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## ABSTRACT

Arguing that common explanations for low wages for early education and care work are inadequate and misleading, this essay seeks to clarify for early education and care advocates the reasoning and the fallacies underlying these explanations. The essay maintains that economists' argument concerning "human capital" erroneously assumes that early education and care is low-skill work. The essay further argues that economists' notion of "compensating wage differentials" may explain why an individual might take a low-paying job, but cannot explain why the wage for a whole occupation is low. The essay asserts that if economists' "crowding" explanation were correct, one should see too many people wanting to work in early education and care. Further, the idea that low wages protect children by warding off money-motivated workers is based on untenable assumptions about motivations, responsibilities, and opportunity costs. The essay argues that the notion that wages must be low for early education and care to remain affordable for parents depends on excessively individualistic reasoning. It is noted that campaigns for higher wages for early education and care workers can point out that most counter arguments come from distorted understanding of the nature of work and care, and can seek to correct these by appropriately valuing care, children, and early education and care skills. (KB)

# THE FOUNDATION FOR CHILD DEVELOPMENT

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### WHY ARE EARLY EDUCATION AND CARE WAGES SO LOW? A CRITICAL GUIDE TO COMMON EXPLANATIONS

Julie A. Nelson

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**WHY ARE EARLY EDUCATION AND CARE WAGES SO LOW?  
A CRITICAL GUIDE TO COMMON EXPLANATIONS**

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## EXECUTIVE SUMMARY

Common explanations for low wages for early education and care work are inadequate and misleading. This essay, written by an economist, seeks to clarify for early education and care advocates the reasoning - and the fallacies - underlying these explanations.

- ◆ Economists' argument concerning "human capital" erroneously assumes that early education and care is low-skill work.
- ◆ Economists' notion of "compensating wage differentials" may explain why an individual might take a low-paying job, but cannot explain why the wage for a whole occupation is low.
- ◆ If economists' "crowding" explanation were correct, one should see *too many* people wanting to work in early education and care.
- ◆ The idea that low wages "protect" children by warding off money-motivated workers is based on untenable assumptions about motivations, responsibilities, and opportunity costs.
- ◆ The notion that wages must be low for early education and care to remain "affordable" for parents depends on excessively individualistic reasoning.

Campaigns for higher wages for early education and care workers can point out that most counter-arguments come from distorted understanding of the nature of work and care, and can seek to correct these by appropriately valuing care, children, and early education and care skills.

ONLY 17 OCCUPATIONS (OUT OF 774 SURVEYED) HAVE LOWER AVERAGE WAGES THAN EARLY EDUCATION AND CARE STAFF.

NEOCLASSICAL ECONOMIC THEORY OFFERS A VARIETY OF EXPLANATIONS ABOUT WAGE LEVELS.

## INTRODUCTION

In the United States, early education and care workers, on average, make \$6.61 per hour. If they have the education and experience to be classified as preschool teachers, the wage rises to an average \$8.32 per hour. With workweeks averaging 55 hours, family child care workers' average hourly wage comes out to \$3.82. According to a 1998 government survey, only 17 occupations (out of 774 surveyed) have lower average wages than early education and care staff. The occupations paying more include parking lot attendants and food servers (Center for the Child Care Workforce, 2000).

Why are wages and salaries for early education and care so low? Most early education and care advocates, concerned with staffing quality and retention, would rate such compensation as obviously too low, as abysmally low. Yet many economists and policy makers argue that such low wages are reasonable, or even desirable. They may argue that the workers have freely chosen this work, that it would demean child care to pay well, or that there isn't enough money in the budget. Faced with an onslaught of such arguments, sometimes phrased in specialist jargon, advocates may have a hard time defending the idea that early education and care is undervalued. The purpose of this essay is to strengthen the argumentation skills of such advocates.

## WORKERS MAKE RATIONAL CHOICES: ARGUMENTS FROM NEOCLASSICAL ECONOMICS

Neoclassical economic theory is taught at the vast majority of universities in the United States, and - whether believed wholeheartedly by individual economists or only in part - strongly influences what is said by most economists who speak on issues of public concern. Neoclassical economic theory offers a variety of explanations about wage levels, three of which we will examine more closely: *human capital*, *compensating wage differentials*, and *crowding*. The common assumptions

THE COMMON ASSUMPTIONS IN ALL NEOCLASSICAL THEORIES ARE THAT PEOPLE ARE AUTONOMOUS AND SELF-INTERESTED.

THE EMOTIONAL CONTENT OF CARE GOES VIRTUALLY UNRECOGNIZED AS A SKILL.

in all neoclassical theories are that people are autonomous (i.e., independent of each other) and self-interested (as opposed to being interested in the well-being of others). People are assumed to make rational choices about their work situations in such a way as to maximize their utility (i.e., satisfaction).

#### HUMAN CAPITAL

*Human capital* refers to the investments people make in skills that increase their productivity. When people are skilled and productive in ways that the market values, they receive high wages. Hence, one explanation for *low wages* in an occupation is that the sorts of skills required correspond only to *low* levels of human capital investment. Certainly, in the realm of early education and care, there tends to be a popular perception that anyone - or at least any woman - can do it. Women for generations have raised babies and small children without any special training, right? It must be a "natural" thing, inborn and instinctive - or so the belief goes. With no perceived need for investment in education, training, and skill development, there is no reason, in this view, to expect that this field will pay anything but a low wage.

Clearly, early education and care advocates have their work cut out for them in educating the public about the significance of children's physical, emotional, and cognitive development, and about the knowledge and skills required to promote such development, particularly in a group setting.

Such advocates, however, face an extra burden in convincing the public of the importance of the skills involved in this field. While the skills that look most like those used in manual work or traditional subject-oriented teaching are more easily seen, the emotional content of *care* goes virtually unrecognized as a skill. An essential component in the education of older children and adults, the caring part of teaching is even more critical - and more important relative to manual and intellectual skills -

EMPATHY, RESPONSIVENESS,  
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IN PLENTY OF OCCUPATIONS,  
MANY WORKERS MAKE GOOD  
WAGES AND ENJOY THEIR  
WORK.

when the interpersonal, relational base for all learning is first developing in a young child.

Empathy, responsiveness, and ability to build and maintain personal, supportive relationships may even be economically penalized. One study that examined the effect on wages of being in an occupation that involves "providing a service to an individual or a small group with whom the worker has a face-to-face relationship," found that such "nurturance" tends to *reduce* wages, across jobs and workers with otherwise similar characteristics (England, 1992). To reverse this, talent for person-to-person work and investment in improving such practices would need to become recognized as constituting valuable skills.

#### COMPENSATING WAGE DIFFERENTIALS

Neoclassical economics includes a theory that says that people care about their working conditions, as well as their wages. The theory of *compensating wage differentials* states that all else being equal, jobs with worse conditions will tend to pay more, and those with better conditions will tend to pay less. To the extent that caregivers often do consider their work as having considerable intrinsic pleasure and reward, then this might be taken as constituting "good working conditions." This could explain their willingness to do early education and care work at a wage lower than they could make elsewhere.

What is often missed in this argument - including by economists themselves - is the fact that some *individual* workers might be willing to take a low wage does nothing to explain why the wage prevailing in an entire *occupation* is low. Willingness to take a lower wage does not automatically translate into actually taking a lower wage, as the prevailing wage depends on conditions of demand as well as of supply.<sup>1</sup>

In plenty of occupations, many workers make good wages *and* enjoy their work. Consider engineers who enjoy doing

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<sup>1</sup> For a more detailed explanation, see Nelson 1999.



RATHER THAN RAISE WAGES DIRECTLY, THE ECONOMIST'S POLICY PRESCRIPTION IN THIS CASE IS TO REDUCE DISCRIMINATION ELSEWHERE IN THE ECONOMY, SO THAT WOMEN WILL LEAVE OFF DOING EARLY EDUCATION AND CARE WORK.

math in their work, or business managers who enjoy having decision-making power. If their skills are sufficiently in demand, they may make *more* at the jobs that include the characteristics that they enjoy than they would make elsewhere. Economists would say that workers who enjoy both their work and a wage premium are collecting "economic rents" on their particular tastes. Similarly, if the skills of well-qualified early education and care workers were sufficiently in demand, they also could enjoy their work *and* make a good wage.

Of course, it may also be pointed out that early education and care work also tends to have a number of less desirable working conditions (such as isolation, long hours, few breaks, and lack of social respect for the work), and that many adults do not find spending days entirely with children so intrinsically rewarding. The compensating wage differentials argument, then, is helpful only in explaining the choices of some individuals, and does not explain the prevailing wage, nor show that a low wage is an inexorable characteristic of the occupation.

#### CROWDING

The theory of *crowding* offers an explanation for why wages in traditionally female-dominated occupations (like early education and care) tended to be low historically. If women were historically excluded from most professions and trades, then the fact that they were crowded into relatively few occupations would tend to drive the wage downwards. This explanation for low wages for early education and care may have some plausibility, but becomes less convincing as time goes on and women are increasingly aware of, and allowed into, opportunities formerly reserved for males, and as males enter traditionally female occupations.

The economist's solution to the problem of low wages in the case of crowding also goes against the facts of the early education and care market. Rather than raise wages directly, the economist's policy prescription in this case is to reduce discrimination elsewhere in the economy, so

THE CROWDING EXPLANATION IS DIRECTLY COUNTER TO THE REALITY EXPERIENCED BY EARLY EDUCATION AND CARE DIRECTORS PLAGUED WITH STAFF SHORTAGES.

IN A WORLD OF AUTONOMOUS AGENTS, CHILDREN HAVE NO PLACE AND CARE IS NOT NEEDED. IN A WORLD OF SELF-INTERESTED AGENTS, NO ONE HAS A DESIRE TO CARE FOR OTHERS.

that women will *leave off* doing early education and care. In other words, if the wage is too low, the crowding explanation says this is because *too many people* are seeking jobs in this field. Thus it is directly counter to the reality experienced by early education and care directors plagued with staff shortages.

#### THE COMMON ASSUMPTIONS

The specific arguments using concepts of human capital, compensating wage differentials, and crowding are all based in the same common assumptions. As stated earlier, an individual, in neoclassical thinking, is autonomous and self-interested, and makes rational choices. If a care worker chooses to work at a low wage, then that can be explained as her or his choice to make "low" human capital investments and choose intrinsic job rewards over pay; if a worker is dissatisfied, she or he should leave the field.

What about interdependence, care for others, and emotion-laden decisions? What about the skills of caring, the difficulties of caring, and the shortage of child care workers that arises from a social devaluation and lack of respect for care? While neoclassical economic thinking can be insightful as far as it goes, it fundamentally lacks a vocabulary adequate to address such issues. In a world of autonomous agents, children have no place and care is not needed. In a world of self-interested agents, no one has a desire to care for others. Hence, while specific explanations from neoclassical economics have been shown to work against the promotion of living wages for early education and care workers, a larger problem exists as well. The dominant mode of economic thinking itself, when taken as the *only* form of credible economic thinking, serves to hide and obscure this problem.<sup>2</sup>

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<sup>2</sup> An economist might object, saying that altruism and children do appear in economic models. Altruism, however, is primarily modeled as a situation where I enjoy giving you something (so it is merely a variant of my self-interest), and children are conceived of as consumer or investment "goods" to their parents, or in their guise of future workers. Concern for others and children as such does not appear.

ARGUMENTS THAT VALUES SUCH AS HUMAN CONNECTIONS, CARE, NURTURANCE, AND THE ABILITY TO GIVE NEED TO BE CHERISHED DO NOT NECESSARILY LEAD TO AN ARGUMENT THAT THEY SHOULD BE REWARDED.

FROM THE PROTECTION POINT OF VIEW, REAL CAREGIVERS GIVE OUT OF LOVE, NOT FOR MONEY.

## WORKING FOR PEANUTS INDICATES ALTRUISM: THE PROTECTION ARGUMENT

Some people object to the above economic formulations, preferring instead to emphasize human connections, care, nurturance, and the ability to give. Arguments that these values need to be cherished, however, do not necessarily lead to an argument that they should be rewarded. What I call the *protection* argument considers care as a sphere that must be protected from the contaminating influence of monetary motives. Consider the following discussion that appeared in a recent *Boston Globe* column by Adrian Walker:

Other proposals [for raising foster care rates] have often run aground on the argument that paying more would attract parents who were simply in it for the money. 'You don't want a cottage industry of professional foster parents for pay.' Jeffrey Locke, the interim [Massachusetts Department of Social Services] commissioner said yesterday. (March 20, 2000)

From the protection point of view, real caregivers give out of love, not for money. Accepting an income other people would find unacceptably low, is seen to prove one's altruistic motivations, thus assuring that children are being cared for in a genuine way. Compensation similar to that received by other workers, professionals, and business people, on the other hand, would seemingly bring in people motivated by market values. Presumably these profit-motivated people would put on only a show of superficial caring sufficient to keep the money coming.

This argument has much in common with the world view held by neoclassical economists. It grants that the money economy operates according to norms of autonomy and self-interest - just as the neoclassical economists say.

This deserves a closer examination. People *need* money - not just for luxuries, but for rent, for clothes, for the needs of their own families and children. Real people have real responsibilities. In a modern economy, people need to participate in the money economy in order to provide for

THE PERCEPTION THAT A HIGH WAGE WOULD NECESSARILY DISPROPORTIONATELY ATTRACT PEOPLE IN IT "JUST FOR THE MONEY" IS EMPIRICALLY UNFOUNDED, AND THERE IS GOOD REASON TO BELIEVE IT MAY BE FALSE.

A LOW WAGE IS NO GUARANTEE THAT A WORKER IS ACTING "ALTRUISTICALLY."

PSYCHOLOGICAL RESEARCH SUGGESTS THAT WORKERS ARE MOTIVATED BY FACTORS FROM OUTSIDE THEMSELVES, LIKE HIGH WAGES, AND FACTORS INSIDE THEMSELVES, LIKE LOVE OF THE WORK.

themselves. And people - whole people, not the single-dimensional actors of the neoclassical economic model - do not necessarily check their larger human values and their loving feelings at the door when they enter into a market transaction.

The perception that a high wage would necessarily disproportionately attract people in it "just for the money" is empirically unfounded, and there is good reason to believe it may be false. Suppose a person with no pressing financial responsibilities - say, a young childless person, or someone with a high-earning spouse - is very caring, and willing to take an early education and care job at a low wage. But suppose this person later on has children to support or loses their spouse - do we assume that they, therefore, lose their caring feelings and abilities? *A high wage would also make it possible for these caring people to care.* If early education and care paid enough to support a decent living for people within the economic mainstream, the pool of talented and caring workers could be increased enormously.

A low wage, likewise, is no guarantee that a worker is acting "altruistically." A job that offers a low wage will attract not only committed workers willing to make a personal sacrifice (at least until they burn out), but also those workers with few alternatives - those with few skills for other lines of work. Economists - in a very useful move - call this the question of *opportunity costs*, where this term refers to what is given up (say, employment opportunities elsewhere) when any choice (say, employment in early education and care) is made. Employment at low wages will attract those who can't get employment elsewhere - who may or may not care more than superficially about the children in their charge.

A high wage would have important positive effects on the morale of early education and care staff. Psychological research suggests that workers are motivated by factors from outside themselves, like high wages, and factors inside themselves, like love of the work. It is not a case of either/or. If the high wages are perceived to be

THIS MORALE ARGUMENT GIVES A RESULT EXACTLY OPPOSITE TO THAT OF THE PROTECTION ARGUMENT: HIGHER WAGES MAKE PEOPLE FEEL MORE VALUED THEMSELVES, LEADING THEM TO BE ABLE, IN TURN, TO PROVIDE MORE "REAL" CARE.

IT IS OFTEN THE *MOTHER'S* WAGE ALONE WITH WHICH EARLY EDUCATION AND CARE EXPENSES ARE COMPARED.

acknowledging and supportive of the worker's own goals and desires, then they reinforce and magnify the worker's intrinsic motivations and satisfaction. This morale argument gives a result exactly opposite to that of the protection argument: higher wages make people feel more valued themselves, leading them to be able, in turn, to provide more "real" care.

#### WAGES HAVE TO BE LOW: THE ARGUMENT FROM AFFORDABILITY

Turning from the issue of what low wages mean for workers, another argument for why early education and care is low paid comes from the side of the persons responsible for paying for care. Parents, it is argued, are responsible for paying for the care of their children, and will only be able to buy early education and care that is *affordable*.

Labor costs are a major component of early education and care costs (two-thirds of total costs, according to Morris, 1999), and adequate staffing is a prime prerequisite of acceptable quality early education and care. Given that parents can only allocate part of their incomes to early education and care, simple mathematical calculations show that an average worker can only buy it if it is inexpensive, and it will only be affordable if early education and care workers earn low wages.

To make matters starker, it is often the *mother's wage* alone with which early education and care expenses are compared, on the assumption that, should paid early education and care get too expensive, the mother would instead stay home. Since women still earn less than men, on average (roughly 25% less in 1996 for full-time work, according to Blau, Ferber and Winkler, 1998), this comparison depresses the affordable expense still further. Proposals to raise wages are considered to be impractical pipe dreams, in this view. The mother's own wage is perceived as a brick wall - a hard limit on the amount that *can* be paid for early education and care.

ONCE IT IS RECOGNIZED THAT THE LEVEL OF FUNDING FOR ANY SORT OF EARLY EDUCATION AND CARE IS, IN FACT, A POLITICAL ISSUE, AND A MATTER OF SOCIAL AND ECONOMIC PRIORITIES, THE IMPASSE OF COSTS VERSUS BUDGETS STARTS TO LOOSEN UP.

One can see that this view also shares the highly individualistic mindset discussed earlier. In this view, parents - and mothers in particular - are the "consumers" of early education and care. Such services are seen as being provided *to the mothers* to allow them to participate in other activities. Children are not seen as benefiting from early education and care in their own right, nor is society seen as responsible in any way for caring for children or as benefiting from well-cared-for children. Society is not seen as benefiting from the participation of mothers and fathers in economic, social, and political life. In casting early education and care issues in terms of private family budgets alone, an apparent impasse arises.

Sometimes the argument is carried to a new level, when it is noted that various levels of government do, in fact, subsidize early education and care for some low-income families, but that the budget allocations for these programs are always low and so still only allow for "affordability." But once it is recognized that the level of funding for any sort of early education and care is, in fact, a political issue, and a matter of social and economic priorities, the impasse of costs versus budgets starts to loosen up. What would spending look like in a society that put a high priority on guaranteeing quality early education and care to all its youngest members? Why do we think of budget constraints in such services as a brick wall, when - economists would be the first to remind us - resource allocation is a matter of choosing the most desired from among alternative uses?

Social responsibility for the next generation need not require a heavy-handed, socialistic approach to child-rearing, as some critics will immediately suggest. While some countries and localities that take a more active role in early education and care provision have chosen the route of government-assisted centers, other methods, like subsidies combined with education, information, and regulation, can also be effective routes to increased support and quality of early education and care.

WHERE WOULD THE FUNDS FOR  
GOOD WAGES COME FROM?

NUMBERS INTO THE HIGH  
MILLIONS AND INTO THE  
BILLIONS ARE COMMONLY  
BANDIED ABOUT AT THE LOCAL  
AND FEDERAL LEVELS WHEN  
THE TOPIC OF DISCUSSION IS A  
HIGHWAY PROJECT...A NEW  
SPORTS STADIUM...OR  
MILITARY EQUIPMENT.

THERE IS NOTHING  
INTRINSICALLY LOW-PAYING  
ABOUT EARLY EDUCATION AND  
CARE.

Neoclassical economists will also, alas, tend to trot out the argument that social subsidization of early education and care will "distort" the "prices" facing individuals (parents), leading to "bad" consequences such as parents having more than the optimal number of children. One need only to point to the very low birth rates in some of the European countries with the most substantial public support for early education and care to show that this argument lacks empirical verification.

Where would the funds for good wages come from? One estimate puts the cost for a subsidy plan including quality incentives that would allow for better pay at approximately \$39 billion per year in the U.S. (Bergmann, 1999). This will seem outrageously expensive to those whose point of comparison is "free" services provided invisibly by unpaid and underpaid women.

Yet the question is one of priorities. Numbers in the high millions and into the billions are commonly bandied about at the local and federal levels when the topic of discussion is a highway project (federal spending on transportation totaled \$47 billion in 2000), a new sports stadium, or military equipment (the U.S. Department of Defense budget was \$278 billion in 2000). Public K-12 education, college loan programs, Social Security (\$403 billion in 2000), and Unemployment Insurance are big, decades-old programs inspired by the recognition of human development and human need, that have (despite problems) contributed substantially to national well-being.

The political obstacles to getting this kind of support for children should obviously not be minimized, but the argument that the "money isn't there" does not hold water when, in fact, the question is one of social and political choice.

#### CONCLUSION AND FUTURE DIRECTIONS

There is nothing intrinsically low-paying about early education and care. Low wages are paid because children as a group and early education and care as an activity are

TO THE EXTENT THAT COUNTER ARGUMENTS ARE MADE THAT SEEM TO JUSTIFY LOW WAGES, IT SHOULD BE POINTED OUT THAT THEY ARE BUILT ON NARROW, DISTORTING, AND ULTIMATELY ILLOGICAL PREJUDICES REGARDING HUMAN MOTIVATIONS AND RELATIONSHIPS.

IF EARLY EDUCATION AND CARE IS TO BE VALUED AS *CARE*, THEN A STRATEGY TO RAISE WAGES MUST ALSO DEVELOP A WAY OF RECOGNIZING AND ARTICULATING THE RELATIONAL AND RESPONSIVE COMPONENT OF THE WORK, SO THAT IT BECOMES VISIBLE AND VALUED FOR ITSELF.

all but invisible within the individualistic and self-interested way we usually think about economic matters. The arguments that devalue early education and care all spring from this mindset - even the one that claims to be protecting early education and care. Real people are not heartless, independent, islands-unto-themselves, and children least of all. Early education and care staff, like other workers, do their best when working for money *and* love - when they have the economic support that allows them to manifest their desire to aid in the nurturance and development of children. All these factors suggest that a campaign to raise wages (and quality) must stress the important social contribution made by early education and care, in such a way that demand is raised and caring and educating skills are recognized. To the extent that counter arguments are made that seem to justify low wages, it should be pointed out that they are built on narrow, distorting, and ultimately illogical prejudices regarding human motivations and relationships.

The story of nursing is cautionary, about the seemingly easier strategy of stressing only those human capital investments already recognized and rewarded. Nursing has become professionalized through emphasis on medical knowledge and technique, and the major complaint of nurses nowadays is not the level of wages. The major complaint, instead, is that the best-paid jobs - those in high-tech, hospital nursing - are now structured in such a way that nurses are no longer able to really *care for* patients, in the way they feel the patients should be cared for. With output measured by medical tasks and paperwork completed, many nurses no longer have the time to give the one-on-one, personal, healing, comforting, whole-person-respecting attention that they hoped to give - along with more strictly medical attention - when they decided to enter this line of work. If early education and care is to be valued as *care*, then a strategy to raise wages must also develop a way of recognizing and articulating the relational and responsive component of the work, so that it becomes visible and valued for itself.



ADVOCATES' CAMPAIGNS TO EDUCATE PARENTS AND THE PUBLIC ABOUT THE IMPORTANCE OF EARLY EDUCATION AND CARE CAN BE SEEN (EVEN BY ECONOMISTS) AS A MOVEMENT TOWARD GREATER ECONOMIC WELL-BEING, IF THE PUBLIC HAS HISTORICALLY BEEN MISINFORMED.

In one sense, there is nothing un-economic about trying to make child care visible and rewarded. One can, in a limited way, use economists' own language and concepts, to make arguments for higher wages. One might use vocabulary of imperfect information and learning to explain why the demand for quality early education and care is currently too low. Advocates' campaigns to educate parents and the public about the importance of early education and care can be seen (even by economists) as a movement towards greater economic well-being, if the public has historically been misinformed. One might also use the vocabulary of externalities and public goods. Good child care has benefits to society at large, as well as to the parents and children themselves, in terms of lower crime, greater economic productivity, and a better workforce to make the goods and services needed by (even childless) people in their retirement (Folbre, 2001). In such a case, economists will recognize, reliance on parental payments alone will lead to a less than optimal amount of good early education and care, and an efficient solution requires public intervention to raise demand.

In another sense, however, making child care visible and rewarded goes very much against the economic mainstream. Since contemporary economics is strongly associated with a narrow belief that the world is inhabited by autonomous, self-interested agents, bringing in children and care requires a broadening of economic concepts at a fundamental level. Campaigns to raise the wages of early education and care staff will only be fully successful when children and care are recognized and valued in their own right, which will require society growing into a deeper and richer understanding of economic relations.

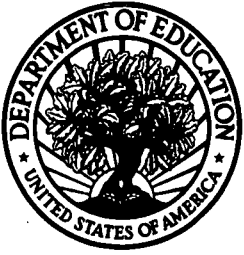
## REFERENCES AND SUGGESTIONS FOR FURTHER READING

The statistics on child care wages are from the Center for the Child Care Workforce (CCCW) *Current Data on Child Care Salaries and Benefits in the United States, March 2000* (Washington, DC), based on U.S. Bureau of Labor Statistics data from 1998.

Francine Blau, Marianne A. Ferber and Anne E. Winkler discuss human capital and crowding models in *The Economics of Women, Men and Work* (Prentice Hall, 1998). Paula England's study of the wage penalty for nurturance is described on pages 136 and 164 of *Comparable Worth: Theories and Evidence* (Aldine de Gruyter, 1992). The hegemony of neoclassical thinking has been challenged in economics in such works as Marianne A. Ferber and Julie A. Nelson, eds., *Beyond Economic Man: Feminist Theory and Economics* (University of Chicago, 1993). Detailed, graphical expositions of some of the arguments in this paper may be found in Julie Nelson, "Of Markets and Martyrs: Is It O.K. to Pay Well for Care?" in *Feminist Economics* (5(3), 1999, pp 43-59), or in an earlier version of the present paper (available on request from the author).

A number of excellent articles on the economics of child care were published in Suzanne W. Helburn, ed., *The Annals of the American Academy of Political and Social Science* special issue on *The Silent Crisis in U.S. Child Care* (May 1999, Vol. 563). John R. Morris's "Market Constraints on Child Care Quality" (pp 130-145) discusses affordability in light of labor costs and misinformation. Paula England and Nancy Folbre's "Who Should Pay for the Kids?" (pp 194-217) elaborates on the public goods argument for public subsidy. Barbara Bergmann's "Making Child Care 'Affordable' in the United States" (pp 208-219) crunches the numbers for a subsidy program. Nancy Folbre's *The Invisible Heart: Economics and Family Values* (New Press, 2001) also expands on the public goods argument for increased attention to care.

Statistics on U.S. government budget items are from *A Citizen's Guide to the Federal Budget, Fiscal Year 2001*, <http://w3.access.gpo.gov/usbudget/fy2001/pdf/guide.pdf>, accessed 12/22/00.



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