

The Recession and Child Care In Madison

A Further Analysis February 2010

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At the last meeting there were so questions about the 2009 data reports especially as relates to the enrollment report and the recession I did some further analysis (and some reformatting to make it clearer) and in the process had some interesting insights that I would like to share with you today.

While I will deal mainly with the City of Madison, I think we should look briefly at the level of impact on Madison versus the rest of the county. It looks like early childhood programs outside Madison were impacted at a higher level than those inside. For instance in looking at Family child care, Dane lost 328 family child care slots between March 2008 and March 2009. Of those only 57 or 8 providers were lost in the City of Madison. That suggests that the major portion of the losses and crises are in rural Dane. This could be a factor of the commuting process- providers more central to the job market get more options for child care as people are travelling more often past or near their programs.

Another possible factor in family child care may be support structures. I looked at capacity versus raw enrolment (ie enrollment not weighted by whether the child is full or part time) Accredited family child care providers came in at 127% of capacity (and part of this is due to some specializing in part time care or part time preschools). The non accredited family child care came in at 78%. So the type of support available to a family child care home as well as its overall quality may be a factor in its surviving the recession as a regulated entity.

On the next page is a chart looking at changes within Madison between 2008 and 2009.

I think in looking at this data we need to be careful at comparing the data with the anecdotal record in terms of accredited providers testimony about the market. There are 4 variables we need to be aware of in this regard.

1) The recession in child care began before March 2008. We saw losses in the larger market in many quadrants between 2007 and 2008. So the fact that 2008 and 2009 may not have major losses for some programs does not include what losses occurred the prior year.

2) The analysis does not take into account shifts from full to part time.

3) We do not know what has occurred between March 2009 and now (though we will know soon at least for the accredited programs).

4) Small losses in enrollments can be major losses for programs. At around \$10,000 per child a loss of 3 children (not uncommon in the best of years) is a shift of \$30,000- not a little sum.

Those comments aside let's look at the big picture.

Enrollment Changes Between March 2008 and March 2009 in Madison:

					Wisconsin Shares Change			
Enrollments	2008	2009	#change	% change	%change	#change	2008	2009
Madison	10332	10120	-212	-2%	-5%	-134	2743	2609
City Accredited	5476	6103	627	11%	-4%	-29	761	732
Not Accredited	4856	4017	-839	-17%	-5%	-105	1982	1877
Age 0-24 months								
Madison	1382	1404	22	2%				467
City Accredited	511	614	103	20%				97
Not Accredited	871	790	-81	-9%				370
age 2-5								
Madison	6219	6637	418	7%				1377
City Accredited	3446	4247	801	23%				430
Not Accredited	2773	2390	-383	-14%				947
Age 6 up								
Madison	2731	2079	-652	-24%				765
City Accredited	1519	1242	-277	-18%				205
Not Accredited	1212	837	-375	-31%				560
By Type of program								
Full day								
Madison	5588	6155	567	10%	0%	0	1580	1580
City Accredited	2951	4045	1094	37%	10%	50	480	530
Not Accredited	2637	2110	-527	-20%	-5%	-50	1100	1050
Part Day								
Madison	1449	1367	-82	-6%	800%	8	1	9
City Accredited	880	727	-153	-17%	300%	3	1	4
Not Accredited	569	640	71	12%	500%	5	0	5
Family Child Care								
Madison	1649	1550	-99	-6%	5%	42	822	864
City Accredited	390	384	-6	-2%	-30%	-26	87	61
Not Accredited	1259	1166	-93	-7%	9%	68	735	803
School Age								
Madison	1646	1048	-598	-36%				156
City Accredited	1255	946	-309	-25%	-29%	-57	194	137
Not Accredited	391	102	-289	-74%				19

The next chart looks at children lost per full day center program as well as a comparison of the number of children enrolled to capacity. Note that the latter does not separate full from part time but rather works as an aggregate.

City of Madison Enrollment Change between 2008 and 2009

	Madison		Madison Not		
	Accredited	%	Accredited	%	
"-20 or more"	3	8%	10	26%	
"-10 or more"	1	3%	3	8%	
"-1-9 children"	11	30%	4	10%	
0	1	3%	10	26%	
1-9 children	11	30%	7	18%	
"10-19 children"	3	8%	3	8%	
"20 or more"	7	19%	2	5%	
total	37	100%	39	100%	
% losing enrollment		41%		44%	
% gaining enrollment		57%		31%	

Analysis

The City Accredited programs losing 20 or more children were all for profit

There were a number of City Accredited programs near the university losing children

The City Accredited programs gaining 20 or more children were mainly related to DCPC

Excluded were 54 children enrolled at new centers.

Capacity use in 2009

	Madison		Madison Not		
	Accredited	%	Accredited	%	
<50% capacity	0	0%	6	18%	
51-75% capacity	6	16%	10	30%	
76-89% capacity	4	11%	7	21%	
90-99% capacity	5	13%	6	18%	
100% capacity	6	16%	0	0%	
100-110%	7	18%	3	9%	
110-120%	2	5%	0	0%	
120% or more	8	21%	1	3%	
Total	38	100%	33	100%	
% less than 90%		26%		70%	
% 100% or more		61%		12%	

City accredited Programs at over 110% capacity are mainly programs with a mix of full and part day programming

A high percentage of the over 110% city accredited centers are also DCPC and thus off market