
# The Phyllis Schlafly Report

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# Exposing the Myths About Child Care

***1. Is traditional mother care of children in the home a thing of the past?***

According to *Who's Minding the Kids?,* a 1987 Census Bureau report, only 45 percent of children under five have mothers in the labor force. Fewer than one child in three has a mother employed full-time, and fewer than one in five has a mother employed full-time throughout the year. Even when the mother is employed, many families prefer to have the child cared for by grandparents, or other adult family members, rather than professional day care providers. Nearly half of the young children whose mothers are employed are cared for by adult family members or relatives.

***2. Do Americans want government-licensed day care?***

Paid professional day care of the kind envisioned in the Dodd-Kildee bill is used by only a small minority of American families. Overall, only one young child in three in the U.S. receives any form of paid day care. No more than one in ten attends professional day care centers of the sort that would be subsidized in the Dodd-Kildee bill.

***3. When parents need day care, what kind do they prefer?***

In the face of costly and arbitrary government red tape, most family day care providers take the simplest course: they operate without a license in the so-called underground market. As many as 95 percent of the nation's 1.75 million neighborhood providers are unlicensed and unregulated. Unlicensed day care provided by women well known within their neighborhoods often is preferred by parents because it is less impersonal, less expensive, and more convenient.

***4. Who uses day care — high-income or low-income families?***

Some 83 percent of children under five in day care are from two-parent/two-earner families. The median income for such families in the U.S. is $38,346. The median income of a traditional two-parent family with one earner, on the other hand, is $25,803. Most of the benefits of the existing dependent care tax credit go to families with incomes over $30,000 per year. When lower income families use day care, normally they do not use professional group care facilities of the kind that would be subsidized in the Dodd-Kildee bill. They are more likely to use care by a relative or neighbor. Mothers in professional jobs are about three times more likely to put their children in professional group care than are mothers in blue collar or service worker jobs.

***5. Would federal day care bills help the poor and needy?***

The Dodd-Kildee bill promotes a policy of "Robin Hood in reverse," taxing hard-pressed traditional single-earner families to provide subsidized day care for affluent professional couples. Over 80 percent of young children using day care come from affluent two-parent/two-earner families. The median income for these families is nearly 50 percent higher than for two-parent/single-earner families. Traditional single-earner families would not benefit from Dodd-Kildee, but would pay higher taxes to fund the program.

***6. What is the problem about child care costs?***

The problem is not a lack of professional day care but an erosion of family income due to a tax code that is increasingly biased against dependent children. A genuine pro-children policy would focus on providing tax relief to families, rather than taxing them to provide subsidized day care services to generally more affluent parents. The Dodd-Kildee bill discriminates against families in which the mother, often at considerable financial sacrifice, remains at home to care for her own young children.

***7. Is there a critical shortage of day care?***

There is no persistent shortage of day care in the U.S. Day care is one of the most rapidly growing industries in the economy. Over the last 25 years, the number of spaces for children in day care centers has expanded at a rate of nearly 10 percent per annum. Occasional shortages are due largely to excessive regulation, not a lack of willing providers. By demanding stricter federal regulation, the Dodd-Kildee bill would reduce rather than expand the supply of day care. The Dodd-Kildee bill would help bureaucrats and social service providers far more than families.

Between 1960 and 1986, the number of children in formal group care centers skyrocketed by 1,500 percent from 141,000 to 2.1 million. The number of centers grew from 4,400 to 39,929. There are at least another 1.65 million unlicensed neighborhood day care providers.

If there were shortages and constraints in the supply of day care, prices would increase sharply. But in general the cost of day care, measured in constant dollars, has stayed relatively unchanged for the past decade. While the cost of hiring a full-time sitter to care for a child in one's home has increased, the costs of "family day care" providers and group care centers have remained constant or increased only slightly in real terms over the last ten years.

***8. Does state licensing help or hurt availability and affordability?***

All states require large-scale group day care centers to be licensed. This is reasonable. More than half the states also regulate small neighborhood or what is known as "family day care" providers caring for five children or fewer. In some states, if an adult cares for even one unrelated child outside the child's home, the adult is judged to be operating a "day care facility" and must obtain a license.

In theory, these regulations are meant to protect children. In practice, they often are the product of an arbitrary bureaucracy and have little or nothing to do with the quality or safety of day care. The major effect of zoning codes, building, and health regulations is, in many cases, to restrict supply. Often, building codes designed for restaurants and orphanages are applied to small neighborhood family day care providers, forcing expensive structural changes that make it uneconomic to provide day care services.

In Texas, for instance, neighborhood providers can be required to install three stainless-steel sinks and a vent over the stove. In California, family day care homes have been required to install sprinkler systems and fire-retardant walls; one woman, seeking to expand enrollment in her six-child day care home, was told that she would have to install separate bathrooms for boys and girls and the bathrooms would have to be made large enough to accommodate wheelchairs. In state after state, day care providers have been cited for absurd or bizarre regulatory abuses.

***9. Should unlicensed day care be abolished?***

There is no systematic evidence that day care by unlicensed providers is in general less safe or less healthy than care in large regulated day care centers. Indeed, the evidence suggests the opposite. Nationally publicized cases of alleged sexual abuse in day care, such as those involving the West Point Daycare Center and the McMartin School in California, have occurred in large fully regulated day care centers. Studies show that smaller "family day care" providers are generally more attentive to children's emotional needs than larger group centers.

The most significant threat to the health of young children in day care is the spread of contagious diseases. Smaller, generally unlicensed, neighborhood facilities pose less threat than do large, regulated facilities. Dr. Stephen Hadler of the Centers for Disease Control explains that larger centers place more children in contact with each other, thereby increasing the chances of contracting serious infectious diseases. Says Hadler: "The larger the center or the longer the hours, the greater the chance [of infectious disease occurring]." Policies like those proposed in the Dodd-Kildee bill, which would tighten the net of day care regulations, driving many small scale providers out of business, and which would subsidize primarily large professional day care centers, would undermine the health of American children.

***10. How would the Dodd-Kildee ABC Bill subsidize day care?***

The Dodd-Kildee bill proposes a "trickle-down" strategy, filtering the funds through multiple layers of expensive federal and state bureaucracy in order ultimately to subsidize government-selected day care centers at the local level. Even when the funds actually reach local day care centers, there is nothing to prevent them from being swallowed up by increased salaries and supervisory costs.

At the federal level, the bill would create a "National Advisory Committee on Child Care Standards" and an "Office of the Administrator of Child Care" in the Department of Health and Human Services. A new bureaucracy would allocate monies among states, monitor and approve state "comprehensive day care plans," and enforce extensive new federal regulations. At the state level, an array of governmental and quasi-governmental organizations would be created and sustained by taxpayer funds. These would include 100 permanent day care commissions mandated in the legislation, new day care planning offices, day care referral agencies, day care inspectors and regulators, and a new national network of training centers for day care providers.

To be eligible for funding, each state would have to comply with new federal regulations and provide 20 percent matching funds. States would not be required to provide federal funds to all day care providers, only to selected institutions. Which organizations receive such aid surely will be determined in great part by local bureaucratic politics.

While the Dodd-Kildee bill contains a minor provision allowing states to provide day care vouchers, which would stimulate consumer choice, no state is required to provide vouchers. Vouchers are mentioned in only two paragraphs of the 63-page bill. In practice, little if any of the Dodd-Kildee funding would reach parents in the form of vouchers.

***11. How would Dodd-Kildee affect neighborhood day care that does NOT receive federal funds?***

The bill would set "minimum" federal standards and regulations in day care. Each state accepting Dodd-Kildee funds would be required to enforce these federal regulations. The state would be allowed to retain its own regulations only to the extent that they were more stringent than the corresponding federal standards. Each state, moreover, would be required to hold all its day care providers to federal standards, not simply those receiving federal funds. Thus the bill would attempt to bring all 1.65 million informal, unlicensed neighborhood providers, as well as all church-based day care and group care centers, under federal control.

All day care personnel, including neighborhood providers and church-based day care, would be forced to receive at least two days "training" each year in government-authorized training centers. All states would have to set maximum child/staff ratios for group care centers equal to the current nationwide median child/staff standards. Thus in half of the states, day care centers would be required to raise existing staff levels, immediately sharply boosting cost per child enrolled.

"Minimum" federal day care standards also would be developed by the new National Advisory Committee on Child

Care Standards. Two-thirds of the members of this body would be selected by Congress and one-third by the President. These minimum standards would establish additional child/staff ratio requirements, more stringent educational and training qualifications for all day care workers nationwide, and additional health and building safety regulations. The Committee also could establish federal curriculum requirements for day care, although the bill does not require that it do so.

***12. Would the Dodd-Kildee bill improve the quality of day care?***

Higher staff/child ratios would raise costs dramatically. But the 1979 National Day-Care Study commissioned by the Department of Health, Education and Welfare found very little correlation between staff/child ratios and quality. Operators of day care centers in California point out that state credentialing rules, requiring day care workers to have completed college course work in child development, significantly raise salary costs while barring many competent and caring persons from employment — nearly all mothers and grandmothers are deemed unfit to work in day care centers.

***13. Who does the Dodd-Kildee bill discriminate against?***

The 54 percent of children under five whose mothers are not employed would receive no benefits from the Dodd-Kildee proposal. Even among those children who receive day care, only a small number would receive assistance through the Dodd-Kildee bill. Funds that trickled down through the bureaucratic labyrinth would be channeled primarily toward professional group care centers. Children who receive care from relatives or from the millions of unlicensed neighborhood providers would be ineligible for assistance; together these two groups comprise roughly 75 percent of all young children in day care. Overall, no more than one young child in ten would be likely to receive subsidized care under the Dodd-Kildee plan.

The Dodd-Kildee bill would take from the poor to give to the wealthy. Over 80 percent of day care users are two-parent/two-earner families whose median income is nearly 50 percent higher than the income of traditional two-parent/single-earner families. Though children of needy single working mothers also would receive subsidized care, they are only a small percentage of the children using day care.

The Dodd-Kildee bill does attempt to ensure that subsidized care goes only to families with incomes below 115 percent of the state median for families of comparable size. BUT such a limit would include many families with high incomes. In California, for instance, a family of four with an income of $41,656 would be eligible; in Maryland the limit would be $46,063; in New Jersey $46,929. Moreover, two-earner families with incomes above the 115 percent threshold already receive billions of dollars in day care subsidies through the current day care tax credit. The bill would not require that any specific percentage of its funds be targeted to low income families.

***14. How would the Dodd-Kildee bill eliminate religious day care?***

A day care center in a religious institution which receives any Dodd-Kildee funding, either directly or through vouchers, is prohibited from providing any religious influence on the children in its care. This means that children could not say grace over their milk and cookies. In any room used for day care within such an institution, religious pictures and images would have to be turned to the wall or covered with sheets to hide them from children's eyes. Religious day care centers receiving funds would be barred from favoring members of their own faith when hiring child care workers. All religious day care centers, even those which refused federal funding, would be subject to federal regulations concerning the educational and professional qualifications of day care staff, child/staff ratios, and possibly curriculum.

Even if the extremely offensive provisions of section 20 were struck from the bill, the impact would differ little. Any program of direct subsidization of day care, or even the provision of day care vouchers, ultimately will restrict the activities of religious day care centers. Such a program will tend to force religious institutions to abandon the day care field by placing them at an economic disadvantage.

Church-run centers in the inner city would be the greatest victims of this no-religion policy. While early childhood development strategies touted in the Dodd-Kildee plan are seldom of enduring benefit to disadvantaged children, religious institutions and the strong moral values they inculcate have an unchallengeable record in helping inner city youth escape from drug addiction, illiteracy, and poverty.

***15. What does the Federal Government now spend on child care?***

The 1988 costs of current Federal Child Care Programs and Tax Credits are more than $6,900,000,000. Current tax credits benefit primarily high-income families. All other child care expenditures benefit primarily families on welfare. Low- and middle-income families are taxed but not benefited. The breakdown is listed below in millions of dollars:

| | |
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| *Tax Credits* | |
| Child and Dependent Care Tax Credit | $3,920 |
| Employer-Provided Child Care Tax Credit | 65 |
| Non-profit Child Care Center Tax Exemption | 3 |
| *Child Care/Early Education* | |
| Head Start | 1,206 |
| Child Care Food Program | 582 |
| Special Education Preschool Services | 219 |
| Dependent Care Planning and Development | 8 |
| Special Milk Program | 4 |
| Child Development Associate Scholarship Program | 1 |
| *Welfare and Job Training — Child Care Expenses* | |
| Food Stamps | 50 |
| Aid to Families With Dependent Children | 44 |
| Housing Assistance | 18 |
| Work Incentive Program | 9 |
| Job Training Partnership Act | 9 |
| Vocational Education | 1 |
| *Student Financial Aid — Child Care Expenses* | 65 |
| *Social Services/Community Development Funding* | |
| Social Services Block Grants (Title XX) | 660 |
| Community Development Block Grant | 35 |
| Child Welfare Programs | 1+ |

The information in Questions 1-14 was taken from Issue Bulletin #138 called "The American Family and Day Care" by Robert Rector published by the Heritage Foundation, 214 Massachusetts Avenue, N.E., Washington, D.C. 20002. The information in Question 15 was taken from the House Education & Labor Committee testimony of Douglas Besharov of the American Enterprise Institute, 1150 17th St., N.W., Washington, D.C. 20036.

## Five Principles of Good Child Care Policy

### Excerpts from the Testimony of U.S. Secretary of Education William J. Bennett*

Let me present the fundamental principles that I believe should guide our efforts in the development of public policies bearing on child care.

1. Any government policy or program in the area of child care should be judged by one standard above all others: Does the policy or program under consideration strengthen or weaken, over the long term, the vital social institutions — especially the family — that bear primary responsibility for the nurture and protection of our children? In our society, families have the basic responsibility for the care of children.

I am disturbed by some of the child care proposals now pending before Congress. They seem, however unintentionally, to put families to one side; they seem to accept as inevitable the declining importance and role of the family; and they seem more concerned with creating new structures than with supporting the very best structures possible for our children: our families. Finally and fundamentally, child care is a family issue.

2. When we analyze child care policies, we must be sensitive to whether our policies discriminate against families that choose to have a parent stay at home to care for their children. The choice as to whether a parent, particularly a parent with young children, should or should not seek employment out of the home must be made by each family. The government should not bias that choice through its policies.

Many of the child care proposals now before Congress address themselves only to the situation of two working parents or a single working parent. These proposals would take tax dollars from all families — including families in which the mother or father, often at considerable financial sacrifice, stays at home to care for their children — and spend them in most cases on families where both parents are working, many of whom are financially better off. Government policies should be neutral toward the choice of child care arrangements.

3. For those parents who do choose non-parental care for their children, we should insist on fair and equal treatment for the various types of child care available to them. Government programs should not favor or promote day care in a secular setting over day care in a religious one, or institutional care over informal care. Parents should be able to make decisions of the kind of child care they want, and the government should respect their choice.

4. When we do spend public money, we should consider targeting funds on those most in need — on lower-income families.

5. In seeking to improve the care for our children, we should resist the temptation to set up government programs that will result in overlapping responsibilities and ever-growing bureaucracies. In particular, we must avoid the all-too-familiar pattern of establishing a federal program that manages to spend large amounts of taxpayer money without actually benefiting those who most deserve help, or that ends up funding bureaucracies rather than benefiting the intended recipients.

* before the House Committee on Education and Labor, Subcommittee on Human Resources, April 21, 1988.

## Good Child Care Proposals

1. **The Child Care Income Tax Reform, H.R. 3944 and S. 2187.**
Sponsors: Rep. Clyde Holloway (R-LA) and Sen. Malcolm Wallop (R-WY).

- A $150 to $400 tax credit for all children below mandatory school age, on a scale that gives the greater amount to low- income families.
- The credit is refundable at the lower income levels up to the amount paid in Social Security taxes.
- The above would replace the existing Child and Dependent Care Credit.

2. **The Toddler Tax Credit, H.R. 4434.**
Sponsor: Rep. Richard T. Schulze (R-PA).

- A $750 tax credit for each child under age 6 in families with annual incomes over $13,000 to be applied against federal income and Social Security taxes; refundable if tax credits exceed the tax due.
- For families with annual incomes below $8,000 a year, a cash refundable Earned Income Tax Credit for Young Children under age 6 (EITC/YC) of $15 for the first child for each $100 earned by the parent, and $10 for each additional child for each $100 earned by the parent.
- Adjust the amounts incrementally for families with annual incomes between $8,000 and $13,000.
- The above would replace the existing Child and Dependent Care Credit for children under age 6. The existing Dependent Care Credit would be retained for children over age 6.

3. **The Family Care Package of 1988, H.R. 4219.**
Sponsor: Rep. Philip M. Crane (R-IL).

- A $5,000 tax exemption for dependents under age 6.
- A $4,000 tax exemption for dependents between age 6 and age 18.
- A $5,000 tax exemption for handicapped dependents.
- A $4,000 tax exemption for dependents over age 55.
- The above more generous exemptions would replace the Child and Dependent Care Credit, which would be repealed.

*All three of the above bills meet the five tests proposed by Secretary Bennett. They respect the family, they do not discriminate against mothers who care for their own children, they accord 100% freedom of choice to families in selecting child care, they advantage low-income families, and they do not create or expand a bureaucracy.*

**Ask your Congressmen and Senators to co-sponsor all three bills.**

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