

CHILD CARE:
A NATIONAL ISSUE AND A LOCAL PRIORITY



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American families and the workplace have changed drastically over the past few decades. Today fewer than 10% of the population live in the traditional "Ozzie and Harriet" family with a father who goes off to work every day, and a mother who stays home to take care of the house and raise two or three children. In 1987, 52% of mothers whose youngest child was under one year old were employed outside the home. At the same time, 60% of mothers whose youngest was three and 63% whose youngest was five were in the labor force. So being a working mother is more common now than staying home. It is important to understand that most women who work do so out of economic need, not just to buy luxuries. Most families with working parents find it necessary to find alternate care for their children.

Single parent families have doubled since 1960. Most of these single parent families are headed by a female. The projected growth of single parent families headed by a female is expected to increase 31% by the year 2000. Indeed, women have filled some 60% of the new jobs created since the 1970's. In small business, the proportion of women in companies of fewer than 100 employees was at 44% in 1983. Sixty-seven percent of the jobs created from 1988 through 1995 will be filled by women. Demographers say that 80% of these women will become pregnant sometime in their working lives. In a sharp departure from past decades, when pregnancy ended careers, economic necessity will keep most of these women working. That's why the fastest-growing segment of the work force, now and for the foreseeable future, is mothers of young children.

Our society today is also very mobile. It is unusual for a person to be born, marry, work and die in the same town that his parents and grandparents did. Many families have children and parents or grandparents scattered from coast to coast. To assume that a grandparent or an aunt can be primary child care provider is a luxury that is out of reach for most families.

All these concerns affect the way a person works. Count the ways: the days that begin late and end early, the lack of concentration, the frequent phone calls home, and the dubious sick days. What's more, it is no longer uncommon to see mothers and fathers turning down promotions when job and parental responsibilities clash. Lack of child care is a major culprit in perennial management problems such as retention, recruiting, and absenteeism.

PUBLIC POLICY ISSUES

AVAILABILITY

In most communities there are insufficient spaces open for the number of children who need care. Many of the spaces available are through unlicensed providers or involve poor quality care. An unlicensed provider is not necessarily a poor provider. Many are excellent with children but parents have no way of knowing what basic standards have been met when meeting them for the first time.

In 1985, there were 403,000 children under five in Indiana. If over half of them had mothers in the work force, there were over 200,000 children needing child care that year; 60,000 of whom may have been cared for by parents in the home. That same year, there were 551 licensed centers or homes with a total capacity for 48,000 children. This means that 92,000 preschool children did not have anyplace to go! They may have been caring for themselves or they may have been in unlicensed settings. It should be added that licensing does not ensure high quality care. It does, however, mean that minimal safety and health standards have been met and that the provider is serious enough about child care to pursue becoming licensed.

The shortage of infant and toddler care is especially severe. Many day care homes will not accept infants and children under the age of two. Indiana's family day care licensing requirements allow for only two children under the age of two in most homes, resulting in a limitation of the number of spaces available in family day care as well as in centers.

In addition, there are families who have special needs that are not met by most child care situations. Families with handicapped children, parents who work part time or during the evening or night shifts and parents who commute long distances have an especially hard time locating the services they need.

QUALITY

An increase in the quantity of child care spaces is meaningless without attention to quality. The quality of child care in the United States is inconsistent because regulations vary widely from state to state and community to community.

Quality is a complex concept that includes several components. The following characteristics have been defined as requirements when discussing high quality: a safe environment, nutritious meals and snacks, limited staff turnover, small group size, high adult/child ratio, adequate space and equipment and training for at least part of the staff in child development, early childhood education or child care. The caregiver should genuinely enjoy caring for children and be able to relate to them on their level.

Program activities need to be structured to meet the needs of the children, their families and the community and be developmentally appropriate for creativity and individuality.

AFFORDABILITY

Cost of child care is an important issue. Many parents find it very difficult to pay for quality care, or in some cases to pay for even poor quality care. The typical cost of full-time child care is \$3,000 per year for one child, or one-third of the poverty level for a family of three. With two children in care, a family of four with poverty-level wages would need to spend more than half of its income on child care.

Most families choose and pay for child care with no help from the government. In 1985, the average cost of care for one child for 40 hours was \$40 to \$60 per week. Results from a 1990 federally funded survey conducted by the Community Service Council of Central Indiana, Inc. and the welfare department depicted even more disturbing results. It showed Hoosiers pay from \$5 to \$150 a week for licensed child care. The average middle-income family spends 10% of its income on child care, which is roughly equivalent to the cost of food. Child care takes 20% to 26% of a low-income family's money, which is similar to its housing cost. Although 10% of a middle-income family's resources is not excessive, 20% to 26% represents a heavy burden for low-income families.

Affordability undoubtedly affects the ability of poor people to work. Of mothers not in the labor force, 36% with an annual family income under \$15,000 would find jobs if affordable child care were available. Forty-three percent of single, unemployed mothers would work if they could find affordable child care.

"Out-of-home care for one child can cost anywhere between \$1,500 and \$10,000 per year," according to a recent report by the Child Care Action Campaign, headquartered in New York. "The best current estimates indicate the full-time child care costs an average of \$3,000 per child. For most working families, child care is the fourth largest item on the family budget, after food, housing and taxes. It consumes nearly 10% of the average family's budget. For a family with two preschoolers, it can exhaust as much as 30%."

FAMILY STRESS

Stress in the family can result from the search for child care. Being told their child care provider is going out of business can set off feelings of panic and desperation in parents.

This forces children, at one of the most vulnerable times of their lives, to cope with what one child advocacy group calls "a

veritable merry-go-round of care givers". The constant making and breaking of attachments with caretakers has a powerful emotional effect on the children. "It makes them more insecure. It's traumatic for them," says Maria Svihia, Executive Director of the Day Care Action Council. "When you have a parental substitute, that child idealizes the person, and, when that person is stripped from them, there's a loss."

Stress caused by child care can make itself felt in many ways--from strained finances and job difficulties to disrupted family relationships and health problems. Families may stay with settings they feel are inadequate because they fear they will find nothing else. They may have no arrangements for sick children. In addition, they may feel guilty for using child care, especially if they are dissatisfied with or unsure about the quality. Without child care that adequately meets the family's needs, parents and children suffer the consequences.

WORKER PRODUCTIVITY

Parents and employers agree that problems related to child care greatly affect on-the-job performance. Problems with child care are the most common reasons for absenteeism or tardiness at the work place for parents of young children. Child care problems force working parents to be off the job a total of about eight days a year, with women six times more likely to stay home with a sick child than men. In 1985, 455,000 parents said that they lost time from work each month because of collapsed child care arrangements. A 1990 survey of nearly 12,000 people recorded the need for child care to let parents go to work or attend school, but only 41% used child care. Factors that influence production include child illness, problems with child care arrangements, school vacations and holidays, and the need to supervise children by phone before and after school. These factors manifest themselves as low productivity, low morale, absenteeism, tardiness, and high turnover.

PREPARATION OF CHILDREN FOR FUTURE

Early childhood is a vital point in development during which a sense of security is established and basic skills are acquired. The effects of day care on development at this stage have been explored in many studies. The overall conclusions seem to be that there is no systematic negative impact on any group but that there is a positive impact on low-income, at-risk groups with high quality, readily available care. Such high quality programs have been shown to help in preparing children for the future by encouraging helpfulness, sympathy, social competence, empathy, and cooperation. There also is some indication that such programs can positively affect low-income mothers themselves by facilitating improvement in educational status and increasing parent-child interactions.

CHILD CARE PROVIDERS AS MEMBERS OF THE LABOR FORCE

Child care providers often are not thought of as members of the labor force. This is an issue that must be considered, given the difficulty in recruiting and retaining providers who can offer high quality care. The average annual income of a caregiver is \$9,363, which is below the poverty level for a family of three. Most providers get no cost-of-living or merit increases, no paid vacation or sick leave, no health insurance, no pension, and no scheduled breaks during the work day. They are exposed to illness, suffer strained backs and legs, and are under stress. They are overworked, underpaid and get no respect. Since they have little opportunity for collective bargaining, their problems are not addressed. It is little wonder then that the turnover rate among child care providers rose from 15% in 1977 to 41% in 1988.

Child caretakers aren't the only ones who are hurt. The use of low wages to subsidize the child-care system is also exacting a toll on children and, in the long run, on society. Child-care teachers and aides, no longer able or willing to survive on poverty-level pay, are leaving the field at nearly five times the rate of elementary and high school teachers. Many centers, report that they have to fill the same jobs over and over again during the course of a year, and some classrooms have to go without a regular teacher for as long as six months.

POSSIBLE SOLUTIONS

1. GOVERNMENT SUPPORT

The U.S. government provides support for child care which many providers either are not aware of or for which they are not eligible. Two of those supports are Title XX Social Services Block Grant funds to subsidize child care for families with lower incomes and the Child Care Food Program which provides subsidies to centers and family day care homes for meals and snacks. Both of these programs require association with sponsoring organizations, a license, and other qualifying conditions for participation, some of which may not be available in a given geographic area. In addition, Indiana has provided grants for the establishment of school-age child care programs, but there are limitations on these funds as well.

States' primary contribution to child care is the creation of regulations for the licensing of child care. Regulations deal mainly with education, health and safety. Lack of money makes enforcement difficult. Cathy Graham, assistant director of the welfare department's Children and Family Services Division said they will apply for a \$176,000 federal grant to fund training for child care providers and improve licensing. "We would like to target the family home operators because that is where we are seeing the growth in day care." In addition, licensing agents are

put in the awkward position of being both monitors and child care consultants. Many states exempt certain programs from regulations, especially church-run programs and those that serve very few children.

2. BUSINESS/INDUSTRY SUPPORT

A major promising solution to the problems of child care is the involvement of business and industry in the support of child care. Such support may range from on-site child care to flexible spending accounts (pre-tax salary deduction) to alternative work patterns.

The number of companies becoming involved in child care has increased steadily over the past several years. Only 100 out of 44,000 companies employing at least 100 workers offered child care assistance in 1978. That number had risen to 4,100 in 1990. Nevertheless, child care is the least frequently offered benefit.

Businesses that offer child care services as a benefit have come to see that they are not dealing with a children's issue or a women's issue, but a work/family issue. When an employer accommodates employee's family needs, then the employees are better able to accommodate the employer's work needs. In a recent survey of parents of children under the age of two, 89% of women and 62% of men reported work-related child-care problems. The need for child-care assistance is so great that it promises to become a major political issue in the 1990's. Already Congress has before it more than 100 bills that could have some impact on child care.

Companies involvement in child care has brought them several gains that have made the cost and effort worthwhile. Their workers have higher morale, exhibit more loyalty, are more productive, and are absent less often. Turnover is reduced, so employers save the expense of recruiting and training new employees.

3. TRAINING FOR CHILD CARE PROVIDERS & PARENTS

Training child care providers through workshops, conferences, and inservice training opportunities is not as effective as requiring providers to have formal education in a related area, but is more easily accomplished considering the low pay in that career. Training for family day care providers is especially needed, and appears to be very welcome.

Training parents in what to look for in quality care and how to deal with providers is very important. Studies have shown that most parents choose care based on location, cost, and hours rather than the quality criteria listed earlier. Parents insisting on licensed care will be the most effective means to encourage providers to become licensed. Teaching parents to choose care in an informed manner is useless if there are inadequate choices.

KOSCIUSKO COUNTY IN-HOME DAY CARE

The issue of child care became glaringly localized in September 1990 when the Warsaw Child Care closed its doors. This closing left parents scurrying to find adequate child care facilities for nearly 200 children. With less than two weeks notice, locations for these children had to be found. It was indeed a time of panic, tears and frantic anticipation both for parents and children being uprooted from their normal "routine" of child care.

In response to the crisis, Mayor Jeff Plank stated "By encouraging quality, licensed in-home child care, as a community, we have a better chance of caring for our middle and low-income children." Because the overhead to operate an in-home child care facility may be less than a business facility, Plank said, the fee structure may also be less.

Late in 1989, several Kosciusko County home care providers met to organize and offer home care to other families' children. The caregivers shared the enjoyment and the difficulties in running a day care establishment and helped each other find solutions in many areas of child care. As a result, the Kosciusko County Association of In-Home Child Care Providers was formed. Their motto is "Partners; Not Competitors".

This organization has met regularly since, but they have had problems. In June 1990, they held a "Child Care Awareness Day" at the local fairgrounds in Warsaw. Several members of the organization were present with information and answers to child care questions. Community response was poor. The group feels they are battling indifferences, people being too busy and a feeling from some that they do not want anyone intruding in "home" business affairs.

Despite these problems, the association's mailing list grew to 100 people by October 1990. This mailing list included licensed and non-licensed home care providers. In November 1990, an "In Home Child Care Forum" was held in the Warsaw City Hall. In attendance was the mayor, the city planner, the Welfare Department, the police, the fire marshal, an insurance agent, a city councilman, the county plan commissioner and a state legislator along with interested home day care providers and the general public.

This forum was good because the represented groups were able to meet and ask questions. However, the members of the child care organization still had concerns. Their main concerns were and still are:

1. They would like for all in-home child care providers to be licensed.
2. They would like for zoning laws, county laws, state laws and welfare rules to be in agreement as far as child care establishments are concerned.

Some non-licensed care providers do not wish to go through the hassle and difficulties encountered when trying to become licensed. Others who have gone through the paper work discovered that sometimes the license takes many weeks or months to be approved.

The local child care association feels that licensing is the best way to provide their services because of the documentation and checking that is required prior to licensing. It also provides respect and credibility from the community, parents and politicians who make the laws by which they are governed.

According to the local Welfare Department there are 25 licensed day care homes in the county (some are pending) with space for about 250 children. With the large number of women in the work force in our area, there are many children being cared for in unlicensed homes. Many unlicensed facilities provide excellent care but the local day care group wants all county providers to recognize that networking will help promote the quality that our community children need and deserve. Licensing also helps parents when selecting a day care home because they know that certain standards have been met.

The law allows for up to ten full time and five part time children at one time in a licensed provider's home. Licensing also requires a completed application, a home water check, reference letters, a medical form stating the provider is healthy, a criminal history affidavit, fire marshal approval, and a visit from the Welfare Department to determine cleanliness, desirability and to complete a family evaluation. Outdoor play areas need to have boundaries and 35 square feet of indoor space per child is required. Other more specific rules may also apply.

As a community, we need to support home care providers by making licensing more efficient and encouraging non-licensed providers to become licensed. "Adequate child care does have an impact on a stabilized work force...an impact on economic vitality and stability," Plank said. During the forum held in November 1990, Plank stated the meeting showed a need to get organized, a need for guidelines and a need to license day-care "for the sake of the children."

SUMMATION

Despite the widespread belief that state licensing somehow ensures quality care, an estimated 80% of home day-care providers go unlicensed. This figure is a major factor behind statistical "proofs" of a tremendous shortage of child care. When unlicensed family day-care providers get caught, they often shut down rather than deal with the paperwork and inspections.

An enlightened approach to day care is shared by Edward F. Zigler, Yale professor, who served as head of the Office of Child Development in the Nixon administration. "Child care in this country is put to shame by the comprehensive systems in many other countries...The Israeli government provides kingergarten for all five-year-olds, and child care is provided for 50% of all 3-4 years olds. Sweden provides child development centers for 85% of its preschoolers. This puts the Scandanavian country at the top of the list in terms of public "investment" in formal child care. Hungary provides nurseries for 50% of its 3-6 year olds, and creches for others. In China, nurseries are available for virtually all children from age of 56 days on. Cuba offers care for children as young as 45 days old as part of a national child care system; the goal for the next decade is to provide day care for all mothers who want it."

The answer to America's and Kosciusko County's "day care crisis" is to rely on the enterprise, ingenuity, and genuine love for children that can create a wide range of choices for parents and children. As Congressman George Miller said, "Child care does not come cheaply, but it is a shortsighted society that is unwilling to invest as much as it can in the future of its children."

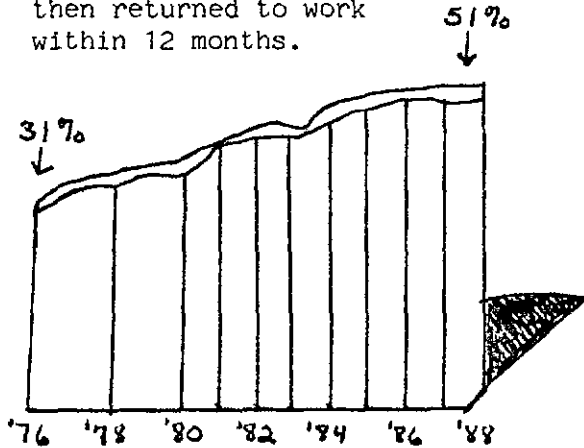
CHARTS & GRAPHS

WHY CHILD CARE IS NEEDED

Here are four statistical portraits of working mothers and their children.

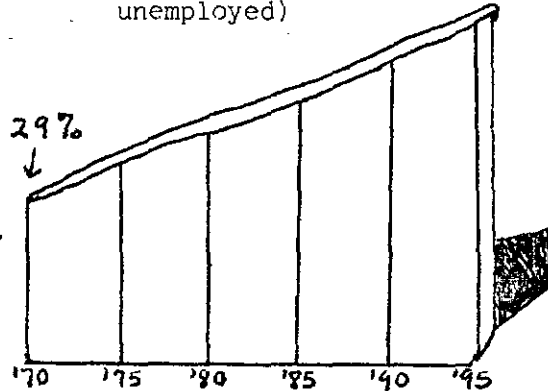
NOW OVER HALF OF NEW MOTHERS ARE WORKING

Percent of women who gave birth, then returned to work within 12 months.



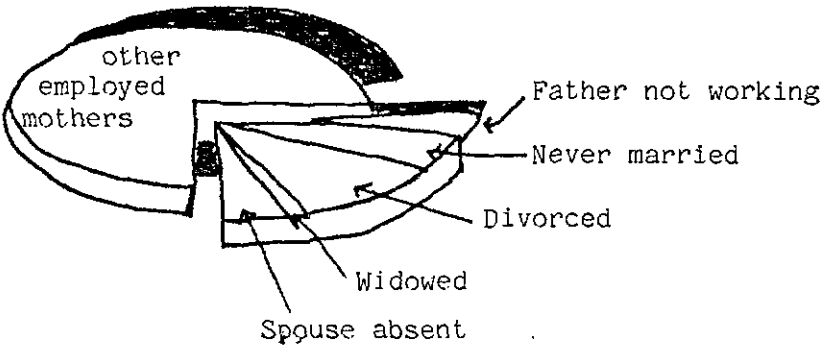
MORE PRE-SCHOOLERS HAVE MOTHERS IN THE LABOR FORCE

Percent of children under age 6 with mothers in the labor force (includes unemployed)



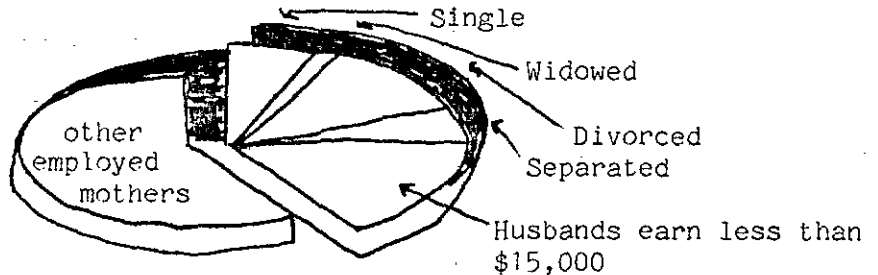
All working mothers Total: 20.1 million

OVER 25% OF WORKING MOMS ARE THE SOLE SUPPORT OF THEIR CHILDREN



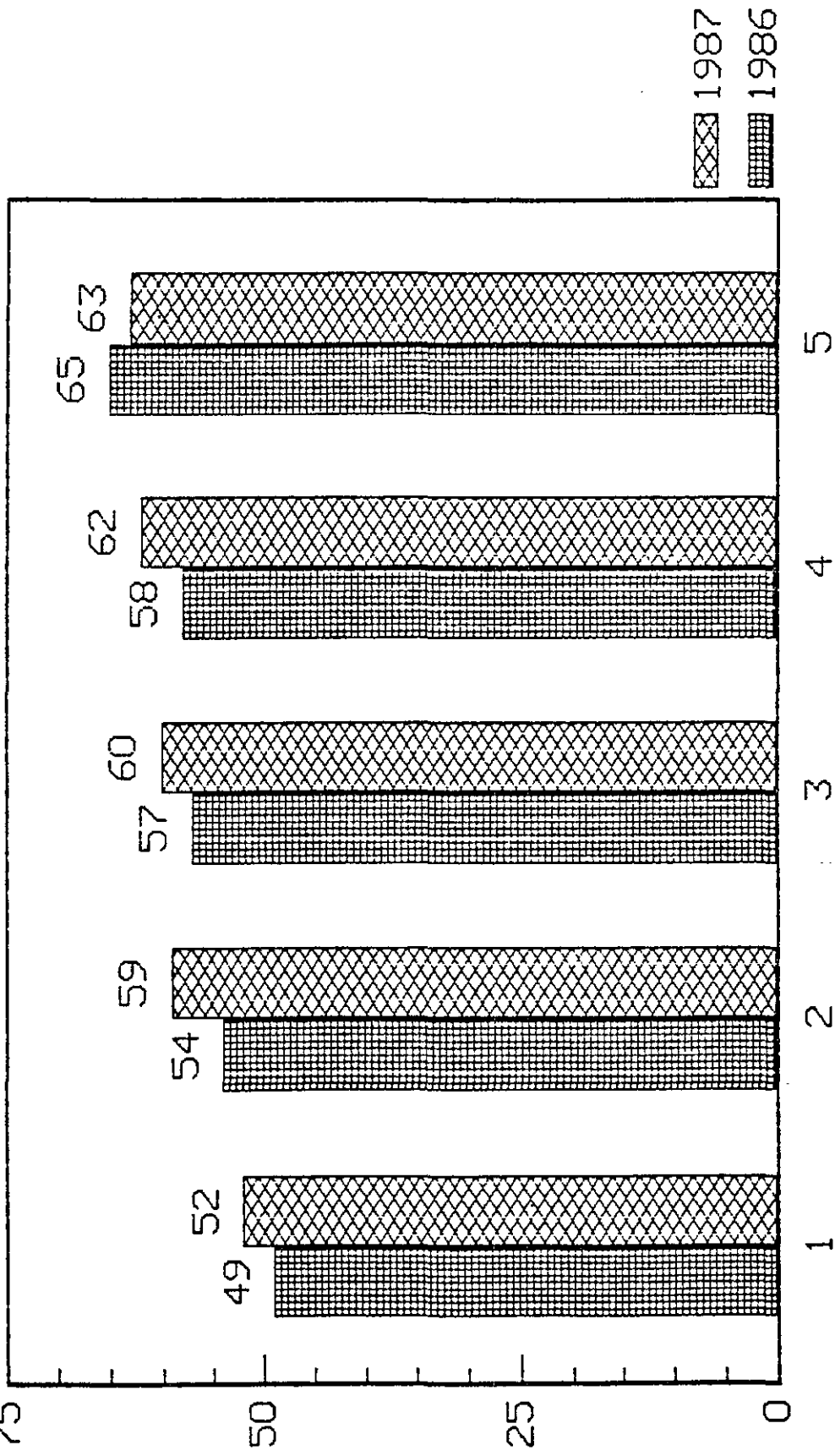
All mothers in the labor force (includes unemployed) Total: 21.5 million

OVER 40% OF ALL MOTHERS IN THE LABOR FORCE ARE EITHER SINGLE, WIDOWED, DIVORCED, SEPARATED OR HAVE HUSBANDS WHO EARN LESS THAN \$15,000



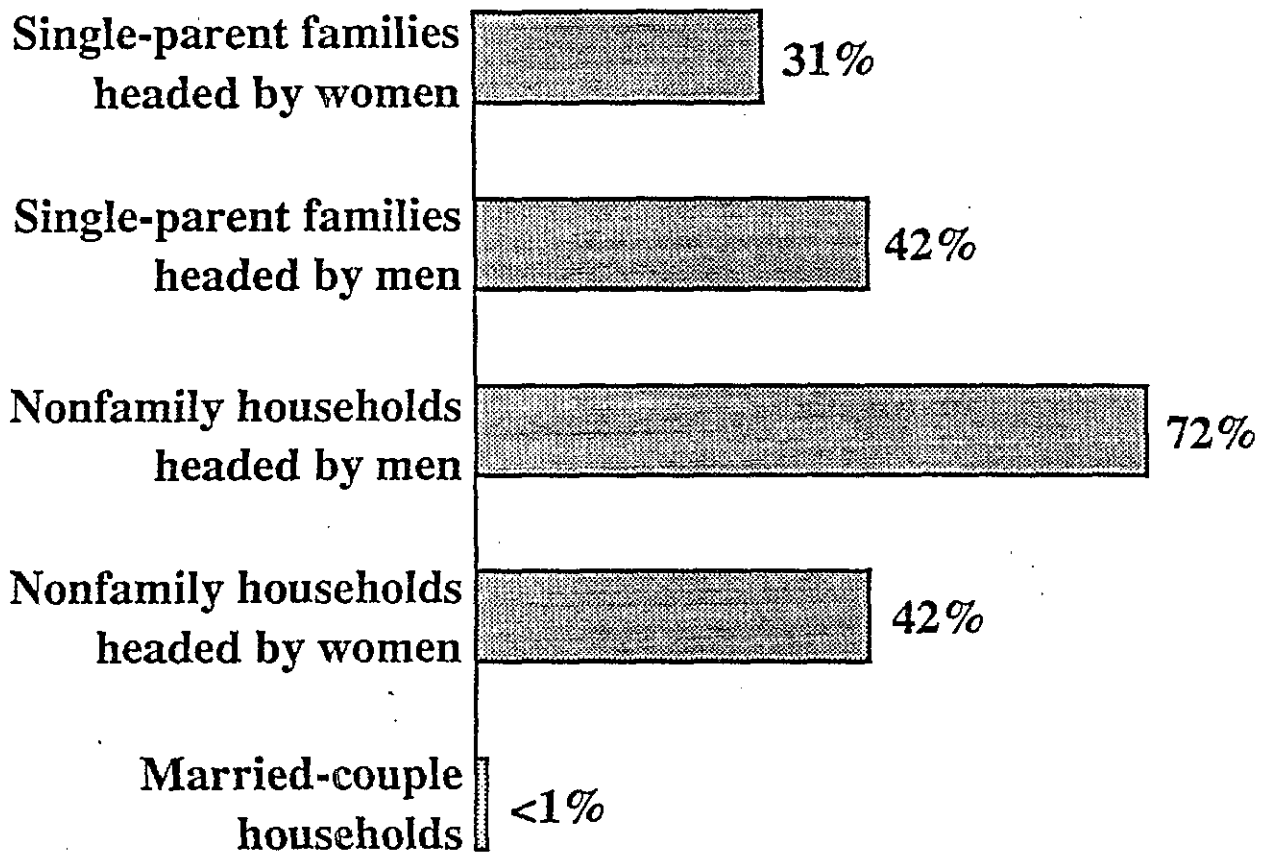
SOURCE: Census Bureau, Children's Defense Fund, Dept. of Labor
Indianapolis Star, January 10, 1990.

Mothers in the Work Force
Percent of working mothers



Age of youngest child

Growth of Households 1988 to 2000

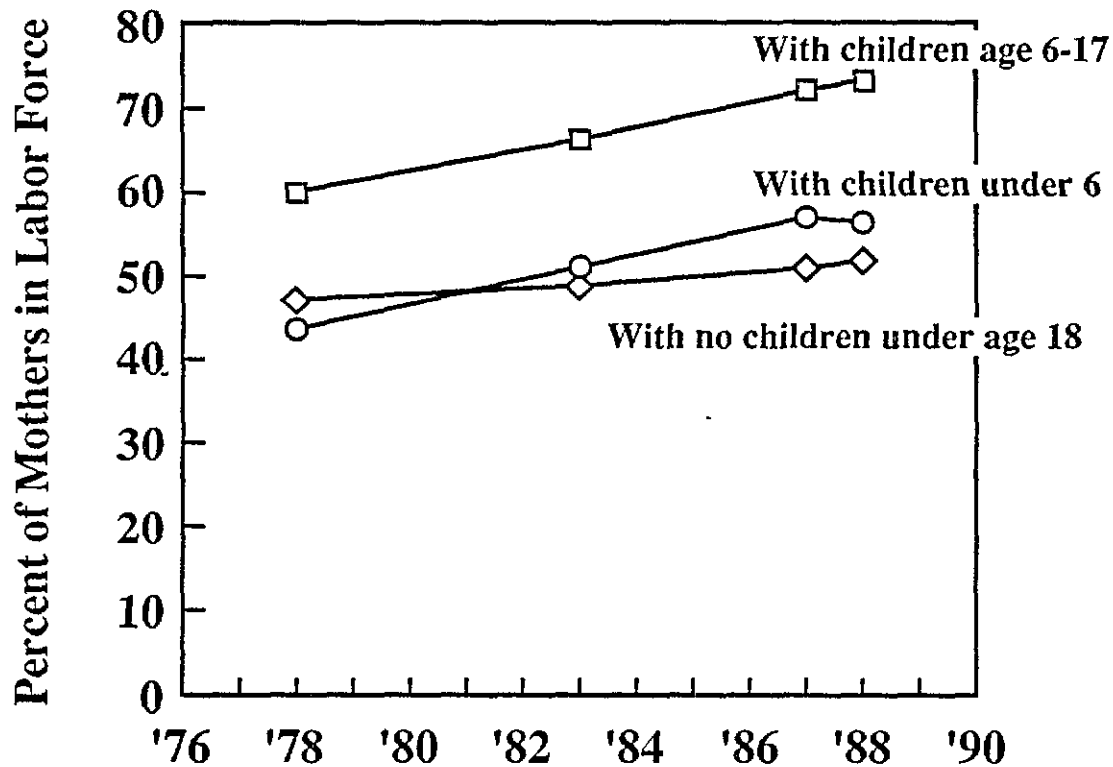


Source: U.S. Bureau of the Census, 1989.

WORKING FOR INDIANA FAMILIES
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Labor Force Participation Rates of Mothers, U.S., 1978-1988



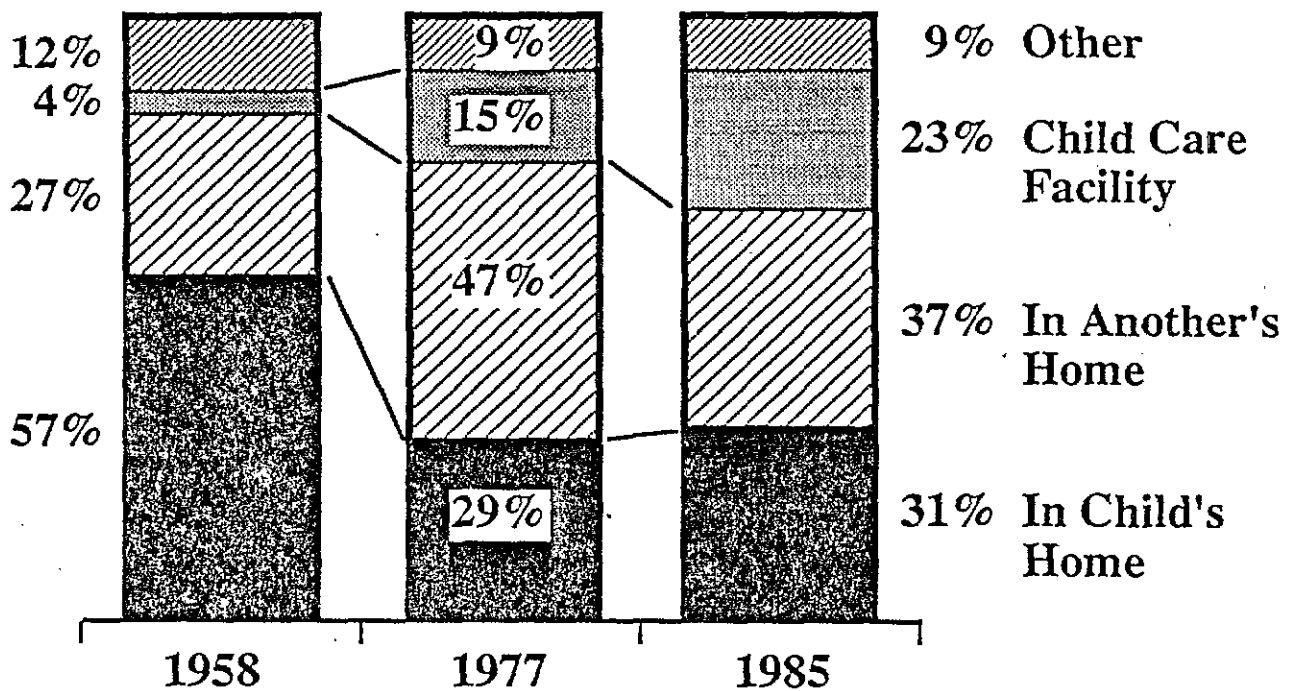
Sources: U.S. Bureau of Labor Statistics, NEWS, September, 1988.

U.S. Bureau of Labor Statistics, Handbook of Labor Statistics, December, 1983.

WORKING FOR INDIANA FAMILIES
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Primary Child Care Arrangements of Preschool Children U.S., 1958, 1977, and 1985

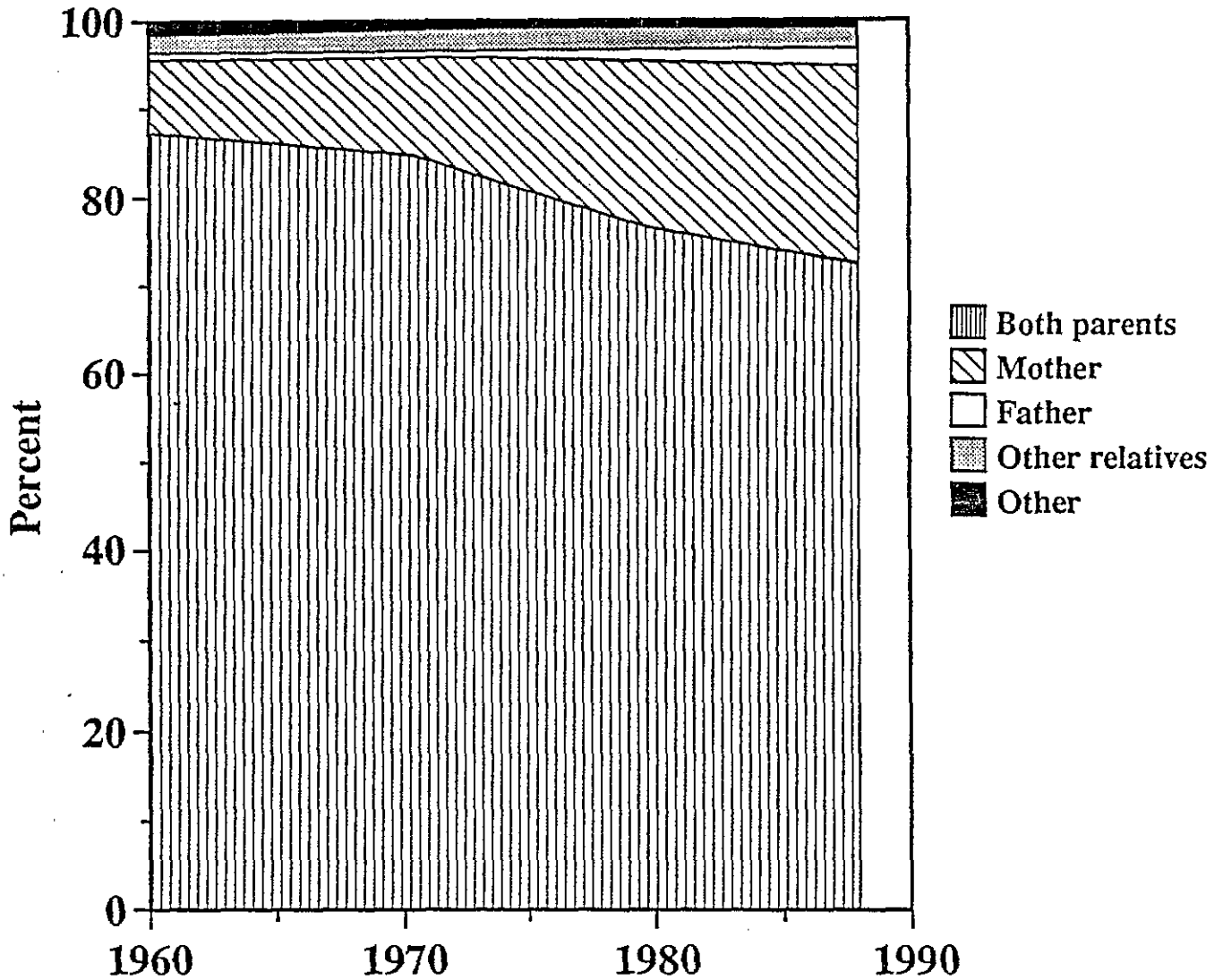


Source: Statistical Brief, U.S. Bureau of the Census, May 1987.

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Living Arrangements of Children Under 18 Years U.S., 1960 - 1988



Sources: Marital Status and Living Arrangements: March 1988, U.S. Bureau of the Census, Series P-20, No. 433.

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MEDIAN FAMILY INCOME BY FAMILY TYPE U.S., 1975 AND 1986

Constant Dollars (1985)

	<u>1975</u>	<u>1986</u>
Married Couple Families	28,716	32,805
Wife in Labor Force	34,453	38,346
Wife not in Labor Force	25,488	25,803
Male Householder, no Wife Present	25,974	24,962
● Female, no Husband Present	13,680	13,647

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 157.

Implication:

The number of single-parent households is still increasing. Unfortunately, lower income levels for these families make it difficult for them to afford the same standard of living as two-parent families. This is especially true of women-headed families.

These data conservatively portray the financial stress of many of these families as it does not reflect child care costs.

Percent of Children in Each of Seven Family Income Categories U.S., 1986

Total Family Income	Family Type		
	All	Married Couple	Single-Parent Female-Headed
Under \$10,000	16.5%	7.2%	55.4%
\$10,000-19,999	19.1	17.3	25.4
\$20,000-29,999	20.1	21.8	12.2
\$30,000-39,999	17.5	20.7	4.5
\$40,000-49,999	11.1	13.6	1.3
\$50,000-74,999	11.4	14.0	1.0
\$75,000 and over	4.3	5.4	.2
	100.0	100.0	100.0

Source: U.S. Bureau of the Census, Current Population Reports. Series P-60, Money Income of Households, Families, and Persons in the U.S., 1986.

WORKING FOR INDIANA FAMILIES
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IN-HOME DAY CARE LICENSING

The State of Indiana has definite rules for the licensing of child care centers and day care homes. A copy of these Indiana Code sections are available in the county welfare office in the Child Welfare Manual. For the purpose of this paper the following information will deal with licensing of day care homes:

A Day Care Home is defined as a residential structure where an individual provides child care for:

1. Compensation.
2. More than 4 hours but less than 24 hours in each of 10 consecutive days per week - excluding weekends and holidays.
3. More than 5 children at a time (not including the provider's children) who are less than 11 years of age and are not attended by a parent, stepparent; guardian; custodian; or a relative who is at least 18 years of age.
4. The maximum number of children that a Day Care Home can provide care for is 10 children less than 11 years of age (including the provider's children), in the same place at the same time.
5. An exception allows care for up to 5 children in excess of the maximum for part-time care, for not more than 4 hours during any part of the day.

In order for an individual to obtain a license an application (which is available at the County Welfare Office) for state licensing must be completed.

1. The department may grant a license for 1 year for the conduct of a Day Care Home. The license shall be posted in a conspicuous place in the house.
2. Other than a small fee for testing the well water, there are no fees to pay.
3. The state department shall annually and may at any time visit and inspect the premises so licensed. The State Board of Health will determine that the premises of a Day Care Home is in a fit sanitary condition. There will be an inspection by the fire marshall and the well water is to be tested annually.
4. Obtaining a license qualifies a Day Care Home for food reimbursement programs.

5. A Day Care Home cannot legally operate until the application for a license has been approved. Until the approved license is obtained and displayed, it will be necessary to limit the number of children you care for (see above).
6. The state department of public welfare prepares and annually updates a list of each Day Care Home that is licensed. The list is available for public inspection in each county department of public welfare.
7. Penalty for violations: A person who knowingly violates this chapter of Indiana Code commits a Class B misdemeanor. The department will investigate any report of an unlicensed Day Care Home and report its finding to the attorney general. In a civil action, a monetary penalty not to exceed \$100 a day for each day the Day Care Home operates without a license can be assessed.

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