Research Connections conducted a comprehensive search of its collection for resources focused on the relationship between receipt of child care subsidies and employment outcomes of families receiving Temporary Assistance to Needy Families (TANF) and other low income families.

From the many results, Research Connections selected a limited number of resources of various types- including reports and papers, fact sheets and briefs, summaries, and reviews. Selection criteria included policy relevance and relatively recent publication. (Note: much of the literature on this topic focuses on families receiving welfare given that a key subsidy policy is to help families transition from welfare to work, however the resources below also include research on the subsidy receipt and employment outcomes of former welfare recipients and low-income families.)

Resources are organized according to publisher type and publication date. Research Connection’s one-sentence description is included for each resource on the following list. For complete citations, which include abstracts and full text for some resources, click on the titles.
Overview:

A central goal of federal child care subsidies, which is primarily funded through the Child Care and Development Fund (CCDF), is to support the employment of low income parents, including those who receive or are transitioning from Temporary Assistance for Needy Families (TANF). Employment and preparation for employment therefore, are also conditions for subsidy eligibility. A growing body of research in early care and education has explored the patterns of employment and employment outcomes for parents receiving subsidies, and the differences in employment outcomes between low-income families with subsidies and those without.*

Research questions on this topic include:

- Are parents with subsidies more likely to be employed than other low-income families with young children?
- Are parents with subsidies more likely to work full-time and standard hours?
- Do parents with subsidized care earn more? Do they sustain employment for longer periods?
- Where are parents with subsidies likely to be employed?
- Are there certain subgroups of parents (i.e. those with or without a high school diploma, or those who currently or formerly received cash assistance) for which child care subsidies make a greater difference in employment outcomes?

*While not listed in this resource, since they are not specific to child care subsidies, there are additional related studies in the economics field that examine the relationship between the cost of child care and mother's employment which add to the understanding the impacts of subsidies on employment outcomes.

Acknowledgements:

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Government

- United States. Administration for Children and Families. Office of Planning, Research and Evaluation. (2010). The effect of child care subsidies for moderate-income families in Cook County, Illinois: Final report (OPRE 2011-3). Washington, DC: U.S. Administration for Children and Families, Office of Planning, Research and Evaluation. A study of the impact on employment, earnings, and child care outcomes of expanding child care subsidy eligibility to moderate-income families and of extending the subsidy eligibility redetermination period from six months to a year, based on 1,884 Cook County, Illinois, child care subsidy applicants with incomes exceeding the state's eligibility limit who were randomly assigned to standard or expanded eligibility and, if assigned to expanded eligibility, to standard or extended redetermination
A study of families' decisions regarding employment and child care arrangements, examining variations by child's age, mother's race, and other family characteristics, and assessing the impact of child care subsidies and other state and local policies on families' choices

An exploration of factors involved in the development of performance indicators to track the effects of child care programs and subsidies on the employment outcomes of low-income working families, including an overview of current federal policies, research, and data availability

• Jefferys, Marcie, & Davis, Elizabeth E. (2004). Working in Minnesota: Parents' employment and earnings in the Child Care Assistance Program St. Paul: Minnesota Department of Human Services
An analysis of data on industry employment patterns of parents receiving subsidized child care to increase understanding of the impact of child care subsidies on their labor force participation and on the local economies in which the parents are employed

Journals

An analysis of the relationship between welfare reform and child care costs among low income single mothers, and the correlation between post reform child care subsidy receipt and the status and duration of these mothers' employment, based on data from the Survey of Income and Program Participation, 1993, 1996, and 2001 panels

An examination of the relationship between child care subsidy receipt and the likelihood of engaging in education and job training activities, based on data from single mothers of 3,848 children in the Early Childhood Longitudinal Study - Kindergarten base year cohort

An analysis of the dynamics of program participation and employment stability for rural and urban families in Oregon's child care subsidy program, from an analysis of state administrative data from 27,628 single-parent families who entered between October 1998 and September 2000
• Herbst, Chris M. (2010). The labor supply effects of child care costs and wages in the presence of subsidies and the earned income tax credit Review of Economics of the Household, 8(2), 199-230
A study of the associations between employment decisions, hourly wages, hourly child care expenditures, and family background characteristics of single mothers, the use of Child Care Development Funds subsidies, and the use of Earned Income Tax Credit, based on a secondary analysis from 1991 through 2005 waves of the March Current Population Survey (CPS) and the Survey of Income Program Participation (SIPP)

• Ha, Yoonsook, December, 2009 Stability of child-care subsidy use and earnings of low income families Social Service Review, 83(4), 495-523
An exploration of the duration and relationship between child care subsidy use and earnings among low-income working mothers in Wisconsin from an analysis of administrative records

A study of the effects of child care subsidies on the employment and welfare participation of single mothers following the passage of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)

A study of problems and positive outcomes associated with a statewide child care voucher system for the working poor

A longitudinal study of the employment and earnings of low income parents participating in Minnesota’s child care subsidy program and a comparison of their earnings by industry sector

An exploration of the influence of the availability of child care subsidies and potential wages on parents’ employment decisions, using data from the 1997 National Survey of America’s Families (NSAF)

An estimation of the effect of child care subsidies on single parent welfare recipients’ period of transition to substantial employment

Estimations of the probability and quantity of workforce participation among parents receiving child care subsidies, and an examination of differences among groups of parents with varying characteristics and who are subject to different policies, based on an examination of data collected from 40,000 families in 2002
A study of the effect of child care subsidies and other ecological demands and resources on the work hour, shift, and overtime problems of low income urban mothers

A study of the relationship between child care subsidy receipt and mothers' work experiences of welfare recipients in an urban Michigan county

An investigation of different welfare and employment programs with child care assistance policies and their effects on employment rates and child care decisions of low income families.

An analysis of the coping strategies, including sources of support and child care arrangements, of unwed mothers with young children five years after the passage of PRWORA


• Baum, Charles L., (2002) A dynamic analysis of the effect of child care costs on the work decisions of low-income mothers with infants Demography, 39(1), 139-164
A study of the influence of child care costs on the work-related decisions of low-income mothers

An examination of the effects of child care subsidy receipt on low income mothers, comparing families receiving subsidies with families on waiting lists; factors examined included employment, income, percent of income spent on child care, and satisfaction with child care arrangements

• Han, Wen-Jui, & Waldfogel, Jane. (2001). Child care costs and women's employment: A comparison of single and married mothers with pre-school-aged children Social Science Quarterly, 82(3), 552-568
A study that examines the employment and earnings of current and former recipients of welfare benefits and child care subsidies and assesses the impact of increased funding for child care and other policy changes.

Universities and Research Organizations

Findings from a longitudinal study of the child care decision-making processes of low-income families in Minnesota that examine parents' employment experiences and connections between child care and work, based on analyses of three subsamples from a survey of 323 low-income parents with at least one child age 6 or under who have applied for child care assistance or welfare and live in one of seven participating counties that consisted of 136 parents in paid employment, 282 labor force participants, and 102 parents with child care problems

A summary of a study of Oregon parents' employment, child care arrangements, and child care subsidy experiences before and after changes to state child care subsidy policy in 2007, based on interviews with 44 subsidy recipients and 15 of their child care providers

A study of Oregon parents' employment, child care subsidy experiences, and child care selection, arrangements, and costs, based on a survey of 580 parents who received a child care subsidy in December 2009

Chapin Hall Center for Children
A study of the relationship between child care subsidy use and employment outcomes, and an identification of factors associated with child care subsidy use among eligible low income families, based on analysis of administrative and census data collected in Illinois, Maryland, and Texas

An analysis of the relationship between parental receipt of child care subsidies and the likelihood of child care-related work disruptions, based on data from both the Wait List and the Fragile Families and Child Well-Being studies
  An examination of the relationship between child care subsidies and the employment of single mothers after 1996, based on data collected in 1999 and 2002 from the National Survey of America’s Families, and an examination of the relationship between free public kindergarten for 5-year-old children and employment for different groups of mothers and groups of states, based on data from the 2005, 2006 and 2007 rounds of the American Community Survey

  An examination of the importance of child care subsidies to covering the basic expenses of low-income working families in Houston, Texas, based on a simulation of the effects of public benefits on a hypothetical family’s income

  An overview of a study of the relationship between child care policies and subsidy, employment, and market outcomes, during the period of localization (devolution) of the management of child care subsidy policy in Texas, based on the findings of an econometric analysis

  Federal law limits eligibility of child care subsidy receipt to a maximum of 85% of a state’s median income, but states may choose to set thresholds below this level. As a result, there is a substantial amount of variation in the thresholds states set and variation within states, over time. This variation in eligibility is used in the present study to predict changes in parent employment, child care arrangements and child outcomes. Specifically, this project examines the impact of eligibility for child care subsidies, as determined by state income eligibility thresholds, on parents’ labor force participation and child care choices. In addition, the study investigates whether the change in child care and parent employment experiences by eligible families has subsequent effects on child behavior and school readiness. Measures include: Child Care Development Fund (CCDF) State Plans; National Household Education Survey (NHES); National Health Interview Survey (NHIS)

  An examination of rural-urban differences in the use of public programs designed to support working low-income families, such as child care subsidies and food stamps, based on a comparison of demographic characteristics, employment stability, participation in work support programs, and other data
A longitudinal study of child care subsidy utilization among former welfare recipients after leaving the Temporary Assistance for Needy Families (TANF) child care subsidy system, the impact of child care subsidies on their employment outcomes, and differences in subsidy use and employment outcomes as a function of race and ethnicity, based on interviews with a sample of 658 African American, White, and Hispanic welfare leavers

A policy brief presenting research findings on the relationship between child care subsidy receipt and mothers’ employment

A review of research studies examining parent employment outcomes associated with the use of child care subsidies

• Davis, Elizabeth E., Jefferys, Marcie. (2005). *Still working in Minnesota?: Follow-up study on parents’ employment and earnings in the Child Care Assistance Program* St. Paul: Minnesota: Child Care Policy Research Partnership
A study of the employment patterns and wage growth, from 2001 through 2003, of families in four Minnesota counties who received child care assistance in the first quarter of 2001

An analysis of the effects of child care subsidies on the entry of new mothers into the labor force, using data from the Fragile Families and Well-Being Study

An examination of patterns of child care use and employment stability among welfare recipients in Connecticut, Florida, and Minnesota

An analysis of the relationship between labor market, health, family, and child care problems and work outcomes for a random sample of mothers receiving cash assistance in an urban Michigan county in February 1997
• Lee, B.J., George, R., Reidy, M., Kreader, J.L., Georges, A., Wagmiller, R.L., Jr., et al. (2004). *Child care subsidy use and employment outcomes of TANF mothers during the early years of welfare reform: A three-state study* Chicago, IL: University of Chicago, Chapin Hall Center for Children.
   An analysis of the child care subsidy take-up rate, type of child care chosen, and relation between child care subsidy use and employment outcomes for single working mothers receiving TANF in Illinois, Maryland and Massachusetts

   A fourth year report of the Illinois Families Study examining the overall effectiveness of welfare reform in Illinois and attempting to determine which are the most effective supports and services.

   A brief emphasizing the need for child care among low income families departing welfare-to-work programs, based upon findings from the Alameda County CalWORKs Needs Assessment and Outcomes Study.

   An analysis of the impact that child care subsidies have on helping single mothers find jobs with standard schedules, and how this influence differs between welfare recipients and non-recipients.

   A study of the influence of subsidy receipt on the employment rates and child care choices of single mothers, based on questionnaire responses, collected in 1999, from 2,226 single mothers in a nationally representative sample of American families.

   An investigation into the effects of welfare reform policies and links between employment and child care choices, using data from random assignment pilot welfare programs begun between 1993 and 1996 in a variety of urban and rural areas in the United States

   An exploration of factors associated with the occupational outcomes of urban low income mothers, including child care problems, household characteristics, type of child care used, race/ethnicity, neighborhood characteristics, welfare status, and subsidy usage, based on data collected from a sample of 1,072 low income mothers from poor Philadelphia neighborhoods
  A categorical examination of the employment choices of a sample of 323 single parent welfare recipients in Alameda County, California, between 1997 and 2002, and an identification of supports and barriers that influence the employment decisions of parents in each category

  A study of the child care problems and choices of urban, poor, and working mothers, and a study of the relationship between work-related outcomes and child care problems, broken down by a variety of household demographic measures and based on data collected from 1,072 mothers from a sample of low income Philadelphia neighborhoods

  Third in a series of reports using measures of the employment outcomes and family well-being of a sample of 1998 TANF grantees to assess the ongoing value of Illinois’1997 welfare reforms

  An assessment of the influence of expanded child care subsidy eligibility, and increased provider reimbursement rates, on demand for care, cash assistance receipt, and employment among current and former welfare recipients in Rhode Island

  A study using longitudinal data from the Survey of Income and Program Participation (SIPP) 1993 and 1996 Panels to examine the effects of child care access and job quality on the employment duration and wage growth of former welfare recipients and working women.

  A study of the long-term effects of welfare reform on mothers’ employment, children’s development, and family well-being among a sample of mothers and preschool-age children who entered new welfare programs in California, Connecticut, and Florida

  An analysis of the effects of changes in child care policies on the child care choices of families participating in pilot welfare and employment programs from the late 1980s to the early 1990s
  An analysis of the determinants of child care subsidy receipt and the effects of subsidy receipt on employment using the 1997 National Survey of America's Families

  An examination of the effects of welfare and employment policies on child care outcomes for single parents, and their preschool- to young school- aged children, using data from experimental programs implemented between the late 1980s and the mid-1990s

  A summary of findings from seven studies of the employment patterns of low-income parents receiving child care subsidies.

  A study of the responses of 17 states and 25 communities to the child care needs of low-income families.

  A report on child care-related factors affecting welfare recipients' decisions to work or participate in training under Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) regulations

To suggest additions to this Key Topic Resource List, please email us at contact@researchconnections.org.

The full results came from a search on: “child care subsidies” and “employment.” To view and sort the full search results from which these resources were selected, you may use the Recreate Complete Search function.