

CONSUMER ACTION NEWS

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Consumer Action honors reporter, advocate and lawmaker Anniversary awards event at new San Francisco offices raises \$32,000

On June 22, Consumer Action held its 35th anniversary fundraiser and Consumer Excellence Awards ceremony at its new offices in downtown San Francisco. Against Bay Bridge views from the large windows that encircle the organization's spacious new headquarters, supporters old and new networked, sipped drinks and



Shirley Dean of CCCS of the East Bay was a recipient of a 2006 Consumer Excellence Award.

nibbled hors d'oeuvres.

The party raised more than \$32,000. (A full list of donors appears on page 4.)

Ken McEldowney, executive director of Consumer Action, outlined some of the group's recent key accomplishments:

- The new Consumer Action web site went live. The site features Consumer Action's award-winning publications, curricula and background guides, as well as new features such as News Headlines, Coalition Efforts, Consumer Book Notes and On Our Radar.

- Consumer Action's national network of community-based organizations grew to 8,500 agencies using the organization's multilingual publications for one-on-one education, outreach to clients and train-the-trainer activities. Each year these agencies distribute millions of Consumer Action brochures.

- Consumer Action provides these agencies with more than just free publications. In 2005, it trained staff from more than 750 agencies throughout the country on how to use our materials ef-



(L to R) Charlene Zettel, director of the California State Department of Consumer Affairs (DCA); Barbara Kaufman, director of the San Francisco Office of Governor Arnold Schwarzenegger; and Nancy Hall Bennett, deputy director of the Governor's Office in San Francisco.

fectively.

- Consumer Action's Washington, DC office has built strong new alliances for advocacy in telecommunications, health care, privacy and financial services and was called upon to provide testimony to Congress on credit card

practices.

- The group has received three large cy pres awards that enable it to enlarge the scope of its work in California in the areas of housing, insurance and financial services.

McEldowney noted that the

See Anniversary, page 2

Finding good child care can be a balancing act

By Jennifer Daw Holloway

Anyone with a child and a job knows the issue: How do I make sure my child is cared for in a safe, loving environment while I'm at work?

The options for child care are diverse, but securing one that meets your needs can be tough. Will your child be happy in an in-home situation? Or is a daycare center a better place? And finally, how can a working parent afford to pay for child care?

According to 2005 data, almost 12 million children under age 5 in the U.S.—that's 63 percent of the nation's children under 5—are in some type of child care arrangement every week. On average,

the children under age 5 of working mothers spend 36 hours a week in child care.

There are more than 300,000 licensed child care centers in the country—that includes large and small daycare centers as well as in-home centers.

The costs per year vary widely. Typically, families pay anywhere from \$4,000 to \$15,000 annually. Infant care is usually more expensive than care for children over 4.

Geographic location plays a part in determining costs as well. In a recent study based on focus groups with working parents, the National Association of Child Care Resource and Referral Agencies (NACCRRA) found

that in 42 states, care for an infant exceeds the cost of tuition at a 4-year public university. The same study also found that in 38 states, families with incomes of \$18,000 or less would have to spend more than 30 percent of their annual income to afford the average price of child care for an infant.

Psychological effects

Child care is costly, no doubt. But is the financial toll it takes on families the only effect? Is there a psychological toll as well? Research on the brain shows that the first years of life are crucial for intellectual, social and general development, according to NACCRRA. In addition, research on the effect caregivers have on

children during these early years clearly show that the caregivers' education, training, and ability to provide a safe and stimulating environment has an impact on children's cognitive and emotional development.

"High-quality care—as measured by low child-to-adult ratios, small overall numbers of children and the sensitivity, stimulation and warmth of the child-care setting—is related to children performing well on tests of social and emotional development as well as intellectual development," reported the American Psychological Association's *Monitor on Psychology* in 2000. Low-quality care, in contrast, is related to poor performance.

Child Care Aware, a non-profit

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Consumer Action

www.consumer-action.org

Consumer Action is a non-profit 501(c)(3) advocacy and education organization founded in 1971. CA publishes surveys and distributes multilingual educational materials in printed form and on the Internet.

Referrals and advice

CA will provide nonlegal advice and referrals on consumer problems. Chinese, English and Spanish are spoken.

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Subsidized child care: How available is it?

By Jennifer Daw Holloway

For many low income families, state-run child care subsidy programs offer one of the few solutions for obtaining high quality care for their kids while they work. Parents pay a percentage of their kids' daycare center tuition and the state pays the rest, based on income levels. But will growing wait lists and shrinking funding in many states leave too many families in a troubling daycare dilemma?

Some states guarantee child care assistance to certain families, such as those leaving welfare for work. Others don't guarantee assistance, but give priority to these families when doling out child care funds.

Rules vary

Different states make different rules regarding how much money a family can make and still be eligible for a child care subsidy; how much the state will pay a child care provider; and the amount of money a family is expected to contribute as a co-payment for child care costs. Some states choose to give smaller amounts of assistance to more families, while some choose to give more generous assistance to fewer families, and provide a wait list for others who wish to receive assistance.

But how long can families in need wait? For example, in North Carolina, the waiting list for the subsidy program is more

than 37,000. Gov. Mike Easley's proposed budget includes a \$20 million increase for the child care subsidy program, but that money will take only 2,900 children off the list. Throughout the country, approximately half a million families are on waiting lists to receive child care assistance.

Unfortunately, growing wait lists don't mean growing funds for these programs. In the 1990s, child care subsidy programs were expanded, but since 2000 funds haven't increased much. Over the last five years, the Bush administration has cut funding for child care assistance.

Losing child care

According to the National Women's Law Center (NWLC), 250,000 fewer children receive child care assistance now than did in 2000.

"If Congress follows the Administration's lead on child care, by 2011, 650,000 children will have lost child care assistance over a ten-year period," the NWLC wrote in a sign-on letter to U.S. senators and representatives in March, urging Congress to increase 2007 funding.

In addition to wait lists and lack of funding, many states haven't increased the income ceiling for receiving child care assistance.

Last year, during an October briefing, Helen Blank of NWLC told senators that in 12 states,

the income cutoff to qualify was lower in 2005 than it was in 2001. And in one-third of the states, a family of three earning \$25,000 a year couldn't qualify for assistance, she said. So what's a low-income parent to do? Work and use inadequate child care or get in the welfare line?

Though the numbers appear bleak, there is assistance available. In March, the Senate passed an amendment to its budget that would increase funding for discretionary programs by \$7 billion in 2007, which could help avoid deep cuts in programs like child care.

Parents who need help paying for child care should follow all leads—and that means checking to see if you can qualify for state assistance.

More information

National Child Care Information Center, 10530 Rosehaven St., Suite 400 Fairfax, VA 22030; Phone: (800) 616-2242; Fax: (800) 716-2242; TTY: (800) 516-2242; E-mail: info@nccic.org; Internet: <http://nccic.acf.hhs.gov>

The web site lists contact information for each state subsidy program. From the home page, choose State Contacts from the menu on the left, and on the next page, select Child Care and Development Fund Contacts (CCDF)/Child Care Subsidy Agencies. ■

Anniversary

Continued from page 1

money brought in during the annual fundraiser helps the organization to build its educational fund so that it can distribute Consumer Action's free multilingual materials to consumers all over the country.

Excellence Awards

This year Consumer Action presented three Consumer Excellence Awards in the Legislative, Community and Media categories.

Lawmaker's award

State Senator Debra Bowen (D - Redondo Beach, CA), first elected to the State Legislature in 1992, is a pioneer in government reform, consumer protection, privacy rights, environmental conservation and open government.

Bowen is a leading women's advocate, fighting for equality in the workplace and in government, childcare, health care and civil rights. Re-elected in the 53rd Assembly District in 1994 and 1996 before being elected to the 28th Senate District in 1998, Bowen is serving her final Senate term. She was the first California lawmaker to allow constituents to contact her via e-mail, to put up her own web page and to disclose

her campaign finance reports on the Internet.

Bowen's landmark, first-in-the-nation privacy rights bill (SB 168, 2001) helps Californians protect their privacy by allowing consumers to freeze their credit reports as a preventative measure to avoid identity theft.

Bowen, who could not attend, sent an acceptance letter read by Cher McIntyre, Consumer Action's director of advocacy.

Community award

Shirley Dean is Western regional education and community relations director for the California Centers for Financial Education, also known as Consumer Credit Counseling Services, or CCCS, of the East Bay. Dean, a certified credit counselor who has worked for the agency more than a decade, has been a stalwart partner in Consumer Action's MoneyWi\$e outreach project.

At CCCS, Dean directs the Education & Community Relations program for Washington, Oregon, California and Arizona.

Mikael Wagner, Consumer Action's director of outreach, presented the award.

Media award

Jeanette Pavini, Consumer-Watch reporter for CBS 5 Eyewitness News and host of the weekly program "The Real Deal with

Jeanette Pavini," has created a critical mass of consumer news reports to inform consumers and advocate for fairer industry practices.

This year, Pavini's "The Real Deal" took two first-place Greater Bay Area Journalism Awards. Pavini is a recipient of the Edward R. Murrow Award and the National Headliner Award for Professional Journalism for her work investigating and reporting on anti-consumer practices in the cell phone industry.

Pavini is a five-time Emmy-nominated reporter and winner of the 2004 Peninsula Press Club Award for First Place, Serious Feature and Second Place, Serious Feature.

"The Real Deal" also won First Place, Public Affairs Show and First Place, Interview awards from the Peninsula Press Club in 2004 and 2005. Her news segments on heart health received the C. Everett Koop Award.

Joe Ridout, Consumer Action's consumer services manager, presented the award. ■

Each June, Consumer Action holds its anniversary fundraiser in San Francisco. For information about becoming a sponsor of the event, call Linda Sherry at our DC office at (202) 544-3088.

Consumer Action: Celebrating 35 years of consumer service



Jeanette Pavini (right), ConsumerWatch reporter with CBS 5 in the San Francisco Bay Area, received a Consumer Excellence Award. With her is Jackie Wright, public affairs manager with CW Television.



From left to right: Lauren Garner, a director of regional public relations for Cingular; Arthur Levy, a public interest advocate with the law firm of Levy, Ram and Olson of San Francisco; an unidentified guest (partially hidden) and Ken McEldowney, executive director of Consumer Action.



(Left) Jamie Woo, at left, a Consumer Action consumer advocate in the Asian community, is seen with her daughter, Philana Woo, who interned at Consumer Action during school breaks.



(Right) Candace Acevedo, Consumer Action's associate San Francisco office director, took the lead on many details of the anniversary event.

Consumer Education & Advocacy Since 1971



(Left) Siena Rangel, granddaughter of CA's Candace Acevedo, is one of the youngest Consumer Action News readers.



(Right) William Henley, Jr., an electronic banking specialist with the Federal Deposit Insurance Corporation in Washington, DC.



Rosemary Shahan, president of Consumers for Auto Reliability and Safety (CARs) and Steve Solomon, a San Francisco-based consumer litigator.



Tammy Foxx and Bakie Lee (center) of Keller Williams Realty, with Sean Do of the San Francisco District Attorney's Office Victim Assistance Program.

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And...

Many thanks to our educational network of 8,500 community-based organizations nationwide. We appreciate the work you do in the community and respect your commitment to excellence.

Ten tips for daycare

1 Depending on your income, you might qualify for state child care subsidies. Sometimes the money goes straight to the provider and sometimes you have to pay for child care and the state will pay you back. If the subsidy doesn't cover the entire cost, you pay the difference. (See story, page 2.)

2 Many daycare programs provide scholarship or tuition assistance or charge "sliding scale" fees based on household income and family size.

3 You may be able to get free or low cost child care from your employer, your union or your place of worship.

4 If your employer offers a "flexible spending account" (FSA), you can set aside money from your paycheck to pay up to \$5,000 in child care. You don't pay any taxes on the money, but estimate carefully because you lose any money you don't use.

5 Employers can create "dependent care assistance programs" (DCAPs) to provide employees with tax-free payments for child and dependent care of up to \$5,000 per year.

6 If you work or are job hunting, you can claim a tax credit of up to \$6,000 in child care expenses depending on how many kids you have. (These are 2006 tax year figures.) A tax credit will reduce the amount of tax you owe.

7 Compare both non-profit and for-profit daycare providers. Studies have shown that non-profit daycare centers often have better care and more qualified staff members. Get licensing, certification and accreditation information and double check that it's up-to-date by calling the licensing agencies yourself.

8 In addition to daycare charges, there may be additional costs for supplies, food or other items. Ask for a list of possible extra charges.

9 Before choosing a child care provider, visit several programs to compare their services. Make sure that they are conveniently located and that there is a safe area for cars and buses during drop off and pick up.

10 Ask about the ages of the other children, waiting lists, hours, transportation and dates that the center is closed. Find out if staff members have First Aid, cardio pulmonary resuscitation (CPR) and other emergency training. Staff turnover also can be an issue in many daycare programs—high staff turnover can signal problems. Children need stability in their lives.

— Linda Sherry

Help on the Web

- **Head Start Info**
www.headstartinfo.org
Daycare and other services for families with limited incomes.
- **Child Care Aware**
www.childcareaware.org
Consumer education about child care.
- **Single Parent Central**
www.singleparentcentral.com
Links to states with child care subsidy information online. Listings of local child care network agencies.
- **Administration for Children and Families**
www.acf.hhs.gov
Information on federal programs that promote the economic and social well-being of children and families.

Child care

Continued from page 1

child care resource, advises parents to start early when looking for daycare. Wait lists at reputable centers can be as long as several years.

"We were told we should have put our child on wait lists before she was even

conceived—when we were just thinking about having a baby," said one father.

During the search, visit several centers and call to find out if centers are licensed and if any complaints have been lodged. You can obtain information at local child care resource and referral centers. Call 800-424-2246 to find a referral center in your area. (See the story above for more tips on finding

quality child care.)

Here are some alternatives to daycare centers that you may want to consider:

- Do you have family members who could care for your child?
- Can you enter into a nanny-

share arrangement with another family? The cost of sharing a nanny is usually close to that of a large, reputable

center. (You will be responsible for paying employment taxes if you hire someone to come to your home to care for your children.)

- If you're married or co-parenting, look into staggering your work schedules so that you can care for your child in shifts.
- Talk to your co-workers. If there is a significant need, your employer might be convinced to provide on-site child care. ■

We were told we should have put our child on wait lists even before she was conceived.
— Daycare dad