CHILD CARE INSTABILITY AND SUBSIDIES

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Overview

- Why does continuity matter and status of subsidy continuity research
- Major challenges in measuring continuity
- What is known: Continuity in the Subsidy Program
  - Factors that affect continuity
  - Why parents leave the subsidy program
- What is known: Stability of subsidized arrangements
- Looking ahead—needed research
Some level of continuity needed to reach program goals for development and employment
- Subsidy disruptions likely to affect child care stability of subsidized arrangements (Ha, 2009a, Weber, 2005)
- Unstable child care and discontinuous subsidy use can both negatively affect employment stability (Blau & Robbins, 1991a, 1991b, Floge, 1985; Hofferth & Collins, 2000; Miller, 2005)

Subsidy use may destabilize child care (Lowe & Weisner, 2004)

Ten years of research on subsidy durations beginning with five-state study of subsidy dynamics
Challenges in Measuring Continuity in the Subsidy Program

- Capturing patterns of engagement (duration of subsidy spell, length of breaks, number of re-entries)
- Measuring the duration of subsidy spells
  - Sample including censoring
  - Unit of analysis
  - Definition of a break in service
- Challenges related to data sources
  - Administrative data provides relatively complete data over long periods of time
  - Survey data addresses questions unanswerable with administrative data
What is Known About Continuity in the Subsidy Program

- Spell is period of uninterrupted participation
- Subsidy spells are short
  - Among studies that use the same methodology (event history and one-month break) median spells range from 3 to 7 months (Grobe et al, 2008); Ha, 2009b; Meyers et al., 2002, Schexnayder & Schroeder, 2008; Witte & Queralt, 2005)
  - Parents typically return for additional spell(s)
  - Findings from 7 states: IL, MD, MA, OR, RI, TX, WI
Family Factors Associated with the Continuity in Subsidy Program

- Parent and family characteristics associated with longer spells
  - Higher earnings and more stable employment (direction of causality not known) (Ha, 2009b; Grobe et al., 2008; Witte & Queralt, 2005)
    - May be due to other factors such as more human capital, higher management skills, or stronger social networks
  - Younger children, more children, and higher subsidy values (all correlated so relationship not clear)

- Mixed findings on effect of age of child
  - Longer for children not in school (Gardner et al., 2009; Grobe et al., 2008; Ha, 2009b; Witte & Queralt, 2005)
  - In 3 of 5 states in dynamics study, age not associated with duration (Meyers et al., 2005)
Provider Characteristics May Be Associated with the Continuity in Subsidy Program

- Meyers and colleagues (2002) & Ha (2009a, b) find no pattern by type of care
- Regulatory status found associated with duration in New York City (Gardner et al., 2009) and Oregon (Grobe et al., 2008)
  - State differences in regulation challenges cross-state comparisons
- Spells in center care for preschool & schoolage children longer in NYC (Gardner et al., 2009)
Parents in rural communities have shorter spells (Davis & Weber, 2001; Grobe, Davis, Weber, 2010; Ha, 2009 b; Witte & Queralt, 2005)

Larger supply of child care predicts longer spells

Higher growth in employment within a county predicts longer spells
Major subsidy policies: eligibility level, eligibility period, copayment levels, maximum payment rates
Combination of policies working together that parents experience
Two likely route for policy effects:
- How parents behave under set of policies
- Which parents participate under set of policies
Example: Parents in TANF activities have shorter spells (Gardner et al., 2009a, 2009b; Grobe et al., 2008; Meyers et al., 2002; Schexnayder & Schroeder, 2008; Witte & Queralt, 2005)
  - TANF rules may lead to shorter spells
  - Characteristics of TANF recipients may lead to shorter spells
Higher copays and income eligibility associated with longer spells (Schexnayder & Schroeder, 2008)
Higher maximum payment rates associated with no effect (Schexnayder & Schroeder, 2008; Witte & Queralt, 2005)
Higher subsidy values associated with longer spells (Grobe et al., 2008; Ha 2009b)
End of eligibility period is major predictor of ending a subsidy spell (Grobe et al., 2008)
Job loss or low earnings account for most exits (Ha & Meyer, 2009)

Scott (unpublished qualitative study) identified following list of reasons:
- Job loss
- Earnings increased
  - Ineligible
  - Copay higher than worth it
- Discouraged/gave up/too much hassle
- Missed recertification paperwork
- Lost eligibility — e.g. return to school
- Provider won’t work with the subsidy program
- Didn’t want/need help from the government

Findings coming from studies underway or not yet published
- Abt Follow-up Study of Issues Affecting the Duration of Child Care Subsidies
- Oregon State University Subsidy Policy Impact Study
Stability of Subsidized Child Care Arrangements

- Percent with same caregiver over 7-9 months
  - 43% Wisconsin (Adams et al., 2001)
  - 39% Oregon (Weber, 2005)
- 3 month is median spell of subsidized arrangements (Weber, 2005)
- 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)
- Arrangements may be in place before and/or after use of subsidy
Questions for Future Research on Continuity in the Subsidy Program

- What child, family, and community characteristics are associated with stable and unstable participation in the program?
- What subsidy program policies are associated with program participation or affect the continuity of subsidy use or the stability of subsidized child care arrangements or employment?
References available upon request to Bobbie Weber

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