildly ill children: 18% (127)
- Overnight care: 10% (76)
- Care during the weekend: 13% (97)
- Care on a holiday: 17% (122)
- Care during the evening hours: 16% (115)

### Education Level

- The highest level of education reached by the majority of family child care providers responding, or 56% (404), is a High School diploma or GED.
- 15% (111) of responding providers have attained a higher education degree relating to early childhood.



### Specialized Training

- 76% (550) of providers indicate they have used or participated in the Early Childhood Enrichment (ECE) system.

### Insurance

- 25% (183) of providers do not have health insurance.
- Of the 75% (541) of providers with insurance, 70% receive insurance coverage through their spouse's employer.

### Employees

- 13% (94) of family child care providers employ a total of 105 employees or helpers. Most of these employees, or 66% (69), are employed on a part-time basis.

# Group Family Child Care Program Characteristics

**Group Family Child Care:** the provision of regular care and supervision of 13 to 20 children either in the provider's home or in a facility outside the provider's home for part of a 24-hour period as a supplement to regular parental care.

## Overall response summary

- 76 licensed Group Family Child Care Director/Owners were invited to complete the Market Rate Survey and Supplement.
- 57 Director/Owners completed the Market Rate Survey resulting in a **75% response rate**.

## Business Operations

- Average number of days of operation per week: 5.1
- Average number of hours of operation per day: 11.4
- Average number of hours per week for full-time children: 43.9
- Average number of hours per week for part-time children: 22.7
- 40% (23) of responding group family child care programs operate NOT for profit.
- The biggest challenges in day-to-day program operations were reported to be:
  - Staff training - as reported by 40% (23) of programs
  - Working with Parents - as reported by 35% (20) of programs
  - Staff turnover - as reported by 28% (16) of programs

## Rates and Fees

- 51% (29) of programs charge a full-time weekly rate. 56% (32) of programs charge a part-time rate.
- The top three factors that most influence the rates set by group family child cares:
  - Operating costs - as reported by 67% (38)
  - Staff salaries/costs: as reported by 46% (26)
  - Rates in the community - as reported by 35% (20)
- Additional fees, aside from regular child care rates, tend to be minimally charged. 30% (17) of programs charge a registration fee and 14% (8) charge fees for field trips.

## Enrollment/Openings

- Responding programs reported a total of 1,324 children enrolled in care. 19% (252) of these children receive a child care subsidy through the Division of Child Care Services.
- Just over 50% of programs report that they rarely have an opening for an infant, toddler or preschool age child lasting longer than one month.

## Services Offered

Child care for non-traditional hours or special circumstances continues to be offered on a limited basis in a group family setting.

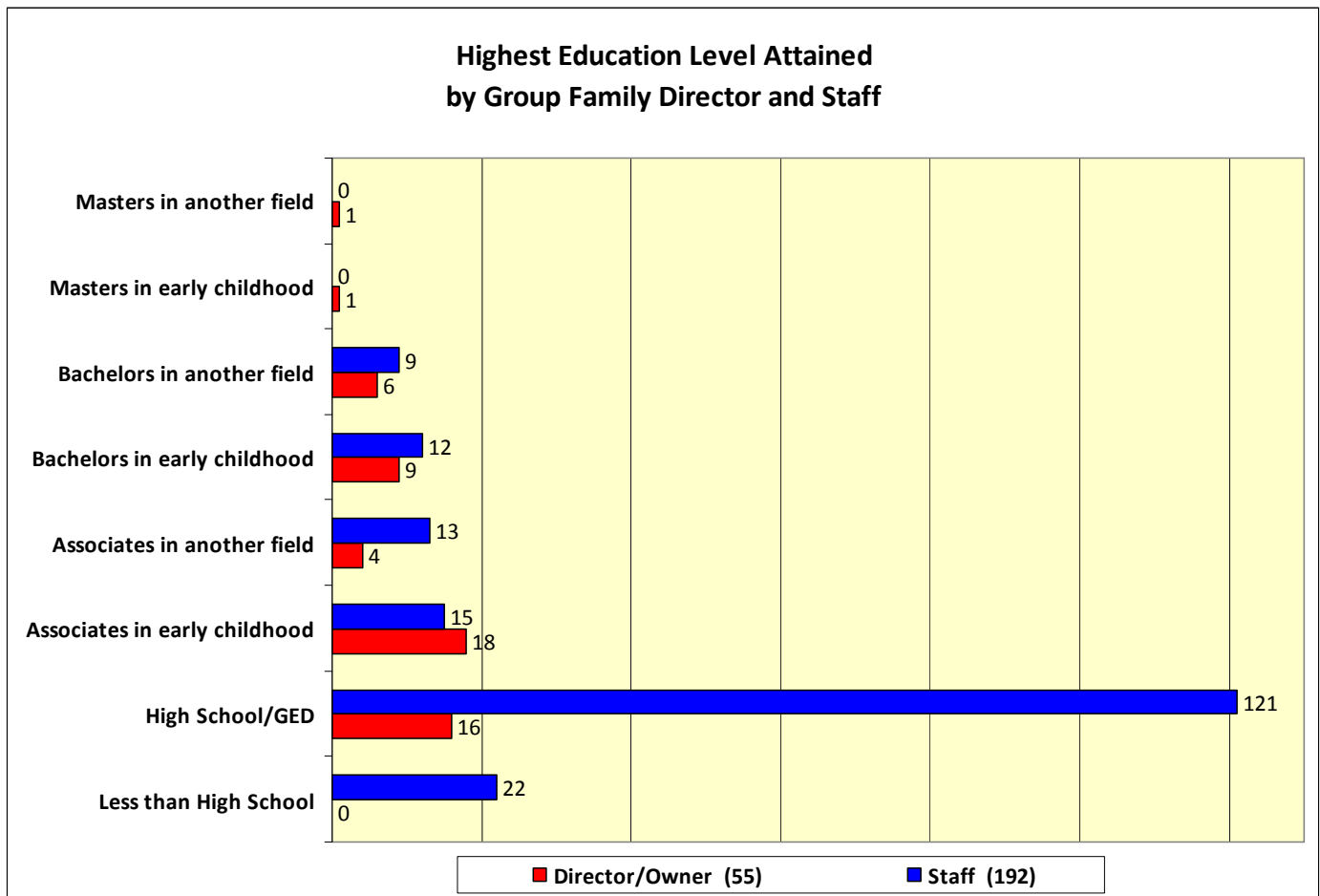
- Care during evening hours: 18% (10)
- Care on a holiday: 16% (9)
- Care for mildly ill children: 9% (5)
- Care on Saturday or Sunday: 5% (3)
- Overnight care 2% (1)

### Employees

- Responding child cares reported a total of 282 employees for an average of 5 employees per day care. Of the total employees, 135 are employed part-time and 147 are employed full-time.
- 86% (49) of responding programs do not offer health insurance to their employees.

### Education Level

- The highest level of education attained by the majority, 32% (18), of reported child care director/owners is an Associates degree in early childhood.
- The highest level of education attained by the majority of reported child care staff, or 63% (121), is a High School diploma or GED.



### Specialized Training

- 86% (49) of child care programs indicate they have used or participated in the Early Childhood Enrichment (ECE) system.
- 58% (33) of reported director/owners and 10% (27) of reported employees have earned their Child Development Associate Credential (CDA).

# Group Family Child Care Supplemental Questionnaire Summary

## Overall supplemental response summary

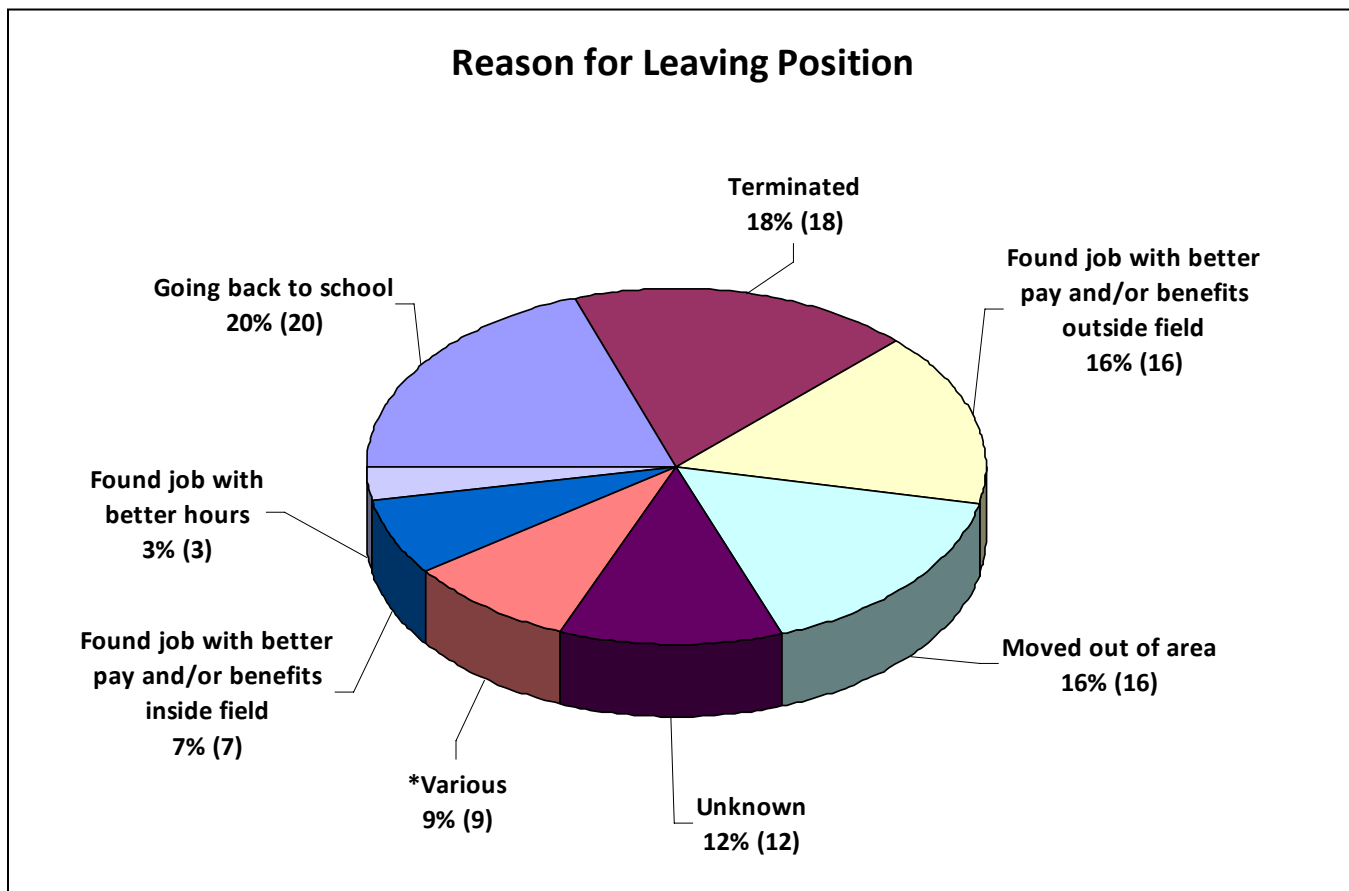
- 76 licensed Group Family Child Care Center Director/Owners were invited to complete the Market Rate Survey and Supplement.
- 53 Director/Owners completed the Supplement resulting in a **70% response rate**.

## Staff Overview

- Responding centers reported a total of 128 part-time and 140 full-time staff currently employed.

## Staff Turnover

- Responding centers reported 56 part-time and 44 full-time staff left their positions in the 12 months prior to completing the survey.
- The staff turnover rate during the 12-month period prior to survey completion:
  - 38% for part-time group family child care employees
  - 29% for full-time group family child care employees



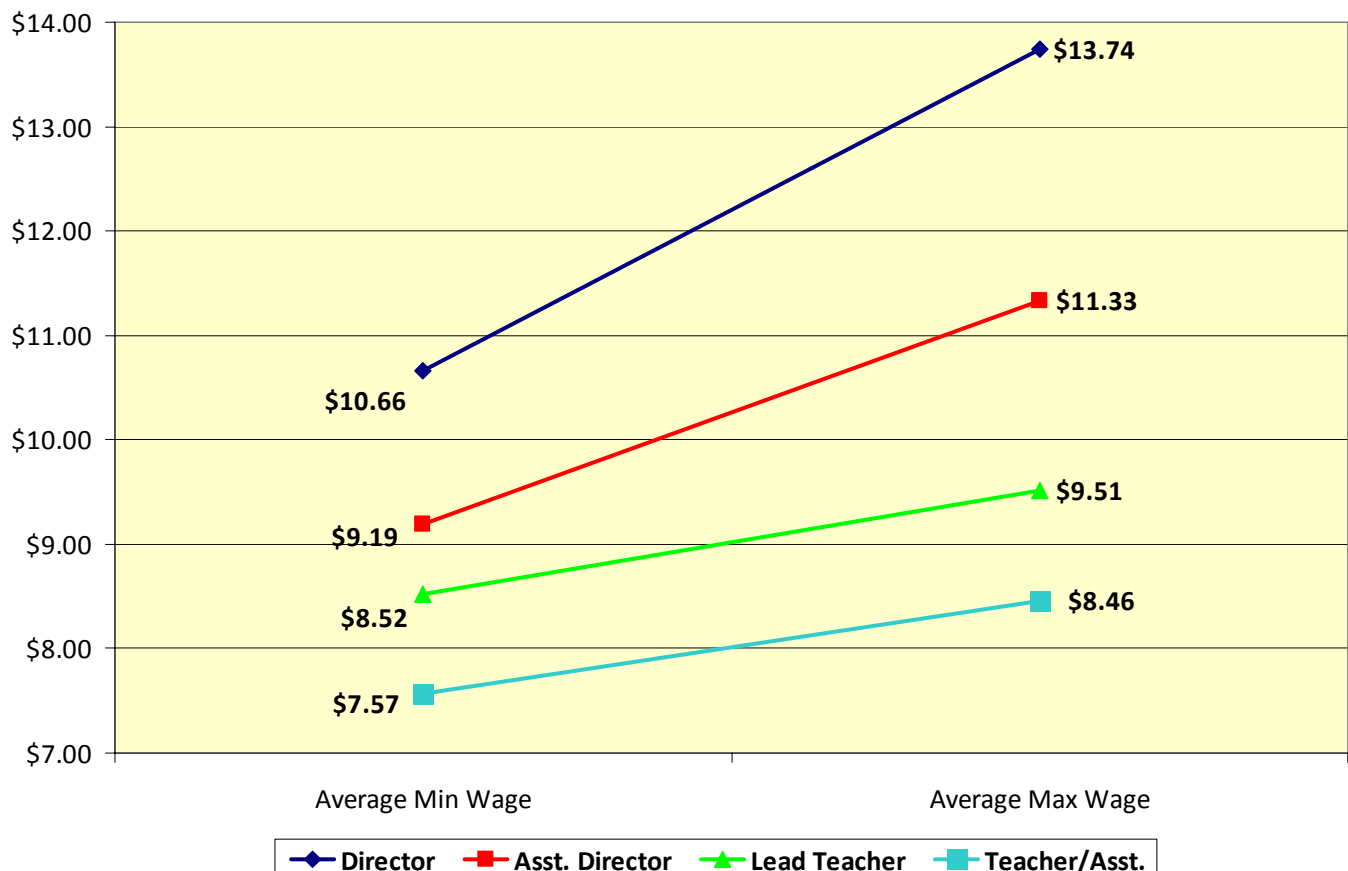
\*Various: Chose to stay home with child(ren), unable to find own child care, laid off

## Employee Salaries

Group Family Child Care programs were asked to provide a salary range for position titles consistent throughout the industry. Please note that not all child care programs reported a range for each type of position.

- **Director:** responsible for overall operation of program (51% reported).
- **Assistant Director:** responsible in Director absence (36% reported).
- **Lead Teacher:** responsible for one or more classrooms, may supervise teachers (38% reported).
- **Teacher/Teacher Assistant/Floater:** responsible for direct care and education of children (77% reported).

### Salary Range for Day Care Positions



## Employee Benefits

- 51% (27) of responding child care programs offer paid leave for their employees.
- 53% (28) of responding child care programs offer a child care discount for staff members with a child enrolled in the program.

# Child Care Center

## Program Characteristics

**Child Care Center:** a facility for the care and supervision of 21 or more children on a regular basis for part of a day as a supplement to regular parental care.

### Overall response summary

- 195 licensed and in-process Child Care Center Director/Owners were invited to complete the Market Rate Survey and Supplement.
- 160 Director/Owners completed the Market Rate Survey resulting in an **82% response rate**.

### Business Operations

- Average number of days of operation per week: 5.0
- Average number of hours of operation per day: 11.2
- Average number of hours per week for full-time children: 44.1
- Average number of hours per week for part-time children: 22.6
- 63% (101) of responding centers operate NOT for profit.
- The biggest challenges in day-to-day center operations were reported to be:
  - Daily staff supervision: as reported by 36% (57)
  - Staff turnover: as reported by 35% (56)
  - Recruiting director: as reported by 32% (51)
  - Staff training: as reported by 32% (51)
  - Staff morale: as reported by 30% (48)

### Rates and Fees

- 63% (101) of programs charge a full-time weekly rate. 66% (105) of programs charge a part-time rate.
- The top three factors that most influence the rates set by child care centers:
  - Operating costs: as reported by 70% (112)
  - Rates in the community: as reported by 48% (77)
  - Staff salaries/costs: as reported by 47% (75)
- 70% (112) of centers charge a registration fee and 29% (47) charge a fee for field trips. The additional fees are charged beyond the regular child care rates.

### Enrollment/Opening

- Responding centers reported a total of 11,581 children enrolled in care. 20% (2,316) of these children receive a child care subsidy through the Division of Child Care Services.
- 42% of centers report that they rarely have an opening for an infant/toddler lasting longer than one month.

### Services Offered

Child care for non-traditional hours or special circumstances continues to be offered on a limited basis in a child care center setting.

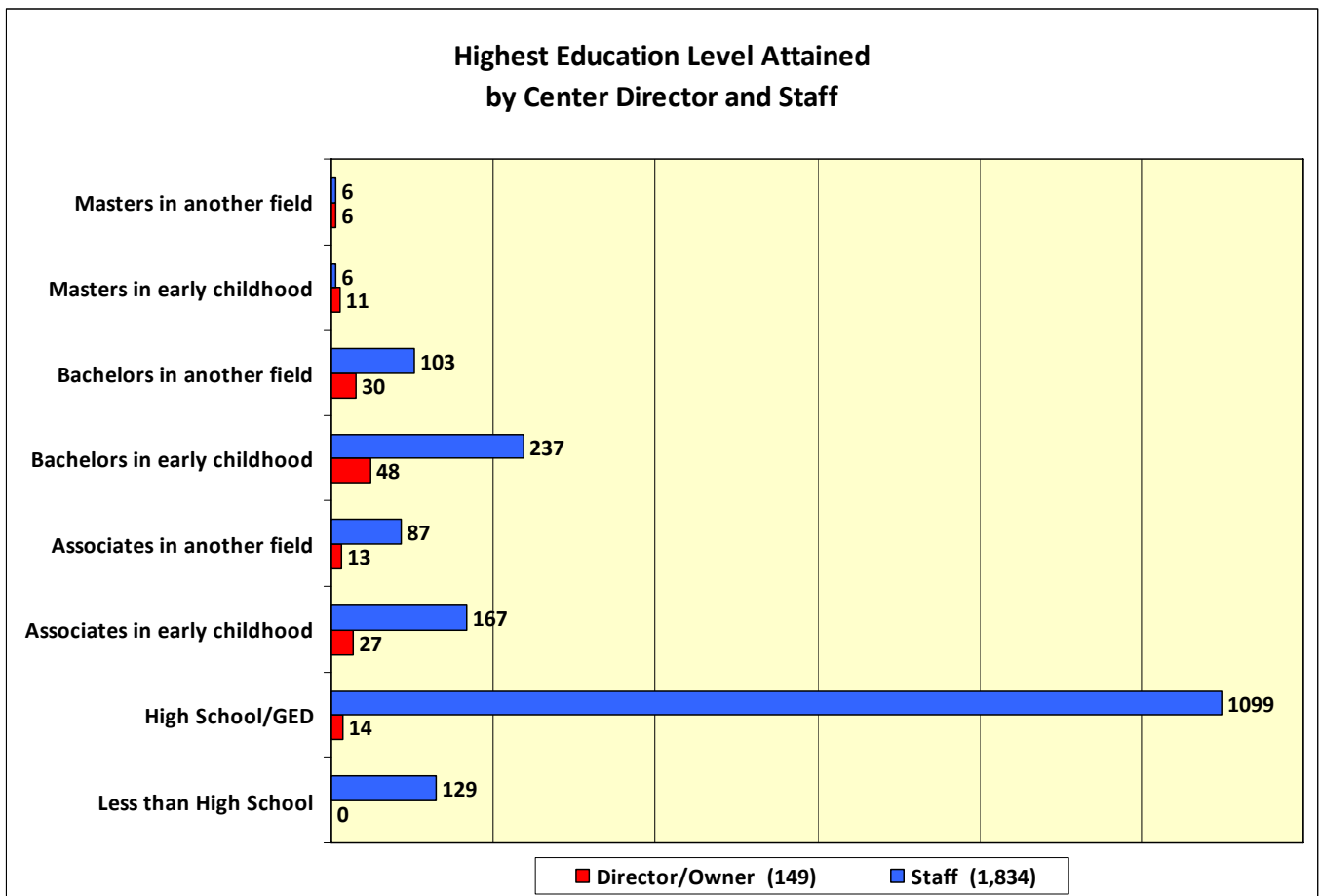
- Care on a holiday: 12% (19)
- Care during evening hours: 6% (10)
- Care on Saturday or Sunday: 2% (3)
- Care for mildly ill children: 1% (2)
- No responding centers offer overnight care

## Employees

- Responding centers reported a total of 2,486 employees for an average of 15 employees per center. Of the total employees, 1,439 are employed full-time and 1,047 are employed part-time.
- 51% (81) of centers do not offer health insurance to their employees.

## Education Level

- The highest level of education attained by the majority, 30% (48) of reported center director/owners is a Bachelors degree in early childhood. 64% (95) of reported center director/owners have a Bachelors degree or higher.
- The highest level of education attained by the majority of reported child care staff, or 60% (1,099), is a High School diploma or GED.



## Specialized Training

- 87% (139) of centers indicate they have used or participated in the Early Childhood Enrichment (ECE) System.
- 53% (84) of reported director/owners and 7% (172) of reported employees have earned their Child Development Associate Credential (CDA).

# Child Care Center Supplemental Questionnaire Summary

## Overall supplemental response summary

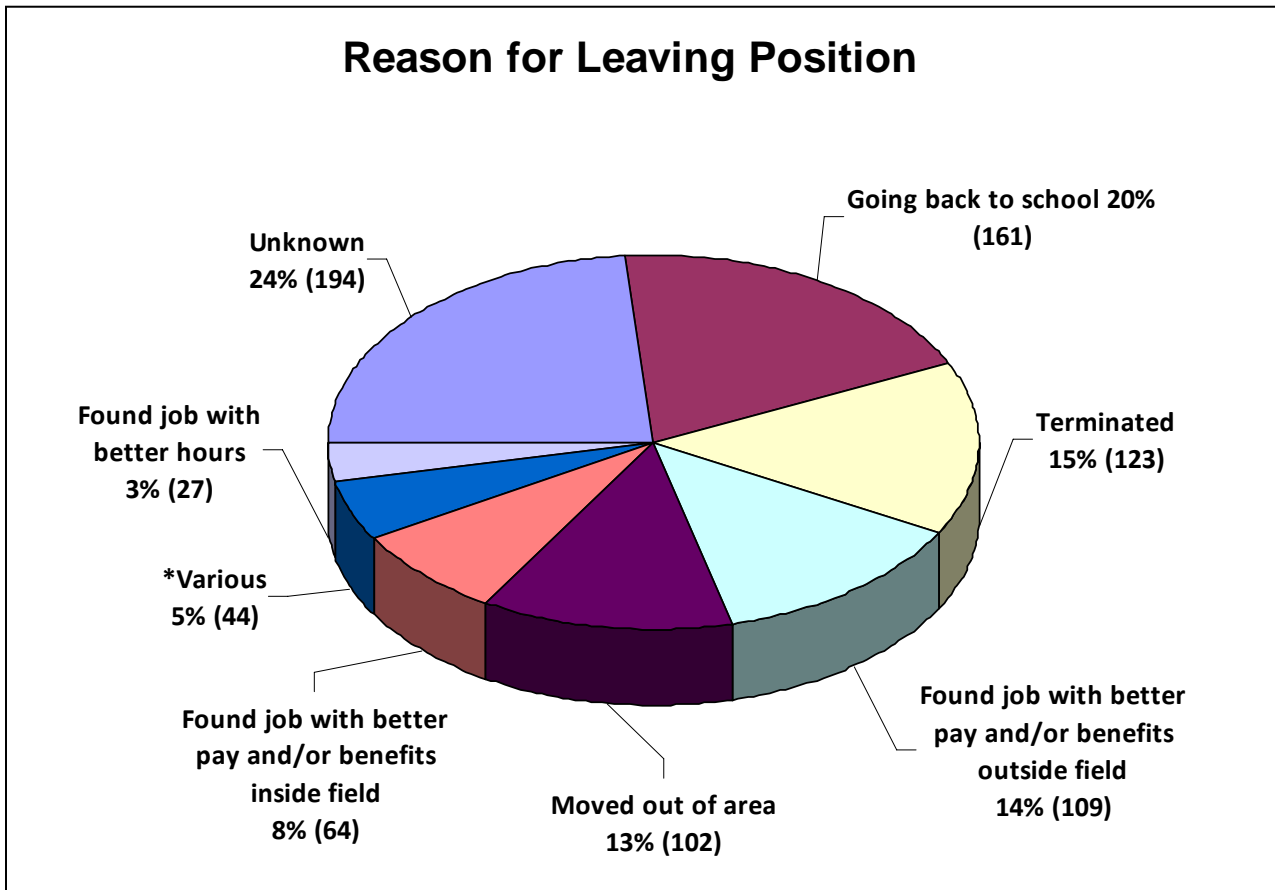
- 195 licensed and in-process Child Care Center Director/Owners were invited to complete the Market Rate Survey and Supplement.
- 149 Director/Owners completed the Supplement resulting in a **76% response rate**.

## Staff Overview

- Responding centers reported a total of 956 part-time and 1,353 full-time staff currently employed.

## Staff Turnover

- Responding centers reported 415 part-time and 384 full-time staff left their positions in the 12 months prior to completing the survey.
- The staff turnover rate during the 12-month period prior to survey completion:
  - 40% for part-time center employees.
  - 27% for full-time center employees.



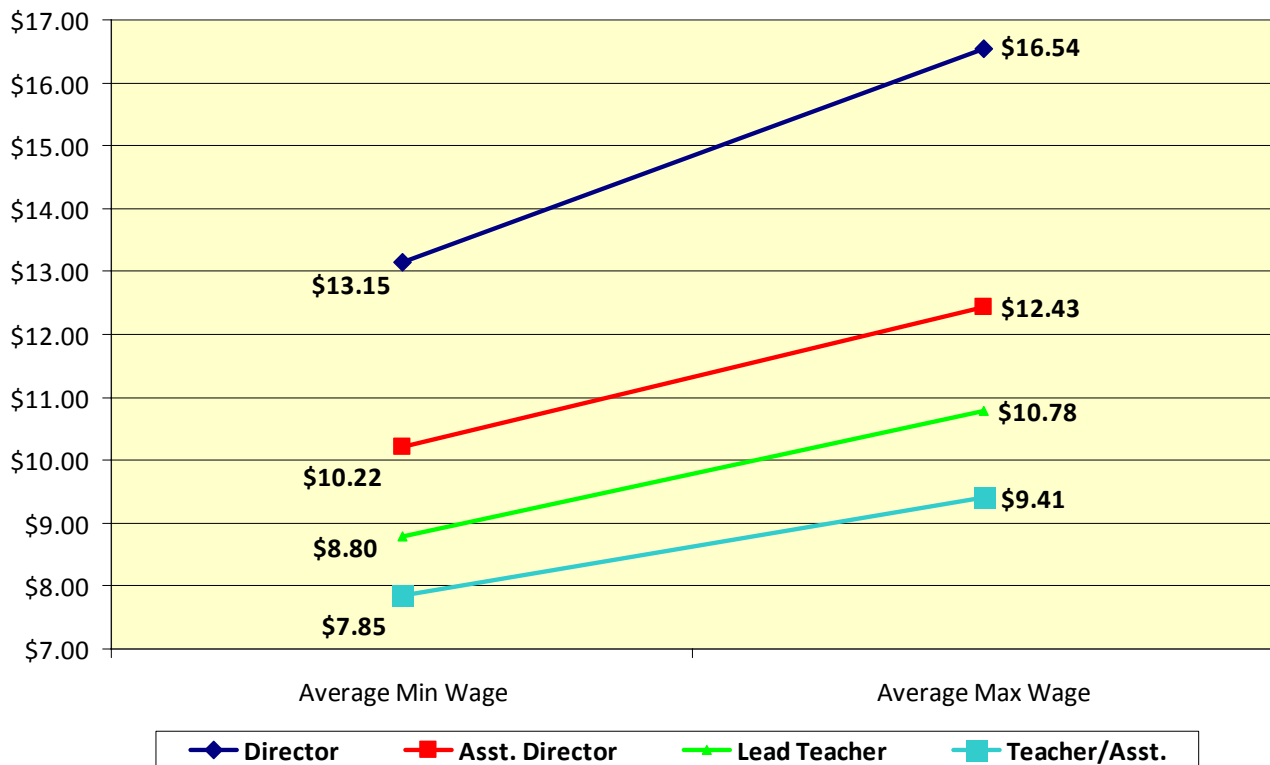
\*Various: Chose to stay home with child(ren), unable to find own child care, laid off

## Employee Salaries

Centers were asked to provide a salary range for position titles consistent throughout the industry. Please note that not all centers reported a range for each type of position.

- **Director:** responsible for overall operation of program (50% reported).
- **Assistant Director:** responsible in Director absence (40% reported).
- **Lead Teacher:** responsible for one or more classrooms, may supervise teachers (70% reported).
- **Teacher/Teacher Assistant/Floater:** responsible for direct care and education of children (82% reported).

### Salary Range for Center Positions



## Employee Benefits

- 79% (117) of responding centers offer paid leave for their employees.
- 71% (106) of responding centers offer a child care discount for staff members with a child enrolled in the center.

# Before-and-After School Program Program Characteristics

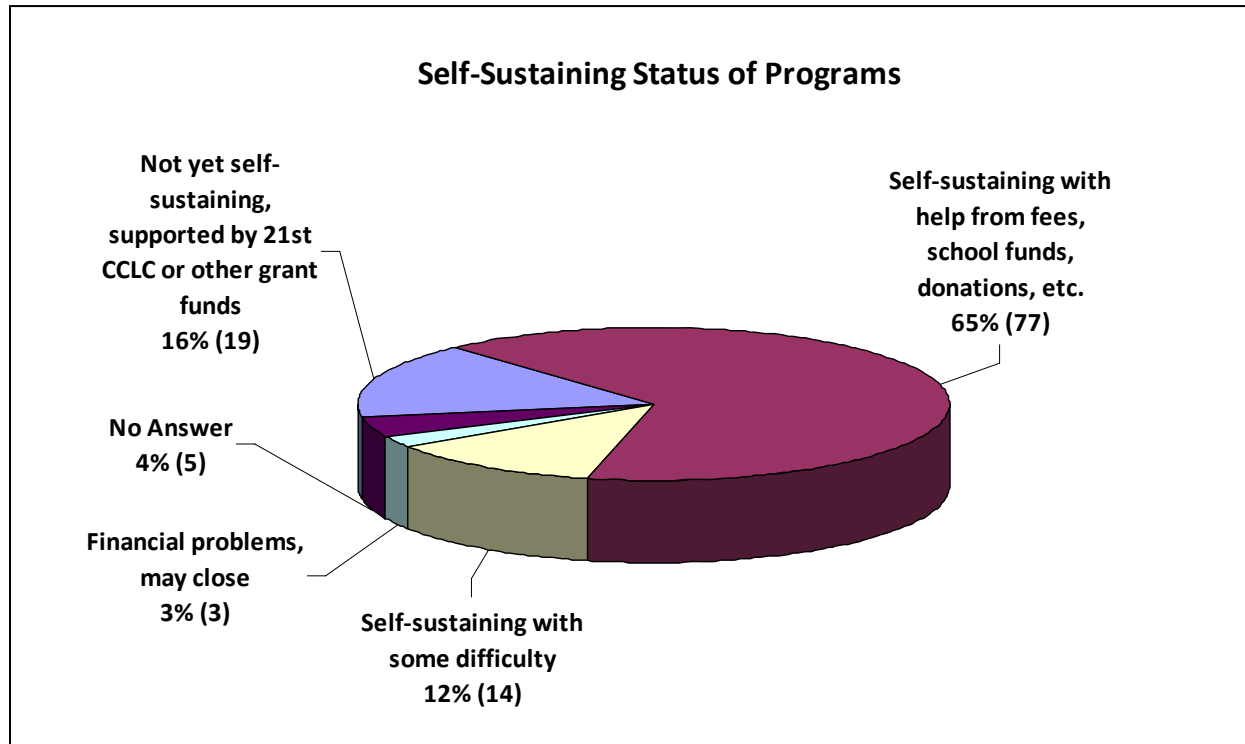
**Before-and-After School Program:** care and supervision before and after school hours of children who are five years of age or older and enrolled in school.

## Overall response summary

- 153 licensed Before-and-After School programs were invited to complete the Market Rate Survey.
- 118 Programs completed the Market Rate Survey resulting in a **77% response rate**.

## Business Operations

- Average number of days of operation per week: 5.0
- Average number of hours per day:
  - Before School Care: 1.6
  - After School Care: 2.9
  - Full Days (in service, holidays, non-school days): 10.5
  - Summer Day: 10.4
- The majority of programs, 65%, are self-sustaining with help from fees, school funds, donations, fundraisers, etc.
- 15% (18) of responding programs currently receive public/Federal funding from the 21<sup>st</sup> Century Community Learning Centers program.



## Enrollment

- Responding programs reported a total of 7,305 children enrolled in care. 6% (438) of these children receive a child care subsidy through the Division of Child Care Services.

## Rates and Fees

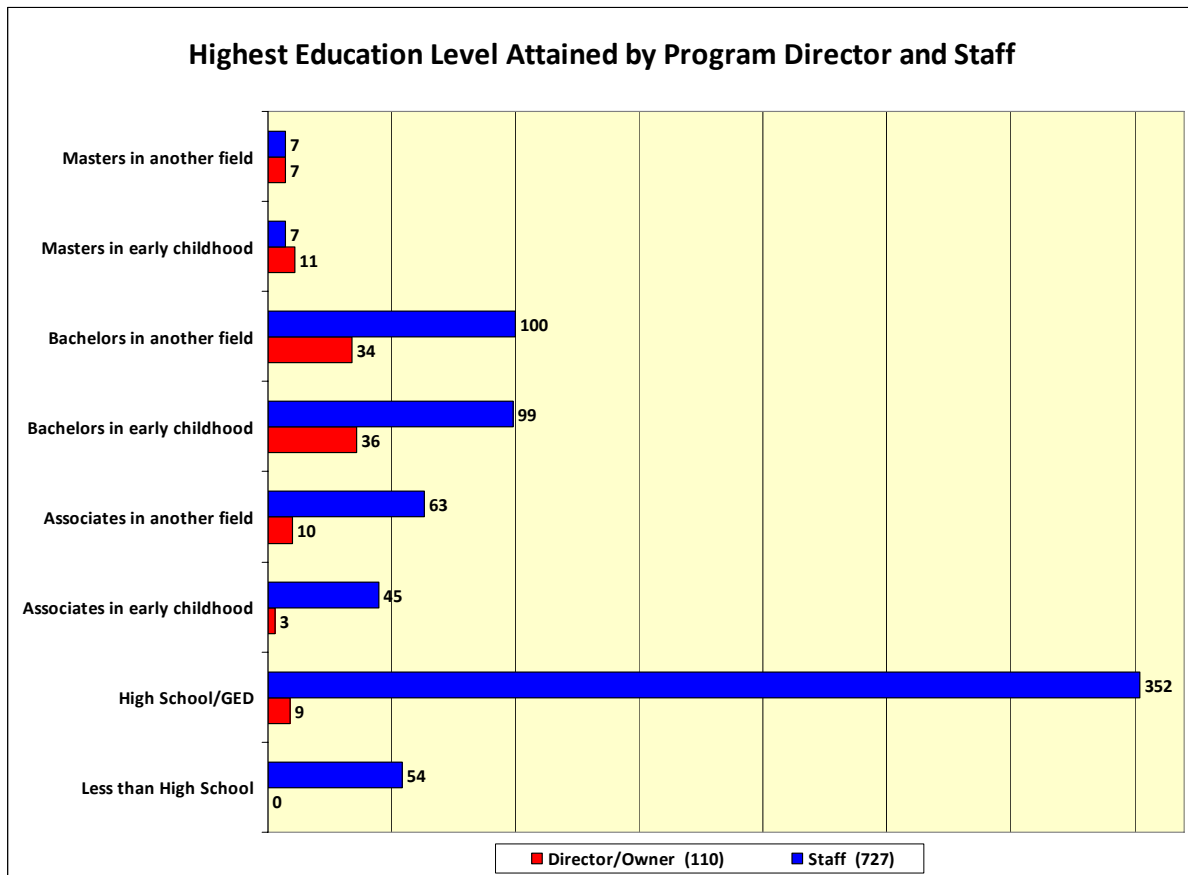
- Additional fees, beyond the basic rates for child care, are assessed as follows:
  - Registration fee - 58% (68) of programs
  - Field Trips – 22% (26) of programs
  - Transportation – 16% (19) of programs
  - Activity Fee – 11% (13) of programs
  - Meals – 9% (11) of programs
  - Supply and other fees – 6% (7) of programs

## Employees

- Responding programs reported a total of 803 employees for an average of almost 7 employees per center. Of the total employees, 722 are employed part-time and 81 are employed full-time.
- 44% (52) of programs do not offer health insurance to their employees.

## Education Level

- 80% (88) of reported program directors have attained a Bachelors degree or higher. 53% (47) of these have earned their degree in early childhood.
- The highest level of education reached by the majority of reported employees, or 48% (352), is a High School diploma or GED. 29% (213) of reported employees possess a Bachelors degree or higher.



## Specialized Training

- 89% (105) of program directors indicate they have used or participated in the Early Childhood Enrichment (ECE) System.
- 19% (22) of reported program directors and 4% (32) of reported employees have earned their Out-of-School Time certification offered through the ECE System.

# Enrollment and Employee Overview

## Response Overview

- Family Child Care: 74% (724/980)
- Group Family Child Care: 75% (57/76)
  - Supplemental Questionnaire: 70% (53/76)
- Child Care Center: 82% (160/195)
  - Supplemental Questionnaire: 76% (149/195)
- Before-and-After School Program: 77% (118/153)

## Enrollment

Number of Children Enrolled in Regulated Child Care		
Provider Type	Number of children reported by responding providers	Estimated number of children based on all surveyed providers
Family Child Care	7,405	10,023
Group Family Child Care	1,324	1,765
Child Care Center	11,581	14,114
Before-and-After School Program	7,305	9,472
<b>Total children</b>	<b>27,615</b>	<b>35,374</b>

## Employees

Number of Employees working in Regulated Child Care				
Provider Type	Part-time Employees	Full-time Employees	Total Employees	Estimated Employees
Family Child Care	69	36	105	1,122
Group Family Child Care	135	147	282	452
Child Care Center	1,047	1,439	2,486	3,225
Before-and-After School Program	722	81	803	1,194
<b>Total employees</b>	<b>1,973</b>	<b>1,703</b>	<b>3,676</b>	<b>5,993</b>

- Estimated total includes center directors and child care provider operators.

## Employee Turnover

Employee Turnover		
Provider Type	Part-time Employees	Full-time Employees
Group Family Child Care	38%	29%
Child Care Center	40%	27%

- Staff turnover was calculated using information gathered from a voluntary questionnaire included with Group Family and Child Care Center Market Rate Surveys.

