

# **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](mailto:bobbie.weber@oregonstate.edu)