Research Connections conducted a comprehensive search of its collection for resources focused on child care subsidies and quality. This Key Topic Resource List includes an overview and listing of selected resources from the literature.

Resources of various types— including reports and papers, fact sheets and briefs, summaries, and reviews are included. Selection criteria included policy relevance and relatively recent publication (from the years 2003 - 2013).

Based on the search results, resources are grouped into two categories:

- Child care subsidies, program quality, and child outcomes
- Balancing quality, access, and affordability in subsidy policy

Within each category, resources are organized according to publisher type and publication date. For journal articles, the author’s abstract is included. Research Connections’ one-sentence descriptions are included for resources from other sources.

Contents are solely the responsibility of the authors and do not necessarily represent the official views of the Office of Planning, Research and Evaluation, the Administration for Children and Families, or the U.S. Department of Health and Human Services.
Overview:

The Child Care and Development Fund (CCDF) is the primary federal funding source devoted to providing low-income families with access to child care and improving the quality of child care. An average of 1.6 million children receive child care subsidies each month. As a block grant, CCDF offers a great deal of flexibility to States to develop child care programs and policies that best suit the needs of the children and parents within the State. Subsidized child care services are available to eligible families through certificates (vouchers) or through grants and contracts with providers. Parents may select any child care provider that satisfies any applicable state and local requirements. The quality of subsidized care is of interest to policymakers, researchers, as well as to the children and families served by the CCDF program, given the connection between high-quality care and children’s developmental outcomes. Although increasing quality is not the main focus of the program, a limited, but growing, number of studies have examined the quality of subsidized care and explored child outcomes for children receiving child care subsidies. A number of resources have also explored the policy considerations faced by States as they leverage CCDF funds to help ensure that children, especially those from low-income families, have access to high quality care. Research questions on child care subsidies and quality include:

- Do parents who use child-care subsidies select higher quality care than subsidy-eligible parents who do not?
- What is the relationship between subsidy density and the quality of infant and preschool classrooms?
- What is the impact of child care subsidy receipt on child outcomes?
- How do parents rate the quality of subsidized care they use?

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Child Care Subsidies, Program Quality, and Child Outcomes

Journals


Latino children often struggle in school. Early childhood education programmes are seen as critical for fostering children's school readiness. Latino families often choose family childcare (FCC) over centre-based childcare (CBC), yet little is known about the school readiness of Latino children attending FCC. We compared school readiness over the pre-kindergarten year for low-income Latino children who attended either FCC or CBC with childcare subsidies. Teachers and parents rated children's social skills and behaviour with the Devereux Early Childhood Assessment. Cognitive, motor, and language development were assessed with the Learning Accomplishment Profile Diagnostic. Although there were no family demographic differences between children who attended FCC versus CBC, children in CBC improved over time in cognitive, language, and social skills, whereas children in FCC stayed the same or lost ground in these areas over time, especially boys. The school readiness of Latino children, especially boys, may be better served by attending CBC. (author abstract)

Forry, Nicole D.; Davis, Elizabeth E.; Welti, Kate; (2013) Ready or Not: Associations between participation in subsidized child care arrangements, pre-kindergarten, and Head Start and children's school readiness Early Child Development Research Quarterly, 28(3), 634-644

Research has found disparities in young children's development across income groups. A positive association between high-quality early care and education and the school readiness of children in low-income families has also been demonstrated. This study uses linked administrative data from Maryland to examine the variations in school readiness associated with different types of subsidized child care, and with dual enrollment in subsidized child care and state pre-kindergarten or Head Start. Using multivariate methods, we analyze linked subsidy administrative data and portfolio-based kindergarten school readiness assessment data to estimate the probability of children's school readiness in three domains: personal and social development, language and literacy, and mathematical thinking. Compared to children in subsidized family child care or informal care, those in subsidized center care are more likely to be rated as fully ready to learn on the two pre-academic domains. Regardless of type of subsidized care used, enrollment in pre-kindergarten, but not Head Start, during the year prior to kindergarten is strongly associated with being academically ready for kindergarten. No statistically significant associations are found between type of subsidized care, pre-kindergarten enrollment, or Head Start and assessments of children's personal/social development. (author abstract)

Hawkinson, Laura E.; Griffen, Andrew S.; Dong, Nianbo; Maynard, Rebecca; (2013) The relationship between child care subsidies and children's cognitive development Early Childhood Research Quarterly, 28(2), 388-404

Child care subsidies help low-income families pay for child care while parents work or study. Few studies have examined the effects of child care subsidy use on child development, and no studies have done so controlling for prior cognitive skills. We use rich, longitudinal data from
the ECLS-B data set to estimate the relationship between child care subsidy use and school readiness, using value-added regression models as well as parametric and non-parametric models with propensity score matching. Compared to a diverse group of subsidy non-recipients in various types of non-parental care as well as parental care only, we find that child care subsidy use during preschool is negatively associated with children's math skills at kindergarten entry. However, sensitivity analysis suggests that these findings could be easily overturned if unobserved factors affect selection into subsidy receipt. (author abstract)

Johnson, Anna D.; Martin, Anne; Brooks-Gunn, Jeanne; (2013) Child-care subsidies and school readiness in kindergarten Child Development, 1-17
The federal child-care subsidy program represents one of the government’s largest investments in early care and education. Using data from the nationally representative Early Childhood Longitudinal Study--Birth Cohort, this study examines associations, among subsidy-eligible families, between child-care subsidy receipt when children are 4 years old and a range of school readiness outcomes in kindergarten (sample n = 1,400). Findings suggest that subsidy receipt in preschool is not directly linked to subsequent reading or social-emotional skills. However, subsidy receipt predicted lower math scores among children attending community-based centers. Supplementary analyses revealed that subsidies predicted greater use of center care, but this association did not appear to affect school readiness. (author abstract)

Background: The federal child care subsidy program, funded through the Child Care and Development Fund (CCDF), is the nation’s largest public investment in early child care. However, little is known about whether and how subsidy payment mechanisms relate to the stability of subsidy receipt or the stability of children’s care arrangements. Objective: This study is the first to explore whether subsidized care administered through contracts paid directly to providers is associated with greater stability of subsidy receipt than subsidized care administered through vouchers. Hypotheses predicted that contracts would confer stability in subsidy receipt, especially among families whose children received care in family child care homes. Methods: Data were drawn from administrative files on subsidy recipients in New York City and merged with data from a phone survey of a small subsample. The analytic sample consisted of subsidy recipients who had a history of participating in the TANF cash assistance program (weighted n = 9,087; unweighted n = 311). Results: Results indicate that subsidy payment mechanism was not associated with the number of interruptions in subsidy receipt. This finding held true of children in both family- and center-based care arrangements. (author abstract)

The federal child-care subsidy program represents one of the government's largest investments in early care and education, but little is known about whether it increases low-income children’s access to higher quality child care. This study used newly available nationally representative data on 4-year-old children (N = 750) to investigate whether subsidy receipt elevates child-care quality. Results indicate that subsidy recipients use higher quality care compared to nonrecipients who use no other publicly funded care, but lower quality care compared to nonrecipients who instead use Head Start or public pre-k. Findings suggest that
subsidies may have the potential to enhance care quality but that parents who use subsidies are not accessing the highest quality care available to low-income families. (author abstract)

St.Clair-Christman, JeanMarie; Buell, Martha J.; Gamel-McCormick, Michael (2011) Money matters for early education: The relationships among child care quality, teacher characteristics, and subsidy status Early Childhood Research & Practice, 13(2)

Child care is the first out-of-home learning opportunity for many children. For low-income children, a high-quality child care placement can provide many of the experiences and skills that help build a foundation for later school success. Among the many measures of child care quality, some closely linked to later success in school are those assessing learning activities and children’s opportunities to develop language and reasoning skills. Previous research in this area reveals that teacher characteristics such as education and wages are related to child care quality. However, there is less research on how funding streams, such as the federal child care subsidy program, influence child care quality. Using a sample from the Delaware (USA) Early Care and Education Baseline Quality Study, regression analysis was used to examine the relationships among teacher characteristics, program subsidy status, and the quality of care as defined by measures of language and reasoning and learning activities. The results indicate a relationship between child care quality and program subsidy status: Programs that do not accept subsidy funds are more likely to offer high-quality programming in language and reasoning activities that have a positive impact on children's development and school readiness. (author abstract)

Antle, Becky F.; Frey, Andy; Barbee, Anita; Frey, Shannon; Grisham-Brown, Jennifer; Cox, Megan (2008) Child care subsidy and program quality revisited Early Education and Development, 19(4), 560-573

Research Findings: Previous research has documented conflicting results on the relationship between program quality and the percentage of children receiving subsidized child care (subsidy density) in early childhood centers. This research examined the relationship between subsidy density and the quality of infant and preschool classrooms in child care centers, taking into consideration teacher education and salary as well as other structural variables associated with quality. A multimethod evaluation was conducted with 110 child care centers utilizing an interview of center directors as well as classroom observations using standardized measures of quality and language/literacy in the classroom. Regression analyses indicate that subsidy density does not predict the quality of infant classrooms. However, subsidy density is a significant predictor of the quality of preschool classrooms. Teacher education is predictive of some quality indicators, but teacher salary is not. Practice or Policy: Practice and policy implications are discussed to promote the quality of child care centers that serve low-income children. Statewide initiatives should target centers with higher subsidy density for quality improvements. Local programs and state policy should provide teachers with opportunities to obtain additional education and then offer incentives to remain in their current early childhood settings. (author abstract)


Far less is known about predictors of quality for family child care homes than for child care centers. The current study of 120 randomly-selected family child care providers in four Midwestern states examined distal, state policy-level variables (family child care regulations and the concentration of children cared for who received public child care subsidies, referred to as subsidy density), and proximal, provider-level variables (providers' level of education and reported annual training hours) as influences on global quality and caregiver sensitivity. More
regulation, lower subsidy density, higher levels of provider education and more training hours were associated with higher global quality in family child care homes. Lower subsidy density and higher provider education were associated with more sensitive caregiving, but no effects on sensitivity were observed for regulation and training hours. An interaction effect indicated that regulation moderated the relation between education and sensitivity; education was especially important for sensitive caregiving among providers low in regulation. In addition, after including all predictor variables in the model, significant mean differences between states were noted. Findings demonstrate that both policy-level variables and provider characteristics influence quality in family child care homes, and further, that they may interact to affect observed child care quality. Implications for state child care policies are discussed with emphasis on implications for quality of care for low-income children whose tuition is paid by public child care subsidies. (author abstract)

To evaluate the type and quality of child care used by low-income families who were either receiving or not receiving subsidized child care, we interviewed 111 African American parents from a randomly selected sample of low-income families. We inquired about their child-care use, satisfaction with care, work stress, and employment history. Using standardized assessment instruments, independent observers in the children's child-care setting evaluated the quality of the care and characteristics of the providers. We found that families using subsidized child care were more likely to use center care and other more formal types of care, while families not using subsidized child care were more likely to use a relative in the relative's home. Families using subsidized care tended to use licensed and registered child-care arrangements more than non-subsidized families. Also, subsidized families spent approximately half as much out-of-pocket money for child care. However, we found no evidence that the care used by families using subsidized care was of any higher quality than that used by non-subsidized families. We examine the possibility that child-care subsidy programs may not be adequately designed or funded to increase the availability of quality child care to low-income families. Educators and policy makers may want to consider additional means of increasing access to quality care in low-income families. (author abstract)

This study compared the quality of child care programs serving children receiving government subsidies to those not serving such children. Thirty-four classrooms in full day programs serving preschool aged children (19 subsidized, 15 unsubsidized) were observed using the Early Childhood Environment Rating Scales-Revised (ECERS-R). (1) Research Findings: One way ANOVA indicated that programs not serving children receiving subsidies were rated higher on overall quality, language and reasoning, learning activities, and social interactions. Teacher salary was significantly correlated with overall quality, and after controlling for teacher salary, subsidy density did not uniquely predict variance in overall quality. (2) Policy Implications: Overall low quality indicates a need for a quality improvement initiative using proven methods. Minimum guidelines for quality beyond state licensing standards should be used to ensure that children in subsidized programs are receiving adequate care and to oversee state and federal investments in early childhood education. (author abstract)
A longitudinal study of the child care arrangements of children of former welfare recipients in southeastern Pennsylvania who received child care subsidies after leaving Temporary Assistance for Needy Families (TANF), based on analyses of secondary and administrative data for 157 children

In recent years, child care subsidies have become an integral part of federal and state efforts to move economically disadvantaged parents from welfare to work. Although previous empirical studies consistently show that these employment-related subsidies raise work levels among this group, little is known about the impact of subsidy receipt on child well-being. In this paper, we identify the causal effect of child care subsidies on child development by exploiting geographic variation in the distance that families must travel from home in order to reach the nearest social service agency that administers the subsidy application process. Using data from the Kindergarten cohort of the Early Childhood Longitudinal Study, our instrumental variables estimates suggest that children receiving subsidized care in the year before kindergarten score lower on tests of cognitive ability and reveal more behavior problems throughout kindergarten. However, these negative effects largely disappear by the time children reach the end of third grade. Our results point to an unintended consequence of a child care subsidy regime that conditions eligibility on parental employment and deemphasizes child care quality. (author abstract)

Child care subsidies are an important part of federal and state efforts to move welfare recipients into employment. One of the criticisms of the current subsidy system, however, is that it overemphasizes work and does little to encourage parents to purchase high-quality child care. Consequently, there are reasons to be concerned about the implications of child care subsidies for child development. In this paper, we provide a systematic assessment of the association between subsidy receipt and a wide range of child outcomes. Drawing on rich data from the Early Childhood Longitudinal Study, we document a negative relationship between child care subsidies and child development. In particular, our results suggest that subsidy receipt in the year before kindergarten is associated with lower reading and math test scores and greater behavior problems at kindergarten entry. Some of these negative effects persist until the end of kindergarten. A potential explanation for the poorer outcomes is that subsidized children are more likely to receive intense exposure to low-quality child care. (author abstract)
Policy Considerations: Balancing Quality, Access, and Affordability

Government

**Forry, Nicole; Daneri, Paula; Howarth, Grace (2013).** Child Care Subsidy Literature Review  

The purpose of this review is to summarize recent research on topics related to child care subsidies. It is intended to provide a foundation of empirical knowledge for state administrators, program developers, and policymakers as they choose among and implement subsidy policies. This review reflects current and seminal work completed by researchers in the U.S. and includes published journal articles, dissertations, and reports from studies funded by the Office of Planning, Research, and Evaluation and other government agencies. The structure and content were selected to reflect topics of interest to child care subsidy state administrators. (author abstract)

**Journals**

**Raikes, Helen; Torquati, Julia C.; Wang, Cixin; Shjegstad, Brinn (2012)**  
Parent experiences with state child care subsidy systems and their perceptions of choice and quality in care selected  
Early Education and Development, 23(4), 558-582

Research Findings: This study investigated parents' experiences using Child Care and Development Fund and other state-dispersed child care subsidies, reasons for choosing their current child care program, and perceptions of the quality of child care received from their current program. A telephone survey of 659 parents receiving child care subsidies in 4 states showed that parents gave generally positive ratings to accessibility and reliability of subsidies, reported that child care subsidies were a substantial benefit to them, and gave low ratings to limitations of child care subsidies. However, 40% of parents reported that they had experienced a disruption in eligibility for subsidy. Parent experiences with child care subsidies varied by state. Parents in the sample identified 4 criteria used to choose their child care program: (a) characteristics of the provider, (b) convenience, (c) whether the provider was licensed or accredited, and (d) whether a personal relationship existed with the provider. Selection criteria varied by type of care parents were using. The majority of the participants rated the overall quality of their child care as perfect or excellent (73.6%), but ratings of quality also varied by the type of child care parents were using. Practice or Policy: Implications for child care subsidy program administration and for improving the quality of child care purchased by public subsidies in the context of parental choice are discussed. (author abstract)

**Moodie-Dyer, Amber (2011)** A policy analysis of child care subsidies: Increasing quality, access, and affordability  
Children & Schools, 33(1), 37-45

Changing family dynamics over the past four decades, including rises in the numbers of working mothers and single-parent families, have created an increased need for affordable child care. Government response to this need has involved a number of stop-and-start policy approaches, which have led to a fractured child care system that makes it difficult for families to find quality, accessible, affordable care. Supporting child care for working families is important to both helping parents obtain and maintain employment and contributing to quality early childhood development, which in turn better prepares children to succeed in school. This policy analysis focuses on the child care subsidy program of the Child Care and Development Block Grant. Suggestions are made for improving the subsidy system to increase the number
of eligible children served and the number of parents able to maintain employment. In addition, both affordability and quality of programs are addressed in terms of how the subsidy program can be a part of a comprehensive early childhood education system. The suggested proposal involves a three-phase approach to increase funding to serve more families who need child care, build capacity and quality of the child care market, and provide a universal system of child care. (author abstract)

In 2008, the federal government allotted $7 billion in child care subsidies to low-income families through the state-administered Child Care and Development Fund (CCDF), now the government’s largest child care program (US DHHS, 2008). Although subsidies reduce costs for families and facilitate parental employment, it is unclear how they impact the quality of care families purchase. This study investigates the impact of government subsidization on parents’ selection of child care quality using multivariate regression and propensity score matching approaches to account for differential selection into subsidy receipt and care arrangements. Data were drawn from the Child Care Supplement to the Fragile Families and Child Wellbeing Study (CCS-FFCWS), conducted in 2002 and 2003 in 14 of the 20 FFCWS cities when focal children were 3 years old (N= 456). Our results indicate that families who used subsidies chose higher quality care than comparable mothers who did not use subsidies, but only because subsidy recipients were more likely to use center-based care. Subgroup analyses revealed that families using subsidies purchased higher-quality home-based care but lower-quality center-based care than comparable non-recipients. Findings suggest that child care subsidies may serve as more than a work support for low-income families by enhancing the quality of nonmaternal care children experience but that this effect is largely attributable to recipients’ using formal child care arrangements (versus kith and kin care) more often than non-recipients. (author abstract)

Using data from the Child Care Supplement to the Fragile Families and Child Wellbeing Study, we test associations between the quality of child care and state child care policies. These data, which include observations of child care and interviews with care providers and mothers for 777 children across 14 states, allow for comparisons across a broader range of policy regimes and care settings than earlier research on this topic. Using multilevel linear and logistic models, we found that more generous subsidy policies (that is, greater investment, higher income eligibility) were positively associated with the quality of care in nonprofit child care centers, as well as with the use of center care. The stringency of regulations (that is, teacher education requirements, teacher-child ratios/thresholds) was also associated with both quality and type of care, but in more complex ways. Higher teacher training requirements were positively associated with the quality of both family child care and nonprofit centers, while more stringent regulations decreased the number of children attending center care. No links were found between state policies and the quality of for-profit center care. The implications for policy makers, advocates, and policy analysts are discussed. (author abstract)

This paper presents a focus group study of perceptions of cash assistance participants in Cuyahoga County, Ohio and the San Fernando Valley in California regarding childcare subsidy
use, choices of care, and perceptions of quality. TANF participants discuss experiences in the subsidy system and indicate needs and preferences for childcare. Advocates, policy makers, and parents recognize the need for suitable childcare so that TANF recipients can go to work. However, discussants' comments demonstrate one result of a changing, but not yet changed, social safety net. The authors explore strategies to address participants' concerns--childcare systems that neither function as promised, nor offer quality of care that enhances child development and is safe and comforting for children. (author abstract)

Universities and Research Organizations

A study of subsidy policies and practices that can shape the experiences of providers serving subsidized children, especially the way providers' pay and their ability to navigate the subsidy system affect their participation in the system, the quality of child care, and their financial stability; based on interviews and site visits in 17 sites

An analysis of the consequences of inadequate child care subsidies and the uneven quality of child care for low-income families and providers in the District of Columbia

An exploration of Nebraskan subsidy-using parents views about the quality, availability, and cost of child care and regarding their experiences with the subsidy process as a whole

Other

A discussion of child care subsidy policy recommendations to increase access to high-quality early care and education programs

An examination of the influence of child care subsidy policies on child care quality in Wisconsin

*A study of changes in policy and policymaking in child care and early education in Massachusetts during the 1990s*

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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 subsidy” and “quality”. To view and sort the full search results from which these resources were selected, you may use the Create Updated Search function.