Measuring Effective Marginal Tax Rates with Administrative Data

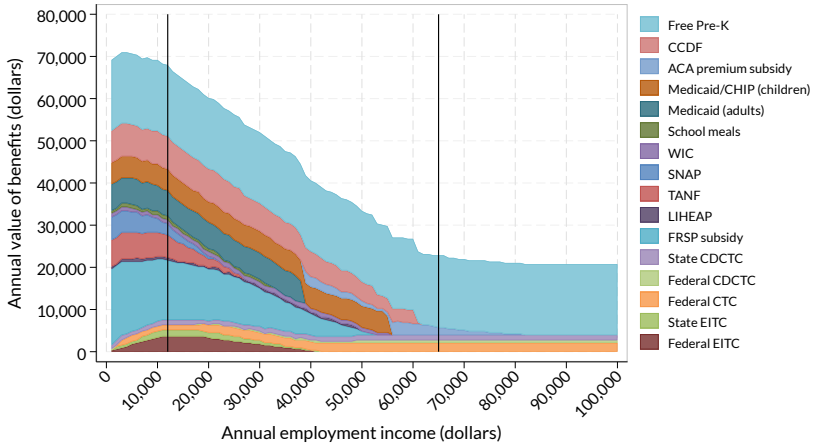
Matthew Unrath

Sol Price School of Public Policy
University of Southern California

The U.S. Census Bureau has reviewed this data product to ensure appropriate access, use, and disclosure avoidance protection of the confidential source data used to produce this product (Data Management System (DMS) number: P-7503840 (P-7505713); Disclosure Review Board (DRB) approval number: CBDRB-FY27-SEHSD003-010).

Benefit cliffs and phase-outs

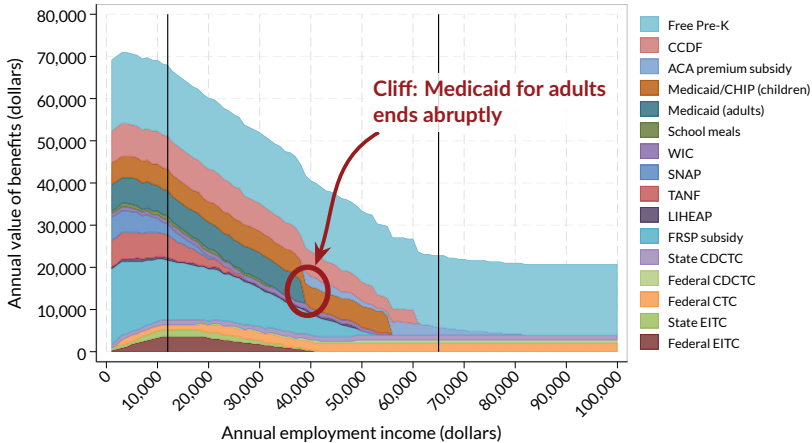
Value of benefits by earnings: single adult with one child (age 3), District of Columbia (Ilin and Sanchez, 2023)



Source: Policy Rules Database (Ilin and Terry, 2021b). Recreated from Federal Reserve Bank of Atlanta (2023), Figure 1.

Benefit cliffs and phase-outs

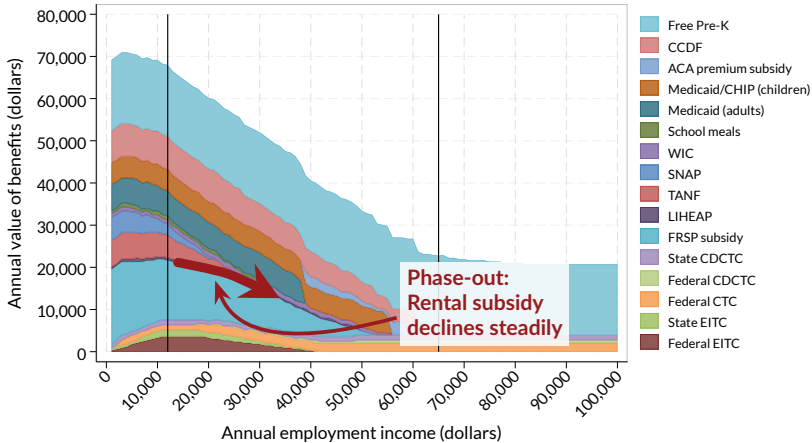
Value of benefits by earnings: single adult with one child (age 3), District of Columbia (Ilin and Sanchez, 2023)



Source: Policy Rules Database (Ilin and Terry, 2021b). Recreated from Federal Reserve Bank of Atlanta (2023), Figure 1.

Benefit cliffs and phase-outs

Value of benefits by earnings: single adult with one child (age 3), District of Columbia (Ilin and Sanchez, 2023)



Source: Policy Rules Database (Ilin and Terry, 2021b). Recreated from Federal Reserve Bank of Atlanta (2023), Figure 1.

Effective Marginal Tax Rate

The portion of an extra dollar of income that is lost due to higher taxes and reductions in government benefits.

Bipartisan concern about benefit cliffs

“Say you’re a single mom with one kid. You’re making the minimum wage. You get food stamps, Medicaid, housing assistance, and the Earned Income Tax Credit. And then you find a job that pays $3 per hour more. When you add up all the money you’ll lose in taxes and benefit cuts, **you may keep only 10 cents of every extra dollar you make**. Financially, there’s just no reason to take that job."

-Rep. Paul Ryan, 2015

“Talk with virtually anyone dealing with food insecurity in America today and you will hear a frustrating story about benefit cliffs, which **completely cut people off from assistance the moment they make just a dollar over some arbitrary program limit**."

-Rep. Jim McGovern, 2025

Questions

1. How many workers face the steepest benefit phase-outs and cliffs, and for how long?
2. Which families face the highest EMTRs, and which policies are most important?
3. How much do measurement choices affect these EMTR estimates?

Motivation

Approach 1: Hypothetical family, simulate eligibility and assume full take-up.
Maag, 2012; CBO, 2015; Ilin et al, 2023.

- Problem: Incomplete take-up. Currie, 2004.

Motivation

Approach 1: Hypothetical family, simulate eligibility and assume full take-up.
Maag, 2012; CBO, 2015; Ilin et al, 2023.

- Problem: Incomplete take-up. Currie, 2004.

Approach 2: Use surveys.
Kosar and Moffitt, 2017; Giannarelli, 2019; Altig et al, 2024.

- Problem: Underreporting of transfers. Meyer and Sullivan, 2015; Meyer and Mittag, 2019.
- Problem: Imputing benefits to the wrong households. Fox, Rothbaum and Shantz, 2020.
- Problem: Misreported earnings. Abowd and Stinson, 2013; Bollinger et al, 2019; Bee et al, 2013.

Motivation

Approach 1: Hypothetical family, simulate eligibility and assume full take-up.
Maag, 2012; CBO, 2015; Ilin et al, 2023.

- Problem: Incomplete take-up. Currie, 2004.

Approach 2: Use surveys.
Kosar and Moffitt, 2017; Giannarelli, 2019; Altig et al, 2024.

- Problem: Underreporting of transfers. Meyer and Sullivan, 2015; Meyer and Mittag, 2019.
- Problem: Imputing benefits to the wrong households. Fox, Rothbaum and Shantz, 2020.
- Problem: Misreported earnings. Abowd and Stinson, 2013; Bollinger et al, 2019; Bee et al, 2013.

Answer: Administrative data can help address non-response and misreporting.

Key Contribution: Linked Data

National Experimental Well-Being Statistics: Multi-year project at the U.S. Census Bureau to improve accuracy of income and poverty statistics using linked admin and survey records.

Key Contribution: Linked Data

National Experimental Well-Being Statistics: Multi-year project at the U.S. Census Bureau to improve accuracy of income and poverty statistics using linked admin and survey records.

Administrative data

Earnings: W-2s; 1099-MISCs; 1099-NECs

Tax Filings: Form 1040s

Transfer and Social Insurance Programs:

- SNAP (20+ states), TANF (40+ states), WIC (12+ states)
- Federal housing assistance
- Social Security, SSDI, SSI
- Medicaid and Medicare enrollment
- Annual UI receipt (1099-G)

Survey Data

CPS ASEC (March CPS) $\rightarrow$ Source of official income and poverty estimates

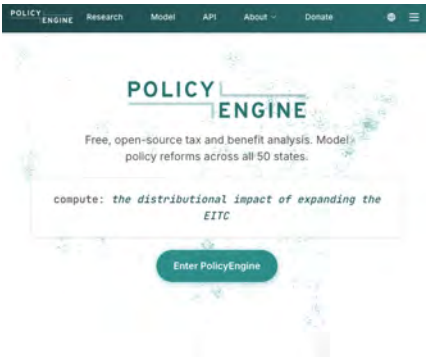
$\sim$70,000 households asked about income in the prior calendar year

Adjusted for misreporting and non-response

Methodology

Methodology

PolicyEngine. Open-source microsimulation tool modeling U.S. tax and transfer rules.



Methodology

PolicyEngine. Open-source microsimulation tool modeling U.S. tax and transfer rules.

Collects parameters for:

1. federal and state income tax policies
2. federal, state and local benefit programs.

$\Longrightarrow$ Allows users to model family- and state-specific benefit phase-outs, kinks and cliffs.

Taxes

- Federal income tax
- State income taxes
- FICA
- EITC and CTC

Means-tested transfers

- SNAP ▸ details
- SSI + SSP ▸ details
- TANF ▸ details
- Federal housing assistance ▸ details
- NSLP + WIC
- Child care subsidies ▸ details

Health coverage

- Medicaid / CHIP ▸ details
- ACA premium tax credits ▸ details

Computing an EMTR

Single parent, two children, Texas, 2018

		Taxes paid			Benefits and credits received				
	Earnings	**Payroll**	**Federal**	**State**	**EITC + CTC**	**SNAP**	**Housing**	**TANF**	**Net**
Baseline	$20,000	$1,530	$0		$8,059	$1,824			$28,353

Example 2 Example 3

Computing an EMTR

Single parent, two children, Texas, 2018

		Taxes paid			Benefits and credits received				
	Earnings	**Payroll**	**Federal**	**State**	**EITC + CTC**	**SNAP**	**Housing**	**TANF**	**Net**
Baseline	$20,000	$1,530	$0		$8,059	$1,824			$28,353
Simulation	$21,000	$1,607	$0		$7,998	$1,584			$28,975

Example 2 Example 3

Computing an EMTR

Single parent, two children, Texas, 2018

		Taxes paid			Benefits and credits received				
	Earnings	**Payroll**	**Federal**	**State**	**EITC + CTC**	**SNAP**	**Housing**	**TANF**	**Net**
Baseline	$20,000	$1,530	$0		$8,059	$1,824			$28,353
Simulation	$21,000	$1,607	$0		$7,998	$1,584			$28,975
Change	**+$1,000**	**+$77**	**$0**		**−$61**	**−$240**			**+$622**

Keeps $622 of the extra $1,000 $\Rightarrow$ $\text{EMTR} = 1 - \frac{622}{1{,}000} = \mathbf{38\%}$

Example 2 Example 3

Methodology

PolicyEngine. Open-source microsimulation tool modeling U.S. tax and transfer rules.

Collects parameters for:

1. federal and state income tax policies
2. federal, state and local benefit programs.

$\Longrightarrow$ Allows users to model family- and state-specific benefit phase-outs, kinks and cliffs.

Taxes

- Federal income tax
- State income taxes
- FICA
- EITC and CTC

Means-tested transfers

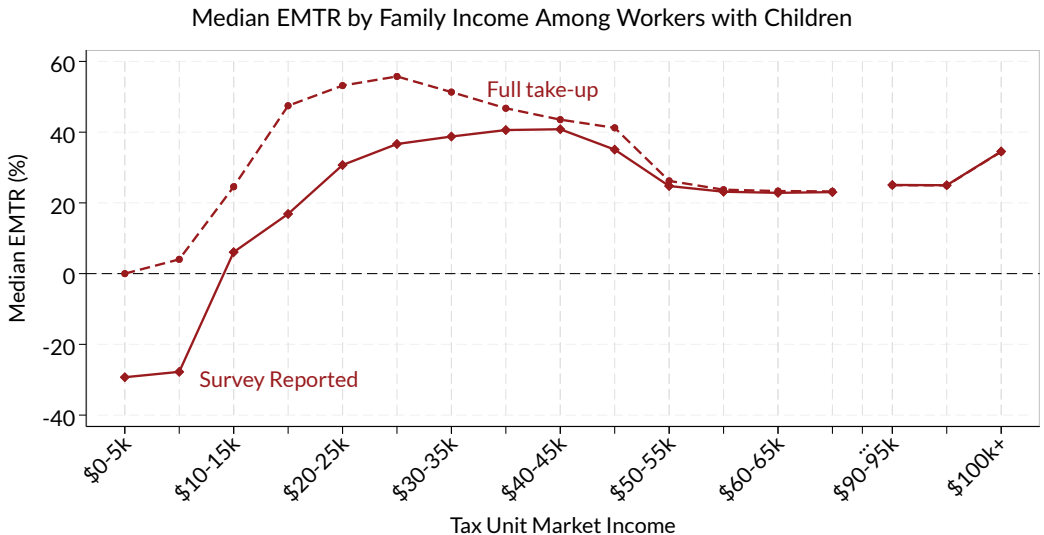
- SNAP ▸ details
- SSI + SSP ▸ details
- TANF ▸ details
- Federal housing assistance ▸ details
- NSLP + WIC
- Child care subsidies ▸ details

Health coverage

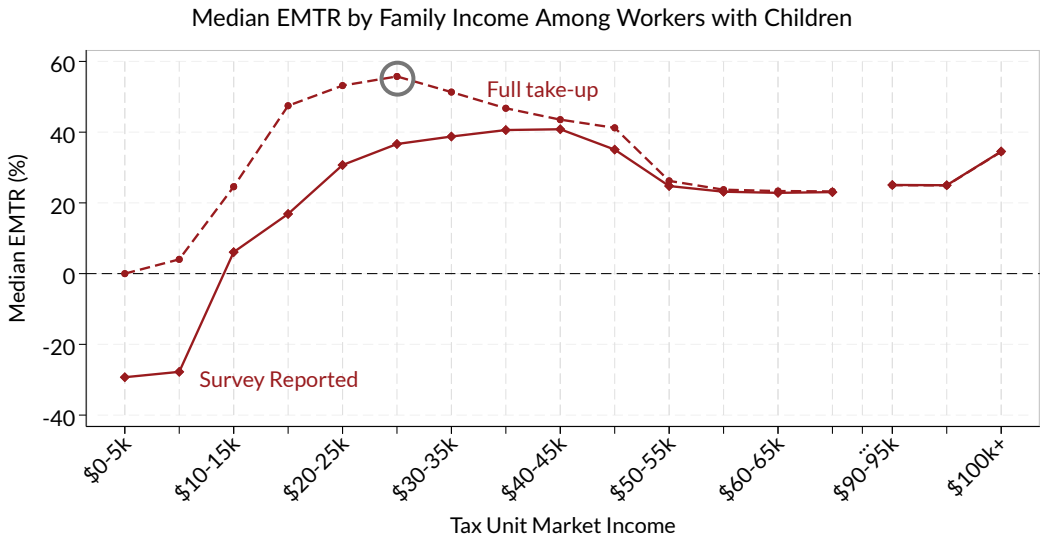
- Medicaid / CHIP ▸ details
- ACA premium tax credits ▸ details

Results

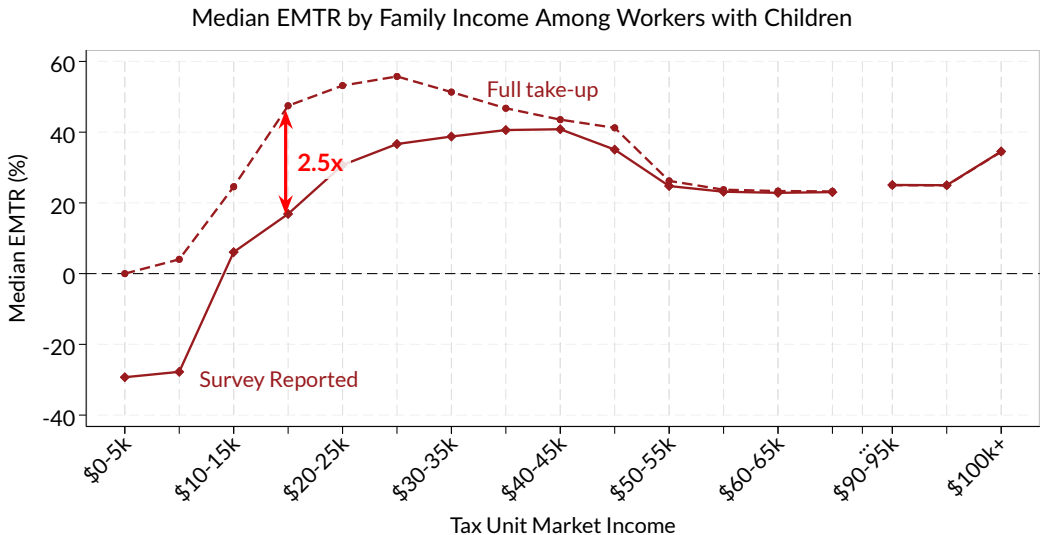
1. Participation assumptions drive EMTR estimates



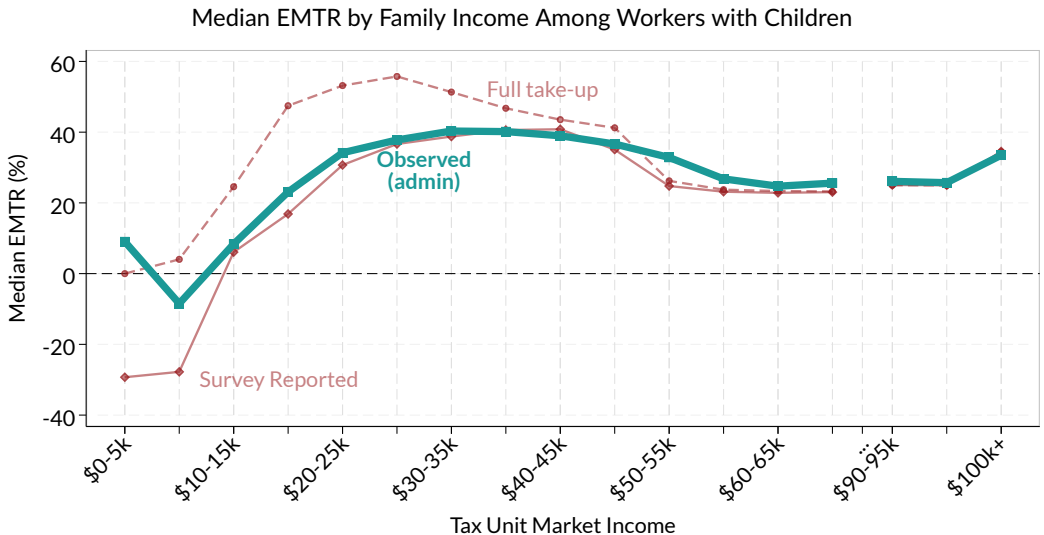
1. Participation assumptions drive EMTR estimates



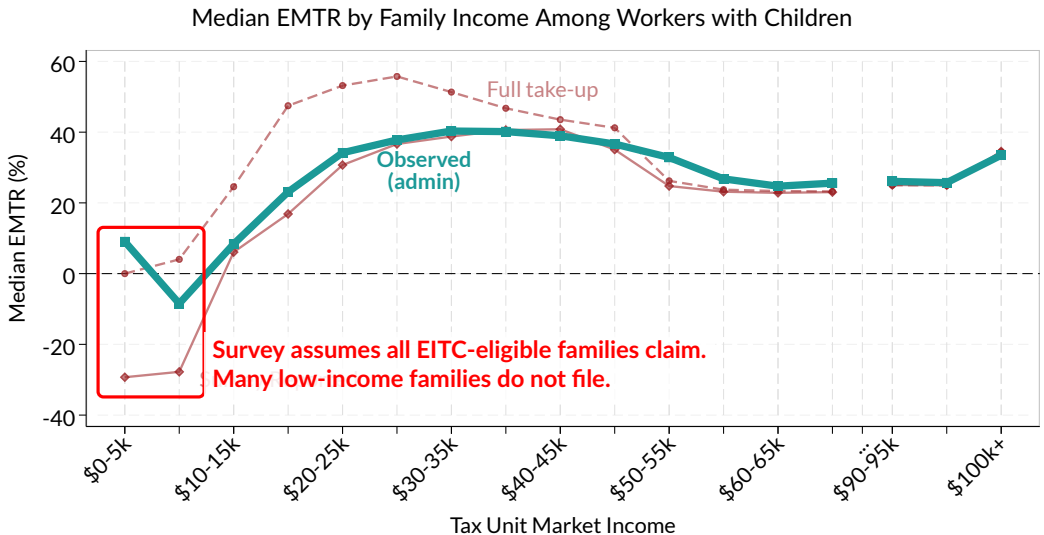
1a. Corrected estimates in line with survey reports



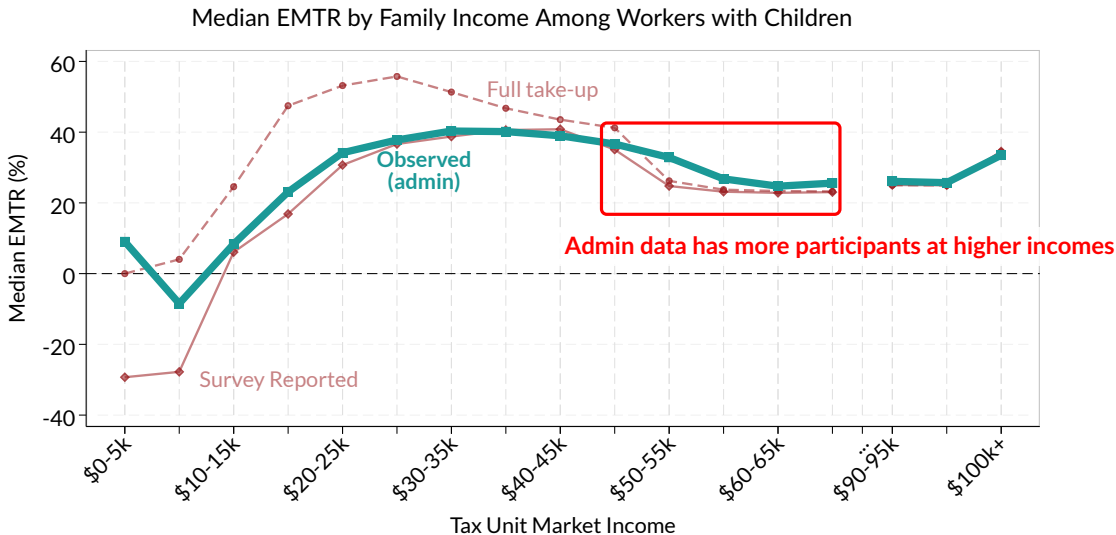
1a. Corrected estimates in line with survey reports...but not exactly



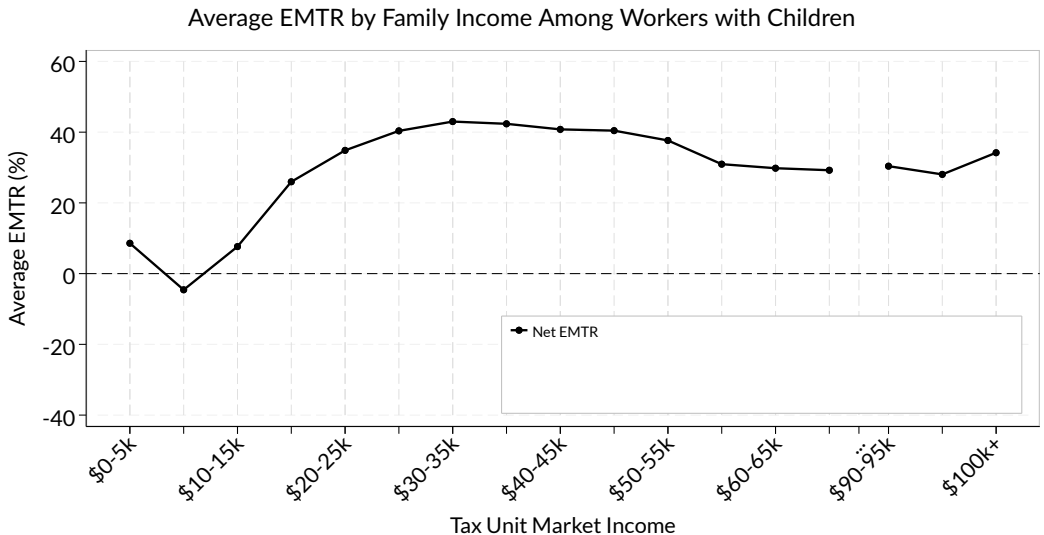
1a. Corrected estimates in line with survey reports...but not exactly



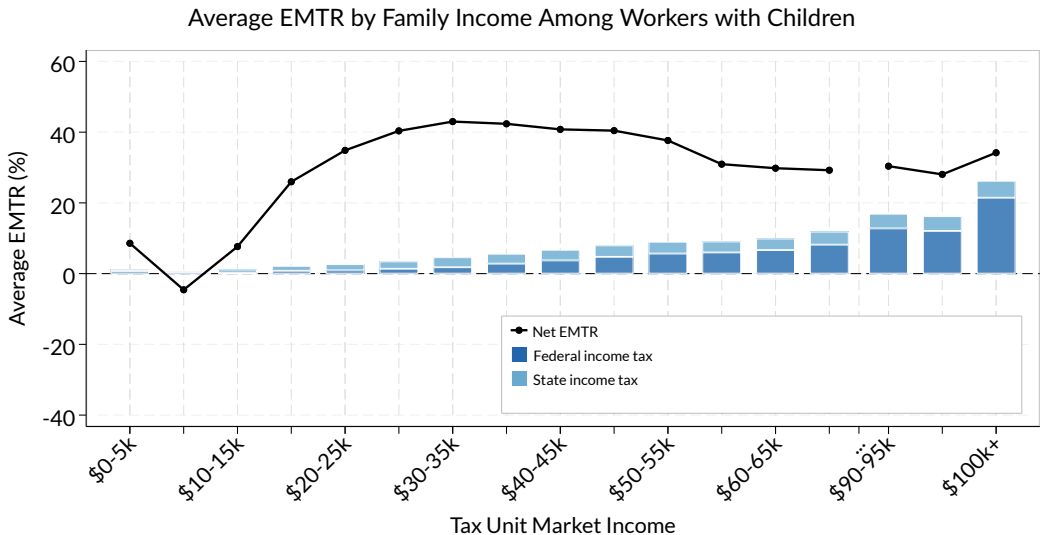
1a. Corrected estimates in line with survey reports...but not exactly



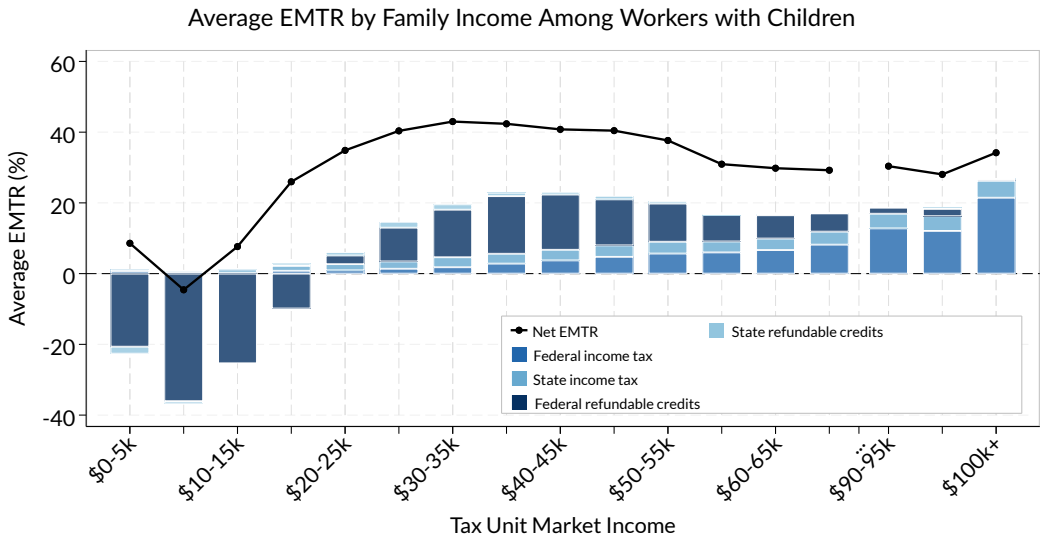
2. Each policy's contribution to EMTR depends on tax rate *and reach*



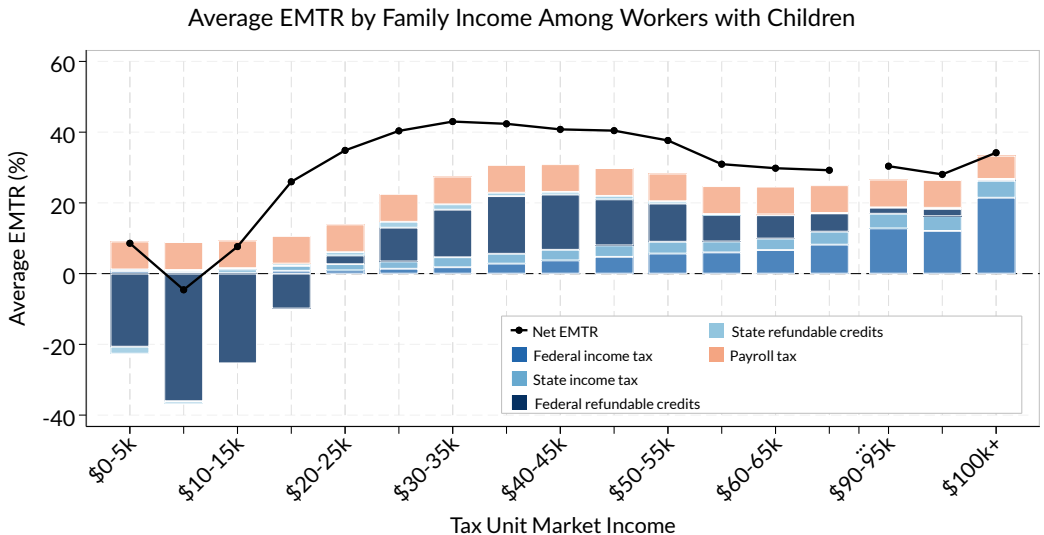
2. Each policy's contribution to EMTR depends on tax rate *and reach*



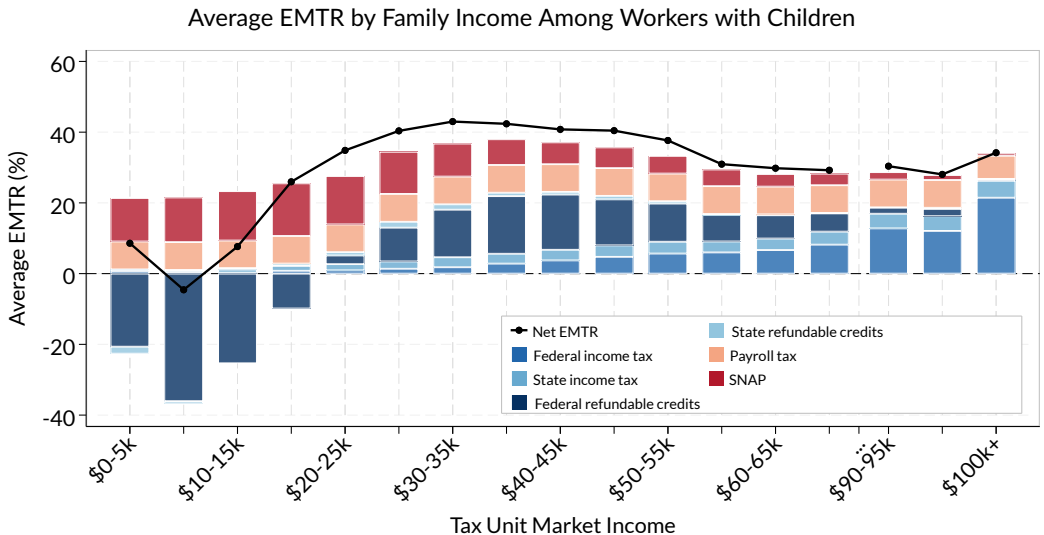
2. Each policy's contribution to EMTR depends on tax rate *and reach*



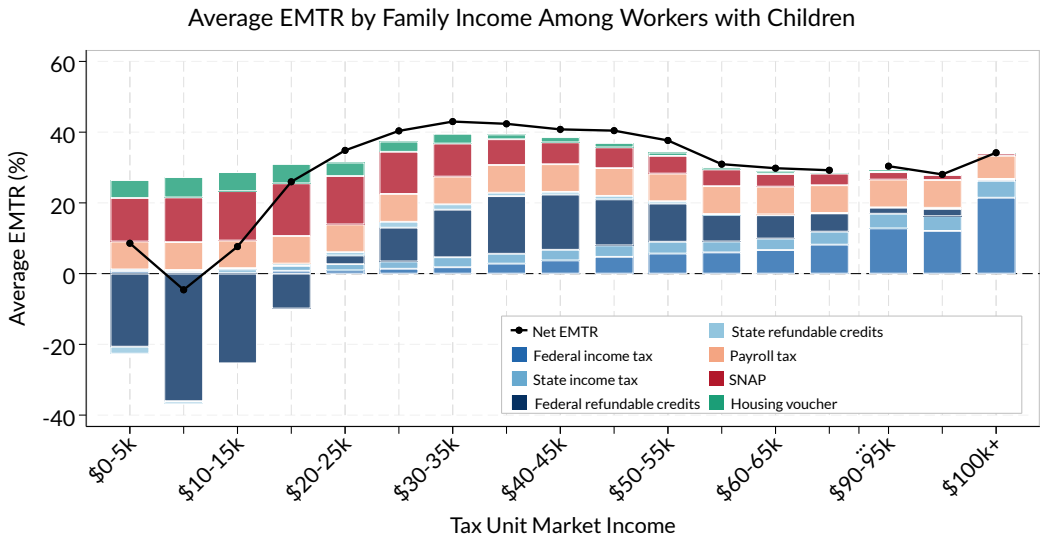
2. Each policy's contribution to EMTR depends on tax rate *and reach*



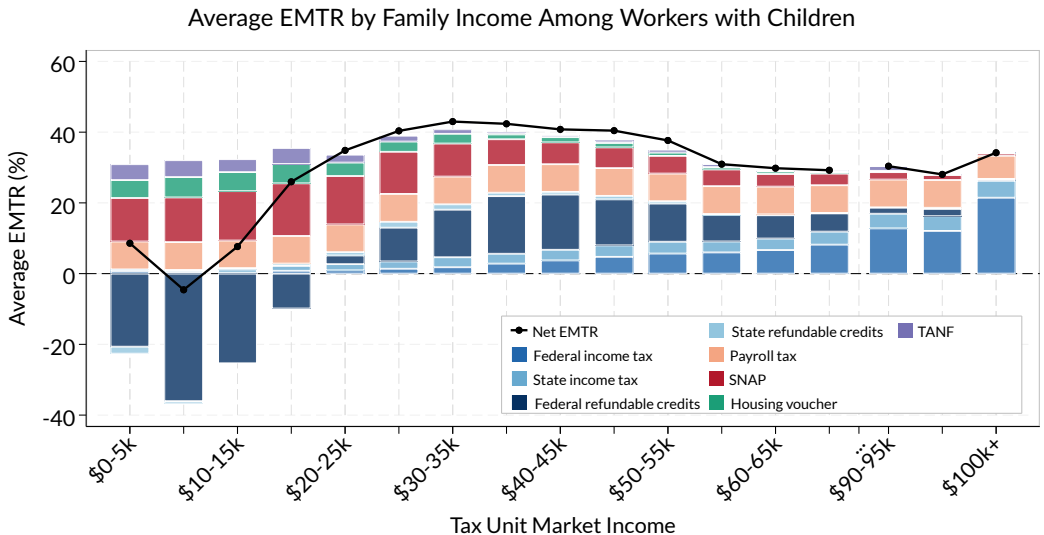
2. Each policy's contribution to EMTR depends on tax rate *and reach*



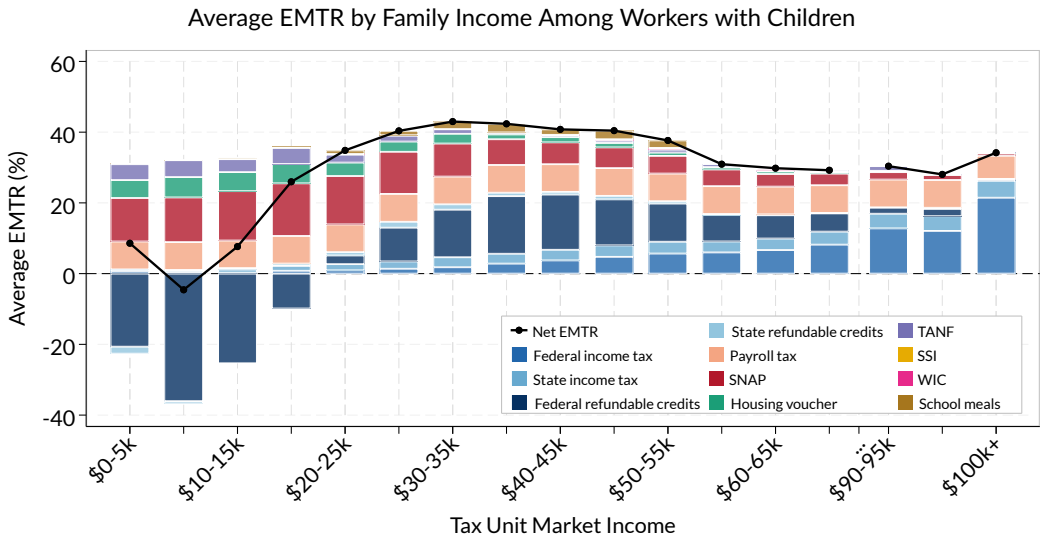
2. Each policy's contribution to EMTR depends on tax rate *and reach*



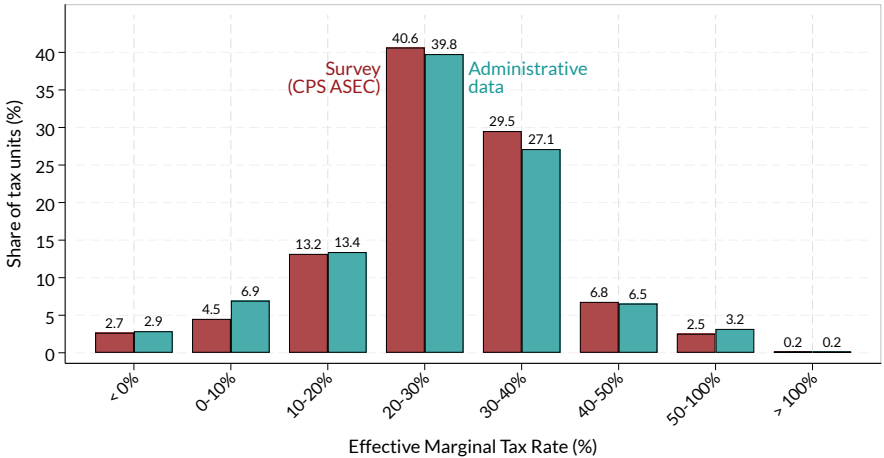
2. Each policy's contribution to EMTR depends on tax rate *and reach*



2. Each policy's contribution to EMTR depends on tax rate *and reach*

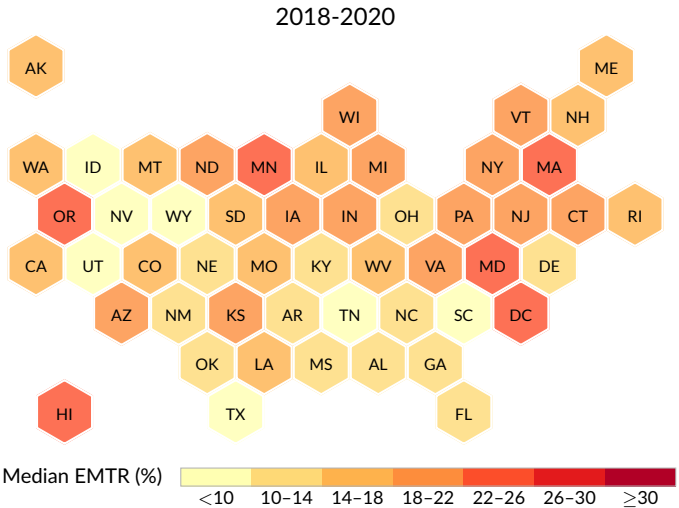


3. EMTRs above 100% are not common



With health | Below-median income | With children

4. Geographic variation in low-income families' EMTRs

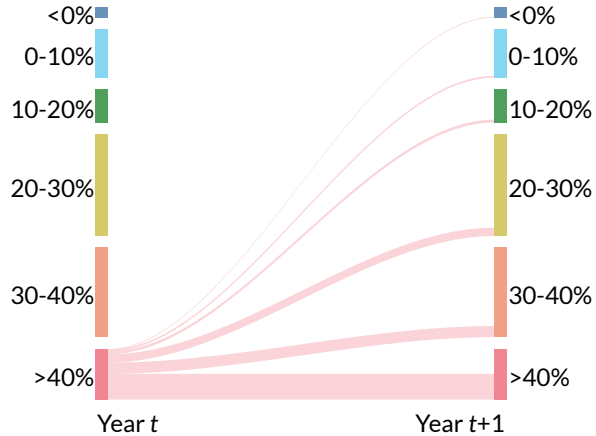


State policy choices:

- SNAP BBCE
- State income taxes
- State refundable tax credits
- Universal school meals
- Medicaid/CHIP eligibility
- TANF disregards

5. Do families face the same tax incentives year over year?

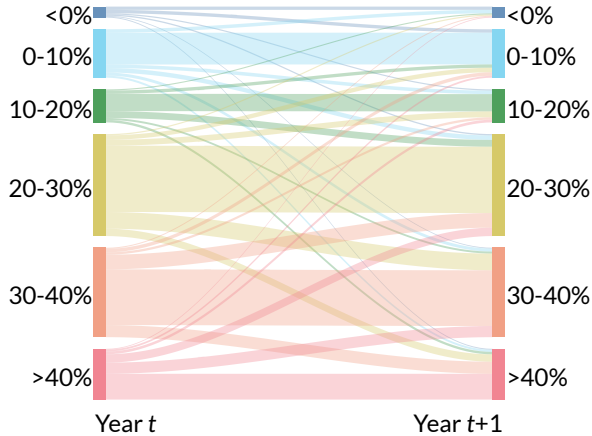
1. Half of households facing an EMTR above 40% face a lower tax rate next year.



5. Do families face the same tax incentives year over year?

1. Half of households facing an EMTR above 40% face a lower tax rate next year.

2. Persistence is comparable across EMTR levels.



Wrapping up

Thank you!

Matthew Unrath
Sol Price School of Public Policy
University of Southern California
unrath@usc.edu

Takeaways

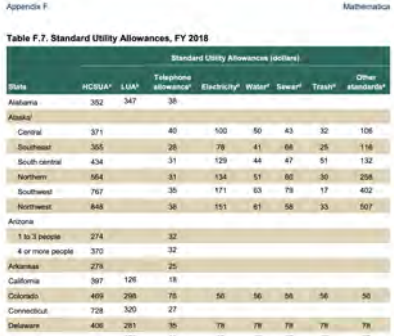
1. **Benefit phase-outs matter for low-income households**
   - → Many lower-income households face higher EMTRs than higher-income households
2. **Measurement matters**
   - → Admin data can address issues with prior research (incomplete take-up, misreporting, imputations)
   - → Hypothetical EMTRs overstate the tax rates that typical families face.
   - → EMTRs above 100% are not common
3. **Next steps: universe administrative data**
   - → Detailed variation across places, family types, and years
   - → Behavioral responses at household-specific cliffs and kinks

Appendix

SNAP

In PolicyEngine

- Federal schedule: allotments, deductions, income and asset tests (FY2016 on)
- Utility allowances for 51 states and regions, FY2010 on
- State options: categorical-eligibility (BBCE) income and asset limits, medical and child-support deductions, minimum allotments, ABAWD rules, emergency allotments 2020–23



Appendix F Mathematica

Table F.7. Standard Utility Allowances, FY 2018

	Standard Utility Allowances (dollars)							
State	HCBUA[a]	LUA[b]	Telephone allowance[c]	Electricity[d]	Water[e]	Sewer[f]	Trash[g]	Other standards[h]
Alabama	352	347	38					
Alaska[i]								
Central	371		40	100	50	43	32	106
Southeast	365		26	78	41	68	25	116
South central	434		31	129	44	47	51	132
Northern	564		31	134	51	80	30	256
Southwest	767		35	171	63	78	17	402
Northwest	848		36	151	61	58	33	507
Arizona								
1 to 3 people	274		32					
4 or more people	370		32					
Arkansas	276		25					
California	397	126	18					
Colorado	469	298	75	56	56	56	56	56
Connecticut	728	320	27					
Delaware	406	281	35	78	78	78	78	78

In our estimates

- Income years 2018–2024, each year's rules at December
- Reported recipients placed on this schedule: 0 inside the deductions, the 24% statutory slope where the benefit falls

Modeled policies

SSI and state supplements (SSP)

In PolicyEngine

- Federal SSI: benefit rate, living arrangements, income exclusions, $1-for-$2 phase-out, resource limits, couple rules
- State supplements by category and living arrangement: 30 states and DC in the current release (Oct. 2026)
- Our build carries 19: AK, AL, CA, CO, CT, DC, DE, GA, IN, KS, KY, MA, ME, MI, MO, NM, SC, TX, WA



In our estimates

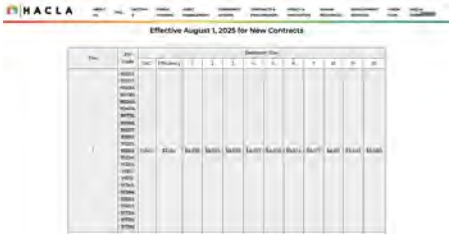
- Reported recipients placed on each member's own federal + state schedule

Modeled policies

HUD housing assistance

In PolicyEngine

- Housing Choice Voucher: county Fair Market Rents, Section 8 income limits (3,237 counties), 30% tenant payment, HUD deductions
- One FMR vintage (FY2025) in our build; FY2026 and ZIP-level FMRs in the current release
- PHA schedules so far: payment standards for Texas, utility allowances for LA County and parts of Texas and Kansas



In our estimates

- County is missing for most ASEC households, so FMRs are assigned at state × metro; FY2025 rents in every year
- Our own extraction covers 160+ PHAs (screenshot); not yet in PolicyEngine

Modeled policies

Medicaid, CHIP, and ACA subsidies

In PolicyEngine

- Medicaid income limits for all 51 states in eight categories (children by age, pregnant, parents, expansion adults, aged / disabled), 2015 on; medically needy limits
- CHIP: child income limits and age caps by state; 5% cost-sharing cap
- ACA: benchmark silver premiums by state $\times$ rating area $\times$ age; required-contribution schedule

In our estimates

- Medicaid valued at MACPAC FY2023 spending per enrollee in the person's group, CHIP at PolicyEngine's per-capita amount, both $\times$ a willingness-to-pay share of 0.5
- Modeled as a coverage cliff at the threshold; results shown with and without health coverage

Modeled policies

TANF

In PolicyEngine

- All 51 state programs: payment and need standards, earned-income disregards, benefit-reduction rates, resource and time limits
- Parameter histories reach the 1990s in most states
- TANF-funded non-cash programs carry SNAP's categorical-eligibility limits

In our estimates

- Income years 2018–2024; reported recipients on the state's own schedule: 0 inside the disregard, then the state's benefit-reduction rate (CA 50%, GA 90%, TX ≈20%, CT a cliff)
- Receipt is reported per person; the grant is computed for the family and attributed to the earner's tax unit

Child care subsidies (CCDF): not yet in the estimates

In PolicyEngine

- All 51 state programs in the current release: copayment schedules, eligibility ceilings (up to 85% of state median income), provider rate ceilings
- Histories are shallow: 10 states have no parameter dated before 2024, 8 more begin in 2022–23; our build carries 19 programs

Why not yet

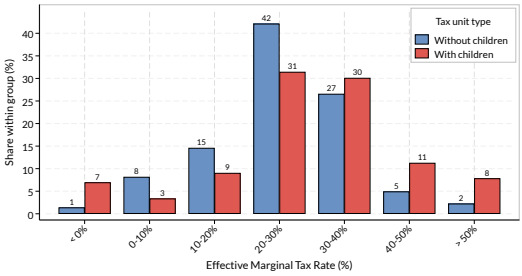
- A 2018–2023 national series would need backfilled state rules
- The ASEC lacks care hours and provider type, and reports expenses net of subsidy
- The Child and Dependent Care Credit already enters through the income tax

Modeled policies

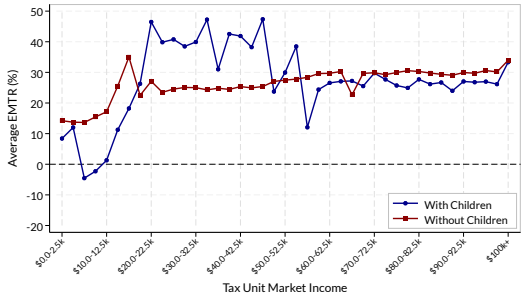
Adding health coverage

Administrative data, income year 2018; includes Medicaid/CHIP and ACA premium tax credits

EMTR distribution, by presence of children



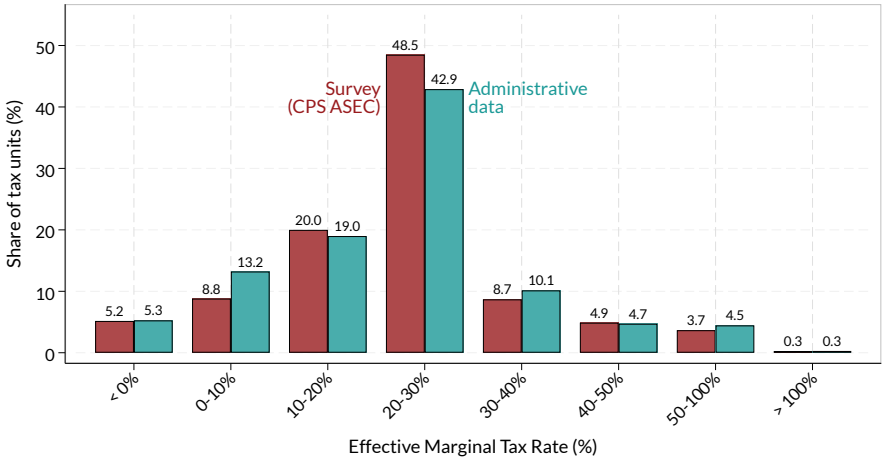
Mean EMTR by market income, workers



Without health coverage

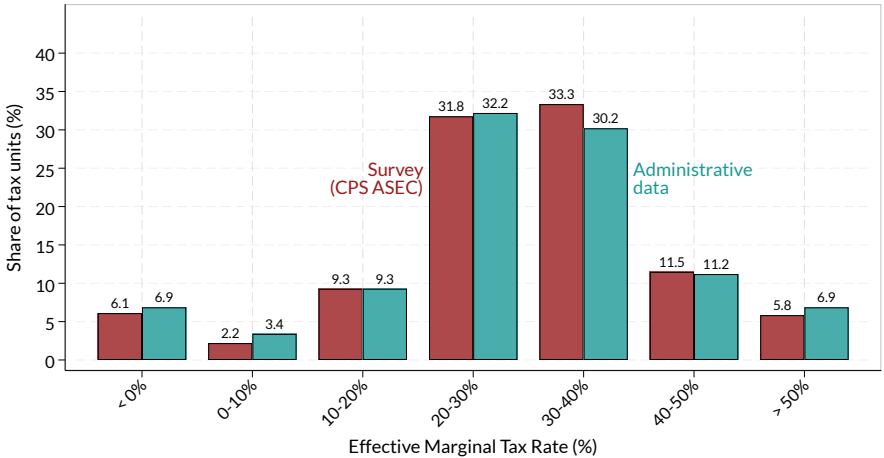
Without health coverage

EMTR distribution: units below median market income



Back

EMTR distribution: units with children



Back

Qualifications

- Conditioning on participation may understate the work disincentives these programs create
  - Some families may not enroll *because of* these high tax rates
- Benefits are set on monthly income, but we mostly observe annual income
  - We assume earnings are spread evenly across the year
- EMTRs are measured for tax units
  - Tax units don't always match SNAP households or housing-assistance units

Computing an EMTR

Married couple, one child, Illinois, 2018

		Taxes paid			Benefits and credits received				
	Earnings	**Payroll**	**Federal**	**State**	**EITC + CTC**	**SNAP**	**Housing**	**TANF**	**Net**
Baseline	$22,000	$1,683	$0	$759	$5,484	$1,344	$7,944		$34,330
Simulation	$23,000	$1,760	$0	$808	$5,484	$1,104	$7,644		$34,664
Change	**+$1,000**	**+$77**	**$0**	**+$49**	**$0**	**−$240**	**−$300**		**+$334**

Keeps $334 of the extra $1,000 $\Rightarrow$ $\text{EMTR} = 1 - \frac{334}{1{,}000} = \mathbf{67\%}$

Back

Computing an EMTR

Married couple, one child, Virginia, 2018: higher earnings

		Taxes paid			Benefits and credits received				
	Earnings	**Payroll**	**Federal**	**State**	**EITC + CTC**	**SNAP**	**Housing**	**TANF**	**Net**
Baseline	$44,000	$3,366	$19	$1,848	$379		$1,344		$40,490
Simulation	$45,000	$3,443	$139	$1,897	$190		$1,044		$40,755
Change	**+$1,000**	**+$77**	**+$120**	**+$49**	**−$189**		**−$300**		**+$265**

Keeps $265 of the extra $1,000 $\Rightarrow$ $\text{EMTR} = 1 - \frac{265}{1{,}000} = \mathbf{74\%}$

Back

UNC SCHOOL OF SOCIAL WORK

Center for Social Development

BROWN SCHOOL AT WASHINGTON UNIVERSITY

Benefits Cliffs: Low-Wage Worker Experiences

Mathieu Despard, UNC-Chapel Hill

Senior Researcher, Center for Social Development

October 28, 2026

Workforce Economic Inclusion & Mobility Study

3
waves

Nov 2023
Jun 2024
Nov 2024
fielded

NORC AmeriSpeak
probability panel

Cross-sectional sample N=2,400

Panel sample: N=1,600

- Nationally representative panel of workers under 250% FPL.
- Multi-step weighting for non-response, sampling probabilities, and alignment to the U.S. population.

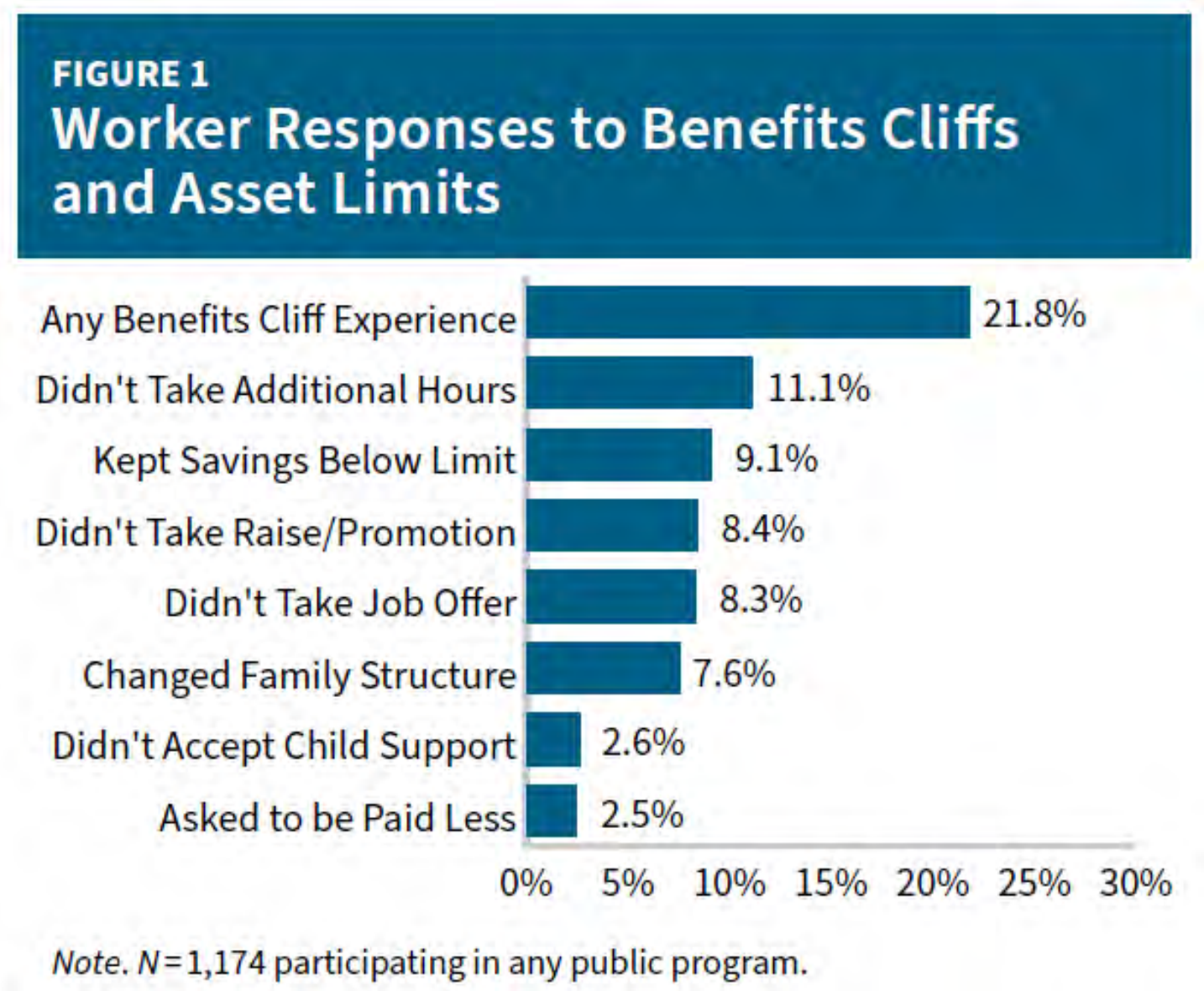
Support: JPMorganChase Foundation.

See: https://csd.wustl.edu/items/workforce-economic-inclusion/

Benefit Cliff Responses

"At any time that you have been enrolled in any of these programs, have you ever done any of the following to make sure you would continue to receive benefits?"

(11 different programs)



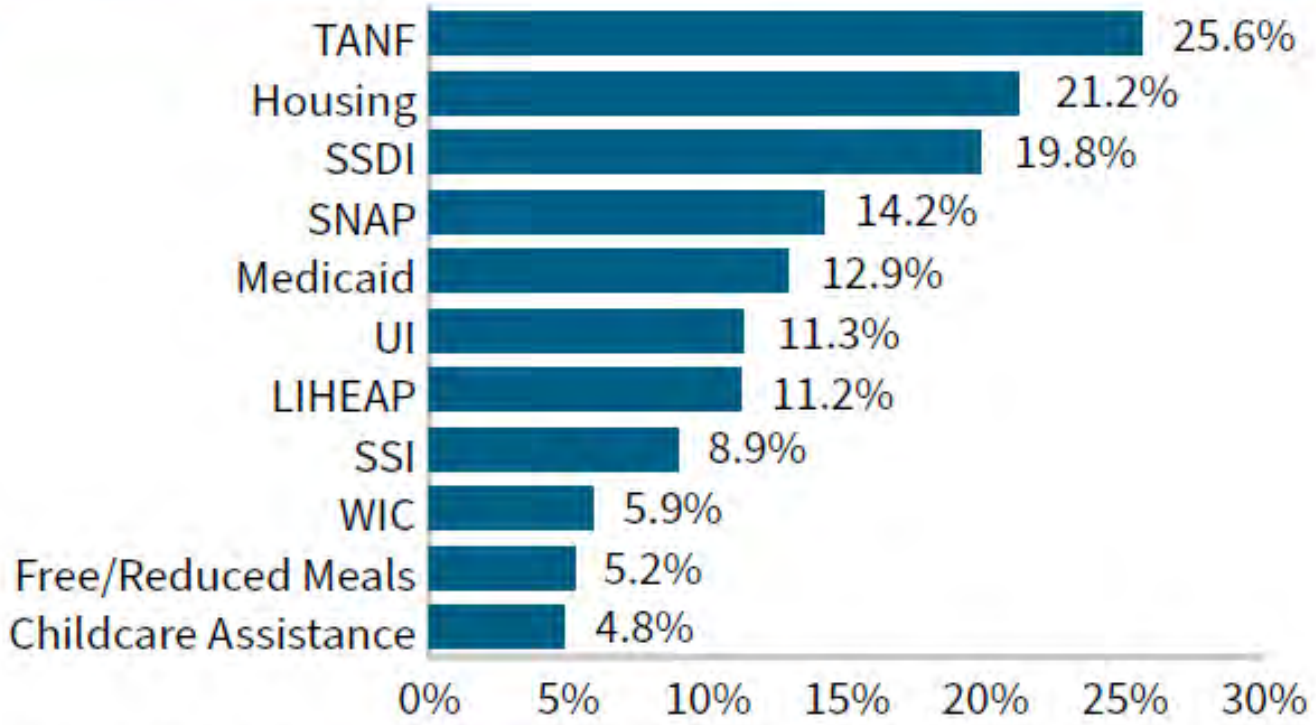
Associated Programs

Currently receiving:

School meals:	39%
Medicaid:	34%
TANF:	2%
Unemployment:	2%

FIGURE 3

The Programs Associated With Benefits Cliff Experiences



Note. TANF = Temporary Assistance for Needy Families; SSDI = Social Security Disability Insurance; SNAP = Supplemental Nutrition Assistance Program; UI = Unemployment Insurance; LIHEAP = Low-Income Home Energy Assistance Program; SSI = Supplemental Security Income; and WIC = Special Supplemental Nutrition Program for Women, Infants, and Children. *N* varies by program participation, ranging from 42 to 734.

Disproportionate Impacts

Cliff experiences more likely among:

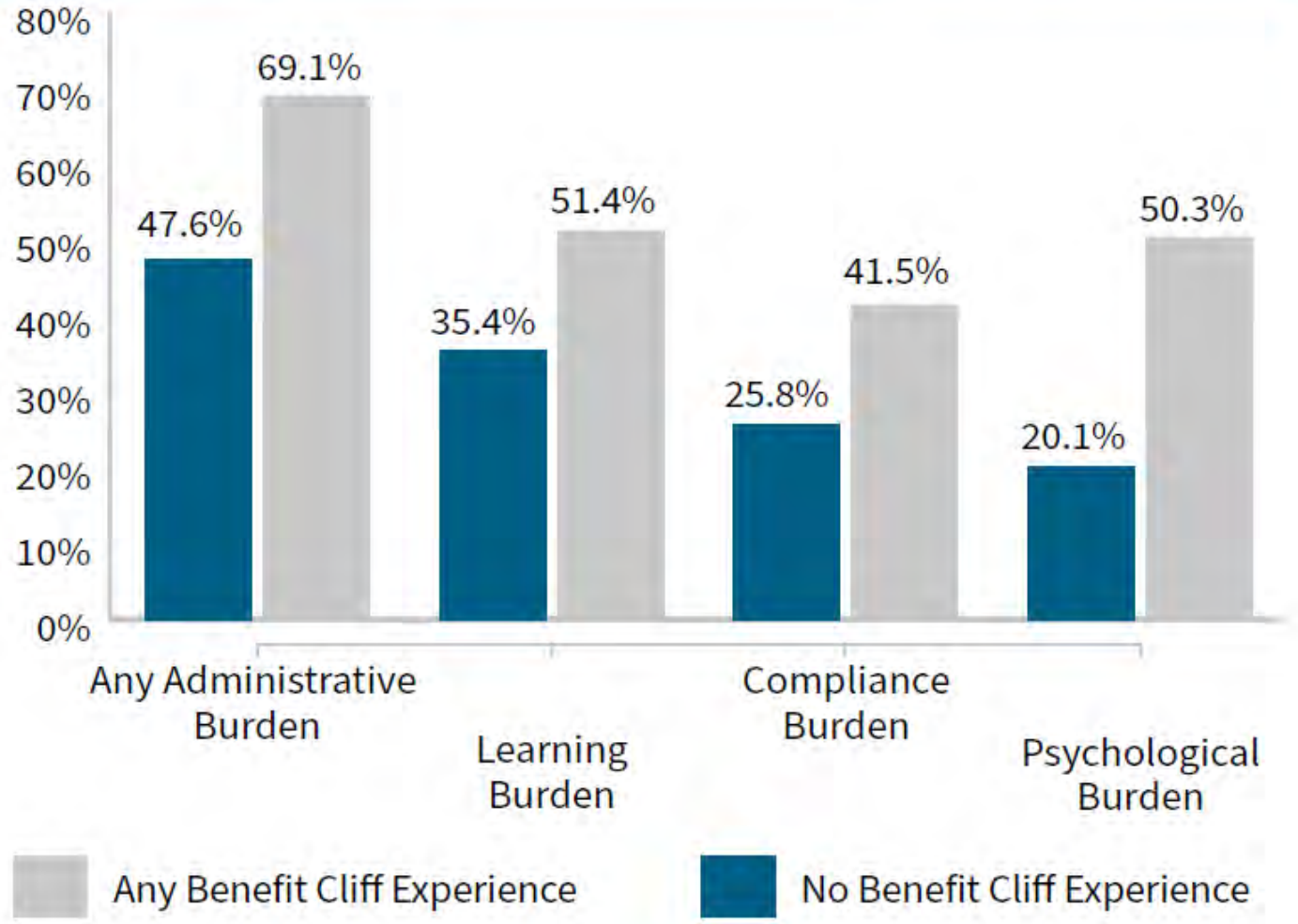
- Households w/members living with a **disability**
- Workers **45 years and older**
- People who are **unbanked**
- Household **income $30-50k**
- Household **savings $501 to $2,500**

Benefits Cliffs & Administrative Burden

Double jeopardy in accessing public benefits

FIGURE 3

The Interactions of Administrative Burdens and Work/Savings Disincentives in Public Benefits



Where Burden & Cliffs Collide

- One Big Beautiful Bill Act: Medicaid **work and medical frailty exemption requirements** = increased administrative burden
  - 2018 Arkansas Medicaid work requirements = 18k disenrollments
- Medicaid disenrollment = large cliff:
  - Medicaid-ACA coverage gap in 10 non-expansion states
  - ACA plans, employer-sponsored coverage = premium expense shocks (“reverse cliff”)
  - Coverage disruptions, periods of uninsurance = medical debt, worse health outcomes

True Cliffs vs. Phaseouts

- Some benefits phaseout (e.g., SNAP, EITC)
- Some benefits have distinct cliffs (e.g., Medicaid)
- Some have both - Childcare subsidies:
  - Sliding fee scale copayment structure that does NOT phaseout up to market rates

Low Supply is Also a Problem

- Discretionary programs do not meet demand:
  - Childcare subsidies: 20% of state eligible (U.S. DHHS, 2026); draft rule to use CCDF funds for married couples w/at home parent
  - LIHEAP/Weatherization: 15% of eligible (EEI, 2026)
  - Housing Choice Vouchers: <25% of eligible (CBPP, 2026)

What Can We Do?

- Use benefit cliff calculators:
  - LEAP Fund
  - Atlanta Federal Reserve Bank CLIFF training
- Refer clients to health navigators for Medicaid/ACA help
- Refer client to Dollar For - help with medical bills

What Can We Do?

- Join the **Beyond the Cliff** coalition
- Advocate for state policies that:
  - Reduce cliffs via raising income limits, income phaseouts, transitional benefits, and no asset tests (see https://www.ncsl.org/human-services/introduction-to-benefits-cliffs-and-public-assistance-programs)
  - Offer state refundable take credits (CTC, EITC)
  - Reduce administrative burden via ex parte reviews and consolidated and simplified applications

Thank you!

despard@unc.edu

UNC | SCHOOL OF SOCIAL WORK

Maxwell
Syracuse University

AMERICAN UNIVERSITY
WASHINGTON, DC



Earnings and Employment Patterns Following Childcare Subsidy Receipt

Taryn Morrissey (American University)

With W. Clay Fannin (Chapin Hall)

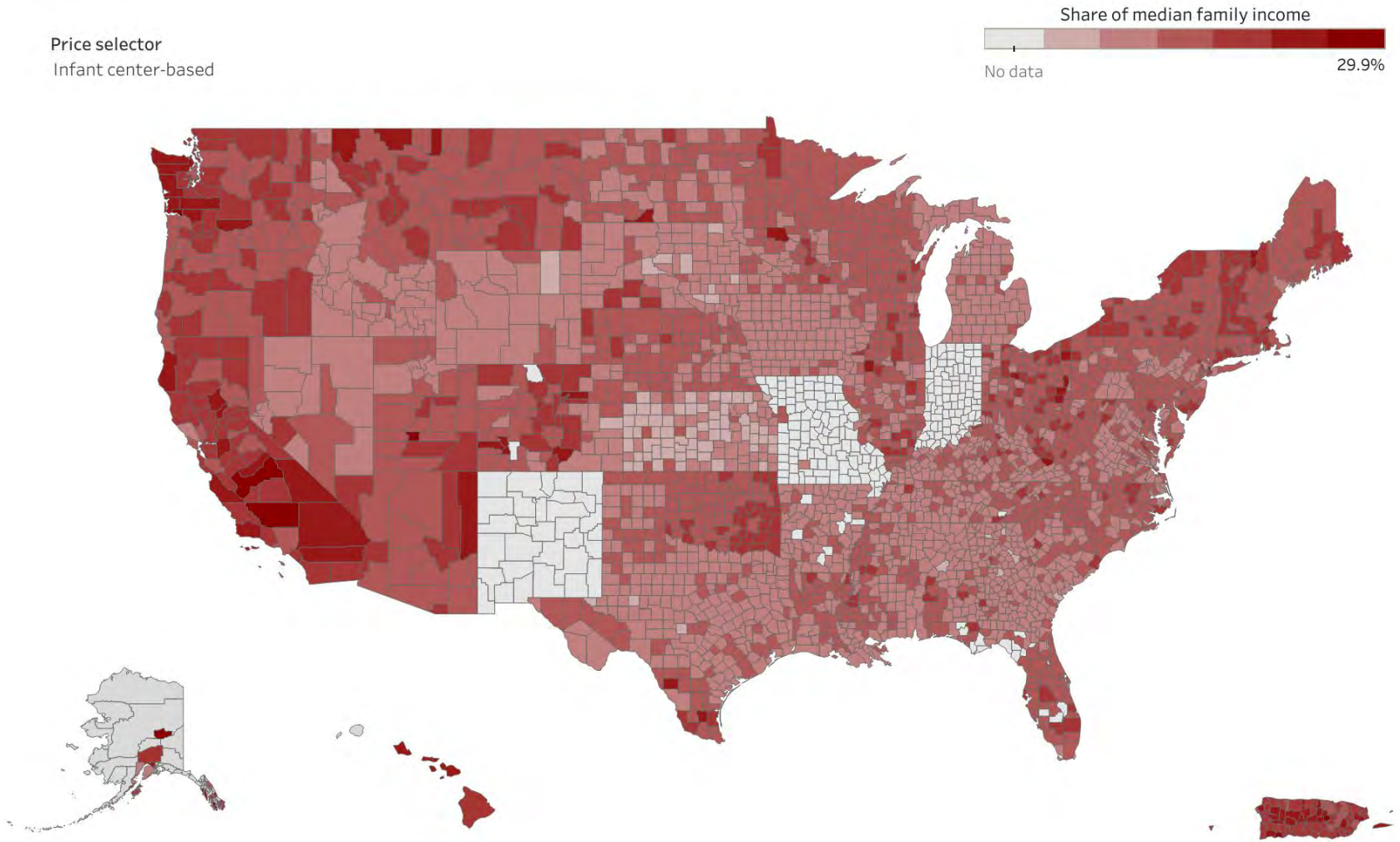
Colleen Heflin (Syracuse University)

Institute for Research on Poverty webinar on Benefit Cliffs: October 28, 2026

Fannin, W.C., Heflin, C.M., & Morrissey, T.W. (2024). Earnings and employment patterns following childcare subsidy receipt. *Social Service Review, 98*(2), 329--365. https://doi.org/10.1086/730150

We thank the Virginia Department of Social Services and the Virginia Employment Commission, especially Jeff Price for providing data and expertise. We also thank Will Goldschmidt and Dan Boersma of DB Driven for their management of and support using the Virginia Longitudinal Data System (VLDS). The opinions expressed are those of the authors and do not represent views of the Virginia Department of Social Services or the Virginia Employment Commission. The authors are grateful for funding from the Institute for Research on Poverty (IRP) and the Robert Wood Johnson Foundation and for research assistance from Hyerjung Jo, Mattie Mackenzie-Liu and Katherine Engel.

Childcare Prices as a Share of Median Family Income by Age of Children and Care Setting



Note: Childcare prices are derived from each state's childcare Market Rate Survey. Prices are median yearly prices for one child at the market rate. School-age prices reflect the school-year arrangement (part day). Childcare prices are based on the 2019-2022 data collection cycle and are presented in 2022 and 2024 dollars using the CPI-U for child care (day care and preschool in the U.S. city average). Economic and demographic data are obtained from the 2019-2022 American Community Survey to correspond to the 2019-2022 childcare price data. More recent demographic and economic data can be obtained at data.census.gov. All income estimates are adjusted for inflation to 2022 dollars. For more information on this map, visit: www.dol.gov/agencies/wb/topics/childcare.

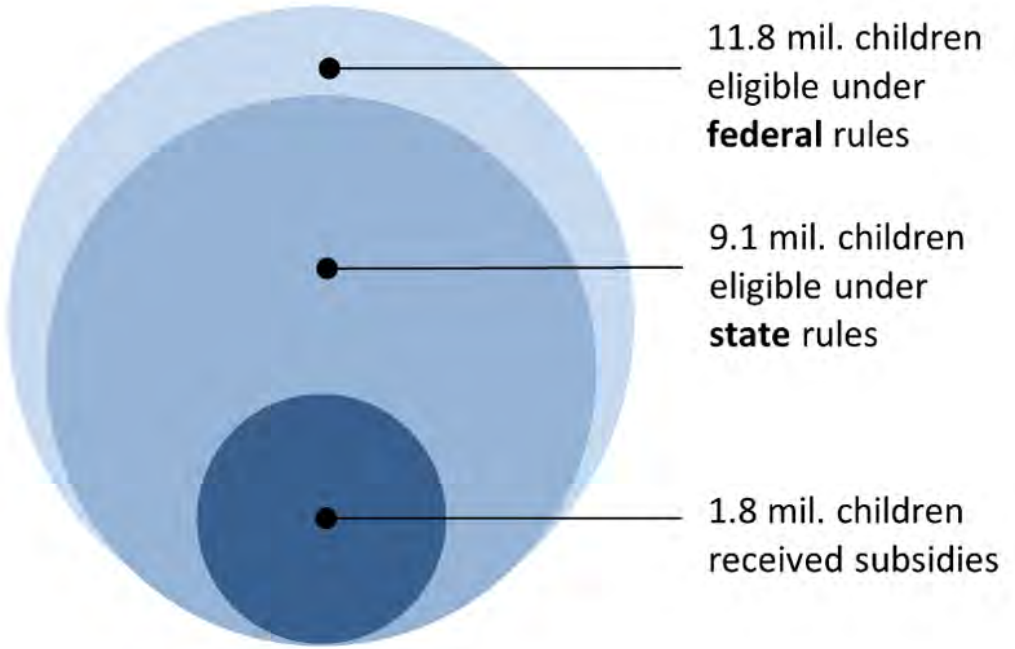
Source: National Database of Childcare Prices 2019-2022, Women's Bureau, U.S. Department of Labor **UPDATED NOVEMBER 2024**

Childcare subsidies

- Childcare subsidies, typically portable vouchers, are funded by the Child Care and Development Block Grant (CCDBG) and administered at state level to eligible children <13 in low-income working families
- Subsidies increase parental labor supply and earnings, and improve access to high-quality care
- But participation is low and duration of usage is short due to policy design issues (e.g., recertification paperwork)

Gennetian et al., 2004; HHS, 2026; Johnson et al., 2014; Morrissey, 2017; Morrissey, Heflin, & Fannin, 2023

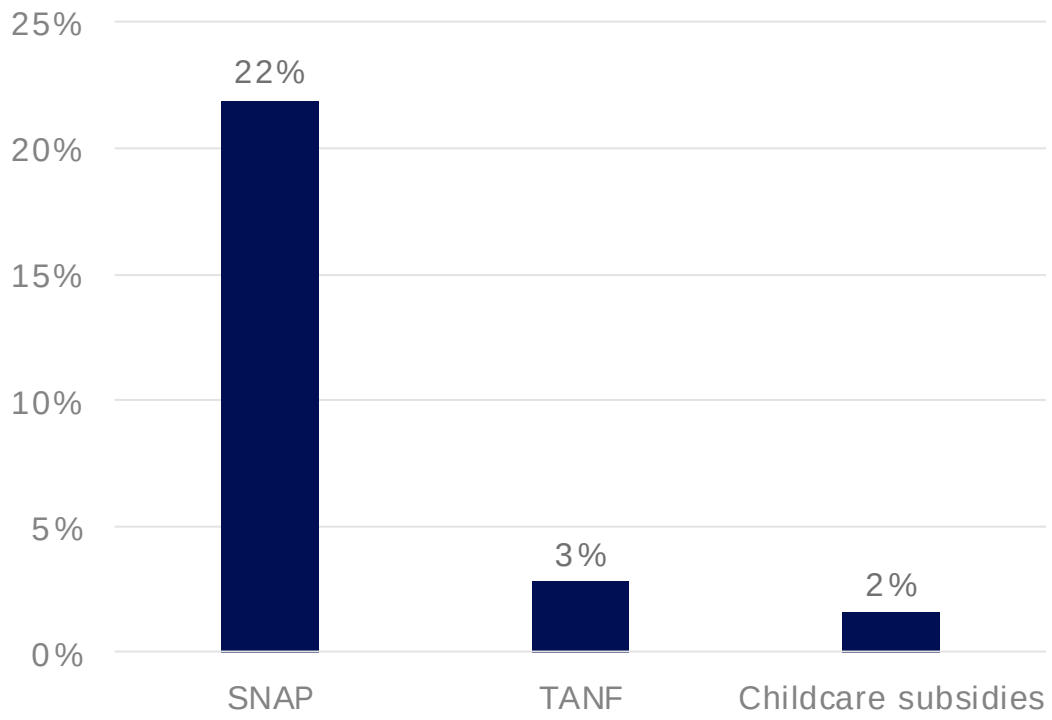
Figure 1: Number of children eligible under federal and state rules and number receiving subsidies



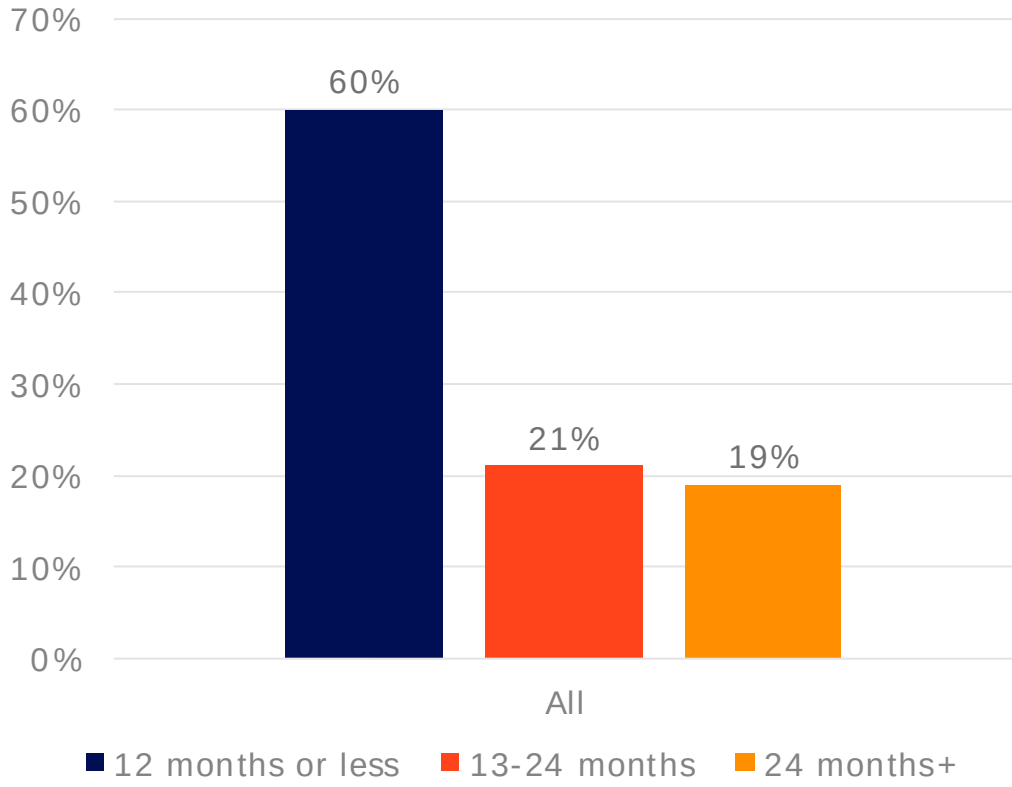
FY 2022. Source: HHS, 2026

Childcare subsidy program eligibility, reach, and stability in Virginia (2019)

SNAP, TANF, and subsidy participation (children <18)



Duration of subsidy participation



Morrissey, Heflin, & Fannin, 2023

Research Question and Approach

To what extent does participation in the childcare subsidy program relate to the stability of parents' jobs and earnings?

- We expect parents who receive subsidies to be:
  - More likely to be employed
  - Average higher earnings
  - Show greater job stability

  Effects may attenuate over time, with instability in/exits from the subsidy program may lead to instability in work.

We use administrative data on 333,150 adults in Virginia from 2016-2019. We compare changes in outcomes among adults with children receiving subsidies to adults with children who had ever received SNAP or TANF but not the childcare subsidy program.

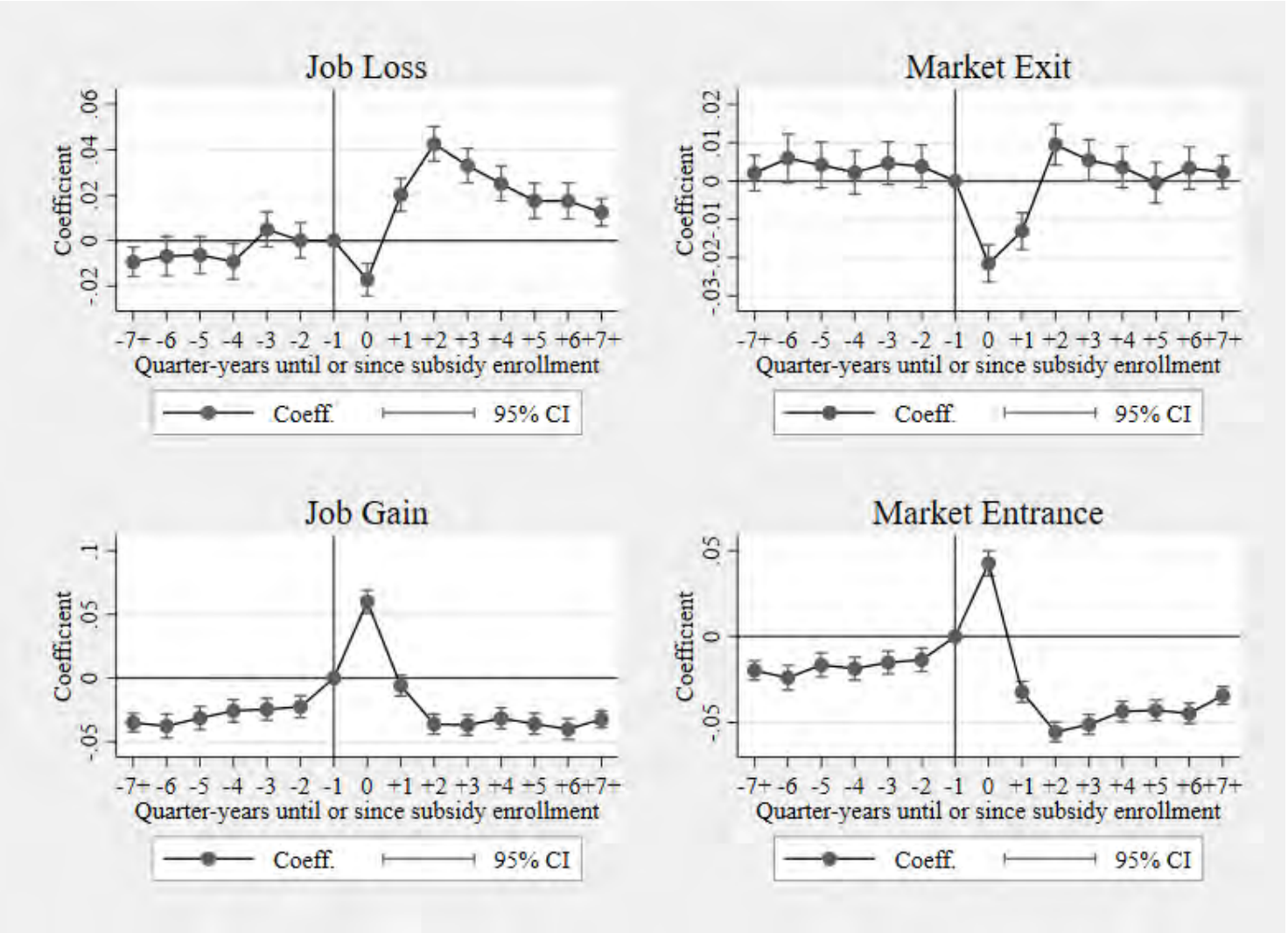
Descriptive Statistics: Employment and jobs among subsidy participants and non-participants (2016-2019)

	Full Sample	Subsidy	No Subsidy	Sig.
Economic Characteristics				
Market Entrance	6%	8%	6%	***
Market Exit	6%	4%	6%	***
Job Loss	12%	15%	12%	***
Job Gain	13%	19%	13%	***
Number of Jobs	0.72	1.01	0.71	***
No Job	42%	23%	42%	***
No Job (All HH Members)	24%	14%	24%	***
No Job Change	62%	59%	62%	***

Descriptive Statistics: Earnings among subsidy participants and non-participants (2016-2019)

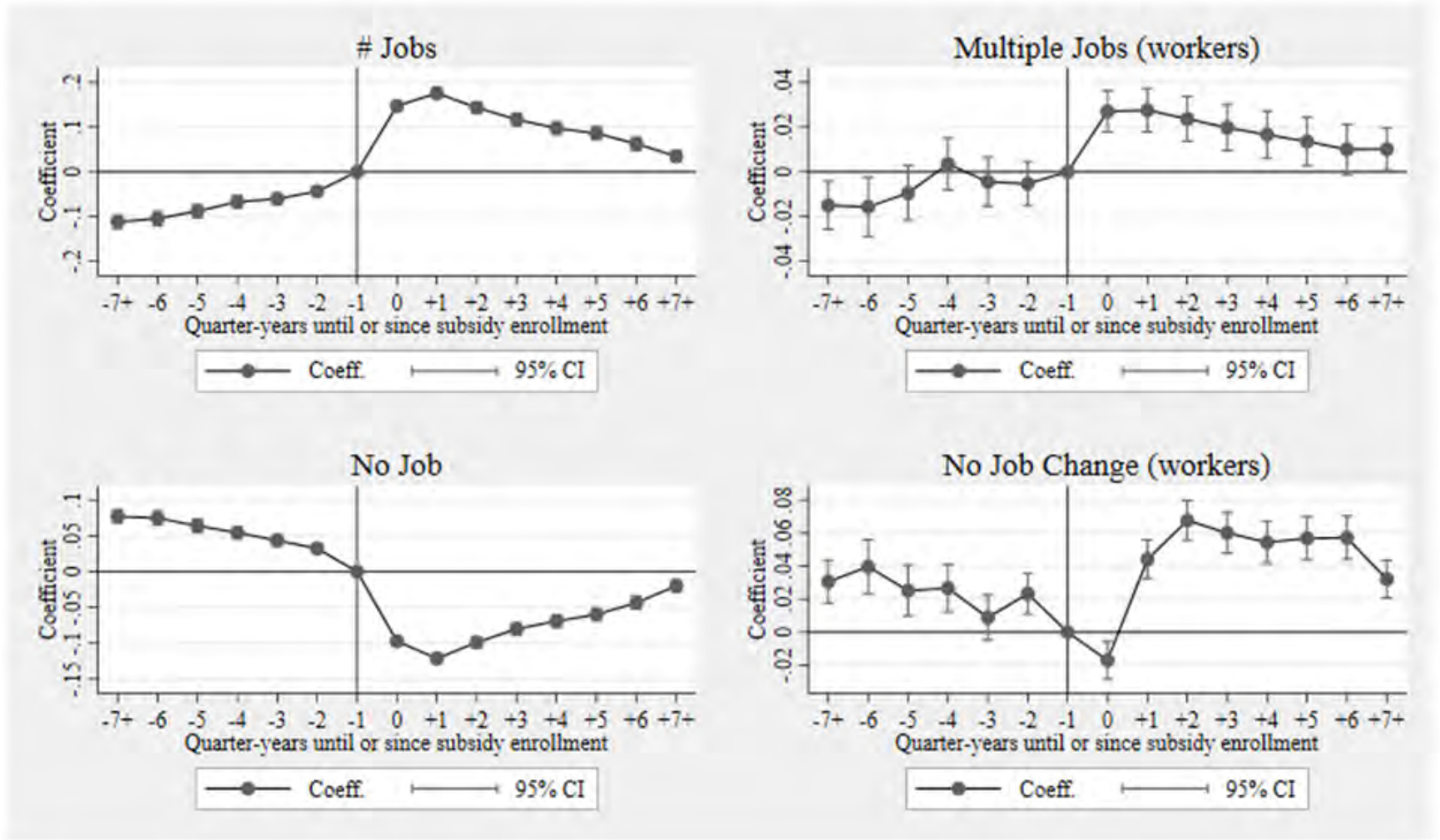
	Full Sample	Subsidy	No Subsidy	Sig.
Economic Characteristics				
Earnings $2019	$2,914	$3,306	$2,904	***
Increase >= 30% from Previous Quarter	19%	28%	19%	***
Decrease >= 30% from Previous Quarter	14%	16%	14%	***
No Significant Change from Previous Quarter	66%	56%	66%	***
Observations	4,277,434	112,996	4,164,438	

Figure 1. Following subsidy enrollment, adults show show-term increases in employment, and reductions in job loss or market exit.



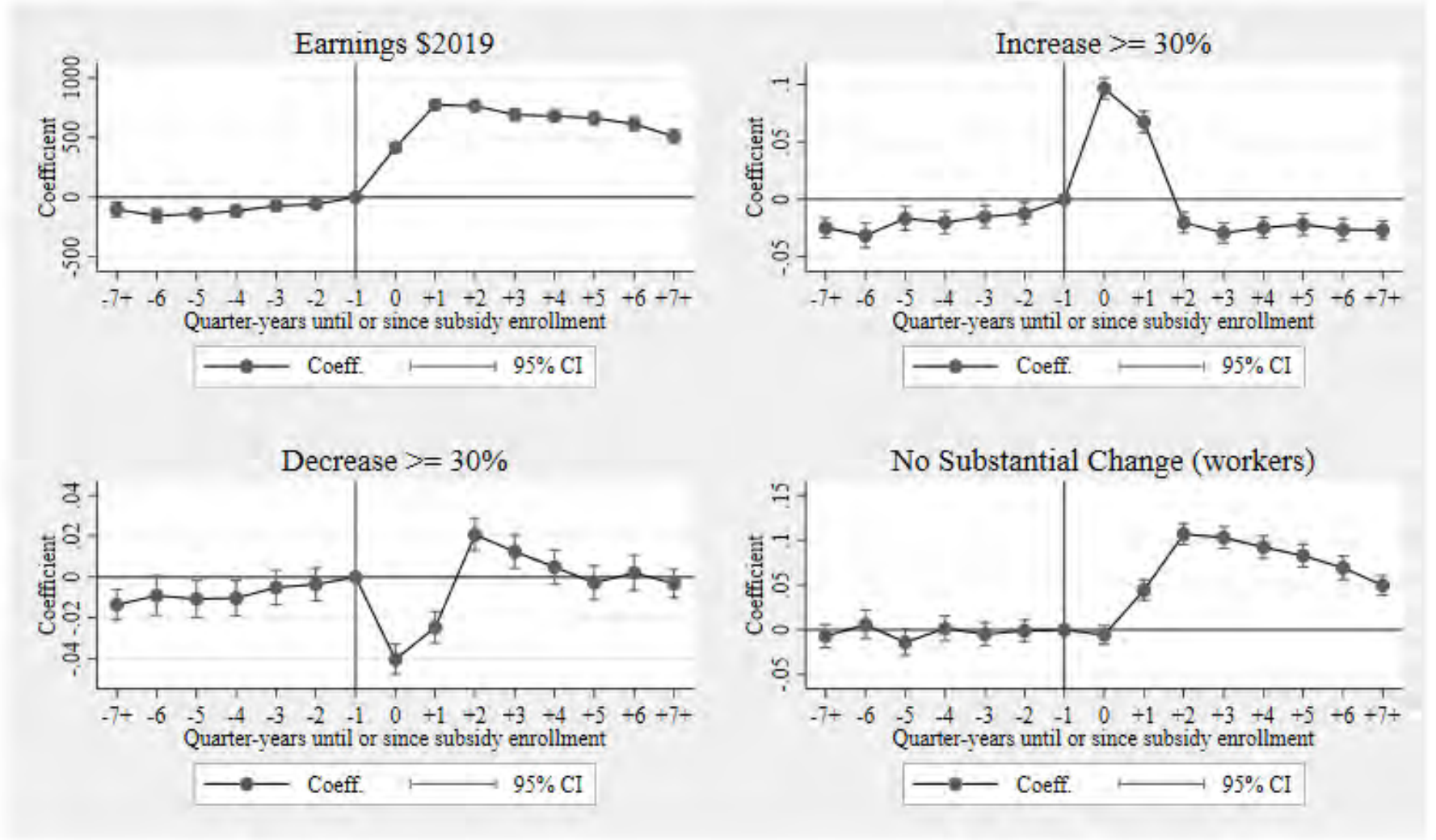
Notes: Figure plots coefficients on indicators for quarter-years until or since subsidy enrollment (we omit the quarter-year before adoption). Models include fixed effects for quarter-year, individual, number of children, number of adults and a full set of controls. We cluster standard errors at the household level.

Figure 2. Following subsidy enrollment, adults show increases in having a job and multiple jobs.



Notes: Figure plots coefficients on indicators for quarter-years until or since subsidy enrollment (we omit the quarter-year before adoption). Models include fixed effects for quarter-year, individual, number of children, number of adults and a full set of controls. We cluster standard errors at the household level.

Figure 3. Following subsidy enrollment, adults show increases in earnings.



Notes: Figure plots coefficients on indicators for quarter-years until or since subsidy enrollment (we omit the quarter-year before adoption). Models include fixed effects for quarter-year, individual, number of children, number of adults and a full set of controls. We cluster standard errors at the household level.

Take-aways

- Subsidy participation associated with increased worker earnings
- Earnings gains largely due to gains in the number of jobs held
- Multiple job holding is becoming more common
- Implications for family well-being are complicated: higher earnings is beneficial but multiple job holding may be harmful

Thank you!

morrisse@american.edu

References:

- Fannin, W.C., Heflin, C., and Morrissey, T. (2024). Earnings and Employment Patterns Following Child-Care Subsidy Receipt. *Social Service Review*. Vol. 98(2): 329-365. https://www.journals.uchicago.edu/doi/10.1086/730150.

- Morrissey, T., Heflin, C., and Fannin, W.C. (2023). Room to Grow: Examining Participation and Stability in Child Care Subsidies Using State Administrative Data. *Early Childhood Research Quarterly*. Vol. 62: 150-162. https://doi.org/10.1016/j.ecresq.2022.08.003

- Heflin, C., Morrissey, T., Fannin, W.C., & Jo, H. (in preparation). Childcare subsidy policy changes and parental employment and earnings outcomes.