

Parental Perception of Child Care Subsidies in Oregon

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Description of SPI Project

The Subsidy Policy Impact (SPI) Research Project aims to increase understanding of how child care subsidy policy affects parents' decisions about employment and child care. Substantial changes in Oregon child care subsidy policy in October 2007 provided the impetus for the research project. Oregon went from having the least to having nearly the most generous subsidy policies in the country and this change provide an opportunity to examine how subsidy policy impact families.

Methods

The Project uses a sequential, mixed-method design in which three studies, each of which builds from the findings of the previous method(s), provide a more complete picture of parents' experiences than could be provided with any single study.

The first study involved in-depth interviews with 44 parents and 17 of their providers (Qualitative Study). Findings from that study shaped development of the questionnaire used in the telephone survey of 580 parents with 926 children under the age of 13 (Telephone Survey). The first study also provided the research questions being addressed in the third study, the analysis of administrative data for the over 40,000 parents who entered the subsidy program between 2005 and 2009 (Secondary Analysis). In this poster we report the findings from the Telephone Survey with reference to the Qualitative Study findings.

Findings

Overwhelmingly, the findings from the Telephone Survey confirmed the findings from the Qualitative Study. Findings related to parental perceptions of child care subsidies include:

Without a subsidy I could not work

- In the in-depth interviews parents volunteered that they did not know how they could work or what they would do without the subsidy program.
- They also reported concern about their children's well-being without the subsidy program.
- These results were confirmed by responses to a question of what parents would do if they lost the subsidy in the telephone survey. Almost two-thirds (64%) of whom reported they would have to quit their job or they really did not know how they could make it work.

Top Five Responses to What Parents Would Do Without Subsidy Assistance		
	N	%
Would not work / quit my job	136	30
Have no idea / I am not sure	104	23
I would have a hard time making it / I would struggle	49	11
Get another job / Work more	39	9
Would not be able to afford childcare	39	9

Subsidy receipt affects parent child care decision making

- First, subsidized primary providers were twice as likely to be a center and about five times as likely to be regulated nonrelative caregivers as were those primary providers paid totally with parents' own funds. After exit parents were most likely to be with relatives (60.7%) or unregulated nonrelatives (19%).

Type of Care Categories by Primary Providers Paid and Not Paid by DHS			
	Subsidy Participants		Subsidy Leavers
	Primary Provider Paid by DHS N=696	Primary Provider Not Paid by DHS* N=52	Primary Provider Not Paid by DHS N=121
	%	%	%
Center	20.3	10.0	10.2
Regulated Nonrelative	23.3	4.2	0.5
Unregulated Nonrelative	13.3	2.1	19.0
In-home	9.3	7.6	9.7
Relative	33.9	76.1	60.7

*A small number of subsidy participants (52, 7%) used the program only for secondary providers.

- Second, education and skill of the provider and supporting children's learning were in parents' highest ranked reasons for selecting subsidized providers but not in the same list for unsubsidized providers. It appears that subsidy receipt is associated with selecting a provider who supports development (caregiver skill or support of development listed as the top reason for selecting the provider) and that familial relationships and no other options were top reasons for provider selection for parents without a subsidy.

Most Important Reason for Selecting Provider to Get What Parent Wants for Child: Ranking by Provider Pay Status			
	Subsidy Parent / Subsidized Provider N=394	Subsidy Parent / Un-Subsidized Provider N=36	Subsidy Leavers N=80
Caregiver is trustworthy	1 st	1 st	1 st
Location is safe, healthy, and clean	2 nd	3 rd	2 nd
Caregiver shares your values	3 rd	5 th	3 rd
Familial relationships	Not in top five	2 nd	4 th
Education and skill of provider	4 th	Not in top five	Not in top five
Caregiver helps children do well in school	5 th	Not in top five	Not in top five
No other option	Not in top five	4 th	Not selected
All of the above	Not in top five	Not selected	5 th

Affordability is an issue even for parents receiving a subsidy

- The vast majority of subsidy recipients (83%) have child care costs and half (51%) have costs in addition to their copay (e.g., fees, tuition above the maximum payment rate).
- Child care costs consume a substantial share of household income for parents receiving and not receiving a subsidy.
 - Child care costs for working subsidy parents were almost as great as those of working parents not currently receiving a subsidy (\$217.18 versus \$251.25).
 - Child care costs represented, on average, 17.2% of household income for subsidy participants and 27.3% for subsidy leavers.

Child Care Costs and Cost Burden for Subsidy Participants and Subsidy Leaver Participants Who Used Child Care						
	Subsidy Participants N=438			Subsidy Leavers N=92		
	% of parents with child care costs	Amount of Cost Burden (monthly)		% of parents with child care costs	Amount of Cost Burden (monthly)	
		Mean (Std. Dev)	Range/Median		Mean (Std. Dev)	Range/Median
All parents in this category	82.8%	\$215.68 (\$462.13)	\$2-1100	45.7%	\$251.25 (\$656.02)	\$40-1080
Cost burden as a percent of household income	82.8%	17.2% (40.66)	14.2%	45.7%	27.3% (82.26)	17%
Work, School, or Training	79.4%	\$217.18 (\$468.13)	\$2-1100	45.7%	\$251.25 (\$656.02)	\$40-1080
No Work, School, or Training	3.4%	\$178.49 (\$282.27)	\$34-350	-		

Managing child care costs affects family well-being

With or without a subsidy, parents manage child care costs primarily by increasing and juggling debt and reducing expenditures, including essentials such as medical care.

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