



A Historical View of The Demographic and Employment Characteristics of Families Receiving Child Care Subsidies From 2009-2013

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KEY POINTS

The child care subsidy program provides critical support to families to support parental labor force participation as well as child development. This study provides a historical view of the socioeconomic and demographic characteristics of parents who received subsidies over the 2009-2013 period. Little is known about subsidy recipients at that time, as most research is based on surveys, which undercount the number of people getting these subsidies. This study uses more rigorous methods that can more accurately describe participants who received subsidies 10 years ago. Key findings include:

- Over the 2009 to 2013 period, the subsidy program was critical for parents to maintain employment and support their children. The program targeted unmarried parents – particularly mothers – many of whom had some education above a high school degree. The program likely contributed to most participating parents maintaining employment and family income above poverty.
- Most parents receiving child care subsidies had a high school diploma or GED, and over half had attended some college or completed a bachelor's degree.
- Most participating parents were employed, with nearly eight in 10 working, and many working full time.
- Over half the families receiving the child care subsidy had income above the federal poverty level.
- More than eight of 10 participating parents were not married, with 80 percent being unmarried mothers.

BACKGROUND

Child care subsidies help parents purchase child care so they can work or participate in education and training activities. These subsidies are funded through several government programs, with the largest being the Child Care and Development Fund (CCDF). This brief presents historical estimates of socioeconomic and demographic characteristics of parents receiving subsidies over the 2009-2013 period.

Despite the importance of the subsidy program, there remains gaps in our understanding of the demographic and socioeconomic characteristics of participants. Most analyses rely on either survey data or administrative data from a few states. Although these analyses are valuable, survey data are known to undercount safety net participation. Administrative records contain accurate information on subsidy use, caseload dynamics, and basic information about participants. From a research perspective, they typically lack information on items not required to certify eligibility. This study overcomes these limitations by using linked administrative records with survey data, ensuring that demographic and socioeconomic information from surveys are

related directly to known participants in child care subsidy programs. While now 10 years old, the results from this analysis demonstrate interesting trends of participants at that time.

APPROACH

This project uses linked administrative records from child care subsidy programs with the American Community Survey (ACS), administered by the Census Bureau. States submit ongoing data to the Office of Child Care (OCC), located in the Administration for Children and Families (ACF), which include a limited amount of information on the characteristics of children and families they serve. However, this administrative data provide little information about the parents of the children served. In order to obtain additional characteristics about this population we merged family-level data received between calendar years 2009 to 2013 from 45 states¹, with the ACS. A full set of tables from this project—including individual state-level tabulations—can be found [here](#). Analysis of more recent data are not available because the Child Care and Development Block Grant Act of 2014 mandated that states could no longer collect the Social Security Numbers needed to match the ACF-801 administrative data with the American Community Survey.

RESULTS

Most parents receiving child care subsidies had a high school diploma or GED, and over half had attended some college or completed a bachelor's degree.

Among parents receiving subsidies, only about 14 percent lacked a high school degree or GED, as shown in Figure 1. About one-third (32 percent) had a high school education and over half (54 percent) had completed at least some college. Seven percent were bachelor's degree holders.

Most parents were employed, with nearly eight in 10 working, and many working full time. For example, almost eight out of 10 were employed at the time of the survey (Figure 2). While this percentage varied somewhat across states, in no state were fewer than 67 percent of parents employed (not shown in chart).

Most of the participating parents worked at least 40 weeks during the 12 months prior to responding to the ACS, shown in Figure 3. Two-thirds of parents reported working at least 35 hours in a typical week, as shown in Figure 4.

Figure 1. Educational Status of Parents Receiving Child Care Subsidies, 2009-2013

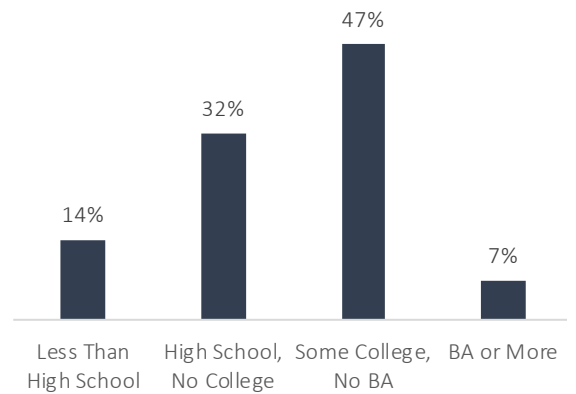


Figure 2. Employment Status of Parents Receiving Child Care Subsidies at the Time of Survey, 2009-2013

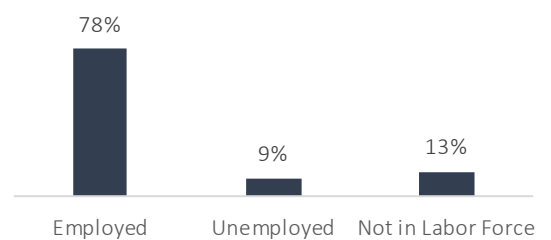


Figure 3. Weeks Worked of Parents Receiving Child Care Subsidies During the Prior 12 Months, 2009-2013

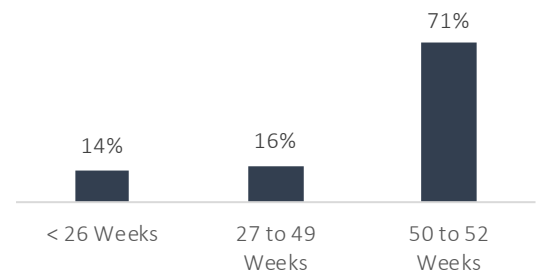
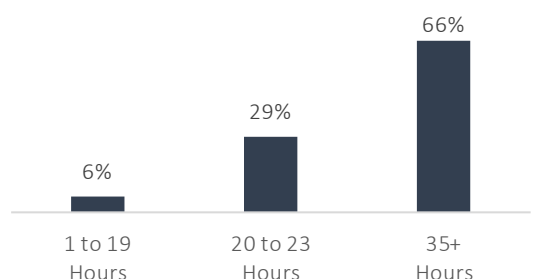


Figure 4. Typical Hours Worked Per Week of Parents Receiving Child Care Subsidies During the Prior 12 Months, 2009-2013



¹ Results for the states CT, IN, MA, NC, ND, NY, PR, VA, and WV were unavailable because they either submitted their data on subsidies using a sample instead of the full population, or the records lacked adequate information to be matched to the ACS.

Over half of families had income above federal poverty level

As shown in Figure 5, in the states included in this study, 42 percent of families receiving subsidies had income below the federal poverty level (FPL). Thirty-four percent of families in these states were between 100 and 199 percent of the FPL, 13 percent were between 200 and 299 percent of the FPL, and 11 percent were at or above 300 percent of the FPL. The income breakdown of families participating in the subsidy program varied substantially across states, demonstrated in Figure 5 for select states. Participants in Alaska tended to have higher income than those in other states, with 24 percent having incomes of 300 percent of the poverty line or greater. As a contrast, in Wisconsin participants were more likely to have lower incomes, where 43 percent had income below the poverty line.

Figure 5. Percent of Families Receiving Child Care Subsidies with Income at Different Percentages of the Federal Poverty Level, Selected States, 2009-2013

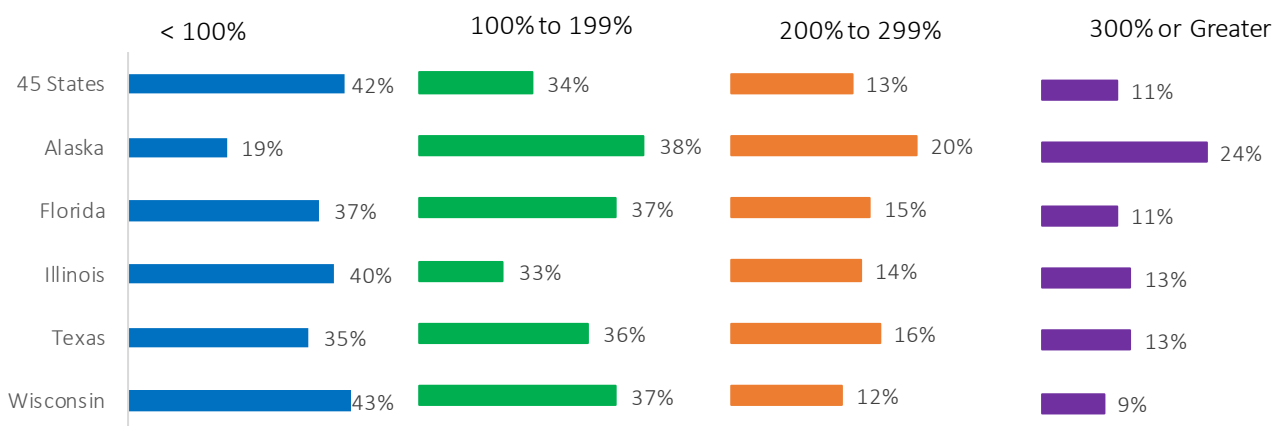


Figure 6 (shown below) shows the percent of participants living in poverty for all 45 states in this study. The percentages of families served below 100 percent FPL ranged from 19 percent in Alaska to 58 percent in South Carolina.

DISCUSSION

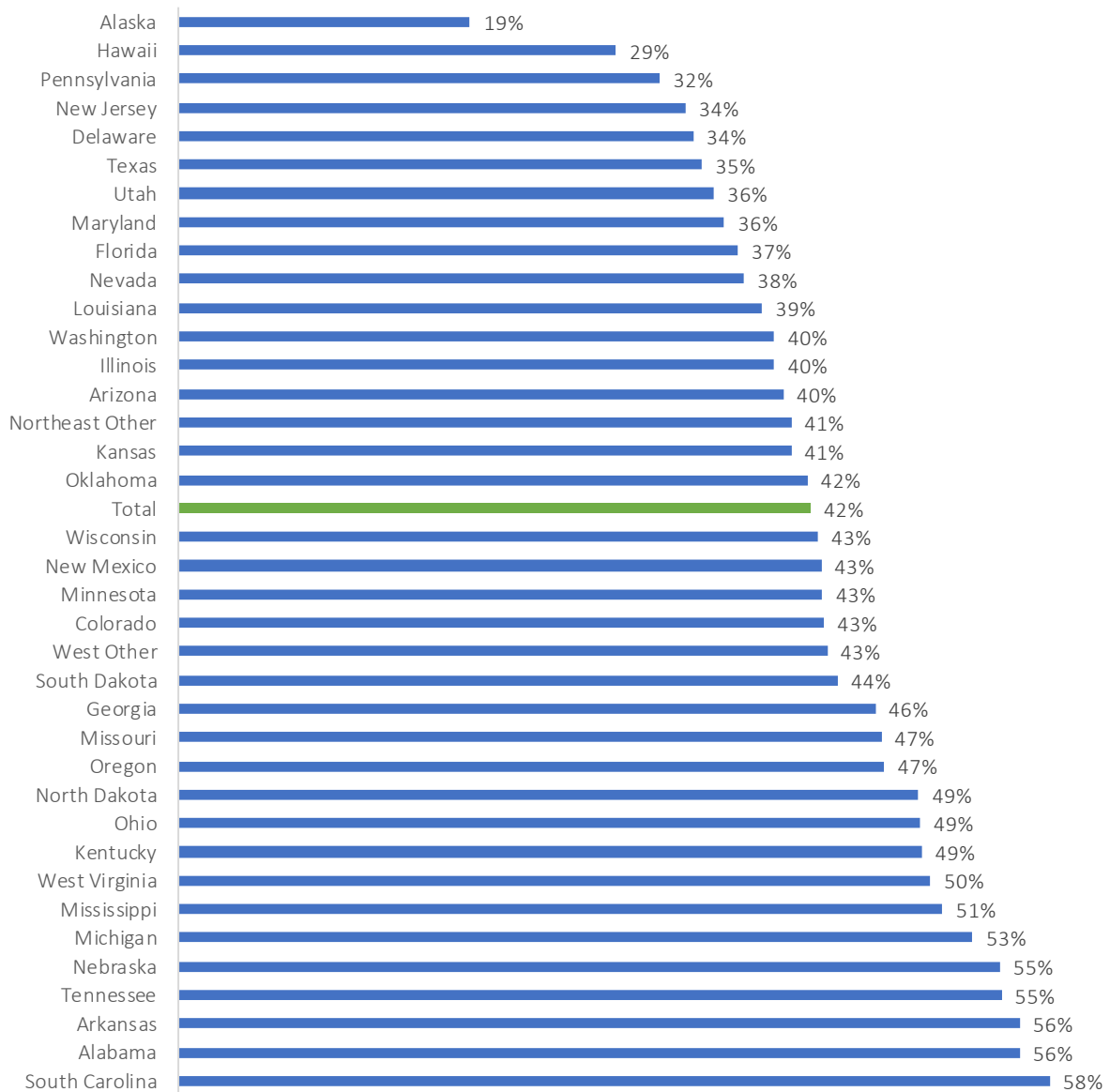
Child care subsidies provide critical support for low-income parents, supporting economic stability and mobility while also providing opportunities for child development. Focusing on families receiving subsidies over the 2009 and 2013 period, this study provides a historical understanding of child care subsidy recipients. Typically, national information on families receiving these subsidies relied on participants self-identifying themselves in surveys. This study provides more reliable information on select demographic and socioeconomic characteristics of parents who received child care subsidies during that time. These results provide important insight into the national picture of who received subsidies 10 years ago, as well as some key differences across states. States have substantial flexibility to administer the child care subsidy program, and cross-state differences may be as much due to different eligibility rules and administration policies, as other factors, such as state demographic and economic circumstances.

Changes to the subsidy program since 2013, including reauthorization in 2014 and implementing regulations in 2016, may have affected the composition of participants. Changes in the country's demographics, macroeconomic environment and program funding levels may also have changed participant characteristics. Research on current subsidy recipients should assess whether the trends in this

Unless stated otherwise, all estimates presented here include data from the 45 states that were able to be matched. Note that the data used for this analysis reflect the characteristics of families receiving child care subsidies before Congress reauthorized the Child Care and Development Block Grant in 2014. More information about the policy changes implemented can be found at: <https://www.acf.hhs.gov/occ/ccdf-reauthorization>.

analysis remain consistent. Should current recipients have similar characteristics, that consistency would suggest stability in who is served by the program. Should current recipients differ substantially, further inquiry should examine whether these changes are related to demographic and macroeconomic changes or related to policy and programmatic changes to the program.

Figure 6. Percentage of Families Receiving Child Care Subsidies with Income Below 100 Percent of the Poverty Line



Notes: Data for the states of CT, IN, MA, NC, ND, NY, PR, VA, and WV were unavailable. The sample sizes for several other states were too low to report individually and were collapsed. The states of ID, IA, MT, and WY were combined and reported as “West Other”. The states of DC, ME, NH, RI, and VT were combined and reported as “Northeast Other”. The resources used to determine poverty in the ACS were based on family income for the 12 months prior to taking the ACS survey, which may differ from what was used to determine eligibility for child care subsidies, which is often the family’s income at the time of application.

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