

Policy Focus

Saying No to Government Preschool and Child Care

RECIPES FOR RATIONAL GOVERNMENT FROM THE INDEPENDENT WOMEN'S FORUM

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WHAT YOU NEED TO KNOW

When releasing the “[Economic Agenda for Women and Families](#),” Democratic Leader Nancy Pelosi claimed that America has an early child care and education “crisis” that threatens our economy. Her solution is to adopt [President Obama’s Preschool and Early Head Start/Child Care Initiative](#), and create universal government-run child care for all [three- and four-year-olds](#), similar to many European systems.

A majority of American mothers with preschool age children are in the labor force, and most of these working moms hold full-time jobs. Yet there is little evidence that expanding the federal government’s role in providing early child care and education would improve the quality of care, student learning, or affordability—much less the economy.

On the contrary, expanding government’s role in this arena is more likely to impose expensive administrative burdens, crowd out innovative, personalized non-government early childcare providers, and replace a variety of early education options with a one-size-fits-all system.

According to the government’s own official evaluations of its longest-running early education program, Head Start, any learning gains quickly dissipate. Given government’s poor track record in both K-12 and preprimary schooling, government’s involvement should be scaled back, not expanded. And as for the economy, it’s worth noting that in spite of near universal child care, most European countries have anemic economic performance compared to the United States.

Most fundamentally, the federal government has no Constitutional authority over the care and education of children. That responsibility belongs to parents, who know and love their preschoolers best.

WHY YOU SHOULD CARE

American children deserve a first-rate education. Sadly, the federal government rarely advances that goal:

- **Head Start Is a Dead Start:** For nearly five decades the federal government has administered the [Head Start](#) program to help disadvantaged preschoolers. Today, Head Start costs nearly [\\$8 billion](#) for 964,000 enrollees, or about \$7,839 per recipient annually. Official government evaluations consistently show that [any gains quickly dissipate](#)—leaving children no better off than before they entered the program.
- **Budget Busting:** Federal debt now officially stands at around [\\$17 trillion](#)—although some experts say it's actually closer to \$70 trillion. The last thing our country can afford is spending more on programs that at best aren't needed, and at worst, don't work.
- **Crowding Out the Options Parents Want:** Most parents prefer family, at-home or small childcare and learning centers rather than institutional daycare centers, which are typically the vehicles for most government programs. Expanding government's role in providing preschool and child care may mean fewer choices for parents.

There are better ways to encourage more affordable, innovative childcare and preschool options!

MORE INFORMATION

Today, [60 percent of mothers](#) with children under six years old are employed, and around [71 percent](#) of those mothers work full-time (35 or more hours per week). On average, preschoolers with employed mothers spend [36 hours per week](#) in child care.

A Solution in Search of a Crisis

The Democrats' plan ignores the early care and education preferences of parents today. Available statistics suggest that the majority of preschoolers receive care from a variety of formal and informal providers and are already enrolled in a number of preprimary school programs.

Currently, nearly two-thirds of American preschoolers ages three and four are in some kind of regular childcare arrangement ([p. 22](#)). Additionally, nearly two-thirds of three-, four-, and five-year-olds [are already enrolled in preprimary school programs](#), including public and private nursery schools and kindergartens. The majority of those children (59 percent) are enrolled in [full-day programs](#).

Statistics are slightly higher for employed mothers with preschool age children. Fully [68 percent](#) of preschoolers with employed mothers are enrolled in preprimary school programs, and most (64 percent) are enrolled in [full-day programs](#).

Preferences of Parents, Not Politicians, Should Prevail

Parents and relatives provide child care to almost half of the more than 20 million preschoolers nationwide (p. 22)—a pattern that has been consistent for more than two decades (Table 3). But is this situation a “crisis,” as Pelosi suggests, or a choice?

Research indicates that a variety of priorities guide the childcare choices of parents whether they are high-earning **employed mothers** or lower-income parents receiving **childcare subsidies**. Parents from all walks of life choose child care based on their desire for nurturing providers, safe environments, convenient locations, and educational activities.

Those priorities may help explain why employed mothers actively choose their spouses or relatives to watch their young children. They can be confident their children are loved, safe, well cared for, and happy while they’re away at work. Many employed mothers may also be concerned about recent research findings that children who spend extended periods in day care are more likely to display **aggression** and **other problem behaviors**.

Government Crowds Out Private Options

Increasing the government’s role in child care would likely impose onerous regulations on relatives who provide care, including licensing, credentialing, and home inspection mandates.

Government-run child care would also tend to crowd out non family-based care, which is an important concern for parents who want to find providers that most **closely reflect their beliefs** about socialization, moral development, and preferred **care philosophies**.

Currently, **parents pay 57 percent** of early childcare costs. Government funding accounts for another 39 percent, but that funding largely comes in the form of vouchers and tax credits—meaning funding follows children to the childcare providers parents think are best. Private sector funding accounts for the remaining 4 percent of early childcare revenue. Rather than growing the government sector, we should be encouraging family saving and workplace care options, including on-site care, benefits packages, and flex schedules.

It’s also important to remember that millions of families—including families with modest incomes—make sacrifices to keep a family member at home because they believe that’s what’s best for their child. Government programs that push parents toward using institutional care devalue the contributions of these parents and make it harder for these families to make that choice.

Government Flunks the Preschool Test

To get an idea of the quality of care preschoolers would likely receive at the hands of government, we should review the government’s track record with preschool. The federal **Head**

Start Program, managed by the U.S. Department of Health and Human Services, was originally launched in 1965 as a six-week summer catch-up program for disadvantaged students about to enter kindergarten. Today this program has 964,000 enrollees at an annual cost of nearly **\$8 billion**.

According to the **two latest Head Start evaluations** by HHS, any academic impacts faded out as early as **the end of first grade**, and others dissipated by **the end of third grade**. Other longstanding **preschool programs touted as models** for universal, government-run preschool produced scientifically suspect benefits at best, and at huge expense. Experts involved with those programs also caution that they were **never intended for students from middle class families** and likely would have no positive academic impacts.

Empower Parents Rather Than Growing Government

Full-time care for preschool age children can range from **\$4,000 to more than \$11,000 annually**, depending on where parents live and whether they prefer home- or center-based child care. On average, families with children under five pay \$179 per week (over \$9,300 a year) for child care (p. 14). Yet less than 11 percent of preschool parents receive help to pay for child care from any source, including 7 percent who receive help from the government (p. 19). Rather than encourage reliance

on federal subsidies, two existing programs could be readily expanded.

The Child Care Tax Credit allows employed parents to claim **up to \$3,000** per year per child in eligible childcare expenses so they can work. Alternatively, parents can take advantage of **flexible spending accounts (FSAs)** offered by their employers. An FSA lets parents set aside up to \$5,000 that is deducted from their gross annual salaries. Funds are free from federal income tax, as well as Social Security and Medicare taxes. However, the \$5,000 cap is not doubled for married couples filing jointly, and any unused funds go back to employers.

All parents should be free to deduct 100 percent of their eligible childcare expenses against their federal income taxes. FSA options should also be expanded by removing the marriage penalty, lifting annual caps, and allowing rollovers for unused funds. Employer matches should be encouraged by allowing businesses to claim credits against their taxes for their contributions to employees' FSAs. Similar credits should be given to businesses that offer on-site care, offer flex schedules and telecommuting to employees, or offer childcare benefits packages.

It should be noted, however, that all these tax programs advantage working parents over those who make a sacrifice to keep a parent at home to care for their children. To help all parents better care for their children, policymakers could

look to reduce the overall tax burden on families, by increasing deductions for dependents and by lowering tax rates across the board.

Lawmakers can also facilitate a more diverse, dynamic early education sector by giving parents direct control over the resources already spent on early education that currently goes through the state.

On average state, local, and federal funding per public preschool student amounts to **\$4,600** (p. 7). Federal Head Start spending is much higher at around **\$7,839**, and Head Start proponents insist we need to be spending around **\$10,000 per recipient**. Rather than expanding the unsuccessful Head Start program, parents should be empowered to choose the preschool options they think are best.

Lawmakers could adopt Early Education Savings Accounts (EESAs) modeled after Arizona's successful K-12 ESA program. Instead of funneling more money into Head Start, lawmakers would deposit what would have been spent on a child into parents' EESAs, adjusted according to family income and size. States should also consider enacting **Early Education Tax Credit** scholarship programs, which would allow individual and corporate taxpayers to claim a dollar-for-dollar credit against their taxes for donations to non-profit scholarship granting organizations.

Most importantly, lawmakers should recognize that, at a time when **one in eight Americans is un- or underemployed** and the national debt is mounting, spending trillions of dollars more to further expand the government into early child

care and education makes no sense. Women want the benefits of a diverse economy, and employed mothers want their children to benefit from diverse early care and learning opportunities—not more wasteful, ineffective government programs.

Learning from K-12 Schooling

Before pushing for more government spending on and oversight of preschool and childcare programs, lawmakers should consider the experience of K-12 public education.

Public schools now spend an average of **more than \$12,000 per student**. Yet in spite of increased spending and government oversight of how schools operate, student performance has remained **flat for decades**. Increasingly Americans across the country have come to realize that the solution to improving education is expanding options for parents, not expanding government.

That's why today around **a quarter of a million** schoolchildren nationwide are benefiting from innovative **parental choice programs**, including publicly-funded voucher scholarship, privately-funded tax credit scholarship, and educational savings account (ESA) programs. Together with homeschooling, virtual schools, and public charter schools, these private school choice programs are restoring personalized learning options for students that **work**. Specifically, parental choice programs help raise academic performance and high school graduation rates. A greater variety of schools means parents have a better chance at finding schools that more closely reflect their beliefs and work better for their children.

WHAT YOU CAN DO

You can help improve education for all students and fight needless, government micromanaging of our educational institutions!

- **Get Informed:** Learn more about early education issues! Visit:
 - [Independent Women's Forum](#)
 - [The Dispiriting Evidence on Preschool](#), Lisa Snell and Shikha Dalmia
- **Talk to Your Friends:** Help your friends and family understand these important issues. Tell them about what's going on and encourage them to join you in getting involved.

- **Become a Leader in the Community:** Get a group together each month to talk about a political/policy issue (it will be fun!). Write a letter to the editor. Show up at local government meetings and make your opinions known. Go to rallies. Better yet, organize rallies! A few motivated people can change the world.
- **Remain Engaged Politically:** Too many good citizens see election time as the only time they need to pay attention to politics. We need everyone to pay attention and hold elected officials accountable. Let your Representatives know your opinions. After all, they are supposed to work for you!

ABOUT THE INDEPENDENT WOMEN'S FORUM

The Independent Women's Forum (IWF) is dedicated to building support for free markets, limited government, and individual responsibility.

IWF, a non-partisan, 501(c)(3) research and educational institution, seeks to combat the too-common presumption that women want and benefit from big government, and build awareness of the ways that women are better served by greater economic freedom. By aggressively seeking earned media, providing easy-to-read, timely publications and commentary, and reaching out to the public, we seek to cultivate support for these important principles and encourage women to join us in working to return the country to limited, Constitutional government.

We rely on the support of people like you! Please visit us on our website www.iwf.org to get more information and consider making a donation to IWF.

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