Child Care Subsidy Policy Research: Where Are We and Where Do We Need to Go?

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Roberta Weber
Oregon State University
Brief Review of Subsidy Policy Research: Recent and Ongoing

- Substantial new work
  - Team identified 25 new studies
    - 15 are either in process or recently completed
    - 6 done by Child Care Research Scholars
      - 3 of whom are past scholars

- Research fell into the three topic areas to be covered in breakout sessions
  - Subsidy participation and dynamics
  - The impact of child care subsidy utilization on parental employment and family well-being
  - Subsidy policy impacts on providers and markets
Subsidy Participation and Dynamics

Two basic questions:

• What do we know about who does and does not participate in the child care subsidy program?

• What do we know about the continuity of subsidy use and stability of subsidized child care arrangements?
Subsidy Participation

- Among eligible families in IL, MD, & TX, parents with the following were more likely to receive a subsidy (Goerge et al., 2009):
  - Receipt of TANF within prior three months of survey
  - 24 years or younger
  - Single parent with less than high school education
  - More than 3 children under age 13
  - Late rather than early or standard work hours
  - Live in nonurban areas

- Restricting ECLS-B to subsidy-eligible families, Johnson (personal communication October 18, 2010) found that parents of preschoolers:
  - Were more likely to receive a subsidy if they:
    - Were English proficient
    - Had higher incomes
    - Live in an urban area
  - Were less likely to receive a subsidy if they had:
    - Experienced food insecurity
    - Had more very young children
Subsidy Dynamics: Continuity in the Subsidy Program

• Among studies that use the same methodology (event history and one-month breaks) median spells range from 3 to 7 months (7 states: IL, MD, MA, OR, RI, TX, WI)

• Parents typically return for one or more additional spell(s)
Spells of Subsidized Arrangements Appear to Be Shorter than Subsidy Spells

- Percent with same caregiver over 7-9 months
  - 43% Wisconsin (Adams et al., 2001)
  - 39% Oregon (Weber, 2005)

- 3 month median spell of subsidized arrangements (Weber, 2005)

- Majority of arrangements are not resumed after a break in subsidy use
  - 18% of all arrangements are resumed after a break of one month or more (Weber, 2005)
  - 39% of children who return to a second arrangement return to the same provider (Ha, 2009)
Continuity of Subsidy Use

• Associated with characteristics of:
  • Parents and families (Gardner, 2009; Grobe et al, 2008; Ha, 2009; Witte & Quearalt, 2005)
  • Communities (Davis & Weber, 2001; Davis et al., 2010; Grobe et al., 2008; Ha, 2009; Witte & Queralt, 2005)

• May be associated with characteristics of:
  • Children (Gardner, 2009; Meyers et al, 2002)
  • Providers (Ha, 2009; Gardner, 2009; Grobe et al., 2008; Meyers et al., 2002)
Child Care Subsidy Policies are Associated with Continuity

- **TANF activity associated with shorter spells** (Gardner, 2009; Grobe et al., 2008; Meyers et al., 2002; Schexnayder & Schroeder, 2008, Witte & Queralt, 2005)

- **Longer eligibility periods and subsidy value appear to be associated with longer spells** (Grobe et al., 2008; Ha, 2009)

- **Effects of eligibility ceilings, maximum subsidy payments, and copays are complex** (Schexnayder & Schroeder, 2008, Witte & Queralt, 2005)

- **Subsidy policy impacts may be due to impact on:**
  - Parent behavior
  - Which parents participate
Future Directions

• What child, family, and community characteristics are associated with stable and unstable participation in the subsidy program?

• Are there qualitatively distinct patterns of subsidy use? Do characteristics of families vary across groups?

• What are the major reasons parents exit the subsidy program?

• Which subsidy policies are associated with continuity and how do they have their effect?

• How stable are subsidized arrangements? How are the end of a subsidy spell and the stability of a child care arrangement related?
References are available upon request to bobbie.weber@oregonstate.edu