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Early Childhood Care and Education: A Patchwork of Policy and Practice

The patchwork of early care and education (ECE) programs for young children in the United States varies from state to state, where children and families face greater economic hardship in some locations more than others simply based on geography. While high-quality ECE programs are associated with positive academic and social outcomes for children, equal access across the nation, and even within states, simply does not exist. Research and insights featured in this issue of *Focus on Poverty* examine geographic, demographic, and policy differences across the national landscape of early care and education policy and its effects.

This issue begins with co-authors Liana Christin Landivar, William J. Scarborough, Caitlyn Collins, and Leah Ruppanner summarizing how rates of maternal employment decline when child care is expensive and difficult to find. As federal policy is lacking, the authors explain, states have a primary role in reducing barriers to employment for mothers by expanding eligibility for child care subsidies and providing funds for pre-K programs.

Next, Karen Babbs Hollett and Erica Frankenberg examine how Black and Latinx children are much less likely than White children to participate in high-quality ECE programming. This disparity replicates and amplifies chronic racial disparities found elsewhere in the United States. The authors offer several plausible policy alternatives to the predominant mechanism of tiered reimbursements for ECE.

Co-authors Jaeseung Kim and Julia R. Henly round out this edition of *Focus on Poverty* with explanations of how child care subsidy stability and social support networks can reduce material hardship for families with low incomes, especially those who cycle on and off child care subsidy programs.

Within this issue, we share a Research to Watch item submitted by Alejandra Ros Pilarz & Anna Waltham as well as a Classroom Supplement with additional resources on the topic of early care and education. A few additional resources of note are two recent IRP-hosted webinars exploring facets of the early care and education policy landscape. *Supporting the Early Care and Education Workforce: Evidence and Opportunities* includes insights from Lea Austin, Anna Markowitz, and Laura Dresser while *Ensuring Access to High-Quality, Affordable Early Care and Education for Low-Income Families* gathered the collective wisdom of guests Julia Henly, Yoonsook Ha, and Gina Adams. A recent episode of IRP's Poverty Research and Policy Podcast also recently welcomed Dr. Crystasany Turner in an episode titled *The Strengths, Challenges, and Cultural Assets of Family Child Care Professionals*.

As usual, we welcome feedback on how scholars, practitioners, and classroom teachers use *Focus on Poverty* in their work. Keep up with events, webinars, podcast episodes and more through IRP's social media pages. Thank you for reading *Focus on Poverty*.

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Maternal Employment Drops when Child Care is Expensive and Hard to Find

Liana Christin Landivar, William J. Scarborough, Caitlyn Collins, and Leah Ruppanner

TAKEAWAYS

Financial burdens for childcare expenses are not evenly distributed across states and regions of the United States.

High prices and limited access to quality early care and education are two primary barriers to maternal employment.

Public investments in child care infrastructure have strong and positive relationships to increased maternal employment.

While federal policy lags, states can play a role in reducing barriers to maternal employment by expanding eligibility for childcare subsidies and providing publicly funded pre-K.

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Most industrialized Western nations provide relatively robust support for families seeking early care and education (ECE) for their children. The United States has no such national child care infrastructure. While some funds are allotted to states by the federal government, there is significant state-level discretion in how states administer this small pool of funds. For parents the expense, stress, and uncertainty of finding quality ECE varies from place to place as both the availability and affordability of ECE services are inconsistent.

Recent policy proposals and the U.S. Department of Health and Human Services have recommended limiting families' out-of-pocket childcare expenditures to no more than seven percent of median family income.[1] Yet studies show that families who pay for care are spending well in excess of that amount, ranging between 8 to 19 percent of median family income per child.[2] Wealthy families spend up to seven times more on child care than families facing chronic economic hardship in the United States; however, childcare expenditures make up a much larger share of low-income families' budget.[3] Challenges with affordability and access to quality care create precarity for families, increase barriers to maternal employment, and result in inequity in access to ECE with low and inconsistent enrollment of younger children.[4]

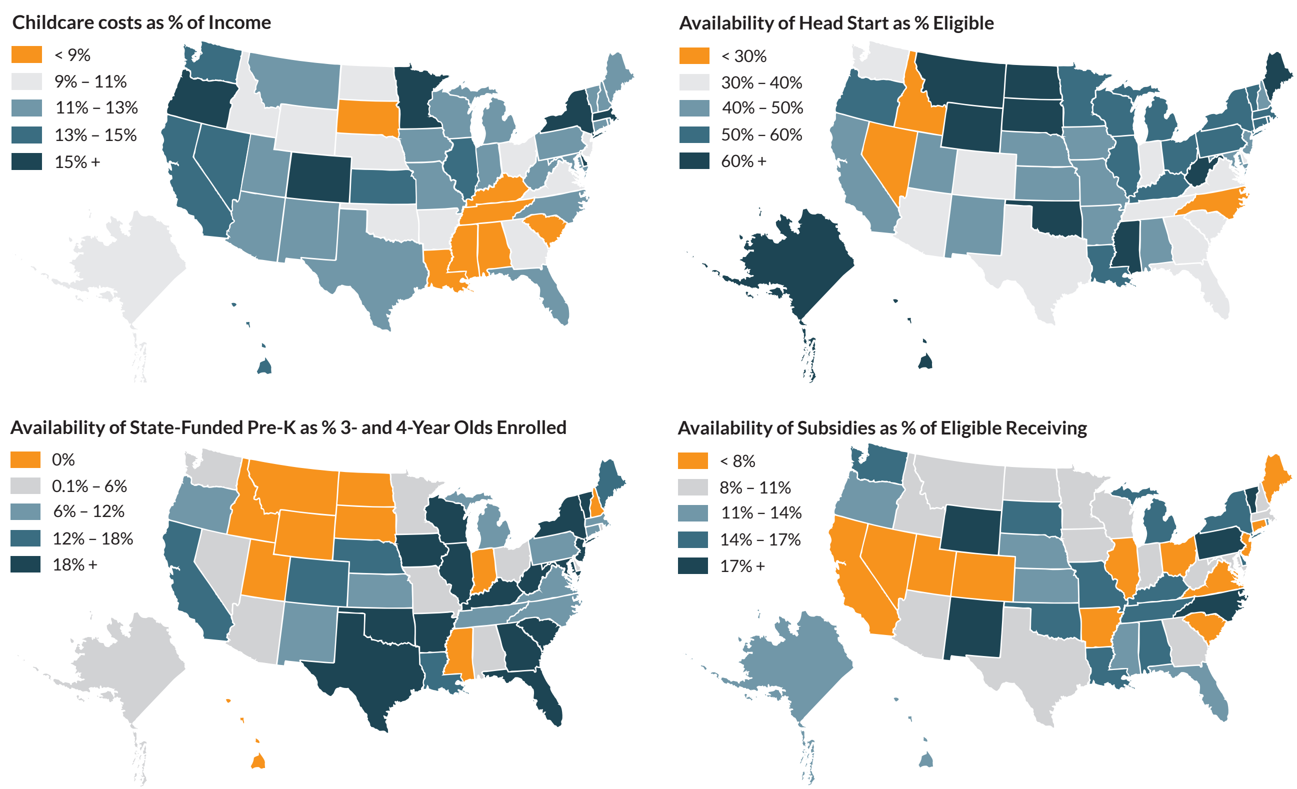
Public investments in early care and education support families and reduce barriers to mothers' employment, but the availability of such public investments differs across states. To explore how these state-by-state differences relate to maternal employment, we assessed four basic measures.[5] These included: (1) child care prices as a share of income; (2) the percentage of eligible children enrolled in Head Start; (3) the percentage of child care subsidy-eligible families receiving assistance; and (4) the percentage of 3- and 4-year-olds enrolled in state-funded pre-K. Our analysis also assessed whether lower child care prices and higher state-provided subsidies, Head Start enrollment, and state-funded pre-K programs helped improve maternal employment outcomes for mothers with young children. Finally, we considered whether these government-supported programs reduced barriers to maternal employment posed by expensive childcare.

> Nationwide, we found only 11.5 percent of families who qualify for child care subsidies actually received the support.

State and Regional Disparities

Lack of access to childcare remains a barrier for mothers wishing to participate in the formal labor market. Recent decades have seen increased global investments in public child care

Figure 1. Variation in state child care costs, Head Start availability, subsidy eligibility, and pre-kindergarten enrollment.



Source: Landivar, Scarborough, Collins, & Ruppanner (2022). Do high childcare costs and low access to Head Start and childcare subsidies limit mothers' employment? A state-level analysis. *Social Science Research*, 102, 102627.

infrastructure—generally seen as a core public good—and cross-national research demonstrates the value of these investments.[6] Women are more likely to get jobs, keep them, and advance to better positions when child care is more widely available, more affordable, and of higher quality.[7] The United States lags in this arena, with families relying on a patchwork of care options.[8]

The decentralized nature of ECE funding in the United States contributes to wide disparities in maternal employment. Whether or not ECE resources are extended to working parents by the state can significantly affect parents' ability to find and maintain stable employment. States have the power to legislate and regulate child care providers as well as social policy benefiting (or creating barriers for) working parents. Even with federal funding, Head Start and subsidies for child care are delivered by states; even when eligible, parents are often unable to obtain assistance.[9] Figure 1 displays ECE-related variations in expense and availability in the United States.

High quality and affordable child care must also be locally available for parents; these three components—quality, affordability, and availability—form the core of a crucial social investment.[10] The consequences of limited state-level support are most severe for mothers with fewer resources and more children. Yet the benefits abound. Children participating in high-quality child care tend to have fewer long-term behavioral issues and are more likely to score higher on achievement tests.[11] For mothers who need to work outside the home, reliable and affordable child care is an obvious need wherever one might live and helps support their continued labor force participation.

According to federal stipulations, families with children under 13 years old are eligible for subsidized child care through the Child Care and Development Block Grant (CCDBG) when family income does not exceed 85 percent of the state median income. The parents must also be working, actively looking for work, or participating in educational or job training activities.[12] In 2019, only 16 percent of eligible children receive subsidized child care.[13]

Access to subsidized child care is low for different reasons.[14] Most states ration limited amounts of funding for eligible parents. Sometimes parents are unaware of their family's eligibility or find navigating the subsidy system difficult. Some states also make eligibility for assistance more stringent (e.g., by tightening income eligibility beyond what is required federally and not indexing them to inflation) the impact being that only families with very low incomes would qualify. More restrictive state-level guidelines have the stark consequence of eliminating millions of families from state support (about 30 percent of those federally eligible) even though they would qualify under federal rules.[15]

Since most families who pay for care turn to market-based options for child care, parents are subject to the whims of local or regional availability and disparate prices from state to state or even across regions within a state. Researchers and policymakers taking an overly broad view of constraints on ECE affordability (e.g., national-level summaries) miss much of the important constraints families face across states and within sub-regions.[16]

> Finding affordable, high quality, and accessible child care is relatively rare in the United States.

Our Study

Among families in our study, we expected mothers with multiple young children to have lower odds of steady employment compared to mothers with fewer or no children. Additionally, we expected maternal employment would be shaped by state-level constraints, with lower maternal employment in states with higher child care prices, lower Head Start enrollment, lower child care subsidy prevalence, and less robust state-funded pre-K programming. When government programs offer a more robust slate of child care options, or provide aid to help offset expensive care, we expected beneficial effects on maternal employment. We also hypothesized that state-level conditions would have greater impacts on mothers of multiple children (e.g., those requiring more child care in general) and greater impacts on mothers with less formal education and fewer personal resources to overcome the many challenges posed by high-priced child care.

Results supported our hypotheses. In nearly every state, mothers with three or more children had lower rates of employment than mothers with one or two children. Generally, with each additional child, mothers are less likely to engage in formal employment outside the home.

While states are sometimes characterized along political, cultural, or economic lines, our results demonstrate that states such as California and Texas—often characterized in broad political terms as liberal and conservative, respectively—exhibited similar trends in maternal employment. Thus, factors beyond common state-level stereotypes are associated with actual trends in maternal employment, including maternal characteristics, childcare prices, and availability.

States had major differences in child care prices as a share of family income and childcare investments. Across all states during the years of our study (2012 to 2016), child care prices averaged about 12 percent of family income.[17] Head Start enrollment lagged, on average, to the point where only 52 percent of eligible children were enrolled across the country—a figure with wide variability between states. Despite Head Start being a federally supported program, nationwide availability varies to the degree that parents living in some states struggle far more than socioeconomically similar parents in other states, based simply on where they live. Similarly, few families eligible to receive child care subsidies received such support. Access is hindered to such a degree that, nationwide, we found only 11.5 percent of families who qualify for child care subsidies actually received the support. Similarly, less than 14 percent of 3- and 4-year-olds were enrolled in state-funded pre-K nationwide at the time of this study and, again, with major variation between states.

Sources & Methods

Type of analysis: Quantitative

Data source: American Community Survey five-year sample.

Sample definition: Mothers aged 25 to 55.

Time frame: 2012 to 2016.

Limitations: The focus on state-level characteristics of child care do not address the importance of informal child care in supporting maternal employment. Informal care may be especially important for mothers with less formal education and multiple preschool-aged children.

Implications

The absence of a robust national policy infrastructure for child care in the United States stands in stark contrast to other industrialized nations. The expenses and stressors associated with early care and education for U.S. families varies widely from state to state. This crisis of care creates institutional obstacles—especially for mothers looking to work outside the home.

Public investments in child care, on par with other wealthy Western nations, demonstrate strong and positive relationships supporting maternal employment. Insomuch as all policy is a choice, and therefore can be changed, this research supports robust public investment in child care infrastructure with a focus on state-to-state legislation, infrastructure, price, and availability to benefit children, families, and their communities.■

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Reserach to Watch

Alejandra Ros Pilarz and Anna K. Walther

Parental Work Schedules, Children's Participation in Center-Based Early Care and Education, and the Role of Early Care and Education Policies

Children's participation in center-based early care and education (ECE) improves their cognitive and academic skills, especially when children participate at age 3-4 years. Yet low-income children are less likely to participate in center-based ECE, in part because their parents are more likely to work a nonstandard schedule (i.e., evening, night, rotating, or variable shifts), and child-care centers typically operate on a daytime schedule. A key question is whether publicly-funded ECE programs might reduce gaps in center-based ECE participation between children whose parents work nonstandard versus standard work schedules. Most research on mothers' work schedules and children's ECE participation has been conducted prior to large increases in public investments in ECE, which greatly increased access to center-based ECE for low-income families.

Funding for child-care subsidies for low-income families increased by 500% in the late 1990s and early 2000s, and funding for Head Start and public pre-kindergarten for 3- to 4-year-old children increased by 200–350%. Focusing on this period of rapid growth in ECE spending, this study examines: (1) how the associations between mothers' work schedules and children's center-based ECE participation changed over time and (2) the extent to which increased spending on ECE reduced or exacerbated gaps in center-based ECE participation by parental work schedules. We consider 0 to 2 year-olds and 3 to 4 year-olds separately and examine the role of distinct publicly-funded ECE programs, such as child care subsidies and Head Start. Findings will shed light on the potential for ECE policies to reduce inequality in children's center-based ECE participation.

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Disrupting Discrimination in Funding for Early Care and Education

Karen Babbs Hollett and Erica Frankenberg

TAKEAWAYS

High-quality early care and education (ECE) programs are associated with positive academic and social outcomes for participating children.

Black and Latinx children are much less likely than White children to participate in high-quality ECE programming, replicating and amplifying systemic racial disparities.

Funding policies may contribute to differential access to high-quality ECE programming.

On average, ECE providers serving Black and Latinx children receive significantly less per-child tiered reimbursement funding than providers serving White children.

Plausible policy alternatives to tiered reimbursement include increases in base subsidy rates, increases in funding for home-based and relative and neighbor caregivers, and the implementation of progressive funding formulas.

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Policies intended to support early care and education (ECE) programs for children deserve critical analysis to identify, then eliminate, correctable disparities. If we begin with the premise that all children, regardless of race, deserve equitable access to quality ECE, then correcting for long-standing disparities is required. Our recent research employs a critical policy analysis framework in the context of a state-level case study (Pennsylvania, USA) to explore the tiered design of contemporary ECE subsidy funding.[1]

In ECE subsidy programs, states reimburse ECE providers for the cost of caring for and educating young children. Under tiered reimbursement funding models—a policy currently employed by 35 states—states reimburse an *additional* dollar or percentage amount to providers that meet higher quality standards. This system is seen as an important financial incentive for providers to meet quality standards, and research does demonstrate connections between tiered rates and increased quality ratings.[2]

What we find, however, is that tiered subsidy funding based on providers' quality scores supports already-high-quality ECE programs while systematically under-supporting aspirational (i.e., lower rated) ECE programs. As lower-rated providers primarily serve non-White and low-income children, the tiered system as designed amplifies inequalities along racial and economic lines for children and their communities. With the expiration of the Child Care Stabilization Program, part of the American Rescue Plan Act passed in 2021, child care subsidies are a timely topic as aid distributed to more than 200,000 child care providers across the nation has ended.[3]

Inequality rooted in place

The Child Care and Development Fund (CCDF) block grant program began in 1996 and has continued supporting ECE programs since its reauthorization in 2014. The historical policy context of the CCDF dates to the early 20th century and, as such, largely perpetuates racialized social constructions of deservingness into the present-day policy moment.[4]

Racialized stereotypes of deservingness have been normalized in the United States over many generations, marginalizing Black children and families through the increased surveillance and scrutiny of subjective "suitable home" assessments made by welfare agents.[5] During the decades of Great Migration by rural

> Using CCDF funds to increase base rates for providers may be more effective than the current practice of funneling CCDF funds through tiered reimbursement models.
>
> Doing so would increase the chance that all children attend a well-funded, high-quality ECE provider and help the CCDF program live up to its promise of "equal access."

Southern Black families to industrial urban centers of the North—periods which include both World Wars and the Civil Rights era of the 1960s—government aid to minoritized populations met with strong resistance by primarily White, male, and heteronormative policymakers as well as the U.S. American mainstream—populations who perpetuated hostile stereotypes to further justify state-sponsored surveillance and systematic economic exclusion.[6]

On average, ECE providers serving Black and Latinx children received significantly less per-child tiered reimbursement funding than providers serving White children.

By the mid-1990s, economic and racialized hostilities contributed to the design of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which repealed the 1935 Aid to Dependent Children program, removed federal early care and education entitlements, and consolidated federal-level ECE assistance programs for families with low incomes into the CCDF block grant.[7] By establishing work requirements and other barriers to entry, PRWORA systematically reduced available aid to families living in poverty; in 1996, almost 70 percent of families facing chronic economic hardship in the United States received Aid to Dependent Children funds, but by 2019 the CCDF—which funds ECE subsidies—served only 15 percent of eligible families.[8]

Tiered subsidy funding: A critical analysis

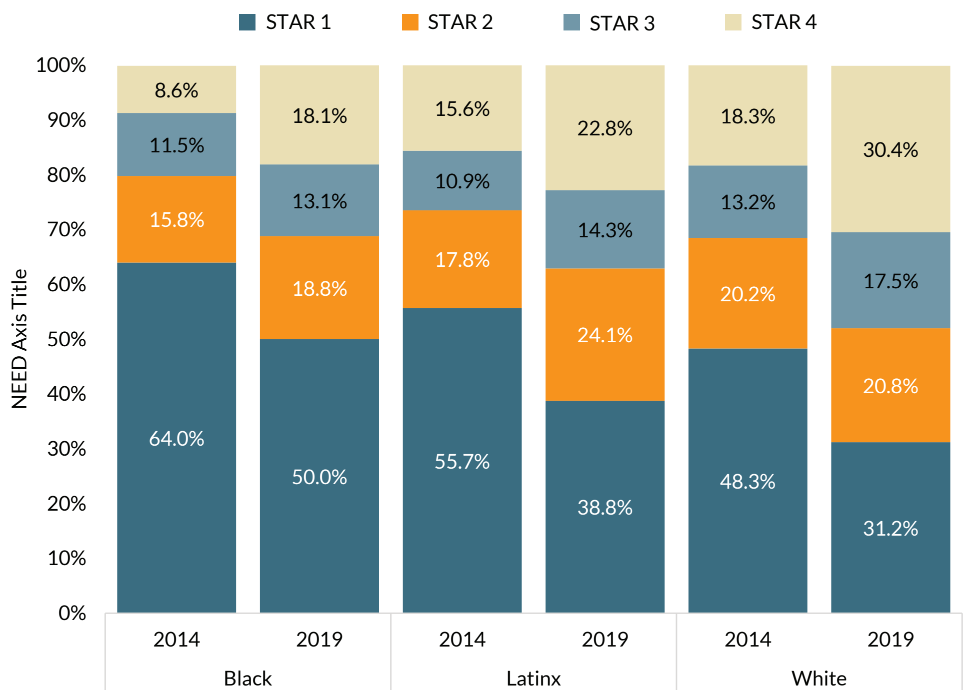
Our descriptive analysis found that, on average, ECE providers serving Black and Latinx children received significantly less per-child tiered reimbursement funding than providers serving White children. Over time, as state policies increased tiered reimbursement rates, inequalities widened. For example, in 2015, the average daily funding difference between Black and White toddlers was $0.98; by 2019 that difference grew to $2.05 (see Table 1).

Table 1: Mean daily tiered funding amount by child race/ethnicity and age, 2014–2019.

Child Age	Racial/Ethnic Group	2014	2015	2017	2019	Change, 2014 to 2019
Infant	White	$1.38	$2.51	$3.80	$6.00	$4.62
	Black	$0.84	$1.54	$2.38	$3.15	$2.31
	Latinx	$1.12	$2.03	$2.96	$4.52	$3.40
	White Latinx	$1.28	$1.97	$3.67	$4.82	$3.54
	Black Latinx	$0.88	$1.70	$2.64	$4.07	$3.19
Toddler	White	$1.52	$2.70	$3.89	$5.56	$4.04
	Black	$0.96	$1.72	$2.37	$3.51	$2.55
	Latinx	$1.30	$2.27	$3.14	$4.29	$2.99
	White Latinx	$1.37	$2.43	$3.33	$4.67	$3.30
	Black Latinx	$1.34	$2.15	$3.10	$4.31	$2.97
Preschooler	White	$1.57	$2.49	$3.73	$4.12	$2.55
	Black	$1.02	$1.64	$2.36	$2.80	$1.78
	Latinx	$1.37	$2.15	$3.00	$3.30	$1.93
	White Latinx	$1.41	$2.14	$3.12	$3.44	$2.03
	Black Latinx	$1.37	$2.09	$2.65	$3.29	$1.92

Source: Pennsylvania Office of Child Development and Early Learning (from Babbs Hollett & Frankenberg, 2021).
Note: Differences between racial groups, by age, are statistically significant at $p<.05$ for all years.

Figure 1. Distribution with ECE Subsidies by Provider Quality Rating and Race and Ethnicity, 2014 and 2019.



Source: Pennsylvania Office of Child Development and Early Learning; Babbs Hollett & Frankenberg, 2022.

Note: Differences between racial groups are significant at $p < .05$ for both years.

These funding gaps were driven by disparities in enrollment with ECE providers with high quality ratings. Across all years of our analysis, children from all racial groups increasingly enrolled with providers rated at STAR 4. White children, however, comprised the highest share of children enrolled with STAR 4 providers in all years examined. STAR 4 enrollment gaps between White children and their Black and Latinx counterparts grew between 2014 and 2019, as seen in Figure 1.

The cultural responsiveness and validity of quality rating and improvement systems (QRIS) have been called into question, however.[9] For example, ECE programs with more boys than girls and those located in neighborhoods with higher shares of Black residents average lower quality scores.[10] Funding reimbursement systems based on potentially biased QRIS measures raise serious concerns for downstream discrimination regarding the stratified distribution of funds. If factors unrelated to ECE quality (i.e., the ratio of boys to girls) negatively influence rating calculations, those biases then transfer into detrimental consequences for ratings-based tiered reimbursements.

Implications

While tiered reimbursement funding policies have been linked to quality improvements among early care and education providers, we find these policies to largely uphold—if not amplify—inequities related to racialized and low-income populations. If racial equity in ECE is a policy goal, then current tiered reimbursement models may be ineffective, as our study suggests they distribute more funding to providers serving White children. Teachers are also affected by funding disparities. Upwards of 80 percent of ECE provider revenue goes toward teacher payroll.[11] Because Black and Latinx children are more likely to have Black and Latinx teachers,[12] racial gaps in tiered funding programs may also mean lower average wages for teachers of color.

> Tiered reimbursement funding policies largely uphold—if not amplify—inequities related to racialized and low-income populations.

Several race-conscious policy alternatives to tiered reimbursement are available. For example, home-based providers (i.e., providers using their home as a site to care for others' children) tend to serve Black and Latinx children at higher rates than White children. Home-based providers, however, tend to receive lower quality scores than center-based child care providers, which means home-based providers also receive lower amounts of tiered funding. Likewise, Black and Latinx families are more likely to receive ECE from relatives and neighbors—populations ineligible for any form of tiered funding. Allowing more funds to support home-based and relative and neighbor care may help honor the choices many families make regarding early care and education as well as better support quality ECE for Black and Latinx children.

Raising base rates—the base amount of per-child funding all ECE providers receive for serving children with subsidies—would help ensure all providers have sufficient funding to offer quality care, not just those with high quality ratings. Progressive funding formulas, which are used in K-12 education, are another policy approach for making funding more equitable. Current tiered funding formulas are based on provider type, location, age of children served, and quality ratings; progressive formulas would also consider providers' unique caregiving and educational contexts (e.g., the share of children in poverty they serve) as well as how costs differ for offering high-quality ECE within those contexts. Lastly, QRIS should explicitly include equity indicators, especially if funding continues to be tied to them.[13]

In recent years, Pennsylvania has taken several promising steps toward more equitable ECE funding. The state raised base subsidy rates by a substantial percentage, and has formally committed to equalizing the representative enrollments of Black and White children enrolled with STAR 4 providers. However, with federal funding for ECE from the American Rescue Plan Act expiring, ECE providers may soon experience new funding constraints. The implementation of equitable funding approaches, such as those proposed by this study, will be an essential tool for preventing subsequent funding inequalities, and for ensuring all children have access to quality ECE.

Conclusion

Unequal effects of ostensibly well-intentioned policy have long been part of the U.S. American policy landscape, especially when it comes to racial disparities. Racial biases, prejudiced class ideologies, and discrete (and overt) systems of White privilege have been baked in to law, policy, and practice for so long that they are normalized and thus often unrecognized and unchallenged. Our critical policy analysis suggests that tiered reimbursement policies based on quality ratings systems uphold limitations for ECE providers serving Black and Latinx children, families, and communities. Overcoming these inequities will require equity-oriented and overtly anti-racist alternatives. Substitutes might include substantial increases in base subsidy rates and in funding to home-based and relative and neighbor caregivers as well as the establishment of progressive funding formulas. Doing so would disrupt multi-generational cycles of adaptive discrimination and provide all children with equal access to high-quality early care and education.■

Karen Babbs Hollett holds a doctorate from Pennsylvania State University.

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Sources & Methods

Type of analysis: Critical policy analysis framework.

Data source: de-identified information on ECE subsidy recipients in Pennsylvania.

Sample definition: Child-level data merged with ECE provider-level data.

Time frame: 2014 to 2019.

Limitations: Basing any analysis on QRIS scores as a proxy for provider quality is problematic as scoring mechanisms and infrastructures contain potentially significant biases. STAR ratings are not inherently authentic measures of provider quality (i.e., in our view, lower STAR ratings do not necessarily indicate an absence of quality ECE).

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Social Support Can Mitigate Material Hardship for Families Facing Unstable Child Care Subsidy Use

Jaeseung Kim and Julia R. Henly

TAKEAWAYS

Families with low incomes who receive child care subsidies face high rates of material hardship, with the highest material hardship levels for families with unstable patterns of subsidy use.

Informal social support can mitigate the material hardship of some families with low incomes who are unstable users of child care subsidies.

Policy initiatives designed to stabilize participation in child care subsidy programs may benefit the material well-being of families with low incomes.

Programs designed to bolster informal networks of support among households facing material hardship would be complementary to public investments in formal benefit programs, especially for parents with unstable receipt of child care subsidies.

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Limited access to affordable and quality child care in the United States is a significant impediment to parental employment and household economic well-being. Publicly funded child care subsidies are a central component of the U.S. social welfare system and have helped millions of low-income families pay for child care so they can work and care for their families. However, parents who qualify for child care subsidies because of low household income tend to also face employment and child care instability, which can interfere with stable subsidy enrollment and compromise family economic well-being. Unstable use of child care subsidies may also contribute to material hardships faced by families related to unpaid bills, utility cut-offs, insecure housing, and lack of access to medical care.

In addition to resources from government assistance programs—such as child care subsidies—family members, neighbors, and friends are also an important source of support for families with low incomes. These personal networks of support may supplement government aid while also fill in during periods when government benefits are absent. Thus, government assistance can be seen as part of a continuum of resources ranging from the federal level to the support found within social support networks that help families with low incomes get by during periods of economic and material hardship.

Prior research demonstrates employment and economic benefits of stable subsidy use but does not consider its role in alleviating material hardships. Our goal with this research was to examine how patterns of subsidy instability—from families who exit the subsidy program after a brief or moderate time period without returning, to those who cycle off and back on the program, to those who enjoy stable subsidy program enrollment—may have unique associations to the material hardships that families with low-income experience. We further aimed to understand whether social supports from personal safety nets play a complementary roll during periods of subsidy loss for these families.[1]

> Publicly funded child care subsidies have helped millions of low-income families pay for child care so they can work and care for their families.

Central Concepts

We know from past research that most families using subsidies to help pay for child care stay on the program for a short time—usually a few months or less than a year—even though they may continue facing economic hardship.[2] It is also not uncommon for families to cycle off and back on the program for various reasons. Application processes for the program can be cumbersome and frequent requirements to verify eligibility can be burdensome, making it difficult to maintain consistent enrollment.[3] Because parent employment is often a requirement for subsidy program participation, families experiencing job instability also experience inconsistent subsidy enrollment.[4] Child care disruptions can also lead to subsidy instability, just as subsidy instability can interfere with maintaining stable child care or stable employment.

Material hardship—or the difficulty a family experiences with basic necessities such as housing, food, and medical care—is more prevalent than income poverty. Approximately one-third of children experience material hardship, a rate double that of children who suffer income poverty.[5] Material hardships take many forms and sometimes co-occur, creating compound stressors for families.[6] Stable subsidy receipt over longer spans of time (e.g., a year or more) is associated with higher earnings and economic stability, but subsidy instability can thwart this positive outcome.[7] One contribution of our study was to examine whether findings related to the economic stability goals of the program also extend to material hardship alleviation.

Personal networks of social support are an important resource that help families with limited incomes make ends meet. Personal networks of family, friends, and neighbors can offer practical assistance with children or household chores, job referrals, financial assistance, information and guidance, as well as emotional support. As a coping resource, social support networks buffer against the risks of both typical and unexpected challenges experienced by households with low incomes.[8]

Material hardship—or the difficulty a family experiences with basic necessities such as housing, food, and medical care—is more prevalent than income poverty.

To assess relationships between subsidy stability and material hardship, we collected survey data an average of 18 months after participants' initial enrollment in child care subsidy programs in New York and Illinois (see Sources & Methods, below, for greater detail). Our analysis identified four general patterns of subsidy (in)stability among study participants:

- ***Continuous users***, participants who had consistent subsidy enrollment in the 12 months prior to the interview,
- ***Long-term leavers***, participants who exited the program more than 12 months prior to the interview and had not reenrolled,
- ***Short-term leavers***, participants who exited the program within the 12 months prior to the interview and had not reenrolled, and
- ***Cyclers***, participants who exited the program but reenrolled within the 12 months prior to the interview.

Based on the central concepts above and extending the lessons of prior research, we developed three central hypotheses: (1) parents who experience subsidy instability (e.g., short-term leavers, long-term leavers, and cyclers) are at a higher risk of material hardship compared to stable subsidy users; (2) parents with greater perceived social support experience a lower risk of material hardship; and (3) the positive effect of social support is strongest among short-term leavers and cyclers.

Correlates of Subsidy (In)Stability Patterns

Compared to continuous users of the child care subsidy system, long-term leavers were more likely to live with a partner, have an older child, and rely on informal child care options, such as a relative or neighbor. Long-term leavers also tended to experience more employment instability, greater child care instability, and more material hardship compared to continuous users. Overall, short-term leavers reported similar characteristics as long-term leavers. However, short-term leavers tended to change child care providers more often and to face even more employment instability than long-term leavers. Compared to both continuous users and long-term leavers, short-term leavers also more commonly faced financial credit hardship. Households we labeled cyclers shared similar characteristics as continuous users, such as a higher proportion of single mothers and increased reliance on center-based child care. However, similar to short-term leavers, cyclers also experienced less stable employment and changed child care providers more often than continuous users.

Key Multivariate Findings

Subsidy recipients—regardless of whether they are continually enrolled, long-term leavers, short-term leavers, or cycle off and on the program—tend to face significant hardship in meeting basic household needs. Statistical analysis of our data showed that continuous subsidy recipients, the most stable subsidy users of our four categories, reported the least overall risk of material hardship. As expected, long-term leavers, followed by short-term leavers, reported greater risks of severe material hardship compared to continuous users. Given their elevated risk of material hardship, our findings suggest that neither long-term or short-term leavers left the program because they were on a path to economic security, but for other reasons. This finding deserves more attention in future studies that follow households over a longer period than was available with these data.

Of all groups, households cycling off and on the subsidy program consistently demonstrated the highest risks of material hardship. This likely results from multiple forms of instability—losing employment then needing to start a new job, with potentially different work schedules, thus compounding the need for alternative child care arrangements that may also contribute to new financial stressors, for example.[9]

Personal safety nets can be critical supports to families struggling to meet basic needs. Among our survey participants, perceived availability of support among friends and family was directly connected to lower material hardship risks. In addition, the stress-buffering role of social support networks appear to have been particularly helpful to reduce the risk of material hardship among our category of short-term leavers.

> Personal safety nets of family and friends can be crucial in lessening material hardship for families navigating the uncertainty of job loss, child care instability, child care subsidy instability, and other stressors in low-income households.

Implications

This is one of the few studies to explore relationships between subsidy stability and material hardship. Moreover, unique from most other studies, we consider four types of (in)stability to represent the different patterns of subsidy utilization in our sample. The study provides a foundation from which to further explore the dynamic patterns of child care subsidy use and how household economic well-being shifts in response to unanticipated financial shocks such as public-benefit loss, job loss, housing insecurity, or changes in child care providers. Including data about social support from personal networks also helps us move past an exclusive focus on public programs to a more holistic understanding of the types of support families use to cope with economic stressors, especially in the face of inconsistent support from public benefits. We found that personal safety nets of family and friends can be a crucial support that lessens material hardship for families navigating the uncertainty of job loss, child care instability, child care subsidy instability, and other stressors in low-income households.

Policy efforts designed to make child care and early education more affordable to families may also help these families meet their basic necessities and avoid material hardship. To realize this objective, however, more policy attention should be paid to ensure stable enrollment for families using the child care subsidy program. For families facing subsidy instability, housing assistance may be particularly helpful in mitigating further material hardship. Finally, this work suggests the positive role of programs designed to help family members strengthen social ties and personal networks of support as a buffer against material hardship and the sudden loss of government programs.■

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Sources & Methods

Type of analysis: Descriptive and multivariate analysis of survey data.

Data source: Telephone survey data from the Illinois-New York Child Care Research Partnership Study surveying a random sample of 612 child care subsidy recipients. Analytic sample included 543 respondents providing information on their experiences with material hardship and subsidy trajectories.

Sample definition: Newly enrolled child care subsidy program participants in New York (i.e., Westchester and Nassau Counties) and Illinois (i.e., Cook County and seven southwestern Illinois counties) using the subsidy for at least one child not yet of kindergarten age.

Time frame: Data collected in 2011-2012.

Limitations: New York subsidy recipients, overall, had longer subsidy spells and were less likely to end participation during the observation period, compared to cases in the sample frame. As such, results may over-estimate the length of subsidy receipt among families from the two New York counties assessed here. The 69 cases excluded because of incomplete information were statistically more likely to have experienced unstable employment and changes in child care providers than the other sampled cases. As employment and child care instability are both associated with subsidy instability, results may underestimate effects of subsidy instability on material hardship.

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