

CHILDCARE CONSUMERS:
ASSESSING INFORMATION NEEDS OF IOWA'S PARENTS

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EXECUTIVE SUMMARY

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CHAPTER ONE

Introduction

At one time, parents needing a few hours of child care bartered informally with friends, relatives or neighbors. In more recent times, social and economic conditions have resulted in an increase of women in the work force, including increasingly larger numbers of mothers of children under six years of age. There is an emerging need for a variety of child care options to reflect the differing values and needs of Iowa's families.

Recent Trends and Projections

The percentage of mothers in the labor force has increased greatly over the last decade. In 1970, 39 percent of all children under 18 years of age had mothers in the labor force. By 1982, that proportion had risen to 55 percent. Of those children, 29 percent were under five years of age in 1970; this figure increased to 46 percent in 1982. The proportion of school-age children with mothers in the labor force rose from 43 percent in 1970 to 59 percent in 1982. In Iowa in 1980, 49 percent of mothers with children under six years of age were in the labor force, while 66 percent with school-age children worked outside the home.

The traditional two-parent family consisting of a male wage-earner and a mother who stays home to care for children has undergone many changes. In addition, the number of female-headed families has increased. Today, 62 percent of all children in one-parent families have mothers who work; 50 percent of these children are under the age of six. Finding affordable child care is particularly difficult for poor and working-class families with mothers in the labor force. The U.S. Commission on Civil Rights reported in 1983 that finding adequate and affordable child care is a particularly acute problem for all disadvantaged female heads of household.

There is a critical shortage of licensed child care facilities and homes. In 1980, ten-year projections estimated that 50 percent of all pre-school children and 60 percent of all school-age children would have

mothers in the labor force. These projections have already been matched or exceeded. In 1982, 49.9 percent of all mothers employed outside the home had preschool-age children, and 65.8 percent of mothers with school-age children were in the labor force. It is estimated that at least 13 million children under 13 years of age have both parents employed full time and at least 5.2 million of these children spend a significant portion of the time when their parents are at work without adult supervision. This growing "latch-key" problem is just beginning to receive serious consideration by policymakers.

Day Care: Shared Childrearing

Traditional views of parenting expect that children, especially infants, toddlers and preschoolers, should be reared at home by their parents. When, under extenuating circumstances, this cannot occur, friends, relatives, neighbors or people known personally are acceptable substitutes. Care by others, i.e. "strangers," is viewed with suspicion and is far less acceptable and often perceived as detrimental to children. However, the rapid emergence of child care outside the home has not allowed society an opportunity to examine thoughtfully this trend and readjust its expectations of parents. Conflict and confusion result in the minds of parents when there is a pressing need for child care outside the home and it is not sanctioned by society.

Caregivers also share in this confusion. Since day care, as we know it today, is a relatively new social phenomenon, caregivers, like parents, have not experienced it and are uncertain of what their role should be. They, as well as parents, are ill prepared to adopt the notion of shared childrearing. Caregivers, spending longer hours with children and facing the concomitant demands are not sure whether they should be fulfilling a supervisory or a childrearing role. Parents are reluctant to share the childrearing role and often mistrust caregivers.

Parents as Consumers

Another consequence of the child care dilemma is that parents are not trained to approach child care from a consumer viewpoint. Over the past

decade, schools, popular magazines, and the mass media have all provided consumer education about product selection. However, few if any of these resources have produced consumer education to help parents become discriminating consumers of child care. Concurrently, the majority of providers of child care (family day care home providers) have not been prepared to view their role from a business perspective, and many providers view state regulation of their services as threatening.

Our knowledge of the day care experience and its place in today's family life is limited because researchers have not adequately studied how parents function as consumers of child care. For the most part local, state and federal policymakers have not adequately addressed licensing, information and referral, technical assistance, or monitoring capacity to help locate, identify, and improve publicly supported child care.

The purpose of this research is to collect information regarding:

- a) parents selection and utilization of child care services,
- b) problems parents have encountered in using day care,
- c) the importance of and satisfaction with certain aspects of day care,
- d) the assistance they had sought in finding child care and the recommendation for other parents,
- e) demographic characteristics of the respondents.

A more detailed description of the study sample, research design, and methodology is contained in Chapter 2 of the final report.

CHAPTER TWO

Methods

Subjects

Subjects of the study were 540 Iowa parents who were currently using child care. Ninety-four percent of the respondents were mothers, 4 percent were fathers, and 2 percent were others (e.g., guardians, relatives). Eighty-six percent of the families described themselves as a two-parent family, 14 percent as a one-parent family. Ninety-two percent reported mothers employed outside the home. Of these, 74 percent indicated full-time employment, 26 percent part time.

Table 1 shows the ages of the children of the subjects and the day care settings in which these children were located.

Table 1

Ages and Settings of Children

Setting	Ages of Children			Totals
	0 - 3	3 - 6	6+	
Day Care Center	101	167	34	302
Family Day Care Home	125	66	38	229
TOTALS	226	233	72	531

Procedure

Instrument. A 44-item questionnaire was constructed to collect data. Parents were asked to select from a range of categories the appropriate one which described their selection and use of child care services as well as the kinds of problems they had encountered. Likert-type five-point scales (1=low, 5=high) were used to measure parents ratings of importance of and satisfaction with various aspects of day care. A range of categories as well as open-ended formats were provided for parents to describe the assistance they had sought as well as their recommendations for parents generally.

Questionnaire distribution. Thirteen hundred and fifty questionnaires were sent to 25 licensed day care centers throughout the State of Iowa. Representative numbers of urban and rural, employer and non-employer sponsored, non-profit and for-profit programs were selected to reflect all the options available to parents. An equal number of questionnaires were distributed to 304 registered family and group day care homes. Directors of the day care centers were contacted by phone to solicit their cooperation. All 25 of the selected programs agreed to participate. Since time and financial restraints prevented phoning family day care providers, requests for cooperation were mailed to providers with six questionnaires

to distribute to parents. To maximize the probability of obtaining information from families with children of all ages, directors and providers were asked to identify a target child from each family, with priority when needed given to infant/toddlers and/or school-age children over preschool-age children. Questionnaires with cover letters explaining the project were distributed to these families.

CHAPTER THREE

Findings

Needs and Patterns of Child Care

State and national trends such as increasing numbers of mothers in the labor force, larger numbers of households with children headed by single females, and a growing number of single mothers who are existing at or below the poverty level have contributed to a need for affordable, good quality child care. For example, this study showed that 92 percent of the families responding were using child care because the mother was employed outside the home. Of these, 74 percent were employed full time and 14 percent of the families responding were described as single-parent families. Senator Bruner reported that between 1969 and 1979 the number of Iowa families headed by women with children increased 54.7 percent and comprised one out of every ten families. A corresponding trend has found an increase of 44.9 percent in the number of these single-parent families living below the poverty level.

Besides these trends, certain aspects of parents' employment contribute to the need for a variety of affordable, good quality child care arrangements. For example, the length of time parents are away from home and the time of day they are employed determine when they need child care. While the vast majority of parents in this study needed full-time care, a large percentage (34%) needed part-time arrangements. Furthermore, some parents (34%) needed child care for more than forty hours a week. A larger percentage of these parents used family day care settings as opposed to centers (40% vs 29%). Centers traditionally have held to fixed hours typical of the work day, while home providers have been more flexible in meeting these needs. For centers to provide care for irregular times, there must be sufficient numbers of children to make it cost effective. Families needing this kind of care are widely distributed, making it easier for family day care homes to fulfill this need.

The need for a greater diversity of child care arrangements is further demonstrated by the large percentage (38%) of parents who indicated that certain aspects of their family's employment patterns made it difficult to arrange for their children's care, e.g., nighttime and/or weekend work, and irregular hours. Of 529 parents who rated the importance of convenient hours on a five-point scale with one being not important and five very important, the mean rating was 4.32 (SD = .83). The National Day Care Home Study (NDCHS) reported that "...a sizable minority of parents worked at night or had rotating or variable work schedules, suggesting the need for flexible child care". No study to date has examined the costs of arranging care for atypical times such as evenings, all night or weekends. However, it can be assumed that because of the difficulty in locating these arrangements they are more costly. These higher costs are particularly a problem for families with low incomes, i.e., the working poor.

The type of child care that is needed has also changed over the past decade. While at one time the majority of mothers delayed entering the labor force for the first two or three years of their children's life, more mothers with infants and toddlers are needing to work. This trend addresses not only the need for a variety of child care arrangements, but the need for affordable, good quality child care as well.

The cost of infant care can be a financial problem for many families needing care for children under two years old. Parents in this study were paying as much as \$20 per day for infant care. In a typical month this could cost as much as \$400 for one child. Parents with infants and one or more children in care struggle under a particularly heavy financial burden. Data from this study indicates that the cost of child care can pose financial problems for families. Specifically, parents indicated that their family's financial status was improved only slightly by having a child in care outside the home. Indeed, 76 (31%) parents indicating problems with child care arrangements pointed to cost of care being too high. However, few employers in Iowa or elsewhere have given serious consideration to providing child care benefits for employees. This is a new idea, and its possibilities have not been fully developed. Some employers have constructed on-site centers as a way of meeting their employees' child care needs. For the most part, these employers have been hospitals who have needed to attract and retain skilled medical professionals, most of whom are women, many of whom are mothers of young children. This option may be prohibitively expensive for many

businesses, which therefore have ruled out child care as a benefit. There is a need to consider less costly options, such as purchasing slots in local day care programs, the use of a voucher system and flexible benefit plans which include child care as an option.

In this study, 10 percent of families indicated that employers were contributing to the cost of child care. Recent federal legislation has provided tax incentives for businesses and industries who provide this kind of benefit. Recently in Des Moines, a White House-sponsored briefing session was held on employer-sponsored child care, a project of the President's Advisory Council on Private Sector Initiatives. Discussion in this session focused on how public and private sectors can work together to meet the growing need for affordable, good quality child care. From this briefing session, information about Iowa's specific child care needs was presented to several Des Moines business leaders. Along with this information, employers' options in supporting working families was presented.

Many studies have found that parents are generally satisfied with their present child care arrangements. The results of this study were no different; parents were very satisfied. However, this does not mean that they have not experienced problems in their child care arrangements, or that their children are receiving the kind of care that they would prefer if it were accessible and affordable. Most families would prefer a single child care arrangement that would span the years during which parents need child care. In fact, most parents have had to use more than one child care setting. In this study 64 percent of parents had used more than one, and of that group the vast majority (84%) had used two to five previous arrangements and five percent had used even more than five settings for a single child. The importance of consistent child rearing has been well documented. This consistency is reduced when changes need to be made which reduce the possibility of a child care setting having a positive impact on a child's development.

The traditional means of providing child care outside the home the family day care home or the babysitter in the family's home have not met the diverse needs of parents requiring care. While these settings are certainly preferred by many families, more recently other families are finding their needs met better by care in center facilities. In fact, in this study 90.4 percent of parents using centers had previously had in-home or family day care home arrangements. This trend may be attributed to, among other factors, the availability of more infant care in centers and the high cost of in-home care.

While centers are becoming more available and providing options not previously open to parents, a large percentage of parents in this study indicated that the type of care they were using was not their first preference. While they indicated a high degree of satisfaction with their present arrangement, in fact, 42 percent of parents using centers would choose other options if they were available, and 56 percent of consumers of family day care would choose other options. This disparity is evidence that indicators of satisfaction may mask true needs when parents are not able to choose from among a variety of options.

Consumer Selection Process

Parents generally felt that they were prepared to select a child care setting, however a large majority of them (72%) indicated that they felt most parents needed assistance. Furthermore, of those parents who indicated that they had problems arranging child care, 23 percent indicated that they did not know where to look. While most parents either consulted friends and neighbors or checked advertisements in their selection, they recommended that a wider variety of resources be available to parents. Most frequently parents recommended that community-based information and referral services be made available to parents. The kinds of information they suggested would be helpful included general information on what to look for and specific information about individual programs, such as policies, childrearing philosophies, activities and information about specific caregivers.

While directories, pamphlets, checklists, and a toll-free information number were all perceived as being particularly useful consumer resources, information and referral programs received the highest rating. The absence of a diversity of child care arrangements, the shortage of information about what is available and the inadequate preparation of parents in selection of child care restrict parents from choosing the best possible arrangement for their child. When dollars are few, options are restricted, and knowledge is unavailable, parents are not likely to approach child care from a consumer viewpoint.

While parents do not deliberately place their child in a less-than-adequate setting, problems do occur because of a lack of consumer skills. For example, 107 (20%) of all parents in this study did not visit the child care facility prior to placing their child there. This percentage was larger for parents using family day care settings than for parents using centers (32% vs 11%). This is not necessarily due to parents personally knowing the provider before placement, since 61.6 percent of users of family day care described their provider as a "stranger." While parents are more comfortable when visiting and inspecting a public facility such as a day care center, they are reluctant to invade the privacy of a "stranger's" home. Further ambivalence about whether or not they should visit the home to insure a safe environment occurs when day care is scarce, and/or parents not only want, but need, to establish a good relationship with the provider. They hesitate or choose not to visit, afraid that such an "inspection" might be viewed as showing a lack of trust in the provider. The confusion about whether or not it is legitimate to visit the day care home also stems from a reluctance to view the purchasing of child care from a family day care provider as a business arrangement. These factors, and others, inhibit the monitoring of day care homes by parents that generally is assumed to occur. In fact, of the 429 parents who visited facilities, more than half (51.5%) visited only one, i.e. the one they chose. Because these parents did not see the range of possibilities and were not able to make knowledgeable comparisons, they did not function as wise consumers.

The fact that large numbers of parents do not function adequately as consumers of child care and that nearly half of the parents in this study have experienced problems in the selection and use of child care demonstrates clearly the need for support by the public and private sectors. The severity of these problems speaks to the urgency of this need. Large numbers of parents indicated that their children had experienced care which was less than adequate or which could be described as neglectful or abusive. Other problems experienced by parents were a result of a lack of diverse arrangements. Large percentages of parents indicated that obtaining care for sick children, infants and school-agers was a problem for them. Others found it difficult to find one place for all their children.

Historically, government has tried to assist parents in finding adequate, safe child care by some forms of regulation for some types of child care facilities. Findings from the National Family Day Care Home Study support the importance and effectiveness of regulation: quality of care was directly related to regulation. Parents in this study indicated that licensing of centers and registration of family day care homes provided them with a sense of security. It could be argued that this sense of security that regulation provides, encourages and supports parents in their parental role and can lead to greater effectiveness, more advice-seeking, and increased openness to new information and ultimately empowers parents to function optimally in their parental role. This includes functioning as informal consumers and building ties with caregivers that reflect shared childrearing roles.

One way in which regulation can support parents as child care consumers is to encourage development of a greater role for parents in routine inspection and reporting on compliance. One example of this approach is a system that included parents in the evaluation of day care homes. Parents who had recently used a certain family day care setting were sent questionnaires by the regulating agency asking them to rate various aspects of that setting. This information was then used by the licensor to help upgrade the quality of care. This type of system empowers parents by educating them about indicators of child care quality and by recognizing the importance of parents by providing them a voice in the regulation process.

Results of this study indicated that a shared childrearing role is important to parents. To the degree that providers inform parents about their child's day, allow them to exert some control over the environment and respect and use their suggestions in caring for their child, the more satisfied parents will be with their child care arrangement. This is vitally important considering that a majority (61.6%) of parents purchased child care from "strangers." The National Family Day Care Home Study found that some parents felt that close, personal relationships between parents and providers were advantageous in dealing with issues such as attitudes or behaviors related to childrearing. Others felt that closeness made it difficult to discuss problems and dissatisfaction. Some felt that the demands of friendships conflicted with parents' needs as consumers. These findings reflect the confusion surrounding child care as shared childrearing.

CHAPTER FOUR

Options for Consideration

Since this study is concerned with a limited number of issues around the fast-growing need for child care, and since other studies will need to be conducted to assist policymakers in the formulation of social policy, a few principles or guidelines may be useful in evaluating options. As recommended by Beck, policy proposals should

- (a) recognize child care as a legitimate need of different families at different times,
- (b) define a legitimate role for public support,
- (c) increase the accessibility of child care,
- (d) encourage diverse child care arrangements,
- (e) not neglect to address the needs of the poor, of minorities, of migrants or of those children who are abused or neglected, handicapped, gifted or who live in remote rural or deprived inner-city areas,
- (f) include mechanisms to protect children in care and promote quality, and
- (g) empower parents by ensuring meaningful participation in the selection, planning, and evaluation of child care services, thereby recognizing a shared caretaking relationship between parents and caregiver.

At this time, state policymakers are faced with several options. One major option is to do nothing more and simply maintain the status quo.

Currently, the State of Iowa supports parents as consumers of child care in the following ways. Child Care Financial Assistance funds are used to assist licensed center-based programs in purchasing materials and equipment to renovate facilities and provide training for staff. However, due to funding constraints, limited dollars must now be distributed among a large number of facilities, and these dollars are further diluted to encompass training needs once previously funded by federal and state dollars. There are no comparable funds available to assist registered group and family day care homes.

Recently the Iowa State Legislature passed legislation allowing 10 percent of qualifying child care expenses to be taken as an income tax credit. Federal support allows parents to deduct from their income taxes a percentage of child care expenses based on their adjusted annual income. A sliding scale of 20 to 30 percent of creditable expenses is used to determine maximum credits. However, parents earning below \$5,000 annually who pay no income taxes must bear the full burden of child care costs. Families who do not have enough deductions to itemize can not receive this benefit, since an itemized deduction form must be used to file for it.

Another form of public support for child care is Iowa's regulation of child care facilities. The Department of Human Services administers a varied regulatory system which has evolved in response to the erratic development of child care services. Presently, all day care centers serving seven or more children must be licensed, a process which involves an inspection by a consultant prior to the center beginning operations. Each program is visited at least annually and relicensed if minimum standards are met. Group day care homes, serving no more than six children at one time under six years of age but allowing for an additional five school-age children if an assistant is present, are required to be registered with the State of Iowa. Registration is a self-reporting process. Facilities are not visited prior to opening for operation; instead, providers agree to meet minimum standards when they register. Family day care homes which care for six or fewer children, with no more than four children under the age of two, are not required to be licensed or registered with the State. However, registration is voluntary, and the vast majority of family day care homes operate without public accountability. Whether homes are voluntarily or mandatorily registered, there is no inspection of the home prior to the issuance of a registration certificate, and at most only 20 percent of registered facilities are visited annually.

Beneficiaries of these state-supported programs include a portion of low- and middle-income families. Middle-income families are the major beneficiaries of the income tax credit. Some low- and middle-income families derive some support by using centers licensed and regulated by the state and eligible for Child Care Financial Assistance funds. With fewer federal dollars available to subsidize center-based care, centers are serving declining numbers of low-income families.

Families using registered group and family day care facilities receive somewhat less benefit from the state's regulatory programs, since the registration system is less stringent than the licensing system. Because the registration of family day care homes is voluntary, families using non-registered homes derive no benefits from the state. The largest number of children in care outside of their homes are cared for in day care homes, 90 percent of which are unregulated.

As a result of eligibility and funding constraints, many poor families do not receive services for which they were previously eligible. Recently the State has changed income eligibility guidelines for child care support under the Social Services Block Grant. This change has excluded many of the "working poor". In addition, only 17 of all 99 counties presently use any of their Block Grant funds to support child care, although that option was open to all.

Many middle-income families, even though they can use tax credits, do not have child care available to them, since tax credits do not create, improve or better distribute child care. The population most ignored by state and federal support consists of low-income families earning above the poverty level but less than \$15,000. These families find themselves ineligible for a vast majority of direct service programs and reap few tax dollar benefits. For these families, good child care is unavailable, unaffordable, and unsubsidized, and what these families can afford is unattractive.

There are advantages and disadvantages to maintaining the status quo. Some families receive excellent services, some receive adequate, and some receive services that they might otherwise go without. The disadvantages are reflected in the inequities that exist in availability, scope, and quality of services. Furthermore, inequities exist in the populations served.

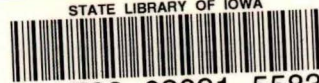
Recommended Options

There are some other options available the state has for supporting child care which can be implemented by either legislation or administrative rule and which vary in real dollar costs. These recommendations address consumers' needs in the selection of affordable, available, accessible, good quality child care:

- Adopt the Governor's Task Force recommendation dealing with licensing of all child care facilities (See Appendix A).
- Encourage a greater role for parents in the regulation process by providing routine consumer feedback channels.
- Inform parents of violations of regulatory standards by posting notices of violations or noncompliance at program sites.
- Institute communication systems among Department of Human Services state and local programs such as resource and referral agencies, so that they can be informed about pending actions and violation of standards of child care facilities
- Improve existing state government computer systems so that updated information is available to parents about their child care options.
- Encourage the development of family day care systems (e.g., centers sponsoring satellite homes, local professional family day care provider associations) by increasing the funding level and making available Child Care Financial Assistance funds for renovation of facilities, purchase of materials and equipment, and provider training.
- Promote the establishment of information and referral programs at the local level.
- Create a specially funded short-term economic and development program within the Child Care Financial Assistance program to provide start-up, facility, and operating loan guarantees for all regulated programs, family day care systems, and information and referral services.
- Adopt a sliding scale for the state's income tax credit for child care comparable to the federal government's program.
- Include a refundability provision with the state's income tax credit for child care.
- Establish at the state level tax incentives for employers to provide child care related benefits.
- Reestablish previous job training guidelines under the Social Service Block grant which would permit mothers to receive child care support while participating in job training.

- Establish an Iowa Center for Child Care Information (using private and public funds) to conduct research, evaluate, organize and disseminate information for interested constituencies, including parents, providers, researchers, and local and state policy-makers.

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