

## Executive Summary

Over the past several decades, increasing maternal labor force participation and growing public recognition of the importance of early education for children’s development and school readiness have led to a large and steady increase in young children’s participation in early care and education programs. Whereas in 1964 only 9.5 percent of three- and four-year-olds were enrolled in school, by 2011 that figure had grown to 52.4 percent (Snyder and Dillow, 2012). There has been a contemporaneous growth in public investment in early childhood programs over the past few decades, including both federal programs (e.g., Head Start and child care subsidies) and state investments (e.g., state prekindergarten).

This report uses multiple years of data from two data sources—the Current Population Survey (CPS, 1995-2011) and the National Household Education Survey (NHES, 1995, 2001, 2005)—to examine trends in early care and education arrangements for young children over the past few decades. Specifically, this report seeks to address the two main questions:

1. What types of non-parental early care and education (ECE) arrangements were children enrolled in between 1995 and 2011, and how did enrollment patterns change over that period?
  - a. What are the trends in the use of center and non-center ECE?
  - b. What are the trends in the use of private ECE (with a family payment) and public ECE (without a family payment)?
  - c. What are the trends in the use of full-time and part-time preschool for three- and four-year-old children?
2. How do rates of participation in ECE and trends in the use of various ECE arrangements differ based on demographic characteristics, particularly:
  - a. Child age
  - b. Family income
  - c. Maternal demographic characteristics: maternal employment, education, marital status, and nativity
  - d. Race/ethnicity

## Overall Trends

From 1995 to 2005, there was remarkably little change in the overall use of non-parental early care and education (ECE), but there was a significant shift in the types of care children attended: children’s enrollment in center-based ECE increased and enrollment in non-center care decreased. This shift occurred for all ages between birth and five years, but was most pronounced among children under age three. Additionally, among children ages three and four, the CPS data show that rates of enrollment in public preschool increased and private enrollment decreased from 1995 to 2011. Among children under three, however, the NHES data show that the rate of enrollment in centers with a family payment (i.e., private centers) increased while enrollment rates in centers without a family payment (i.e., public centers) did not change. Rates of participation in full-day and part-day ECE among three- and four-year-olds changed very little during this period.

## Child Age and ECE Use

Center care participation has remained consistently higher among preschool-aged children than infants and toddlers. Yet, most of the growth in the use of center care from 1995 to 2005 occurred among

children under age three. For example, the number of two-year-olds in center-based care increased from 18 to 28 percent between 1995 and 2005. By 2005, two-year-olds were as likely to be in centers as in non-center-based care. For infants and toddlers (children under age three), the increase in center-based enrollment was driven by an increase in the use of centers with a family payment, and the number of infants and toddlers in center care without a family payment remained very low (under three percent). In contrast, for preschool-aged children, the increase in center-based enrollment seems to be driven by the increased availability and use of public preschool options during this period. Whereas private preschool enrollment for three- and four-year-olds exceeded public enrollment in 1995, this trend had completely reversed by 2011 when preschoolers were more likely to be enrolled in public preschools than in private preschools.

## **Family Income and ECE Use**

There was a large and consistent difference in the use of center-based care and education by family income across this time period. Among children under age five, 27 percent of children with a family income below 200 percent of the Federal Poverty Level (FPL) participated in center-based care compared to 40 percent of their peers with family incomes above 200 percent of the FPL (in 2005). One way of understanding the magnitude of this income gap is that at each age between birth and age four, a child from a higher-income family (above 200 percent of the FPL) was as likely to be in center-based care as a child one year older from a low-income family (below 200 percent of the FPL). For example, a higher-income two-year-old was just as likely as a low-income three-year-old to be in center-based care. Not surprisingly, lower-income children (below 200 percent of the FPL) were more likely to be in publicly-funded centers without a family payment, and less likely to be in private preschool or centers with a family payment, compared to their relatively higher-income peers. From 1995 to 2011 public preschool enrollment increased for children in families with incomes both above and below 200 percent of the FPL. However, for low-income children, this resulted in a net growth in preschool enrollment, whereas for higher-income children there was an observed substitution from private preschools into public alternatives.

## **Maternal Demographic Characteristics and ECE Use**

### *Maternal employment*

Children with employed mothers were more than twice as likely to participate in non-parental ECE as those with mothers who were not employed: four-in-five children with an employed mother were in some type of non-parental care arrangement, compared to only one-in-three children with mothers who were not employed. For children younger than three, those with employed mothers were consistently more than four times as likely to participate in ECE as those whose mothers were not employed. The largest increase in the use of center-based care over this time period occurred among infants and toddlers with employed mothers. Among employed mothers who paid for infant and toddler care, there was a shift from non-center care to an increasing use of center-based care during this time period.

### *Maternal education, marital status, and nativity*

Children with more highly educated mothers remained more likely to be enrolled in preschool across 1995 to 2011. Further, higher maternal education was associated with higher levels of private preschool enrollment and lower levels of public preschool enrollment. With regard to public preschool enrollment, there were no differences in the use of public preschool by levels of maternal education below a bachelor's degree; however, children whose mothers had a bachelor's degree were less likely than those with less-educated mothers to participate in publicly-funded preschool. Public preschool enrollment also increased at a similar rate across all levels of maternal education. Children with

unmarried mothers were more likely to be in public preschool and less likely to be in private preschool, compared to those with married mothers. Children with native-born mothers were more likely to be enrolled in preschool and more likely to attend private preschool than children with foreign-born mothers.

### **Race/Ethnicity and ECE Use**

Preschool enrollment increased among Black children, and the Black-White enrollment gap in 1995 (for three- and four-year-old children) was no longer present in 2011. The Asian-White enrollment gap for three- and four-year-old children was also significant in 1995 but not in 2011<sup>1</sup>. Latino children's participation in preschool also increased, narrowing the Latino-White gap, but Latino preschool enrollment rates remained lower than all other racial/ethnic groups across this time period. It is worth noting that the increases in Black and Latino children's preschool participation occurred only among four-year-olds (with no statistically significant increases for three-year-olds)<sup>2</sup>. The percent of children enrolled in public preschool was highest among Black children, followed by Latino children, and then White children. The percent of children enrolled in private school, in contrast, was highest among White children, followed by Black children, and then Latino children.

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<sup>1</sup> This is due largely due to a non-significant increase in Asian enrollment. Note that large standard errors associated with Asian estimates cause even seemingly large differences to be statistically insignificant. Among Asian three-and four-year olds, preschool enrollment was 38 percent in 1995 and 49 percent in 2011; among three-year-olds only, 25 (in 1995) and 38 (in 2011) percent; and among four-year-olds only, 55 (in 1995) and 61 (in 2011) percent. None of these differences were statistically significant.

<sup>2</sup> Asian enrollment was not statistically significant from 1995 to 2011 for either three- or four-year-olds. However, the pattern of greater increase among four-year-olds compared to three-year-olds was not observed – even in terms of nonsignificant trends – among Asian children.