Insights into the Black Box of Child Care Supply: Predictors of Provider Participation in the Child Care Subsidy System

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Project Description.

High quality child care providers that accept subsidies are the linchpin to supporting parental employment and the child development needs of low-income families. Without the voluntary participation of private providers in child care subsidy systems, families may not be able to realize these critical benefits. However, little is known about which providers agree to participate and what factors may influence their participation. To help fill this gap in the current child care subsidy research, this mixed methods study will develop a conceptual model, identify and operationalize measures and model predictors of provider participation in the Massachusetts child care subsidy system.

The quantitative portion of the study utilizes administrative data provided by the Massachusetts' Department of Early Education and Care merged with U.S. Census data to examine factors associated with provider decisions about 1) whether or not to participate in the subsidy system, 2) how many subsidy recipients to serve and 3) whether to accept vouchers and/or contract with the state for subsidized child care slots. The qualitative portion of the study utilizes interviews with center-based provider directors to explore pathways to subsidy participation and identify additional factors not examined in the quantitative models that affect providers' subsidy decisions. Factors to be examined in this study include providers' legal structure (for- or non-profit), organizational characteristics, types of services offered, local child care market characteristics, regional subsidy policies/practices, as well as other factors that are not as easily quantifiable or readily available such as the influence of mission statements, use of private donations/grants and perceptions of responsibility to the local community. Given the limited theoretical frameworks and empirical research on provider participation in the subsidy system, this mixed methods approach will allow for a more extensive testing of the study's proposed conceptual model.

Research Questions

Both quantitative and qualitative data will be used to address the following research questions:
1. What factors influence provider participation in the child care subsidy system?
2. Among participating providers, what factors influence the degree to which providers participate in the subsidy system (the number of subsidy recipients that providers serve)?
3. What factors influence the subsidy mechanism(s) (contracted slots, vouchers or both) selected by participating providers?

Sample

- *Quantitative Analyses*:
  - *Research Question 1*: Licensed center and family child care providers in Massachusetts open and legally operating from May 2013 to April 2014 (N=7,432).
  - *Research Question 2 & 3*: Licensed center and family child care providers in Massachusetts open and legally operating from May 2013 to April 2014 that served at least one subsidized child (N=3,880).
- *Qualitative Analyses*: 76 administrators were interviewed from 49 center-based child care providers who participate in the Massachusetts subsidy system. Administrators included center owners, presidents, and vice presidents, program directors, subsidy administrators and other related support staff. Interviewees were identified through a stratified random sample of Massachusetts child care centers. Strata included region, provider size (single and multi-center organizations) and type of subsidy participation (vouchers and/or contracts).

Methods

This study employs both quantitative and qualitative analyses to model and test predictors of provider participation in the subsidy system:

- *Quantitative Methods*: The study utilizes six administrative data sources from the Massachusetts Department of Early Education and Care (including the state's licensing database, placement and payment processing systems, quality rating and improvement system, resource and referral database and market price survey) as well as U.S. Census data to conduct quantitative analyses (including logit and beta regression) to identify determinants of whether, how much and through which mechanism(s) providers decide to participate in the subsidy system.
- *Qualitative Methods*: Qualitative data was collected through semi-structured phone interviews with child care center administrators.

Progress Update

For the quantitative portion of the study, the analytic database has been constructed by cleaning and merging six state administrative data sources as well as U.S. Census data. Missing data have been imputed. Additionally, univariate, bivariate and regression analyses have been run for Research Question 1. The research scholar is currently in the process of analyzing these analyses and preparing to run analyses for Research Questions 2 and 3. For the qualitative portion of the study, the student researcher developed a semi-structure interview guide, piloted the guide with 5 providers and generated a stratified random sample of providers for interviews. Semi-structured phone interviews have been conducted with 49 child care providers. The student researcher is currently in the initial stages of analyzing this data.

Implications for policy/practice

The models developed and tested through this study will provide child care subsidy administrators, policy-makers, and Child Care Resource and Referral (CCR&R) agencies with critical insights into 1) variation in participation by different types of providers, under different policy and market conditions, and through different subsidy mechanisms and 2) potential determinants of and barriers to provider participation in the subsidy system. These results may direct subsidy administrators, policy-makers, and/or CCR&R agencies to target recruitment efforts towards particular types of providers in specific communities in order to ensure more equitable access to care and enhance parental choice. Likewise, these results may direct state subsidy administrators to target contracts with particular types of providers in specific communities in order to reduce inequities in access to care. With many states facing fixed or shrinking budgets, this study will also provide administrators with critical insights into the types of providers that are able to remain financially resilient while still participating in the subsidy system. This information may assist administrators in both recruiting and maintaining provider participation.

Implications for research

There is surprisingly little research on provider participation in the subsidy system and the limited research that is available is largely descriptive and/or based on small samples of providers in particular counties or local communities. This study will make significant contributions to the child care subsidy field by establishing a conceptual model of provider participation that can be used and further refined by other researchers. The model draws largely on economic theory and strategic management research. The study will also make significant contributions to the field by testing the conceptual model using a mixed methods approach that incorporates a large multi-source statewide dataset, multivariate models, and qualitative data that will capture factors that are likely to be omitted from state administrative data systems. Finally, the study will provide critical insights into how to efficiently construct a comprehensive provider data set from multiple sources.

For more information

No additional informational sources are currently available for this project.

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