Arranging Child Care

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Abstract

More than half of the children in families supported by welfare are under age six, and another third are in grade school. The mothers of these children cannot leave welfare for employment unless they can find and pay for child care. Yet, as this article points out, the child care needs of these families are not easily met: Many require care for infants and toddlers, care at odd hours, and care in poor neighborhoods—all of which are scarce. Evidence reviewed by the authors indicates that problems with child care affordability, availability, and quality impede mothers from participating in the labor force and in job training programs. Recent public funding for child care subsidies has helped families leaving welfare to afford the child care they need, although the demand for financial assistance outstrips available funding. This article urges that policymakers work to facilitate access to subsidies, increase the supply of care that can meet the needs of poor working families, and guard against exposure to poor-quality care that can jeopardize both children’s well-being and parents’ employment.

During the past 20 years, welfare policy has increased the work obligations imposed upon mothers of young children as a condition for receiving income assistance. To support these work activities, the federal government has made a substantial commitment to provide child care subsidies to those leaving welfare through employment and to low-income working families. However, because the need for good-quality, affordable child care is far greater than current funding can accommodate, policymakers face difficult choices about how funds should be allocated. The debate about child care support thus focuses on concerns about the availability, cost, and quality of child care arrangements needed to enable poor parents to work and also on concerns about how government child care resources should be distributed.¹

This article discusses the special child care needs of low-income families and the challenges they face in arranging child care for their children. It reviews evidence that child care problems are a barrier to employment, and it describes opportunities for policymakers to design child care assistance programs to support employment of poor mothers and to invest in the development of child care services appropriate to the needs of those families.
Child Care Needs of Families Leaving Welfare

Recent changes in welfare policy require recipients of cash assistance to work or participate in education, training, or job search activities, although many of these families have young children who will need child care when their mothers attend training or work outside the home. In 1992, just over 9 million children received benefits through Aid to Families with Dependent Children (AFDC). About 2.3 million of them were infants and toddlers, and 2 million were preschoolers who would need care if their mothers were required to work or participate in education, training, or job search activities. In 1992, an estimated 30% of AFDC families had two children, 16% had three, and 10% had four or more children.2

Although many welfare recipients need child care in order to work, they often have special needs that make it difficult for them to find suitable child care arrangements. Welfare recipients face grim employment prospects: Many have low levels of educational attainment and low skills that severely limit the kinds of jobs they can obtain and the wages they can earn. (See the article by Burtless in this journal issue.) Many enter jobs paying the minimum wage, which was only $4.25 per hour in 1995. On average, center-based care and regulated family child care cost parents about $1.60 per hour in 1990, which amounts to $3,328 per child per year for full-time care.3

An illustration helps show how those child care costs affect the budgets of families who leave welfare for work. In 1995, a single mother of one child earning the minimum wage in a full-time, full-year job brought in only $8,840. To purchase formal child care, she would have to spend 38% of that income. Mothers with more than one child needing care would have to spend even more. Consequently, welfare recipients who enter the workforce will need subsidies in order to purchase most types of child care, or they will be forced to find low-cost informal child care arrangements that provide fewer learning experiences to children than formal child care offers.

The work schedules of many welfare recipients who enter the workforce also pose child care problems for them. Part-time work is all that some can find, and those parents need and can afford only part-time child care during the hours they work.4 Many families leaving welfare will need care during nonstandard hours (other than eight-hour days and five-day weeks) or to cover work schedules that change from week to week. According to the National Child Care Survey, in 1990 approximately one-third of working poor parents worked on weekends, nearly 10% worked during evenings, and almost one-half worked a rotating or changing schedule.5 Employment growth in the future is projected to be greatest for service occupations with a high proportion of shift workers, further increasing the demand for odd-hour child care.6 However, few child care centers and regulated family child care providers offer care during evenings and weekends,5 and many do not offer part-time attendance and payment options.

The flexibility and reliability of child care arrangements are critical to welfare recipients who obtain entry-level jobs, because they cannot miss work when their child is sick or when the child care arrangement breaks down. Their jobs seldom offer paid vacation or sick time, and when workers are easy to replace, employers are unlikely to tolerate late arrivals or absences from work. Indeed, studies have shown that problems with child care arrangements have led to job loss among poor families making the transition from welfare to work.7,8

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The problems facing welfare families as they arrange child care—low wages, nonstandard or changing hours, and inflexible schedules—also confront working poor fami-
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Families who do not receive welfare. Recognizing that many low-income families struggle to find and pay for child care, policymakers have divided child care subsidy funds between families leaving welfare for self-sufficiency and poor families who have not turned to public assistance. But pressures on available funds are great. State officials, who now hold the primary authority to allocate child care funds, must make difficult trade-offs between the interests of families on and off welfare.

Child Care Choices of Poor Families

Parents of all income levels choose among several basic types of child care: formal care arrangements in child care centers or family child care homes that are usually regulated by state authorities, care provided by relatives or acquaintances in unregulated home settings, or care by the parents themselves. A small proportion of families use in-home sitters or nannies.

National surveys show that the child care arrangements chosen for children under age five by low-income mothers (those earning below $15,000 per year) are similar to those chosen by mothers with higher incomes (see Table 1). The child care differences between income groups reflect the greater constraints poor families face in arranging care. For instance, in 1990, low-income mothers were more likely than mothers in general to use relatives to care for their children, and they were less likely to use family child care or center-based programs. Table 1 also shows, however, that the pattern of care used by employed single mothers differs from that of other low-income mothers. Single mothers usually cannot rely on another parent to care for the child, so they rely heavily on centers and family child care.

<table>
<thead>
<tr>
<th>Type of Child Care Arrangement</th>
<th>Percentage of All Families</th>
<th>Percentage of Low-Income Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Relative</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>Center</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Family Child Care</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>In-Home and Other</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

reinforce the child’s home language and culture. By contrast, parents who prefer formal child care arrangements, like centers or family child care homes, often emphasize the learning opportunities such programs can provide and the reliability of an established program.14

The choices parents make of child care arrangements are of course limited to the options they know about. Most families rely primarily on informal sources of information—friends, neighbors, or relatives—to find child care, and only half consider more than one option when choosing their main arrangement.10,15 Families leaving welfare often have no previous experience finding care, and the friends and relatives they consult may also be unfamiliar with the challenge of arranging child care.16

Moreover, welfare recipients starting training programs or entry level jobs may need to begin immediately and must find child care on short notice. While child care by relatives is generally arranged in just a few days, mothers who do not have this option need more time to find care. Studies have shown that it takes from two to seven weeks to find an acceptable child care arrangement.10,15,17 Thus, poor families’ lack of time and information complicate the problems they have finding child care arrangements that are affordable, conveniently located, and available during the hours needed.

Effects of Child Care on Employment
There is evidence that child care difficulties interfere with the employment of mothers who are poor. Surveys reveal that one-third of all poor mothers not in the labor force report that they are not working because of child care problems. Studies focused on single and low-income mothers indicate that child care costs influence their employment decisions. About 40% of nonworking mothers interviewed in one survey cited child care costs as the reason they were not working, and about 40% of working mothers said child care costs led them to change jobs or hours worked.15

Three features of child care appear to influence the employment of low-income parents: (1) the availability of child care, because young children cannot be left unsupervised; (2) the cost of child care, which makes employment less attractive because earnings are effectively reduced by the cost of care; and (3) the quality of the available care. Understanding the role each factor can play as a barrier to employment helps clarify steps policymakers can take to reduce the child care problems that low-income families face as they try to manage both employment and child rearing.

Affordability as a Barrier
Parents cannot use child care arrangements that they cannot afford. Among poor parents, cost is the most often cited constraint on child care choice.20 In 1990, more than half of all employed mothers with a child under age five paid for their child care arrangements: Some 42% of low-income families paid for care, as did 56% of higher-income families. Among those who paid for child care, average weekly child care expenses were much lower for poor than for non-poor employed mothers ($37 versus $65), but the poor spent a much higher proportion of the family income on child care (23% versus 9%).10

The cost of child care effectively reduces the amount of income a parent can earn from work outside the home, and surveys of mothers indicate that child care costs influence their employment decisions. About 40% of nonworking mothers interviewed in one survey cited child care costs as the reason they were not working, and about 40% of working mothers said child care costs led them to change jobs or hours worked.15

One-third of all poor mothers not in the labor force report that they are not working because of child care problems.
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ners and must spend a higher proportion of their income on child care. One study found that assistance paying for child care increased single mothers’ involvement in work and education.\textsuperscript{22}

Subsidies that cover most of the cost of care give poor parents access to the formal child care options that may be available in their neighborhoods. Almost half of working poor families with a child in center-based care in 1990 reported receiving financial assistance in paying for care,\textsuperscript{3} and others probably received indirect subsidies they did not report, through sliding fee scales or free care provided in public prekindergarten programs. Those who have access to subsidies tend to choose center-based care rather than family child care.\textsuperscript{23}

Availability as a Barrier
In addition to cost, a variety of factors make it difficult for many poor families to use centers or regulated family child care homes. As noted earlier, few child care centers and regulated family child care providers offer care during evenings or weekends, when many poor families need it. Families who lack private transportation find their child care options even more limited. A national study conducted in 1990 indicated that only 40\% of centers and 28\% of regulated family child care providers were located near public transportation,\textsuperscript{3} and of course using public transportation can be both costly and cumbersome.\textsuperscript{20}

Center-based care, especially full-time care, is more scarce in poor neighborhoods than in other areas.\textsuperscript{24} Center care for infants and toddlers is costly everywhere, and it is least available in the poorest neighborhoods, where few families can afford to pay for it.\textsuperscript{25} Little is known about the overall availability of family child care because many family child care providers offer care outside the regulated system and cannot be easily counted. However, many are not filled to capacity; nearly half the providers interviewed in the 1990 national study indicated that they would be able to care for more children, but few advertise their services.\textsuperscript{26}

The availability of care by relatives can also be limited, especially for single mothers who often have no other adult in the household with whom they can share child care responsibilities. Two-thirds of families receiving welfare in Illinois in 1990 reported that they had no friend or relative, inside or outside their immediate household, who could provide child care.\textsuperscript{20} The availability of care by relatives may further diminish for poor families as welfare reform policies move more and more women into the labor force.

Despite concerns about child care availability, staff working in several welfare-to-work programs reported that the supply of child care services for their clients was sufficient when subsidies and help in finding arrangements were provided, except for some shortages of care for infants and toddlers and during odd hours. It should be noted, however, that staff working with JOBS (Job Opportunities and Basic Skills Training) programs were surveyed when the programs were relatively new and served mostly volunteers and clients with lower child care needs. As more welfare recipients are required to work, child care availability may become a more significant problem.\textsuperscript{27,28} In the Teenage Parent Demonstration, which required teenage AFDC recipients to participate in education, training, or employment activities, staff reported that arranging child care for program participants was challenging, but possible.\textsuperscript{29} In that demonstration, participants’ child care concerns shifted from lack of availability and cost to the quality of the arrangement they were able to find.

Quality as a Barrier
The quality of the care provided is important to parents of young children when they choose child care arrangements. Among low-income families (those with incomes under $15,000), some 51\% cited quality as the first or second most important reason for choosing the main arrangement for their youngest child.\textsuperscript{30} Among those citing quality, two-fifths said that the provider’s “warm and loving style” was the key factor. However, observational studies of child care in the
United States suggest that the vast majority of children receive care that is of poor to moderate quality; few receive care that is good enough to stimulate their development (see Table 2).\textsuperscript{17,31} Poor children are less likely than children from middle-class families to be cared for in high-quality child care settings. Although poor and nonpoor families choose among centers with a similar range of quality, poor children are more often cared for in home-based and informal arrangements that are often inadequate in quality.\textsuperscript{17}

Consistent with their limited range of child care options, poor single mothers are less satisfied with the child care they use than are other mothers. While satisfaction levels are typically 95% or higher, only two-thirds of single, low-income mothers said they were highly satisfied with their child care arrangements. Fully 41% of single employed poor mothers would prefer another child care arrangement, most wanting center-based care.\textsuperscript{5} Parents’ concerns about child care quality raise serious issues for the children, since a recent study suggests that parents tend to overestimate the quality of their children’s child care arrangements because it is difficult for them to monitor their child’s daily experiences in care.\textsuperscript{32}

Problems with child care quality contribute to some mothers’ decisions not to work or to change jobs or hours worked. One-third of nonworking mothers in three metropolitan areas cited quality concerns as their main reason for not working, and one-fifth of those who worked said they changed jobs or hours because of the quality of their child care.\textsuperscript{15} One-fifth of JOBS participants in California reported that lack of trust in available child care options had constrained their work or education activities.\textsuperscript{19}

Only one study has examined how the quality of the children’s experiences in child care affects low-income mothers’ employment decisions over time. That study of the California JOBS program found that a participant’s assessment of the safety of her child care arrangement and the trustworthiness of her care provider were important predictors of whether she was still active in employment or job preparation one year after enrolling in the JOBS program.\textsuperscript{33} The mother’s assessment of her child’s learning and social opportunities in child care was not as closely tied to her progress toward self-sufficiency.

These findings suggest that poor parents may define a threshold for the quality of their children’s child care arrangements in terms of a basic level of safety and trustworthiness, and discontinue their work-related activities if they cannot find and maintain arrangements that they believe exceed their threshold. But they may be

### Table 2

<table>
<thead>
<tr>
<th>Type of Child Care Arrangement</th>
<th>Percentage Offering Care That Is</th>
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<tbody>
<tr>
<td></td>
<td>Inadequate</td>
</tr>
<tr>
<td>Child Care Center Classrooms</td>
<td></td>
</tr>
<tr>
<td>Infant-toddler classrooms</td>
<td>12</td>
</tr>
<tr>
<td>Preschool classrooms</td>
<td>40</td>
</tr>
<tr>
<td>Home-Based Child Care</td>
<td></td>
</tr>
<tr>
<td>Regulated family child care</td>
<td>35</td>
</tr>
<tr>
<td>Nonregulated family child care</td>
<td>13</td>
</tr>
<tr>
<td>By relatives</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>69</td>
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</tbody>
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Note: Quality is measured by a 7-point rating scale that includes health and safety, materials to promote development, provider-child interactions, and activities. Inadequate corresponds to scores below 3, adequate corresponds to scores from 3 to just below 5, and good corresponds to scores from 5 through 7.
willing to compromise with respect to some aspects of quality, such as the child’s social and learning experiences, in order to pursue employment.

If participating in employment-related activities is made a condition for receiving welfare benefits, the threshold for poor quality that parents will tolerate might sink even lower. An evaluation of the Teenage Parent Demonstration mentioned earlier suggests that this may indeed occur. Program participants were required to engage in education or employment-related activities, and their welfare grants were cut if they failed to participate.29 Child care problems occurred among both participants and control group members, but the participants were much more likely to report problems concerning the quality of the child care they used. These young mothers may have resorted to child care of lower quality than they would have chosen if they had not been required to participate in welfare-to-work activities.

Another aspect of child care quality—the reliability of the arrangement—affects employment more directly. During their first three months in California’s JOBS program, more than one-third of the participants experienced problems because child care providers would not care for sick children, and one-fourth had a child care breakdown because the provider was no longer available to provide care or because a center closed.19 These mothers had to find alternative arrangements or miss time at work or school. By the end of their first year in the JOBS program, more than half had changed their primary child care arrangement at least once, disrupting the continuity of care received by their children.

Compared to formal child care arrangements, informal child care arrangements with relatives or acquaintances appear to be more likely to break down, leading to disruptions in work activities.20 Informal care may be less reliable because the provider’s main intention is often to help the mother, not to work with children. One study found that, compared with providers who were regulated by state authorities, relatives and informal caregivers were less committed to the work of caring for young children.17,34

As these studies show, child care problems can become barriers to the employment of poor mothers for a variety of reasons. Families leaving welfare for work often have special child care needs but relatively few child care options, and much of the care that exists is costly, poor in quality, or unreliable. When employment-related activities are required, most parents can find a child care arrangement. However, it will matter greatly to the child and to the employed parent that the care is safe, is reliable, and supports the child’s development. Over the long term, it also matters that the care is affordable without subsidies.

**Child Care Policies to Support Employment**

To reduce welfare receipt and encourage employment, public policies must ensure that poor parents have affordable child care choices that will not harm their children or jeopardize their employment. This requirement poses a difficult challenge, given constrained resources. As states redesign their child care policies to support the goals of welfare reform, they will have to make difficult tradeoffs among efforts to improve the affordability of child care, expand the supply of child care and access to it by poor mothers, and enhance the quality and reliability of that care.

**Improving the Affordability of Care**

Helping families pay for work-related child care has been an important part of welfare reform legislation since the Family Support Act of 1988. In addition to two existing programs providing child care funds to welfare recipients who worked, pursued training, or left welfare for employment, the federal government in 1990 established two new subsidy programs for low-income working families. In 1993, over $1.7 billion in federal funds was spent on child care for welfare and working poor families.35 The welfare reform
legislation passed in 1996 combined the four federal child care programs into the Child Care and Development Fund that in 1997 will disburse a total of $2.9 billion to the states to use in helping poor families pay for child care.36

This significant federal funding commitment to help low-income working families pay for child care nevertheless has fallen short of meeting the vast need for such assistance. In many large cities, long waiting lists for child care assistance have confronted low-income families who are not on the welfare rolls.37 Under the AFDC program, a minority of working welfare recipients applied for child care assistance, and the JOBS program often excused mothers who needed child care assistance from participation requirements. The new welfare rules will require even women with very young children to work. The stringent work requirements entailed in the 1996 welfare reform legislation may lead states to tailor their child care assistance more specifically for welfare recipients, although the threat of eventually losing child care assistance may threaten the fragile employment gains these families make.

Implementing child care assistance programs since 1990, states have grappled with basic questions of who should be served, with what level of resources, and for how long. Past experience also demonstrates that procedures for obtaining subsidies can be simplified. Rather than require parents to apply for assistance directly from each subsidy program for which they are eligible, some states and cities have established a single contact point (an office or a toll-free phone number) and a uniform application.37 These streamlined systems are supported with computerized management information systems that compare the family’s eligibility information to eligibility rules and sources of available funds and then award assistance fairly on the basis of funding priorities and the rule of first-come, first-served.

**Improving the Availability of Care**

As an increasing number of poor families enter the labor force and need child care, states may also find it necessary to develop new child care options, increasing the supply, especially in neighborhoods where poor families live. One promising strategy is to recruit new family child care providers and increase the number of children cared for by existing providers. Family child care is less capital-intensive than center-based care, and it can more easily expand in response to greater need, especially in states where providers can legally care for small numbers of children without becoming subject to child care regulations. Recruitment efforts must, however, be accompanied by training and technical assistance to ensure that caregivers provide safe and reliable child care and comply with the regulations that do apply to them.4 In some places, some child care resource and referral agencies, which primarily help parents locate child care, have contracted with public agencies to expand the supply of child care in low-income communities by recruiting and supporting family child care providers and helping center directors who want to start or expand programs.38

The range of child care options available to low-income families may also be expanded by forging links between the welfare or child care agency and Head Start and state preschool programs. Head Start and preschool programs generally offer only part-day services, but states have experimented with ways of combining child care subsidy funds with Head Start funds to support full-day services for children of low-income working parents in the neighborhoods where they live.

**Improving the Quality of Care**

To ensure that parents can find safe child care arrangements that meet children’s developmental needs, supply-building efforts must be accompanied by investments in child care quality. A variety of approaches can be used to safeguard quality: consumer information for parents, training and technical assistance for child care providers, and enforcement of the regulatory standards that apply to child care.
Information and referral services for parents can help welfare recipients beginning the transition to work to choose the best child care arrangement available. It is difficult for parents, on their own, to obtain reliable information about child care arrangements that are geographically dispersed. Some welfare or child care subsidy agencies develop their own counseling and referral services to help their clients find child care, and others contract with a resource and referral agency to provide these services. The best information services for poor parents combine the strengths that such agencies have in counseling, referral services, and attention to the child-oriented aspects of the child care choice with the public agency’s understanding of the special child care problems faced by poor mothers who are trying to leave welfare.38

Relying on information and referral services to increase the demand by parents for higher-quality care is a weak method for improving the quality of care, however. In a short visit to a child care setting they are considering, it is difficult for parents to observe the features of care that constitute quality, and young children cannot be relied on to communicate whether their daily experiences in care are positive, neutral, or damaging. Methods that are more direct than consumer education are needed to improve the quality of child care options available to low-income families.

Training and technical assistance to child care providers can improve child care quality. For instance, resource and referral agencies often provide training and support to center staff and regulated family child care providers, and community colleges and professional groups also offer training opportunities. Concerns arise regarding the quality of care provided by relatives and individuals in homes that are not subject to regulation, where basic health and safety conditions are not monitored.17 Public agencies might explore ways of offering specialized supports to build on the strengths of these caregivers and to encourage them to improve the quality of care they provide.

Attention to regulatory standards can have a strong influence on the quality of child care. A recent study of child care programs in several states demonstrated that stringent regulatory standards for child care centers and strict enforcement of those regulations were associated with higher-quality care.31,39 State regulations that set minimum quality thresholds not only help protect children from harm but can reassure parents while they focus on their work.

Conclusion

Welfare policies requiring work in exchange for benefits will oblige mothers with young children to use child care even though, as the previous discussion has demonstrated,
poor single mothers face substantial difficulties arranging appropriate child care. The quality, reliability, and cost of the care they can arrange will most likely affect their ability to remain employed and become self-sufficient and also their children’s success in school and later life. Families need and deserve the assistance of policymakers to ensure that the child care they rely on as they leave welfare for work is not only affordable and appropriate to their specific needs, but safe and beneficial for their children.

9. In family child care homes, between six and twelve children are cared for by one or two adults in a private home.


32. See note no. 31, Cost, Quality, and Child Outcomes Study Team, p. 16.


