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FACTS ABOUT AMERICAN FAMILIES AND DAY CARE

Robert Rector
Senior Policy Analyst

Contemporary myth suggests that parental care of children in the United States has all but disappeared, nearly all mothers are employed, and nearly all preschool children are being cared for in day-care centers. The facts, according to the most recently available data from the Census Bureau, present a dramatically different picture. According to the Census data, nearly half (48 percent) of all American children under the age of five do not have employed mothers and are still being cared for in the home.

Current Patterns of Child Rearing. A related misconception is that maternal employment and day-care use are increasing rapidly. This is also untrue. Although day-care use did increase rapidly through the late 1980s, the increase has come to a halt in recent years. The percentage of children under age five with employed mothers nearly doubled from the mid-1970s through 1988. But in subsequent years, maternal employment remained fixed; in 1994 (the last year reported by the Census), the percentage of preschool children with employed mothers was still 52 percent, the same as it was in 1988.

Moreover, if the mother of a child under five years old is employed, she is unlikely to be employed full-time. Overall, 48 percent of preschool children have non-employed mothers, 18 percent have mothers who are employed part-time, and only 34 percent have mothers who are employed full-time. (The number of preschoolers whose mothers are employed full-time throughout the year would be even lower.)

When the mother is employed, use of formal day-care centers is relatively uncommon. Far more common is care given by parents and relatives. Some 12 percent of preschool children are cared for by the mother while she is employed or by the father during the mother's hours of employment. (This group includes tag-team parents who work different shifts so that one can remain at home while the other is working.) Finally, some 13 percent of preschool children are cared for by other relatives, such as grandparents or aunts, while the mother is employed.

The 27 percent of preschool children who are cared for by neither parent nor relative can be divided into two groups: Some 11 percent are in informal care with neighbors or nannies; another 16 percent are in day-care or preschool centers.

The Real Picture of Preschool Care. These figures paint a picture that is the exact opposite of that advanced by most advocates of professional day care. Examining the data on preschool children as a group reveals that:

- 48 percent are cared for by a non-employed mother;
- 12 percent are cared for by the mother or father while the mother is employed;
- 13 percent are cared for by relatives;
- 11 percent are in informal non-relative care; and
- 16 percent are in formal day care or preschool while the mother is employed.

Overall, some 73 percent of children under the age of five are cared for by their parents or other relatives. And only one preschool child in six is cared for in a formal day-care or preschool center while the child's mother is employed.

The high prevalence of parental and relative care means that the use of paid day care is comparatively uncommon. Only about one-third of children under age five are in some form of paid day care while the mother is employed.

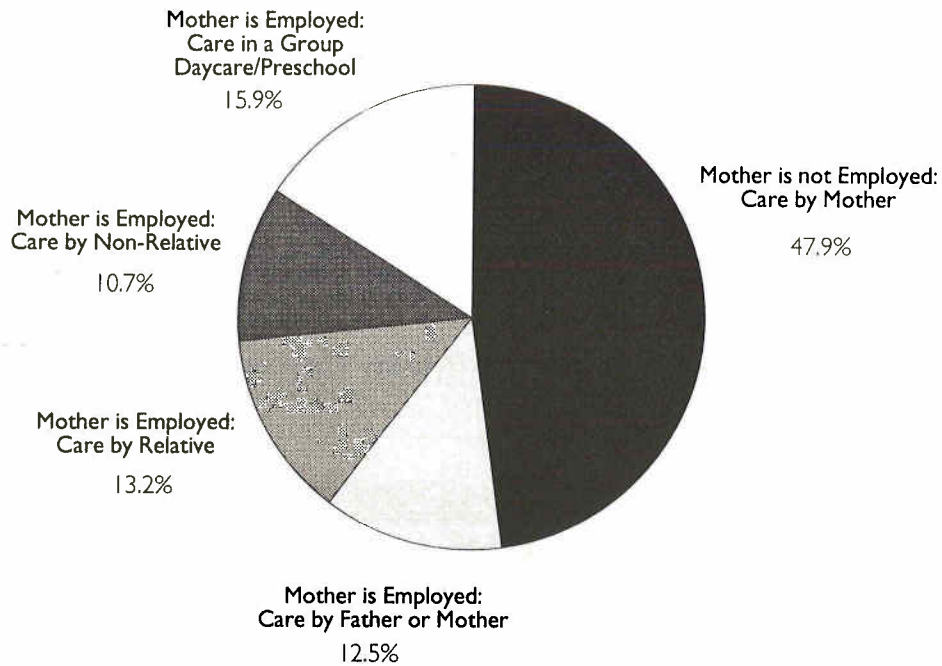
The Impact on Family Income. Nearly 80 percent of the preschool children using any form of day care come from married-couple families with two income earners. In 1996, the median income of married couples with children when both parents were employed was \$57,637. By contrast, vast numbers of married couples make a large financial sacrifice so that one parent can remain at home with their children. In 1996, the median income of married couples with children when the husband, but not the mother, was employed was \$38,835. Thus, the incomes of two-parent/single-earner families are some \$20,000 a year less on average than the incomes of dual-earner families who are the predominant users of day care.

Families and Taxes. All families with children have suffered from the enormous increase in government taxation during the past 50 years. In 1948, the average family of four paid 3 percent of its income to the federal government in direct taxes; by 1997, the tax burden had risen to 24.7 percent. When state, local, and indirect taxes are added, the total tax bite rose to 38 percent in 1997.

Congress recently enacted family tax relief in the form of a tax credit worth \$400 per child in 1998 and \$500 per child each subsequent year. Because of this credit, federal direct taxes on the typical family of four will fall from 24.7 percent in 1997 to 23.3 percent in 1998. *This cut represents the first real and sustained reduction in the federal tax burden on families with children in all of the last half-century.*

This is a laudable first step in reducing the tax burden on families with children. Congress should build on this foundation by providing additional tax relief to families with preschool children. This tax relief should be broad-based and non-discriminatory: It should be available to all taxpaying families with preschool children—not merely the small and affluent minority of parents who use paid day care.

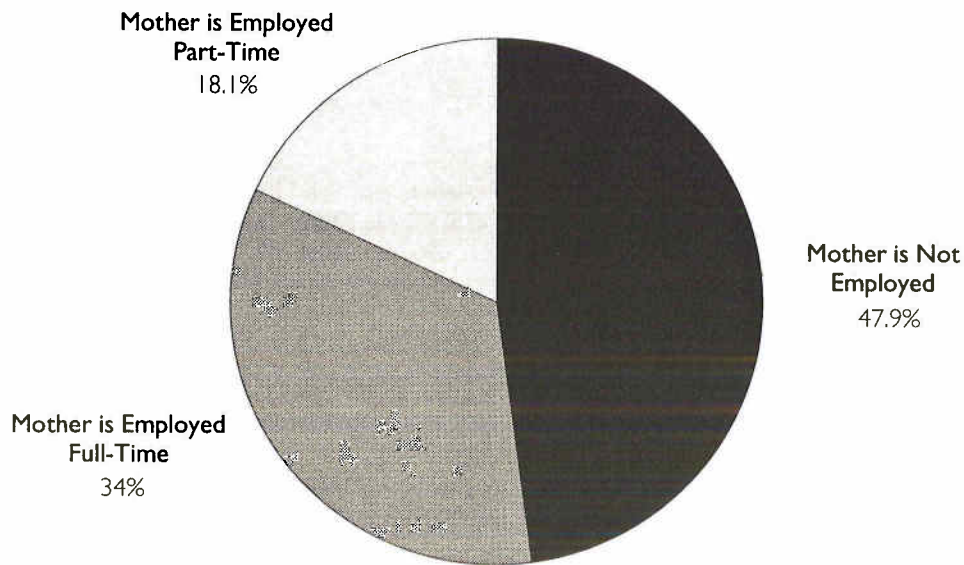
Patterns of Child Rearing for Children Under Five



Note: Figures are from 1994.

Sources: U.S. Bureau of the Census, "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

Children Under Five and Mother's Employment Status



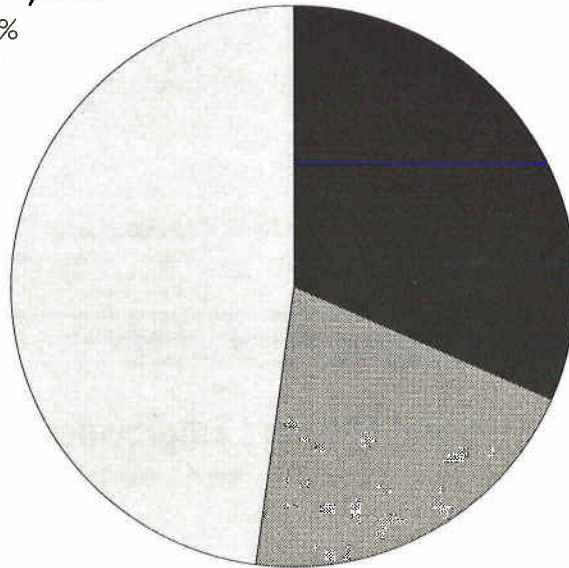
Note: Figures are from 1994.

Sources: U.S. Bureau of the Census, "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

Use of Paid Day Care: Children Under Five

Mother is Not Employed:
No Day-Care Payments
47.9%

Mother is Employed:
Use of Paid Day-Care
31.6%

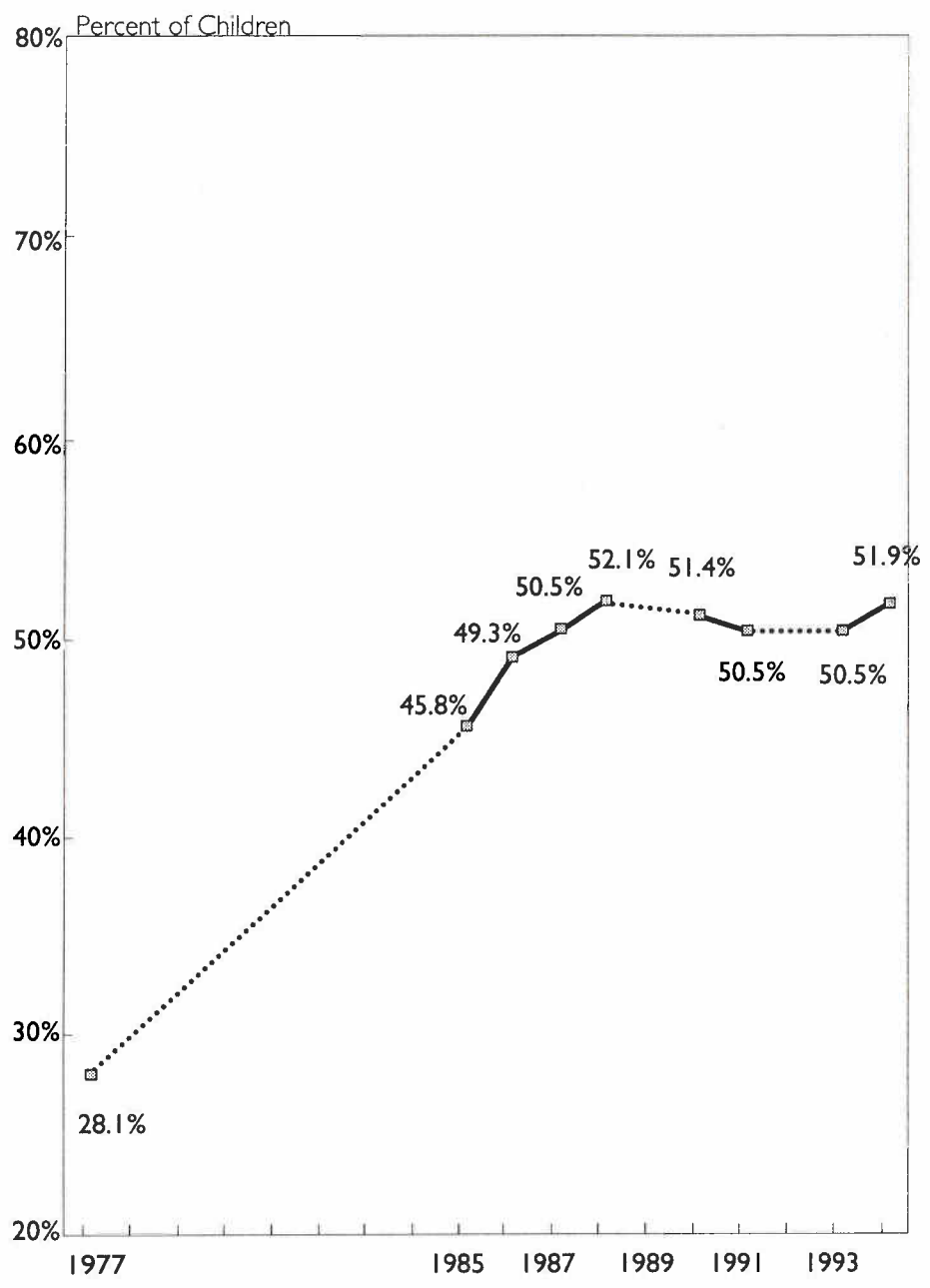


Mother is Employed:
No Day-Care
Payments Made
20.5%

Note: Figures are from 1993 and 1994.

Sources: U.S. Bureau of the Census, "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

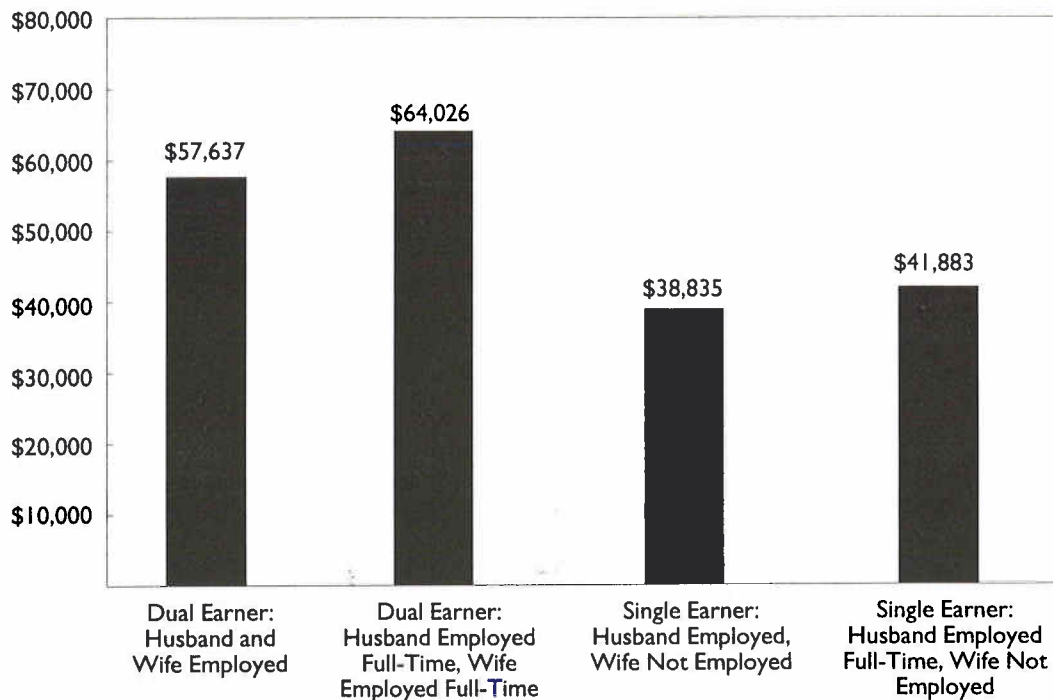
Children Under Age Five With Employed Mothers, 1977-1994



Note: All figures are from Fall and except for 1985, which is from Winter.

Sources: U.S. Bureau of the Census "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997 and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, various releases, 1977-1997.

Median Incomes of Married Couples With Children — 1996



Source: U.S. Bureau of the Census, Money Income in the United States: 1996, Current Population Reports P60-197, pp. 19-23.

Table 1

Types of Child Rearing Arrangements: Children Under Five (in thousands)

	Number of children in each type of care	Total children under five	Percentage of children in each type of care
Mother is not Employed: Care by Mother	9,439	19,696	47.9%
Mother is Employed: Care by Father or Mother	2,461	19,696	12.5%
Mother is Employed: Care by Relative	2,592	19,696	13.2%
Mother is Employed: Care by Non-Relative	2,110	19,696	10.7%
Mother is Employed: Care in a Group Daycare/Preschool	3,126	19,696	15.9%

Note: Figures are from 1994.

Sources: U.S. Bureau of the Census, "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

Children Under Five and Mother's Employment Status (in thousands)

	Children in Category	Percentage of Children Under Five
Mother is not Employed	9,439	47.9%
Mother is Employed Part-Time	3,582	18.1%
Mother is Employed Full-Time	6,705	34.0%
Total	19,696	100%

Note: Figures are from 1994.

Sources: U.S. Bureau of the Census "Who's Minding Our Preschoolers?" Fall 1994 (Update) Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

Mother's Employment and Types of Child Care for Children Under Five (in thousands)

<i>Age of Child</i>	Children with Employed Mothers	Total Children in Age Group	Percent with Employed Mothers
Under One Year	1,738	3,857	45.1%
One Year Olds	2,085	3,872	53.8%
Two Year Olds	2,201	3,955	55.7%
Three Year Olds	2,088	3,987	52.4%
Four Year Olds	2,175	4,024	54.1%
All Children Under Age Five	10,288	19,696	52.2%

Note: Figures are from 1994.

Sources: U.S. Bureau of the Census, "Who's Minding Our Preschoolers?" Fall 1994 (Update), Detailed Tables and Documentation for P70-62, Issued November 1997, and U.S. Bureau of the Census, Population Division, United States Population Estimates, by Age, Sex, Race, and Hispanic Origin, release PPL-57, 1990-1996.

NOTES ON THE DATA

The figures in this paper relating to the use of day care were derived from the Survey of Income and Program Participation (SIPP) conducted by the Bureau of the Census and from other Census data. SIPP findings are issued periodically in reports entitled *Who's Minding Our Preschoolers* (Series P70).

For the data presented here, the terms “**preschool**” and “**preschooler**” always refer to children under the age of five. Nearly all five-year-old children in the United States attend Kindergarten and are not included in the preschool population.

The term “**day care**” refers to care provided to a child during the time a mother is employed or engaged in self-employment activity. Day care is used to facilitate and support the mother’s employment or self-employment activities intended to generate income. A number of non-employed mothers do place their three- and four-year-old children in preschool programs for a few hours per week in order to provide them with educational and developmental opportunities. Such use of preschools by non-employed parents is not considered day care, according to the SIPP survey, and is not included in the figures used in this report.

The term “**mother**” technically refers to the primary caregiver of the child within that child’s family. Although most such caregivers were, indeed, the children’s mothers, the category also includes a small number of guardians and fathers in single-parent/father-only families. The term “**employed mother**” also includes a small number of mothers or primary caregivers who attended school rather than held a job.