

News on child care costs, wages, and economic impact

Early childhood educators wrestle daily with decisions about quality, cost, regulatory compliance, and the impact of their service on children and families. The news items below offer a quick look at recent developments and sources for further information.



What does the census say?

According to a recent U.S. Census report, families with children younger than 5 years old paid, on average, \$179 a week for child care or more than \$9,300 a year. These figures represent families with both employed and unemployed mothers and may include care for more than one preschooler.

The 23-page report, issued in April 2013, provides an overview of data collected in Spring 2011 on patterns and use of child care arrangements for preschoolers, arrangements for school-aged children, family expenditures on child care (including help from government), and fathers as caregivers.

See the Census report, *Who's Minding the Kids?*, at www.census.gov/prod/2013pubs/p70-135.pdf. See a press release summarizing the report at www.census.gov/newsroom/releases/archives/children/cb13-62.html.



Child care costs a fifth of family budget

In calculating the income necessary for a family to have a secure yet modest living standard, the non-profit Economic Policy Institute has found that on average across the United States, child care for a two-parent, two-child family takes up 20 percent of the family budget.

Child care and other expenses such as housing and

food vary by family size and geographical area. In St. Louis, for example, child care for a single-parent, one-child family costs an average of \$550 a month, or about 14 percent of the family's budget, while child care for a two-parent, three-child family costs \$1,367 a month, or 21 percent.

The Institute has developed an online family budget calculator that allows community leaders to estimate fundamental needs of families in more than 600 communities. The calculator is particularly important, given the inadequacy of federal poverty guidelines that were first developed in 1963 and have been updated only for inflation ever since.

To calculate the budget of what families need in your community, by six family types, see the Institute's "Family Budget Calculator" at www.epi.org/resources/budget/. Get an overview report by scrolling down to EPI Issue Brief 368, "What Families Need to Get By."



Comply with federal wage and hour laws

The U.S. Department of Labor has stepped up its investigations of child care facilities across the country to ensure compliance with the Fair Labor Standards Act.

Common violations by employers include the following:

- failing to count and pay for time spent by staff members at mandatory training courses
- improperly classifying employees as exempt from overtime
- deducting amounts from employees' wages, resulting in earnings that fall below the federal minimum wage
- paying usual hourly rates rather than time and a

half for time worked in excess of 40 hours in a week

- failing to maintain required records.

To review news about child care facility investigations, see the Wage and Hour Division section of the Labor Department's website, www.dol.gov/whd/. Click on "Newsroom."

For a fact sheet on how the Fair Labor Standards Act applies to child care centers and preschools, see www.dol.gov/whd/regs/compliance/whdfs46.pdf.



Two economists laud impact of effective early education

One of the voices proclaiming the value of high-quality early childhood education comes from none other than Nobel-prizing-winning economist James J. Heckman, a member of the economics faculty at the University of Chicago. He has collected a series of essays about effective early childhood programs in *Giving Kids a Fair Chance* (2013).



GOOD PRESCHOOL PROGRAMS BENEFIT
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LOWER INCOME CHILDREN.



Heckman argues that a person's cognitive and non-cognitive skills are important to success in life, but society has sometimes overstressed cognitive skills. Further, early childhood programs that address both cognitive and non-cognitive skills often have high rates of return, especially in low-income families.

An earlier book makes similar economic arguments for high-quality early childhood programs. *Investing in Kids: Early Childhood Programs and Local Economic Development* was published in 2011 by Timothy J. Bartik, a senior economist at the Upjohn Institute for Employment Research, a nonprofit research organization in Michigan.

Bartik argues that good preschool programs benefit middle class as well as lower income children, and that later training and education can be effective

if it targets specific job skills that the market needs. Furthermore, preschool programs affect the broader society by not only lowering crime and welfare costs but also promoting growth in local jobs and wages.

See Bartik's blog, www.investinginkids.net, for posts on a range of early childhood economic issues, including pre-K teacher salaries, Head Start research, and universal early education.



Children of depressed mothers do better in group care

Researchers at the University of Quebec at Montreal have found that children whose mothers showed symptoms of depression were less likely to have emotional problems than children who stayed in their mothers' care.

Children of depressed mothers are believed to be at risk of mental health problems because of a genetic predisposition or because of poor interaction with their mothers. This study indicates that social interaction with other children reduces the risk.

To see an article about the study, see www.huffingtonpost.com/2013/06/19/day-care-mental-health_n_3468220.html#slide=1442719. ■