

A Brief History of Federal Financing for Child Care in the United States

Abby J. Cohen

Abstract

Over the past 60 years, the federal government has provided funding for child care and early education programs in fits and starts. Funding has fluctuated in amount and purpose, with the result that today's child care financing system is a confused collection of funding streams with no uniform goals, standards, or administrative structure. This article traces the history of federal funding for child care and early education programs in the United States and examines how the values of American society have shaped the federal funding of child care and early education services.

Abby J. Cohen, J.D., is managing attorney at the Child Care Law Center, a nonprofit legal services organization in San Francisco, CA.

Public financing for child care in the United States has been inconsistent in purpose and varied in scope. Societal values have historically militated against a broad-based, uniform approach to child care financing, and, consequently, federal funding¹ for child care over the past 60 years has fluctuated widely. Funding has been pragmatic and piecemeal, reflecting a continuing tension between public and private responsibility for the care of young children and a deep ambivalence toward “other-than-mother” care on the part of the American public.

Federal funding for child care has been provided to solve one pressing social problem after another, such as the need for women to work during World War II; but when the immediate crisis has ended, so too has the funding. Child care services have usually been characterized in public debate as either custodial care to help parents work or educational services to promote child development, but not both. Given the multiple, “confused purposes”² of federal funding for child care over the years, it is not surprising that the federal child care financing system that has evolved 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.

This article outlines the precursors of today's child care services,

describes the values that sparked the earliest services and still propel today's public policy, and traces chronologically the history of federal child care financing.

Historical Context

Child care, defined here as nonparental care of children from birth through 13 years of age and including programs called day care, child development, and early childhood education, was provided in the United States long before such services were publicly recognized, regulated, or financed. Out-of-home child care services developed from two divergent movements.³⁻⁵ The day nursery movement developed in the mid- to late nineteenth century as a means of caring for the children of low-income families while their parents worked or sought employment. Services were typically organized by philanthropic institutions, private individuals, community service organizations, or settlement houses and were supported by modest parent fees, private contributions, and, in some instances, state funds.⁵ The primary purposes of this custodial form of care were to permit maternal employment, to protect children from the harm they might suffer if left unsupervised, and, for many day nurseries, to assimilate immigrant children into American culture. The day nursery was the direct predecessor of what became known as day care and, later, child care.

In contrast, the nursery school movement, begun in the early twentieth century, focused on the contribution of early education to children's optimal physical, social, and emotional development. This form of care, the direct precursor of today's early childhood education programs, served mostly middle- and upper-middle-class families and was typically funded by parent fees. Nursery school proponents viewed group care provided by professionals as a means of enabling children to achieve future success.

The legacy of these divergent movements has lived on in policy decisions and in the child care services supported with public funds over the past 60 years. Nevertheless, these distinctions have become increasingly blurred in the settings where child care is actually provided.⁶

Values Impeding Public Support

Several core American values have impeded efforts to establish, maintain, and expand public financing for child care. Primary among these is the belief in individualism, particularly the freedom of individuals to

The federal child care financing system that has evolved is really no system at all, but rather a collection of funding streams.

raise their own children without government interference.⁷ As the 1930 report issued by the White House Conference on Children declared, "No one should get the idea that Uncle Sam is going to rock the baby to sleep."⁸ The values of individualism and family autonomy, taken together, have supported a position that government is an appropriate source of help only when a family—or the country itself—is in crisis.

American ambivalence and frequent opposition to maternal employment⁹ and the strong distrust of other-than-mother care¹⁰⁻¹² have also contributed to an unwillingness to publicly finance child care. However, these attitudes have softened somewhat over the past 60 years as increasing numbers of middle-class mothers of young children have entered the work force

and their children have experienced non-parental, out-of-home child care.

Values Encouraging Public Support

Were fundamental U.S. values only those previously mentioned, it is doubtful that federal support for child care would ever have come to pass. But other values have encouraged public support for child care. These include a belief in equality of opportunity (particularly in helping children of low-income families escape poverty through education) and equality between the sexes.^{5,13}

With regard to equality of opportunity, Kenneth Keniston has written, “Awareness that babes in arms have very different life chances depending on the wealth, class, or race of their parents is clearly not consistent with the core American creed that all are created equal.” Consequently, “children have played a key role in our society’s efforts to narrow the gap between our political ideals and our economic realities.”¹⁴ These efforts have focused on early education, which has been seen as a viable “antidote for social inequities.”¹⁵

The notion of equality between the sexes took hold slowly, after laws assuring women the right to vote were passed in 1920 to the period following the 1960s, when the federal government made it clear through enactments such as the Equal Pay Act of 1963 and Titles VII and IX of the Civil Rights Act of 1964 that equal opportu-

The increase in the number of women in the paid labor force has broadened the constituency for public support for child care.

nity for women in education and employment was a national goal. In 1981, the U.S. Commission on Civil Rights issued a report called *Child Care and Equal Opportunity for Women*¹³ that recognized the link between the availability of child care and women’s opportunities in society. The increase in the number of women in the paid labor force is at least partly attributable to women’s efforts to attain equality and has broadened the constituency for public support of child care.¹⁶

Values Favoring Federal Support

American values regarding equity and fairness imply that support for child care should occur primarily at the federal level, rather than at the state or local levels. Equity demands that access to public goods and standards of living should not be completely dependent on where one lives, given the wide variation in states’ needs, resources, and costs of providing services.¹⁷ Similarly, certain notions of decency have demanded that minimum standards related to health and well-being should exist nationally irrespective of state borders.¹⁸ Finally, there has been a long tradition of federal protection of vulnerable minorities who have been subjected to discrimination at state and local levels.¹⁹ All of these have contributed to a view that federal support for child care is essential.

Nevertheless, the impetus for providing federal support for child care may have flowed less from these affirmative values than from negative ones—the desire not to pay continuous cash support to economically dependent mothers and a desire not to leave children in homes in which low income has been equated with poor parenting.

A Response to Unemployment: 1933–1943

The first federal investment in child care was made in 1933, primarily to provide government-paid jobs for thousands of teachers, nurses, cooks, janitors, and carpenters rendered unemployed by the Depression. Nevertheless, child care services were also seen as beneficial for children and jobless parents. Harry Hopkins, head of the Federal Emergency Relief Administration (later known as the Works Progress Administration or WPA), announced the emergency nursery school program: “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 includes the participation of parents. . . . [I]t serves to benefit the child from every point of view and parents are both relieved from their anxieties resulting from the worry of inadequate home provisions for their young children

and are included in an educational program on an adult level which will raise their morale and that of the entire family and the community.”²⁰

In 1933, the WPA emergency nursery schools were funded at \$6 million, and by 1938, over \$10.7 million in federal funds had been spent.²¹ Between 44,000 and 72,000 children ages two to five were enrolled in any one year.³ Although only children from families on “home relief” (a precursor to what later became Aid to Families with Dependent Children) were eligible, they included a broad cross section of the general population because of the widespread economic impact of the Depression.²²

Despite articles in academic journals of the time extolling the benefits of early childhood programs for *all* preschoolers²³ and advocating continued public support, WPA funding did not outlast the Depression years because the primary rationale for public support was to address problems of unemployment. By 1943, with unemployment waning and the WPA abolished, many of the WPA centers had closed.

A Response to a War Problem: 1942–1946

As the WPA centers were closing, the United States’ entrance into World War II generated an enormous demand for women’s labor in the war industries,²⁴ and federal funding for child care shifted from programs to end unemployment to programs supporting the ability of mothers to work.

The need for maternal labor in war factories did not change long-standing beliefs that mothers (at least those who could afford it) belong at home raising children. This tension, between the need for mothers in war industries and the strong value placed on mothers at home, is well reflected in a policy statement issued by the War Manpower Commission in 1942: “The first responsibility of women with young children, in war as in peace, is to give suitable care in their own homes to their children,” with mothers recruited as a last resort. Nevertheless, the statement also declared that barriers to the employment of mothers should not be set up by employers—hours and shifts should cause the least disruption

in family life—and that, when needed, child care facilities under community auspices should be developed.⁵

During the early years of the war, the need for child care became apparent as reports surfaced of children being left alone or locked in cars in parking lots while their mothers worked.¹⁹ One federal legislator testified, “You cannot have a contented 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 coming generations.”¹⁹

In 1940, Congress passed the Lanham Act,²⁵ which authorized federal grants and/or loans to public or private agencies for the maintenance and operation of public works, later interpreted by administrative decree to mean child care facilities in war-impacted areas.²⁶ In July 1942, Congress

“You cannot have a contented 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.”

authorized the use of \$6 million of the waning WPA appropriation for child care facilities for children of working mothers rather than just mothers on home relief.³ In war production areas, the WPA centers were thus transformed to meet a new need, and their funding was shifted from WPA to Lanham Act dollars.

To qualify for Lanham Act funds, a community had to demonstrate a need for child care resulting from war production. Eligibility for services was not based on family income, but was open to all mothers working in the defense and defense-related industries. Most child care was offered in centers that were administered by education agencies. At first, centers charged flat fees that varied between communities; in 1943, the federal government set a uniform fee of 50 cents per day (later raised to 75 cents). No regulations accompanied the federal monies.

During the four years the Lanham Act was in operation, allocations under it

provided \$51,922,977 in federal spending on child care, matched by \$26,008,839 from the states, to support 3,102 centers serving approximately 600,000 children. Lanham Act dollars formed the basis for virtually all federal funding²⁷ for child care during the war years. Forty-seven states received funding, with the bulk going to California¹⁹ because the greatest share of the nation's war industries was there.

Impact of the Lanham Act

The child care programs established with Lanham Act funds were limited in some ways: Centers were established only in “war impact areas” and were intended to be temporary.²⁸ Even at the height of the program, only about 13% of children needing care received federal assistance.³ Many were never convinced that mothers should work; others felt this was justified only by the war emergency.

Nonetheless, from roughly 1942 through 1946, the federal government in many respects played its most comprehensive role in the field of child care to date. The Lanham Act programs served children of all ages. Subsidies were provided for all children, not just those who were poor, and sup-

From 1942 through 1946, the federal government played its most comprehensive role in the field of child care to date.

ported programs that both helped parents work and promoted children's development (although quality varied widely from site to site). Subsidies were used for construction in addition to operational costs. Lanham Act child care also demonstrated that it was possible for mothers to be very productive as laborers if their children were well cared for, a notion that had been questioned previously.

Rationale for Public Support

Child care received federal support during the war years because there was a national emergency. Policymakers contended that, because the federal government had declared war, the nation as a whole—through the federal government—bore the responsibility for care that was essential to

the war effort. An official of the Federal Works Agency, the temporary war agency administering Lanham Act child care dollars, testified in 1943, “We are not subsidizing an expanded educational program nor a Federal welfare program, but 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.”¹⁹

Once the war was over and without public assertions of any right of women to work, funding for child care was to be terminated as soon as was practicable, although some thought that was shortsighted. Eleanor Roosevelt, for example, wrote, “Many thought they [the centers] were purely a war emergency measure. A few of us had an inkling that perhaps they were a need which was constantly with us, but one that we had neglected to face in the past.”²⁹ An outcry against sudden termination of the child care programs caused President Truman to request that Congress earmark \$7 million for child care projects through March 1946; Congress approved the appropriation with the understanding that the continued assistance was temporary.³

Without ongoing federal help, most of the child care programs established during the war years closed. A notable exception occurred in California, where public pressure sustained child care services. A state study concluded, “There has been a rather remarkable change in the public attitude towards group care of children. At its inception . . . mothers were inclined to view with suspicion the government suggestion that child care centers could be satisfactory for their children. Now . . . if the loud clamor over the threatened closing of centers may be interpreted as an index of their collective appraisal of the merit of the program, they are surprisingly well pleased, not only that release for employment is possible, but also with respect to the influence on the lives of children.”^{4,30}

The “loud clamor” was not heard throughout the country. Many mothers who had entered the work force only because of the wartime emergency quit as soon as the war ended; and in the heavy industrial sectors, which paid well, women were laid off twice as fast as men.^{24,29}

Although some programs also continued in New York and Washington with state, local, and community support, the withdrawal of federal funds resulted in the gradual closure of the vast majority of centers. Within one month of the federal termination of funds, 332 child care sites had closed.³¹

A Response to Poverty: The 1960s

During the 1960s, attitudes toward child care began to shift, in part because of child development research demonstrating the influence of the early years on later child development.¹² In 1965, federal funding for early childhood services was focused on enhancing the welfare of children through Head Start, whose scope of concern was limited to three- to five-year-olds from very-low-income families.

Enacted as part of President Johnson's war on poverty through the Economic Opportunity Act, Head Start was premised on the notion that early childhood education could have a substantial impact on poor children's later success. Although child care was still narrowly defined as a custodial, work-enabling service for poor parents, Head Start was conceptualized as a comprehensive child development program, emphasizing children's learning and health, as well as providing social services for families and encouraging parental involvement. It was promoted by President Johnson as a program that would foster improved outcomes such as higher IQs for low-income children.

Head Start funding is awarded by the federal government to local agencies, according to terms negotiated by the local grantee. Funding is awarded annually, in advance of services being provided. Federal monies require a 20% local match, and services are free to parents. Ninety percent of the children served by each agency must live below the federal poverty level. In Fiscal Year 1995, Head Start programs served 750,000 children, with a budget of \$3.535 billion.³²

Unlike the WPA and Lanham Act child care programs, which did not survive beyond their original authorizations, Head

Start has been reauthorized for decades, perhaps because of some unique characteristics that distinguish it from most other federally supported child care programs. A fundamental difference is that Head Start was centrally and intentionally designed. Funded programs have shared a name, mission, and philosophy, received training and technical assistance, and met uniform performance standards. Resources were made available for data collection and research evaluation, which have helped demonstrate Head Start's strengths and in turn led to public support for the program.

Head Start focused on generating successful experiences for families, but did not in its early years focus on providing job skills training to parents or offering child care as a means to help parents work. In fact, the expectation was that parents would not be working but would be available to participate in the program. Parental involvement has remained key to Head Start over the years and has helped to create an empowered constituency that has successfully lobbied for continued federal support.

Finally, the delivery system itself—the direct granting of dollars from the federal government to local community organizations—also helped to create and support a

Head Start was premised on the notion that early childhood education could have a substantial impact on poor children's later success.

larger grassroots constituency for a specific early childhood program than had ever been possible before.

Despite continuing funding over the decades, Head Start was never made an entitlement program. (An entitlement program does not need to be reauthorized by Congress and consequently does not require new committee hearings every few years.) This may suggest that the consensus about Head Start's importance is more fragile than it appears, or it may reflect concern about the price tag of a Head Start that would serve all eligible children.

A Response to Growing Universal Child Care Needs: 1971

In 1971, for the first time, supporters of child care representing myriad concerns, such as the importance of child development, the needs of working parents, the benefits of compensatory education, and community economic development, came together to craft and lobby for comprehensive child care legislation. The proposed Comprehensive Child Development Act of 1971 declared that comprehensive child development programs should be available as a *matter of right* to all children regardless of economic, social, and family background, although priority would be given to those with the greatest economic and social need. The program, to be funded at \$2 billion annually, included federal standards for quality and money for training and the purchase of facilities. Care was to be free to families earning up to \$4,320 and offered on a sliding scale to families earning up to \$6,960 per year in 1970 dollars (about 44% and 74%, respectively, of median income in 1970).³³

President Richard Nixon had supported a federal role in subsidizing child care to enable mothers at the lowest income levels to take full-time jobs. He declared, "My one conviction [is] that the Federal Government's role wherever possible should be one of assisting parents to purchase needed day

The proposed Comprehensive Child Development Act of 1971 declared that comprehensive child development programs should be available as a matter of right to all children.

care services in the private, open market, with Federal involvement in direct provision of such services kept to an absolute minimum."³⁴ But when the Child Development Act of 1971 came before him, he vetoed the legislation, saying, "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 over against [*sic*] the family-centered approach."³⁴

The veto message stunned supporters because there had been little indication of the president's intention.³⁵ Later, Elliot Richardson, President Nixon's secretary of health, education, and welfare, attributed the veto less to the president's views on child care than to his need to placate those who strongly opposed his rapprochement with China.³⁵ The moment of opportunity for federal support for a comprehensive child development program appeared to have passed.

A Response to Low-Income Families: 1974

Title XX of the Social Services Amendments of 1974 allocated \$2.5 billion annually for a variety of services, including child care, to promote adult self-sufficiency, to decrease inappropriate institutional care, or to prevent and treat child abuse and neglect.³⁶ A capped entitlement,³⁷ Title XX expanded the scope of federal assistance for low-income families to include the working poor as well as former or potential welfare recipients. In many states, Title XX was the sole source of public support for subsidized child care. In 1981, of a total of \$2.9 billion available for federal Title XX funds for social services, states spent about \$715 million for child care.³⁶

In 1981, the Social Services Block Grant (SSBG) replaced Title XX; the funding authorization level fell by almost 20%, from \$2.9 billion to \$2.4 billion; and the \$200 million earmarked for child care was eliminated.³⁸ Several federal funding streams were combined into a single block grant, which gave states the power to decide how funds would be used. This was in accordance with the prevailing view that the federal bureaucracy was too large, inflexible, and inefficient. Earlier federal provisions, which had required that dollars earmarked for child care be tied to regulatory standards, were eliminated. Reporting requirements were reduced, leaving the government and the public with limited information about Title XX's utilization for child care. However, there is no question that the portion of the SSBG that states spent on child care after 1981 was drastically cut,³⁹ particularly because child care was now pitted against other needs viewed as more pressing, such as foster care. From 1977 until 1994, total

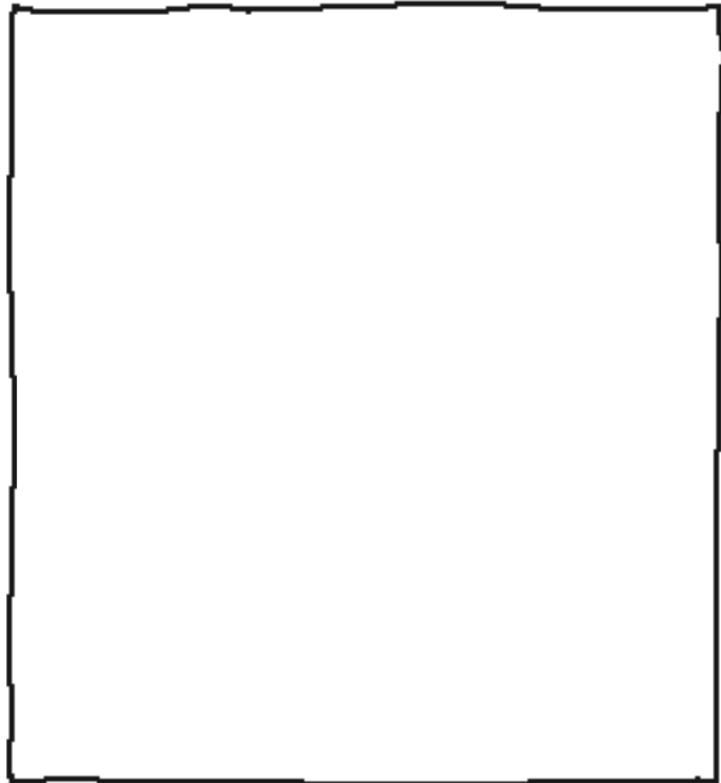
Title XX funding (for use in all areas) declined in real terms by 58% (from \$6.626 billion to \$2.8 billion in 1994 dollars).³⁶

A Response to Welfare Dependency: 1988

By 1988, 56% of mothers with children under age six were in the work force, many working by necessity rather than by choice.³⁶ There was diminishing support for the notion that poor mothers should receive public support to stay at home to care for their children, especially as the public realized that the Aid to Families with Dependent Children (AFDC) population was increasingly made up not of widows but of never-married mothers, who were perceived by many as less deserving. The public and policymakers were ready for welfare reform, and the Family Support Act (FSA) was passed in 1988. This legislation required that many welfare recipients, including most mothers with preschool children, participate in education, training, or work.

Since 1962, child care payments had been available for those on AFDC who were receiving job training, although payments were infrequently used because mothers of preschool children were exempted from job training requirements, and job training programs favored men, who generally did not require child care subsidies to participate. Child care was integral to the success of the new FSA program, however, because the law mandated participation in self-sufficiency activities by mothers with children over three years of age and allowed states to require participation by mothers with children as young as one year of age. By Fiscal Year 1993–94, 11 states required parents to participate when they had children younger than age three.⁴⁰

Significantly, the FSA included a *guarantee* of child care for participating families. Participation in education, training, or work was not required if child care was not available. The law was silent concerning child care quality, and no specific regulatory standards were tied to FSA funding. Because FSA child care was to be provided primarily to ensure parental participation in work-related activities, and not to promote child development, child care subsidies were guaranteed only for the hours necessary for par-



ticipation in those activities. FSA also included provisions to help parents continue working; access to a transitional child care (TCC) subsidy was guaranteed for one year after parents left AFDC for work-related reasons.

Impact of the Family Support Act

FSA child care was the first open-ended entitlement for child care in American history: Families that met the eligibility standards were guaranteed child care subsidies, regardless of the economic situation of a state. States were required to contribute to the cost of providing care in order to draw down federal matching funds. This entitlement to child care subsidies extended only to those on or leaving AFDC; families in equivalent economic circumstances but that had never received AFDC were not guaranteed similar child care assistance. Many found this discrepancy unfair, and it may have made it difficult to discourage families from going on AFDC because working poor families that were not on AFDC had no guarantee of child care.

The FSA also marked the first time public subsidies were linked explicitly to the private child care market: payments for an individual child's care could not exceed the

local market rate charged for child care. As a result, states conducted market rate surveys to determine the payments for child care, with varying results across states. Providers in some states (for example, Ohio, Virginia, Wisconsin, and Minnesota) received higher rates than had ever been available to those delivering child care for those on AFDC; providers in other states (for example, Alabama, Indiana, Louisiana, and Michigan) received the minimum child care rates allowed under FSA—\$200 per month for a child under two and \$175 per month for older children.⁴¹ Higher rates tended to encourage more providers to accept children with public subsidies, thereby expanding the child care choices of low-income families.

A Response to the Working Poor: 1990

Just two years after the passage of the FSA, two other major pieces of child care legislation became law: the Child Care and Development Block Grant (CCDBG) and Title IV-A At-Risk Child Care. The new legislation seemed to result from growing recognition of the need for child care support among all families, not just those on AFDC, and the growing political muscle of middle- and upper-middle-class women who demanded policy responses to some of their basic economic concerns.¹⁶ When

The increasing number of divorces, female headed households, and middle class wage earning white women ignited the child care movement.

Vice President Bush announced his willingness to support some form of child care assistance, he spoke before the National Federation of Business and Professional Women's Clubs of the United States, although the bulk of his proposal was directed toward low-income families.⁴² As Mary Frances Berry, former U.S. commissioner on civil rights, has written, "Continuing concern about poor children and welfare women underscored the issue, yet it was the increasing number of divorces, female-headed households, and middle-class wage-earning white women that ignit-

ed the child care movement."⁴³ In large measure, the willingness to respond to demands for federal child care support reflected politicians' growing concerns over the "gender gap."

By 1990, 58.2% of mothers with children under age six were working.³⁶ In the lower strata of the economy, family income was in serious decline due to diminishing wages, structural changes in the economy resulting in increases in part-time work with limited or no benefits, the rise of single-parent families, inadequate child support enforcement,⁴⁴ and cuts in the generosity of income support programs.

As in previous periods, advocacy for child care legislation in 1990 was framed as the need to respond to a national crisis, but this crisis was of a far different character than those experienced decades earlier. As the need for child care deepened and broadened, it became harder to characterize it as a crisis, although it certainly affected many more families than it had during the Depression or World War II.

The Child Care and Development Block Grant

The CCDBG primarily benefitted low-income parents who were working, seeking employment, or in education and training. However, the campaign to support the passage of the bill emphasized the child care needs of all families, regardless of income, thereby broadening its base of support. Like the FSA, the CCDBG mandated that parents be able to choose from a wide range of providers. The very name of the legislation reflects the continuing struggle to blend and merge the two primary goals of care for children: child care and development. Vague, minimal health and safety standards were set forth, but otherwise all regulatory aspects were left to the states. The CCDBG did, however, include a 5% set-aside for activities to improve child care quality; this was very important not only to the child care advocates, but also to parents who were not low income as a means of persuading them that the bill would also benefit them. Significantly, the CCDBG was 100% federal money, requiring no matching funds from the states. The discretionary, nonentitlement program had to be reauthorized after five years.

Title IV-A At-Risk Child Care

Eligibility for Title IV-A At-Risk Child Care was limited to the working poor, to families that needed child care in order to work and that “would be at risk of becoming eligible for aid [AFDC] . . . if such care were not provided.”⁴⁵ As a capped entitlement, it did not have to be reviewed by a congressional budget committee every year; but states were required to provide a match to draw down federal funds—a requirement that limited the program’s utilization significantly. Moreover, its narrow categorical eligibility caused many parents who lost their jobs serious discontinuities in their child care arrangements.

A Response to Parental Employment: 1939–Present

As mentioned, a major trend throughout the decades following the end of the Second World War was the gradual entry of women into the work force, as illustrated in Figure 1. This led to increased public support for direct subsidies of child care services by the federal government, and it also led to changes in the tax code to recognize the costs incurred through parental employment.

Although many women lost or left their jobs after the war, a substantial number remained in the work force.⁴⁶ In 1948, about 3.2 million mothers with children under age 18 were employed, including about 11% of mothers with children under the age of 6.⁴⁷ As more women entered the labor force, federal support for child care was increasingly provided through the tax system rather than through subsidies or direct payments for child care services.

As early as 1939,⁴⁸ and again in 1949,⁴⁹ the U.S. Tax Court had held that a working mother could not deduct the expense of hiring a nursemaid to care for her child from her gross income. The court found child care to be an inherently personal duty of the mother and not a deductible expense, despite the fact that child care was necessary for the production of income.⁴⁸

In 1954, however, a special dependent care deduction (Section 214) was added to the Internal Revenue Code allowing tax deductions for child care expenses to

employed (1) widows and widowers, (2) mothers whose husbands were incapable of self-support, and (3) unmarried persons who were divorced or legally separated from their spouses. Qualifying individuals could deduct up to \$600 annually for child care expenses for children under 12 (or under 16 if “physically handicapped”). Married women with husbands capable of self-support were entitled to take the deduction only if they filed joint returns and if the couple’s total adjusted gross income did not exceed \$5,100.

Changes occurred over the years. Deductible amounts and income limits were changed in 1964.⁵⁰ In 1976, the cap on income was removed, and the deduction was replaced by a 20% dependent care tax credit on expenses up to \$2,000 for one dependent. The change to a tax credit (rather than a deduction) reflected a desire on the

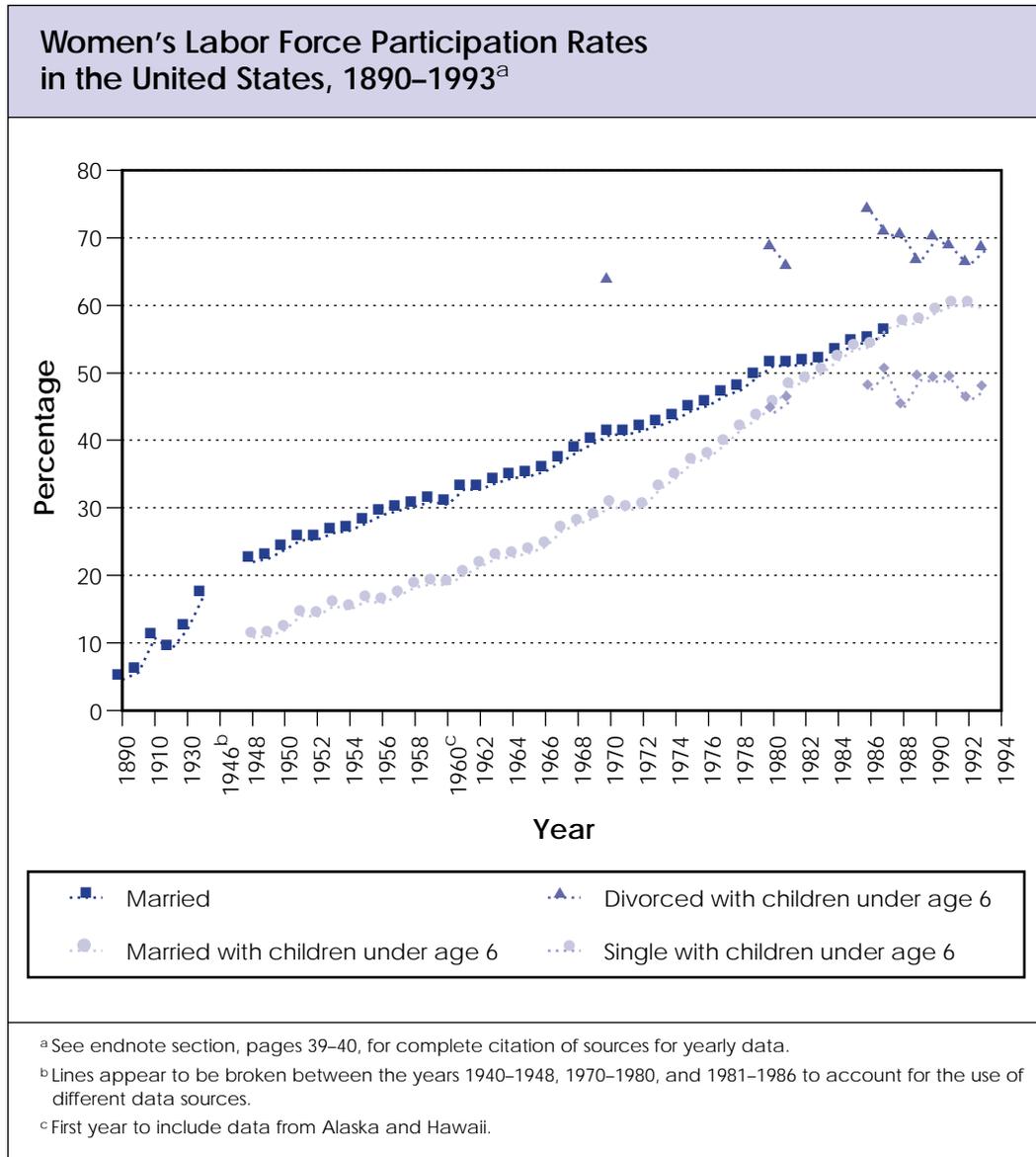
The gradual entry of women into the work force led to increased public support for direct subsidies of child care services and also led to changes in the tax code.

part of policymakers to extend the child care payment to all taxpayers (not just those who itemized on their tax returns) and to help more taxpayers in the lower income brackets.⁵¹ The legislation also made the credit available to couples in which one spouse worked full time and the other attended school full time or one or both individuals worked part time.

In 1981, the credit was revised again, increasing the amount a taxpayer could claim (up to 30% of child care expenditures that do not exceed \$2,400 for one dependent and \$4,800 for two or more) and creating a sliding scale so that maximum tax relief became available to those taxpayers with lowest incomes. However, the tax credit was not made refundable, so low-income workers who owed no taxes still received no benefit from the credit.

Thus, although current tax policy recognizes the relationship of child care to income production and confers greater tax benefits on those with lower incomes, the

Figure 1



dependent care tax credit has major limitations: It does not typically cover anything close to the full cost of care, it does not benefit all taxpayers, and it can be claimed only at the end of the year (after families have already had to pay their child care expenses). It remains, however, the largest public investment in child care and, as such, is critically important to the families that can utilize it. (See the article by Stoney and Greenberg in this journal issue for additional details.)

Conclusion

The United States has yet to establish an underlying principle or set of principles to justify public support of child care. The nation has yet to recognize the rich, multidimensional character of affordable, quality child care.

Each campaign for public support for child care has tended to focus on one particular goal of child care, such as its ability to enable work, promote school readiness, protect children from abuse or neglect, or compensate for disadvantage. Indeed, some of the most comprehensive child care programs supported by the federal government were created with virtually no public discussion about child care. The Lanham Act was passed to support the war effort without even mentioning child care, and Head Start is seen as an educational program, not as child care. One commentator noted that child care has been a “stepchild to welfare policy for the poor and tax policy for the middle class.”⁵² Congress came closest to

acknowledging the rich nature of child care as a comprehensive family-focused service worthy of support in its own right in 1971, only to have the bill vetoed by Richard Nixon.

After that veto, it took 19 years (during which the percentage of mothers in the labor force increased dramatically) before child care again became an issue the politicians felt they had to reckon with, but the resulting legislation continued the confusion over purposes and maintained the fragmented child care subsidy system. Child care funding since 1988 has minimized the focus on the quality of the care that children eligible for subsidies receive. Funding streams are designed primarily to help low-income mothers work. By contrast, the belief that comprehensive, high-quality care yields benefits for low-income children and society is a primary rationale for public support of Head Start, which serves many of the same

families eligible for AFDC or working poor-related subsidies, but does so primarily in part-day, part-year programs that are less suitable for working parents.

The current political landscape highlights the tenuous nature of public support for government-funded, particularly federally funded, child care, with major shifts occurring in the roles of federal, state, and local government. (See the article by Stoney and Greenberg in this journal issue.) Although some are heartened by the fact that the need for child care subsidies is much more widely appreciated today than it was 60 years ago, others are deeply disheartened that the gap between need and support seems to be growing ever wider.

The author wishes to thank Simone Paoletti Albrecht, Lara Heisler, Teresa Nauta, and Natalie Fousekis for their able research assistance on various aspects of this article.

1. The brevity of this article precludes a thorough examination of the history of all forms of support for child care. Support has come from private sources and from all levels of government. To explore nonfederal subsidies, see, for example, Smith, S.L., Fairchild, M., and Groginsky, S. *Early childhood care and education: An investment that works*. Denver, CO: National Conference of State Legislatures, 1995.
2. Grubb, N., and Lazerson, M. *Broken promises: How Americans fail their children*. New York: Basic Books, 1982.
3. Cahan, E. *Past caring: A history of U.S. preschool care and education for the poor, 1820–1965*. New York: National Center for Children in Poverty, 1989.
4. Youcha, G. *Minding the children: Child care in America from colonial times to the present*. New York: Scribner, 1995.
5. Kerr, V. One step forward—two steps back: Child care's long American history. In *Child care—who cares?* student ed., P. Roby, ed. New York: Basic Books, 1975, pp. 85–99.
6. Howes, C., and Droege, K. Child care in the United States and industrialized nations. *Pediatrics* (1994) 94 Suppl. 1081.
7. See, for example, Steiner, G. *The futility of family policy*. Washington, DC: Brookings Institution, 1981. On American individualism generally, see Bellah, R., Madsen, R., Sullivan, W., et al. *Habits of the heart: Individualism and commitment in American life*. Berkeley, CA: University of California Press, 1985.
8. Beck, R. White House conferences on children: An historical perspective. In *The rights of children*. Reprint Series No. 9, *Harvard Educational Review*. Cambridge, MA: Harvard College, 1974, pp. 88–103.
9. Kessler-Harris, A. *Out to work: A history of wage-earning women in the United States*. Oxford: Oxford University Press, 1982.
10. Berry, M.F. *The politics of parenthood: Child care, women's rights and the myth of the good mother*. New York: Viking/Penguin, 1993.
11. Scarr, S. *Mother care/other care*. New York: Basic Books, 1984.
12. Steinfels, M. *Who's minding the children: The history and politics of day care in America*. New York: Simon and Schuster, 1973.
13. U.S. Commission on Civil Rights. *Child care and equal opportunity for women*. Clearinghouse Publication No. 67, June 1981.

14. Keniston, K. Preface. In *Small futures: Children, inequality and the limits of liberal reform*. R. DeLeone for the Carnegie Council on Children. New York: Harcourt Brace Jovanovich, 1979. See also Kagan, S. *Excellence in early childhood education: Defining characteristics and next-decade strategies*. Washington, DC: U.S. Department of Education, Office of Educational Research and Improvement, 1990.
15. Takanishi, R. Federal involvement in early education (1933–1973): The need for historical perspectives. In *Current topics in early childhood education*, vol. 1. L. Katz, M. Glockner, S. Goodman, and M. Spencer, eds. Norwood, NJ: Ablex Publishing Corporation, 1977.
16. See note no. 3, Cahan, preface by Judith Jones.
17. *GAO report to the chairman, committee on economic and educational opportunities, House of Representatives, block grants: Characteristics, experience and lessons learned*. Washington, DC: General Accounting Office, 1995.
18. *Final report of the National Commission on Children. Beyond rhetoric: A new American agenda for children and families*. Washington, DC: National Commission on Children, 1991.
19. 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.
20. Hopkins, H. Announcement of emergency nursery schools. *Childhood Education* (1933) 10:155.
21. Getis, V.L., and Vinovskis, M.A. History of child care in the United States before 1950. In *Child care in context: Cross-cultural perspectives*. M.E. Lamb, K.J. Sternberg, C.P. Hwang, and A.G. Broberg, eds. Hillsdale, NJ: Lawrence Erlbaum Associates, 1992.
22. Langdon, G. The facts about emergency nursery schools. *Childhood Education* (1935) 11,5:255–58.
23. Stoddard, G. Emergency nursery schools on trial. *Childhood Education* (1935) 11:259–61.
24. Anderson, K. *Wartime women: Sex roles, family relations, and the status of women during World War II*. Westport, CT: Greenwood Press, 1981.
25. The Lanham Act was passed by the 76th Congress, 3rd Session. For the text of the act, see Public Law No.76–862,54 Stat. 1125 (1940).
26. It was the Committee on Buildings and Grounds, an administrative entity implementing the law, that defined child care facilities as public works that could be supported with funds from the Lanham Act.
27. During the war, limited support was also available to employers such as Kaiser through defense contracts; another limited subsidy preceded Lanham Act support. See Tuttle, W. Rosie the riveter and her latchkey children: What Americans can learn about child day care from the Second World War. *Child Welfare* (1995) 74,1:92–114.
28. Tank, R.M. Young children, families, and society in America since the 1820s: The evolution of health, education and child care programs for preschool children. Unpublished doctoral dissertation, University of Michigan, 1980. As cited in note no. 21, Getis and Vinovskis.
29. Goodwin, D.K. *No ordinary time: Franklin and Eleanor Roosevelt: The home front in World War II*. New York: Simon and Schuster, 1994.
30. California has maintained to the present day its wartime children's centers, administered by the state Department of Education, requiring a welfare-type means test to determine eligibility. Mitchell, A., Seligson, M., and Marx, F. *Early childhood programs and the public schools: Between promise and practice*. Dover, MA: Auburn House Publishing Company, 1989.
31. Assembly Interim Committee on Social Welfare. Report on the Child Care Center program. California Legislature Assembly, January 1951, p. 287.
32. Neugebauer, R. Once sacred Head Start fighting for its life. *Child Care Information Exchange* (January/February 1996) 107:33.
33. U.S. Department of Commerce, Bureau of the Census. *Statistical Abstract of the United States: 1995*. 115th ed. Washington, DC: U.S. Government Printing Office, 1995, p. 474, Table 731.
34. Congressional Record, December 10, 1971, pp. 46057–59. (Text of President Nixon's veto message of the Child Development Act of 1971.)
35. Steiner, G.Y. The politics of comprehensive legislation. In *The children's cause*. G.Y. Steiner and P.H. Milius, eds. Washington, DC: Brookings Institution, 1976.
36. U.S. House of Representatives, Ways and Means Committee. *Overview of entitlement programs: 1994 green book*. Washington, DC: U.S. Government Printing Office, 1994.

37. Capped entitlements do not have to be regularly reauthorized by Congress, but Congress appropriates a set amount for the program each fiscal year. When these funds are exhausted, no further services are provided.
38. See note no. 36, U.S. House of Representatives, Ways and Means Committee; see also Roberts, P., and Clark, C. Child care and low-income families. *Clearinghouse Review*. (July 1988) 22,3:233–44.
39. Blank, H. *Children and federal child care cuts: A national survey of the impact of federal Title XX cuts on state child care systems, 1981–1983*. Washington, DC: Children’s Defense Fund, 1983.
40. U.S. Department of Health and Human Services. *Characteristics of state plans for the Job Opportunities and Basic Skills (JOBS) training program, 1993–94 ed.* Washington, DC: DHHS, 1994.
41. Children’s Defense Fund. *Child care under the Family Support Act: Early lessons from the states*. Washington, DC: Children’s Defense Fund, April 1992.
42. Bush, G. Address to the National Federation of Business and Professional Women’s Clubs of the United States. July 24, 1988.
43. See note no. 10, Berry, p. 172.
44. Ellwood, D.T. *Poor support: Poverty in the American family*. New York: Basic Books, Inc., 1988; Danziger, S.H., and Weinberg, D.H. The historical record: Trends in family income, inequality, and poverty. In *Confronting poverty: Prescriptions for change*. S.H. Danziger, G.D. Sandefur, and D.H. Weinberg, eds. New York: Russell Sage Foundation, 1994.
45. See 42 U.S.C. Section 602(I) (1).
46. Gatlin, R. *American women since 1945*. Jackson, MS: University Press of Mississippi, 1987; Hartmann, S.M. *American women in the 1940s: The home front and beyond*. Boston: Twayne Publishers, 1982. As cited in note no. 21, Getis and Vinovskis.
47. U.S. Bureau of the Census. *Historical statistics of the United States, colonial times to 1970*, part 1, series D 63–74. Washington, DC: U.S. Department of Commerce, Bureau of the Census, 1975. As cited in note no. 21, Getis and Vinovskis.
48. *Smith v. Commissioner*, 40 B.T.A. 1038 (1939), aff’d without opinion 113 F.2d. 114 (2d.Cir).
49. Kornblum, L. Judicial notice, judicial label-making and judicial policy creation: An analysis of the tax court’s treatment of child care expenses. Article prepared for Boalt Hall writing requirement. March 29, 1982.
50. Public Law No. 88–272, 78 Stat. 19 (codified at I.R.C. 214(b)(1)(B) (1964)).
51. A tax credit reduces, dollar for dollar, the amount of a taxpayer’s liability, so it is more beneficial to a taxpayer than a deduction, which reduces only the amount of a taxpayer’s taxable income. However, if there is no tax to apply the credit against, any benefit is lost.
52. Norgen, J. In search of a national child care policy: Background and prospects. In *Women, power and policy*. E. Boneparth, ed. New York: Pergamon, 1982, pp. 124–43.

SOURCES FOR FIGURE 1 ON PAGE 36:

Married Women

Married Women, 1890–1920:

U.S. Department of Labor, Women’s Bureau. *Facts about working women: A graphic presentation based on Census statistics and studies of the Women’s Bureau*. Bulletin of the Women’s Bureau, no. 46. Washington, DC: U.S. Government Printing Office, 1925.

Married Women, 1930–1940:

Weiner, L.Y. *From working girl to working mother: The female labor force in the United States, 1820–1980*. Chapel Hill, NC: University of North Carolina Press, 1985.

Married Women, 1948–1970:

U.S. Bureau of the Census. *Historical statistics of the United States, Colonial times to 1970*, part 1. series D 63–74. Washington, DC: U.S. Government Printing Office, 1975.

Married Women with Children Under Age 6

Married Women with Children Under Age 6, 1948–1949, 1980, 1982–1987:

Taeuber, C., ed. *Statistical handbook on women in America*, Phoenix, AZ: Onyx Press, 1991, p. 108, Table B3–9.

Married Women with Children Under Age 6, 1950–1979, 1981:

U.S. Department of Labor, Office of the Secretary, Women's Bureau. *Time of change: 1983. Handbook on women workers*. Washington, DC: U.S. Government Printing Office, 1984.

Married Women with Children Under Age 6, 1988–1991:

U.S. House of Representatives, Ways and Means Committee. *Overview of entitlement programs: 1994 green book*. Washington, DC: U.S. Government Printing Office, July 15, 1994.

Married Women with Children Under Age 6, 1992:

U.S. Department of Labor, Women's Bureau. *1993 handbook on women workers: Trends and issues*. Washington, DC: U.S. Government Printing Office, 1994.

Divorced Women with Children Under Age 6

Divorced Women with Children Under Age 6, 1970, 1980, 1986–1993:

U.S. House of Representatives, Ways and Means Committee. *Overview of entitlement programs: 1994 green book*. Washington, DC: U.S. Government Printing Office, July 15, 1994.

Divorced Women with Children Under Age 6, 1981:

U.S. Department of Labor, Office of the Secretary, Women's Bureau. *Time of change: 1983. Handbook on women workers*. Washington, DC: U.S. Government Printing Office, 1984.

Single Women with Children Under Age 6

Single Women with Children Under Age 6, 1980, 1986–1993:

U.S. House of Representatives, Ways and Means Committee. *Overview of entitlement programs: 1994 green book*. Washington, DC: U.S. Government Printing Office, July 15, 1994.

Single Women with Children Under Age 6, 1981:

U.S. Department of Labor, Office of the Secretary, Women's Bureau. *Time of change: 1983. Handbook on women workers*. Washington, DC: U.S. Government Printing Office, 1984.