

WHEN FAMILIES ELIGIBLE FOR CHILD CARE SUBSIDIES DON'T HAVE ONE



A CASE STUDY

Parents' voices add an urgent and passionate note about the tough choices families must make.

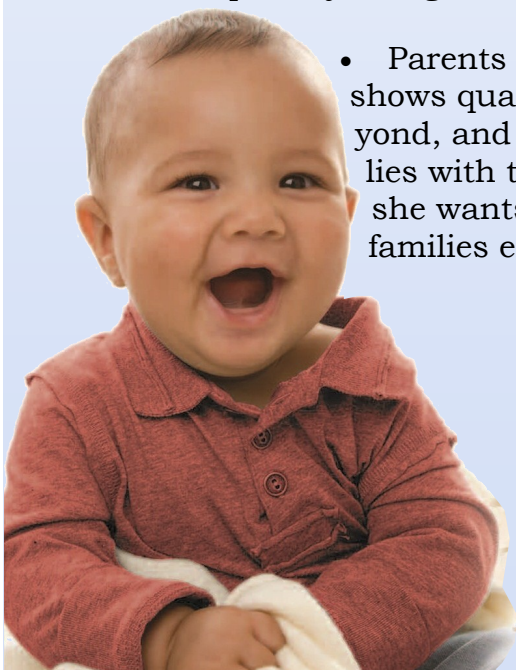


Executive Summary

For families of young children, the questions about child care are paramount. Most any gathering of parents with young children naturally turns to the topic of child care – how to find it, pay for it and be sure it is of high quality. Now the topic has taken on more urgency for low-income families, as the city continues to reduce child care subsidies.

This case study included interviews with 83 families, randomly selected from families who contacted CCI for assistance with child care, who were eligible for a child care subsidy but unable to obtain one. Among the major findings:

- Parents were forced to cut back on their hours, turn down promotions, training opportunities or even quit work altogether.
- About a quarter of the interviewees were unemployed and cited child care as the primary reason.
- Nearly half the respondents – 40 – rely on relatives for care. For some, this is the best of all possible worlds. Yet the interviews revealed that turning to relatives is often a matter of economic necessity, and often creates additional burdens for low-income families and neighborhoods.
- Several reported that they had been advised by the city’s 311 information service or by the Administration for Children’s Services that applying for public assistance was the surest route to a subsidy – perhaps even the only route to securing a child care subsidy. Many had already been on public assistance and did not wish to reapply. Some even described it as an almost Alice-in-Wonderland experience. “It seems like you can only get help if you declare poverty and go on welfare. I don’t want to do that as a single mom,” said one.
- Parents are increasingly aware of the growing body of research that shows quality care helps prepare children for success in school and beyond, and they are vocal that policymakers should do more to help families with the cost of care. “Maximum education,” is what one parent says she wants for her baby. Several others expressed frustration that only families earning “six figures” have access to quality care.



When Families Eligible for Child Care Subsidies Don't Have One

The Center for Children's Initiatives (CCI) speaks daily to parents to answer their questions about child care, help them to seek a subsidy if they are eligible and to come up with a plan even when they can't get one. That often means helping them scour the family budget, seeking other public supports such as food stamps and health care and finding affordable options in lieu of a subsidy. But CCI wanted to learn more about what happens to families who contact us, are eligible for a child care subsidy but will never receive one because of a shortage of public funds. We were particularly concerned about the parents of babies and toddlers, who have few good options. Research documents that consistency of care, well trained professionals, and substantial supports for parents are critical factors in supporting a child's healthy development and a parent's ability to work.¹ CCI engaged the services of the Cornell School of Industrial and Labor Relations to undertake a case study to paint a clearer picture of the choices those families are forced to make.

The case study included interviews with 83 families who were randomly selected from families who contacted CCI for assistance with child care. The interviews were conducted in both English and Spanish and included families across the city. They included families who were currently employed and others who were not able to remain employed because of challenges with child care. The information from the interviews add an urgent and passionate note to existing research, showing exactly how the shortage of child care subsidies impacts children and families on a daily basis. Parents are

forced to cut back their hours, turn down promotions and training opportunities or even quit work altogether. The family budget is

squeezed, forcing choices between paying the electric bill, cutting back on food or paying the rent late in order to pay for child care and continue to work. About half turned to extended family and makeshift ar-



One parent's story:

Claudette, a home health aide, earns just \$7.75 an hour providing care for elderly clients. As sole support for her 15-month-old baby and two older children, 10 and 15, she's was able to keep her family afloat by working full-time, and enrolling her baby in a local city-subsidized child care center. But the center closed, and with it, her access to subsidized care. After a desperate search for care for her baby, she found a new caregiver, but in a different neighborhood. The cost of full-time care was also out of reach, so she settled for part-time care and applied for a subsidy. She's already worked hard to stay off public assistance. The new arrangement means taking a bus and then walking 45 minutes to drop off her baby. And that means that she's now often late to work, provoking anxiety in her elderly patients. "They often call and ask me where I am, what happened. Sometimes I explain about day care to them but usually not," she says. She sees no easy way forward without a child care subsidy. Other centers she visited wanted \$200 a week. So she waits for a subsidy. She knows that going on public assistance would give her higher priority, but she doesn't want to do that. Her daily question: "Why is it that working class people can't get into day care?" Her question was hardly unique among the families interviewed.

¹ Several decades of research on child care has produced broad consensus on the key parameters of quality, and the impact on both parental employment and child development. For the latest and most authoritative round-up, see, "Do Effects of Early Child Care Extend to Age 14 Years? Results from the NICHD Study of Early Care and Youth Development, by Vandell et al, *Child Development*, May 2010. Also see, the landmark study, from Neurons to Neighborhoods: The Science of Early Childhood Development, National Research Council, 2000 and the series of studies known as the "Cost, Quality and Outcomes Study," by Heilbrun et al and subsequent follow-up research.

rangements, but many expressed misgivings about their limited options. *“I am distracted at work due to anxiety and worry,”* said one. Many are deeply worried about their children’s future, reflecting a growing knowledge of how important these early years are in setting a path to later success for children. Parents were very clear about the priorities that they place on quality even if it places the family at financial risk. These low income working families are the backbone of the New York economy. *“It is unfair to the middle class,”* says one. *“We pay taxes and parents should be able to receive help with their children’s education.”* Unlike previous generations, they see child care, even for children under the age of three, as a matter of urgent public policy that should be addressed by the city’s policymakers. *“Mayor Bloomberg wants to close child care centers,”* said Ms. Martin. *“But parents are struggling.”*



Photo Credit: Todd Boressoff

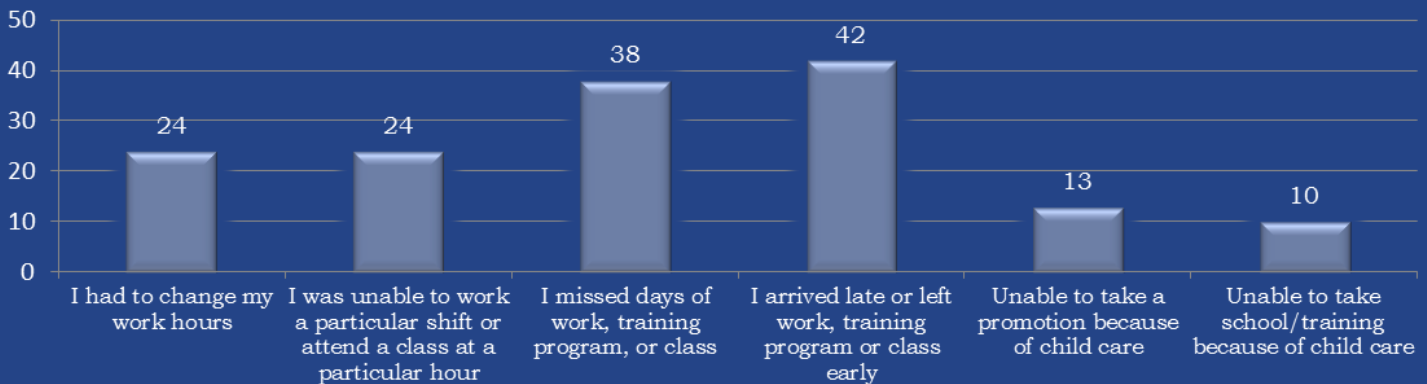
Families’ Financial Security Severely Impacted

Families identified multiple impacts on their employment status because of child care concerns. Even though these families originally called us because they were working or returning to work, at the time of the interview about a quarter of the interviewees were unemployed and cited child care as the primary reason. *“I was unable to accept a job because of the child care issues,”* says Ca-Asia. *“I am now looking for part-time work, at home, so I can take care of my child myself.”*

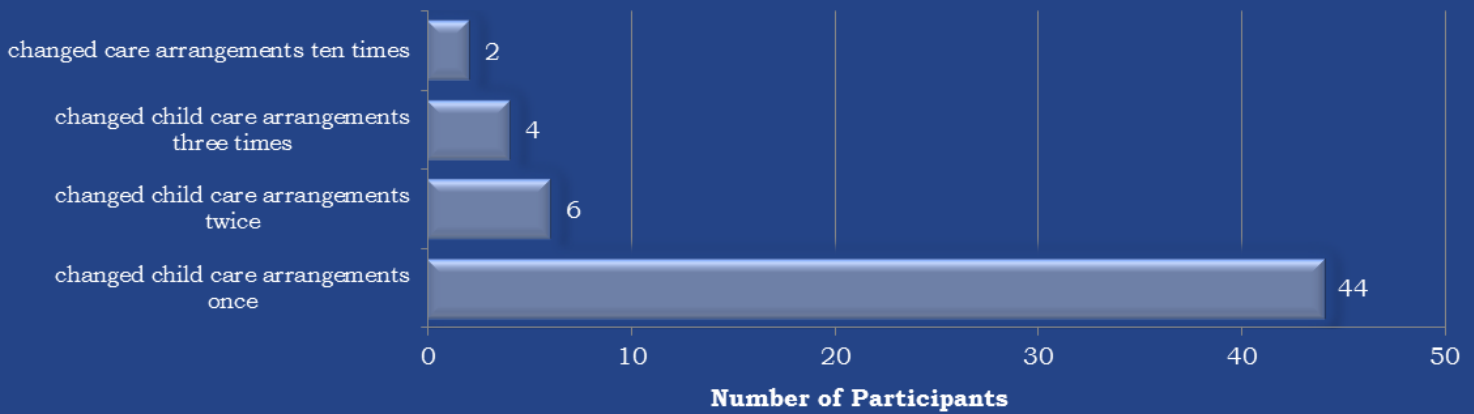
For many, it was the lack of or loss of a child care subsidy that forced them to quit work. One parent, who had made the journey from public assistance to employment, told her story. *“I’m unemployed because I stopped*

“The voucher I used to get when was on public assistance and working was great!”

Impact on Work



Frequency of Child Care Arrangement Change in the Course of a Year



getting the subsidy,” says Ca-Asia. Her family is now completely dependent on her husband’s income, but that’s not enough to cover child care. That means her family is squeaking by, barely able to make ends meet – and her child is no longer gaining the benefits of quality care. “The voucher I used to get when I was on public assistance and working was great!” she says. Her child was well cared-for and thriving and she was able to

earn a paycheck and also pursue training to better her situation. Without the child care subsidy, there were few options. “I tried to get child care through the city’s program for low-income working

families where they take a percentage of pay, but I called and was told there was a huge wait list.” So she remained unemployed.

In many other cases, parents could not work full-time or enroll in a full-time training program for lack of child care – another obvious impact on the family budget, especially since many are breadwinners for their families. “I was unable to take a job that was offered to me,” says Christina, because there was no affordable, acceptable care. Her husband is on disability and can’t work, so she’d love to work full-time. Yet she can’t afford the fees for even informal care, nor did she find much that was of acceptable quality. “It was too expensive or there were too many children,” she says. These families are no longer eligible for financial assistance under the changing guidelines for eligibility.

Those working non-traditional hours, such as evening or night shifts, often have no alternative to going on public assistance or enlisting

“I tried to get child care through the city’s program, for low-income working families where they take a percentage of pay, but I called and was told there was a huge wait list.”

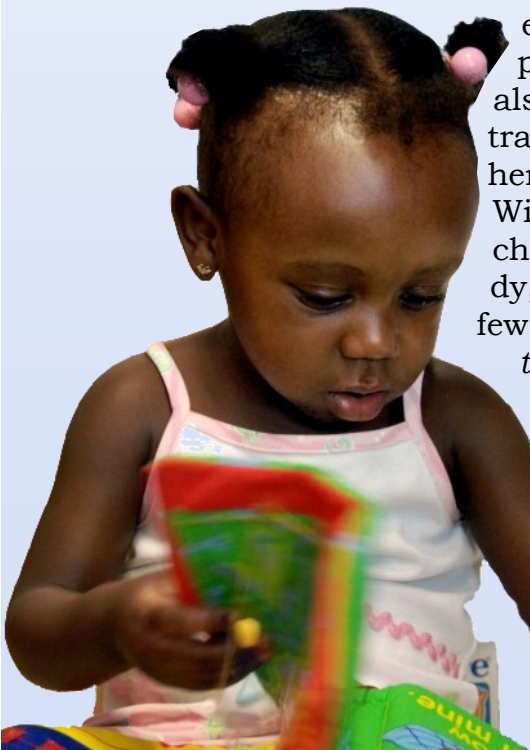


Photo Credit: Todd Boressoff

the help of a relative. *“The biggest problem in the community is that not everyone works 9 to 5 and it is hard to find child care for overnights or weekends,”* says Ms. Martin. *“I would like to find a provider or center that offers evening hours,”* she says, but is currently un-

employed. *“I had to change my time, arrive late, miss days of work and my overall work performance was negatively impacted.”*

quality of the care they settled for. *“Overcrowded”* and *“too many children”* was a frequent refrain as these parents described their search for care. More than half had to change their arrangements in the last 12 months, and often cited it was because of the poor quality of care – and many attributed that poor quality to their lack of ability to pay more for the services. *“If I had more money, I would have a caregiver with more experience and fewer children,”* says Alicia. Another makes an almost identical observation, without prompting by the interviewer. *“If I had more money, I would have a caregiver with fewer children.”* She changed her child’s situation twice, trying to find a better option. *“In New York City, there just aren’t many affordable options.”*

“I would like to find a provider or center that offers evening hours”

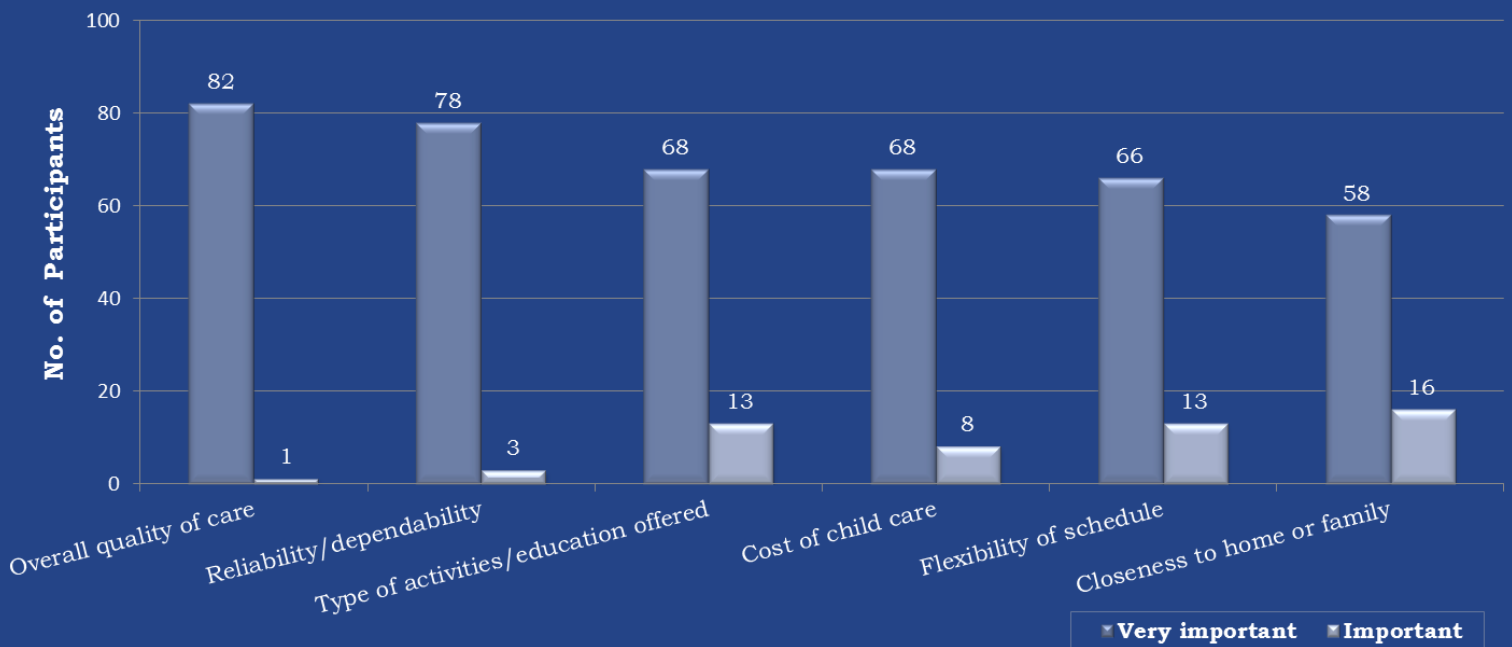


Unsuitable Options and Unstable Care

Without a subsidy, parents also expressed concern about the

Many were painfully aware of their situation as working class families, caught in the middle, having no access to a subsidy and unable to afford the private preschool programs filled by professional parents. *“Being in the middle you*

Important Factors Influencing Child Care Decisions



don't get anything," says one.

Many are also deeply worried by the compromises they have to make. *"I am distracted at work, due to anxiety and worry,"* says Lucy who has had to turn to care that is not regulated, most of what is available for babies and toddlers and possibly within financial reach. From her experience, Lucy reports, *"The people working in informal care are not as qualified or motivated as those in a center."* She changed arrangements twice in the past year, and now relies on a relative.

Extended Families Struggle to Fill the Gap—But at a Cost

Nearly half the respondents – 40 – rely on relatives for care. For some, this is the best of all possible worlds. The opportunity for a mother, sister or aunt to offer the daily care that puts a parent's mind at ease. Yet the interviews revealed another reality -- that turning to relatives is often a matter of economic necessity,

and often creates additional burdens for low-income families and neighborhoods. Many grandmothers, aunts and sisters are themselves on a tight budget and short on resources. *"I feel guilty because my mom watches my baby for very little money,"* says Judith. She's also concerned her mother and baby are relatively isolated, without support or many resources. She knows her mom could use a break on many days, and her daughter might benefit from opportunities to socialize more and be in a rich learning environment. *"Right now it's just her and my mom all day. I would love for her to be in a place with other kids and professional staff."*

Several say they turned to a relative after significant upheaval because of unsatisfactory child care arrangements, and often because of the cost. *"The care I use now is being provided by family, so it's free,"* says one mother who works full-time who now coordinates her child's care with a number of other family members. It's far from perfect -- she's often late to work, because she has to coordinate her schedule with the extended family. Still, as a last resort, she's grateful to have the care. She tried four other child care arrangements prior to turning to family.

Another interviewee says she turned to a relative because it is free, but says if she could afford it, she'd try to find a caregiver with more experience. Another says she's made her peace with the care her relative provides because it's affordable, at just \$50 a week. But she's scaled back her own work schedule to half-time.

Trying to Make It Work: Parents Report Nightmare Logistics

Parents also face significant travel time, inconvenience and penalties at work and extra fees for child care as they try to coordinate the available child care options and work schedules. One parent describes the late fees for child care as *"crazy,"* many say they must pay



“It seems like you can only get help if you declare poverty and go on welfare. I don’t want to do that as a single mom”

as much as \$50 to \$100 more if they can’t pick up their children by 6 pm. More commonly, parents report the penalty comes in their paychecks, where instead of paying the penalty at the center, they turn down promotions, refuse

shifts, show up late or get poor marks in annual performance reviews in order to make sure they arrive on time, making them ineligible for a raise.

Twelve reported it took them between 30 minutes and an hour to drop their child off at care and get to work. Six others reported the daily routine took up to an hour and a half. Tracy says she recently left her job because of the “*big commute*.”

A few shared the stories of how their daily lives are defined by the lack of affordable child care. Claudette, a home health aide, earns just \$7.75 an hour providing care for elderly clients. As sole support for her 15-month-old baby and two older children, 10 and 15, she’s was able to keep her family afloat by working full-time, and enrolling her baby in a local city-subsidized child care center. But the center closed, and with it, her access to subsidized care. After a desperate search for care for her baby, she found a new caregiver, but in a different neighborhood. The cost of full-time care was also out of reach, so she settled for part-time care and applied for a subsidy. She’s already worked hard to stay off public assistance. The new arrangement means taking a bus and then walking 45 minutes to drop off her baby. And that means that she’s now often late to work, provoking anxiety in her elderly patients. “*They often call and ask me where I am, what happened. Sometimes I explain about daycare to them but usually not,*” she says. She sees no easy way forward without a child care subsidy. Other centers

she visited wanted \$200 a week. So she waits for a subsidy. She knows that going on public assistance would give her higher priority for one, but she doesn’t want to do that. Her daily question: “*Why is it that working class people can’t get into day care?*”

As low-income workers, many had aspirations to earn more, but couldn’t do so without child care support that would allow them to work more hours or enroll in training programs. Some transitioned on and off public assistance – but expressed significant frustration – even anger that public policies failed to support them in their quest to move ahead. A few noted that they had been advised by the city’s 311 information service or by the Administration for Children’s Services that applying for public assistance was the surest route to a subsidy – perhaps even the only route to securing a child care subsidy. Many found the application and recertification process to be unnecessarily complex and even demeaning at times. Some described it as an almost Alice-in-Wonderland experience. “*It seems like you can only get help if you declare poverty and go on welfare. I don’t want to do that as a single mom,*” said one.

Emerging Consensus: Early Care Represents an Educational Opportunity



Photo Credit: Ginelle Baugh



Photo Credit: Todd Boerssoff

One of the more surprising findings in this study is that parents not only regarded a child care subsidy as critical, but also that they volunteered the idea that infant and toddler care should be regarded as an educational opportunity that is supported significantly with public funds. Several passionately volunteered opinions about the “*unfairness*” of denying low-income and middle-income children access to the same high-quality early learning experiences as upper-income (families with “six-figure” incomes) are able to afford.

The interviews confirmed that parents are increasingly aware of the growing body of research on brain development in the earliest years, and that experiences in the first three years of life are just as critical as the preschool years in ensuring their children enter school ready to succeed.

Not only that, they had very concrete ideas about what quality care for babies and toddlers should look like, and how it is linked to later success in school. Many stressed the importance of having experienced and trained caregivers, low ratios of children to caregivers and the ability for children to develop social skills and get along with their peers. “*I want my daughter to be socialized and around other children,*” says Marcia. “*That is, I want maximum education and structure, a safe educational environment she can grow in.*”

Families rate “*overall quality*” as a top concern in making choices about their child’s care, even more important than the cost. And many backed it up with their actions, changing their child care arrangements, work hours or paying higher fees when they could afford to, in pursuit of quality care.

The failure of the city policymakers to address these issues narrows the opportunities for both parents and children, and in the long run is likely to increase the costs to taxpayers. Parents are unable to reach their maximum earning potential and may even need to seek public assistance.

Some parents go to great lengths to ensure their toddlers have access to educational opportunities. One Queens father, a physical therapist, now holds down a second job, so the family could enroll their son in a private center. “They are learning there, they have a schedule of activities,” says the mother. “They are

learning shapes, colors, days of the weeks. They have music days, story time and a play ground on the top floor.” The family qualified for a voucher when their son Matthew was born, but were told there was a long waiting list. So, the couple lived on a single income for two years. Now the mother and father are working and they have made the decision to make a significant financial sacrifice to pay for the care in a private center just two blocks from their home. “The cost is high. It’s \$295 a week,” she says. “It’s like renting a two bedroom apartment!” Still, they feel it is essential that their son gets the educational opportunities needed to prepare him for success in school. What they don’t understand is why public policy in New York City doesn’t reflect that same priority for all children. “My husband is from France and their child care is subsidized and based on a sliding scale. It’s available to all people not like here. Here, it’s only for people earning six figures.” Those are the families who can afford to pay for the early childhood programs without any financial support.

Others in this study volunteered very similar opinions. “In Europe, child care is free. In other different countries of the world, parents are helped. Here, there’s no help. We paid taxes and parents should be able to receive help on their child’s education.” Yet another said, “The cost of child care for the middle class in New York City is just difficult. Quality is of course, most important. But it is trumped by cost and this is unfortunate. There is not enough assistance for the middle class. You only get help if you make no money.”

This case study further documents that families are significantly impacted by the shortage of subsidies, as well as changing city policies with regard to eligibility and the increasing competition for limited services and resources. CCI hears this daily from parents who are increasingly challenged by the difficulty of finding care and paying for it. The failure of city policymakers to address these issues narrows opportunities for both parents and children, and in the long run is likely to increase the costs to city taxpayers. Parents are unable to reach their maximum earning potential and may even need to seek public assistance. Children are unable to access quality care that helps prepare them for success in school.

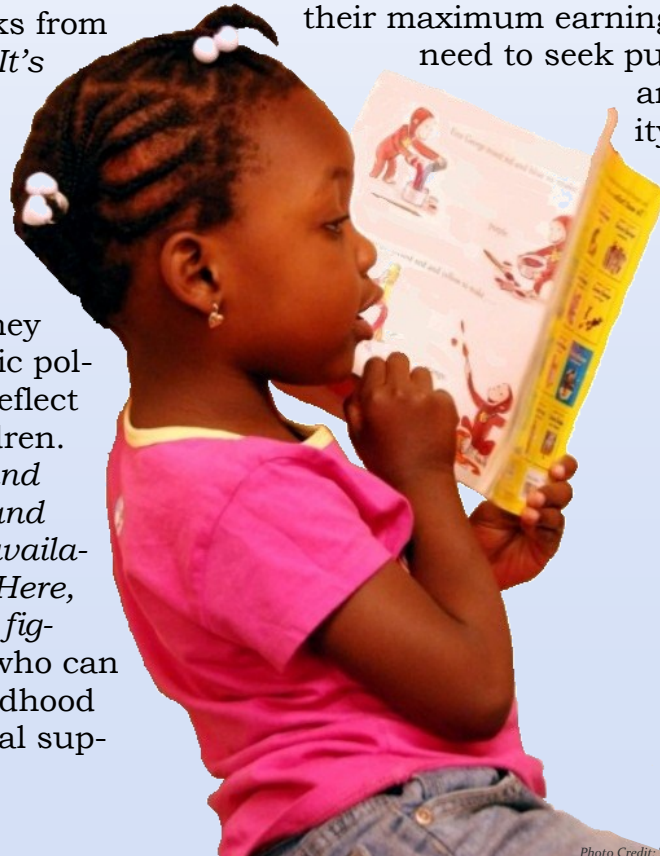


Photo Credit: Todd Boressoff

Acknowledgements

CCI wishes to extend special thanks to KC Wagner, Director of Workplace Issues and her team at the Cornell School of Industrial and Labor Relations, for helping to prepare the survey instrument and conducting the interviews for this case study. The interview team included Amanda Nable, Stacy Reynolds, Awilda Torres and Carrie Miceli. CCI also thanks the Survey Research Institute at Cornell for its support and analysis of the data for this study. We also want to recognize the work of Revital Heller, a graduate intern who helped prepare this report and to Kenea Letts, for her design and editorial support. And a special thanks to the Wachs Family Fund at Rockefeller Philanthropy Advisors, who provided generous support for this case study and report. This report was prepared by CCI's Policy Director, Betty Holcomb. For more information, contact bholcomb@ccinyc.org or call 212.381.0009.

About The Center for Children's Initiatives

The **Center for Children's Initiatives** (CCI) formerly *Child Care, Inc.*, champions the right of all children to start life with the best possible foundation of early learning, care and healthy development.

- Information referral and consultation to parents
- Professional training and development to the field
- Advocacy and analysis to influence public policy and practice

The backbone of CCI's efforts is: helping families find the best quality early care and learning for their children, partnering with professionals to improve and expand their services and influencing public policy to assure sensible and affordable options. Working with each of these sectors gives CCI the insight to recommend policies that make quality learning environments a reality for all children.

To order additional copies of this publication or for more information, please contact Betty Holcomb, Policy Director at bholcomb@ccinyc.org or call 212.381.0009.



Center for Children's Initiatives
Building Bright Futures for Children
322 Eighth Ave, 4 Fl. New York, NY 10001
Phone: 212.929.7604 | Fax: 212.929.5785
www.centerforchildrensinitiatives.org