

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

Why Continuity in the Subsidy Program Matters and Status of Research on It

- ▣ 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, Fløge, 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)

Community Characteristics Associated with Continuity in Subsidy Program

- ▣ 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

Policy Characteristics Associated with Continuity in Subsidy Program

- 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 & Queral, 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 & Queral, 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)

Reasons Parents Leave the Subsidy Program

- ▣ 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
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