

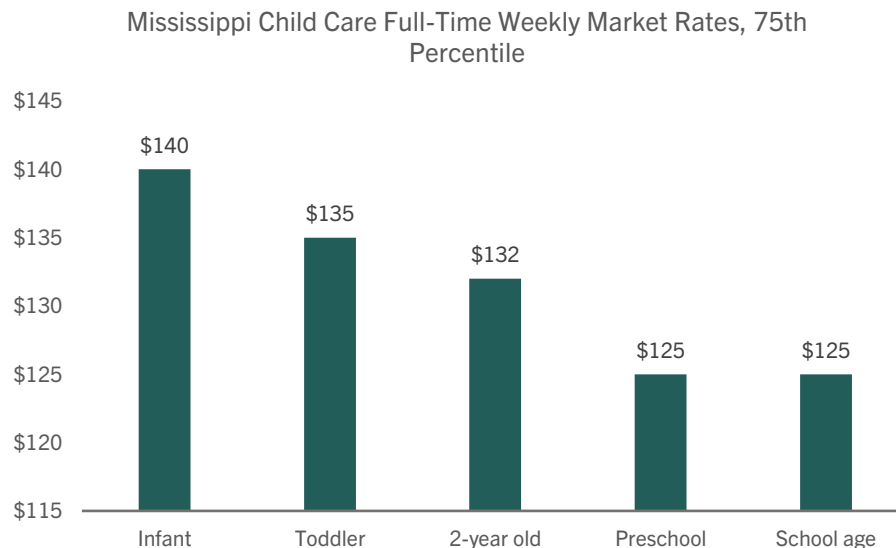
# 2021 Mississippi Child Care Market Rate Survey

## EXECUTIVE SUMMARY

To comply with CCDBG guidelines, the Federal Office of Child Care requires the state of Mississippi to periodically study and capture current market rates for child care in the state. The findings, along with estimates of the cost of providing child care, are used to determine levels of financial assistance through the Mississippi Child Care Payment Program, housed at the Mississippi Department of Human Services (MDHS). To study 2021 market rates for child care in Mississippi, MDHS contracted with the Social Science Research Center (SSRC) at Mississippi State University.

To determine current market rates and inquire about the effects of COVID-19, the SSRC designed and implemented a Market Rate Survey (MRS) that was administered to 1,063 licensed or registered child care providers in the state with a response rate of 59%. Additionally, estimates of child care costs in Mississippi were generated through a Narrow Cost Analysis. The results of this study are summarized below:

- Average weekly, full-time rates for child care in Mississippi ranged from \$125 for infant care to \$111 for preschool care. When they are enrolled in full-time care, rates for school-age children average \$102 per week. Weekly full-time rates at the 75<sup>th</sup> percentile, or the rate at which 75% of child care centers fall at or below in Mississippi, ranged from \$140 for infant care to \$125 for the care of preschool and school-age children.

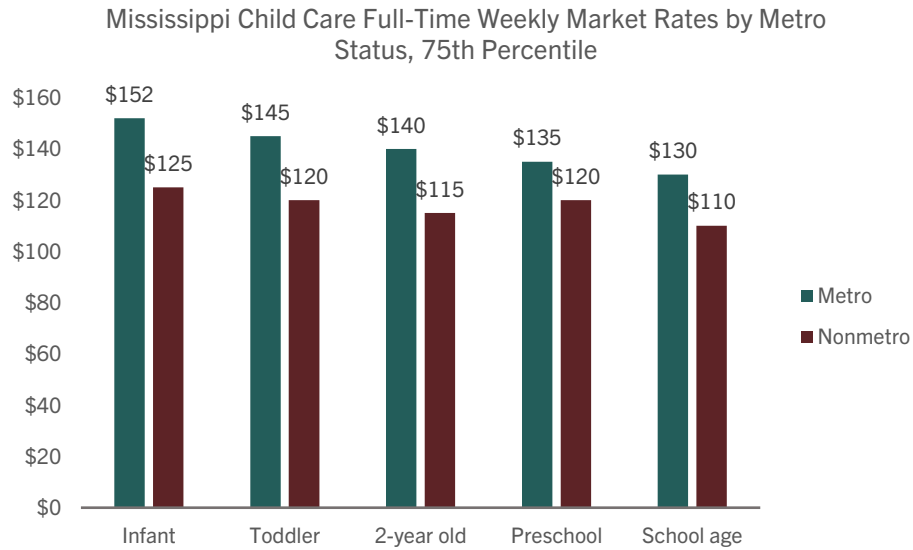


- These rates represent an increase from the previous market rates at the 75<sup>th</sup> percentile that are used by MDHS to determine current financial assistance levels. The previous rates for full-time weekly care ranged from \$111 to \$92. However, in 2020, an enhanced emergency rate became

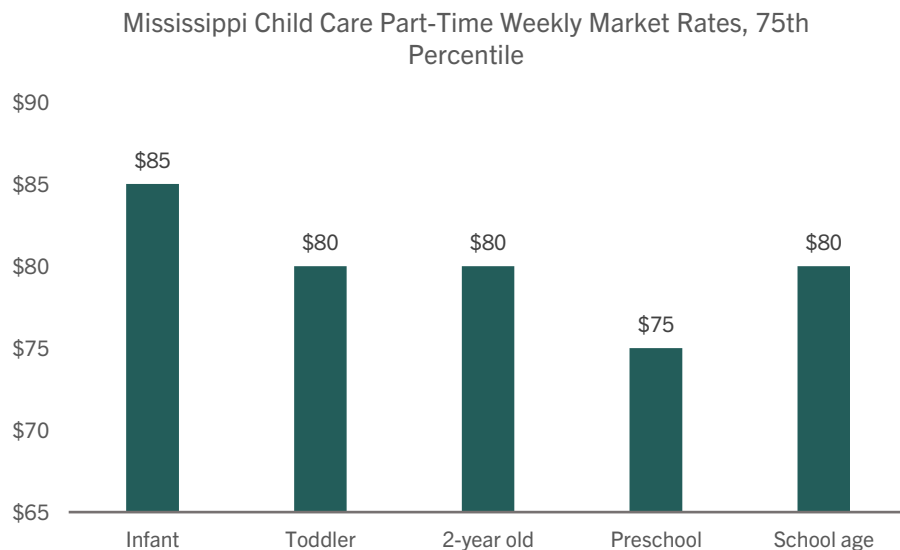


effective in response to COVID-19-related burdens on child care providers. The enhanced emergency rates ranged from \$139 to \$115 for full-time weekly care.

- Full-time weekly rates varied depending on the location of centers, with centers located in metropolitan counties charging more than those located in non-metropolitan counties. Rates at the 75th percentile in metropolitan counties ranged from \$152 for infant care to \$130 for the care of school-age children. Rates at the 75th percentile in non-metropolitan counties ranged from \$125 for infant care to \$110 for the care of school-age children.



- Average weekly part-time rates for child care in Mississippi ranged from \$81 for infant care to \$73 for the care of school-age children. Weekly part-time rates at the 75th percentile, or the rate at which 75% of child care centers fall at or below in Mississippi, ranged from \$85 for infant care to \$75 for preschool care. Rates at the 75<sup>th</sup> percentile for the care of school-age children fell at \$80.



- Just over 100 centers reported different rates for children with special needs. Among these, rates varied less by age. Average weekly full-time rates ranged from \$128 for the care of 2-year-old children to \$120 for the care of school-age children.
- In addition to weekly rates, over half of respondents (59%) reported charging a one-time registration fee. Waitlists were also commonly reported (59%).
- Eighty-one percent of respondents reported that they currently accepted children receiving subsidies through the Child Care Payment Program. Reasons for not accepting participating children included a lack of knowledge about the program (37.6%), a lack of demand (34.9%), or a lack of time (20.8%).
- Nearly three quarters of centers (72.3%) indicated that they were closed at some point prior to the survey due to COVID-19. Other COVID-19 impacts included reduced enrollment (80.4%), decreased revenue (77.7%), and increased expenses (72.3%). Most (72.8%) indicated their tuition rates had not changed as a result, but for those who indicated increases, the majority (88.1%) thought the change would be permanent.
- When asked if there was any other information they would like to share, 183 respondents provided additional information. Of these, more than half (94) brought up needing additional funding and/or long-term maintenance of the increased subsidy rates provided as relief from COVID-19's effects through the Child Care Payment Plan.
- The Narrow Cost Analysis, which uses hypothetical centers and generalized costs to provide estimates, indicated that the estimated cost of providing full-time weekly care is impacted by the age of the child and the size of the child care center. Costs ranged from \$117 for school-age care in a large center (averaging 93 children) to \$364 for infant care in a small center (averaging 16 children).

