

TO: Jennifer Klein

FROM: Amy Finkelstein

DATE: November 11, 1997

SUBJECT: Estimates of the 'need' for child care.

Attached are some estimates CEA has done on the 'need' for child care among low income families and the extent to which existing federal funding meets that need. Jon Gruber said that he had mentioned these to you and that you were interested in seeing them. The estimates indicate that -- under many different assumptions -- there is still a large unmet need for child care subsidies. Also attached is a similar study by the urban institute, which looks at federal and state funding combined, and reaches the same conclusion. Finally, I have enclosed a Treasury estimate of the return to work for low income parents once child care costs are taken into account.

I have given copies of the CEA estimates to OMB and HHS. They are intended as useful information only. CEA does not want them cited or distributed.

If you have any questions about the estimates, please do not hesitate to call.

Federal funding and child care needs

Methods

1. Estimating the need for child care

- The urban institute looks at families in which the mother is employed that are below 150 percent of poverty. I look at families with an employed mother below 200 percent of poverty, since this is where federal subsidies have gone in the past.
- I look at children under 6. The urban institute looks at children under 6 and children 6-12. The child care needs of this older age group are harder to estimate, and data are less available.
- I estimate the increase in the need for child care due to welfare reform based on the assumption that states meet the work requirements; this is somewhat of an overestimate as it ignores caseload reduction (which reduces work requirements) which may not involve the former recipients entering employment. The urban institute uses the average work requirement in 1997 (20 percent), given the various reductions across states due to caseload reductions. This is a conservative estimate as it ignores the fact that some percentage of the caseload reduction is due to welfare recipients entering employment.

2. Estimating the need for *paid* care

What percent of the children in need of care are in need of paid care? In 1993, 51 percent of families with employed mothers and children under 6 used paid child care. Only 38 percent of such families that were below 200 percent of poverty used paid child care. The decision to use paid care reflects both the financial cost of paid care and other attributes of paid care that may or may not be desired. I present three different estimates of the need for paid care, based on 100 percent, 51 percent and 38 percent use of paid care rates among working mothers with children under 6. The 51 percent rate is perhaps a better benchmark for the use of ('need for') paid care if it is 'reasonably priced', while the 38 percent may more closely reflect actual usage rates under the existing subsidy structure. The urban institute's approach is again conservative; it uses the number of low-income children with working parents currently in paid care as an estimate of the need.

Of course, actual utilization rates will depend on subsidy rates. A survey of the literature suggests that the elasticity of employment with respect to the hourly cost of care is in the 0.2 to 0.8 range; the elasticity of the use of paid care with respect to the hourly price of care, conditional on employment, ranges from .15 to .23. I have not included the increases in employment and paid care use from increases in subsidies in estimating what percent of existing need a given child care subsidy can cover.

3. What percent of the need for paid care is the federal government meeting under the current spending for child care?

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The urban institute looks at combined federal and state funding, and presents various estimates based on how much of the available federal funds the states draw down; it is assumed that children are subsidized based on average subsidies under the old child care funding programs.

I assume that the maximum amount of federal funding is available and present two different estimates for the subsidy rate. First, I assume that children are funded at the average subsidy rate under the old system (\$62 per week). Then, I assume that the average weekly subsidy is \$30. This \$30 per week subsidy represents the average weekly subsidy needed if care were subsidized for poor families so that poor and non-poor families paid the same percent of monthly income for child care; this would mean reducing the average weekly cost of child care for poor families from \$50 to \$21. This \$30 subsidy which brings expenses on child care as a percent of monthly income into parity for poor and non-poor families represents an alternative, conservative measure of the 'appropriate' level of subsidy.

Under the previous system, two-thirds of federal direct subsidies went to children under 6. Therefore, because I am looking only at children under 6, I estimate what percent of 'need' the federal funds could meet if only two-thirds of the federal funds were spent on children under 6;

I present estimates based on average funding levels over FY 1997 - 20002.

Results

The attached tables 1 and 2 present some of the tabulations. *Tables 1 and 2 show that no matter what set of assumptions is used concerning the percent of children in a given category in 'need' of paid care and the appropriate level of subsidy to these children, current subsidies do not come close to meeting this need. Furthermore, the increase in funding from welfare reform does not address much of the 'need', however defined, of the additional children in need of child care due to welfare reform.*

Assuming that all the available funding goes to children under 6, that only 38 percent use paid care, and that subsidies are at their current levels, 62 percent of the need could be met. If only two-thirds of the federal funding is spent on children under 6, and 51 percent of the eligible population 'need' paid care, then subsidies at their current levels could meet only 31 percent of the need, and even subsidies of \$30 per week could only meet 64 percent of the need.

Another way to look at it is to consider what percent of the increased need for child care due to welfare reform is covered by the additional child care funding from welfare reform. If all funding goes to children under 6, 38 percent of the additional children need paid care, and subsidies are at their current levels, 49 percent of the additional children in need of child care due to welfare reform can be subsidized with the additional funding. If only two-thirds of the additional funding is spent on children under 6, 51 percent of the additional children need paid care, and subsidies are at their current levels, only 25 percent of the additional children can be subsidized with the additional funding.

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Interpreting the attached tables

The second through fourth columns of Table 1 give estimated needs of different populations, depending on the assumption made of what percent 'need' paid care.

The fifth column considers how many children could be funded under the average annual projected funding from the old system, at weekly subsidies of \$62 (the previous average weekly subsidy). The three separate percentages refer to percent of need defined as 100 percent of children, 51 percent, and 38 percent respectively. Blanks indicate numbers greater than 100 percent. The sixth column makes an identical calculation under the new funding levels.

The seventh column considers how far toward meeting 'need' the new funding could go if the subsidies were only \$30 per week. This \$30 per week subsidy represents the average weekly subsidy needed if care were subsidized for poor families so that poor and non-poor families paid the same percent of monthly income for child care; this would mean reducing the average weekly cost of child care for poor families from \$50 to \$21. This \$30 subsidy which brings expenses on child care as a percent of monthly income into parity for poor and non-poor families represents an alternative measure of the 'appropriate' level of subsidy.

The last two columns consider how far the average annual increase in funding between the old and new systems could go in meeting the needs of the welfare population meeting work requirements if the entire increase in funding was spent on this population. Again, calculations are made assuming both a \$62 and \$30 weekly subsidy.

All of the above calculations assume that the available monies will all go to children under 6. Table 2 makes the same calculations assuming that only two-thirds of all monies are available for children under 6. (This assumption is based on previous spending patterns for federal direct subsidies).

Table 1: Assumes all funding goes to children under 6

GROUP	All children with working mothers need paid child care	51 percent of children with working mothers need paid child care.	38 percent of children with working mothers need paid care	Projected funding under old system: \$2.6 billion estimated annual average 1997-2002 would meet what percent of need with average weekly subsidies of \$62 (0.8 million children could get such subsidies)	Expanded funding from PRWORA 1996: Estimated annual average of \$3.1 billion will meet what percent of need with average weekly subsidies of \$62 (0.96 million children could get such subsidies)	Expanded funding from PRWORA 1996: Estimated annual average of \$3.1 billion will meet what percent of need with average weekly subsidies of \$30 (=2 million children)	Increase in funding: Average annual increase of \$580 million from old programs due to welfare reform will meet what percent of new need with average weekly subsidies of \$62 (.18 million children)	Increase in funding: Average annual increase of \$580 million from old programs due to welfare reform will meet what percent of new need with average weekly subsidies of \$30 (.37 million children)
Children below 200 percent of poverty in need of care prior to welfare reform	4.1 million	2.1 million	1.56	20%; 39%; 52%	23%; 46%; 62%	48%; 95%; ---		
Average annual increase in children under 6 in need of child care due to welfare reform	0.97 million	0.49 million	0.37	83%; --; -- (if all federal funds spent on welfare clients)	99%; --; -- (if all federal funds spent on welfare clients)	--- (if all federal funds spent on welfare clients)	18%; 37%; 49% (if all federal funds spent on welfare clients)	39%; 76%; -- (if all federal funds spent on welfare clients)
Total average annual need (200 percent of poverty plus welfare)	5.1 million	2.6 million	1.94	15%; 31%; 42%	19%; 37%; 50%	39%; 77%; -		

Sources: SIPP 1993 data for numbers of children; HHS estimates for increases due to welfare reform; U.S. House of Representatives (1996) and Congressional Budget Office (1996) for estimated funding under old and new systems.

Notes:

1. All children under 6. All have working mothers
2. Numbers all ignore increase in 'need' with subsidies due to increase employment and use of paid care.
3. Ignores children between 6-13.
4. The three percentages listed in each box refer to the percent of 'need' the federal funding can meet assuming that, respectively, 100 percent of children in the category need paid care, 51 percent need paid care, and 38 percent need paid care.

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Table 2 (assumes two-thirds of funding available for children under 6)

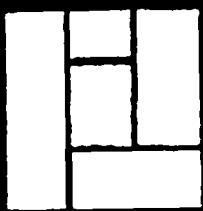
GROUP	All children with working mothers need paid child care	51 percent of children with working mothers need paid child care.	38 percent of children with working mothers need paid care	Projected funding under old system: \$1.7 billion estimated annual average 1997-2002 would meet what percent of need with average weekly subsidies of \$62 (0.54 million children could get such subsidies)	Expanded funding from PRWORA 1996: Estimated annual average of \$2.1 billion will meet what percent of need with average weekly subsidies of \$62 (.64 million children could get such subsidies)	Expanded funding from PRWORA 1996: Estimated annual average of \$2.1 billion will meet what percent of need with average weekly subsidies of \$30 (=1.3 million children)	Increase in funding: Average annual increase of \$390 million from old programs due to welfare reform will meet what percent of new need with average weekly subsidies of \$62 (=0.12 million children)	Increase in funding: Average annual increase of \$390 million from old programs due to welfare reform will meet what percent of new need with average weekly subsidies of \$30 (.25 million children)
Children below 200 percent of poverty in need of care prior to welfare reform	4.1 million	2.1 million	1.56	13%; 26%; 35%	16%; 31%; 41%	32%; 64%; 85%		
Average annual increase in children under 6 in need of child care due to welfare reform	0.97 million	0.49 million	0.37	56%; --; -- (if all federal funds spent on welfare clients)	66%; --; -- (if all federal funds spent on welfare clients)	--- (if all federal funds spent on welfare clients)	13%; 25%; 33% (if all federal funds spent on welfare clients)	26%; 51%; 69% (if all federal funds spent on welfare clients)
Total average annual need (200 percent of poverty plus welfare)	5.1 million	2.6 million	1.94	11%; 21%; 28%	13%; 25%; 33%	26%; 52%; 69%		

Sources: SIPP 1993 data for numbers of children; HHS estimates for increases due to welfare reform; U.S. House of Representatives (1996) and Congressional Budget Office (1996) for estimated funding under old and new systems.

Notes:

1. All children under 6. All have working mothers
2. Numbers all ignore increase in 'need' with subsidies due to increase employment and use of paid care.
3. Ignores children between 6-13.
4. The three percentages listed in each box refer to the percent of 'need' the federal funding can meet assuming that, respectively, 100 percent of children in the category need paid care, 51 percent need paid care, and 38 percent need paid care.

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THE URBAN
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NEW FEDERALISM ISSUES AND OPTIONS FOR STATES

A product of
"Assessing the
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Program to Assess
Changing Social
Policies

The New Child Care Block Grant: State Funding Choices and Their Implications

Sharon K. Long and Sandra J. Clark

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) fundamentally changes federal child care assistance programs. The legislation eliminates federal child care entitlements and consolidates the major sources of federal child care subsidies for low-income children into a single block grant to states. At the same time, PRWORA transforms the Aid to Families with Dependent Children (AFDC) program into a block grant and expands its work participation requirements, thereby increasing the need for child care among families newly entering the workforce.

Under these changes, states gain increased flexibility for designing and targeting their child care assistance programs. They also assume additional responsibilities for addressing the need for child care assistance. The child care block grant preserves some shared federal and state responsibility for child care funding by making a portion of the federal block grant funds dependent on the level of state child care spending. Under this new financing mechanism, total funds available for child care could change dramatically depending on a state's own level of investment.

Below we outline the changes in federal child care programs and explore the implica-

tions of alternative scenarios for child care funding across states.

Changes in Federal Child Care Programs

PRWORA consolidates the four key federal child care assistance programs for low-income families into a single block grant to states—the Child Care and Development Fund (CCDF).¹

The legislation provides up to \$2.97 billion in federal funding for the CCDF in FY 1997, an increase of \$600 million, or 27 percent, over prior law (see table 1).

The CCDF funds are divided into three components: mandatory funds, matching funds, and discretionary funds.² Each state is entitled to receive a share of the manda-

tory funds (\$1.20 billion in FY 1997) with no matching requirements. State allocations of these funds are based on the highest of a state's FY 1994, FY 1995, or average FY 1992–1994 federal Title IV-A child care funding. The matching funds (\$0.77 billion for FY 1997) are available to states that maintain spending equal to their prior IV-A child care match.³ Child care expenditures above that level will be matched by federal dollars up to the state's allocated share of these funds.⁴ The maximum allocations across the states are based on the proportion of

The new block grant provides the potential for substantially greater child care funding, but the extent to which these increases will be realized depends on the options adopted by states regarding this funding.

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Table 1
Federal Funding of Child Care Assistance Programs for Low-Income Families under Prior Law and under PRWORA
(FY 1997 funding, in billions of dollars)

Prior Law		PRWORA	
<i>Title IV-A Child Care</i>		<i>Child Care and Development Fund</i>	
AFDC and Transitional		Mandatory Funds	\$1.200
Child Care	\$1.105	Matching Funds	.767
At-Risk Child Care	.300	Discretionary Funds	1.000
<i>Child Care and Development Block Grant (CCDBG)^a</i>	.935		
Total	\$2.340	Total	\$2.967

Sources: For Title IV-A Child Care: *Federal Budgetary Implications of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, 1996, Congressional Budget Office, December. For Child Care and Development Fund: *Child Care Program Instruction*, 1996, U.S. Department of Health and Human Services, Administration on Children, Youth and Families, October 30.

a. The CCDBG was authorized through FY 1995 and continued to operate under a continuing resolution in FY 1996. The estimated funding level for FY 1997 equals the amount appropriated for the CCDBG in each of FYs 1995 and 1996.

the state's children under age 13. The legislation also authorizes \$1 billion each year in discretionary funds, which are subject to annual appropriation. These funds are distributed to states according to the prior rules governing the distribution of Child Care and Development Block Grant (CCDBG) funds. Those rules based allocations on the proportion of children under 5 years old, the number of children receiving free or reduced-price school lunches, and the state's average per capita income.⁹

Three of the four programs consolidated into the CCDF block grant existed under Title IV-A of the Social Security Act. The AFDC Child Care Program provided child care entitlements to families who were receiving AFDC and were working or in an education or training program. The Transitional Child Care Program offered assistance to families who were making the shift from AFDC to work. Under the third program, At-Risk Child Care, states were entitled to receive funds up to a capped amount to serve working families who were "at-risk" of coming onto AFDC if they did not receive assistance with child care. Together, these three programs would have provided about

\$1.4 billion in federal funding for FY 1997 under prior law, according to projections by the Congressional Budget Office. All three of the Title IV-A child care programs required state matching funds to draw down federal dollars, based on the Medicaid matching rate (see note 4).

The fourth child care program incorporated into the CCDF—the CCDBG—provided federal child care funds for states to assist low-income families, as well as for activities to improve the overall quality and supply of child care for all families.¹⁰ We assume that CCDBG funding in FY 1997 would have been \$935 million, the amount provided in each of the previous two years.

As noted above, the consolidation of these four sources of child care funds under PRWORA eliminates all federal child care entitlements that existed under the Title IV-A programs, providing states with increased flexibility in targeting their child care dollars. However, with this expanded flexibility comes greater responsibility for operating programs within a new constraint. The legislation repeals the open-ended federal entitlement to families for Title IV-A child care, placing a cap on the level

of federal child care funds that a state may access. States no longer automatically receive increased federal funding in response to greater child care use whether due to caseload growth or to larger shares of the caseload engaged in work activities or transitioning off welfare.

In addition to direct changes to child care assistance programs under PRWORA, two other components of the legislation may affect the availability of child care funds. First, the new law allows states to transfer up to 30 percent of their AFDC-replacement block grant (the State Family Assistance Grant) from cash assistance to child care. The State Family Assistance Grant equals the sum of the state's recent federal funding for AFDC, the Job Opportunities and Basic Skills (JOBS) training program, and Emergency Assistance (a total of about \$16.4 billion for FY 1997 for all states) and funds the new Temporary Assistance to Needy Families (TANF) program.¹¹ This provision could add up to \$4.9 billion in funding for child care assistance to the roughly \$3 billion provided by the CCDF.

Second, PRWORA reduces funding for the Title XX Social Services Block Grant (SSBG)—which states may spend on a variety of social services including child care—by 15 percent per year over the 1996-2002 period. In FY 1997, this lowers total SSBG funding from \$3 billion to \$2.6 billion.¹² Data on the use of the SSBG for child care are limited, but evidence suggests that the SSBG funds some child care in most states.¹³

Child Care Funding Scenarios

The new block grant provides the potential for substantially greater child care funding, but the extent to which these increases will be realized depends on the options adopted by states regarding this funding.¹⁴ Though no longer required for participation in the federal program, a state could choose to maintain its present spending on child care.¹⁵ Or, with elimination of the Title IV-A matching requirements, a state could instead choose to limit child care

funding to federal funds only and, thus, put no additional state funds into child care. Alternatively, a state could choose to maximize the federal dollars available for child care by increasing its own related child care spending to levels above those under Title IV-A. And, regardless of its decisions on child care funding, a state could choose to move funds from cash assistance under TANF to child care.

Table 2 outlines these possible scenarios regarding states' handling of child care funding. A state could (1) maximize available federal funds, (2) maintain its state child care funding at historical levels, or (3) eliminate all related state child care expenditures. The table also presents the additional funds that would be available for child care subsidies if the maximum share of TANF funds were transferred from cash assistance to child care. To assess the relative change in child care funding under these scenarios, we compare these figures to a baseline of total federal and state spending under the CCDBG and Title IV-A child care programs in FY 1995, inflated to 1997 dollars.¹² Focusing on the funds available for direct child care assistance to families, we limit this comparison to child care funds net the required quality enhancement and availability provisions (see note 7).

In FY 1995, combined federal and state expenditures on child care under the CCDBG and Title IV-A programs were \$2.82 billion in 1997 dollars. Under PRWORA in FY 1997, the combined federal and state funding available under the CCDF will range from \$2.06 to \$4.21 billion, with reallocations from TANF potentially providing an additional \$4.92 billion for child care.

Clearly, there is the potential for significantly higher levels of child care funding in the states, as shown in figure 1. If every state were to put up enough state dollars to draw down the maximum federal funds available, CCDF funding in FY 1997 would exceed that provided under CCDBG and Title IV-A in FY 1995 in all

states. Across states, the average increase would be about 50 percent. However, the extent to which maximizing available federal funds would increase the total level of federal and related state funds available for child care ranges widely. For example, if Massachusetts and Washington State provided state funds to maximize the total federal funds available to them, their total child care dollars would

If every state were to put up enough state dollars to draw down the maximum federal funds available, CCDF funding in FY 1997 would exceed that provided in FY 1995 in all states. However, to draw down the increased federal funds, states would have to put up on average an additional 70 percent of state dollars over and above their FY 1995 levels.

increase by less than 10 percent between FY 1995 and FY 1997 (\$132 million versus \$126 million, and \$122 million versus \$113 million, respectively). In other states, the potential increase is much greater. In Hawaii, Michigan, and New Jersey, for example, child care funding would increase by more than 100 percent if these states maximized federal funds.

However, to draw down the increased federal funds, states would have to put up on average an additional 70 percent of state dollars over and above their FY 1995 levels (not shown). Moreover, states with the greatest potential increase in funding—Hawaii, Michigan, and New Jersey—would have to increase state spending on child care by well over 100 percent. There is evidence to suggest that this increased level of investment is unlikely to occur in a number of states. As shown in the final column of table 2, 20 states did not provide the dollars needed to draw down their full Title IV-A allocation in FY 1994. On the other hand, some states have committed significant resources to child care services, beyond those

programs. A recent study by the Children's Defense Fund found that in 1994, 21 states had child care funding levels that would have been sufficient to access their maximum federal CCDF allocation. Five states, however, expended no state money on child care beyond their IV-A state match. Wide variation in funding levels existed across the remaining states.¹⁴ Clearly, there are differences in states' capacities and willingness to fund child care services, which are likely to affect their child care funding decisions under the new block grant.

If, instead of maximizing federal funding, states simply maintain their historical levels of IV-A child care spending, federal and related state child care funding in FY 1997 relative to FY 1995 would remain largely unchanged in many states.¹⁵ In 15 states, total federal and related state child care funding in FY 1997 would be more than 10 percent greater than the FY 1995 level. In two states, child care funding levels would be more than 10 percent lower in FY 1997 under this scenario. These differences across states reflect inflation, changes in state characteristics used to allocate block grant funds, prior state funding levels, and the complex new child care funding framework.

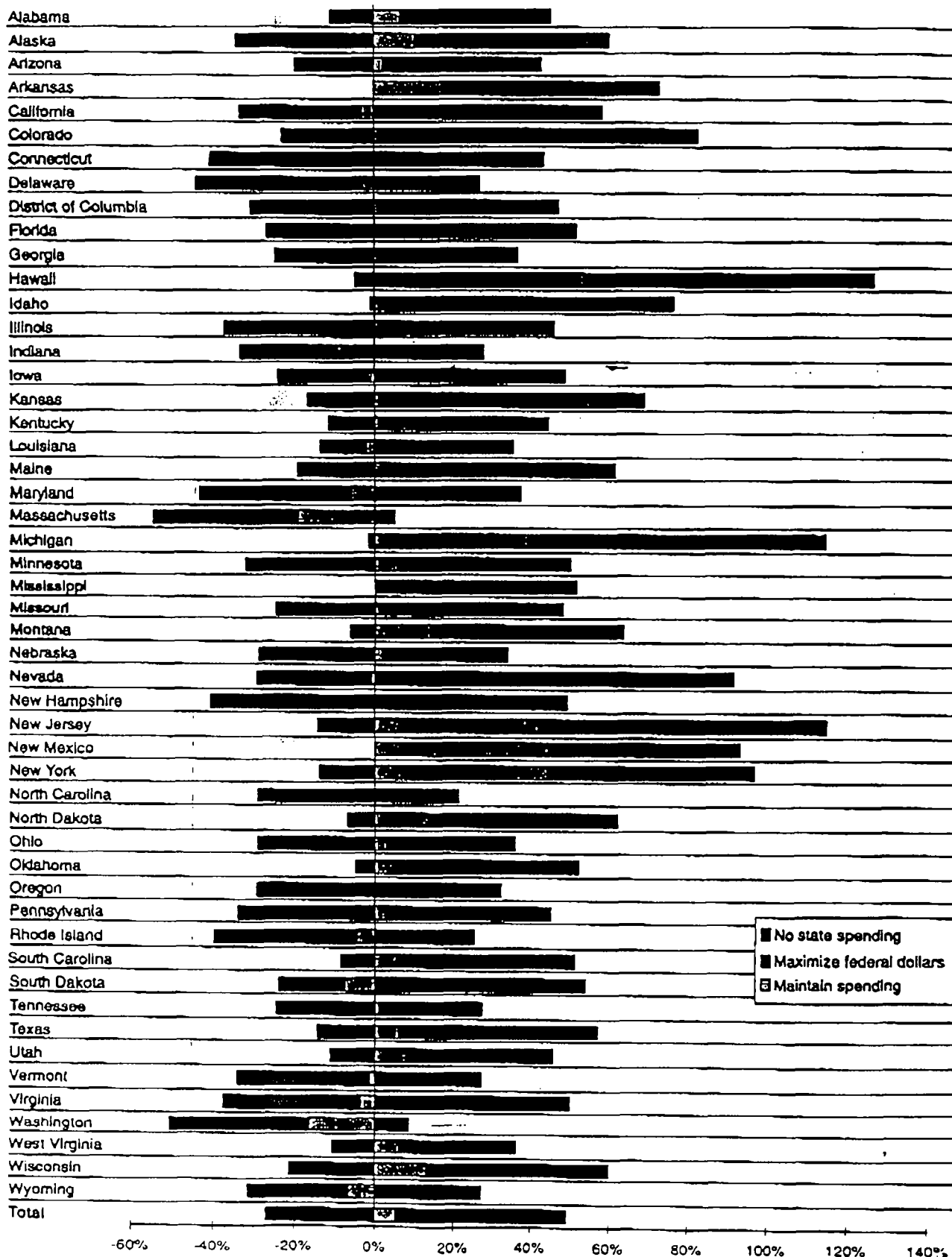
If states choose not to put any state dollars into child care and instead fund their programs entirely with federal funds, child care expenditures in FY 1997 would exceed those of FY 1995 in only three states—Arkansas, Mississippi, and New Mexico. Under this scenario, total child care funding in the average state would be 23 percent lower in FY 1997 than in FY 1995, and as much as 40 to 50 percent lower in some states.

Potential Need for Child Care Assistance

To what extent will the child care assistance available under the new legislation meet the needs of the low-income children who require it? To answer, we need to estimate the number of children currently in need of

Figure 1

**Percentage Change in Federal and Related State Child Care Funding for Low-Income Families in FY 1997
Relative to FY 1995 under Alternative Scenarios, Assuming No Transfer of TANF Funds**



increase in that number as a result of the new legislation.

For the most part, child care assistance is intended to help low-income families pay for child care while the child's parents are working, attending school, or in a training program. Thus, one estimate of the number of low-income children potentially in need of child care assistance might be all low-income children. However, this is an overestimate of the population in need of assistance. Not all families include parents who are working, in school, or in training, and not all working families will turn to paid

child care: parents may choose to work split shifts to care for their children, older children may care for younger siblings, children may care for themselves, or other relatives or friends may provide child care without pay.

A more conservative estimate of the number of low-income children potentially in need of child care assistance is the number of low-income children of working parents who are currently in paid child care arrangements. This is a conservative estimate because it ignores the role of the availability of child care assistance in family decisions: the prospect of help

paying for child care may induce parents who are not working to go to work, induce parents who are working part-time to work full-time, or allow families with children in self-care or unpaid child care arrangements to place their children in arrangements that they could not afford on their own. Nevertheless, we believe that the number of low-income children in paid child care arrangements provides a reasonable base for assessing the adequacy of child care funding under PRWORA, particularly in comparison to the adequacy of funding under prior law.

Table 3
Approximating the Potential Need for Child Care Assistance by Children in Paid Child Care Arrangements under Prior Law and under PRWORA

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	Children under 6 Years Old	Children 6 to 12 Years Old	All Children under 13 Years Old
Number of Children in Low-Income Families ^a	9,071,000	8,616,800	17,687,800
Of Those, Number with Working Parent(s) ^b	5,090,100	5,368,300	10,458,400
Of Those, Number Estimated to Use Paid Child Care ^c	2,290,500	966,300	3,256,800
Number of Children in Nonworking Welfare Families ^d	3,834,600	3,151,400	6,986,000
Of Those, Number Estimated to Be Affected by PRWORA Work Requirements ^e	443,800	364,700	808,500
Of Those, Number Estimated to Turn to Paid Child Care	199,700	65,600	265,300
Potential Child Care Assistance Need under Prior Law: Children in Low-Income Working Families Using Paid Child Care	2,290,500	966,300	3,256,800
Potential Child Care Assistance Need under PRWORA: Need under Prior Law Plus Children in Nonworking Families Receiving Welfare, Affected by PRWORA Work Requirement, and Using Paid Child Care	2,490,200	1,031,900	3,522,100

→ 700,000 in paid

Source: Tabulations by the Urban Institute.

a. This analysis includes subfamilies living within larger families as separate families. We define low-income as having family income less than 150 percent of the federal poverty threshold but recognize that the income eligibility threshold for child care assistance varies across states. The majority of child care subsidies, however, are provided to children in families with incomes below 150 percent of poverty.

b. This includes children in all families in which one or both parents are working full or part time. *Sub of married & dual income*

c. Tabulations of 1992/1993 Survey of Income and Program Participation data indicate that the share of low-income children of working parents using paid relative or nonrelative care is 45 percent for children under age 6 and 18 percent for children 6 to 12.

d. This estimate is based on FY 1995 AFDC Quality Control administrative data, which indicate that roughly 9.5 percent of all families receiving AFDC reported income from earnings. Therefore, 90.5 percent of all children receiving AFDC were assumed to live in families in which parent(s) are not working.

e. Under PRWORA, states are required by TANF to move 25 percent of their nonexempt caseloads into work in 1997, with an adjustment to that requirement made for caseload reduction. The caseload requirement may reach as low as 11 percent in some states, but the average across states is likely to be about 20 percent. The work participation rate increases to 50 percent by FY 2002. In order to meet TANF requirements, a single parent must work at least 20 hours a week. In two-parent families, one parent must work 35 hours per week and the other at least 20 hours per week. The number of children estimated to be affected by the new work requirements assumes that families in the current caseload who have earnings are all working the required number of hours. Because, under TANF, some of the families with earnings will likely need to increase their hours worked, this number underestimates the increased need for child care under PRWORA.

There is some uncertainty about the number of children in paid child care arrangements. Though we can estimate the share of children whose families made a payment for their care, there are no data available on the share of children whose child care arrangements are paid for by someone other than the family, say, through government-subsidized child care.

To estimate the number of children currently using paid child care (where payment is made either by parents or other sources), we focus on child care provided by relatives for which there is some type of payment and child care provided by nonrelatives, for which payment is typically required. The latter includes family daycare homes, day/group care centers, nursery and preschool programs, in-home providers, and before- and after-school care.

As shown in table 3, we estimate that there are roughly 10.5 million children under the age of 13 in low-income families (incomes below 150 percent of poverty) whose parent(s) are currently working full or part time. Of those children, nearly 3.3 million, or 31 percent, are estimated to be in paid child care, and thus represent the population *potentially* in need of child care assistance under the prior law.

Under PRWORA, additional children will require child care as families enter the labor force due to TANF work requirements. The TANF work requirement applies to 25 percent of a state's nonexempt welfare caseload in FY 1997 and rises to 50 percent in FY 2002. In 1996, nearly 7 million children lived in families who received AFDC and had no earnings. This represented about 90 percent of the welfare caseload nationwide (not shown). We estimate that 0.8 million of these children will have parents who move into the labor force under PRWORA in 1997, adding another 0.3 million children to the number using paid child care arrangements. When combined with the level of need under prior law, we estimate that 3.5 million children in paid child care are potentially in need of child care assistance under PRWORA in 1997. This represents an increase of about 8 percent over the potential need for child care assistance in 1997 under prior law. As

Table 4
A Comparison of Available Federal and Related State Child Care Funding for Low-Income Families and the Potential Child Care Assistance Needs of Children under Prior Law and under Various PRWORA Scenarios in 1997

	Prior Law	PRWORA		
		Maximize Federal Dollars	Maintain Spending	No State Spending
Estimate of the Number of Children Who Could Be Served with Available Funds ^a	1,061,800	1,672,000	1,177,600	817,300
Estimate of the Number of Children in Paid Child Care Potentially in Need of Child Care Assistance	3,256,800 ^b	3,522,100	3,522,100	3,522,100
Share of Children with Potential Child Care Assistance Need Who Could Be Served with Available Funds	32.6%	47.5%	33.4%	23.2%

Source: Tabulations by the Urban Institute.

a. The estimated number of children who could be served with the available funds is derived by dividing the total level of funding available by the average annual cost of providing child care. The latter is estimated as the average child care payment for Title IV-A AFDC/JOBS child care for FY 1994. The data on child care payments were obtained from the U.S. Department of Health and Human Services Child Care Bureau.

b. Drawn from table 3.

the work participation rate under TANF increases over time, more parents will move into the workforce, expanding the number of children in need of child care assistance. If the FY 2002 work requirement of 50 percent of a state's caseload (with no adjustment for caseload reduction) were applied in 1997, we estimate that roughly one million more children would enter paid child care.

Available Funds versus Potential Need

In table 4 we compare available funds and our estimate of the potential need for child care assistance under prior law and based on various state scenarios under PRWORA. Because our estimate of the potential need for child care assistance under PRWORA captures changes due to TANF work requirements but ignores changes in families' child care decisions in response to other aspects of PRWORA, these comparisons provide a partial assessment of the adequacy of child care funds under PRWORA. To the extent that the new legislation leads to increases in work effort beyond that of the TANF work

requirements or allows more families to turn to paid child care, our estimate of the potential need for child care assistance under PRWORA is too low.

Under this comparison, we estimate that, if states maintain their historical levels of spending, the share of children potentially in need of child care assistance who could be served with the available funds is approximately the same in 1997 as under prior law—roughly one-third.¹⁶

In contrast, if states decide to eliminate state spending on child care, the combined effect of reduced state spending and the increased need for child care due to TANF work requirements would reduce the share of children who could be served with available funds to 23 percent. At the other extreme, if states maximize the federal child care dollars available under PRWORA, the share of children served could be increased to about 48 percent of those with child care assistance needs. Finally, if states transfer the maximum allowed TANF funds from cash assistance to child care assistance, the share of children who could be served would be significantly higher. Adding the full share of TANF

16

funds to PRWORA funding, which maximizes federal child care dollars, would provide enough funds to serve all children potentially in need of child care (not shown).

Clearly, states face a wide range of options for funding child care assistance. The choices they make will play a key role in determining whether the share of families receiving child care assistance under PRWORA increases beyond the relatively low levels of coverage achieved under prior law.

Other Key State Decisions

Beyond choices about funding levels for child care assistance, states will also be making decisions about eligibility, provider reimbursement rates, and family copayments. The approach that states take regarding these matters also will influence whether and how many low-income children, who need child care assistance will get it.

Under the new legislation, states have increased flexibility in how they target their child care dollars. At present, many state programs serve low-income working families in addition to those receiving public assistance. In light of the likely increase in need for child care assistance among children in families receiving public assistance, states may choose to restrict eligibility for low-income working families. On the other hand, states could choose to serve a larger number of families and provide lower levels of assistance per child or operate a first-come/first-served program with a waiting list for assistance. Both options were used by states to different degrees under prior law.¹¹ However, states previously did not face the additional challenge of establishing priorities for families receiving or transitioning off welfare, because child care was an entitlement to families in both cases. The new law is likely to intensify the trade-offs states face between serving low-income working families not on welfare and those that are.

States may also modify their subsidy levels or provider reimbursement rates in order to meet their child care objectives. The new legislation grants

states greater latitude in determining reimbursement rates. PRWORA eliminates the requirement that states pay for actual child care costs up to the rates charged by the 75th percentile of child care providers, subject to statewide limits. The law also abolishes the requirement that payments take into account variations in the costs of providing child care in different settings and to children of different ages (e.g., care in a child care center is typically more expensive than that in family daycare homes, and infant care is typically more expensive than care for older children). To serve a greater number of children, states may reduce child care subsidies, thereby increasing the share of the cost paid by parents. States also could limit parent access to higher priced (and possibly higher quality) child care settings.

Our comparison of child care funding and the potential population of children in need of child care assistance highlights the significant gap that is likely to exist between funding levels and the potential need of low-income working families. As states reevaluate their systems of child care assistance within the new framework, they face difficult decisions. Different approaches will undoubtedly result in different outcomes across states. The challenge in each state will be to provide enough care to meet the demands of welfare reform while continuing to serve nonwelfare families.

Notes

1. Currently, the single largest source of federal support for child care, the Child and Dependent Care Tax Credit, does little to aid low-income families. Almost \$2.7 billion was claimed under the dependent care credit in 1995 (U.S. Internal Revenue Service, 1995, *SOI Bulletin*, Washington, D.C.; U.S. Government Printing Office). PRWORA does not affect this credit.

2. The regulations governing the allocation of the CCDF funds are quite complicated. For a detailed summary of the child care provisions of the PRWORA legislation, see Center for Law and Social Policy, 1996, "A Summary of Key Child

Care Provisions of H.R. 3734, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996." August.

3. Under PRWORA child care provisions, a state is required to maintain its historic level of Title IV-A child care spending to access its designated share of the matching funds available under the CCDF. However, under the provisions of PRWORA related to the new Temporary Assistance to Needy Families (TANF) program, there are additional incentives for the state to maintain at least a part of that child care spending. A state's TANF block grant will be reduced if the state fails to spend 80 percent of its "historic state expenditures" for "qualified state expenditures" in the prior year. State expenditures on child care—up to the state "maintenance of effort" requirement for child care matching funds—can be counted toward the state's "qualified state expenditures."

4. States receive federal funds according to the FY 1995 Medicaid matching rates. In 1996, these rates ranged from 50 to 78 percent (U.S. House of Representatives, Committee on Ways and Means, 1996, *1996 Green Book*).
50-7

5. Note that, under the new law, at the end of each fiscal year all unused federal funds are redistributed to qualifying states.

6. *Federal Budgetary Implications of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, 1996. Congressional Budget Office, December.

7. Prior to PRWORA, states were required to use (25) percent of their CCDBG funds for activities to improve the quality and availability of child care. PRWORA lowers that requirement to 4 percent, but applies it to all federal CCDF funds.

8. See Zedlewski, Sheila, and Gian-narelli, Linda (1997), "Diversity among State Welfare Programs: Implications for Reform," *New Federalism: Issues and Options for States*, series A, no. A-1, Urban Institute (January), for a discussion of state options under TANF.

9. *Federal Budgetary Implications of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, 1996. Congressional Budget Office, December.

10. U.S. House of Representatives, Committee on Ways and Means, 1996, *1996 Green Book*.

11. We use "states" to refer to the 50 states and the District of Columbia.

12. Prior to PRWORA, many states provided funding for child care assistance above the levels required for participation in the federal IV-A child care programs. This analysis focuses on state child care spending that is related to federal child care assistance programs, and thus does not reflect the total amount of spending in all states. State child care spending above the amount formerly required for the IV-A match, a significant amount in some states, may now be used to draw down additional federal funds under the new block grant.

13. The baseline FY 1995 expenditures were inflated to 1997 dollars using the August 1996 Congressional Budget Office projection for the GDP inflator, which forecasts a 5.47 percent increase between these years. This baseline assumes that child care spending in FY 1997 under prior law would have been the same as in FY 1995, except for inflationary changes. Changes between FY 1995 and 1997 in state demographic or economic characteristics or in the Title IV-A child care or AFDC programs would have resulted in different overall spending levels and/or a different allocation of funds across the states.

14. The study was based on state child care funding in 1994. Some states may have increased or decreased their funding levels since then, which would affect the amount of state matching funds currently available. See Gina Adams and Nicole Oxendine Poersch, 1996. *Who Cares? State Commitment to Child Care and Early Education*, Washington, D.C.: Children's Defense Fund, December.

15. As previously noted, however, some states were providing state funds for child care above the required IV-A match prior to PRWORA. Under the CCDF, these funds may now be used as matching funds for federal dollars. Thus, in these cases overall child care spending in the state may increase even if the state does not increase its own level of spending.

16. These estimates assume that the states provide the same average child care subsidy amount under PRWORA as they did under Title IV-A child care. PRWORA allows states to modify many elements of program design, which could change the values of the subsidies provided under the new program.

17. U.S. General Accounting Office. 1994. *Child Care: Working Poor and Welfare Recipients Face Service Gaps*. Washington, D.C., May

Other Briefs in the Series

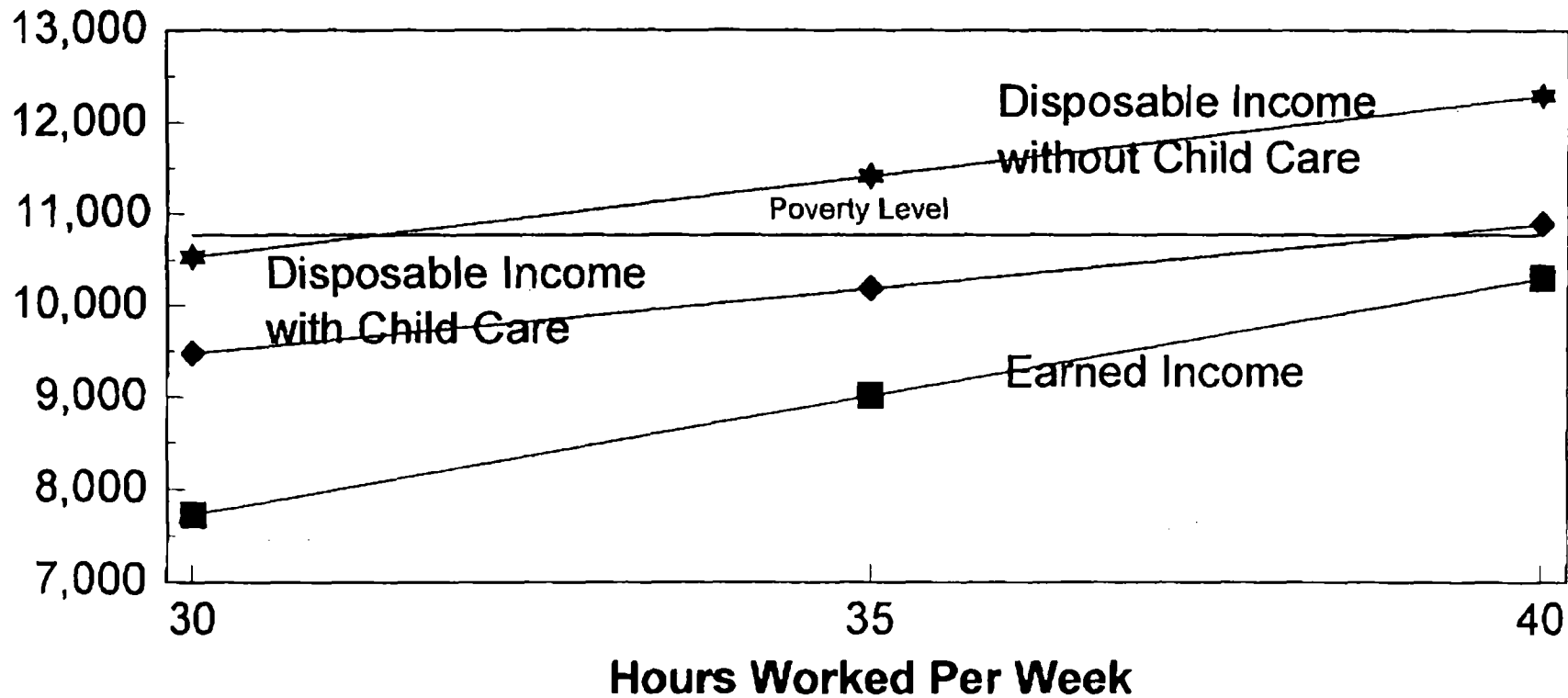
1. *Diversity among State Welfare Programs: Implications for Reform*, Sheila Zedlewski and Linda Giannarelli
2. *Devolution as Seen from the Budget*, C. Eugene Steuerle and Gordon Mermin
3. *Variations in Medicaid Spending among States*, John Holahan and David Liska
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8. *Medicaid: Overview of a Complex Program*, David Liska
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10. *Supplemental Security Income for Children with Disabilities: Part of the Federal Safety Net*, Pamela J. Loprest
11. *Questions for States As They Turn to Medicaid Managed Care*, Stephen Zuckerman, Alison Evans, and John Holahan

Future Topics

- Welfare Reform and the Devolution of Immigrant Policy
- The Medicaid Disproportionate Share Hospital (DSH) Program: Background and Issues
- The Impact of Temporary Assistance to Needy Families (TANF) on State Budgets

Effect of Child Care Costs on Disposable Income, Single Mother of One, 1996

Annual Income



Mother Earns Minimum Wage (\$5.15), Works 50 Weeks Annually
Includes EITC, Food Stamps, Payroll Taxes
Child Care Costs of \$1/Hour

Effect of Child Care on Income of Poor Families

Child care costs represent a significant burden for low-income families. Families that are below the poverty level and pay for child care for preschoolers, spend, on average, about 18 percent of income on child care. Child care, together with payroll taxes (Social Security and Medicare), can reduce a family's take-home income by 25 percent, relative to the actual wage.

Consider the case of a single mother who earns the minimum wage (\$5.15 an hour) and pays one dollar an hour for child care for one kid, about 19 percent of income. Her earned income and disposable income are indicated in the figure. If she works full-time her disposable income, including the EITC and Food Stamps, subtracting out child care costs, is about \$10,900, a little more than \$100 above the poverty level for a family of two. If, however, her child care costs are eliminated, her disposable income increases to almost \$12,300, more than \$1500 above the poverty level. This includes the lower Food Stamps allotment she receives because child care costs are included in the Food Stamps benefit calculation. Her net wage is \$6.15, a dollar an hour greater than the legislated minimum, if she incurs no child care costs, compared to a net wage of about \$5.45 with child care costs. Even a single mother of one who works 31 hours per week at the minimum wage would have a disposable income above poverty *if she incurs no child care costs*. If child care costs were reduced to 50 cents an hour, through a subsidy program, the family's disposable income would increase by \$700 annually to \$11,600, about \$800 above the poverty level.

Child Care for Young Children: Quality

"Recent brain research suggests that warm, responsive child care is not only comforting for an infant; it is critical to healthy development."

*- Rethinking the Brain: New Insights into Early Development
Families and Work Institute (1997)*

● **Higher quality child care for very young children (0 to 3) was consistently related to high levels of cognitive and language development.** "Mother-Child Interaction and Cognitive Outcomes Associated with Early Child Care", NICHD Early Child Care Research Network (1997)

● **Studies have raised concerns about the quality of care:**

- A four-state study of quality in child care centers found **only one in seven (14%) were rated as good quality.** *Cost, Quality and Child Outcomes in Child Care Centers, (Executive Summary)* University of Colorado at Denver (1995)
- **Thirteen percent of regulated and 50 percent of nonregulated family child care providers offer care that is inadequate.** *The Study of Children in Family Child Care and Relative Care*, Families and Work Institute (1994)
- **"The quality of services provided by most centers was rated as barely adequate."** *The National Child Care Staffing Study (Executive Summary)*, National Center for the Early Childhood Workforce (1989)

● **"[M]any children living in poverty receive child care that, at best, does not support their optimal development and, at worst, may compromise their health and safety."** *New Findings on Children, Families, and Economic Self-Sufficiency*, National Research Council, Institute of Medicine (1995)

What Works to Improve the Quality of Child Care

● **Children who receive warm and sensitive caregiving are more likely to trust caregivers, to enter school ready and eager to learn, and to get along well with other children.** . . . To ensure that child care settings nurture children, protect their health and safety, and prepare them for later school success, better qualified staff are essential." *Starting Points: Meeting the Needs of Our Youngest Children*, Carnegie Task Force on Meeting the Needs of Young Children (1994)

● **"[S]maller group sizes, higher teacher/child ratios and higher staff wages result in quality child care.** Outcomes for children are also better when they attend programs that include a curriculum geared to young children, well prepared staff and where parents are involved in programming." *Early Childhood Care and Education: An Investment That Works*, National Conference of State Legislatures (1997)

● **Any child care setting will benefit from a health consultant.** . . . to advise on potential infectious diseases, explain symptoms and treatments to families, plan health alert procedures when infectious disease occurs, and assist with public health reporting requirements. *Caring for Infants and Toddlers in Groups, Zero to Three: National Center for Infants, Toddlers and Families* (1995)

● **States with stronger licensing requirements had a greater number of good-quality centers** according to recent research. *Cost, Quality and Child Outcomes in Child Care Centers*, University of Colorado at Denver (1995)

● **Voluntary conformity to higher standards through professional center accreditation or through meeting another set of quality standards also increased the likelihood of higher classroom quality.** *Cost, Quality and Child Outcomes in Child Care Centers*, University of Colorado at Denver (1995)

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web site at <http://ericps.crc.uiuc.edu/nccic/nccichome.html>

A Profile of the Child Care Work Force

Approximately three million child care teachers, assistants, and family child care providers in the U.S. care for 10 million children each day.

Who are the child care teaching staff?

97% are female
41% have children
10% are single parents

● Child care teaching staff earn an average of \$6.89 per hour or \$12,058 per year (based on 35 hours per week and 50 weeks per year) (data from *Cost, Quality and Child Outcomes in Child Care Centers*, Technical Report 1995, salary data are in 1993 dollars).

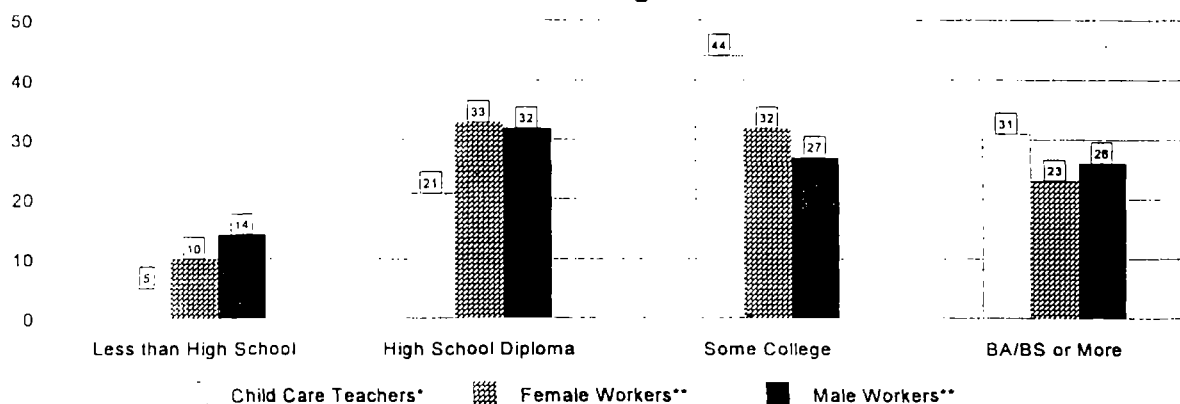
● Only 18 percent of child care centers offer fully paid health coverage to teaching staff.

● Although they earn lower wages, child care teachers are better educated than the general population.

● One-third of all child care teachers leave their centers each year.

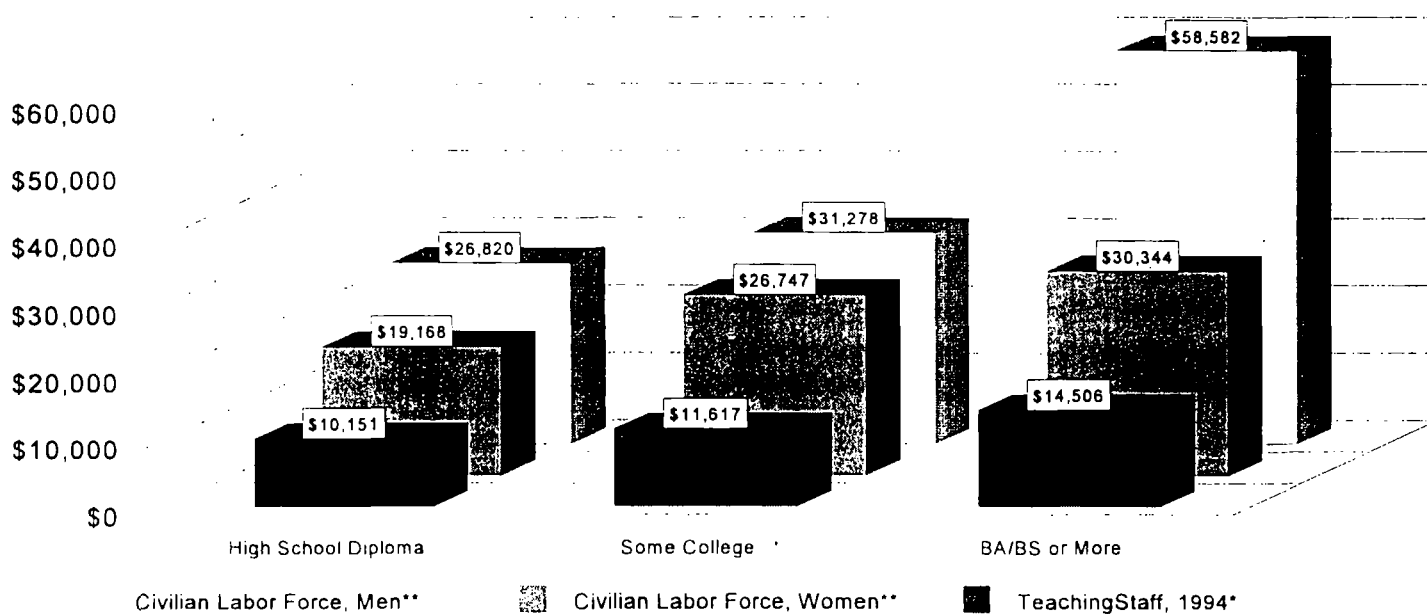
● Family child care providers who care for and educate young children in their homes also have very low earnings. Providers earn \$9,528 annually after expenses (data from *The Economics of Family Child Care Study*, a forthcoming publication from Wheelock College, earnings in 1996 dollars). Unregulated providers, who care for fewer children and are offered fewer supports; earned just \$5,132 after expenses.

Education of Child Care Teaching Staff Versus All Workers***



*National Child Care Staffing Study **Current Population Surveys, 1995. Bureau of Labor Statistics, U.S. Department of Labor

Annual Wages of Child Care Teaching Staff Versus All Workers***



*National Child Care Staffing Study, wages in 1996 dollars **Current Population Surveys, 1996. Bureau of Labor Statistics, U.S. Department of Labor

***These charts only provide information on center-based teaching staff.

Child Care for Young Children: Demographics

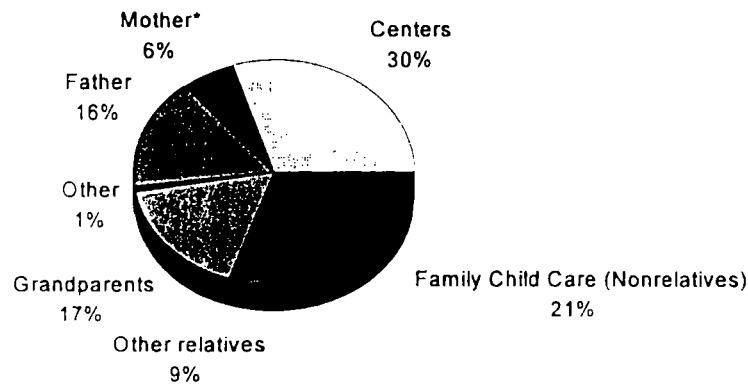
● According to the National Center for Education Statistics, in 1995 there were approximately 21 million infants, toddlers, and preschool children under the age of six in the U.S., more than 12.9 million of these children were in child care.[†]

● Forty-five percent of children under age one were in child care on a regular basis.[†]

● While use of center-based care increased from 1988 to 1993, most young children are still in a home-based setting, including family child care.^{**}

Primary Child Care Arrangements Used by Families with Employed Mothers for Preschoolers: 1993

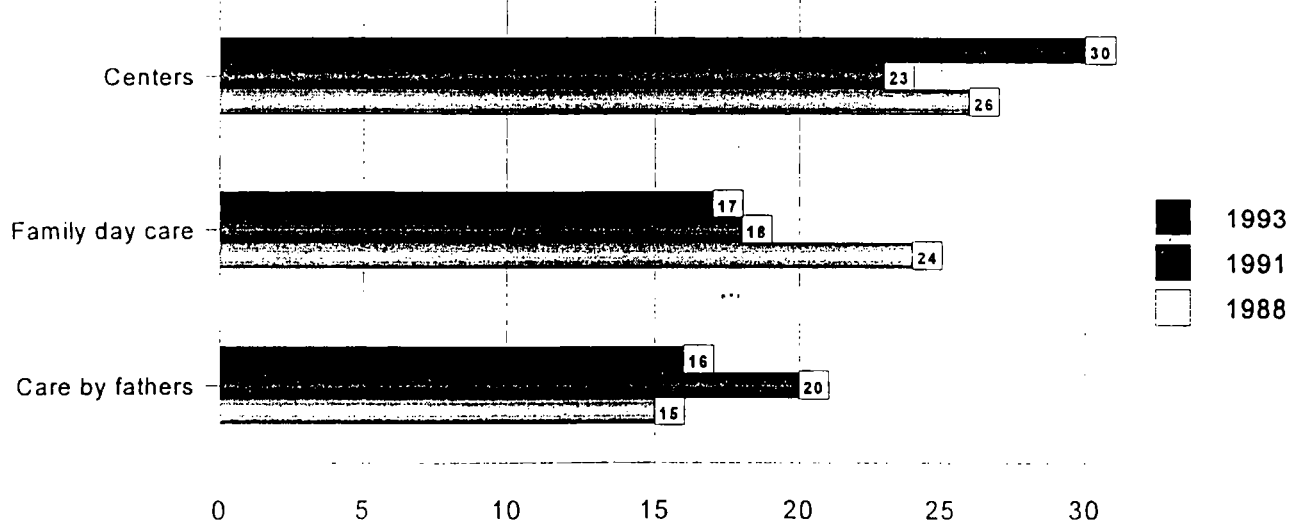
(Percent of preschoolers of working mothers in selected arrangements)



* Includes mothers working at home or away from home. Source: Casper, L.M. *Who's Minding Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 53, Washington, DC 1996

Changes in Selected Child Care Arrangements: 1988 to 1993

(Percent of preschoolers of working mothers in selected arrangements)



Source: Casper, L.M. *Who's Minding Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 53, Washington, DC 1996

This profile of child care demographics has been excerpted from information provided by the [†] National Center for Education Statistics, U.S. Department of Education and the ^{**}U.S. Bureau of the Census.

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web site at <http://ericps.crc.uiuc.edu/nccic/nccichome.html>

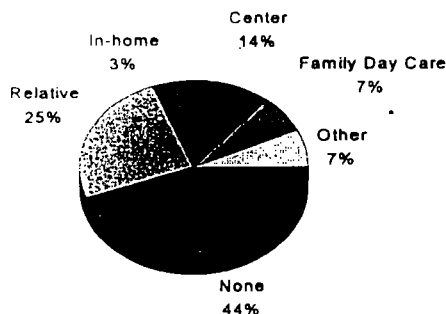
Out-of-School Time School-Age Care

According to the Bureau of the Census, in 1997 there were 38.8 million children between the ages of 5 and 14 years living in the U.S. There are approximately 24 million school-age children with parents in the workforce or pursuing education (based on 1993 SIPP data from the Bureau of the Census).

Care Arrangements of School-Age Children

- Experts estimate that **nearly 5 million school-age children spend time as latchkey kids without adult supervision during a typical week.**
- **Approximately 1.7 million children in kindergarten through grade 8 were enrolled in 49,500 formal before- and/or after-school programs in 1991,** according to the National Study of Before and After School Programs.
- In 1993-94, according to the National Center for Education Statistics, there were 18,111 before- or after-school programs in public schools—70% of public schools did not offer extended learning programs.
- School-age children are likely to spend time in many different care arrangements. According to the National Child Care Survey (1990), **76 percent of school-age children with an employed mother spend time in at least two child care arrangements during a typical week, in addition to their time in school.**
- According to the National Child Care Survey, children aged 5 to 12 with employed mothers use the following types of supplemental care: 7% are in family day care; 14% are in centers, 3% are cared for by in-home providers, 25% are cared for by relatives and 44% do not use supplemental care.

**Use of Supplemental Care,
Children 5 to 12 with Employed Mothers**



The Effects of Out-of-School Time on Children

- Children under adult supervision in a formal program during after-school hours have demonstrated improved academic achievement and better attitudes toward school than their peers in self- or sibling care. Miller and Marx, 1990 in *Supplement to the National Assessment of Chapter 1*
- Youth are at greatest risk of violence after the regular school day. Youth between the ages of 12 and 17 are most at-risk of committing violent acts or being victims between 2:00 pm and 6:00 pm—a time when they are not in school. *Fight Crime: Invest in Kids*, 1997

The most frequently mentioned barrier to participation is the parents' inability to pay the tuition and fees charged by programs. Other barriers include availability, quality of activities, inadequate facilities, transportation, high staff turnover, hours of the program and lack of resources.

Components of Successful Before- and After-School Programs include: linkages between after-school and regular school programs, children's participation in age appropriate learning activities, hiring of qualified staff, low student-staff ratio, involvement of parents, program evaluation and coordination with the schools and other community organizations.

For information on what states and communities are doing to meet the need for school-age care, contact the National Institute on Out of School Time (formerly the School-Age Child Care Project), Center for Research on Women, Wellesley College at (617) 283-2547 or visit the World Wide Web site at: <http://www.wellesley.edu/WCW/CRW/SAC/>. For additional information on extended learning in after-school programs in schools, contact the U.S. Department of Education, please call (800) USA-LEARN or visit the World Wide Web site at: <http://www.ed.gov/PFIE>.

Economics of Child Care

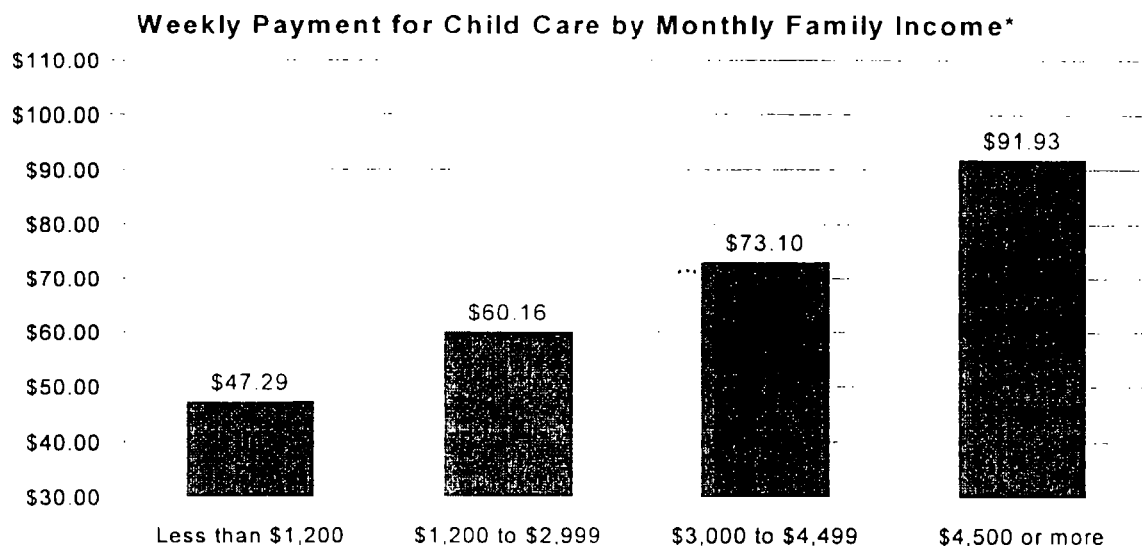
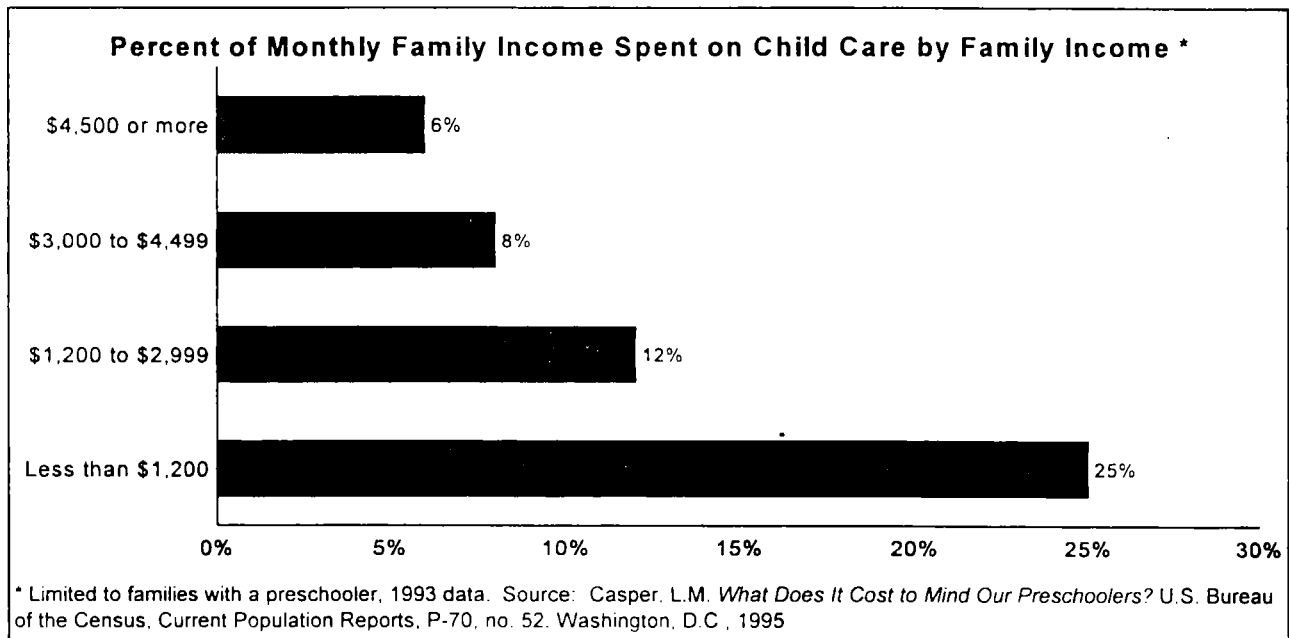
● In 1994, 62% of married mothers with a child under age six were in the workforce, compared with 30% in 1970.[†]

● The increased employment of mothers outside the home has led to a sharp increase in the use of child care over the past several decades. Eight of 10 employed mothers with children under six are likely to use some form of nonparental child care arrangement.[†]

● In 1990, 7.2 million mothers with 11.7 million children under age 15 worked full or part time during nonstandard hours.^{**}

● In 1993, the average family with an employed mother and a child under age five spent about \$74 per week for child care for all preschoolers in the family.^{*}

● Families with annual incomes under \$14,400 that paid for care for children under five spent 25% of their income on child care, compared with 6% for families with incomes of \$54,000 or more.^{*}



* Limited to families paying for child care for preschoolers, 1993 data. Source: Casper, L.M. *What Does It Cost to Mind Our Preschoolers?* U.S. Bureau of the Census, Current Population Reports, P-70, no. 52. Washington, D.C., 1995

Information in this fact sheet is excerpted from [†] Sandra L. Hofferth, "Child Care in the United States," *The Future of Children*, vol. 6, no. 2 Summer/Fall 1996, with additional information from: National Center for Education Statistics, U.S. Department of Education; *U.S. Bureau of Census; **Women's Bureau, U.S. Department of Labor.

For additional information, contact the National Child Care Information Center at (800) 616-2242 or visit the Web site at <http://ericps.crc.uiuc.edu/nccic/nccichome.html>

OPINION

Reinstituting the White House Conference on Children

Edward Zigler, Ph.D.

Given the recent media furor over children's issues such as day care, immunization, and child abuse, it may be hard to believe that the interests of children once commanded a much more central role on the national agenda than they do today. But that's the unfortunate truth. Throughout most of this century, a major national meeting of three or four days was convened in Washington, D.C., every ten years to address policy issues related to children. The first of these meetings, called the White House Conference on Children, was held in 1909 during the administration of Theodore Roosevelt. It resulted in the enactment of child labor laws and the establishment of a federal Children's Bureau (Beck, 1973).

Once a venerated institution in American life, the White House Conference took place regularly, every decade, until the last such conference, in 1970. In 1981, President Reagan ended the White House Conference on Children and recommended that the states hold individual conferences; however, the state conferences also were discontinued. This dismantling of the White House Conference occurred at a time when the need for communication among states and for the sharing of information about nationally pressing problems was greater than ever (Zigler & Muenchow, 1985).

Today, families and their children are in serious trouble. In 1990, in the United States, 40% of children in families headed by parents under 30 lived in poverty; by 1991, the total number of poor children reached 14.3 million (Children's Defense Fund [CDF], 1992). These children are clearly at high risk for inadequate health care, poor nutrition, family stress, and school failure. Moreover, the epidemic of child maltreatment has not slowed: the number of children reported abused or neglected increased 40% between 1985 and 1990. During roughly

the same period, arrests of youths for violent crime increased 24% (CDF, 1992). High rates of teen pregnancy, school drop-out, and substance abuse continue to threaten the well-being of young people. According to the U.S. Public Health Service, 12% of all children younger than age 18 in 1989 suffered mental disorders; less than one-third received the help they needed. Between 1980 and 1984, the number of children admitted to private psychiatric hospitals increased by an estimated 450% (CDF, 1992).

Further distressing is the general lack of quality child care services in this country at a time when the need for child care continues to grow. Families are finding it necessary to place their children in supplementary care at an increasingly young age. In 1990, some ten million children under five received care from someone other than a parent (Hofferth, Brayfield, Deitch, & Holcomb, 1991). A recent national survey of 4,400 parents found that even infants and very young toddlers were spending significant amounts of time away from their parents: 76% of children in center care and 69% of those in family day care spent at least 35 hours per week in child care settings (Willer et al., 1991).

It has been predicted that, by 1995, two-thirds of all preschool children will have mothers in the work force (Hofferth & Phillips, 1987). But the quality and availability of care have not kept pace with the demand. A recent study of child care centers estimated that 70% of the children in these settings were receiving care of less than good quality (Whitebook, Howes, & Phillips, 1989). Very young children in this country are being placed daily in settings that jeopardize their growth and development.

Against this background of grim statistics, it is disturbing to realize that a major national for-

This piece was invited by the Editor for inclusion in the Journal. The author is Sterling Professor of Psychology at Yale University and is writing as the current President of the American Orthopsychiatric Association.

um for examining and addressing the concerns of children, the White House Conference, has not been convened for two decades. During its existence, the needs of children were placed in the forefront of national consciousness. Experts in such areas as child welfare, medicine, mental health, and education came together to assess the problems facing children and youth and to develop ways of addressing those concerns.

During the three days of the Conference, there was an air of excitement and optimism about the future of families and children. Individuals in fields related to family welfare had a rich opportunity to share knowledge about their work and to feel united in a common effort. Participants had the chance to learn about successful projects around the nation and to explore the possibility of replicating such programs in their own communities. Moreover, the President would place his personal stamp on the occasion by addressing the Conference and, often, by announcing a major national initiative for children and families. Members of Congress attended, interacted with constituents from their states, and became better educated about pressing family concerns. Widespread media coverage put family issues before the public eye and gave stimulus to national discussion. The White House Conference provided a brief period of time during which the interests of children really were placed front and center and family concerns became a well-publicized national priority.

The achievements of the White House Conference read like an honor roll of child policy for an enlightened society. The 1909 Conference, in addition to leading to the enactment of child labor laws, resulted in the establishment of the Child Welfare League of America and foster care planning for children without homes. Two additional pieces of legislation arose from the 1919 Conference: the Vocational Rehabilitation Act of 1920 and the Sheppard-Towner Act, a maternity and infant health initiative. Minimum health and welfare standards for mothers and children were adopted and enforcement procedures for child labor standards were developed (Beck, 1973; Bremner, 1974). The 1930 Conference was instrumental in the passage of the Social Security Act and resulted in the establishment of a national data bank of child-related health and welfare statistics, the sort of data base that is

sorely needed today. The 1930 meeting also developed a "Children's Charter" that set forth a number of guarantees to protection and nurturance that every child should be accorded by right; most of these, such as "every child should have health protection from birth to adolescence," remain aspirational even now.

The 1940 and 1950 Conferences were similarly effective, culminating in the 1950s establishment of the National Association for Retarded Children, the Federal Library Act, the Council of National Organizations for Children and Youth, and the Interdepartmental Committee on Children and Youth (Bradbury, 1962). In 1960, the Conference reflected a growing concern for the perceived breakdown of family life and recommendations focused on supportive services for adolescents and the adoption of parent education in high schools (*White House Conference on Children, 1971*). The most recent Conference, held in 1970, repeatedly called for a greater federal involvement in meeting family needs and a reordering of national priorities to insure that children and families come first. Primary recommendations included federally-funded, comprehensive child care programs that would be family-centered and locally controlled. The delegates, emphasizing the need to foster family stability, also urged that developmental, cognitive, and health programs involve the entire family as a unit and that neighborhood family centers be established to meet community needs (*Report to the President, 1971*).

It is now 23 years later and one can only read the recommendations of the 1970 Conference with a sense of dismay at how little this nation has accomplished in terms of realizing these essential goals. Children and families are in even more desperate straits today. The American Orthopsychiatric Association and its members must work to reinstitute the White House Conference so that these issues can be addressed in a comprehensive and systematic way. At present, we lack even a national database to help us track the essential indicators of child well-being.

The administration of President Clinton provides the ideal opportunity for Ortho to take the lead in urging the restoration of the White House Conference on Children and to mobilize others to join us in this effort. The dedication of both President Clinton and Hillary Rodham

Clinton to meeting the needs of families and their children makes them excellent spokespersons for returning children's concerns to the national agenda.

The need for a White House Conference has never been more keen than it is now. The multifaceted challenges that families face today require the sort of comprehensive, ecological approach that we all have come to recognize as essential. In the 1990s, it should be the "White House Conference on Children, Youth, and Families," recognizing that children and adolescents cannot be helped without helping families. The emphasis should be on prevention and the fostering of optimal development and mental health. The time to focus our national attention on children is now; reinstitution of the White House Conference is long overdue.

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North Carolina Department of Human Resources
Division of Child Development

319 Chapanoke Road • P. O. Box 29553 • Raleigh, NC 27626-0553

Telephone Number: (919) 662-4499 • Fax: (919) 662-4570

Courier Number 56-20-17

James B. Hunt Jr., Governor
H. David Bruton, M.D., Secretary

Stephanie D. Faniul, Director
Peggy M. Ball, Deputy Director

July 10, 1997

Thank you for the opportunity to speak this morning on behalf of North Carolina's Governor, Jim Hunt. I am honored to share with you some of the successes and challenges we have encountered as we work to provide the best possible future for our youngest children.

My goal this morning is to provide you with some history, a sense of the structure of our effort, and share the enormous progress we have experienced. Today in North Carolina, there is great hope, and a great sense of pride in everyone working together to make a brighter future for our state's children.

Our success story begins with the vision of a strong, committed Governor who made children his top priority. Governor Hunt has long been an "education Governor" who has equipped our state with the tools to make sure each and every child gets the education deserved. In his first term, he implemented full day kindergarten statewide, he put teacher assistants in the public schools and today he is leading the effort to put in place professional teaching standards. For 20 years, Governor Hunt has worked to improve education. Just last month, he signed into law North Carolina's most comprehensive education improvement act entitled "the Excellent Schools Act." But good public schools are just half the battle. Governor Hunt will tell you that he can't make NC's schools strong enough to adequately prepare our future workforce if children birth through five don't get quality development before they come to school.

In 1993 when the Governor was running for his third term, his primary goal was to ensure that every child in NC came to school healthy and ready to succeed. He knew that we had a lot of work to do to get there and that the diverse needs of our communities would require multiple strategies to reach the goal. It was from this need and this understanding that Smart Start was born. And, it is from the efforts of private corporations, public officials, volunteers, non-profits and strong leadership that Smart Start lives.

Smart Start is North Carolina's comprehensive approach to early childhood development. The structure consists of a state level non-profit organization, the North Carolina Partnership for Children, and local level non-profit organizations that direct the activities of their communities' efforts. The funding comes from state dollars that are appropriated by the legislature to my agency, the NC Division of Child Development, which provides state level accountability and technical assistance.

What this means is that each local partnership examines it's needs and designs solutions that will help us meet the Governor's goal that all children in NC come to school healthy and ready to succeed. By design the membership of the local partnership is diverse and includes parents, public agency leaders, county commissioners, schools, day care, Head Start, non-profit organizations, the faith community and business leaders. These people know their communities and the families that live there, they know what will work and what won't, and they know what funding can be leveraged to create better solutions.

Today in North Carolina 42 counties have Smart Start. And with the support of the NC General Assembly this year, the appropriations will allow us to expand to all 100 counties. And by the year 2000, we hope to have Smart Start fully functional and fully funded in every county. The total estimated annual allocation for full funding is \$325 million. An outstanding commitment to the young children of North Carolina.

Already, the results of this locally driven effort have been evident. In aggregate the numbers speak for themselves:

- More than 37,000 children have received child care subsidies so their parents can work.

- More than 32,000 spaces in child care programs have been created.
- More than 65,000 children have child care teachers with higher educational credentials.
- More than 87,000 children have received early intervention and preventive health screenings.
- The overall quality of child care has improved in each participating Smart Start counties.

Individual counties have experienced equally impressive results:

- In Ashe County, 58 of the 69 child care teachers in the county have increased their education through the TEACH early childhood project.
- In Orange County, 182 child care teachers and directors received salary supplements. As a result, there was a 22% decrease in the teacher turnover rate in that county.
- In Person County, an assessment of children who were not promoted from kindergarten revealed that none of them had been involved in Smart Start activities.
- In Burke County, a public dental health clinic was established for the 30% of the kindergartners who needed dental treatments. More than 200 children have been treated so far.

While Smart Start was the impetus for these changes, there are other efforts that have accelerated the progress we are seeing for our youngest children. Two of the most significant are the TEACH early childhood project and the reform of our subsidized child care system.

The TEACH early childhood project is a statewide program designed to provide educational scholarship opportunities for child care teachers. This project establishes an agreement between the teacher, the child care program and the agency. Together they agree that the teacher will receive scholarship assistance and time off in exchange for increased compensation when the educational component is successfully completed. Over 4,339 teachers since 1993 have participated in the project at a per teacher cost of less than \$550 per year. All 100 of our counties participate at an annual recurring allocation from the legislature of \$1,400,000.

Because of Smart Start, North Carolina is well prepared for welfare reform and the additional child care needed to support parents who are going to work. The Governor and the legislature have been far sighted in their thinking about the need for funding for child care subsidies. For several years we have blended our funding streams to maximize revenue and flexibility. Most recently, there have been major changes in the way we administer subsidies and we have expanded the eligibility of families who could receive child care subsidies up to 214% of the federal poverty level. We are also in the process of reforming the child care regulatory law in order to better meet the needs of families and providers. All of these changes combine to give our children a better chance at the future.

It is a hopeful time for children in North Carolina. We have a great leader who has challenged us to take responsibility for all of our children and given us the tools we need to do the job well.

We hope our efforts in North Carolina will help everyone understand what we can accomplish for the children of our nation -- when we all work together.

Stephanie Fanjul



800 Marshall Street
Little Rock, AR 72202-3591



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of Arkansas for Medical Sciences

May 23, 1997

Ms. Nicole Rabner
Associate Director for Domestic Policy
The White House
Washington, DC

Dear Nicole:

It was a delight to talk with you just now. I look forward
to meeting you, hopefully in the not too distant future.

Enclosed find the copy of the old letter to the President and
Mrs. Clinton. I am going to think more about the list of
topics that I want to be considered and redraft it. In the
meantime, this will do for a starting point (pun intended).

I will also think more about who might be involved in a
discussion about whether a Commission or Task Force is
the way to go or whether there is a better way. One thing
I am absolutely certain about is that now is the time to do
something.

On Tuesday I will call Jennifer Klein and hope that we can
get together briefly while I am in Washington. And I very
much look forward to meeting you.

Most sincerely,

Bettye Caldwell
Professor, Department of Pediatrics

BC:s

President and Mrs. Clinton

Page 2

... How can programs be made truly comprehensive so as to deal with the totality of needs of young children and their families (health maintenance, developmentally appropriate parenting skills, etc.)?

... How can existing federal programs operated under different auspices (such as Head Start and Even Start) collaborate more effectively to provide better and more comprehensive service to children and families without undue duplication or competitiveness?

... Under which state and federal agencies should different programs be regulated and administered?

... How much and what types of training should be required for workers in different programs?

... How can infant programs be developed that will protect children during this vulnerable developmental period and still serve the 54% of American mothers who work prior to their infant's first birthday?

... What is the proper role for large and small businesses in program development and operation?

... How can adequate compensation be guaranteed for workers in the field in order to attract and hold talented and dedicated personnel?

... How can such programs facilitate achievement of the objectives of other social programs (such as welfare reform) of concern to the administration and the citizenry?

... What is the proper balance of cost-sharing for parents, businesses, municipalities, states, and the federal government?

... How can a smoother and developmentally facilitative transition between early childhood and elementary school programs be achieved?

... Above all, how can high quality be ensured in all programs?

If we are to develop a full spectrum of home and child care/education (i.e., educate) programs for children and families in America, we need a Task Force charged to deal with all of these issues simultaneously.

During the past year a committee has been working to draft guidelines for the future of Head Start—one component of this spectrum of vital early childhood services. Although such a reassessment of the role of Head Start was needed, the future role of this particular program needs to be coordinated with that of other early childhood services. At the recent Head Start research conference I learned that two of the recommendations that will come from the review committee involve (a) expansion into programs for children younger than three and (b) converting some Head Start programs into full-day child care. I heartily endorse these recommendations. However, both of these issues are on my above list, indicating the need to have them considered in a broad population context, not merely as they relate to Head Start in isolation.

President and Mrs. Clinton

Page 3

The event that prompted my letter at this time rather than some other was a letter that I myself received from a person who was enthusiastic about an idea I had expressed in an article in the *Journal of Developmental and Behavioral Pediatrics* published in 1991. I am taking the liberty of sending you a copy of that article with this letter. The main thrust of the article was to encourage adoption of the term *educare* as a label for the field. That is not at all my concern in this proposal. Rather I am sending the article primarily to call your attention to the section beginning on page 203 (The System Should Be Critically Examined). In that section I suggested that the time was right for something like a Flexner Report on early childhood.

You both are familiar with the 1910 Flexner Report which examined and literally revolutionized medical education in America. (It was still being talked about at Washington University when Fred was a freshman medical student in 1946.) The Flexner Report forced mediocre and even worse medical schools out of existence (one of Arkansas' two schools in operation at that time got the axe) and helped to create a public commitment to excellence that led to a medical education system that soon surpassed the European schools held up as shining examples by Flexner. It did this by helping to generate public support for the idea of excellence and foundation willingness to fund research and quality teaching. The rest, as we say, is history. How wonderful it would be if, now that you have your health care plan in place, you could catalyze something like this for early childhood.

The *Zeitgeist* is here for a constructive reconceptualization and restructuring of the field of early childhood services in America and to create a coherent system out of the rather chaotic non-system that we presently have. This needs to be done with significant input from many different individuals and groups, much as was done in the drafting of your health care plan. I strongly urge you appoint this broad type of Task Force or Commission and allow it to begin its work in the very near future.

Sincerely yours,

Bettye M. Caldwell
Professor of Pediatrics in
Child Development and Education

cc: Ms. Carol Rasco
Dr. Donna Shalala
Dr. Mary Jo Bane
Dr. Joycelyn Elders
Dr. Robert H. Fiser

Nicole - FYI
lets talk w
this.

-Pauline



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Executive Director
BARBARA REISMAN

March 1, 1997

First Lady Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050-2000

Dear Hillary:

Thank you for the recognition you gave to all working mothers by hosting that wonderful luncheon for the "influential mothers" on February 12. It's a challenging time for children's advocates, and affirming moments are few and far between. Lunch with you was certainly one of them! More important, perhaps, my daughter is still glowing from the experience.

As you and I discussed, the research on brain development, the President's renewed focus on education, and states' efforts to meet the child care needs of low income working families in the context of welfare reform, make this an opportune moment to introduce some realistic proposals for improving the quality of child care and helping working families pay for it. The Child Care Action Campaign has begun to talk about a Family Investment Package with other children's advocates, women's organizations, some key business leaders and the bipartisan leadership of the Congressional Women's Caucus. I would be delighted to discuss it further with you, and perhaps to raise it at the Summit on Brain Development that you are planning.

The key elements of the Package are:

- **Expansion of the Dependent Care Tax Credit:** Make the credit refundable, increase the maximum allowable expenditure and change the percentage formula so that low and moderate income working families get a greater benefit. Every state with an income tax can also provide a tax credit. Follow Arkansas's lead by providing a supplemental tax credit for families who choose licensed or accredited care. (Representative Cynthia McKinney introduced a bill containing most of these provisions during the 104th Congress.)

- **Establish a scholarship fund for early childhood teachers,** modeled after the Eisenhower teacher training grants for teachers of science and math. Improving the training and compensation of child care teachers is the surest way to improving the quality of child care.

- **Create a community reinvestment fund** to rebuild or create community centers that include child care, family resource programs, and Head Start. This could be tied to Empowerment Zones, and to the President's \$5 billion school rebuilding fund, which could include monies for school age child care.
- **Expand Parental Leave** to allow parents time to attend school meetings, look for child care, spend time volunteering in school (as the President has proposed), and expand coverage of the Act to include employers with 5 or more workers.
- **Expand the Child Care and Development Block Grant** to increase child care subsidies for the working poor and to ensure adequate investment in resource and referral services, training and compensation for child care providers, and monitoring of the health and safety of child care facilities. (Senator Dodd has introduced S.19 which would double the Child and Dependent Care Block Grant.)
- **Establish a tax credit for employers that provide child care benefits to their employees.** Senator Kohl has introduced S.82 that would ~~create~~ business-related tax credit for employer-provided child care benefits. Because expenditures eligible for the credit would be capped at \$150,000, this credit would be particularly attractive to smaller employers.

At Renaissance Weekend, Elinor Guggenheimer circulated a proposal for a child care initiative that generated a great deal of enthusiasm. She and I would welcome the opportunity to meet with you to discuss these ideas more fully. Elly will be receiving the Natalie Heineman Award for Outstanding Volunteer Service at the Child Welfare League of America's annual dinner on March 13. Is there any chance that you are available on the 13th or 14th for a fifteen minute meeting? We can, of course, come to Washington at your convenience, or meet with you when you are next in New York City.

I look forward to hearing from you.

Thank you again for hosting the lunch, and for your commitment to children and families.

Sincerely,



Barbara Reisman

The Family Investment Package: A Modest Proposal

Twelve million pre-school children and 17 million school age children need child care for all or part of their day. They need good quality child care so they can succeed in school. Their parents need good quality care so they can work to support their children, confident that their children are safe and well-cared for. Yet, good quality care costs more than most working families can afford to pay. Good quality care costs between \$6,300 and \$8,500 per year per child. Parents pay, on average, \$3,700 per year. When employers and government invest to help parents bridge the gap between what they can afford to pay and what good quality costs, everyone benefits: children are more likely to enter school ready to learn, parents experience less stress on the job and at home, neighborhoods are safer and more welcoming, the nation's economy is stronger.

It is time to consider investing in families by supporting their child care needs.

Therefore, we are proposing that Congress and state governments consider a family investment package.

The key elements of the Package are:

- ***Expansion of the Dependent Care Tax Credit:*** Make the credit refundable, increase the maximum allowable expenditure and change the percentage formula so that low and moderate income working families get a greater benefit. Every state with an income tax can also provide a tax credit. Follow Arkansas's lead by providing a supplemental tax credit for families who choose licensed or accredited care. (Representative Cynthia McKinney introduced a bill containing most of these provisions during the 104th Congress.)
- ***Establish a scholarship fund for early childhood teachers,*** modeled after the Eisenhower teacher training grants for teachers of science and math. Improving the training and compensation of child care teachers is the surest way to improving the quality of child care.
- ***Create a community reinvestment fund*** to rebuild or create community centers that include child care, family resource programs, and Head Start. This could be tied to Empowerment Zones, and to the President's \$5 billion school rebuilding fund, which could include monies for school age child care.
- ***Expand Parental Leave*** to allow parents time to attend school meetings, look for child care, spend time volunteering in school (as the President has proposed), and expand coverage of the Family and Medical Leave Act to include employers of 25 or more workers.
- ***Double the Child Care and Development Block Grant*** to increase child care subsidies for the working poor and to ensure adequate investment in resource and referral services, training and compensation for child care providers, and

monitoring of the health and safety of child care facilities. (Senator Dodd has introduced S.19 which would authorize this element of the Package.)

- ***Establish a tax credit for employers that provide child care benefits to their employees.*** Senator Kohl has introduced S.82 that would create a business-related tax credit for employer-provided child care benefits. Because expenditures eligible for the credit would be capped at \$150,000, this credit would be particularly attractive to smaller employers.

Child Care Action Campaign

March 3, 1997



NATIONAL ASSOCIATION FOR FAMILY CHILD CARE
206 - 6th Avenue, Suite 900, Des Moines, Iowa 50309

A BRIEF HISTORY

A nationwide study of family day care was initiated in 1978 by The Children's Foundation in Washington, D.C. This study was part of their National Family Day Care Project. An advisory Panel was established which was composed of family day care providers and advocates from across the country. The purpose of the Panel was to share information, network with the family day care community, and define the scope of needs for the profession of family day care.

After three years, the Advisory Panel recognized the need for a permanently organized voice for family day care at the national level. In 1982, the Panel established the National Association for Family Day Care (NAFDC). Membership in NAFDC grew steadily from the original 35 members to become the national voice for family day care.

NAFDC continued the work started by the Advisory Panel by: publishing a quarterly newsletter; providing a toll free "800" information line; establishing a resource and publication department; and sponsoring a biannual National Family Day Care Conference. To date, NAFDC has sponsored six successful national conferences. The first two were held in Washington, D.C. in 1983 and 1985, followed by: Detroit in 1987; San Francisco in 1989; New York in 1991; and Minneapolis in 1994.

In 1988, NAFDC established the National Family Day Care Accreditation Program. The Accreditation Program identifies providers who strive beyond minimum standards of care, as defined by state regulations to become high quality family day care providers. This Accreditation Program is recognized and supported nationwide by family child care associations, child and adult care food programs, resource and referral agencies, regulatory offices, corporations, and others.

In 1994, NAFDC became the National Association for Family Child Care (NAFCC). As the profession of family child care changed, so too the focus of NAFCC. The focus of NAFCC is to provide technical assistance to family child care associations. This assistance is provided through leadership and professional development, addressing issues of diversity, and by promoting quality and professionalism through NAFCC's Family Child Care Accreditation.

¹TEN REASONS WHY FAMILY CHILD CARE PROVIDERS LIKE ACCREDITATION

These reasons were suggested by accredited providers during interviews at Family-to-Family sites across the United States. The Family-to-Family Project is a seven-year initiative that is increasing the quality of family child care by supporting training, accreditation, and consumer education in 30 communities across the country. The Families and Work Institute is conducting an evaluation of the project.

1- Providers Learn From the Process. All accredited providers, even those with years of experience and graduate degrees in early childhood education, say they learn from accreditation. They find that accreditation is not just a "seal of approval" of their current programs. Rather, accreditation gives them the opportunity to examine their homes and the way they interact with children, assuring that all the details are in place. Providers report that accreditation is an incentive for them to improve their programs. It gives them concrete goals toward which to work. It is likely that as accreditation becomes more widespread, less experienced and less skilled providers will pursue it and will learn even more from the process.

2- Increases Providers' Self-Esteem. Most accredited providers feel that accreditation gives a boost to their self-esteem. They realize all the things they are already doing right! Accredited providers say that they feel good that a national organization says they operate in a professional manner. They say that this independent confirmation also makes parents feel good about them and their programs. Providers feel proud to hang the accreditation certificate on their walls.

3- Makes Providers Feel More Professional. Many accredited providers say that accreditation makes them feel more professional - less like babysitters. Accreditation makes them feel that being a family child care provider takes special skills and is not something that anyone can do well. Accreditation helps providers relate to accredited professionals in other fields. Providers also point out that even if they were to switch fields, accreditation is another "feather in their caps" and that future employers would be impressed that they "went the extra mile." Additionally, some providers are interested in accreditation because they think that the profession needs to be established. They become accredited not because they personally need accreditation, but because the profession needs them to become accredited.

4- Gives Providers a More Concrete Definition of Quality in Family Child Care. While many providers have a theoretical understanding of quality child care, some are not sure exactly what quality looks like. One provider says that accreditation gave her the tools she needs to do her job better. Providers like that accreditation describes concrete components of quality that are specific to family child care, not a child care center. Accreditation is a ruler against which providers can measure themselves.

5- Keeps Providers Excited About Their Work. Accredited providers report that the accreditation process helps make them excited about their work and keeps their job challenging. Some accredited providers find the process just what they need to "wake themselves up." One provider re-reads the accreditation study guide whenever she is "slacking off" or losing patience with the children. Accreditation may help providers stay in the field longer.

¹For convenience, the term "accreditation" is used to refer to accreditation, credentialing and other forms of provider certification.

6- Encourages Providers to Pursue Ongoing Training and Support. Many accredited providers ask, "What's next?" Accreditation gives providers a successful self-study experience. The more training with which they have good experiences, the more training they want to pursue. If accredited providers are not already active in their local associations, they are likely to join or start one, thus becoming part of a support network and feeling less isolated.

7- Promotes Higher Quality Than State Regulations. Many providers are interested in accreditation because it represents a higher level of quality than is required by any state. While each state's regulations for family child care are different, most just address minimal health and safety standards. Providers feel that accreditation represents a higher level of quality - a level that states will probably never require but that they are proud to offer and that children and parents deserve.

8- Accredited Providers Become Leaders in the Field. Some accredited providers find that accreditation is a stepping stone to getting more involved with family child care issues in their community, state or at the national level. These providers feel that accreditation gives them the confidence to be seen as leaders in the family child care field. They enjoy meeting and networking with other accredited providers at local, state, and national conferences. Additionally, accredited providers are often mentors for providers going through the accreditation process.

9- Helps Providers Market Their Programs to Parents. While most parents are not yet asking providers if they are accredited, accredited providers tell parents they are and describe what it means. They tell parents that a validator and parent have each observed their program and agreed that she provides quality child care. They tell parents that accreditation is a process, not just a one-time workshop. Parents seem impressed by accredited providers' commitment to the field. Providers also think accreditation helps them with marketing because "people see you the way you see yourself." If they feel confident about their programs, parents will notice.

10- Helps Some Providers Earn More Money. Some accredited providers raise their fees because they feel more confident about the quality of their programs. Accredited providers' incomes may also go up because their parents communication skills improve and they are more likely to get paid by all their parents on time and keep all their spaces filled.

For more information about accreditation, contact:

National Association for Family Child Care
206 - Sixth Avenue, Suite 900
Des Moines, Iowa 50309
(817) 831-5095

-1-

Congress of the United States

U.S. House of Representatives

Congressional Caucus for Women's Issues Hearing

July 10, 1997

Testimony of Edward Zigler, Yale University

Thank you, Madam Chairperson, for giving me the opportunity to speak before this committee on how new discoveries about brain development should impact national policy. I am Sterling Professor of Psychology at Yale University and director of the Bush Center in Child Development and Social Policy. I have studied the growth and development of children for over 40 years. In the 1970's, I was named first director of what is now the Administration for Children, Youth and Families and was the federal official responsible for administering our nation's Head Start program.

The brain research you have heard about today is indeed exciting: it tells us that an infant's brain grows rapidly in the first weeks and months of life -- more rapidly than previously suspected -- and that the early experiences of the growing child play a determining role in the basic "wiring" of the brain for life. For example, a baby who is talked to often and sensitively will develop a greater capacity for the complex use of language than will babies who receive little verbal stimulation or whose attempts at vocalization are ignored. Thanks to the new research, we can't just attribute these differences to genetics, or "nature." Nurture plays a powerful role, starkly visible in MRI images of the developing brain: unstimulated, unused neural pathways are literally pruned away forever beginning at about the age of two; only the neural connections that have been used remain.

establish the rhythms of life, to reach a level of sensitive attunement and to become securely attached.

Secondly, the problem of child care in America should be seriously addressed. Excellent child care exists for infants and toddlers, but it is the exception, not the rule. Most families are not able to find out-of-home care that is both affordable and good for their children. In a recent study of child care centers in four states, 40% of the infant and toddler rooms were observed to be unstimulating and, even worse, to actually put children's health and safety at risk. Only one infant/toddler room in 12 provided developmentally beneficial care. The news is no better for family day care homes, where many young children spend long hours. Only 12% of all regulated family day care is good for children, as is 3% of non-regulated care and 1% of out-of-home care provided by relatives. The rest is mediocre or inadequate. These grim statistics mean that the majority of caregivers are not engaging children in the kind of conversation and other activities that enhance growth and development.

One important step toward improving child care would be to set reasonable national standards for child care quality, to be used as guidelines by the states. Currently, standards for child care practice vary widely from state to state. A recent analysis of state regulations for center-based infant and toddler care found that no states have regulations that require good child care practice, and only 17 states can be characterized as minimally acceptable. The rest are rated as poor or very poor. As individual states respond to an increased demand for subsidized child care under welfare reform, many are looking for ways to relax or circumvent their own standards for regulated care in an attempt to pay less than what they know good care costs. This trend is harmful to children and should be resisted. In addition to insisting on decent standards for child

care quality, we should also find ways to improve the training of child care workers and to also improve their abysmally low salaries.

My final recommendation is to support the expansion of parent education programs such as Parents as Teachers, which provide home visits and timely information about child development to parents of children from birth to age 3. These programs are voluntary and very popular with parents in states, like Missouri, where they are offered through the public schools. On a positive note, we should be aware that our nation's relatively new Early Head Start program is totally consonant with the new research on brain development. I was delighted to hear at the White House a month ago that the Clinton Administration is planning to expand this program by 100 sites.



BY ROB SHEPPERSON FOR THE WASHINGTON POST

On-the-Job Day Care, Other Specialized Benefits Replace Wage Increases

By Kirstin Downey Grimsley
Washington Post Staff Writer

Luis Miguel Delgado says he smiles to himself each morning as he drops his 5-year-old son off at the new day care center subsidized by his employer, Indianapolis-based RCI International.

"RCI is saying, 'I care about you and your family,'" said Delgado, 33, an international account representative. He said the program enables him to save about \$36 a week, which he intends to apply to the boy's college fund. "I feel like they are helping me raise my kid."

Cindy Brandt, manager of benefits at RCI, a time-share management company, is smiling, too. With unemployment rates in the Indianapolis area below 4 percent, the \$1.1 million day care center already is paying off in the form of lower employee turnover. "Companies are starting to realize they need to do these things," Brandt said.

RCI is among a growing number of U.S.

companies trying to cope creatively with labor shortages by offering a bevy of new or expanded benefits to their workers. Increasingly aware that high employee turnover hurts profitability, they are offering new assistance with old problems such as child care, transportation, medical care and housing.

These programs mark a dramatic shift in philosophy for Corporate America, where management gurus until recently have promoted the virtues of individual self-reliance in a downsizing economy.

Donna Klein, director of work/life programs at Bethesda-based Marriott International Inc., which offers its workers 24-hour on-call social workers to help with personal problems, calls this change "a new paradigm, a new way of looking at the worker."

"It's a new face corporations are wearing," Klein said. "It's a new role, and I think corporations are doing it willingly. Employees are not a unit of labor. They come with a lot of baggage. Once we believed they left it at the

door, but now we realize it's never left at the door. We're getting increasingly less hesitant to get involved."

Even the conversational tone among executives has changed dramatically.

"I see my job as the daddy," said Arte Nathan, vice president of human resources of Las Vegas-based Mirage Resorts Inc., which pays as much as one-third of its workers' child care costs, helps put their offspring through college and helps workers get high school equivalency diplomas on company time. "Dads are strict but they're caring," Nathan said. "That's how I play my job, not as a technocrat but as a father."

For some companies, innovative programs designed to help workers manage their lives are a matter of corporate survival.

In Chicago, for example, executives at Rachel's Bus Co., a privately owned firm that transports children to 20 city schools, are furnishing their employees with free transpor-

See BENEFITS, H7, Col. 1

Effect of Raises, Companies Employs Benefits Tailored to Workers' Needs

BENEFITS, FROM N1

tation to and from work by permitting them to take school buses home and pick up their co-workers on their way in each morning.

For Rachel Hubka, president and chief executive, the program was a solution to the problem of workers failing to show up for work on time. V she investigated she learned her drivers, who average about \$10 an hour, depending on public buses that didn't run early enough or regularly enough to get them to work on time. Replacing the tardy workers, she would only force her to hire more workers, who themselves were likely to be late.

"Initially, I thought that person is irresponsible and that's why they are here," Hubka said. "Then I started talking to our people, and I found out why. I learned if I wanted to stay in this business, I needed to make sure they get to work on time."

In Cleveland, GERIC Home Health Care, which sends nursing aides into crowded inner-city neighborhoods to care for elderly and disabled people in their homes, found that workers would begin work enthusiastically but then start missing meetings with clients. The answer? Lending them lump sums as advances against future earnings.

Eric Johnson, president and founder of GERIC, had learned his workers, whose starting salaries are about \$8 an hour, often couldn't make it to the appointments because they did not own a car. But to buy a car, a worker needs a lot of money, which most of these workers lacked. So, after 30 days on the job, his workers now qualify for cash advances from the company ranging from \$100 to \$2,000.

"They don't have mommies and daddies to help them out, and to have somebody like a father at work gives them a comfort and confidence level," Johnson said. "I tell people, 'If you're worrying about the phone bill or the electricity being cut off, you're not paying attention to the client.'"

Management experts say these programs indicate that attitudes toward workers are changing. They say that most workers were seen as disposable easily replaceable through the corporate contractions of the past decade, but that many executives are now realizing that customer service suffers when experienced workers are lost, and that high rates of turnover are expensive, particularly when it becomes difficult to find workers to replace them.

"They thought anyone could do these low-paying jobs," said Santa Clara, Calif.-based management consultant Jack Fitz-Ens. "But you can't get new people now. That's why these guys are starting to wise up."

Part of the reason companies are looking to improve benefits is because they believe there is little or nothing they can do to raise wages. In a low-inflation economy, in which many companies are grappling with stagnant or falling prices for their products, it is not always possible to raise wages much, many employers say.

In the fast-food industry, for example, McDonald's briefly introduced, and then retreated from, a 55-cent Big Mac sandwich, partially due to Burger King's offer of its Whopper sandwich for 99 cents. Other fast-food companies are cutting prices or introducing new products they can sell more cheaply.

"We can't go to the menu board to raise prices to pay higher wages," said Barry Mehrman, staff director for employee development at McDonald's Corp., where four-fifths of the workers earn about \$6 an hour.

At ConAgra Refrigerated Foods in Geneva, Ill., which processes meat products, the company is building housing for its workers at some of its factories, in part because wage increases are out of the question, said Charles Romeo, director of employee benefits at ConAgra. Starting salary at ConAgra is \$5.50 an hour, with top-paying jobs

for mechanics paying as much as \$13 an hour.

Romeo said even small price hikes cost sales. He said that increasing the price of ConAgra's Butterball turkeys by even a few cents a pound causes a sales drop.

So, with wage hikes unlikely, many companies are focusing on reducing turnover. Losing a good worker is costly, as it can take from three months to three years to fully train a replacement.

"To the degree that we can reduce turnover, we become more efficient," said Jay Hundley, director of personnel at retailer J.C. Penney Co.

These new benefit programs are successful at luring and retaining workers, their executives say. For example, despite a 4 percent unemployment rate in the Las Vegas area, executives at Mirage Resorts, which owns and operates the Mirage, Treasure Island and Golden Nugget casino hotels, they have at least 10 applicants for every position that becomes available.

"Everybody in this town wants to work at Mirage Resorts," said Matt Kelly, 38, who joined the company in 1989 as an equipment operator for a Mirage-owned golf course and now is studying at company expense to be a junior engineer with the company. "Everybody knows Mirage Resorts takes care of their people."

Karla Turner, 37, a single mother with four children who works in security at Mirage, was able to earn her high school equivalency degree by attending classes on company time in a company-owned building. When she graduated, Mirage gave Turner and other students a cap-and-gown ceremony and hosted them at a dinner, she said.

"I felt like a little rich kid," said Turner, who recently enrolled in the criminal justice program at a local community college. "I feel very loyal and very special" working for Mirage Resorts, she said.

Some executives are working to spread the gospel of boosting retention by boosting benefits. J.C. Penney and Marriott, for example, are spearheading a national effort to help companies learn how to boost benefits for their workers, particularly low-wage workers. Two dozen firms—including McDonald's, Burger King, Hyatt Hotels Corp., Sears, Roebuck and Co., Aetna Life & Casualty Co., ConAgra and Dayton Hudson Corp., representing about 2.5 million workers—have dubbed themselves the Employer Group, and have been quietly holding brainstorming meetings to share information on how to expand benefits to low-wage workers. Many more companies want to participate, Klein said.

One hot area for new benefits is child care, particularly for low-wage and middle-income workers. This represents a shift from the 1980s, when corporate benefits programs tended to focus on issues that affected affluent white-collar workers, who are better able to afford child care. For example, many companies spent millions of dollars constructing cheerful and well-equipped, but expensive, centers for the children of administrative personnel, while leaving factory workers and clerical workers to fend for themselves.

Some of the early programs established at hospitals, for example, frequently were too expensive for many workers, said Denise L. Lehmer, director of client services for Nashville-based CorporateFamily Solutions.

"There were some where all the infant slots were taken by doctors and nurses," Lehmer said. "That doesn't help the technicians and other staff."

Now, Lehmer said, a growing number of companies are looking for ways to pick up part of their workers' child care costs, offering subsidies and scholarships to workers who could not otherwise afford it. Other companies, such as RCI, are offering the subsidy universally to all its workers.

In the Washington area and around the country, Charlotte-based NationsBank Corp. offers to pay about half of the cost of child care for bank tellers and back-room operations employees whose household incomes are less than \$35,000 a year. About 4,000 employees take advantage of the subsidy, and the bank has found it to be an invaluable recruitment and retention tool.

"It's something we could offer people to keep their loyalty, and it worked," said Kim Hains, manager of the work/family program at NationsBank. "We found the turnover rate for people in the subsidy is less than half of those at the same grade and pay who are not in the subsidy."

Some benefits have a direct payoff for the companies. ConAgra, for example, introduced a free prenatal care program called Healthy Moms that pays for the entire cost of the pregnancy and delivery, provided the mother attends all the required prenatal doctor visits. Mothers like it, and the program has been effective because it is reducing the number of low-birth-weight babies, saving the company "hundreds of thousands of dollars" each year, said ConAgra's Romeo.

The program builds employee loyalty, too. "I was glad to know they were there for me," said Michele Perez, 24, whose husband, Florencio, works in the receiving department at a processing plant in Greeley, Colo. She said the program helped her quit smoking while pregnant with her youngest child, Tiana, and counseled her on ways to handle her husband's drinking problem.

At the same time, these programs are entangling the lives of employees and supervisors in new, and sometimes uncomfortable, ways.

Johnson, of GERIC, said after he began lending money to new workers who needed it for apartments or cars, he learned that many of his employees did not have checking accounts, had never had checking accounts and came from families that had not had them either. So he began offering informal financial planning seminars to his workers.

"I was pretty much surprised," Johnson said. "I had a middle-class upbringing. ... It was amazing how many people were intimidated by banks."

Hubka, of Rachel's Bus Co., said her workers, too, were stumped by money management issues, but that she has learned there is a strong link between people being in control of their financial lives and being able to work on time. "I like to say our managers are all social workers," she said.

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THE WASHINGTON

The Washington Post



For Rachel's Bus Co. employee Venus Fortner, the school bus also serves as a shuttle bus to and from work. The Chicago company, which serves 20 schools, began the service to help employees without cars make it to work on time.

BY TODD BUCHANAN FOR THE WASHINGTON POST



Luis Miguel Delgado, an international account representative for RCI in Indianapolis, sends his 5-year-old son Daniel to the child care center subsidized by his company. Delgado plans to use the money saved for his son's college fund.

BY SHAWN SPENCE FOR THE WASHINGTON POST



ONE EAST 75TH STREET
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ENHANCING THE COMMON GOOD SINCE 1918

September 17, 1997

Nicole Rabner
Associate Director for Domestic Policy
The White House
West Wing, 2nd floor
Washington, DC 20502

Dear Nicole:

Deborah Phillips suggested I send you our recent study of infant and toddler child care regulations that I conducted with Ed Zigler and Kate Marsland. I believe Deborah had mentioned the study to you in a previous conversation. I know the First Lady is very interested in young children and child care, and the findings may be useful for her October conference on child care. The study is being published by the *American Journal of Orthopsychiatry*, hopefully in the October, but if not then, January 1998 issue.

I met the First Lady at the 1994 Starting Points conference where she spoke so eloquently on the needs of young children. I had the honor of being the Director of Studies for the Carnegie Task Force on Meeting the Needs of Young Children and was the principal author of the *Starting Points* report. One of the report's four goals was to guarantee quality child care choices. To date our country is doing a fairly dismal job in this area.

Best regards,

Kathryn Taaffe Young, Ph.D.
Assistant Vice President

KTY:tt

enclosures

Day-care dilemma

YOU SEEM TO BELIEVE THAT THE ANSWER to day care's dangers lies in greater government regulation: "In most states, the course of study for a driver's license is longer than for certification as a day-care worker" ["Dangerous Day Care," Cover, August 4]. The real question, which you totally avoided, is what are the requirements for parenting? Teaching in a building shared by a school-site day-care facility with very caring workers, I have watched 3-to-10-year-olds be dropped off at 6 a.m. and picked up at 6 p.m. I've listened to their swearing and fighting and screaming for an hour and a half before school and three hours after. I've watched parents hurrying them there and bustling them home, when they were half awake for both trips. Factor in divorce with joint custody and you've got an enormous number of parents who see their kids far less than either their teachers or day-care providers. I've wondered why in a world so overpopulated that we are destroying the very planet we live on these people bother to have kids in the first place?

CAREN BLACK
Aptos, Calif.

WHILE THERE ARE HORROR STORIES that keep working parents up at night, I don't know that your article offers a sufficient solution. What is suggested is more government intervention. Yet the author almost seems to blame parents for being "cheap" when it comes to choosing child care. The obvious solution is a melding of the two ideas. Why is it that our government can regulate our day care without contributing one dime to the cost? The public-education system is paid for with tax dollars and is heavily regulated by the government. Why doesn't this carry over into preschool education? Why aren't day-care facilities government subsidized and regulated? When nearly every parent works, child care is such an obvious national need. Even people without children could benefit from having their tax dollars invested in our children.

VIRGINIA D. WYETH
Benton, Ark.

AS THREE OF THE EXPERTS CITED IN your story, we would like to offer a few points of clarification. By vividly documenting the life-and-death consequences

of inadequate child care, your article made a compelling case for health and safety standards. However, we are concerned that readers, especially parents of young children, may have been left with the mistaken impression that safety and health factors alone constitute minimally acceptable care. Though these factors are critically important, care that addresses only the physical aspects of children's development is merely custodial. In contrast, care that is considered minimally acceptable by early-childhood professionals adequately promotes children's social, emotional, and cognitive, as well as physical, development. This means that parents must be informed and assertive consumers, selecting only caregivers who are knowledgeable about child development, maintain a safe and healthy environment, are sensitive and responsive to children's individual needs, and are nurturing and affectionate. Consistent with the thrust of your article, parents should also demand better monitoring of child-care settings by appropriate state agencies.

KATHRYN TAAFFE YOUNG
Commonwealth Fund
EDWARD ZIGLER, KATHERINE MARSLAND
Yale University
New Haven, Conn.

THE DEATH OF 76 CHILDREN LAST YEAR while in day care is a tragedy but, as your article noted, there were 4.6 million children who survived being in a day-care facility. We certainly need regulation and the highest standards for day-care workers. I worked in a day-care facility as a volunteer and was impressed with the good personal hygiene, focus on healthy diet, and absence of the influence of television. The children thrived with loving care, which I feel certain is typical of most child-care programs. Your report conveyed the idea that there is a crisis in the programs, but that is not supported by the numbers you cited. Parents shouldn't be frightened unnecessarily.

GERRIE RYAN
Escondido, Calif.

Prozac and children

ARIANNA HUFFINGTON'S "PEPPERMINT Prozac" column is a masterpiece of irony [On Culture, August 18-25]. She is able to determine the appropriate medical evaluation of mood disorders, the correct FDA



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Running Head: INFANT & TODDLER CHILD CARE REGULATIONS

The Regulatory Status of Center-based
Infant & Toddler Child Care

Kathryn Taaffe Young
The Commonwealth Fund

Katherine W. Marsland and Edward Zigler
Yale University

Abstract

A decade ago Young & Zigler (1986) reviewed the status of state and federal regulation of center-based infant and toddler child care. Results of that analysis indicated that state regulations fell far short of the recommended quality standards set forth in the Federal Interagency Day Care Requirements (FIDCR). In fact, not one state met these standards across all three of the assessed quality dimensions: group composition, staff training and program of care. The purpose of this study was to determine the extent to which minimum quality standards are reflected in current state regulations for center-based child care and to assess changes in these regulations over the last decade. Toward that end, a five point rating scale was developed to rate nine quality indices, grouped into three dimensions: (1) Grouping (staff:child ratios and group size); (2) Caregiver Qualifications (general level of education, specialized training, and inservice training); and (3) Program (program of care, orientation, equipment, and facilities). Results indicate that very little progress has been made toward strengthening state infant and toddler child care regulations. The majority of states do not require child care centers to meet acceptable standards for infant and toddler care. Moreover, while most states had language that would require centers to follow most or all guidelines for appropriate practice, almost all of the states had staff training ratings of either unacceptable or very poor on their requirements for staff training. Analysis of regulatory changes between 1982 and 1990 revealed minimal and uneven improvement. These findings are discussed in terms of both the interrelation of quality dimensions and the ongoing importance of improved state-level infant and toddler child care regulation.

The Regulatory Status of Center-based Infant and Toddler Child Care

Within a relatively short period of time, the use of out of home child care has become a necessary reality for the majority of families with children in the United States (US Bureau of Labor Statistics, 1990; Hofferth, 1992; Willer, Hofferth, Kisker, Divine-Hawkins, Farquhar, & Glantz, 1990). This change in the care and rearing of very young children has prompted a significant amount of analysis and debate within both the scientific and policy arenas. Importantly, research on the developmental effects of child care has demonstrated that child care is a heterogeneous phenomenon with both identifiable and regulatable features that are strongly associated with quality and that ultimately influence children's psychological development (Cost, Quality, & Child Outcomes Study Team, 1995; Phillips & Howes, 1987).

One area that has received considerable empirical attention concerns the relation between early child care and infants' socio-emotional development as indicated by attachment style. Some (e.g., Belsky & Rovine, 1988) have argued that nonmaternal infant care is strongly associated with insecure and avoidant attachment styles, particularly when such care is initiated during the first year. However, others (e.g., Howes, Phillips, & Whitebrook, 1992; Lamb, Sternberg, & Prodromidis, 1992; National Institute of Child Health and Human Development Early Child Care Research Network, 1996) have concluded that child care itself neither promotes nor compromises infants' security of attachment; rather attachment is influenced by a combination of factors including the over-all quality of child care, the number and stability of care arrangements during the first 15 months, maternal sensitivity, and the number of hours in child care per week.

Other studies have investigated child care's effects on both language and cognitive development (e.g., McCartney, 1984; Studer, 1992). For example, investigators have found that twelve month old infants' cognitive development was positively related to the quality of their child care center while poor communication skills were related to inadequate

infant:adult ratios. Most recently, a longitudinal study of the effect of child care on children's cognitive and language development found that better outcomes in both domains were associated with better quality care (NICHD, 1997).

While the effects of child care remains the topic of some debate (e.g., Scarr, 1996), there is general consensus regarding one point: the better the quality of care, the better the outcomes for young children (Love, Schochet & Mechstroth, 1996). There is also considerable agreement about which features of child care are most important to overall quality, particularly with respect to the care of infants and toddlers. These features include: staff:child ratio and group size, appropriateness of care provided (i.e. the extent to which care meets infants' social, cognitive, physical, and emotional needs) and staff training and education (Hayes, Palmer, & Zaslow, 1990). Despite this evidence, however, the actual quality of infant and toddler child care varies tremendously.

In addition to underscoring the relation between child care quality and children's developmental outcomes, these findings emphasize the importance of regulatory standards in determining the quality of child care. This position is far from new; numerous reports have made the case for improved regulatory practices—that the quality of care improves when standards are more stringent (e.g., CQ&O, 1995; Howes, Smith, & Galinsky, 1995; Morgan, 1980; Phillips & Zigler, 1987; Whitebrook, Howes, & Phillips, 1989; Zigler & Ennis, 1989; Zigler & Gilman, 1992).

In fact, a decade ago Young and Zigler (Young & Zigler, 1986) reviewed the status of infant and toddler day care regulations at both the federal and state levels. This paper analyzed the extent to which state infant and toddler regulations reflected the quality standards set forth in the Federal Interagency Day Care Requirements (FIDCR: Federal Register, 1980). Regulations were assessed across three domains: grouping (staff:child ratio and group sizes); staff qualifications and training; and whether the regulations called for developmentally appropriate care. The data for these analyses were drawn from the Comparative Licensing Study, Profiles of State Day Care Licensing Requirements for Day

Care Centers, Family Day Care Homes, and Group Day Care Homes (Administration for Children, Youth and Families, 1982).

Analysis of these data indicated that state regulations did not consistently reflect FIDCR recommended quality standards. In fact, not one state met the recommended standards across all three dimensions of quality. Specifically, no state met the infant and the toddler FIDCR guidelines for both staff:child ratios and group sizes. Only one state met the staff:child ratio guidelines for both infant and toddlers, and 32 states (62%) failed to meet FIDCR group size recommendations. Further, only eight states (16%) required that caregivers in centers serving infants and toddlers have training in child care or child development; 26 states (52%) allowed a person with no previous training in child care or development to be director of a day care center. Finally, only 21 states (42%) met or exceeded FIDCR guidelines for program.

The study reported here builds on this earlier report in two respects. First, a rating system derived from an array of established quality standards, including the FIDCR, afforded a more fine-grained analysis of state regulations. Importantly, this system produced ratings of individual quality domains (e.g. grouping, staff qualifications, and programming) as well as an overall quality rating for each state. This represents a significant improvement over previous analyses of state child care regulations in that it enables both within- and across-state analysis of the extent to which states' regulations reflect an appreciation of the interrelatedness of the individual features that affect quality. Moreover, while prior ratings of child care regulations have been largely dichotomous (e.g., regulations did or did not meet the specified standards), this rating system quantified the extent to which regulations meet or exceed minimal quality thresholds. Secondly, we also assessed the extent to which the status of state infant and toddler child care regulations has changed over the intervening years.

In sum, by quantifying established indices of child care quality, the current study sought to determine: (1) whether states are currently assuring that programs are expected to be

guided by basic standards of acceptable, developmentally appropriate practice; (2) whether states are currently assuring that infants and toddlers are protected from poor and possibly neglectful situations; and (3) whether states' regulation of center-based infant and toddler child care improved between 1982 and 1990.

Method

Data were drawn directly from state child care regulations as of July, 1990, for all fifty states and the District of Columbia. The definition for infants and toddlers was based on age. Infants were defined as children from birth to 18 months of age, and toddlers were defined as children from 18 to 36 months of age.

The development of the coding system was guided by existing developmental research. Because their work represents a consensus of leading researchers, we relied heavily on the National Academy of Sciences (NAS) Panel on Child Care Policy's quality criteria, which delineated both the structural (e.g., group size, staff:child ratios, and staff characteristics) and programmatic (e.g., space, equipment, and activities) dimensions of good quality child care (Hayes et al., 1990). Additionally, we drew from both the FIDCR (Federal Register, 1980) and the guidelines for infant and toddler care set forth by the National Association for the Education of Young Children (NAEYC: Bredekemp, 1987).

Nine quality indices were identified and were grouped into three domains: (1) Grouping (staff:child ratios and group size); (2) Caregiver Qualifications (general education, specialized training, and inservice); and (3) Program (physical facilities, equipment and toys; orientation; and developmentally appropriate program). In order to further refine the components of quality care as they would appear on a scale, we bolstered the relatively broad statements made by the NAS Panel on Child Care Policy with our reading of current research. We were, however, obliged to omit some dimensions of quality that are not part of state regulation, such as regulatory enforcement, staff compensation, and staff turnover.

A five-point quality scale was developed, and regulations were coded by the first author and a second rater who had assisted with the development of the scale and was thus

knowledgeable about the criteria. Interrater reliability of .90 was found with a subsample of 15 randomly selected states, and disagreements were resolved through discussion.

The general criteria were as follows:

5 Points: Optimal. Meets high quality standards for infant and toddler care as identified through research and practice; and articulates the direct links between practice and its goals for fostering child development.

4 Points: Good. Meets most or all parameters for appropriate practices for high quality care for infants and toddlers as developed through research and practice, but does not articulate the purposes of such practices.

3 Points: Minimally Acceptable. Articulates broad guidelines calling for appropriate practice but do not define what appropriate practice means.

2 Points: Poor. Incorporates some minimal guidelines calling for appropriate practice.

1 Point: Very Poor or No Regulations. Incorporates guidelines that are poor practice or fails to set certain basic minimal guidelines.

Criteria for the five points were specified for each quality index. The criteria for Minimally Acceptable standards for each index were as follows:

Grouping

Ratios: Infants 1:4; Toddlers 1:5

Group Sizes: Infants 8 or 9; Toddlers 10 or 11

Caregiver Qualifications

Education: High School/GED

Specialized Training in Development/Care/Education of Young Children:

At least three college-level courses (9-12 credits)

Annual Inservicing in Care/Development/Education of Young Children:

5 - 14 clock hours per year

Program

Environment: Guidelines specify that environment should enhance the quality of the program as well as meet basic safety standards

Equipment: Guidelines specify that equipment should enhance the quality of the program as well as meet basic safety standards

Orientation: General orientation related to child development theory and practice/early childhood education as well as orientation regarding health, sanitation, and safety guidelines

Program for Infants and Toddlers: Regulations contain broad language requiring developmentally appropriate practices for infants and toddlers or describing some developmentally appropriate activities

The number of points awarded for each quality indice were then summed within each domain, yielding a raw score for each state for each domain. Because the number of indices varied across dimensions, the maximum number of possible points was different for each of the domains. However, given no empirical or theoretical reason to weigh one dimension more or less heavily than another, the scores for each domain were adjusted to afford each domain equal weight.

This process generated four weighted scores for each state: three domain scores (Grouping, Caregiver Qualifications, and Program) and an overall score reflecting the sum of the weighted domain scores. These weighted scores were then translated into ratings (Optimal, Good, Minimally Acceptable, Poor and Very Poor) based on the range of possible weighted scores for each domain. A rating of Optimal reflected the fact that a state received the maximum number of points possible for a given domain. The remaining range of points was divided equally among the ratings Good, Minimally Acceptable, Poor and Very Poor.

In sum, the coding system entailed a two part process. States were first awarded points based on the extent to which regulations met the criteria specified for the indices within each of three quality domains. These points were then totaled within each domain and were

transformed into weighted scores in order to afford each domain equal weight. Thus, the first part generated weighted scores for each of three domains as well as an overall score reflecting the sum of the weighted domain scores. Second, these scores were translated into quality ratings, yielding an overall rating and three domain ratings for each state.

Results

Status of Current Regulations

As the charts in Figure 1 illustrate, not a single state met the criteria for Optimal or Good standards, and only 17 states (33%) had regulations rated as Minimally Acceptable for infants and toddlers. Thirty states (59%) had regulations that received overall ratings of Poor, and four states (8%) had no infant and toddler child care regulations at all or had regulations rated as Very Poor. The overall and dimension specific quality ratings of all states are summarized in Table 1.

Grouping. Twenty-seven states (72%) received ratings of either Poor (N= 18) or Very Poor (N=19) for this domain, indicating that they failed to adequately regulate staff:child ratios and group size. Only 14 states (28%) had Good (N=6) or Minimally Acceptable (N=8) ratings for Grouping. Not one state received an Optimal rating for this domain. This means that 18 states permit staff:child ratios of between 1:5 and 1:7 for infants and between 1:6 and 1:8 for toddlers, and 19 states allow ratios of 1:8 or less for infants and 1:9 or greater for toddlers. Moreover, 23 of these states failed to regulate group size for either infants or toddlers.

Caregiver Qualifications. Almost all of the states (98%) had Poor (N=25) or Very Poor (N=25) ratings for caregiver education, training, and inservicing. In fact, most states permit infants and toddlers to be cared for by staff who, on average, have not completed high school, have only had some general training in child development or early-childhood education, and receive fewer than 5 hours of inservice training annually. Only one state, Minnesota, received a rating of Minimally Acceptable in this domain. No states received ratings of either Good Or Optimal.

The very low ratings for staff preparation led us to look more closely at how each qualifications for three staff positions (directors, unsupervised caregivers, and supervised caregivers) influenced the aggregate quality ratings. Only 14 states (27.5%) met Minimally Acceptable standards for the education and training of directors of child care centers. This means that only a minority of the states require a program director to have, at minimum, a high school degree, three college-level courses in child development or early childhood education, and to participate in five to 14 hours of inservice training per year.

Program. The data reveal that a total of 45 states (88%) had at least broad language requiring centers to provide developmentally appropriate programs of care for infants and toddlers. Twenty-eight states (55%) were rated as either Good (N=27) or Optimal (N=1), indicating that they required centers to operationalize a developmentally appropriate program of care in the areas of social, intellectual, emotional, or physical development. In contrast, six states (12%) had regulations that failed to meet minimally acceptable standards for program guidelines; eight percent (N=4) were rated as Poor, and two (4%) were rated as Very Poor.

A closer look at these data reveals an important pattern. While many states required developmentally appropriate programs of care, few mandated minimally acceptable Grouping or Staff Qualification standards. In fact, there was no significant correlation among the scores for the three domains. Although the mean Program score was 21 (Minimally Acceptable), the mean Grouping and Caregiver Qualification scores were 13 (Poor) and 11 (Poor) respectively. Consequently, although 17 states received overall ratings of Minimally Acceptable, this rating does not indicate that the states established Minimally Acceptable standards for each of the three domains. Rather, high Program scores tended to compensate for low Grouping and Caregiver Qualification scores. In fact, five of the 17 states that received Overall ratings of Minimally Acceptable were rated as either Poor or Very Poor in both the Grouping and Caregiver Qualification domains but Good in the Program

domain. Only one state (Minnesota) received ratings of Minimally Acceptable for each of the three domains.

Follow-up Analyses

Zigler & Young's (1986) analyses employed a dichotomous rating system: regulations either did or did not meet quality standards as articulated in the FIDCR. Therefore, to compare the current findings with those of this earlier study, the more recent data were transformed into categorical form based on whether or not they met the current criteria for minimum acceptable quality. It is important to note that although the two studies employed quality criteria based on different sources, the two sets of criteria are comparable in that both the FIDCR and NAS criteria articulate a common core of minimum acceptable standards.*

Grouping. Regulations governing ratio/group size showed some improvement. Of the 13 states (27%) that altered their regulations concerning this domain, all evidenced improvement. While it is heartening to note that no states relaxed their ratio/group standards and approximately one quarter strengthened their requirements in this area, the regulations of 37 states (74%) continued to fall short of minimum grouping guidelines when reassessed in 1990.

Caregiver Qualifications. In contrast to Grouping standards, regulations regarding Caregiver Qualifications actually worsened. The only state to improve regulations in this domain was Minnesota. Perhaps most distressingly, 41 states (82%) failed to improve their regulations regarding caregivers' education, training, and inservicing. Moreover, all 41 of these states failed to meet minimum guidelines for this domain in both 1982 and 1990. Further, of the nine states whose regulations did change, eight (88%) relaxed, rather than strengthened, their regulations. The potential importance of this to the actual overall quality of care provided will be discussed below.

* A state by state summary of this comparison across all three domains is available upon request.

Program. With respect to regulation of program of care, 21 states (51%) showed no improvement; 18 states (44%) improved sufficiently to meet or exceed minimum quality criteria; and two states, Colorado and Indiana, relaxed their regulations to such an extent that they no longer meet minimum quality thresholds. Of the states whose ratings did not change, 18 (56%) met minimum quality criteria in both 1982 and 1990.

Finally, despite the continued call for more stringent regulations, the overall thresholds of quality set forth in virtually all state regulations continue to fall short of minimum acceptable levels for infants and toddlers. Notably, none of the states met the quality criteria for every domain in 1982 and only one state, Minnesota, did so in 1990.

Discussion

The results of this study quantitatively document that state child care regulations continue to allow infants and toddlers to be cared for in environments that do not meet basic standards of appropriate practice that assures the safe and healthy development of very young children. Specifically, 67% of the states received overall ratings of Poor or Very Poor, indicating that they failed to require even minimally acceptable care. Not one state received an overall rating of Good or Optimal. These findings are in keeping with previous studies that have examined state level child care regulations and are particularly distressing in light of previous findings documenting the relation between state regulatory standards, the provision of high quality care, and child outcomes (CQ&O, 1995; Howes, Smith & Galinsky, 1995).

To establish healthy bonds with their caregivers, very young children need warm, stimulating and individualized nurturance from an adult who is knowledgeable about children's growth and development and who stays in the job long enough to establish a consistent relationship. Thus, in interpreting these results the interrelation among the three quality dimensions must be considered. Structural features such as ratios, group sizes and caregiver training largely determine how effectively a specified program of care can be implemented (Hayes et al., 1990). It is hard to imagine that one adult can possibly ensure

the safety, let alone provide an appropriately nurturing and stimulating environment for nine (or more) infants. This scenario, however, meets the regulatory guidelines set forth in the 37 states that endorse such ratios and group sizes.

Similarly, the likelihood that a developmentally appropriate program of care will be implemented is reduced if care givers do not receive appropriate training and are responsible for caring for more than a few infants or toddlers. Nevertheless 36 states currently allow less than acceptable practice in both the Grouping and Caregiver Qualifications domains. Thus, although state policy makers' awareness of the importance of both small staff:child ratios and developmentally appropriate practice in defining program goals and activities seems to have improved somewhat, regulations still do not reflect a sufficient appreciation of the need to keep infant group sizes small and the importance of an educated and trained staff to care for and nurture children during their most formative early years.

This disconnect is reflected most distressingly in the results of the follow-up analysis. Despite significant advances in our understanding of how environmental factors influence early development and repeated calls for more stringently regulated child care, states have not significantly improved guidelines for the care of children during their most formative years. A majority of states continue to fall short of Minimally Acceptable levels across all three quality domains. Although a minority of states strengthened their requirements in the Grouping and Program domains, the opposite trend was evident with respect to Caregiver Qualifications: here states actually relaxed their requirements.

Recently there has been discussion among policy makers of relaxing staff:child ratios and group size guidelines. Proponents of this view argue that staff:child ratios and group size regulations unnecessarily restrict providers' ability to mix children of different ages, thereby reducing the costs of child care (e.g., Passell, 1996; Scarr, 1996). While this argument may be worthy of debate with respect to preschool and school-age child care, particularly in combination with more exacting requirements for caregiver training and education, it is

inappropriate with respect to infants and toddlers who require more individualized care. Further, the findings reported here indicate that only six states had staff:child ratio and grouping standards that were more restrictive than those that are considered minimally acceptable, and only eight states met the criteria for minimally acceptable standards in this domain. The remaining 37 states were rated as poor or very poor. Thus, only six states could relax staff:child or grouping standards without falling below the level that is considered minimally adequate for children's safe and healthy development.

Though the debate over the exact nature of the relationship between quality of care and child outcomes continues, there is unanimity regarding one aspect of the relationship: Poor quality care compromises children's development. Moreover, recent findings (e.g., Greenough, Black, & Wallace, 1987; Jones, & Greenough, 1996; Kolb, 1989) regarding the specific influence of experience on early brain development have important implications regarding the relationship between the quality of early care and children's outcomes, underscoring the importance of safe and stimulating environments. Care that does not provide sufficient nurturance and stimulation during the first three years of life compromises the development of the neuronal networks that provide the underpinnings for later children's later development (Shore, 1997). In light of this, it is particularly disheartening to note that 34 states would allow children to be cared for in environments that compromise their development.

As noted earlier, the rating system employed in this analysis enabled us to quantify the quality of states' regulation of the structural dimensions of center-based infant and toddler child care. Despite the strengths of this focused analysis, however, we note that it does not address all factors relating to the actual provision of good quality care (e.g., staff compensation and turnover) nor does it assess the regulation of non-center-based care (e.g., family day care).

Additionally, while not a focus of this study, the importance of on-going oversight and monitoring must also be considered. The specifics of quality oversight vary from state to

state, and in many cases little monitoring occurs once a center is licensed. In the best cases, licensed facilities are subject to periodic inspections, unannounced visits and specified procedures for licensing renewal; however even the most stringent oversight occurs as infrequently as once every three years (Gazan, 1997)

In sum, the results of our analyses indicate that current state regulations for center based infant and toddler child care do not consistently establish minimally acceptable thresholds of quality. Further, minimum thresholds are just that: minimal. No states require or actively promote the provision of optimal care as defined by experts in child development and early childhood education. While some states have made movements in that direction over the past decade, such improvement has been limited to individual quality dimensions and has not translated into stronger overall standards.

In the absence of federal child care regulations, energies must be directed at strengthening regulation at the state level. This is particularly true now, given the recent push for greater state autonomy in areas not constitutionally designated to the federal government. State-level efforts need to address the regulation of four interrelated dimensions: staff:child ratios, group sizes, caregiver qualifications, and programmatic features such as equipment, health and safety. The establishment of a national child care conference, for instance, would facilitate the exchange of information among child care professionals, advocates, and policymakers about what constitutes good quality care, the relationship between quality care and children's development, and the importance of regulation in establishing minimal quality thresholds. *

Additionally, efforts must be made to assist parents, who are the consumers of child care services, to be better informed and more effective consumers. The child care market is driven largely by price, and good quality care does cost more than poor quality care (CQ&O, 1995). However, two recent studies indicate that parents would be willing to pay up to \$10 more per week for better quality care and that strengthened regulation resulted in an

* We note that Hillary Clinton recently announced that the White House will sponsor such a conference in the fall of 1997.

modest price (\$4-5 per week) and did not deter enrollment (CQ&O, 1995; Sibley, Abbott-Shim, & Galinsky, 1994).

As a society, it is time we recognize that the sound development of an increasing proportion of children is compromised by inappropriate care during their most formative years. While stricter regulation and monitoring can never guarantee improved quality, they can clearly establish minimal quality thresholds, thereby contributing significantly to the healthy development of all of our nation's children.

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Table 1

Ratings of 1990 State Infant and Toddler Center-based Child Care Regulation by Domain and Category

OVERALL

OPTIMAL (Score = 81)

No States

GOOD (Range = 65-80)

No States

MINIMALLY ACCEPTABLE (Range = 49-64; Mean=)

Alabama, Connecticut, Hawaii, Illinois, Kansas, Maine, Maryland, Massachusetts, Minnesota, Missouri, North Dakota, Oklahoma, Oregon, Rhode Island, Utah, Vermont, Wisconsin

POOR (Range = 33-48)

Alaska, Arizona, Arkansas, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Indiana, Iowa, Kentucky, Louisiana, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia

VERY POOR OR UNREGULATED (Range = 17-32)

Idaho, Mississippi, South Carolina, Wyoming

GROUPING

OPTIMAL (Score = 27)

No States

GOOD (Range = 21-26)

Connecticut, District of Columbia, Maryland, Massachusetts, Oregon, Vermont

MINIMALLY ACCEPTABLE (Range = 16-20)

Alabama, California, Hawaii, Kansas, Minnesota, Missouri, Wisconsin, Utah

POOR (Range = 11-15)

Colorado, Illinois, Indiana, Iowa, Maine, Michigan, Montana, Nebraska, New Hampshire, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Washington, West Virginia

VERY POOR OR UNREGULATED (Range = 5-10)

Alaska, Arizona, Arkansas, Delaware, Florida, Georgia, Idaho, Kentucky, Louisiana, Mississippi, Nevada, New Jersey, New Mexico, North Carolina, Rhode Island, South Carolina, Texas, Virginia, Wyoming

CAREGIVER QUALIFICATIONS

OPTIMAL (Score = 81)

No States

GOOD (Range = 21-26)

No States

MINIMALLY ACCEPTABLE (Range = 16-20)

Minnesota

POOR (Range = 11-15)

Alaska, Arizona, Arkansas, California, Delaware, Illinois, Indiana, Maine, Massachusetts, Missouri, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, West Virginia, Wisconsin

VERY POOR OR UNREGULATED (Range = 5-10)

Alabama, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, South Carolina, Vermont, Washington, Wyoming

PROGRAM

OPTIMAL (Score = 27)

Alaska

GOOD (Range = 22-26)

Alabama, Arizona, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin

MINIMALLY ACCEPTABLE (Range = 17-21)

Arkansas, California, Connecticut, Florida, Georgia, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Nebraska, Nevada, Pennsylvania, South Carolina, South Dakota, Tennessee

POOR (Range = 12-16)

Colorado, District of Columbia, Indiana, Mississippi

VERY POOR OR UNREGULATED (Range = 7-11)

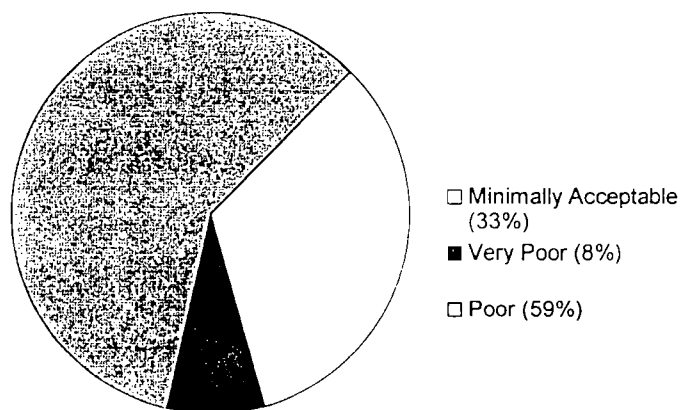
Idaho, Wyoming

Figure Caption

Figure 1. Quality Ratings of State Regulations for Center-based Infant
and Toddler Child Care

Figure 1

Overall



NR

The Future of Child Care

Deborah A. Phillips

Board on Children and Families

National Research Council/Institute of Medicine

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When Sara invited me to be part of this panel, she asked me to describe my version of the ideal child care system. She was offering me something that is notably rare in my life these days--permission to ignore issues of economic and political feasibility. In reality, our child care system is the product of highly politicized debates that occur in the narrow zone between those who ask, "how little must we do/what is the minimum amount we can get away with?" and those who ask, "how much can we do/what is the maximum amount that we can persuade the decision-makers is necessary?" My own capacity for flights of fancy has been somewhat grounded in recent months, so what I will offer you falls somewhere between my greatest hopes and what I view as important changes that need to be made in the current system to bring it into better alignment with the contemporary needs of children and families.

Over the past two years I have been engaged in a major effort, titled Quality 2000, the purpose of which is to develop a blueprint for a high quality child care system, and to figure out how to get there from here. In the process, my colleagues and I have looked at how quality issues are dealt with in other countries--including third world countries; in other sectors--including elder care, environmental protection, and higher education; and in other professions--ranging from architects to hair dressers. I will be drawing upon this work in my remarks today, as well as upon my own experience with child care research and policy.

Child care policy in the United States has historically served many purposes and many masters: employers, parents, architects of welfare reform, social workers in search of respite care for families at risk of abusive behavior, and, all too often least of all, children. In practice, child care falls right at the nexus of the requirements of family life and the requirements of work. Because work demands tend to prevail, the child care that children

experience is often dictated not by considerations of what children need or even what parents want, but by parents' wages (which determine what they can afford), work schedules, and access to different types of child care providers. Consider, for example, that almost half of working-poor parents work on rotating or changing schedules, which automatically rules out center-based child care and most family day care homes as options that can even be considered.

As a developmental psychologist (and a working mother of a preschooler), I view child care fundamentally as a program for children. Knowing that the majority of children enter care by 11 weeks of age, for close to 30 hours per week, typically experience three different providers--in addition to their mother--in just the first year of life, and stay in child care until school entry, it is time to acknowledge that child care is where children are getting their basic health and nutritional needs met or not met, getting socialized and getting ready for school. This, in turn, deeply affects the elements of child care that I view as essential to a system that protects the health and well-being of children--for this is my driving goal.

A related prefatory remark concerns the great extent to which child care is context bound. By this I mean that the haphazard architecture of the existing child care system is driven by factors and pressures that surround this architecture--notably the structure of jobs (with differing issues facing low-, moderate- and high-wage workers), pressures to keep government expenditures on child care as low as possible, and available local community resources on which child care providers can draw for such important inputs as staff, training, funding, materials, and support services--the material and social capital of child care. Indeed, if I were really to take a flight of fancy, it would be in the direction of changing the

many workplace practices that impinge on family life and, of course, redirecting political will towards greater concern for quality of life for children and their families.

Let me turn, now, to the main issue that I was asked to address: the ingredients of an improved child care system. Given that I'm placing children at the center of my concerns, it won't surprise you that **quality and continuity of care** figure prominently in my plan. And, given my emphasis on contextualizing conceptions of quality in child care, it won't surprise you that I am not going to focus narrowly on the immediate child care settings where children reside (e.g., ratios, group size), but rather on other **resources and settings in the community**--including the resource of **child care consumers with real choices**--that influence how child care is organized and supported in our society. Quality, in other words, becomes a community-level construct. Notions of community stewardship become central to considerations of quality care. Along these lines, substantial thought has been given to the essential functions that are necessary to supporting quality early care and education services (Kagan, 1993). These include an equitable and coordinated financing structure, collaborative planning and cross-system linkages, consumer and public engagement, a regulatory structure, and systems for staff and leadership development that link expertise and compensation.

I want to place special emphasis on five elements that I consider to be essential to a higher quality, more stable and dependable system of child care:

- widespread, accessible consumer education about what to look for in early care settings, including information about regulation and regulatory enforcement;
- accessible, rigorous, and publicly recognized training opportunities and credentials for those who work in early care and education settings.

- adequate, coordinated, and equitable financing systems that expand, rather than constrain, the choices available to families;
- the presence, effectiveness, and inclusiveness of a community-wide planning system for early care and education;
- a local employer community that demonstrates active involvement in efforts to improve the quality of early care and education services;

The Consumer Role

I hesitate to use the term "parent choice", because it has become so politicized, but any workable child care system had to start from a basis of true parent choice--and choice as informed consumers. This is decidedly not the case today.

Parents have the most immediate personal stake in any effort to improve child care quality and offer the single most effective and credible constituency for the purpose of advocating for this goal. In the context of a child care system that combines relatively lax regulation, substantial variation in forms and qualities of care, and an entrepreneurial provider base, parents are not only the consumers but also important watchdogs of child care quality.

Absent parents' direct involvement, the consumer voice has been manipulated in policy debates by those who have argued that parents' priorities are demonstrated by the actual child care choices they make--what they use is what they want. Since there is no uproar from parents, there is no need to improve quality. Indeed, numerous studies reveal high levels of parent satisfaction with their child care arrangements (Hofferth et al., 1991), lending additional weight to these assertions that "parent choice" is an operative and effective

mechanism for assuring quality care.

In fact, a growing literature on parental satisfaction has revealed that there is one group that stands out from the pack as being quite dissatisfied: Employed, single mothers with low incomes (e.g., under \$15,000) confess to interviewers that they want to change their arrangements, that they have had difficulties finding care that is "good for my child", and that they have concerns that the care they are using is not safe. In a national survey (Hofferth et al., 1991), 43% of this group of mothers indicated these types of concerns. I probably do not need to call this groups' attention to the fact that this is precisely the group of mothers who will be increasing their work effort in conjunction with welfare reform.

Parent choice becomes a reality when gaps between what parents want and what they are using for child care are minimized. Exercising this choice is part of being a responsible parent. Assuring parents the opportunity to exercise this choice is a fundamental right that, like the ideology of equal treatment in the disability movement, could provide a compelling basis for reframing debates about quality of care. To the extent that parents' reliance on child care is compulsory, as is the case when use of child care is mandated by welfare reform, this premise becomes particularly compelling.

The themes of parent choice and responsibility also afford the opportunity to establish coalitions of support across the family leave and child care advocacy constituencies. If one considers the decision about *when to initiate* reliance on non-maternal care as the first in a series of child care decisions--and perhaps the most constrained of decisions given the lack of a paid leave policy in the United States--then the debate about child care can be cast within the context of a "continuum of child care choices". Indeed, a 12-month, paid family leave

policy that covers all employers is at the top of my list of the most important child care policy actions that could be taken given the relatively poor quality and high cost of infant child care in this country.

Notions of parent choice and responsibility may also offer a particularly effective lever for enlisting parents as partners in quality improvement initiatives. It is important, however, to be realistic about the opportunities and constraints that will characterize any effort to increase the volume of the parent voice in efforts to improve quality. Unlike the chronicity of the pressures and anxieties that face parents of a child with special needs, need for quality early care and education is temporary--one can grin and bear it if need be, knowing that this particular source of anxiety will come to an end. Time for advocacy is also a precious commodity, and especially so for working parents of young children.

Perhaps the greatest barrier, however, derives from how little parents appear to demand from their child care arrangements. Of necessity they must find arrangements; their choices are constrained by place, time, and money; and their standards for quality are simple and straightforward. To turn the acknowledged misgivings of some parents into an effective, empowered consumer movement for quality, is among the biggest challenges facing the child care field, but an essential point of departure for improved child care in the years ahead.

Training

There are not many things that the full range of individuals involved in child care can agree upon, but one is that the absolute core of quality child care is the provider herself. Some believe that as long as this provider looks like a mother, talks like a mother, and walks like a mother, she will provide fabulous child care. This might be the case in many

instances. But, the research literature on child care has consistently found that trained providers do provide better child care and produce better outcomes for children. Most recently, the NICHD Study of Early Child Care reported that, for infants, in-home providers (in child's own home, including relatives and family day care home providers) with specialized training are significantly more likely to offer babies the nurturant, sensitive caregiving that parents want. This supplements what we already know about the importance of training and education in center-based care.

Training in the child care field faces a unique set of challenges. Providers who care for babies undoubtedly need somewhat different training than those who care for school-age children. Those who provide care in an institutional setting probably need somewhat different skills than those who provide care in home settings. Moreover, because it is critical to establish training opportunities that are appealing and feasible for a vast range of providers, flexibility in when, how, and where training is offered is essential. The Child Care Food Program, which provides food subsidies and training to regulated family day care providers, is a highly effective model for training child care providers and actually serves as incentive for this sector of the child care market to get registered and to participate in provider networks, thereby reducing the isolation that can come with child care work.

At the same time, there is a core of knowledge that anyone who takes care of someone else's child should be expected to have, focused on health and safety practices and child development (e.g., CPR, recognition of common childhood illnesses, immunization schedules, developmental milestones). People who take care of our hair and our pets have to be certified as having acquired a basic core of knowledge before they can practice their

profession. I would not expect less of those who take care of our children. I would set in motion all incentives imaginable (e.g., higher reimbursement rates, access to materials, higher priorities listings with resource and referral agencies) to increase the pool of trained child care providers from all types of settings.

I would also give serious consideration to the establishment of a system of individual certification for entry into child care work, as is the case with all of the professions that we analyzed for the Quality 2000 initiative with the sole exception of travel agents. There are two major reasons that individuals in certain occupations must have licenses. One is to protect the health, safety and welfare of the public, especially in situations where the public is unlikely to judge the competence of a product or service for itself. The other factor is independence. When an individual practices independently, rather than under the supervision of others, greater assurance of competence is presumed necessary to protect the public. Both sets of characteristics apply to child care.

Financing

Child care advocates are always asking for more money, of course. Interestingly, they tend to ask for less money than do advocates for the elderly, the disabled, the oil industry, and agribusiness. \$100 million is cause for celebration in the child care community.

I have a more modest wish: to establish a structure for public child care subsidies that encourages, rather than discourages, continuity of care for children and that rewards work. I would also like to see a much larger share of public dollars going towards quality improvement initiatives.

Here's what happens now:

- (1) The vast majority of federal child care subsidies are channeled to nonpoor families through the nonrefundable Dependent Care Tax Credit (\$2.5 billion versus \$1.7 billion for AFDC, TCC, At-risk, and CCDBG).
- (2) As families move from non-working poverty to working poverty they actually lose public benefits. Counting both direct subsidies and tax benefits for child care, 30% of the working poor receive subsidies compared to 37% of the non-working poor (Hofferth, 1995).
- (3) This perverse distribution of benefits may actually be getting worse, according to state child care administrators, who are under immense pressures to channel their limited child care dollars to participants in welfare-to-work programs in order meet federally mandated caseloads. Because states don't begin to have enough funds to cover all eligible families (working and non-working poor, as well as those at risk of being poor due to child care expenses), about 1/3 of states are actually shifting dollars that have gone to working poor families to serve the non-working poor.
- (4) Not surprisingly, working poor families spend, on average 24% of their income on child care, compared to the 6% that is typically spent by middle- and upper-income families.
- (5) Because subsidies now operate as a system driven by parents' activities rather than following children (source of funding and reimbursement rates change as families move from nonworking poverty to low-income work and beyond), continuity of care is often disrupted if states do not make special efforts to avoid breaks in support or drops in reimbursement rates absent increased income.
- (6) Of the \$4.2 billion in federal child care dollars, \$66 million (about 2%) was spent on

quality improvement initiatives.

Here's what I would propose:

- (1) A child care entitlement, available on a sliding fee basis, to all families regardless of the parents' employment status. This is not unlike the famous health care card that stays with families as they gain, lose, and regain employment. Families should not face diminished child care benefits at precisely the moment that they get a toe hold on economic self-sufficiency. Nor should they lose benefits during temporary bouts of unemployment.
- (2) The level of entitlement would be set using, as a guideline, a criterion that no family should pay more than 15% of its family income on child care (the national average), up to some agreed upon limit per child. The vast inequity in child care expenditures across income groups must be addressed.
- (3) The entitlement funds could be used in any form of child care to enhance parent choice, but they would come with a brochure about choosing child care and the phone number of a local child care resource and referral agency.
- (4) If the family uses a trained child care provider (or a licensed provider, or a provider who takes other designated steps to offer high-quality care), the provider would get an additional supplement to support the higher costs of higher quality care.
- (5) In addition, as is done for Head Start and in the military child care budget, 25% of current federal expenditures on child care (about \$1 billion) would go into a quality improvement pool to be distributed by states and localities. At a minimum, 15% of these funds must go towards provider salaries to stem the tide of turnover that exposes very young children to the repeated loss of trusted adult caregivers.

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Community Stewardship

In addition to expanding the unit of analysis that is encompassed by efforts to improve the quality of child care, consideration of the community context of child care highlights the importance of considering quality not only as a product that can somehow be achieved once and for all, but rather as a process that is on-going. Inclusive planning processes, outreach efforts, public education initiatives, regulatory enforcement, and the sustained involvement of community employers constitute procedural dimensions of quality that have been overshadowed by research and policy efforts that focus on products--the provisions of regulations, levels of funding, numbers of employer-sponsored programs, and the substance of parents' definitions of quality.

The comparative research (Bush & Phillips, 1994) that I did in conjunction with Quality 2000 revealed that other countries place much greater emphasis on processes of consensus-building as integral to advancing a high-quality early care and education system. New Zealand, for example, has initiated a "chartering system" whereby local communities apply for a charter to start a child care system. The programs that are supported within the local system must abide by national standards on ratios, group size, and caregiver training. But, the localities have freedom to construct a broader system that meets their unique needs. Determining these needs involves a consensus-building process among parents, policymakers, and professionals as an essential step towards submitting a charter for approval.

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Introduction:
Child Care as a Developmental Context

Deborah Lowe Vandell
University of Wisconsin-Madison

The last 20 years have been marked by increased attention to the impact of child care on children's development. This attention was sparked, in part, because the use of child care was becoming the norm, not the exception, for children in the United States. Attention also increased due to seemingly contradictory reports about the effects of child care on children's developmental outcomes, with some (e.g., Clarke-Stewart & Fein, 1983) reporting positive effects on cognitive, language, and social development and others (e.g., Belsky, 1988) reporting negative effects. Policy makers, educators, and parents wanted to know "the answer" to the child-care question, and child-care researchers faced a formidable task of making sense of a barrage of findings.

Guided by the empirical model provided by research of the effects of family experiences on child development, it became apparent that child-care research needed to be reconceptualized. Like families, child care comes in all sizes and shapes. Just as an understanding of family contributions to child development requires a careful articulation of exactly what aspects of the family are being studied, under what conditions, and in relation to which developmental outcomes, child-care researchers began to reformulate what they were studying and how they were studying it.

Ecological systems theory (Bronfenbrenner, 1979, 1989) played a central role in this reformulation. The papers in this special issue are

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Correspondence may be sent to Deborah Lowe Vandell, Department of Educational Psychology, University of Wisconsin, 1025 West Johnson Street, Madison, WI 53706. Electronic mail may be sent via Internet to dvandell@maccc.wisc.edu.

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illustrative of the comprehensive efforts underway to understand child care within this theoretical framework. Using Bronfenbrenner's theory as an organizational guide, the child-care research agenda has broadened to delineate processes and properties of the child-care microsystem and to consider this microsystem in relation to other contexts such as family and workplace. With this broader conceptualization, the research efforts reported in this issue demonstrate recent advances in our understanding of child-care effects.

Much of the initial day-care research focused on center-based care that was offered on a full-time basis. This type of care, however, represents only a small proportion of the care of infants and toddlers. Center-based care also is relatively uncommon for school-aged children during the after-school hours, especially in the later elementary grades. As a consequence, researchers have expanded the scope of child-care research to include family day care, sitters, and relatives such as grandmothers. A working definition that incorporates this diversity of circumstances defines child care as any arrangement that occurs on a regular basis, when parents are not available. There are two additional care arrangements that extend the definition of child care even further. Some children care for themselves and their siblings while their parents are at work or school, an arrangement called self-care. In other families fathers serve as care providers while mothers are employed or at school; this care is typically accomplished by parents coordinating their work schedules.

As papers in this volume demonstrate, each of these care settings has its own set of special features as well as features that can be compared across arrangements. Because of the distinctive features of different arrangements, some researchers (Howes; McCartney et al.) have focused on one or another type of care. In other cases, researchers (cf. Marshall et al.; Pettit et al.) have included measures that can be used for comparisons across different child-care microsystems.

Child care also varies along other dimensions such as (a) *quantity or number of hours that the care is used*, (b) *stability of care, measured by number of children's concurrent and sequential arrangements*, (c) *children's ages when care is initiated or terminated*, (d) *children's readiness for the care settings*, and (e) *children's and parents' beliefs and attitudes about care*. As papers in this issue document, all of these dimensions are associated with effects on children and their families. Several papers also emphasize the importance of the *quality of the care setting*. Just as "quality" is an essential component in the study of the family as a developmental context, "quality" is a major construct necessary for the

study of child care. In this issue, we see child-care quality described in terms of formal structural features such as auspice, licensure, and child : adult ratios, as well as children's observed experiences with caregivers, materials, and peers.

Researchers believe that this focus on the components of child care as a microsystem is a necessary part of understanding child care within an ecological systems framework. The delineation of the microsystem, however, is only one part of the task because child care does not exist independent of other developmental contexts. Consequently, researchers have focused on what Bronfenbrenner calls the mesosystem—in this case, the connections between child care and the family.

One indication of the interdependence is evident in children's placement into care. Families' economic and social resources as well as parents' beliefs and values are related to children's placement into different child-care settings. All papers in this issue describe such selection effects. For example, Vandell et al. observed that families were more likely to use fathers as caregivers when family incomes were lower prior to the infant's birth and when fathers had less education. Nonparental care was used for more hours when parents believed that maternal employment was beneficial for children, when families had higher incomes, and when fathers were more educated. Others (Kontos et al.; McCartney et al.; Peisner-Feinberg & Burchinal) reported relations between child-care quality and families' educational and economic resources. Children whose families had more resources were more likely to be observed in higher quality settings.

The implications of these family differences are substantial. For families and policy makers, they document inequities in the child-care system that can undermine children's preparation for school. For researchers, these selection differences make the task of studying the effects of child care on children very difficult. In some cases (Peisner-Feinberg & Burchinal; Vandell et al.), researchers have utilized statistical techniques to control for family selection factors in their investigations of care effects on child development. In other cases, however, family and child-care circumstances are so confounded that investigators have been unable to use statistical controls. In these cases, some researchers such as Kontos et al. turned to an ecological niche approach to studying child care within particular family contexts.

An ecological systems approach also has resulted in consideration of a second type of connection between family and child care. Drawing on Bronfenbrenner's admonition that all main effects are interactions, several papers in this special issue included consideration of possible

family moderators of child-care effects. For example, both Marshall et al. and Pettit et al. found greater behavioral difficulties associated with self-care for children of low-income as opposed to middle-income families. Marshall et al. also found beneficial effects of formal programs for children of low-income, but not middle-income, families.

Although all of the papers in this volume share an underlying conceptual framework, and sometimes analytic strategies, each has succeeded in illuminating different aspects of the child-care puzzle. Some (Howes; McCartney et al.; Peisner-Feinberg & Burchinal) focus on variations within center-based care, whereas others (Kontos et al.) examine family day care and relative care. Self-care, formal programs, and enrichment lessons are all considered in the three studies of school-aged children (Belle; Marshall et al.; Pettit et al.).

The article by the NICHD Early Child Care Research Network gives a detailed account of the nonmaternal care of almost 1,300 infants living in 10 research sites located across the United States. Mothers were interviewed five times during their infants' first year. These interviews highlighted several issues. One issue is that infants often have more complex child-care situations than might be suggested by global indicators. A second issue is that care arrangements, employment, and family circumstances were intertwined.

The paper by Vandell et al. explores other issues pertaining to infant child care. Vandell et al. described changes in emotional well-being and marital satisfaction of 380 mothers and fathers that were associated with infant care. Mothers' and fathers' depression and marital concerns increased from prebirth assessments when nonparental care was used for more hours during early infancy. Having fathers serve as care providers also was associated with mothers' emotional well-being. When mothers who preferred father care were able to use that care during early infancy, less anger, depression, and anxiety were observed. When father care was used, but not preferred, mothers appeared more depressed and concerned.

Kontos et al. demonstrate another connection between child care and the family. In a three-state study of family day care and relative care, children's experiences varied as a function of family income. Children from very-low-income families (less than \$20,000 a year) had significantly different care experiences than children from more prosperous families (more than \$39,000 a year). For example, 73% of the children from very-low-income families were in care settings that received quality ratings in the inadequate range, whereas 43% of the children from low-income families and 13% of the children in moderate-income families

were in the inadequate settings. No children from very-low-income families were in care settings rated as good quality, making it impossible to disentangle child-care and family effects in some analyses.

McCartney and colleagues also found systematic associations between family and child-care characteristics in their study of center-based programs. Use of nonprofit centers rather than proprietary centers was more likely when families had greater resources, as measured by maternal education and per capita income. Furthermore, children had more frequent positive interactions with teachers in the nonprofit centers. This study also identified an important exosystem relationship that had developmental implications for children. Mothers' perception of work-family interference was a significant predictor of teachers' reports of the children's behaviors at the centers.

The Cost, Quality, and Outcomes Study reported by Peisner-Feinberg and Burchinal also was focused on center-based care. They observed 170 centers located in four states that had disparate child-care regulations. Cognitive and language functioning of 757 children was related to program quality. Controlling for family selection differences (maternal education and ethnicity), classroom quality was a significant predictor of children's language and prereading scores and of teachers' reports of child behavior problems. This study has provided some of the strongest evidence to date of the effects of child-care quality on children's concurrent functioning.

Howes used data from the Cost, Quality, and Outcomes Study (in conjunction with data from the Florida Quality Improvement Project) to examine relationships within the child-care microsystem, namely associations between regulatable factors and observed caregiving. Both child:adult ratios and teacher education were related to the quality of observed caregiving in center-based care. Relations between the regulatable features and children's performance on standardized tests also were evident. In classrooms in which teachers had at least an AA degree in early childhood education, children had higher language scores than children in classrooms with teachers who had only high school educations. Children in centers that were in compliance with recommended ratio standards had higher prereading scores.

The three papers in this volume that examined school-aged child care have some features in common with the studies examining younger children: The settings varied along multiple dimensions including hours, stability, and activities; family selection factors were apparent; and family factors interacted with child-care situations. At the same time, Belle, Marshall et al., and Pettit et al. considered some issues that were less

relevant for younger children, including children caring for themselves and their siblings, and children participating in enrichment activities after school.

Belle's open-ended interviews collected over a 4-year period revealed important variations in after-school experiences. The interviews showed how blurred the boundaries are between self-care and supervision. In addition, Belle highlighted the importance of adults for children in self-care. Some of these adults were positive sources of emotional and instrumental support, but others were not. One of the most telling aspects of Belle's interviews was the children's understanding of their after-school situations as a frame that shaped their reactions to the setting.

Many of the themes articulated in Belle's qualitative analysis were evident in Marshall et al.'s quantitative analyses. Marshall and colleagues found that most school-aged children were involved in multiple care arrangements that were characterized by different activities and experiences. Furthermore, associations between these experiences and children's development varied depending on the families' economic and social resources.

Finally, this volume ends with a paper by Pettit et al. that examines the effects of after-school arrangements on preadolescent development. Extent of involvement in six types of nonparental care (self/sibling, sitter/relative, neighbor, day care, school-based care, and activity-oriented care or lessons) was determined for 466 children when they were in first, third, and fifth grades. This paper is intriguing because it documents associations between early self-care experiences and children's subsequent adjustment. High amounts of early self-care predicted adjustment difficulties in sixth grade. In addition, difficulties were heightened for children from low-SES families, for children with problems in kindergarten, and for children who did not have any enrichment activities after school.

In summary, the nine papers in this volume may be viewed as part of a growing effort to understand the ways in which child care functions as a developmental context. These studies, in combination, illustrate the complexity within and across child-care settings. They underscore the necessity of considering relations between child care and other contexts such as family and workplace. Although the research task is clearly a challenging one, the studies provide converging evidence regarding at least some of the questions about child care.

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Current Population Reports:

Household Economic Studies

Who's Minding Our Preschoolers?

By Lynne M. Casper

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One of the greatest challenges for employed parents is finding good quality, low cost child care. Reliable, quality care is especially important for preschoolers because young children are dependent on caregivers to fulfill their basic needs and to keep them from harm. Preschoolers are also in the midst of forming personalities, developing cognitively, and learning social skills, and child care providers can and do have a major impact on these processes and their outcomes. For these reasons, finding the right provider is critical. In this report, we examine how working parents arrange care for their preschoolers.

Almost half of preschoolers are cared for by relatives while their mothers are at work

According to the Survey of Income and Program Participation, in the fall of 1993 there were 9.9 million children under age 5

who were in need of child care while their mothers were working. Almost half (48 percent) of these preschool-age children were primarily cared for by relatives (figure 1). Seventeen percent of preschool children were cared for by their grandparents during their mothers' working hours; about the same proportion were cared for by their fathers. The majority of preschoolers who were cared for by relatives were, in fact, cared for by either their grandparents or their fathers, each accounting for a third of the care provided by relatives. Other relatives such as aunts, uncles, and cousins played a smaller role in providing child care services overall, amounting to about 9 percent of all arrangements for preschoolers. Mothers provided the remainder of the care by relatives. About 6 percent of preschoolers were cared for by their mothers; most of these moms worked at home.

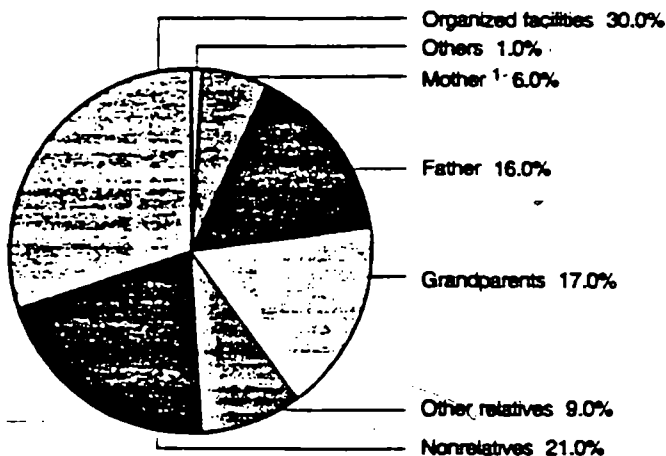
A little more than half (52 percent) of preschool-age children were cared for by someone other than relatives while their mothers were at work. In 1993, more preschoolers were cared for in organized child care facilities than in any other single arrangement; approximately 1 in 3 preschoolers were cared for in organized child care facilities. Nonrelatives, including in-home babysitters and family day care providers, were also important sources of child care; about 1 in 5 preschool-age children were cared for by nonrelatives.

Another important consideration in the choice of child care arrangements is the environment in which care is provided. In 1993, about a third of preschoolers were cared for in each of the three major child care environments: the child's home, the provider's home, and organized child care facilities (table 1).

Defining Child Care Arrangements

Relatives include mothers, fathers, siblings, grandparents, and other relatives. Other relatives include aunts, uncles, and cousins. An organized child care facility is a day care center, a nursery school, or a preschool. A family day care provider is a nonrelative who cares for one or more unrelated children in her/his home. In-home babysitters are nonrelatives who provide care within the child's home. Nonrelatives include in-home babysitters and family day care providers.

Figure 1.
Primary Child Care Arrangements Used by Families With Employed Mothers for Preschoolers: 1993



¹ Includes mothers working at home or away from home.

Table 1.
Primary Child Care Arrangements of Preschoolers by Mother's Employment Status: Fall 1993

Type of arrangement	— Employment status ¹									
	All preschoolers		Employment schedule				Shift work status			
	Number	Percent	Full time		Part time		Day shift		Non-day shift	
			Number	Percent	Number	Percent	Number	Percent	Number	Percent
All Preschoolers	9,837	100.0	6,426	100.0	3,512	100.0	6,083	100.0	3,855	100.0
Care in child's home	3,054	30.7	1,656	25.8	1,398	39.8	1,465	24.1	1,589	41.2
By father	1,585	15.9	719	11.2	866	24.7	657	10.8	928	24.1
By grandparent	649	6.5	384	6.0	264	7.5	381	5.9	287	7.4
By other relative	328	3.3	227	3.5	101	2.9	186	2.7	162	4.2
By nonrelative	492	5.0	325	5.1	167	4.8	281	4.6	211	5.5
Care in provider's home	3,184	32.0	2,239	34.9	945	26.9	2,095	34.4	1,089	28.3
By grandparent	996	10.0	684	10.6	312	8.9	593	9.7	403	10.5
By other relative	543	5.5	384	6.0	159	4.5	380	5.9	183	4.8
By nonrelative	1,645	16.6	1,171	18.2	474	13.5	1,143	18.8	503	13.0
Organized child care facilities	2,972	29.9	2,166	33.7	806	22.9	2,146	35.3	826	21.4
Day/group care center	1,823	18.3	1,398	21.8	425	12.1	1,369	22.5	453	11.8
Nursery/preschool	1,149	11.6	768	11.9	381	10.9	776	12.8	373	9.7
Mother cares for child at work ²	616	6.2	280	4.4	336	9.6	296	4.9	321	8.3
Other ³	111	1.2	84	1.3	26	0.8	81	1.3	30	0.8

¹ Calculations based on mother's principal job only.

² Includes women working at home or away from home.

³ Includes preschoolers in kindergarten and school-based activities.

Preschoolers' child care arrangements have changed dramatically over the past few years

Noteworthy changes have recently occurred in the types of child care arrangements parents use for their preschoolers. Between 1988 and 1991, the proportion of preschoolers who were cared for in organized child care facilities declined from 26 percent to 23 percent (figure 2). However, between 1991 and 1993, this trend reversed itself and the proportion of preschoolers who were cared for in organized facilities jumped from 23 percent to 30 percent, representing a 30 percent increase over the 2-year period.

During the same time periods these shifts were occurring, there were offsetting changes in the proportions of preschoolers being cared for by fathers and family day care providers. Care by fathers, while remaining at about the 15 percent level between 1977 and 1988, sharply increased to 20 percent by 1991. However, between 1991 and 1993, the

proportion of preschoolers being cared for by their fathers dropped back down to 16 percent.

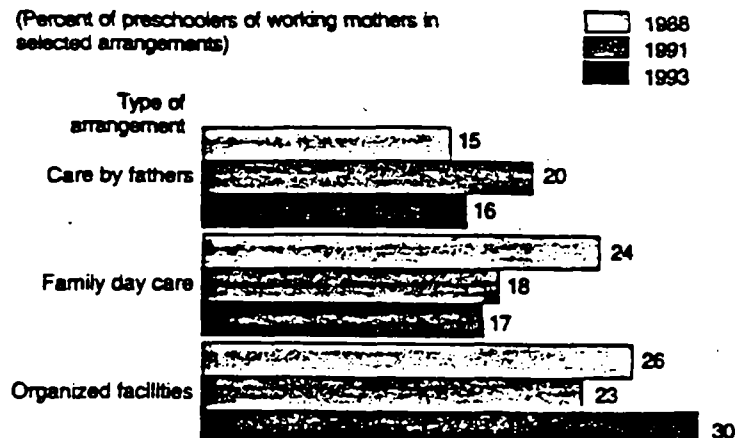
Family day care had also been a consistent source of child care arrangements, providing 23 percent of all arrangements for preschoolers in 1977 and 1988. However, the proportion of children cared for by family day care providers sharply fell from 24 per-

cent in 1988 to 18 percent in 1991 and remained at this historically low level in 1993.

Between 1988 and 1991, the decreases in the use of organized child care facilities and family day care providers, and the increase in care by fathers, may have been rational responses to the economic recession which occurred during the same time period. Increases

Figure 2.
Changes in Selected Child Care Arrangements: 1988 to 1993

(Percent of preschoolers of working mothers in selected arrangements)



in the proportion of fathers who were unemployed and working at part-time jobs meant that more fathers were available to serve as potential child care providers. These shifts also may have reflected the desire of parents to cut down on child care costs by switching to more parental supervision of their children whenever possible. Between 1991 and 1993, the fact that the decline in care by fathers and the increase in the use of organized facilities occurred at the same time as the recession was ending also supports this notion. Note also that not only did father care decline during this period, but mother care declined as well from 9 percent in 1991 to 6 percent in 1993.

It could be then, that the increase in care by fathers between 1988 and 1991 which many thought was part of a growing social trend for fathers to become more involved in the rearing of their children, actually was driven more by the economy and the attendant economic circumstances of families with young children. The continued comparative unpopularity of family day care may in part reflect a growing uneasiness of parents to use a minimally regulated arrangement where there is a single provider, as opposed to a heavily regulated arrangement — an organized child care facility — where there are a number of providers. Recent media reports of child neglect and abuse at the hands of babysitters and family day care providers may also be a factor in the decline in the use of family day care providers.

Mothers working evening or night shifts have an easier time arranging for relative and in-home care

The type of shift that a mother works makes a big difference in the kind of primary care arrangements she uses. When compared to children whose mothers work day shifts, children whose mothers work non-day shifts are less likely to be cared for by someone other

than a relative.¹ For example, among preschoolers whose mothers worked a day shift at their principal job, 60 percent were cared for by someone who was not related to them compared with only 41 percent of children whose mothers worked a non-day shift (figure 3).²

Use of organized child care facilities was also more prevalent for children of women working day shifts, accounting for 37 percent of all child care arrangements (figure 3). Because organized child care facilities often may not be available during evenings or on weekends, children of women working non-day shifts used these facilities less frequently, amounting to 22 percent of all child care arrangements.

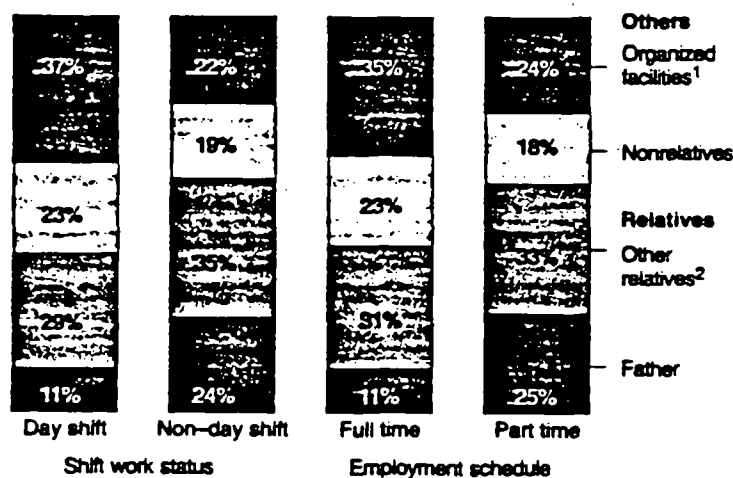
¹ Day shift in this report is defined as a work schedule where at least one-half of the hours worked daily were between 8:00 a.m. and 4:00 p.m. All other schedules in which the majority of hours are worked outside of this period or which have irregular or rotating hours are classified as non-day work shifts.

² The 37 percent of preschoolers who are cared for in organized facilities includes about 1 percent of children who are in kindergarten or school based activities.

Working non-day rather than day shifts may offer more opportunities for women with preschoolers to secure care for their children by relatives, especially by the children's fathers. Overall, 59 percent of the preschool-age children of women working non-day shifts were cared for by relatives compared with only 40 percent of the children of women working day shifts. In addition, preschoolers whose mothers worked non-day shifts were two and one-half times as likely as preschoolers whose mothers worked day-shifts to have their fathers as primary care providers (24 percent vs. 11 percent).

Children whose mothers worked day shifts were also more likely to be cared for in another home than children whose mothers worked non-day shifts (table 1). Among preschoolers whose mothers worked a day shift, 34 percent were cared for in another home compared with 28 percent of children whose mothers worked a non-day shift. In contrast, only 24 percent of the preschool-age children of women working day shifts were cared for in their own home compared with

Figure 3.
Child Care Arrangements for Preschoolers by
Employment Status of Mother: 1993



¹ Includes day care centers, nursery schools, preschools, and about 1 percent of children in kindergarten or school based activities.

² Includes mothers, siblings, grandparents, and other relatives.

41 percent of the children of women working non-day shifts.

Mothers working part time also have an easier time arranging for relative and in-home care

Child care patterns by the number of hours worked are similar — preschool children of mothers employed full time were less likely to be cared for by relatives (42 percent) than were children of mothers employed part time (58 percent). On the other hand, full-time working mothers relied more heavily on child care by nonrelatives (23 percent) and organized child care facilities (35 percent) than did part-time working mothers.

Preschool-age children of part-time working mothers were twice as likely to be cared for by their mothers while at work (10 percent), than were children of mothers who worked full time (4 percent, table 1). In addition, child care provided by the father was also more frequent when the mother worked part time (25 percent) than full time (11 percent). Families may have chosen a part-time work schedule for mothers in order to reduce work schedule conflicts between spouses, thus providing these families with a greater opportunity for one parent to care for their children while the other parent is at work.

In 1993, children whose mothers were employed full time were less likely to be cared for in the child's home (26 percent) than were children whose mothers were employed part time (40 percent). However, no differences at all were found in the proportion of grandparents and other relatives (10 percent) or nonrelatives (5 percent) caring for preschoolers in the child's home among children whose mothers were employed part time versus full time. In contrast, full-time working mothers relied more heavily on child care in someone else's home (35 percent) than did part-time working mothers (27 percent).

Black and Hispanic mothers rely more heavily on their relatives to provide child care assistance while they are — working than do White mothers

In 1993, at least half of the care received by Black and Hispanic preschoolers was provided by their relatives compared to only about 45 percent of the care received by White children (table 2). About 4 in 10 Black and Hispanic children were cared for by grandparents or other relatives compared to only about 2 in 10 White children. Care by grandparents was especially important to Black and Hispanic families, accounting for one-fifth of all arrangements used for preschoolers. Care by fathers was less common among Black children than among either White or Hispanic children.

In contrast, White preschoolers were more likely to be cared for by nonrelatives or in organized child care facilities than either Black or Hispanic preschoolers (54 percent compared with 48 percent and 41 percent respectively). But, Black and White children were more likely to use organized child care facilities (about 32 percent each), than were Hispanic children (21 percent).

Children who live with only one parent are much more likely to be cared for by their grandparents and other relatives than are children who live with married-couple parents

Because children who live with married couple parents are more likely to live with their fathers than are children who live with only one parent, preschoolers with married parents are more likely to be cared for by their fathers. In 1993, preschoolers in married-couple families were fourteen times more likely to be cared for by their fathers than preschoolers whose parents were divorced, widowed, or separated, and 4 times more likely to be cared for by their

fathers than children who lived with a never-married parent.

In contrast, children in one-parent families were much more likely to be cared for by grandparents and other relatives than those in married-couple families. Only 14 percent of children living with married-couple parents were cared for by their grandparents compared with 21 percent of preschoolers whose parents were divorced, widowed, or separated and 28 percent of preschoolers whose parents never married. Compared with preschoolers whose parents were married, preschoolers whose parents were not married were twice as likely to be cared for by other relatives (7 percent vs. 16 percent).³

Relatives provide a great deal of child care for preschoolers in poor families

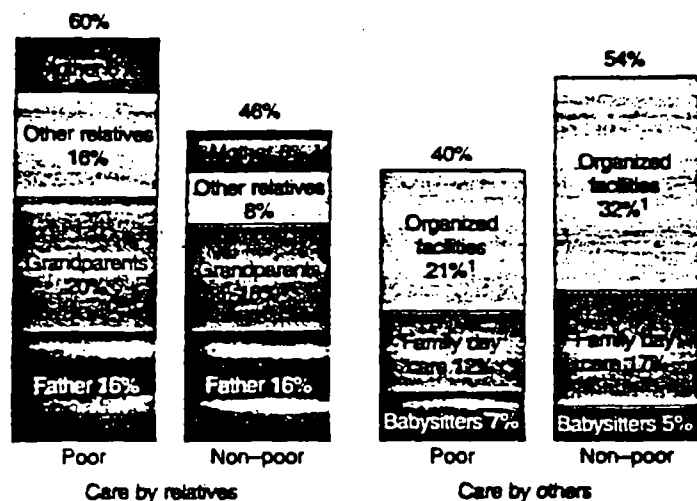
For many families child care can be a costly expense. However, asking relatives to serve as child care providers may be one way to avoid having to pay for child care. Child care costs constitute an especially large portion of the poor family's budget, so it comes as no surprise that poor families rely more heavily on relatives to help them out with child care than non-poor families do.⁴ In 1993, 60 percent of all child care for preschoolers in poor families was provided by relatives, compared to only 46 percent for non-poor families (figure 4).

Grandparents and other relatives play an especially large part in the child care of poor preschoolers. Preschoolers in poor families were 50 percent more likely to be cared for by their grandparents and other relatives than were preschoolers in non-poor families (36 percent vs.

³ The proportion of preschoolers of widowed, separated, or divorced mothers who were cared for by grandparents (21 percent) is not significantly different from the proportion who were cared for by other relatives (16 percent).

⁴ For more information about child care costs see Casper, Lynne M. 1995. *What Does It Cost to Mind Our Preschoolers?* U.S. Government Printing Office: Washington DC.

Figure 4.
Child Care Arrangements for Preschoolers
by Poverty Status: 1993



¹ Includes day care centers, nursery schools, preschools, and about 1 percent of children in kindergarten or school based activities.

24 percent). In contrast, fathers and mothers were no more likely to provide child care in poor than non-poor families.

Poor families are less likely to use organized child care facilities than non-poor families because child care in an organized facility is one of the most expensive of all types of child care arrangements. In 1993, children in poor families were two-thirds less likely than children in non-poor families to be cared for in organized child care facilities while their mothers were at work (21 percent vs. 32 percent).

Children in families receiving welfare benefits are more dependent on relatives to provide child care

In the fall of 1993, approximately 1.5 million preschoolers lived in families who received either General Assistance, AFDC (Aid to Families with Dependent Children), Food Stamps, or WIC (Special Supplemental Food Program for Women Infants and Children). A significant proportion of preschoolers lived in families who participated in more than one

program at the same time (43 percent).

Like children in poor families, those receiving either General Assistance, AFDC, Food Stamps, or WIC benefits were more likely to be cared for by relatives than were those not receiving these benefits (57 percent vs. 46 percent). Children whose families received at least one type of assistance were also less likely to be cared for in organized day care facilities than were those not receiving these benefits (23 percent vs. 31 percent).

When we examine the usage of child care arrangements by recipients in specific programs, we see this pattern does not necessarily hold. Children in families enrolled in the WIC program were 20 percent more likely to be cared for by relatives than were children not enrolled in the program. Similarly, children in families receiving Food Stamps were also 20 percent more likely to be cared for by relatives than were children not receiving Food Stamps. However, children in families receiving AFDC were no more likely to be cared for by relatives than were those not receiving AFDC. The

principal reason for this difference is because a smaller proportion of preschoolers are cared for by their fathers in AFDC families (5 percent) than in WIC (14 percent) and Food Stamp families (11 percent).⁵

Similar to children in poor families, children in families receiving WIC benefits are much less likely to be cared for in organized child care facilities when compared with those not receiving WIC benefits (19 percent vs. 31 percent). In contrast, AFDC and Food Stamp recipients are about equally as likely as non-recipients to use organized child care facilities. Why would WIC recipients be less likely to use organized child care facilities than non-recipients? One reason may be because mothers in families receiving WIC benefits are younger and have younger children than mothers in families receiving other types of benefits and some organized facilities have regulations restricting enrollment to older children. In 1993 for example, only 19 percent of infants under 1 year of age were cared for in organized facilities while their mothers were at work compared with 42 percent of 4-year-olds. Note also that in families with mothers aged 15 to 24, one-fifth of preschoolers were cared for in organized facilities compared with one-third of those in families with mothers who are 35 years of age or more.

Organized child care facilities are more popular in the South and in the suburbs

In 1993, families in the South were more likely to choose organized child care facilities and less likely to choose relatives as primary care providers for their preschoolers than families in any other region of the country. In contrast, families residing in the Northeast were the most likely to call on relatives to provide care for their preschoolers. The greater use of relatives in the Northeast

⁵ Proportions of children cared for by their fathers in WIC (14 percent) and Food Stamps (11 percent) families were not significantly different from other.

Table 2.
Primary Child Care Arrangements Used for Preschoolers by Families
With Employed Mothers: Fall 1993

Characteristics	Type of primary care arrangement											
	Number of children	Care in child's home by				Care in another home by			Organized facilities		Mother cares for child ¹	
		Father	Grand-parent	Other relative	Non-relative	Grand-parent	Other relative	Non-relative	Day-care center	Nursery/pre-school	Other ²	
All Preschoolers	9,937	1,565	649	328	482	986	543	1,845	1,823	1,149	616	111
Race and Hispanic Origin:												
White, not Hispanic	7,295	1,252	389	141	370	699	299	1,294	1,461	807	529	54
Black, not Hispanic	1,161	101	123	82	17	106	135	164	188	191	33	22
Hispanic origin	1,078	161	86	85	78	158	88	136	110	119	34	26
Other	403	71	80	21	30	33	21	51	64	31	21	9
Age of Child:												
Less than 1 year	1,631	285	123	45	98	183	108	364	284	29	113	-
1 year	2,122	392	186	88	84	229	136	449	406	56	92	3
2 years	1,989	304	117	55	139	247	113	327	392	140	132	3
3 years	2,161	300	128	78	87	172	111	322	424	366	152	3
4 years	2,055	304	95	65	85	166	74	184	314	539	127	102
Marital Status:												
Married, husband present	7,841	1,514	378	183	394	750	360	1,282	1,429	924	543	84
Widowed, separated, divorced	1,012	14	113	70	60	101	90	176	192	137	48	12
Never married	1,084	57	158	75	39	144	94	188	201	88	25	14
Age of Mother:												
15 to 24 years	1,566	225	184	69	61	226	118	279	256	77	60	10
25 to 34 years	5,984	1,040	340	150	263	615	334	982	1,113	713	363	71
35 years and over	2,387	320	124	108	168	155	91	385	454	359	192	30
Educational Attainment:												
Less than high school	1,051	180	109	98	50	90	85	155	116	96	64	8
High school, 4 years	3,549	611	258	115	118	447	253	584	600	346	201	38
College, 1 to 3 years	2,772	447	155	69	123	267	139	437	542	347	210	35
College, 4 or more years	2,566	347	127	46	203	192	66	489	564	360	141	30
Enrollment in School:												
Enrolled in school	742	89	69	27	24	58	30	124	166	101	48	8
Not enrolled in school	9,196	1,496	579	301	468	938	513	1,522	1,657	1,048	568	104
Monthly Family Income ³ :												
Less than \$1,200	1,070	170	70	52	61	143	100	161	143	73	83	13
\$1,200 to \$2,999	3,268	648	177	116	96	370	235	490	516	324	262	35
\$3,000 to \$4,499	2,578	454	189	70	114	266	86	488	476	275	136	26
\$4,500 and over	2,981	313	204	90	219	210	123	488	685	475	127	38
Poverty Level ⁴ :												
Below poverty	1,068	173	88	65	70	126	104	131	128	83	87	13
Above poverty	8,829	1,412	552	263	419	862	439	1,506	1,682	1,064	521	98
Program Participation:												
All recipients	1,537	198	141	91	62	193	157	229	247	111	98	11
Non-recipient ⁵	8,401	1,387	507	237	431	803	386	1,416	1,576	1,038	519	101
AFDC recipient	443	20	44	32	24	43	49	68	81	48	32	2
Non-recipient	9,495	1,565	605	296	468	953	494	1,577	1,742	1,101	584	109
WIC recipient	1,019	139	89	70	28	118	126	178	139	58	67	6
Non-recipient	8,919	1,446	559	258	465	878	417	1,467	1,683	1,091	549	105
Food Stamps recipient	873	93	81	48	38	113	107	93	155	82	52	11
Non-recipient	9,064	1,482	568	280	454	883	436	1,552	1,668	1,067	584	101
Region:												
Northeast	1,748	440	112	78	89	185	93	189	290	152	104	16
Midwest	2,773	453	200	78	92	272	120	609	479	237	211	21
South	3,319	348	203	93	184	337	237	506	695	531	134	50
West	2,097	344	133	80	126	202	93	341	359	229	166	23
Metropolitan Residence:												
Metropolitan	7,746	1,246	507	256	433	761	391	1,234	1,402	960	467	88
In central cities	2,844	495	218	108	147	296	143	471	465	316	150	34
Suburbs	4,902	751	290	148	286	465	247	763	937	644	317	55
Nonmetropolitan	2,191	339	141	72	59	235	152	412	420	189	149	23

- Rounds to or represents zero. ¹Includes mothers working at home or away from home. ²Includes preschoolers in kindergarten and school activities. ³Omits preschoolers whose families did not report income. ⁴Families receiving either AFDC, Food Stamps, or WIC, or any combination of the three programs. Also includes a small number of families (18,000) whose families are on General Assistance. ⁵If not receiving either General Assistance, AFDC, Food Stamps, or WIC.

can be attributed to the greater use of fathers in the region, where 1 in 4 preschoolers were cared for by their fathers, compared to 1 in 6 in the Midwest and West, and only 1 in 10 in the South.

Families in the suburbs were more likely to use organized child care facilities to care for their preschoolers (32 percent) than were families in central cities or nonmetropolitan areas (28 percent each). On the other hand, preschoolers residing in central cities and nonmetropolitan areas (50 percent each) were more likely than preschoolers residing in the suburbs (45 percent) to be cared for by relatives.

Upcoming reports

Sharp changes in the distribution of preschoolers' child care arrangements have been observed between 1988 and 1993. For example, between 1988 and 1991 care by fathers rose substantially for the first time since 1977. However, between 1991 and 1993 there was a decline in the use of fathers as principle care providers back down to the level it had been before 1991. In our next report, we explore the reasons for this shift and the other

shifts in child care arrangements that occurred over this period.

More information

A detailed table package showing the costs of child care and the child care arrangements of preschool and gradeschool children is available on floppy disk for \$20 (PE-33) or on paper for \$10 (PPL-34) from the Population Division's Statistical Information Office (301-457-2422). The table package is also available on the INTERNET (<http://www.census.gov>); look for child care data from the Population Division. Information about child care costs is available in the report *What Does It Cost to Mind Our Preschoolers?* (P70-52). To order a copy of this report, contact the Statistical Information Office.

Contacts:

Child care issues—
Lynne Casper
301-457-2416
lcasper@census.gov

Accuracy of the data

All statistics are subject to sampling error, as well as non-sampling error such as survey

design flaws, respondent classification and reporting errors, data processing mistakes, and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and edit procedures to reduce errors made by respondents, coders and interviewers. Ratio estimation to independent age-race-sex population controls partially corrects for bias due to survey undercoverage. However, biases exist in the estimates when missed persons have characteristics different from those of interviewed persons in the same age-race-sex group.

Analytical statements in this report have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources. Contact Jennifer Guarino, Demographic Statistical Methods Division, at 301-457-4228 or on the INTERNET at jguarino@census.gov for information on (1) the source of data, (2) the accuracy of estimates, (3) the use of standard errors, and (4) the computation of standard errors for estimates in this publication.

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CB96-61

Lynne Casper
301-457-2416

USE OF ORGANIZED CHILD CARE FACILITIES REACHES 30 PERCENT,
PROPORTION OF PRESCHOOLERS CARED FOR BY FATHERS DECLINES,

CENSUS BUREAU REPORTS

EMBARGOED UNTIL: APRIL 24, 1996 (WEDNESDAY) - The use of organized child care facilities increased to 30 percent of all arrangements used in 1993, while care by fathers decreased, according to a new report entitled, Who's Minding Our Preschoolers? (P70-53), released today by the Commerce Department's Census Bureau.

The proportion of preschoolers with working mothers who were cared for in organized facilities jumped from 23 percent in 1991 to an all-time high of 30 percent in 1993. This followed a period of decline, between 1988 and 1991, when the proportion of preschoolers who were cared for in organized child care facilities dropped from 26 to 23 percent.

Meanwhile, the proportion of preschoolers who were cared for by their fathers declined from 20 percent in 1991 to 16 percent in 1993. This followed a significant increase in care by fathers during the 1988 to 1991 period, when the proportion rose to 20 percent in 1991.

The report's author, Lynne Casper says, "The 1993 data suggests that the increases in care by fathers previously noted
(more)

EMBARGOED UNTIL: APRIL 24, 1996 (WEDNESDAY)

between 1988 and 1991 was not the result of a growing social trend for fathers to become more involved in the rearing of their children, but apparently an outcome driven more by the economy and the attendant economic circumstances of families with young children."

The report also revealed that the proportion of children cared for by family day care providers sharply fell from 24 percent in 1988 to 18 percent in 1991, and remained at that level in 1993.

Other highlights include:

- In the fall of 1993, there were 9.9 million children under age five who were in need of child care while their mothers were working. Of these children, almost half (48 percent) were primarily cared for by relatives. The majority of preschoolers who were cared for by relatives were cared for by either their grandparents or their fathers, each accounting for a third of the care provided by relatives.
- Children in families receiving some kind of public assistance were more likely to be cared for by relatives than were children in families not receiving these benefits (57 percent vs. 46 percent).
- Sixty percent of all child care for preschoolers in poor families was provided by relatives, compared to only 46 percent in non-poor families in 1993.
- Preschool children of mothers employed full time were less likely to be cared for by relatives (42 percent) than were children of mothers employed part time (58 percent). In addition, child care provided by the father also was less frequent when the mother worked full time (11 percent) than part time (25 percent).
- In 1993, families in the South were more likely to choose organized child care facilities and less likely (more)

EMBARGOED UNTIL: APRIL 24, 1996 (WEDNESDAY)

to choose relatives as primary care providers for their preschoolers than in any other region in the country. In contrast, families residing in the Northeast were the most likely to call on relatives to provide care for their preschoolers.

- African American (50 percent) and Hispanic (57 percent) children were more likely to be cared for by relatives while their mothers were working, than were White children (45 percent).

As in all surveys, the data in this report are subject to sampling variability and other sources of error.

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CHILD CARE ARRANGEMENTS OF PRESCHOOLERS WITH WORKING MOTHERS: 1988 TO 1993

