

How the U.S. almost had universal child care (twice)^[1]

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EXCERPTS

Day care costs more than college tuition in most states in America.

This high cost often ends up being close to or more than the take-home pay of many parents, and thanks to the persistent gender pay gap, that parent is most often the mom. This means that more women are quitting their jobs or scaling back their hours after they have children. On average, professional women lose around \$11,000 a year, thanks to the gender pay gap, which is also the average annual cost of child care in the U.S., and after decades of decline and a drop to 23% in 1999, the share of stay-at-home mothers rose to 29% in 2012.

But it hasn't always been this way.

1940s: The economy needed women working and women needed child care

Seventy-six years ago, the U.S. had a government-funded child care system for working parents. In response to the demands of the defense industries leading up to and during World War II, Congress passed the Defense Housing and Community Facilities and Services Act of 1940. The law funded public works, including child care centers, in communities with defense industries. Families were eligible for child care for up to six days a week, including summers and holidays, and parents paid the equivalent of just \$9–\$10 a day in today's dollars. During the less than 10-year run, these government-run daycare centers served more than 100,000 children from families of all incomes.

There was a need for subsidized child care because, as we know, for the first time in U.S. history, both men and women were being encouraged to enter the workforce. In 1940, when the law was passed, only 28% of women were working, but by 1945, more than 34% of women were in the workforce. And the government realized that with two parents working outside the home, it was a social responsibility to provide affordable (and high-quality) child care, just as it's a social responsibility to provide free public school for older children. But aside from that, there was also an economic motivation for the government to subsidize child care: It needed women in the workforce, just as the economy does now.

You can guess what happened next. After World War II ended, the defense jobs dried up, and women were largely forced out of (or chose to leave) the workforce. In fact, more than half of the women drawn into the workforce by the war left at the end of the 1940s. And with those jobs went the subsidized child care. It would be decades before Congress would pass another universal child care bill.

1970s: A threat to "traditional family structures"

In 1971, Congress passed the Comprehensive Child Development Act on a bipartisan vote. The act established a network of nationally funded, locally administered child care centers that would provide education, nutrition, and medical services. Minnesota Senator Walter Mondale viewed the measure as a first step toward national, universal child care. The centers would be open to all on a sliding-scale basis, meaning that unlike most other child care initiatives we've seen in more recent years, it would help ease the burden on child care costs on middle class and poor families alike. The amount that Congress authorized for the program would have made a real difference—in today's dollars, it was the equivalent of five times the 2012 federal budget for Head Start.

Despite early support from officials in his administration, President Nixon vetoed the bill because of conservatives' worries that subsidized child care would undermine traditional breadwinner-homemaker family structures. The veto also came as the Cold War raged, when fears of a communist approach to social services were at their height.

Today: Falling far behind our peers

We have moved away from the specter of communism, but many Americans still associate social programs like universal health care and child care as something found only in socialist countries. Many Scandinavian countries have long had national paid parental leave programs as well as guaranteed child care for all children over a year old.

But it's not just a smattering of Nordic countries that do: All of the United States's developed peers have far better paid parental leave policies as well as generous child care benefits provided through a combination of government services, unions, and employer funding (and

to a much smaller extent, paid for by the parents themselves). To put it in perspective, a 2011 report from the Organization for Economic Cooperation and Development (OECD) found that two-earner families in the U.S. pay more than double for child care than almost every other country on the list, including Germany, Australia, France, and Greece.

In the 45 years since the Comprehensive Child Development Act was defeated, the issue of universal child care has never been brought up in a serious way again. President Obama has mentioned the issue (or parts of it) several times over the years, most notably in 2013, when he presented a proposal for a 10-year, \$75 billion investment in universal pre-kindergarten for all 4-year-olds. While that measure never passed (the investment would have been financed by higher cigarette taxes, which met political resistance), more than half of U.S. states have since raised their own funds for state government-funded pre-K.

But while the option to take care of and educate children for one year before they start elementary school certainly has its advantages, a patchwork state-by-state system turns this sort of essential care into luck of the draw. It also does nothing for the first four years of a child's life.

That period is a critical time for development and sets children on the path to the types of adults they will become. According to "The Hell of American Day Care" by Johnathan Cohn, published in *The New Republic* in 2013, researchers have discovered that what happens in the first few years of life affects the architecture of a child's brain in ways that shape both intellectual abilities and behavior. "Kids who grow up in nurturing, interactive environments tend to develop the skills they need to thrive as adults," reports Cohn.

Our lingering denial

Since the 1940s, the U.S. has done next to nothing to care for children under 4. There are few programs aimed at the very poor: Head Start, which began in the 1960s with preschool-age children, now offers some measure of assistance to children starting when they're babies, but is mostly limited to those in foster care or who are homeless. There is also a child care tax credit (which Obama has also tried unsuccessfully to raise during his tenure), but it maxes out at \$1,000 (or about 9% of the average cost of day care in the U.S.), and only low-income parents qualify.

But as we saw in the 1940s, the government is capable of agreeing on subsidized child care when it's obvious that it's a priority in order to keep women in the workforce. Many signs point to that time being long overdue. The need for child care is a permanent reality in the U.S.: According to the Department of Labor, 57% of women work (a percentage nearly equal to men), and almost 70% of women with children under 18 work outside the home.

Part of the problem seems to be that while the majority of mothers work outside their homes, we still have trouble accepting that the changed landscape of the American family should have also come with a change in how the country views the responsibility of child care.

Of course, the first argument against government-subsidized child care is that caring for one's children is a personal responsibility, and the burden shouldn't fall on the shoulders of those who choose not to have children. Yet we are comfortable paying for many social programs that may never benefit us directly: Social Security, pensions, public housing, public schools, libraries, health care. As Cohn points out in his article:

Child care is the major unfinished part of that project. The lack of quality, affordable day care is arguably the most significant barrier to full equality for women in the workplace. It makes it more likely that children born in poverty will remain there. That's why other developed countries made child care a collective responsibility long ago.

France can serve as a good example of what that "collective responsibility" looks like. There, quality child care for infants through toddlers is subsidized by the government, and families pay based on a sliding scale. Unsurprisingly, 80% of French women work. The cost? The French government devotes about 1% of GDP to child care, more than twice as much as the United States does.

Without intervention, the problem of child care costs in the U.S. will only get worse. According to a Bloomberg report last August, weekly day care costs for children 5 years old and younger rose almost 50% between 1990 and 2011, and the fertility rate in the U.S. is on the rise as millennials enter their prime childbearing years (in 2014 the total number of births in the U.S. increased for the first time since 2007). More births mean an increased demand for day care, which will continue to drive costs up.

But investing in child care isn't just crucial to keep women in the workforce (which has proved to be good for business: an even gender split at one company contributed to a 41% increase in revenue), it's also imperative to the overall health of the economy. From *The New Republic*:

James Heckman, the Nobel-winning economist, has calculated that, in the best early childhood programs, every dollar that society invests yields between \$7 and \$12 in benefits. When children grow up to become productive members of the workforce, they feed more money into the economy and pay more taxes. They also cost the state less—for trips to the E.R., special education, incarceration, unemployment benefits, and other expenses that have been linked to inadequate nurturing in the earliest years of life. Two Fed economists concluded in a report that "the most efficient means to boost the productivity of the workforce 15 to 20 years down the road is to invest in today's youngest children" and that such spending would yield "a much higher return than most government-funded economic development initiatives."

The crushing cost of child care for most U.S. families has only been mentioned in passing by the Democratic candidates, and while he made a nod to it in his final State of the Union address last week, President Obama seems to have dropped the issue from his end-of-term agenda. All of the Democratic presidential candidates have said that, but none have made serious mention of tackling the financial burden that rests on working parents' shoulders for a much longer period of time.

Universal child care doesn't have to be the polarizing political issue that it's become. Most Americans would agree it's important that women stay in the workforce, that company profits and the economy grow, and that the next generation of workers grow up to be healthy and productive. There are plenty of viable, individual solutions for each of those issues, but only one that's been shown to tackle all three, and it's slipped through our fingers twice. Perhaps the third try's the charm.

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