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The Politics of Day-Care; We're About to Spend Billions on a Dubious Middle-Class 'Crisis'

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EVERY DAY seems to bring candidates Bush and Dukakis to another child-care center-to read a book to the kids, to sing a song with them and soon, perhaps, to change a diaper. With the polls telling politicians that child care could be a potent election issue, preschool photo opportunities are viewed as good politics.

Michael Dukakis declared in his acceptance speech it is "time to see that young families are never again forced to choose between the jobs they need and the children they love." He has endorsed start-up funding for the Act for Better Child Care, which has a first-year price tag of \$2.5 billion. George Bush called child care "nothing short of a family necessity" and proposed his own \$2.2-billion program, a combination of tax relief and grants to the states. Either approach could easily cost \$10 billion within a few years and many times that within the decade.

Whenever both parties agree about something, voters should be wary. Are we really in the midst of a serious child-care "crisis"? One that requires a major new federal program? Let's look at the facts.

Most mothers of small children do not need-or want-full-time licensed day care. To be sure, the rapid increase in the proportion of women-and mothers-in the paid labor force is one of the most significant social changes of the past two decades. From 1975 to 1986, the proportion of working mothers with preschool children increased by half, from 38 percent to 57 percent.

But this 57 percent figure-widely reported in the media-is deeply misleading because it includes part-time workers. Even now, only 34 percent of mothers of preschoolers work full-time at any time during the year and it's likely that an even smaller number work full-time year round. For instance, only 25 percent of married mothers of pre-schoolers work full-time year round. These figures are significant because families where the mother works less than full-time have markedly different child-care needs; they are much more likely to prefer home-based care because of its more flexible hours.

Day-care centers have been expanding rapidly. Although 68 percent of the preschool children of working mothers are cared for in their own homes or another home, the political debate is over licensed, center-based care. (As much as 94 percent of home-based care is unlicensed.) Contrary to what one would expect from the rhetoric, between 1977 and 1985 the number of licensed day-care centers at least doubled, from 18,300 to more than 40,000. Some estimates put it at more than 60,000. As a result, the number of preschool children in child-care centers and other preschool programs increased from 498,000 in 1977 to 1.7 million in 1985—a 241 percent increase. Center-based child care is growing nearly five times as fast as the employment of mothers of preschoolers.

Low-income children have not been left out of this expansion of preschool programs. In families with incomes under \$10,000, 40 percent of all 4-year-olds are in preschool programs and 17 percent are in full-day programs. Similarly, 18 percent of these low-income 3-year-olds are in preschool, 8 percent for the full-day.

Advocates say that additional child-care programs are needed to help low-income mothers work. However, there is already a surprising amount of child care for the children of mothers who do not work. For example, 44 percent of black 4-year-olds whose mothers do not work are in preschool programs, 18 percent in full-day programs. Twenty-one percent of 3-year-olds are in preschool, 9 percent for the full day.

Government aid for day care is already substantial. In 1987, the federal government spent about \$6.2 billion on child care. Based on census estimates of parental expenditures for child care, I calculate that roughly 35 percent of all dollars now spent on child care are federal dollars.

State and local governments, usually ignored in the child-care debate, are also making an important contribution. Kindergarten—a form of free child care, after all—has expanded enormously. About 90 percent of all 5-year-olds are now in school, with 35 percent attending both morning and afternoon. Furthermore, 26 states, including the District, now offer part-day pre-kindergarten programs for 4-year-olds.

All told, 49 percent of all 4-year-olds are now in center-based child care or other preschool programs, 18 percent in full-day programs. Even among 3-year-olds, 29 percent are now in centers and 10 percent for the full day. As a recent report for the federal government concludes, "While the number of children in center care has grown tremendously, the cost for such has remained relatively constant over time (adjusting for inflation). This indicates that the increased demand has been sufficiently compensated for by increased supply of centers."

These statistics, of course, can be read to show that the glass is half full—or half empty. Optimists cite polls showing that parents report high levels of satisfaction with the arrangements they have for their own children. Pessimists point out that child care is often truly difficult to find, especially for infants, for older children who need care before or after school, for sick children and for the children of mothers who work part-time.

Either way, we should not be satisfied with the present situation. Still, it is a far cry from the "crisis" we constantly hear about. What, then, makes it such a powerful political issue?

Both parties are scrambling for the votes of young moderate-income families that voted for Ronald Reagan in the last two elections but now seem ready to return to the Democratic fold. These parents want the government to help them pay for child care. It is easy to understand why.

Quality child care is very expensive. Full-time child care costs from \$2,000 to \$5,000 a year and even more in some areas. Such costs put child care on a par with housing, food and transportation; with two children, it can be the second largest family expense. As the number of working, middle-class mothers increased, political pressure for great child care subsidies naturally increased, too.

Unfortunately, subsidizing middle-class child care would be very expensive. Estimates range from \$40 billion to \$100 billion dollars a year, or 10 percent of all federal expenditures.

Such subsidies would also be socially unfair. The vast majority of working mothers do not fit the stereotype of the low-income woman who works long hours and still has trouble making ends meet. The median income of two-earner families, for example, was \$38,346 in 1986, half again higher than the \$25,803 of "traditional" two-parent/one-earner families.

Child-care advocates argue that this kind of broad middle-class subsidy is needed to gain political support for aid to low-income families. But this would be an incredibly inefficient social strategy, as experience with the existing tax credit for child and dependent care demonstrates. Nearly half of its \$4 billion in benefits go to families with incomes above the median. In 1985, less than one percent went to families with adjusted gross incomes below \$10,000 and only 13 percent to families with adjusted gross incomes below \$15,000.

Moreover, much smaller amounts that would be reasonable even in today's budget climate could do far more good for low-income families. For example, it would be more efficient-and better social policy-to expand Head Start, a program that combines elements of child development and child care. Approximately 40 percent of eligible children already spend the year in Head Start, usually at age 4. (By age 5, they are ready for kindergarten.) About \$1 billion would guarantee one year of Head Start for all eligible children.

Child care may some day be like public schools-available to all families free of charge. But that day is many, many years away. For now, federal policy should focus on the families in greatest need.

By suggesting that government can provide child care to middle-class families, current electioneering legitimates-and increases-the middle-class appetite for federal subsidies, subsidies that cannot be provided without sharp cutbacks elsewhere. Let's hope that this is not the legacy of the campaign of 1988.

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