

# Child Care Assistance: A Discussion and Review of the Literature

Anita Larson

University of Minnesota-Twin Cities  
Center for Advanced Studies in Child Welfare

# Purpose of Study

- To examine how the multiple roles of Basic Sliding Fee Child Care Assistance relate to family functioning and well-being

# Background: The Child Care Assistance Program (CCAP)

- CCAP provides financial subsidies to help low income families pay for care so that parents may pursue employment or education
- The program helps to ensure that low income children are well cared for and prepared to enter school ready to learn.

# CCAP Programs

- The Child Care Assistance Program (CCAP) includes a number of subprograms:
  - MFIP and Transition Year child care programs
    - Families who currently participate, or recently participated, in MFIP
  - The Basic Sliding Fee (BSF) program:
    - Serves families who are not currently or recently connected to MFIP
    - Requires an income level that must be less than or equal to 175% of federal poverty guidelines (FPG)
    - Allows families to remain on the program until their earnings reach 250% of FPG
    - Allows families to select any regulated child care provider.
    - Served 11,313 families with 20,325 children in Minnesota in 2003 (Garceau, 2006).

# Differences Between the Two Child Care Assistance Programs

## – Differences:

- Minnesota's BSF program has limited or "capped" funding
- MFIP and Transition Year child care serves all those who are eligible.
- There are often more eligible families for the BSF Program than can be served with existing funds.
  - This drives the creation of waiting lists in many counties.

# CCAP: Funding and Eligibility

- Program funding at the state level is a combination of federal and state dollars, and local investments.
- States may set many of the eligibility requirements of the program
- The amount of CCAP benefit paid is determined by:
  - family income
  - family size
  - the number of children in care
  - cost of care being used

# Reductions in Child Care Funding

- By June 2004, 32 states – including Minnesota – had either cut or intended to cut their Child Care Assistance Programs
- In 2003, all counties in Minnesota had to cut child care assistance to families who were no longer eligible due to lowered income eligibility limits.
- Other reductions to child care assistance were made due to reductions in county allocations.

# *Child Care Assistance and Investment and Stress Theories*

- These two theories have dominated research on child outcomes as they relate to economics:
  - Family stress theory involves the ways in which economic stress will affect parent-child interaction.
  - Investment theory focuses on the materials and resources that parents are able to purchase to meet the child's physical and developmental needs.

# *Child Care Assistance and Investment and Stress Theories*

- CCAP contributes to the parent's ability to work and meet the family's financial needs
- Child well-being can be affected by reducing family stress
  - Receiving financial support provided by CCAP
  - Employment support
  - Ability to purchase quality child care

# *Quality Child Care*

- Quality care is reliable, stable, and promotes the child's development
- Quality care can have short- and long-term positive effects on academic outcomes.
  - Better quality child care helps parents obtain and keep jobs since they are subsequently less stressed, more reliable employees.

# *Costs of Child Care*

- Many working parents cannot afford quality child care
- Many families are paying a high proportion of their earnings towards child care.
  - Single-parent families pay an average of 16% of their earnings towards child care costs and dual-earner families pay 7% (Giannerelli et al, 2001).
- A state-wide study found that the average weekly cost for child care in Minnesota during 2004 was \$111 (Chase et al, 2005).
- In Minnesota only .5% of centers and .8% of family child care would be affordable (within 10% of income) to families with incomes at 50% of the state median income (2003)

# *Parental Employment and the Role of Child Care*

- Lack of child care is a factor in repeat welfare use among mothers (Mullan, Harris, 1996).
- Child care stability has been shown to reduce worker absenteeism (Philips, 2004).
- Maternal employment at sufficient wage levels was associated with lower levels of behavioral problems in children.

# Maternal Employment and Children's Behavior

- Behavior problems can affect school performance in the long-term and negatively affect cognitive development (Moore & Driscoll, 1997).
  - The mental health of teens has been shown to improve with maternal entry into the work force and deteriorate upon loss of that employment or during frequent job disruptions.
  - Negative psychological responses include increased conflict with parents, depression, and anxiety (Chase-Lansdale et al, 2003; Kalil et al, 2005).
  - While the availability of child care may not appear to affect teens, it may affect them indirectly if they have younger siblings that they are required to care for when their parents work.

# *Does Child Care Assistance Make a Difference for Parental Employment?*

- Studies of the relationship between child care subsidy programs and employment indicate that having help paying for child care may improve employment outcomes for parents.
- A 2002 study found that single mothers with young children who received help paying for child care were 40% more likely to still be working after two years.
- Former welfare recipients fared even better, with 60% more likely to be employed after two years if they received child care help than those who did not (Boushey, 2002).
- A three-state study of former TANF mothers who received child care subsidy showed a decrease in their likelihood of ending employment over a range of 25-43% (Lee et al, 2004).

# *Economics and Children*

- Investment theory recognizes that poor families are less likely to be able to provide resources that enrich learning (e.g. school supplies).
- Family stress theory is built upon the premise that a parent's inability to meet the needs of their children produces parental stress, anxiety, and depression.
- Maternal depression is found to contribute to:
  - poor self-regulation among teens
  - low cognitive ability in preschoolers
  - overall poorer mental health among children

(Conger et al, 1995; Duncan et al, 1998; and Solantaus, 2004).

# *Economics, Child Harm and Self-Care*

- Poor families are over represented in child protection systems due to:
  - a degree of bias in communities
  - the visibility of families who are already known to public systems such as public assistance (welfare), or both.
- A 1995 Chicago study showed that there was an increase in child welfare involvement of families in the wake of the loss of public economic support.
  - Domestic violence increased and children were supervised less often (Shook, 1999).

# *Economics, Child Harm and Self-Care*

- Some believe that the rising costs of child care are directly responsible for increased rates of self care (Belsie, 2000).
- Child self-care can have serious negative consequences.
  - An examination of children who were in a high category of self-care (11 hours per week) showed that they were 1.5 to 2 times as likely to score high on assessments of risk-taking, anger, family conflict, and stress compared to children who were in zero hours of self-care each week (Dwyer et al, 1990).

# *Economics and School Outcomes*

- Education is another area of child development that is indirectly affected by economic stress and poverty.
- Research from the United Kingdom points to the social factors that make school an unpleasant place to be for poor children.
  - American study found that children with attendance problems felt that they were picked on, they did not feel they fit in, and they had a hard time getting to school because of parental conflict (Campbell et al, 2005).

# *Economics and School Outcomes*

- Parents of young children with school attendance problems reported that they tended to forget about getting their children to school when they were preoccupied with money concerns (Zhang, 2003).
  - A common reason for absenteeism was poor child health (Sutphen, 1996).
- School attendance problems in young children can predict the likelihood of having future attendance problems - a precursor to school drop-out.
  - A retrospective study showed that high school dropouts began having attendance problems as early as first grade and that the child's early home environment and early care giving were predictors of school engagement (Lehr, 2004).

# *Child Care Quality*

- Longitudinal studies of children who received high quality care in early years have shown these children to have better cognitive, language, and behavior skills in later school years and even into adulthood (Peisner et al., 1999; Campbell et al., 2002; Schweinhart, 2004)
- Formal, more highly regulated care has been associated with better cognitive child outcomes (Yoshikawa, 1999).
- High quality child care has been consistently found to produce good child outcomes and poor quality care has been found to produce poor outcomes (Shonkoff et al., 2000).

# Implications for Policy

- In light of all the research, it would seem that giving single mothers (both on and off welfare) access to affordable child care would increase the likelihood that they will be employed.
- In turn, the maternal employment would reduce or even prevent dependence on welfare services, and create less stressful (and thus more functional) family homes.

# References

- Belsie, L. (2000, October 31). Ranks of latchkey kids approach 7 million. *Christian Science Monitor*, pp. 3.
- Boushey, H. (2002). *Staying employed after welfare: Work supports and job quality vital to employment tenure and wage growth*. (Briefing paper). Washington, D.C.: Economics Policy Institute. Retrieved December 15, 2006, from Info.com database.
- Campbell, F., Ramey, C., Pungello, E., Sparling, J., & Miller-Johnson, S. (2002). Early childhood education: Young adult outcomes from the abecedarian project. *Applied Developmental Science*, 6, 42-57.
- Chase, R., Arnold, J., Schauben, L., & Shardlow, B. (2005). *Child care use in minnesota-2004 statewide household child care survey*. St. Paul, Minnesota: Wilder Research.
- Conger, R., Patterson, G., & Ge, X. (1995). It takes two to replicate: A mediational model for the impact of parent's stress on adolescent adjustment. *Child Development*, 66, 80-97.
- Duncan, G., Brooks-Gunn, J., Yeung, W., & Smith, J. (1998). How much does childhood poverty affect the life chances of children? *American Sociological Review*, 63, 406.
- Dwyer, K., Richardson, J., Danley, K., Hanson, W., Sussman, S., & Brannon, B., et al. (1990). Characteristics of eighth-grade students who initiate self-care in elementary and junior high school. *Pediatrics*, 86(3), 448.

# References

- Harris, K. (1996). Life after welfare: Women, work, and repeat dependency. *American Sociological Review*, 61, 407-426.
- Garceau, S. (2006). [Personal communication regarding status of service volume for the CCAP program during 2003.]
- Gianarelli, L., Adelman, S., & Schmidt, S. (2003). *Getting help with child care expenses* (Occasional Paper No. 62). Washington, D.C.: The Urban Institute.
- Lee, B., Kreader, J., Staveley, J., & Witte, A. (2004). *Child care subsidy use and employment outcomes of TANF mothers during the early years of welfare reform: A three-state study* (Working Paper. Chicago, Illinois: Chapin Hall Center for Children, University of Chicago. Retrieved February 14, 2007, from Info.com database. from [http://www.chapinhall.org/article\\_abstract.aspx?ar=1370](http://www.chapinhall.org/article_abstract.aspx?ar=1370)
- Lehr, C., Sinclair, M., & Christenson, S. (2004). Addressing student engagement and truancy prevention during elementary years: A replication study of the check & connect model. *Journal of Education for Students Placed at Risk*, 9(3), 279-301.
- Moore, K., & Driscoll, A. (1997). Low-wage maternal employment and outcomes for children: A study. *The Future of Children, Welfare to Work*, 7(1), 1-6.
- Peisner-Feinberg, E., Burchinal, M., Clifford, R., Yazejian, N., Culkin, M., & Zelazo, J., et al. (1999). *The children of the cost, quality, and outcomes study go to school* (Update report. Chapel Hill, North Carolina: University of North Carolina. Retrieved November 10, 2006, from Info.com database. from <http://www.fpg.unc.edu/~ncedl/PDFs/CQO-es.pdf>

# References

- Philips, K. (2004). *State policies that affect working families* (Discussion Paper, Assessing the New Federalism No. 04-05). Washington, D.C.: The Urban Institute.
- Schweinhart, L., & Philips, D. (2004). *The High/Scope perry preschool study through age 40* (FAQ and Summary Study Report). Ypsilanti, Michigan: Highscope Foundation.
- Schonkoff, J., & Phillips, D. (2000). *From neurons to neighborhoods: The science of early childhood development*. Washington, D.C.: National Academies Press, Institute of Medicine.
- Shook, K. (1999). *Does the loss of welfare income increase the risk of involvement with the child welfare system?* Ann Arbor, Michigan: University of Michigan Poverty Research Center, School of Social Work.
- Solantaus, T., Leinonen, J., & Penamaki, R. (2003). Children's mental health in times of economic recession: Replication and extension of the family economic stress model in Finland. *Developmental Psychology, 40*(3), 412-429.
- Zhang, M. (2003). Links between school absenteeism and child poverty. *Pastoral Care in Education, 21*(1), 10-17.
- Yoshikawa, H. (1999). Welfare dynamics, support services, mother's earnings, and child cognitive development: Implications for contemporary welfare reform. *Child Development, 70*(3), 779-801.

# Discussion

- This review of the literature on family investment and family stress theories has offered an overview of how CCAP might be viewed as just one of the complex set of factors that can influence family functioning and child well-being when young children require care.
- Research should, whenever possible, include nuances of family and personal experience since program data alone cannot accurately represent all contextual aspects of a family's experience.
- If research supports the relevant role of CCAP, the program may hold the potential to meet multiple needs in a complex family system – as an employment support as well as a support to family economic stability and access to child development resources – a significant benefit to working families and a relative bargain for tax payers.