

## Chapter 3

# Affordable, Good-Quality Child Care: A Cornerstone to Working Women

*You cannot have a contended mother working if she is worrying about her children and you cannot have children running wild in the streets without a bad effect on the coming generations.*

*Federal Legislator testifying in front of the Senate Committee on Education and Labor, 1943.*

One of the major trends characterizing the demographics of the American work force from the 1900s to the present is the gradual increase in the number of working women. In 1900, 20 percent of all American women age ten and over were employed.<sup>1</sup> By 1940, the percentage of employed women age 14 and over had risen to 25.8 percent,<sup>2</sup> and by 1955, the portion of women who were in the work force accounted for 35.7 percent of all female population age 16 and over.<sup>3</sup> Thirty years later, in 1985, 52.9 percent of all

---

<sup>1</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. Early 1900s*. Document no longer available online. Child Care Action Campaign is the name of a non-profit organization that worked for 20 years to raise awareness around child care issues. The organization closed its doors in May 2003.

<sup>2</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. World War II*. Document no longer available online.

<sup>3</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. The Postwar Boom*. Document no longer available online.

American women were employed,<sup>4</sup> and by 1997, this share had increased by almost seven percentage points.<sup>5</sup>

Since 1900, the participation of mothers, and of single mothers in particular, has been inextricably linked to the demand for affordable, quality child care. According to the Child Care Action Campaign, the demand for affordable child care slots on the part of working mothers increased throughout the early decades of the 1900s.<sup>6</sup> The United States' entrance into World War II exacerbated the demand for labor force to be employed in the heavy, war-production sector. In 1942, the War Manpower Commission (WMC), a federal agency responsible for the allocation available work force to the different areas of production related to the war effort,<sup>7</sup> estimated that about two million Americans were in need of day care. Also, in 1942, the WMC reported that female absenteeism and high turn-over rates had become serious problems in the war production sector, and that lack of day care for the children of working mothers was at the very core of these issues. One year later, in 1943, working mothers' need for child care became even more urgent. During a hearing held by the Senate Committee on Education and Labor in 1943, a series of alarming reports surfaced in which children of employed mothers were described as "being left alone or locked in cars in parking lots[.]" while their mothers were at work.<sup>8</sup>

By the end of World War II, 13 percent of women with children under six years of age and 31 percent of women with children age six to thirteen worked outside the home.<sup>9</sup> In 1985, 50 percent of mothers of preschoolers,

---

<sup>4</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. The 1980s*. Document no longer available online.

<sup>5</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. The 1990s*. Document no longer available online.

<sup>6</sup>See Child Care Action Campaign, *A Timeline History of Child Care and Early Education. Early 1900s*. Document no longer available online.

<sup>7</sup>Created by President Roosevelt with an Executive Order on April 18, 1942, the War Manpower Commission (WMC) was an agency of the federal government. As such, the WMC was responsible for the planning of domestic placement, training program review, labor utilization, and other selective services functional to the war effort.

<sup>8</sup>See U. S. Congress, Senate Committee on Education and Labor, *Hearing on Care and Protection of Children of Employed Mothers* 78th Cong., 1st sess., June 8, 1943, quoted in A. J. Cohen, "A Brief History of Federal Financing for Child Care in the United States," *The Future of Children* 6 (Summer/Fall 1996): 26-40, 29. One federal legislator testified: "You cannot have a content mother working in a war factory if she is worrying about her children; and you cannot have children running wild in the streets without a bad effect on the upcoming generation." Cohen, "A Brief History of Federal Financing for Child Care in the United States," 29.

<sup>9</sup>See Child Care Action Campaign, *A Timeline History of Child Care. World War II*. Document no longer available online.

and 60 percent of mothers of children under age 18 were employed. During that same year, only 14.6 percent of the preschool children were cared for in centers, while 43.8 percent of them were cared for in the home of a relative or of a non related provider.<sup>10</sup>

In 1997, 59.8 percent of all American women were working.<sup>11</sup> According to the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), during that same year, 71.9 percent of women with children under 18 years of age, 77.9 percent of women with children ages six to 17, and 64.8 percent of women with children ages six or younger were in the paid labor force.<sup>12</sup>

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996<sup>13</sup> required former recipients of Aid to Families with Dependent Children (AFDC) to move out of the welfare rolls and into the labor market, thereby increasing the child care needs of single working mothers dramatically. With over 70 percent of American mothers currently in the paid labor force, the demand for affordable, quality child care is at an all-time high.<sup>14</sup> In the fall of 1994, a study conducted by Jean Kimmel, an economist with the Upjohn Institute for Employment Research, concluded that in the years prior to the Welfare Reform, efforts to “make work pay” for mothers on AFDC had often failed because recipients’ wages were too

---

<sup>10</sup>Ibid.

<sup>11</sup>Ibid. Moreover, statistical data from the AFL-CIO concerning the state of working America for the period 1996-97 shows that between 1989 and 1995 women accounted for 85 percent of the total increase in the number of workers with more than one job, and that 47 percent of all multiple jobholders in 1995 were women. See L. Mishel, J. Bernstein, and J. Schmitt, *The State of Working America, 1996-97* (Armonk, NY: M. E. Sharpe, Inc., 1998), quoted in American Federation of Labor—Congress of Industrial Organizations, *Fact Sheet. Facts About Working Women*.

Available at <http://www.aflcio.org/issuespolitics/women/factsaboutworkingwomen.cfm>

<sup>12</sup>See United States Department of Labor, *Employment Characteristics of Families in 1997* (Washington, D.C.: Government Printing Office, 1998), quoted in AFL-CIO, *Fact Sheet. Facts About Working Women*.

<sup>13</sup>*Personal Responsibility and Work Opportunity Reconciliation Act*. Public Law 104-193, 104 Cong., (August 22, 1996).

<sup>14</sup>See National Women Law Center, *Cuts in Child Care Funding Would Harm Women and their Families, Says NWLC*. 27 March 2001.

Available at <http://www.nwlc.org/details.cfm?id=654&section=newsroom> The United States Department of Labor estimates that women are projected to account for more than half of the net growth in the labor force between 1998 and 2008. Over this period of time, around 9.7 million women are expected to get employed. See United States Department of Labor, Women’s Bureau, *Labor Force Highlights* (Washington, D.C.: Government Printing Office, 2000).

low in comparison to child care costs.<sup>15</sup> Kimmel estimated that in 1994, day care expenditures for one child accounted for eight percent of the annual earnings of a two-parents family, and for about 25 percent of the yearly income of a single working mother.<sup>16</sup> For example, according to Kimmel, a single mother of one who in 1994 earned between \$8 and \$9 an hour, was likely to spend between 14 and 22 percent of her annual income on child care, depending on both her salary and the kind of child care arrangement that she chose.<sup>17</sup> Former recipients who joined the labor force because of the welfare-to-work-requirement implemented by PRWORA typically earn hourly wages that are lower than \$8 an hour.<sup>18</sup> In 1994, Kimmel predicted that for these women child care expenditures could account for up to 28 percent of their yearly income, once again depending on differences in salaries and type of child care arrangements.<sup>19</sup>

Over the past 65 years the federal government has provided funding for child care and early education programs in fits and starts. Financing has been very gradual, often inconsistent in purpose, and has widely fluctuated in amount, thereby reflecting a long-standing cultural tension existing between public and private responsibility for the care of young children, as well as a generalized aversion for other-than-mother care. Furthermore, the importance attributed by society to hard-core American values and beliefs, such as individual freedom and the freedom to raise children without government's interference, has deeply influenced public perception of subsidized child care services as inappropriate and unnecessary.<sup>20</sup> Finally, widespread opposition to maternal employment has undermined government's repeated

---

<sup>15</sup>See J. Kimmel, "The Role of Child Care Assistance in Welfare Reform," *Employment Research* 1 (Fall 1994): 1-4, 1.

<sup>16</sup>Ibid.

<sup>17</sup>Ibid.

<sup>18</sup>Ibid.

<sup>19</sup>Ibid. Child care expenditures as a function of yearly incomes become even more alarming when considered in connection with data reflecting the growing number of female-headed families. In 1997, 12.8 million families – or 18.2 percent of all American families – were headed by single women, compared with 5.6 million – or 10.8 percent of all families – in 1970. See K. Bryson and L. M. Casper, *Household and Family Characteristics: March 1997* (Washington, D.C.: Government Printing Office, 1998), P20-509; and United States Census Bureau, *Type of Family. Families (All Races) by Median and Mean Income: 1947 to 1996* (Washington, D.C.: Government Printing Office, 1997), table 7-A, quoted in AFL-CIO, *Facts About Working Women*.

<sup>20</sup>Individualism and its compendious belief in the autonomy of the family have supported a position envisioning the federal government as an appropriate source of help only if families find themselves in a critical situation. See Cohen, "A Brief History of federal Financing for Child Care in the United States," 27.

efforts to create a consensus around the issue of federal funding for child care.

According to Abby J. Cohen, a nationally renowned child care law and policy specialist, hostile attitudes towards subsidized child care have somewhat softened over the last 60 years, as an increasing number of upper- and middle-class American mothers have entered the work force.<sup>21</sup> In 1990, for example, when about 60 percent of all mothers with children aged six or younger worked outside the home, the idea of a publicly funded child care system gained widespread public support; at the same time, subsidized child care started being considered a necessary response to the basic economic needs of *all* American families.<sup>22</sup>

Also, starting with the 1960s, growing concern around issues such as equal opportunities – in particular, the importance of helping indigent children escape poverty through education – sex discrimination and equality between the sexes “broadened the constituency for”<sup>23</sup> public support of subsidized child care services. The concept of gender equity started gaining momentum in the United States in 1920, when laws were passed granting women the right to vote. Gender equity then became a national priority first in the 1960s, when Congress passed the Equality Pay Act<sup>24</sup> and Titles VII and IX of the Civil Rights Act,<sup>25</sup> and then again in the 1980s when a report titled *Child Care and Equal Opportunities for Women* was issued.<sup>26</sup> In that report, the Commission on Civil rights recognized the existence of a direct link between the availability of affordable child care to working women and gender equity.<sup>27</sup>

---

<sup>21</sup>See Cohen, “A Brief History of Federal Financing for Child Care in the United States,” 27.

<sup>22</sup>See U.S. House of Representatives, Ways and Means Committee, *Overview of Entitlement Programs: 1994 Green Book* (Washington, D.C.: Government Printing Office, 1994), quoted in Cohen, “A Brief History of Federal Financing for Child Care in the United States,” 34.

<sup>23</sup>Cohen, “A Brief History of Federal Financing for Child Care in the United States,” 28.

<sup>24</sup>*Equality Pay Act, U.S. Code*, vol. 29, sec. 206(d). The Equality Pay Act (EPA) is currently administered by the Equal Employment Opportunity Commission, and prohibits gender-based discrimination when men and women perform under the same working conditions and in the same employment setting.

<sup>25</sup>*Civil Rights Act, U.S. Code*, vol. 42, sec. 2000-e17. Titles VII and IX of the Civil Rights Act prohibit employment discrimination based on color, race, sex, religion and national origin.

<sup>26</sup>House Commission on Civil Rights, *Child Care and Equal Opportunity for Women*, Clearinghouse Publication 67 (1981), quoted in Cohen, “A Brief History of Federal Financing for Child Care in the United States,” 28.

<sup>27</sup>See House Commission on Civil Rights, *Child Care and Equal Opportunity for Women*,

## 3.1 Federal Financing for Child Care: A Historical Overview

So far, the United States government has failed to establish a set of legal principles legitimizing a publicly funded child care system. The American public still struggles to grasp the importance and advantages deriving from a cohesive child care system and from subsidized, quality child care arrangements available to all families. In fact, the United States government has long viewed child care as an emergency measure; a political move necessary to solve a specific and pressing societal need or to guide the nation through a difficult historical, such as the Great Depression or World War II.<sup>28</sup> To date, every piece of child care legislation passed by Congress has served the sole purpose of addressing or alleviating an immediate crisis. For example, in 1942, following the United States' decision to take part in the ongoing world conflict, child care served the purpose of encouraging maternal employment in the heavy war-production sector. Similarly, in the 1960s, the government strongly promoted child care services in the hope of improving school readiness and to protect young children from abuse and neglect. Finally, in the 1990s, child care was praised by policy-makers for its ability to compensate for or reduce single mothers' reliance on welfare checks. Notably, once the period of national crisis that child care was supposed to mitigate ended so did the funding.<sup>29</sup> As pointed out by Cohen: "The [American] child care system that has evolved [over the past 65 years] is really no system at all, but rather a collection of funding streams that requires no uniform standards of care and provides no uniform administrative structure for services."<sup>30</sup>

### 3.1.1 The Beginnings of Other-Than-Mother Care: Day Nursery and Nursery School Movements

In the United States, non-parental care started being provided to children of working mothers long before the federal government recognized a public need for such a service.<sup>31</sup> The day nursery movement developed in industrial

---

quoted in Cohen, 28.

<sup>28</sup>See Cohen, 26. The periodization presented in this section of the chapter follows the one set forth by author Abby J. Cohen in her article "A Brief History of Federal Financing for Child Care."

<sup>29</sup>See Cohen, 26.

<sup>30</sup>Cohen, 26.

<sup>31</sup>For the purpose of this chapter, child care is here defined as non-parental care for children aged zero through 13, and including different services, such as day care, child development and early education programs and after-school activities for young adolescents.

cities throughout the United States between 1850 and 1880 with the purpose of securing care for the young children of wage-earning mothers. Faced with the harsh reality of male unemployment, low male wages, and high rates of divorce, destitution, and abandonment, indigent women of the Progressive Era<sup>32</sup> had to decide between working for wages and the possibility of losing their children to social services. Nonetheless, families of working mothers were “held in grave suspicion”<sup>33</sup> in the mid- to late XIX Century. In fact, a large portion of the American public still considered the promotion and maintenance of traditional male-headed families, with their sole male breadwinner, of paramount importance for the society as a whole.<sup>34</sup>

Day nurseries were early day care centers. Largely run and operated by middle- and upper-class women, these facilities varied in size – some of them were caring for up to 60 children<sup>35</sup> – and were free of charge. Day nurseries were subsidized mainly through private contributions and in some instances through state funds. In an effort to satisfy the child care needs of a growing number of employed mothers, day nurseries opened their doors very early in the morning and remained opened until after 6:00 p.m. Children ages zero through eight were cared for at day nurseries. School children usually spent only before- and after-school hours at local day nurseries.

In the early XX Century a second movement, the nursery school movement, took form in the United States. Its main objective was to educate the “whole child” – that is to focus on the impact that early education can have on a child’s intellectual, physical, social, and emotional growth. Nursery schools, which can be viewed as direct predecessors of today’s early education programs, such as Head Start,<sup>36</sup> admitted children aged two to four. Contrary to day nurseries, nursery schools served mostly children belonging to middle- and upper-class families, and were funded mainly parents’ fees. However, in some instances, nursery schools were sponsored by a local university. Educational methods used at nursery schools emphasized techniques such as personalized instruction, creative and manual arts, and group discussions.

---

<sup>32</sup>See *supra*, 10, 18.

<sup>33</sup>A. Durst, “Of Women, By Women, and For Women’: The Day Nursery Movement in the Progressive Era United States,” *Journal of Social History* 39 (Fall 2005): 141-159, 142.

<sup>34</sup>*Ibid.*

<sup>35</sup>*Ibid.*, 141

<sup>36</sup>See *infra*, 3.1.5, 93.

### 3.1.2 Child Care in the Years Following the Great Depression: 1933-1943

In 1933, in the hope to provide paying jobs to armies of unemployed teachers, cooks, nurses, janitors, and carpenters, the federal government started allocating higher amounts of funding to child care services. During that same year, Harry Hopkins, Head of the Federal Emergency Relief Administration – a government agency later known as Work Progress Administration (WPA)<sup>37</sup> – announced the creation of a \$6 million emergency nursery program.<sup>38</sup>

Although only children belonging to families on home relief – a precursor to what later became AFDC<sup>39</sup> – were eligible to participate in the emergency nursery program, in 1989 the National Center for Children and Poverty estimated that over the decade 1933-1943, between 44,000 and 72,000 children aged two to five were enrolled in the program each year.<sup>40</sup> Unfortunately, WPA funding for child care services did not continue past the Depression years. By 1943, with the WPA officially abolished by presidential proclamation and with unemployment rates finally on the rise, the majority of the WPA nursery schools created only ten years earlier closed down.<sup>41</sup>

---

<sup>37</sup>The largest and most important of the New Deal cultural programs, the Work Progress Administration (WPA) was a massive employment relief program launched in 1935 under the direction of Harry Hopkins. The WPA's intent was twofold: To put unemployed citizens back to work in jobs that served the public good; and to conserve the skills and self-esteem of millions of unemployed workers throughout the country.

<sup>38</sup>When publicly announcing the implementation of this unprecedented program, Harry Hopkins declared: “young children...are suffering from the conditions existing in the homes incident to current economic and social difficulties. The educational and health programs...can aid as nothing else in combating the physical and mental handicaps being imposed upon these young children. Furthermore, the nursery school program include the participation of parents...[I]t serves to benefit the child from every point of view and parents are...relieved from their anxieties resulting from the worry of inadequate home provisions for their children.” H. Hopkins, “Announcement of Emergency Nursery Schools,” *Childhood Education* 10 (1933): 155, quoted in Cohen, 28.

<sup>39</sup>See *supra*, footnote 52, 23.

<sup>40</sup>See E. Cahan, *Past Caring: A History of Past School Care and Education for the Poor, 1820-1965* (New York: National Center for Children and Poverty, 1989), quoted in Cohen, 28.

<sup>41</sup>See Cohen, 29.



### 3.1.3 We Can Do It! But Not Without Child Care: Working Mothers and the War Effort, 1942-1946

In 1942, the United States' entrance into World War II generated an unprecedented demand for women's labor in the heavy, war-production industries. All of a sudden, the same women who had been lectured for almost a century about their responsibilities as wives and mothers and about the ills of paid employment needed to be recruited. The United States' government found itself in the unlikely position to have to recast the image of women as potential workers. In order to achieve such a goal, in 1942 the War Manpower Commission (WMC)<sup>42</sup> engaged in a series of recruitment efforts that used propaganda movies, billboards, posters, and radio personalities to glamorize the role of wage-earning women.<sup>43</sup> Whether fulfilling their duties in factories, offices, or in the military, women were portrayed by the government propaganda as attractive, confident, and resolved to do their part to win the war.

In May 1943, Norman Rockwell created for the cover of *The Saturday Evening Post* what became the icon of the government propaganda: Rosie the Riveter. Rockwell's Rosie, the first of many Rosies to come, was a burly woman dressed in overall and seated on a wooden stool, the American flag swaying in the background. Rockwell's Rosie had her face mask resting on her forehead, her riveting tool on her lap and both her feet solidly placed upon a copy of *Mein Kampf*.<sup>44</sup> This patriotic image quickly ignited the imagination of a whole country and Rosie's posters started to plaster the walls of buildings all across America. Two weeks after Rockwell's illustration was published, stories started to appear in the press, praising the accomplishments of working women, such as Rosie Hicker.<sup>45</sup> A real person, Hiker was a worker at General Motors' Eastern Aircraft Division in Tarrytown, New York, who made the front page for driving a record number of rivets into the wings of a Grumman "Avenger" bomber.<sup>46</sup> At the same time, legendary

---

<sup>42</sup>See *supra*, footnote 7, 82.

<sup>43</sup>See Appendix A.1, 297.

<sup>44</sup>The original Rockwell's image of Rosie the Riveter is available at <http://www.curtispublishing.com/images/Rockwell/9439529.jpg> Curtis Publishing is the exclusive licensor of Norman Rockwell's artwork as published in the *The Saturday Evening Post* and *The Country Gentlemen*, and including more than 400 of Rockwell's most famous and beloved illustrations.

<sup>45</sup>See B. Orbach Natanason, *Rosie Pictures: Select Images Relating to American Women Workers During World War II. Additional Information and Bibliography*. Available at <http://www.loc.gov/rr/print/list/126.rosi.html#add>

<sup>46</sup>*Ibid.* For a detailed description on an Avenger bomber see <http://www.acepilots.com/planes/avenger.html>

Rosies were also celebrated in movies, such as “Swing Shift Maisie,”<sup>47</sup> and in songs, such as “Rosie the Riveter” and “We’re the Janes Who Make the Planes,” which became instant hits.<sup>48</sup>

The government recruitment’s efforts paid off and the number of American wage-earning women – three fourths of whom were married – rose from nearly 12 million in 1940 to 18.6 million in 1945.<sup>49</sup> Between 1942 and 1946 alone, almost three million women acquired men’s jobs at war-production plants.<sup>50</sup> Women who had previously held pink-collar, low-wage industrial jobs, traditionally reserved to female workers, flocked to the war-production sector attracted mainly by the prospect of higher salaries and by the opportunity to learn new, valuable skills. During the war, female workers replaced men in shipyards, steel mills, aircraft factories, and ordnance plants.<sup>51</sup> For their labor, women were granted war-time wages, decent working conditions, regulated working hours, meals at the factory’s canteen, and child care subsidized through Lanham’s Act money.<sup>52</sup>

### Subsidized Child Care Under the Lanham Act

Congress passed the Lanham Act in 1940. This piece of legislation authorized the release of grant and loans to private and public agencies for the purpose of maintaining and operating existing public works.<sup>53</sup> Shortly after the passage of the Lanham Act, the Committee on Public Buildings and Grounds – a federal, administrative agency responsible for the implementation of the Act – broadened the definition of public works contained in the Lanham Act itself to include child care facilities.<sup>54</sup> Consequently, in

---

<sup>47</sup>See G. Riley, *Inventing the American Woman: An Inclusive History* (Wheeling, IL: Harlan Davidson, Inc., 1995), 279, quoted in *Electronic New Jersey: A Digital Archive of New Jersey History. We Need Women!* Available at <http://www.scc.rutgers.edu/njh/WW2/ww2women/needwomen.htm>

<sup>48</sup>Ibid.

<sup>49</sup>See Orbach Natanason, *Rosie Pictures: Select Images Relating to American Women Workers During World War II. Additional Information and Bibliography*.

<sup>50</sup>See Riley, *Inventing the American Woman: An Inclusive History* (Wheeling, IL: Harlan Davidson, Inc., 1995), 279, quoted in *Electronic New Jersey: A Digital Archive of New Jersey History. We Need Women!*

<sup>51</sup>See Orbach Natanason, *Rosie Pictures: Select Images Relating to American Women Workers During World War II. Additional Information and Bibliography*.

<sup>52</sup>See Riley, *Inventing the American Woman: An Inclusive History* (Wheeling, IL: Harlan Davidson, Inc., 1995), 279, quoted in *Electronic New Jersey: A Digital Archive of New Jersey History. We Need Women!*

<sup>53</sup>*Lanham Act of 1940*, Public Law 76-862, 76 Cong., 3rd sess. (1940). See also Cohen, 29.

<sup>54</sup>See Cohen, footnote 26, 38.

the summer of 1942, Congress reallocated \$6 million in funding, previously earmarked to finance the activities of the now waning Work Progress Administration (WPA), to sponsor the construction of new child care facilities nationwide.<sup>55</sup> All mothers employed in the war-production sector, as well as mothers on home relief, became the primary beneficiaries of Lanham Act subsidized child care.

The child care program implemented through the Lanham Act was in operation for a total of four years: From 1942 to 1946. Over this period of time, allocations under the program underwrote construction and operation expenses for 3,102 child-care centers nationwide, serving a total of 600,000 children in need.<sup>56</sup> Overall, between 1942 and 1946, 47 states received over \$52 million in federal funds, matched by over \$26 million in state funds.<sup>57</sup> The bulk of Lanham's Act funds went to California, home of the greatest share of national war-production industries.<sup>58</sup>

Lanham Act's child care facilities served children of all ages. Most importantly, they allowed working mothers to stay employed and demonstrated that women could be extremely productive workers once they no longer had to worry about leaving their children unsupervised; a notion, the latter that had been heavily questioned in the past.<sup>59</sup> Also, despite the fact that quality of care varied widely from facility to facility, Lanham Act's centers contributed greatly to children's intellectual and emotional growth.<sup>60</sup>

All positive outcomes notwithstanding, the child care services funded by the Lanham Act remained limited in scope and temporary in nature.<sup>61</sup> In fact, even at the height of the program's implementation, Lanham Act's centers served only 13 percent of all children in need.<sup>62</sup>

---

<sup>55</sup>See Cahan, *Past Caring: A History of Preschool Care and Education for the Poor, 1820-1965*, quoted in Cohen, 29.

<sup>56</sup>See Cohen, 30.

<sup>57</sup>Ibid.

<sup>58</sup>Ibid. To the present day, California has maintained its network of war-time child care centers. According to the Information Management System Database of the National Child Care Information Center (NCCIC), in 2004 California had a total of 14,637 licensed child care centers, and 44,800 licensed family child care homes. These facilities are currently administered by the California Department of Education (CDE), which requires a welfare-type means test to determine eligibility for services.

See <http://nccic.org/statedata/statepro/display.cfm?state=California>

<sup>59</sup>See Cohen, 30.

<sup>60</sup>Ibid.

<sup>61</sup>Ibid.

<sup>62</sup>See Cahan, *Past Caring: A History of Preschool Care and Education for the Poor, 1820-1965*, quoted in Cohen, 29.

### 3.1.4 Child Care as a Response to War: A Summary

In 1942, the United States' decision to take part into the ongoing conflict created a situation of national emergency. Amidst such climate, the federal government felt a growing responsibility to secure the implementation of all measures necessary to sustain the war effort. At that particular point in time, the construction and maintenance of child care centers was considered of paramount importance to meet the pressing war-time need to expand day care options for the children of working mothers. In 1943, an official of the Federal Work Agency (FWA) – a government agency established in 1939, and temporary in charge of administering Lanham Act's funds, declared:

We are not subsidizing an expanded education program, nor a federal welfare program. . . we are making money available to assist local communities in meeting a war need for the care of children, while their mothers are engaged in war production.<sup>63</sup>

Only one year later, with the end of the war approaching and the situation of national emergency relenting, the idea of a publicly funded child care system lost its appeal. As a consequence, government allocations to child care services started to wane, until in 1946 Congress decided to discontinue funding for Lanham's Act programs all together. In the absence of federal support, the majority of child care centers established during the war years had to close down, thereby leaving working mothers with no choice but to resign their war-time, high-paying jobs.<sup>64</sup> For example, it is estimated that shortly after war's end, women's lay-off rates in the war-production sector was double that of men.<sup>65</sup>

After 1946, some child care programs continued to exist at a local level in the states of California, New York and Washington.<sup>66</sup> However, a survey conducted by the Children's Bureau in 1948 indicated that up to 94 percent of all American wage-earning mothers relied on relatives and friends to look

---

<sup>63</sup>Senate Committee on Education and Labor, *Hearing on Care and Protection of Children of Employed Mothers*, 78th Cong., 1st sess., 8 June 1943, quoted in Cohen, 30.

<sup>64</sup>In January 1946 alone, a total of 332 California child care centers closed down due to lack of funding. See Assembly Interim Committee on Social Welfare, *Report on Child Care Center Program*, California Legislature Assembly, January 1951, 287, quoted in Cohen, 31.

<sup>65</sup>See K. Anderson, *Wartime Women: Sex Roles, Family Relation and the Status of Women During World War II* (Westport: Greenwood Press, 1981); and D. K. Goodwin, *No Ordinary Time: Franklin and Eleanor Roosevelt: The Home Front in World War II* (New York: Simon & Schuster, 1994), quoted in Cohen, 30.

<sup>66</sup>See Cohen, 31.

after their children during working hours and that only two percent of all employed mothers relied on some form of group child care.<sup>67</sup>

By the early 1950's, non-maternal child care was again being perceived as unnecessary and, in some instances, even as harmful to children.<sup>68</sup>

### 3.1.5 Lyndon Johnson's War on Poverty and the Head Start Program

During the 1960s, a renewed consensus around the necessity and importance of subsidized child care started to form. Such a change in public opinion was mainly due to the results of a recent body of research demonstrating the crucial role played by child care and early education for a child's intellectual and emotional development.<sup>69</sup> In line with these findings, in 1964 federal investments in child care services started focusing on ways to enhance the well-being of young children.

The Head Start program began in the summer of 1965 as an eight-weeks program for preschoolers. Initially, its daily operations were placed under the supervision of the Office of Economic Opportunities. Created under the Economic Opportunity Act<sup>70</sup> as part of President Johnson's War on

---

<sup>67</sup>See Child Care Action Campaign, *A Timeline History of Child Care. The Post-war Boom*. The Children's Bureau (CB) was created by President Taft in April of 1912. The stated purpose of the Bureau was to investigate and report "upon all matters pertaining to the welfare of children and child life among all classes of our people." Social Security Administration, *The Children's Bureau*. Available at <http://www.ssa.gov/history/childb1.html>. Initially part of the United States Department of Commerce, the Children's Bureau was transferred to the United States Department of Labor in 1913. In 1935, a large part of the recently enacted Social Security Act (SSA) was dedicated to finance and address the programs of the Children's Bureau. More specifically, Title V of the SSA, titled Grants to the States for Maternal and Child Welfare, was established to finance Children's Bureau's activities. In 1968, the Bureau became part of the Social and Rehabilitation Services. In 1970, it was merged into the newly created office of Child Development and later, in the 1970s, the Children's Bureau became part of the Public Health Services. See Social Security Administration, *The Children's Bureau*. Today the Children's Bureau is part of the Department of Health and Human Services' Administration for Children and Families, Administration on Children, Youth and Families. Currently, the Bureau is responsible for assisting states in the delivery of a wide range of child welfare services. Through grants to states, Tribes and communities the Bureau funds the implementation of child protective services, as well as foster care, adoption services and independent living. See Administration for Children and Families, *Children's Bureau*. Available at <http://www.acf.dhhs.gov/programs/cb/index.htm>

<sup>68</sup>See Cohen, 31.

<sup>69</sup>See M. Steinfelds, *Who is Minding the Children: The History and Politics of Day Care in America* (New York: Simon & Schuster, 1973), quoted in Cohen, 31.

<sup>70</sup>*Economic Opportunity Act*, Public Law 88-452, 88th Cong., (20 August 1964).

Poverty, Head Start was based on the notion that early education programs could increase indigent children's chances to escape poverty in the future. According to this notion, Head Start was intended to serve disadvantaged children ages three to five and to foster their learning skills and physical well-being.<sup>71</sup>

Today, Head Start is a year-around program that provides a wide array of services designed to meet children's educational, social and medical needs. For example, Head Start's health programs are extensive and provide children with immunizations, medical and dental routine check-ups and nutrition services.

Funding for Head Start programs is awarded by the regional offices of the Administration for Children and Families (ACF) directly to school districts, community-based and non-profit children agencies. Head Start services are free to parents. However, the ACF's funding guidelines require that 90 percent of the children served by each agency belong to families<sup>72</sup> with annual incomes below the federal poverty line.<sup>73</sup>

Currently, Head Start programs operate in all 48 contiguous states, the District of Columbia, Puerto Rico and the U.S. territories, and through a wide-spectrum range of services, Head Start tries to be responsive to the ethnic, cultural and linguistic needs of children belonging to minority groups. For example, the American Indian Head Start Program, started in 1965 and currently administered centrally from Washington D.C. through the American Indian/Alaska Natives Program Branch (AI/ANPB), supports the rich

---

<sup>71</sup>See Cohen, 31.

<sup>72</sup>For Head Start eligibility purposes, the word "family" is designed to encompass all persons living in the same household who are: (1) supported by the income of the parent(s) or guardian(s) of the child enrolling or participating in the program; and (2) related by the parent(s) or guardian(s) by blood, marriage and adoption. See *Code of Federal Regulations*, vol. 45 at sec. 1305.2(e).

<sup>73</sup>Children are eligible to participate in Head Start programs if they belong to low-income families or if their families are eligible to receive public assistance, such as TANF or Supplemental Security Income (SSI) – a federal income supplement funded by general tax revenues, and designed to provide the elderly and people with physical and cognitive disabilities with cash benefits. The Head Start Act – *Head Start Act, U.S. Code*, vol. 42, secs. 9831-52a – establishes income eligibility ceilings for participation in Head Start programs based on the poverty guidelines updated annually by the Department of Health and Human Services (HHS). In 2001 income eligibility ceilings for Head Start were set in the 48 contiguous states at \$11,610 for a family of two and at \$14,630 for a family of three. Alaska's and Hawaii's eligibility ceilings differed considerably from the ones established for the rest of the country and were set at \$14,510 for a family of two, and at \$18,920 for a family of three in Alaska; and at \$13,360 for a family of two and at \$16,830 for a family of three in Hawaii. See *Federal Register* 66 (33) (16 February 2001). Available at [http://www.headstartinfo.org/publications/im01\\_03a.htm](http://www.headstartinfo.org/publications/im01_03a.htm)

and unique legacy of Native American cultural and linguistic heritage. Similarly, the Migrant Head Start Program provides the same comprehensive services to children of families who follow seasonal agricultural work. Additionally, migrant programs provide extended care service – usually up to 12 hours a day – seven days a week during the peak of the harvest season.<sup>74</sup>

According to ACF, over the past 40 years, Head Start has granted early education, health care, nutrition, and social services to over 22 million of the nation poorest children.<sup>75</sup> Research has clearly demonstrated that early education programs such as Head Start can help children develop a sense of self-esteem and the cognitive skills necessary to avoid a future of poverty. For example, a 1995 review of 36 studies investigating the long-term effects of early childhood care and education (ECCE) found that ECCE produces “large effects on IQ during the early childhood years and sizable, persistent effects on [school] achievement, grade retention, special education, high school graduation, and socialization.”<sup>76</sup> The same study also found that the magnitude of the above cited effects can have a impact on the lives of low-income children. For example, for many children living in poor neighborhoods, early education can mean the difference between needing or not needing special education, avoiding or not avoiding delinquency and dropping out or graduating from high school.<sup>77</sup>

Unlike the Lanham Act’s child care programs which did not outlast the war period, Head Start has been now reauthorized for more than four decades. However, despite continuing funding, so far Head Start has failed to become an entitlement program.<sup>78</sup> Abby J. Cohen argues that such failure may either be due to a lack of consensus around Head Start’s importance or it may reflect public concern about “the price tag of a Head Start that would serve all eligible children.”<sup>79</sup>

---

<sup>74</sup>Administration for Children and Families, Head Start Bureau, *Head Start Fact Sheet. Fiscal Year 2003* Available at <http://www.acf.hhs.gov/programs/hsb/research/2004.htm>

<sup>75</sup>Ibid.

<sup>76</sup>S. W. Barnett, “Long Term Effects of early Childhood Programs on Cognitive and School Outcomes,” *The Future of Children* 5 (winter 1995): 25-40, 43.

<sup>77</sup>See Barnett, “Long Term Effects of early Childhood Programs on Cognitive and School Outcomes,” 43.

<sup>78</sup>A federal program that guarantees a certain level of benefits to persons or other entities who meet the requirements set by law and that does not need to be reauthorized by Congress every few years. See <http://www.purepolitics.com/edu/mrsmith/puregloss.htm>

<sup>79</sup>Cohen, 31.

### 3.1.6 ‘A Matter of Right’: Child Care Between 1971 and 1988

At the beginning of the 1970s, representatives of different interest groups – such as supporters of early education programs and affordable non-parental care – united to lobby for the enactment of an unprecedented piece of legislation. The Comprehensive Child Development Act (CCDA) of 1971 introduced the notion of child development programs as a matter of right to all children, regardless of their economic and social backgrounds.<sup>80</sup> Despite the bipartisan support gained by CCDA, when the Act came before President Nixon he vetoed it declaring:

For the Federal Government to plunge headlong financially into supporting child development would commit the vast moral authority of the National Government to the side of communal approaches to child rearing [ ] against the family-approach.<sup>81</sup>

In 1975, 46.3 percent of all American women were employed and 36 percent of these wage-earning women were mothers of preschoolers.<sup>82</sup> While the Head Start program was providing a considerable number of low-income families with free child care services, low-income working parents were still struggling to find affordable arrangements for their children. In fact, in 1975, only 14.6 percent of all preschoolers were cared for in centers, while 43.8 percent of them were cared for in the home of a relative or of a non-related care provider.<sup>83</sup>

On January 2, 1975, as a response to the growing need for subsidized child care services on the part of low-income working families, Title XX was signed into law as part of the Social Security Act (SSA).<sup>84</sup> Title XX allowed states to receive grants from the federal government to subsidize social service programs.<sup>85</sup> It was established as a capped entitlement program and it expanded the scope of federal assistance to all low-income families, including

---

<sup>80</sup>See Cohen, 32.

<sup>81</sup>Text of President’s Nixon Veto Message of the Child Development Act of 1971, *Congressional Record* (December, 1971), 46057-59, quoted in Cohen, 32.

<sup>82</sup>See *Child Care Action Campaign Timeline. The 1970s*.

<sup>83</sup>Ibid.

<sup>84</sup>*Social Security Act, U.S. Code*, vol. 42, sec. 2001.

<sup>85</sup>Title XX money could be used to sponsor child care services, protective services for children and adults, adult day care, employment services, referrals and counseling, meal preparation and delivery, family planning, health support services, and other services designed to meet the special needs of children and adults who were alcoholics, drug-addicts or suffered from physical and cognitive disabilities, as well as the elderly.



the working poor and former or potential welfare recipients. In many states, Title XX soon became the only source of public funding for subsidized child care. Between its enactment in 1975 and the next major legislative change – which took place in 1981 – Title XX was amended several times to both increase funding and mandate various crucial requirements for participating states, such as staffing ratios and incentives to child care centers that hired welfare recipients as providers.

In 1981, under the leadership of President Reagan, Title XX was replaced by the Social Services Block Grant (SSBG). This piece of legislation streamlined Title XX funding for social services into a block grant to the states that removed federal mandates and matching requirements. SSBG allocations to states were overseen by the federal government and determined on the extent of the service population. States were allowed to set their own eligibility ceilings and to decide, on the basis of local needs, which communities to serve and what kind of services to provide. As a result, reporting requirements were reduced, leaving both the government and the public with little information on how federal resources were utilized by the states.<sup>86</sup> However, there is no question that spending on child care services decreased dramatically after the passage of SSBG.<sup>87</sup>

### **3.1.7 Reversing Direction on Public Financing for Child Care Services: The 1980s**

In the political and social climate that characterized the 1980s, public support for Aid to Families with Dependent Children (AFDC)<sup>88</sup> started to erode. Critics of welfare assistance viewed dependency on public aid as voluntary and pointed at families who had been on welfare for generations as examples of how cash benefits prevented recipients from becoming self-sufficient.

At the same time, public support for maternal care also started to erode,<sup>89</sup> especially after the American public started to realize that the AFDC population was increasingly constituted by single mothers and children born out of wedlock.<sup>90</sup> As a result, in 1988 both policy-makers and the public were ready to reform the welfare system, so much so that commentators labeled widespread support for welfare-to-work requirements as “the

---

<sup>86</sup>See Cohen, 32.

<sup>87</sup>Ibid.

<sup>88</sup>See *supra*, footnote 52, 23.

<sup>89</sup>See Cohen, 33.

<sup>90</sup>Ibid.

new consensus.”<sup>91</sup>

In 1988, the Family Support Act (FSA) was passed.<sup>92</sup> Primarily aimed at moving welfare recipients out of the welfare rolls and into the labor market, and at providing recipients with the services necessary to make this transition, FSA required many welfare recipients, including most welfare mothers with preschool children, to participate in education and training programs or to get employed. In accordance with this request, FSA instructed each state to set up a Job Opportunities and Basic Skills (JOBS) training program by October 1, 1990, and to implement it by October 1, 1992. States were asked to include specific components in their JOBS programs, including high-school or high-school equivalent education, basic literary education, education in English as a second language, job-skills training, job-readiness activities, and job-development and job-placement activities. In addition, each state program had to feature at least two of the following activities: Job search – with clients required to bring in weekly proof of job-seeking contacts with private employers and companies – on-the-job training and work supplementation activities. Subsidized jobs had to be made available to welfare-reliant women but states were allowed to decide whether their JOBS programs offered vocational or technical training or college education as an option to their clients.

Significantly, FSA became the first open-ended, child care entitlement program in U.S. history. In other words, families that met FSA eligibility ceilings were automatically granted child care subsidies. Prior to the passage of FSA and since 1962, child care subsidies had been available to AFDC recipients who participated in job-training programs. However, such subsidies had been used only by a small fraction of the welfare population, since prior to 1988, mothers of preschoolers were exempted from job-training requirements. By contrast, child care subsidies were essential to the success of FSA. In fact, the Act mandated participation in “self-sufficiency” activities for all mothers with children age three or older.<sup>93</sup> Furthermore, the Act also allowed states to mandate the same kind of participation for mothers with children age one.<sup>94</sup>

---

<sup>91</sup>See M. B. Katz, *In the Shadow of the Poorhouse* (New York: Basic Books, 1996).

<sup>92</sup>*Family Support Act*, Public Law 100-485, 100th Cong. (13 November 1988).

<sup>93</sup>In FY1993-94, eleven states mandated participation in job-training programs for mothers with children age three and over. See United States Department of Health and Human Services, *Characteristics of State Plans for the Job Opportunities and Basic Skills (JOBS) Training Program, 1993-1994* (Washington, D.C.: Government Printing Office, 1994), quoted in Cohen, 33.

<sup>94</sup>See United States Department of Health and Human Services, *Characteristics of State Plans for the Job Opportunities and Basic Skills (JOBS) Training Program, 1993-1994*,

Most importantly, FSA mandated two additional programs: The Aid to Families with Dependent Children Child Care (AFDC-CC) – which was intended to facilitate recipients’ participation into state Job Opportunities and Basic Skills (JOBS) programs<sup>95</sup> – and the Transitional Child Care (TCC) program – which was aimed at helping former recipients to stay employed by providing them with child care subsidies for up to one year after leaving welfare.<sup>96</sup>

Under FSA, entitlement to child care subsidies extended only to families who were either on welfare or leaving welfare.<sup>97</sup> Families living under comparable economic conditions but without previous or present history of welfare dependency were not entitled to FSA subsidized child care services.<sup>98</sup> Many perceived this discrepancy in treatment as unfair, and observed that apart from further impairing working poor families, such discrepancy was responsible for discouraging AFDC families from transitioning off welfare.<sup>99</sup> Another major flaw attributed to FSA was its lack of regulation concerning the quality of the child care services and the absence of provisions encouraging the provision of non-standard-hours child care; the demand for which was on the rise.

FSA’s intent to reduce the number of people relying on public assistance

---

quoted in Cohen, 33.

<sup>95</sup>The Job Opportunities and Basic Skills (JOBS) program was an employment and training program implemented by the Family Support Act (FSA) with the purpose of moving families off welfare and into the labor market. See D. Blau and E. Tekin, “The Determinants and Consequences of Child Care Subsidy Receipt by Low-Income Families,” in B. Meyer and G. Duncan ed. *The Incentives of Government Programs and the Well-Being of Families* (Chicago, IL: Joint Center for Poverty Research, 2001), 1.

<sup>96</sup>*Transitional Child Care, U.S. Code*, vol. 42, sec. 701. To be eligible to receive TCC subsidies a former welfare recipient must (1) have stopped receiving public assistance due to employment, higher child support payments; (2) have voluntarily ended assistance; (3) have a child aged 13 or younger; (4) have received welfare benefits for three out of six continuous months in the period prior to discontinuance of public assistance; (5) have an annual income up to 200 percent of the state standard income. An individual will not receive TCC unless she or he applies for it. TCC subsidies can be used to pay a wide variety of services, including licensed center-based care and family day care. A relative or a friend do not have to be a licensed child care provider in order to get paid through TCC subsidies. Also, the provider’s home does not have to be inspected by social services prior to the provision of care. However, in order to qualify for TCC subsidies, family care providers must be over 18 years of age, and live at a different address than that of the parent and child. Further, the Department of Social Services requires family care providers to fill out a form every six month. The purpose of this form is to allow HHS to monitor the conditions under which child care services are provided at any given home.

<sup>97</sup>See Cohen, 33.

<sup>98</sup>Ibid.

<sup>99</sup>Ibid.

remained largely unfulfilled. The primary cause for this failure lied in FSA's erroneous premises; which historian Michael Katz has defined as "a historic dissociation between welfare and the labor market in the American social policy."<sup>100</sup> FSA's sponsors wanted welfare recipients to earn living wages, but ironically they did not engage in the creation of new jobs. Instead, policy-makers simply assumed that those jobs were already available in the labor market. Similarly, FSA's sponsors erroneously assumed that one year of employment coupled with the receipt of TCC subsidies provided former AFDC recipients with enough resources to successfully make the transition from dependency to self-sufficiency. By contrast, since former welfare recipients are usually hired in low-wage jobs, the one year term set by FSA for the receipt of TCC subsidies was unrealistic at best.

### 3.1.8 The Need for Universal Subsidized Child Care Services: The 1990s

In 1990, two major pieces of child care legislation were passed: The Child Care Development and Block Grant (CCDBG) and Title IV At-Risk Child Care.<sup>101</sup> These new laws resulted from the recognition on the part of the American public that all families needed affordable child care.<sup>102</sup> In fact, by 1990, low-income families' wages were in serious decline due to structural changes in the labor-market economy. Such precarious economic conditions sparked the campaign to support the passage of the CCDBG which focused mainly on securing subsidized child care services for all families.<sup>103</sup> Moreover, starting with 1990, the political pressure exerted by middle- and upper-middle class women played a key role in the passage of CCDBG.<sup>104</sup> As Mary Frances Berry, former U.S. Commissioner on Civil Rights wrote in 1998: "[C]ontinuing concern about poor children and welfare women underscored the issue, but it was the increasing number of divorces, female-headed households, and middle class wage earning white women that ignited the child care movement."<sup>105</sup>

The CCDBG became "the most far-reaching attempt to finance child

---

<sup>100</sup>Katz, *In the Shadow of the Poorhouse*

<sup>101</sup>See Cohen, 34.

<sup>102</sup>Ibid.

<sup>103</sup>Ibid.

<sup>104</sup>Ibid.

<sup>105</sup>M. F. Berry, *The Politics of Parenthood: Child Care, Women's Rights and the Myth of the Good Mother* (New York: Vintage/Penguin, 1993), 172, quoted in Cohen, 34.

care”<sup>106</sup> and it served more low-income children than any program before.<sup>107</sup> However, the program benefitted primarily children of parents who were working, seeking employment, or participating in education or training. The statutory scheme of the original CCDBG allowed states to apply for federal funds to subsidize child care.<sup>108</sup> Significantly, the CCDBG was fully funded through federal money, and therefore required no matching funds from the states.<sup>109</sup> The amount of funds allocated to participating states depended on the number of children under the age of five residing in each state, on the number of children who were receiving free and reduced-price school lunches in each state, and on the state per-capita income.<sup>110</sup> To qualify for subsidized child care, a child had to belong to a family with a yearly income below 75 percent of the state median income (SMI),<sup>111</sup> be thirteen

---

<sup>106</sup> Administration for Children and Families, *ACF Child Care Programs Serving Children and Families, Fact Sheet 2* (Washington, D.C.: Government Printing Office, 1993).

<sup>107</sup> See *ibid.*

<sup>108</sup> *Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858m(a), (b). Three percent of the funds were set aside for Native Americans, and 0.5 percent were allocated for the territories. The District of Columbia and Puerto Rico were considered states for the purpose of the Act. See C. Huntington, “Welfare Reform and Child Care: A Proposal for State Legislation,” *Cornell J. L. & Pub. Pol’y* (fall 1996): 95-140, 113.

<sup>109</sup> See Cohen, 34.

<sup>110</sup> *Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858m(b)(1)-(4).

<sup>111</sup> This innovative way of setting eligibility ceilings allowed states to provide subsidized child care to all families living below the federal poverty line, including the working poor. States were not given the option to establish higher ceilings, and when allocating subsidies they had to prioritize children living in families with very low-incomes. *Child Care Development Block Grant, U.S. Codes*, vol. 42, sec. 9858c (3)(B)(i). Significantly, the CCDBG allocating system acknowledged the existence of regional differences in poverty levels. More importantly it did not follow the outdated system used by the U.S. Census Bureau to measure poverty. See Huntington, “Welfare Reform and Child Care: A Proposal for State Legislation,” footnote 87, 113; and footnote 162, 127. In fact, Patricia Ruggles, a researcher with the Urban Institute, maintains that the poverty index used by the Census Bureau underestimates the actual number of people living in poverty, because it bases its assessments on 1950’s living standards. See P. Ruggles, *Drawing the Line* (Washington, D.C.: Urban Institute Press, 1990). Ruggles points out that “consumption’s patterns and community’s expectations on what is necessary for decent living have changed, yet the poverty index relies on what a family needed in 1955.” Ruggles, *Drawing the Line*, quoted in Huntington, *Welfare Reform and Child Care: A Proposal for State Legislation*, footnote 162, 127. Moreover, child care was not considered a basic necessity in the 1950s when the majority of American mothers were yet employed. Today however, child care accounts for the largest chunk of a family annual expenses. See P. Ruggles, *Drawing the Line*; and Child Care Law Center, *Working for Change: Child Care as Welfare Prevention*, (Washington, D.C.: Child Care Law Center, 1995), 5, quoted in Huntington, *Welfare Reform and Child Care: A Proposal for State Legislation*, footnote 162, 127. Other scholars have criticized the accuracy of the Census Bureau’s poverty line

or younger and live with a parent who worked, attended a vocational or educational program or received protective services.<sup>112</sup>

The CCDBG was a discretionary, non-entitlement program and had to be authorized after five years.<sup>113</sup> The CCDBG set forth “vague, minimal health and safety criteria for care”<sup>114</sup> and left all remaining regulatory aspects to the states.<sup>115</sup> However, it required states to set aside 25 percent of their total federal funding to improve the quality of existing programs and to expand the supply of early childhood education programs and programs for school-age children.<sup>116</sup> States had considerable discretion over the type of improvements that they wanted to make. For example, they could independently access necessity, thereby promoting programs responding to specific local needs.<sup>117</sup>

According to Claire Huntington, Associate Professor of Law at the University of Colorado at Boulder, the “child care choice” debate of the 1980s played a key role in shaping the CCDBG.<sup>118</sup> In the 1980s, when discussing the form that public funding for child care services had to take, advocates called for the implementation of a parental choice scheme “as opposed to the government-controlled contracted care system.”<sup>119</sup> Under a parental choice scheme, the government provides parents with vouchers that can be

---

index as a measure of poverty. For example, W. H. Scarbrough argues that the poverty index is not a reliable indicator of poverty because it does not account for differences in income levels and number of years lived in poverty. See W. H. Scarbrough, “Who Are the Poor? A Demographic Perspective,” in J. Chafel ed., *Child Poverty and Public Policy* (Washington, D.C.: Urban Press Institute, 1993), 55, quoted in Huntington, *Welfare Reform and Child Care: A Proposal for State Legislation*, footnote 162, 127.

<sup>112</sup>*Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858n (4)(A)-(C)(i)-(iii), quoted in Huntington, *Welfare Reform and Child Care: A Proposal for State Legislation*, 113.

<sup>113</sup>See Cohen, 34.

<sup>114</sup>Cohen, 34.

<sup>115</sup>See Cohen, 34.

<sup>116</sup>*Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858f(a), quoted in Huntington, 113.

<sup>117</sup>Permissible improvement’s activities included (1) establishing, developing, expanding, operating or coordinating resource and referral services, (2) providing grants or loans to help providers meet state and local standards, (3) monitoring compliance with set standards, (4) providing training and technical assistance in health and safety, nutrition, first aid, child abuse, detention and prevention, care of children with special needs, and (5) improving salaries of full and part-time staff in the facilities. *Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858e(1)-(5), quoted in Huntington, footnote 92, 113-14.

<sup>118</sup>See Huntington, 114.

<sup>119</sup>Huntington, 114.

used to purchase child care either from a center or from a family child care provider.<sup>120</sup> In a “contracted care system,” the government signs a contract directly with child care centers and requires them to provide child care to a specific number of low-income children, thereby strongly limiting parents’ ability to choose among different providers.<sup>121</sup> The CCDBG struck a compromise between these two schemes. Under the CCDBG parents could either enroll children at centers contracting with the government or opt for vouchers and purchase child care directly from eligible providers.<sup>122</sup>

The second piece of child care legislation passed in 1990, Title IV-At-Risk Child Care, limited eligibility for subsidized child care services to the working poor, or to working families who “would be at risk of becoming eligible for [AFDC]...if...[at risk child] care was not provided.”<sup>123</sup> Still enforced today as a capped entitlement program, Title IV-At-Risk Child Care does not have to be reviewed by a Congress Budget Committee each year. However, states are required to provide matching funds – a requirement that has significantly limited local utilization of this program.<sup>124</sup> Moreover, its narrow eligibility criteria cause serious discontinuities in the child care arrangements of parents who suddenly lose their jobs.<sup>125</sup>

### 3.2 Current Types of Child Care Arrangements

Between 1990 and 1999, the number of children cared for in child care centers or enrolled in early education programs increased dramatically before decreasing again in 2005. For example, according to the National Center for Education Statistics, the percentage of preschoolers ages three to five who were enrolled in center-based education programs increased from 53 percent in 1991 to 60 percent in 1999, before dropping to 57 percent in 2005.<sup>126</sup> Furthermore, over the period 1990-2005, some segments of the pre-

---

<sup>120</sup>See Huntington, 114.

<sup>121</sup>Ibid.

<sup>122</sup>*Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858c (C)(2)(A)(i)-(iii), quoted in Huntington, 114. Eligible providers included child care centers, group homes, licensed family child care providers, and family members who met state standards for care. *Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858n (5)(A), quoted in Huntington, 114.

<sup>123</sup>*Title IV-At-Risk Child Care, U.S. Code*, vol. 42, sec. 602 (I) (1), quoted in Cohen, 35.

<sup>124</sup>See Cohen, 35.

<sup>125</sup>Ibid.

<sup>126</sup>See United States Department of Education, National Center for Education Statistics, *The Condition of Education 2006*, NCEs 2006-071 (Washington, D.C.: Government

kindergarten population had higher rates of participation in center-based programs than others. For example, between 1990 and 2005, a higher percentage of preschoolers belonging to mid- to higher-income families were enrolled in center-based early education programs than children belonging to indigent families each year.<sup>127</sup> Similarly, in 2005, the difference in center-based programs participation rates between children living in poor and non-poor families was 13 percentage points.<sup>128</sup>

Unfortunately, since 1990 finding high-quality child care arrangements has become increasingly difficult, especially for low-income, working parents. Lack of affordable, good-quality care may be one of the reasons why indigent children are less likely to be enrolled in center-based programs than children belonging to wealthier families. When looking for child care arrangements, parents are often faced “with an almost bewildering array of choices”<sup>129</sup> which include “kith and kin” care, friends, neighbors, relatives, family home, and child care and early education programs. Also, a 1996 study conducted by Sandra Hofferth, a Professor for Family Studies at the University of Maryland, has shown that as parents choose care for their children they have to take into consideration factors such as affordability, quality, and convenience.<sup>130</sup> The same study has also shown that when faced with the impossibility to afford care for their children, parents can become extremely flexible and successful at finding viable alternatives.<sup>131</sup> For example, some parents, especially mothers, can take care of the children themselves because they work from home.<sup>132</sup> Other parents can either take their children to work with them or share child care responsibilities with their spouses or partners.<sup>133</sup> Oftentimes, grandmothers and aunts provide what is commonly known as “relative care,” while friends and neighbors can provide more “informal care.”<sup>134</sup> Finally, some parents may decide to hire an “in-home

---

Printing Office, 2006), 29

<sup>127</sup>Ibid.

<sup>128</sup>In 2005, 47 percent of children living in poor families and 60 percent of children living in non-poor families were enrolled in center-based early education programs. See United States Department of Education, National Center for Education Statistics, *The Condition of Education 2006*, 29.

<sup>129</sup>S. L. Hofferth, “Child Care in the United States Today,” *The Future of Children* 6 (Summer/Fall 1996): 41-61, 41.

<sup>130</sup>See Hofferth, “Child Care in the United States Today,” 42.

<sup>131</sup>Ibid.

<sup>132</sup>Ibid.

<sup>133</sup>Ibid.

<sup>134</sup>Informal care can be provided in a friend’s or in the child’s own home and can be remunerated through reciprocal exchange or on a fee-for-service basis. See Hofferth, “Child Care in the United States Today,” 42.



child care provider,” i.e. a non-relative caretaker.<sup>135</sup> By contrast, if parents can afford it, they will almost always rely on more formal types of child care arrangements, such as family child care homes or center-based education programs. These arrangements are dubbed “formal” because depending on the state in which they are offered, they can be strictly regulated and required to comply with minimum standards for health and safety.<sup>136</sup>

### 3.2.1 Family Child Care

The definition of family child care differs across the states. However, the term most commonly refers to a particular setting in which a neighbor or a friend provides day care to unrelated children in her own home.<sup>137</sup>

Regulation of family child care is discretionary and varies from state to state. Generally speaking, the provision of family child care is controlled through licensing and registration procedures.<sup>138</sup> Licensing implies compliance from the part of family child care homes with state minimum standards of health and safety.<sup>139</sup> Registration is a less strict type of procedure that requires or simply encourages providers to obtain certification.<sup>140</sup>

The operational aspects that family homes’ standards and requirements regulate also vary across the states. However, according to Hofferth, state regulations usually cover one or more of the following: Minimum number of square feet designated to indoor and outdoor activities; minimum age of providers; minimum number of children permitted per provider; training requirements for caretakers; criminal background check for providers; immunization for all children prior to enrollment; prohibition of corporal punishments; and parents’ right to visit family homes during their hours of operation.<sup>141</sup>

Family child care offers numerous advantages for both the owners of the family home and the parents who opt for this type of arrangement. For

---

<sup>135</sup>See Hofferth, “Child Care in the United States Today,” 42.

<sup>136</sup>Ibid.

<sup>137</sup>Ibid.

<sup>138</sup>Ibid.

<sup>139</sup>See M. Larner, *In the Neighborhood: Programs that Strengthen Family Day Care for Low-Income Families* (New York: National Center for Children in Poverty, 1994), quoted in Hofferth, “Child Care in the United States Today,” 42.

<sup>140</sup>Ibid.

<sup>141</sup>See C. Haynes, J. Palmer, and M. Zaslow, ed., *Who Cares for the American Children? Child Care Policies for the 1990s* (Washington, D.C.: National Academy Press, 1990); and The Child Care Foundation, *1995 Family Child Care Licensing Study* (Washington, D.C.: National Academy Press, 1995), quoted in Hofferth, “Child Care in the United States Today,” 43.

example, family child care costs relatively little and has low maintenance costs.<sup>142</sup> Also, family homes usually have more flexible hours than child care centers, thereby allowing parents to opt for and keep jobs with non-standard hours.<sup>143</sup> A 2001 study conducted by the International Center for Research on Women (ICRW) has shown that women who opt for home-based care and work non-traditional hours are able to work more, miss work less and increase their annual incomes considerably.<sup>144</sup> Finally, parents who opt for home-based care are more likely to experience piece of mind, knowing that their children are cared for by someone who belongs to the same community or neighborhood.<sup>145</sup>

### 3.2.2 Center-based Care

There are three basic types of center-based child care: Child care centers, pre-school nurseries, and Head Start programs.

Hours of operation, age of children enrolled, and parental income levels can vary from center to center but, for the most part, child care centers are open from 9:00 a.m. to 5:00 p.m. five days a week.<sup>146</sup> They usually provide day care services to infants – children ages six months to one year – toddlers – children ages one and two – and preschoolers – children ages two to five.<sup>147</sup> Because of their standard business hours, child care centers constitute a suitable kind of arrangement only for parents who hold jobs with traditional hours.<sup>148</sup>

Nursery schools and Head Start programs “are primarily part-day, part-year programs for three- and four-year olds.”<sup>149</sup> However, they can also be part-week and offer enrollment for only two or three mornings a week.<sup>150</sup> Traditionally middle-income families have enrolled their children in nursery school programs, while low-income parents have primarily taken advantage

---

<sup>142</sup>See International Center for Research on Women, “Investing in Child Care: A Critical Step to Improving Family Well-Being,” *Information Bulletin* (November 2001): 1-4, 3. The International Center for Research on Women (ICRW) is an advocacy organization that partners with individuals, governments, businesses, foundations, and communities around the world to promote gender equity and reduce female poverty. For more information, visit the Center’s Web site at <http://www.icrw.org/html/about/about.htm>

<sup>143</sup>Ibid.

<sup>144</sup>Ibid.

<sup>145</sup>Ibid.

<sup>146</sup>See Hofferth, 43.

<sup>147</sup>Ibid.

<sup>148</sup>Ibid.

<sup>149</sup>Hofferth, 43.

<sup>150</sup>See Hofferth, 43.

of child care development services offered by the Head Start program.<sup>151</sup>

All child care centers, nursery schools, and Head Start programs are subject to some sort of state regulation. As far as child care centers are concerned, the operational aspects most commonly subject to state regulations are the same as for family homes.<sup>152</sup> The aspects of operation generally regulated by the states are the same as for family child care homes. However, child care centers are subject to stricter regulations than nursery schools and Head Start programs. For example, child care centers tend to be inspected by state licensing authority more often than nursery schools or Head Start facilities.<sup>153</sup> Also, in some states inspections are mandatory before child care centers can begin to provide services to the public.<sup>154</sup>

Statistical data on enrollment rates shows how differences in the choice of care depend largely on parental employment, age of children at enrollment, family income, and parental education.<sup>155</sup> For example, preschoolers are more likely to be cared for in centers than infants and toddlers.<sup>156</sup> Also, children belonging to higher-income families are more likely than disadvantaged children to be enrolled in center-based programs.<sup>157</sup> Finally, between 1990 and 1999, children of mothers holding a bachelor's degree were more likely than children of mothers who had not gone to college to be enrolled in center-based education programs – 74 and 40 percent respectively.<sup>158</sup>

### 3.3 Assessing the Overall Need for Child Care Services Between 1990 and 1996

Was there a shortage of child care services in the years prior to the passage of the Welfare Reform bill in 1996? There are two different ways to answer this question.<sup>159</sup> First, one could compare the total number of child care slots available to families between 1990 and 1995 with the total number of children in need of care during those same years.<sup>160</sup> Unfortunately,

---

<sup>151</sup>Ibid.

<sup>152</sup>See *supra*, 3.2.1, 105.

<sup>153</sup>See Hofferth, 43.

<sup>154</sup>Ibid.

<sup>155</sup>See Hofferth, 45.

<sup>156</sup>Ibid.

<sup>157</sup>Ibid.

<sup>158</sup>See United States Department of Education, National Center for Education Statistics, *The Condition of Education 2001* NCEES 2001-072 (Washington, D.C.: Government Printing Office, 2001), 6.

<sup>159</sup>See Hofferth, 45.

<sup>160</sup>Ibid.

although straightforward this way of looking at demand and supply within the child care market is overly simplistic.<sup>161</sup> For once, it ignores the importance of matching child care slots in centers or programs nationwide with specific children's and parents' needs and expectations.<sup>162</sup> For example, slots available in early education programs in Beverly Hills can hardly be afforded by families living and working in South Los Angeles.<sup>163</sup> Similarly, slots in preschool programs are of no interest to families seeking day care for infants.<sup>164</sup> Also, families who would have to pay a debilitating amount of money for center-based care are more likely to opt for a more informal type of child care arrangement, such as a friend or relative.<sup>165</sup> Finally, slots available in low-quality settings are not appealing to any working parents, regardless of their levels of income.<sup>166</sup> Therefore, a second, more comprehensive way to answer our question is one that takes into consideration the interplay of key variables, such as availability, affordability and quality within the child care market.<sup>167</sup>

### 3.3.1 Availability of Child Care Services: 1990-1995

In FY1993, the availability, affordability and quality of child care were limited, especially for welfare-reliant families and for the working poor. In fact, the demand for subsidized child care services among these families far exceed the supply. According to Clare Huntington, “[W]hile an estimated 7,700,000 children needed child care subsidies, the federal government [financed] care for only 1,398,847 children. . . California [was serving] only 14 percent of all eligible children; no family in Illinois had moved off a waiting list for child care in over one and a half years; and Michigan and South Carolina serve[d] only five percent or fewer of all eligible children.”<sup>168</sup>

The Child Care Development Block Grant (CCDBG) of 1990 helped provide child care to an unprecedented number of families in need. For example, under the CCDBG many states, such as Florida, broadened their eligibility ceilings by cutting the income-level cut-offs.<sup>169</sup> Other states, such

---

<sup>161</sup>Ibid.

<sup>162</sup>Ibid.

<sup>163</sup>Ibid.

<sup>164</sup>Ibid.

<sup>165</sup>Ibid.

<sup>166</sup>Ibid.

<sup>167</sup>Ibid.

<sup>168</sup>Huntington, *Welfare Reform and Child Care*, 100.

<sup>169</sup>See H. Blank, *Investing in Our Children's Care: An Analysis and Review of State Initiatives to Strengthen the Quality and Build the Supply of Child Care Funded Through*

as Colorado, allowed both one-parent and two-parent families to receive child care subsidies.<sup>170</sup>

Despite state efforts to increase their service population, overall CCDBG funding for child care services was insufficient to satisfy the growing demand for subsidized child care services on the part of indigent families and the working poor. As Helen Blank, a nationwide expert on child care legislation and the CCDBG, noted in 1993: “These examples of dramatic progress in extending child care assistance to low-income children and [their] families are [testimony] both to the ability of the states to handle rapid expansions of their child care systems, and to the immense scope of unmet need for child care. . . as low-income parents struggle to work and care for their children.”<sup>171</sup>

Between 1990 and 1995, the availability of all kinds of subsidized child care services was limited. However, the supply of non-standard hours care was particularly low.<sup>172</sup> According to a study conducted by the Department of labor in 1990, a total of 7.2 million mothers with children ages zero through 15 worked full- or part-time during non-standard hours.<sup>173</sup> According to the same study, in 1991, one-third of all full-time employees who worked non traditional hours were women.<sup>174</sup>

In the years leading up to the passage of the Welfare Reform bill, parents working the night shift had serious difficulties finding care for their children, and center-based care in particular. As shown by a study conducted in 1991 by a group of researcher with the National Association for the Education of Young Children (NAEYC), while about eight to nine percent of all American mothers worked at night in 1990, only three percent of all child care centers nationwide offered evening or night care, compared to 13 percent of all regulated and 20 percent of all unregulated family homes.<sup>175</sup>

---

*the Child Care Development and Block Grant* (Washington, D.C.: Children’s Defense Fund, 1993), vii, quoted in Huntington, *Welfare Reform and Child Care*, 115.

<sup>170</sup>Ibid, quoted in Huntington, *Welfare Reform and Child Care*, 116.

<sup>171</sup>Blank, *Investing in Our Children’s Care: An Analysis and Review of State Initiatives to Strengthen the Quality and Build the Supply of Child Care Funded Through the Child Care Development and Block Grant*, vii, quoted in Huntington, *Welfare Reform and Child Care*, 116.

<sup>172</sup>See Huntington, *Welfare Reform and Child Care*, 100.

<sup>173</sup>See United States Department of Labor, Women’s Bureau, *Care Around the Clock: Developing Child Care Resources Before 9 and After 5* (Washington, D.C.: Government Printing Office, 1995). Available at

<http://128.174.128.220/cgi-bin/nccic/viewitem.cgi?id=112&index=1&results=18547,112>

<sup>174</sup>Ibid.

<sup>175</sup>See B. Willer, et al. *The Demand and Supply of Child Care in 1990: Joint Findings from the National Child Care Survey 1990 and the Profile of Child Care Settings* (Washington, D.C.: National Association for the Education of Young Children, 1991), quoted in

Overall, low-income parents are more likely than higher-income parents to work non-traditional hours, nightshift and weekends. For example, according to Hofferth, in 1990 almost half of the working parents earning yearly income under the federal poverty level worked on a rotating and changing schedule, compared to only one-quarter of working and middle class mothers, and one-third of working and middle class fathers.<sup>176</sup> Similarly, Hofferth observes that according to the 1990 National Child Care Survey, in 1990 one-third of low-income working families and one-quarter of working class mothers worked on weekends.<sup>177</sup> By contrast, during that same year, only ten percent of child care centers and six percent of family child care homes nationwide offered care services on weekends.<sup>178</sup>

In their 1997 book *Making Ends Meet*,<sup>179</sup> authors Edin and Lein report a very interesting interview with a single mother working non-standard hours. During the interview, the single mother had talked to the authors about both the difficulties that she encountered when trying to arrange care for her child and the creative solution that she had devised in order not to leave her child at home unsupervised. In fact, some time prior to the interview, this single mother had enrolled her four-year old son at a subsidized child care center which closed at 5:00 p.m. However, the mother's shift at work ended at 7:00 p.m. Therefore, this single mother had decided to hire a taxi driver to pick up her's and other children living in the same neighborhood from the center at 5:00 p.m. Then she had arranged "to have her son dropped off last, so [that] he [had to] spend only a few minutes home alone" before his mother came back from work.<sup>180</sup> Taxi drivers who provided this type of service in this and in other communities studied by Edin and Lein would charge mothers between \$15 and \$20 dollars a week to pick up their children from day care, thereby making "school taxi" an affordable alternative to lack of non-standard hours care.

Parental income is another factor that greatly influences access to child care services for low-income working families. Many services and businesses tend to be scarce in low-income communities and a comparative study con-

---

Hofferth, 51. The National Association for the Education of Young Children (NAEYC) is the most eminent association for professional child care personnel in the country. For more information visit the Association's Web site at <http://www.naeyc.org>

<sup>176</sup>See S. L. Hofferth, "Caring for the Children at the Poverty Line," *Children and Youth Services Review* 17 (1995): 61-90, quoted in Hofferth, 52.

<sup>177</sup>See Hofferth, 52.

<sup>178</sup>Ibid.

<sup>179</sup>Kathryn Edin and Laura Lein, *Making Ends Meet. How Single Mothers Survive Welfare and Low-Wage Jobs* (New York: Russell Sage Foundation, 1997).

<sup>180</sup>Ibid., 124.

ducted in 1996 has demonstrated that child care services do not represent an exception to this discouraging trend.<sup>181</sup> In fact, findings from this study revealed that the number of state regulated child care slots available to low-income parents nationwide is extremely small.<sup>182</sup> The same study also revealed that one of the main reason for the scarcity of child care among these communities was the implementation of the CCDBG's voucher program.<sup>183</sup> In fact, despite its initial success, the voucher program failed low-income working parents in two ways. CCDBG's limited funding prevented states from making adequate investments in parental counseling.<sup>184</sup> In turn, inadequate counseling drastically reduced parents' ability to make informed child care choices. However, counseling could have been relevant and effective only if options were available for parents to choose from. Unfortunately, the CCDBG failed to ensure that parents would have those options. Because the CCDBG did not require states to maintain adequate contracts with providers in low-income neighborhoods, some states allocated only limited resources to the maintainment of child care facilities in poor communities. Limited funding forced the majority of child care centers located in disadvantaged neighborhoods to close down, thereby reducing the number of participants in the CCDBG's voucher program and the number of options available to indigent parents dramatically.<sup>185</sup>

Limited access to referral services was one last factor that influenced the availability of subsidized child care services to low-income working parents between 1990 and 1995. Generally speaking, referral services provide low-income families with precious advise on eligibility criteria for subsidies and with assistance on how to locate and contact available providers. As pointed out by researchers with the NOW Legal Defense and Education Fund

---

<sup>181</sup>See B. Fuller and X. Liang, *Can Poor Families Find Child Care? Persisting Inequalities Nationwide and in Massachusetts* (Cambridge, MA: Harvard Child Care and Family Planning Project, 1996), quoted in Hofferth, 52.

<sup>182</sup>*Ibid.*

<sup>183</sup>See *infra*, 102. According to the CCDBG provisions regulating the voucher program, the federal government was to issue vouchers directly to parents, who could then use them to purchase child care from any eligible provider. In FY1993, 65 percent of all low-income parents receiving subsidies used vouchers to purchase care for their children. See Administration for Children and Families, *ACF Child Care Programs Serving Children and Families, Fact Sheet 2*.

<sup>184</sup>See Children's Defense Fund, *Child Care Under the Family Support Act*, 30-31, quoted in Huntington, *Welfare Reform and Child Care*, 120.

<sup>185</sup>See U.S. House Committee on Education and Labor, *Proposed Regulations Implementing State Grants for Child Care: Hearings Before the Subcommittee on Human Resources*, 102nd Cong., 1991, Statement of Helen Blank, 4, quoted in Huntington, *Welfare Reform and Child Care*, 120.

(NOWLDEF) in 2000, “the question of whether families [were] given notice of child care subsidies for which they may be eligible, [was] closely related to the question of whether families [were] inappropriately losing benefits because they could not find child care.”<sup>186</sup> Two studies conducted in 1997 have shown that under the CCDBG the majority of low-income single mothers entitled to receive publicly funded child care services did not know about their rights and therefore did not apply for subsidies.<sup>187</sup> More specifically, in 1995 only less than 20 percent of all former welfare recipients enrolled in job-training programs in California knew about the existence of child care subsidies and about their potential eligibility to receive such subsidies.<sup>188</sup> Similarly, in Georgia less than 50 percent of all former recipients transitioning from welfare to work in 1995 were aware of the existence and potential availability of Transitional Child Care (TCC), while only 35 percent of all eligible individuals actually received child care subsidies.<sup>189</sup> Finally, in 1997, Welfare Department caseworkers in New York City routinely misinformed welfare-reliant women about the existence and availability of child care subsidies.<sup>190</sup> According to a survey conducted by researchers with the Center for Law and Social Policy (CLASP) in 1997, among New York City’s welfare recipients, 50 percent of the respondents had never heard about publicly financed child care, while the other half of the interviewed mothers believed that they would lose their benefits if they could not find adequate child care arrangements for their children in a timely manner.<sup>191</sup>

---

<sup>186</sup>See R. Powell and M. Cahill, *Nowhere to Turn. New York City’s Failure to Inform Parents on Public Assistance About Their Child Care Rights* (New York: NOW Legal Defense and Education Fund, 2000).

<sup>187</sup>See M. Meyers and T. Heintze, *Subsidies Shortfall: Are Child Care Subsidies Working for Those Working their Way Off Welfare?* (Berkeley, CA: University of California Press, 1997); and L. Miller and K. Barnes, “Parents Need Transitional Child Care,” *Child Care Action News* (November/December 1997), quoted in Powell and Cahill, *Nowhere to Turn. New York City’s Failure to Inform Parents on Public Assistance About Their Child Care Rights*.

<sup>188</sup>See Powell and Cahill, *Nowhere to Turn. New York City’s Failure to Inform Parents on Public Assistance About Their Child Care Rights*.

<sup>189</sup>*Ibid.*

<sup>190</sup>See M. Green, *Welfare Child Care: What About the Children?* (New York: Center for Law and Social Policy, 1997), quoted in Powell and Cahill, *Nowhere to Turn. New York City’s Failure to Inform Parents on Public Assistance About Their Child Care Rights*.

<sup>191</sup>*Ibid.*



### 3.3.2 Affordability of Child Care Services: 1990-1995

As discussed in the previous section of this chapter, over the quinquennium 1990-1995 economic and administrative issues limited center-based and regulated family-home child care to low-income working parents. By contrast, over the same period of time, the number of slots available in the informal child care market appeared to be greater and therefore better suited to meet the child care needs of lower-income working families.

The fact that informal child care arrangements were more readily available to lower-income parents did not mean that those parents could afford them. Similarly, the fact that parents who could not afford care in regulated family homes could always opt for “kith and kin” child care did not mean that they were happy to do so. Statistics show that between 1990 and 1995 child care expenditures represented a financial burden for a large percentage of all American working families, and for one-parent families in particular. For example, in 1991 families of two headed by a wage-earning mother were spending an average of \$72 per week – or \$288 a month – on child care.<sup>192</sup> Two years later, in 1993, the same family was spending \$78 per week – or \$312 a month – on child care; an increase of ten percentage points.<sup>193</sup> Statistics also reveal that in 1993, poor families paid about \$25 less a week for child care than non-poor families – \$50 versus \$76.<sup>194</sup> However, child care expenditures represented an especially large share of poor families’ yearly incomes.<sup>195</sup> In fact, indigent families spent about 18 percent of their annual income on child care compared with only 7 percent for non-poor families.<sup>196</sup> More specifically, low-income families with annual incomes below \$14,400 and no right to receive subsidies spent up to 25 percent of their yearly earnings on child care, compared to only six percent or less for families with annual incomes of \$54,000 or more.<sup>197</sup>

Once again, the book *Making Ends Meet* provide excellent insight into the lives and child care choices of welfare-reliant mothers and mothers employed in low-wage jobs. For a start, in their book authors Edin and Lein often underline how mothers belonging to both these groups agree on the fact that “working [does not] pay economically [and often it is not] man-

---

<sup>192</sup>Child care expenses are calculated in 1993 dollars. See L. M. Casper, “What Does It Cost to Mind our Preschoolers?” *Current Population Reports* P70-52 (September 1995): 1-6, 2.

<sup>193</sup>Ibid.

<sup>194</sup>Ibid., 4.

<sup>195</sup>Ibid.

<sup>196</sup>Ibid.

<sup>197</sup>See Hofferth, 53.

ageable logistically;”<sup>198</sup> at least not until their children are in school or old enough to take care of themselves during after-school hours and all day long during the summer.<sup>199</sup> Overall, 72 percent of Edin and Lein’s respondents had no child care expenses and only five percent of the women that the authors surveyed paid formal market rates for either day care or after-school care.<sup>200</sup> The remaining 33 percent of the respondents was composed almost exclusively by working mothers who had found informal and therefore less costly child care arrangements. Among the respondents that did not have to pay for child care, some women received child care subsidies and others worked from home or had jobs with flexible hours. The rest of the mothers interviewed by Edin and Lein had school-age children and left them home alone during after-school hours and during summer vacation.

Although the majority of both working and welfare-reliant mothers received some sort of occasional inexpensive care from friends and relatives or from unregulated home providers, all women agreed that cheap, good-quality child care was extremely hard to come by. For example, only a small percentage of wage-earning mothers declared that they knew someone that they regarded as both “available and suitable;”<sup>201</sup> while a substantial number of the working mothers interviewed by Edin and Lein stated that “kith and kin” arrangements often turned out to be “short-lived and unreliable.”<sup>202</sup>

Edin and Lein also found out that mothers regarded the possibility of leaving their children in the care of mothers on welfare as a non-option. Apparently, welfare-reliant women were concerned that neighbors or acquaintances might report them to the Welfare Department for “working off the books and without a license.”<sup>203</sup> However, some employed mothers declared to have found welfare-reliant women who would accept to take care of their children in exchange for groceries and cigarettes instead of cash. One working mother described this type of arrangements with these words:

“My kids stay with a friend of mine who is at home because she gets welfare. If she is not available I try to find someone who doesn’t need to be paid, but will accept a favor in return.”<sup>204</sup>

---

<sup>198</sup>Edin and Lein, *Making Ends Meet*, 123.

<sup>199</sup>See Edin and Lein, 123.

<sup>200</sup>Ibid.

<sup>201</sup>Edin and Lein, 125.

<sup>202</sup>Ibid.

<sup>203</sup>Ibid.

<sup>204</sup>Ibid., 126.

Moreover, Edin and Lein observed that although harder to come by, friends and relatives represented a preferred alternative to informal, home-based child care; and that although working mothers seldom paid friends or relatives in cash, these arrangements still implied some sort of payment and therefore were not considered by the respondents to be free of charge. For example, one of Edin and Lein's respondent explained to the authors that her mother had agreed to look after her child but expected to be taken out shopping or on other errands in return. Another respondent, Barbara Church, who had a six-year-old daughter, had recruited a neighbor to take care of her child from 4:00 to 7:00 p.m. In return, Church's neighbor who worked non-standard hours had asked Barbara to take care of her children overnight and to drive them to school in the morning.

All women surveyed by Edin and Lein agreed on summertime being a particularly difficult time in terms of child care options. In fact, it appeared that informal care was particularly hard to find during the summer months. In order to overcome this problem, some wage-earning mothers told Edin and Lein that they had decided to leave their twelve-month jobs and look for a nine-month one instead. For example, one respondent explained that she had quitted her year-round clerical job for a nine-month job at the local Head Start center. That way, the respondent could be free during the summer and take care of her children herself. The woman declared:

“Now my pay is lower but my hours are about the same as my children's. That's one reason why Head Start came in handy, because you don't work in the summer. And I am able to be at home with my kids.”<sup>205</sup>

Other mothers told the authors that when faced with lack of affordable, informal arrangements they had opted for jobs that allowed them to work from home or to take their children to work with them. One woman explained:

“I had a better job, an office job, but I left it for a job as a salesperson for a chemical manufacturer's rep – it was a perfect job because I did not have [supervision]. My boss was in Atlanta and I was here. So when the kids were real sick, I would stay at home with them. If they were medium sick I could take them with me in the car and drive around. When they started school I was there to meet their bus everyday. Whatever paperwork or

---

<sup>205</sup>Ibid.

anything I did at night. It did not pay well, about \$5, but it gave me an opportunity not to have my kids feel abandoned.”<sup>206</sup>

Finally but not surprisingly, Edin and Lein discovered that working mothers of young children who were not eligible for subsidies could not stay employed for long unless these women were able to afford care for their children. One working mother stated:

“I pay the woman down the street \$100 a month to watch my son. She is not licensed so I do not have to pay her much. Besides he is in school and she only watches him for a few hours a day [every] week so she doesn’t feel it’s worth it to get a license.”<sup>207</sup>

### 3.3.3 Quality of Child Care Services: 1990-1995

Researchers and evaluators measure the quality of child care services by analyzing and ranking some structural indicators, typically associated with high quality programs and good child development.<sup>208</sup> These indicators include: Low ratio of children to staff; smaller group size; degree of training and education of child care providers; stability of care – i.e. little or no change in the number of child care arrangements per child, and low turnover rates among child care providers – degree of parental involvement; compliance with safety regulations; and presence of activities that stimulate children’s intellectual and emotional growth.<sup>209</sup> Generally speaking, child care programs featuring higher staff to child ratio, smaller group sizes, and staff who is well trained in child development, earns good salaries, and receives competitive benefits, have consistently been evaluated as high quality programs.<sup>210</sup>

According to Hofferth, in 1990 group sizes and staff to child ratios in child care centers serving children ages three and four “were in the upper ranges of those recommended by the National Association for the Education of Young Children (NAEYC).”<sup>211</sup> In the case of centers serving children ages one and two, the ratio far exceeded the levels recommended by the NAEYC, suggesting that limited supply of care for infants and toddlers may have forced parents to opt for lower-quality arrangements.<sup>212</sup> Similarly, in 1991,

---

<sup>206</sup>Ibid.

<sup>207</sup>Ibid.

<sup>208</sup>See Hofferth, 54.

<sup>209</sup>Ibid.

<sup>210</sup>Ibid.

<sup>211</sup>Kisker et al., *A Profile of Child Care Settings*, quoted in Hofferth, 55.

<sup>212</sup>Ibid.

the average group size for centers serving one-year-olds was ten. By contrast, the NAEYC recommended six to twelve.<sup>213</sup> Moreover, the average staff to child ratio for centers serving one-year-olds was one to six or seven, while the NAEYC recommended one to three or four.<sup>214</sup> Between the mid-1970s and 1990 the average number of children per group enrolled in center-based care increased by 16 percent, while nationwide staff to child ratios decreased by 25 percent.<sup>215</sup>

As far as group size is concerned, the situation was far from different, especially in family homes, the number of which had greatly expanded between 1975 and 1990.<sup>216</sup> In fact, in 1990, the average number of children per group in regulated family homes was six, compared to an average of four children per group in 1976.<sup>217</sup>

In 1990, almost 50 percent of all center-based child care providers had a four-year college education or better, while about 13 percent of all center-based providers had a two-year college degree.<sup>218</sup> Also, between the mid-1970s and 1990, the level of education and training of child care providers increased in both center-based settings and family homes.<sup>219</sup> For example, in 1976, only 29 percent of teachers working in child care centers had more than a high school diploma, compared to at least 63 percent in 1990.<sup>220</sup>

In light of this data, Hofferth observes that when considering teachers' education without examining data regarding other factors it is possible to conclude that the quality of child care improved substantially over the period 1976-1990.<sup>221</sup> However, when other factors, such as stability of care, are taken into account, data may quickly lead to opposite conclusions. In 1990, for example, changing child care arrangements was all too common an experience for the majority of children enrolled in child care programs. In fact, on average children would spend no longer than 12 months in the same formal kind of child care arrangement.<sup>222</sup> The duration of care in informal arrangements, featuring friends and relatives as caretakers, were even less

---

<sup>213</sup>See Hayes, Palmer, and Zaslow, ed., *Who Cares for America's Children?* (1990), quoted in Hofferth, 55.

<sup>214</sup>Ibid.

<sup>215</sup>See Kisker, et al., *The Demand and Supply of Care in 1990*, quoted in Hofferth, 55.

<sup>216</sup>Ibid.

<sup>217</sup>Ibid.

<sup>218</sup>See Hofferth, 55.

<sup>219</sup>Ibid.

<sup>220</sup>Ibid.

<sup>221</sup>Ibid.

<sup>222</sup>See S. L. Hofferth et al., *National Child Care Survey, 1990* (Washington D.C.: Urban Institute Press, 1991), quoted in Hofferth, 55.

stable. According to the 1990 National Child Care Survey conducted by Hofferth et al., half of “[all] infants under age one entered a non-parental child care arrangement during their first year, and of these, ten percent changed arrangement during [that] same year.”<sup>223</sup>

When examining other key factors, such as teacher’s turnover rates, the 1990 National Child Care Survey concluded that between 1976 and 1990 turnover rates had increased “from 15 percent to 19 percent per year for comparable full-day centers.”<sup>224</sup> Later on, between 1990 and 1993, the average center lost 25 percent of its care givers within one year,<sup>225</sup> compared to six percent of teachers lost by public schools and ten percent of employees lost by business nationwide.<sup>226</sup> Also, turnover rates seemed to vary considerably among different child care settings. For example, in 1990, turnover rates for Head Start programs averaged around 20 percent, compared with 14 percent for public schools and 39 percent for non-profit organizations.<sup>227</sup>

All the data discussed so far suggests that between 1990 and 1995, children cared for in family homes and in center-based programs were regularly exposed to unstable conditions and supervised by multiple providers.<sup>228</sup> The same data also suggests that the number of children whose intellectual and emotional growth may have been impaired by precarious care conditions increased substantially between 1990 and 1993.<sup>229</sup> In the years between 1990 and 1995, low salaries were the main reason for high turnover rates among child care providers. For example, in 1990, the annual income – expressed in 1990 dollars – of a center-based child care provider was around \$12,390, compared to \$14,180 in 1975.<sup>230</sup> Similarly, in 1990, teachers in center-based child care programs around the country earned around \$7.49 an hour, thereby averaging yearly salaries of \$11,500.<sup>231</sup> Regulated home-based child care providers earned around \$4.00 an hour in 1990, while non-

---

<sup>223</sup>Ibid.

<sup>224</sup>Ibid.

<sup>225</sup>See E. E. Kisker and C. M. Ross, *An Overview of Child Care Supply and Demand: Issues and Prospects* (Princeton, NJ: Mathematica Policy Research, Inc., 1992), quoted in Huntington, *Welfare Reform and Child Care*, 101.

<sup>226</sup>See M. Whitebook et al., *National Child Care Staffing Study Revisited: Four Years in the Life of Center Based Child Care* (The Child Care Employee Project, 1992), 12, quoted in Huntington, 101.

<sup>227</sup>See Hofferth, 55.

<sup>228</sup>Ibid.

<sup>229</sup>Ibid.

<sup>230</sup>See Willer et al., *The Demand and Supply of Child Care in 1990*, quoted in Hofferth, 56.

<sup>231</sup>Ibid.

regulated providers earned only \$1.25 an hour.<sup>232</sup> As a result, in 1990, the annual income of a regulated family child care provider was \$10,944, while a non-regulated family child care provider earned around \$4,275 a year.<sup>233</sup>

Compliance with state's minimum standards for health and safety also had a big impact on the quality of the child care arrangements available between 1990 and 1995. For example, differences in the quality of care provided by licensed and unlicensed child care homes were remarkable.<sup>234</sup> Licensed family child care homes provided children in need with relatively high-quality care.<sup>235</sup> By contrast, unlicensed family members provided children with the poorest-quality care available.<sup>236</sup> According to a study conducted in 1994, relatives and family members tend to provide the poorest-quality care available on the market because this category of providers usually do not choose or volunteer to be caregivers, but do so in order to help the mother.<sup>237</sup>

Despite the undeniable correlation between quality of care and licensing procedures, between 1990 and 1995, both state and federal governments did not seem to be concerned about the impact of unregulated care on the health and development of young children. For example, in 1994 the Government Accountability Office exempted 82 to 90 percent of all family care providers nationwide from licensing.<sup>238</sup> A year earlier, in 1993, 29 states had already exempted family child care providers caring for more than three children from licensing.<sup>239</sup> Some states like South Dakota and Idaho had gone even further and had exempted family child care providers caring for up to 12 children from compliance with minimum health and safety standards.<sup>240</sup>

Finally, prior to 1996, those states that had opted for the enforcement of some sort of child care regulation did not impose tough health and safety requirements on the providers operating on their territories.<sup>241</sup> For example,

---

<sup>232</sup>See Hofferth, 56.

<sup>233</sup>Ibid.

<sup>234</sup>See Huntington, 102.

<sup>235</sup>See E. Galinsky et al., "The Study of Children in Family Child Care and Relative Care. Key Findings and Policy Recommendations," *Young Children* 50 (November 1994): 58-61, quoted in Huntington, 102.

<sup>236</sup>See Galinsky et al., "The Study of Children in Family Child Care and Relative Care. Key Findings and Policy Recommendations," 47, quoted in Huntington, 102.

<sup>237</sup>Ibid., 51.

<sup>238</sup>See Government Accountability Office, *Child Care: Promoting Quality in Family Day Care* (Washington, D.C.: Government Accountability Office, 1994), 4, quoted in Huntington, 103.

<sup>239</sup>See H. Blank, *Protecting Our Children: State and Federal Policies for Exempt Child Care* (Washington, D.C.: Children's Defense Fund, 1994), 13, quoted in Huntington, 103.

<sup>240</sup>Ibid., 12.

<sup>241</sup>See Huntington, 104.

California, which exempted only caregivers who were relatives from licensing, only required that family child care providers attended an orientation seminar prior to the provision of service.<sup>242</sup> Additionally, in 1993, as many as 20 states did not conduct criminal background checks on potential family child care providers, while in 29 states inspectors visited family child care homes once or less per year.<sup>243</sup> Moreover, in ten states inspectors visited only a sample of homes each year, while in six other states inspections did not take place at all.<sup>244</sup> Alarming, in 1993, one million children were cared for in family child care homes located in states that had inadequate minimum health and safety standards in place or did not enforce child care regulation requirements.<sup>245</sup>

According to Claire Huntington, although the Child Care Development Block Grant (CCDBG) helped improve the overall quality of child care in the United States, it left some fundamental issues unaddressed. For example, on one side the CCDBG allowed states to use 25 percent of their set-asides to create referral services for both parents and caregivers, reduce staff to child ratios and to increase the number of training opportunities for child-care providers. On the other hand, and possibly due to limited funding, states failed to address two issues of paramount importance for child-care quality: Low caregivers' compensation and lack of regulations for family child care providers.

Nearly all states used the CCDBG's set-aside to train child care providers.<sup>246</sup> Such an investment was desperately needed, since prior to the implementation of the CCDBG only half of the states provided minimal training to caregivers.<sup>247</sup> Similarly, state decisions to use CCDBG set-asides to reduce staff to child ratios in both center-based and home-based settings did contribute to improve the overall quality of care available to children.<sup>248</sup> For example, according to a study conducted in 1995, when Florida implemented regulations to reduce staff to child ratios and improve teaching

---

<sup>242</sup>Ibid.

<sup>243</sup>See Government Accountability Office, *States' Difficulties Enforcing Standards Confront Welfare Reform Plans* (Washington, D.C.: Government Accountability Office, 1994), quoted in Huntington, 104.

<sup>244</sup>Ibid.

<sup>245</sup>See Huntington, 104.

<sup>246</sup>Ibid., 108.

<sup>247</sup>See H. Blank, *Investing in Our Children's Care: An Analysis and Review of State Initiatives to Strengthen the Quality and Build the Supply of Child Care Funded through the Child Care and Development Block Grant* (Washington, D.C.: Children's Defense Fund, 1993), ix, quoted in Huntington, 118.

<sup>248</sup>See Huntington, 118.



methods, the state achieved a dramatic improvement in the quality ratings of all its child care providers.<sup>249</sup> However, despite the widely acknowledged correlation between low caregivers' compensations and child care quality, in 1993, states spent only one percent of their CCDBG set-asides to increase providers' salaries.<sup>250</sup> Also, in 1993, at least 40 states used their CCDBG set-asides to improve both licensing and monitoring of regulation enforcement.<sup>251</sup> Nevertheless, enforcement of child care regulation requirements remained sporadic, especially among family child care providers.<sup>252</sup>

Claire Huntington argues that the structure of the CCDBG may have been partly responsible for the limited amount of funding used by the states to increase caregivers' salaries and to enforce compliance with child care regulations. In fact, the 25 percent set-aside was intended to finance primarily quality improvements and to increase the availability of certain types of child care arrangements through construction of new facilities and restoration of existing ones.<sup>253</sup> Huntington concludes that as a result of these spending guidelines, many states "may have opted for quantity instead of quality."<sup>254</sup>

### **3.3.4 Summary of Child Care Availability, Affordability and Quality Between 1990 and 1995**

In the early 1990's, child care arrangements available to low-income, working families at a price that these families could afford were limited. In particular, families living in disadvantaged neighborhoods, seeking day care for infants and toddlers, and working non-traditional hours struggled to find arrangements that matched their needs and financial resources.

Once low-income parents found an arrangement both suitable to their schedules and to their levels of income, they were often confronted with low quality standards of care. A 1995 nationwide study of child care centers and family child care homes conducted by the Cost, Quality & Child Outcomes Study Team at the University of Colorado at Denver showed that between

---

<sup>249</sup>See C. Howes et al., *Interim Report. The Florida Child Care Quality Improvement Study* (New York: Families and Work Institute, 1995), 15, quoted in Huntington, 119.

<sup>250</sup>See Administration for Children and Families, *ACF Child Care Programs Serving Children and Families, Fact Sheet 2 4*, quoted in Huntington, 119.

<sup>251</sup>See Blank, *Investing in Our Children's Care: An Analysis and Review of State Initiatives to Strengthen the Quality and Build the Supply of Child Care Funded through the Child Care and Development Block Grant*, x, quoted in Huntington, 119.

<sup>252</sup>See Government Accountability Office, *Report of the Inspector General on Child Care Facilities* (Washington, D.C.: Government Accountability Office, 1994), 3, quoted in Huntington, 120.

<sup>253</sup>See Huntington, 117.

<sup>254</sup>Huntington, 117.

1990 and 1995, the quality of most available child care was abysmal.<sup>255</sup> According to the study, only one in seven centers nationwide provided care that enhanced child development; while seven in ten centers provided care that could compromise a child's future learning abilities.<sup>256</sup> The study also showed that one in every eight family child care homes provided care that was harmful to children's health and threatening to children's safety.<sup>257</sup>

When considering children's age groups, the Cost, Quality & Child Outcome study concluded that between 1990 and 1995, only 12 to 14 percent of all American preschoolers were cared for in high-quality settings, while 21 percent of all preschool children were enrolled in low-quality child care programs, which were considered unsafe and harmful to the children's future development.<sup>258</sup> Statistical data concerning infants and toddlers were even more alarming. In fact, quality of care appeared to be lowest in facilities serving this category of children. Once again, according to the Cost, Quality & Child Outcome study, between 1990 and 1995, forty percent of all infants and toddlers were cared for in facilities that could potentially compromise their health and safety, while only one in ten of the available center-based providers offered care that would facilitate and enhance infants' and toddlers' intellectual and emotional growth.<sup>259</sup>

While many centers and scarcely regulated family child care homes generally offered low-quality care, unregulated family child care providers offered the lowest-quality care available.<sup>260</sup> Significantly, between 1990 and 1995, children who were cared for by friends and relatives in unregulated homes were far more likely to belong to low-income families than children who were enrolled in center-based programs or cared for in regulated family child care homes.<sup>261</sup> Because of their limited income, low-income parents often had to opt for the cheapest type of care that they could find on the informal child care market.<sup>262</sup> Moreover, since the availability of subsidized center-based care was extremely scarce in poor neighborhoods, low-income parents often had no choice but to leave their children in the care of a friend or a rela-

---

<sup>255</sup>See Cost, Quality & Child Outcomes Study Team, *Cost, Quality, and Child Care Outcomes in Child Care Centers* (Denver, CO: University of Colorado Press, 1995), quoted in Huntington, 101.

<sup>256</sup>Ibid.

<sup>257</sup>Ibid.

<sup>258</sup>Ibid.

<sup>259</sup>Ibid.

<sup>260</sup>See Huntington, 103.

<sup>261</sup>See Huntington, 102.

<sup>262</sup>See Huntington, 103.

tive.<sup>263</sup> As a result, in 1993 more than 50 percent of all low-income children nationwide were cared for in unregulated family child care homes.<sup>264</sup> This data point is particularly alarming, since the consequences of inadequate child care are particularly harsh for children belonging to indigent families and living in violent environments.<sup>265</sup>

The Child Care Development Block Grant (CCDBG) of 1990 required states to set aside 25 percent of the funding that they received from the government to finance quality improvements. Although this requirement helped to increase training opportunities for child care providers, and facilitated the creation of referral centers for both parents and caregivers, it failed to address two fundamental issues: Higher salaries for child care providers and lack of regulation of family child care homes. Failure to address these two key factors compromised the CCDBG's attempt to improve the overall quality of all available child care arrangements.

### 3.4 Welfare Reform and Changes in Federal Financing for Child Care Services

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996<sup>266</sup> fundamentally altered the landscape of public assistance. By revoking the existing Aid to Families with Dependent Children (AFDC) program, PRWORA provided block grants to the states, and directed them to institute welfare-to-work requirements and to limit receipt of public benefits for a maximum of five years. Also, the Act fundamentally changed the nature of the federal financing for child care services. First of all, PRWORA eliminated entitlements to publicly subsidized child care and streamlined the existing funding sources for federally financed child care services – Aid to Families with Dependent Children Child Care (AFDC-

---

<sup>263</sup>Ibid.

<sup>264</sup>See Government Accountability Office, *Child Care Quality: States' Difficulties Enforcing Standards Confront Welfare Reform Plans*, 5-6, quoted in Huntington, 104; and Government Accountability Office, *Child Care: Child Care Subsidies Increase the Likelihood that Low-Income Mothers Will Work* (Washington, D.C.: Government Accountability Office, 1994), 7, quoted in Huntington, 104.

<sup>265</sup>See Huntington, 104, 110-11; and N. Badar and J. Brooks, "Effects of Maternal employment and Child Care Arrangements on Preschoolers' Cognitive and Behavioral Outcomes," *Developmental Psychol.* 27 (1991): 932, 935, quoted in Huntington, 110.

<sup>266</sup>*Personal Responsibility and Work Opportunity Reconciliation Act*. Public Law 104-193, 104 Cong., 2d sess. (August 22, 1996).

CC);<sup>267</sup> Transitional Child Care (TCC);<sup>268</sup> At-Risk Child Care (ARCC);<sup>269</sup> and the Child Care Development Block Grant (CCDBG)<sup>270</sup> – into a single block grant to the states: the Child Care Development Fund (CCDF).

Prior to 1996, the AFDC-CC program<sup>271</sup> provided AFDC recipients engaged in work or work-related activities with entitlements to child care services. Similarly, the TCC program<sup>272</sup> offered assistance to families who were leaving welfare to join the work force, while the ARCC program<sup>273</sup> established capped grants to the states to assist low-income working families who were at risk of becoming dependent on welfare. Under Title IV-A of the Social Security Act (SSA), all three of these programs required states to provide matching funds. Finally, prior to 1996, the Child Care Development Block Grant (CCDBG)<sup>274</sup> provided states with federal funding to finance child care services for low-income children and to improve both the supply and the overall quality of local child care programs.

The changes in the provision of subsidized child care brought about by the Welfare Reform were designed to achieve several goals. For once, and in line with the main intent of the Welfare Reform, the changes in federal financing for child care services were intended to promote recipients' self-sufficiency through employment.<sup>275</sup> For example, after 1996, child care assistance programs such as TCC and ARCC followed new criteria to calculate eligibility and time limits for the receipt of subsidies and implemented welfare-to-work requirements.<sup>276</sup> Furthermore, the streamlining of multiple sources of funding into the Child Care Development Fund (CCDF) also served the purposes of reducing the number of conflicting rules and of overhauling the fragmented financing system of the past.<sup>277</sup> As a result, today, families do not have to switch to different programs as their economic situation changes.<sup>278</sup> Finally, changes in child care financing system introduced

---

<sup>267</sup>See *supra*, Section 3.1.7, 99.

<sup>268</sup>*Transitional Child Care, U.S. Code*, vol. 42, sec. 701.

<sup>269</sup>*Title IV-At-Risk Child Care, U.S. Code*, vol. 42, sec. 620.

<sup>270</sup>*Child Care Development Block Grant, U.S. Code*, vol. 42, sec. 9858-58q.

<sup>271</sup>See *supra*, Section 3.1.7, 99.

<sup>272</sup>*Ibid.*

<sup>273</sup>See *supra*, Section 3.1.8, 103.

<sup>274</sup>See *supra*, 3.1.8, 100.

<sup>275</sup>See *Almanac of Policy Issues. Child Care*: 1-22, 15. Available at [http://www.policyalmanac.org/social\\_welfare/archive/child\\_care.shtml](http://www.policyalmanac.org/social_welfare/archive/child_care.shtml)

<sup>276</sup>*Ibid.*

<sup>277</sup>See *ibid.*, 16; and E. Eelman, "Child Care Subsidies in the Context of Welfare Reform. Making Low-Income Women Better Off?" *The Heinz School Review*: 1-11, 4. Available at <http://journal.heinz.cmu.edu/articles/welfarereformchild-care-subsidies>

<sup>278</sup>See Eelman, "Child Care Subsidies in the Context of Welfare Reform. Making Low-

by PRWORA had the intended effect to increase the decisional power of the states.<sup>279</sup> For example, states are currently allowed to divert up to 30 percent of their Temporary Assistance to Needy Families (TANF) block grants from cash assistance to child care services.<sup>280</sup> Also, since the passage of PRWORA, regulations governing health, safety, group size, and providers' training have been entirely determined at the state level. Finally, the Welfare Reform bill allows states to contract directly with child care centers and family homes to purchase child care slots that are then redistributed among eligible families.

The child care financing system devised by the CCDF is highly innovative. Under the CCDF, funds are divided into three main categories: Mandatory funds, matching funds and discretionary funds. All states are entitled to receive a portion of the mandatory funds without being required to provide matching funds.<sup>281</sup> Matching funds are made available to states that maintain their previous Title IV-A levels of spending.<sup>282</sup> In 1996, both mandatory and matching funds were first appropriated for the period 1997-2002.<sup>283</sup> Later on, the appropriations for both of these types of funding were extended through March 31, 2005.<sup>284</sup> Finally, PRWORA also authorized \$1 billion each year in child care discretionary funds. This specific portion of CCDF funding needs to be appropriated by Congress annually.<sup>285</sup> Rules regulating the distribution of discretionary funds among states echo the guidelines for the allocation of CCDBG funds. Under the CCDBG, allocations were based on the state per-capita income, the number of children under age five residing in each state, and the number of children receiving free or reduced-price school lunches in each state.<sup>286</sup>

Since 1996, states can use mandatory, matching, and discretionary funds to subsidize child care services for families with incomes up to 85 percent

---

Income Women Better Off?," 4.

<sup>279</sup>See *Almanac of Policy Issues. Child Care*, 16.

<sup>280</sup>See S. K. Long and S. J. Clark, *The New Child Care Block Grant: State Funding Choices and their Implications* (Washington, D.C.: The Urban Institute, 1997), 1-10, 2. Available at <http://www.urban.org/UploadedPDF/anf12.pdf>

<sup>281</sup>See Long and Clark, *The New Child Care Block Grant: State Funding Choices and their Implications*, 31.

<sup>282</sup>*Ibid.*

<sup>283</sup>See Eelman, "Child Care Subsidies in the Context of Welfare Reform. Making Low-Income Women Better Off?," 4.

<sup>284</sup>*Ibid.*

<sup>285</sup>See Long and Clark, *The New Child Care Block Grant: State Funding Choices and their Implications*, 2; and *supra*, 3.1.8, 101.

<sup>286</sup>*Ibid.*

of the state median income (SMI).<sup>287</sup> Families receiving child care subsidies under the CCDF are required to be either employed or participating in job-training programs. However, the law does not require parents to comply with PRWORA's welfare-to-work requirements if parents are unable to find adequate child care for their children.

As far as eligibility requirements are concerned, the law requires that priority for CCDF funds be given to indigent families and to children with special needs. More specifically, the law requires states to use at least 70 percent of their mandatory and matching funds to subsidize child care services for welfare-reliant families, low-income working parents at risk of becoming dependent on public assistance, parents involved in work-related activities, and families transitioning off welfare. These requirements assure that the three main categories of indigent parents previously served by AFDC-CC, TCC and ARCC continue to receive child care subsidies. Finally, the law requires states to use a substantial portion of the discretionary funds and the remaining 30 percent of their mandatory and matching funds to serve low-income working families at very high risk of becoming welfare-dependent, thereby providing the segment of the population previously served by CCDBG with child care subsidies.

In FY2000, available funding for child care services totaled \$3.45 billion.<sup>288</sup> During that same year, 14 percent of all eligible children – or 2.25 million out of 15.7 million eligible children – received child care subsidies.<sup>289</sup>

### **3.5 Characteristics of the Child Care Market After the Passage of the Welfare Reform Bill**

Since 1996, the welfare-to-work requirements implemented by the Welfare Reform bill have been pushing former welfare recipients out of the welfare rolls and into the labor market. At the same time, an unprecedented number of welfare-reliant women has enrolled in job-training programs. If these women are to find a job and to stay employed and if they are to be hired in higher-paying jobs as a result of their participation in job-training programs,

---

<sup>287</sup>However, states are currently allowed to set lower eligibility ceilings as they find suitable.

<sup>288</sup>See J. Mezey, M. Greenberg, and R. Schumacher, *The Vast Majority of Federally Eligible Children Did Not Receive Child Care Assistance in FY2000. Increased Child Care Funding Needed to Help More Families?* (Washington, D.C.: Center for Law and Social Policy, 2002): 1-12, 3.

<sup>289</sup>Ibid., 5.

former recipients need to be able to purchase good-quality care for their children at a price that they can afford.

### 3.5.1 Availability of Child Care Services Between 1996 and 2001

Despite a \$1.55 billion increase in federal funding for child care over the period 1997-2000,<sup>290</sup> millions of American families are still struggling to find day care arrangements for their children. Wage-earning, single mothers are the segment of the population who is struggling the most to find child care arrangements that are suitable to both their financial resources and their children's needs. More specifically, affordable child care slots remain extremely scarce in low-income neighborhoods, for low-income mothers working non-standard hours, and for women seeking care for infants and toddlers and after-school programs for school-age children. Similarly, the number of referral services providing parents with information about child care arrangements and child care providers remain rare. For example, it has been estimated that in 2000, only 14 percent of all low-income, working families had access to some kind of referral service.<sup>291</sup>

In 2000, the National Women's Law Center (NWLC), a non-profit organization that since 1972 has worked to protect women's civil rights, estimated that the total number of subsidized child care slots available to children from low-income working families was inadequate to meet the current demand.<sup>292</sup> In California, for example, only one state-regulated child care slot in five was reserved to preschoolers belonging to low-income working families in 2001,<sup>293</sup> while only four percent of all center-based programs did offer subsidized care to indigent infants and toddlers.<sup>294</sup>

For low-income people it is almost impossible to find licensed day care within their own communities. Statewide surveys conducted between 1996 and 1998 in Illinois and Maryland by the National Center for Children in

---

<sup>290</sup>Ibid., 3.

<sup>291</sup>See United States Department of Labor, Bureau of Labor Statistics, *Pilot Survey on the Incidence of Child Care Resources and Referral Services in June 2000*. Available at <http://www.bls.gov/ncs/ocs/sp/ncrp0002.pdf>, quoted in National Women's Law Center, *Women's Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education* (Washington, D.C.: National Women's Law Center, 2001): 1-17, 7.

<sup>292</sup>See National Women's Law Center, *Women's Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education*, 7.

<sup>293</sup>See California Child Care Resources and Referral Network, *The 2001 California Child Care Portfolio*.

Available at [http://www.rnetwork.org/rnet/resources\\_and\\_links/1046998625.php](http://www.rnetwork.org/rnet/resources_and_links/1046998625.php)

<sup>294</sup>Ibid.

Poverty and assessing the supply of licensed child care in both states concluded that the number of regulated child slots in low-poverty areas was much higher than in high-poverty areas.<sup>295</sup> A second survey, conducted in 1997 by a group of researchers at the University of California at Berkeley revealed that in Los Angeles, wealthy parents were twice as likely to find a licensed child care slot in their communities than indigent parents.<sup>296</sup> Similarly, according to a 1999 report published by the United States Department of Health and Human Services (HHS), only one in ten children belonging to low- and moderate-income families eligible to receive child care assistance were granted subsidies in FY1998.<sup>297</sup> The same report also concluded that inadequate federal and local funding for child care services, and lack of information about eligibility criteria, prevented nine out of ten of those eligible children from receiving assistance.<sup>298</sup> Furthermore, a second report released by the HHS in 2000 showed that because of insufficient funding, only 12 percent of the 15 million federally eligible children received assistance in FY1999.<sup>299</sup> More specifically, in FY1999, only “1.8 million children in low-income families were receiving federal child care subsidies on an average monthly basis;” a slight increase if compared to the 1.5 million children receiving child care assistance in FY1998.<sup>300</sup>

A number of studies conducted by the Children’s Defense Fund has revealed that as of 2001, all but four states denied subsidies to families with incomes below 85 percent of the state median income (SMI),<sup>301</sup> and that in some states, the income eligibility ceilings were so low that only the poor-

---

<sup>295</sup>See L. Kreader, J. Brickman Piecyk, and A. Collins, *Scant Increases After Welfare Reform: Regulated Child Care Supply in Illinois and Maryland: 1996-1998* (New York: National Center Children in Poverty, 2000), quoted in National Women’s Law Center, *Women’s Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education*, 7.

<sup>296</sup>See B. Fuller, F. Kipnis, and Y. Choong, *An Unfair Head Start: California Families Face Gaps in Preschool and Child Care Availability* (Berkeley,: Policy Analysis for California Education, 1997), quoted in National Women’s Law Center, *Women’s Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education*, 7.

<sup>297</sup>See Administration for Children and Families, *Access to Child Care for Low-Income Working Families* (1999).

Available at <http://www.acf.hhs.gov/programs/ccb/research/ccreport/ccreport.htm>

<sup>298</sup>Ibid.

<sup>299</sup>See Administration for Children and Families, *New Statistics Show Only a Small Percentage of Eligible Families Receive Help*. (2000).

Available at <http://www.acf.hhs.gov/news/press/2000/ccstudy.htm>

<sup>300</sup>Ibid.

<sup>301</sup>See Children’s Defense Fund, *New Investments in Child Care Needed* (Washington, D.C.: Children’s Defense Fund, 2001).



est families could qualify for child care assistance.<sup>302</sup> For example, in 2001, a family of three earning \$20,000 a year, and residing in either Alabama, Arkansas, Iowa, Missouri, South Carolina, or Wyoming, could not qualify for assistance.<sup>303</sup> Similarly, as of February 2001, due to insufficient funding, a substantial number of states were turning away eligible low-income working poor families, or putting them on waiting lists.<sup>304</sup> In Texas, for example, 41,000 children were put on the state waiting lists in 2001 alone; while in Florida the number of children waiting to receive child care subsidies was 44,000.<sup>305</sup> Unfortunately, the Head Start program did not constitute an exception to this discouraging trend. During the first quarter of 2001, Head Start was serving about 867,000 low-income children<sup>306</sup> – or 3 out of five federally eligible children.<sup>307</sup>

In the years following the passage of the Welfare Reform bill, the availability of non-standard-hours care too remained low. For example, in Illinois and Maryland, the supply of non-standard-hours care remained scarce for families at all income levels, although it was particularly scanty in low-income neighborhoods.<sup>308</sup> According to the United States Bureau of Labor Statistics, in 1997, one in seven women working full-time outside the home was engaged in non-traditional shift work – meaning jobs with evening or nightshifts or irregular schedules.<sup>309</sup> Furthermore, nationwide data on the incidence of non-standard-hours employment among former welfare recipients collected in 2001 showed that, during that same year, at least one quarter of all former welfare-reliant mothers held jobs that required them to work between 6:00 p.m. and 6:00 a.m.<sup>310</sup> Finally, the portion of single,

---

<sup>302</sup>See H. Blank, K. Schuman, and D. Ewen, *A Fragile Foundation: State Child Care Assistance Policies* (Washington, D.C.: Children's Defense Fund, 2001), quoted in National Women's Law Center, *Women's Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education*, 4.

<sup>303</sup>See Children's Defense Fund, *New Investments in Child Care Needed*.

<sup>304</sup>*Ibid.*

<sup>305</sup>*Ibid.*

<sup>306</sup>Administration for Children and Families, *Head Start Fact Sheet*.

<sup>307</sup>See Children's Defense Fund, *Child Care Basics* (2001). Available at <http://www.childrensdefense.org/earlychildhood/childcare/basics.asp>

<sup>308</sup>See Kreader, Brickman Piecyk, and Collins, *Scant Increases After Welfare Reform. Regulated Child Care Supply in Illinois and Maryland: 1996-1998*, quoted in National Women's Law Center, *Women's Stake in Improving the Availability, Affordability and Quality of Child Care and Early Education*, 7.

<sup>309</sup>See United States Department of Labor, Bureau of Labor Statistics, *Workers on Flexible and Shift Schedules in 1997* (Washington, D.C.: Government Printing Office), quoted in National Women's Law Center, 8.

<sup>310</sup>See S. Jagadeesh Branch et al., "Child Care for Families Leaving Temporary Assis-

low-income mothers working irregular hours in 2001 was substantial, especially if compared to the 17 percent of higher-income working parents who declared to hold evening or overnight job during that same year.<sup>311</sup>

Under the Temporary Assistance to Needy Families (TANF) program, mothers of small children are required to be employed as a condition to receive benefits. Also, TANF requires states to terminate assistance if recipients fail to meet welfare-to-work requirements. However, considering that waiting lists for subsidized child care are long in the majority of the states, that care for infants and toddlers is extremely scarce, that slots in low-income neighborhoods are almost inexistent, and that indigent mothers are very likely to be employed in non-traditional-hours or shift jobs, it is realistic to assume that many women cannot comply with PRWORA's welfare-to-work requirements because they cannot find "other-than-mother" care for their children.

Luckily, federal law does not allow states to terminate welfare assistance if recipients have a child under the age of six and if recipients can demonstrate that they cannot be employed or participate in job-training programs due to: (1) unavailability of child care within a reasonable distance from home or work; (2) unavailability or unsuitability of informal child care by a relative or by other arrangement; or (3) unavailability of appropriate or affordable regulated child care.<sup>312</sup> This clause is reinforced by Sec. 409(a)(11) of PRWORA,<sup>313</sup> which establishes that states will be subject to penalties if they sanction a mother of a preschooler for not finding appropriate child care.

In 1997, researchers at NOWLDEF predicted that "[considering] prior experience with states' notice to recipients about their child care rights, there will probably be serious deficiencies with the process of informing mothers regarding their right not to be sanctioned."<sup>314</sup> A survey conducted by the same group of researchers later that year confirmed these concerns. The study revealed that the City of New York was consistently infringing upon recipients' rights and ignoring those provisions put in place by PRWORA and aimed at protecting women against failure to comply welfare-to-work

---

tance for Needy Families," 34 *Clearinghouse Rew* (2001): 527, quoted in National Women's Law Center, 8.

<sup>311</sup>Ibid.

<sup>312</sup>*Personal Responsibility and Work Opportunity Reconciliation Act, U.S. Code*, vol. 42, sec. 407(e)(2).

<sup>313</sup>*Personal Responsibility and Work Opportunity Reconciliation Act, U.S. Code*, vol. 42, sec. 409(a)(11).

<sup>314</sup>Powell and Cahill, *Nowhere to Turn. New York City's Failure to Inform Parents on Public Assistance and about their Child Care Rights*.

requirements.<sup>315</sup> A total of 92 individuals were interviewed during the survey – 97 percent of which were women. The survey led to four major findings. First, the vast majority of the respondents declared to be worried about being sanctioned had they not been able to work, even if unavailability of child care was the reason for it.<sup>316</sup> Second, more than 50 percent of the respondents declared that they did not receive any help or advice from their welfare caseworkers in locating and contacting potential child care providers.<sup>317</sup> The majority of parents who had found child care for their children were relying on informal care.<sup>318</sup> Parents who had been unsuccessful at finding child care were either planning to opt for informal care or had no idea what to do.<sup>319</sup>

### 3.5.2 Affordability of Child Care Services Between 1996 and 2001

Since 1996, finding affordable child care has continued to represent a challenge for millions of American parents. The high cost of child care hits low-income families the hardest. Nevertheless, those families often receive little or no help paying for day care.

Following the implementation of welfare-to-work requirements in 1996, the demand for affordable child care has been constantly on the rise. Also, child care expenditures continue to account for a significant share of all working families' incomes. In this scenario, additional funding has become essential to maintain and improve access to child care for all families, and for low-income families in particular. According to the Census Bureau, in 2001, families with annual incomes above \$61,900 listed child care as the second highest monthly expenditure after housing.<sup>320</sup> Similarly, middle- and low-income families with children age three to five listed child care as their highest expenditure after housing and food.<sup>321</sup>

On average, low-income families spend less on child care than higher-income families. However, when child care expenditures are calculated as a percentage of a family annual earnings, lower-income families spend a much

---

<sup>315</sup>Ibid.

<sup>316</sup>Ibid.

<sup>317</sup>Ibid.

<sup>318</sup>Ibid.

<sup>319</sup>Ibid.

<sup>320</sup>See United States Census Bureau, *Statistical Abstract of the United States: 2000* (Washington, D.C.: Government Printing Office, 2001), table 731, quoted in National Women's Law Center, 4.

<sup>321</sup>Ibid.

more substantial portion of their incomes on child care than higher-income families.<sup>322</sup> In some cases, even when low-income working parents receive CCDF subsidies, the amount of these subsidies is so low that parents are unable to find regulated arrangements that they can afford. For example, in 2000, the state of Connecticut did base the amount of its child care subsidies on outdated numbers which did not represent the current market prices for licensed child care services.<sup>323</sup> In other states, parents have to pay fees and co-payments. As a result, child care expenditures represent a serious financial burden for these families. For example, in 2001, a family of three residing in the state of Nevada, earning \$21,225 a year<sup>324</sup> and receiving CCDF subsidies, would still spend 17 percent of their annual income on child care.<sup>325</sup> Similarly, during that same year, in South Dakota, families earning \$21,225 a year were spending 19 percent of their yearly incomes on child care.<sup>326</sup>

Former welfare recipients are often employed in low-wage jobs and therefore have very limited resources to pay for child care. In 1999, statewide studies clearly indicated that oftentimes when former recipients could find child care they could not pay for it.<sup>327</sup> Consequently, for former recipients inability to afford child care had become an obstacle to employment and career advancement.<sup>328</sup> In 1998, the median income of families headed by a single woman was \$21,962 – or less than half the \$57,090 median income of a two-parent family.<sup>329</sup> In 2000, the cost of child care ranged from \$3,000 to \$13,000 a year, depending on the provider’s location, the type of chosen

---

<sup>322</sup>In 2000, the United States Census Bureau estimated that child care expenditures accounted for six to 35 percent of a family annual income. See K. Smith, “Who Is Minding the Kids? Child Care Arrangements: Fall 1995,” *Current Population Reports* P70-70 (October 2000), table 14. quoted in National Women’s Law Center, 4. Available at <http://www.census.gov/prod/2000pubs/p70-70.pdf>

<sup>323</sup>See H. Blank and N. Poersch, *State Development in Child Care and Early Education; 1999: Subsidy Reimbursements’ Rates* (Washington, D.C.: Children’s Defense Fund, 2000), table 3, quoted in National Women’s Law Center, 5.

<sup>324</sup>In 2001, a family living in Nevada and earning \$21,225 a year was living at 150 percent of the federal poverty level. See Children’s Defense Fund, *New Investments in Child Care Needed*, quoted in National Women’s Law Center, 5.

<sup>325</sup>See Children’s Defense Fund, *New Investments in Child Care Needed*.

<sup>326</sup>*Ibid.*

<sup>327</sup>See R. Schumacher and M. Greenberg, *Child Care After Leaving Welfare: Early Evidence from State Studies* (Washington, D.C.: Center for Law and Social Policy, 1999).

<sup>328</sup>*Ibid.*

<sup>329</sup>See United States Bureau of the Census, “Money Income in the United States: 1998,” *Current Population Reports* P60-206 (September 1999), table 5, quoted in National Women’s Law Center, 5. Available at <http://www.census.gov/prod/99pubs/p60-206.pdf>

arrangement, and the child's age.<sup>330</sup> In 2000, Karen Schulman, a researcher with the Children's Defense Fund, conducted a nationwide survey on the cost of child care to families.<sup>331</sup> The list that follows outlines average annual costs of center-based care for one preschooler that Schulman identified for specific states, counties, and cities:<sup>332</sup>

- Arkansas: \$3,900
- California: \$5,708
- Florida: \$4,079
- Louisiana: \$3,900
- Maine: \$4,889
- Rockland County, NY: \$8,060
- Boston, MA: \$8,121
- Trenton, NJ: \$5,252

Schulman's survey also showed that although center-based care tends to be more expensive than family care, in 2000, in more than half of the surveyed urban areas, the annual cost of home-based child care for a preschooler was over \$4,500.<sup>333</sup>

### 3.5.3 Quality of Child Care Services Between 1996 and 2001

Working parents need affordable child care that is safe and that enhances children's intellectual and emotional growth. Evidence shows that all American parents, and low-income female parents in particular, are more likely to stay employed, work longer hours, and advance professionally if their children are cared for in high quality child care centers or family homes.<sup>334</sup> Also, research has shown a relationship between poor-quality child care and scarce

---

<sup>330</sup>See Children's Defense Fund, *New Investments in Child Care Needed*, quoted in National Women's Law Center, 5.

<sup>331</sup>K. Schulman, *The High Cost of Child Care Puts Quality Care Out of Reach for Many Families* (Washington, D.C.: Children's Defense Fund, 2000), quoted in National Women's Law Center, 3.

<sup>332</sup>*Ibid.*

<sup>333</sup>*Ibid.*

<sup>334</sup>See National Women's Law Center, 6.

labor force participation of single and teenage mothers.<sup>335</sup> For example, the Teenage Parent Demonstration Project that took place in New Jersey and Illinois in 1999 revealed that one fifth of the participating teenage mothers blamed both their inability to stay employed and their decision to reduce or modify their working schedules on the unsatisfactory quality standards of their child care arrangements.<sup>336</sup>

Unfortunately the average quality of the child care arrangement currently available in the United States is low. Only nine percent of all child care slots available nationwide are considered to be of excellent quality,<sup>337</sup> while thirty percent of all child care slots are rated good, 53 percent fair and eight percent poor.<sup>338</sup> Also, children of former welfare recipients are more likely than their peers to be cared for in low-quality settings, where educational materials and development-enhancing activities are very limited and where providers have little training and limited work experience.<sup>339</sup>

In the years following the passage of the Welfare Reform bill, child care providers have continued to remain one of the lowest-paid category of workers in the United States. Because of their low-wages, only a small percentage of providers has been able to afford to stay in their jobs for a considerable amount of time. As a result, to this day turnover rates among child care providers remain shockingly high, compromising and drastically reducing the stability and quality of all available child care arrangements. Interestingly, in 2000, about 97 percent of all child care providers nationwide were women and more than one-third of them were women of color.<sup>340</sup> Child care providers – approximately three million in 2000, including early childhood’s teachers and teacher’s assistants, family child care providers and in-home providers – are responsible for providing 19 million children with a healthy, safe and nurturing environment in which to grow; yet caregivers are severely underpaid.<sup>341</sup> For example, in 2000, the average hourly wage for a child care

---

<sup>335</sup>Ibid.

<sup>336</sup>Ibid.

<sup>337</sup>See C. L. Booth et al., *The National Institute of Child Care Health and Human Development Early Child Care Study* (Washington, D.C.: National Institute of Health, 1999), quoted in National Women Law Center, 7.

<sup>338</sup>Ibid.

<sup>339</sup>See Growing Up in Poverty Project, *Remember the Children. Mothers Balance Work and Child Care Under Welfare Reform. Wage 1 Findings: California, Connecticut, Florida.* (Universities of Berkeley, Tampa and Yale, 2001).

<sup>340</sup>See Child Care Bureau, *A Profile of the Child Workforce* (Washington, D.C.: Child Care Bureau, 2000).

<sup>341</sup>In 2000, around 13 million preschoolers and six million infants and toddlers were enrolled in child care and early education programs or cared for by family child care and informal child care providers everyday. See Children’s Defense Fund, *Child Care Basics*

provider was \$7.46.<sup>342</sup> For a year of full-time employment caregivers' wages were "not much above the 2000 poverty threshold of \$13,874 per year for a mother of two children."<sup>343</sup> Similarly, in 2000, preschool teachers earned \$9.43 an hour – or \$19,610 a year – while family child care providers earned only \$4.82 an hour.<sup>344</sup> In the words of Judith C. Appelbaum, Vice-President of the National Women's Law Center (NWLC), in 2002, "[c]hild care workers earn[ed] far less annually than customer attendants [who earned about] \$24,790 [a year;] barbers [who averaged] \$20,340 [a year;] and even pet-sitters, [who earned] \$17,000 [a year]."<sup>345</sup>

Benefits sponsored by providers' employers are minimal and in 2001, even for workers employed by child care centers the availability of health care coverage was "inconsistent."<sup>346</sup> Because of their meager wages, in 2001, many child care providers were forced to hold two jobs, live with relatives or friends, or forgo health insurance or medical care.<sup>347</sup> Also, because of low wages and poor benefits it was almost impossible for child care providers to stay employed for very long. For example, between 1999 and 2000, the average turnover rate for all child care staff in the United States was 30 percent.<sup>348</sup> Moreover, fifty-six percent of all child care facilities reporting turnover to the federal government in 2000 indicated that they had difficulties replacing the staff that they had lost.<sup>349</sup> Finally, seventy-six percent of all teachers employed by child care centers in 1996 and 82 percent of all child care staff providing care for children enrolled in early education programs in 1994 were no longer earning a living as child care providers in 2000.<sup>350</sup>

---

(2001).

<sup>342</sup>See J. C. Appelbaum, *Child Care Teachers Deserve Worthy Wages*. (Washington, D. C.: National Women's Law Center, 2002). Available at <http://www.nwlc.org/details.cfm?id=717&section=newsroom>

<sup>343</sup>See J. C. Appelbaum, *Child Care Teachers Deserve Worthy Wages*. Note that in 2002, the National Women's Law Center (NWLC) calculated the average amount of child care providers' annual incomes on the basis of a 52-week working schedule.

<sup>344</sup>See Center for Child Care Workforce, *Current Data on Child Care Salaries and Benefits in the United States* (Washington, D.C.: Center for Child Care Workforce, 2001), quoted in National Women's Law Center, 9.

<sup>345</sup>Appelbaum, *Child Care Teachers Deserve Worthy Wages*.

<sup>346</sup>Center for Child Care Workforce, *Current Data on Child Care Salaries and Benefits*, quoted in National Women's Law Center, 9.

<sup>347</sup>See M. Whitebook et al., *Then and Now: Changes in Child Care Staffing, 1994-2000* (Washington, D.C.: Center for Child Care and Workforce, 2001), quoted in National Women's Law Center, 9.

<sup>348</sup>See Whitebook et al., *Then and Now: Changes in Child Care Staffing, 1994-2000*, quoted in National Women's Law Center, 10.

<sup>349</sup>Ibid.

<sup>350</sup>Ibid.

### 3.5.4 Summary of Child Care Availability, Affordability and Quality: 1996-2001

The Welfare Reform bill of 1996 aimed at “ending the cycle of welfare dependency”<sup>351</sup> that prevented indigent single mothers from achieving self-sufficiency. To reach this goal, the Welfare Reform bill focused on shrinking the welfare rolls, moving welfare-reliant mothers into the labor force – thereby improving the economic stability of their households – and increasing the number of subsidized child care slots. But is the Welfare Reform delivering on its promises?

The government is requiring recipients to work in order to qualify for temporary cash assistance. As a result, welfare mothers must now “juggle the task of raising an infant or toddlers while holding down a job.”<sup>352</sup> Also, the Welfare Reform bill has brought about significant changes in the way that the federal government finances child care services. In 1996, PRWORA streamlined four major funding programs for child care into the Child Care Development Fund (CCDF) and then allocated an additional \$4 billion to child care assistance. Finally, the Welfare Reform bill increased state discretion over spending: Currently, states are allowed to decide what percentage of federal funding to earmark for child care subsidies and what percentage to spend on quality improvements.

Since 1996, and despite increased funding for child care services, the availability of child care slots has remained scarce, especially for families seeking day care for infants and toddlers, living in low-income neighborhoods, and working non-standard hours. Moreover, providers’ hours and the limited number of available after-school programs often interfere with single mothers’ ability to stay employed and with their desire to advance professionally through education and training. For example, one mother interviewed by authors Edin and Lein<sup>353</sup> said: “I don’t think [I could accept a promotion]. I mean they have talked to me before about being a manager, but I need the availability. See, I can only work weekdays’ nights and weekends. They need someone to be there [whenever they need her]. If I could get [my daughter] into subsidized day care I would take the promotion.”<sup>354</sup> Another of Edin and Lein’s respondents told the authors that she would have liked to go back to school and become a registered nurse (RN), but that she could not do so because of lack of affordable after-school

---

<sup>351</sup>Growing Up in Poverty Project, *Remember the Children*, 3.

<sup>352</sup>Ibid.

<sup>353</sup>See Edin and Lein, *Making Ends Meet*.

<sup>354</sup>Ibid., 95.



care in her neighborhood.<sup>355</sup> Similarly, without subsidized child care Dionne Williams, mother of an 18-month old boy, could not have left welfare and obtained the post-secondary degree that allowed her to be hired as a senior secretary.<sup>356</sup>

Unfortunately, federal and state funding remains inadequate to meet the child care needs of former welfare recipients – now required to spend their days at work.<sup>357</sup> In 2001, NOW Legal Defense and Education Fund (NOWLDEF) estimated that only 1.5 million of the 9.9 million children eligible to child care subsidies under their states' eligibility guidelines were receiving child care assistance.<sup>358</sup> Also, NOWLDEF estimated that TANF recipients were often not notified about their right to receive child care subsidies and to have their work requirements waived if their children were under six years of age and parents could prove their inability to find affordable child care.<sup>359</sup>

Since 1996, child care expenditures have continued to account for a significant portion of all working parents' incomes. Yet, currently, the cost of child care hits low-income families the hardest, obliging them to either spend a debilitating amount of their yearly incomes on child care or to opt for "kith and kin" care.

Finally, federal guidelines regulating states' allocation to child care services require states to spend only five percent of their federal block grants on quality improvements. The five percent set-aside represents a serious decrease in allocations, if compared to the previous 25 percent mandated by the Child Care Development Block Grant (CCDBG) of 1990.

So is the Welfare Reform delivering on its promises? When analyzing the effects of PRWORA's welfare-to-work requirements on the child care needs of low-income working families and when comparing such needs with the current availability of subsidized child care slots, the answer is undoubtedly no.

---

<sup>355</sup>Ibid.

<sup>356</sup>See M. Gardner, "Child Care: Best Ticket Off Welfare?," *Christian Sci. Monitor*, (27 September 1995), 1, quoted in Huntington, *Welfare Reform and Child Care*, 95.

<sup>357</sup>Since the passage of PRWORA in 1996, an additional one million children have become dependent on subsidized child care. See Growing Up in Poverty Project, *Remember the Children*, 3.

<sup>358</sup>See NOW Legal Defense and Education Fund, *Welfare Reform: After Five Years Is It Working?* (2001).

Available at <http://www.legalmomentum.org/issues/wel/welfareworking.shtml>

<sup>359</sup>Ibid.

### 3.6 Effects of Child Care Shortage on Working Families and Their Children

Research has shown that the shortage of affordable quality child care affects parents and their children in three ways. First, it reduces parent's ability to get and stay employed. Second, the high costs of child care often prevent low-income working parents from earning enough and stop relying on welfare assistance. Third, lack of affordable, quality child care deprives young members of society from the educational background that they need to avoid welfare dependency and delinquency.

Historically, the absence of affordable, quality child care has represented a barrier to parental employment. For example, in 1986 alone, one out of four single American mothers was not employed because she could not find affordable child care.<sup>360</sup> The situation was even more alarming among low-income mothers, 34 percent of whom were not employed due to child care shortage.<sup>361</sup> In 1991, the Government Accountability Office estimated that if all single American mothers worked full-time at their highest potential wage rate, one-third of them would still live in poverty; if those same mothers worked 36 hours a week, 70 percent of them would still be poor; most importantly, after paying for child care, two thirds of all mothers who worked full-time and three quarters of all mothers who worked part-time would be indigent.<sup>362</sup>

Child care subsidies are essential if former recipients are to become economically self-sufficient. A 1994 government report sponsored by the Government Accountability Office concluded that increasing the availability of child care subsidies would boost the work participation rate of low-income mothers from the 39 to 44 percent and the "near-poor mothers" work participation rate from 43 to 51 percent.<sup>363</sup> Similarly, a 1995 study published

---

<sup>360</sup>See P. Cattan, "Child Care Problems: An Obstacle to Work," *Monthly Lab. Rev* 114 (October 1991), quoted in Huntington, *Welfare Reform and Child Care*, 105.

<sup>361</sup>Ibid. In 1991, lack of affordable, quality child care kept 42 percent of Illinois single parents on AFDC from working full-time; 39 percent from dedicating as much time as possible to look for a job; another 39 from attending school or employment training; and a remaining 26 percent from working as much as they desired to. See G. L. Siegel and L. A. Loman, *Child Care and Welfare Recipients in Illinois* (Chicago: Illinois Department of Public Aid, 1991), 4, quoted in Huntington, 105.

<sup>362</sup>See Government Accountability Office, *Mother-Only Families: Low Earnings Will Keep Many Children in Poverty* (Washington, D.C.: General Accountability Office, 1991), 7, quoted in Huntington, 107.

<sup>363</sup>See Government Accountability Office, *Child Care Quality: States' Difficulties Enforcing Standards Confront Welfare Reform Plans* (Washington, D.C.: General Accountability

by the National Center for Children in Poverty (NCCIP) revealed that 58 percent of America's indigent children had parents who worked full-time.<sup>364</sup> The same study also revealed that one factor contributing to the persistency of poverty among low-income working families was the debilitating amount of money those families had to spend on child care.<sup>365</sup>

The declared intent of all provisions included in the Welfare Reform bill was to provide former AFDC recipients with the support necessary to transition off welfare while enhancing their children's future. A survey, conducted in 1995 by the Greater Minneapolis Day Care Association, showed that because of an average 18-months waiting period, 80 percent of the families whose names were on the County's child care waiting lists had decided to pay for childcare out-of-pocket.<sup>366</sup> Because of this decision, seventy-one percent of the families that participated in the survey incurred substantial debt.<sup>367</sup> As a result of acquired debt, many of the surveyed families had to file bankruptcy or to turn to welfare.<sup>368</sup> Families who decided to rely on public assistance may have been forced to make such a decision because they could not afford to pay the full cost of child care, because it was impossible for the families to be granted child care subsidies within a reasonable amount of time, or because Minnesota – like the majority of the states – gives priority status for child care subsidies to families living on welfare.<sup>369</sup> According to Claire Huntington, “this priority status creates a perverse incentive for [low-income] working parents to quit their jobs and turn to welfare.”<sup>370</sup> Finally, the survey conducted by the Greater Minneapolis Day Care Association also showed that after paying for housing, food, transportation, medical expenses, and clothes, a parent earning \$1,521 a month had only \$31 left to pay for child care.<sup>371</sup>

In addition to affecting parents' ability to get and stay employed, shortage of affordable, quality child care is associated with negative behavioral

---

Office, 1994), 3, quoted in Huntington, 106.

<sup>364</sup>See National Center for Children in Poverty, *Young Children in Poverty: A Statistical Update* (New York: National Center for Children in Poverty, 1995), 6, quoted in Huntington, 106.

<sup>365</sup>*Ibid.*

<sup>366</sup>See Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance* (Minneapolis: Greater Minneapolis Day Care Association, 1995), 1, 4-5, 17, quoted in Huntington, footnote 60.

<sup>367</sup>Greater Minneapolis Day Care Association, *Valuing Families: The High Cost of Waiting for Child Care Sliding Fee Assistance*, 16, quoted in Huntington, footnote 60.

<sup>368</sup>*Ibid.*

<sup>369</sup>See Huntington, 107.

<sup>370</sup>Huntington, 107.

<sup>371</sup>*Ibid.*

and educational outcomes for preschoolers, school-age children, and teens. The findings of a four-year study conducted by researchers with the University of North Carolina Chapel Hill and investigating the effects of center-based care on preschoolers have shown that children cared for in higher-quality centers displayed “greater receptive language abilities, and pre-math skills, view[ed] their child care and themselves more positively, ha[d] warmer relationships with their teachers, and ha[d] more advanced social skills” than children who are cared for in lower quality centers.<sup>372</sup> By contrast, a 2000 study conducted by the United States Department of Health and Human Services (HHS) has found that children enrolled in poor-quality center-based care were “delayed in cognitive and language development, and display[ed] less social competence and cooperation, and more problem[atic types of] behavior.”<sup>373</sup> Finally, the study conducted by the researchers with the University of North Carolina has also showed that low-income children – historically considered at greater risk of not doing well in school – benefit much more from higher-quality child care than children belonging to more affluent families.<sup>374</sup>

A study published in 2001 by the National Institute on Out-of-School Time concluded that five million American children were being left unsupervised after school each week.<sup>375</sup> According to the study, many of these children were spending their afternoons in environments that did not favor their cognitive development, because such environments lacked intellectually stimulating activities.<sup>376</sup>

Environments that lack stimulating activities are particularly hazardous for low-income children, who usually have little or no access to before- and after-school programs and often live in communities riddled by poverty and

---

<sup>372</sup>See E. S. Peisner-Feinberg et al., *The Children of the Cost, Quality, and Outcomes Study Go to School* (Chapel Hill: University of North Carolina at Chapel Hill, 1999), quoted in National Women’s Law Center, 6.

<sup>373</sup>See United States Department of Health and Human Services, Office of the Assistance Secretary for Planning and Evaluation, *Child Care Quality: Does It Matter and Does It Need to be Improved?* (Washington, D.C.: Government Printing Office, 2000), quoted in National Women’s Law Center, 6.

<sup>374</sup>See Peisner-Feinberg et al., *The Children of the Cost, Quality, and Outcomes Study Go to School*, quoted in National Women’s Law Center, 6.

<sup>375</sup>See National Institute on Out-of-School Time, Center for Research on Women, *Fact Sheet on School-Age Children Out-of-School Time*, (Wellesly: Wellesly College, 2001). Available at <http://www.wcwonline.org/title362.html#>, quoted in National Women’s Law Center, 7.

<sup>376</sup>Ibid.

crime.<sup>377</sup> Research has shown that limited access to after-school programs can have a negative impact on both children and teenagers, and on low-income children in particular.<sup>378</sup> Other studies indicate that school-age children who are left unsupervised during after-school hours are at greater risk of engaging in dangerous behaviors, such as truancy and substance abuse, to suffer from stress, and to have difficulties in school.<sup>379</sup> Furthermore, additional data collected by researchers at the National Center for Juvenile Justice in 1999 has shown that 19 percent of nationwide juvenile crimes occur on school days between 3:00 p.m. and 7:00 p.m.<sup>380</sup> For example, more than one in seven sexual assaults perpetrated by youth occur between 3:00 p.m. and 7:00 p.m., with the time between 3:00 p.m. and 4:00 p.m. constituting the most likely time-frame for the crime to occur.<sup>381</sup> Similarly, research has shown that serious violent crimes perpetrated by young adults, such as robbery and aggravated assault, and the incidence of voluntary sexual intercourse leading to teenage pregnancy peak around 3:00 p.m.<sup>382</sup>

---

<sup>377</sup>According to the Government Accountability Office, in 2002, before- and after-school programs served as little as 25 percent of all low-income school-age children in need. See National Institute on Out-of-School Time, Center for Research on Women, *Fact Sheet on School-Age Children Out-of-School Time*.

<sup>378</sup>See K. M. Dwyer et al., "Characteristics of Eighth-Grade Students Who Initiate Self-Care in Elementary and Junior-High School," *Pediatrics* 86 (September 1990); and G. S. Petit, *After School Experience and Social Adjustment in Early Adolescence: Individual, Family and Neighborhood Risk Factors* (Auburn: Auburn University Department of Development and Family Studies, School of Human Sciences, 1997), quoted in National Women's Law Center, 8.

<sup>379</sup>*Ibid.*

<sup>380</sup>See H. N. Snyder and M. Sickmund, *Juvenile Offenders and Victims: 1999 National Report* (Washington, D.C.: National Center for Juvenile Justice, Office of Juvenile Justice and Delinquency Prevention, 1999), quoted in National Women's Law Center, 8.

<sup>381</sup>*Ibid.*

<sup>382</sup>*Ibid.*

