

Best Practices for Estimating the Costs of Early Childhood Education

Pricing Data Sources for Early Childhood Education Cost Estimation

You can use the following data sources to identify prices when estimating the cost of early childhood education (ECE) programs. Be sure to align the decisions about input prices in your cost model with the goals of your cost estimation. For example, when estimating the costs of high-quality care, you may choose to use state or district teacher salary scales rather than current wages to value lead teacher time, if your state has a goal of ultimately paying ECE teachers at the same level as elementary teachers. There may be multiple options for specific pricing information, so it is important to understand the qualities and characteristics of resources as you explore pricing information. Note that this is not an exhaustive list of available pricing information. Remember always to include the full price or market value of each resource, regardless of how it is funded or provided (e.g., discounted, donated, or subsidized). For more information about ECE cost estimation, visit www.air.org/estimating-ece-costs.

Data Sources	Description and How to Use in a Cost Model	Links
Provider Cost of Quality Calculator (PCQC)	Developed by the Administration for Children & Families, the PCQC is a user-friendly, web-based tool that helps center-based and family home child care providers estimate the costs of running their programs. It uses state-specific and national prices, along with assumptions about resource quantities, to help users understand both program costs and revenues. While PCQC prices are often helpful for estimating non-personnel resource costs, the tool can also be used to estimate personnel costs and staffing quantities when other data sources are not available.	Provider Cost of Quality Calculator
Bureau of Labor Statistics Operational Outlook Handbook	An online resource with data on state-specific and national median salaries and hourly wages for many different positions. This handbook can be used to identify typical wage ranges for different types of staff in child care programs.	Direct Services: Preschool Teachers Kindergarten and Elementary School Teachers Special Education Teachers Program-Level Staff: Directors and Administrators Other Support Staff: Food Preparation Building Maintenance Office and Administrative Support

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State or district teacher salary scales posted online	Depending on the goals of the cost estimates, states may desire to set early educator salaries equal to K–12 salaries in their cost models. Many districts have publicly available salary schedules that can be used as guidance for setting these wage assumptions.	Examples: Milwaukee, Wisconsin Denver Public Schools Oakland Unified School District
National retailer websites	Websites of national retailers can be used to identify prices for materials and equipment that do not vary by location, such as diapers, curricula, and cleaning supplies. These sites can also be used to compare or triangulate prices with other sources, including the PCQC.	Examples: Amazon Walmart
Insurance websites	Insurance companies that serve child care programs may advertise their range of prices for insurance. These price ranges can be helpful in triangulating and validating the standard costs included in the PCQC or other pricing sources.	Some examples of sources to help identify typical ranges of ECE insurance costs include: Next Insurance Fit Small Business
Accreditation websites	The costs of acquiring these accreditations can be found on specific accreditors' websites.	Key national organizations that offer accreditation include: National Association for the Education of Young Children (NAEYC): provides national accreditation for center-based child care providers through its Early Learning Program Quality Assessment & Accreditation National Association for Family Child Care (NAFCC): provides pathways to national accreditation for family child care educators.
Department of Housing and Urban Development (HUD) Fair Market Rent	HUD maintains a database that provides annual estimates of monthly rent set at the 40th percentile of gross rent for standard housing units within each state or local housing market. These data offer useful information about locality-specific monthly rental rates to support facilities pricing for family child care homes.	HUD Fair Market Rent
LoopNet	LoopNet is a commercial real estate database that offers real-time information on rental rates for commercial buildings. Its listings of prices per square foot can be used to obtain information about rental rates for child care facilities in various localities.	LoopNet
Training Organization Websites	Organizations like the American Red Cross and the American Health Care Academy offer a variety of online and in-person classes, often with options tailored for child care providers. These offerings can be used to determine the cost of required trainings, including CPR and other health and safety certifications for child care staff.	American Red Cross American Health Care Academy