



State of CareSM Index

November 2009

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Acknowledgements

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We also thank Care.com team members Donna Levin, Nelson Holland, Mike Nagel, and Lauren Tharaud.

About Care.com

Founded in 2006, Care.com is the largest and fastest growing service used by families to find high-quality caregivers, providing a trusted place to easily connect, share caregiving experiences and get advice. The company addresses the unique lifecycle of care needs that each family goes through—child care, special needs care, tutoring and lessons, in-home senior care, pet care, housekeeping and more. The service helps families find and select the best care possible based on detailed profiles, background checks and references for hundreds of thousands of mom-reviewed providers who seek to share their services. Through its Care.com for Recruiters service, Care.com also enables companies to find high-quality caregiving employees.

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Letter from the Founder and CEO of Care.com

Dear Reader,

The most fulfilling thing about my job is hearing from families who have successfully found the trustworthy caregiver they desperately needed. I know how hard it can be to find a caregiver: the many factors considered, the many hours spent researching and interviewing, the heartbreak of knowing that the care you can afford is not the care your loved ones deserve.

Families are under pressure. Stretched to the limit by the recession and the cost of child care, many are opting to alter their child care arrangements. But this means taking on the arduous task of finding a new child care provider who meets their specific needs. Nearly one third of families spend 12 or more hours researching their options before choosing a new child care provider, many of those families spending 24 or more hours doing so. And nearly half the families who altered their child care arrangements in the past year admit to using time at work to research their options.

Special needs families carry an even heavier burden, paying even more per hour for child care and devoting even more time to researching child care providers. Special needs families are looking for providers with experience caring for children with special needs, but often struggle to find them.

At Care.com, we simplify your search for a caregiver who meets all of your safety, experience, and cost criteria. But there are still many families for whom finding the perfect care is an elusive, ongoing task that puts immense stress on family life.

Care.com founded the State of Care Index to shed light on current caregiving trends and report on American families' evolving attitudes toward family caregiving. In our second installment of this unique survey, we continue to monitor the state of child care in America while zeroing in on the state of special needs child care in particular. Through this unique survey, we hope to raise awareness around child care and special needs decision making while revealing the vast impact that caregiving has on the American family's daily life.

Thank you for your interest in this important topic.

Cheers,



Sheila Lirio Marcelo
Founder and CEO of Care.com

Introduction

A lot can change in four months. Since our inaugural State of Care survey just four months ago, we've seen an increase in unemployment, an increase in families' economic anxiety, and a shift in the types of child care arrangements used.

In our first study, we found that families spend an average of 14 percent of their household income on child care—or an average of \$12,445 per year. In this study, we explore how economic concerns and constraints have changed families' child care arrangements, if these changes affect quality of care, and how much time and effort are devoted to researching and interviewing prospective child care providers before making a change.

Welcome to the November 2009 State of Care Index, the first study of its kind measuring families' attitudes toward caregiving. In September 2009, Care.com, an online service used by families to find high-quality care providers, surveyed a random sample of its nationwide membership base. Care.com also surveyed the member base of NACCRRA's Child Care Aware Parent Network, an online community of parents who advocate for safe and affordable child care, and the member base of the National Family Caregivers Association, an organization that advocates for those caring for loved ones who are elderly, ill, or have special needs. The survey was conducted online and received 1,825 responses. A majority of the respondents were female, as women often take on the primary decision making role for child care.

As families continue to feel the strain of a down economy and high unemployment, many have changed their primary child care arrangement in order to cut costs. Forty-three percent of families changed their primary child care arrangement in the past year. Fifty percent of those families made the change due to economic concerns or constraints, shifting from costly out-of-home care to in-home care provided by sitters, friends, relatives, and parents themselves. Sixty-three percent of families who made economically motivated changes to their child care arrangement were very concerned that the changes had negatively impacted their child's care.

Changing primary child care arrangements is no small task: many hours are spent researching and interviewing prospective child care providers, and many factors are taken into consideration. In fact, 31 percent of families devote 12 or more hours to researching and interviewing each time they change their child care arrangement. The time and effort devoted to selecting a new child care arrangement tips the scale of work-life balance, taking a toll on work performance. Forty-nine percent of families who changed their primary child care arrangement confessed to using work hours to research and interview prospective new child care providers. Fifty-one percent of families who changed their primary child care arrangement felt that their caregiving responsibility had negatively impacted their work performance.

This study also turns the spotlight on special needs child care. On average, young children with special needs spend 26 hours per week in the care of someone other than their parents—five hours

per week less than young children without special needs. Perhaps this is because children with special needs require more parental attention or because experienced special needs caregivers are hard to find. Or perhaps it's because the average hourly cost of child care for one child with special needs is \$10, about 45 percent more than the \$7 hourly child care cost for one child without special needs. All told, special needs families spend an average of \$13,000 per year on child care for all their children, roughly the same amount spent by other families.

Special needs families face the same types of challenges that other families do, but these challenges are magnified by the special needs of their children. Special needs families weigh more factors and spend more hours than other families when considering a child care provider—40 percent of special needs families devote 12 or more hours to researching and interviewing each time they change their child care arrangement. Special needs families face care crises more than twice as often as other families, scrambling for child care or missing work when their children get sick.

The November 2009 State of Care Index is a unique look at child care and particularly special needs child care, assessing families' care arrangements, discussing the reasoning behind their all-important caregiving decisions, and reporting on the current outlook on care in America. For more information, please visit www.care.com/stateofcare.

Research Highlights

Child care expenses consume a large portion of families' annual income, and economic concerns are forcing families to change their child care arrangements.

- 43% of families changed their primary child care arrangement in the past year. 50% of those families made the change due to economic concerns or constraints.
- Families who made economically motivated changes to their child care arrangement generally shifted from costly out-of-home care to in-home care provided by sitters, friends, relatives, and parents themselves.
- 63% of families who made economically motivated changes to their child care arrangement were very concerned that the changes had negatively impacted their child's care.

Changing child care arrangements is no small task. Parents spend many hours researching and interviewing before making a change, which impacts their work performance.

- 31% of families devote 12 or more hours to researching and interviewing prospective child care providers each time they change their primary child care arrangement.
- 49% of families who changed their primary child care arrangement confessed to using work hours to research and interview prospective new child care providers.
- 51% of families who changed their primary child care arrangement felt that their caregiving responsibility had negatively impacted their work performance.

Special needs families also spend a large portion of their income on child care and face economic concerns and constraints.

- On average, young children with special needs spend 26 hours per week in the care of someone other than their parents—5 hours per week less than young children without special needs.
- The average hourly cost of child care for one child with special needs is \$10, about 45% more than the \$7 hourly child care cost for one child without special needs.
- All told, special needs families spend an average of \$13,000 per year on child care for all their children, roughly the same amount spent by other families.
- We asked special needs families if they were concerned that the economy had caused or would cause them to make changes to their child care arrangements that would negatively impact their child's care. 84% said yes.

Like all parents, the parents of children with special needs have caregiving responsibilities that impact their employment.

- Special needs families reported that they experience an average of 11 care crises per year. This is more than twice as many crises as other families, who reported experiencing only 5.
- Just like other families, special needs families respond to care crises with solutions that impact their jobs: taking time off or working from home.
- 64% of parents of young children with special needs believe that their caregiving responsibility has negatively impacted their work performance.



Child Care



*If our American way of life fails the child, it fails us all.
— Pearl S. Buck*

Families Feeling the Pinch

A study released by the US Census Bureau in September 2009 confirms that America's middle class is bearing the brunt of the recession. Between 2007 and 2008, US median household income fell by 3.6 percent (from \$52,163 to \$50,303, the lowest median household income since 1997), while income at the 90th percentile fell by only 2.1 percent. Making matters worse, unemployment continues to rise, increasing from 9.4 percent in May 2009 to 9.8 percent in September 2009.

We asked families who made economically motivated changes in their primary child care arrangement what type of care they'd been using before the change and what type of care they've been using since.

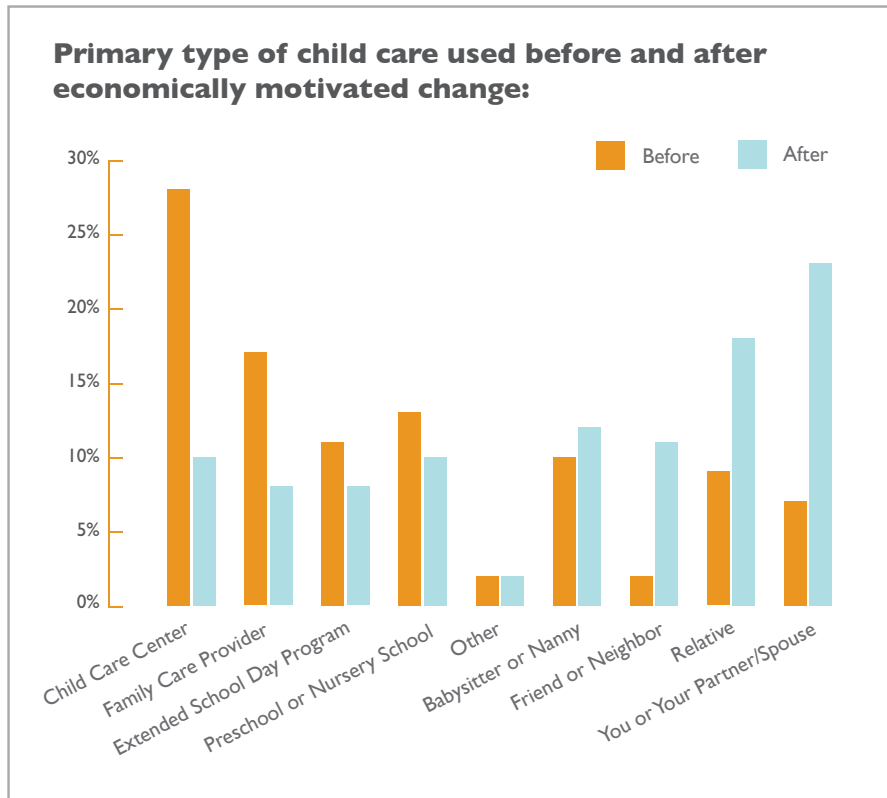
43%

of families changed their primary child care arrangement in the past year.

50%

of those families made the change due to economic concerns or constraints.

We can see a shift from costly out-of-home care to in-home care provided by sitters, friends, relatives, and parents themselves.



We're a middle income family. We live in a small house. We don't live extravagantly, yet it's a real struggle to afford child care for our one child. Because of our income, there are no programs or subsidies to help us... yet we're struggling. We're the forgotten demographic. We need to have good options for good child care.

– NACCRRRA Child Care Aware Parent

NOTE: Data in the Child Care section of the report includes families with one or more children 12 or younger, none of whom has special needs.

Child Care Providers Feeling the Pinch

Families are not the only ones feeling the pinch of the recession—child care providers are feeling it, too.

The Wall Street Journal covered the closings and cutbacks at thousands of after-school programs in an August 2009 article, reporting that parents were scrambling to make new child care arrangements for the fall. Parents were forced to turn to family members, neighbors, and babysitters for child care, leave their children home alone, or alter their work schedules to care for their children themselves.

17%

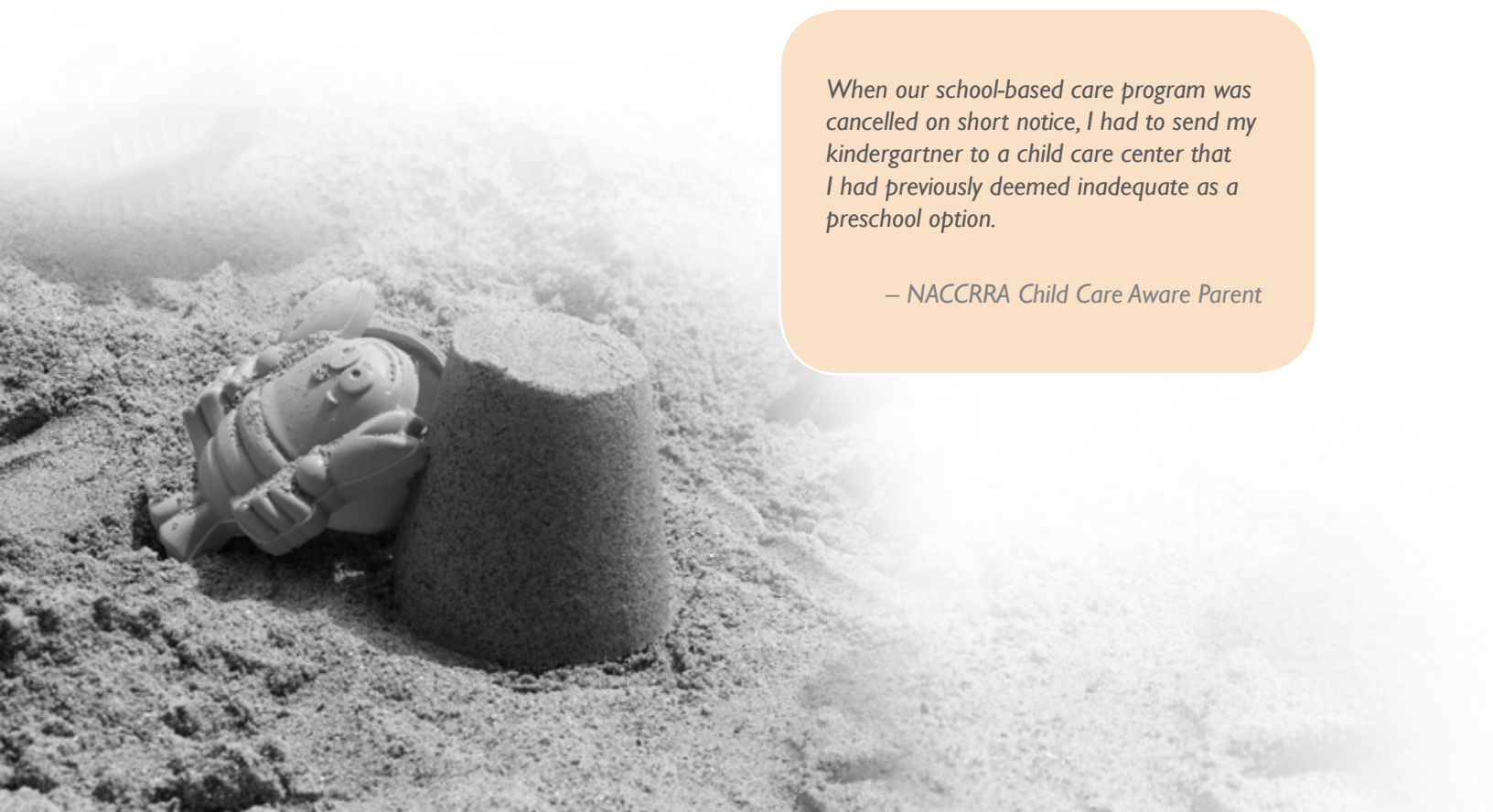
of families who made economically motivated changes to their child care did so due to the economic constraints of their child care provider.

Staffers at Care.com were astonished by a 50% increase in child-care postings between July and August, twice the usual seasonal rise, largely because of after-school cuts.

—Wall Street Journal, “Parents Scramble as Ax Falls on After-School Programs”

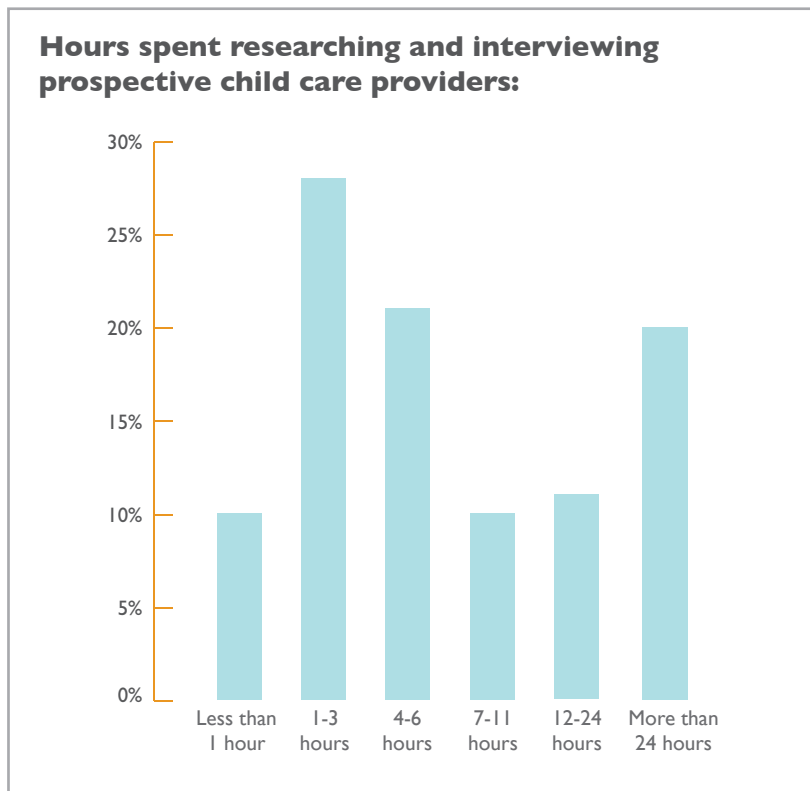
When our school-based care program was cancelled on short notice, I had to send my kindergartner to a child care center that I had previously deemed inadequate as a preschool option.

— NACCRRRA Child Care Aware Parent



Changing Primary Care Arrangements: No Small Undertaking

The decision to change primary child care arrangements is not a quick and easy one. We found that families who changed their primary child care arrangement in the past year spent hours—including some work hours—researching and interviewing prospective child care providers before making a switch:



31%

of families devote 12 or more hours to researching and interviewing prospective child care providers each time they change their primary child care arrangement.

49%

of families who changed their primary child care arrangement confessed to using work hours to research and interview prospective new child care providers.

The many hours spent and the many factors considered when changing child care arrangements take a toll on work performance. Fifty-one percent of families who changed their primary child care arrangement felt that their caregiving responsibility had negatively impacted their work performance.

[Caring for your children] is the most important thing you can pay someone else to do, so the time and energy needed to find a caregiver you can be comfortable with is overwhelming.

– NACCRRR Child Care Aware Parent

Cost and Quality of Care

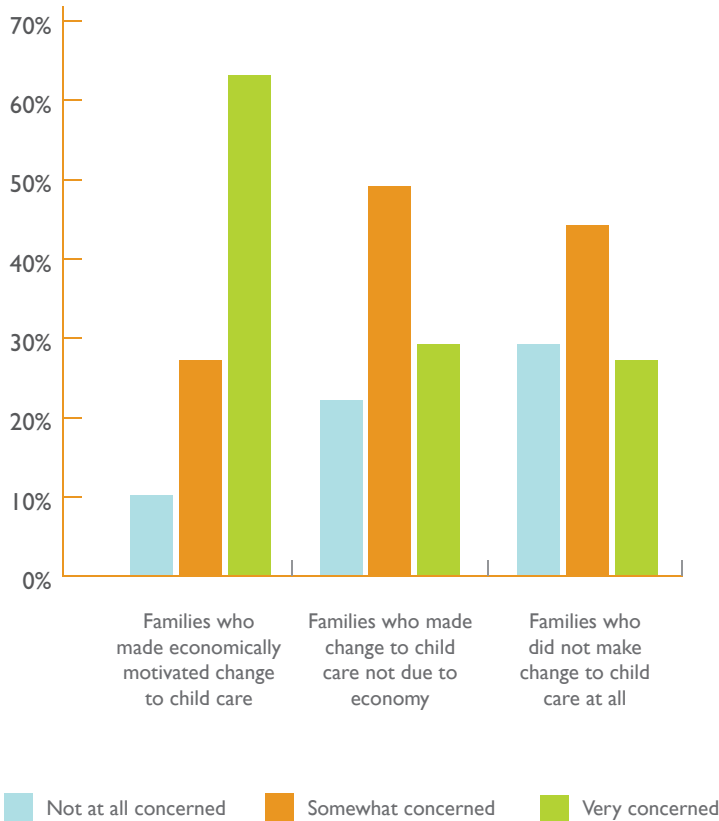
We asked families to rank the top three most important factors they consider when selecting a new child care arrangement. Among these factors, cost is increasing in importance. In our inaugural State of Care Index, cost ranked as the fifth most important factor behind safety, caregiver experience, curriculum, and location. In our second State of Care survey, cost pulled ahead of location into the fourth position, demonstrating a shift in the way families weigh price versus convenience.

But in spite of the many hours spent researching and the many factors considered, families worry that changing care arrangements to reduce costs also reduces the quality of their children’s care. With their children’s safety, development, and early childhood education at stake, it’s no surprise that changing child care arrangements can be a nerve-wracking experience.

63%

of families who made economically motivated changes to their child care arrangement were very concerned that the changes had negatively impacted their child’s care.


How concerned are you that the economy will cause you to make changes that will negatively impact your child’s care?



Some places that I looked into and really really liked cost as much per month as my mortgage. I knew it would be the best place for my daughter but it was just too much money.

– Care.com Member

Special Needs Child Care



The central struggle of parenthood is to let our hopes for our children outweigh our fears.
— Ellen Goodman

Cost of Special Needs Child Care

On average, young children with special needs spend 26 hours per week in the care of someone other than their parents—5 hours per week less than young children without special needs. Perhaps this is because children with special needs require more parental attention or because experienced special needs caregivers are hard to find. Or perhaps it is because the average hourly cost of child care for one child with special needs is \$10, about 45 percent more than the \$7 hourly child care cost for one child without special needs. All told, special needs families spend an average of \$13,000 per year on child care for all their children, roughly the same amount spent by other families.

45%

The hourly cost of child care for a child with special needs is 45% greater than the hourly child care cost for a child without special needs.

.....

\$13,000

The average amount special needs families spend annually on child care.

.....

84%

of special needs families are concerned the economy will force them to make changes that will negatively impact their child's care.

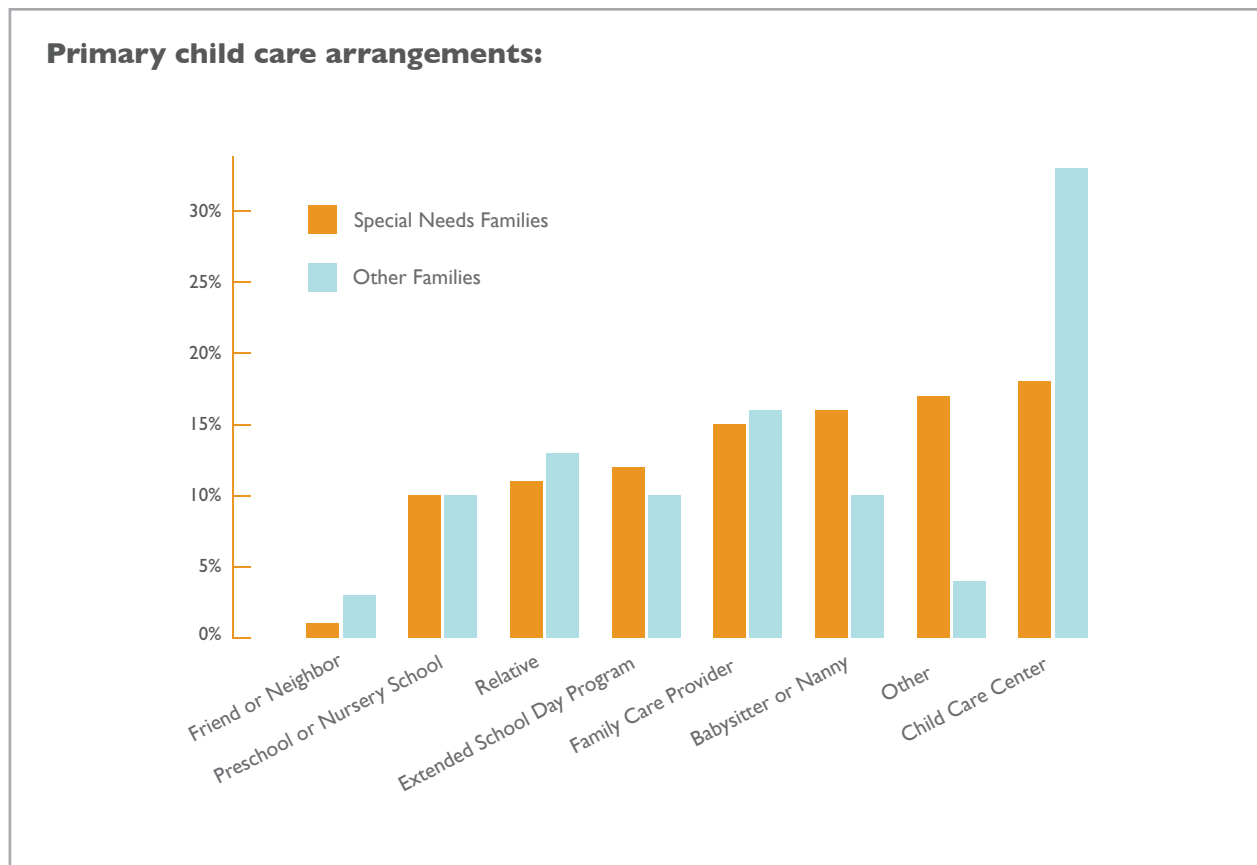
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The biggest challenge is the cost. We rely on one income. Babysitters for children with special needs cost as much as my husband's wage. We really never have a babysitter because of it. – Care.com member

NOTE: In the Special Needs Child Care section of the report, "Special Needs Families" are defined as families with a child 12 or younger who has special needs. "Other Families" are defined as families with one or more children 12 or younger, none of whom has special needs.

Types of Special Needs Child Care

The types of child care used by families with special needs are similar to those used by other families, although special needs families are less likely to rely on standard child care centers, opting instead for babysitters or other types of child care providers better suited to meet the special needs of their children and give more personalized care:



Parents of special needs children face greater daycare obstacles because a lot of daycares do not have staff with proper training.

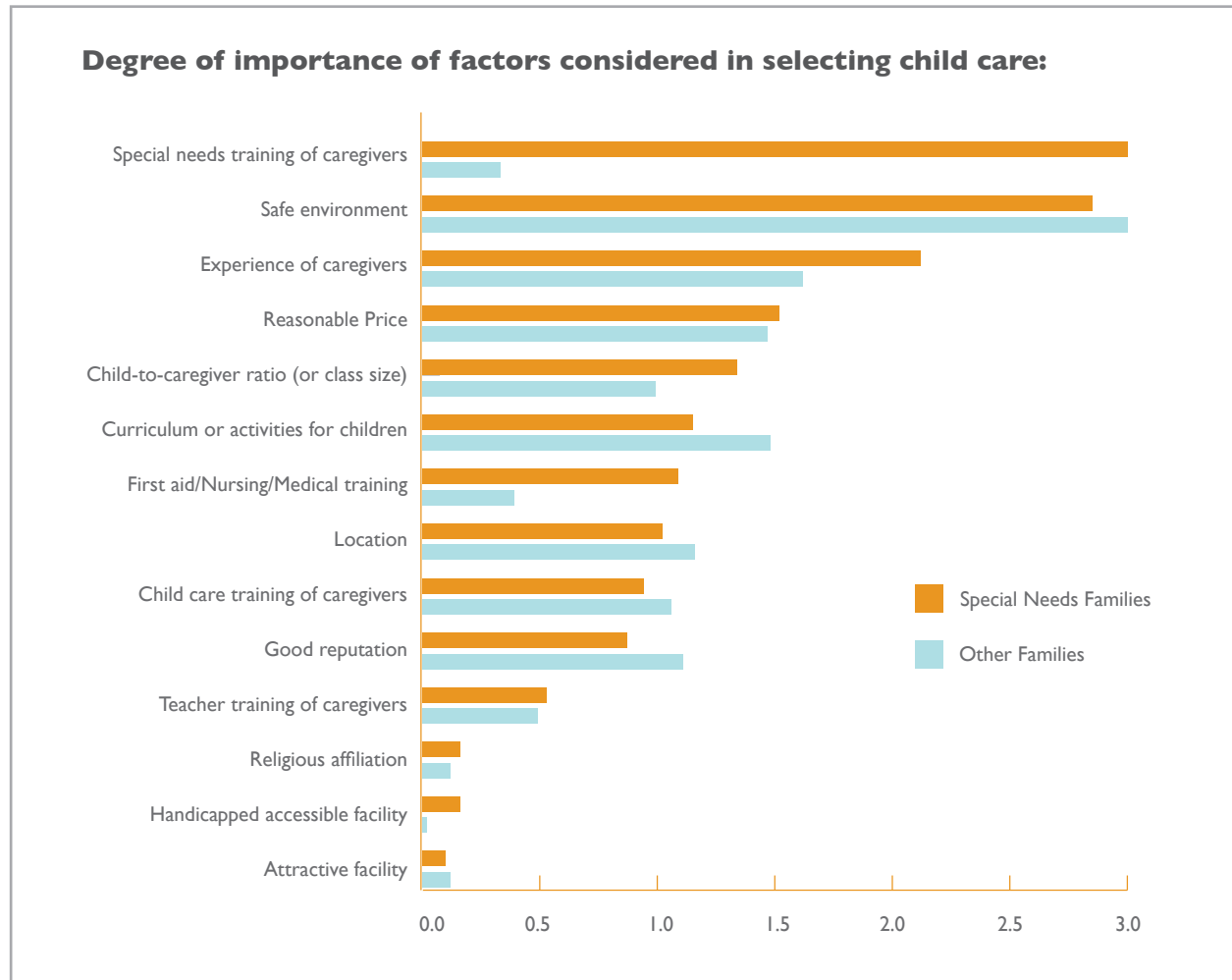
– Care.com Member

The biggest challenge is finding someone who is willing and competent to provide care for two children with special needs. We have never been successful in maintaining placements for my kids in child care centers or child care in someone else’s home due to my children’s behaviors and high needs. Child care staff are not well-trained although they are well-intentioned.

– NACCRRRA Child Care Aware Parent

Selecting Special Needs Caregivers: Factors Considered

We asked families to rank the top three most important factors they consider when selecting child care. In addition to the factors weighed by other families, special needs families also weigh heavily the special needs training and the first aid, nursing, and medical training of caregivers:



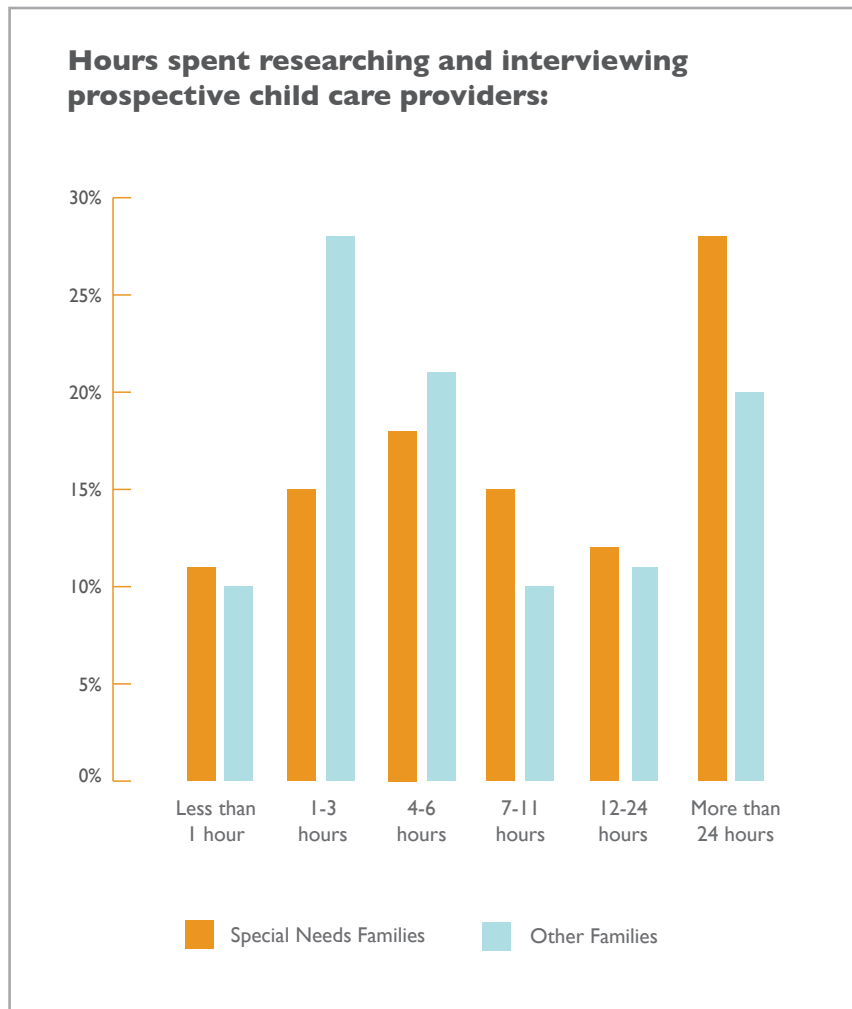
Special needs families are looking for providers with experience caring for children with special needs, but often struggle to find them:

Because of the complexity of my children’s medical needs it is extremely difficult to find qualified personnel to care for our children. Even if we could find someone, the training needed to care for our children makes caregivers too expensive. – NFCA member

The education required to become an in-home aide is too minimal. Seems most are fly-by- nighters and not in it wholeheartedly, so turnover is ridiculous. – NACCRRR Child Care Aware Parent

Selecting Special Needs Caregivers: Time Spent

Special needs families face the same types of challenges that other families do, but these challenges are magnified by the special needs of their children. In addition to paying a higher hourly rate for child care and weighing more factors when considering caregivers, special needs families devote even more hours to researching and interviewing before selecting a new child care provider.



40%

of special needs families devote 12 or more hours to researching and interviewing each time they change their child care arrangement. Only 31% of other families spend this much time.

50%

of special needs families who changed their primary child care arrangement in the past year confessed to using work hours to research and interview prospective new child care providers.

The biggest challenge is the amount of time it takes to interview, select, and hire a caregiver. – Care.com Member

Care Crises Impacting Employment

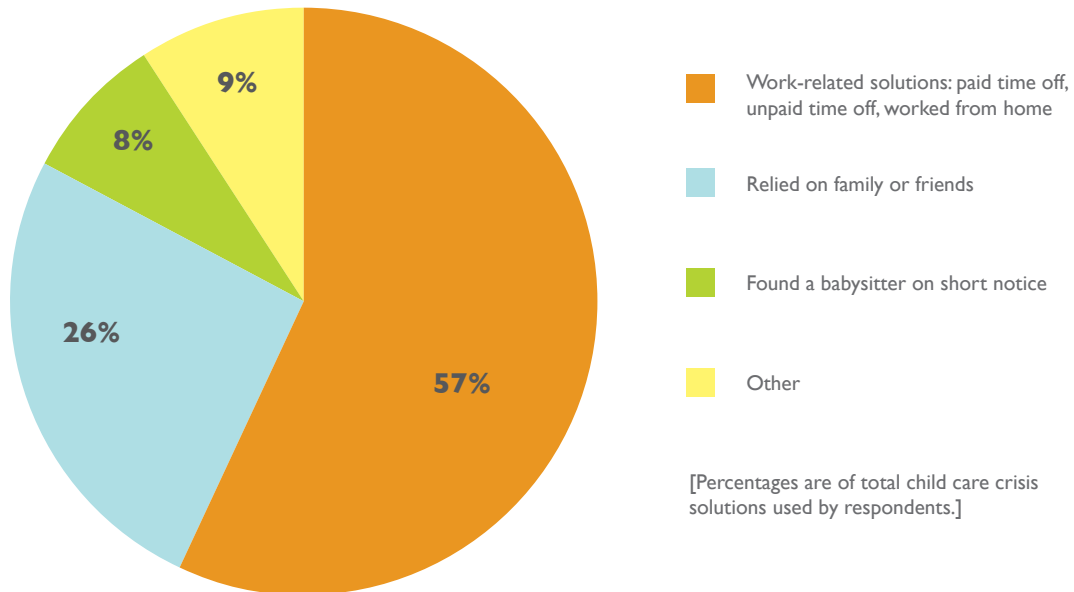
A “care crisis” is an unplanned event that forces parents to make last-minute care arrangements for their children. A crisis can be a child getting sick or acting out, a parent unexpectedly having to travel or put in extra hours for work, or a child care center closing for a snow day. For both special needs and other families, a child getting sick or acting out was the most common crisis.

In our inaugural State of Care Index, we found that parents most often respond to care crises with solutions that impact their work. In our second State of Care survey, we found that special needs families use the same care crisis solutions that other families do, missing work or working from home in order to care for their children themselves. Sixty-four percent of parents of children with special needs believe that their caregiving responsibility has negatively impacted their work performance.

Eleven


The average number of care crises a special needs family experiences each year. Other families experience only 5.

Child Care Crisis Solutions Used by Special Needs Families:



The biggest challenge is finding someone who can take care of my child when he gets sick and has to stay home from school—we both work and need help. He cannot take care of himself, even as he grows into adulthood, and we have to have someone with him at all times. – NFCA member

Conclusion



Over the upcoming months, we will focus on answering those concerns that matter most to families...How can we make child and elder care more affordable?...What can we do to help weary parents juggle work and family?
— Joe Biden

Conclusion

American families continue to worry about the economy and about their ability to provide quality care for their loved ones. Parents struggle to balance work and caregiving responsibilities. They need to pay for child care in order to work and need to work in order to pay for child care. They worry that their financial constraints will negatively impact their children's care and that their caregiving responsibilities will negatively impact their work. Fed up with these circular needs and concerns, some parents are breaking the cycle by opting for new child care arrangements. We see a shift from costly out-of-home care to in-home care provided by sitters, friends, relatives, and parents themselves, indicating that many families have a cost-effective local support network to fall back on when money is tight.

But opting for a new child care arrangement is no small task. Parents consider many factors and spend many hours researching and interviewing. For parents of children with special needs, the task is even more daunting, as they must weigh additional factors and devote even more time to research and interviews. And once a family has a primary care arrangement in place, there are still unforeseen care crises that leave parents scrambling for last minute care and most often result in parents missing work.

Appendix

Respondent Demographics

- Sample Size=1825
- Gender: 90% female

| | State of Care Survey | U.S. Census Bureau |
|--|----------------------|--------------------|
| Age Statistics (female)* | | |
| Under 25 | 3% | 12% |
| 25–34 | 20% | 17% |
| 35–44 | 25% | 18% |
| 45–54 | 26% | 19% |
| 55–64 | 20% | 24% |
| 65–74 | 5% | 9% |
| Marital status for women aged 18 to 74* | | |
| Married | 68% | 55% |
| Divorced/Widowed/Separated | 15% | 20% |
| Single | 18% | 25% |
| Avg Number of Children in Household ** | 1.79 | 1.86 |
| Median Income*** | \$58,000 | \$50,233 |

* America's Families and Living Arrangements: 2008 (<http://www.census.gov/population/www/socdemo/hh-fam/cps2008.html>)

** Census Bureau includes all children under 18; Care.com data only includes children under 13.
(<http://www.census.gov/population/socdemo/hh-fam/tabST-FI-200.pdf>)

*** <http://www.census.gov/prod/2008pubs/p60-235.pdf>

Employment status:

| | |
|--------------------|-----|
| Employed full-time | 52% |
| Employed part-time | 15% |
| In school | 3% |
| Not employed | 21% |
| Retired | 9% |

66% of respondents' spouses are employed full-time

Note: Special needs families are not included in the data in the child care section of the study.

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