

Increasing Access to Quality Child Care for Children from Low-Income Families:  
Families' Experiences

Shannon T. Lipscomb

Oregon State University-Cascades

2600 NW College Way, Bend, OR 97701

[Shannon.lipscomb@osucascades.edu](mailto:Shannon.lipscomb@osucascades.edu)

541-322-3137 (phone)

541-322-3139 (fax)

## Abstract

Identifying effective strategies for increasing access to quality care for children from low-income families has important implications for society. This study examined the effectiveness of expanding child care assistance for low-income families (capping expenses at 10% of income and raising eligibility to 200% of the federal poverty line) to purchase quality care. Mixed methods documented families' experiences (N = 181) and capitalized on a natural experiment when families lost assistance. Results pointed to improved access to quality care for children from low-income families by: 1) helping low-income families continue utilizing quality providers when incomes dropped, and 2) enabling others to begin utilizing quality providers. Perceived impacts were greatest for families with higher incomes (within the eligibility range), and for those with children ages five and younger. Additionally, parents were able to pay providers the full rate that they charge for care, which may help quality providers continue serving low-income families.

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Subsidies for families from low-income households to purchase child care are generally designed for two purposes: to support parental employment, and to promote child development (United States Department of Health and Human Services (U.S. DHHS), 2011). Much of the prior research on child care subsidies has focused on the effects of subsidies on parental employment, but there is also a growing interest in how subsidies may relate to the quality of care that children from low-income families receive (e.g. Antle, Frey, Barbee, Frey, Grisham-Brown & Cox, 2008; Jones-Branch, Torquati, Raikes, & Edwards, 2004; Whitebook, Kipnis, and Bellm, 2007). Evidence suggests that higher quality child care for children from low-income families promotes positive child development, with the potential for long-term cost savings to society (e.g. Pianta, Barnett, Burchinal, & Thornburg, 2009). As of yet, however, few effective policy strategies have been identified for improving access to quality care for children from low-income families. The current study offers evidence from a pilot program in the Pacific Northwest that provided generous financial assistance to low-income families to purchase *quality* child care. Access to quality care is conceptualized as both initiation and maintenance, or stability, of quality care. Findings have direct relevance to policies at the local, state, and/or federal levels that aim to improve access to quality child care for children from low-income families.

### **1.1 The Importance of Quality Child Care**

The quality of children's experiences in out-of-home child care environments have implications for their development across a wide-array of academic, cognitive, social, mental, and behavioral outcomes (Belsky et al., 2007; Campbell et al., 2008; Magnuson & Waldfogel, 2005; National Institute of Child Health and Human Development Early Child Care Research

Network [NICHD ECCRN], 2005; Vandell, Belsky, Burchinal, Steinberg, & Vandergrift, 2010). Quality of child care appears to matter even more for children from low-income families (Burchinal, Peisner-Feinberg, Pianta, & Howes, 2002; Peisner-Feinberg et al., 2001; Vandell et al., 2010), who may be less likely than children from higher-income households to have resources and supports at home. Evidence also suggests that providing young children with high-quality early learning programs can produce sizeable cost-benefit savings to society (e.g. Pianta et al., 2009), but these savings occur specifically for *high quality* programs, and are largest for children from disadvantaged backgrounds.

## **1.2 Unequal Access to Quality Care**

Unfortunately, children from low-income families, for whom the benefits of quality care may be the greatest, are least likely to receive high quality care (Cooley, Li-Grining, & Chase-Lansdale, 2006; Dearing, McCartney, & Taylor, 2009; Torquati, Raikes, Huddleston-Casas, Bovaird, & Harris, 2011). Quality child care programs are often scarce in low-income communities (Collins, Layzer, Kreader, Werner, & Glantz, 2000), and low-income families' choices are restricted by their inability to pay market prices (Weber & Grobe, 2011). Low-income families typically spend well over 10% of their income on child care, which is a widely recognized benchmark of child care affordability (Adams, Snyder, & Banghart, 2008; Durfee & Meyers, 2006).

A growing body of evidence indicates that families receiving child care subsidies utilize more formal care arrangements, including center-based care, and less informal or relative care than other low-income families do (e.g. Burstein & Layzer, 2007; Crosby, Gennetian, & Huston, 2005; Ertas & Sheilds, 2012; Ryan, Johnson, Rigby, & Brooks-Gunn, 2011; Weinraub, Shlay, Harmon, & Tran, 2005; Witte and Queralt, 2004). Child care subsidy receipt alone, however,

does not typically result in attendance in *high quality* care. In fact, several studies have found child care subsidies associated with *lower* quality care (Antle et al., 2008; Jones-Branch et al., 2004; Whitebook et al., 2007). For example, Whitebook and colleagues (2007) detected higher levels of structural quality (e.g., caregiver wages, education, stability) in child care programs that did not serve children receiving child care subsidies than in those that did. Others have also found lower quality for subsidized programs on observed measures (Antle et al., 2008; Jones-Branch et al., 2004). For example, Jones-Branch and colleagues (2004) found that programs that served children receiving subsidies were lower quality than programs did not serve children from families receiving child care subsidies on several components of the Early Childhood Environmental Rating Scale-Revised (Harmes, Clifford, & Cryer, 1998), including overall quality, language and reasoning, learning activities, and social interactions.

Part of the reason for lower quality in subsidized arrangements may be fewer resources available to hire highly qualified staff. Jones-Branch and colleagues (2004) found that teacher salaries were lower for programs serving more children receiving subsidies, suggesting that programs with a higher proportion of income coming from the subsidy program had fewer resources available to pay highly qualified teachers. Once teacher salary was controlled for, subsidy density no longer predicted overall quality (Jones-Branch et al., 2004). These findings are consistent with additional research linking teacher salaries to quality of care (e.g. Raikes et al., 2003; Whitebook, Howes, & Phillips, 1998).

Moreover, in order for children to benefit from quality care they are likely to need stability in their exposure to quality care. Child care subsidy receipt is usually unstable--involving short and sporadic spells (Adams et al., 2008; Grobe, Weber, & Davis, 2008; Ha, & Meyer, 2010; Meyers, Heintze, & Wolf, 2002). Exits from child care subsidy programs have

been linked with disruptions in children's actual care arrangements (Adams & Rohacek, 2002, 2010; Lowe, Weisner, & Geis, 2003; Weber, 2005). Instable care, in turn, is linked with negative social, emotional, and cognitive outcomes (e.g. Bacharach & Baumeister, 2003; Howes & Hamilton, 1993; Huston, Chang, & Genntian, 2002; Loeb, Fuller, Kagan, & Carrol, 2004). Thus, improving access to quality care for children from low-income families requires a focus on both getting children into quality care arrangements and helping them to stay in those arrangements when their families' finances fluctuate.

### **1.3 Strategies for Increasing Access to Quality**

Strategies for improving the quality of care provided to children through child care subsidy programs are currently being explored (e.g. Adams & Rohacek, 2010; Moodie-Dyer, 2011). One strategy is to hold child care providers that care for children on subsidy programs to a higher standard for care than is required by licensing. For example, in California, child care providers that receive public funding must follow strict quality standards related to class size, children-to-staff ratios, and teacher qualifications that are substantially higher than those for providers that do not serve children on the subsidy program. Initial evidence suggests that this approach may be effective; the density of children receiving subsidies within licensed child care programs has been associated with higher quality of care in California (Fuller, Holloway, Bozzi, Burr, Cohen, & Suzuki, 2003). However, this strategy, which places the burden of increasing quality care for children from low-income families on child care providers, may be problematic considering that providers caring for children from low-income families often face financial instability (Adams, Rohacek, & Snyder, 2008) and insufficient income to make improvements in quality (Helburn, Morris, & Modigliani, 2002). To address this issue some states are experimenting with tiered reimbursement rates, such that child care providers caring for children

on the subsidy program get reimbursed for care at a higher rate if they meet certain quality standards (U.S. DHHS, 2012).

Another strategy is to require child care subsidies to be used for the purchase of high quality care, by only allowing families receiving subsidies to utilize only providers who are on an approved list of (quality) child care providers. However, requiring that subsidies are utilized to purchase high quality care may be impractical because subsidy levels are typically insufficient to purchase high quality care, especially high quality center-based care. Copayments remain unaffordable even for many families that do receive subsidies (Adams & Rohacek, 2010; Meyers & Heintze, 1999). As suggested previously by others (Helburn & Bergmann, 2002; Moodie-Dyer, 2011), larger amounts of financial assistance may be required in order to succeed in linking subsidies to quality of care.

Moreover, none of the aforementioned strategies address the issue of access to quality care for the many low-income families who are not eligible for subsidies, or for other types of assistance programs like Head Start, because their incomes are “too high”. These low-income families (defined by the National Center for Children in Poverty as 200% or less of the federal poverty level) are not able to meet their basic needs, making quality child care inaccessible. Many states have tightened up their income eligibility guidelines for child care subsidies as a result of budget cuts during the recent recession, leaving even more low-income families without child care assistance (Schulman & Blank, 2012). Evidence suggests that a U-shaped curve may best describe the association between family income and child care quality, with very low-income and high-income families accessing quality care, and low-income families that make too much money to qualify for subsidies and programs like Head Start accessing the lowest quality

care (Dowsett, Huston, Imes, & Gennetian, 2008; Phillips, Voran, Kisker, Howes, & Whitebook, 1994; Torquati et al., 2011).

In sum, improving access to quality care for children from all low-income families will likely require strategies for both families that already participate in child care subsidy programs and other low-income families that do not qualify for subsidy programs. The effectiveness of these various strategies in actually improving access to quality care for children from low-income families has great importance for children and ultimately for society. The current study contributes by describing lessons learned from a model that provided low-income families (including those with income above the cut-off for the state subsidy) with increased financial assistance specifically for purchasing care from a pre-approved list of quality providers. This is a unique approach that has not previously been described or evaluated in the research literature.

#### **1.4 The Present Study**

This study utilized data collected as part of an evaluation of a local child care affordability program in the Pacific Northwest of the United States: The Community Child Care Initiative (CCI). The CCI provided families that were on the state child care subsidy program (household income of no more than 185% of the Federal Poverty Level) and lived in a qualifying geographic area, with additional financial assistance for purchasing *quality* care so that families' copays did not exceed 10% of their monthly household incomes. Thus, these families' child care assistance came from both the state child care subsidy and the CCI; the CCI reduced families' copays after accounting for the state subsidy. In addition, for approximately one year during the five-year program period the CCI also provided financial assistance to low-income families (below 200% of the federal poverty line) whose incomes were too "high" to be eligible for the state child care program. Over-enrollment then forced the program to restrict eligibility back to



the original criteria in order to stay within budget for the contract period. Families qualified for 6 months of benefits at a time, with the opportunity to renew if they remained eligible.

The assistance provided to eligible families could only be used at quality child care centers or family child care homes. Quality of care was assessed through existing measures that were available through state and local governments. For center providers quality was assessed by the State with structural indicators of quality, including group size, ratio, caregiver training and education, compensation, and retention. Center providers had to demonstrate higher quality across these indicators than other providers in their communities. For family providers the available measure was the Family Child Care Environmental Rating Scale-Revised (FCCERS-R; Harmes, Cryer, & Clifford, 2007). Scores were provided to the CCI by a local partner that implemented child care networks to support quality care among family providers. CCI providers had to demonstrate an overall score of 4.0 or higher on the FCCERS-R, and were required to be a participant in, or recent graduate from one of these family child care networks. Additionally, all child care providers had to be licensed by the state, not have had any complaints filed that were substantiated by the Child Care Division in the past year, and be listed as accepting the state child care subsidy.

This approach to supporting low-income families in accessing quality care required considerable resources. It was financed through a local levy in a metropolitan area, with a total expenditure of over \$1.2 million for just the family subsidies. The CCI was implemented by the local Child Care Resource and Referral to help maximize efficiency, and effectiveness. Yet the project also faced additional costs for staffing, operations, and another component of the program that provided small grants and technical assistance to help providers that did not yet meet the quality standards described above make improvements in those areas.

This study adopted a mixed-methods approach, including quantitative surveys and qualitative interviews. Most prior research on linkages between child care subsidy and care quality has utilized a quantitative approach. The current study sought an in-depth understanding of the meaning of financial assistance for quality care on the lives of low-income families. This was accomplished by combining survey data from a large number of CCI participants with interview data from a subset of families followed longitudinally. Additionally, this study documented the effectiveness of the program in improving access to quality care by way of natural experiment in which families making between 185 and 200% of the federal poverty line lost eligibility for the program due to budget restrictions. The study documented the ways in which these families adapted to this loss.

Additionally, this study examined associations between characteristics of families and their perceptions of the impact of this assistance, from analysis of survey data. Based on prior research, it was hypothesized that, among this group of low-income families, families with higher income, and families that were not also receiving the state subsidy for child care would report larger impacts of the program.

## **2. Method**

### **2.1 Participants**

A total of 180 (73%) out of the 246 families that were enrolled in the CCI participated in the study. The majority of parents (60%) had only one child for whom they received child care support; 31% reported two children, and 9% received support for three or more children. The average age of the children in participating families was 4.3 years ( $SD = 3.02$ ). The marital status of participating parents was 64% single, 11% separated, 13% divorced, 7% married, 2% widowed, 2% living with a partner, and 1% not reported. Their levels of education were 4%

some high school, 22% high school diploma/equivalent, 54% some college/ two-year degree, 20% four-year degree or higher. The ethnic composition of the parents was 55% Caucasian-American, 20% African-American, 12% multiracial, 7% Latino/Hispanic-American, 3% Asian-American/Pacific Islander, 2% Native American, and 1% other. These proportions are similar to those of families in the geographic area. Of the parents that participated in the study 67% also qualified for, and received, the state child care subsidy.

Families participating in the study had an average monthly household income of \$1,952.44/month (SD = \$866.99). Child care costs averaged \$1,669.43/month, of which families paid an average of \$350.60, the state child care subsidy covered an average of \$667.77, and the CCI paid an average of \$651.06. In sum, participating families were low-income working parents that were mostly single and had less than a college level education. Without financial assistance their costs for child care would have been nearly as high as their average monthly income.

## **2.2 Procedures**

Data were collected at three time points. First, upon joining the program participating parents completed a self-report survey that assessed family characteristics and attitudes about child care. Second, after completing their first 6 month benefit period, families completed a self-report “post” survey about their experiences. Finally, a subset of 36 parents also completed a follow-up telephone interview approximately 6 months after leaving the program.

## **2.3 Measures**

**Quantitative.** Two variables were constructed from quantitative surveys to measure parent’s perceptions of the impact of the CCI on access to quality care: overall perceived impact, and likelihood of making changes without the CCI. Details regarding these two indicators are as follows.

***Perceived impact of the CCI.*** As part of the “post” survey, parents were asked, “*How much did the CCI financial assistance improve the following during your 6-month CCI contract period?*” Parents responded to this question on 6 items, each rated on a scale from 1 = “*not very much*” to 4 = “*a lot*”. Items included, “*your ability to pay for child care*”, “*the quality of the child care you use*”, “*your family’s financial stability*”, “*the \$ you have available for non-child care costs*”, “*your ability to work*”, and “*your ability to keep your child(ren) with their current care provider*”. Scores from these six items were combined into an overall score of perceived impact, with good internal consistency (Cronbach’s alpha = .76).

***Likelihood of making changes without CCI.*** The “post” survey also asked parents to estimate what they would have done during the past six months if they hadn’t received financial assistance through the CCI. Specifically, they were asked, “*how likely would you have been to switch to a different child care provider with lower rates?*”, and “*how likely would you have been to miss work so that you could take care of your children yourself?*” Response options ranged from 1 = “*not very likely*” to 4 = “*very likely*”. Responses to these two items were significantly correlated with one another,  $r = .35, p < .01$ , and were averaged into one score representing the likelihood of making changes in care without the CCI.

***Qualitative.*** The telephone interviews were designed to gather more in-depth information about the impact of the CCI on participating families. Interviews were semi-structured and inquired about child care arrangements and finances, how families fared once they left the CCI, and about the impact of policy changes in 2011, including loss of benefits for families with incomes between 185% and 200% of the federal poverty level when eligibility criteria changed. Interviews lasted 20 to 30 minutes per family.

A total of 36 interviews were conducted with a random sample of families, stratified to represent three groups; (1) families that lost eligibility for the CCI when the income criteria changed from 200% to 185% of the federal poverty level, (2) families that had left the CCI for a variety of other reasons, (including increased income over the prior guidelines of 200% of the federal poverty level criteria, moving out of the eligible geographic area, changing to child care providers not participating in the CCI, and no longer needing child care). At the time of the interviews both of these groups of families had been managing without the CCI for an average of 6 months. (3) Families in the final group were still continuing with the CCI, renewed for a 2<sup>nd</sup> or 3<sup>rd</sup> 6-month benefit period at the time of the interview. Across all three groups, families were selected to include variety in the duration of their participation with the CCI, and also in the types of providers they utilized (center and family providers).

Interview questions were posed in an open-ended fashion. For example, all families were first asked, *“Please tell me how receiving the CCI financial assistance affected your family, if at all.”* The subgroup of families that lost eligibility for the CCI were then asked, *“Then what happened when you lost eligibility for the CCI?”* The families that left the program for other reasons were asked a similar question, *“Then what happened when you left the CCI?”*

## **2.4 Data Analysis**

**Quantitative.** Descriptive statistics were calculated to provide a summary of parents’ perceptions of the impact of the CCI and what they would have done without the CCI. The effect of family characteristics on perceptions of impact was then examined through linear regression analysis.

**Qualitative.** Qualitative data collected from telephone interviews were analyzed using thematic analysis (Boyatzis, 1998; Braun & Clarke, 2006). Responses were first examined using

open coding to identify common themes without pre-conceived notions about coding categories to ensure the themes were strongly linked with the data themselves. Once core themes had been identified, the responses were re-coded using systematic coding procedures to determine whether the themes were “minor” (reported by some but not most families in each group) or “major” (described by most families in the group). Quotations illustrate each theme, with pseudonyms used to protect participant confidentiality.

### 3. Results

#### 3.1 Quantitative

**Perceptions of program impact.** Descriptive statistics are presented in Table 1. Parents reported positive impacts of the CCI, with an average rating of 3.61 out of 4.0 for the total score of overall perceived impact. Additionally, when parents were asked what they would have done without the financial support of the CCI during the past six months, they reported that, on average, they were between “*somewhat likely*” and “*likely*” (2.63 out of 4.0) to switch to a less expensive child care provider, and/or to miss work to care for their children themselves, when considering an average of these two items. When examining how many families responded either “*likely*” or “*very likely*” to at least one out of these two questions, 75% of families indicated that they were either “*likely*” or “*very likely*” to miss work to care for their children, switch to a less expensive childcare provider, or both if they hadn’t had the financial support of the CCI during the past six months. Zero-order correlations indicated that, within this sample of low-income families, having children ages birth through five years, and higher income was associated with larger self-reported impacts of the CCI (Table 2).

**Effects of family characteristics on perceived impact.** Table 3 presents the results from the linear regression analyses. Results point to significant effects of family characteristics on

perceived impact, but not on the likelihood of making changes without the CCI. Families with higher incomes (but still under 200% of the federal poverty line), and those with children ages birth through five reported significantly greater impacts of the program than other families, controlling for other factors. Receiving a state child care subsidy did not have a statistically significant effect on perceived impact of the CCI.

### 3.2 Qualitative

Findings from analysis of qualitative interviews with families offer a more in-depth understanding of the impact of financial assistance on access to quality care for children from low-income families. Parents described both the ways in which the CCI affected them and their children, and also in their explanations of what happened during a natural experiment when a subset of them lost eligibility.

**Benefits of program participation.** In response to non-leading open-ended questions from an external evaluator families described, often in great detail, how the CCI helped them to purchase quality care for their children. Table 4 summarizes three themes related to child care generated from these data. Additionally, families also described benefits of the CCI on their family finances (see Lipscomb, 2011), which are woven throughout the three child-care related themes. Impacts on family finances are not pulled out as separate in Table 4 because the focus of the current paper is child care. The three core themes representing parents' descriptions of child care related impacts of the CCI were: 1) the CCI allowed families to continue using quality child care providers when changes in their family finances would otherwise have made this impossible (most common pattern), 2) the availability of additional financial assistance allowed families to purchase *quality* care for the first time, 3) financial support from the CCI enabled parents to pay their quality child care providers their full rate when they had not been able to do so in the past.

Table 4 is organized into three columns, one for each subgroup of families that participated in the telephone interviews. Each of the three categories just described surfaced as common themes across the three subgroups, with the first theme (ability to continue with quality providers) as most common among all groups of families. This section of the results describes each theme briefly, along with quotes from participants.

***Ability to stay with quality provider.*** Parents described that the CCI enabled them to stay with their current (quality) child care provider when loss of income from child support, job changes, or family separation/ divorce made their family financial situations more difficult. Consistent with the quantitative survey results described earlier, interview data indicated that during very difficult times the CCI enabled parents to pay for quality care that they could not otherwise afford. Thus, the CCI allowed their children to continue attending quality care.

For example, Julia was a low-wage worker who had previously been married; her two children had been attending a quality center-based provider with the help of the state subsidy. She explained that when her husband left her the state subsidy was no longer sufficient; her children were in jeopardy of having to switch to a less expensive care provider until she enrolled in the CCI. The CCI helped to stabilize her family finances and allowed her to keep her children with the same (quality) provider. In her words, “*We suddenly went from two-income family just getting by to a one-income family ... I’m very grateful for the [state subsidy] program but it doesn’t go far enough – my copay is far more than my budget can support. We not only had family trauma going on but also every penny spent for anything was a cause of fear. When our family circumstances changed so drastically it was very important to me to maintain that consistency in good child care for my children - and the CCI made this happen! I’ll always look*



*back at that time as the time I needed help most and that the CCI was there for me and my family.”*

***Purchase quality care for the first time.*** Additionally, a smaller subset of families across all three groups explained that the CCI enabled them to select a quality child care provider for their children for the first time; quality child care was inaccessible to these families in the past. These families reported that before the CCI they used informal caregivers such as family members and friends to care for their children while they worked. A number of them also explained that they were not previously able to work full time because they had no way to pay for full time child care. This was especially the case for families that were not receiving the state child care subsidy. However, even many of the families that also qualified for state subsidies described being unable to pay the copay for the state subsidy without the help of the CCI.

For example, before the CCI Sierra was using a variety of informal, unreliable child care providers because her income from two part-time jobs was not high enough to afford quality, stable care. She often missed work when babysitters canceled at the last minute, and she was at-risk of losing her job. After learning about the CCI Sierra was able to enroll her two children with a quality, certified family child care provider that she could count on and could trust to take good care of her children. Another parent, Tanya, explained, *“The ability to pay for day care and work full time just wasn’t possible [before CCI] so I was living off other people and favors for day care. Now I’m working full time and supporting my family... and the quality is a 10 out of 10 – top notch!”*

***Paid quality care provider full rate.*** A subset of families in each of the three groups indicated that an important impact of the CCI for them was that they were finally able to pay their child care providers their full rate. In the past their providers would work with them on a

reduced payment plan, or allowed them to stay even though they paid them inconsistently. Essentially, for this subset of families, much of the benefit of the CCI appeared to be felt by their child care providers in the form of increased income that they could use to continue to care for children from low-income families and to support ongoing quality improvements.

For example, David, a single father, explained, *“One of the ladies at day care told me about the [CCI]. She knew we were on [state subsidy program] and I had been working with her about not being able to make my copay ... I was asking if I could pay part of it now and part of it later - so my kids could somehow stay there for day care – but that I didn’t know when later would be even though the most important bills in my life are child care and rent.”*

### **3.3 Effect of leaving the CCI**

Table 4 also summarizes key themes about the impact of leaving the CCI. Findings revealed five themes. Contrary to the pattern of results for the benefits of the CCI, which were consistent across the three groups of families that were interviewed, the effects of leaving the CCI differed depending on whether families were forced to leave due to changes in eligibility criteria or whether they left for other reasons (such as the need to move out of the city or no longer needed care). Families that lost eligibility when the policy changed most commonly switched their children to less-expensive child care providers, and/or parents became unable to pay their providers the full rate for care. Another common strategy was to cut down on the number of hours that children attended quality care, and to fill-in with less formal care. Most families actually reported utilizing a combination of strategies. Some decreased work hours so they could be home with their children part-time, and then either worked with their quality child care provider to pay a reduced amount for the remaining days or found a less expensive, often informal, caregiver such as a family member, friend, or neighbor (including older children) to

watch their young children part-time. As depicted in Table 4, a smaller number of families were able to acquire other resources to help them pay for quality care, by getting into Head Start programs and receiving scholarships from non-profit child care centers or preschools.

Parents that left the CCI for other reasons reported similar ways of compensating for reduced support of the program overall, but fewer of them described switching to less expensive care and being unable to pay their providers the full rate (Table 4). Some of them also left the CCI because their child(ren) started school and they no longer needed assistance for child care. The two most common strategies of compensating for the loss of the CCI financial support are described here in more detail: switching to less expensive care, and paying providers less than the full rate.

***Switching to less expensive care.*** Families that lost eligibility when the policy changed often switched their children to less-expensive child care providers for all or part of the time they needed care. Some of the families that left the CCI for other reasons also reported switching to less expensive care, due to logistical issues such as having to move out of the geographic area (Table 4). When parents that switched to less expensive child care providers were asked how they felt about their new providers they typically described less formal and lower quality providers. They lamented that their children no longer had the opportunities for learning and enrichment that were previously available through the help of the CCI. Specifically, parents contrasted enriching, quality child care (during participation in the CCI) with informal babysitting types of care that they accessed afterwards, which often included less structure, less consistency, fewer opportunities for learning, and more television.

Ines explained, “*The quality is far less ... [provider] is definitely a nice person but nice only goes so far. I would rate quality down from A+ [CCI provider] to a C [new provider]. New*

*daycare has not as nutritious meals, less education or preschool activities for kids and is more of a babysitting environment than a school/teaching environment.” Robert told a similar story about his children’s new provider after losing eligibility for the CCI, “She doesn’t have the teaching component that the [CCI provider] had. She is like ‘if you want to watch movies and play games then go for it.’ She is just keeping them busy. There isn’t a lot of interaction.”*

Serena’s child care provider during her participation in the CCI had a degree in child development and was helping Serena’s son, Damion, with behavioral challenges but when Serena lost the financial support of the CCI she was forced to switch to an informal babysitter. She explained, “My son was just getting more confident -- made leaps and bounds -- she [CCI provider] was phenomenal with him ... (she) was helping me help my son. She helped me be a better mom and right at that time, we lost the CCI and we had to leave. It was very devastating time for us.”

***Reducing payments to quality care providers.*** As illustrated in Table 4, one of the common themes in parent interviews was the ability to pay child care providers their full rate with the help of the CCI. Before they began receiving help from the CCI parents often paid providers inconsistently. Then again, when families left the CCI, especially when they lost eligibility before they were ready, many of them reported negotiating discounted rates with their providers. Parents did not typically describe what happened to their child care providers when they paid them less, but some insight can be gained from Susan’s comments. Susan explained not only how she managed after losing eligibility for the CCI (by both negotiating a discounted rate with her provider and by reducing the number of days her children were cared for by this quality provider) but also the impact on her child care provider. “I had to negotiate with the provider – I was able to afford 2 days/week at a discounted rate ... then I keep [kids] 1 day and

*my friend watches them 1 day, and their dad does 1 day ... and I had to cut my hours at work too. Our whole daycare got affected because a lot of families lost the CCI. A lot of people stopped sending their kids and some like us went to part-time and can't pay as much ... the whole child care structure changed. My daughter has been at 3 different buildings – and the teachers change more now, too – because [provider] lost money.”*

#### **4. Discussion**

This study evaluated the effectiveness of expanding child care assistance to help low-income families purchase quality care, from the perspective of participating families. The program being evaluated provided assistance above and beyond the state child care subsidy so that families receiving the state subsidy (those with incomes below 185% of the federal poverty level) paid no more than 10% of their household income for *quality* child care. Additionally, for a limited time, families with incomes between 185% and 200% of the federal poverty level were eligible for this same benefit even though they did not qualify for the state subsidy.

Evidence from both quantitative and qualitative data suggest that this general financial assistance improves access to quality child care for children from low-income families through two primary mechanisms: 1) helping low-income families *continue* utilizing their current, quality providers when they would otherwise have to change to less expensive care due to financial disruptions, and 2) enabling other low-income families to begin utilizing quality providers for the first time when their incomes would otherwise make quality care inaccessible. An additional benefit of this strategy was that parents were able to pay their quality child care providers the full rate that they charge for care. This may help to stabilize the income of quality child care providers and enable them to continue providing quality care for children low-income families.

##### **4.1 Increased Access to Quality Care**

Findings from the present study are consistent with prior evidence (e.g. Antle et al., 2008; Jones-Branch et al., 2004; Whitebook et al., 2007) indicating that even with state subsidies for child care assistance (through the federal CCDF program) low-income families often remain unable to purchase quality care. The present study offers initial evidence to suggest that providing more generous subsidies that are linked specifically to quality, in which families pay no more than 10% of their income for quality care can be effective in improving access to quality care. In the current study these generous subsidies allowed some families to purchase quality care for the first time, and enabled others to stay with their quality providers when they experienced reductions in income. These findings were evidenced not only in self-reported surveys about families' experiences, but also as part of a natural experiment in which in-depth telephone interviews were conducted with families that unexpectedly lost eligibility for the program when policies changed due to budget restrictions. Findings are consistent with suggestions (Helburn & Bergmann, 2002; Moodie-Dyer, 2011) that increasing the amount of financial assistance for *quality* providers above and beyond a basic subsidy amount may be successful in increasing access to quality care.

Families with children ages five and younger reported significantly larger impacts of the program. This is likely a result of higher cost and more hours of child care for young children than for school-age children. Additionally, the present study highlights the importance of supporting access to quality care for families with income up to 200% of the federal poverty level, which is above the eligibility criteria for 35 state subsidy programs (Schulman & Blank, 2011). Quantitative results indicated that families with higher incomes (within the eligibility guidelines) reported significantly greater impacts of the program than did those with lower incomes, controlling for a variety of other factors. Receipt of state child care subsidies, however,

was not a significant predictor of perceived program impact. This indicates that even those closer to the income cap within the state subsidy program experienced marked benefits of the program, perhaps because they had higher copays than those with lower income.

These findings are consistent with prior evidence portraying a U-shaped curve describing the association between family income and child care quality, with very low-income and high-income families accessing quality care, and low-income families that make too much money to qualify for subsidies and other programs accessing the lowest quality care (Dowsett et al., 2008; Phillips et al., 1994; Torquati et al., 2011). Findings suggest, however, that programs that provide assistance to low-income families whose incomes are too high to qualify for other supports can effectively improve access to quality child care for these families.

Additional supporting evidence comes from follow-up interviews with the group of families that lost eligibility because their incomes were above the cut-off for the state subsidy program (185% of the federal poverty level). These families clearly illustrated that without financial support they could not afford quality care. They described a mix of strategies in response to losing the financial support of the CCI, including switching to less expensive, lower quality care, negotiating lower payments to their quality care providers, and/or putting together a patchwork of care that reduced the amount of time their children attended quality care (and increased the amount of time they spent with other, less formal caregivers).

Findings from the present study also underscore the potential role of financial assistance in enhancing *stability* of quality care for children from low-income families. One of the key findings was that the program helped families that had previously found a way to purchase quality care, but who faced new financial stresses, to stay with their current quality child care providers. Instability in child care arrangements has been linked with negative social, emotional,

and cognitive outcomes (e.g. Bacharach & Baumeister, 2003; Howes & Hamilton, 1993; Huston et al., 2002; Loeb et al., 2004). To the extent that expanded child care assistance contributes to *stability* of care in addition to improved access to *quality* care financial support for quality care is likely to have positive impacts on children's development.

#### **4.2 Increased Payments to Quality Child Care Providers**

Findings further indicated that providing financial support for low-income families to purchase quality care may also positively impact child care providers. Some families that participated in the program were not paying their providers their full rate for care before participating, or did so only inconsistently. With generous financial support parents were able to pay their quality child care providers appropriately. Results from additional analyses conducted with data from surveys of the child care providers that served the families in this study (Lipscomb, 2011) suggest that the financial support for families also helped providers to stabilize their own income, and enabled them to continue providing quality care for children in low-income families. Providers reported re-investing this additional income back into their child care programs, such as by hiring additional staff to lower ratios and by completing additional training and education. Findings from the current study, which focused on families' experiences, are consistent with those reports from providers. Although improving child care quality through financial supports to families was not anticipated, it may be that helping low-income families to pay their *quality* child care providers' full rates also helps to maintain and perhaps even improve the quality of care that children receive.

The issue of income for providers is critical to quality care because child care providers are among the most poorly paid professionals (Center for the Child Care Workforce, 2002; Nelson, 2001; Whitebook, Howes, & Phillips, 1998) and low wages are related to greater staff



turnover (Gable, Rothrauff, Thornburg, & Mauzy, 2007; Whitebook, Sakai, Howes, 2004) and lower quality of care (Torquati, Raikes, Huddleston-Casas, 2007). Results from this study suggest that already low wage child care providers adjust their rates further downward for low-income families and/or tolerate inconsistent payments in order to serve these families.

Discounting their rates for low-income families, however, cuts into providers' already slim bottom line and thus puts quality care providers at-risk of going out of business, and/or reducing the number of low-income families that they can serve.

### **4.3 Strengths and Limitations**

This study has a number of strengths that increase confidence in the findings. This study combines quantitative data from a relatively large number of families with in-depth qualitative data from targeted subsets of families. The qualitative data were collected as part of a natural experiment with families that unexpectedly lost eligibility for the program when policies changed due to budget restrictions, as well as with those that left the program for other reasons and those that stayed on the program. In other words, we not only asked families what would happen if they didn't have the financial support of the program, but then we also follow-up to find out what actually happened when they lost program benefits, and compared those responses with those of other families. These design elements are rare in studies of community-based programs.

Nonetheless it is important to remember that the current study was observational; families were not randomly assigned to program versus control groups. The only comparisons made were those between families that lost eligibility for the program and those that either left for other reasons or continued on the program. Nonetheless, the current study provides sufficient initial evidence to inform future, more systematic research regarding the impact of financial supports

that enable low-income families to access more stable, quality care for their children. Additional research should also be conducted to more systematically evaluate the effect of these types of generous financial supports for low-income families on the child care providers that they use, including impacts on income, ability to continue serving children from low-income families, and investments in quality improvements.

#### **4.4. Conclusions**

In conclusion, providing financial support to low-income families so that they pay no more than 10% of their income to purchase *quality* child care may be an effective way of increasing access to quality care for these families. Without this support low-income families appear unable to purchase and continue paying for their children to attend quality care providers, even with the support of state/federal subsidy systems. Effects may be strongest for families in on the upper end of the income eligibility (closer to 200% of the federal poverty line), and for those with young children. These findings have implications for local, state, and federal efforts, including the Child Care and Development Fund (U.S. DHHS, 2011) and the Race to the Top Early Learning Challenge Grants, which prioritize access to quality early care and education experiences for children with high needs, including those from low-income families (U.S. Department of Education, 2011).

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Table 1.

*Descriptive statistics for all variables (N = 180).*

<b>Binary Predictors</b>	<b>% Yes</b>	<b>% No</b>		
Has one or more children ages 0-5 yrs.	64%	36%		
Minority ethnicity <sup>1</sup>	46%	54%		
Receive DHS subsidy	67%	33%		
Center care (vs. family child care)	65%	35%		
<b>Continuous Predictors</b>	<b>M</b>	<b>SD</b>	<b>Min</b>	<b>Max</b>
Monthly income per person in household	\$732.10	\$292.49	\$117.50	\$1680.00
Education level <sup>2</sup>	2.96	0.85	1	5
<b>Outcome Variables</b>				
Perceived impact of program	3.61	0.54	1	4
Likelihood of making changes without program	2.63	0.97	1	4

<sup>1</sup> Minority ethnicity was defined as non-Caucasian.

<sup>2</sup> Education level response options: 1 = some high school, 2 = high school diploma/equivalent, 3 = some college/ two-year degree, 4 = Bachelor's degree, 5 = post graduate.

Table 2.

*Zero-order correlations among all variables (N = 180).*

Variables	1	2	3	4	5	6	7	8
1. Children 0-5 yrs	1							
2. Minority ethnicity	<b>.17*</b>	1						
3. Income per person	<b>.25*</b>	-.07	1					
4. Education level	<b>.18*</b>	-.02	.16	1				
5. Receive DHS subsidy	-.04	.08	-.12	-.11	1			
6. Center care	-.03	-.03	-.01	.11	<b>.23*</b>	1		
7. Perceived program impact	<b>.28*</b>	-.02	<b>.25*</b>	.05	-.04	-.07	1	
8. Likelihood of making changes without program	.04	.02	-.14	.13	.01	.04	<b>.35*</b>	1

\* $p < .05$

Table 3.

*Effects of Family Characteristics on Impacts of the Program (N = 180).*

<b>Effect of:</b>	<b>Outcomes</b>					
	Total Perceived Impact			Likelihood of Making Changes		
	of the Program			Without the Program		
	<i>B</i>	<i>SE</i>	<i>p</i>	<i>B</i>	<i>SE</i>	<i>p</i>
Children 0-5 yrs.	<b>.23</b>	<b>.15</b>	<b>.04</b>	.16	.31	.19
Minority ethnicity	.04	.11	.71	-.01	.22	.99
Income per person	<b>.23</b>	<b>.10</b>	<b>.04</b>	-.18	.10	.14
Education level	-.07	.06	.55	.14	.12	.26
Receive DHS subsidy	-.13	.12	.28	.02	.24	.87
Use center care	.03	.13	.80	.01	.24	.95

\*  $p < .05$ .

Table 4.

*Results from qualitative interviews with parents.*

	<b>Groups of Families</b>		
	Lost benefits due to budget restrictions	Left the program for other reasons	Continuing in program
<b>Benefits of Program</b>			
Ability to stay with quality care	✓✓	✓✓	✓✓
Purchase quality care for first time	✓	✓	✓
Paid quality care provider full rate	✓	✓	✓
<b>Effect of Leaving Program</b>			
Decreased hours of quality care	✓	✓	n/a
Switched to less expensive care	✓✓	✓	n/a
Paid less to provider	✓✓	✓	n/a
Found other child care assistance	✓	✓	n/a
Child started school		✓	n/a

✓ = minor theme (described by many parents); ✓✓ = major theme (described by most parents)