

# How Much Is Good Child Care Worth?

by Mary P. Rowe

After several years of published research on day care costing and funding,<sup>1</sup> why are we still plagued with the questions of what quality child care costs and what it is worth? I suggest the question still arises for two reasons. The first is that most child carers have been women, and women's traditional work is just beginning to become part of the modern, monetized economy. The second reason is that the *quality* of child care lies, at least in part, in the eye of the beholder.

## The Increasing Monetization of Child Care, or Consider West African Bananas

Once, in West Africa, bananas were considered free; cooking and eating bananas, large and small, cultivated and wild bananas — all were considered free. Of course, they were *not*, strictly speaking, free. Somebody picked them, cultivated them, bartered for them. But still they were *considered* free. Although many people devoted a considerable amount of time and energy to produce them, they were not thought to be worth money.

Then the agricultural economy of West Africa became increasingly monetized. Farming became part of the modern economy and suddenly in the capitol cities (to everyone's surprise) bananas became *expensive*. The picker was paid at the market by a middle-person who was paid by a trucker. The trucker was in turn paid by a city middle-person who wholesaled the bananas at a considerable price.

At first new prices varied from place to place and with different kinds of bananas. Some pickers and truckers did not charge much for their time: it had always been pleasant to pick bananas; they were graceful, with a wonderful flower at the end. And besides, people often cultivated and picked bananas together, which was friendly and fun. Why charge for the few minutes spent in the

evening adding the bananas to a shipping list, or for the time of a twelve year old son who helped pick, or for the time of a grandmother who loved to cultivate the graceful trees? However, some pickers *did* charge a little extra for having planted the trees. Inflation hit different villages at different seasons. Some city middle-persons ordered banana shipments, and there was much talk of whether to charge for "bananas shipped" or for "bananas delivered."

As things went on, picking became specialized. Modern administration began to be applied to banana farming. Fewer people picked bananas for fun or barter. Finally, all the operations involved in selling a banana in the city of Lagos were paid for. Banana plantations developed bureaucracies. Start-up costs were separated from recurrent costs in bookkeeping. Cost accounting separated the costs of bananas ordered, and bananas delivered and sold. What once was a "dual economy" — money in the city and barter in the countryside — has slowly become a single, monetized economy.

## So, Too, With Child Care

A similar development has arisen in the care of children in the United States. At one time, children were brought up, almost incidentally, by men and women engaged in survival activities — farming, crafts, shop-keeping. Then men began to leave the home-workplace for paid employment elsewhere. Grandparents were left behind as society's mobility increased; aunts and cousins sought paid employment. Older children began to establish their own social groups. And now finally, mothers are leaving the home-workplace for paid employment too. Suddenly we learn that what we *considered* free is not actually free at all.

Today, more than a third of the mothers of our 0-6 year olds work in paid jobs. The demand for child care has risen at the same time that the supply of traditional child care has declined. Consequently, we turn to non-relatives for child care, converting what we once took for granted into a monetized service. Having been brought up

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by mothers and aunts who apparently worked "free," or who swapped children back and forth, we find it difficult to accustom ourselves to child care costs, and to accept the true cost of all the resources used in fully-costed, formal child care programs.

In order to understand and compare child care costs (as with the cost of bananas) we must:

- separate recurrent costs from start-up costs, and understand the planning of program finances;
- consider standard hours per day, days per year, for child care and staff time;
- reckon in *all* of the in-kind donations and volunteers;
- separate the costs per child for children in average daily attendance from the costs per child of enrolled children (the costs of services actually delivered versus the costs of services offered); and
- consider regional price differences and inflation.

Failure to note these differences and make these separations can produce wild disagreement and misunderstanding. People try, for instance, to compare programs in Mississippi with those in New York without considering that New York prices

are double those in Mississippi. The program which costs \$12 a week per child in Nevada, because 80% of the resources are volunteered or donated, would otherwise cost \$40 a week per child. The costs of public schools, which function five hours a day, should not be equated with full-day, preschool programs which average ten hours per day. All these factors must be considered and understood.

In sum, our difficulty in accepting the true facts about the economics of child care derive in part from unfamiliarity with a *monetized* child care system.

### What Is A Quality Program?

Another reason it is difficult to cost quality child care is that the quality of child care is relative. Child care is not, after all, just like bananas. The first problem in asking "What is a quality program?" is assessing what measurements are to be used. About 5-10% of our 0-6 year olds are regularly left alone, or are unsupervised while "graveyard-shift" parents sleep during the day, or are cared for by other children under 10. Still more 7-14 year olds are left to fend for themselves, steering amidst drugs, alcohol and street violence. Probably about 10% of our children are at some time physically or psychically abused



Photo by: Marianne Gontarz

enough to need professional attention. Rat bites and malnutrition are common — even V.D. has been found among city preschoolers. Compared to this sort of life, what is good child care? Plainly, any program that is not itself abusive.

But many of us would like to do better than just non-abuse. Above the level of abuse, what is good care? What does it cost? Is there any way to reduce costs?

There have been hundreds of recent studies on the effects of early childhood programs which attempt to answer these questions. Unfortunately, there are not as yet stable, measurable, longitudinal benefits from early childhood programs which do not disappear after two or three years of schooling.<sup>2</sup> This does not mean that early childhood programs do no good. Giving children a year or more in good child care is worthwhile simply if it makes them healthier and happier for that limited period. Even if a child care program has no demonstrable long-term effects, if it helps improve a child's social, emotional, and medical environment for the years 0-14, the validity of the program is evident: we have improved 20% of the child's life.

Americans talk as if they know what quality child care is. But there are many definitions of "quality" and the cost implications vary widely. For instance:

a) "Good child care is comprehensive." Care analysis of most programs defined as "comprehensive" shows that widened scope of programs has mostly to do with the addition of programs for the direct benefit of *adults*: job counseling, family planning, day care staff training, family health or transportation. Helping adults should of course benefit children, but it is questionable that these components fall under "child care" *per se*. In any case, "comprehensiveness" generally adds only 10-20% to the cost of programs. Child health and special child-nutrition components generally add much less to program costs — about 3-8%.

b) "Good child care has an educational component." One or two hours of standard, packaged "educational programs" can be added to a full-day preschool service for only \$2-3 per week per child. So far as we know, there is little evidence of good (or harm) from most of these educational "packages" in child care programs; in any case, their cost significance is minimal.

c) "Good child care has an adequate staff-child

ratio." In my own studies and analyses I am continually struck by the fact that programs commonly described as "good" have relatively tight staff-child ratios.<sup>3</sup> In upper middle class, predominantly white child care programs, one regularly sees "good" preschool programs with staff-child ratios at 1:9, 1:10, 1:11. By comparison, the median staff-child ratio in all full-day programs in the United States is somewhere between 1:10 and 1:19. In inner-city poverty programs, moreover, even where the programs have already been funded for ratios of 1:5, 1:7, 1:8, directors regularly work nights and Sundays searching for resources to tighten the ratio to 1:3 or 1:4. (Wider staff-child ratios may be adequate in middle income locations in part because of the greater administrative support available to suburban programs, because middle class children already go to pediatricians and museums regularly, and because many poverty children spend very long hours in day care centers.) In any case, calling a program "good" can be interpreted as meaning that the staff-child ratio is "adequate". Staff-child ratios are also very significant for costs, since 70-80% of child care costs are for personnel.

The new Federal Day Care Requirements (which are likely to be incorporated into any forthcoming federal day care legislation) envisage the following staff-child ratios and recurrent costs per child year.<sup>4</sup>

Age Group	Paid Teacher Ratio	Recurrent Cost per Child Year
Infants	1:3	about \$2800
Toddlers	1:4	about 2500
Preschoolers	if 1:7	about 1800
	if 1:10	about 1500
Afterschoolers	if 1:12	about 1000
	if 1:20	about 800

There are no "standard" start-up (non-recurrent, non-amortizable) costs; the range is \$100 to \$5000 per child depending on the circumstances of individual programs, locations and specialized needs.

If properly supported and supervised, organized family day care costs about the same as center care. Care in *systems* of centers may cost a little less (about 5%), especially in mixed, home-care/center-care systems where infants, sick children,

and children with special needs are more easily provided for. Large centers however are probably not a good way to lower costs. Many day care experts consider care in large centers less "warm" and attractive, and often less convenient to parents than care in smaller programs. (It is interesting to note that the modal [most frequent] size of centers in the U.S. is in the range of 20-45, and that Denmark seems to have switched from large to small centers.) Thus the oft touted "economies of scale" of large centers seem to me likely to result in reduction in quality of service<sup>5</sup>, and the apparent lower costs are not generally worthwhile.

### Towards Low - Cost, Quality Care

The greatest problem of lowering child care costs is that adequate staff-child ratios are essential to quality care, and the most expensive aspect of quality care is staffing. Lowering costs therefore lies in either lowering salaries or recruiting volunteers and donations. In a society where day care workers receive only 60-70% of public school salaries and where the Westat Survey of 1970 reported directors' and staff salaries to average about \$4200 it is hard to envisage cost reduction through salary reduction. Particularly grotesque are welfare reform proposals which plan to employ welfare mothers as day care providers at sub-poverty wages.

However, volunteers and donations can help fill the gap. Locating child care centers near high schools, universities, old-age homes, foster grandparents, and VA hospitals can be a potent method of recruiting interested volunteers. In the absence of other resources, such methods are exemplary. (It must be noted, however, that although volunteers hold together a great many quality programs, they cannot be reckoned for meeting Federal Day Care Requirements for staff ratios.)

In summary, it is difficult to know for sure what "good" child care is worth because the goodness of care varies with circumstances. If good child care is more likely to occur in the presence of tight staff-child ratios (which the Office of Child Development and many others believe), then good care requires extensive resources. It seems hard for Americans to accept this fact, probably because traditional women's work has never been directly paid for in money. Unrealistic attempts to

expand child care services without providing adequate resources continue. These attempts lead to skimping on staff or paying poverty wages, or using volunteers and donations extensively. Although fewer staff or smaller salaries are potential alternatives, I believe that these methods rob our children as well as exploit staff.

When we assess the alternatives, it becomes apparent that Americans can provide enough quality child care for children and families (at sliding fees that parents can pay) only through greatly expanded federal commitment and support. Are our grandchildren to be brought up by children we refused to take care of? And are we one day to be governed by a generation of children for whom we would not provide adequately? We must choose our priorities, commit ourselves to accepting the realities of day care costs, and provide the resources for the quality care our society and our children need.

### FOOTNOTES

<sup>1</sup> See, for instance, *Child Care in Massachusetts: The Public Responsibility*, Massachusetts Early Education Project, Nichols House, Appian Way, Cambridge, Mass., 1972, Chapter 8. Reprints of that chapter may be obtained from the Day Care and Child Development Council, Washington, D.C.

*A Study in Child Care, 1970-71*, Vol. III ("Issues of Cost and Quality"), Abt Associates, 55 Wheeler St., Cambridge, Mass., 1971.

Both studies mention many other works on day care costs, costing and funding, and have many different budgets for various kinds of child care operations.

<sup>2</sup> I will not raise in this context the effects of child care on parents, staff, community, although obviously a "good" child care program provides important benefits for all these groups. It should however be noted that most child care in the U.S. can be considered to have been instituted, in the first instance, for the benefit of adults.

<sup>3</sup> A more detailed analysis of this subject may be found in *Child Care in Massachusetts*, note 1.

<sup>4</sup> These Washington, D.C. cost figures derive from estimates for HEW made by Don Ogilvie of Inner City Fund, Washington, D.C. Ratios are for *paid* teaching staff only. Costs assume facilities fully enrolled, which is an unusual occurrence, and assume no overtime pay and only a nine-hour day. (The average, full-day U.S. center is probably more like 10 hours a day.)

<sup>5</sup> There is a detailed discussion of these points in *Child Care in Massachusetts*, note 1.