

Appendix Five: Case Study: Childcare Workers

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Case Study: Family Home Childcare Workers Women and Health Care Reform

California law defines family child care providers as those who regularly “provide care, protection and supervision of children, in the care giver’s own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away.”¹ There are 7,655 family childcare provider homes in Los Angeles County. There are approximately 76,000 childcare slots in family childcare provider homes in Los Angeles.

Two independent surveys reveal that almost fifty percent of these providers in Los Angeles County are uninsured.² This is twice the rate of uninsurance found among family providers around the state. Nearly 100% of surveyed providers are women with the majority falling between the ages of 31-60. Of family childcare providers, the largest group of uninsured are between the ages of 41-50 (42%), followed by the ages 51-60 (25%) and 31-40 (21%).

Family providers are very small businesses with one or two teachers; premiums for basic individual coverage are often more than ten percent of a typical childcare provider’s pre-tax income in Los Angeles.³

Los Angeles County faces a tremendous crisis in obtaining and retaining qualified childcare providers due to low levels of childcare compensation, high property and non-personnel costs of child care facilities, and low levels of reimbursement for child care services. Many qualified providers are reported to be leaving the field⁴ due to poor wages and benefits. This leads to high turnover in the childcare provider and teacher workforce.

High-quality childcare is highly correlated with children who remain in school longer, improved levels of social and academic success, higher earnings, increased capacity to hold a job, and individuals who commit fewer crimes.⁵

A study conducted and supported by Mayor Newsom’s office in San Francisco reflects that childcare contributes \$191M to the local economy each year. The study reveals that the childcare industry “enables employers to attract and retain employees and to increase productivity by reducing employee turnover and absenteeism”⁶.

When a family childcare worker misses a day of work due to illness, ten families are scrambling for alternative childcare arrangements. Childcare is decidedly important to social programs and economic progress for low wage families. If our hope is to provide welfare as an interim resource then we must provide ample support so that welfare recipients may successfully return to the workforce and sustain themselves long term. If a mother returns to work without adequate or reliable childcare, and her childcare falls through, she will likely, return to

welfare, establishing a vicious cycle. Society must set women up for success.

A study conducted in 2004 by the Institute for Women’s Policy Research reflects that women are more likely to stay in their job if they have two factors accounted for: childcare and health insurance. In contrast, the study reveals that women working in high quality jobs (i.e. those with benefits and reasonable wages) are three times more likely to retain their jobs than women in low quality jobs. This research implies the importance of benefits and self-sufficiency wages in order for women to stay in jobs over the course of several years.

Currently, insurance for childcare workers is unaffordable. The average family home childcare worker nets 21,000 dollars per year (\$1750/month). Childcare workers fall into that unfortunate bracket—earning too much for Medicaid and too little to afford individual coverage. Prices of individual coverage can be referenced in Table 1. Premiums for a single fifty-five year old childcare provider are nearly 25% of her monthly income.

Individual Plan Monthly Premiums - 2007

Los Angeles

Health Plan	25 year-old female, single	35 year-old female, single	55 year-old female, single	25 year-old female, married, children	35 year-old female, married, children	55 year-old female, married, children
HMO Products						
Blue Shield-Access+ Value HMO	\$198	\$263	\$422	\$599	\$786	\$979
Kaiser-\$25 Copayment Plan	\$202	\$242	\$394	\$704	\$797	\$895

Health Insurance would also improve the overall health of childcare workers who are exposed to daily illness. Working with children, providers are often exposed to germs, infection, and illness that are easily transmittable. These illnesses would be far more avoidable were primary care and preventative medicine more accessible to them.

Childcare workers make a tremendous contribution to our society on a variety levels. It is an unfortunate value statement that their important work is rewarded by the lack of health benefits.

(Endnotes)

1 Title 22 Div. 12 Chapter 3 of California law defines Family Child Care Homes as (6/8/2005)

(1) “Family Day Care” or “Family Child Care” means regularly provided care; protection and supervision of children, in the care giver’s own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away. The term “Family Child Care” supersedes the term “Family Day Care” as used in previous regulations.

(A) “Small Family Child Care Home” means a home that provides family childcare for up to six children, or for up to eight children if the criteria in Section 102416.5(b) are met. These capacities include children under age 10 who live in the licensee’s home.

(B) “Large Family Child Care Home” means a home that provides family childcare for up to 12 children, or for up to 14 children if the criteria in Section 102416.5(c) are met. These capacities include children under age 10 who live in the licensee’s home and the assistant provider’s children under age 10.

2 Richardson & Marciniak. CCPA Survey Report (ITUP, September 2004) at www.itup.org. Also, LAUP surveyed staff who work at centers and family providers with which it contracts. Response rate of 78 percent.

3 For example, Kaiser individual coverage with \$25 co-pays is \$239 a month, \$2868 annually in Los Angeles.

4 Whitebook et al, Then and Now: Changes in Child Care Staffing 1994-2000 at www.ccw.org/pubs/Then&Nowfull.pdf.

5 Whitebook, M. et al (1990)

6 The Economic Impact of the Childcare industry in the City and County San Francisco, 2003