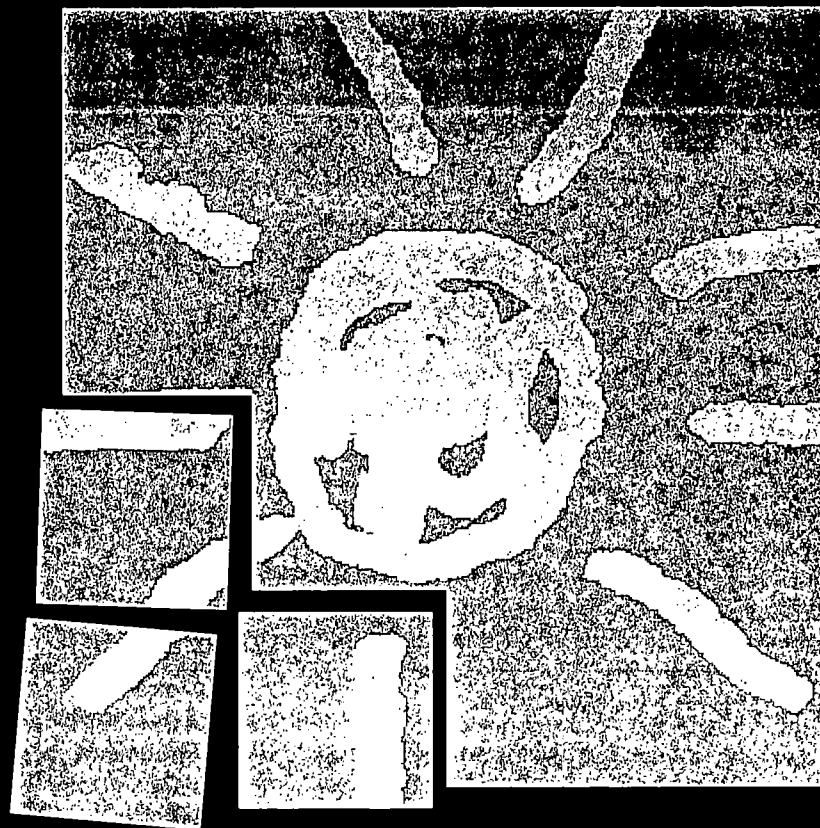


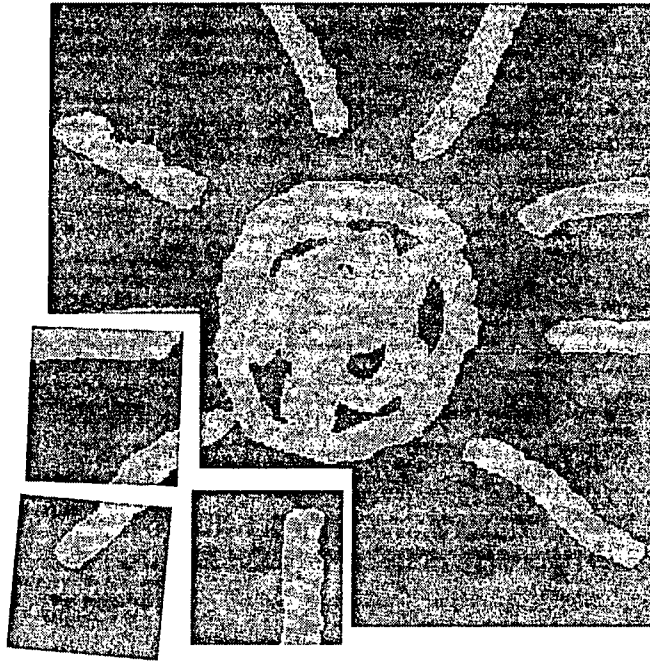


NOT BY CHANCE

Creating an Early Care and Education
System for America's Children

Pre-publication Copy

Executive Summary
The Quality 2000 Initiative



NOT BY CHANCE

**Creating an Early Care and Education
System for America's Children**

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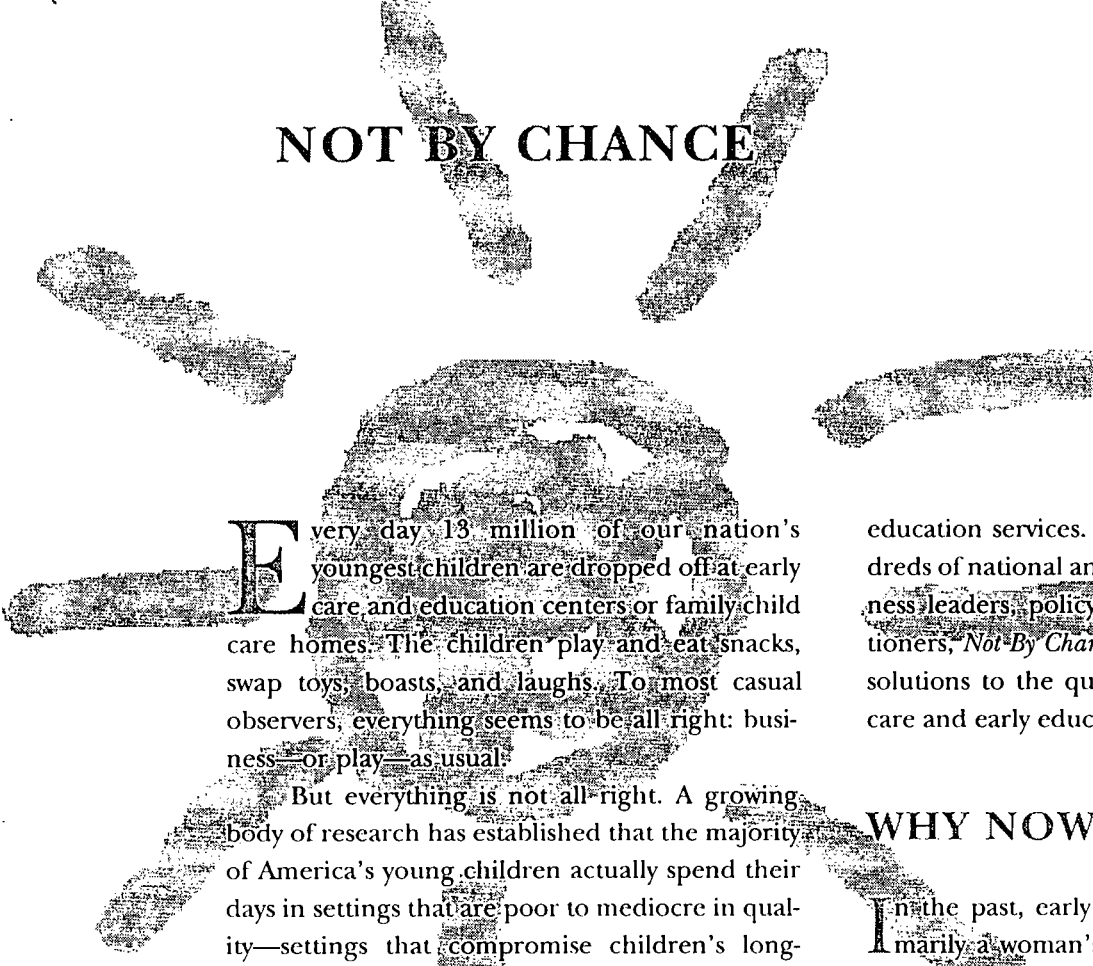
Executive Summary
The Quality 2000 Initiative
1997

ACKNOWLEDGMENTS

Not By Chance: *Creating An Early Care and Education System for America's Children* synthesizes the major findings and recommendations from the *Quality 2000* Initiative, a four-year, comprehensive effort to advance new ideas about reforming America's early childhood education system. The research and action plan presented in the report reflect the insights of hundreds of early childhood educators, scholars, business leaders, practitioners,

policy makers, and parents whose valuable contributions shaped this vision. To them we give thanks. We also gratefully acknowledge generous support from the Carnegie Corporation of New York, the W. K. Kellogg Foundation, the David and Lucile Packard Foundation, the A.L. Mailman Family Foundation and the Ewing Marion Kauffman Foundation. Their understanding of the need for long-term thinking made this work possible.





NOT BY CHANCE

Every day 13 million of our nation's youngest children are dropped off at early care and education centers or family child care homes. The children play and eat snacks, swap toys, boast, and laugh. To most casual observers, everything seems to be all right: business—or play—as usual.

But everything is not all right. A growing body of research has established that the majority of America's young children actually spend their days in settings that are poor to mediocre in quality—settings that compromise children's long-term development. Parents have difficulty locating care, and caregivers are leaving the field in unprecedented numbers. While today's situation is alarming, tomorrow's is even more precarious. In coming years, new welfare requirements will intensify the already strong demand for child care, and the press will increase for quality services—the kind that maximize developmental opportunities in the early years. Already overstressed and inadequate, American child care is in crisis—and so are the children, parents, families, and staff whose lives are touched by its failings.

Not By Chance documents these trends and underscores the urgency of reform. It also recognizes that in a democracy fundamental, durable change cannot happen overnight and will not happen by chance. It must be carefully considered, well researched, and well planned. Based on the four-year *Quality 2000* Initiative, this report offers a comprehensive vision, supported by a series of short-term strategies, to demonstrably improve the quality of America's early care and

education services. Combining the work of hundreds of national and international scholars, business leaders, policy makers, parents and practitioners, *Not By Chance* offers concrete, actionable solutions to the quality crisis in American child care and early education.

WHY NOW?

In the past, early care and education was primarily a woman's issue that remained low on the national agenda and provoked relatively little debate among community leaders, policy makers, or legislators. To be sure, many families sought out nursery schools or child care for their young children, and some started parent cooperatives. But compared with today's parents, past generations were less likely to need out-of-home care, especially for infants and toddlers. And many were reassured by the prevailing views of their day—that children began learning in earnest only when they entered elementary school and that so long as little boys and girls were kept out of harm's way, the settings where they spent their days did not matter much.

Today, American parents have no such solace. By the time most babies reach their first birthdays, their mothers are in the workforce. In most cases, children are in out-of-home care for much of their early years. And thanks largely to the mass media, more mothers and fathers are becoming aware of research showing that children's day-to-day experiences in the early years have a large and lasting impact on their later



learning and life outcomes. Business as usual has become an unacceptable course.

Why is it so urgent to address the needs of young children and their families now?

First, we have the research. Substantial research conducted over the last decade confirms what many parents and practitioners have long believed: America's young children are in trouble, as documented by recent studies:

- 80 percent of the nation's children spend their days—up to 50 hours per week—in poor or mediocre child care settings.
- Care for infants and toddlers, on average, is even worse: 40 percent are in settings that actually jeopardize their health and safety.
- 40 percent of center-based and 80-90 percent of family child care providers are legally exempt from regulation.
- Each year, about 40 percent of providers leave the field, often due to low compensation, inadequate benefits, and limited opportunity.
- Access to programs is uneven, with children from low-income families least likely to receive services; when they do, the child care services may not meet their health and social service needs. Parents are frequently forced to settle for care that does not align with their schedules, values, or expectations.

Second, we have the know-how. More than at any time in our nation's history, we have the knowledge and the experience to solve the problem. National and international research clearly identifies steps that can be taken to improve quality child care. What's more, promising solution-

oriented programs and strategies have emerged—solid models upon which to build coherent, effective early care and education services.

And third, we have unprecedented public support.

In contrast to eras past, calls for change now reverberate in many sectors. Concerned about the nation's productivity in a global economy, political and business leaders want to start education reform efforts at the beginning, with better services for young children. Parents are calling for improvements in early care and education so their children will be ready for school. Economists and policy makers, aware of the significant cost savings associated with investments in young children, are making early care and education a priority. A more concerned, better informed public makes visionary change possible—starting now.

WHAT TO DO?

For many years, a solution-driven, long-range, large-scale vision has been needed to articulate, clearly and realistically, what quality early care and education services can be and can do. *Not By Chance* looks at the big picture, offering long-term thinking and setting forth a broad vision for reform. It recognizes that while significant changes will be incremental, immediate action is urgently needed. In presenting eight key recommendations, each accompanied by action strategies, *Not By Chance* encourages and invites engagement by everyone who has a stake in our nation's children and its future—that is, by every American.



THE RECOMMENDATIONS AND STRATEGIES

Over a four-year span, participants in the *Quality 2000* Initiative became convinced that change is needed in each of the eight areas where recommendations were generated: programs; results; parent engagement; credentials; training; regulation; finance; and governance. Though discussed separately, each recommendation is linked to the others. Improvement in one, two, or even three areas would reflect progress, but will not resolve the crisis. Only by advancing change in every area can reform efforts achieve synergy and enhance the overall quality and coherence of early care and education. But not all of the recommendations will be implemented simultaneously, nor will every strategy be carried out exactly as spelled out in this report. On the contrary, *Not By Chance* suggests that while significant reform must occur in all eight areas, the nature and pace of change must reflect the realities of local and state settings. In this way, *Not By Chance* offers an exciting, workable vision and a realistic, flexible guide to implementation.

The following pages summarize the eight major recommendations that emerged over time from the *Quality 2000* Initiative. In keeping with the tough challenges associated with systemic reform, the time frame for achieving these recommendations has been extended beyond the end of the century, to the year 2010.

RECOMMENDATION 1: Program Quality

By the year 2010, all family child care and center-based programs will use a wide range of proven approaches for improving quality — approaches that allow staff flexibility to use resources creatively and cost-effectively, and to address all domains of development, including health.

To address the crisis in early care and education, all programs and services must reach new levels of quality, enhancing not only the learning environment, but also children's learning opportunities and their relationships with providers.

STRATEGIES

 **Increase the quality of learning opportunities for children.** Research shows that the quality of early childhood programs is directly related to what children accomplish. To achieve good results, programs need to be inventive and flexible in grouping children, deploying staff, and using resources to nurture and challenge children. Mixed-age groupings, effective use of staff talents, attention to cultural and linguistic diversity, and the use of technology need to be advanced.





Create environments that explicitly support children's healthy development. For too long, we have considered children's health separate from children's learning. All programs must make special efforts to address the physical and mental health needs of all children, either by linking children to health services in their communities or providing them directly. Programs must assure that all children have access to health education, immunizations, health, dental and developmental screening, and follow-up services.



Increase the number of high-quality programs through accreditation. Overall program quality—including the nature of the work environment for adults, the climate of the organization, and its receptivity to innovation and experimentation—must be considered as programs strive for quality. Increasing the number of accredited programs will promote pedagogical quality, heighten professionalism, and improve the total environment. Accreditation should therefore be aggressively supported with fiscal incentives, motivating programs to make the changes needed to meet and maintain high standards.



Link programs with other community resources and support the expansion of resource and referral efforts. To ensure that the comprehensive needs of young children are met, early care and education programs should work collaboratively with one another and with other services for children and families. In addition, resource and referral agencies should be strengthened and, in many cases, expanded. These agencies are key players in early care and education, linking parents with services, connecting programs with one another, and coordinating and providing training for parents and staff.



Support the development of family child care support networks and the linkage of family child care homes to centers. Today,

the majority of children in early care and education attend family child care—child care provided on a regular basis in the homes of relatives, friends, or other caregivers. These providers often work without licenses and typically carry out their responsibilities in isolation. Offering them multiple routes for support will enhance quality in this increasingly popular sector of the early care and education system. In particular, networks can be formed, linking family child care homes to each other, to center-based programs, and to other community services.

RECOMMENDATION 2: A Child-Based, Results-Driven System

By the year 2010, clear goals and quantifiable results for children will be developed. These goals will identify skills and knowledge that children should be able to demonstrate across the various domains of development, and will take into consideration the child, family, and community conditions that promote such development. Appropriate, child-friendly measures to assess the accomplishment of the goals will be developed.

Traditionally, researchers have measured quality by documenting inputs (e.g., adult-child ratios, group size, staff training and education) and the manner in which services are delivered (e.g., nature of adult-child interactions). Recently, however, there has been mounting interest in gauging quality in terms of the results that programs produce for preschool-age children and their families. By defining desired goals and results, practitioners can tailor their activities to foster each child's development. Specified goals and results can provide programs with the feed-



back they need to evaluate their effectiveness and identify areas for improvement. Results also can help assess the overall status of young children in communities, states, and the nation.

However, there are serious concerns about how child-based results would be defined, whether they would actually emphasize strengths rather than deficits, and whether they would gauge progress across all developmental domains. In particular, there is concern about measuring results for children who are younger than three, whose primary language is not English, or who are from low-income families, particularly when the data are used to make “high-stakes” decisions concerning children’s placement or resource allocations. For these reasons, a move to a results orientation should take place only if there is broad participation in the identification of developmental, child-based results, if results are accurately and sensitively measured and reported, and if results are directly linked to efforts to improve the lives of children.

STRATEGIES

 **Define appropriate results.** Americans have yet to reach agreement about what preschool-age children should know and be able to do. To that end, parents, practitioners, policy makers, and researchers must begin by developing consensus about the results they want young children to achieve, taking into account all domains of development. Once desired results are identified, the federal government should create broad goals to guide states; states, in turn, should develop standards, allowing communities to tailor specific benchmarks to local needs, priorities, and customs.

 **Develop appropriate strategies and measurement instruments to assess results.** Developmentally appropriate and culturally sensitive instruments should be developed to evaluate a child’s progress over time. Data must be collected in ways that are appropriate to the child’s age and level of

development, using multiple observers, observations, and assessment strategies. Assessments should meet rigorous scientific standards so the findings will be accurate and useful.

 **Use results to improve the practice and understanding of early care and education.** The aggregated information gained from assessments must be shared in ways that increase public understanding of the connection among child results, effective services, and the expenditure of public funds. The data must not be used in ways that label or stigmatize individual children. Plans for the effective use of results should be made early in any research effort.

RECOMMENDATION 3: Parent and Family Engagement

By the year 2010, all early care and education programs will address the needs of children, parents, and families; they will engage parents and families as partners in their children’s programs. Parents will have the user-friendly information they need to be effective parents and consumers of early care and education. Workplaces will be family-friendly.

Research shows that parent and family engagement in early care and education programs improves results for children. It increases children’s chances of success and achievement in school and later life, and decreases the likelihood of negative results.

STRATEGIES

 **Support parents as effective consumers.** Parents need access to objective information about programs so they can make decisions that will promote their children’s early



development and learning. Well-funded resource and referral services, along with other parenting education efforts, assist parents in learning about and evaluating their early care and education options. Such efforts must acknowledge and respect parents' diverse backgrounds, cultures, and needs.

 ***Increase the family-friendliness of workplaces.*** Parents need support from employers so they can fulfill their roles as partners in their children's programs, effective consumers of early care and education services, and productive employees. The direct benefits of family friendly workplaces to employers as well as employees need to be widely communicated, as do innovative strategies to implement such policies.

 ***Engage parents as partners in early care and education programs and increase links to family support programs.*** Programs must engage parents as full-fledged partners, transforming traditional parent involvement activities so that parents have opportunities to take part in major program, service, and governance decisions. Linkages between early care and education programs and family support programs—including those that focus on the needs of low-income and special needs children and families—should be strengthened.

RECOMMENDATION 4: Individual Licensing

By the year 2010, states will require all staff responsible for children in centers and family child care homes to hold licenses. To acquire these licenses, staff will need to complete high levels of training and education and demonstrate their abilities. To maintain licenses, ongoing training and education—lifelong learning—will be required.

Research shows that the more training and education practitioners have—both general education and early childhood-related training and education—the more skilled they are at helping young children thrive and achieve their potential. Despite these benefits, current training requirements are sparse and professional development opportunities are limited, particularly when compared to other fields in the U.S. and other industrialized countries where significantly more training for early childhood practitioners is required. Moreover, licensing practitioners holds promise for increasing staff compensation, career mobility, and professionalism.

STRATEGIES

 ***License all individuals who care for young children.*** While there are many approaches to individual licensing, a three-tiered approach is recommended:

Early Childhood Administrator licenses will be required for all center directors and directors of family child care support services. To obtain this license, an individual needs at least a bachelors or masters degree in early childhood education or child development from an accredited institution, including at least 15 credits in early childhood administration, certification in pediatric first aid, and demonstrated competency in management and in working with children and families.

Early Childhood Educator licenses will be required for all teachers in centers. Teachers of three- and four-year-old children in public schools will have the option of obtaining public school teacher certification/licenses or the Early Childhood Educator license. To obtain the Early Childhood Educator license, an individual needs to have at least an associates or bachelors degree in early childhood education or child development from an accredited institution; have practicum experience with the age group with which they would work; be certified in pediatric first aid; and demonstrate competence in working with children and families.



Early Childhood Associate Educator licenses will be required for all assistant teachers in centers and all lead providers in large family child care homes. To obtain the license, an individual working in a center needs to have a Child Development Associate (CDA) or equivalent; a lead provider in a family child care home would need a CDA, the revised National Association for Family Child Care (NAFCC) accreditation, or equivalent certification. Each of these certifications requires at least 120 clock hours of formal education in early childhood development and education and the demonstration of the competencies needed to work with young children and their families. To qualify for the license, individuals also need to have practicum experience with the age group with which they would work and certification in pediatric first aid.

Individuals who do not have training or education in child development or early childhood education, but who have an interest in and aptitude for working with young children and families, would have access to entry-level jobs as assistants in child care centers and in large family child care homes or as providers in small family child care homes. As long as they are actively pursuing training that will lead to licensing, these individuals would be considered an integral part of the profession.



Create a licensing system that implements the three licenses. Grants should be made available to states to begin planning and implementing individual licensure systems, assuring that adequate compensation accompanies new licensure requirements. This effort should consider which entities (e.g., state licensing boards) should oversee the process, identify and administer assessments, grant licenses, and handle complaints. Such entities should require staff to have appropriate skills to earn and maintain licenses, including appropriate preparatory and ongoing course work. The accreditation of two- and four-year colleges is critical to the new licensing system and should be promoted.

Supports and incentives should also be provided for staff to continue to increase knowledge and skills beyond these licensing requirements and to obtain voluntary advanced individual certificates, such as those at the masters level offered by the National Board for Professional Teaching Standards (NBPTS). To facilitate the transition to a licensed and well-qualified, appropriately paid workforce, existing grant, loan, and loan-forgiveness programs need to be expanded. In addition, appropriate standards for compensation need to be developed with new financial programs created for early care and education students and workers.

RECOMMENDATION 5: Content of Training And Education

By the year 2010, the content of education and training for early care and education staff will be expanded to address the needs of diverse children and families and to implement effective approaches to instruction, management, and leadership.

The content of education and training for early care and education staff—practitioners, administrators, and leaders—is a foundation of a quality early care and education system. As such, it must be attuned to the needs of 21st century children and be available at pre-service, in-service, intermediate, and advanced levels. In particular, training needs to be developed and made available to practitioners in the following areas: engaging and supporting families; developing cultural competency; observing and assessing children; working with mixed-age groups; working with infants, toddlers, and children with special needs; promoting ethical behavior; working across human service disciplines; and developing management and leadership skills.



STRATEGIES

- ✱ **Revise and develop staff training/preparation curricula.** Colleges and community organizations that prepare early care and education staff should revise curricula to incorporate the above stated areas and to address the knowledge and skills practitioners need to effectively serve today's and tomorrow's diverse children and families.
- ✱ **Promote strategies to help staff strengthen leadership and management skills.** Leadership development and mentoring programs should be promoted at the local, state, and national levels through professional associations and other organizations. These programs should be expanded to include leaders from across the human services so that staff can broaden their understanding of the comprehensive needs of children, families, and communities.

RECOMMENDATION 6: Program Licensing

By the year 2010, all early care and education programs offering their services to the public will be required to be licensed and facility licensing will be streamlined and enforced.

Facility licensing requirements are far from universal despite research showing that states with more stringent regulations yield higher-quality programs. Legally exempting programs undermines public confidence in early care and education, the quality of the overall system, and the equity of the early care and education market.

STRATEGIES

- ✱ **Eliminate exemptions and enforce requirements.** All programs available to the general public should be required to meet basic safeguards that protect children's health,

safety, and developmental well-being. There should be no legal exemptions and states must enforce these requirements. Licensing agencies must have sufficient resources to carry out facility licensing with staff who are appropriately trained and credentialed. State monitoring and enforcement systems should employ positive, incentive-based strategies to enable programs to meet licensing requirements. State licensing also should provide incentives for programs to invest in facility enhancement, so that early care and education facilities can meet increasing demand.

- ✱ **Streamline and coordinate facility licensing.** State facility licensing should be streamlined to focus on the essential elements of health, safety, and development. Licensing standards should be coordinated among agencies and levels of government and should allow programs the flexibility needed to group children and organize staff in ways that maximize quality. This approach to facility licensing complements the individual licensure efforts discussed in Recommendation 4.
- ✱ **Promote national licensing guidelines.** Although the main responsibility for the development and issuance of facility licensing requirements should remain at the state level, voluntary national licensing guidelines such as those developed by the American Public Health Association in cooperation with the American Academy of Pediatrics should be promoted across the country.

RECOMMENDATION 7: Funding and Financing

By the year 2010, a broad array of groups—including the public at large, business, government, parents, and community organizations—will generate the needed new funds for a quality early care and education system. Additionally,



10 percent of all public early care and education funds will be invested directly in the infrastructure/quality enhancement.

Adequate funding is essential to ensure that all children have access to quality early care and education services and that their parents have realistic choices as they select services. The full cost of quality programs must include increased salaries for early care and education staff, who must be compensated at least at levels comparable to what personnel with similar education and experience earn in other fields. The costs must be shared by the public at large, parents (according to income), employers, government, and community organizations. While parents need access to and choice among quality early care and education services, they also need the option of caring for their own children; therefore, paid parental leave for parents of very young children should be provided. These efforts to increase investment necessitate additional research and planning.

STRATEGIES

 **Identify the actual cost of a quality early care and education system.** Early care and education professionals need to work closely with funding and financing experts to calculate the full costs of early care and education services. Cost-benefit analyses should be done to determine the long-term benefits of a quality early care and education system, including savings in special education, corrections, public assistance, and other social services.

 **Identify and implement strategies for raising the compensation of early care and education staff.** Increasing the compensation of staff is crucial to a quality early care and education system. Various approaches—raising wages through subsidies to parents, giving funds directly to programs

which are earmarked for wages, or instituting a refundable tax credit for early care and education staff—should be analyzed for their comparative benefits and associated implementation strategies. Such approaches need to be implemented as an initial element of early care and education reform.



Identify several revenue-generation mechanisms to finance paid parental leave and the early care and education system. Several options for generating revenues in order to fund a comprehensive early care and education system—including increased staff compensation—need to be considered and implemented. Possible mechanisms include establishing individual and corporate income taxes, federal payroll taxes and trust funds, new sales or excise taxes dedicated to early care and education services; expanding the populations eligible to receive the school aid formula; redeployment of existing government expenditures; and procuring funds for early care and education as part of a broader revenue-generation package designed to support a range of social services that families need.

RECOMMENDATION 8: Governance, Planning and Accountability

By the year 2010, every state will have a permanent state early child care and education board and every locality will have a permanent local early care and education board, responsible for the infrastructure and governance of early care and education.

To increase community involvement and the planning, coordination, efficiency, and continuity of services for young children and their families, it is critical to establish more rational strategies and capacities in states and localities. A new



approach to governance must create or build on existing structures so that there will be a state board in each state and a local board in each municipality.

STRATEGIES

 **Establish State Boards.** State boards will be responsible for ensuring quality and achieving agreed-upon results for children. They will engage in planning, collecting and analyzing data, defining eligibility and subsidy levels and parental leave conditions and determining how to allocate funds to parents. They will also develop state standards for results that align with national goals. As with other governance entities, state boards will facilitate collaboration, service integration, and comprehensive service delivery. State boards will be composed of appointed or elected board members, including equal numbers of (1) parents/ consumers; (2) practitioners; (3) community and state leaders, including clergy; and (4) municipal or government agency representatives.

 **Establish Local Boards.** Local boards will have responsibility for both the governance and the coordination of early care and edu-

cation for children birth to age five. They may be geographically aligned with school districts, but will be distinct entities. Like their state counterparts, they will be composed of a broad-based group of appointed or elected board members who would be responsible for developing performance benchmarks for child results taking into consideration local strengths, needs, priorities, and resources. Local boards will involve consumers and citizens in comprehensive needs assessment and planning.

 **Provide demonstration funds to states and localities which establish boards that are well conceived and widely supported.** Localities that show evidence of effective planning, consensus-building on local benchmarks for child-based results, and effective collaboration and coordination, should receive support for establishing or augmenting the work of local early care and education boards. Incentives and supports must be used to hold boards accountable for achieving agreed-upon standards for young children.



REALIZING THE VISION: ACTORS FOR CHANGE

Together, the eight recommendations presented in this report constitute sweeping reform. Achieving this comprehensive vision will require carefully choreographed efforts by many different organizations and agencies, individuals and policy makers. *Not By Chance* concludes with a call to action, suggesting specific reform roles for each of the following key players:

The President, Congress, and Federal Administrators

- Lead and coordinate the movement for strengths-based child results; establish broad goals to guide states' development of standards and communities' development of benchmarks; coordinate the collection of data and use data to hold states accountable.
- Promote innovation, best practices, and information sharing through demonstration projects, state and local networking, and technical assistance to states and localities.
- Increase funding substantially for quality care and education, providing more federal funds to leverage additional state and local resources.

Governors, State Legislators, State Administrators and State Leaders

- Create a governance structure for early care and education in every state.

- Establish state standards for results for preschool-age children and hold localities accountable for achieving agreed-upon local benchmarks.
- Augment federal funds for early care and education with state funds; distribute funds to build and maintain the infrastructure, helping parents pay for programs.
- Pilot and evaluate a system to license all practitioners; create facility licensing systems that eliminate exemptions.

Local Elected Officials, Local Administrators, and Community Leaders

- Create a local governance structure for early care and education that establishes performance benchmarks for services and results for young children.
- Engage parents, practitioners, and all those concerned about young children in community-wide improvement efforts; create incentives for all programs to be accredited.
- Augment federal and state funds for early care and education with local funds.

Parents

- Secure the knowledge, take the time to find quality programs for young children, and participate regularly in these programs.
- Be involved in discussions of how to define and achieve quality, including discussions



of child results, facility and individual licensure.

- Advocate for a quality early care and education system.

Business Community

- Support the financing of the early care and education system, perhaps through a payroll tax or corporate income tax.
- Provide family-friendly workplaces for employees and support parental care of infants, including the funding of paid parental leave.

Early Care and Education Advocates at the National, State, and Local Levels

- Work collaboratively toward a shared vision of a quality early care and education system, with an emphasis on adequate funding and direct infrastructure investment.
- Work with allies and with the media to promote understanding of, and support for, early care and education.

Practitioners and Administrators of Early Care and Education Programs

- Help develop positive organizational climates in all early care and education programs that include parents as partners and nurture the diversity of children and families in our pluralistic society.
- Mobilize with parents to be effective advocates for a quality infrastructure, including the integration of services for children and families.

Researchers

- Conduct controlled experiments and evaluation of different approaches to achieving quality programs; expand research on the characteristics of organizational climates in individual classrooms and family child care homes that lead to specific, child-based results.
- Work to integrate parents' needs as well as their desires for their children into prevailing definitions of quality.
- Broaden and coordinate research among other fields that examine young children and early care and education, including economics, political science, public health, law, and medicine.

Private and Philanthropic Sectors

- Support the development of a comprehensive, early care and education system, including quality community and statewide systems.
- Support the conceptual exploration needed to build quality systems, including investigating child-based outcomes, a range of approaches to achieving quality programs, and promising approaches to raising new funds.

Not By Chance provides a long-range, research-based vision for creating a quality early and education system in this country. Working in concert, all of these stakeholders can achieve that change. We can and must do better by American children. We simply can no longer take chances with their—and our—future.



Final Release
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Provided Tomorrow

Child Care Report Parents Magazine Survey Results

Summary

According to a nationally projectable poll conducted by Parents Magazine, almost 75 percent of American families with young children use some form of child care, and many are dissatisfied with that care. A majority believe it is unreliable, that available options are too limited, and that the quality isn't what it should be. Almost nine out of ten say child care should be a regulated industry, and 85 percent believe most politicians are not well informed about the child care issues that normal American parents face every day.

Parents worry: Although a majority of parents say that their children receive the best care available at any price, they all worry. Over half admit that they worry *every week* whether their child is getting enough one-on-one attention, eating well, learning, and adjusting to the environment. About one-fourth say that their child's care is not as good as they would like it to be (one-third among those with a household income below \$30,000).

Child-care worries take a toll on the nation's **productivity**, as parents miss work in order to tend to child-care emergencies--more so working mothers than fathers. According to the Parents Magazine survey, working moms miss two full days and about six partial days every six months; dads miss one full day and four partial days every six months. *Among the 452 families who responded to our survey, in the past three months alone, there were a total of 588 full days of work missed and 2,044 partial days missed due to child care emergencies. Projected to the total number of families with children in the U.S., that represents over 28,000 full days and over 100,000 partial days of missed work every year.*

Reliability: Only two-fifths of the families responding to the Parents Magazine survey are *positive* that their current child-care arrangements will still be in place even six months from now. Families in lower-income households (less than \$30,000) are almost twice as likely to expect a change. One reason for the high turnover is parents' dissatisfaction with the care that their children receive: Fully 60 percent of those who use out-of-home child care and 50 percent of those who have an in-home provider have had such a bad experience (e.g. negligence and/or abuse) that they won't use that arrangement any longer.

Cost: The financial burden for child care is considerable. It will cost the average two-child family over \$90,000 by the time their youngest child turns 12. (A typical child spends 20 to 25 hours in child care per week, at an average cost of \$75, for 50 weeks each year. Most families have two kids, and most wind up paying an additional \$150 per year in late fees.) If both parents are working full-time, these costs will double, easily exceeding \$180,000. The situation is even more problematic for parents with lower household incomes (under \$30,000). The financial strain is obviously greater; they have only half as many options

available (either because they are not near enough to their home or work, or are not affordable), and the quality of the care is inferior (based on parents' own perceptions of their providers). All of these problems probably explain why these parents churn through providers even more frequently than others. This, of course, creates another burden: time spent searching for a new arrangement.

Limited options. Respondents to the Parents Magazine survey say they would be happy to pay more for better options. Many parents would take a cut in weekly pay if their employer (or their spouse's employer) would offer services such as on-site child care programs (61 percent), reimbursement for emergency care (48 percent), flexible scheduling or job sharing (40 percent), allowing children to be brought to work (37 percent), telecommuting (35 percent), dependent care spending accounts (35 percent), extended family leave (33 percent), and part-time employment (32 percent). Lower-income families are significantly more interested in almost all of these options than are upper-income families.

No help from the government. But they feel they should get some breaks, as well. Parents want their government and/or their employers to help cover their child-care expenses. The average parent is willing to shoulder most of the financial burden for her family's child care, but feels that the government should pay 17 percent and employers should cover 10 percent. Lower-income parents want and need more government help than upper-income parents. Those whose HHI is less than \$30,000 want the government to cover 31 percent of their child care expenses (11 percent employer) while those with income over \$85,000 typically feel that the government need only cover 10 percent (9 percent employer).

Too little regulation. Given how common it is for parents to encounter problems with child-care providers, it comes as no surprise that the majority (88 percent) would prefer for the child care industry to be regulated -- either by the government (68 percent) or by an independent organization (37 percent).

Detailed Findings

Background

In late August 1997, a random sample of 2,000 parents in the U.S. was mailed a four-page questionnaire about child care (no incentive was offered). By September 15, 452 responses had been received.

Our data does somewhat underrepresent nonwhite Americans and single parents, as responses to the survey from these groups were lower than from other groups. This does not detract from the reliability of our findings, however. A careful review of the data has shown that those responses received from nonwhites and/or single parents do not differ substantially from the rest of the population.

	Survey Respondents	Total U.S. households with children 12 & under ¹
Married	87 %	72 %
Average Age	34 yr.	36 yr.
Percent White	90 %	81 %
Average # of children	2	2
Percent with one parent at home with kids	25 %	26 %
Percent with working mother	66 %	66 %
Average HHI	\$54,200	\$50,100

Because the sample matches so well to the total U.S. population (slight discrepancies notwithstanding) we can assume that these findings are projectable and representative of all family households in this country.

Who's using child care?

The majority of American families (74 percent) are currently using *paid* child care (80 percent in homes where both parents work full-time). Only one-tenth have never used any child care at all, and these come from all income levels.

Even when one parent stays home, over half are currently using some form of child care. When both parents work full-time, 90 percent are currently using some type of child care; the remainder don't currently have any child-care arrangements but have had them in the past.

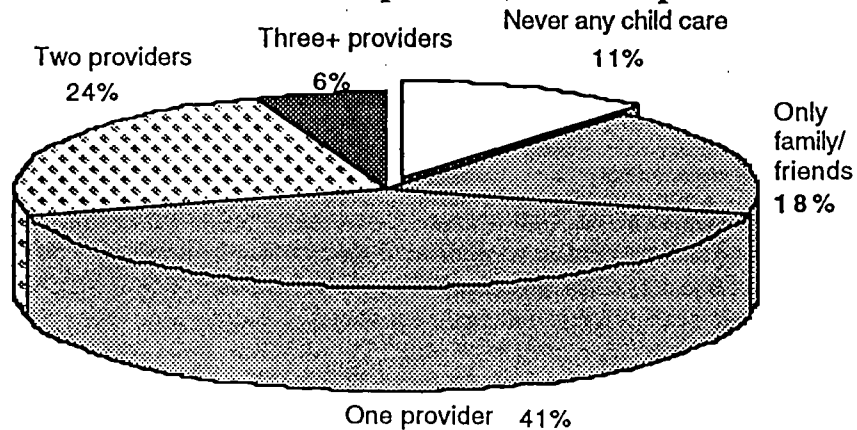
Currently use child care	Have ever used child care	
57.3%	75.7 %	One parent works full-time, one stays home
71.1	92.1	One parent works full-time, one works 20 hrs or less
92.0	96.6	One parent works full-time, one works 21-40 hrs
90.1	100.0	Both parents work full-time

¹1997 Spring MRI

Types of child care used

Although four out of ten families responding to the Parents Magazine survey use only one provider, many families rely on more than one child-care arrangement.

Number of child-care providers used in past 12 months



Among the heaviest users of child care (those with kids in care for more than 31 hours a week), the most common form of child care is family and friends who aren't paid (75.3 percent). Since parents use family and friends for so few hours--an average of 14.1 hours a week--we can assume this is not the primary child-care arrangement. In-center care is the next most common option, used by 55.2 percent. In-home baby-sitters or nannies are the next most common (43.3 percent), followed by family day care (39.2 percent) and after-school care (25.8 percent).

Heaviest users of child care (31-plus hours per week)

Percentage who have used this type of child care in the past 12 months	Average # of hours per child per week	Type of child care
75.3%	14.1 hrs.	Family/friends (no charge)
43.3	21.6	In-home nanny or paid sitter
55.2	35.0	In-center care
39.2	38.6	Family day care
25.8	9.8	After-school care

Use of nannies/sitters is highest among parents with HHI \$85,000 or more (56 percent versus 38 percent average). In contrast, family and friends are used more commonly among families with HHI of under \$30,000.

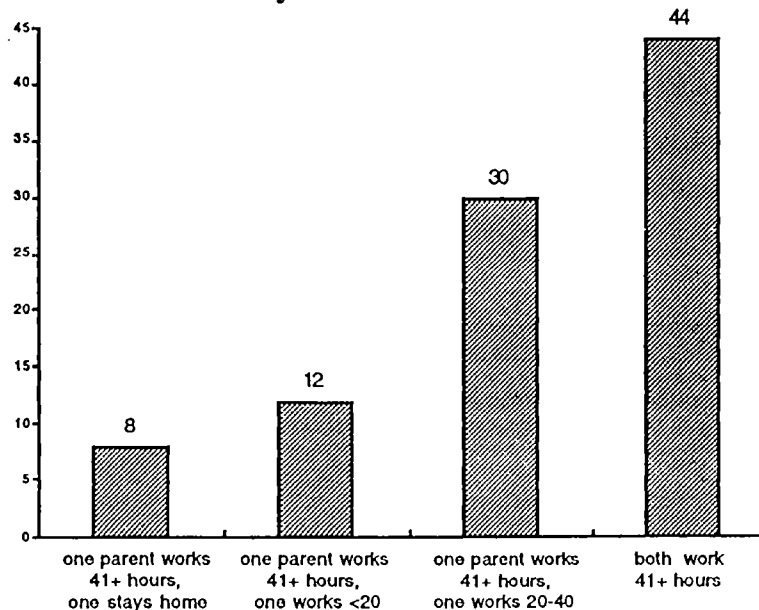
Family and after-school care is also correlated to the number of parent work-hours (the more hours that are worked, the greater the need for after-school care).

Percentage used family day care in past 12 mos.	Percentage used after-school care in past 12 mos.	
12.8%	5.1%	One parent works full-time, one stays home
8.6	14.3	One parent works full-time, one works 20 hrs or less
32.1	16.7	One parent works full-time, one works 21-40 hrs
31.0	23.9	Both parents work full-time

Hours Of Use

The typical child in America today will spend between 20 and 25 hours per week in child care, often divided between two different types of providers; two-fifths of children spend at least 40 hours a week in child care. In homes where the mother is employed full-time, the Parents survey shows that children spend between 37 and 44 hours per week with a child-care provider(s). In one-fifth of all families, the children spend *over 45 hours per week in child care*. Until the age of 12 or 13 years, the average child in the U.S. will spend 20 to 25 hours a week in child care (including nonpaid family/friends).

**Median Number Of Hours Spent With Child Care Provider(s)
by Hours Worked**



Average Number Of Hours A Child Spends Per Week With Provider (by type of provider and household income)					
	under \$30K	\$30K - 44.9	\$45K - 64.9	\$65K - 84.9	\$85K +
Family / Friends (no charge)	13.0	7.5	6.9	8.8	3.0
Nanny/ sitter	15.1	9.9	10.7	11.0	21.7
In-center care	23.7	24.1	21.8	30.0	24.8
Family day care	18.7	25.8	29.4	34.9	31.7
After-school care	7.1	7.0	10.4	9.4	12.5

Child-Care Costs

The average weekly cost for a child's care in the U.S. is \$75. In those households where both parents work full-time, the average cost of child care is nearly \$100/week.

Amount Spent Across All Providers (weekly)	percent
Less than \$30	24.7
\$30 - \$50	17.0
\$51 - \$75	14.3
\$76 - \$100	12.7
\$101+	23.1
Average	\$75.50

For many parents, cost prohibits them from considering certain child care options:

- Paid in-home nannies or baby-sitters are too expensive for 50 percent
- Day-care centers are too expensive for 37 percent
- Nursery or preschool is too expensive for 28 percent.

Can't Afford					
	under \$30K	\$30K - 44.9	\$45K - 64.9	\$65K - 84.9	\$85K +
Nanny/sitter	52%	46%	55%	55%	48%
In-center care	64	51	31	19	12
Nursery or preschool	52	42	19	18	4
Family day care	31	26	15	7	4
After school care	37	28	12	12	4

Who should pay?

Parents want their government and/or their employers to provide some relief from child care costs. Most would take a cut in pay of up to \$50 per week if their employer would offer child-care support. And while they believe that the family should be responsible for most child-care expenses (73 percent), they think the government should pick up the tab for 15 percent to 20 percent and their employer should pay 10 percent.

Share That Families Feel Should Be Paid By...	TOTAL	under \$30K	\$30K - 44.9	\$45K - 64.9	\$65K - 84.9	\$85K +
Family	72.6 %	57.7%	73.8%	74.4%	77.9%	80.7%
Federal Government	7.9	13.0	7.5	7.9	6.3	4.6
State Government	6.1	11.3	5.3	4.2	4.1	4.8
Local Government	2.9	6.8	2.2	2.3	2.2	0.8
Employer	10.4	11.2	11.3	11.2	9.5	9.0

Quality Of Care

In-home providers, in-center providers, and family day care all provide a similar level of care, according to respondents to the Parents Magazine survey. The majority vote them better than "quite acceptable" but not quite "outstanding."

- The most expensive resource is after-school care, which earns the lowest quality rating from parents.
- The least expensive, family/friends who help out free of charge, provide the highest quality care.
- Family day care, which is significantly less expensive than either in-home providers and in-center care, is perceived as comparable in quality.
- *Almost two-fifths of all parents who have relied on a child-care provider have had an experience so negative that they stopped using that provider altogether. And less than 50 percent say they have had an experience that they would describe as very positive.*
- Fifty percent believe that parents have the right to secretly videotape their in-home caregivers, at all times, under any circumstances.
- Almost 90 percent believe child care should be a regulated industry. One-half believe that regulation should come from the state, 40 percent from the federal government, and approximately 40 percent from some independent organization.

Percentage who use this type of child care	Average # of hours per child per week	Average hourly cost	Average Quality rating (on a scale of 1 to 10)	
74.1%	8.1 hrs.	--	8.5	Family/friends (no charge)
38.5	12.5	\$4.10	7.4	In-home nanny or paid sitter
36.8	25.5	\$3.50	7.1	In-center care
21.7	27.8	\$2.90	7.4	Family day care
15.1	9.3	\$5.20	6.3	After-school care

Of those who used, percent that had a bad experience	Of those who used, percent that had a good experience	
37%	44%	Total, all types of child care
11	27	Family/friends (no charge)
38	25	In-home nanny or paid sitter
26	29	In-center care
26	15	Family day care
1	3	After-school care

Availability Of Options

Child-care options are limited; for most (78 percent), employer day care is not an option. Distance from home or work precludes the following types of care:

- For as many as four in ten, family/friends are not available.
- After-school care, paid in-home nannies or baby-sitters, and family day care are all less available to those with lower incomes (about a 10:1 ratio in favor of upper-income households when comparing \$85,000+ to those under \$30,000).

Types Of Child Care Not Available Due to Distance From Home/Work						
Total	Under \$30K	\$30K - \$44.9K	\$45K - \$64.9K	\$65K - \$84.9 K	Over \$85 K	
13.3%	27.6%	13.8%	12.3%	5.5%	3.6%	After-school care
11.7	21.8	11.3	11.5	6.8	1.8	In-home nannies or paid sitters
10.6	19.5	6.3	13.1	6.8	1.8	Family day care

Impact On Workforce Productivity

Most parents have either left work early, arrived late, missed part of a day, and/or missed all of a day in order to handle a child-care emergency during the past three months. In addition, they take time out of the day to call their child-care providers (31 percent) and/or worry about their child.

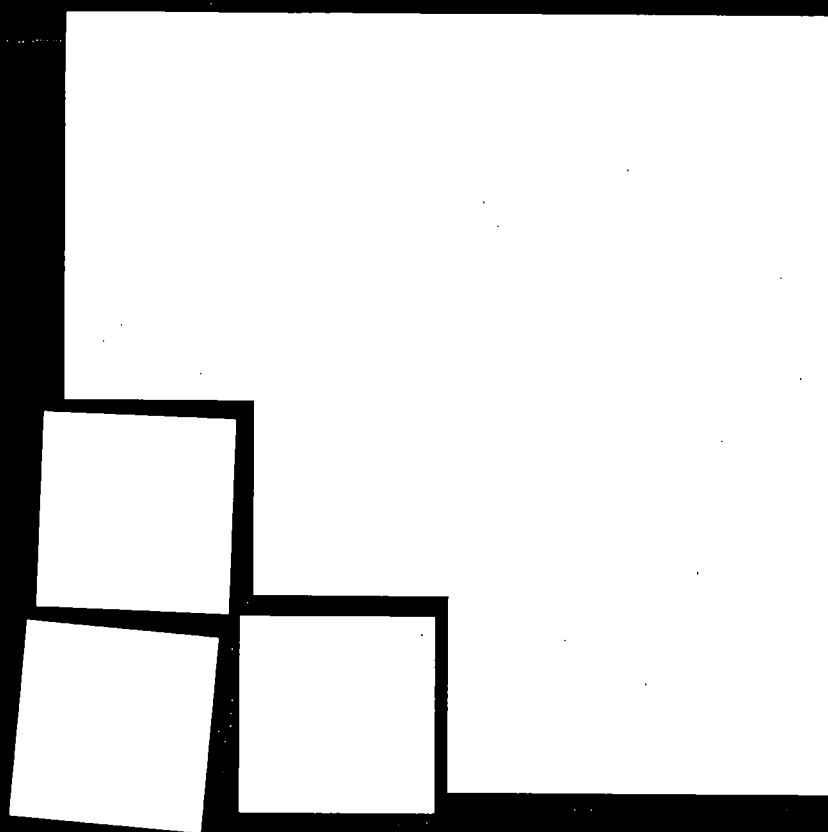
- More often it is the mother who misses work, even when both parents work full-time (about 50 percent more often than fathers).
- When both parents work full-time, it is almost guaranteed that work hours will be missed (84 percent).

Respondents were asked to have the survey completed by the person in the household who has primary responsibility for child-care arrangements. Not surprisingly, 90 percent of the respondents to the Parents Magazine survey were women.

Parents feel ignored

- The vast majority (85 percent) say that most politicians are not well informed about the types of child-care issues that normal American families face every day.
- In households where both parents work full-time (those who are most reliant on child care), criticism is even higher (90 percent).
- Lower-income parents (HHI under \$30,000) are more critical still (93 percent).

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NOT BY CHANCE

**Creating an Early Care and Education
System for America's Children**

Pre-publication Copy

**Executive Summary
The Quality 2000 Initiative**

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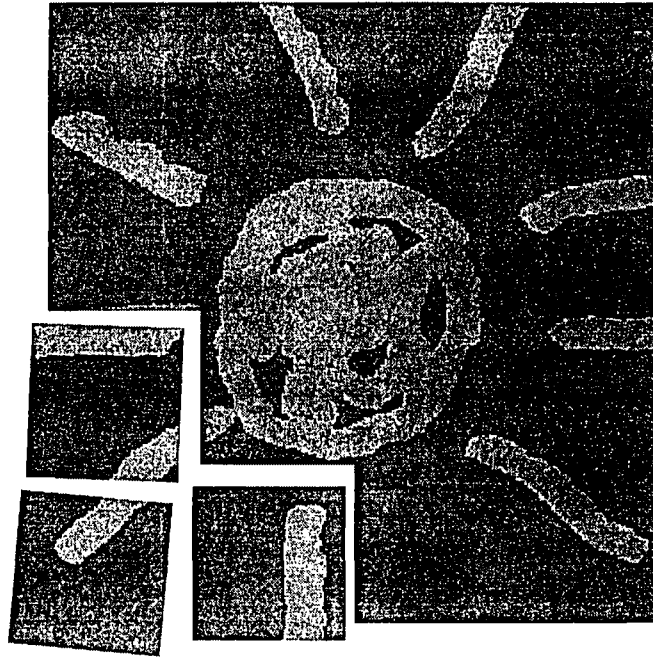
DESIGN

October 20, 1997

Sharon Lynn Kagen of the Yale Bush Center asked that the pre-publication copy of the *Not By Chance*, Executive Summary be delivered in preparation for the White House conference later this week.

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NOT BY CHANCE

Creating an Early Care and Education
System for America's Children

Sharon L. Kagan

Nancy E. Cohen

Executive Summary
The Quality 2000 Initiative
1997

ACKNOWLEDGMENTS

Not By Chance: *Creating An Early Care and Education System for America's Children* synthesizes the major findings and recommendations from the *Quality 2000 Initiative*, a four-year, comprehensive effort to advance new ideas about reforming America's early childhood education system. The research and action plan presented in the report reflect the insights of hundreds of early childhood educators, scholars, business leaders, practitioners,

policy makers, and parents whose valuable contributions shaped this vision. To them we give thanks. We also gratefully acknowledge generous support from the Carnegie Corporation of New York, the W. K. Kellogg Foundation, the David and Lucile Packard Foundation, the A.L. Mailman Family Foundation and the Ewing Marion Kauffman Foundation. Their understanding of the need for long-term thinking made this work possible.

NOT BY CHANCE

Every day, 13 million of our nation's youngest children are dropped off at early care and education centers or family child care homes. The children play and eat snacks, swap toys, boasts, and laughs. To most casual observers, everything seems to be all right: business—or play—as usual.

But everything is not all right. A growing body of research has established that the majority of America's young children actually spend their days in settings that are poor to mediocre in quality—settings that compromise children's long-term development. Parents have difficulty locating care, and caregivers are leaving the field in unprecedented numbers. While today's situation is alarming, tomorrow's is even more precarious. In coming years, new welfare requirements will intensify the already strong demand for child care, and the pressure will increase for quality services—the kind that maximize developmental opportunities in the early years. Already overstressed and inadequate, American child care is in crisis—and so are the children, parents, families, and staff whose lives are touched by its failings.

Not By Chance documents these trends and underscores the urgency of reform. It also recognizes that in a democracy fundamental, durable change cannot happen overnight and will not happen by chance. It must be carefully considered, well researched, and well planned. Based on the four-year *Quality 2000* Initiative, this report offers a comprehensive vision, supported by a series of short-term strategies, to demonstrably improve the quality of America's early care and

education services. Combining the work of hundreds of national and international scholars, business leaders, policy makers, parents and practitioners, *Not By Chance* offers concrete, actionable solutions to the quality crisis in American child care and early education.

WHY NOW?

In the past, early care and education was primarily a woman's issue that remained low on the national agenda and provoked relatively little debate among community leaders, policy makers, or legislators. To be sure, many families sought out nursery schools or child care for their young children, and some started parent cooperatives. But compared with today's parents, past generations were less likely to need out-of-home care, especially for infants and toddlers. And many were reassured by the prevailing views of their day—that children began learning in earnest only when they entered elementary school and that so long as little boys and girls were kept out of harm's way, the settings where they spent their days did not matter much.

Today, American parents have no such solace. By the time most babies reach their first birthdays, their mothers are in the workforce. In most cases, children are in out-of-home care for much of their early years. And thanks largely to the mass media, more mothers and fathers are becoming aware of research showing that children's day-to-day experiences in the early years have a large and lasting impact on their later



learning and life outcomes. Business as usual has become an unacceptable course.

Why is it so urgent to address the needs of young children and their families now?

First, we have the research. Substantial research conducted over the last decade confirms what many parents and practitioners have long believed: America's young children are in trouble, as documented by recent studies:

- 80 percent of the nation's children spend their days—up to 50 hours per week—in poor or mediocre child care settings.
- Care for infants and toddlers, on average, is even worse: 40 percent are in settings that actually jeopardize their health and safety.
- 40 percent of center-based and 80-90 percent of family child care providers are legally exempt from regulation.
- Each year, about 40 percent of providers leave the field, often due to low compensation, inadequate benefits, and limited opportunity.
- Access to programs is uneven, with children from low-income families least likely to receive services; when they do, the child care services may not meet their health and social service needs. Parents are frequently forced to settle for care that does not align with their schedules, values, or expectations.

Second, we have the know-how. More than at any time in our nation's history, we have the knowledge and the experience to solve the problem. National and international research clearly identifies steps that can be taken to improve quality child care. What's more, promising solution-

oriented programs and strategies have emerged—solid models upon which to build coherent, effective early care and education services.

And third, we have unprecedented public support. In contrast to eras past, calls for change now reverberate in many sectors. Concerned about the nation's productivity in a global economy, political and business leaders want to start education reform efforts at the beginning, with better services for young children. Parents are calling for improvements in early care and education so their children will be ready for school. Economists and policy makers, aware of the significant cost savings associated with investments in young children, are making early care and education a priority. A more concerned, better informed public makes visionary change possible—starting now.

WHAT TO DO?

For many years, a solution-driven, long-range, large-scale vision has been needed to articulate, clearly and realistically, what quality early care and education services can be and can do. *Not By Chance* looks at the big picture, offering long-term thinking and setting forth a broad vision for reform. It recognizes that while significant changes will be incremental, immediate action is urgently needed. In presenting eight key recommendations, each accompanied by action strategies, *Not By Chance* encourages and invites engagement by everyone who has a stake in our nation's children and its future—that is, by every American.



THE RECOMMENDATIONS AND STRATEGIES

Over a four-year span, participants in the *Quality 2000* Initiative became convinced that change is needed in each of the eight areas where recommendations were generated: programs; results; parent engagement; credentials; training; regulation; finance; and governance. Though discussed separately, each recommendation is linked to the others. Improvement in one, two, or even three areas would reflect progress, but will not resolve the crisis. Only by advancing change in every area can reform efforts achieve synergy and enhance the overall quality and coherence of early care and education. But not all of the recommendations will be implemented simultaneously, nor will every strategy be carried out exactly as spelled out in this report. On the contrary, *Not By Chance* suggests that while significant reform must occur in all eight areas, the nature and pace of change must reflect the realities of local and state settings. In this way, *Not By Chance* offers an exciting, workable vision and a realistic, flexible guide to implementation.

The following pages summarize the eight major recommendations that emerged over time from the *Quality 2000* Initiative. In keeping with the tough challenges associated with systemic reform, the time frame for achieving these recommendations has been extended beyond the end of the century, to the year 2010.

RECOMMENDATION 1: Program Quality

By the year 2010, all family child care and center-based programs will use a wide range of proven approaches for improving quality — approaches that allow staff flexibility to use resources creatively and cost-effectively, and to address all domains of development, including health.

To address the crisis in early care and education, all programs and services must reach new levels of quality, enhancing not only the learning environment, but also children's learning opportunities and their relationships with providers.

STRATEGIES

 *Increase the quality of learning opportunities for children.* Research shows that the quality of early childhood programs is directly related to what children accomplish. To achieve good results, programs need to be inventive and flexible in grouping children, deploying staff, and using resources to nurture and challenge children. Mixed-age groupings, effective use of staff talents, attention to cultural and linguistic diversity, and the use of technology need to be advanced.



 **Create environments that explicitly support children's healthy development.** For too long, we have considered children's health separate from children's learning. All programs must make special efforts to address the physical and mental health needs of all children, either by linking children to health services in their communities or providing them directly. Programs must assure that all children have access to health education, immunizations, health, dental and developmental screening, and follow-up services.

 **Increase the number of high-quality programs through accreditation.** Overall program quality—including the nature of the work environment for adults, the climate of the organization, and its receptivity to innovation and experimentation—must be considered as programs strive for quality. Increasing the number of accredited programs will promote pedagogical quality, heighten professionalism, and improve the total environment. Accreditation should therefore be aggressively supported with fiscal incentives, motivating programs to make the changes needed to meet and maintain high standards.

 **Link programs with other community resources and support the expansion of resource and referral efforts.** To ensure that the comprehensive needs of young children are met, early care and education programs should work collaboratively with one another and with other services for children and families. In addition, resource and referral agencies should be strengthened and, in many cases, expanded. These agencies are key players in early care and education, linking parents with services, connecting programs with one another, and coordinating and providing training for parents and staff.

 **Support the development of family child care support networks and the linkage of family child care homes to centers.** Today,

the majority of children in early care and education attend family child care—child care provided on a regular basis in the homes of relatives, friends, or other caregivers. These providers often work without licenses and typically carry out their responsibilities in isolation. Offering them multiple routes for support will enhance quality in this increasingly popular sector of the early care and education system. In particular, networks can be formed, linking family child care homes to each other, to center-based programs, and to other community services.

RECOMMENDATION 2: A Child-Based, Results-Driven System

By the year 2010, clear goals and quantifiable results for children will be developed. These goals will identify skills and knowledge that children should be able to demonstrate across the various domains of development, and will take into consideration the child, family, and community conditions that promote such development. Appropriate, child-friendly measures to assess the accomplishment of the goals will be developed.

Traditionally, researchers have measured quality by documenting inputs (e.g., adult-child ratios, group size, staff training and education) and the manner in which services are delivered (e.g., nature of adult-child interactions). Recently, however, there has been mounting interest in gauging quality in terms of the results that programs produce for preschool-age children and their families. By defining desired goals and results, practitioners can tailor their activities to foster each child's development. Specified goals and results can provide programs with the feed-



back they need to evaluate their effectiveness and identify areas for improvement. Results also can help assess the overall status of young children in communities, states, and the nation.

However, there are serious concerns about how child-based results would be defined, whether they would actually emphasize strengths rather than deficits, and whether they would gauge progress across all developmental domains. In particular, there is concern about measuring results for children who are younger than three, whose primary language is not English, or who are from low-income families, particularly when the data are used to make “high-stakes” decisions concerning children’s placement or resource allocations. For these reasons, a move to a results orientation should take place only if there is broad participation in the identification of developmental, child-based results, if results are accurately and sensitively measured and reported, and if results are directly linked to efforts to improve the lives of children.

STRATEGIES

 **Define appropriate results.** Americans have yet to reach agreement about what preschool-age children should know and be able to do. To that end, parents, practitioners, policy makers, and researchers must begin by developing consensus about the results they want young children to achieve, taking into account all domains of development. Once desired results are identified, the federal government should create broad goals to guide states; states, in turn, should develop standards, allowing communities to tailor specific benchmarks to local needs, priorities, and customs.

 **Develop appropriate strategies and measurement instruments to assess results.** Developmentally appropriate and culturally sensitive instruments should be developed to evaluate a child’s progress over time. Data must be collected in ways that are appropriate to the child’s age and level of

development, using multiple observers, observations, and assessment strategies. Assessments should meet rigorous scientific standards so the findings will be accurate and useful.



Use results to improve the practice and understanding of early care and education. The aggregated information gained from assessments must be shared in ways that increase public understanding of the connection among child results, effective services, and the expenditure of public funds. The data must not be used in ways that label or stigmatize individual children. Plans for the effective use of results should be made early in any research effort.

RECOMMENDATION 3: Parent and Family Engagement

By the year 2010, all early care and education programs will address the needs of children, parents, and families; they will engage parents and families as partners in their children’s programs. Parents will have the user-friendly information they need to be effective parents and consumers of early care and education. Workplaces will be family-friendly.

Research shows that parent and family engagement in early care and education programs improves results for children. It increases children’s chances of success and achievement in school and later life, and decreases the likelihood of negative results.

STRATEGIES



Support parents as effective consumers. Parents need access to objective information about programs so they can make decisions that will promote their children’s early



development and learning. Well-funded resource and referral services, along with other parenting education efforts, assist parents in learning about and evaluating their early care and education options. Such efforts must acknowledge and respect parents' diverse backgrounds, cultures, and needs.

 ***Increase the family-friendliness of workplaces.*** Parents need support from employers so they can fulfill their roles as partners in their children's programs, effective consumers of early care and education services, and productive employees. The direct benefits of family friendly workplaces to employers as well as employees need to be widely communicated, as do innovative strategies to implement such policies.

 ***Engage parents as partners in early care and education programs and increase links to family support programs.*** Programs must engage parents as full-fledged partners, transforming traditional parent involvement activities so that parents have opportunities to take part in major program, service, and governance decisions. Linkages between early care and education programs and family support programs—including those that focus on the needs of low-income and special needs children and families—should be strengthened.

RECOMMENDATION 4: Individual Licensing

By the year 2010, states will require all staff responsible for children in centers and family child care homes to hold licenses. To acquire these licenses, staff will need to complete high levels of training and education and demonstrate their abilities. To maintain licenses, ongoing training and education—lifelong learning—will be required.

Research shows that the more training and education practitioners have—both general education and early childhood-related training and education—the more skilled they are at helping young children thrive and achieve their potential. Despite these benefits, current training requirements are sparse and professional development opportunities are limited, particularly when compared to other fields in the U.S. and other industrialized countries where significantly more training for early childhood practitioners is required. Moreover, licensing practitioners holds promise for increasing staff compensation, career mobility, and professionalism.

STRATEGIES

 ***License all individuals who care for young children.*** While there are many approaches to individual licensing, a three-tiered approach is recommended:

Early Childhood Administrator licenses will be required for all center directors and directors of family child care support services. To obtain this license, an individual needs at least a bachelors or masters degree in early childhood education or child development from an accredited institution, including at least 15 credits in early childhood administration, certification in pediatric first aid, and demonstrated competency in management and in working with children and families.

Early Childhood Educator licenses will be required for all teachers in centers. Teachers of three- and four-year-old children in public schools will have the option of obtaining public school teacher certification/licenses or the Early Childhood Educator license. To obtain the Early Childhood Educator license, an individual needs to have at least an associates or bachelors degree in early childhood education or child development from an accredited institution; have practicum experience with the age group with which they would work; be certified in pediatric first aid; and demonstrate competence in working with children and families.



Early Childhood Associate Educator licenses will be required for all assistant teachers in centers and all lead providers in large family child care homes. To obtain the license, an individual working in a center needs to have a Child Development Associate (CDA) or equivalent; a lead provider in a family child care home would need a CDA, the revised National Association for Family Child Care (NAFCC) accreditation, or equivalent certification. Each of these certifications requires at least 120 clock hours of formal education in early childhood development and education and the demonstration of the competencies needed to work with young children and their families. To qualify for the license, individuals also need to have practicum experience with the age group with which they would work and certification in pediatric first aid.

Individuals who do not have training or education in child development or early childhood education, but who have an interest in and aptitude for working with young children and families, would have access to entry-level jobs as assistants in child care centers and in large family child care homes or as providers in small family child care homes. As long as they are actively pursuing training that will lead to licensing, these individuals would be considered an integral part of the profession.

 **Create a licensing system that implements the three licenses.** Grants should be made available to states to begin planning and implementing individual licensure systems, assuring that adequate compensation accompanies new licensure requirements. This effort should consider which entities (e.g., state licensing boards) should oversee the process, identify and administer assessments, grant licenses, and handle complaints. Such entities should require staff to have appropriate skills to earn and maintain licenses, including appropriate preparatory and ongoing course work. The accreditation of two- and four-year colleges is critical to the new licensing system and should be promoted.

Supports and incentives should also be provided for staff to continue to increase knowledge and skills beyond these licensing requirements and to obtain voluntary advanced individual certificates, such as those at the masters level offered by the National Board for Professional Teaching Standards (NBPTS). To facilitate the transition to a licensed and well-qualified, appropriately paid workforce, existing grant, loan, and loan-forgiveness programs need to be expanded. In addition, appropriate standards for compensation need to be developed with new financial programs created for early care and education students and workers.

RECOMMENDATION 5: Content of Training And Education

By the year 2010, the content of education and training for early care and education staff will be expanded to address the needs of diverse children and families and to implement effective approaches to instruction, management, and leadership.

The content of education and training for early care and education staff—practitioners, administrators, and leaders—is a foundation of a quality early care and education system. As such, it must be attuned to the needs of 21st century children and be available at pre-service, in-service, intermediate, and advanced levels. In particular, training needs to be developed and made available to practitioners in the following areas: engaging and supporting families; developing cultural competency; observing and assessing children; working with mixed-age groups; working with infants, toddlers, and children with special needs; promoting ethical behavior; working across human service disciplines; and developing management and leadership skills.



STRATEGIES

 **Revise and develop staff training/preparation curricula.** Colleges and community organizations that prepare early care and education staff should revise curricula to incorporate the above stated areas and to address the knowledge and skills practitioners need to effectively serve today's and tomorrow's diverse children and families.

 **Promote strategies to help staff strengthen leadership and management skills.** Leadership development and mentoring programs should be promoted at the local, state, and national levels through professional associations and other organizations. These programs should be expanded to include leaders from across the human services so that staff can broaden their understanding of the comprehensive needs of children, families, and communities.

RECOMMENDATION 6: Program Licensing

By the year 2010, all early care and education programs offering their services to the public will be required to be licensed and facility licensing will be streamlined and enforced.

Facility licensing requirements are far from universal despite research showing that states with more stringent regulations yield higher-quality programs. Legally exempting programs undermines public confidence in early care and education, the quality of the overall system, and the equity of the early care and education market.

STRATEGIES

 **Eliminate exemptions and enforce requirements.** All programs available to the general public should be required to meet basic safeguards that protect children's health,

safety, and developmental well-being. There should be no legal exemptions and states must enforce these requirements. Licensing agencies must have sufficient resources to carry out facility licensing with staff who are appropriately trained and credentialed. State monitoring and enforcement systems should employ positive, incentive-based strategies to enable programs to meet licensing requirements. State licensing also should provide incentives for programs to invest in facility enhancement, so that early care and education facilities can meet increasing demand.

 **Streamline and coordinate facility licensing.** State facility licensing should be streamlined to focus on the essential elements of health, safety, and development. Licensing standards should be coordinated among agencies and levels of government and should allow programs the flexibility needed to group children and organize staff in ways that maximize quality. This approach to facility licensing complements the individual licensure efforts discussed in Recommendation 4.

 **Promote national licensing guidelines.** Although the main responsibility for the development and issuance of facility licensing requirements should remain at the state level, voluntary national licensing guidelines such as those developed by the American Public Health Association in cooperation with the American Academy of Pediatrics should be promoted across the country.

RECOMMENDATION 7: Funding and Financing

By the year 2010, a broad array of groups—including the public at large, business, government, parents, and community organizations—will generate the needed new funds for a quality early care and education system. Additionally,



10 percent of all public early care and education funds will be invested directly in the infrastructure/quality enhancement.

Adequate funding is essential to ensure that all children have access to quality early care and education services and that their parents have realistic choices as they select services. The full cost of quality programs must include increased salaries for early care and education staff, who must be compensated at least at levels comparable to what personnel with similar education and experience earn in other fields. The costs must be shared by the public at large, parents (according to income), employers, government, and community organizations. While parents need access to and choice among quality early care and education services, they also need the option of caring for their own children; therefore, paid parental leave for parents of very young children should be provided. These efforts to increase investment necessitate additional research and planning.

STRATEGIES

 *Identify the actual cost of a quality early care and education system.* Early care and education professionals need to work closely with funding and financing experts to calculate the full costs of early care and education services. Cost-benefit analyses should be done to determine the long-term benefits of a quality early care and education system, including savings in special education, corrections, public assistance, and other social services.

 *Identify and implement strategies for raising the compensation of early care and education staff.* Increasing the compensation of staff is crucial to a quality early care and education system. Various approaches—raising wages through subsidies to parents, giving funds directly to programs

which are earmarked for wages, or instituting a refundable tax credit for early care and education staff—should be analyzed for their comparative benefits and associated implementation strategies. Such approaches need to be implemented as an initial element of early care and education reform.



Identify several revenue-generation mechanisms to finance paid parental leave and the early care and education system. Several options for generating revenues in order to fund a comprehensive early care and education system—including increased staff compensation—need to be considered and implemented. Possible mechanisms include establishing individual and corporate income taxes, federal payroll taxes and trust funds, new sales or excise taxes dedicated to early care and education services; expanding the populations eligible to receive the school aid formula; redeployment of existing government expenditures; and procuring funds for early care and education as part of a broader revenue-generation package designed to support a range of social services that families need.

RECOMMENDATION 8: Governance, Planning and Accountability

By the year 2010, every state will have a permanent state early child care and education board and every locality will have a permanent local early care and education board, responsible for the infrastructure and governance of early care and education.

To increase community involvement and the planning, coordination, efficiency, and continuity of services for young children and their families, it is critical to establish more rational strategies and capacities in states and localities. A new



approach to governance must create or build on existing structures so that there will be a state board in each state and a local board in each municipality.

STRATEGIES

 **Establish State Boards.** State boards will be responsible for ensuring quality and achieving agreed-upon results for children. They will engage in planning, collecting and analyzing data, defining eligibility and subsidy levels and parental leave conditions and determining how to allocate funds to parents. They will also develop state standards for results that align with national goals. As with other governance entities, state boards will facilitate collaboration, service integration, and comprehensive service delivery. State boards will be composed of appointed or elected board members, including equal numbers of (1) parents/ consumers; (2) practitioners; (3) community and state leaders, including clergy; and (4) municipal or government agency representatives.

 **Establish Local Boards.** Local boards will have responsibility for both the governance and the coordination of early care and edu-

cation for children birth to age five. They may be geographically aligned with school districts, but will be distinct entities. Like their state counterparts, they will be composed of a broad-based group of appointed or elected board members who would be responsible for developing performance benchmarks for child results taking into consideration local strengths, needs, priorities, and resources. Local boards will involve consumers and citizens in comprehensive needs assessment and planning.

 **Provide demonstration funds to states and localities which establish boards that are well conceived and widely supported.** Localities that show evidence of effective planning, consensus-building on local benchmarks for child-based results, and effective collaboration and coordination, should receive support for establishing or augmenting the work of local early care and education boards. Incentives and supports must be used to hold boards accountable for achieving agreed-upon standards for young children.



REALIZING THE VISION: ACTORS FOR CHANGE

Together, the eight recommendations presented in this report constitute sweeping reform. Achieving this comprehensive vision will require carefully choreographed efforts by many different organizations and agencies, individuals and policy makers. *Not By Chance* concludes with a call to action, suggesting specific reform roles for each of the following key players:

The President, Congress, and Federal Administrators

- Lead and coordinate the movement for strengths-based child results; establish broad goals to guide states' development of standards and communities' development of benchmarks; coordinate the collection of data and use data to hold states accountable.
- Promote innovation, best practices, and information sharing through demonstration projects, state and local networking, and technical assistance to states and localities.
- Increase funding substantially for quality care and education, providing more federal funds to leverage additional state and local resources.

Governors, State Legislators, State Administrators and State Leaders

- Create a governance structure for early care and education in every state.

- Establish state standards for results for preschool-age children and hold localities accountable for achieving agreed-upon local benchmarks.
- Augment federal funds for early care and education with state funds; distribute funds to build and maintain the infrastructure, helping parents pay for programs.
- Pilot and evaluate a system to license all practitioners; create facility licensing systems that eliminate exemptions.

Local Elected Officials, Local Administrators, and Community Leaders

- Create a local governance structure for early care and education that establishes performance benchmarks for services and results for young children.
- Engage parents, practitioners, and all those concerned about young children in community-wide improvement efforts; create incentives for all programs to be accredited.
- Augment federal and state funds for early care and education with local funds.

Parents

- Secure the knowledge, take the time to find quality programs for young children, and participate regularly in these programs.
- Be involved in discussions of how to define and achieve quality, including discussions



of child results, facility and individual licensure.

- Advocate for a quality early care and education system.

Business Community

- Support the financing of the early care and education system, perhaps through a payroll tax or corporate income tax.
- Provide family-friendly workplaces for employees and support parental care of infants, including the funding of paid parental leave.

Early Care and Education Advocates at the National, State, and Local Levels

- Work collaboratively toward a shared vision of a quality early care and education system, with an emphasis on adequate funding and direct infrastructure investment.
- Work with allies and with the media to promote understanding of, and support for, early care and education.

Practitioners and Administrators of Early Care and Education Programs

- Help develop positive organizational climates in all early care and education programs that include parents as partners and nurture the diversity of children and families in our pluralistic society.
- Mobilize with parents to be effective advocates for a quality infrastructure, including the integration of services for children and families.

Researchers

- Conduct controlled experiments and evaluation of different approaches to achieving quality programs; expand research on the characteristics of organizational climates in individual classrooms and family child care homes that lead to specific, child-based results.
- Work to integrate parents' needs as well as their desires for their children into prevailing definitions of quality.
- Broaden and coordinate research among other fields that examine young children and early care and education, including economics, political science, public health, law, and medicine.

Private and Philanthropic Sectors

- Support the development of a comprehensive, early care and education system, including quality community and statewide systems.
- Support the conceptual exploration needed to build quality systems, including investigating child-based outcomes, a range of approaches to achieving quality programs, and promising approaches to raising new funds.

Not By Chance provides a long-range, research-based vision for creating a quality early and education system in this country. Working in concert, all of these stakeholders can achieve that change. We can and must do better by American children. We simply can no longer take chances with their—and our—future.



A Room of Their Own

A Proposal to Renovate the Children's Bureau

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The nation has launched many efforts during this century on behalf of children, one of our most vulnerable and powerless constituencies. Due to lack of coordination within the federal government, many of these efforts have failed some of those individuals who need them most, or have lost their power to meet the changing needs of today's children and families. Although concerned members of the legislative branch of the federal government have recently created the House Select Committee on Children, Youth and Families, the Senate Children's Caucus, and the Senate Family Caucus, there remains, as Juel Janis (1983) noted, a noticeable absence of a "single strong voice for children" (p. 360) within the executive branch.

To remedy this absence, we propose finding for children a room of their own within that federal executive branch—a room that already exists but needs extensive renovation. That room is the Children's Bureau. The renovation involves redefining the functions of that Bureau; the purpose is not to construct a restored monument to its past achievements, but to establish a focal point where the broad needs of today's children can be examined and addressed with some degree of continuity. Senator Lloyd Bentsen of Texas has introduced a resolution (S. Res. 237, 1984) entitled "To Upgrade the Children's Bureau," which is designed to achieve ends similar to those proposed in this article.

The Need for a Strong Children's Bureau

There have been tremendous improvements during this century in the health and well-being of the nation's children. Many infectious diseases, the principal cause of death among children 50 years ago, have been greatly reduced or eradicated. Overall, the nation's infant mortality rate has continued to decline, from 100 deaths per thousand births in 1920 to 11.2 per thousand in 1982 (National Center for Health Statistics, 1982). Concern with children's nutrition, physical development, and early learning has resulted in medical and social science research and in the development of a host of private and public programs to aid children in getting a healthy start in life. One of the most long-standing and

comprehensive of these programs is Head Start, which provides preschool learning experiences, medical care, and a host of other services to economically disadvantaged children and their families.

Despite these dramatic successes nationally, there are "persistent inequalities amid the overall improvement" (U.S. Department of Health and Human Services, 1981, p. 37). Although the infant mortality rate among black families has decreased, it is still nearly double that of white families (National Center for Health Statistics, 1982). With 14% of Americans of all ages living below or near the poverty line, over 25% of all children live in poverty, and 45% of children of Spanish origin and 53% of black children are poor (Select Committee on Children, Youth, and Families, 1983). Poverty is the single greatest indicator of poor health. Cuts in funds for Title V Maternal and Child Health block grants, together with decreased funding or changes in eligibility rules for Aid to Families with Dependent Children (AFDC) and Medicaid, threaten to undermine the physical health and nutritional status of an increasing number of poor children.

In addition, the social and emotional climate in which children are growing up has changed dramatically and persistently over the last few decades. The divorce rate has increased, the rate of mothers entering the work force has skyrocketed, and the number of births to single mothers has more than quadrupled since 1950. Although the debate continues about whether some forms of child abuse are increasing or whether the reporting of abuse is increasing, the sharp rise in the number of homicide victims among infants and preschoolers over the last decade (Select Committee on Children, Youth, and Families, 1983) is an undeniable indicator of a real increase in child abuse in its most extreme and horrifying forms.

We have a growing sense that there is a time bomb ticking in the midst of the nation's children, but we do not know exactly when or how it will explode. There is evidence of a subtle but steady erosion of the data bases that help us monitor children's problems (Miller, 1983). Therefore, we are not even sure of the extent to which these

problems are affecting children. Programs developed to attack one problem or another, such as poor nutrition, disease and injury prevention, teenage pregnancy, child care and child abuse, are scattered across hundreds of private, state, and federal agencies. According to one count made in 1976, there were 106 such federal programs, administered by five distinct departments, 15 different agencies, and 45 offices and bureaus within these agencies (U.S. Department of Health and Human Services, 1977). But there was not then, and there is not now, any single federal agency with the major responsibility for tracking these programs, or for seeing how changes in one program affect other programs. Some agencies are watching some children; and some agencies are watching particular problems; but no one agency can really be said to have a finger on the pulse of all children or to be knowledgeable about the whole child.

Is the nation abandoning its commitment to children—not by deliberate neglect, but by its failure to recognize problems and its inability to act upon these problems? Where will we find the “voice for children,” the central place in the executive branch where recognition may be turned to action?

The irony is that for several decades, and not so long ago, we had such a voice for children within the executive branch. The Children's Bureau was established by congressional legislation in 1912 (Children's Bureau Act of 1912) and was directed to “investigate and report upon all matters pertaining to the welfare of children and child life among all classes of people” with particular emphasis on the investigation of the pressing problems of that time: “infant mortality, the birth rate, orphanages, juvenile courts, desertion, dangerous occupations, accidents and diseases of children, employment, and legislation affecting children in the several States and Territories” (Children's Bureau Act of 1912, § 191–194). As the second chief of the Children's Bureau described its charge, “The whole child was made the subject of the Bureau's research. The interrelated problems of child health, dependency and child labor were to be considered” (Bremner, 1971, p. 752).

Through its influence, information gathering, and programs, the Children's Bureau significantly contributed to improvements in the conditions of life for children in America (Bradbury, 1956). In the first half of the century, great strides were made in reducing infant mortality and childhood illnesses

through universal pasteurization of milk, improved sanitation in towns and cities, widow's pensions, the establishment of child health and prenatal clinics, and the passage of child labor laws. Yet, by the 1960s, many children's programs, such as Crippled Children's Services and Maternal and Child Health, had been transferred from the Children's Bureau to other agencies. Overtaken by an increasingly complex government, the changing needs of families and children, turf battles, and the reorganization of the then Department of Health, Education, and Welfare (HEW), the Children's Bureau lost power, funds, and status within the executive branch.

The change in the Bureau chief's physical and organizational proximity to top level decision makers in the executive branch exemplifies the Bureau's decrease in status. At one time, the chief of the Children's Bureau sat in on cabinet meetings, but more recently, the chief of the Children's Bureau and the head of the Office of Child Development (a combined post) reported directly to the Secretary of HEW. Now, the chief of the Children's Bureau and the head of the Administration for Children, Youth, and Families (ACYF; successor agency to the Office of Child Development) reports to an assistant secretary, who reports to the secretary of the Department of Health and Human Services (HHS), who reports to the president.

Recommendations for Renovation of the Children's Bureau

In order to create a central, effective agency that keeps the whole child in national focus, a fresh formulation of the function and purposes of the Children's Bureau is necessary. In some cases, the functions we propose here draw on the successful efforts associated with the Children's Bureau in the past; in other cases, the proposed functions and activities are now being partially conducted by other agencies or departments. None, however, are now thoroughly handled by any agency or department.

1. The renovated Children's Bureau should become the central repository for the authoritative data base on children and families in the United States. Many of the major threats to families' health and well-being are currently being examined by many separate agencies and departments in state and federal governments. To gather data and research concerning children's accidental injuries, for example, it is necessary to consult the Centers for Disease Control and the National Center for Health Statistics in the Public Health Service, the Department of Transportation, the Consumer Product Safety Commission, and the Bureau of the Census, to name a few.

All of these departments and agencies are indispensable, as each gathers specialized information.

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but the new Children's Bureau should become the center for ongoing data collection and analysis on a whole group of what have been termed "childhood social indicators" (Zill, Sigal, & Brim, 1983, p. 188). Some of these indicators, such as infant mortality rates, contribute to our assessment of the physical health of the nation's children. Still others, such as the number of "latchkey" children, declining scores in standardized achievement tests, or the cost of raising a child, warn us of changes that affect the social and emotional life and the financial future of America's families. A newly designed Children's Bureau is needed to draw on available data from state and federal agencies, to determine areas where gaps in our knowledge prevent us from tackling problems, and to suggest ways to standardize the collection of new data.

Why is such a centralized data base so important? Few people have considered the role a sufficient data base played in the reductions in infant mortality during the first half of the century. Before the Children's Bureau attempted to reduce the number of deaths of children in the first year of life, they had to know the number and percentage of infants who died in the various states and the circumstances surrounding their deaths. What the investigators discovered, however, was that no one knew exactly how many babies were born each year, much less how many were dying. So the Children's Bureau led the drive for all states to develop a standard, formal method of registering births, something we now take for granted (Bradbury, 1956). Only when this information began to come in from the states did patterns emerge pointing to some of the causes and cures for infant mortality.

Similarly, it is doubtful that the nation will make much progress against today's most pressing child and family problems without an improved national data base. For example, the dramatic decline in infectious disease, the main cause of childhood mortality when the Children's Bureau was founded, has allowed the nation to shift its attention to the prevention of unintentional injuries, today's number one killer of children after age one (U.S. Department of Health and Human Services, 1981). Much better data is needed to discover patterns in the cases of childhood injuries, as well as the most effective methods being used to prevent them. Due to the striking mobility of our society, a centralized data base is also needed to reduce defaults in child support payments and to find missing children. As the Justice Department recognized in its recent award of a grant to set up a national center to help locate missing children ("U.S. Setting Up a Center," 1984), efforts to find children are often hindered by the lack of a national data base.

2. With such a statistical base available, the

renovated Children's Bureau should also promote research and demonstration projects on children and families. In the Children's Bureau and in other agencies and departments serving children and families, a logical outgrowth of information gathering has always been to formulate and test innovative solutions to the problems uncovered. Many of our nation's successful children's programs, such as public health inoculation programs, began as demonstration projects. After the effectiveness of these programs was demonstrated on a local or statewide basis, they were made available to families across the nation.

Research and demonstration projects should be defined broadly enough to include studies emanating from the current ecological approach to the investigation of child growth and development. That is, although we need more quantitative measures of such conditions as children's sickness and health and of their school achievements and failures, we also need to learn more about what Bronfenbrenner (1979) has called the natural ecology of children. We need to examine the real-life situations of children and families—the way they spend their time and their sources of strength and of stress.

Therefore, the new Children's Bureau should focus on program innovation, but not on program administration and service delivery. Because we want the Children's Bureau to be free to focus on the broader picture of child and family health and welfare rather than on the narrow, time-consuming area of administration, we suggest that once research and demonstration projects become established programs, they should be administered by other agencies. The administration of Head Start, for example, should continue to be handled by ACYF.

3. The renovated Children's Bureau should serve as an interagency and interdepartmental coordinator on child and family programs in the federal government. Precisely because the Children's Bureau would not actually be administering, or competing for control of, service programs for children, it should be in an excellent position to coordinate major federal efforts on behalf of children and families fairly and objectively. Basically, this coordination can be seen as moving good ideas from one place to another, whether the ideas originate in the Children's Bureau's own research and demonstration activities or in programs in other departments or agencies. For example, early attempts to implement the Education for All Handicapped Children Act of 1975 (P.L. 94-142) might have been facilitated by applying the lessons learned in the effort to incorporate handicapped children into the Head Start program five years earlier. Having the Children's Bureau serve as an intra- and interdepartmental coordinator would also help eliminate

duplication and gaps in existing programs for children and families.

Successful models for such coordination include recent agreements to fund projects jointly or to pool research resources among the Division of Maternal and Child Health in the Public Health Service, the National Institute for Child Health and Human Development, the Centers for Disease Control, the Administration for Children, Youth, and Families, and the Departments of Agriculture and Education. Similarly, the director of the National Institute for Handicapped Research (NIHR) presently chairs an interagency task force on the handicapped. The renovated Children's Bureau should facilitate and encourage this type of coordination.

Unquestionably, much more coordination is needed. Specifically, the renovated Children's Bureau should serve as the central agency where all child and family issues are examined by teams from the various agencies and departments. One possible mechanism for achieving this end would be to have the chief of the Children's Bureau preside over a council that includes the directors of programs in various agencies that address such multidimensional problems as family nutrition, teenage pregnancy, child care for children of employed parents, and child abuse and neglect. The Children's Bureau should also promote coordination with state and private agencies. This coordination is especially needed in areas such as child care standards, injury prevention, child abuse prevention, and teenage pregnancy programs, in which considerable numbers of local and state efforts are already underway.

4. The renovated Children's Bureau should disseminate information to other government agencies and to the public at large about children and families in the United States. Dissemination activities, a strength of the original Children's Bureau, should be revitalized. Such dissemination should be a natural outgrowth and tangible product of all of the other activities the Children's Bureau conducts. Actually, a two-way process should be involved, in which information in many forms would flow in and out of the Children's Bureau.

The Children's Bureau's dissemination activities should have several key components. First, the production and updating of publications such as *Infant Care*, first offered by the Children's Bureau in 1914 and a government "bestseller" for decades (Bradbury, 1956), should again be the responsibility of the Bureau.

Second, conferences, workshops, and panels should be convened, so that information about nationally pressing problems would be available. The decennial White House Conference on Children, once the responsibility of the Children's Bureau, was canceled in 1981 and replaced with 50 state

miniconferences. Although each state must develop forums for examining the problems of families within its jurisdiction, the need for communication among states is even more pressing today, and a national conference should be revived. Third, the Bureau should produce for the secretary of HHS and for the Congress an annual report on the status of children, which would be available to public and private agencies as well.

Principles for Proposed Reorganization

In order for the Children's Bureau to carry out the above functions, certain organizational changes will be necessary within the Department of Health and Human Services. Because these changes will require much cooperation between existing agencies, it is beyond the scope of this article to suggest specific details. We do, however, propose certain guiding principles for reorganization, as follows:

1. The positions of chief of the Children's Bureau and head of ACYF, posts now occupied by the same person, should be two distinct and separate posts. To preside over the administration of all child programs, as well as over the data collection, research, and demonstration, and interagency coordination functions outlined above, is simply too big a job for one person. On the basis of the first author's experience as former chief of the Children's Bureau and head of the Office of Child Development (OCD), the creation of two separate posts is necessary for the efficient functioning of these two essential agencies.

2. In relation to the first suggestion, we propose that the Children's Bureau be in charge of the first key functions outlined above and that ACYF retain administrative authority over established programs such as Head Start and other child and family service programs for which funds become available. Separating and specifying the functions of each agency would encourage cooperative efforts rather than turf battles. Turf battles have plagued the Children's Bureau almost from its inception, with at various times either the Office of Education or the Public Health Service claiming that the Children's Bureau was usurping its functions. These conflicts culminated in the 1969 transfer of handicapped children's services and maternal and child health services, two of the Bureau's most important programs, to the Health Services and Mental Health Administration in the Public Health Service. At the same time, the Children's Bureau and Head Start were put under the auspices of the newly formed OCD (now ACYF).

Although placing OCD and the Children's Bureau in close proximity was a basically sound decision, the reorganization failed to delineate sufficiently separate and distinct roles for each agency. It is

to complete this reorganization by clarifying ACYF's role in service delivery and by revitalizing the role of the Children's Bureau in data collection, program innovation, and interagency coordination.

3. We suggest also that the chief of the Children's Bureau be a presidential appointee, but that he or she serve for a term of at least six years. Although the Bureau had only five chiefs in its first six decades of existence, there have been 14 in the last 20 years (see Table I). A six-year appointment could create some consistency in the position, would signify that the appointment is intended to be non-partisan, and would attract the kind of leadership necessary to the post. At a time of limited government resources and when a host of special interest groups compete with children's advocates to have

their needs addressed, the chief of the Children's Bureau must be, above all, an advocate for children and families. In an earlier reorganization of HEW, former Secretary Elliot Richardson saw the need for advocates in government for two particularly vulnerable groups: children and the elderly. He also emphasized the importance of having these two advocates report directly to him.

4. The chief of the Children's Bureau should have greater access to the Secretary of Health and Human Services and to the White House. For administrative purposes (for example, budgeting), the chief should continue to report to an assistant secretary but should also serve as special advisor to the secretary of HHS on child and family issues and programs. The Children's Bureau Chief should also have access to the President's Domestic Council, which should include an individual whose specific concern is with families and children.

Table 1
Tenure of Chiefs of the Children's Bureau

Name	Term	President served
Julia Lathrop	1912-1921	William Howard Taft (R) Woodrow Wilson (D)
Grace Abbott	1921-1934	Woodrow Wilson (D) Calvin Coolidge (R) Herbert Hoover (R)
Katherine Lenroot	1934-1951	Franklin D. Roosevelt (D) Harry S. Truman (D)
Martha Eliot	1951-1956	Harry S. Truman (D) Dwight D. Eisenhower (R)
Katherine Oettinger	1956-1968	Dwight D. Eisenhower (R) John F. Kennedy (D) Lyndon B. Johnson (D)
Arthur J. Lesser, acting	1968	Lyndon B. Johnson (D)
P. Frederick DeFiquardie	1968-1969	Lyndon B. Johnson (D) Richard M. Nixon (R)
Jule M. Sugarman, acting	1969-1970	Richard M. Nixon (R)
Edward F. Zigler	1970-1972	Richard M. Nixon (R)
Saul R. Rosoff, acting	1972-1975	Richard M. Nixon (R) Gerald R. Ford (R)
John H. Meier	1975-1977	Gerald R. Ford (R)
Blandina Cardenas Ramirez	1977-1979	Jimmy Carter (D)
Herschel Saucier, acting	1979-1980	Jimmy Carter (D)
Jack Calhoun	1980-1981	Jimmy Carter (D)
John Busa, acting	1981	Ronald Reagan (R)
Warren Master, acting	1981	Ronald Reagan (R)
Clarence Hodges	1981-1983	Ronald Reagan (R)
Lucy Biggs, acting	1983-1984	Ronald Reagan (R)
Dodie Livingston	1984-	Ronald Reagan (R)

Note. Data obtained from the Children's Bureau.

Rationale and Conclusion

What we are calling for, then, is a total renovation of the Children's Bureau, not a mere restoration of its former functions and programs. In practice, this will mean that some functions of the old Bureau must be discarded, others recaptured and updated, and still others created for the first time.

Government has become vastly more complicated since the days when the Children's Bureau chiefs sat in on Cabinet meetings, and it is neither necessary nor desirable to try to restore the Bureau's old role as primary operator of all programs for children. This role, as we have suggested above, properly belongs to ACYF and other agencies. But, in the midst of the increasing complexity and specialization of government, the need for a single strong voice for children is clearer than ever.

Among those qualities of the Children's Bureau that we propose renovating is the coordination of attacks on child and family problems. The original Children's Bureau focused on the "whole child" and on the interrelated problems of child health and dependency. The connections between the poor health and educational status of the child and the poverty of the family remain particularly striking even today. The old Children's Bureau found that infant mortality was frequently caused by such factors as poor sanitation and insufficient access to medical care, all of which were associated with poverty. Today, infant mortality, illness, poor educational outcomes, child care problems, and children's injuries are all more prevalent among low-income families. At a time when one quarter of the nation's children live below or near the poverty line, the connection between poverty and many of the problems confronting children must become a major concern of the new Children's Bureau.

What would be "new" about this quality of the Children's Bureau under our proposal? The new Children's Bureau should focus on the child, not as a distinct entity, but as part of a family system. The most successful efforts of the old Children's Bureau, such as its maternal and child health measures, considered children at least partially in the context of their families. However, other efforts, such as the Children's Bureau's concern with child labor long after this issue ceased to be a major family concern, tended to view the child in a vacuum and hence contributed to the Bureau's decline.

The new Children's Bureau, by contrast, should examine such issues as maternal employment and extrafamilial child care within the context of the whole family system, the workplace and the society. Focusing on the needs of employers and working parents alone, for example, might lead us to consider only the availability and cost of child care, disregarding the well-known negative effects of poor quality care on children. However, were we to focus exclusively on the child, we would disregard the importance of parents' needs for affordability, reliability, and participation in decisions affecting the care their children receive. We already know a great deal about the need for child care, the minimum standards we should expect in various child care settings, the methods best suited to training child care staff, and ways to ensure that parents have a voice in child care programs. The Children's Bureau should examine this knowledge and suggest a comprehensive plan for improving the child care situation in this country so that it meets the real needs of families as well as children. In the light of recent scandals in child care centers, it is particularly urgent that we develop ways to educate parents in choosing safe and appropriate child care and in monitoring caregivers.

Data collection, research, and demonstration should remain important components of the work of the Children's Bureau. To those who would argue that scarce public dollars should not be allocated to research when there are insufficient funds for programs, we must point out that the association between a strong data base and effective programs for children is a significant part of the history of the Children's Bureau. During its first decades, teams of women were sent to interview thousands of mothers whose infants had died during or shortly after childbirth (Bradbury, 1956). The information thus collected helped spur passage of the Sheppard-Towner Act of 1921, authorizing the first federal-state grant-in-aid program and the establishment of almost 1,600 child health clinics (Pizzo, 1983). More recently, research has been used to show the effectiveness of existing programs, such as Head Start, and the ineffectiveness of certain program compo-

nents, such as the summer-only Head Start programs. Effective research, demonstration, and dissemination can help direct tax dollars toward those efforts that will be most beneficial to children and families.

The assaults on children's health and welfare may be more subtle than they were in the early 1900s, but they are no less insidious. Just as the creation of a strong office for children helped spur local, state, and federal policies to conquer infectious disease, so the revival of such an office is needed to help guide policies to combat the enemies of children today—childhood accidents, abuse and neglect, school failure, teenage pregnancy, adolescent suicide, and unavailable and inadequate child care. Such an office is especially needed to serve as an advocate for children from low-income families who have always been at greater risk of illness and premature death and who continue to suffer disproportionately from accidents and other forms of "the new morbidity." In calling for a renovated, updated, and stronger Children's Bureau, we are not reinventing the wheel. We are attempting to use the experience of the past to consolidate our efforts on behalf of children and families in a central place—a room of their own.

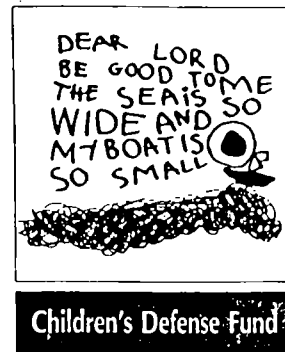
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Testimony of the Children's Defense Fund

before the

Congressional Caucus on Women's Issues

**THE FEDERAL ROLE IN CHILD CARE:
Many Gaps to be Filled**

Presented by:

**Helen Blank
Director, Child Care and Development
CHILDREN'S DEFENSE FUND**

July 10, 1997

I am Helen Blank, Director of Child Care and Development at the Children's Defense Fund (CDF). CDF welcomes the opportunity to testify today on child care. CDF is a privately funded public charity dedicated to providing a strong and effective voice for children, especially poor and minority children.

In the United States, child care and early education are a partnership between the public sector (federal, state and local governments), the private sector, and parents.

The federal government is a relative newcomer to this issue. Other than some involvement in providing child care to women working during the Second World War, the federal government a very limited role in child care and early education until the 1960s when the Head Start program was created. The federal role in providing child care to help low-income parents work did not expand significantly until the late 1980s.

Launched in 1965, Head Start's goal was not to help low-income families work but to help children get a strong start before they entered school. In order to meet this goal, Head Start provides an array of comprehensive services including education, health and nutrition, social services and parent involvement. Although Head Start is perceived primarily as a part-day program, 29 percent of the programs offer full-day services, most with federal and state child care dollars. In 1994, Early Head Start was authorized to supplement Head Start's Parent and Child centers and bring the program's comprehensive services to families with children ages 0-3.

Unlike Head Start, funding for child care support has always been based primarily on the goal of helping parents work. As a result, although many children who might be eligible for Head Start are enrolled in child care settings, most child care programs do not have the resources to offer families comprehensive services. During the 1970s and 1980s, the federal government offered parents limited child care assistance to help cover the cost of child care for parents.

The Title XX Social Services Block Grant was used by many states for child care. States have allowed working families on welfare to disregard a portion of their child care expenses before calculating their cash assistance level. Since the 1970s, the federal government has made assistance available to child care programs to enable them to offer nutritious meals and snacks to children through the Child and Adult Care Food Program (CACFP).

The CACFP was designed to be a logical companion to the National School Lunch Program. It is common sense that children who are well fed in their early childhood settings will be much more likely to enter school ready to learn. For many of these children, the child care program they attend is their primary source of food; they spend 10-12 hours each day in care, receiving most of their meals while there. According to Congress' Select Panel for the Promotion of Child Health, preschool children often receive 75-80 percent of their nutritional intake from their child care providers.

The CACFP has been particularly important to children in family child care settings, as it not only ensures their good nutrition, but is also linked to improvements in the quality of care that children receive. Family child care providers, many of whom are low-income women, often work extremely long hours and are very isolated from other adults. Many have little training on how to work with a group of children. CACFP has made real differences in the lives of providers and the children in their programs by providing a strong incentive to family child care providers to become licensed or registered. This not only gives them access to a range of training and support activities, but also helps make sure they leave the underground economy and begin to pay taxes. Through umbrella sponsors, family child care providers also receive two to three site visits a year. These visits are particularly important, since states with limited resources are providing less and less monitoring and support to family child care providers who care for as many as twelve children.

The supply and quality of family child care will be seriously eroded by changes made in the CACFP in 1996. Because family child care providers serving middle-income children will have their food subsidies drastically cut, it is expected that a large number across the country will choose to drop out of CACFP, operate underground or illegally, or go out of business entirely.

In addition, since 1976 all families have been entitled to a tax credit for a portion of their child care expenses. Since the credit is not refundable, it is not available to low-income families who have no tax liability.

Child care support expands in the 1980s.

In the late 1980s, Congress drew its attention to child care. When the Family Support Act was enacted, child care was a centerpiece of the welfare reform agenda. It included the first guarantee of child care assistance for families on welfare, as well as for one year of help for families leaving welfare.

In response to widespread public recognition that additional child care assistance was essential to help low-income working families trying desperately to remain off welfare, two child care programs -- the Child Care and Development Block Grant (CCDBG) and the At-Risk Child Care Program -- were enacted in 1990. In addition to providing help to low-income working families, the CCDBG recognized, for the first time, the importance of a public role in improving the quality and support of child care by including funds specifically dedicated to this purpose.

Ironically, although its emphasis was on helping families' work, the new welfare law enacted eliminated the guarantee of child care help for families on welfare and for those transitioning off. It merged four major child care programs into the existing CCDBG. States can use these funds to help families on welfare, as well as low-income working

families pay for child care. At least four percent of these funds are set-aside to address the critical problems of child care quality and adequate supply.

State investments and policies vary widely.

Prior to the late 1980s, states varied enormously in the extent to which they invested state or federal funds in child care services or even had significant programs in this area. While some states invested state funds in child care, and/or chose to use federal Social Services Block Grant funds for child care subsidies, many states spent relatively small amounts. As of 1990, for example, there were four states that essentially had no child care subsidy program for low-income working families, and there were huge discrepancies between states in their investments in child care and early education.

As of 1994, every state invested at least enough state funds to draw down some of the federal child care money made available in the 1980s and early 1990s. The extent to which states invest their own funds over and above any federal matching requirements varies widely.

A number of states also have chosen to invest in early childhood education initiatives, either by supplementing the federal Head Start program with state funds to expand Head Start, or by setting up a new state initiative. In 1991-92, a CDF study found that 32 states invested a total of \$665 million in prekindergarten programs and served 290,000 children. Some states have significantly increased their investments in prekindergarten since then. However, most of these programs operate on a part-day, part-year basis and do not recognize the needs of parents who work outside of the home.

States also play a primary role in determining policies for all federal and state child care subsidy programs, though the federal government does provide some guidelines. For example, states have the responsibility to determine:

- Eligibility criteria--establishing income guidelines, and defining the activities in which parents must be engaged to qualify for assistance (such as being on cash assistance, working, going to school, getting job training, or job hunting). These criteria vary widely, from the poverty level in some states, to over 200 percent of the poverty level in others. Yet, whatever a state's eligibility cut-off, child care assistance is still primarily focused on the lowest-income families. In 1995, approximately 70 percent of CCDBG funds were targeted to families with incomes at or below the poverty level.
- Sliding fee scales--determining how much parents must contribute towards the full child care fee charged by child care providers. States usually have the parent co-payment level vary by the parent's income level. The level of parent co-payments affects the extent to which states are helping make child care affordable, and the extent to which parents are helped to have a choice of good child care programs for their children. High co-payments can limit families child care choices.
- Reimbursement rates--determining the maximum fee that the *state* will agree to pay or reimburse child care providers. Accordingly, rates have a major impact on the type and quality of care families can access, and whether programs in their communities will be willing to serve children receiving child care assistance. Child care payments are significantly below the market rate in many communities. Low rates can seriously limit parental choice, as providers are unwilling or unable to serve low-income children.
 - * A 1986 study by the Washington State Department of Social and Health Services found that many providers refused to accept subsidized children, and 60 percent of those that did said they limited the number of subsidized children they accepted, typically because the subsidized rates were too low (Wicks and Caro).

- * A study by the Illinois Department of Public Aid found that many AFDC recipients reported they were unable to find a caregiver willing to accept state reimbursement for subsidized care (Siegel and Loman, 1991).
- * In a fifty-state survey in 1991, 26 states reported some providers were unwilling to serve parents subsidized by JOBS or receiving transitional child care assistance because of low rates (Ebb and Lookner, 1991).
- Basic health and safety protections for publicly funded care--As many states exempt large numbers of providers from being licensed or regulated, states must determine the basic health and safety provisions for providers who are exempt from state licensing requirements but receive *public funds*. States are not required to set such protections for children cared for by certain relatives.

States determine whether and how to allocate funds to improve the quality of care (for example by funding training, Resource & Referral agencies, and grants and loans) or to improve supply of care (for example, by funding start-up costs for programs in underserved areas or for underserved populations). Prior to 1988, some states invested their own funds in these efforts. The CCDBG, however, allowed these states to use federal funds to increase their efforts significantly, and allowed other states to begin to make such investments.

All states license at least some child care providers to ensure the basic health and safety of children in child care settings. However, there is wide variation in which providers they allow to be exempt from being licensed and monitored, the requirements they set for regulated programs, and the extent to which they enforce their requirements. For example:

- Many states exempt smaller family child care providers from any regulation, and some states exempt family child care providers serving as many as six, eight, or twelve children. Some states exempt child care programs run by religious organizations or schools, programs operating on a part-day basis, or drop-in programs such as those run in shopping malls or exercise clubs.
- States may vary in the number of providers that may care for children. For example, in Idaho, one adult may care for up to 12 infants, while in Massachusetts, one adult can be responsible for no more than three infants.
- States vary in the extent to which licensed programs have to even meet basic health and safety requirements--such as ensuring that children in child care have their basic immunizations, that child care providers have first aid and CPR training, that providers wash their hands before and after diapering and preparing food, and that there be small numbers of children per provider and in a single group.

States also differ in the extent to which they visit programs to ensure that they comply with these requirements, with some states visiting programs quite infrequently, or--in the case of family child care providers--not at all.

This past year, the welfare Act fueled new investments in child care in a number of states. Yet, the pattern across states still remains remarkably uneven. For example, Illinois just approved an increase of \$100 million in state dollars which will allow the state to provide child care assistance to all families earning below 50 percent of the state's median income which is approximately \$22,000 for a family of three this will allow the state to serve all families on the waiting list for child care assistance. However, Texas added no new state dollars beyond what they needed to draw down their federal

child care dollars, despite a waiting list of close to 36,000 children in low-income working families who need child care assistance.

Whether families have access to help paying for child care, what quality of child care is available, and whether the supply is adequate is dependent on what state, county, or neighborhood a family lives in. However, regardless of where a family lives, the current child care system in most communities still leaves enormous gaps for children and families because we, as a nation, have not come to terms with the investment necessary to address the affordability, quality, and supply of child care to ensure children receive the supportive care they need to grow and thrive.

There are a plethora of issues that communities now face. Changes in the welfare system underscore many gaps that must be addressed if parents are to be able to find and keep jobs and children are to enter schools ready to succeed.

Shortages of infant care and school-age child care are common in most communities but these shortages are most prevalent in low-income neighborhoods.

- Many studies have reported shortages of center-based infant and toddler care:
 - * A 1990 study surveyed centers and found that "vacancies for infants and toddlers are especially limited; fewer than 10 percent of all vacancies could be filled by infants and toddlers.
 - * In a 1995 GAO study, Michigan officials reported their state had a shortage of infant and special needs child care in the inner cities and all types of child care in rural areas.

- * A recent study of child care in California found similar patterns--only four percent of slots in licensed child care centers were for infants younger than age two.

- * A study of child care needs in six cities found serious shortages of infant care. In four sites (Bath, Boulder, Chicago, and San Francisco), CCR&R staff reported that demand for child care for infants exceeded the supply of care. Some CCR&Rs recommended parents put their name on waiting lists for infant care as soon as they knew they were pregnant. In both Boulder and San Francisco, staff reported because they were been unable to help young mothers find care for their infant, women had lost their jobs and returned to welfare.

- Schools in low-income areas are much less likely to offer the extended day and enriched programs that can help keep children safe after school, and help them stay out of trouble. In 1993, only one-third of the schools in low-income neighborhoods offered such programs, compared with 52 percent of the schools in more affluent areas.

- A national study found more affluent counties had two to three times the supply of preschool programs per capita, meaning that low-income families have far less access to the preschool programs that enable parents to work and children to get the early learning experiences that allow them to enter school ready to succeed.

- Recent studies have found that there are significant geographical areas where no licensed programs exist for families to choose:
 - * One recent study found that nine of 55 counties in West Virginia had no licensed child care centers, and another 14 only had one center.

- * A study of families receiving welfare in Illinois found that licensed care was simply not available in some relatively large areas in the state. Furthermore, the study found that in some areas where care was available, the demand greatly exceeded the available supply. This was most common in the poorest areas of the state.

Communities now face tackling the difficult task of encouraging odd-hour child care to help the large portion of low-income women who will work on weekends or on night shifts.

- Nearly one in five full-time workers--14.3 million--worked nonstandard hours in 1991. More than one in three--five million of them-- were women.
- One-third of working-poor mothers with incomes below poverty and more than one-fourth of working-class mothers (incomes above the poverty line but below \$25,000) worked weekends.

A study of 207 Illinois families receiving transitional child care subsidies after leaving welfare due to employment, found that nearly 75% were working irregular hours.

The instability of parents' work schedules also presents a challenge for families trying to find child care.

One study found that almost half of low-income working parents worked on a rotating or changing schedule, compared with one-quarter of working-and middle-class mothers and one-third of working-and middle-class fathers. This presents a greater obstacle to finding child care than either a regular weekend or evening schedule.

Head Start and state prekindergarten programs now face the challenge of finding resources to extend their day to meet the needs of families who, facing work requirements and time limits, will need full-day, full-year child care.

Other witnesses will address the quality of child care which also offers great cause for concern.

Finally, although we have made considerable progress in the last decade in expanding families access to child care assistance, too many low-income families simply cannot afford safe child care that allows them the peace of mind they need to be productive at work and their children to have the early education experience they need to enter school ready to succeed.

The escalating work requirements in the welfare Act threaten to even further limit low-income working families access to child care.

Even before the welfare Act, the scarcity of child care dollars and demands of welfare reform pushed states into the difficult position of devoting more and more child care resources to help families get off of welfare, and away from those working families who are struggling to keep their jobs and stay independent.

A 1994 study by the Children's Defense Fund illustrates this graphically:

- Fifteen states (AK, AZ, AR, CA, CO, FL, HI, IL, MS, MT, NV, NH, NJ, SD, and TX) used the Child Care and Development Block Grant (intended to provide help to low-income working families) to pay for welfare-related child care because the Block grant does not require a state match. Additional states indicated they may need to use the Block Grant in the future.

- Eleven states (AK, AZ, DC, FL, MD, MN, MS, RI, SC, WA, and WI) took state child care funds that were helping working families stay off welfare, and reallocated them to families working to get off welfare.
- Twenty-five states including DC reported an increase in the proportion of child care slots or dollars going to AFDC families rather than the working poor.

It makes no sense to force states to make the Solomon-like choice between helping families get off of welfare versus helping families stay off welfare in the first place. Welfare reform will not work unless both groups of families are helped. Otherwise a revolving door is created through which families who are trying to be independent are gradually forced out of the labor force and onto welfare--where maybe they can get child care assistance to try to become independent again.

An increasing number of families are working low-wage jobs and need child care help.

- Today more than a third of all America's poor children belong to families where at least one parent works all year.
- A recent report by the National Center for Children in Poverty found young children in a traditional nuclear family (two-parent family with one parent working full-time) are 2 and 1/2 times more likely to be poor in 1994 than they were in 1975. The poverty rate for young children in such traditional nuclear families rose from 6 to 15 percent between 1975 to 1994.
- Half of the young families with children (with family head younger than age 30) earned less than \$20,000 in 1994. The cost of decent child care is beyond the reach of these families unless they get help.

Child care can *easily* cost over \$4,000 a year, and can be much higher for younger children and in some regions of the country. This is a significant part of a working family's budget and can keep families from being able to afford to work.

- In 1990, mothers who were employed full time and paid for child care for a child younger than five paid on average about \$3,650 for their youngest child in center-based care, \$2,950 for family child care, and \$5,025 for in-home care. This was only the amount they paid for their *youngest* child--families with more than one child in child care paid more.

Obviously, low-income parents would have difficulty affording even average-priced care for one child--at the rates reported above, a single mother working full time and earning the minimum wage would have to pay 41 percent of her income to put her child in a center. Given the other costs of raising a family such as rent, food, transportation, and clothes, it is clearly impossible for low-income parents to afford good care without help.

Several studies around the country have found that child care difficulties have forced families onto welfare:

- A 1994 survey of welfare recipients in Maine found that 31 percent of those who had left a previous job did so because of child care difficulties.
- A 1991 study of welfare recipients in Illinois found that 20 percent of the women who returned to welfare within the year of the report had returned due to child care problems. Also, 42 percent who had quit school, had quit due to child care problems.

- At least one in five families that remain on the waiting list for child care help in Montgomery County, Maryland for a prolonged period, end up on welfare, according to a study by the Montgomery County Commission on Child Care.
- In Milwaukee County, Wisconsin, approximately one-fourth of all families that exhausted their Transitional Child Care (TCC) benefits returned to welfare between October 1992 and November 1993. During that same period, the county was not able to provide continued child care assistance to these families. The county believes that the unavailability of child care assistance was the major reason for the families' return to welfare.

Given the time limits now tied to welfare, families will no longer be able to continue to move back and forth between work and welfare. As a result, it is even more important for the federal government and states to address the child care needs of families who work in low-wage jobs.

Low-income working families that need child care assistance and can't get it find it more difficult to work, have to place their children in less safe situations, and get into financial difficulties.

- A study of low-income working families on the waiting list for child care in Minnesota found a broad range of problems. One-fourth of all the families interviewed had to go on welfare to survive. Some found it difficult to maintain employment because of unstable child care arrangements. One-third of the parents felt their children's child care settings threatened their safety and development, and many families were experiencing severe stress.

Parents shared their experiences:

- *I lost that job after eight months because of upsets in my schedule...due to baby-sitting problems--although I was very conscientious about lining up child care arrangements, disruptions caused everything that I had carefully planned to come tumbling down.*
- *I pay \$460 a month for child care. I am a single parent and a manager of a restaurant. As a result of day care expenses I try to cut back on hours at work...to reduce the day care amount. My unit then suffers...to the point I worry I may lose my job. I have lost out on bonus money I depend on and have fallen behind on several bills....I am currently looking into bankruptcy.*
- *The baby-sitter leaves Alicia with her son who is 17 years old and very immature. It bothers me to come and get her and she's crying hysterically and he just ignores her and she's hungry.*
- *My child is six months old and has been in three horrible daycares in two-and-one-half months.*
- *I go to bed...every night nervous or crying with frustration wondering if the money left will make it to my next paycheck. I'm finding myself short with the kids more and then stop myself and say, "Think. It's not fair, they are only kids...." So I give them hugs and say I'm sorry.*

Parents in other communities face similar untenable choices:

- When a Rhode Island officials interviewed families on the waiting list for child care assistance, they found that many mothers were starting to question whether their hard work in low-wage jobs paid off for them or their children. One mother wrote, "I had to quit work because I earned less than \$200 a week and I had to pay \$150 for [child

care for] my three sons and I did not know why I went to work. Now, I am applying for AFDC. I would like to working and be useful, rather than sitting here and getting a check that doesn't cover too much of anything."

Obviously, we have a long way as a nation to address the child care needs of our families and children. There is good reason to move forward.

Good child care makes a major difference to children in the first three years of life. Child care also plays a strong role in helping children to enter school ready to succeed and ensuring that children stay in school and continue to learn.

Hearings, like this one today, provide an important forum for discussing how the multiple facets of child care and development and how to move ahead to help children and families.



TOTALLY CONFIDENTIAL

Memorandum

To: Hillary
Fr: Marian
Dt: October 22, 1997

Thanks for coming to CDF's 25th Anniversary in New York. You were wonderful. I wanted to give you some very preliminary findings from our focus groups. A final summary will be available in the next couple of weeks. However, it is clear that we have an enormous opportunity to educate the public as we did with health care on the importance of child care, especially for babies and school-age children. When people understand the facts about child care, they support a variety of strategies for helping working families.

- Participants like the concept behind vouchers, although they resist the idea of handing out "cash." They strongly favor people paying on a sliding scale. They feel it is a good idea to provide help to those families making under \$35,000, but some feel help should be provided up to \$50,000.
- The expense of care also needs to be highlighted. People who use child care know the cost, people who don't use child care or don't have grandchildren who participate in child care are unfamiliar with the price families pay. People were persuaded by the message "even with the new increase in minimum wage, a parent working full time would earn only \$10,700 and could easily spend between \$4,000 and \$7,000 for care. Even middle class families are affected by this expense-- half of all families earn less than \$40,000 and spend \$4,000 to \$7,000 on care."
- Respondents are well aware that caring for babies and toddlers presents unique problems which are different from caring for school age children. They feel this age group requires more supervision, "have to be on your toes for medical reasons," and you "need to start stimulating at an early age." Respondents think it is more difficult to find quality care for this group.
- There needs to be continuing massive public education about the importance of the first three years of life.
- Most people believe that it is in the best interest for children to have one parent at home. This could lead to support for paid parental leave and flex-time.
- The best messages focus on the projected surplus and putting that surplus money into child care services. While they did not like increased taxes, respondents did support taxes on products such as tobacco and alcohol. They respond to a message which says that many women are essential in helping support their families financially. This message addresses the perception that many women work out of choice, not necessity. They also like a pay now, pay later message-- investing in child care today will save money down the road by preventing juvenile crime, gangs, and improving worker productivity. They like this message because it addresses their concerns about juvenile crime.
- When presented with the facts, most believe that government should expand it's role in safety inspections, that government should provide more help to low-income families, and that employers should dramatically increase their role in helping families with child care.

Preliminary Summary of Child Care Focus Groups

- Participants worry about drugs, safety, sex, and peer pressure for their school age children. These voters volunteer the need for after school activities which are available and affordable for all children. They worry about kids who roam the streets and the malls. They want a place for these children to go.
- They want to see structured activities provided for children and teens either through the schools or at a center (to which transportation is provided). Most participants react to the fact that juvenile crime rates peak between the hours of 3:00 and 7:00 pm, and it triples between the hours of 2 and 3. They also see a greater need for structured activities when they hear that most pregnancies occur between the hours of 3 and 5. The major concern with child care today is quality and cost. Quality is a real concern, with voters continuously bringing it up. Most feel the quality of care most children receive is fair to poor.
- People think placing children in a day care situation can be good for them. They mention the socialization skills they gain, the ability to play with other children, and learning in a structured environment.
- There was increased awareness of the need for quality, well-trained and better paid providers. People strongly believe and volunteered that providers need to be educated and receive on-going training. They want to see them paid as professionals.
- The fact that 13 million children spend all or some of their day being cared for by someone other than their parent points out the need to ensure these children receive quality care. Concern is elevated when combined with the poor quality of care most children receive—“a recently released national study found that child care at most centers in the United States is poor to mediocre, with almost half of the infants and toddlers in rooms having less than minimal quality. It found that fully 40 percent of the rooms serving infants in centers provided care that was of such poor quality as to jeopardize children’s health, safety, or development.” This fact bothers participants and they worry about children being placed in poor to mediocre care.
- When given the option of staying home full-time or working part-time, many mothers, even homemakers, say they would work at least part-time. They say they would want to work because of their sanity and because they think it is good for children to “get used to other kids” and to not “stay with them 24 hours a day.” These mothers also think they need to continue to have a skill, so when their children are older they would be able to find a job.
- They believe that recent changes in welfare will put more demand on current child care resources.

Federal and State Government: Partners in Child Care

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

Providing Child Care Assistance for Low-Income Working Families

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

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

Helping Families Pay for Care Through Child Care Tax Credits

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

Helping Keep Children Safe

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

Improving Quality and Supply

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

Ensuring Good Nutrition for Children in Child Care and Early Education

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

Other Important Partners:

Local Government, the Private Sector, and Community Groups

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

Sources:

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

² Families and Work Institute, 1994.



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Letter to the Editor

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All editorials and commentary from Sunday's Washington Post Outlook section.

It's the Quality of Care That Matters

Saturday, November 1, 1997; Page A19
The Washington Post

Stanley Greenspan's Oct. 19 Outlook article, "The Reasons Why We Need to Rely Less on Day Care," refers to the Study of Early Child Care supported by the National Institute of Child Health and Human Development (NICHD). Unfortunately, he provides a misleading picture.

The NICHD study was designed to assess the effects of child care experiences on the development of children born in the early 1990s. Child care experiences under investigation included the age of entry into child care, weekly hours of care, stability of care and quality of care. Some 1,200 urban and rural families from across the United States and from a wide range of socioeconomic backgrounds were enrolled in the study following the birth of their babies. Information has been collected about family and child care characteristics, and about patterns of child development pertaining to social, emotional, cognitive, language and health outcomes.

Contrary to the statement by Greenspan, the NICHD study did not find that 80 percent of center care is inadequate. The NICHD study made no attempt to assess what proportion of child care might be "inadequate." Greenspan's assertion that out-of-home care is inferior to parental care is not supported by the study's findings. It concluded that for cognitive outcomes, infants in out-of-home care functioned as well as, and in some cases better than, those in maternal care at home.

Describing the NICHD study results with regard to infant-mother attachment, Greenspan writes that "babies in relatively full-time day care have compromised attachments, unless their parents were especially sensitive to their needs and adept at reading their emotional signals in the evening." The study showed that characteristics of the child care experience -- including age of entry into care, amount of care, stability of care or quality of care -- did not, in and of themselves, affect the infants' security of attachment to their mothers. The strongest predictors of

infant attachment security were their mothers' sensitivity/responsiveness toward their children and the mothers' psychological health. The only group of infants at a significantly increased risk for insecure attachment was the group of infants whose mothers were in the lowest 25 percent of the sensitivity/responsiveness continuum and who attended poor-quality child care, had more than minimal amounts of child care or received relatively unstable care.

Greenspan implies that even good child care centers are failing to provide children with adequate linguistic stimulation. Based on assessments of children at 15, 24 and 36 months of age, the NICHD study reported in April that the cognitive and language development of children who are in child care is not compromised, relative to children in exclusive maternal care. The study also reported that the higher the quality of care, the better the cognitive and linguistic outcomes of children who are in child care. When the quality of care provided in the different child care settings was equivalent, center care predicted better outcomes than other forms of care. Here again, as with infant-mother attachment, the strongest predictors of children's cognitive and linguistic outcomes were features of the home and family environment.

-- Lewis P. Lipsitt

The writer is chairman of the steering committee of the National Institute of Child Health and Human Development national child care project.

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National Institute
of Child Health and
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Building 31, Room 2A03
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Voice: 301-496-3454 Fax: 301-402-1104

DATE: November 12, 1997

TO: Nicole Rabner

FAX NUMBER: 202-456-9412

MESSAGE:

Nicole,

The Post finally printed this article November 1. Better late than never.

Duane Alexander, M.D.



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Taking Exception to Greenspan's Childcare article in Outlook, October 19, 1997

Dr. Stanley Greenspan's article in the Outlook section of the Washington Post (October 19) refers to the Study of Early Child Care supported by the National Institute of Child Health and Human Development (NICHD). Unfortunately, in buttressing his arguments, data from the study are cited or interpreted incorrectly or incompletely, providing a misleading picture. In the national discussions and debates taking place over child care, it is important that the information provided by this major study be correctly reported and clearly understood.

The NICHD study was designed to assess the effects of child care experiences on the development of children born in the early 1990s. Child care experiences under investigation included the age of entry into child care, weekly hours of care, stability of care, and quality of care. About 1200 urban and rural families from across the U.S. and from a wide range of socio-economic backgrounds were enrolled in the study following the birth of their babies. Information has been collected about family and child care characteristics, and about patterns of child development pertaining to social, emotional, cognitive, language, and health outcomes.

Contrary to the statement by Dr. Greenspan, the NICHD study did not find that 80% of center care is inadequate. The NICHD study developed measures of quality to assess the child care programs its children attended, but made no attempt to assess what proportion of child care might be "inadequate" in the U.S. Greenspan's assertion that out-of-home care is inferior to

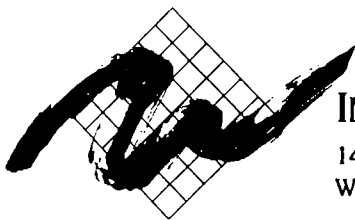
parental care is not supported by the NICHD findings. The study concluded that for cognitive outcomes, infants in out-of-home care functioned as well as, and in some cases better than, those in maternal care at home.

Dr. Greenspan's description of the NICHD study results with regard to infant-mother attachment is also incorrect. He writes that "babies in relatively full time day care have compromised attachments, unless their parents were especially sensitive to their needs and adept at reading their emotional signals in the evening." In fact, the study showed that characteristics of the child care experience, including age of entry into care, amount of care, stability of care, or quality of care did not, in and of themselves, affect the infants' security of attachment to their mothers. The strongest predictors of infant attachment security were their mothers' sensitivity/responsiveness toward their children and the mothers' psychological health. The only group of infants at a significantly increased risk for insecure attachment was the group of infants whose mothers were in the lowest 25% of the sensitivity/responsiveness continuum and who attended poor quality child care, had more than minimal amounts of child care, or received relatively unstable care.

Dr. Greenspan claims that even good child care centers are failing to provide children with adequate linguistic stimulation. Based on assessments of children at 15, 24, and 36 months of age, the NICHD study reported in April that the cognitive and language development of children who are in child care is not compromised, relative to children in exclusive maternal care. The study also reported that the higher the quality of care, the better the cognitive and linguistic outcomes of children who are in child care. When the quality of care provided in the different child care settings was equivalent, center care predicted better outcomes than other forms of care. Here again, as with infant-mother attachment, the strongest predictors of

children's cognitive and linguistic outcomes, were features of the home and family environment.

We believe that the public debate about non-parental child care, as compared to exclusive maternal care, and about the effects of variations in child care experiences on the well-being of children, is timely and important. We wish the debate to be well informed by the results of the NICHD Study of Early Child Care. The study is noteworthy not only because of its depth and breadth, but also because it was designed and is carried out by some thirty investigators specializing in the study of the child care experience and its effect on the development of children. Given that the debate focuses on a major public health concern -- the well-being of the children of this country -- we are especially gratified that the White House Conference on Child Care will raise the public consciousness about the knowledge that has been accumulated regarding the features of child care quality and how this information can best serve children, parents, and society as a whole.



INSTITUTE FOR WOMEN'S POLICY RESEARCH

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*copy
please
business
in a
previous
letter.*

October 20, 1997

Melanne Verveer
Chief of Staff
Office of the First Lady
Room 100, Old Executive Office Building
Washington, D.C. 20500

To Nicole

Dear Melanne:

It was great to see you and the First Lady at the recent reception for Audrey Tayse Haynes. When I saw you, I forgot to mention that I had heard the First Lady's speech in College Park on child care, and thought she was absolutely on target, as always. I was especially glad that she is getting more involved in the issue of child care for low income women, because I think she could really make a difference. I know that she is already very knowledgeable on the subject, but I am sending a few summaries that the Institute for Women's Policy Research has recently published, because I thought they might be of interest.

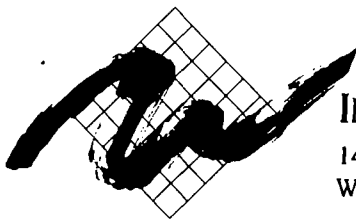
We are currently working on several research projects that are relevant to her interests, including child care choices among low income women and single mothers, with particular attention to mothers whose children have disabilities and mothers who work unusual hours (such as evenings and weekends). We are also very interested in issues of pay equity that are relevant to the low pay of child care workers and the difficulty of low income women being able to afford quality child care. Please let us know if we can provide any information or be helpful in any way.

I hope the trip went well and that all is well with you both. From where I sit, it looks like the American public is once again coming to appreciate how lucky they are to have her as the First Lady.

Sincerely,

Diana Zuckerman, Ph.D.
Director of Research and Policy Analysis

Enclosures



INSTITUTE FOR WOMEN'S POLICY RESEARCH

1400 20th Street, NW, Suite 104
Washington, DC 20036

May 30, 1997

Issue No. 6

IWPR Welfare Reform Network News

A Newsletter of the Institute for Women's Policy Research

CHILD CARE AND WELFARE REFORM

More than 12 million U.S. children under age five, including the majority of all infants, spend at least some time on a regular basis in the care of someone other than their parents.¹ In 1994, 60 percent of U.S. women with children under age six were in the paid labor force. Nearly 40 percent of families with incomes less than \$1,200 per month pay out-of-pocket for child care.² Problems are found throughout the U.S. childcare system, such as:

- scarcity of certain services (e.g., care during evenings and on weekends and care for children with disabilities or behavioral problems),
- lack of affordable care,
- mediocre quality care, and
- a poorly paid childcare workforce with a high rate of employee turnover.³

Research shows that a lack of affordable, accessible, and stable child care serves to significantly decrease the likelihood that single mothers will find and keep employment. If parents are to succeed in moving from welfare to work, adequate child care must be available.

CHILD CARE RESEARCH

The Impact of Child Care on Single Mothers' Employment

Ongoing research by the **Institute for Women's Policy Research (IWPR)**,⁴ using the Survey of Income and Program Participation (SIPP), shows that the presence of young children is the factor most likely to reduce the probability of a low-income single mother's employment. Underlying this finding is a lack of affordable, quality child care. Low-income mothers commonly use paid childcare arrangements and spend a significant portion of their income on child care.

This report will focus on IWPR's study of childcare usage among working mothers in low-income families (within 200 percent of the poverty line) with young children (under age six). The mothers were divided into three groups: (1) low-income, non-welfare, single mothers; (2) low-income, non-welfare, married mothers; and (3) welfare recipients. There are two kinds of settings outside the home in which parents may place their children: **formal care** arrangements in childcare centers or state-licensed family childcare homes and **informal care** arrangements provided by relatives or acquaintances in unlicensed home settings. IWPR's study found that mothers on welfare are the group most likely to rely on relatives to care for

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The Lack of Affordable Child Care

Connecticut implemented the Jobs First welfare waiver program in December 1995. The waiver includes a work requirement, a 21-month lifetime limit on assistance, an earned income disregard, and transitional medical and childcare benefits. In November 1997, the first group of Jobs First participants will reach the 21-month time limit. **The Welfare Research Group**,⁷ which consists of students and faculty of the Community Organization Sequence at the University of Connecticut School of Social Work, the Legal Assistance Resource Center of Connecticut, and others, is conducting a study of the perceptions and experiences of Jobs First participants. They found that participants in the Jobs First program often lack access to affordable childcare providers, providers with weekend and evening hours, and providers to care for children with illnesses or behavioral problems; in addition, participants found that the childcare grant under Jobs First was inadequate to pay for many licensed providers.

The Welfare Research Group gathered quantitative data concerning Jobs First participants' employment history, income level, and educational background through questionnaires, and conducted focus groups on individual participants' perceptions and experiences. The study consisted of two phases: Phase One took place in July and August of 1996 and gathered information on recipients' initial experiences; Phase Two took place from October 1996 through March 1997 and gathered information on job search and employment. Nearly 400 AFDC recipients participated in the study (249 in the focus groups and 150 through the questionnaire). The majority of focus groups were conducted with previously existing groups such as Mother's Support or Job Search Skill Training classes; groups were led by a moderator who followed a structured question guide.

The questionnaires revealed that **only 17 percent of interviewees had their children in licensed day care facilities**. In focus groups, participants stated that the childcare grant was too low to enable them to afford many licensed providers and that there were not enough slots available among affordable providers to meet the demand. They also stated that childcare providers were rarely available evenings or weekends and that it was difficult to find providers for children with illnesses or behavioral problems. Study participants suggested:

- enforcing exemptions from job search for parents of a sick child,
- increasing childcare payments,
- increasing the number of subsidized day care slots,
- establishing before- and after-school programs, and
- expanding the days and hours that child care is available.

The Lack of Access to Child Care

A study conducted by **Marcia Meyers**, of Columbia University, and **Theresa Heintze** of Syracuse University,¹⁰ found that highly targeted childcare services may be more effective at excluding ineligible clients than providing benefits to those in need. The study, using data from 1995 interviews with a random sample of single and married AFDC recipients in California with children under 14, examined families' use of child care, their receipt of public child care subsidies, and the financial impact of childcare costs. The structured telephone interviews included questions about family characteristics, labor market and education activities, and childcare arrangements for the youngest child in the family. Respondents were also asked about their knowledge and use of childcare subsidies that target three groups: welfare recipients in education and training programs (the California GAIN and NET programs¹¹), welfare recipients and other low-income parents in paid employment (the Transitional Child Care (TCC)/At-Risk programs, the AFDC Child Care Disregard, and the federal Dependent Care Tax Credit); and educational programs for low-income children (Head Start and other early childhood education programs and subsidized after-school care).

At the time of the interview, one-quarter of respondents had left the welfare system. Among all respondents (those on welfare and those not), approximately one-quarter were in education or training activities and 29 percent were employed. Most of these mothers reported regular childcare arrangements for their youngest child: 76 percent of those who were employed and 59 percent of those in job preparation activities were using formal care or babysitting on a regular basis. Despite the existence of several targeted childcare programs, most of these mothers were paying the full cost of child care themselves. The proportion receiving subsidies was highest among those in education and training programs (approximately one-third received subsidies) while women who were employed fared the worst (only 12 percent of those with infants, 22 percent of those with preschoolers, and 14 percent of those with school-aged children received any form of subsidy). For the nearly two-thirds of employed mothers who used child care and paid the full cost themselves, childcare costs reduced per capita income by 22 percent. And, child care costs pushed 20 percent of these families below the poverty line (i.e., if child care costs are subtracted from income).

Lack of knowledge was the primary reason for nonreceipt of childcare benefits, particularly through the employment programs: fewer than 20 percent of the current and former welfare recipients interviewed knew about subsidies or tax credits for low income working parents. A second source of nonparticipation was nonapplication for benefits among those who knew about the programs. Among those who appeared to meet categorical eligibility requirements, two-thirds of those applying for GAIN child care and only one-third of those seeking TCC/At-Risk assistance were successful. The authors conclude that as childcare systems are reorganized under new child care block grants, funding should be increased, funding streams should be combined, and eligibility criteria should be broadened and simplified to provide continuous coverage based on children's needs and family income.

Under the CCDF block grant system, funding for child care is capped. Under AFDC, states could receive as much funding as needed for AFDC/JOBS Child Care and Transitional Child Care. If the PRWORA's work requirements were put in place and childcare programs remained uncapped, the amount that states would spend would probably be higher than funding levels allowed under the PRWORA. In other words, **the PRWORA introduces an increased need for child care (because it requires more parents to work) and a capped amount of funds available for child care.** This combination will most likely create a shortage of childcare funding for the states.¹³ The Congressional Budget Office (CBO) estimates that, if states respond to the PRWORA's work requirements by placing parents in work programs rather than by reducing caseloads, childcare funding, by 2002, would fall \$1.8 billion short of what would be needed to meet the work requirements while maintaining the same level of childcare services to the working poor as under AFDC. However, if caseloads continue to decrease, or if states do not fulfill the work requirements or escape the requirements through waivers, there might not be a shortage in childcare funding.¹⁴

Under the PRWORA, states must certify that there are, under state and local law, requirements designed to protect the health and safety of children in childcare facilities, including the prevention and control of infectious diseases, building and physical premises safety, and minimum health and safety training. Childcare providers caring for children funded by CCDF must adhere to these requirements. States must use at least four percent of their CCDF funds to improve the quality of child care and offer additional services to parents (e.g., counseling regarding the selection of childcare providers). States must submit their childcare plans to the U.S. Department of Health and Human Services by July 1, 1997.

Policy Question

- In the absence of national standards for states' childcare payment rates, will states adopt low payment rates which will reduce the wages of childcare providers, threaten the quality of care, and make it harder for subsidy recipients to compete for access to child care? A majority of childcare centers in Siegel and Loman's study reported that, because payment rates did not cover their full costs, they could only care for a limited number of children whose fees were subsidized.

Parents of Children Under Age Six

The PRWORA prohibits states from reducing or terminating aid to a single parent with a child under age six who has refused to comply with work requirements due to a lack of child care; nevertheless, these parents are still subject to the 60-month limit on the receipt of aid. States face a penalty of up to a five percent reduction in their block grant for violating this prohibition. However, the recipient must prove that he/she has a demonstrated inability (as determined by the state) to obtain needed child care. States can also limit the required hours per week of work for every fiscal year to 20 hours for single parents of a child under age six (whereas, starting in the fiscal year 1999, other nonexempt recipients will be required to work more than 20 hours per week in order to count towards the work participation rate).

Policy Questions

- What steps will be taken ensure that child care for working poor families is available, accessible, affordable, and of good quality?
- Will poor families need to turn to not only provisional providers, but to untrained providers?

*Acknowledgements: This newsletter was written by Stacey Friedman and Jackie Chu, Institute for Women's Policy Research. Thank you to Marcia Meyers of the Columbia University School of Social Work and Laurie Miller of the Child Care Action Campaign for reviewing this newsletter. The "IWPR Welfare Reform Network News" is distributed on a monthly basis. These newsletters are part of a larger IWPR project entitled **Coordinating Nationwide Research Efforts on Welfare Reform**, which seeks to develop partnerships between researchers, service providers, advocates, and policy makers and to establish a coordinated research agenda on welfare reform on issues of particular importance to women. This project is funded by the Joyce Foundation, the Charles Stewart Mott Foundation, and the John D. and Catherine T. MacArthur Foundation.*

Child Care Resources

The Children's Defense Fund (CDF) is encouraging community-level monitoring of the impacts of the welfare law on the well-being of families and children. To facilitate this information gathering, CDF is distributing a **Client Survey packet** developed in partnership with the Coalition on Human Needs (CHN). CHN has already begun to disseminate the survey through Catholic Charities USA, the Child Welfare League of America, and other national groups. This survey includes a two-page check-off form and optional open-ended questions designed to obtain welfare families' detailed stories. CDF has developed an accompanying survey covering domestic violence issues.

The Board on Children, Youth, and Families (Institute of Medicine, National Research Council) convened a second annual research briefing, held in collaboration with the Family and Child Well-Being Research Network of the National Institute of Child Health and Human Development (U.S. DHHS), on welfare and children's development. A report from this briefing, entitled **New Findings on Welfare and Children's Development**, was published in January 1997. For more information, call (202) 334-2998.

IWPR's Welfare Reform Research Listserv

As part of the project to coordinate welfare research, IWPR has set up a listserv (electronic bulletin board) which is devoted to the discussion of welfare reform. You can subscribe to the list by sending the following command to the listserv address, at listserv@american.edu:

SUBSCRIBE WELFAREM-L Full Name

(Use your full name, not your e-mail address. The listserv software can read your e-mail address automatically.) When you sign up you will receive a message which provides further instructions for the listserv. IWPR's welfare reform newsletters are disseminated through the listserv as well as by mail. Messages posted to the listserv are stored in the archive files of the WELFAREM-L listserv. The listserv offers the opportunity to share with other interested, like-minded scholars your research and questions on welfare and welfare reform in individual states and at the national level. Discussion can also be related to other issues, such as domestic violence or health. Other information such as calls for papers, conference information, fact sheets, and legislative updates are also welcome. For more information on the listserv, please contact Jackie Chu at chu@www.iwpr.org.

Research-in-Brief

Child Care Usage Among Low-Income and AFDC Families

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 in August, welfare has moved from an entitlement program which guaranteed assistance to all eligible families to a transitional employment program with time-limits, and responsibility for implementation has devolved to the state level. This policy emphasis on employment immediately raises the issue of child care, as increasing numbers of single mothers may be required to work at wages that are too low to pay for adequate child care.

Research shows that child care obligations are a major obstacle to mothers' labor force participation. On-going IWPR research using the Survey of Income and Program Participation shows that the presence of young children is the single most important factor reducing the likelihood of a low-income single mother's employment. Underlying this negative association is the lack of affordable, quality child care (Kimmel, 1994; Hofferth, 1995).

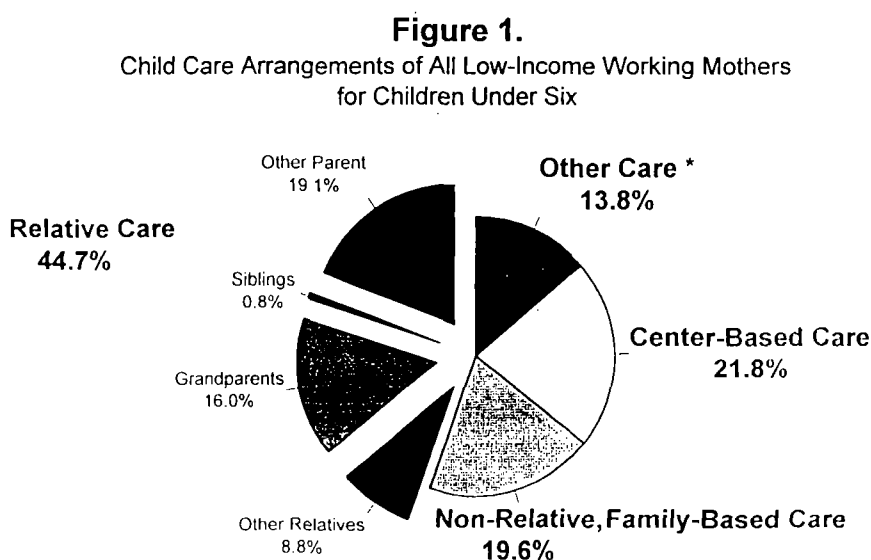
Findings suggest that, because of the common use of paid child care arrangements and the percentage of total family income that is spent on child care, the use of child care subsidies for low-income working mothers is a necessary part of successfully easing the transition from welfare to work.

IWPR research analyzes child care usage among working mothers in low-income families (those within 200 percent of the poverty line) with children under age six. These working mothers are divided into three categories -- low-income, non-AFDC, married mothers; low-income, non-AFDC, single mothers; and AFDC recipients. The vast majority

single parents, although about one-fifth are married with unemployed husbands participating in the AFDC-UP program.

TYPES OF CHILD CARE ARRANGEMENTS USED

Figure 1 and Table 1 present the primary child care arrangements for all children under age six of the employed mothers. As the figure shows, the working mothers in all the family types in the study use relative care most, followed by center-based care and non-relative family-based care. Within the category of relative care, the relative actually providing the child care differs by family type (see Table 1). About one-quarter of children in low-income married couple families are cared for by their fathers when their mothers are working. In contrast, working single mothers, whether or not they participate in the AFDC program, use grandparents or other relatives to care for their children more than



Note: Other care includes children in school, children caring for themselves, and children being cared for by their mother while she is working

Source: IWPR calculations based on the 1988 and 1990 panels and Topical Module 3 of the Survey of Income and Program Participation

often paid for. For example, as shown in Figure 2, one-third (34 percent) of the care provided to children of the working AFDC mothers by their grandparents is paid, compared to 21 percent for low-income, non-AFDC, single mothers, and 42 percent for married mothers. All three groups of mothers are about twice as likely to pay for child care if the care is being provided by relatives other than grandparents. As a result of paying relatives, combined with their greater propensity to use non-relative or center-based child care, low-income, non-AFDC, single mothers end up with the highest proportion of young children in paid care.

COSTS OF CHILD CARE IN PROPORTION TO EARNINGS AND INCOME

When calculating the costs of child care, IWPR researchers included all families with children under age 13 in order to take into account all costs of child care arrangements made by the employed mothers. In order to determine the burden of child care cost to these families, the cost is analyzed in relation to mothers' earnings, to total family incomes, and to the families' poverty status. These findings are reported in Table 2.

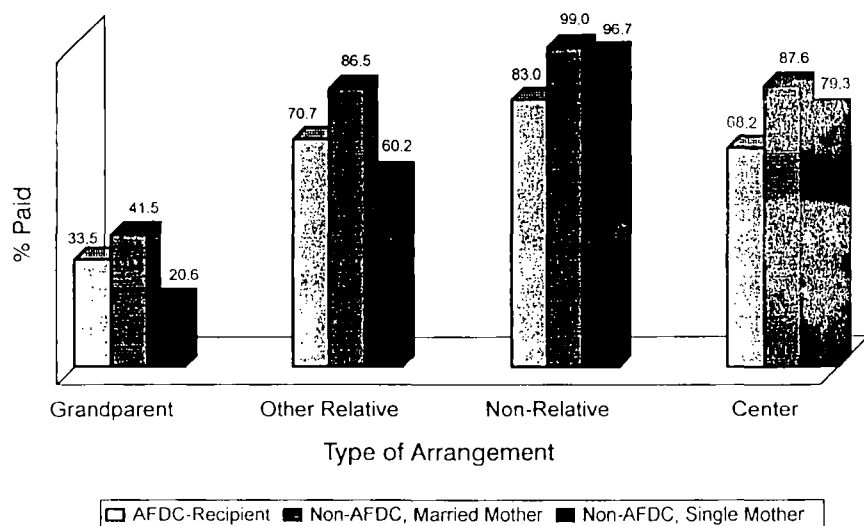
The results show that single and AFDC mothers do not have better access to free child care. Mothers in all three family types are about equally likely to pay for child care (ranging from 38.6 to 40.9 percent). Furthermore, among those who use paid child care, there are only slight differences in the average monthly amount paid for care (ranging from \$204 to \$222 per month), regardless of the marital or the welfare status of the child care user.

In order to analyze the burden of child care costs in relation to mothers' earnings, a ratio cost-per-hour-worked was created. IWPR found that low-income, non-AFDC, single mothers paid the lowest price (\$1.36) for each hour worked, whereas the married and AFDC mothers paid substantially higher prices for child care (\$1.60 and \$1.72 per hour, re-

spectively). These differences can be explained by the fact that the low-income, non-AFDC, single mothers, on average, have fewer children under age six, as well as fewer children under age 13, than the low-income married mothers and the AFDC mothers. In addition, the wage rate of non-AFDC mothers (both single and married) is higher than that of AFDC mothers. The paying low-income, non-AFDC, single mothers have the highest average wage rate, \$7.92 per hour, which makes their payment for child care more cost-effective than for the other groups. This may be one of the explanations for their greater work effort during the month (164 hours, compared with 150 and 141 hours for the paying married and AFDC mothers, respectively). In exchange for freeing mothers to work, child care costs take more than one-third of AFDC mothers' earnings, about 30 percent of married mothers' earnings, and 20 percent of low-income, non-AFDC, single mothers' earnings.

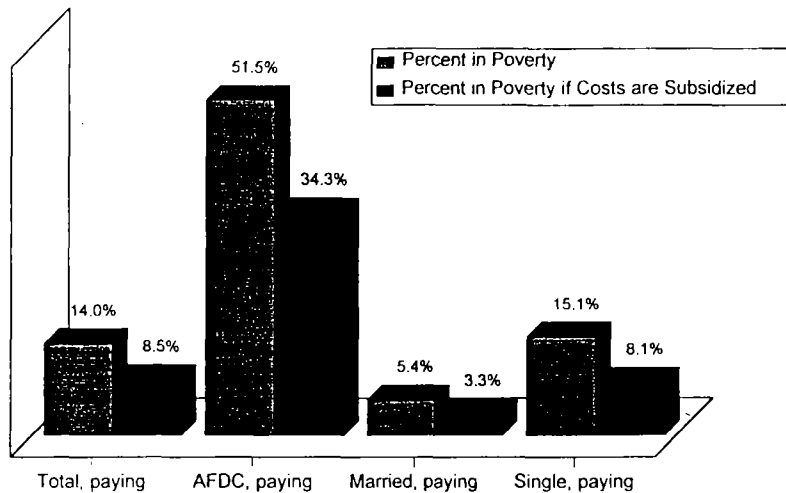
When the cost of child care is seen as a proportion of the total family income, the picture is somewhat different. Because married mothers are most likely to have higher total family incomes due to their husbands' earnings, they have the lowest percent of child care expenditures of total family income (nine percent), whereas the low-income, non-AFDC, single mothers pay about 13 percent and the AFDC families pay about 19 percent of family income for child care.

Figure 2.
Paid Child Care Arrangements for Children Under Age Six of Working Mothers
in Low-Income Families (By Family Type)



Source. IWPR calculations based on the 1988 and 1990 panels and Topical Module 3 of the Survey of Income and Program Participation.

Figure 3.
Child Care Cost Subsidies for Low-Income Mothers and
Their Relation to Percent in Poverty



Source: IWPR calculations based on the 1988 and 1990 panels of the Survey of Income and Program Participation

poverty rate for the families of low-income, non-AFDC, single mothers would decrease by nearly half (from 15.1 to 8.1 percent). Finally, low-income married mothers, who are the least likely to be poor, would see their families' poverty rate decline by more than one-third (from 5.4 to 3.3 percent). Along with this simple effect on family well-being, child care subsidies may have further positive effects that help mothers stabilize their employment and improve their earning capacity in the long run.

These results suggest that an adequate child care support policy will likely be crucial for a successful transition to paid work by the currently non-working AFDC-recipients. In the effort to move more AFDC recipients off the welfare rolls and into paid work, policymakers cannot assume that these mothers can rely on other family members to provide free child care. As reported, the employed AFDC-mothers and low-income, non-AFDC, single mothers do not have better access to free child care than the married mothers. Among those AFDC recipients who are not currently employed, the resource of free child care is even less available and it is reasonable to assume that this is one of the reasons why they are not working.

In addition, the non-working AFDC mothers' earning potential is expected to be similar to, or even lower than, the wages of the working AFDC recipients, due to low education, limited experience, and disabilities, assuming jobs

are available to them. Therefore, child care costs will be a significant financial burden for this new group of workers. More importantly, with a high proportion of these mothers' earnings allocated to child care costs, the majority of these formerly AFDC-reliant families will not be able to escape poverty through employment. By providing child care subsidies to low-income mothers and mothers who formerly relied on AFDC, policymakers could improve the likelihood that low-income families could work their way out of poverty.

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Research-in-Brief

What the United States Can Learn From France: A Summary of an Important New Book on Child Poverty

This Research-in-Brief summarizes an important new book by Barbara R. Bergmann, professor of economics at American University and an affiliated member of the IWPR Information Network. Published by the Russell Sage Foundation in 1996, Saving Our Children From Poverty: What the United States Can Learn From France draws important lessons for the United States from the French experience with policies that aid families with children. This Research-in-Brief is part of a new series that highlights the work of researchers affiliated with IWPR on topics of importance to women.

The child poverty rate is 6 percent in France and 22 percent in the United States. This difference in child poverty rates cannot be attributed to demographic differences between the two countries: France and the United States have a similar proportion of births to unmarried mothers and have minority populations of comparable size.

The French spend a great deal more than the Americans to help families with children. But the difference in child poverty in the two countries is due only in part to differences in the amounts spent. It also reflects differences in the structure of the countries' programs. French parents at all income levels get a great deal of government help with child care, are members of a system of national health insurance, and are eligible for cash benefits. Those with low wages get extra help. French benefits go to two-parent families as well as single-parent families. These benefits do not discourage marriage or job-holding on the part of parents.

By contrast, Americans have in the past directed the bulk of their aid to single mothers who do not have jobs, but provide full-time care to their own children. Their non-earning has been a condition of maintaining their benefits. That aid did prevent homelessness, hunger, and untreated illness in this group. But it did not keep these families out

of poverty. Only very modest benefits have been available to American single mothers who work, even if their earnings have been insufficient to get them above the poverty line. Reliable government help with child care and health care has not been available to many low-wage parents. As a result, single parents on welfare were discouraged from working, and many of those who do work are poor.

The recently enacted welfare reform in the United States may succeed in getting more single mothers into jobs. However, in the absence of government help with child care and health care of the type that the French give, the reform is unlikely to reduce U.S. child poverty, and by most estimates will considerably increase it.

The easiest way to compare the French and United States programs is to look at the situation of a single mother in both countries. A single mother in the United States who goes off welfare and takes a low-wage job can receive a maximum of \$3,600 in government grants for two children (or \$2,200 for one child) from the Earned Income Tax Credit plus food stamps. Except for a transitional period, she would no longer be entitled to free health insurance, and she would incur additional expenses for child care, expenses that she would not have had if she had stayed home with her children.

than the current levels (\$85.5 billion in addition to the \$145.9 billion spent in 1991).

Table 2 highlights expenditures of both countries for child well-being as a percentage of defense spending, total government spending, and Gross Domestic Product, as of 1991. The French spent more on helping families with children, and they spent a greater percentage of their budget on these programs. France spent 66 percent more on child well-being than it did on defense. By contrast, the United States spent less for child well-being than we spent on defense, only 44 percent as much. (Of course, France has a much smaller defense budget, with less than half the per-capita cost.)

Table 2. Government Expenditures on Children's Well-Being Compared with Other Expenditures for France and the United States, 1991		
Annual Expenditures	France*	United States
	(in billions)	(in billions)
Programs for children's well-being	\$231	\$146
Defense	139	331
Total government spending	2,249	1,941
Gross domestic product	4,806	5,611
<u>Government spending on children's well-being as a percentage of:</u>		
Defense	166%	44%
Total government spending	10%	8%
Gross Domestic Product	5%	3%
* French expenditures are translated into dollars of equivalent purchasing power and then multiplied by 4.6 to make them comparable to figures for the United States, which has 4.6 times the number of children that France has. Source: Table 2.2 in Barbara R. Bergmann, <i>Saving Our Children From Poverty</i> , Russell Sage Foundation, New York, NY, 1996.		

Similarities between France and the United States

There are many economic and demographic similarities between the United States and France. Both countries have similar female labor force participation rates (72.0 percent in the United States, 73.5 percent in France) and percentages of births outside marriage (28.0 percent in the United States, 30.0 percent in France). The annual rate of growth is the same for both countries and the annual rate of investment is similar (See Table 3). France does, however, have much higher taxation and higher unemployment than does the United States. Policies that work to reduce child poverty and increase single-mother job-holding in France would, with suitable modifications, work similarly in the United States.

Table 3. Economic and Demographic Data for the United States and France, 1991		
Data	United States	France
Population	252,688,000	57,050,000
Per-capita gross domestic product	\$22,204	\$18,227
Annual rate of growth, 1981-91	2.2%	2.2%
Annual rate of investment	2.1%	2.3%
Taxation as a % of GDP	29.9%	43.7%
Unemployment rate	6.6%	9.3%
Women's labor force participation rate, ages 25-54*	72.0%	73.5%
Births to unmarried women as a % of all births	28.0%	30.0%
Source: Table 1.2 in Barbara R. Bergmann, <i>Saving Our Children From Poverty</i> , Russell Sage Foundation, New York, NY, 1996.		

France provides national health insurance to all its legal citizens. This health insurance is not lost if a citizen changes or loses her or his job, goes from welfare to work, or develops an illness that is expensive to treat. In contrast, 72 percent of U.S. citizens in 1992 are covered privately, mostly under employer-provided plans. People with unstable attachments to the labor force (part-time or temporary workers) and low-wage job holders are generally not provided with this health insurance. Eleven percent of the U.S. population is covered by Medicare and Medicaid, leaving 18 percent of the total population not covered by any health insurance plan. Twelve percent of American children are uncovered.

The French government also supports a special corps of public health nurses who monitor and promote children's health and well-being. They supervise child care facilities and visit the homes of children thought to be at risk of neglect or abuse.

Conclusion

The level of expenditures on child well-being is higher in France than in the United States, and the French programs are much more effective at keeping children out of poverty. The smaller amount of money the United States government is currently spending has substantially less effect on child poverty rates. As Bergmann's book illustrates, the French model provides some useful ideas which could be adopted for use here. Most obvious would be programs to provide child care and health care

to help low-earning parents keep their children safe, healthy, and on the track to school success. As the French example shows, however, such programs are not cheap.

Can the United States afford a large-scale government program to reduce child poverty? Barbara Bergmann asks what politicians mean when they assert that the federal government cannot afford any additional expenditures for children. This statement can be interpreted two ways: it can mean that it would be financially impossible, or it can mean that the desire to spend additional monies is not strong enough to warrant a restructuring of the budget. By all measures, the United States is an extremely wealthy country, with one of the lowest tax rates. The French example should prompt policymakers to ask whether it would be worth reducing some other portions of the budget to provide child care and health services to children, thus enabling their parents to hold jobs, and thereby reducing children's poverty rates.

Bergmann proposes a "Help For Working Parents" program for the United States inspired by the French example, but less universal. It would provide child care vouchers, with the poorest 20 percent receiving full financial support, and those better off getting partial support. In addition, the proposed program would provide medical insurance to all families with children who do not receive it from an employer. She estimates a cost of \$80 billion additional. Only with programs like these, Bergmann argues, will we win the war against child poverty in the United States.

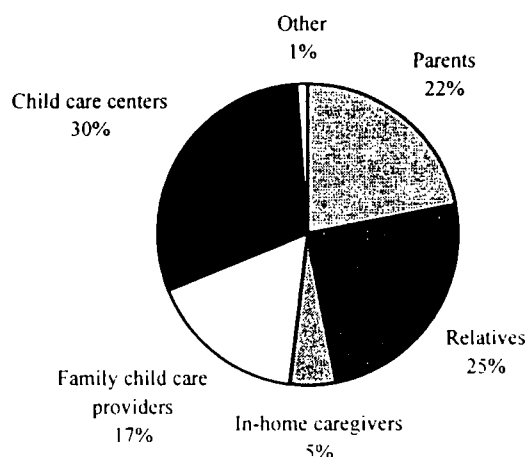
This fact sheet is based on the book Saving Our Children From Poverty by Barbara R. Bergmann, professor of economics at American University and an affiliated member of the IWPR Information Network. It is part of a series by IWPR which highlights the work of IWPR's affiliates on topics of importance to women. This Research-In-Brief was written by Barbara Bergmann, with the assistance of Jodi Burns and prepared by Jill Braunstein in March 1997. The Institute for Women's Policy Research (IWPR) is an independent, nonprofit research institute dedicated to conducting and disseminating research that informs public policy debates affecting women. Members of the Institute receive regular mailings including fact sheets such as this. Please see below or contact the Institute for further information about individual and organizational memberships.

Child Care Basics

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

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

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



Definitions of Child Care

Settings:

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

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

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

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

Child Care Arrangements of Children Younger than 5 with Employed Mothers⁵

WHAT PROBLEMS DO PARENTS FACE?

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

Affordability: Child care is unaffordable for many working families.

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

Boston \$8,840

Dallas \$4,210

Oakland \$6,500

Boulder \$6,240

Durham \$4,630

Minneapolis \$6,030

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

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

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

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

Quality: We're Not Protecting Our Children In Care

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

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

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

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

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

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March 1997



Child Rearing and Employment Turnover: Child Care Availability Increases Mothers' Job Stability

Child Rearing and Employment Breaks

There are more women in the paid labor force than ever before and yet women's employment is still characterized by higher turnover than men's. This causes economic problems for women because continuous employment is important to subsequent labor market success. Disruptions in an individual's work history result in lower wages through both reduced accumulation of work experience and deterioration of skills while out of the labor force. To the extent that employers evaluate young women's employment stability as low, they may be less willing to hire and invest in training young women for career positions.

Generally, higher rates of employment exits are associated with women's traditional role in caring for children and household upkeep. Rearing children is costly both in time and money. Labor force participation declines during a woman's childbearing years, rising gradually thereafter as children age and women reenter the work force. Though the return to work is often characterized as a gradual return with subsequent job stability, exits and reentries continue to punctuate the typical woman's employment history. Besides the disruption associated with additional childbearing, children's needs often take precedence over employment; difficult or ill children, the high cost and difficulty of obtaining substitute care, turnover in providers, and worry about the quality of care lower the benefits of working compared with staying home and lead to labor force exits. These factors are not constant over a woman's life course, but continually change the benefit of working relative to that of staying home.

Of course, this trade-off assumes that mothers have an alternative source of income that would enable them to remain out of the work force. Some

mothers, whether because of the low income of their household and/or their role as sole provider, may be less likely to stay home to care for children because their alternatives are limited. Rather than leaving the work force, they may, instead, reduce their child care expenditures by using informal sources of care or by working at home. Other mothers who are eligible for AFDC or other public assistance may be more likely to leave the paid labor force if they have child care problems than those without that source of support to fall back on.

New Study on Children, Child Care, and Mothers' Employment Stability

The recent report *Child Care and Employment Turnover*, by Sandra Hofferth and Nancy Collins, examines the influence of the constraints of child care on the probability that a mother of a young child will leave her current employment. Since job changes may be beneficial if they provide a means to obtaining better pay and working conditions, the report focuses primarily on job exits that do not immediately result in another job.

The study examines the effect of having additional children as well as the number and ages of children already present. More importantly, it examines how the availability, cost, quality, stability, and flexibility of alternative ways of caring for children influence the probability of job exits, and lessen the constraints of having children. The report also looks at differences by income status of the mother and characteristics of the area where she lives.

While some research has looked at the effect of children on employment exits and other research has examined the influence of child care on labor force participation, no previous research has systematically examined what it is about the responsibility of caring for children that weakens mothers' employment

tenure. This is the first study to examine both the effect of children and child care on job stability.

The Data

The study summarized here takes advantage of two unique national data sets. The National Child Care Survey 1990 provided a monthly history of employment, fertility, and the care of children in 1990 for a nationally representative sample of families. The Profile of Child Care Settings study provided information on the number and characteristics of center-based and regulated home-based programs in the communities where these families lived. Using event history techniques, the study follows the employment of mothers with young children during 1989.

One-quarter of working mothers in the sample left their jobs within the year; 15 percent left their jobs and did not go back to work for at least two months. As many as one out of five changed child care arrangements sometime within the year studied.

The Findings: Child Care Characteristics Matter

The study finds that the ability of mothers to maintain a stable work pattern is much more strongly associated with the availability and characteristics of substitute arrangements than previously demonstrated. Mothers with a larger number of children, especially young children, and who have recently given birth are more likely to exit their jobs in any given month. The availability, cost, and flexibility of center-based care explain some of the differential rate with which mothers with young children exit employment, when the characteristics of the mother, her family, and her location are statistically controlled. In particular:

- Mothers relying on parental or child self-care were 2.2 times more likely to leave a job than mothers using center-based care.

The availability of child care was clearly one of the most important factors related to job stability:

- Mothers who did not have convenient access to a center-based program (within ten minutes of their

homes) were almost twice as likely to leave their jobs as those who did.

Having multiple arrangements appears to be one strategy that provides for a backup in the case an arrangement breaks down:

- Mothers with multiple care arrangements were 53 percent less likely to leave their jobs than those with no child care arrangements.

It is not just whether or not an arrangement ends; rather, it is whether or not the mother either has or is able to obtain a backup arrangement that affects her ability to remain with her job.

Moderate-Wage Mothers Affected More Than Others

The effects of child care characteristics on the employment of mothers differ by level of socioeconomic advantage. Socioeconomic advantage was determined by calculating the mother's potential wage, given her socioeconomic characteristics. Low-wage mothers could potentially earn less than \$6 per hour (approximately the poverty line for a family of four, if working full-time, year-round in 1990). Moderate-wage mothers could potentially earn between \$6 and \$8 per hour (approximately 100 to 133 percent of the poverty line). High-wage mothers could earn more than \$8 per hour.

The availability, cost, and stability of care appeared to affect moderate-wage mothers more than other mothers:

- Living in an area with a greater number of centers per 1,000 preschool children was associated with a lower probability of job exit for moderate-wage mothers.
- The availability of family day care within 30 minutes of home was important for the job stability of moderate-wage mothers.

Child care instability affected the work exits of moderate- and high-wage mothers:

- Unstable child care increased the work exits of moderate- and high-wage mothers, but not of low-wage mothers.

Finally, the price of care affected only moderate-wage mothers:

- Moderate-wage mothers who faced higher child care prices were more likely to leave their jobs than those facing lower prices.

While these results sound sensible and intuitively reasonable, previous research has not had the appropriate data to show these connections. Common sense, moreover, is not always borne out. While we expected lower-wage mothers to be most affected by child care cost and instability, moderate-wage mothers were the ones likely to leave their jobs as the price and instability of care increased. Low-wage mothers may benefit from publicly funded child care subsidies while high-income mothers can afford high-priced care. Moderate-wage mothers are the most sensitive to the cost and stability of care.

Policy Implications

Much demographic research has focused on the relationship between child rearing and the economic activity of women. Few studies have attempted to explain what it is about child rearing that explains the relationship. This study has focused upon the way in which childbearing and rearing affects the ability of the mother to maintain stable employment. The availability and cost of substitutes for the mother's time are important to work stability. We still know little, however, about the arrangements that would make mothers more or less comfortable using them.

The measure of quality used in the study, the ratio of children to staff, was not adequate to predict mothers' employment decisions.

The policy implications of the study are clear. First, the characteristics of child care alternatives are associated with the stability of maternal employment and explain much of the effects of children on mothers' employment behavior. Public or private efforts to employ mothers need to take access to child care, including backup arrangements, into account.

Second, the federal government has already had an important impact on low-income parents' access to child care. Federal child care policies that have improved the delivery of services and subsidies to low-income families have probably helped reduce the effect of cost of care on low-income mothers' employment. Thus, for them the study did not find a strong relationship between cost of care and job exits. Because they have the resources they need, high-income mothers (defined as those earning more than \$8 per hour) are also less sensitive to the cost of care. Instead, moderate-wage mothers (those earning \$6 to \$8 per hour) are the most sensitive to variation in the cost of child care.

Third, the stability of care is linked to the job stability of moderate- and high-wage mothers. How to improve the delivery of services to moderate-wage mothers is an important and neglected policy issue.

Finally, the study found that the availability of child care programs significantly affects all socioeconomic groups. Thus, making child care more available represents an important component of public and private employment policy for all mothers.

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March 1997

This Research-in-Brief summarizes the report *Child Care and Employment Turnover*, by Sandra L. Hofferth and Nancy J. Collins, affiliate members of the IWPR Information Network, based on research they conducted at the Institute for Social Research and Population Studies Center. The research on which the report is based was funded by grants from the National Institute for Child Health and Human Development and the David and Lucile Packard Foundation. This Research-in-Brief is part of a series by IWPR which highlights the work of IWPR's affiliates on topics of importance to women. It was formatted by Jill Braunstein and Lisa Hymas of IWPR in March 1997.

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NEW FEDERALISM: ISSUES AND OPTIONS FOR STATES

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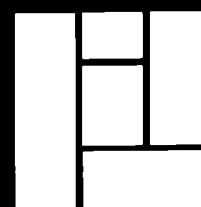
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NEW FEDERALISM ISSUES AND OPTIONS FOR STATES

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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 mandatory 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.*

Violence came across my door in the state of New Jersey. This is a very serious issue.

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 Child Care	\$1.105	Mandatory Funds	\$1.200
At-Risk Child Care	.300	Matching Funds	.767
		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.⁵

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.⁶ 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.⁷ 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.⁸ 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.⁹ 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.¹⁰

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.¹¹ Though no longer required for participation in the federal program, a state could choose to maintain its present spending on child care.¹² Or, with elimination of the Title IV-A matching requirements, a state could instead choose to limit child care

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.

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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.¹⁷ 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*).

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*.

Table 2						
Federal and Related State Child Care Funding for Low-Income Families, under Alternative Scenarios						
State	FY 1995 Federal and State Title IV-A and CCDBG Child Care Spending (000s of 1997 dollars) ^a	Total Federal and State Child Care Dollars under PRWORA				Percent of Federal IV-A At-Risk Funds Drawn Down (FY 1994)
		FY 1997 Allocations (000s) ^b			Potential Additional TANF Funds	
		Maximize Federal Funds	Maintain State Spending	No State Spending		
Alabama	\$39,512	\$57,415	\$42,107	\$35,211	\$27,902	95%
Alaska	7,967	12,755	8,778	5,233	19,083	100
Arizona	45,951	65,644	46,932	36,867	66,726	100
Arkansas	15,688	27,117	18,395	16,508	17,020	63
California	306,962	486,303	297,822	204,876	1,120,145	66
Colorado	26,458	48,328	29,370	20,384	40,666	100
Connecticut	42,091	60,439	43,663	24,924	80,036	100
Delaware	12,528	15,903	12,179	6,999	9,687	100
District of Columbia	9,281	13,674	11,152	6,432	27,783	100
Florida	122,040	185,239	122,774	89,350	168,287	100
Georgia	87,543	119,756	88,101	65,933	99,223	36
Hawaii	8,953	20,263	13,748	8,528	29,671	100
Idaho	7,763	13,697	8,857	7,681	9,555	100
Illinois	149,066	217,762	153,032	93,422	175,517	100
Indiana	63,681	81,488	57,834	42,478	62,040	67
Iowa	22,858	34,046	22,682	17,383	39,026	100
Kansas	21,590	36,490	24,635	17,962	30,579	100
Kentucky	37,574	54,314	40,533	33,259	54,386	100
Louisiana	45,074	61,135	44,142	38,923	49,192	0
Maine	8,332	13,456	8,658	6,730	23,436	100
Maryland	61,942	85,133	58,346	35,045	68,729	97
Massachusetts	125,797	132,105	101,967	56,994	137,811	100
Michigan	59,771	128,284	83,208	58,848	232,606	78
Minnesota	52,108	78,255	55,067	35,377	79,919	100
Mississippi	22,402	33,983	24,422	22,706	26,030	5
Missouri	54,623	80,981	57,729	41,180	64,375	100
Montana	6,550	10,716	7,462	6,147	13,660	48
Nebraska	22,749	30,489	23,155	16,200	17,409	100
Nevada	9,106	17,450	9,026	6,446	13,193	88
New Hampshire	12,341	18,446	12,365	7,314	11,556	100
New Jersey	56,290	121,065	79,953	48,290	121,210	100
New Mexico	14,163	27,361	20,458	17,423	37,831	94
New York	180,928	356,015	260,785	155,891	707,993	100
North Carolina	132,183	160,383	131,855	93,877	90,672	100
North Dakota	4,999	8,109	5,674	4,657	7,767	74
Ohio	142,893	194,492	146,970	101,341	218,390	100
Oklahoma	40,486	61,668	49,187	38,537	44,404	100
Oregon	39,826	52,726	39,921	28,206	50,377	100
Pennsylvania	127,923	185,796	131,155	84,526	215,850	100
Rhode Island	14,959	18,751	14,301	8,980	28,506	93
South Carolina	29,362	44,432	30,956	26,869	29,990	100
South Dakota	4,873	7,509	4,514	3,711	6,568	34
Tennessee	74,561	95,022	75,184	56,209	56,936	27
Texas	171,246	269,141	181,336	146,654	145,877	87
Utah	23,734	34,613	25,583	21,108	22,486	100
Vermont	8,539	10,869	8,433	5,628	14,206	100
Virginia	62,483	93,713	60,292	38,963	47,486	95
Washington	112,627	122,227	94,307	55,539	119,891	100
West Virginia	17,780	24,243	18,869	15,898	33,053	100
Wisconsin	48,097	76,946	54,329	37,858	95,457	93
Wyoming	6,221	7,907	5,818	4,264	6,534	88
Total	\$2,822,472	\$4,214,055	\$2,968,024	\$2,059,771	\$4,916,734	

Sources: Total FY 1995 federal and state spending on Title IV-A and CCDBG (excluding the 25 percent set-aside for quality and accessibility improvement) is from U.S. House of Representatives, Committee on Ways and Means, 1996, *1996 Green Book*. The PRWORA figures are based on the U.S. Department of Health and Human Services' estimated FY 1997 state allocations for the Child Care and Development Fund. These figures exclude the 4 percent quality set-aside and funds for technical assistance. Percent of federal IV-A At-Risk Funds drawn down are from 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.

a. In adjusting the FY 1995 figures to FY 1997 dollars, we used the August 1996 CBO prediction that the GDP inflator would increase by 5.47 percent from 1995 to 1997.

b. These allocations may be adjusted by the U.S. Department of Health and Human Services.

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.¹³ 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 required by the Title IV-A child care

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 child care assistance and the likely

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

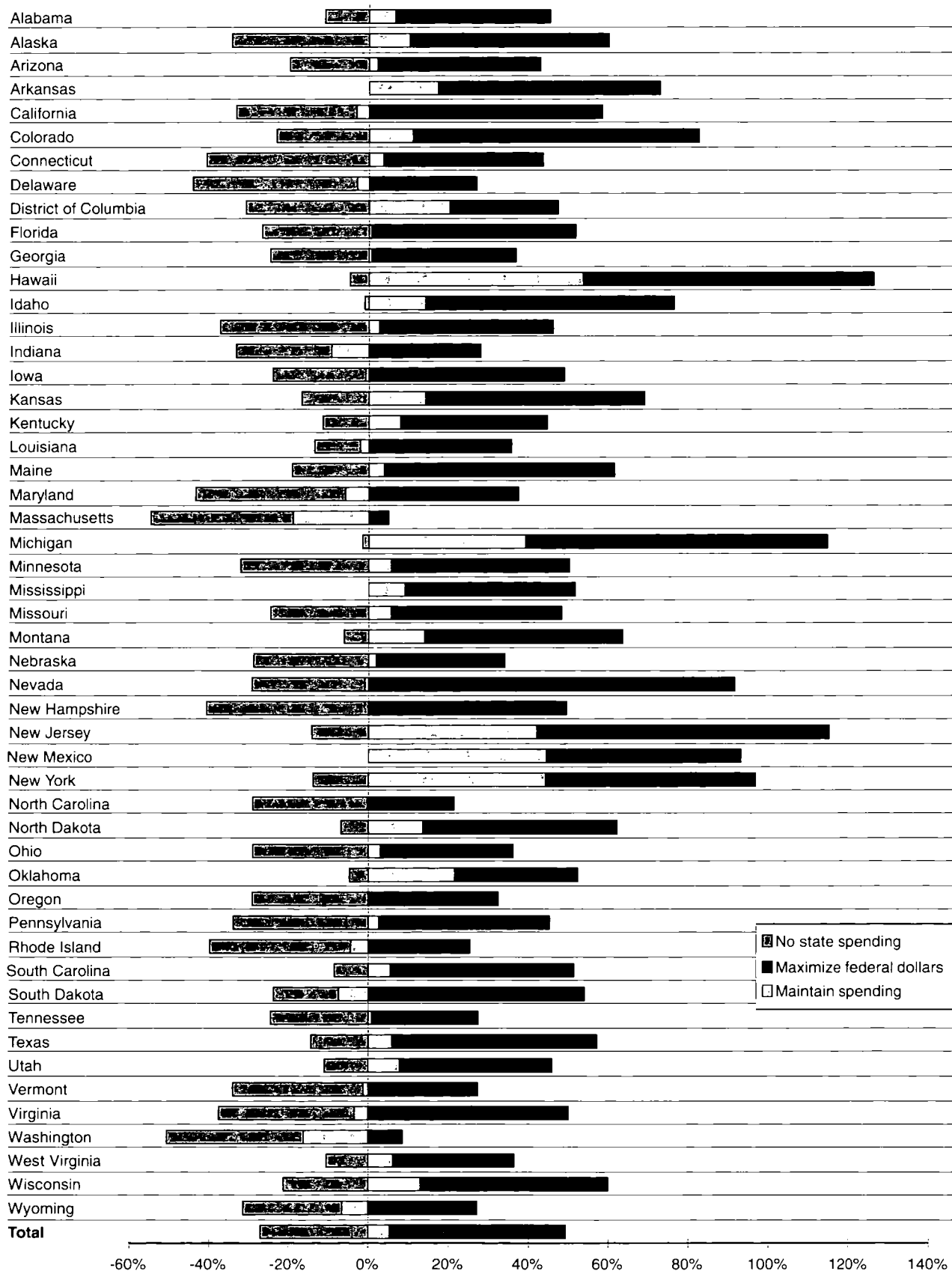
requirements or allows more families to turn to paid child care, our estimate of the potential need for child care assistance under PRWORA is too low.

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

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**



Source: Per table 2.

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

	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 <i>under Prior Law</i> : Children in Low-Income Working Families Using Paid Child Care	2,290,500	966,300	3,256,800
Potential Child Care Assistance Need <i>under PRWORA</i> : 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

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.

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.