Infants and Toddlers in Child Care

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Second only to immediate family, child care is the context in which early childhood development unfolds. Starting as early as infancy, high quality child care affects a child’s ability to succeed in school, to develop relationships, and to master social competence. Elements of high quality infant and toddler child care include: small groups, high staff-to-child ratios, a primary caregiver, adherence to health and safety policies and procedures, highly trained staff, well-planned and interesting environments, and cultural and linguistic competence and continuity.

Research indicates that the strongest effects of quality child care are found with at-risk children—children from families with the fewest resources and under the greatest stress. Yet, at-risk infants and toddlers often receive child care of such poor quality that it may actually diminish inborn potential and lead to poorer cognitive, social, and emotional development.

The quality of the relationships between child care providers and the children for whom they are responsible carry the weight of the influence of child care on children’s development. The relationship between the child care provider and parent is also critical. However, in order for relationships to flourish, both program policies and caregiving environments need to facilitate relationships. It is the skilled and stable

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What is the Child Care and Development Block Grant (CCDBG)?

CCDBG provides funds to states to provide child care assistance for low income working families with children up to age 13. Four percent of funds must be spent on activities to improve child care quality. CCDBG is administered through the Child Care Bureau at the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance. The CCDBG also includes a set-aside that states must spend on activities to improve the quality and build supply of care for infants and toddlers.

States set specific income and other eligibility under broad federal guidelines. The vast majority of subsidized child care is provided through vouchers but states may also contract with providers to serve eligible children. States must allow parents to select any legally operating child care provider.

What is the Dependent Care Tax Credit (DCTC)?

The DCTC is a nonrefundable credit on tax liability that can be used to offset child care expenses for children under age 13. The credit is based on a percentage of expenses and is reduced as taxpayer income increases, with a maximum of $3,000 (up to $6,000 for two or more dependents).
relationship-oriented provider working in the high quality conditions described above that promotes positive development. Mentoring and coaching supports, a stable workforce with low turnover, and adequate compensation have also been linked to high quality of care.

There are many positive benefits associated with high quality child care. Parents who need to access care due to employment or training/education obligations are much more productive when their children are in care arrangements that they trust and that foster and support development. Children, in turn, benefit as they have an opportunity to form relationships with child care providers who understand the vital role they play in supporting all aspects of a young child’s development. In short, child care provides nurturance and support for early learning and language development, preparation for school, access to supplemental services such as developmental screening, and support for working parents. Other federal programs that specifically focus on the developmental needs of infants and toddlers, such as Early Head Start and Part C of the Individuals with Disabilities Education Act (IDEA), also help parents to access the quality early care and education settings and supports that young children need to help them get off to the right start. Often, parents have to access several programs in order to pay for the full-day, full-year care their children need.

While states are working to meet the needs of infants, toddlers, and their families, they lack the resources necessary to ensure access to high quality child care. Congress is in a unique position to support the early learning and development of our nation’s youngest children by creating supports for, and expanding access to, quality child care for infants and toddlers. The reauthorization of the Child Care and Development Block Grant (CCDBG) provides an opportunity to expand and improve the quality of child care. In addition to initiatives supported by CCDBG, a broader set of federal policies and programs can be leveraged to support a quality child care system that promotes the healthy cognitive, social and emotional, physical, and language development of infants and toddlers.

**Fast Facts: Infants and Toddlers in Child Care**
- More than 12 million infants and toddlers live in the United States—43 percent (5.4 million) live in low-income families and 21 percent live in families with earnings below the poverty level.5
- Fifty-six percent of mothers with children under the age of 3 are employed.6
- Each day nearly six million children under 3 spend some or all of their day being cared for by someone other than their parents.7
- More than 40 percent of infants and toddlers are in child care rooms of poor quality.8
- In each month of 2005, nearly half a million children under the age of 3 received child care services supported by the Child Care and Development Block Grant (CCDBG).9

**POLICY RECOMMENDATIONS**

Create supports for, and expand access to, quality child care for infants and toddlers.
A. The Child Care and Development Block Grant (CCDBG)

a. Create systemic supports for improving the quality of child care services for infants and toddlers by encouraging and providing resources to states to:

- **Enact or strengthen existing child care licensing standards to address the unique needs of infants and toddlers.** Licensing standards for regulated child care settings are vitally important to promote key elements needed for high-quality infant/toddler care. Infants and toddlers in particular have unique needs that cannot be ignored when states create their licensing standards. For instance, very young children need developmentally appropriate care with higher staff-to-child ratios and smaller group sizes than those for older children. However, only three states currently require licensed child care providers to meet a 1:3 provider-to-child ratio for infants, and one state limits group size to six. Only 5 states meet ratio guidelines of 1:4 for toddlers, and while 8 states limit toddler group size to eight at age 18 months, only 2 still do so for children at 27 months of age. Only 7 states require staff in child care centers to have training related to SIDS; 14 states fail to prohibit unsafe sleeping practices in family child care settings. Policymakers should ensure that state licensing standards address ratios/group size; health and safety concerns unique to infants and toddlers such as diapering and SIDS; training requirements for child care providers; and strategies to monitor and enforce licensing standards.

- **Establish a statewide network of infant and toddler specialists who provide technical assistance and support to individuals who are providing care to children under the age of 3.** Many states have created infant-toddler specialist networks to support the infant/toddler caregiver workforce, and improve the quality and availability of infant/toddler child care. Infant-toddler specialists typically include mental health, family support, and health professionals. They provide support to caregivers and employ a variety of approaches including mentoring, coaching, consultation, training, technical assistance, and referral. Guidance and support may be provided on issues such as mental health, early development, family support, and program quality.

- **Establish and operate neighborhood- or community-based family child care networks and/or provide technical assistance to other infant-toddler early care educators, including relative and non-relative caregivers.** Lower-income
babies and toddlers are more likely than higher-income children to be in family, friend, or neighbor care (FFN). In CCDBG, 35 percent of infants and 29 percent of toddlers are served in family child care. In four states, 50 percent or more of all children receiving help paying for child care are in FFN care. The quality of licensed family child care and FFN care varies. Often, these providers are isolated and may lack complete and culturally and linguistically appropriate information about child development. A National Institute of Child Health and Human Development (NICHD) study on infants with employed mothers found, on average, more signs of positive caregiving for babies cared for at home by a father, grandparent, or other caregiver than babies cared for in centers or by FFN care providers. However, studies focused on low-income families have found reason for concern about the quality and stability of FFN care. Some studies of FFN providers have suggested that they may be interested in informal ways of obtaining information to improve the quality of their care, including networks. Networks (also called hubs or systems) can cover administrative costs for outreach and recruitment, intake and eligibility determination, and other costs associated with participating in the subsidy system. Networks can also provide technical assistance, quality enhancements, and monitoring to meet standards of other systems such as pre-kindergarten or quality rating and improvement system (QRIS) requirements. States and local communities can use networks, hubs, and systems to help build bridges between isolated providers and communities and schools and center-based care.

- Establish and operate neighborhood- or community-based family and child development centers to provide high quality comprehensive child care and development services to infants and toddlers and their families. Many parents do not have a full range of choices of child care for their infants and toddlers, due to a lack of licensed care slots. A recent study of 13 economically disadvantaged communities found that the supply of slots in licensed centers and family child care homes would leave nearly half of children under age 6 with a potential need for child care unserved. Numbers were worse for babies and toddlers. For example, in Oakland, California, only 63 out of 1,147 available child care slots were for babies and toddlers; in Indianapolis, only 172 out of 1,551 available slots were for babies and toddlers. Research also shows that often child care is of mediocre to poor quality and that most child care providers do not provide screening and assessments to identify delays. Increasing the supply of comprehensive child
development centers that meet the full range of developmental needs for young children and their families can identify needs for early intervention and help children reach their full potential.

b. **Substantially increase the infant-toddler set-aside as funding grows.** The CCDBG sets aside funds for activities specifically designed to improve the quality of infant and toddler care. The infant-toddler set-aside helps states to invest in specialized infant-toddler provider training, provide technical assistance to programs and practitioners, and link compensation with training and demonstrated competence—all of which enhance quality, and in turn, lead to later school success.

c. **Provide adequate funding to allow states to set rates at the levels needed to help families access high quality infant and toddler care.** The amount of funding states choose to make available to pay providers and caregivers for serving subsidized children directly affects the quality of care, particularly for babies and toddlers. The more funding a child care provider receives per child, the more dollars that provider can choose to use to attract and retain highly qualified staff that work with young children and to finance other quality features. High quality licensed infant and toddler care is more expensive for providers to offer, due to additional quality requirements such as more child care providers per child, more space per child, special equipment (e.g., cribs), and additional health and safety requirements (e.g., sanitary areas for diaper changing). Anecdotal evidence suggests that high quality child care programs serving infants are having trouble staying open with current reimbursement rates. In California, at least 16 child care programs have had to stop serving infants due to inadequate reimbursement rates and the high cost of serving infants. Other studies have documented the impact of low rates in other states. For example, a provider in Massachusetts stopped accepting infants receiving the subsidy because the rate was so low, even if siblings were already in the program. Currently, 18 states set their maximum payment rates for a 1-year-old in a child care center at 20 percent or more below the amount that would allow parents access to 75 percent of infant-toddler care, limiting the choices that families with infants and toddlers can make for the care of their youngest children.

d. **Provide incentives for states to use contracts for infant care at higher rates at higher levels of quality.** Contracts can be a way to guarantee that families find the care they need—particularly in communities without an adequate supply of child care. State contracts with providers may bring stability to child care providers in underserved communities and provide more stable child care for families. States may also tie certain standards to contracts in order to ensure the quality of the child care that is being purchased. These standards can be especially important for very young children for whom quality child care experiences can positively impact
healthy growth and development across all developmental domains. The CCDBG allows for contracts, but states have moved away from their use in recent years.

e. Improve training and compensation for providers working with infants and toddlers by increasing the quality set-aside. Research confirms that quality child care is contingent upon the special training that caregivers receive in early childhood development. However, child care programs are struggling to attract and retain well-trained individuals to work with infants and toddlers because of poor compensation. In 2006, the national average wage for a child care worker was only $9.05 per hour or $18,820 annually. Even when child care providers enjoy their work, they often cannot afford to stay in the field. This creates high turnover and instability that interferes with continuity of care. Adequate compensation is vital to ensuring the stability of a qualified early childhood workforce.

f. Support research to evaluate which strategies are most effective to train and support the infant-toddler care workforce. As increasing numbers of infants and toddlers are moving into out-of-home care at younger ages and for longer periods of time, we are missing opportunities to continuously improve quality child care and improve interactions between caregivers and young children that promote positive child outcomes. Policymakers should provide funds to evaluate which strategies are working to train and support the workforce to improve infant-toddler care and to improve the quality of and access to both community based training and post secondary opportunities focused specifically on infant-toddler caregivers.

B. Tax Policy

a. Make the Dependent Care Tax Credit (DCTC) refundable for low-income families. The DCTC is not refundable, and is therefore not available to low-income families without tax liability. Making the credit available to these families would allow an additional 1.6 million households to claim the credit and would make the distribution of benefits more progressive.

b. Expand DCTC and index it to inflation. The cost of child care is high, especially for families with infants and toddlers: The average cost of infant care ranges from approximately $4,400 to $14,600 a year, depending on where a family lives. Yet the amount of the credit does not reflect these high costs. In addition, the credit is not currently indexed to inflation, so the value of the credit erodes over time as child care costs increase.
c. **Create tax credits for providers to encourage investments in quality.**
   Low reimbursement rates and the high cost of providing infant and toddler care force many providers to operate within slim, if any, profit margins. As a result, providers may have difficulty investing in equipment, training, and other resources to improve quality over time. Tax credits to parents and business investment tax credits, as well as information and technical assistance to help parents and providers understand these benefits, can be used to encourage these investments.\(^{34}\)

C. **Appropriations**

a. **Increase funding for the Child Care and Development Block Grant (CCDBG).** All infants and toddlers, particularly those living in low-income families, need access to quality child care when their parents are at work. Twenty-eight percent of children served in CCDBG are infants and toddlers,\(^{35}\) yet with no increase in funding proposed for CCDBG, an estimated 200,000 low-income children and their families will lose child care assistance between FY 2007 and FY 2009.\(^{36}\) An increase in federal funding for child care would help to ensure that more low-income infants and toddlers have access to quality child care settings.

b. **Increase funding for Early Head Start.** Early Head Start is another vehicle for providing quality environments for infants and toddlers. The program has been shown to give low-income infants and toddlers a boost before they enter preschool, yet reaches only 3 percent of all eligible children and families. The bipartisan 2007 Head Start reauthorization took important steps that, if funded, will move the program forward by expanding access to both Head Start and Early Head Start and enhancing quality. Increased investments will allow Early Head Start to provide services to more infants and toddlers, support increased training and technical assistance, and achieve continuous program improvements.

c. **Increase funding for Part C of the Individuals with Disabilities Education Act (IDEA) and Child Find.** Part C of IDEA helps parents to access supports for their young children. Research has demonstrated the importance of providing specialized developmental and educational supports and services to young children and their families. IDEA Part C ensures that infants and toddlers (birth to age 3) with special needs and their families receive the early intervention supports and services needed for enhancing child development. The number of infants and toddlers with developmental delays and disabilities served under IDEA Part C has grown more than 60 percent from 187,899 children in 1999 to 304,510 children in 2006. At the same time, however, the federal appropriation for Part C services grew by only about 18 percent. The amount of federal Part C funds has decreased by $8.7 million since FY 2004.
The Quality of the Relationship Between the Child Care Provider and Child Influences Every Aspect of Young Children’s Development. The quality of child care ultimately boils down to the quality of the relationship between the child care provider and the child: skilled and stable providers promote positive development. A secure relationship between the infant and the caregiver can complement the relationship between parents and young children and facilitate early learning and social development. Young children whose caregivers provide ample verbal and cognitive stimulation, who are sensitive and responsive, and who give them generous amounts of attention and support are more advanced in all aspects of development compared with children who fail to receive these important inputs.

Quality Child Care Promotes Cognitive and Language Development. Intensive, high quality, center-based child care interventions that provide learning experiences directly to the young child have a positive effect on early learning, cognitive and language development, and school achievement. One of the features that distinguish higher quality care is the amount of language stimulation provided. High quality child care, where providers are both supportive and offer more verbal stimulation, creates an environment where children are likely to show advanced cognitive and language development.

Quality Child Care Promotes Social and Emotional Development. For virtually every developmental outcome that has been assessed, quality of care shows positive associations with early social and emotional development. Higher quality care is generally related to more competent peer relationships during early childhood and into the school years. It provides environments and opportunities for socialization, problem-solving, empathy building, sharing, and relating.

Quality Child Care Contributes to Later School Success. Studies that examine children’s development over time have shown that higher quality child care is a predictor of improvement in children’s receptive language and functional communication skills, verbal IQ skills, cognitive skills, behavioral skills, and attainment of higher math and receptive language scores—all of which impact later school success. Research also indicates that participants in high quality child care and early education programs may also experience lower levels of grade retention and placement in special education classrooms.

High Quality Child Care Is Particularly Important to Low-Income Children. Low-income children often start behind their peers when they enter school. When child care is of very high quality (as is the case with model early intervention programs), the positive effects can endure into the early adult years, particularly for children from the poorest home environments. In fact, one study found that children who had enrolled in high quality child care demonstrated greater mathematical ability and thinking and attention skills, and experienced fewer behavior problems than other children in second grade. Yet, at-risk infants and
toddlers often receive child care of such poor quality that it may actually diminish inborn potential and lead to poorer cognitive and social and emotional developmental outcomes.47

About ZERO TO THREE and CLASP

ZERO TO THREE’s mission is to support the healthy development and well-being of infants, toddlers, and their families. We are a national nonprofit multidisciplinary organization that advances our mission by informing, educating, and supporting adults who influence the lives of infants and toddlers. The ZERO TO THREE Policy Center is a research-based, nonpartisan program that works to bring the voices of infants and toddlers to public policy.

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The Center for Law and Social Policy (CLASP) is a national nonprofit policy, research, and advocacy organization that works to improve the lives of low-income people. CLASP’s mission is to improve the economic security, educational and workforce prospects, and family stability of low-income parents, children, and youth, and to secure equal justice for all.

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2 ZERO TO THREE, Caring for Infants and Toddlers in Groups: Developmentally Appropriate Practice. 2nd ed. (Washington, DC: ZERO TO THREE, 2009).
3 Shonkoff and Phillips, From Neurons to Neighborhoods.
4 Ibid.
11 National Association for Regulatory Administration and the National Child Care Information and Technical Assistance Center, “Findings from the 2005 Child Care Licensing Study,” Table S, National Association for Regulatory Administration, 2006.
14 Ibid.
16 Analysis of federal data by the Center for Law and Social Policy, in Hannah Matthews, Infants and Toddlers in the Child Care and Development Block Grant Program (Washington, DC: Center for Law and Social Policy, 2008).
18 National Institute for Child Health and Human Development (NICHD) Early Child Care Research Network, “Characteristics of Infant Child Care: Factors Contributing to Positive Caregiving.” Early Childhood Research Quarterly, vol. 11, no. 3: 269–306. Note that the NICHD study did not include children of adolescent mothers or of mothers who did not speak English, so the sample is not representative of families who are likely to receive child care subsidy.
21 Ibid.
37 Shonkoff and Phillips, From Neurons to Neighborhoods.
39 Shonkoff and Phillips, From Neurons to Neighborhoods.
40 ZERO TO THREE, Caring for Infants and Toddlers in Groups.
41 Ibid.
42 Ibid.
45 Shonkoff and Phillips, From Neurons to Neighborhoods.
47 National Research Council, Eager to Learn.