

## 1. Descriptive Information

### **E2 - Exploring the Intersection Between the Labor Market Realities Facing Low-Income Families and Child Care**

In this session, we consider how well our system of early care and education serves low-income working families and families engaged in education and training. To be most beneficial to parents and their children, the goals of work support and early care and education programs need to complement one another to improve the economic opportunities of parents while facilitating children's developmental outcomes. Labor market realities can compromise the compatibility of these dual efforts, which span across ACF program offices. In this session, we provide an overview of labor market realities for low-income parents, and present three papers that provide insights into a) the affordability of the market, b) the extent to which the market meets the needs of the low-wage workforce, and c) how the subsidy system interacts with these labor force realities. These presentations are followed by a discussant providing insights from the perspective of CCDBG reauthorization and how these issues may play out in the future.

#### **Facilitator**

- Julia Henly, University of Chicago

#### **Presenters**

- Pam Joshi, Brandeis University
- Erica Greenberg, Urban Institute
- Heather Sandstrom, Urban Institute

#### **Discussant**

- Helen Blank, National Women's Law Center (NWLC)

#### **Scribe**

- Megan Treinen, Child Trends

## 2. Documents in Session Folder (Please list any electronic documents or web links used during the session.)

## 3. Brief Summary of Presentations

### **Summary of Presentation #1:**

#### **Exploring the Intersection Between the Labor Market Realities Facing Low-Income Families and Child Care**

- Job quality has declined and employment stability has increased over the past four decades. Recession 2008-2010 largest ever: unemployment job loss, low wages, limited wage growth.
- Precarious work schedules: nonstandard timing, unpredictability, variability in hours, limited schedule control; make it difficult to find quality child care
- Vulnerable Groups of Hourly workers have high incidence of precarious work schedules. NLSY provides prevalence estimates, see [https://ssascholars.uchicago.edu/sites/default/files/work-scheduling-study/files/lambert.fugiel.henly\\_.precarious\\_work\\_schedules.august2014\\_0.pdf](https://ssascholars.uchicago.edu/sites/default/files/work-scheduling-study/files/lambert.fugiel.henly_.precarious_work_schedules.august2014_0.pdf)

Why should child care researchers care about labor market conditions?

- Because it makes it difficult to access quality ECE.
- Can interfere with child care subsidy use, child wellbeing and parental wellbeing.
- Not just employment instability to worry about but how that affects those in education and training. Half of parents in education and training are also working, and often have irregular hours.

### **Summary of Presentation #2:**

#### **The Mismatch Between Affordable Child Care and Parental Income: variation by race/ethnicity and nativity**

- Racial and ethnic diversity is highest among children and is growing.
- Importance of child care for low-income families: interested in reducing gaps in school readiness and achievement by race/ethnicity and family income.
- Limited access to affordable child care: high costs, low earning, high demand, low supply.
- Child care affordability measures. Varies by definition of child care costs, income and geography.
  - Child Care family expenditures or costs of full-time care by state(numerator)
  - Wages/Income/Budget (denominator)

Census: families with low incomes below poverty line are spending 30% of family income on child care compared to spending 8% of income on child care for all full-time working parents

Child care expenditures as a percent of total family income varies across areas: locations

Using the CPS, the presenter's research shows that 49% of full-time full-year (ft/fy) low-income working parents' wages goes towards child care (low-income is defined by earning wages less than 200% federal poverty line).

Child care affordability by income: of all ft/fy working parents, 17% of total family income goes to child care. For those parents working ft/fy with total family income below 200% of the poverty line, 40% of total family income goes to child care.

Breaking down child care affordability by income and race and ethnicity, there is not a huge racial/ethnic gap in affordability; instead there is a significant income gap in child care affordability. By income group, for all races, the child care affordability gap is drastic. Black and Hispanic ft/fy working parents pay the most for child care (20 and 24% respectively) compared to white (14%) and Asian ft/fy working parents (15%).

Implications: childcare subsidies are crucial. They can reduce race and ethnic disparities when targeting income.

[www.diversitydatakids.org](http://www.diversitydatakids.org)

### **Summary of Presentation #3:**

#### **Characteristics of Center Care: Implications for Working Families**

Report: Assessing Quality across the center-based ECE workforce.

Used data from National Survey of ECE. Why Center care and how well do centers meet the needs of low-income working families?

Data and methods: limitations includes data censoring, responses from only one workforce member per center, and no info on demand or access (waitlists). Didn't have access to restricted information for research.

Centers by funding stream, variations in dosage:

Parent tuition only 14%

Any subsidy funding 29%

Any Head Start funding: 17%

Any State Pre-K 20%

Any local Gov't funding 12%

- Parents aren't sacrificing quality when taking advantage of cost savings. Subsidized centers offer a more mixed picture of the relationship between quality and access.
- Flexibility: Centers with flexible schedules and/or payments that vary from week to week, only 45%. Open during any non-standard hours (evenings after 7pm, weekends, overnight), only 9% of centers. Parents who depend on flexibility have access to staff who meet fewer quality benchmarks.
- Centers serving infants and toddlers alone or with preschool aged children have staff meeting substantially lower quality standards than do other centers. Centers serving preschoolers only have much higher quality staff.
- Implications for low income families: Teaching staff meeting highest standards receive funding from HS and Pre-K, Operate during traditional hours and serve only preschoolers.

### **Summary of Presentation #4:**

#### **Implications of Precarious Employment for Child Care Subsidy Use and Parental Well-being**

#### **IL-NY Child Care Research Partnership Study**

Key findings from Phase 1: precarious employment affects: subsidy access, subsidy stability, parenting stress, and work-caregiving conflicts.

Over of the Study: 4 targeted regions two in IL and NY. Included new entrants in subsidy programs and focused on 0-5 age group. Data include telephone survey and in-person interviews.

What contributes to subsidy instability?

Survey methods: Cox proportional hazard model for subsidy exit; OLS regression for survey outcomes  
Dependent Variable: exit from subsidy program within 18 month spell; Survey: parental stress and work-care conflict  
Predictors: employment characteristics, subsidy program experiences and child care characteristics.

- Precarious employment, in most areas, was significantly associated with exiting subsidy program.
- Precarious employment also contributed to increased parental stress and work-care conflict.
- Having a single and stable provider and back up care may lower work-caregiving conflict and stress.

Summary of qualitative findings: precarious employment makes it challenging for families to use subsidy: to verify work for subsidy eligibility, complicates paperwork, and to maintain eligibility in New York where there is an hour minimum. Unexpected work contributes to stress and conflicts with caregiving options.

#### **Helen Blank's Observations:**

- We are currently serving a lower number of children than in recent years and continuing to underfund child care.
- More flexible centers may be lower quality, probably because they are trying to meet the needs of the families. Families need this kind of flexibility from providers but how do we help them be higher quality?
- Unionization could help fix labor market problems of lower-level workers.
- QRIS systems are underfunded which challenges their ability to raise quality standards.
- The current problems that low-income working mothers face are not new. We sent low-income families to work as part of welfare reform but didn't sufficiently consider the labor market in which they were working. We cannot close the school readiness gap when so many mothers are in precarious jobs and unable to access quality, stable child care.
- Regarding Reauthorization of CCDBG: Reauthorization has many great features, but the new mandate, without sufficient funding, is very concerning. The new standards will be difficult to implement without significant increase in funding. Money needs to match the mandates or risk of hurting providers, parents, and children.

#### **4. Brief Summary of Discussion**

Is home-based care the answer to addressing the needs of nonstandard workers? It is easier to support regulated providers, but these providers typically don't serve needs of nonstandard workers. We need to allow for informal providers to be part of the system. There are things that can help informal providers and other providers who serve nonstandard hour workers improve quality but the standards can't be the same as for daytime programs.

Need to enlarge the concept of child care needs; not only a singular focus on high quality education and school readiness. Sometimes families just need safe and affordable care. Not allowing informal providers in or reducing the number in the system of subsidized providers will harm these families.

What is the Demand for nonstandard child care center? 24-hour centers can work in certain sorts of firms, hospitals, places where there are parents who might work 24-hour schedules and with a sufficient number of workers onsite. Centers are likely to have trouble getting quality skilled workers to work 24-7 hours.

Parents want to be close by their children, especially in the evening hours. And they may be more comfortable leaving their children with family during evening and overnight hours.

We can't expect child care providers alone to figure out the problems of the labor/work market. It's a labor market challenge that may need to be addressed through labor market reforms.

We can learn something about search behavior for parents who work evening, off hour schedules. This is an important area for future research.

#### **5. Summary of Key issues raised** (facilitators are encouraged to spend the last 3-5 minutes of workshops summarizing the key issues raised during the session; bullets below are prompts for capturing the kinds of issues we're looking for)

- *Low income families and families with nonstandard work days and hours need access to safe, affordable, and stable child care.*
- *The ability to access child care directly affects parents' ability to work and parents' work directly affects their ability to access quality child care.*
- *More money needs to go to child care to support children and families. Cannot add more standards, regulations, etc. without adding the money to support these improvements*
- *This is not only a child care problem but also a labor market problem.*