

Defining and Measuring Subsidies

Description

This session focused on how national surveys have assessed two interrelated issues: how much families spend on child care and whether they get help paying for it through subsidies. Discussants provided an overview of how national surveys have defined and measured each of these issues and discussed some of the challenges involved in accurately capturing and using data. The audience participated in an open discussion of these issues and their implications for policy relevant survey research, reflecting upon ways that we might improve survey design to better capture child care expenses and subsidy use.

Facilitator

Gina Adams, The Urban Institute

Discussants

- Martin O'Connell, Survey of Income and Program Participation (SIPP)
- Gail Mulligan, National Household Education Survey (NHES)
- Linda Giannarelli, National Survey of American Families (NSAF)

Scribes

- Chris Herbst, University of Maryland
- Julia Roach, Inter-university Consortium for Political and Social Research

Issues

- How have national surveys asked about child care assistance and expenditures? What can we learn by comparing and contrasting different approaches?
- What are the challenges in trying to ask parents about child care expenses and assistance? What are the strengths and weaknesses of using these data for policy-relevant research?
- Are there ways to improve survey questions and approaches so as to better capture child care expenses and assistance? What are the pros and cons of different approaches and definitions?

Handouts in the Session Folder

Defining and Measuring Subsidies powerpoint

Discussion Notes

Definitional Challenges

- What ages of children are to be included and how are age categories defined? Are we interested in preschool? What is preschool – does it include kindergarten? What is school age – children under age 13?
- Does it matter how the time frame is defined – calendar year vs. one month or a quarter?

Practical Challenges

- One challenge is to decide when to ask a family-level question or child-level question. Your data may not be as accurate if you don't prompt a parent to think through these issues.
- The term “family” is ambiguous. What about complex multi-generational families?
- There are problems in detailed child-level questions. For example, parents have a vague sense that care in the toddler classroom is more expensive than that in the preschool classroom. Parents make a monthly payment and don't remember specific payment details.
- There are many practical issues around variable definitions.
 - * What is the reference period (last week, month, year)?
 - * Special situations may cause confusion. For example, are lessons or clubs that occur during the time covered by the survey considered to be child care? Should these types of activities be counted in the survey response?
 - * Should care be included that is paid for by the family and later reimbursed?
 - * What about care paid for by someone else in household?

Child Care Assistance Data: Subsidies and Other Forms of Assistance

There are many different kinds of subsidies and child care assistance that families can get.

- Vouchers (e.g. CCDF)
- Free or discounted services:
 - * Publicly funded (Head Start, pre-K, etc)

- * Privately funded (YMCA, for-profit child care center, center-based, etc)
- Subsidies provided by employers
- Care paid for by a non-resident parent or another relative or friend
- Care provided for free by grandparent, other relative or friend. If a child is being cared for and the parent is not paying for it, this is as economically helpful as some of the other means of support.
- Tax subsidies (flexible spending account, tax credits)

Child Care Assistance Data: Conceptual Issues

- What kinds of child care assistance do we want to know about?
 - * Only governmental?
 - * The answer depends on what policy questions are being asked.
- For that assistance, do we need to know:
 - * The presence of the assistance?
 - * The value (dollars or hours)?
- At what level do we need to know the answers to these questions?
 - * Family?
 - * Child?
 - * Arrangement?

Child Care Assistance Data: Practical Issues

- Reference period (last week, month, year?)
- Families may not perceive receipt of “free” child care as being a type of assistance. If you ask families about what kind of assistance they get from a grandmother, they may answer that they receive nothing. They don’t view grandmother’s care as being something they received financial assistance for because no money was involved.
- Families may not be aware that they are paying on a sliding fee scale (are unaware of full cost).
- Families don’t always know the source of help they receive, making it difficult for researchers to obtain this information from surveys (e.g., parents send a child to a YMCA program but don’t know if it is funded through CCDF or another government agency).

- There are additional complications with family, friend and neighbor (FFN) care.

Surveys with Detailed Data on Expenses and Assistance: SIPP, NSAF, NHES

Survey design issues are very important. Elements such as population universe, sample, types of questions asked, and where in the survey questions are asked all play a role.

SIPP

- The SIPP survey began in 1984 and the last round will be in spring/summer 2006.
- Questions about child care arrangements and expenses are asked at the end of the module.
- If these types of questions are asked 45 minutes into the survey, participants may not answer them.
- There were child care expense and help questions in each panel.

NSAF

- “Child care expense and help” questions were included in each of the three NSAF surveys.
- The most detailed questions were included in the most recent survey.
- There are no plans to repeat NSAF (last survey in 2002).

NHES

- NHES includes two surveys (early childhood & school-age).
- “Child care expense and help” questions are included in both surveys.
- NHES is fielded every four years (most recently in 2005).

Comparison of the two NHES surveys

- In comparing surveys, it is important to know how the income, cost, and expense data are collected.
- Both nationally representative samples were drawn from the civilian, non-institutionalized population (excluding military families).
- Both examined expenses for regular child care arrangements (not occasional baby sitting).
- Both included data on:

- * Child-level child care arrangements
 - * Child-level child care expenses
 - * Presence and sources of child care assistance
 - * Detailed demographic information
- Data varied based on the specific survey designs. Some questions were specific to a child and others to the family.

Universe for Data on Child Care Expenses & Assistance

SIPP

- The SIPP survey looked at families with children under 15 years.
- Questions were asked about each child and each child care arrangement.
- Families with multiple children with multiple arrangements had a long interview time.

NSAF

- The NSAF included families with children under 13 years and parents in the labor force or school.
- One child less than 6 years and a child 6-12 were selected as “focal children” for more detailed questions.

NHES

- Data are available only for sampled children
- Early childhood survey: children ages 0 - 6 not yet in kindergarten
- School age survey: children under 15 yrs, kindergarten through 8th grade
- Survey Breakdown: see Power Point slides [no PPT in folder]

Lessons Learned: SIPP

- All of the cost expense data is a function of the child care arrangement data. In the original SIPP, there was one basic question about costs. Current SIPP non-response rates go up to 15-20%. The variance is increasing because there are many cost and expense-related questions. The more questions you ask, the less accurate your data. Not everyone answers every question and not everyone gives the right amount of detail for the question asked.

- Ideally, data collection occurs in the fall to provide a consistent point for analyzing trends. Trying to use the actual data to produce a consistent historical pattern proves to be difficult because data were collected at different times in the year.
- Program participation data should also be collected to better understand differences in costs and receipt of subsidies or other assistance.
- Recognize that the survey data will not replicate the administrative records. Only 6-7% of school age children participate in school age activities. When interviewers ask parents if their child participates in piano lessons, sports, etc., the answer is “yes.” Perhaps parents don’t understand the professional definition of a child care provider (i.e., they view piano teacher as a child care provider).
- Data are better for relative cost comparisons within the survey than for establishing absolute levels of costs.

Lessons Learned: NSAF

- The questions were changed dramatically between 1999 and 2002 because of lessons learned in earlier surveys. For example, in earlier surveys there were child-level arrangement data but expense and assistance data were obtained at the family level. There were attempts to link the arrangement and expense data, but it was very challenging and complicated to link the two sets of variables. The last survey obtained child-level expense and assistance data as well as family-level data.
- The way a question is worded affects how a respondent might answer, and multiple questions may be needed to get at the same variable. For example, questions about sliding fee scales proved to be an important source of information about assistance. When asked if they pay less for child care because of their income, a lot of people said “no” to receiving assistance from an agency but did say “yes” to the sliding fee questions.
- Follow-up questions are important if no assistance is reported and a focal child is in a child care center that provides “free” care. In the last round, people in this situation were asked what person or agency helped them so that they did not have to pay for child care when the child was in an arrangement that had a cost associated with it.
- There is substantial variability in the ability of respondents to distinguish sources of organizational assistance. When people responded “yes” to the question of whether another type of agency was helping, they sometimes knew it was the

CCDF (Child Care and Development Fund) program. But sometimes they did not know the organization's name.

- Questions having to do with timing of child care arrangements in relationship to the timing of external events need to be carefully fielded. For example, in a summer vs. school year question, first round delays prevented the data from being collected until summer. Questions were asked about "last month..." which was a summer month. This question unexpectedly provided information about summer child care rather than information about care during the school year.

Lessons Learned: NHES

- Collection of detailed data on subsidies is not a primary purpose of the NHES survey. Rather, the focus is on what the kids are doing. Fifteen minutes of the survey are about quality of care, number of hours in care, number of care providers, etc. The amount of data on costs is relatively limited.
- NHES is a random digit dial telephone survey. This mode of data collection places a limitation on the number and types of questions that can be asked.
 - * Although there are questions about child care arrangements, the parent may not know the payment structure of their child's care, the taxes involved, etc.
 - * The accuracy of this type of information also depends on who the respondent is. Not all of the respondents are parents.
 - * Information is obtained for out-of-pocket expenses for care, not total cost. Parents don't know whether their child care costs are being subsidized by a government agency. They just know that they are paying \$X a month. They don't know what the subsidy looks like or what the breakdown is – but NHES still asks the questions.
- NHES has a detailed questionnaire with information about each of a child's arrangements (a child with four arrangements has detailed information on all four).
 - * One analytic problem is that if a family has more than one child, it is not clear how much is paid for the focus child vs. another child.
 - * There are also analytic issues related to child care costs for more than one child and for care for which there is a fee but the family pays nothing.
- There are differences between 2001 and 2005 questions. NHES is constantly trying to streamline questions to minimize the time respondents are kept on the

phone while maximizing the quality of their responses. Some of the follow-up items were structured to get more accurate information from parents who said they were not paying anything, but actually were.

Open Discussion Questions

1. What do people need to know about child care expenses and assistance from survey data?
2. Where do we go from here?

Question: What's going to replace SIPP?

Martin O'Connell: The original SIPP was a strictly a population-based survey. Respondents were trusted to know what specific type of program they were in. Some people don't care about the details. For the past couple of years, the Child Care Bureau has put more effort into getting demographic information for follow up. The CCB gets information from state programs, not families. They are linking individuals with administrative records to get a better idea of the number and characteristics of people in programs. The key is to use administrative data to get this type of information, since it is not properly reported on the survey. This is the direction that the SIPP is headed in. It will also reduce the length of the interview and the number of questions.

Question: By retaining more streamlined interviews, will analysts be better able to compare people who are participating in subsidy programs with people who aren't?

Martin O'Connell: Some groups are looking into what is available from SIPP records. Our guess is that many administrative records provide information from different reference periods, different times of year, etc. We're not sure if this procedure is feasible.

Question: Time references are confusing and difficult to link across variables. The reference periods for child care are different from the reference periods for employment. Is there a way to link child care expense and cost with the corresponding employment period?

Martin O'Connell: Child care questions are usually prefaced with "Please tell me how much you've used xxx in the past month..." In the future, it

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will be important to avoid these types of issues by using comparable time periods in survey questions that are to be analytically linked.

End of Session

Breakout session notes are brief summaries of issues, findings and ideas discussed by participants and do not necessarily reflect the views of the Child Care Bureau or other members of the Child Care Policy Research Consortium.