

Understanding Quality in Context: Child Care Centers, Communities, Markets, and Public Policies

Exploring Director View of Revenue and Financial Management Practices

*Monica Rohacek
The Urban Institute*

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Study Motivation

- Increasing evidence about what children need for healthy development
- Myriad activities and efforts to support supply of care and good quality
- But is quality is still uneven -- why?



Acknowledgements

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- **Local collaborators**

Child center directors, teachers, and key informants

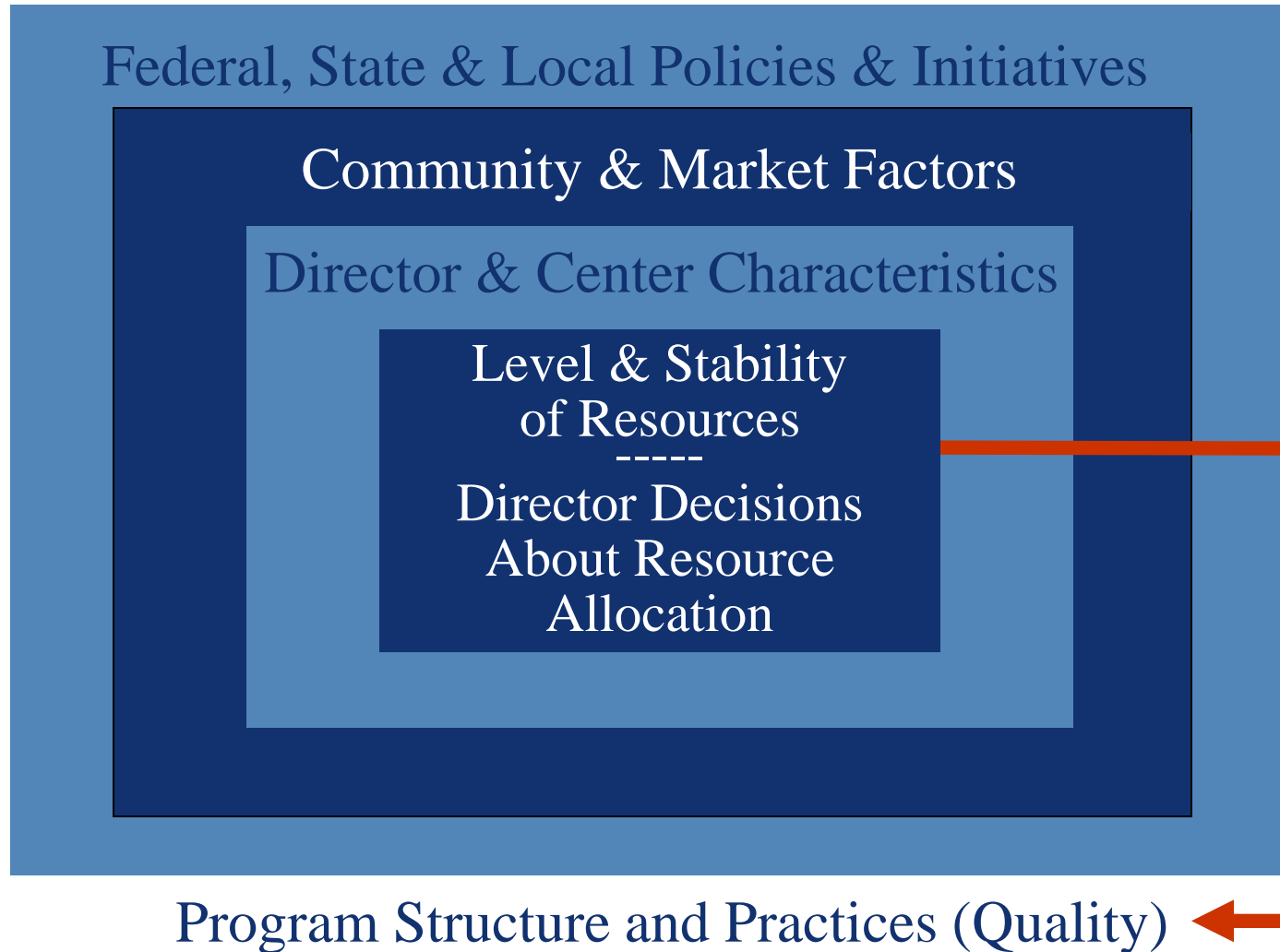


Research Questions

- How do child care directors define good quality?
- What are the key factors that must come together to yield good quality?
- Which factors act as obstacles to producing good quality?
- How can public policies and initiatives better address the full range of factors?



Conceptual Framework



Program Structure and Practices (Quality)



Sample & Data Collection

- Interviews with 38 center directors
- Classroom observations → 3 year old room
- Centers selected to maximize variation in quality and contextual factors
- 4 counties -- Jefferson, AL (Birmingham); Hudson, NJ (Jersey City); King, WA (Seattle); San Diego, CA
- Coded key themes, categorized directors based on themes, and examined associations between categories and observed quality



Overview of Findings

In general, observed quality related to how director described:

- Vision of quality
- Expectations for staff
- Level of financial stress
- Standards guiding program practice



Observation Results

- Relative to rest of sample on each subscale
- Highest Quality (n=11)
- Middle/Mixed Quality (n=18)
- Lowest Quality (n=9)



Classifying Centers by Financial Stress

- Relatively Comfortable
- Pinned with
 - More resources
 - Fewer resources
- Financially Struggling



Classifying Centers by Financial Stress

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- More resources
- Fewer resources



- Financially Struggling

Large deficits, month after month.
Extreme measures to address revenue shortages. Struggling to keep doors open.



Classifying Centers by Financial Stress

- Relatively Comfortable
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My income was probably about \$75,000 less for the year than it was the year before...I had to go into our personal savings just to make payroll. So that's me not drawing a check, plus it is costing us to pay my employees.



Classifying Centers by Financial Stress

- Relatively Comfortable
 - o Sufficient revenue to meet goals. Not worried about money.
- Pinched
 - o More resources
 - o Fewer resources
- Financially Struggling
 - o Large deficits, month after month. Extreme measures to address revenue shortages. Struggling to keep doors open.



Classifying Centers by Financial Stress

- Relatively Comfortable — *Our bonus pool always has \$15,000 in it, which we draw from and replenish. We have money in case we need to leave this building.*
- Pinched resources
 - More resources
 - Fewer resources

Really, I guess it [the center] brings in a good bit of money... I mean as far as equipment and stuff, we get whatever we need.

- Financially Struggling



Classifying Centers by Financial Stress

- Relatively Comfortable
 - o Sufficient revenue to meet goals. Not worried about money.
- Pinched
 - o More resources
 - o Making adjustments to address falling/variable revenue. Group varies in strength of parent demand and number/difficulty of options for dealing with revenue changes.
 - o Fewer resources
- Financially Struggling
 - o Large deficits, month after month. Extreme measures to address revenue shortages. Struggling to keep doors open.



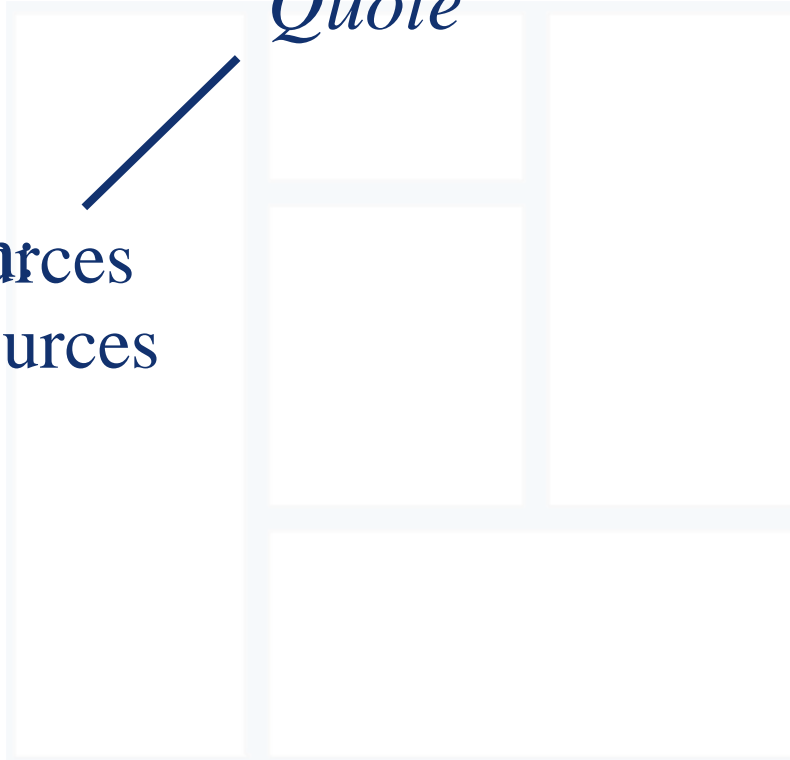
Classifying Centers by Financial Stress

- Relatively Comfortable

Quote

- ~~Pinched~~
 - More resources
 - Fewer resources

- Financially Struggling



Views of Financial Resources - Relationship with Observed Quality

- Classrooms with lowest observed quality typically in centers struggling with funding
- Classrooms with highest observed quality were all in centers characterized as pinched but with higher resource levels or financially comfortable.
- Struggling, pinched, and, financially comfortable fell into the range of quality groups.



Implications for Understanding How Providers Manage Recessional Factors

- Comfort with financial position is necessary (though not sufficient) for reaching highest quality category --> As recession increases financial concerns, providers may have difficulty engaging in quality improvement activities.
- Providers vary in their capacity to manage fluctuations in enrollment/revenue --> Effective supports will address the needs of those with both higher and lower capacity.



Implications for Policy Makers and Others Supporting the Work of Providers

- 1) How can we help providers increase the likelihood they will operate at full enrollment?
- 2) How can we help providers set fees and fee collection policies to meet needs of both parents who struggle to pay and the needs of the center in delivering good services?
- 3) How can we support providers in good budgeting and financial management practices?



THANK YOU!

For more information:

Access the full report at

www.urban.org

Contact me at:

mrohacek@urban.org

