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The Future of Children

VOLUME 5 • NUMBER 3 - WINTER 1995

LONG-TERM OUTCOMES OF EARLY CHILDHOOD PROGRAMS

LOCAL INFORMATION
(BASED UPON RESULTS FROM UNITED WAY'S RESEARCH EFFORTS)

The average cost of child care in Las Vegas per child for full time care is:

$90.00 Per Week For Infant Care	$80.00 Per Week School Age Care
$80.00 Per Week For Toddlers	$55.00 Per Week After School Care
$70.00 Per Week For PreSchoolers	$95.00 Per Week For Special Needs

Out of 391 child care providers, only 3% report offering sliding fee scales. Out of these, only two are open 24 hours.

Out of 391 providers, 34 (8.6%) are open 24 hours

Nevada Association For The Handicapped is the only licensed facility in Nevada serving physically handicapped children. They offer a sliding fee scale, however the facility only provides weekday, daytime care.

RECOMMENDATIONS
(BASED ON INPUT FROM LOCAL LICENSING REGULATIONS, LOCAL PROVIDERS AND CLIENT REQUESTS)

A standardized scale needs to be developed for determining sliding fee scale costs and eligibility.

More sliding fee scale providers need to provide care during swing and graveyard shifts.

There need to be more sliding fee scale providers in general - the current ones have waiting lists of varying times.

Special needs facilities with specific criteria for the care of special needs children and clear criteria defining "special needs".

Teacher training programs - caregivers should know CPR, special needs care and licensing requirements.

Programs to financially assist parents with registration fees and child care payments while awaiting first paychecks.

Employers should offer cafeteria style benefit plans with child care subsidy option.

Nevada needs to implement a statewide child care referral system to assist parents in locating licensed, affordable care.

CHILD CARE

Child care has become a major issue facing American families today. The availability, cost, and quality of child care providers is limited and often creates a great hardship for families trying to survive. The following represents a compilation of facts, local observations and recommendations for improving the state of child care in Nevada.

FACTS CONCERNING CHILD CARE ISSUES

The average annual cost of child care for a family with two children is $8,840. *Information Based On Current Local Provider Costs*

One child care worker can care for 6-12 one month olds in a Nevada child care center (recommended maximum 3-5). *Children's Defense Fund, 1993*

Currently, in-home child care providers can still care for up to six children alone. *Clark County Licensing Guidelines*

Lack of child care is one of the social problems frequently associated with child abuse and neglect (other factors include poverty, lack of medical care, inadequate housing and domestic violence). *WE CAN, 1994*

Among employed mothers with children under the age of 5, 33% use family day care, 28% use day care centers, 28% juggle their schedules so children can be cared for by the parents, and 10% arrange for care in their own homes with a nanny. *National Association for the Education of Young Children, February, 1995*

The level of quality at most U.S. day care centers, especially in infant/toddler rooms, does not meet children's needs for health, safety, warm relationships, and learning. *Families and Work Institute Survey, February 1995*

CAPACITY/VACANCY RATES

	WASHOE CO.		RURAL NEVADA		CLARK COUNTY		TOTAL	
	Capacity	Vacancy	Capacity	Vacancy	Capacity	Vacancy	Cap.	Vac.
Center	6,630	10-12%	3,922	16%	*	*	**	**
Family CC	1,379	15 %	406	10%	*	*	**	**
TOTAL	8,009		4,328		19,518		31,855	

* This information is not readily available in Clark County where there are 3 different licensing entities and no formalized resource and referral service that maintains this information.

* Total numbers not available.

Although the vacancy rate information was not available for Clark County, trends indicate that the vacancy rate ranges from 10 - 15 % with the percentage dropping from 2 - 6 % for infant slots.

AVERAGE COST OF CARE
(Washoe and Rural Nevada Only)

	WASHOE COUNTY		**RURAL NEVADA**	
	Center	Family C.C.	Center	Family C.C.
Infants (0-12)	**106.00**	**85.00**	**88.00**	**78.00**
Inf/Tod (13-24 mos)	**99.00**	**82.00**	**83.00**	**76.00**
Toddlers (2-3 yrs)	**84.00**	**81.00**	**75.00**	**72.00**
Preschool (3-5 yrs)	**79.00**	**80.00**	**72.00**	**71.00**

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.

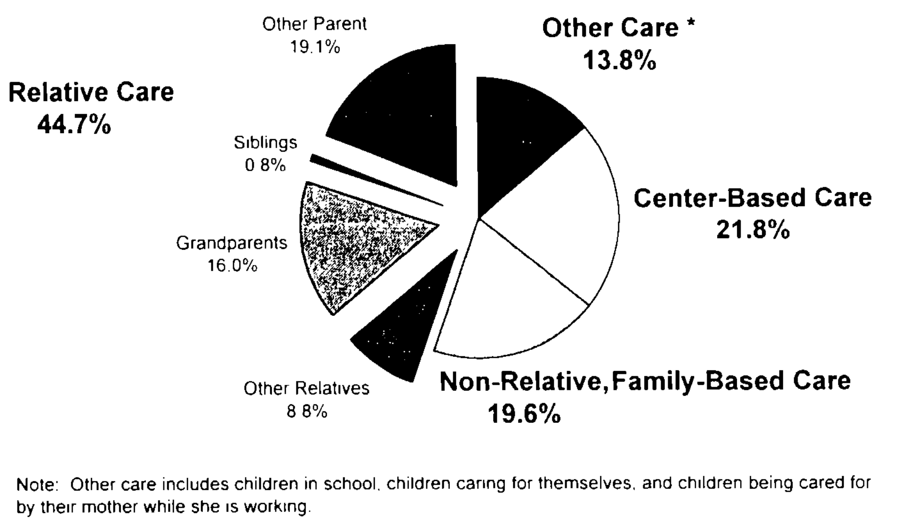
Research shows that child care obligations are a major obstacle to mothers' labor force participation. On-going IWPR research using the Survey of Income and Program Participation shows that the presence of young children is the single most important factor reducing the likelihood of a low-income single 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 of the working AFDC mothers are 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

Figure 1.
Child Care Arrangements of All Low-Income Working Mothers for Children Under Six



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

Table 1. Child Care Arrangements of Children Under Six for Working Mothers in Low-Income Families

	Total	Working Mothers		
		AFDC	Non-AFDC	
			Married	Single
Sample Size (Unweighted)	712	78	426	208
Sample Size (Weighted)	2,631,609	306,007	1,526,026	799,579
Percent (Weighted)	100.0%	11.6%	58.0%	30.4%
Average Number of Children Under Age 6	1.3	1.3	1.4	1.2
Primary Care Arrangements (percent of total children)				
Relative Care	**44.7**	**53.4**	**46.7**	**36.7**
Other Parent	19.1	10.4	25.3	8.9
Siblings	0.8	0.6	0.5	1.5
Grandparents	16.0	25.7	13.5	17.5
Other Relatives	8.8	16.7	7.4	8.8
Non-Relative Family-Based Care	**19.6**	**16.5**	**19.6**	**20.9**
Center-Based Care	**21.8**	**19.8**	**18.5**	**30.0**
Other Care *	**13.8**	**10.2**	**15.2**	**12.4**
Percent of Children in Paid Care	49.0	46.7	47.6	52.9
Percent of Children with More than One Arrangement	33.1	19.1	37.4	30.5

* Other care includes child in school, child caring for self, and child cared for by mother while mother is working.

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

married couple families do. The high use of relative care by single mothers likely reflects the large number of single mothers who live in households with their own parents or other adults. Still, about one in ten children in low-income single mother households are in the care of their fathers when their mothers are working out of the home.

The low-income, non-AFDC, single mothers are the most likely to use organized child care facilities. Thirty percent of the children in these families are cared for by day/group care centers or nursery schools/preschools during most of the hours that their mothers work.

The working AFDC mothers use relative care more than any other family types in the study do. Since the majority of the AFDC mothers are single, their access to paternal care is similar to the low-income, non-AFDC, single mother group, but their usage of organized care is much lower (20 percent, as compared to 30 percent, respectively), but still slightly higher than that of the low-income married mothers.

In addition to the major types of child care arrangements mentioned above, mothers of about 11 percent of the young children (mainly five-year olds) work during the hours when their children are in school or kindergarten. This pattern holds true for all three groups of working mothers.

IWPR's findings confirm those of other researchers that low-income employed single mothers are more likely to call on relatives for child care than married mothers, who can call on their husbands (Brayfield et al., 1993; U.S. House of Representatives, Committee on Ways and Means, 1994; Kisker and Silverberg, 1991). This is especially true among the AFDC single mothers. It is important to note, however, that more usage of relative care does not necessarily mean more access to free child care. IWPR research also shows that low-income, non-AFDC, single mothers are the most likely to use organized child care, which may or may not be subsidized.

USAGE OF PAID AND UNPAID CHILD CARE ARRANGEMENTS

As shown in Table 1, approximately half of the young children of employed mothers in all three family types are in paid care. The bulk of non-relative and organized care is paid for, as is a substantial proportion of the care provided by other relatives. Even care provided by grandparents is 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

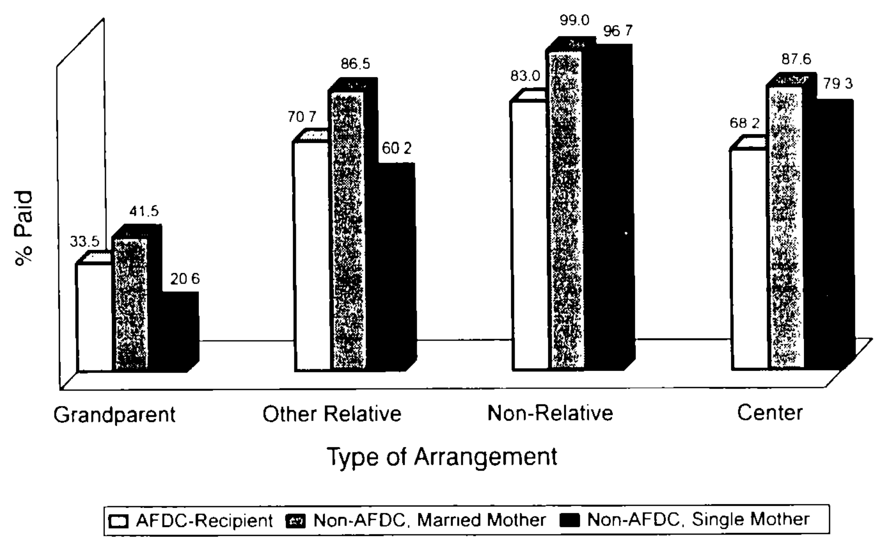
When calculating the costs of child care, IWPR researchers included all families with children under age 13 in order to take into account all costs of child care arrangements made by the employed mothers. In order to determine the burden of child care cost to these families, the cost is analyzed in relation 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, respectively). 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

THE POLICY IMPLICATIONS OF CHILD CARE SUBSIDIES

How do child care burdens affect families' economic well-being? The IWPR study finds that about 14 percent of all families that pay for child care live in poverty, according to a modified poverty measure (which includes the cash value of food stamps and WIC in the total family income). These poor families are concentrated among the AFDC recipients and the low-income single mother households. Although low-income, non-AFDC, single mothers earn the highest wage rates among all groups of mothers, 15 percent of these mothers who pay for child care are poor, compared with 52 percent of the paying AFDC mothers, and five percent of the paying low-income married couples (see Table 2).

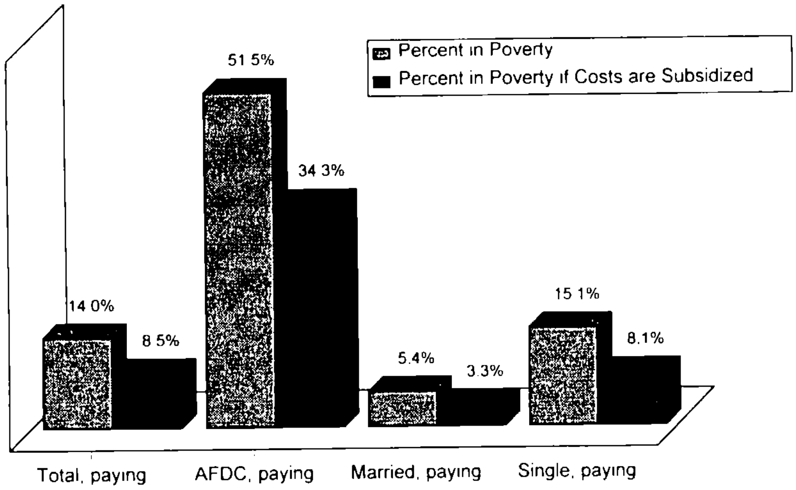
To what degree will child care subsidies help poor employed mothers escape poverty? As a preliminary policy test effort, Figure 3 projects the likely impact of providing low-income working mothers with child care subsidies up to the amount of their current child care cost ($214 monthly, on average). In order to receive the full subsidy amount, the family's income deficit (that is, the official poverty threshold minus current income) must be greater than the amount of the subsidy. Research findings suggest that about one third of the below-poverty AFDC families would benefit from the subsidy and escape poverty; that is, their poverty rate will decrease by one-third (from 52 to 34 percent). The

Table 2. Child Care Costs for Working Mothers with Children Under Age 13 in Low-Income Families, 1994 Dollars

	Working Mothers (1)					
	AFDC (2)		Non-AFDC			
			Married		Single	
	Not-Paying	Paying	Not-Paying	Paying	Not-Paying	Paying
Sample Size (Unweighted)	70	49	389	241	234	160
Sample Size (Weighted)	272,000	180,000	1,382,000	868,000	868,000	601,000
Average Number of Children	1.7	1.9	1.8	2.0	1.5	1.6
Average Size of Household	4.5	4.1	4.7	4.4	3.6	3.4
Distribution of Families by Paying and Not-Paying	60.2%	39.8%	61.4%	38.6%	59.1%	40.9%
Monthly Child Care Cost		$222		$220		$204
Mother's Hourly Wage Rate (3)	$5.81	$5.92	$6.42	$7.15	$6.81	$7.92
Mother's Hours Worked	132	141	139	150	161	164
Cost per Mother's Employment Hour		$1.72		$1.60		$1.36
Mother's Monthly Earnings	$735	$813	$854	$1,048	$1,088	$1,281
Cost as Percent of Mother's Earnings		34.3%		29.9%		19.2%
Monthly Family Income	$1,491	$1,586	$2,541	$2,839	$1,089	$1,881
Cost as Percent of Family Income		19.1%		8.9%		12.8%
Percent in Poverty (4)	48.7%	51.5%	17.5%	5.4%	28.4%	15.1%
Percent in Poverty if Child Care Costs are Subsidized		34.5%		3.3%		8.1%

(1) Mothers who were working as well as enrolled in school are not included in this table to avoid over-estimating child care costs when measured in relation to mother's earnings and family income. All data are for Month 12 in the 24-month study period.
(2) Women in the AFDC-group may or may not be on AFDC in Month 12, but receive AFDC for at least two months of the 24-month study period.
(3) Mother's hourly wage rate is for her primary job (the job at which she worked the most hours) during Month 12.
(4) A modified poverty measure, which includes the cash value of food stamps and WIC in family income, for Month 12 is used.
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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October 1996

Among the thorny issues under consideration is whether legal noncitizens will be eligible for the temporary assistance program that replaces the old Aid to Families with Dependent Children. Washington left that decision to the states. It will be a tough call in California, which has a huge impoverished legal immigrant population.

The Legislature will also be asked to decide whether each county will be allowed to craft a separate plan. While there is no precedent for that novel approach, the Legislature has approved deeper reductions in welfare payments for poor families who live in rural areas. They will lose nearly 10% of their grants as of Jan. 1, while those who live in urban areas will lose 4.9%. Lawmakers, recognizing that city living cost more than country living, approved a two-tier grant.

The new state program must emphasize getting recipients off public assistance and into jobs. GAIN, the state's successful welfare-to-work program, functions well but can accommodate only 25% of eligible recipients. State officials, using new federal money, will boost funding for GAIN by $ 60 million and will attempt to double the number of poor parents receiving the training necessary to become competitive in the job market.

With a deadline in place, the pressure is on Gov. Wilson and the California Legislature to craft a temporary aid program that will provide for the state's poorest children while helping their parents get off welfare as quickly as possible and go to work.

The New York Times

October 14, 1996, Monday, Late Edition - Final

Welfare Mothers and Informal Day Care: Is It Up to Par?

BYLINE: By JOE SEXTON

New York City spends millions of dollars a year paying for child care for welfare recipients without any quality control, safety oversight or basic information about the people being paid to care for thousands of the city's most vulnerable children.

And as the city moves to comply with the new Federal welfare law, officials in New York say that tens of thousands more welfare mothers will move into work or job-training programs in the coming months, greatly expanding the use of such unregistered child care.

A quarter of the children in government-financed child care in the city are already cared for under informal arrangements by friends, relatives or neighbors.

The arrangements may produce care in the safest and most appropriate of circumstances. But because the city conducts no background checks or performance evaluation of the people it currently pays to care for roughly 17,000 children of welfare recipients, informal care can also mean exposing children to care providers with no training, experience or aptitude, or with criminal records.

Of course, the lack of monitoring means there is no documented history of children abused by city-financed care providers. But that is hardly a comfort to critics among child-care experts and elected officials who question any significant expansion of informal care without a concentrated effort to improve the early development of many of the city's impoverished children.

"The tendency for public administrators will be to create the cheapest kind of child care, and that's exactly the opposite of what these children need," said Barbara Blum, president of the Foundation for Child Development and a top adviser to Nicholas Scoppetta, Commissioner of the city's child welfare agency. "The danger is that all sorts of short cuts will be taken."

Others, including officials in the Giuliani administration, however, contend that any blanket condemnation of informal care is misguided. They note that the decisions on day care are made by parents themselves and that informal care typically involves relatives.

And because expanding the base of formal day care centers is both costly and difficult, they say that enlarging the informal care system has to be a part of any plan to address the coming demand fully.

The city now contributes at least $100 million of a total $400 million in government money spent to subsidize care for the roughly 65,000 poor and working poor children in the program. Tens of thousands more qualify with the income guidelines but are not able to get spots in the 300 formal day-care centers in the city or the hundreds of registered care providers.

Each child in a center normally costs from $150 to $200 a week; a child in informal care can cost $40 to $50 a week. Payments to centers are made directly. Parents who use informal care receive money from the city and in turn are supposed to pay those who provide the care.

As the city puts the new welfare law into effect, officials project that by 2000, an additional 300,000 children under 12 could require subsidized child care, at an additional cost to the city of at least $380 million a year.

Last month, Gov. George E. Pataki said the state would receive an additional $86 million in Federal child-care funds for the coming 18 months under the terms of the legislation, and the city would typically reap about half that amount.

Other child-care experts and elected officials, including Lieut. Gov. Betsy McCaughey Ross, say they believe the Governor has overstated the likely gain.

In any case, the numbers of children are huge and increasing, and that only intensifies the pressure to use low-cost care.

State officials say an expansion of informal care will be a part of any plan to put more welfare mothers to work. "The reality is that well over half of the subsidized child care used in the state is informal," said Suzanne Sennett, director of early childhood services for the State Social Services Department. "Those decisions we feel rest with parents."

But questions remain.

"Informal care is a big, vast unknown," said Abby Farber, a senior reasearch associate at the Families and Work Institute in New York City, an organization that has studied the phenomenon across the country. "While you can't indict informal care wholesale, clearly a lot of children are in conditions that are harming their growth."

Two Bronx tales capture part of the mixed consequences of informal care. Molissa Smokes said the assignment she was given as part of the city program that requires welfare recipients to work for their benefits conflicts with the hours that her 4-year-old daughter attends a Bronx Head Start program. Ms. Smokes said welfare officials told her that she would have to find someone to pick up her daughter from the East Side House Early Childhood Center in the South Bronx and care for the child during her work hours.

To Ms. Smokes, a 28-year-old single mother, the problem forces a cruel choice: because she said there were no openings at a formal day-care center to send her daughter to every afternoon, she said she could either find a neighbor to care for her child or she could defy the work requirement, keep her child in the highly regarded Head Start program and risk being cut off from her cash and food stamp benefits.

"If they want to cut me off, do it," Ms. Smokes said. "I'll hustle."

She said the thought of entrusting her child to a neighbor or local, unlicensed household offering informal day care was too frightening. "You can't trust people out there," she said.

It is Tasha Harris's trust in her neighbor that allows her to support her modest Bronx world. The neighbor, a welfare recipient, is not registered as a child-care provider with the state, but she has cared for Ms. Harris's son for months. She is flexible, inexpensive (roughly $50 a week for long hours) and trustworthy. Ms. Harris, an office assistant making about $250 a week, cannot afford even the subsidized day-care center nearby. It took two years for her to move up on the waiting list just to be offered a slot.

"I'd be nowhere without my neighbor." Ms. Harris, 25, said.

Conflicting Accounts Of How Care Works

Officials with the city's employment services office, which runs the workfare program, say all public assistance recipients reporting for workfare assignments are provided with the names of two registered day-care providers with which to place their children. The officials insist that women who cannot find care can decline to participate in the program but will still receive benefits.

Day-care providers. numerous mothers participating in the workfare programs and elected officials who have investigated the city's welfare-to-work effort offer starkly different accounts of how recipients wind up using informal care. They say referrals to registered care are often not given or the sites do not have available spots when contacted. Many mothers describe their experience as a bureaucratic nightmare, replete with misinformation, misdirection, even outright hostility.

"People are finding themselves in strange situations, and I spend most of my time trying to get people calm enough to talk," said Letisha Wadsworth, director of the Child Development Support Corporation in Bedford-Stuyvesant, Brooklyn. Fela Barclift, director of another day-care center in Brooklyn, Little Sun People Too, said: "I see women in the work programs who have a sense of resignation, something like hopelessness. They just keep going through the maze."

Child-care experts, as well as the agencies that provide subsidized care throughout the city's five boroughs, say there has been virtually no discussion with city officials about how the coming burden will be met. Renelda Higgins, a spokeswoman for the city's Human Resources Administration, said officials with the Agency for Child Development were not "allowed" to answer questions about the city's plans, and Colleen M. Roche, a spokeswoman for the Mayor, said City Hall officials would "not participate" in an article about child care and welfare reform.

"Right now, government officials have gone behind closed doors, and child-care experts are on the outside," said Nancy Kolben, executive director of Child Care Inc., a referral and advocacy organization. "I don't think the city really knows what it is going to be doing with day care. But if they plan to expand the informal care system used by their welfare-to-work office, it is going to be a tremendous waste."

Critics and Backers Of Informal Care

The formal research done on informal care is limited. But a 1995 study conducted by the Work and Families Institute of unregulated care in four cities, including Los Angeles, found that only 9 percent of the households examined provided what was rated as "good quality care." More than a third of the care in the households was determined to have adversely affected the children's developmental progress.

"No one would argue that informal care is developmental child care," said Paul Larsen, a former deputy commissioner of the city's Agency for Child Development. "We're spending tens of millions of dollars in purchasing that kind of care, and it is an awful waste. Of course, it's an easy way to expand the available supply."

Those who either defend informal care or believe that it is so prevalent that it is a mistake to simply ignore it or stop financing it, maintain that welfare parents should not be deprived of making the essential decision enjoyed by those who are more financially equipped, namely the right to choose to place their child with a relative or neighbor with whom they are comfortable.