

Attachment G: Incentive Justification

An incentive of \$50 is proposed in order to encourage broad participation. For this low income group, we are concerned that the costs of participation (e.g., child care and travel), would deter participation of the individuals whose opinions would be valuable. Below we discuss the derivation of the \$50 incentive.

Multiple sources were consulted in order to estimate the average cost of hourly childcare for potential research participants. The *US Department of Labor Bureau of Labor Statistics* provides mean hourly rates for different Standard Occupational Classifications (SOC)¹, sortable by state. The table below lays out the mean hourly wages for the two SOCs that most closely relate to the short-term childcare that participants would require: *Personal Care Aides* and *Childcare Workers*. Kansas, Missouri, and New Jersey were selected because participants will be recruited from these three states.

Table 1 - May 2014 Data from USDL Bureau of Labor Statistics

Area name	Hourly mean wage: Personal Care Aides (SOC code 399021)	Hourly mean wage Childcare Workers (SOC code 399011)
Kansas	\$9.74	\$9.64
Missouri	\$9.36	\$9.62
New Jersey	\$14.06	\$11.48
Total	\$11.05	\$10.25

However, we feel that these figures provide an artificially low estimate for the cost to participants for short-term childcare (babysitters, nannies, community care) for two reasons. First, these hourly wages combine a broad range of occupations within each general SOC, most of which would not apply to the care participants would need. Second, the hourly wage of many of these workers does not represent what parents would pay, as the wages do not include operational costs.

The two most recent annual surveys conducted by the website Urbansitter.org of parent members revealed a much higher average hourly cost of babysitters than provided by the BLS data. The 2013 UrbanSitter.org study surveyed 6,000 parents from 12 metropolitan areas about the hourly rates they provide babysitters for caring for one, two, and three children. The average hourly rate was \$13.06 per hour, and across all locations and number of children (see table 2). In 2014, the survey was repeated with 7,500 parents across 9 metropolitan areas (St. Louis, Dallas, and Philadelphia were dropped without a justification). For this sample, the average hourly rate was \$14.93, again across all locations and number of children (see table 3). It is possible that these rates are inflated by the inclusion of metropolitan areas with a high cost of living (e.g. San Francisco, New York City, and Boston).

¹ See <http://www.bls.gov/soc/home.htm> for a list and explanation of Standard Occupational Codes

Table 2 - 2013 Study of 6,000 Parents on UrbanSitter.org

	1 Child	2 Children	3 Children	Mean
Boston	\$12.00	\$13.75	\$15.50	\$13.75
Chicago	\$12.00	\$12.50	\$15.00	\$13.17
Dallas	\$10.00	\$11.25	\$12.25	\$11.17
Denver	\$10.25	\$11.25	\$14.25	\$11.92
Los Angeles	\$12.50	\$13.75	\$16.25	\$14.17
NYC	\$13.50	\$14.75	\$16.50	\$14.92
Philadelphia	\$10.25	\$10.75	\$11.50	\$10.83
San Francisco	\$14.00	\$16.75	\$14.50	\$15.08
San Diego	\$10.25	\$12.50	\$19.25	\$14.00
Seattle	\$10.25	\$13.25	\$15.00	\$12.83
St Louis	\$9.75	\$11.50	\$12.50	\$11.25
DC	\$12.25	\$13.50	\$15.00	\$13.58
	Full Sample Mean			\$13.06

Table 3 - 2014 Study of 7,500 Parents on Urbansitter.org

	1 Child	2 Children	3 Children	Mean
Boston	\$13.64	\$15.66	\$16.77	\$15.36
Chicago	\$11.91	\$14.07	\$15.00	\$13.66
Denver	\$10.84	\$12.26	\$14.24	\$12.45
Los Angeles	\$13.53	\$15.87	\$17.94	\$15.78
NYC	\$15.34	\$16.76	\$18.74	\$16.95
San Francisco	\$14.99	\$17.68	\$19.46	\$17.38
San Diego	\$11.11	\$13.28	\$14.82	\$13.07
Seattle	\$12.80	\$14.83	\$15.47	\$14.37
DC	\$13.83	\$15.27	\$16.95	\$15.35
	Full Sample Mean			\$14.93

Finally, we consulted Care.com, an international web-based service that matches care providers with families seeking care. Care.com has a membership of over 14 million and provides suggested hourly rates for babysitters by postal code varying by the number of children. In order to capture a sample of potential participants, 10 postal codes were selected within a 30-minute drive of the planned research sites, based on a concentration of summer food service sites (<http://www.fns.usda.gov/summer-food-rocks/>). The average hourly rate for these 10 postal codes for one, two, and three children was \$16.32 (see Table 4).

Table 4 - Mean hourly rate for babysitters by postal code, provided by Care.com

Location	Zip Code	\$ per hour 1 child	\$ per hour 2 children	\$ per hour 3 children	Mean \$ per hour
Prairie Village, MO	66208	\$13.50	\$14.50	\$16.00	\$14.67
Mission, KS	66202	\$13.00	\$14.50	\$16.00	\$14.50
Roeland Park, KS	66205	\$13.50	\$14.50	\$16.00	\$14.67
Overland Park, KS	66204	\$13.50	\$14.50	\$16.00	\$14.67
Kansas City, MO	64130	\$13.50	\$14.50	\$16.00	\$14.67
Passaic, NJ	07055	\$16.50	\$18.00	\$19.50	\$18.00
Clifton, NJ	07013	\$16.50	\$18.00	\$19.50	\$18.00
Belleville, NJ	07109	\$16.50	\$18.00	\$19.50	\$18.00
Lodi, NJ	07644	\$16.50	\$18.00	\$19.50	\$18.00
Garfield, NJ	07026	\$16.50	\$18.00	\$19.50	\$18.00
Full Sample Mean					\$16.32

Taken together, the available data provides a range of mean hourly wages from \$10.25 to \$16.32 per hour. Given the range of figures provided by the available data sources, we propose using an estimate of \$15 per hour for childcare, in order to insure that the cost of childcare for low-income families of varying family circumstances will not prohibit parents from participating.

Last, parents will have to travel to the focus group facility and may therefore incur transportation costs. We propose providing an additional \$5 incentive to cover any incidental expenses incurred during their transportation to and from the focus group facility. This figure is derived from the GSA contractor rates for daily per diems.

The total amount of time parents may require childcare is estimated at 3 hours, including travel to and from the facility, participation in the 90-minute focus group, and an early arrival time. We therefore strongly advise a \$50 incentive to defray some of the cost of childcare and travel necessary to participate in the focus group.