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A Vision for the Future



GSA Child Care 2000

July 27- July 29, 2000
New York, New York

A handwritten signature in cursive script, appearing to read "Nicole Rabner".

Nicole Rabner
The White House
Washington, DC 20502



American Academy of Pediatrics



Department of Government Liaison

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September 11, 1997

Jennifer Klein

Special Assistant to the President for Domestic Policy
2nd Floor, West Wing
The White House
Washington, DC 20502

Dear Ms. Klein:

Thank you for the opportunity to provide suggestions about the Administration's child care policy and the upcoming White House Conference on Child Care. In addition to the recommendations provided in my letter of September 4, the American Academy of Pediatrics (AAP) would like to offer the following specific suggestions, pursuant to a request from your office.

Child care policy

The Academy offers the following suggestions for Administration policy. More detail is provided in the attached AAP testimony presented by James M. Poole, MD, FAAP, before the Senate Committee on Labor and Human Resources on July 17, 1997.

Establish and enforce federal health and safety standards. The Academy urges the President to propose the establishment of federal health and safety standards for all federally funded child care settings and to propose strong federal incentives (including financial resources) for states to adopt and enforce adequate health and safety standards for *all* child care programs. We believe that all out-of-home child care programs (including those for school-aged children) should be subject to standards such as those developed by the American Academy of Pediatrics and the American Public Health Association and published as *Caring for Our Children: National Health and Safety Performance Standards: Guidelines for Out-of-Home Child Care* (hereinafter, "National Standards"), sponsored by the Maternal and Child Health Bureau, Health Resources and Services Administration (MCHB/HRSA) and currently under revision. At a minimum, all child care settings should be subject to the standards most essential to prevent death, disease, and disability, as set forth in *Stepping Stones to Using Caring for Our Children -- Protecting Children from Harm* (hereinafter "Stepping Stones"), also sponsored by MCHB/HRSA.

Jennifer Klein
September 11, 1997
Page Two

Promote licensing and professionalism of early child care and education professionals.

We recommend that the President establish federal incentives, resources, and guidance to facilitate state licensing, certification or credentialing of all individuals who provide child care or who may be responsible for children or alone with children in a facility.

Standards should be set for education and training of both child care providers and staff of state licensing agencies. (Currently, most states do not have a process for licensing or otherwise regulating individual child care providers. Staff qualifications are evaluated as part of a facility licensing process, and must be re-examined each time an individual changes facilities. This is time-consuming, cumbersome, and leaves room for error.)

One of the characteristics that correlates most closely with better quality child care is the pre-service and ongoing, in-service training of personnel involved in caregiving. In addition, many state agencies employ personnel who lack the skills to make valid observations and to indicate to non-compliant providers how they should improve their performance. These staff should receive both pre-service and in-service training as well.

Make early childhood education and care available and affordable for preschool

children. As he did with respect to health care for children, the President should propose additional public funding to ensure that all children have access to safe, developmentally appropriate, and affordable early childhood education/care for children when they are not being cared for at home. The President is in a position to convey the great need for and importance of high-quality child care, and to help the American public understand that child care is early education and that public education should be funded when it counts the most -- in the earliest years, if parents need or choose to work -- as well as after age five when all children have access to public schools.

Financing of safe and healthful child care must come from a combination of public and private subsidies or tax credits for the cost of care, wherever it is provided, that exceeds the reasonable ability of parents to pay for care themselves. Parents of young children generally have less disposable income than at any other phase of their lives. As a nation, we do not ask parents to pay the full cost of education for their children after they reach kindergarten or first grade. Expecting parents to carry this burden for their younger, most vulnerable-age children results in bargain-hunting that buys inferior care for many infants, toddlers and preschoolers. Just as society supports those elderly who can no longer fully support themselves, we must support the young families raising our next generation who cannot afford quality early care and education for their offspring.

Immediate Executive Actions

We recognize that the President must enlist the support of Congress and the American people to implement the above proposals. However, we also believe that there are a number of steps that the Administration could take right away:

1. Continue the federal government's ongoing efforts to improve the availability and quality of child care through the activities of the Maternal and Child Health Bureau and the Child Care Bureau, such as the "Healthy Child Care America Campaign" and the National Resource Center for Health and Safety in Child Care.
2. Distribute "Stepping Stones" to all Governors, and publicly challenge the Governors and state legislatures to implement these standards in their states.
3. Direct the Department of Health and Human Services to undertake a comparison of all state laws and regulations with "Stepping Stones" and the "National Standards," and to publicize the adequacy of state health and safety regulations for child care in each state. (Alternatively, incentives and technical assistance could be provided to support each state in comparing its own standards with the "National Standards.") To facilitate periodic assessments, states should be encouraged to code their regulations in accordance with the "National Standards."¹
4. Monitor the effects of changes in welfare policy on the supply and quality of child care, and the resulting consequences for children and families.
5. Encourage states -- perhaps through developing a model law -- to establish, through statute, a state-level commission on child care, charged with developing a child care plan and facilitating cooperation among government, human services agencies, schools, employers, pediatricians and other health care providers, and caregivers, to ensure that the health, safety, and child development needs of children are met by child care services provided in the state.
6. Disseminate (and/or assist states in disseminating) information to parents on child care standards and quality so that they can make wise choices about their child care options.

¹ Currently, comparisons of state and local regulations with the "National...Standards" can be done only by tedious work taking many person-hours. Comparison of state and local standards with the ideal could be conducted much more efficiently if uniform codes (topic headings and numbering) were employed.

Jennifer Klein
September 11, 1997
Page Four

Child Care Conference

As indicated in my letter of September 4, we believe that the conference should address how to ensure access to quality child care for all children (including those from working poor families and children with special health care needs) and ways that child care settings can serve as points of access for health promotion and disease prevention information and services. In addition, we believe the conference should highlight the relationship between early brain development and quality child care. In so doing, we hope that the conference can provide the President with a springboard for launching significant policy proposals, such as those mentioned above, and for conveying the importance of quality child care to the American people, especially in light of welfare-to-work efforts.

As mentioned in my earlier correspondence, we believe that these objectives are best achieved by inviting representatives from the child care advocacy community and others who are in a position to effect change, including educators, business leaders, state and local government officials, health care providers, parents, grandparents, and, child care providers (including staff) from all types of child care settings.

Let me take this opportunity to reiterate the potential role of the Healthy Child Care America *Blueprint for Action*, which identifies five goals for healthy and safe child care, and suggests 10 steps that communities can take to pursue those goals (see attached letter and enclosures). The *Blueprint for Action* could be used as a outline for conference participants to develop their own action plans. If you wish, we would be pleased to make a presentation at the conference about the Healthy Child Care America Campaign -- its accomplishments and its great potential as a resource and framework for change.

Invitees

In my September 4 letter, I suggested that community leaders in a position to effect change should be invited to the conference, including the AAP members in each state who have volunteered to lead child care initiatives, and each state's Health Systems Development in Child Care grantees. We would also like to suggest that the following Academy members be considered as conference "faculty" or presenters, based on their experience and interest in this issue:

Jennifer Klein
September 11, 1997
Page Five

Robert Hannemann, MD, AAP President. Dr. Hannemann, who was a participant in the White House Conference on Early Childhood Development, practices general pediatrics at a multispecialty clinic in Lafayette, Indiana. He is the Associate Medical Editor of *Caring for Your Baby and Young Child*, the AAP's book for parents of children from birth to age five. In addition, he is the medical advisor for the monthly newsletter, "Your Growing Child," which advises parents on child development issues, and holds a visiting professorship in child psychology at Purdue University.

Susan Aronson, MD, AAP Board Member. Dr. Aronson directs "ECELS" -- the Early Childhood Education Linkage System -- a program of the Pennsylvania Chapter of the AAP that works in collaboration with several state agencies, private organizations and volunteer health professionals to provide technical assistance and training to the staff of the state child care licensing agency and to over 12,000 child care facilities. She also writes a column in EXCHANGE, a national magazine for child care directors. In addition, she participated with Hillary Clinton and ten other national leaders in the 1988 "French Study Tour" to learn about the French approach to child care. Dr. Aronson is also a member of the Advisory Committee to the "Healthy Child Care America Campaign," sponsored by the Department of Health and Human Services and administered by the AAP.

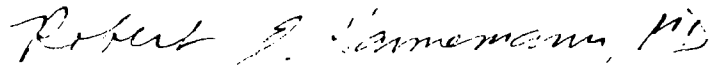
Peter Michael Miller, MD, MPH. Dr. Miller is the Chair of the AAP's national Committee on Early Childhood, Adoption and Dependent Care, which develops AAP policy with respect to early childhood development issues, including child care. He is a public health consultant in San Francisco with particular expertise in programs for children with special health care needs. Dr. Miller also serves on the Advisory Committee to the "Healthy Child Care America Campaign."

Other potential conference leaders include *James Poole, MD* (from Raleigh, NC), and *Jody Murph, MD, MS* (from Iowa City, IA), who are members of the AAP national Committee on Early Childhood, Adoption, and Dependent Care with particular expertise in child care issues. They, too, serve on the Advisory Committee to the "Healthy Child Care America Campaign." Dr. Poole also operates several child care facilities. Other members of the AAP Committee on Early Childhood with child care expertise include *Neal Kaufman, MD, MPH* (from Los Angeles, CA), and *Peter Gorski, MD, MPA* (from Boston MA).

Jennifer Klein
September 11, 1997
Page Six

Again, thank you for the opportunity to comment. We look forward to working with the President to ensure that every child has access to high-quality child care.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Hannemann, MD".

Robert E. Hannemann, MD
President

REH/jeg
Enclosures:

September 4, 1997, AAP letter and enclosures on the Health Child Care America campaign
(*Blueprint for Action*)

July 17, 1997, AAP testimony, "Improving the Quality of Child Care," presented before the
Senate Committee on Labor and Human Resources

American Academy of Pediatrics



September 4, 1997

Ms Jennifer Klein
Special Assistant to the President
for Domestic Policy
Second Floor, West Wing
The White House
Washington, DC 20502

Dear Ms Klein:

I was pleased to represent the American Academy of Pediatrics (AAP) at the White House Conference on Early Childhood Development and the press conference which preceded it in April 1997. I understand that the White House Conference on Child Care has been scheduled for October 23, 1997, and I would like to provide some suggestions for you to consider as you plan the conference.

To date, a fair amount of effort has already transpired to ensure children are in safe and healthy child care environments. In May 1995, Donna Shalala launched the Healthy Child Care America campaign at a meeting of the National Child Care Health Forum. The campaign was developed through a partnership between the Health Resources and Services Administration's Maternal and Child Health Bureau and the Administration for Children and Families' Child Care Bureau. Health and early childhood professionals from around the country came together to create a nationwide initiative for healthy child care. In partnership they developed the Healthy Child Care America *Blueprint for Action*, which identifies five goals for safe and healthy child care and suggests 10 steps that communities can take to pursue those goals (see enclosed). As you may be aware, the Academy assumed coordination of the campaign in October 1996. If you like, we would be pleased to highlight program accomplishments at the upcoming conference. In fact, I suggest that the *Blueprint for Action* be used as a framework for conference participants to develop their own action plans.

The conference should address how to ensure that quality child care is provided (including how to increase access to quality child care for the working poor) and ways that child care settings can serve as valuable points of access for health promotion and disease prevention. In this way, the conference would enhance ongoing efforts to ensure that every child has a medical home.

The relationship of quality child care to early brain development should be discussed, and strategies to incorporate children with special health care needs into child care environments should be highlighted.

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Ms Jennifer Klein
September 4, 1997
Page 2

I suggest that community leaders in a position to bring about change be invited to the conference including the AAP members who have been identified in each state to serve in a position of leadership related to child care initiatives. The Health Systems Development in Child Care grantees who are developing a common vision for child care and fostering support services for families in each state should be included.

Representatives from health and other child care-related organizations should also be invited to participate. Finally, parents of children in a variety of child care situations and child care providers should be invited to participate on the conference planning committee and to attend the meeting, if space allows.

I am very pleased that you are planning to have a conference on child care issues. On behalf of the American Academy of Pediatrics, I and the members of the AAP Committee on Early Childhood, Adoption, and Dependent Care would be pleased to assist you in any way possible. Please feel free to contact me, or Laura Aird, MS, program manager for the Healthy Child Care America campaign at 800/433-9016, ext 7132, if you need additional information or further assistance.

Sincerely,



Robert E. Hannemann, MD

REH/lda
Enclosures

TESTIMONY
of the
AMERICAN ACADEMY OF PEDIATRICS
on
IMPROVING THE QUALITY OF CHILD CARE
before the
SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

Presented by

James M. Poole, MD, FAAP

July 17, 1997

Good afternoon Mr. Chairman, Members of the Committee. Thank you for the opportunity to testify today about the quality of child care in this country. My name is James M. Poole and I am testifying on behalf of the American Academy of Pediatrics (AAP), an organization of 53,000 primary care pediatricians, pediatric medical subspecialists and pediatric surgical specialists dedicated to the health, safety and well-being of infants, children, adolescents and young adults.

I am a practicing pediatrician in Raleigh, NC, and also serve on the national AAP Committee on Early Childhood, Adoption and Dependent Care, which advises the AAP Board of Directors on medical and public policy matters related to child care. In addition, I direct five child care centers serving 1000 children in the Raleigh area.

The Academy and its members have been, and will continue to be, extensively involved in child care issues. Perhaps most significantly, the AAP literally helped to "write the book" on child care quality. The AAP and the American Public Health Association, with the support of the U.S. Maternal and Child Health Bureau, developed comprehensive health and safety standards for out-of-home child care, published in 1992. This 400-page publication, *Caring for Our Children -- National Health and Safety Performance Standards: Guidelines for Out-of-Home Child Care* ("National Health and Safety Performance Standards"), supplies detailed standards with respect to almost every aspect of child care quality. The Academy has also published a video tape series to help child care centers implement the standards, and has published a manual for pediatricians and a brochure for parents concerning the quality of child care.

In addition, the Academy recently assumed coordination of the "Healthy Child Care America Campaign" under a cooperative agreement with the Maternal and Child Health Bureau (in the Health Resources and Services Administration), and the Child Care Bureau (in the Administration for Children and Families) in the Department of Health and Human Services. The "Healthy Child Care America Campaign" is a nationwide effort to ensure safe and healthy child care by linking child care providers, health care providers and families. (See Appendix.)

Background

Six out of 10—nearly 13 million—infants, toddlers and preschool children are enrolled in child care, according to the National Center for Education Statistics (NCES). According to the NCES, nearly 88 percent of children whose mothers work full-time and 75 percent of children whose mothers work part-time are enrolled in child care. As children grow older, they are more likely to be enrolled in child care. About 45 percent of 1-year-olds are in a child care setting for at least part of the day or week, compared to 78 percent of 4-year-olds and 84 percent of 5-year-olds.

When they are not being cared for by their parents, young children may spend their time in one or several of the following types of child care : (1) in-home care -- where a child is cared for by a caretaker in the child's home; (2) family-based child care -- where one or more children are cared for in the caretaker's home (some family-based care is for small groups; some is for larger

groups, sometimes with more than one caretaker); or (3) center-based care -- where a number of children are cared for in a non-residential setting designed for that purpose. "Out-of-home" care as used in this testimony, refers to both family-based and center-based care.

Although some early childhood programs are intended to provide "education" (such as "nursery school" and "preschool") and others are intended simply to provide custodial care ("day care"), the Academy believes that "education" and "care" are inseparable in the case of infants and preschool children. Young children are constantly learning while they play and engage in every day activities; young children in "educational" programs still need "care" in terms of comfort and assistance in meeting their physical needs.

Thus, rather than distinguishing between "day care" and "early education programs," the Academy and others in the early childhood field prefer the term "*early childhood education/care programs*" for all out-of-home settings providing services to young children. The latest research on brain development attests to the fact that early childhood care and learning cannot be separated, and that a child's environment and experiences in the earliest years of life have profound, life-long consequences.

While this testimony emphasizes child care/education for young children, most of the recommendations concerning quality apply equally to programs for school-aged children outside of school hours and during the summer.

What kind of child care do children need?

In general

Pediatricians have always recognized the importance of the early years in the physical, social, intellectual and emotional development of children, and the long-term impact of a young child's experience and environment. Recent findings on early brain and child development indicate that the physical and chemical structure of the brain -- and thus, its future capacity for learning -- are influenced significantly by the environment and experiences of a child during the first few years after birth, particularly during the first three years.

Thus, the latest brain research confirms the importance to our society of quality child care -- within the family and outside it. To develop their potential, children must have trust and confidence in their caregivers, and caregivers must be able to provide adequate physical, emotional and mental stimulation in an appropriate environment.

Specific Elements of Quality Care

Research consistently has identified several factors most related to quality in early childhood education/care programs: small groups of children, with sufficient numbers of adults to provide warm, responsive caregiving; well-educated staff and administrators with specific training in early childhood care and education; adequate compensation for caregivers, and a low degree of staff turnover.

Simply put, the key elements of quality child care are: staff, environment, and activities. More specifically, but not exclusively, a high-quality program will include:

- appropriate child:staff ratios, with staff who are professionally qualified, mentally and physically healthy, well-compensated, committed, motivated, and evaluated
- activities to promote healthy child development, with appropriate supervision and discipline
- health protection and promotion (including health education, specific policies for managing child illness and injury, including child abuse and neglect)
- proper nutrition, safe food service practices
- safe and age-appropriate facilities, supplies, equipment, and transportation
- systematic record-keeping on children's health and development

Child care providers have, in many respects, taken on the role of the extended family for many children and their parents. As would an extended family, a good out-of-home child care provider should communicate closely with parents about their children's activities, health and development, and will also help parents with their own parenting questions or problems. It is important for the parent and child care provider to be consistent with one another in rules and discipline.

In addition, a high-quality out-of-home child care provider, particularly an organized center, will serve as an access point for other services a family might need, such as health or social services, and will help to ensure that children have a "medical home" in order to receive immunizations and other preventive health care. The Academy would like to see every child care provider have a health care consultant and encourages its members to provide consultative services to child care providers.

What kind of child care are children getting, and why?

The current state of out-of-home child care

Most people would agree that, at a bare minimum, our nation's children deserve to be **safe** in their out-of-home child care settings. Yet, in at least one study of licensed child care facilities, significant injury hazards were described by facility personnel in response to survey questions.¹

With respect to child development, studies indicate that quality child care is the exception rather than the rule, especially for infants and toddlers. Studies have shown that about 35% of family-based, and 40% of center-based infant and toddler care is inadequate, or even potentially harmful to children's safety and development. One of these studies found that only one in 12 infant/toddler rooms provided developmentally beneficial care.

¹ MA O'Connor, WE Boyle, GT O'Connor, and R Letellier, "Self-reported Safety Practices In Child Care Facilities," *American Journal of Preventive Medicine*, 8(1):14-8, 1992 Jan-Feb. For example, 61.4% of facilities reported that they did not have an impact-absorbing surface under playground equipment; 30.3% of facilities with stairs accessible to children lacked safety gates; only 55.8% of facilities demonstrated access to the phone number for a poison control center; only 80% of providers could demonstrate access to the phone number of the local ambulance service.

The same studies found that only about 10-15% of the out-of-home child care settings offered care that promotes children's healthy development and learning. Another study found that only 12% of regulated family-based child care, 3% of non-regulated care, and one percent of out-of-home care by relatives was found to be *good* for children.

These are but a few of the disheartening data about the state of out-of-home early childhood education/care in this country. We know what high-quality care should look like. Why is it not universally accessible to children who need it?

The economics of child care

Quality child care cannot be attained by merely applying standards to facilities and caregivers; resources are necessary to meet the cost of quality care at a price that parents can afford.

Child care is a labor-intensive service. Staff wages make up the largest cost in providing care, and caregiver wages in the United States are generally too low to attract and retain qualified staff. In effect, the cost of child care in this country is subsidized by the low wages and benefits of caregivers, who leave their jobs at an astonishingly high rate.

High staff turnover adversely affects the health and safety of children. Frequently replaced, untrained, barely oriented, poorly compensated and over-worked staff cannot maintain sanitation routines, be prepared for emergencies, or meet the mental health need of children for constancy in relationships. Facilities cannot benefit from training provided to staff if the staff leave their jobs before the training is implemented.

In addition to better compensation, greater societal respect for caregivers of young children would also help to increase staff tenure and provide an element of professionalism that would attract competent and committed personnel.

Unfortunately, good, quality care costs more than the majority of low-income, and even middle-income families can afford, leaving no alternative for many parents but to purchase substandard, hazardous, and unhealthful arrangements for their children. This situation is likely to be exacerbated as changes in federal welfare law and state policies put more parents of young children into the work force.

Inadequate regulation

Regulation relating to the health and safety of children in out-of-home child care programs varies widely. Center-based child care programs are usually required to be licensed and are regulated to some extent. Some states have no or minimal regulation for before- and after- school child care, family-based child care, and preschool or nursery school programs, particularly if they operate on a part-time basis or if they are sponsored by a religious institution.

One review of state child care regulations in 47 states found that more than half of the states' safety-related regulations had inadequate or no standards for 24 out of the 36 safety topics examined. Most notable were the inattention to playground safety, choking hazards, and firearms.

Another review of state regulations found that the majority of states' child care regulations do not meet basic standards of acceptable/appropriate practice that assures the safe and health development of very young children. Edward Zigler, an expert in early childhood care and education, recently testified before this committee's Subcommittee on Children and Families that a recent analysis of center-based infant and toddler care found that *no* states have regulations that require good child care practice, and only 17 states' regulations can be characterized as minimally acceptable. The remainder of the states were rated "poor" or "very poor." This is especially disturbing in light of the recent findings about early brain and child development.

Moreover, monitoring and enforcement of child care standards varies widely from state to state and is inadequate in many areas. Research indicates that a significant percentage of settings that should be licensed are operating illegally. Even licensed facilities are not always held to applicable regulations.

With the increased demand for child care that should arise from changes in welfare law, states may be increasingly reluctant to implement stringent child care standards for facilities and personnel, and may encourage the provision of care by untrained personnel in order to meet the increased demand for child care and to provide jobs for welfare mothers.

AAP Recommendations: Long-Term Goals And Short-Term Action

The American Academy of Pediatrics would like to suggest the following long-term goals and short-term action steps:

Long-term Goals

In general, we believe that government policy at all levels should reflect a *systematic public commitment -- both moral and financial -- to make high-quality early childhood education/care available to all children who need it.* Accordingly, government policy, should:

Make early childhood education and care available and affordable for preschool children. While there is little disagreement that there should be public funding for the education of children age five and older, most parents have been left to their own devices to find and afford adequate out-of-home education/care for their preschool aged children. Now that most preschool aged children live in families where a single parent or both parents work, and we understand the importance of these early years on brain development, it is incumbent upon our society to ensure that safe, developmentally appropriate, and affordable early childhood education/care is available to all young children when they are not being cared for at home.

Financing of safe and healthful child care must come from a combination of public and private subsidies or tax credits for the cost of care that exceeds the reasonable ability of parents to pay for care themselves. Parents of young children generally have less disposable income than at any other phase of their lives. Just as society supports those elderly who can no longer fully support themselves, we must support young families raising our next generation.

Establish and enforce adequate health and safety standards. We believe that *all* out-of-home child care programs (including those for school-aged children) should be subject to the “National Health and Safety Performance Standards” regardless of what the programs are called or whether they provide care for all, or only part of the day or week. Ideally, these or equivalent requirements (or at least the minimum requirements set forth in “Stepping Stones” [see appendix]) would apply to all federally subsidized child care programs, and the federal government would provide strong incentives for states to adopt and enforce adequate health and safety standards for all child care programs.

Promote licensing and professionalism of early child care and education professionals. We recommend that all persons who provide child care or who may be responsible for children or alone with children in a facility should be individually licensed, certified, or credentialed by a state licensing agency or credentialing body recognized by the state regulatory agency.

Currently there is a rather haphazard manner for ensuring that the individuals who staff a child care facility are qualified. In most states, there is no licensing process for individual early childhood educators/caretakers. Rather, the qualifications of staff generally are evaluated as part of a facility licensing process, and must be re-examined each time an individual changes facilities. This is time-consuming, cumbersome, and leaves room for error.²

Suggestions for short-term action

Obviously, achieving the Academy’s goals with respect to child care will require legislative changes and additional financial resources. Although we encourage you to work toward these changes, there are other, more modest steps that you can take to improve the quality of child care in the near future. These include:

1. Support the federal government’s ongoing efforts to improve the availability and quality of child care, including the Head Start and Early Start programs, and the activities of the Maternal and Child Health Bureau and the Child Care Bureau, including the “Healthy Child Care America Campaign” and the National Resource Center for Health and Safety in Child Care. (See appendix.)
2. Encourage the federal government to distribute “Stepping Stones” (see appendix) to all Governors, and challenge the Governors to implement these standards in their states.

² There are several private organizations that evaluate and accredit child care programs. Most prominent is the National Academy of Early Childhood Programs of the National Association for the Education of Young Children (NAEYC) which has an accreditation process for center-based child care providers through which the quality of programs is judged against a comprehensive set of consensus criteria developed by early childhood professionals. Parents and employers can be assisted in assessing the quality of a program by checking to see whether it has been accredited by NAEYC (or equivalent accreditation program). The availability of accreditation helps to improve quality by providing consumers a means of comparing child care programs.

3. Encourage the federal government to undertake a comparison of all state laws and regulations with “Stepping Stones” and the “National Health and Safety Performance Standards,” and to publicize the adequacy of state health and safety regulations for child care. To facilitate this comparison, states should be encouraged to code their regulations in accordance with the “National...Standards.”³
4. Ensure adequate monitoring of the effects of changes in welfare policy on the supply and quality of child care, and the resulting effects on children and families.
5. Encourage each state to establish, by law, a state-level commission on child care, charged with developing a child care plan and facilitating cooperation among government, human services agencies, schools, employers, pediatricians and other health care providers, and caregivers, to ensure that the health, safety, and child development needs of children are met by child care services provided in the state.
6. Encourage federal and state efforts to disseminate information to parents on child care standards and quality so that they can make wise choices about their child care options.

In addition, we urge you to talk to your constituents and your state and local government officials about the child care situation in your states. As you know, it is often these county or other local officials who are charged with enforcing regulations. To do so properly, they need the resources you can help to provide.

Again, thank you for this opportunity to testify on behalf of the American Academy of Pediatrics. The Academy would be happy to provide you with any additional information you might need.

³ Currently, comparisons of state and local regulations with the “National...Standards” can be done only by tedious work taking many person-hours. Comparison of state and local standards with the ideal could be conducted much more efficiently if uniform codes (topic headings and numbering) were employed.

APPENDIX -- CURRENT EFFORTS TO IMPROVE CHILD CARE QUALITY

Described below are some of the activities of the federal government and the American Academy of Pediatrics related to improving the quality out-of-home child care. As evident from the other witnesses at this hearing, there are many state and local governments, businesses, and private nonprofit organizations (e.g., NAEYC, "Zero To Three") that are undertaking other individual and joint activities to improve the supply and quality of out-of-home child care. At the federal level, President Clinton recently directed the Department of Defense to share lessons learned from the military child development programs to improve civilian out-of-home child care.

"Stepping Stones"

As mentioned in my testimony, the American Academy of Pediatrics and the American Public Health Association developed comprehensive guidelines for child care health and safety that were published by the Maternal and Child Health Bureau ("National Health and Safety Performance Standards"). This publication supplies detailed standards with respect to almost every aspect of child care quality.

To make it easier for regulators and facilities to implement the standards or use them to analyze their current regulations, the Maternal and Child Health Bureau sponsored a project -- commenced in 1994 and completed earlier this year -- to identify the minimal standards directly related to protecting children from harm (injury, morbidity and mortality) in child care settings. The final product, called "Stepping Stones to Using Caring for Our Children -- Protecting Children from Harm" ("Stepping Stones") contains 182 of the 981 standards set forth in the more comprehensive guidelines. This user-friendly publication provides a starting point for regulators to establish *minimal* health and safety requirements, and for regulators, child care personnel, health care personnel and parents to evaluate child care settings.⁴

The "Healthy Child Care America Campaign"

As mentioned in my testimony, the "Healthy Child Care America Campaign," supported by the Maternal and Child Health Bureau and the Child Care Bureau, and administered by the American Academy of Pediatrics, is intended to facilitate cooperation among families, child care providers and health care professionals to promote the healthy development of children in child care, including increasing access to preventive health services and providing safe physical environments.

The goals of the Healthy Child Care America Campaign are to provide:

- a safe, healthy child care environment for all children, including those with special needs;
- up-to-date and accessible immunizations for children in child care;
- access to quality health, dental and developmental screening and comprehensive follow-up for children in child care;
- health and mental health consultation, support and education for all families, children and child care providers; and
- health, nutrition and safety education for children in child care, their families and child care providers.

⁴ Both publications are readily available on the world wide web through the federally supported National Resource Center for Health and Safety in Child Care ("National Resource Center"), located at the University of Colorado Health Sciences Center and the University of Colorado in Denver. The Center's Internet address is: <http://nrc.uchsc.edu>.

More than 40 grants have been awarded by the MCHB to professionals and organizations representing health and child care communities, who will coordinate local activities to meet the goals of the campaign. In addition, communities can create or expand public and private resources that link families, health care professionals and child care providers by following 10 steps included in the *Blueprint for Action*, developed at the 1995 National Child Care Health Forum when the campaign initially began. Some of these steps include increasing immunization rates and preventive services for children in the child care setting, promoting and increasing comprehensive access to health screenings, and strengthening and improving nutrition services in child care.

Training and Recruiting Consultants to Child Care Programs

The Academy encourages pediatricians to be well-informed about child care issues so that they can adequately advise their patients' families about their child care arrangements. To this end, the American Academy of Pediatrics has published a manual for pediatricians, currently under revision, about health in child care, and has published a policy statement urging pediatricians to be prepared to counsel individual patients' families and to provide their health care expertise as consultants to organized child care programs. We hope to enhance these efforts in the future.

THE WHITE HOUSE
WASHINGTON

October 20, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
MELANNE VERVEER

CC: THE FIRST LADY

RE: WHITE HOUSE CONFERENCE ON CHILD CARE

On October 23, you and the First Lady will host the White House Conference on Child Care in the East Room. This memorandum outlines the purpose and structure of the conference, the policy initiatives that we recommend you announce at the conference, and the process and direction of our work on a child care proposal to unveil this winter.

Purpose and Structure of the Conference

The White House Conference on Child Care has two purposes. First, it will call national attention to an issue that political leaders and policy makers historically have ignored, notwithstanding its enormous importance to working families. Second, it will provide a basis from which to launch a child care initiative in the State of the Union. (As noted later in this memo, we will provide you with policy options for this initiative -- including a range of price tags -- as part of your normal budget process.)

The conference will address three critical child care challenges -- availability, affordability, and safety and quality. Many parents choose to stay at home and care for their children themselves. Yet millions of Americans, by choice or necessity, rely on child care and after-school programs to care for their children for part of each day. The conference will explore how the public and private sectors can respond to the need that Americans struggling to be both good parents and good workers have for safe, affordable child care.

Morning Session. The morning session will begin with remarks by you and the First Lady and will include a video of children, parents, caregivers and others talking about child care. We believe your remarks should address the importance of child care for America's working families, note past Administration accomplishments on this issue, and announce several new policy initiatives as well as a commitment to unveil a broader child care proposal this winter.

You and the First Lady will then moderate a panel with two parts. The first three panelists will discuss why child care matters -- both to our children's development and to the nation's economy. The second four panelists will examine how well we are doing in meeting the challenge of assuring that good child care is available to working families. The first three panelists are:

- Ellen Galinsky, President, Families and Work Institute, who will discuss the relationship between quality child care and children's healthy development, particularly in the earliest years of life;
- Michelle Seligson, Founder and Director, National Institute on Out-Of-School Time, Wellesley College Center for Research on Women, who will discuss the importance of good after-school programs for youth;
- Secretary Rubin, who will discuss the need to address child care given dramatic changes in the workforce and economy.

The second four panelists are:

- Secretary Shalala, who will discuss the strengths and weaknesses of child care across the country;
- Governor James Hunt of North Carolina, who will discuss how states are doing in meeting the challenge of assuring that working families have access to safe, affordable child care;
- Dr. Valora Washington, Program Director, W.K. Kellogg Foundation, who will discuss community efforts to meet this challenge;
- Patty Siegel, Executive Director, California Resource and Referral, who will share the experiences of parents.

Afternoon Session. The afternoon session will begin with remarks by the Vice President and Secretary Riley. The afternoon panel will consider the roles that states, business and labor leaders, the faith community, health care professionals, and others can play in addressing this challenge. The panelists include: Major General John G. Meyer, Jr., Chief of Public Affairs United States Army; Dr. Susan Aronson, Member, American Academy of Pediatrics; Jane Maroney, State Legislator, Delaware; Bishop Joseph Sullivan, Vicar of Human Services, Brooklyn, New York; and Doug Price, President, FirstBank of Colorado.

Agency and Satellite Sites. An additional 300 people will view the conference at three Federal agencies, and Secretaries Shalala, Riley, Glickman and Herman will host working sessions at these agency sites during the luncheon at the White House. In addition, the entire conference will be transmitted to satellite sites in at least 48 states. The Administration's

regional administrators have helped to organize these satellite conferences, and Cabinet Affairs has encouraged subcabinet officials to participate in them.

Policy Announcements to be Made at the Conference

We recommend that you indicate at the conference that you will propose a child care initiative in your State of the Union address and your fiscal year 1999 budget. We also recommend that you announce three policy proposals at the conference.

1. Child Care Working Group. You can name Secretary Rubin as chair of a working group on child care primarily made up of business leaders, with representation from labor and other community leaders. The Child Care Working Group would report to you within 45 days on efforts that business leaders should undertake to help working families overcome the challenge of managing child care and work responsibilities.

2. Scholarships for Child Care Workers and Background Checks on Child Care Workers. Experts link the quality of child care to the quality of the caregiver. Yet child care providers often receive little training, and occasionally have unsuitable backgrounds for the profession. You can announce steps to support caregivers by ensuring that they are able to afford adequate training. At the same time, you can urge Congress to pass and states to ratify the "National Crime Prevention and Privacy Compact" to protect children from child care workers who have committed crimes.

Scholarships. To help child care workers afford training, you can instruct the Department of Education to develop an outreach plan to inform students and institutions of the potential availability of Pell Grants. You also can announce a new scholarship program for child care workers. Even with Pell and other education programs that you have put in place, many child care workers cannot afford training. The new program would provide assistance to full- or part-time students working toward a Child Development Associate Credential or other degree in child development who agree to remain in the child care field for at least one year.

Background Checks. You can also announce steps to make background checks on child care workers more effective. Today, many states prohibit the release of criminal history records for purposes other than ongoing criminal investigations. The Department of Justice is prepared to transmit to Congress on October 23 the "National Crime Prevention and Privacy Compact." The compact, which must be passed by Congress and ratified by the states, will enable states to share criminal history information for limited other purposes, including background checks on child care workers.

3. Service and School-Age Care. You can launch the "To Learn and Grow Partnership," a

partnership of public and private organizations that will work together to expand access to and improve the quality of after-school programs through service activities. The partnership will encourage national service participants and community volunteers to teach in child care programs, and will engage children in service as part of after-school programs. You also can release the "How-To Manual," describing how to integrate service and school-age care, identifying opportunities for children to learn through service, and highlighting programs that are currently using service to enrich out-of-school time.

Child Care Initiative To Be Announced After the Conference

For the past several months, the Domestic Policy Council and the First Lady's Office have been leading a policy process on child care. The National Economic Council, the Office of Management and Budget, and the Departments of Health and Human Services, Treasury, Education, Labor, Defense, Justice, and Agriculture have participated.

We have identified three key areas: affordability; availability; and safety and quality. In the weeks after the conference, we will prepare a memorandum for you outlining policy options, of several different shapes and sizes, in these areas. We are also exploring ways to support parents who want to stay at home to care for their children.

Affordability. Increasing numbers of working families cannot afford decent child care, which can cost at least \$4,000 a year for one child, and even more for infants and toddlers. While the average family pays about 7 percent of its income for child care, low-income families spend about a quarter of their income.

The Federal government spent \$2.9 billion in direct child care subsidies in fiscal year 1997 through the Child Care and Development Block Grant (CCDBG), which provides payments for about one million children. HHS estimates, however, that we are currently providing child care subsidies to less than a quarter of the families eligible for them. In addition, the Dependent Care Tax Credit provides more than \$2 billion annually in tax relief for child care expenses. We are analyzing whether to expand either of these mechanisms.

Availability. Access to child care is a problem for low-income and middle-income families alike. We are looking at two areas of particular concern -- helping businesses expand on-site care for their employees, and helping states and communities increase their supply of school-age care. We are exploring whether to provide tax credits for businesses that build and operate child care centers for their employees (the Rubin-Weill working group may make additional suggestions). We also are looking at a variety of ways -- including simplifying Federal requirements and funding streams -- to help states and communities create an adequate supply of after-school programs.

Safety and Quality. The quality of child care in this country is too often mediocre or poor. A recent four state study of child care centers found that one in eight centers expose children to unsafe or unsanitary conditions. Infants and toddlers are at the greatest risk, with 40 percent in care that poses a threat to their health and well-being. Only 14 percent of centers provide high quality care -- care that actually enhances growth and development. A study of child care in family-based settings found equally disturbing patterns. Over one-third of programs are rated inadequate, meaning that quality is low enough to harm children's development, and only 9 percent offer high-quality care.

States are currently required to spend 4% of the funds they receive through the CCDBG on quality improvement. We are looking at ways to help states improve quality by providing additional funding to states that agree, for example, to improve and enforce health and safety standards, invest in training for caregivers, or create networks to support family day care providers. We are also developing a consumer information campaign to arm parents with the information they need to choose high quality care for their children.

Marian Wright Edelman
Children's Defense Fund, president
Remarks, October 21, 1997
Child Care Audio Press Briefing

It is not surprising that we are here talking about child care again. This dialogue is occurring in states and communities across the country. We must find new strategies to support parents, both those who work outside the home and those who choose to stay home. There is good reason. The Welfare Act required millions of women to enter the workforce. These women will join women already in low-wage jobs who are struggling to remain independent. It is increasingly clear that their jobs do not cover the costs of safe and decent child care. There are many mothers like this one. "I'm a single mom with a three-year-old, and I make \$6.25 an hour at a medical office. I take home about \$800 a month. My rent is \$332 and my child care runs about \$350 a month. If I didn't have help with child care I'd only have \$110 to pay bills, buy groceries and whatever surprises come up for the month."

There is also growing concern about the quality of child care in light of the heightened awareness about the importance of the first three years of life to a child's development. Yet, the quality of infant and toddler care is shockingly low. A recent national study found that half of rooms in centers serving babies and toddlers provided such poor quality care as to jeopardize children's health, safety, and development. Studies of home-based care produced equally troubling results. In our conversations with parents, we find some willing to visit as many as 50 family child care homes before they find one that they are comfortable enough with to leave their infants.

Communities are also increasingly worried about the large number of school-age children who are spending significant amounts of time in unstructured settings. They are concerned not only about the fact that juvenile crime peaks between 2:00 and 6:00 p.m., but also that it is more difficult for these youngsters to do well in school if they are not engaged in constructive activities during after-school hours.

Over the last decade, we have made some progress in addressing the child care needs of families. In 1990, the first comprehensive federal child care legislation was enacted since the early 1940s when the Lanham Act supported high quality child care centers so women could fill the essential jobs left when our men went to war. When the Welfare Act was enacted last

the worst services for children in Western society." That is why we welcome the debate that will occur at the White House this Thursday, the many bills that have been introduced in Congress over the past year that would expand support for better child care which recognize the strong bi-partisan interest in the issue, the growing interest on the part of state lawmakers, and the contributions made by the private sector. The challenge is to use this dialogue as a launching pad for new investments and strategies by all sectors so that all of our children who need it get the good child care that they deserve to grow up to be healthy and contributing citizens. As the debate on child care occurs once again and the country focuses on the results that it wants for its children and families, we should ask four questions:

Do parents have reliable child care that enable them to feel safe and secure about their children so they can work and support their families?

Are our children getting the kind of care that will help them go to school ready to learn and succeed in life?

Do our older children have places to go that keep them out of trouble and help them do well in school?

Are parents being provided the option to parent well and care for their children at home?

Inadequate Child Care Strains America's Working Families

Every day, three out of five preschoolers are in child care.¹

- Children of working mothers are entering care as early as 6 weeks of age and can be in care for as many as 40 hours a week until they reach school age.

Women work in the overwhelming majority of American families.

- 3 out of 5 women with children under age 6 work, and 3 out of 4 women with children ages 6-17 work.²

Child care costs are unaffordable for many working families.

- About half of families with young children earn less than \$35,000 per year.³ A family with both parents working full-time at minimum wage earns only \$21,400 per year.
- Child care is a major household expense for working families. Full-day child care easily costs \$4,000 to \$10,000 per year -- equal to what families pay for college tuition plus room and board at a public university.⁴ The following are average child care costs for *one* three-year-old child; care for babies and toddlers costs even more:⁵

Boston \$8,840

Durham \$4,630

Dallas \$4,210

Boulder \$6,240

Oakland \$6,500

Minneapolis \$6,030

Child care helps shape the way children think, learn, and behave for the rest of their lives.

- A recent report by the Carnegie Corporation confirmed that the quality of child care has a lasting impact on children's well-being and ability to learn.⁶ Children in poor quality child care have been found to be delayed in language and reading skills, and display more aggression toward other children and adults.⁷

Child care quality for many American children is inadequate.

- 6 out of 7 child care centers provide care that is mediocre to poor, according to a recent national study by a group of universities. One in eight centers were found to be providing care that could jeopardize children's safety and development.⁸ Equally alarming patterns were found in a study of home-based care -- 1 in 3 could be harmful.⁹
- There are major gaps in the basic health and safety standards for child care in many states, and even the standards that are in place are often inadequately enforced. For example, in many states, care in smaller providers' homes is not inspected at all because licensing is not required, and more than half the states do not annually inspect homes that *are* licensed.¹⁰

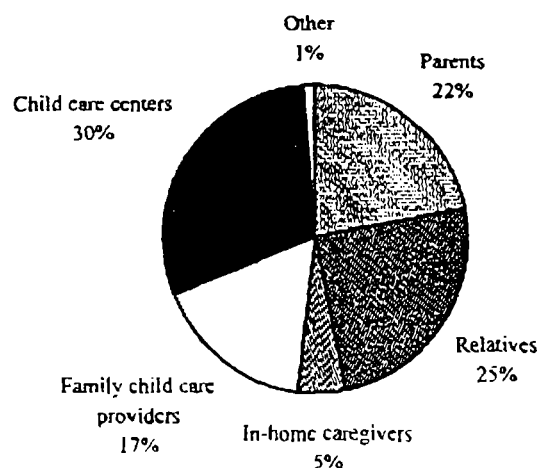
Professional, quality child care is hard to find in a marketplace where child care teachers and providers do not earn as much as bus drivers (\$20,150) or garbage collectors (\$18,100) -- or even bartenders (\$14,450).¹¹ A national wage study found that most child care workers earn only \$12,058 per year (only slightly above minimum wage) and receive no benefits or paid leave.¹²

Child Care Basics

Child care and early education are critical to the success of two national priorities: helping families work, and ensuring that every child enters school ready to learn.

- ✓ Each day, an estimated 13 million children younger than six -- including six million babies and toddlers -- spend some or all of their day being cared for by someone other than their parents.¹ Children of working mothers are entering care as early as six weeks of age and can be in care for 40 hours a week until they reach school age.
- ✓ Child care and early education have become a fact of life for many parents. By 1995, 62 percent of women with children younger than six, and 77 percent of women with children between the ages of six and 17 were in the labor force.²
- ✓ Many women, particularly in low and moderate income families, are essential in helping support their families financially. A national study found that 55 percent of employed women provide half or more of their household income.³ This is not only true of single parents -- who are obviously essential in supporting their children -- but also true for married parents. Between 1973 and 1994, young two-parent families with children lost 12 percent of their income. The mother's earnings helped to offset these losses.⁴ For many families, women do not have a choice; women must work.

Parents all face the same bottom line: they can't go to work unless someone cares for their children.



Definitions of Child Care Settings:

Child care centers -- care provided in nonresidential facilities, usually for 13 or more children.

Family child care providers -- care provided in a private residence other than the child's home.

Relative care -- care provided by a related person other than the parent, either in the child's home or in the relative's home.

In-home caregivers -- care provided within the child's home, by a person other than a parent or relative.

Child Care Arrangements of Children Younger than 5 with Employed Mothers⁵

WHAT PROBLEMS DO PARENTS FACE?

Many parents can't find quality affordable child care. Even middle-class parents are surprised at the cost. Those families that manage to find care they can afford are too often ending up with care that is mediocre to poor quality.

Affordability: Child care is unaffordable for many working families.

- ✓ Child care is a major household expense for working families. Full-day child care for one child easily costs \$4,000 to \$10,000 per year -- equal to what families pay for college tuition plus room and board at a public university.⁶ The following are average child care costs in six different cities for *one* three-year-old child; care for babies and toddlers costs even more:⁷

Boston \$8,840

Dallas \$4,210

Oakland \$6,500

Boulder \$6,240

Durham \$4,630

Minneapolis \$6,030

- ✓ The cost of providing care for children can easily exceed a family's rent, mortgage, car payment, or groceries. For example, a family earning \$25,000 a year could easily spend *one-quarter* of their income to purchase child care for *one* child -- and the average family has two children. Families simply cannot afford the cost of good quality child care in addition to all of the other demands on their weekly or monthly budget.
- ✓ Many hard working families earn too little to be able to afford these costs. About half of families with young children earn less than \$35,000 per year.⁸ A family with *both* parents working *full-time* at minimum wage earns only \$21,400 per year.

Quality: Child care helps shape children's futures, yet the quality of child care for many American children is inadequate.

- ✓ Child care helps shape the way children think, learn, and behave for the rest of their lives. A recent Carnegie Corporation study noted that the first three years of life are critical in the brain development of children, and that brain development is far more susceptible to adverse effects than had been earlier realized. Specifically, "*the quality of young children's environment and social experience has a decisive, long-lasting impact on their well-being and ability to learn.*"⁹
- ✓ What is quality care? Some basic components of good care include:
 - a safe and healthy environment,
 - caregivers who are nurturing and knowledgeable about children's development, and who are a stable presence in children's lives, and
 - small numbers of children per caregiver to make sure the child gets one-on-one attention.

- ✓ Research indicates that nurturing relationships in the early years are critical to a child's positive development and future success. Yet, national studies have found serious problems with the quality of child care in many communities:
 - Six out of seven child care centers provide care that is mediocre to poor, according to a recent national study by a group of major universities. One in eight centers were found to be providing care that could *jeopardize* children's safety and development.¹⁰ Equally alarming patterns were found in a study of home-based care -- one in three could actually be harmful to a child's development.¹¹
 - Children in poor quality child care have been found to be delayed in language and reading skills, and display more aggression toward other children and adults.¹²
 - Low wages are closely linked to rapid turnover rates among child care providers, which breaks the stable relationship that infants and children need to have with their caregivers to feel safe and secure. Yet child care teachers and providers do not even earn as much as bus drivers (\$20,150) or garbage collectors (\$18,100) -- or even bartenders (\$14,450).¹³ A national wage study found that most child care workers in centers earn only \$12,058 per year (only slightly above minimum wage) and receive no benefits or paid leave.
- ✓ Relatively few child care centers meet the higher standards of accreditation -- for example, in 1997, only six percent of all child care centers were accredited by the National Association for the Education of Young Children.¹⁴

Quality: We're Not Protecting Our Children In Care

- ✓ There are major gaps in the basic health and safety standards for child care in many states, and even the standards that are in place are often inadequately enforced. For example:
 - Minimum requirements vary state to state with even basic health and safety requirements -- such as ensuring that children in child care are immunized on schedule, that child care providers have first aid and CPR training, that providers wash their hands before and after diapering and preparing food, and that minimum child-staff ratios are age-appropriate and practical.
 - In many states, care in smaller providers' homes is not inspected at all because licensing is not required -- even, in some states, for homes serving as many as six, eight, and twelve children. And more than half the states do not annually inspect those homes that *are* licensed.¹⁵ Many states also do not license some centers, including those that operate part-time or on a drop-in basis (such as operate in malls and exercise clubs).
 - Staff education and training are among the most critical elements in improving children's experiences in child care. Even though approximately 1,500 hours of training at an accredited school is required to qualify as a licensed haircutter, masseur, or manicurist,¹⁶ 41 states do not require providers who care for children in their homes to have *any* training prior to serving children.¹⁷

Babies and Toddlers: Our youngest children are particularly vulnerable to poor quality care. Many families find it impossible to find quality affordable care for their young children.

- ✓ Many of our youngest and most vulnerable children are being cared for in child care -- almost half of babies younger than twelve months are regularly spending their day in some form of child care.¹⁸
- ✓ A recent national study found that half of rooms in centers serving babies and toddlers provided such poor quality care as to jeopardize children's health, safety and development.¹⁹ Studies of home-based care produced equally troubling results.²⁰
- ✓ This means that many of our young children are being cared for in settings where:
 - basic sanitary conditions are not met for diapering and feeding,
 - safety problems exist endangering infants,
 - warm, supportive relationships with adults are lacking, and
 - books and toys required for physical and intellectual growth are missing.²¹
- ✓ Many parents with young children are struggling to find care for their children -- one national poll found that three out of four parents of young children said there was an insufficient supply of infant care in their communities, and numerous studies have reported serious shortages of care for babies and toddlers.²²

Before & After School Care: Scarcity of programs leaves many school-age children home alone.

- ✓ Nearly 5 million children are left unsupervised by an adult after school each week.²³
- ✓ Although it is often thought that juvenile crime occurs mostly on evenings and weekends, juvenile crime actually peaks between 2:00 and 6:00 p.m. -- the after-school hours when many children are unsupervised.²⁴
- ✓ A 1990 study found that eighth-graders left home alone after school reported greater use of cigarettes, alcohol, and marijuana than those who were in adult-supervised settings.²⁵
- ✓ Good after-school activities for children and teens can be hard to find because options are inadequate in many communities. This problem is even more serious in low-income neighborhoods -- only one-third of schools in low-income neighborhoods offered before- and after-school programs in 1993.²⁶

Federal and State Government: Partners in Child Care

Federal and state governments help families work and children get a strong start in life by helping families pay for child care, working to keep children safe in child care and improving its quality, and improving the nutrition of children in child care settings.

Providing Child Care Assistance for Low-Income Working Families

- ✓ The federal government gives states funds to provide child care assistance to low-income working families and families receiving TANF through two programs:
 - The **Child Care and Development Block Grant (CCDBG)**, funded at \$2.87 billion in FY1997.¹
 - The **Title XX/Social Services Block Grant (SSBG)**, which can be used to support child care (among a broad range of social services), though many states do not use it for this purpose. Funds for Title XX have been virtually level for 15 years at \$2.8 billion, and were reduced to \$2.5 billion by FY97. More cuts are possible for FY98. It is estimated that only about \$500 million of these funds are currently used for child care.
- ✓ Child care assistance is usually provided on a “sliding-fee” basis, meaning that families pay some of the costs of care, with the amount they pay rising as their income rises. Families can get this assistance whether they choose to use a child care center, family child care home, neighbor, or relative.
- ✓ States are given these funds to administer with relatively few strings attached. The CCDBG requires states to:
 - Provide state matching funds in order to receive any of the additional funds available under the 1996 Welfare Act. The level of matching funds required varies by state.
 - Limit assistance to families with incomes below 85 percent of state median income (though most states set their income limits below this level).
 - Establish minimal health and safety protections for those programs that receive these funds that are not required to meet state licensing requirements.
 - Spend at least four percent of the funds on activities to improve quality and supply.
 - Establish reimbursement rates for child care that allow children receiving assistance to have access to child care comparable to children who are not eligible for such help.

- Title XX only requires states to spend funds on a defined list of social services (with child care being one of the allowable services). Funds spent for child care must be used in programs that meet applicable state and local standards.

Helping Families Pay for Care Through Child Care Tax Credits

- ✓ The federal **Dependent Care Tax Credit (DCTC)** helps families by allowing them to claim an income tax credit for a portion of their child care expenses. The credit is on a sliding scale and lower-income families receive slightly larger credits. Poor families receive no help from the DCTC since it is not refundable. The maximum credit a family can receive for one child is \$480 (or \$960 for two or more children) as they can only claim the credit against dependent care expenses up to \$2,400 for one child, or \$4,800 for two or more children. The amount of the credit has not been raised since 1981. In FY96, about \$2.8 billion was claimed. (Approximately half of the states have state tax credits that help families with the costs of child care).

Helping Keep Children Safe

- ✓ State governments are primarily responsible for ensuring the basic health and safety of children because they are responsible for licensing child care providers. They set basic guidelines, determine which programs have to meet these standards, and enforce these requirements. There is wide variation across states in these efforts, with the result that children's safety in child care varies significantly. States vary in the extent to which they exempt programs from any regulation, require licensed programs to meet even basic health and safety standards, and enforce these requirements. Enforcement is often inadequate, with some states visiting child care centers quite infrequently, or
- ✓ -- in the case of many family child care providers -- not at all.
- ✓ At this point, the federal government plays a minimal role in ensuring the basic health and safety of children. The one exception is that it requires that federal funds from the CCDBG only be used in settings that meet at least minimal health and safety protections -- state licensing standards for those programs that are licensed, or other minimal state guidelines for those programs that receive federal funds but are not required to be licensed (except certain relatives). Also, states can spend some of the CCDBG quality funds to hire licensing inspectors if the state chooses.

Improving Quality and Supply

- ✓ The federal government requires states to set-aside at least four percent of the CCDBG to improve the quality and supply of child care. States determine how to allocate these funds, and whether to add additional state funds for this purpose. These funds support efforts such as: training for child care providers, Resource & Referral agencies which help families find care and provide training and recruit providers, grants and loans to providers, start-up costs for programs, staff to inspect and monitor child care programs, and others.

Ensuring Good Nutrition for Children in Child Care and Early Education

- ✓ The federal government plays an important role in improving the nutrition of children through the **Child and Adult Care Food Program (CACFP)**, which was funded at \$1.5 billion in FY96. This program guarantees nutritious meals and snacks for children up to age 12 enrolled in child care centers, family child care homes, before- and after-school programs, and Head Start programs. In FY 1996, more than 2.5 million children were fed through CACFP. The CACFP is particularly important for family child care homes, as it provides a major incentive for providers to become licensed or regulated, and offers training and visits to providers.

Other Important Partners:

Local Government, the Private Sector, and Community Groups

- ✓ **Local government:** Local governments set basic policies that affect the supply of child care, such as zoning requirements and fire and building codes. Some local governments invest in helping low-income families pay for care, leverage funds from foundations or community groups to help families obtain care, support public-private partnerships and the involvement of the private sector, or fund quality enhancement activities.
- ✓ **Private sector:** Some employers have invested in helping their employees with child care, as they recognize the link between child care and a stable workforce. However, as of the early 1990's, only 6,000 employers nationwide were estimated to offer child care benefits to their employees out of a total of 6 million employers.²
- ✓ **Community groups and agencies:** A wide range of community organizations -- such as religious institutions, schools, non-profits, and volunteer organizations -- also play an important role in providing child care in their communities.

Sources:

¹ Prior to the 1996 Welfare Act, the federal government supported four child care assistance programs -- the Child Care and Development Block Grant, the At-Risk Grants to States, the JOBS child care program, and Transitional Child Care program. In 1996, these were combined into the new Child Care and Development Block Grant.

² Families and Work Institute, 1994.

WHITE HOUSE CONFERENCE ON CHILD CARE

On October 23, the President and the First Lady will host the White House Conference on Child Care in the East Room of the White House, bringing together parents, caregivers, business and labor leaders, child care experts and others. The conference will explore how the public and private sectors can respond to the need that Americans who are struggling to be both good parents and good workers have for safe, affordable child care.

Many parents choose to stay home and care for their children themselves. Yet millions of Americans, by choice or necessity, rely on child care and after-school programs to care for their children for part of each day. The conference is intended to begin a dialogue on three critical child care issues -- access, affordability, and assuring safety and quality -- and to highlight the roles that everyone -- including communities, businesses, child care providers, Federal, state and local governments, and parents themselves -- can play in addressing these issues.

I. OPENING SESSION

II. PANEL DISCUSSION: THE CHALLENGE: AVAILABILITY, AFFORDABILITY, AND ASSURING SAFETY AND QUALITY CHILD CARE

The President and First Lady will moderate this session.

Part 1: Why Does Child Care Matter? This panel will address: the relationship between quality child care and children's healthy development, particularly in the earliest years of life; the importance of good after-school programs for youth; and the need for child care given dramatic changes in the workforce and economy.

Part 2: How Are We Doing in Meeting the Challenge? This panel will provide an overview of the strengths and weaknesses of child care in communities across the country.

II. WHITE HOUSE LUNCHEON AND WORKING SESSIONS AT FEDERAL AGENCIES

During the White House luncheon, Secretaries Shalala, Herman, Riley and Glickman will host working sessions at several agencies.

III. PANEL DISCUSSION: LEARNING FROM WHAT WORKS

The Vice President and the First Lady will moderate this session. State and local officials, along with representatives of the military, business, health, labor, and faith communities, will highlight promising efforts around the country and discuss how all members of the community can address the challenges of assuring safe, affordable child care for working families who need it.

IV. SOUTH LAWN RECEPTION

THE WHITE HOUSE

WASHINGTON

If you're a working parent, chances are that you have struggled to find affordable, quality child care. Like millions of others, you know just how important child care is to your family's well being and to your ability to work without worry. Yet for too long, parents across our country have struggled with too little information, too few choices and too much anxiety.

For far too long, America's families have faced this problem alone. Now it is time to move this issue to the top of our country's agenda. We have a special opportunity to do that when the President and I host a White House conference on child care on October 23. We hope that this conference will begin an honest national discussion about child care and build on promising efforts already underway in states and communities.

Here are some of the questions we need to answer -- as individual parents and as a nation: How can we ensure that children in care are safe from harm? What are the best ways to make the hours children spend in care as stimulating and nurturing as possible? How can we do a better job of valuing the important work of child care professionals? How can we encourage employers to provide child care benefits to their employees, a practice that makes sense not just for children, but for the corporate bottom line, as well? How can we put into practice what research tells us -- that when children participate in good after-school programs, they do better in school, don't engage in risky behavior and thrive? And how can we genuinely support parents who choose, often at significant economic cost, to stay at home with their children?

When I was a working mother with a young child, my friends and I shared these concerns. Today, when families are under even greater stress, I continue to worry about how we can meet the challenge of strengthening child care for American families. The President and I believe it will take parents, businesses, child care providers, experts, advocates, and officials at all levels of government working together to ensure that children get the care they need to learn and grow, that parents have peace of mind while on the job, and that employers can count on responsible, attentive workers. I hope you will join in this important discussion.

Hillary Rodham Clinton

INTRODUCTION

The cornerstone of child care that promotes healthy development is the presence of sensitive, consistent, well-trained and well-compensated caregivers. Children who attend higher-quality child care centers with lower staff turnover have been found to be more competent in their language and social development (Whitebook, Howes and Phillips, 1990).

A new update of the 1988 National Child Care Staffing Study (NCCSS), however, confirms previous concerns, stemming largely from the instability of the child care workforce, about the mediocre quality of center-based care available to young children and its detrimental impact on children's development.

Despite a major public investment in the U.S. child care system during the nine years of the study, job conditions in the profession remain substandard. Wages have stagnated at near-poverty level, despite above-average levels of education in this workforce. Child care centers report high levels of job turnover and serious difficulty in finding qualified teaching staff, leading to problems of inconsistent care, understaffing, and the strong potential for unsafe conditions for children. All the more troubling, these study findings come from a sample of above-average child care centers, a disproportionate number of the lower-quality centers in the original sample having closed since 1988.

The release of these latest NCCSS data comes at an opportune moment, as the White House and Congress prepare legislative proposals to address the issues of child care quality, affordability and staffing. While the nine-year study covers a period of increased public funding of child care, through the Child Care and Development Block Grant first enacted in 1990, these funds were only minimally targeted to

improving child care quality, or to rewarding and retaining trained and qualified caregivers. As a result, our data show, these public funds have had little, if any, effect in stabilizing the child care workforce. Now, as the nation devotes major renewed attention to its child care system, it is critical to understand and use these study findings to make a much more directly targeted child care investment this time around.

The current pressures on the child care workforce are formidable—as are the pressures on parents, who cannot shoulder the heavy burden of child care costs alone. A serious teacher shortage in many elementary school districts,¹ as well as a healthy U.S. economy overall, are creating new incentives for the best-trained, most experienced child care workers to leave the field for better-paying careers. At the same time, as welfare reform rapidly increases the demand for child care services nationwide, nearly every state is encouraging former welfare recipients to become child care providers themselves—often without the necessary training or support which leads to quality care or decent child care jobs. In most cases, child care work is a highly unlikely avenue to economic independence for poor women coming off public assistance. And for more experienced and trained teachers and providers, such an influx of untrained, entry-level workers coming off the welfare rolls is likely to drive wages down and reduce opportunities for advancement even further (Weisbrot, 1997).

Although past child care efforts have largely focused on issues of access and supply rather than quality, we are now poised to take a new look at child care and to make a new kind of

¹ In California, for example, recent class-size reduction in the early primary grades has greatly increased opportunities for well-trained child care teachers and family child care providers to obtain better-paying elementary teaching jobs. President Clinton has now proposed a similar class-size reduction policy nationwide.

WORTHY WORK, UNLIVABLE WAGES

**THE NATIONAL CHILD CARE
STAFFING STUDY, 1988-1997**



Center for the Child Care Workforce
Washington, D.C.



WORTHY WORK, UNLIVABLE WAGES
THE NATIONAL CHILD CARE STAFFING STUDY, 1988-1997

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The Center for the Child Care Workforce (CCW) was founded in 1978 as the Child Care Employee Project, and was known as the National Center for the Early Childhood Work Force from 1994 to 1997. CCW is a nonprofit research, education and advocacy organization committed to improving child care quality by upgrading the compensation, working conditions and training of child care teachers and family child care providers. CCW coordinates two major efforts to promote leadership and career advancement for teachers and providers: the Worthy Wage Campaign and the Early Childhood Mentoring Alliance.

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TABLE OF CONTENTS

Introduction.....	5
Purpose of the Study.....	6
Highlights of 1997 Findings.....	7
Recommendations.....	9
Sample and Methods	9
Findings	12
Demographic Characteristics of Centers	12
Comparisons Between Centers that Closed and Remained Open	12
Teaching Staff Compensation	14
TANF Recipients as Child Care Workers: An Unlikely Route to Economic Independence	16
Sources of Center Revenue, and the Impact of Public Subsidies on Wages	17
Turnover and Stability	18
Health Benefits	19
Teaching Staff Qualifications	20
Center Accreditation Status	21
Conclusion	22
References	23

investment. Over the past decade, many program models have emerged as promising ways to address the problems of child care quality and workforce stability. These include:

- U.S. Army Child Development Services' Caregiver Personnel Pay Plan, which created a revamped training system linked to higher wages, leading to a major reduction in staff turnover and an increase in program quality system-wide;
- the Head Start Expansion and Quality Improvement Act, which since 1990 has devoted 25 percent of all new funds to the improvement of services, and half of those funds to increasing personnel compensation;
- T.E.A.C.H. Early Childhood, an educational scholarship and compensation program begun in North Carolina and now operating in several states, which has led to better pay and lower turnover for child care teaching staff;
- mentoring programs, which train and reward experienced, excellent caregivers for sharing their skills with newcomers to the field; and
- retention grants and salary supplements in Wisconsin and in selected counties of New York and North Carolina.²

The nation's challenge now is to make these and other creative program models more widely available throughout the country to child care workers and the children they care for—but without placing the cost burden solely on parents. The question before us is no longer whether most American children will attend a

child care program at some time during their earliest years, but how nurturing, sound and enriching we want this child care to be. America depends on child care teachers and providers, and our future depends on valuing them.

PURPOSE OF THE STUDY

In 1988, the National Child Care Staffing Study first gathered information on staffing and quality from a sample of child care centers in five metropolitan areas—Atlanta, Boston, Detroit, Phoenix and Seattle—and returned to the study sites for updated information in 1992. In 1997, we again had the opportunity to contact the directors of the original sample of centers still in operation in order to collect basic information on staffing and funding nine years after the first data collection. The NCCSS offers a unique opportunity to look at the characteristics and stability of a segment of the child care workforce during a decade when significant new funding was infused into the US child care system. It also offers insight into the differences between centers that did and did not remain in operation during this period. There were two primary reasons for our decision to re-examine this sample of centers in 1997:

- The growing urgency of the nation's child care dilemmas compelled us to find out what kinds of changes, for better or worse, are taking place in this particular sample of child care centers, and to examine current trends in such quality-related matters as staff compensation, staff turnover and center accreditation. We were especially eager to learn what impact, if any, the increases in federal child care funding since 1988, including the Child Care and Development Block Grant, had made on our original sample of centers.

² For more information on these and other initiatives, see *Making Work Pay in the Child Care Industry: Promising Practices for Improving Compensation*. Washington, D.C.: Center for the Child Care Workforce, 1997.

- At present, no research has followed a sample of child care programs over time to assess multi-year trends in the quality of care, and other past studies have been difficult to compare because of disparities in research methods. The ongoing availability of the Staffing Study sample, therefore, is a rare opportunity to establish a longer-term body of knowledge than has been available before. Updated information can also serve to guide future research and the development of new child care policies and initiatives.

HIGHLIGHTS OF 1997 FINDINGS

Child care teaching staff continue to earn unacceptably low wages, even in a sample of relatively high-quality centers.

- Real wages for most child care teaching staff have remained stagnant over the past decade. Teachers at the lowest-paid level earn an average of \$7.50 per hour or \$13,125 per year. Teaching assistants at the lowest-paid level earn an average of \$6.00 per hour or \$10,500 per year, and \$7.00 per hour or \$12,250 per year at the highest-paid level. (Figures are based on a 35-hour week and 50-week year.)³
- Real wages for the highest-paid teachers within child care centers, who constitute a small segment of the overall child care workforce, average \$10.85 per hour or \$18,988 per year. This translates to a very modest improvement over the past decade of approximately \$1.32 per hour.

³ All dollar amounts used in this report are 1997 dollars, thus adjusting for the impact of inflation.

Approximately one third of child care centers (35 percent) employ welfare (TANF) recipients, sometimes at less than the prevailing wage and often with limited training.

- Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover.
- Eighty percent of for-profit chain centers, 40 percent of independent nonprofit centers, 30 percent of church-sponsored centers, and 20 percent of independent for-profit centers currently employ Temporary Assistance for Needy Families (TANF) recipients.
- Only 16 percent of programs currently offer TANF recipients college-credit-bearing training, which is nearly always required by the better-paying child care jobs that offer the best hope of achieving economic independence.

More child care centers received public dollars in 1997 than in 1988, allowing more of them to assist low-income families with child care costs. But because this increased public funding for child care was rarely targeted to quality improvements or increased compensation, these dollars have not resulted in better wages or lower staff turnover.

- Centers paying the lowest wages are experiencing the greatest increase in public subsidies. For-profit chain centers have experienced a threefold increase in revenue from public subsidies over the past decade, and independent for-profit centers have seen such revenue double. Independent nonprofit centers, by contrast, experienced a four-percent decrease in revenue from public subsidies, and

church-sponsored programs received a modest four-percent increase.

Child care centers continue to experience very high turnover of teaching staff, threatening their ability to offer good-quality, consistent services to children.

- More than a quarter of child care teachers (27 percent) and 39 percent of assistants left their jobs during the past year—for an average turnover rate of 31 percent for all staff—at a time when the demand for their services has grown dramatically.
- One-fifth of centers reported losing half or more of their teaching staff during the past year.
- Only 14 percent of child care teachers have remained on the job in the same center over the past decade, and only 32 percent have been employed in their centers for five years or more.
- Independent nonprofit centers are more likely to retain their teaching staff than are other types of programs, particularly those run by for-profit chains. Thirty-nine percent of teaching staff in the independent nonprofits have been employed in their centers for five years or more, compared to 20 percent in the for-profit chains and 29 percent in independent for-profit and church programs. These turnover figures are related to the significantly higher average salaries paid by independent nonprofit vs. for-profit chain centers.

Centers which paid better wages in 1997, as in 1988, experienced less teaching staff turnover. These are also the centers which were rated higher in quality in 1988.

- Centers which are accredited by the National Association for the Education of Young Children (NAEYC) pay higher wages to teaching staff, report lower teacher turnover for the past year, and have retained twice as many staff over ten years.
- Centers that have remained in business over the nine-year span of the study pay higher wages, employ more college-educated staff, and report lower staff turnover than did centers that have ceased operation. Preschool classrooms in centers that remained open were rated higher in quality in the initial study.

A substantial number of centers have improved their level of health coverage, especially for teachers, during a period of declining levels of coverage by U.S. employers as a whole. The majority of centers, however, still offer their teaching staff limited or no health insurance, despite heavy exposure to illness in child care employment.

- Twenty percent of centers offer fully-paid health coverage to teachers only, and 21 percent of centers offer fully-paid health coverage to teachers and assistants. Of those centers, fewer than 23 percent provide dependent health coverage.

RECOMMENDATIONS

The best long-term solution to the problems identified in this study is a well-targeted new investment of public funding to ease the child care burden on parents and caregivers alike—and the mobilization of a well-informed American public that is ready to support this investment. Such a solution will be costly, and yet we must recognize that the status quo carries an even higher cost, in continuing to place the healthy development of young children at serious risk.

The answer is not simply to grow more programs, but rather, as Military Child Care and Head Start have shown, to foster higher-quality programs staffed by better-trained and better-paid adults. Nor is the answer to shift the burden onto consumers, but instead, to address at once the twin needs of improved workforce compensation and of greater affordability of services for parents. Our recommendations fall into four categories:

- ***An increase in public funds for child care, targeted to quality and compensation.*** Any federal child care legislation should include specific language on targeting funds for child care workforce compensation. As was done in the Head Start Expansion and Quality Improvement Act, at least 25 percent of new child care funds should be targeted to improving the quality of services, and at least half of that amount should go directly to raising child care teacher and family child care provider salaries.
- ***Linkages between training and financial reward.*** Public funding for child care professional development and teacher credentialing programs should be linked to concrete rewards, such as wage supple-

ments or “retention grants,” for teachers and providers who pursue further training and education. Without this linkage, such programs will continue to spend an undue proportion of funds on constantly re-training new groups of caregivers, as the best-trained personnel continue to leave the field for better opportunities elsewhere.

- ***Reimbursement rate reform.*** Public reimbursements of child care programs fall far short of covering the true cost of providing quality care; at present, many states pay less than the going market rate. States receiving federal child care funds should be required to pay programs no less than the current market rate, and experimental efforts should encourage differential rates to programs based on such quality indicators as higher wages, low staff turnover, higher educational attainment of teaching staff, and center accreditation.
- ***Stronger standards tied to public funding.*** All child care programs receiving public funds should be required to demonstrate a commitment to the education, training, financial reward and job stability of their teaching personnel—the key element of program quality.

SAMPLE AND METHODS

The sample for this update consisted of child care centers, first assessed as part of the National Child Care Staffing Study in 1988, which were still in operation in the fall of 1997. The 227 centers in the original sample were located in the metropolitan areas of Atlanta, Boston, Detroit, Phoenix and Seattle. These sites were deliberately selected because they represented diverse elements present in

**THE NATIONAL CHILD CARE
STAFFING STUDY, 1988**

Highlights of Major Findings from the Original Study

The quality of services provided by most centers is barely adequate. Better-quality centers have:

- higher wages
- better adult work environments
- lower teaching staff turnover
- better educated and trained staff
- more teachers caring for fewer children.

Better-quality centers are more likely to be:

- operated on a nonprofit basis
- accredited by the National Association for the Education of Young Children
- located in states with higher quality standards.

Children attending lower-quality centers and centers with more staff turnover are less competent in language and social development.

- Staff turnover nearly tripled from 15 percent in 1977 to 41 percent in 1988.
- The most important determinant of staff turnover among the adult work environment variables is staff wages. Teaching staff earning the lowest wages are twice as likely to leave their jobs as those earning the highest wages.

The education of child care teaching staff and the arrangement of their work environment are essential determinants of the quality of services children receive.

- Teaching staff provide more sensitive and appropriate caregiving if they complete more years of formal education, receive early childhood training at the college level, earn higher wages and better benefits, and work in centers devoting a higher percentage of the operating budget to teaching personnel.
- In 1988, child care teaching staff earned less than half as much as comparably educated women and less than one-third as much as comparably educated men in the civilian labor force. Real child care staff wages (adjusted for inflation) decreased more than 20 percent between 1977 and 1988.

center-based child care throughout the country. The sites varied along several dimensions including geographic region, the level of quality required by state child care regulations, relative distribution of for-profit and nonprofit child care centers, and the attention accorded child care staffing issues in state and local policy initiatives. Three of the sites—Atlanta, Detroit and Seattle—had participated in the Cost Effects Study of the National Day Care Study (Ruopp, Travers, Glantz and Coelen, 1979), which enabled us to compare the quality of center-based care in 1977 and 1988.

All centers provided full-day care, year-round, and were licensed by the state. They were located in low-, middle-, and high-income, urban and suburban neighborhoods, in proportion to the total numbers of centers in these sub-areas in each study site at that time. Screening interviews with participating and non-participating centers suggested that the 227 centers in the original sample were of somewhat higher quality than those that declined to participate.

The 1997 sample consisted of 158 centers providing full-day care that were still in operation and willing to participate in a follow-up interview, constituting 70 percent of the original sample. Seven centers still in operation did not participate. The remaining 62 centers had closed. Over half (53 percent) of those 62 centers had already closed when we conducted a 1992 follow-up, *The National Child Care Staffing Study Revisited*. There were no significant differences by income level or neighborhood among centers that closed between 1988 and 1997. There were also no significant differences by site in sample attrition, although the range of closures varied from a low of 18 percent in Boston to 28 percent in Atlanta, 33 percent in Seattle, 36 percent in Detroit and a high of 44 percent in Phoenix. In the original sample, Boston centers were rated highest in quality and Phoenix centers were rated lowest.

This differential rate of center closures by site has important implications for the 1997 sample. Specifically, as discussed below, for-profit centers were much more likely to have closed since 1988, leaving a disproportionately high share of nonprofit centers, which had previously been found to provide higher-quality care.⁴ As a result, in all likelihood, the current sample represents a higher-quality pool than did the original 1988 sample, and thus is not representative of the range of quality seen either in the five study-site communities or across the United States. We did not attempt to assess new centers that may have opened in the study sites since 1988, and thus cannot draw conclusions about trends in the current overall supply of center-based care.

All 1997 data were gathered through telephone interviews with center directors, and did not involve the extensive classroom observations, staff interviews or child assessments conducted in 1988. As such, the present study is a modest re-examination of the original sample of child care centers, rather than the full-scale study which is still needed. The interviews provided information about staff compensation and stability, current hiring practices including the use of TANF recipients as child care teaching staff, National Association for the Education of Young Children accreditation, and sources of center revenue. Specifically, we were able to ascertain shifts in the appropriation of public funding and the number of centers serving publicly-subsidized families. We also gained insight into the differences between centers that did and did not remain in operation during this period. There was a high response rate of 90 percent or greater for all questions. Unless otherwise noted, all findings reported here are statistically significant at $p < .05$ or better.

⁴ Classroom quality was assessed and rated in the original 1988 study, using observations of overall quality, classroom structure, and interactions between teaching staff and children.

TABLE 1:
TRENDS IN HOURLY WAGES
FOR CENTER-BASED CHILD CARE STAFF

STAFF POSITION	1988 WAGE	1992 WAGE	1997 WAGE	REAL CHANGE BETWEEN 1992 AND 1997	REAL CHANGE BETWEEN 1988 AND 1997
Lowest-Paid Assistant	\$5.99	\$5.91	\$6.00	1.5% increase	0.17% increase, or \$0.01 per hour
Highest-Paid Assistant	\$6.96	\$7.03	\$7.00	0.43% decrease	0.57% increase, or \$0.04 per hour
Lowest-Paid Teacher	\$7.38	\$7.55	\$7.50	0.66% decrease	1.6% increase, or \$0.12 per hour
Highest-Paid Teacher	\$9.53	\$10.33	\$10.85	5% increase	13.9% increase, or \$1.32 per hour

Note: All wages, and the 1988-1997 trends, are in 1997 dollars. Each category reflects average wages for the position.

FINDINGS

Demographic Characteristics of Centers

On average, centers employed eight teachers and eight assistants in 1997, as they did in 1988. The 158 centers that participated in the 1997 update, however, differed in one important respect from the 227 centers in the original study. For-profit centers (41 percent) were more likely to have closed than were nonprofit centers (23 percent). In addition, six of the seven centers that refused to participate in the 1997 update were operated on an independent for-profit basis. As a result, the percentage of for-profit centers declined from 47 percent in the original sample to 40 percent of the current sample. Since we did not study newly-opened centers, these percentages should not be misinterpreted as indicating a trend in the auspices of center-based care. On the contrary, there is a

strong indication that for-profit centers are the fastest-growing segment of the center-based child care industry (Neugebauer, 1997). For-profit programs may be less stable, however, with more openings and closures than are found among nonprofit programs.

Comparisons Between Centers that Closed and Remained Open

Over one quarter (27 percent) of the centers studied in 1988 had closed by 1997. By reviewing the 1988 data, we have drawn comparisons between these centers and those that have remained open.

Centers operating on a for-profit basis were more likely to have closed. Compared to centers that remained in operation, centers that were closed in 1997 had paid lower wages to teach-

**TABLE 2:
1997 AVERAGE HOURLY WAGES BY
AUSPICE AND ACCREDITATION**

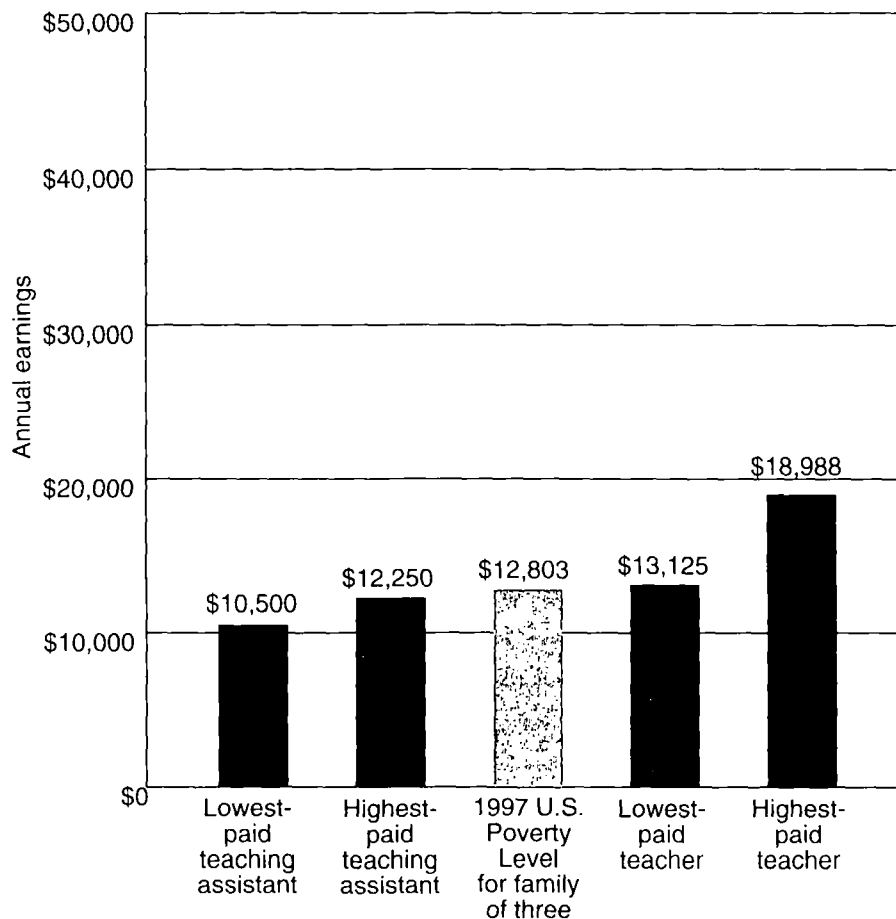
PROGRAM TYPE	LOWEST-PAID ASSISTANT	HIGHEST-PAID ASSISTANT	LOWEST-PAID TEACHER	HIGHEST-PAID TEACHER
Independent For-Profit	\$6.06	\$7.62	\$7.36	\$11.19
For-Profit Chain	\$5.46	\$6.21	\$5.52	\$7.16
Independent Nonprofit	\$6.62	\$7.79	\$8.65	\$12.27
Church-related Nonprofit	\$6.17	\$7.18	\$7.62	\$10.59
Not NAEYC- Accredited	\$6.20	\$7.34	\$7.64	\$10.73
NAEYC- Accredited	\$6.79	\$8.52	\$8.97	\$14.35

ing staff and had reported higher levels of staff turnover (54 versus 38 percent) in 1988. The educational background and stability of teaching staff also varied between centers that remained in operation and those that had closed. Centers that remained in operation employed more teachers with college-level education and training; only 28 percent of teaching staff in centers that remained open had been on the job for a year or less, compared to forty-one percent of teaching staff in centers that had closed. Preschool classrooms in centers that remained open were rated higher in quality than in those that had closed. There were no differences found between the two groups, however, in the quality of classrooms serving infants and toddlers.

We do not have precise information about the reasons why certain centers ceased operation.

The findings reported above suggest that quality plays a role in whether centers remain in business. The 1988 data established the relationship between the adult work environment—including wages, staff stability, and teacher qualifications and performance—and the quality of care and outcomes for children. These data also suggest that low wages and concomitant high turnover impinge on centers as successful business enterprises. From the available data, it is difficult to determine whether the challenge of maintaining a fully-staffed program discourages owners from remaining in business, and/or whether parents decline to use a program with relatively unstable and unskilled teaching staff. We cannot conclude that the quality of center-based care in these communities has improved, however, because we do not have data on new centers that have opened in each site since 1988.

**FIGURE 1:
AVERAGE ANNUAL EARNINGS OF
CHILD CARE TEACHING STAFF, 1997**



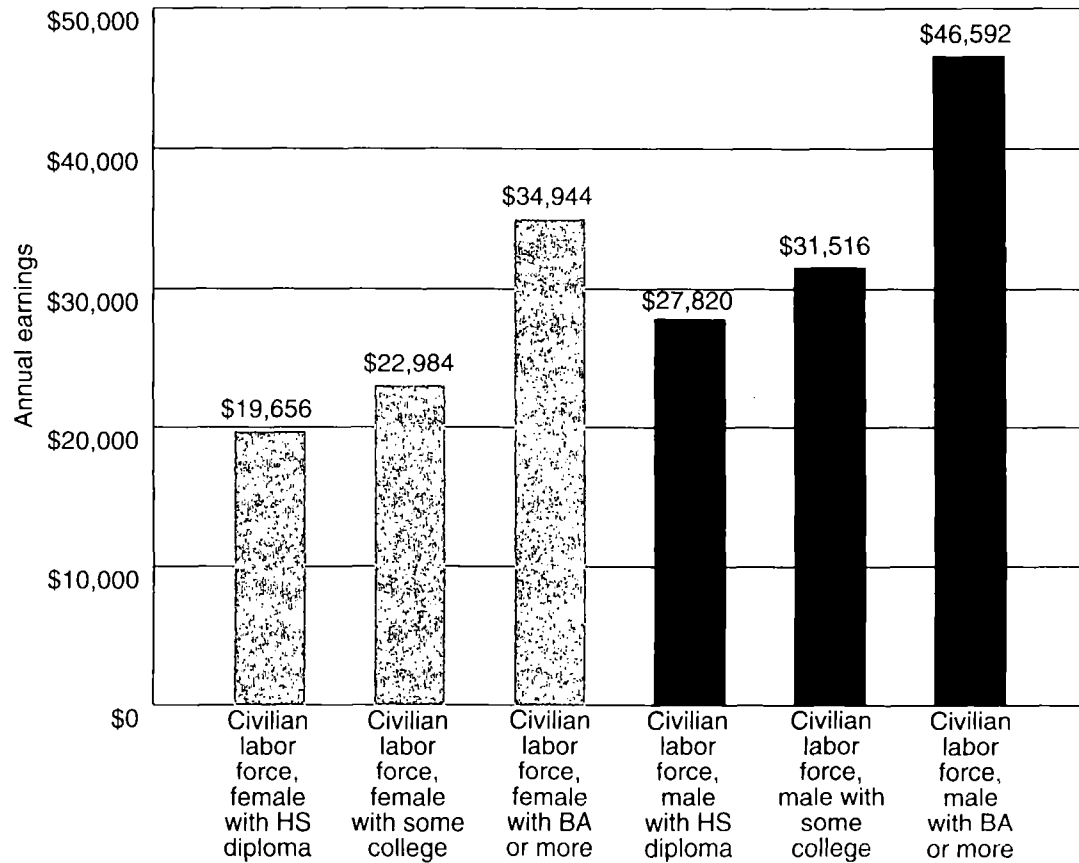
Note: Full-time annual earnings based on 35 hours per week/50 weeks per year—the average work week of teaching staff in the original sample. In the original sample, 34% of all teaching staff had completed some college education and 22% had completed a BA or more. We do not have comparable data for 1997, and thus cannot determine the extent to which the educational background of providers has changed in the last decade. Source for poverty level figure: U.S. Census Bureau.

Compensation

The National Child Care Staffing Study found an average hourly wage in 1988 of \$5.35 for classroom teaching staff, which results in an annual income of \$9,363 for full-time employ-

ment (defined as 35 hours per week, 50 weeks per year). A majority of teaching staff in the sample earned less than \$5.00 per hour. These salary findings were based on actual earnings reported by the 1,309 participating teachers and assistants in 1988.

FIGURE 2:
AVERAGE ANNUAL EARNINGS
OF CIVILIAN LABOR FORCE, 1997



Note: Full-time annual earnings based on 35 hours or more per year. All wages are 1997 dollars. Includes workers 18 years and older (U.S. Department of Labor, 1997). Ninety-seven percent of teaching staff in center-based care are female (Whitebook, Howes and Phillips, 1990).

In 1997, as in the 1992 update, all salary data were provided by center directors, who were asked to report four actual salaries: those of the highest- and lowest-paid teacher and assistant teacher in their programs. Directors also reported these four salary figures in 1988, but at that time, directors reported higher wages for individual teaching staff than did the teachers and assistants themselves. Thus, the comparison

between 1988, 1992 and 1997 reflect changes in the highest and lowest wages paid to teaching staff as reported by directors, rather than by teachers themselves.

In 1997, child care teaching staff wages remained at subsistence levels. (See Table 1 for hourly wages by job title, and Figure 1 for annual salaries by job title.) A large proportion of

TABLE 3:
CHANGE IN SOURCES OF
CENTER REVENUE, 1988-1997

PROGRAM TYPE	INCOME FROM PUBLIC FUNDS	INCOME FROM PARENT FEES
Independent For-Profit	+10%	-9%
For-Profit Chain	+17%	-9%
Independent Nonprofit	-4%	-2%
Church-Related Nonprofit	+4%	-3%

teaching staff earn barely more than the current minimum wage of \$5.15 per hour. Nearly one quarter of centers (24 percent) pay \$6.00 or less to their lowest-paid teachers, and over half of centers (54 percent) pay their highest-paid assistants \$6.00 or less. In most urban areas, a wage of \$8.00 per hour is necessary for a single adult to attain self-sufficiency; for an adult with one child, the family-sufficiency wage ranges from \$10.00 to \$13.00 per hour depending on the age of the child (Wider Opportunities for Women, 1997). In the 1988 sample, nearly half of all teaching staff had dependent children. (See Figure 2 for comparative information on other members of the U.S. civilian labor force.)

Although there have been modest increases in real wages for the highest-paid teachers, this group constitutes a small portion of the center-based teaching staff. In 1988, for example, only one of four teachers in the participating centers (and virtually no assistants) earned this highest level of salary. Moreover, as a result of the very low baseline salaries of even the highest-paid teachers (\$6.88 in 1988), the 13-percent increase amounts to a total of \$1.32 per hour, in inflated dollars, over the course of ten years.

(See Table 1.) For the remainder of teaching staff, wages, when adjusted for inflation, have remained stagnant. Centers appear to be targeting their investments to better-educated teaching staff, who, in the 1988 sample, comprised the category of highest-paid teachers in centers. These findings suggest that, given limited resources to improve compensation, centers recognize the importance of rewarding highly-skilled staff.

As indicated in Table 2, the 1997 data replicated the original study's finding that the wages of teaching staff in for-profit centers are significantly lower than those of their colleagues in nonprofit centers. Teaching

staff in NAEYC-accredited centers also earned higher-than-average salaries. Centers that paid higher wages in 1988—and which, as a group, were rated higher in observed classroom quality—continued to pay higher wages in 1997.

TANF Recipients as Child Care Workers: An Unlikely Route to Economic Independence

Because of the increased demand for child care services created by the federal welfare reform law enacted in 1996, nearly every state has identified welfare recipients themselves as a significant new source of child care workers. While this is not inherently a positive or negative idea, an influx of welfare recipients into the child care workforce carries with it several daunting challenges for these new workers and for their potential employers and co-workers (Bellm, Burton, Shukla and Whitebook, 1997).

Above all, child care center jobs are an unlikely route to economic independence for most TANF recipients, nearly all of whom have at least one dependent child, since only a small

proportion of these jobs provide a self-sufficiency wage even for a single adult, and because most of the better-paying jobs require advanced education. An influx of a large pool of workers earning below the prevailing wage in child care also has the potential to decrease the already minimal wages earned by most child care assistants and some teachers (Weisbrot, 1997). Further, an influx of individuals without prior training in child development will challenge centers to provide such training and support themselves. For these reasons, we were interested in learning whether centers were currently employing TANF recipients, which types of centers were doing so, and the extent to which TANF recipients working in child care were earning a living wage and/or receiving college-based training that would enable them to eventually access the relatively better-paying child care jobs.

Thirty-five percent of centers in 1997 reported using TANF recipients as workers, but this practice varied by type of center. Fully 80 percent of for-profit chains employ TANF recipients, compared to 40 percent of independent nonprofits, 30 percent of church-based centers and 20 percent of independent for-profits. Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover. Nearly half of the centers employing TANF recipients (48 percent) report providing on-site training for TANF employees, 18 percent use community-based training programs, and only 16 percent of programs offer college credit-bearing training. This latter finding is of particular concern, given the demonstrated link between college-based training, better-paying child care jobs and higher-quality child care services (Helburn, ed., 1995; Whitebook et al., 1990).

It is difficult to determine the extent to which centers are turning to TANF recipients as a new low-wage labor pool or had already been turn-

ing to this population as a source of entry-level workers. While the median wage for TANF workers is \$5.50 per hour, compared to the \$6.00 per hour for all entry-level teaching assistants, 60 percent of centers pay TANF workers the same as their lowest-paid assistants, 23 percent pay them more, and 18 percent pay less.

Sources of Center Revenue, and the Impact of Public Subsidies on Wages

The substantial increase in public funding for child care that has occurred since 1988 has promoted a slight increase (from 55 to 60 percent) in the share of licensed centers enrolling children whose families qualify for public child care subsidies. Public funds also constitute a larger share of center revenue than in the past, leading to a slight decrease in centers' reliance on parent fees, while corporate and philanthropic contributions to center-based care have remained unchanged during this period.

Increased access to public subsidy has been most notable in for-profit centers, the fastest-growing sector of the industry (Neugebauer, 1997), associated with lower teaching staff wages and lower-quality child care services. Whereas public subsidy constituted an average of seven percent of income for independent and chain for-profit centers in 1988, these public dollars by 1997 had more than doubled for independent for-profits and more than tripled in the for-profit chains. Subsidy dollars decreased for independent nonprofits, however, from 34 to 30 percent of revenue, and increased from seven to 11 percent for church-sponsored programs during this same period. (See Table 3.)

Personnel constitutes the major expense in child care, and low wages are typically understood to be a by-product of parents' inability to pay more for services. A decrease in reliance on parent fees, coupled with an increase in public

**TABLE 4:
TURNOVER AND STABILITY BY
AUSPICE AND ACCREDITATION STATUS**

PROGRAM TYPE	ANNUAL TURNOVER: ALL TEACHING STAFF	ANNUAL TURNOVER: TEACHERS ONLY	ANNUAL TURNOVER: ASSISTANTS ONLY	TEACHING STAFF REMAINING 10+ YEARS	TEACHING STAFF REMAINING 5 TO 10 YEARS
Independent For-Profit	35%	27%	59%	13%	29%
For-Profit Chain	45%	42%	54%	8%	20%
Independent Nonprofit	28%	27%	34%	18%	39%
Church-related Nonprofit	26%	20%	33%	11%	29%
Not NAEYC- Accredited	34%	29%	40%	12%	29%
NAEYC- Accredited	20%	15%	38%	26%	53%
All centers	31%	27%	39%	14%	32%

subsidy, might therefore be expected to improve staff wages. Unfortunately, for several reasons, this has not been the case. First, public subsidies have been used largely to expand the supply of child care services rather than to raise centers' reimbursement rates to levels that match the actual cost of providing quality services or of paying decent staff wages. Second, only a very small portion of public dollars has been directly targeted to improving teaching staff compensation. Third, current public dollars are distributed largely through parent vouchers to all types of programs, including those seeking to earn a profit, a form of indirect public investment in child care programs that has not led to improved wages or staff stability. Since public dollars were previously distributed exclusively to non-

profit programs, wages in the nonprofit subsidized sector have been notably higher than in other sectors of the industry.

Turnover and Stability

Although worker turnover is generally high in low-wage industries, it is a particularly serious concern in child care because of its demonstrated harmful effects on children (Helburn, ed., 1995; Howes and Hamilton, 1992; Whitebook et al., 1990). While child care teaching staff turnover has fluctuated over the nine years of this study, it remains unacceptably high. In 1988, directors reported average teach-

ing staff turnover of 41 percent, a nearly three-fold increase from the previous decade (Whitebook et al., 1990). In 1992, directors reported average turnover of 26 percent in the year immediately prior to our interviews. In 1997, the turnover rate reported by directors had risen again to 31 percent for all teaching staff, and 20 percent of centers reported losing half or more of their teaching staff in the previous year. Turnover reported in 1997 also varied by job title; slightly more than a quarter of teachers (27 percent) left their jobs in the previous year, compared to 39 percent of the typically lower-paid teaching assistants.

In assessing this apparent overall reduction in teaching staff turnover from 41 to 30 percent between 1988 and 1997, it is critical to note that our study sample changed significantly during this period. A disproportionate number of the centers reporting the highest turnover in 1988 have closed since then, leaving us with a sample of centers presumably experiencing lower-than-average turnover for their communities. Even this 30-percent turnover rate for child care teaching staff, however, is very high; by contrast, the turnover rate in 1994-95, the last year for which data are available, was 6.6 percent for all public school teachers, and 3.1 percent for public kindergarten and 16 percent for private kindergarten teachers (U.S. Department of Education, 1997).

Nationally, there are increasing reports of centers struggling to remain open or even closing due to an insufficient pool of trained teachers. Better job opportunities in other fields, due to an upswing in the economy, have been identified as a major cause of this staffing problem. In each of the study sites, unemployment rates in 1997 hovered around a modest three percent. This may account for the difficulty directors reported in finding replacements for departing teaching staff: 93 percent of directors reported taking more than two weeks, and over a third (37 percent) reported taking over a month to

replace departing staff, posing potentially serious problems for centers trying to maintain legally-required adult-child ratios. Nearly two-thirds of directors (63 percent) reported that they did not have a sufficient pool of qualified applicants for hiring replacement teaching staff. Proposed nationwide class-size reduction in the early elementary grades would significantly add to this difficulty; in California, which has already implemented such class-size reduction, many of the best-trained child care teaching staff have departed the field for elementary education jobs.

During the past decade, the centers in this study have replaced most of their teaching staff, probably several times over in some cases. On average, based on directors' reports, only 14 percent of staff have remained at their centers for the past ten years, and only 32 percent have been employed for five years or more. Retention rates vary by auspices (see Table 4): 39 percent of teaching staff have remained on the job in independent nonprofit centers, compared to 20 percent in for-profit chains and 29 percent in both independent for-profit and church-sponsored programs. As a group, directors of centers have more longevity on the job than teaching staff. On average, directors have worked in their centers for 10.13 years, while in 1988, the average tenure for directors had been 6.35 years.

Health Benefits

In 1988, we asked teaching staff directly about their health insurance coverage; at that time, only one out of three teaching staff interviewed received any health coverage through their employer. Those earning the lowest wages were least likely to be covered. In 1992 and 1997, we did not interview teachers, but were able to ascertain from directors the type of health insurance coverage available to their

staff, focusing specifically on whether the center fully paid the monthly insurance premium and whether dependent coverage was included. Anecdotal reports suggest that teaching staff frequently do not utilize partially-paid health benefits due to their inability to afford the premium, a phenomenon that is common across industries (Ginsburg, Gabel and Hunt, 1998.) We were not able to obtain information about the scope of the coverage available, in terms of the range and level of services provided or the existence of deductible or co-payment charges for various services. Thus, it is important to recognize that even those staff whose premiums were fully paid by the center may face additional charges when they seek health care services. Given their extremely low wages, these charges may be difficult or impossible to meet, particularly in the case of chronic or catastrophic illnesses.

In 1997, more centers offered fully-paid health coverage to teaching staff than they did five years previously. One-quarter of the centers that did not provide fully-paid coverage in 1992 did provide such coverage in 1997. This is striking in light of trends among other U.S. employers. While the percentage of small firms (under 200 employees) offering health coverage has grown slightly (by three percent) since 1989, the level of coverage available and the number of employees within a firm accepting it has decreased (Ginsburg et al., 1998).

Although 52 percent of centers failed to provide fully-paid health coverage for teaching staff, the percentage of centers offering fully-paid coverage to all teaching staff has increased since the 1992 update. Teachers, as opposed to assistants, have benefited most from this change. The proportion of centers providing fully-paid coverage for teachers has increased by 11 percent, while the proportion of centers offering coverage for all teaching staff, including teaching assistants, increased by only three percent. These changes in health coverage par-

allel the trend in wages, whereby centers appear to be investing in their most skilled personnel. Centers offering fully-paid benefits to teachers only (rather than to all teaching staff) also paid higher wages to their highest-paid teaching staff.

Over half (57 percent) of staff receiving fully-paid health coverage for themselves did not receive coverage for their dependents; 16 percent of those fully covered also received fully-paid coverage for their dependents, and 27 percent could cover their dependents for an additional fee. Despite these improvements in coverage, the availability of health coverage for center-based child care workers remains woefully inadequate, particularly given teachers' daily exposure to illness, and, in turn, the children's exposure to teachers who are ill.

Teaching Staff Qualifications

In 1997, directors were asked to report the qualifications they require when hiring teachers and assistant teachers. The most common requirement for all teaching staff positions was prior experience working with children. Only one-quarter of centers required a bachelor's degree for teachers, and only 19 percent required any college course work for assistants. In 1988, by contrast, when we collected educational background data from individual teaching staff, 35 percent of teachers had completed their bachelor's degrees, and 41 percent had completed some college; 50 percent of assistants had completed high school, and 50 percent had completed some college. There is some indication, therefore, if indeed directors are hiring in line with their reported requirements, that the average educational background of child care teaching staff may be decreasing, even though state licensing requirements in the five study communities have not decreased, and in fact, have increased slightly in one state (Georgia).

These findings are particularly of concern in light of research conducted over the past decade demonstrating the importance of college-based education in predicting high performance among teaching staff, and the increased focus by professional organizations, funders and other community leaders and policy makers on professional development (Whitebook, Burton, Montgomery, Hikido and Chambers, 1996; Center for Career Development, 1993). Given directors' expressed frustration about the difficulty of finding qualified staff, however, the lowering of requirements may be a realistic response to the existing labor pool for low-paying child care jobs.

Center Accreditation Status

In response to the lack of national standards for early childhood practice, and to promote efforts to improve quality within child care centers, the National Association for the Education of Young Children (NAEYC) launched a project in 1985 to accredit centers that voluntarily participate and meet a set of quality guidelines. Approximately five percent of centers nationwide are currently accredited, and nearly ten percent are engaged in the self-study process to become accredited. In recent years, millions of public and private dollars have been targeted toward helping centers achieve NAEYC accreditation, and several states provide higher reimbursement rates to centers that become NAEYC-accredited. Centers that achieve NAEYC accreditation have been found to demonstrate improvements in quality, and as a group, NAEYC-accredited centers provide higher-quality care than do most non-accredited centers (Whitebook, Sakai and Howes, 1997; Helburn, ed., 1995; Whitebook et al., 1990).

In 1988, 14 of the 227 centers (6.5 percent) had been accredited by NAEYC. These accredited centers employed staff with more training

and formal education, had lower turnover rates, and provided more developmentally appropriate activities and higher-quality caregiving for children. In 1992, 20 centers in the sample were accredited. Accredited centers had the lowest four-year turnover rate (33 percent) and paid higher wages to teaching staff than all other centers in the 1992 sample. Programs that had remained accredited between 1988 and 1992 also had lower four-year turnover and paid higher wages than non-accredited centers.

By the time of our 1997 interviews, 23 centers were NAEYC-accredited. The high rate of NAEYC accreditation in the sample (15 percent, compared to only five percent of centers nationally) provides additional evidence of the higher-than-average quality of this group of centers. As in the previous NCCSS and other research findings (Whitebook et al., 1997), NAEYC-accredited centers paid higher-than-average wages to all teaching staff. These centers had retained more than twice the number of staff over the nine years of the study, and nearly twice as many in the previous five years. Although turnover in the previous year among assistants averaged nearly 40 percent in accredited centers, as it did for all other centers in the sample, accredited centers reported lower turnover rates for teachers (15 percent vs. 29 percent) during the twelve months prior to our interviews than did non-accredited programs (see Table 4). While it is difficult to determine whether centers in the sample which became accredited were already of higher quality, or whether the accreditation process helped the centers achieve elements associated with good quality, these data underscore the findings of other studies that NAEYC-accredited programs as a group provide better-than-average care.

We also learned from this multi-year examination, however, that centers that attain accreditation do not necessarily maintain it over time. In 1992, each of the 14 centers that had been accredited in 1988 remained open, but five (36

percent) had not renewed their accreditation. Centers whose accreditation had expired looked no different in terms of turnover and wages in 1992 than those centers that had not sought accreditation. Sixty percent of the NAEYC-accredited centers in the 1992 sample were no longer accredited by 1997. Four of the 20 centers accredited by NAEYC in 1992 were no longer in operation, and of the remaining 16 centers, eight were still accredited, and the accreditation status of the other eight had expired and had not been renewed. More in-depth assessment is needed to ascertain why centers do not maintain accreditation status, and to what extent they may find it easier to improve or attain a certain level of quality temporarily than to sustain it over time.

CONCLUSION

In recent years, a consensus has emerged that high-quality early childhood services are essential to the developmental well-being of children and families and to the economic well-being of our nation. The 1988 National Child Care Staffing Study raised grave concerns about the quality of child care that many American children receive, largely because their caregivers were severely underpaid and, as a result, rarely remained very long on the job. This follow-up report indicates that the overall quality of U.S. child care centers still teeters on the brink of disaster, as evidenced by low wages, high teaching staff turnover and limited benefits even in this sample of relatively stable, high-quality centers.

It is heartening that in the current child care debate, policy makers and elected officials are devoting closer attention to quality and workforce issues than in the past. As President

Clinton observed during the White House Conference on Child Care in October 1997, "Child care workers on the whole are better educated than the American workforce, but lower paid. We keep saying that we want these people to get more education and more training, and yet a lot of them are quite well educated and working for ridiculously limited wages....I think that we ought to find ways that every community and every state can honor outstanding child care workers in the same ways that we honor teachers today, or scientists." Nearly every panelist at the day-long White House conference highlighted the direct link between better compensation for teachers and providers and higher-quality child care services.

But while investments of public funding during the 1990s have increased access to child care and partly alleviated the financial burden on families, they have largely failed to improve the quality and stability of child care services. This study, like its two predecessors, highlights the need for investments explicitly targeted to building a skilled and stable child care workforce, one that will be able to provide the quality of services that young children and their families need and deserve.

Promising models of such an approach are now available. By investing directly in better staff compensation and training, the U.S. Military, T.E.A.C.H., Head Start and other programs have made major progress in upgrading the consistency and quality of early childhood services. These efforts have shown that it can be done, and they challenge us to implement comparable improvements throughout the nation's child care system. The cost to society of negative outcomes for children is many times the cost of paying the appropriate teaching staff compensation that is so essential to providing quality child care. Ignoring this lesson can only continue to place young children's futures at risk.