Child-care problems: an obstacle to work

The lack of affordable, quality child care was the reason an estimated 1.1 million young mothers did not seek or hold a job in 1986, according to data from the National Longitudinal Survey of Youth

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Over the past 3 decades, millions of women with children entered the American labor force, changing family life in fundamental ways. Now only 1 of 3 mothers stays at home and provides full-time care for her children, and even mothers of very young children are likely to be in the labor force. Indeed, about half of all preschoolers spends at least part of the day in the care of adults other than their parents.[1]

Growth in the number of day care centers and other forms of nonparental care for children has accompanied this increase in working mothers.[2] But for many families, finding affordable, quality child care can be a problem. Good care with persons other than relatives is often difficult to find or is too expensive, especially for families with low incomes. Relatives and friends are not always able to help out, especially if they do not live nearby or if they are in the labor force themselves. For poor mothers, lack of child care can be a particularly serious obstacle in obtaining and holding a job, compounding the economic disadvantages they often face because of inadequate training, educational attainment, and work experience. These factors can prolong parents' spells of joblessness, preclude sustained employment, or effectively bar them from jobs that pay higher salaries.

For many years, interest groups have lobbied the Federal Government for legislation that would provide increased assistance to parents with child-care needs. In 1990, after considering more than 100 bills with child-care components, the 101st Congress enacted legislation intended to make child care affordable for more parents.[3] Parts of the new legislation target poor, single parents who are not employed, providing them with temporary child-care assistance during periods of subsidized job training and during transitional periods after such training. This legislation recognizes that the lack of affordable child care is a serious barrier to the labor force participation of many parents, especially those who are poor.

There have been only a few studies which focus on mothers who are kept out of the labor force by child-care problems, and their situation is only beginning to receive more analysis. This article briefly reviews past research and presents newly available data on the extent to which young mothers report being out of the labor force because they cannot arrange for child care.

Past studies

Most child-care research conducted in recent years has concentrated on the child-care needs of parents who are employed.[4] Some analysts have suggested that parents who are not employed are unlikely to need child care, or that the high labor force participation rate of women with preschoolers and its rapid rise in recent years indicate that women who need child care have had relatively little difficulty obtaining it.[5] These views fail to recognize that the lack of affordable child care can be a major obstacle, preventing mothers of young children from seeking or hold-

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ing employment. Investigating the scope of this problem has been difficult because there are scarce recent data on the reasons that mothers are out of the labor force.

A few studies have examined the issue of affordability in detail, deriving estimates to determine how important child-care costs are relative to demographic and socioeconomic factors in keeping mothers out of the labor force.[6] This research suggests that potential child care costs are a deterrent to labor force participation. The magnitude of this effect varies, depending on the population sampled and the methodology used to estimate child-care costs.

Because mothers who are out of the labor force typically do not pay for child care, some assumptions must be made to determine what they would have to pay if they were to enter the labor force. Using data on married women in the Employment Opportunity Pilot Project for 1980, David Blau and Philip Robins assigned each family the average cost of child care (per child) in the area where each family lived. The assumption behind this indicator was that families living in the same area face the same cost of child care. Blau and Robins found that the costs of child care were inversely related to the employment of married mothers.[7] They estimated that if child care had been free for all married mothers, 87 percent of them would have been working in 1980. By contrast, if the price of child care had been $40 per week—higher than the average in 1980—they estimated that only 19 percent of married mothers would have been working.

Using a different approach, Rachel Connelly analyzed data on the actual child-care expenditures of working mothers in the 1984 and 1985 panels of the Survey of Income and Program Participation. From these data, she assigned estimates of child-care costs to all families, including mothers who were not working. For unmarried mothers, Connelly found that child-care costs had a substantial effect on labor force participation. For married mothers, Connelly concluded that higher child-care costs also reduced the likelihood of labor force participation, but less dramatically than Blau and Robins found. If child care were free, Connelly estimated that 61 percent of married mothers would have been working.[8]

Rather than estimating the effect of child-care costs on labor force participation, other studies have taken a more direct approach, using supplements to the Current Population Surveys of 1977 and 1982, which asked nonemployed mothers whether they would work "if satisfactory child care were available at reasonable cost." Substantial portions answered affirmatively, especially among mothers who were single, poor, or lacked a high school diploma.[9] A limitation of these interviews is that posing hypothetical questions might have encouraged respondents to "overestimate their readiness to seek employment."[10] An alternative approach, one which asks mothers an open-ended question as to why they are not looking for work, is more likely to give respondents the freedom to express their own reasons. This approach is used in the following analysis.

National Longitudinal Survey of Youth

The National Longitudinal Survey of Youth (Youth Survey) was designed to represent the population of youth born between 1957 and 1964. Three independent probability samples were drawn for the Youth Survey: (1) a cross-sectional sample designed to be representative of the noninstitutionalized civilian segment of American young people 14 to 21 years old as of January 1, 1979; (2) a supplemental sample designed to reach a given number of Hispanic, black, and economically disadvantaged non-Hispanic, nonblack youth; and (3) a military sample. Interviews were conducted each year beginning in 1979, at which time there was a total of 12,686 respondents. The research summarized in this report involved linking data from two recent Youth Survey interviews (the eighth round in 1986 and ninth round in 1987) and selecting pertinent information which covered the 1986 calendar year. Data from each interview year contain a weight specific to that year. When this weight is applied, the number of sample cases is translated into the number of persons in the population which that observation represents.

The population subgroups used in this report were derived by selecting all women, 21 to 29 years of age, with children in 1986. In unweighted terms, this yielded slightly more than 3,000 respondents, about 1 percent of whom had to be dropped from the sample because of incorrect or missing data on children's ages and mothers' labor force experience. Of the 3,000 women with children, 1,787 spent time out of the labor force during their period out of employment in 1986 and 507 spent time out of the labor force because of child-care problems.

Data

The data for this report focus on young mothers out of the labor force and are derived from the National Longitudinal Survey of Youth (or Youth Survey), an ongoing sample of persons in the United States who, in 1986, were 21 to 29 years old. A subsample of respondents from the Youth Survey was selected for use in this study. It consisted of mothers who neither worked nor looked for work for at least part of 1986 (that is, they were out of the labor force for part of the year).[11] For each period out of employment, the respondent was asked whether she spent the entire time looking for work. If she spent any time not looking for work, she was asked the open-ended question, "What would you say was

Table 1. **Distribution of mothers 21 to 29 years old, by selected categories of labor force experience and extent of employment in 1986**

Labor force experience	Number (thousands)	Percent
Total	8,232	100.0
With time out of the labor force	4,726	57.4
Never employed in 1986	2,245	27.3
Did not look for work because of:		
Child-care problems	726	8.8
Other reasons	1,519	18.5
Employed for part of 1986	2,481	30.2
Did not look for work because of:		
Child-care problems	383	4.7
Other reasons	2,098	25.5
In the labor force continuously	3,506	42.6
Never employed in 1986	13	.2
Employed for part of 1986	379	4.6
Employed continuously	3,114	37.8

the main reason that you were not looking for work during that period?" The answers were coded into the following categories:

- Did not want to work
- Ill, disabled, unable to work
- School was not in session for this period
- Armed Forces
- Pregnancy
- Child-care problems
- Personal/family reasons
- Vacation
- Labor dispute/strike
- Believed no work available
- Could not find work
- In school
- Other

These answers made it possible to estimate the number of young mothers who thought of themselves as being out of the labor force because of child-care problems.[12] It is, of course, impossible to determine from these data how many mothers who cited child-care problems would have looked for work if satisfactory child care had been accessible and affordable. These responses are important, however, because they reflect these mothers' own interpretations of their situation. (See box for more information on the Youth Survey and how data for this research were derived.)

Frequency of child-care problems

Overview. An estimated 1.1 million mothers in the 21 to 29 age group said they were out of the labor force because of child-care problems in 1986. They represented almost 14 percent of the total population of mothers 21 to 29 years old (chart 1) and accounted for 23 percent of those who were out of the labor force in that year.[13]

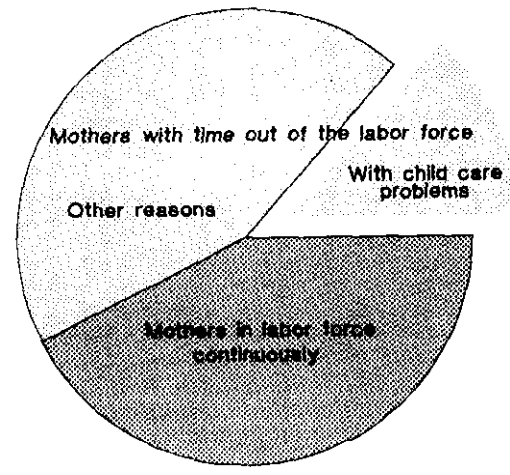
While the focus of this study is on mothers with time out of the labor force, it is important to reaffirm that despite this finding, the labor force attachment of young mothers was strong. As table 1 shows, most were employed for all or part of 1986.

Mothers reporting child-care problems had very often not worked at all in 1986. In fact, as the following tabulation shows, two-thirds of them were never employed during the year:

	Child-care problems	*Other reasons*
Total	100.0	100.0
Employed for part of 1986	34.5	58.0
Never employed in 1986	65.5	42.0

In contrast, only about 40 percent of their counterparts who identified other reasons for

Chart 1. **Percent distribution of mothers 21 to 29 years old by selected categories of labor force experience in 1986**



being out of the labor force had such weak attachment to the work force. In other words, women with child-care problems were more likely than other women to be out of the labor force for all of 1986.[14]

Incidence among population subgroups. Not surprisingly, child-care problems were more prevalent among women caring for 3 or more children and for those with very young children. Table 2 shows that, of the women who were not employed with three or more children, almost one-third reported being out of the labor force because of child-care problems; this was one-and-a-half times the rate for women with one child. Similarly, among women out of the labor force whose youngest children were between the ages of 1 and 5 (preschoolers), the likelihood of being out of the labor force because of child-care problems was about twice that if the youngest children were of school age (6 or older). A large proportion of mothers with infants less than a year old reported that pregnancy was the main reason they had not looked for work; in contrast, pregnancy was only rarely cited by mothers who had older children. This helps explain why a comparatively small proportion of mothers with the youngest infants reported child-care problems.

Minority mothers—particularly Hispanics—were more likely to be out of the labor force because of child-care problems[15] than mothers who were poor and lacked high school diplomas. (See table 2.) Among mothers who did not have high school diplomas and were out of the labor force, one-third cited child-care problems as the primary reason for their status. Mothers without high school diplomas who were out of the labor force because of child-care problems tended to have serious labor market difficulties. Seven of

Table 2. **Mothers, 21 to 29 years old, not in the labor force, by selected characteristics, 1986**

Selected characteristics	Total, all mothers not in the labor force (thousands)	Mothers not in the labor force because of child-care problems	
		Number (thousands)	As a percent of all mothers not in the labor force
Total	4,726	1,109	23.5
Age			
21-24 years old	1,472	356	24.2
25-29 years old	3,254	753	23.1
Race or Hispanic origin[1]			
Hispanic origin	433	176	40.6
Black	860	250	29.0
White	3,433	683	19.9
Age of youngest child			
Less than 1 year old	981	171	17.4
1-2 years old	1,807	509	28.2
3-5 years old	1,362	351	25.8
6 years or older	576	78	13.5
Total number of children			
One	1,854	376	20.3
Two	1,912	428	22.4
Three or more	961	305	31.8
Poverty status[2]			
At or below poverty line	1,217	414	34.0
Above poverty line	2,763	509	18.4
Marital status			
Single parent	1,532	464	30.3
Married, spouse present	3,194	645	20.2
Educational attainment[3]			
No high school diploma	1,157	372	32.2
High school graduate	3,547	727	20.5

[1] In this research, the groups—Hispanic origin, blacks, and whites—are treated as mutually exclusive categories.
[2] Data refer to persons who provided complete information regarding family income.
[3] Data refer to persons who provided complete information regarding educational attainment.

Table 3. **Mothers, 21 to 29 years old, who cited child-care problems, by poverty status, total number of children, and age of youngest child, 1986**

Number of children and age of youngest child	At or below the poverty line		Above poverty line	
	Number (thousands)	As a percent of all mothers not in labor force	Number (thousands)	As a percent of all mothers not in labor force
Total number of children				
One	105	29.5	196	16.4
Two	164	35.2	202	17.8
Three or more	145	36.5	111	25.6
Age of youngest child				
Less than 1 year old	87	40.5	63	10.6
1-2 years old	185	37.9	240	22.8
3-5 years old	103	33.0	174	20.6
6 years or older	39	19.1	32	12.0

10 were out of the labor force for all of 1986 and almost 6 of 10 were poor.

The proportion of poor mothers citing child-care problems was almost twice as high as among their nonpoor counterparts. In part, the difference is attributable to the fact that poor mothers tended to have more children than other mothers. As the following tabulation shows, one-third of all poor mothers who were out of the labor force had three or more children, compared with about half that proportion for their nonpoor counterparts.

	Poor	*Nonpoor*
Total number of children	100.0	100.0
1 to 2	67.5	84.3
3 or more	32.5	15.7

Even among women who had one or two children, however, poor mothers were much more likely to be out of the labor force due to child-care problems, as the figures in table 3 illustrate. Similarly, poor mothers whose youngest children were less than 3 years of age were also more likely than their nonpoor counterparts to report child-care problems as the reason for their absence from the job market.[16] Child care for this age group is very limited in poor neighborhoods.[17]

Child-care expenditures

As we have seen, poor mothers were much more likely than other mothers to be out of the labor force due to child-care problems. The cost of child care is probably a major factor behind this differential. When people say they have a problem finding reliable child care, they may mean they have a problem finding quality care at a price they are willing or able to pay. Poor mothers are often unable to pay for the child care in order to look for work. They often have lower levels of marketable skills and frequently do not have good chances of getting jobs that pay enough to permit payment for child care; many of these mothers may be too discouraged about their job prospects to seek employment.[18]

Data from the Youth Survey provide an indication of how difficult it is for poor families to pay for child care. A question in the 1986 round asked respondents about the amount they spent per week on child care. The following figures are the means of selected variables and are based on a subsample of mothers who paid for child care, had been employed in 1986, and were never out of the labor force because of child-care problems.[19] Only a minority of poor mothers paid for child care.

	Poor	*Nonpoor*
Weekly child-care costs	$ 30	$ 40
Weekly family income	132	629
Child-care costs as a percent of weekly income	26.3	8.2

As is evident from these numbers, weekly child-care expenditures of poor mothers comprised, on average, more than a quarter of their weekly family income. This represents a substantial proportion of limited funds. Compared with their counterparts, poor mothers faced a much more restricted range of child-care options because far fewer of them could realistically consider paying for child care.[20]

MOST STUDIES OF CHILD-CARE issues have focused on the needs of employed parents. This might seem to suggest that parents who are not employed do not have child-care problems. As recent data from the Youth Survey show, however, many young mothers who were not employed reported that difficulty obtaining child

care was the major reason they were unable to enter the labor force. This was especially true for poor mothers. Paying for child care was not a realistic long-term option for most poor mothers, and this restricted the child care available to them. This implies a "catch-22" situation: without child care, they could not look for work, and without work they could not pay for child care. It is also true that many mothers who were out of the labor force because of child care problems did not have high school diplomas. For these young women, child-care problems were just one of the serious disadvantages they faced in the labor market. □

Footnotes

[1] Data from the Current Population Survey show that in 1990, the labor force participation rate for mothers with children less than 3 years old was 53.6 percent. A little more than half of all children who were less than 6 years old had mothers who were in the labor force in 1988.

[2] For a summary of child-care trends, see *Child Care: A Workforce Issue*, Report of the Secretary of Labor's Task Force (U.S. Department of Labor, April 1988); Sandra Hofferth and Deborah Phillips, "Child care in the United States, 1970 to 1995," *Journal of Marriage and the Family*, August 1987, pp. 559–71; and Donald J. Hernandez and David Myers, "Family composition, parents' work, and the need for child care among preschool children: 1940–1987," paper presented at the Population Association of America meetings, New Orleans, April 21–23, 1988.

[3] Legislation concerning child-care policy and earned income tax credit was enacted in the Omnibus Budget Reconciliation Act of 1990, P.L. 101–508. The child-care package contained in the Reconciliation Act includes an expansion of the earned income tax credit, the Child Care and Development Block Grant, a new "wee-tots" tax credit, child health insurance credit, and a family support (Title IV) grant.

[4] Some examples of child-care research that has focused on employed parents include Greg J. Duncan and Saul D. Hoffman, "Child care arrangements and fertility: an analysis of two-earner households," *Demography*, November 1985, pp. 499–514; *Who's minding the kids? Child care arrangements*, Current Population Reports, Series P-70 (Bureau of the Census, July 1990); and Harriet Presser, "Shift work and child care among young dual-earner American parents." *Journal of Marriage and the Family*, February 1988, pp. 133–48.

[5] See *Child Care: A Workforce Issue*; and Douglas Besharov, "The politics of day-care," *The Washington Post*, Aug. 21, 1988, p. C5.

[6] David Blau and Philip Robins, "Child care costs and family labor supply," *Review of Economics and Statistics*," August 1988, pp. 374–81; David Blau and Philip Robins, "Fertility, employment and child-care costs," *Demography*, May 1989; Rachel Connelly, "The effect of child care costs on married women's labor force participation," Survey of Income and Program Participation Working Paper 8918 (Bureau of the Census, July 1989); and Rachel Connelly, "The importance of child care costs to women's decision making," paper presented at the Carolina Public Policy Conference on the Economics of Child Care, University of North Carolina, May 16, 1990. These studies build on pioneering work by James Heckman, "Effects of child-care programs on women's work effort," *Journal of Political Economy*, March/April 1974 (Supplement).

[7] See Blau and Robins, "Child care costs and family labor supply."

[8] See Connelly, "The effect of child care costs on married women's labor force participation," and "The importance of child care costs to women's decision making."

[9] Of nonemployed mothers in the 1977 Current Population Survey, 17 percent said they would look for work if child care were available at a reasonable cost, compared with 13 from the 1982 survey. See Harriet Presser and Wendy Baldwin, "Child care as a constraint on employment: prevalence, correlates, and bearing on the work and fertility nexus," *American Journal of Sociology*, May 1980; and Martin O'Connell and David Bloom, "Juggling Jobs and Babies: America's Child Care Challenge," *Population Trends and Public Policy*, February 1987. Similar percentages were obtained in response to similar questions in other surveys. See Katherine Dickinson, "Child care," in Greg Duncan and James Morgan, *Five Thousand American Families—Patterns of Economic Progress* (Ann Arbor, Survey Research Center, University of Michigan, 1975), vol. 3, ch. 6, pp. 221–56; and Karen Oppenheim Mason, "The perceived impact of child care costs on women's labor supply and fertility," Research Report, Series 87–110 (Ann Arbor, Population Studies Center, University of Michigan, June 1987).

[10] Harriet B. Presser and Wendy Baldwin, "Child care as a constraint on employment," p. 1205.

[11] Data concerning start and stop dates of job search are not provided in the Youth Survey. While this information is necessary for determining whether respondents were out of the labor force at any time during 1986, in practice, identifying start and stop dates of job searches is problematic, both for survey interviewers and for job searchers. In contrast, periods when employment started and stopped can be identified more precisely, and the Youth Survey provides this information. On this basis, it is possible to identify mothers who had periods of nonemployment in 1986, determine who was out of the labor force during each period, and examine their reasons for being out of the labor force. This study assumes that, for all respondents who experienced nonemployment in 1986, their time out of the labor force also included 1986. This assumption might be wrong for some respondents, those for whom nonemployment in 1986 was part of an uninterrupted period of nonemployment that covered one or more contiguous years. For this group, it is conceivable that some were out of the labor force during an adjacent year, but looked for work continuously throughout their period of nonemployment in 1986. The data do not allow one to determine how many respondents fit this description, but it is reasonable to assume they were few.

[12] Interviewers coded the answers according to predetermined categories. Responses that were ambiguous were recorded verbatim and were coded later. Many of these ambiguous answers were coded as "Other." To be coded as "Child care problems," a respondent's answer had to be quite precise and include an indication that she wanted to work, but was prevented from doing so because she could not locate or afford adequate child care. Despite this precaution, answers given by some respondents were probably misinterpreted and misclassified; there is no way of knowing how many. In particular, the distinction between "personal/family reasons" and "child care problems" was probably difficult to make in some instances.

[13] This proportion is much higher than that found in early studies (see footnote 9). However, the results are not comparable because of differences in how samples were defined, how interview questions were formulated, and the reference periods of the studies. It is likely that the proportion derived from the Youth Survey is higher because Youth Survey respondents are younger (and therefore had younger children and greater child-care responsibilities than mothers in other samples) and because these Youth Survey data cover all of 1986 rather than one point in time (mothers are more likely to have time out of the labor force due to child-care problems over the course of a year than during a given week).

[14] All statements of comparison in this article are significant at the .10 level or better. Standard errors for all estimates are available from the author on request.

[15] In this research, Hispanics, blacks, and whites are treated as belonging to mutually exclusive categories.

[16] Differences in nonparticipation rates between poor and nonpoor mothers were not significant at the .10 level for mothers with three or more children and for mothers whose youngest children were 3 years of age or older.

[17] Rebecca Maynard, Ellen Eliason Kisker, and Stuart Kerachsky, *Child Care Challenges for Low-Income Families* (New York, Rockefeller Foundation's "Into the Working World" series, 1990).

[18] As Sonenstein and Wolf note, "A factor affecting a mother's entrance into the work force may be the wages she can earn relative to what she must pay for child care . . . Poorly educated women with little work experience make low wages, and unless they find subsidized, affordable or free child care, employment may not make economic sense to them." See Freya L. Sonenstein and Douglas A. Wolf, "Caring for the children of welfare mothers," paper presented at the meeting of the Population Association of America, New Orleans, April 21–23, 1988.

[19] It was redundant to exclude mothers who were out of the labor force because of child-care problems; virtually no mother who was out of the labor force because of child-care problems paid for child care.

The weekly income figures reported here come from estimates of each respondent's annual household income—the sum of the earnings of all household members for 1986 and all other sources of income for the calendar year. To estimate weekly income (in the tabulations presented here), income was divided by 52. Figures for child-care expenditures as a percentage of incomes were calculated for each respondent in the subsample as defined in the text. Reported here are the means of these percentages.

[20] The findings presented, in this article, of child-care expenditures as a percentage of income by poverty status are similar to those of other researchers: Hofferth, who used similar data in the 1985 National Longitudinal Survey of Youth; Maynard, Kisker, and Kerachsky, who used data for three major urban areas; and O'Connell, who used data on respondents to the Survey of Income and Program Participation (SIPP) who were employed during a 3-month period prior to the fall 1987 interview. See Sandra L. Hofferth, "Statement on child care in the U.S.," delivered before the Select Committee on Children, Youth, and Families, July 1, 1987; Rebecca Maynard, Ellen Kisker, and Stuart Kerachsky, *Child Care Challenges for Low-Income Families*; and U.S. Bureau of the Census, *Who's minding the kids?*