

Best Practices for Estimating the Costs of Early Childhood Education

List of Common Resources to Account for in Early Childhood Education Cost Estimates

This section presents brief definitions and characteristics of resources commonly used to provide Early Childhood Education (ECE) services. State and local governments can use these lists as a starting point when deciding which resources to explore and potentially include in their ECE cost estimates. This list is not exhaustive; rather, it highlights resources that are typically considered in child care cost estimation. For more information about ECE cost estimation, visit www.air.org/estimating-ece-costs.

When deciding which resources to include, keep the goals of your cost estimation in mind (see [Best Practice 1](#)). Be sure to account for all relevant resources, regardless of how they are funded or provided, including those that are discounted, donated, or subsidized.

Staff Roles and Supports

Exhibit B1 describes commonly included staff and staff supports. Staff compensation (wages plus any applicable benefits) typically constitutes the largest share of child care costs. The pricing source you use to value staff time (see [Pricing Data Sources for Early Childhood Education Cost Estimates](#)) will depend on the assumptions in your cost estimate (e.g., whether you intend to align staff salaries with K–12 salaries).

Exhibit B1. Staff Roles: Definitions and Characteristics

Role	Definition and Characteristics
Staff Commonly Included	
Center director	An individual who meets necessary licensing requirements at the center level and is responsible for daily operations and often manages hiring, staff training, interaction with parents, scheduling, and other management tasks.
Assistant director	An individual who meets necessary licensing requirements at the center level and is responsible for supporting the activities of the center director.
Lead teacher	An individual who meets necessary licensing requirements and is primarily responsible for the education and safety of the children in the classroom. In some states, there are differences in required qualifications and/or training between lead teachers and assistant teachers.

Role	Definition and Characteristics
Assistant teacher	An individual who meets necessary licensing requirements and is responsible for supporting the work of the lead teacher in the classroom. In some states, there are differences in required qualifications and/or training between lead teachers and assistant teachers.
Teaching assistant	An individual who supports the work of the lead teacher in the classroom. In some states, teaching assistants have different roles and responsibilities and different associated licensing requirements and salary scales than assistant teachers; in other states, these might refer to the same role.
Floater/substitute teacher	An individual who meets necessary licensing requirements and is not assigned to a specific classroom but instead manages classroom and center-level duties as needed to cover teacher and teacher assistant absences (e.g., lunch, sick or vacation days, training time out of the classroom).
Family child care home owner/operator	An individual who meets necessary licensing requirements to own and operate the family child care home business and is responsible for daily operations, instructional programming, communication with parents, and other licensing requirements (based on the state).
Family child care assistant	An individual who meets necessary licensing requirements to support the work of the family child care home owner/operator in providing child care.
Family child care substitute teacher	An individual who meets necessary licensing requirements to carry out the work of a family child care home owner/operator when that individual is away from work (e.g., sick, vacation, training).
Other Staff Who May Be Included	
Cook	An individual who manages the purchase and preparation of food for children within a program/set of programs.
Office staff	An individual who supports the daily operations of a program through activities like taking daily attendance, filing required documents, responding to parents, and scheduling conferences. These staff may also handle enrollment tasks (e.g., processing registration fees, leading facility tours, managing program marketing activities).
Family engagement coordinator	An individual who manages engagement with families through activities like conferences, field trips, informational packets, and referrals to services needed.
Transportation coordinator	An individual who manages a program's transportation services.
Behavioral specialist	An individual with specialized training (as determined by the state/local government) who supports teachers in managing child behaviors and/or works directly with specific children (and/or their families) to encourage appropriate behaviors.
Related service provider (e.g., speech language therapist, occupational therapist, physical therapist)	An individual with specialized training (as determined by the state/local government) who support teachers in supporting growth of specific skills. This may include speech language therapists, occupational therapists, physical therapists, or other professionals.

Role	Definition and Characteristics
Staff Supports	
Required training	Staff training that is necessary for a program to be licensed and operational. Examples include CPR training and other health and safety training requirements.
Professional development	Training and other supports for staff at different levels to grow their capacity to provide high-quality care and education.
Benefits	Components of child care program staff compensation that might include health insurance, retirement contributions, tuition reimbursement, discounted child care, and paid time off, among others. State-mandated benefits, like disability, unemployment, and Social Security, should be included appropriately for all staff, whereas additional fringe benefits should align with program staff compensation policies and/or goals of the cost estimate (such as modeling the cost of higher quality programs or efforts to reduce staff turnover).

Materials

Exhibit B2 describes material resources commonly used to provide ECE. These resources may include classroom level supplies (e.g., curricula and classroom materials), program level materials (e.g., office or kitchen supplies), or child level resources (e.g., food). The cost of these resources should be divided across the children for whom the resources are used to produce a more accurate per-child cost estimate.

Exhibit B2. Materials Commonly Used in ECE

Materials	Resources such as classroom materials, office supplies, and kitchen supplies. Materials used to provide child care may include toys, books, diapers, wipes, rugs, paper, crayons or markers, disposable cutlery, plates, bowls, napkins, and paper towels.
Food	Resources to provide safe, nutritious, and age-appropriate meals and snacks. Depending on the program structure and services, food for children can include breakfast, lunch, snacks, and/or dinner.
Curricula	Items purchased to support instruction and facilitate educational activities for young children.
Cleaning supplies	Resources used to provide a clean and healthy environment for children. These may include specific items that are safe for use around children (based on licensing and local health and safety guidelines).
Equipment	Resource items that are often used across multiple years because they are durable. Examples include cribs, cots, outdoor play equipment, and classroom furniture.
Safety equipment	Durable resources used to ensure the safety of children being served. These may include items such as smoke detectors or child safety door handles; some safety equipment may be explicitly required for licensing.

Facilities

Exhibit B3 describes resources commonly included in cost estimates to account for facilities. When using an existing data source for facility pricing, make sure you understand what the price of the building space captures. Some (but not all) rental agreements bundle utilities, cleaning, maintenance, outdoor space, parking, and other services into the monthly rental fee, while others do not. It is important to know which services are included. For any services not covered, such as cleaning or utilities, obtain accurate pricing so these costs can be properly reflected in the cost estimate.

Building space costs are often amortized or depreciated over time to capture the annual value of the space in the cost estimate.

When facility information is collected through administrative data, surveys, or focus groups, program leaders may report a discounted rental rate based on an agreement with the landlord to operate their child care business or ECE program. In these cases, you should represent the full market value of the space used to provide care, not the discounted amount.

For family child care homes, whose facility costs often rely on the fair market rent value for the state or locality, be sure to distinguish between personal and business expenses. One way to approach this is to prorate costs based on the portion of time and space used for child care in the home (commonly called the *time-space percentage*).

Exhibit B3. Facilities Resources Commonly Accounted For in Cost Estimates

Building space: Center-based care	The value of the space where ECE services are provided, typically measured in square feet.
Building space: Family child care homes	The value of the space where child care is provided in family child care settings.
Utilities	Operational resources including gas, electric, water, internet, phone, and building insurance, whose costs are often incurred monthly.
Cleaning	Effort and resources required to maintain a clean facility where child care services are provided. Some programs hire a cleaning company to service classrooms and common areas daily or weekly. The cost of these services varies depending on what is included in the cleaning contract.
Maintenance	Effort and resources required to maintain the child care facility. Maintenance costs vary depending on the space but may include services like snow removal; grass cutting and landscaping; pest control services; and upkeep of electrical, heating, and plumbing systems.

Program Operations

Exhibit B4 describes characteristics of program operations that can affect cost estimates. The examples included here can help you think through what operational decisions or goals to account for in your work.

Exhibit B4. Program Operation Factors That Can Affect Cost Estimates

Operational Hours	The hours that a program is open affects the resources needed to run it (e.g., early morning and evening hours, overnight care, 10- versus 12-hour days). Longer hours of operation increase demands regarding staff time, meals provided, utilities, maintenance and cleaning services, and materials.
Services Provided	ECE programs can differ in the services they offer, which can affect costs. Programs that specialize in providing care for children with special or complex needs require staff with specific credentials or additional training, as well as individualized materials and custom equipment.
Marketing	Programs often incur costs to recruit families to their program. The extent to which this active marketing—through social media, printed materials, dedicated staff time, or paid advertising—is needed by a typical child care program will influence costs.
Margin/Reserves	Sustainable business models ideally involve having some amount of margin or reserves that can be used to weather lean times (e.g., when enrollment declines), manage unexpected expenses (e.g., a major repair), or expand the program (e.g., adding more classrooms or serving more age groups). Assumptions about an appropriate margin to include in cost models may be developed in consultation with local child care leaders or their financial partners.
Accreditation	Some programs choose to become accredited by an organization such as the National Association for the Education of Young Children (NAEYC) to document the quality of their program. Accreditation often comes with up-front and ongoing costs.

External Supports

Some programs rely on regional supports, such as lending libraries of materials and equipment for child care homes, professional development courses, or business operations support or mentoring. In addition, state agencies or partners may provide services such as licensing and quality review visits. In a cost estimate, the costs of these types of external supports can be divided among programs who use them, depending on the question your study is trying to address.