

When cash gets tight, nannies are first to go

October 16, 2008 - 4:14am

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NEW YORK (AP) - Casey Rishavy has contacted agencies, posted ads on Web sites and approached families she sees with small children on the beach.

But no one seems to be looking for a full-time, live-in nanny.

"It's very frustrating," said Rishavy, 20, of San Diego, Calif. "Even agencies are not calling back."

With child-care the second biggest expense after mortgage payments, many families are looking for cheaper alternatives, trading the nanny for day care, sharing babysitters or not going out much at all.

Wendy Pierce, who owns Loving Nannies and Nanny Care in the San Diego, Calif. area, said she has at least 300 nannies who are looking for work. Shannon Pitts, CEO of IntelliMark, which runs GreatAuPair, has 17,000 nannies and 6,000 families. And Don Dolan, who owns Kensington Nanny & Home Services with his wife in Valrico, Fla., said he has placed only two nannies with families in the past six months.

"It's a good industry if the economy is booming," said Dolan, who took out a second mortgage to start the business last year and is now facing bankruptcy. "Then people have more disposable income and are more inclined to get a nanny."

But the economy is not booming, which means parents are re-evaluating their child-care needs.

While nannies are often associated with an upper-class lifestyle, many families who use nannies are dual income professionals, said Sharon Graff-Radell, owner of TLC For Kids in St. Louis. She said there are more than 1 million U.S. families employing nannies.

Nannies can make between \$450 and \$750 a week, and in some cases, parents cover the cost of health insurance, she said.

"There are those upper-crust families," said Pitts. "They are status quo. But the majority of people are looking at their situation and saying we need to tighten things up and what can we do without right now."

Nikki Maxwell, 39, a mother of three in North Hills, Calif., said she could no longer afford her live-in "manny," who had been with the family for five years.

She and her husband, a grant writing consultant and a video game writer respectively, recently hit career road blocks. Her husband suffered when the writers strike hit and Hollywood writers took jobs in the video game industry. She lost contracts when the economy started to change.

"I can't support a nanny, or even at this point a part-time babysitter or a child care center," she said.

Many parents are finding themselves in similar situations, as the price of child care rises faster than the average rate of inflation.

The average price of full-time care for an infant in a center was as high as \$14,591 a year in 2007, according to the National Association of Child Care Resource and Referral Agencies. For a 4-year-old in a center, parents paid up to \$10,787 a year for full-time center care.

Pierce said many of the families that sign up with Loving Nannies are unable to pay much, offering as little as \$8 or \$9 an hour. She often has 20 to 30 nannies competing for one gig. Some are able to take less; but others aren't.

Debra Segal, 44, a nanny in Silver Spring, Md., said many of the families that contact her are not able to meet her \$700-a-week salary requirement.

"That's what I need to live," she said. "Not to get rich. But to live."

TLC for Kids has seen increased interest in cheaper options like shared care and its Mommy Nanny service, where the nanny brings her own child to work. A Mommy Nanny's full-time salary is on average 20 percent less a week.

But even that is being used more for emergencies than for regular outings, said Michael Cravens, CEO of Babysitters.com. Cash-strapped couples seem to be cutting back in that department.

Heather Flett, 35, an author and mother of two in Berkeley, Calif., said she has scaled back date nights, resulting in a savings of \$150 to \$200 a month. She will put her kids to bed at a friend's house, so she and the friend can hang out. Or invite people over after her kids have gone to bed.

"It's still important," she said of date nights with her husband. "But we are trying to find other ways to have fun together without the added expense of \$75 for a babysitter."

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Heather Gibbs Flett, reads a bedtime story to her son Milo Flett, 18-months-old, before friends arrive to spend an evening at her home, Saturday, Oct. 11, 2008, in Berkeley, Calif. In the wake of the difficult economic times the Flett family has made adjustments by staying in more often, foregoing nannies and babysitters. (AP Photo/George Nikitin)

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