

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

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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

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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

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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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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 overestimate 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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