

Prepared Statement of Gina Adams, Senior Fellow, Urban Institute

Mr. Chairman and members of the Subcommittee, I am Gina Adams, senior fellow at the Urban Institute, where I conduct research on low-income children and the early childhood/child care systems and programs that serve them. Thank you for inviting me to testify about the challenging realities facing families as they try to make sure that their children get a strong start in life.

I was asked to talk about where children are being cared for, the challenges their families face, and the key policy issues that should be considered to address these problems.

Where are our children being cared for?

Today, whether by choice or necessity, child care and early education settings are a reality for millions of American families with young children. Many working families must find someone to care for their children while the parents work, and seek a safe nurturing and learning environment for that purpose. And many families, regardless of their work status, seek out early care and education programs as their children approach the kindergarten years because they want to help prepare them for school. As a consequence, according to the National Center for Education Statistics, today we find 12.4 million children younger than 6—or 60 percent of all children—are regularly in the care of someone other than their parents.¹

These children can be found in a range of different early care and education settings. For example, 36 percent of all children younger than age 6 are regularly in center-based care, 15 percent are primarily being cared for by relatives, and 11 percent are being cared for by nonrelatives in home-based settings. However, this picture is somewhat oversimplified, as it provides a static picture of the main arrangement that children use. In reality, families can end up frequently changing the care arrangements they use for any child over the child's early childhood years—and such changes can be more common and frequent for low-income families and families in the welfare system (Adams, Tout, and Zaslow 2007). Furthermore, children can be in more than one arrangement at a time. Census Bureau data from 2005 estimate that 17 percent of children have multiple child care arrangements (U.S. Census Bureau 2007).

The care arrangements that families make for their children are the result of several interacting factors, including what the family wants, what they can afford, what kinds of settings are available (either in their family or in their community), and what fits their work schedules, child's needs, transportation, and so forth. Child care decisions are an extraordinarily complex blend of preferences and constraints, each of which plays out differently for each family depending on their unique circumstances. And while many parents face significant constraints in being able to get what they want, certain families face even more constraints—for example, if they are low-income, have a child with special needs, live in a rural or inner-city area where the supply of programs can be low, have a very young child, or work a non-standard work schedule.

While this seems complicated, it can be boiled down to a few key points:

- Children experience a variety of early care and education arrangements, all of which can affect their development. As a result, policy efforts cannot afford to focus on one setting and none can be ignored.
- We also have to pay attention to the range of factors that constrain families from making the best choices they can for their children. For example, to ensure that families have access to good quality care, we must not only work to make care affordable, but also focus on enhancing the supply of good quality care.
- Finally, the complexity of the situation means that there are not simple solutions to how best to support parents, so we must avoid thinking that there is a single program or approach that is the solution to the problem. Instead, it is important to continue to work comprehensively to accomplish shared goals for all families.

Are children getting what they need in early care and education settings?

In recent decades, those interested in the well-being and development of children have increasingly focused on the quality of early care and education. Their interest is due to the growing and well-established body of research showing that the quality of the early care and education experiences matters for children's development, that it can support higher achievement and good outcomes, and that it may be of even greater importance for children who are at most risk of poor developmental outcomes (Adams et al. 2007).

¹U.S. Department of Education, National Center for Education Statistics, National Household Education Surveys Program, <http://nces.ed.gov/programs/digest/d07/tables/dt07-042.asp>.

However, the research also makes it clear, unfortunately, that generally the quality of care that children receive in our country is not adequate. A recent synthesis of the research in this area conducted by the Urban Institute and Child Trends pulls together the leading research in this area and describes the quality of the two major types of care that exist—first, “market-based” child care, which includes all of the child care programs and settings that have developed in response to parent demand (including most child care centers and family child care homes) and that are based on parents ability to pay; and second, “program-based” early care and education settings, which include settings that were developed and funded by public programs such as Head Start and state prekindergarten (Adams et al. 2007). The latter settings are generally mostly (or totally) paid for by public funds, do not rely on parent fees, and are usually designed to provide a particular quality of care.

Today, I am going to focus only on the studies examining the quality of “market-based” settings. For these settings, existing research suggests that “much of the care in the United States falls below a rating of ‘good’ on widely used observational measures. Further, different studies suggest that about 10-20 percent of market-based child care settings have low overall ratings of quality, and may be potentially harmful to children’s development” (Adams et al. 2007, pg vii). Research also suggests that overall, children from lower-income families and children ages birth to three may be particularly likely to be in market-based child care settings that do not meet their developmental needs.

The fundamental cause of this finding is important to understand. Basically, a primary challenge we face is that the amount that “market-based” child care programs charge for their services is primarily dependent upon what families can pay. However, many of the key components needed for a program to provide good quality are not cheap to provide—for example, paying salaries sufficient to attract and keep well-trained teachers, having small numbers of children per adult so they can get the attention and focus they need, and good materials and facilities. As a result, the cost of high quality care can be completely unaffordable for many parents, and the cost of even the inadequate quality that currently exists requires parents to stretch themselves to pay it. Data from the Census Bureau (2007), for example, show that families below poverty who are paying for care pay a remarkable 27 percent of their income for care, and those between 100 and 200 percent of poverty pay 16 percent of their income on child care.

The consequence of this situation is that generally providers must provide services at prices lower than are needed to provide high quality care—a problem even more severe in lower-income communities where families have fewer resources to pay for care. While some providers manage to provide quality services because they either serve higher-income families or can access other resources from public or private sources, there are many providers who are struggling to provide the best care they can but who simply cannot provide high quality because they cannot charge the prices they need to do get the revenue needed to produce the quality children need. The bottom line is that the child care market simply does not work in a way that produces enough good quality care for children.

What is the status of our policy framework to address these problems?

In recent decades, policymakers have become increasingly aware of these issues, and of the importance of investing in early childhood and child care, and have made significant steps forward in this area. The most recent evidence can be seen in the American Recovery and Reinvestment Act (ARRA) of 2009, in which Congress invested significant additional resources into both the Child Care and Development Block Grant (CCDBG) and Head Start in an important commitment to children. But unfortunately there is still more work to do.

One challenge is that despite the increasing policy interest and awareness of the importance of investing in good quality early education services, most of the efforts to invest seriously in helping families access good quality care have focused primarily on Head Start and prekindergarten services as the delivery mechanisms. The good news is that these efforts have indeed produced good programs for children, particularly when provided the funding and incentives needed to support quality. However, while it is important to keep investing in, and expanding these initiatives—as they only serve a fraction of the eligible families—it is also important to realize that our focus on primarily supporting quality through these programs has inadvertently created a somewhat patchy system of quality, with some major gaps. Specifically:

- Both of these initiatives primarily serve three- and four-year olds, with the exception of the very small Early Head Start program. This means that our youngest and most vulnerable children have few resources focused on ensuring that they get good quality care. This is despite the strong research base showing the critical im-

portance of the earliest years in establishing a foundation for future learning, as well as the previously mentioned research of the significant gaps in quality for this age group. The expansion of Early Head Start (EHS) in the stimulus package is an important step. However, EHS currently serves 3 percent of the eligible children, so has a way to go before it will be able to address the gaps identified here.

- Both Head Start and prekindergarten initiatives most commonly are offered on a part-day, part-year basis, and thus are less accessible to working families. Given the large proportion of low-income parents who are working or need to work, and whose children are at risk of facing additional challenges in school, this gap means that our investments in early education programs are potentially missing significant proportion of the children we most need to reach. Consider, for example, the children of families that are on the Temporary Assistance for Needy Families (TANF) program and trying to meet the work participation requirements. These are exactly the children who we would most want to get these kinds of intensive quality services, yet the part-day, part-year nature of the services make them less likely to be able to use them.

- Finally, both of these programs are primarily provided in selected group center-based settings, meaning that while these settings or classrooms are likely to provide better care, these programs cannot directly support quality for the rest of the settings that care for children.

On the other hand, the Child Care and Development Block Grant (CCDBG) is the major federal program that reaches each of these groups—specifically, it serves children from birth through age 12, supports low-income working families, and is used in a wide range of the early care and education settings used by families. The growing awareness of policymakers of the importance of helping working families to afford care has led the program to grow since its inception, and most recently to get additional resources in the stimulus package. The CCDBG has been quite effective at helping millions of families across the country afford child care so that they can work.

Yet this program also has major challenges in terms of helping families get what they really need for their children, specifically:

- The CCDBG is primarily designed to help families afford child care settings that they can find in their communities—which are, in turn, those exact settings that were described above as being less than “good” due to market forces. While the CCDBG does have some funds designed to address quality, the bulk of the program resources are not designed to improve quality, and the CCDBG is not funded sufficiently to provide the level of resources and quality supports needed to bring local child care programs up to the level of what children need (Adams and Rohacek 2002). This is corroborated by the research, which suggests that the child care that families access with the voucher-based subsidy system under the CCDBG is no better than, and in some cases is worse than, child care settings overall (Adams et al. 2007).

- Furthermore, the funding levels of the CCDBG have limited its effectiveness even as a work support, which is the primary goal that it is supposed to achieve. For example,

- While the estimates vary, the CCDBG only serves a fraction of the eligible families, and there are eligible families that need assistance but are not able to obtain it.

- While public funding always is constrained and forces tradeoffs, the funding levels of the CCDBG have required states to restrict eligibility in a number of ways, including for families looking for work, or in education and training. This is particularly unfortunate given the importance of these efforts in helping families find work and the particular importance of these efforts in the current economy.

- Research by the Urban Institute has shown how subsidy policies and practices can inadvertently create barriers to families to be able to initially get subsidies, and to keep them once they get them. In particular, the inadequate resources have helped pressure states to maintain very tight controls on eligibility, with the result that the system does not always help parents stay attached to the workforce as they experience the dynamic work and life situations common for low-income workers (Adams, Snyder, and Sandfort 2002). This is of particular concern as families face the enormous challenges of the current economic downturn.

A number of states are working to address these issues. One example is Pennsylvania, under the leadership of Harriet Dichter and her team, which has made impressive strides forward; and other states have taken important steps to address some of these problems (Adams, Snyder, and Banghart 2007). But the bottom line is still that with the overarching problem of inadequate resources, states are seriously constrained in how much they can do. Discussions with state administrators often focus on the extremely painful Solomon-like tradeoffs they must make in de-

ciding whether to make families pay more, pay providers even less, or serve fewer families. These are not abstract policy choices and tradeoffs—instead, they seriously undercut the ability of the program to achieve its goals, and create serious problems for families and providers.

And of course, these systems do not operate in isolation from each other. While many individuals are working hard to put them together to provide the best package of services to families, the inadequacies of one can limit the other. For example, the Urban Institute is conducting a study in Chicago, looking at the extent to which families face barriers accessing the Illinois Preschool for All (PFA) initiative. The initiative is a good one, and is one that addresses many of the issues that policy-makers care about, and the state is committed to making it available to all families. The core funding for the program is for 2.5 hours a day, so the state has worked to make sure that working families can access prekindergarten services by making sure that community-based child care programs receive PFA funds and offer PFA services. Yet because working families still have to pay for the rest of the child care day, they are only able to access the program if they are also able to get CCDBG-funded subsidies—as these subsidies are what allow them to enroll their child in the child care program that includes a PFA component. As a result, anything that may create a barrier for a working family to access subsidies also makes it hard for them to access PFA.

So what do we do?

There are many issues that need our attention, a number of which have been highlighted by the other panelists testifying in recent days. I'd like to focus on three that seem particularly critical for sustained federal attention. Specifically,

- Our policies must focus across the age spectrum from birth to age 5, as children's needs for good care that supports their full development does not start at age three or four, and in fact, there is a serious gap in what children can get in their earlier years which is likely to have serious repercussions for their development and success;
- One of the major gaps in our current approach is that we need to develop, sustain, and invest in efforts that focusing on supporting the ability of working families to access high quality services; and
- It is critical to identify mechanisms to strengthen the quality of the range of settings that serve families.

One important way to make progress in these areas is to strengthen the child care subsidy system as funded by the CCDBG. This program is the only federal effort that focuses on the wider age spectrum, focuses on serving working families, and touches a wide spectrum of early care and education settings. By focusing my comments on the CCDBG, I am by no means trying to suggest that the other early care and education areas do not also need attention and investments, or that we do not need to focus significant efforts on helping these systems coordinate more effectively. Instead, my focus on the CCDBG is because too often the policy debate about how to best ensure school readiness does not focus sufficiently on how to do so for the millions of young children who are in market-based settings supported by the CCDBG every day.

Strengthening and reforming the CCDBG to allow the program to focus more on supporting the ability of low-income families to access good quality care would require a significant and sustained investment of new resources into the program, as well as the development of policies that more directly make supporting quality through every aspect of the program a priority. Rather than focusing solely on work, it is essential that we integrate a focus on child development and school readiness into the core funding of the program, and to identify ways that CCDBG can focus equally on improving the affordability, access, and quality of the early childhood settings that low-income working families need.

In conclusion, I commend the Committee and Subcommittee on their continued efforts on behalf of the children of the United States. It is critically important that we build upon the significant progress of the last decades, and take the steps necessary to ensure that our public funds are spent to help families ensure that their children are safe, nurtured, and learning—in particular, our youngest and most vulnerable children for whom these investments are the most effective. We cannot afford to delay. Every day, there are children missing out on developmental opportunities that mean that they start school further behind, and with less of the foundation blocks they need to have in place if they are to become the productive involved citizens that we need.

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