

2008 CCPRC Meeting
Session 8 (Breakout B-1)
July 31, 2008, 2:15-3:30 pm

Promising Policies and Practices to Reduce Work and Child Care Instabilities and Promote Employment

Description

A key goal of the Child Care Development Fund program is to promote policies that improve the work outcomes of low-income parents. Disruptions in employment, subsidy use, and child care can all interfere with achieving sustained, positive employment outcomes. This panel explored the key features of employment and child care policies and practices that create instabilities for families managing work and care, and importantly, highlighted some promising policy and practice reforms aimed at reducing instabilities and at improving employment outcomes. Each speaker identified key research questions that he or she believes are important next steps to further our understanding of the intersection of child care and employment policy.

Panel Members

Shelley Waters Boots, Urban Institute
Julia Henly, University of Chicago
Deanna Schexnayder, University of Texas at Austin

Discussant and Facilitator

Gina Adams, Urban Institute

Scribe

Nicole D. Forry, Child Trends

Documents in Session Folder

- Promising Policies and Practices to Reduce Work and Child Care Instabilities and Promote Employment
- The Role of Child Care Policies in Subsidy and Employment Durations (Schexnayder)

Discussion Notes

Julia Henly: Employment-Based Challenges: Scheduling and Its Implications for Child Care

- Characteristics of work that make work instable.
 - Created through everyday management practices.
 - How work schedules are set, posted, and changed.
 - Limited advanced notice.
 - Schedule workers for a different number of hours (lack of consistency across seasons, weeks, or days).
 - Different shifts and days from week to week.
 - These all interfere with parents' ability to control their work life.

- Difficulty with family meals, consistent bedtimes, and medical appointments.
- Implications for child care—may make it more likely to use multiple care arrangements or informal arrangements.
- Implications for child care subsidies—hour fluctuations can affect child care subsidy eligibility.
- What can be done to change these management practices?
 - The Scheduling Intervention Study (Lambert and Henly)—randomized study with varying management practices that specifically gives some employees more notice regarding their schedule.
 - Hypotheses:
 - Reduce stress by providing more control over one’s personal life.
 - Reduce time-based conflicts allowing workers to make better use of their nonwork time.
 - Increase the sense of organizational support.
 - Intervention:
 - Cluster, randomized experiment.
 - National retail service firm.
 - Scheduling of work 1 month at a time and an increase in communication with employees.
 - Multiple sources of data, including corporate administrative data, store data, sales data, employee well-being surveys, and a manager survey.
 - Design: 6-week baseline and the collection of employee data, intervention for 5–6 months, and a 6-week followup period. Lends itself to experimental and nonexperimental data.
 - Current status: Complete the pilot and manager surveys, which are going into the field in Chicago.

Shelley Waters Boots

- Leave policies.
 - The Family and Medical Leave Act (unpaid, with many employees not eligible).
 - Paid leave off (with only 8 percent of workers having access).
 - Short-term paid time off (e.g., personal days, vacation, sick leave), with lower wage workers have less access than higher wage workers.
 - Paid time off (to be used however the employee would like).
- Sick leave policies.
 - San Francisco, California, and Washington, D.C.: mandatory sick leave legislation with 12 States having similar proposals.
 - National Healthy Families Act.
- San Francisco paid sick leave law.
 - Law passed in November 2006 provides employees with 5 days of sick leave (if a company has as many as 10 employees) and more than 10 days (if a company has more than 10 employees). The hours accrue on a 1-hour-per-30-hours-worked ratio.
 - Study looks qualitatively at employers’ perceptions.

- March 2008.
- A total of 27 employers, with individual interviews and 2 focus groups.
- All employers had to make a policy change.
- Four responses to the law by employers:
 - Expansion of paid time off.
 - Establishments of a paid-time-off model.
 - Changes to other benefits and compensation.
 - Changes in existing policies (with probationary periods being limited to 90 days and accrual rates).
- Findings:
 - Employers for the most part were able to implement the policy with minor business costs.
 - Business costs were sometimes absorbed by not hiring new employees.
 - Other context—minimum wage change and mandatory health insurance.
 - Differed by employer size:
 - Harder for smaller companies.
 - Differed by industry size, for example, restaurants and part-time workers.
 - Hard to implement across jurisdictions (competing with other businesses that were not covered by the legislation).
 - Hard to reward employees who deserved recognition.
 - Issues.
 - How does this affect child care stability?
 - Employers hiring working parents and the impact of the policies on families' lives.
 - Parents have multiple jobs and high turnover; what does this mean for child care subsidy usage?
 - Could child care subsidies be a buffer for children given the instability of child care due to employment issues?
 - Could we create linkages with other systems to help build in the stability that parents need?
 - Could child care subsidy benefits be maintained while the parents are looking for work?

Deanna Schexnayder: Role of Child Care Policies in Subsidy and Employment Durations

- Multiyear (6-year) study looking at the devolution of child care subsidy policy practice to local workforce boards within Texas.
- Statewide policies during study period: the Temporary Assistance for Needy Families (TANF) program had priority for receiving subsidies, and the child care subsidies were not guaranteed for non-TANF recipients with some waiting lists.
- Data:
 - Statewide longitudinal data.
 - Local subsidy policies.

- Employment records.
- Licensing and registration data.
- Methods: descriptive analyses, Cox Proportional Hazards Survival Regressions model, and cluster analyses to see what local boards adopted.
- Subsidy recipient characteristics.
 - Over time there was an increased use of Texas Rising Star providers.
 - Increase in the share of recipients receiving child care for TANF instead of for employment.
- Child care capacity:
 - More than 85 percent of the formal capacity is from the centers.
- Twenty-eight local workforce areas:
 - Diverse.
- Types of policy decisions that local boards made:
 - Five boards made no changes over 4 years.
 - Some switched policies more than once.
 - A total of 55 percent of the time was spent outside of the baseline policies.
 - Factors to change: reimbursement rates, copayments, and income eligibility ceilings.
 - Workforce boards had strong theories underlying the changes that they were making.
- Subsidy-spell lengths (new subsidy spells).
 - Average of 6 months.
- Policy factors related to longer subsidy duration.
 - All changes had effects on the probability of exiting from the subsidy program.
 - Strongest policy effects were related to families who started to use the subsidy for employment.
 - Policies related to child care subsidy stability: increasing the copayment and income eligibility limits.
- Employment outcomes:
 - Mean duration of employment spell: 6 months.
 - Not many of the policy factors were linked to employment duration.
 - Nonpolicy factors for employment explained more variation in employment duration than the subsidy policies.
- Stability of providers:
 - Centers had a longer duration than the registered family homes.
 - Policy factors related to reduced facility turnover.
 - Increasing provider reimbursement rates and income eligibility rates were linked to more stable facilities.
- Conclusion:
 - No one policy affected all outcomes.
- Future research:
 - Why families begin using subsidies.
 - Environment in which policies affect family and provider outcomes.

- Stability interactions: work, child care, and subsidies (all bidirectionally interrelated).
- Details on implementation that could cushion the effects of the policies on families or providers.
- Subsidy policies likely to affect stability:
 - Policies can cause:
 - Inadvertent termination of a subsidy, which in turn would have child care and employment ramifications.
 - The stability of work.
 - The stability of child care arrangements.
- How to stabilize the subsidies.
 - Overarching strategies:
 - Link systems, data, and a process to lower the parent burden and to simplify reporting.
 - Focus on customer service: simplify the policies, ensure that language and literacy are not barriers, and make it easier to contact workers.
 - Reauthorization.
 - Interim reporting of changes.
 - Payment to multiple providers.
 - Retain subsidies during predictable gaps in employment, during job loss periods, or during short-term spikes in income.
 - Minimize the parent burden around the transitions between eligibility categories.
- How to stabilize child care.
 - Maximize parent choice and information in choosing care.
 - Implement subsidy policies that maximize the ability of parents to stay with a provider.
 - Help providers manage subsidies.
 - Support providers dealing with challenging families.
 - Recognize the impact of subsidies in supporting the supply of child care in low-income communities.
 - Help families who have multiple risk factors.

Next Steps

- Consider packages of subsidy policy options.
- Examine the implications of a policy on the program's administrative costs as well as on parents and providers.
- Recognize the realities and challenges of a variation in implementation.
- Explore the linkages and interactions between policies and domains.

Discussion

- Concern that phone systems are not a good way to work with immigrants.
Suggestion: Use other agencies.

- Why do families use subsidies?
 - Families may have access to subsidies or may be required to use them.
 - Families may have access to subsidies, but there may be no provider.
- Why are we concerned about a short-subsidy spell; don't we want families to be self-sufficient?
 - We are concerned about recipients who have multiple short-subsidy spells.
 - Subsidy spell is different from total subsidy duration.
- Are interventions for low-income families that are targeted at changing employer practices well targeted?
 - We do not know, but many human resources areas of employers are supportive of this, and employers are interested in knowing whether they are efficient in implementing their policies.
 - Employers of high-wage workers think about retention and those of low-wage workers think about containing costs.
- Did employers in the Urban Institute study move out of a jurisdiction to be more competitive with other businesses?
 - The study was small and qualitative, but we saw employers moving some of their work outside the jurisdiction if they had multiple stores.
- I am struck that the word *union* was not mentioned more often in this discussion.

Key Themes and Issues

- Multiple factors that affect stability in employment, child care, and child care subsidy use:
 - Employment policies and practices.
 - Subsidy levers (e.g., income eligibility, copayments, provider reimbursements).
- There is no magic combination of subsidy policy levers in terms of affecting employment duration, subsidy duration, and provider stability, although combinations of these issues affect the outcomes independently.
- Changes can be made to better the situation of low-income families in service occupations with frequently changing hours. Changes might not be made in the shifts assigned, but more notice may allow employees to have more control over their work life.
- Decouple the subsidy policies from employment so that employment and child care subsidies are not as reactive to each other. For example, subsidy policy could serve as cushion to job loss.