

# True Cost of Quality Child Care Across Texas Regions

## About the Regional True Cost of Care Tables

In November 2022, the Texas Child Care Strategic Plan Workgroup released recommendations to improve the quality of the child care workforce in Texas (hereafter “Workgroup Recommendations”).<sup>1</sup> In support of these recommendations, the Prenatal-to-3 Policy Impact Center estimated the true cost of quality child care (TCC) in Texas.<sup>2</sup> These statewide average figures informed several of the concrete proposals included in the Workgroup Recommendations.

This document updates and expands the cost estimates from the Workgroup Recommendations in two ways. First, we update our estimates of the statewide average TCC to incorporate the latest cost-of-living data (officially “regional price parities”) available from the Bureau of Economic Analysis (BEA<sup>3</sup>). Second, we report TCC estimates separately for 26 regions within Texas, including all 25 Metropolitan Statistical Areas (MSAs) as well as a single estimate for the portion of the state that does not fall within any MSA (i.e., predominately rural areas).<sup>4</sup> Subsidy reimbursement rates are set by Workforce Region, and so localized estimates are vital for understanding disparities between current rates and the true cost of care.

MSAs include cities, their suburbs, and some outlying rural areas. As such, actual TCCs will vary within each region. The TCC within the city limits of Dallas, for example, is likely to be somewhat higher than the average for the larger Dallas-Fort Worth-Arlington MSA.

The tables below report separate sets of TCCs for infants, toddlers, preschool, and school-age children receiving care in child care centers and one set of TCCs for children receiving home-based child care. Each table includes estimated TCCs for care quality equivalent to Texas Rising Star Two-Star, Three-Star, and Four-Star levels. Consistent with the estimates included in the Workgroup Recommendations, the true cost of home-based care is set to be equivalent the cost of toddler care at the same level of care quality, with more research needed to develop a specifically home-based rate.

All TCCs are estimated in January 2021 dollars and thus do not account for inflation since that time. Additionally, we report all TCCs as monthly costs, consistent with common

practice elsewhere.<sup>5</sup> To convert monthly costs to daily costs, divide each reported amount by 22 days.

## Methodological Notes

The overall methodology for estimating the true cost of quality care is unchanged from the Workgroup Recommendations.<sup>6</sup> We made the following adjustments to generate regional estimates:

- Expenses subject to a cost-of-living adjustment are now scaled by the appropriate BEA regional price parity (RPP) for the given MSA or for the nonmetropolitan portion of the state, rather than by Texas’s statewide RPP. Specifically, we employ the latest 2021 “All-Items” RPPs for each region, as released on December 15, 2022.
- Unlike expenses, the wage scales used to produce statewide TCC estimates are specific to Texas, rather than adjustment from a national baseline. As such, to adjust wages for regions within Texas, we estimate the cost of living in that region relative to the Texas average, not the national average. We accomplish this by dividing the RPP of a given region by the statewide RPP and using this new term as a within-state RPP for wages.<sup>7</sup>

It is worth noting that employing “All Items” RPPs for TCC estimates may wash out some regional variation in commercial real estate prices. As such, actual TCCs for a given MSA may be slightly higher than estimates for regions with more expensive commercial real estate, and vice versa. These estimates could be refined with more information regarding commercial rents and mortgage costs across the state.

Table 1. Monthly True Cost of Quality Care in 2021 Dollars:

*Texas average*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,378	\$1,471	\$1,757
Toddler	Center	\$1,097	\$1,299	\$1,548
Preschool	Center	\$920	\$1,038	\$1,130
School-age	Center	\$863	\$899	\$1,040
All ages	Home	\$1,097	\$1,299	\$1,548

Table 2. Monthly True Cost of Quality Care in 2021 Dollars:

*Texas Nonmetropolitan portion*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,280	\$1,366	\$1,632
Toddler	Center	\$1,019	\$1,206	\$1,438
Preschool	Center	\$853	\$963	\$1,049
School-age	Center	\$801	\$833	\$965
All ages	Home	\$1,019	\$1,206	\$1,438

Table 3. Monthly True Cost of Quality Care in 2021 Dollars:

*Abilene MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,300	\$1,387	\$1,657
Toddler	Center	\$1,034	\$1,225	\$1,460
Preschool	Center	\$866	\$978	\$1,065
School-age	Center	\$813	\$846	\$980
All ages	Home	\$1,034	\$1,225	\$1,460

Table 4. Monthly True Cost of Quality Care in 2021 Dollars:

*Amarillo MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,321	\$1,410	\$1,685
Toddler	Center	\$1,052	\$1,245	\$1,485
Preschool	Center	\$881	\$995	\$1,083
School-age	Center	\$827	\$861	\$996
All ages	Home	\$1,052	\$1,245	\$1,485

Table 5. Monthly True Cost of Quality Care in 2021 Dollars:

*Austin-Round Rock-Georgetown MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,397	\$1,491	\$1,780
Toddler	Center	\$1,112	\$1,316	\$1,569
Preschool	Center	\$932	\$1,052	\$1,145
School-age	Center	\$875	\$911	\$1,054
All ages	Home	\$1,112	\$1,316	\$1,569

Table 6. Monthly True Cost of Quality Care in 2021 Dollars:

*Beaumont-Port Arthur MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,316	\$1,404	\$1,677
Toddler	Center	\$1,047	\$1,240	\$1,478
Preschool	Center	\$877	\$990	\$1,078
School-age	Center	\$823	\$857	\$992
All ages	Home	\$1,047	\$1,240	\$1,478

Table 7. Monthly True Cost of Quality Care in 2021 Dollars:  
Brownsville-Harlingen MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,256	\$1,340	\$1,602
Toddler	Center	\$999	\$1,183	\$1,411
Preschool	Center	\$837	\$945	\$1,029
School-age	Center	\$785	\$817	\$946
All ages	Home	\$999	\$1,183	\$1,411

Table 8. Monthly True Cost of Quality Care in 2021 Dollars:  
College Station-Bryan MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,337	\$1,427	\$1,705
Toddler	Center	\$1,064	\$1,260	\$1,503
Preschool	Center	\$892	\$1,007	\$1,096
School-age	Center	\$837	\$871	\$1,008
All ages	Home	\$1,064	\$1,260	\$1,503

Table 9. Monthly True Cost of Quality Care in 2021 Dollars:  
Corpus Christi MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,334	\$1,424	\$1,700
Toddler	Center	\$1,062	\$1,257	\$1,498
Preschool	Center	\$890	\$1,004	\$1,093
School-age	Center	\$835	\$869	\$1,006
All ages	Home	\$1,062	\$1,257	\$1,498

Table 10. Monthly True Cost of Quality Care in 2021 Dollars:  
Dallas-Fort Worth-Arlington MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,444	\$1,541	\$1,840
Toddler	Center	\$1,150	\$1,361	\$1,622
Preschool	Center	\$964	\$1,088	\$1,184
School-age	Center	\$905	\$942	\$1,090
All ages	Home	\$1,150	\$1,361	\$1,622

Table 11. Monthly True Cost of Quality Care in 2021 Dollars:  
El Paso MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,313	\$1,401	\$1,674
Toddler	Center	\$1,045	\$1,237	\$1,475
Preschool	Center	\$875	\$988	\$1,076
School-age	Center	\$822	\$855	\$990
All ages	Home	\$1,045	\$1,237	\$1,475

Table 12. Monthly True Cost of Quality Care in 2021 Dollars:  
Houston-The Woodlands-Sugar Land MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,393	\$1,487	\$1,775
Toddler	Center	\$1,109	\$1,313	\$1,565
Preschool	Center	\$930	\$1,049	\$1,142
School-age	Center	\$873	\$908	\$1,051
All ages	Home	\$1,109	\$1,313	\$1,565

Table 13. Monthly True Cost of Quality Care in 2021 Dollars:

*Killeen-Temple MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,319	\$1,408	\$1,682
Toddler	Center	\$1,050	\$1,243	\$1,482
Preschool	Center	\$880	\$993	\$1,081
School-age	Center	\$826	\$859	\$994
All ages	Home	\$1,050	\$1,243	\$1,482

Table 14. Monthly True Cost of Quality Care in 2021 Dollars:

*Laredo MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,274	\$1,360	\$1,625
Toddler	Center	\$1,014	\$1,200	\$1,432
Preschool	Center	\$849	\$958	\$1,044
School-age	Center	\$797	\$829	\$960
All ages	Home	\$1,014	\$1,200	\$1,432

Table 15. Monthly True Cost of Quality Care in 2021 Dollars:

*Longview MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,308	\$1,396	\$1,668
Toddler	Center	\$1,041	\$1,233	\$1,470
Preschool	Center	\$872	\$984	\$1,072
School-age	Center	\$819	\$852	\$986
All ages	Home	\$1,041	\$1,233	\$1,470

Table 16. Monthly True Cost of Quality Care in 2021 Dollars:

*Lubbock MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,323	\$1,412	\$1,686
Toddler	Center	\$1,053	\$1,246	\$1,486
Preschool	Center	\$882	\$995	\$1,084
School-age	Center	\$828	\$861	\$997
All ages	Home	\$1,053	\$1,246	\$1,486

Table 17. Monthly True Cost of Quality Care in 2021 Dollars:

*McAllen-Edinburg-Mission MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,249	\$1,333	\$1,592
Toddler	Center	\$993	\$1,176	\$1,403
Preschool	Center	\$832	\$939	\$1,023
School-age	Center	\$781	\$812	\$941
All ages	Home	\$993	\$1,176	\$1,403

Table 18. Monthly True Cost of Quality Care in 2021 Dollars:

*Midland MSA*

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,371	\$1,463	\$1,747
Toddler	Center	\$1,091	\$1,292	\$1,540
Preschool	Center	\$914	\$1,032	\$1,123
School-age	Center	\$858	\$893	\$1,034
All ages	Home	\$1,091	\$1,292	\$1,540



Table 19. Monthly True Cost of Quality Care in 2021 Dollars:

Odessa MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,354	\$1,445	\$1,726
Toddler	Center	\$1,078	\$1,276	\$1,521
Preschool	Center	\$903	\$1,020	\$1,110
School-age	Center	\$848	\$882	\$1,021
All ages	Home	\$1,078	\$1,276	\$1,521

Table 20. Monthly True Cost of Quality Care in 2021 Dollars:

San Angelo MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,301	\$1,388	\$1,658
Toddler	Center	\$1,035	\$1,226	\$1,461
Preschool	Center	\$867	\$979	\$1,066
School-age	Center	\$814	\$847	\$981
All ages	Home	\$1,035	\$1,226	\$1,461

Table 21. Monthly True Cost of Quality Care in 2021 Dollars:

San Antonio-New Braunfels MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,353	\$1,444	\$1,725
Toddler	Center	\$1,077	\$1,275	\$1,520
Preschool	Center	\$903	\$1,019	\$1,109
School-age	Center	\$847	\$882	\$1,020
All ages	Home	\$1,077	\$1,275	\$1,520

Table 22. Monthly True Cost of Quality Care in 2021 Dollars:  
Sherman-Denison MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,314	\$1,403	\$1,675
Toddler	Center	\$1,046	\$1,238	\$1,476
Preschool	Center	\$876	\$989	\$1,077
School-age	Center	\$822	\$856	\$991
All ages	Home	\$1,046	\$1,238	\$1,476

Table 23. Monthly True Cost of Quality Care in 2021 Dollars:  
Texarkana (TX-AR) MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,256	\$1,340	\$1,602
Toddler	Center	\$999	\$1,183	\$1,411
Preschool	Center	\$837	\$945	\$1,029
School-age	Center	\$785	\$817	\$946
All ages	Home	\$999	\$1,183	\$1,411

Table 24. Monthly True Cost of Quality Care in 2021 Dollars:  
Tyler MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,334	\$1,423	\$1,700
Toddler	Center	\$1,061	\$1,257	\$1,498
Preschool	Center	\$889	\$1,004	\$1,093
School-age	Center	\$835	\$869	\$1,006
All ages	Home	\$1,061	\$1,257	\$1,498

Table 25. Monthly True Cost of Quality Care in 2021 Dollars:

Victoria MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,301	\$1,388	\$1,658
Toddler	Center	\$1,035	\$1,226	\$1,461
Preschool	Center	\$867	\$979	\$1,066
School-age	Center	\$814	\$847	\$981
All ages	Home	\$1,035	\$1,226	\$1,461

Table 26. Monthly True Cost of Quality Care in 2021 Dollars:

Waco MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,332	\$1,422	\$1,698
Toddler	Center	\$1,060	\$1,256	\$1,497
Preschool	Center	\$889	\$1,003	\$1,092
School-age	Center	\$834	\$868	\$1,005
All ages	Home	\$1,060	\$1,256	\$1,497

Table 27. Monthly True Cost of Quality Care in 2021 Dollars:

Wichita Falls MSA

Age Category	Provider Type	Two-Star Quality Cost of Care	Three-Star Quality Cost of Care	Four-Star Quality Cost of Care
Infant	Center	\$1,289	\$1,375	\$1,643
Toddler	Center	\$1,025	\$1,214	\$1,448
Preschool	Center	\$859	\$970	\$1,056
School-age	Center	\$806	\$839	\$971
All ages	Home	\$1,025	\$1,214	\$1,448

## Endnotes

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<sup>1</sup> Prenatal-to-3 Policy Impact Center. (2022). *Workgroup recommendations to inform the 2022 Child Care Workforce Strategic Plan*. Prenatal-to-3 Policy Impact Center. [https://pn3policy.org/wp-content/uploads/2022/12/PN3PIC\\_Workgroup-Recommendationsto-Informthe-2022StrategicPlan.pdf](https://pn3policy.org/wp-content/uploads/2022/12/PN3PIC_Workgroup-Recommendationsto-Informthe-2022StrategicPlan.pdf)

<sup>2</sup> See page 137 of the recommendations (Table D8).

<sup>3</sup> Bureau of Economic Analysis. (2022). *Regional Price Parities by State and Metro Area*. <https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>. To access the regional price parities used to produce the tables in this document, first click “Interactive Data,” then select in succession “Interactive Tables: Regional Price Parities,” “Real Personal Income (RPI), Real Personal Consumption Expenditures (RPCE), Regional Price Parities (RPPS),” and “Regional Price Parities (RPP).”

<sup>4</sup> To easily identify the MSA corresponding to a particular county, one can use the Department of Housing and Urban Development’s “Metro Look-Up Tool,” available at:

<https://www.huduser.gov/portal/datasets/geotools.html>

<sup>5</sup> E.g., Center for American Progress. (n.d.). *Cost of Child Care*. <https://costofchildcare.org/>

<sup>6</sup> For more information, see Appendix D of that document.

<sup>7</sup> To illustrate, the 2021 RPP for Texas is 98.5 (compared to a national average of 100). The 2021 RPP for the Amarillo MSA is 93.8. Comparing the two terms, we see that the cost of living in Amarillo MSA is 93.8% of the national average, but 95.2% of the Texas average.