What We Know:

• The supply of infant/toddler care kept pace with increased demand over the past 35 years. The supply of center-based care has risen faster than the supply of home-based care. Nevertheless, the supply of high-quality care remains very limited and expensive.
• Public subsidies do not always cover the cost of high-quality infant/toddler care.
• High-quality infant/toddler care can enhance child development, and access is particularly important for disadvantaged children.
• Expansion of state funding for pre-K has focused primarily on 4-year-olds, with little support for 3-year-olds or children under age 3.
• Increases in child care subsidies and Head Start, including Early Head Start, have been much larger than increases for state pre-K.
• There is no evidence that the expansion of public funding for preschool education has reduced the supply of high-quality infant/toddler care.

Policy Recommendations:

• Early learning policy development should encompass birth to age 8 to ensure coordinated planning, infrastructure, data systems, and professional development.
• Public funding should be increased to attract and retain good administrators and teachers and maintain an adequate supply of high-quality infant/toddler care.
• Pre-K expansion can avoid negative impacts on infant/toddler care through funding initiatives and rate increases to ensure subsidies for infant/toddler care remain competitive.
• Research and evaluation is needed to develop more effective infant/toddler and 3-year-old programs and policies as well as to assess the influence of policies on care and education for all children birth to age 5.
Demand for Infant/Toddler Care

Many parents are seeking care based on a growing awareness of how young children's early experiences enhance their cognitive and social-emotional growth. However, the most salient factor behind increased demand is the increase in the numbers of mothers in the workforce. Between 1975 and 2005, the percentage of working mothers with children under the age of 18 rose from 47 to 71 percent, with employment rates for mothers with children who are not yet 3 jumping from 34 to 60 percent (see Figure 1). Despite this change, nearly 80 percent of children under the age of 1 and two-thirds of children ages 1 and 2 still are exclusively cared for by parents and relatives.

Supply of Infant/Toddler Care and Trends in Care Arrangements

The quantity of licensed child care appears to have increased sharply in response to the rise in demand. In the mid-1970s, there were approximately 18,300 licensed child care centers, a number that dramatically increased by 2005 to 105,000 licensed child care centers plus nearly 214,000 licensed family child care providers. Nevertheless, many experts are concerned about the availability of care for infants and toddlers, especially high-quality care. At the same time, there is concern that increased public funding of pre-K might adversely affect infant/toddler care by reducing public funds and/or siphoning off teachers and facilities, thus making it more difficult for private providers who serve children from birth to age 5 to survive.

While the number of children enrolled in infant/toddler care centers increased from 1995 to 2005, the percentage of the population in center care remained unchanged—12 percent of infants and 23 percent of toddlers. About one-third of children in both

Figure 1. Percentage of Women with Children Under the Age of 3 in the Labor Force


Figure 2. Trends in the Use of Center-Based and Family, Friend or Neighbor Care for Infants and Toddlers

In 1995, 6 percent of infants and 13.5 percent of toddlers were enrolled in center-based care. These percentages rose to 12 and 23 percent, respectively, in 2005. The percentage of toddlers in licensed family, friend, or neighbor (FFN) care remained almost the same.

Figure constructed using data from Iruka & Carver (2006) and Hofferth et al. (1998).
age groups are cared for by a relative, nanny, babysitter, or licensed family child care provider, also known as “family, friend or neighbor” (FFN) care (see Figure 2). While use of center-based care has nearly doubled, the participation of children under age 3 in non-parental care has not reached the levels of older preschoolers.

Quality and Fees
The quality of most center-based infant/toddler care has been found to be minimal to mediocre with the quality of family child care no better. Infant/toddler care is hard to find and quality care is expensive (see Table 1). Average infant/toddler fees, while higher than fees for preschool-aged care, are not high enough to compensate for the higher staff-child ratios and adequate pay required to deliver good infant/toddler care. Nearly 20 percent of families with young children report receiving some type of financial assistance for child care but too often these fall short of what is needed. A study of licensed child care centers serving low-income families found that 37 percent of providers reported that their state subsidy rate plus parent co-payment was less than what they would have collected from private-paying parent fees.

States’ Efforts to Address Infant/Toddler Care Quality and Supply Issues
Issues related to learning and development as well as quality and supply have prompted state initiatives to improve the quality of infant/toddler care. Over the past six years at least 22 states have produced voluntary early learning guidelines for children ages 0-2, outlining the skills and knowledge most children are expected to have upon reaching certain developmental milestones.

In addition, states are using federal Child Care and Development Fund (CCDF) dollars to improve infant/toddler care. While the majority of CCDF monies provide child care subsidies for low-income families, a portion has been earmarked for improving the quality of infant/toddler care. States also are using CCDF dollars to strengthen Early Head Start (EHS). Lastly, a small number of states are attempting to
increase the subsidy rate for children between the ages of 0 and 2 and by contracting directly with infant/toddler providers, ensure that specific communities or populations have a stable supply of available slots. Because some states’ contract rates are higher than subsidy rates, they can also require that participating settings meet certain quality standards.

All of these programs will be at risk if CCDF funds remain level or are cut. While the infant/toddler quality set-aside totals only about 2 percent of CCDF funds, less money will be proportionately available if annual increases do not keep up with inflation. Recent trends suggest this is a potential issue.

**Recent Federal Initiatives**
While greater numbers of preschoolers than infants and toddlers are enrolled in out-of-home early care and education, in some cases federal support is nearly equal for the two groups. For example, 30 percent of the children who benefit from federal child care subsidies are infants and toddlers vs. 35 percent of preschool-aged children. The federal Head Start program, which also includes Early Head Start for infants and toddlers, recently received $2.1 billion in ARRA funds. Fifty-two percent of these funds were set aside for Early Head Start.

**Conclusion**
Taking everything into account, we do not find a clear relationship between state-funded preschool education and the supply of child care for infants and toddlers. However, whether or not preschool education has had any negative effects on infant/toddler care in the past, state policies can ensure that future preschool education policies have positive influences on infant/toddler care.

Strategies for supporting infant/toddler care policy begin with planning that encompasses the entire early childhood period from birth to age 8. In addition, as states increase funding for preschool education, they can ensure that infant/toddler care remains financially viable through funding set-asides and increases in child care subsidy rates. Particular attention should be paid to ensure that salaries are adequate in child care and early Head Start as well as in pre-K.