1. Descriptive Information

Breakout session A5: Innovations in the National Survey of Early Care and Education Data: Local Cost Adjustments, Identification of Subsidy Receipt, and Combinations of Care
 This breakout will feature three newly available products from the NSECE that may be useful to researchers in their work.
     1. *Local cost adjustment data*: Local cost adjustment variables have been developed for all four data files; they will allow researchers to account for local cost of living without accessing highly restricted geographic identifiers.
     2. *Subsidy identification*: We will discuss the newly developed subsidy indicators for the household survey, the methodology used to create them, and implications for using them.
     3. *Usage of combinations of care*: We will review selected findings on combinations of care usage from a recent book of NSECE tables and will discuss how researchers might extend and explore these findings.
 	
 NSECE team members will offer a brief presentation on each topic with ample time allocated for group discussion.
	Facilitator
	 Rupa Datta, NORC at the University of Chicago
	
	 Presenters
	 Rupa Datta, NORC at the University of Chicago
	 Carolina Milesi, NORC at the University of Chicago
	
	 Scribe
	 Anne Partika, Child Trends

2. Brief Summary of Presentations

- **Brief overview of NSECE design**
  Rupa Datta, NORC at the University of Chicago
  - Focused on assessing child care supply and demand
  - The NSECE is an integrated set of surveys conducted in 2012 with
    - Households with children under 13*
      - Through this sample, home-based, unlisted providers (e.g. family, friend and neighbor care) were identified
    - Home-based providers regularly providing early care and education to children under 13 (listed from the *provider* sample, unlisted from the *household* sample)
    - Center-based programs providing early care and education to children not yet in kindergarten (e.g. licensed child care, pre-k, Head Start, etc.)
    - Center-based classroom-assigned staff
      - *The household sample is the focus of this session. It's a nationally-representative sample of 11,629 households, representing 30M households
  - NSECE provider clusters allow NORC and OPRE to document the interaction of the supply of and the demand for early care and education where it occurs—in local communities—while simultaneously capturing data that efficiently construct national estimates.

- **Usage of combinations of care**
  Carolina Milesi, NORC at the University of Chicago
  - This presentation is based on the report - Early Care and Education Usage and Households' Out-of-Pocket Costs: Tabulations from the National Survey of Early Care and Education (NSECE)
    - The report is organized in four sections – (1) Children's use of types of regular care; (2) weekly hours and cost by type of care; (3) common combinations of care and hours in most common combinations of care; (4) weekly cost and cost burden for regular ECE.
    - Key variables include: child age, type of care, household poverty ratio, urbanicity, and more.
    - Key concept: Type of nonparent care for children ages 0-13
      1. Individual, No prior relationship, Paid (e.g. home-based care provider)
      2. Individual, Prior relationship, Paid (e.g. grandparent paid for care)
      3. Individual, Unpaid (e.g. older sibling unpaid for care)

4. Center-based Early Care and Education (for children 5 or under *only*)
5. Other Organizational Early Care and Education (e.g. afterschool care)
6. K-8 schooling
7. Irregular ECE
8. All other setting unknown
9. Parental Care
   - #1-5 are regular care (at least 5 hours a week)
   - #6 added as a comparison point and to provide comprehensive types of care
   - #9 is used to designate type not assigned to non-parental care
- Selected Findings
  - Type of care:
    - Use of nonparental care among 0-71 month olds substantially varies by household income. Parental care *decreases* with age and household income.
    - Use of regular nonparental care *increases* with age and is *higher* for children in the highest income households.
    - Individual unpaid providers are most common type of care for infants (0-1 year olds) from any HH income level. Only infants (0-1 year olds) in high-income HHs have substantial center-based enrollment.
  - Combinations of care:
    - Infants and toddlers in individual unpaid care usually experience no other types of regular care.
    - Percent of children who only receive center-based care is higher for higher HH income levels.
    - About 1 in 4 preschoolers in center-based care also receive individual unpaid care (1 in 6 in high income HH).
    - Usually, infants and toddlers combining centers with individual unpaid care spend fewer hours in centers.
    - Preschool children combining types spend even less time in centers.
  - Households' out of pocket costs:
    - Proportion of ECE arrangements with no costs to parents varies by income level – in poor households, 55.7 of all center-based-child arrangements have no cost to parents.
    - Low-income households pay less for center-based care than higher-income households
    - Of households using regular ECE, most do not pay out of pocket. The proportion having any regular ECE arrangement is fairly constant across HH income groups, but the proportion without payment is lower for lower HH income levels.

- **Adjusting NSECE for local costs**
  Rupa Datta, NORC at the University of Chicago
  - We know that there are substantial differences in local costs of living, but national public use data sets typically do not allow researchers to adjust for these local differences. As a result, we unintentionally compare values across high-cost areas (like San Francisco) with low-cost areas (like West Virginia), masking important local relationships. Therefore, NORC is interested in making available cost data that doesn't require people to do additional work on cost-related issues
  - *Data source*: Bureau of Economic Analysis data on Regional Price Parities was used to create a geography-based adjustment variable, using a general factor, because this was the best measure to equally-well adjust for the entire data set
  - Financial data constructs from the NSECE include wages, prices charged to parents, parental out-of-pocket cost, and income.
  - A single adjustment variable was created for each county. For specific metropolitan areas, all of the counties in that metropolitan area used the same adjustment factor. For rural areas, non-metropolitan adjustment factors were used. The adjustment ranges from .831 to 1.215. In the lowest cost areas, $1000 of cost would be divided to .831 to equal an adjusted cost of $1203. This is mostly used for comparisons, rather than to discuss raw costs.

- o When adjusting wage data – specifically, hourly wages for center-based teachers and caregivers by funding source of the center and teachers' educational degree-level - the cost adjustment revealed discrepancies
- o What if HH poverty levels are adjusted? The greatest differences are for the middle poverty categories, where 1 in 5 cases might get re-assigned to a different poverty category if the thresholds are adjusted.
- o For HH-Level estimates of weekly cost and cost burden for regular ECE, minimal differences were found in (unadjusted) costs or cost burden between adjusted and unadjusted household poverty categories.
- o ADJ is available as restricted-use Level 2 data. NORC is working towards making it available at a lower level of restriction later this year.

- **Identifying ECE Subsidy Receipt in the NSECE Household Survey**
  Rupa Datta, NORC at the University of Chicago
  - o Moving forward, NORC is looking to identify ECE subsidy receipt in the NSECE household survey. However, public funding of ECE is difficult to determine in household surveys.
  - o The approach is to develop probabilistic estimates of public assistance using community specific information, household characteristics, ECE arrangement reports, provider-specific data from administration lists (Head Start had more accurate reports for this variable), and parent self-report on receipt of public assistance. One limitation of the available household data is that if a child goes to center-based care and parents don't pay, we can assume somebody is paying for that care. However, for home-based care, we're not necessarily sure anyone is paying.
  - o NORC is currently constructing two variables for ECE arrangements for children under 60 months: (1) arrangement estimated to receive CCDF subsidy, and (2) arrangement supported by public funding.
    - To estimate CCDF receipt: Estimates use eligibility based on HH income, type of arrangement, and parent self-report. One challenge is that eligibility is broadly defined, and some researchers may not include households that NORC included. NORC used two income qualifiers – income < 200% of FPL in 2011 or a month prior to interview because sometimes the past year isn't representative of the current financial state of the family.
  - o Rupa briefly summarized caveats and challenges of using the NSECE household survey to identify ECE subsidy receipts

3. Brief Summary of Discussion
Ivelisse Martinez-Beck mentioned that researchers may want to make their own assumptions so they can look at the exact policies for CCDF qualification for a specific year. Rupa noted that so far, everything NORC has used is available to researchers to use as well.

Van-Kim Lin asked when the CCDF variable will become available. Rupa responded NORC can share the logic and other researchers can run it themselves, but the variable is not available because they've yet to do a planned validation study comparing the CCDF variable against Illinois CCAP data. They're more comfortable with the center-based variable than the home-based.

4. Summary of key issues raised
- The NSECE data can be used to identify how combinations of care usage varies by income-level
- NORC has developed an adjustment variable to account for cost differences across regions. This variable can be helpful for comparing things like workforce wages across regions and states.
- Future work is focusing on using the NSECE household data to identify ECE subsidy receipts. However, this work is in progress and validation is ongoing.