Child Care in the United States Today

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Abstract

This article describes the consumers and providers of child care in the United States. It uses data from nationally representative surveys and research studies conducted from the late 1960s through 1995 to examine the child care arrangements parents select for their young children, comparing today’s arrangements with those made by parents decades ago. It then discusses the availability of child care, examining both the number of child care spaces available and whether quality programs are available to suit the needs and resources of parents. The article concludes with speculation about how proposed new policies and continuing trends may lead to future changes in child care.

The number of children being cared for in a child care or early education program has soared over past decades, driven by increases in the number of women in the work force, changes in family structure, and parents’ desire to provide children with educational experiences to prepare them for school. (See also the article by Cohen in this journal issue.) In 1995, for example, 60% of children from birth to five years of age who had not yet enrolled in school—13 million children—participated in a non-parental child care or early education program. Child care is no longer an experience for a few children; it is rapidly becoming the norm.

Just as child care is becoming the norm for children, struggling to secure a child care arrangement is becoming the norm for parents. Parents face an almost bewildering array of choices: friends and relatives, child care programs operated either publicly or privately, as either independent businesses or as part of a chain, either regulated by state agencies or not, and staffed by individuals with widely varying training and experience. Parents must weigh considerations of quality and convenience, of availability and affordability as they choose care, all the while worrying about whether they have made the right decision.

The results of parents’ struggles can be seen by examining who provides care for the young children in America. This article reviews the results of several representative national surveys and additional research studies to...
Definitions of Types of Care
Families are remarkably flexible and inventive in finding ways to care for their children. Some working mothers can care for their own children at home because they work at home. Others take them to work with them. Some share child care with their husbands or partners. Relatives such as grandmothers or aunts may provide care in the child’s or their own home. Other mothers rely instead upon neighbors, friends, and professionals to care for their children. Some parents hire an in-home provider (a “sitter” in this article), a nonrelative, to care for the child in their own home while they work. If the sitter lives with the child’s family, she is often called a “nanny.” In this article, “relative care” refers to care by relatives and by husbands or partners, and “informal care” refers to all arrangements (that is, care by relatives, husbands, sitters, and so on) in which care is not typically regulated by state or federal agencies.

Family Child Care
Although the precise definition of family child care differs across states, in most cases, family child care refers to a program in which a provider takes care of unrelated children in her own home. The family child care provider may be a neighbor, a friend, the woman down the street who cares for other people’s children while raising her own, and/or someone who has chosen this as a career and business.

Regulation of Family Child Care Homes
Regulation of child care is a responsibility of the states, and states vary widely in how they exercise that responsibility. States generally regulate family child care homes via licensing and/or registration approaches. Licensing means that family child care homes must meet certain minimum health, safety, and (sometimes) programmatic standards before they can serve a specific number of children. Registration is a simpler, more limited approach in which providers are either required or encouraged to identify themselves to state authorities to certify that they comply with state standards and requirements. Under registration, no initial inspection is required before programs can begin operation.

States often use registration with family child care homes that serve a relatively small number of children and licensing with larger programs. Or they may exempt family child care providers serving small numbers of children from all requirements. In 1993, only eight states and the District of Columbia required that all family child care providers be registered or licensed.

The aspects of operation that are regulated vary across states but usually cover one or more of the following: minimum number of square feet for indoor and outdoor activities, minimum age of caregiver, maximum number of children permitted per caregiver (staff-child ratio), preservice training requirements or criminal background check for the caregiver, immunization for children before enrollment, prohibition of

Comparing child care arrangements today with those of two and three decades ago, the data indicate that some shortages may exist and that, over the past decades, parents have been paying more to place their children in settings of declining quality. Such placements have negative implications for parents’ ability to enter and remain in the work force and, as discussed in the article by Helburn and Howes in this journal issue, for children’s development.
corporal punishment, or parental right to visit the home during hours of operation. In 1995, licensing officials were sometimes not required to routinely visit family child care homes and sometimes required to do so up to four times per year. In 27 states and Washington, DC, routine visits were required less than once per year or not at all.

Few states regulate all of these aspects of operation. Indeed, because many states exempt large numbers of family child care homes from any regulation, there are many more unregulated family child care homes than regulated ones. In 1990, between 10% and 18% of all family child care homes were thought to be regulated. This results in a vast number of family child care homes that are hard to identify and hard to count.

**Enrollment in Family Child Care Homes**

In 1990, the average regulated family child care home served 6 children, and the average nonregulated home served 3. In some states, providers may serve up to 12 children in a large family child care home. In 1995, approximately 9% of regulated family child care homes were large homes that served 7 to 12 children.

**Administrative Auspices of Family Child Care Homes**

Although most family child care providers operate independently as small businesses with a sole proprietor, some do operate under the sponsorship of an outside organization such as a neighborhood child care center or family service agency. In such arrangements, programs are members of a family child care home network where the sponsoring agency takes responsibility for training (and sometimes paying) the family child care provider and for referring potential clients to the family child care home. In 1990, some 23% of regulated and 2% of nonregulated providers were sponsored by an outside organization.

**Center-Based Care**

As children approach entry into kindergarten, most parents choose a center-based program for their children. Income families primarily have taken advantage of Head Start, the foremost early childhood program for low-income children and their families. The latter is free to eligible families and provides a wider range of services than do most other early childhood programs, including education, structured opportunities for parent involvement, and social and health services.

**Regulation of Centers**

Although some states exempt from their licensing regulations church-sponsored centers, part-day preschools, or state prekindergarten programs that are part of the public school system, almost all centers are regulated or licensed in some way. Centers are generally regulated on the same aspects of operation as are family child care homes, plus others such as the maximum number of children per group. They are also subject to more stringent inspection cycles by licensing officials. In some states, they are visited up to four times per year. Inspection visits
are also required before they can begin operations.

**Enrollment in Centers**
The number of children enrolled varies substantially across programs. In 1990, the average enrollment in a center-based program was 67, but it ranged from a low of 50 in the average Head Start program to a high of 91 in the average center operated by a for-profit chain.

**Administrative Auspices of Centers**
In 1990, 65% of early education and care centers operated as nonprofit agencies (meaning that they were exempt from federal and state taxes because they were judged to be providing a charitable or educational service), and the remaining 35% operated as for-profit businesses. As illustrated in Figure 1, most nonprofit child care programs operated under the sponsorship of another organization, usually a religious group, public school, or Head Start. Independent for-profit programs constituted 29% and for-profit chains 6% of all center-based programs. (The implications of auspices for the cost and quality of child care are discussed in the article by Helburn and Howes in this journal issue.)

**Child Care Arrangements**
In 1995, there were nearly 21 million children five years of age or younger who had not yet enrolled in school in the United States. About 40% were cared for by their parents, 21% by relatives, 31% in center-based programs, 14% in family child care homes, and 4% by sitters. These numbers add up to more than 100% because about 9% of parents use multiple child care arrangements (for example, children might spend three mornings per week in a center-based nursery school program, but two mornings per week and all afternoons with a relative). To avoid confusion, this article focuses on the child’s primary arrangement, defined as the arrangement in which the child spent the most hours each week. This results in smaller estimates of overall enrollments in center-based programs; however, it makes the data compa-

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**Figure 1**

**Administrative Auspices of Child Care Centers in the United States, 1990**

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rable to previous studies and uniquely describes each child.

In any case, this picture of current child care arrangements is a static snapshot. It does not capture the dynamic trends over the past 30 years that have led an increasing percentage of all children to be enrolled in child care and an increasing percentage of those children to be enrolled in formal, center-based arrangements.

Despite these overall trends, the current numbers illustrate persistent differences in the arrangements parents choose, depending upon their employment status, the ages of their children, and their family income: (1) employed parents are more likely than nonemployed parents to choose center-based child care, (2) preschoolers are more likely than infants and toddlers to be enrolled in centers, and (3) children from higher-income families are more likely than children from lower-income families to be enrolled in centers.

**Maternal Employment and Child’s Age**

In 1994, 62% of married mothers with a child under age six were in the work force, compared with 30% in 1970.18 Because 8 of 10 employed mothers are likely to use some form of nonparental child care arrangement;2 the increased employment of mothers outside the home has led to a sharp increase in the use of nonparental child care over the past several decades.

In fall 1993, about 10 million children under five years of age had mothers (married or not) in the work force. Of those children, 47% were cared for by parents or relatives, 30% in a center-based program, 17% in a family child care home, and 5% by an in-home sitter.2 (These arrangements are illustrated in Figure 2.)

Over the past three decades, employed mothers gradually shifted their care arrangements from parents or relatives to centers or family child care homes (also depicted in Figure 2). In 1965, only 22% of young children were in family child care and center-based arrangements. By 1993, the use of center care increased fivefold, from 6% to 30%, while the use of family child care remained at about 17%. In contrast, the use of relatives, sitters, and parents all declined.

The increase in enrollment in center-based programs has occurred across all age ranges. Figure 3 illustrates that, since the early 1980s, the percentage of three- to four-year-olds of employed mothers in center-based programs has increased by almost half, the percentage of toddlers has doubled, and the percentage of infants has tripled. In other words, as more women have entered the work force, more and more of their children have entered center-based programs at younger and younger ages.

In fact, there has been a large increase in center-based enrollments of all preschool children, whether their mothers are employed or not. Over half (53%) of all four-year-old children were enrolled in a preprimary program (including kindergarten) in 1991, compared with just 28% in 1965.19 By 1995, about 40% of three-year-olds, 65% of four-year-olds, and 75% of five-year-olds not yet enrolled in school were enrolled in center-based programs.2

The increase among older preschoolers in enrollment in center-based programs is so broad-based that the enrollment rates of three- to five-year-old children of employed and nonemployed mothers have begun to converge. In 1991, 50% of three-to five-year-old children of mothers not in the work force were enrolled in a nursery school at some time, compared to 60% of three- to five-year-old children of mothers in the labor force.19

As more women have entered the work force, more and more of their children have entered center-based programs at younger and younger ages.

The story is different for infants and toddlers, however. Children under three years of age are much less likely to be enrolled in center-based programs than are three- and four-year-olds. Only 7% of all infants and about 15% of all toddlers were enrolled in a center-based program in 1990.2
Figure 2

Primary Care for Youngest Preschool Child, Employed Mothers, 1965-1993

In addition, the differential between employed and nonemployed mothers in enrollment for their very young children is still quite substantial: in 1990, the rate of enrollment in centers for infants of employed mothers was almost 5 times higher than the rate for infants of nonemployed mothers. The rate of enrollment for toddlers was about 2.5 times as high. (See Figure 4.)

The changes in child care arrangements over time are probably due to three main trends. (1) The increasing percentage of children who are being cared for by someone other than their parents is largely attributable to the increasing number of women in the labor force. (2) The shift from relatives and the other parent as caregiver to center-based programs may be due in part to the increasing proportion of single parents. Between 1940 and 1960, only about 6% to 8% of children lived in mother-only families; in 1988, 21% of children did. As that percentage has increased, mothers may have fewer relatives and in-laws to rely on, and those relatives may have to work themselves, leaving fewer available for child care responsibilities. (3) The increased enrollment rates in centers by all three- and four-year-olds is most likely due to parental convictions, based on substantial research.
Figure 4

### Child Care Arrangements by Age of Child and Maternal Employment Status, 1990

#### Employed mother, children under 1 year of age

- **Other**: 3%
- **Center**: 21%
- **In-home provider**: 4%
- **Relative (other home)**: 13%
- **Relative (child’s home)**: 7%

#### Employed mother, children 1 to 2 years of age

- **Other**: 4%
- **Center**: 37%
- **In-home provider**: 3%
- **Relative (other home)**: 10%
- **Relative (child’s home)**: 4%

#### Employed mother, children 3 to 4 years of age

- **Other**: 5%
- **Center**: 14%
- **In-home provider**: 5%
- **Relative (other home)**: 11%
- **Relative (child’s home)**: 8%
Figure 4 (continued)

Child Care Arrangements by Age of Child and Maternal Employment Status, 1990

Nonemployed mother, children under 1 year of age

Nonemployed mother, children 1 to 2 years of age

Nonemployed mother, children 3 to 4 years of age

endorsed by public policy, and subsidized by increased dollars for Head Start and state prekindergarten programs, that preschool programs can help prepare children for success in school.

**Family Income**

Child care arrangements are also affected by family income. In the past 15 years, the proportion of preschool children of low-income families who are enrolled in center-based programs has risen. But a gap remains between the enrollment rates of children of lower- and higher-income families. For example, only about 45% of three- to five-year-olds whose family incomes were below the poverty level attended center-based programs in 1991, in contrast with about 75% of children from high-income families (family income of more than $50,000).

In addition, among the poor, primarily the children from the very poorest families where parents are not working seem to be the ones enrolling in these center-based programs. Children from families where a parent worked but incomes were below $25,000 per year were less likely than either children of nonworking poor or middle-class families to participate in center-based programs. There are probably two reasons: (1) many publicly subsidized center-based programs are part-day and part-year programs that may not meet the needs of working parents and (2) many such programs are open only to the very poorest families. Once parents begin to work, they may exceed income eligibility for them. (For a review of these subsidy programs, see the article by Stoney and Greenberg in this journal issue.)

The differential enrollment rates are important because early childhood programs are associated with short- and long-term benefits for the children who enroll in them. To the extent that children from low-income families are not enrolled in such programs, the distance between them and their more well-to-do age-mates will probably widen as they move through school.

**Summary of Child Care Choices**

Mothers' participation in the labor force leveled off in the late 1980s at about 60% of mothers with children under age five, but the use of early care and education programs for children continues to grow. In addition, there continues to be substitution of formal center-based programs for both informal care by relatives, sitters, and the other parent, as well as for family child care. This is due to the increased use of center-based programs by both employed and nonemployed mothers. Both working and nonworking parents appear to have become convinced of the value of these programs in preparing their children for school.

Some of the more frequent use of center-based programs is probably associated with increased public funding for center-based preschool programs such as state prekindergarten and Head Start. These programs serve primarily the very poorest of low-income families, and this may help explain the continued difference across income levels in the rates of three- to four-year-olds' enrollment in center-based programs.

These numbers reveal the child care choices that parents have made, but they do not reveal if the choices reflect parental preferences or lack of alternatives.

**Assessing the Need for Child Care**

Is there a child care shortage? There are many ways to answer that question. The most straightforward approach is to estimate the number of child care spaces that exist in the nation, estimate the number of children who need child care, and compare the two numbers. If the supply exceeds the number of children, then, in this approach, one would conclude that there is no child care shortage.

In 1990, for example, there were approximately 80,000 early care and education centers with the capacity to serve four to five million children (about 20% to 25% of all children under age five). In 1990, there...
were estimated to be between 668,000 and 1.2 million family child care providers. Regulated family child care providers cared for about 700,000 children.

In 1990, therefore, there were spaces for between 50% and 60% of the preschool children of employed mothers in centers (including Head Start and state prekindergarten programs) or in licensed family child care homes. The remaining 40% to 50% of preschool children were not left without care; most were cared for by relatives, friends, neighbors, or others in settings that were not regulated or licensed by states.

The informal care market—the unregulated sector of the child care market—is remarkably elastic. It can expand rapidly in response to demand, in part because it, unlike licensed center-based programs, requires little or no initial capital investment and little administrative complexity. If one counts only the number of child care spaces available, the existence of the informal care market helps to assure that there is no child care shortage.

Of course, this approach of counting spaces to determine if a child care shortage exists is overly simplistic: it ignores the need for a fit between a space in a child care program and a child. For example, a space in a child care program in Beverly Hills is probably not of much use to a family that lives and works in south central Los Angeles. Spaces in a preschool program are no help to a family seeking care for an infant. Spaces in programs that cost families more than they can afford to pay are not of use to those families. Spaces in a low-quality program are not of interest to parents seeking the highest-quality setting for their child. To assess if there is a shortage of child care, in other words, one must consider the availability of child care programs that fit the needs and the financial resources of parents.

Variation by Age of Child
Even though there may be enough openings for families needing child care across all child care settings, available spaces in centers may not necessarily match consumer needs for care for children of particular ages. Only about half of centers in 1990, for example, accepted infants, compared with almost all family child care homes. As a consequence, infants and toddlers constituted fewer than 10% of the children in centers but about a quarter of those in family child care. Thus, parents have fewer choices for arrangements for their infants than for their older preschoolers.

Variation by Mother’s Work Schedule
In 1990, 7.2 million mothers with 11.7 million children under age 15 worked full or part time during nonstandard hours. These different schedules create varying needs for child care. About 8% to 9% of mothers worked evenings or nights in 1990, but few centers (only 3%) offered evening or night care, compared to 13% of regulated and 20% of nonregulated family child care

Availability of Child Care for Specific Groups
Research has indicated that the number of child care spaces available in a community depends upon several factors, including the income level of the community. In addition, care for particular age groups or during particular hours may be limited.
It has been estimated that no more than about a dozen centers across the country offer 24-hour child care. Consequently, children under age five are more likely to be cared for by their mothers who work nonday hours or to be cared for at home than are children of women who work during the day (49% versus 29%, respectively, in 1993).

The likelihood of nontraditional work hours varies by family income. Lower-income parents are more likely than higher-income parents to work during nonday hours, on a rotating or changing schedule, or on weekends. For example, almost half of working poor parents (income less than the poverty line) worked on a rotating or changing schedule, compared to one-quarter of working-class and middle-class mothers (working-class families have incomes above the poverty level but less than $25,000 per year; middle-class families have incomes $25,000 per year or higher) and one-third of working-class and middle-class fathers in 1990. One-third of the working poor and one-quarter of working-class mothers surveyed in the National Child Care Survey 1990 worked weekends. In contrast, only 10% of centers and 6% of family child care homes reported providing care on weekends. Rotating shifts present an even greater obstacle to finding stable care.

Variation by Community Income Level
Many services and businesses are more scarce in low-income communities, and studies demonstrate that child care is no different. In general, there are fewer regulated child care programs or spaces available in lower-income communities, based on a national sample of counties. However, not surprisingly, subsidies for child care for low-income families can increase the supply of child care. In Massachusetts, for example, a state with a relatively large number of subsidies for child care for low-income families, there was more child care available in both high- and low-income counties than in more moderate income communities.

Affordability of Child Care
Although there may be geographic area differences in the supply of center-based programs and regulated family child care homes in some communities or for some groups of children, the supply of informal arrangements is quite flexible and can expand to meet most child care needs. On those two measures, therefore, there does not appear to be a significant child care shortage, although some parents undoubtedly face constrained choices when they consider their child care options. However, just because programs exist does not mean that parents can afford them. The cost of care is, therefore, another important way to gauge if there is a shortage of child care.

Fees and Parental Expenditures
Between 1975 and 1990, as illustrated in Figure 5, the amount paid by parents per hour of center-based and family child care changed relatively little after adjusting for inflation. In 1990, employed mothers who paid for care paid, on average, amounts ranging from $1.23 per hour for relative care to $2.54 per hour for sitter care of a child under age five (in 1993 dollars). These figures reflect increases of about 1.2% per year in real dollars for centers and less than 0.5% a year for family child care homes. In contrast, the per-hour cost of care in the child’s own home increased by 88% between 1975 and 1990 in real dollars (6% per year) and was the most expensive of all forms.

Since 1990, however, steeper annual price increases have occurred (also illustrated in Figure 5). In 1993, parents who paid for care paid amounts ranging from $1.49 per hour for relative care to $2.85 per hour for sitter care (in 1993 dollars). This represents an increase of about 20% over about three and one-half years (about 5.7% annually) for center-based care, family child care, and relative care and about a 12% increase for sitter care.

The burden these child care expenditures place on families can be substantial. In 1993, the average family with an employed mother and a child under age five spent about $79 per week for child care
for all children in the family (that is, both for the preschooler and for any siblings), an increase of about 10% over the $72 that families spent in fall 1990 (all in 1993 dollars). On average, families with a child under age five spent about 8% of their incomes on child care, but, obviously, that percentage varied with family income. Families with annual incomes under $14,400 that paid for care spent 25% of their income on child care, compared to 6% or less for families with incomes of $54,000 or more.

Standard economic theory states that shortages of a commodity or service push its price upward, encouraging suppliers to provide more of it. Because the price of child care remained stable until 1990, there was little evidence of excess demand for child care up until that time. However, recent price increases suggest that might be changing. During the 1980s, as demand for child care expanded, there was a parallel expansion in supply, and prices remained relatively constant. The price increases in the 1990s suggest that more pressure is being put on the supply of child care in this decade without a concomitant expansion of supply and, as a result, parental expenditures for it are rising faster than the cost of living.

The analyses of the percentage of family income devoted to child care by families with different incomes suggest that, for low-income families, the cost of child care can be quite an obstacle to obtaining care. These
studies do not demonstrate what percentage of monthly income is appropriately spent on child care; that determination is a conclusion based on policies and values, not data. Families normally spend 20% of their incomes on housing and 10% on food. Families that have to spend close to 20% or more of their incomes on child care will have much less to spend on other necessities.

Child Care Subsidies to Expand Options
Child care subsidies and tax credits do exist to help make child care more affordable for families and thereby to expand their choices for care. (See the article by Stoney and Greenberg in this journal issue for a description of these forms of assistance.) Because the cost of child care programs varies from one setting to another, one would expect that these subsidy programs would increase the ability of families to enroll their children in more expensive forms of care (for example, center-based care and family child care homes as opposed to relatives, and licensed care as opposed to nonlicensed care).

When tax credits are combined with other forms of direct assistance for child care, it was the working poor that were the least likely to receive assistance in paying for child care.

The National Child Care Survey 1990, a nationally representative survey, indicated that (1) the percentage of families that reported receiving assistance in paying for child care was directly related to income level (poorer families were more likely to report receiving assistance); (2) families using center-based care were more likely to report receiving child care assistance than were families using some other type of care; (3) higher- rather than lower-class families were much more likely to report using the Child and Dependent Care Tax Credit (although the families that reported receiving it did not necessarily also report receiving assistance for child care costs); and (4) when those tax credits are combined with other forms of direct assistance for child care, it was, in fact, the working poor (families with incomes less than the poverty line and at least one parent working) that were the least likely to receive assistance in paying for child care. In other words, although middle-class families do not see the tax credit as a subsidy, they in fact receive more assistance with child care than do the working poor.

Quality of Child Care
Parents try to select child care settings that will keep their children safe and healthy and that will nurture them and prepare them for later life. But are such programs readily available?

There are many ways to assess child care quality (see the article by Helburn and Howes in this journal issue for an in-depth discussion). Although quality is best measured by observing the warmth and nature of the interactions between child and provider and the day-to-day experiences of children in the program, these sorts of observational assessments are difficult, time-consuming, and expensive. Therefore, state regulators and researchers typically measure a few specific structural features of the child care programs that have been associated with quality interactions and good child development. These include staff-child ratios, group size, and training and education of staff/providers. In addition, a number of studies have linked stability of care (that is, little change in the number of child care arrangements and low rates of staff turnover) with overall quality measures in a child care program.7,12 Higher staff salaries, in turn, have been associated with lower rates of staff turnover.7 Programs with these characteristics (that is, programs with higher staff-child ratios, smaller group sizes, a well-compensated staff educated in child development, and low turnover) are programs that demonstrate warmer, more responsive, and more appropriate interactions between staff and children, better experiences for children, and, ultimately, better development for the children.

This section reviews the characteristics of programs and providers in 1990, the most recent year for which comprehensive national data are available, on these measures of quality. Then, using data from two large 1976–77 studies of child care, it describes trends in child care quality over time.30–33 (See the article by Helburn and Howes in
Group Sizes and Staff-Child Ratios

In 1990, group sizes and staff-child ratios in centers serving three- and four-year-olds were in the upper ranges of those recommended by the National Association for the Education of Young Children (NAEYC), the preeminent professional association for child care directors and staff in the United States. Ratios far exceeded recommended levels for centers serving one- and two-year-olds, suggesting that programs and parents may be accepting lower-quality care because care for infants and toddlers is in short supply. For example, the average group size reported for one-year-olds was 10, and the NAEYC recommends 6 to 12. The average staff-child ratio was 1:6 to 7, and the NAEYC recommends 1:3 to 4. All told, the average number of children per group in centers increased by 16%, and staff-child ratios worsened by 25% between the mid-1970s and 1990. (See the article by Helburn and Howes in this journal issue for additional explanation of NAEYC standards.)

Enrollments in family child care have expanded, and group sizes have risen between 1976 and 1990. In 1990, the average group size was six in regulated care. The average was four in 1976–77. In family child care homes, therefore, although quality levels declined, they still fell within acceptable limits for those measures.

Staff Education and Training

In 1990, providers were better educated than the population as a whole; more than 9 out of 10 teachers in centers had received training related to young children (this does not include assistants). On average, nearly half of all teachers had a four-year college degree or better, and an additional 13% had a two-year college degree. In addition, the levels of education and training of staff in both centers and family child care homes increased between the mid-1970s and 1990 when only 29% of teachers in centers had 16 or more years of education. The average schooling of family child care providers also rose from high school in 1976 to one year of college in 1990. According to at least this measure, therefore, and considering only teachers rather than all child care staff, quality of care improved between the mid-1970s and 1990.

Child Care Stability

Instability in child care can occur either when the child is moved from placement to placement or when the caregivers within a particular program leave the program.

- Changing Settings. Changing child care arrangements is all too common an experience for children in child care. In 1990, the median length of children’s current child care arrangements was 12 months. Informal arrangements made with relatives and friends tend to be much less stable than formal arrangements with regulated centers or family child care homes. Half of infants under age one entered a nonparental child care arrangement during their first year, and, of these, 10% changed arrangements during the year.

- Teacher Turnover. Considering child care teachers, not assistant teachers or aides, teacher turnover increased between the mid-1970s and 1990, from 15% to 19% per year for comparable full-day centers. Over all types of programs, teacher turnover averaged 25% in 1990 and has hovered at that level through 1992. In 1990, approximately half of all centers reported some teacher turnover in the prior year, and, among those programs experiencing turnover, the rate was very high (50%).

Turnover varies considerably by auspice. In 1990, turnover was 20% in Head Start, 14% in public school programs, and 39% in for-profit chains. Head Start turnover rates in 1994 were 12.5% for teachers and 21% for assistants.

These rates appear to suggest that children in child care are regularly exposed to multiple settings and multiple providers within a setting and that the percentage of...
children who suffer that sort of instability has increased over time.

Provider Salaries
One of the reasons that staff turnover within child care programs may have increased could be that teacher salaries have declined by 25% since the 1970s. The annual earnings of a teacher in a child care center averaged $12,390 in 1990, compared with $14,180 in 1976 (as expressed in 1990 dollars). Because turnover is directly related to the quality of the experience of children in child care, provider salaries are also an important consideration in determining the quality of care.

In 1990, teachers in center-based programs across the United States earned $7.49 per hour and averaged an annual income of about $11,500 (excluding assistant teachers and aides, who earn perhaps 10% to 20% less). Regulated family child care providers earned about $4 per hour, and nonregulated family child care providers were $1.25 per hour (all in 1990 dollars). In 1990, the annual income of regulated family child care providers was $10,944 and that of nonregulated family child care providers was $4,275 per year.

In the late 1980s and early 1990s, public funding for center-based programs shifted from supply side (to providers) to demand side (to parents). As described in the article by Stoney and Greenberg in this journal issue, more federal funding goes directly to parents through vouchers and tax credits than to providers via contracts. The proportion of revenues coming to centers from the government has declined since the mid-1970s, increasing the dependence of centers on parent fees. Yet, as shown earlier, parent fees essentially stayed the same over the period. Apparently, centers kept fees constant in a time of declining direct subsidies by increasing group sizes, decreasing staff-child ratios, and cutting staff salaries.

Although quality in family child care did not decline in the 1980s, the revenues of providers did. The larger increases in expenditures during the early 1990s suggest that providers are now raising fees, another indication of some pressure on the supply of care.

Quality of Care for Low-Income Children
Do low-income parents have access to the same quality of care as middle-income parents? Evidence suggests that when structural features such as group size and staff-child ratios are considered, the lowest- and highest-income families have the highest-quality center-based care, with working- and middle-class children in somewhat lower-quality care. When child-adult interactions in centers (other than Head Start) are measured, children from high-income families are better off than children from all other income groups.

Summary of Child Care Costs and Quality
Although parental expenditures on child care rose slowly during the 1980s, only about a percentage point above inflation, expenditures rose almost 6% annually in the early 1990s. This suggests increasing pressure on the overall supply of early education and care arrangements. In addition, there appears to be a more limited set of child care options for some families, such as those that live in low-income communities, seek care for infants and toddlers, and work odd hours.

The picture derived by assessing all measures of quality is mixed, but not encouraging. Between the mid-1970s and 1990, the education of center staff increased; however, the ratio of children to staff and staff turnover also rose over the past decade, a consequence of increased competition, lower staff salaries, and declining direct federal support.

Today, the overall quality in centers and family child care homes appears low, based on the most recent studies that have observed the quality of teacher-child interactions in child care programs. As reported in the article by Helburn and Howes in this journal issue (and not reviewed here), such studies indicate that only 12% to 14% of chil-
Children are in high-quality center or family child care arrangements. Between 12% and 21% are in low-quality child care that is unsafe and/or harmful to their development. Among center-based programs, quality appears to be lowest in those serving infants and toddlers.

Because parental expenditures for child care have increased during the past decade, these findings suggest that parents are receiving less rather than more for their money and that there may be some shortages of high-quality, affordable care and of care for infants and toddlers.

Although government subsidies do help the lowest-income families gain access to child care, upper-income families actually benefit the most from federal support in the form of income tax credits for child care expenses. Consequently, the largest burden may be borne by the families least likely to receive subsidies: those with at least one working parent and total incomes less than $25,000. It is their children who wind up in programs of the lowest quality. For them, the child care burden is very real.

The Importance of Affordable, High-Quality Child Care

The preceding sections document that child care is hard to obtain for at least some families in some communities, that the costs to families are increasing, with a larger burden for low-income families, and that the quality of care is declining. The effects of not being able to obtain high-quality, affordable child care can be profound for both children and parents. The effects on children are discussed in the article by Helburn and Howes in this journal issue, but the effects on parents are only now becoming a topic of investigation.

Effects of Availability

At least one study has demonstrated that the number of centers and family child care homes per capita in a community is linked to the employment of mothers in higher-income areas. In the same study, the number of Head Start programs was also associated with parental employment in low-income areas. Specifically, the greater the number of centers, family child care homes, or Head Start programs, the greater the likelihood that a mother in the community would be employed. Of course, this association does not prove that it was the presence of child care programs that caused mothers to go to work (as opposed to the other way around), but it does suggest that actual availability of programs is closely linked with parental employment.

Effects of High Costs

The cost of care is an important factor in mothers’ choices of child care arrangements. Several studies have documented that, controlling for indicators of quality and other factors, the higher the price for a specific type of child care, the less likely families are to use it.

Researchers have also documented that mothers are less likely to work when child care is more expensive. Among mothers of all income levels, higher-cost child care is associated with both a lower probability of starting and a higher probability of exiting employment.

The effects of the cost of care on women’s work decisions are more pronounced among low-income mothers, who are likely to be raising children alone, than among high-income mothers. The effects can be substantial. A recent report by the General Accounting Office, for example, indicated that subsidizing child care costs completely would lead to a 15% increase in the employment of poor mothers, from 29% to 44%.

Effects of Quality

Quality of child care, at least as measured by stability and reliability, can also affect mothers’ work decisions. A study of the Illinois Aid to Families with Dependent Children (AFDC) population estimated that problems with child care had caused 20% of AFDC mothers to quit school or a training program in the previous 12 months; another 20% were estimated to have returned to
Parents on AFDC with poor-quality care are more likely to leave their jobs than parents with good-quality care.44

Parents report a greater incidence of losing time from work because the provider was not available in in-home rather than formal out-of-home arrangements.5,43 Parents on AFDC who had to give up their child care arrangements when they changed activities in California’s Greater Avenues for Independence program (California’s precursor to the federal JOBS program) were more likely to drop out of the program than those who maintained continuity in child care.45

Conclusions: What Does the Near Future Hold?
In sum, recent studies and national surveys indicate that children are more and more being cared for by someone other than their parents and that they are being placed increasingly in more formal arrangements (that is, center-based programs) at younger ages. Nevertheless, some groups of children are less likely to be enrolled in center-based programs: infants and toddlers, children from low-income and perhaps especially from working poor families, and children whose parents work nontraditional hours. Parents of children in these groups appear to face a more limited number of choices for child care. For all children in care, the overall quality of their programs is minimal on some measures and adequate on others, but shows signs of decline over the past few decades. Given that parents have been paying more for care in recent years, they seem today to be getting less for their money.

The informal child care market assures that most parents will be able to find someone to care for their children, but not that they will be able to find stable, affordable, high-quality child care. It is the absence of that sort of care that has the most negative implications for both children and parents.

As of early 1996, it is hard to predict the precise details of what legislation concerning welfare reform or child care for low-income families will be implemented, but there clearly is a general policy push toward increasing the ability of states to mandate work for mothers receiving public assistance. Two key questions therefore are likely to remain. (1) Will mothers indeed move into the work force in greater numbers, thus increasing further the pressure on child care? (2) Will parents continue to utilize center-based programs as they have in the past?

Increases in maternal employment have leveled off since the late 1980s at about three out of five mothers of young children in the work force. With the exception of never-married mothers with young children, the majority of women are already employed at high levels. (About 60% of married or ever-married women versus 46% of never-married women with children under age six were in the labor force in 1992.)46 Of course, it is precisely this group of never-married women that is frequently identified as the group that should be employed at higher rates.

Both the 25-year trend toward decreased use of relatives and sitters and increased use of centers suggest that the trend toward greater use of formal early childhood programs will continue. However, if states are unable or unwilling to continue subsidizing the costs of early education and care programs for low-income families, some reversal of the long-term trend toward increased use of center-based programs could occur, at least for low-income families. That would mean that the gap that already exists between enrollment of low- and high-income families in such programs would continue.

Family child care enrollment is likely to remain at about the same level as it is now. The percentage of children of employed mothers who are enrolled in family child care is at the same level today as it was in 1965 (see Figure 2). Two approaches to enlarge the use of family child care would be to make it more attractive, by increasing either its quality or subsidies for care; but
neither of these approaches appears likely to lead to great growth in the use of family child care. Recent studies show that further reducing the price of child care to parents increases the use of center-based programs, rather than the use of other types of programs, and quality improvements in family child care have small impacts at best in promoting its use. Families may simply prefer center-based programs. In one study of low-income parents in New Jersey, for example, the parents preferred center-based programs because they trusted the staff and its child development expertise and believed that their children would be safer in child care centers than in private homes. Although this may or may not be an accurate view, the finding suggests that the movement toward center-based programs will not be slowed easily.

The exception for this preference for center-based care appears to occur when parents choose arrangements for infants and toddlers. If low-income mothers of children from birth to two years of age are required to engage in employment-related activities, then major growth in the use of child care for very young children is possible. At present, most of these children are in family child care and relative care when not in the care of a parent, either because of parental preference or because only a small proportion of centers accepts infants and toddlers. To increase their enrollment of infants and toddlers, centers would have to expand their programs for infants in order to meet increased demand. However, center-based infant care is very expensive (see the article by Helburn and Howes in this journal issue). Thus, a major move toward enrollment of infants and toddlers in centers seems unlikely without a concomitant increase in assistance to pay for care. Therefore, parents will likely continue to use informal arrangements for their youngest children. Because recent research suggests that the quality of informal care is not as high as that of formal care, this is cause for concern.

While policymakers contemplate the most significant change in social policy for low-income families since the beginning of the war on poverty, families continue to make decisions daily regarding how best to provide care and education for their children. For many, the options are limited. Federal involvement has increased their choices of child care over the years, but concerns remain that withdrawal of this support will jeopardize these gains.

9. Key resources that were used were (1) the U.S. Department of Education's 1995 National Household Education Survey (see note no. 2, West, Wright, and Hausken); (2) the U.S. Bureau of the Census' 1993 supplement to the Survey of Income and Program Participation (see note no. 3, Casper, and note no. 4, U.S. Bureau of the Census); (3) the National Child Care Survey, 1990 (NCCS), a nationally representative survey of 4,400 families with children under age 13 conducted in late 1989 and early 1990 (see note no. 5, Hofferth, Brayfield, Deich, and Holcomb); (4) A Profile of Child Care Settings (PCS), a
nationally representative survey of center directors and family day care home providers (see note no. 6, Kisker, Hofferth, Phillips, and Farquhar); (5) the 1988 Child Care Staffing Study (see note no. 7, Whitebook, Howes, and Phillips); and (6) the 1994 Cost, Quality and Child Outcomes Study (see note no. 8, Helburn, Culkin, Howes, et al).


33. To examine trends for center-based programs, a subsample of the PCS data was selected and compared with results from the 1976-77 National Day Care Survey (see note no. 30,
Coelen, Glantz, and Calore, and note no. 31, Ruopp, Travers, Glantz, and Coelen). To be comparable to the earlier study, the PCS subsample was restricted to programs operating at least 25 hours per week for 9 months a year, with a licensed capacity of 13 or more children and enrollments including 50% or fewer handicapped children. To make comparisons of family child care over time with the 1976–77 National Day Care Home Study (see note no. 32, Fosburg), regulated family child care homes in the PCS were selected that enrolled at least one child between 12 and 60 months of age for pay and for at least 20 hours per week and were located in metropolitan areas.


47. Hofferth, S., and Chaplin, D. Child care quality versus availability: Do we have to trade one for the other? Washington, DC: The Urban Institute, 1994.
