

## Questions We Might Ask About Day Care

Mary Rowe  
Development Economist  
Consultant, Abt Associates  
Cambridge, Massachusetts

A man called me a couple of weeks ago with a question about child care. He was diversifying his business and wanted to know if he should get into day care for profit. "Most child care operations have only very tiny profit margins," I said, "if they are making any profits at all."

"Oh, that's okay," he said. "I am in broiler chickens—huge sales, tiny profits, one-quarter of one per cent on massive turnover—that is how we make our money."

I said rather slowly that the provision of human services was a little different from chickens: "Suppose your chickens were constantly changing their individual needs and suppose they had measles epidemics. Suppose your incubators got sick and organized into unions asking for higher salaries. Suppose that all of the hens and roosters didn't really agree about your chicken-raising policies. Suppose your chicken families constantly moved around the country. And then finally, suppose that the federal government frequently changed its mind as to what constituted good chicken-raising.

"There are also demand problems in this business," I went on. Suppose that only 1-5 per cent of the American population were willing to pay the cost of eating chickens and that the people who most wanted to eat them had to be subsidized—dinner by dinner, eater by eater, by the federal government—making out their papers in triplicate and under the supervision of a social worker."

He was, by now, a little daunted, but he persevered:

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*Dr. Rowe is now Special Assistant for Women and Work to the President and Chancellor of M.I.T.*

"My company wants to do a market research study," he said. "I was told to ask you about all the factors which affect child care demand."

"That's easy," I said. "I have a rule of thumb—just find out how much each income group in your population will pay for child care per week."

"No," he said, "I want to know *all* the major factors which affect child care demand. We want to do a *serious* market research study."

"Well," I said, "there are some other factors: First, parents want child care at the right hours. We have some survey evidence which seems to indicate that more than half of the demand for child care services across the country occurs "out-of-hours." That is, more than half occurs in some part before 8:00 a.m. or after 8:00 p.m., Monday through Friday. That creates some problems for the normal business.

"Second, parents want child care for just the right number of hours. Usually, that amounts to the hours they are working, plus one. Third, parents want child care that is very convenient, usually within walking distance of their home or within reach by extremely reliable transportation—in some cases, such as hospital employees, they want it located at the work site.

"Fourth, many parents need and want child care for all their children and often want their children together as much as possible. If you take care of only the three-year-old and not the one-year-old and the five-year-old, you have not really addressed the need for that parent and the parent may simply stay home."

"Good," he said, taking notes. "Can I count on all that?"

"Well, no," I said. "All the factors fluctuate depending on the parent's commitment to work. Moreover, some parents like centers, some like family day care homes and other parents want their child cared for in their own home. Then some parents want one kind of care for one child, and a different kind for another child, and of course, these needs change over time because the children grow.

"You should also realize," I added, "that the demand for child care varies according to what kind of child care is available in a community. After it has been available for a year, for example, the whole demand picture changes. You know," I concluded, "it really is easier just to find out for your population how much and for how many hours the parents in each income group are willing to pay."

The broiler chicken man went away a little discouraged and by now perhaps you are wondering why I was asked to address a conference designed to encourage industry's involvement in day care. I think the primary question before the conference is: Why would private industry be interested in becoming involved in child care?

### Why be interested in child care? A cost-benefit approach.

The economist's usual answer to this question is some type of cost-benefit analysis: On the short term, does it pay off immediately? — Or, on the long term, does it change conditions enough so you get returns five years from now that would justify the investment? In other words, will the company's venture into day care show a profit?

With respect to the short-term cost-benefits, the answers I have to give you are uncertain and difficult. On the benefit side, there is only a little longitudinal evidence that the provision of child care has an industrial payoff for an employer. Of course, day care is necessary in order for a parent to work, but it is not sufficient. There are too many variables in the working conditions and the labor productivity of most employees for the provision of child care, by itself, to have testable long-term benefits. We are not sure, for example, whether the provision of day care raises the labor output or lowers absenteeism and turnover except in very specialized circumstances, such as in hospitals, for example, where there is a highly skilled female labor force. *(By the time this was printed, evidence from the Greater Minneapolis Day Care Association had accumulated, which begins to indicate that labor productivity and turnover may be affected by the provision of day care under favorable circumstances. See the 1972 report of the Northside Child Development Center, available from Richard Conner, Control Data Corporation, Box O, Minneapolis, Minnesota 55440.)*

On the cost side of it, good day care takes a lot of resources. These resources are expended in several different ways, but I shall simply split them into start-up costs and recurring costs. Start-up costs are all those "once-only" costs of getting a child care center going—they can be small or huge, and are ordinarily left out of most discussions of day care costs. The first year of operating any child care program is also ordinarily very expensive because there is under-utilization of staff and facilities in most child care programs at the beginning. *(These subjects are discussed in detail in Rowe, R. et. al., Child Care in Massachusetts: the Public Responsibility, Massachusetts Advisory Council on Education, 182 Tremont Street, Boston, Massachusetts.)* Recurring costs are also high—something on the order of \$2500-\$3,000 per child per year if all resources are monetized. Such figures are surprising to many people.

Why is it that people miss the fact that good child care is rather costly? I suggest there are several reasons. The first is—and I address this to all of the private employers among us—that we are accustomed to thinking that technology will solve problems, that if costs are very high, we can automate. Nobody has yet demonstrated that this is a safe or a useful or even cost-saving thing to do with child care, which is labor-intensive.

The second major reason we don't expect child care to be expensive is that the women who brought us up were not cash-paid. Further, the women in our society who *are* cash-paid, are paid an average of 60 per cent of what men are paid. Thus, men—and sometimes even women—often find themselves thinking that child care should not cost very much because the child care *they* received didn't cost much.

Another reason that policy makers, especially men, find it difficult to believe that child care costs are so high is that many men have not yet re-entered the lives of little children. They don't realize the constant responsiveness, the tiredness at the end of the average eight- or ten-hour day care day, the need for change of scene, the need for supervision that is involved in this most intense and most rewarding of human services.

I don't mean to give the impression that child care is hopelessly costly and unprofitable. The difficulty is that only 1-5 per cent of a given population can or will pay the kind of fees that *do* make good child care profitable. And the chief demand and the chief need for child care comes from poor and near-poor families. The chief users of child care in this country are near-poor families earning between \$4,700 and \$8,000 a year.

Well then, how is their child care paid for? First of all, most of it is informal. Perhaps 60 to 80 per cent of it is non-monetized, not cash-paid at all. Formal child care arrangements in the United States have more than half of their recurrent costs paid for by the federal, state or local government. *(This figure includes welfare payments. See the Westat (OEO) Survey, 1970 and Abt Associates' (OEO) Study in Child Care, 1970-71.)* In-kind resources (the director's overtime, the donated space from a church or private industry, etc.) account for another quarter of the total resources. Agencies like the United Fund and private businesses account for another 5-15 per cent, and parents pay only about 15-20 per cent of the total costs of formalized child care.

You will see, therefore, that any major expansion of formal child care services in this country must continue the pattern of multiple sources of funding, must continue to have the federal, state and local governments pay a very large portion of the costs. In short, good child care is not often a profitable business simply because most parents cannot and will not now pay the kinds of fees that are necessary—even though, of course, some parents do.

If then, the short-run private cost-benefit analysis isn't very hopeful from the point of view of private employers in child care, how about the long-run analysis? In the end, it is very difficult to show that a private employer will make money out of a fully-subsidized day care operation. (I am not speaking here of the day care franchisers who are serving only that small portion of the population that can and will pay, nor of employers who pay *part* of

child care costs.)

There is, however, another way to look at a cost-benefit analysis other than the private costs and private benefits we have just examined. People have recently begun to think about social costs and social benefits. What might be the long-run social benefits of taking care of kids and of expanding child care services? To answer this question, we must first look at child care needs.

### Social Benefits

The need for child care in our society has arisen out of gross changes in our economic life, changes in the relationship between work and family. A long time ago, the father and mother and a hired laborer or two, took care of the children on the farm, teaching them, in a quasi-apprentice atmosphere, how to participate in real-life activities. The child was essentially taken care of free, while he or she participated in the real work activities of the economy. Then the men and the hired laborers left the household for other kinds of paid work, usually in factories.

The household also became smaller. The Census of 1900, for example, shows many unrelated individuals living with families—lodgers and hired laborers and maids and grandmothers and aunts and uncles and unmarried siblings and people, such as widows and orphans, who had just been taken in. By contrast, in Massachusetts in 1971, only four per cent of families with children under 6 had any other adult living with the family. So the first great change was that men, hired laborers and other unrelated individuals left the household. The economy industrialized families became much more mobile; they moved away from grandparents and others.

Then in the 1960's young mothers began also to leave their work at home for paid work outside the home. To give you an idea of how great a change we have seen in the last 10 years, one-third of all the mothers in this country who have children under 6 are now working outside their homes.

These changes were caused in the main by the industrialization of our society, by the changes in our employment practices. They are, in general, not reversible. Child-related adults—including many mothers—have been taken by our economy pretty much out of the home. That is one of the ways of defining the need for child care. And it is certainly one of the ways of defining the need for support to families.

About 10 per cent of all families in the United States have a single parent as the head of the family. In my book, this is by definition a family with a need for child care. Let me give you an example—for me, a really anguishing example.

In Fall River, in my state of Massachusetts, several months ago, a young man was widowed with four children

aged 2-9. His wife died after a lingering illness. He went to the welfare department and said, "I cannot find adequate day care; I would like to stay home with my children and go on welfare. I want to keep my family together."

And the first welfare worker who talked to him (a man) said: "It is distasteful for a man in our society to stay home and take care of the kids. We will put your four kids into foster homes." One by one—including the two-year-old who had just lost his mother—now they were all to lose their father and their brothers and sisters and their home and to be put in a strange environment. In this case, another welfare worker stepped in and finally the father was allowed to stay home. But the point is: single-parent families really need support.

Two-parent families in which both parents work also need support. In more than half such households the parents work staggered hours because of their need for child care. Fifteen or 20 per cent of all the child care arrangements of working mothers in this country are fathers. In many ways, it is a lovely thing in the lives of young children when the fathers can really give attention, but this is not always the case. Sometimes children are "taken care of" by a sleeping father; sometimes parents hardly ever see each other. These are also families in great need of child care support.

As for children in need, let me just run through a few statistics which may define for you what we, as a nation, should be doing: At least two per cent of the children age 0-6 in this country are simply left alone while their parents work because the parents can find no suitable child care arrangement. Two per cent may seem few—until you realize that we have 21 million children in that age group. So two per cent means that hundreds of thousands of children aged 0-6 are left alone. About 10 per cent of our 0-6 age group live in home environments which include rats, lead poisoning, poor nutrition and other hopelessly debilitating characteristics, or are abused children. About 16 per cent of the children in this country live in poor families. About a third live in poor or near-poor families. These are families which, by our government's own definition, do not have the resources for a reasonable way of life. Finally, nearly every kind of family needs some kind of child care support at some point. There is really no one child, with a "special need." All kids have special needs.

There are, in addition, other social reasons why our interest in child care services is growing today. One of them concerns equal employment opportunities for women. Many employers are finding they simply cannot meet the demand of Revised Order IV for qualified women. Universities and businesses complain that there are not enough qualified women, failing to note that women must have adequate child care arrangements over the years if they are going to be able to compete on the same basis as

men in highly skilled occupations.

Another reason for our interest is welfare reform. There are a great many people who would like to see more able-bodied adults now on welfare back at work. In only very few cases can this happen without adequate support to families with children.

Another reason for interest is the research in child development which has established the crucial importance of the first five years of life. Probably most of us agree that children deserve an equal shake in the first five years. There is also an increasing concern about family life. We look at the divorce statistics, drugs, venereal disease, alcoholism. We look at tired wives and apathetic marriages and apathetic parents and we say, somehow, something is missing. Employers are taking a keen interest in the subject. They are, after all, parents themselves, and they know that child care support to families is lacking.

So my next major question is, what can an employer do? What can a community group do? What kinds of experiments can we try? Industry, employers, community groups obviously cannot meet the needs by themselves. We must work with others.

#### What can an employer do?

In my private consulting, I have never advised any employer—out of perhaps 30—to set up a fully-subsidized child care center on his or her premises. Instead I have encouraged other possibilities, many of which we saw tonight under “The Seventeen Ways in which Industry Can Become Involved in Day Care.” Most of these include *partial*, rather than full subsidy of child care. I know an industry that is experimenting with released time so that the parents among its employees can work in the child care program nearby. There are a number of industries that are considering part-time work options for both men and women, especially in those companies which employ both parents. Thus they agree, or the union demands, that there shall be no discrimination against parents who are part-time workers if they choose to spend part of their lives in child care.

There are many possibilities employers have been investigating, such as real-life apprenticeships for children aged 6-14, getting children back to the real-life activities they used to do. In Massachusetts last year, for example, some 35 high schools opened child care centers on their premises in an effort not only to take care of kids, but also to give young people an opportunity to become involved in a real-life pursuit. (*Training programs for high-school-age child care students are available from EDC in Newton, Massachusetts.*)

The strong movement toward getting men into child care, both as staff members and informally, offers industry many opportunities for involvement. A company can

“adopt” a center and encourage its employees to work regularly there or at least to get themselves out into the world of child care for occasional visits.

Another major thing a company can do is simply to ask its employees what they think is important with respect to a number of possible fringe benefits that have to do with family life. Since industries vary a great deal, I think the best single suggestion I can make is that you ask your own employees. They will know what best suits your own organization and their own needs.

I hope you will not make the mistake of having people make policies about family benefits and child care if they don't know much about it. There is no employer in this room who would start a broiler-chicken business with somebody who didn't know anything about broiler chickens. To have policy-makers talking about how best to support family life, or furnish child care, if they haven't lately seen a child, is absurd. We all see the results when congressmen who are remote from children make policy about child care. I urge you as community participants and as employers, not to make this mistake. Try to get yourself to the local day care center and work there a while. Find a staff member, who knows something about it, who can present to you what your own employees think about the subject. Contact local day care experts. (*The Day Care and Child Development Council of America, 1401 K Street, N.W., Washington, D.C. 20005, will send you the name of a local day care repository which can supply you with materials and names of local experts.*)

As for setting your own policies, I offer you this advice from an insurance executive I spoke with this morning. We have been talking for many months about programs in his company. He said, “Put this question forth tonight. Ask all the employers you meet tonight to consider the following proposition: ‘If families came *first*, instead of *last*, in the goals of your industry, what policies would you undertake?’ ”

Of the many experiments that an industry can undertake to support child care, one very important thing is to lobby. With respect to the federal government, if you are going to lobby on child care, you will first want to read the existing legislation and pending legislation and the hearings on them, to know where the government is at.

Then you might, for instance, lobby for the federal government to support start-up costs in a serious way, including subsidizing all losses for a child care program during its first year. You could also ask the federal government or your own company to guarantee loans to child care programs. You might also ask the federal government to support on a sliding-fee basis, child care arrangements for low-income, single-parent families and for low-income two-parent families in which both parents work.

You should insist that the federal government provide serious funds for licensing to maintain minimum standards.

And you should also insist that the federal government provide serious funds for licensing to maintain minimum standards. And you should also insist that the federal government provide serious funds for parent education concerning child care. I am suggesting here a strong, child-care public education program. This would mean that every social worker is instructed in how to ask his or her welfare recipients about the characteristics of the child-care arrangements they are now using. It would mean that high school students would be taught about what constitutes excellent care for young children. It would mean that in barber shops, laundromats and supermarkets—the places where parents actually go—there would be parent education and information materials.

On the state level, one of the things that any private employer or community group should do is to find out how Title IV-A of the Social Security Act is used in your state. This is the chief, and, in some ways, the best, source of federal funds for child care for low-income families. Find out if you have a state structure that will actually get child care funds from the federal government into child care services.

With respect to your own state, you should also support a review of licensing. Does the licensing structure actually work? Does the licensing program in your state meet parental views of quality? I recently told the Senate Finance Committee that many child care programs described in a nationwide survey would not meet state licensing standards. An irate federal employee called me afterward and said, "But Mary, I think you ought to know most of those programs are licensed." And I said, "But Bill, that wasn't the point. I know that most of them *are* licensed, but their operations do not meet state licensing standards"

### **What Kind of Arrangements are Right?**

If you do decide to get into child care arrangements, what kind of arrangements might they be? Child care arrangements come in more varieties than just "day care centers." Child care arrangements are, by definition, anything that happens to a child not with a parent, between the ages of 0-14. I would urge you to think of a multiplicity of programs and, in particular, of organized, licensed, well-supported family day care homes, or mixed systems. (A mixed system includes centers with satellite homes attached to them.) The mixed system arrangement is, I think, the least costly, most efficient way of producing child care programs in any large geographical area. But obviously the "right" arrangements are those which meet local needs.

Another matter that often comes up is the confused subject of "custodial versus developmental" care. There are no clean, clear, psychological definitions of what

constitutes developmental care. So I, as an economist, look for operational definitions. I have examined the various surveys and studies of programs labelled "custodial" or "developmental" and I have found three commonly used definitions of developmental care.

The first is that "developmental care costs more." Now this is not a very useful distinction between the two kinds of care, and I won't spend further time on it except to note that fine human services don't come from merely having more money. On the other hand, it is much more *likely* that one gets finer services if one spends more money.

A second common definition is that developmental care is "comprehensive child care of wide scope." If you examine increases in costs for "comprehensive care," they are only on the order of about 20 per cent. That is, you can say developmental care will cost about 20 per cent more than custodial care if it provides a health program, transportation and other services of that kind, such as staff training.

A third definition is that developmental care means "a program which has an educational component." However, an educational component as such adds only 1 or 2 per cent to the total cost of a program. You can turn a "custodial" program into a "developmental" program for 2 per cent more costs, on that definition. The only hitch is that there is no evidence that it does the kids any long-term good.

Finally, in my search for a better definition, I looked at the kinds of programs people *call* "custodial" and those called "developmental," and sought for the real operational differences between them. The one salient difference, which most of you who know day care will recognize at once, is that programs which people call "developmental" have better staff-child ratios than the ones which people call "custodial." It is a loose definition; it is not in every respect a good one. But in general, you will find that individual children get more care and attention from staff members, and have a better chance to find a staff member who loves them, in a developmental program, than they do in a custodial program. And I feel impelled to point out that to transform a custodial program into a developmental program on the basis of staff-child ratios may double your costs. It is on that basis that one hears the statement that "excellent child care is costly."

As regards the age-old discussion about distinctions between care and education, it is well to remember that there is no evidence to prove that the long-term effects of a program which provides "care" are any different from those of a program which provides "education." In fact, we can't distinguish very well among the effects of any of the various child care programs above the level of abuse. That is, we can clearly identify grossly damaging programs, but above that level the effects of pre-school programs wash out after a year in a good kindergarten.

I would like to suggest that we stop making the distinction between “care” and “education.” We all know that children learn better if they are loved. We all know a well-educated child is a well-cared-for child. And it is very difficult, if not impossible, to make any such distinction operationally, except on the basis of staff-child ratios. Thus we cannot distinguish the effects of one program over another very well. We simply know that programs *called* “developmental” have better staff-child ratios.

### The Matter of Accountability

Finally, there is the question of accountability. If diversity of programs is necessary because parents want different things and are in different situations, and if we don’t know very much about the effects of child care programs other than the abusive ones, how can any employer or community group or governmental agency secure sufficient feedback on the programs that it is supporting? How can they make these programs accountable to those who are providing the resources?

This is a serious question because Congress requires that kind of accountability and programs without a system of accountability won’t get any federal money. It is also serious because we have seen what will happen in other human services, such as nursing homes, if there is not a system of accountability set up. What kind of accountability you choose is moot. I want to suggest four possible ways of looking at the whole matter of accountability:

The first, and it should appeal particularly to the private enterprise companies among you, has to do with cost effectiveness. Big systems can establish an MIS program—that is, a management information system program. Abt Associates has done a lot of work in this area, and I think it pays off very well. Smaller programs, even very small programs with only 15 or 20 children, can become far more cost-effective through a simple functional budgeting system. Functional budgets and the worksheets for them are put out by various different groups. The Day Care and Child Development Council of America lists the Southeastern Project functional budgeting system. Abt Associates has one, and the Welfare Council of Chicago has an excellent one, although the latter is very complicated and best suited for major businesses.

A second major way of providing for accountability is to use licensing standards as a measure of effectiveness. However, I want to re-emphasize the fact that there isn’t yet any state in the Union that has an adequate licensing structure, that has adequate staff to enforce its licensing provisions or that has adequately consulted its public as to whether they approve of present licensing standards.

A third system of accountability involves parent education. Whatever you can do to spread consumerism with respect to child care will be a great service, I think. One

thing that a private company can do is simply to take out ads in local newspapers which would educate parents about some of the components of good child care.

Finally, and by far the most important, I would like to speak about formative evaluation systems for child care programs. The ordinary evaluation system involves somebody coming in at the end of a program, or once a year, looking for output measures—which is something we don’t have for child care. A formative evaluation system does something entirely different. It is intended to set up a continuous feedback loop within the system itself, to see how well a program is serving its community. A “feedback loop” simply means providing some way in which information constantly gets back to the people who need it from the people who generate it. That means that the parents and children, staff members and directors and boards of child care programs, and the community, should have a structured, institutionalized way of continually supplying their views about what is going on in every child care program. A formative evaluation system sets up a process by which the directors and staff are constantly apprised of how parents, staff, children and the community feel about the services.

I have asked several questions tonight: Why would you want to become involved in day care in the first place? If you are to get involved, what kind of care might you be involved in? And how do you know the child care you are involved in is actually serving your purpose? Each topic could fill a book, and maybe sometime such books will be written when we know more about child care services. The chief thing we do know is that child care services should come in many different varieties. There must be a wide diversity of programs, a wide diversity of efforts from a wide diversity of resources—including parents, industries, employers, community groups and the government—if child care services are to expand in this country on a scale anything like what we know is needed.

QUESTION: I would like to know what is going on in the area of day care licensing at the federal and state levels?

ROWE: I would be very pleased if Sam Granato, of the Office of Child Development, would answer your question.

SAM GRANATO: The Office of Child Development and the Office of Economic Opportunity have, in the past year, been engaged in a very large, complicated project specifically to bring about dramatic change in the area of day care licensing. It is a slow process, a process aimed precisely at those power structure elements that will really have an effect in bringing about licensing change.

We are in the process of developing a federal recommended model code for licensing, and it is the first time that people from industry, from city planning, architects, fire marshals, insurance companies, physicians and day care professionals have ever come together to look at the

whole question of day care and facilities. We will be having state meetings and local meetings throughout 1972.

It is my opinion that the only way that we will ever significantly guarantee children receive an equal break in day care is through licensing. A licensing system will guarantee at least minimum protection of children in day care. But that's all. It will not achieve quality day care. It is my personal opinion that an attempt to gain high quality day care by the use of federal licensing standards or similar requirements will never really succeed, and that the only way to accomplish quality is through training, proper architectural assistance and sufficient funds.

QUESTION: Are you talking about licensing program and quality or physical facilities only?

ROWE: Licensing is handled various ways in different states. In most states it has to do at least with facilities—fire safety and the like—and with some basic attributes of input, that is to say that the minimum staff-child ratios are often legislated.

QUESTION: Are you aware that we have a serious problem in the Chicago area, that the state licenses staff and program and the city licenses the physical facilities? I don't know how common this is.

ROWE: The standards vary enormously around the country and, in many cases, they are far too rigid, or far too lenient. For example, many people feel child-size toilets and a special kind of Dutch or French doors are not really necessary—and there are other, more serious, examples.

QUESTION: I wonder if you would speak briefly about what you think is the most important basis for child care, whether it should be for the employer's benefit or the employees', whether families should come first or the rights of the children?

ROWE: Most people in day care feel very strongly that children have rights and that the rights of children go far beyond what we have thought of ordinarily. Many people now feel every child has the right to safety, the right to an emotionally responsive atmosphere, to real economic opportunity and to education for a career. My own personal feeling is that good child care is also a children's right. Basically children's rights are paramount, or perhaps I'd say families' rights should take precedence, since it's hard to separate children from families.

QUESTION: You mentioned that you had never

recommended that an individual company establish its own day care center. Would you elaborate on why?

ROWE: Well it may just have been the attributes of the specific companies with which I have dealt. The companies I know best are ones with employees who are geographically far flung. I think, for example, of a Madison Avenue employment agency which employed thousands of women on a part-time basis to fill companies' short-term needs for secretarial and clerical help. These women lived all over the New York metropolitan area. That is the circumstance of many urban employers. In such cases I recommend partial subsidy to workers' own arrangements.

On the other hand, in a small city where many employees can walk to work, or in a circumstance such as a hospital where employees have demonstrated, over time, that they would be willing to bring their children, it would make very good sense to have a work-based center. OEO and the Department of Labor, for example, have child care centers in Washington. They do however have demand problems; and demand problems are very common in employer-based child care. I know myself of only seven or eight companies with a center *on the premises*. (There are some universities and several hundred hospitals with such programs.) But I know of dozens of employers who *subsidize in some respect* the child care arrangements of their employees.

QUESTION: Would you elaborate on the distinction between custodial and developmental care?

ROWE: I feel that the two words are inappropriate; I am unhappy to hear a program called "custodial" or "developmental." I brought the words up tonight only to try once again to get rid of them. It is true that people generally call "developmental," those programs which are comprehensive, and which have very favorable staff-child ratios, so that each child gets warm, responsive, individualized attention. However, we really do not know about the overlap between what we would call cognitive learning and emotional or affective learning. We have no definitive tests, no kind of long-term research studies which show us in what way social, emotional and affective learning is associated with mental achievement of the kind that is measured by I.Q. or school achievement tests.

QUESTION: What are some of the advantages for business people in using Title IV-A to help local community groups with day care costs?

ROWE: I will ask Gwen Morgan, day care coordinator for the state of Massachusetts, to come up and answer that question.

GWEN MORGAN: I will say briefly that there is a

double advantage to an industry making a contribution to community day care funds. First, the money would be tax deductible. Secondly, you have the tremendous social advantage of bringing three federal dollars back to the community for every one you contribute. We will get into the mechanism for accomplishing that tomorrow.

QUESTION: I was wondering whether we might develop parents who could become the evaluators for that feedback loop system you described?

ROWE: I think that parent education and formative evaluation go hand in hand. That is to say, you can't properly evaluate your child's program unless you know what is going on there. I might tell you to my horror that there are some Harvard School of Education studies which show that many parents don't know the names of their child's teacher or of any of their child's friends or about any element of the program which their child is attending. So I would like to underscore the fact that parent education is critical.

QUESTION: I would like to build on that question. I think one of the key recipients or beneficiaries of child care programs are the parents, and the more the parents can be brought in—whether it is formal education or just being involved—the better.

ROWE: I do agree that parents are a major beneficiary of their child's day care program, and should evaluate it. If they are to enter the feedback loop in any realistic fashion, they must be able not only to evaluate, but also to influence the programs their children are in.

QUESTION: It would seem to me that what you have just said is a very strong argument for having day care facilities as close to the work place as possible so that parents can have access to them on a day-to-day basis.

ROWE: I think in many cases this works very well. However, such data as we have from the Soviet Union and from this country shows that parents don't actually go into their child's day care program very much if it is work-based. They seem only too delighted to drop the child at the door.

I am not suggesting this would be universally so or that it couldn't be counteracted by parent education, but I think that having child care programs in the homogeneous sociological community where the parent lives is a still better mechanism because the parent then hears from her neighbors and relatives and from the child's playmates and siblings something about what is going on at the center.

Work-based child care programs often have very high absentee rates. A parent who has to travel under adverse circumstances—in bad weather, or with more than one child, or with any child under four—may turn out to be an unreliable user of child care. My own consulting experience and the studies I know of indicate that parents who walk to the child care program use it more often and more reliably than parents who have to go any distance. The figures are on the order of an average absenteeism rate of 10-15 per cent where parents walk, and something like double that where children have to be transported.

Nonetheless, there are clearly some cases in which employer-based child care is indicated.

QUESTION: What percentage of day care centers are within walking distance of the parents' residence?

ROWE: I have no data on centers which are within walking distance of the home. We just don't know. In fact, we don't begin to know nearly enough about our present child care programs. We don't even know how many there are. There are estimates, for instance, that only two per cent of all in-home child care arrangements are licensed. I don't even know if that figure means anything or not. We know so little about services actually delivered and the federal government has simply shown no interest in a good survey of child care arrangements. Only the Massachusetts study, *Child Care in Massachusetts*, has this kind of data for a large region.

QUESTION: What benefits have been experienced by the companies which have their own child care centers?

ROWE: There is an interesting study on this question which was just completed by the Inner City Fund. The overall conclusion is that there is no good, long-range evidence of an increase in labor productivity or a reduction in turnover or absenteeism. But these programs are very new. We can't really evaluate them yet. (*See the 1972 Report of the Northside Center in Minneapolis.*)

QUESTION: Have the companies experienced an increase in female applicants?

ROWE: We don't have longitudinal evidence on that subject of the kind that would satisfy any scholar. However, it seems to me as a woman and a parent and an economist likely that evidence of an increase in female applicants will be forthcoming over the long haul. I have been told by dozens of universities that women are increasingly asking about day care programs. And I do know of a study which shows that female physicians are more likely to maintain their hospital-based practice if there is good child care attached to the hospital. I



personally think the same is true for nurses.

And I do believe that we will find there are short term private benefits to companies which help in the child care arrangements of their working parents, as more and more of the *other* “necessary but not sufficient” aids to parents are supplied along with day care.