

NLWJC - Kagan

DPC - Box 025 - Folder 013

**Family - Child Care Policy: Stay at
Home Parents**

Fam-child care policy -

stay-at-home parents

Elena, Jen, Nicole and Neera,

Here's some preliminary data on the stay-at-home moms that ASPE pulled together. They are looking much more deeply into this because there is more data and other issues that should be put on the table -- do we subtract welfare families from the numbers; should we primarily look at under 18, under 13 (CCDBG eligibility, or under 6?, etc. Given the importance of this issue and our continuing involvement in it, I think its real important that we get everything on the table, discuss it and then put together talking points, position paper, or whatever to portray this in its proper light. I'm sure Melissa S. will have an interest in this, and Treasury will want to be part of these discussions as well.

So lets talk more later.

Mary

NOTE TO: Mary Bourdette

FROM: Don Oellerich

Subject: Stay at home moms

I quickly pulled together some data from the Census Publication Money Income in the United States: 1996 (P60-197).

In 1996, there were 6.21 million families with children under 18 where the husband worked and the wife did not work at all during the year. Of these 6.21 million, 1.72 million families (28%) had total family income below \$25,000.

Of these 6.21 million families there were 3.68 million families with at least some children under age 6. Looking at just those families with some children under age 6 1.18 million (32%) have total family incomes below \$25,000 and 1.81 million (49%) have total family income below \$35,000.

	Families with Children under 18	Families with some/all children under 6
Husband Worked/Wife did not work	6,210,000	3,683,000
Total Family Income less than \$25,000	1,724,000 (28%)	1,179,000 (32%)
Total Family Income less than \$35,000	2,749,000 (44%)	1,814,000 (49%)

Fam-child care pol- stay at home



16

07:52:27 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Jennifer L. Klein/OPD/EOP, Nicole R. Rabner/WHO/EOP

cc:

Subject: HOUSE SAYS STAY-AT-HOME MOMS NEEDS CHILD CARE HELP, TOO

fyi --

----- Forwarded by Neera Tanden/WHO/EOP on 02/11/98 07:53 PM -----



Russell W. Horwitz

02/11/98 07:49:25 PM



Record Type: Record

To: Neera Tanden/WHO/EOP

cc:

Subject: HOUSE SAYS STAY-AT-HOME MOMS NEEDS CHILD CARE HELP, TOO

----- Forwarded by Russell W. Horwitz/OPD/EOP on 02/11/98 07:49 PM -----



SIEWERT J @ A1

02/11/98 07:38:00 PM

Record Type: Record

To: Bruce N. Reed, Russell W. Horwitz, Charles R. Marr

cc:

Subject: HOUSE SAYS STAY-AT-HOME MOMS NEEDS CHILD CARE HELP, TOO

Date: 02/11/98 Time: 19:23

CHouse says stay-at-home moms needs child care help, too

WASHINGTON (AP) The House declared Wednesday that any child care initiative must not ignore stay-at-home parents, writing the GOP strategy on this election-year issue onto the record.

Democrats went along with the nonbinding resolution, which passed without dissent, though they complained that it said nothing about working parents who cannot afford to forgo a second income.

President Clinton's \$21.7 billion, five-year child care initiative proposes tax credits and subsidies to help parents pay child care bills, but it does nothing for stay-at-home parents.

"Federal child care policy should no longer discriminate against stay-at-home parents," said Rep. William Goodling, R-Pa.,

Two-Phase do an
entry for the weekly
that focus on this
issue, including
-- legislative activity
(including what this was (the said))
-- press (Wash Post ed it)
-- Treasury veritence
-- What we're doing.

Thanks.

Elmer

cc: Bruce

chairman of the Education and the Workforce Committee. ``They make big sacrifices if they stay at home in order to rear their children. It's time we recognize those sacrifices."

Democrats complained that the resolution was sped to the House floor, skipping a vote in committee where they might have amended it to include other child care priorities. They accused Republicans of setting up a false choice between parents who stay at home and those who work.

``I regret that this resolution has chosen to focus on one group of parents," said Rep. Rosa DeLauro, D-Conn.

The resolution did not advocate any particular policy. Some Republicans have suggested that stay-at-home parents might qualify for the dependent-care tax credit, which now is available only to parents who pay for child care. Other Republicans have suggested an across-the-board tax cut that would give all families more money to spend as they see fit.

Generally, plans to help stay-at-home moms rely on tax breaks. That won't help the lower-income families, who generally owe no taxes, says Donna Shalala, the secretary of health and human services.

APNP-02-11-98 1934EST

Fam-child care ~~afford~~
policy - tax/subsidy

and

Fam-child care policy -
stay-at-home parents



Cynthia A. Rice

12/02/97 09:45:30 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: Diana Fortuna/OPD/EOP, Andrea Kane/OPD/EOP
Subject: A few thoughts on today's child care meeting

Oh what fun I have been missing! That meeting made the TANF reg look easy.... A few thoughts to follow on all your real work:

Welfare vs Working Poor Families

I was a bit puzzled, as I think you were, by the dicotomy some were drawing between "welfare families" and "low-income working families." First, welfare families who need child care are working families (or they are at least preparing for work). Second, many low income women cycle on and off of welfare, using welfare as a form of unemployment insurance -- there is no bright line between the populations.

I think the key questions we should ask ourselves are: Do we want states to treat two mothers making \$12,000 a year differently because one used to be on welfare and one did not? I think we do not -- we want to encourage states to develop seamless child care systems that focus on incomes, not categories. In that case, what is the best way to encourage states to develop seamless systems? I think it is not by setting benchmarks or other rules which encourage the new funds to be used for the not-formerly-on-welfare working poor to counterbalance current practice of focusing dollars on former welfare recipients. I think it is by providing funds for states to raise their eligibility criteria to include more low-income families.

We do not need new targetting of the block grant in order to have a proposal which helps moderate income working families. Even without new targetting, we can talk about any expansion of the child care and development block grant as "child care for hard working minimum wage families" or "low income families making less than \$24,000 a year" and we can describe the tax credits as help for the "middle class families earning between \$24,000 and \$59,000."

So count me as a vote against benchmarking!

Stay at Home Parents

Regarding stay-at-home parents, I will admit I am completely unschooled in this issue. I do think we will be able to argue that we are helping stay-at-home parents through the \$500 per child tax credit. I do also think, as I think you do, that an additional proposal here would be very helpful. I think such a proposal should focus on parents who stay home for more than 6-24 weeks. Thus, I would like to see something like the demonstration project idea, which would provide funds to community and religious groups (including the latter would be helpful) who provide support and assistance to stay-at-home parents, by offering parenting classes or hotlines, play groups, two hour "relief" or "emergency" child care, or which distribute materials to new parents (I thought Barry's idea of promoting connections to WIC was promising).

In fact maybe the quality fund should have two parts 1) to promote Smart Start-like local efforts to improve the quality of formal child care and 2) to promote local efforts to assist stay-at-home parents. This would allow local organizations to provide culturally-sensitive programs for parents

of particularly ethnicities, which the Hispanic caucus encouraged us to do. In fact, in my in-box is the new issue of Univ of Wisconsin Institute on Poverty magazine which highlights an evaluation of a program called Avance that has worked with low-income Hispanic infants and their families in San Antonio since 1973 which has the explicit goal of "helping mothers become better teachers of their children." The evaluation found "positive and significant differences between participant and control mothers on three measures of teaching effectiveness." I can fax you a copy if you like (it's only one page).

Message Sent To:

Elena Kagan/OPD/EOP
Jennifer L. Klein/OPD/EOP
Nicole R. Rabner/WHO/EOP
Neera Tanden/WHO/EOP
Laura Emmett/WHO/EOP