

The Effect of Child Care Subsidies on Mothers' Work Schedules

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Presented at "Women Working to Make a Difference," IWPR's Seventh International Women's Policy Research Conference, June 2003

Abstract

For mothers who are working poor or leaving welfare for work, child care is an often expensive necessity. In this study we go beyond previous research on the ability of child care subsidies to move mothers into employment to ask whether subsidies help mothers succeed once on the job. Using new quantitative data from the *Philadelphia Survey of Child Care and Work* we examine (1) what characteristics explain child care subsidy receipt, and (2) if receiving a subsidy reduces work-hour related problems like having to change shift or schedule, reduce hours, or the inability to do overtime because of child care. We find first that at-risk mothers who are single, those without transportation, those with lower wages, those with young children and special needs children, and Hispanic immigrants are more likely to be awarded subsidies. Second, we find that net of other factors, subsidies do reduce the incidence of hours/schedule related problems at work by 56 percent. Our results imply that child care subsidies can be a powerful tool to help working-poor families juggle work and family and improve their life chances.

Child care affects mothers' work. It is a factor in labor force participation, unemployment, work hours, weekly schedules, and ability to continue education (Presser 1988; 1994, Blau & Robins 1991, Connelly 1991, Press 2000). Subsidized child care is meant to assist low income families with the high cost of paid child care to improve mothers' work outcomes (Kimmell 1995, 1998, Meyers et al. 2001). Existing studies indicate that child care subsidies do contribute to moving mothers off welfare and into work, although only a small percentage of eligible families are served, and non-welfare "working-poor" mothers are especially unlikely to be served (Shlay et al 2003, Queralt 2000). On the other hand, we know very little about the effect of child care and child care subsidies on other aspects of mothers' work. How do problems with child care affect mothers once on the job? Do subsidies help alleviate any of these problems? For parents juggling work and family, struggling to make ends meet while also being there for their children, what is the role of child care subsidies, if any, in the work hours, job shifts and schedules of the working poor? Aside from reducing the welfare rolls, do subsidies improve the lives of low-income families?

Our research seeks to answer two main questions about child care subsidies and mothers' work outcomes. First, what characteristics explain child care subsidy receipt? And second, does subsidy receipt lessen work-hour related problems? Finally, we briefly examine the risk of quitting and being fired and the relationship between these severe outcomes and subsidy receipt.

Data

To investigate the effect of child care issues on mothers' work outcomes, we collected new quantitative data, the *Philadelphia Survey of Child Care and Work* (PSCCW) (Press & Fagan, 2002). Funded by the Child Care Bureau of the US DHHS, The Ford Foundation, and Temple University, the PSCCW is designed to broaden our knowledge and understanding of the relationship between child care problems and work outcomes. In particular, we investigate how various aspects of child care, including type and number of arrangements, costs, and parent satisfaction affect mothers' paid work, including details of her jobs as well as her reports of the many ways that child care interferes with her work life, including hours and scheduling, lateness and absenteeism, promotion and raises, and quitting and being fired. These relationships are combined with macro level information about neighborhood poverty and racial residential segregation, and about TANF status and child care subsidies to allow analysis of current social policy aspects of the child care work relationship for low-income families.

The *Philadelphia Survey of Child Care and Work* is a one hour, quantitative, door-to-door survey of 707 Black, White and Hispanic mothers of children under age 13 (Press & Fagan 2002). Philadelphia census tracts were stratified by high and medium poverty concentration, by racially segregated and mixed race concentration, and by race/ethnicity. Participants had to have worked at least 6 months out of the last 12 to qualify. Interviews were conducted from November 2001 to November 2002.

Description of the Sample

The present analysis of child care subsidies includes high and medium poverty neighborhoods and is restricted to the 215 mothers who applied for child care subsidies (or were signed up by a welfare caseworker).

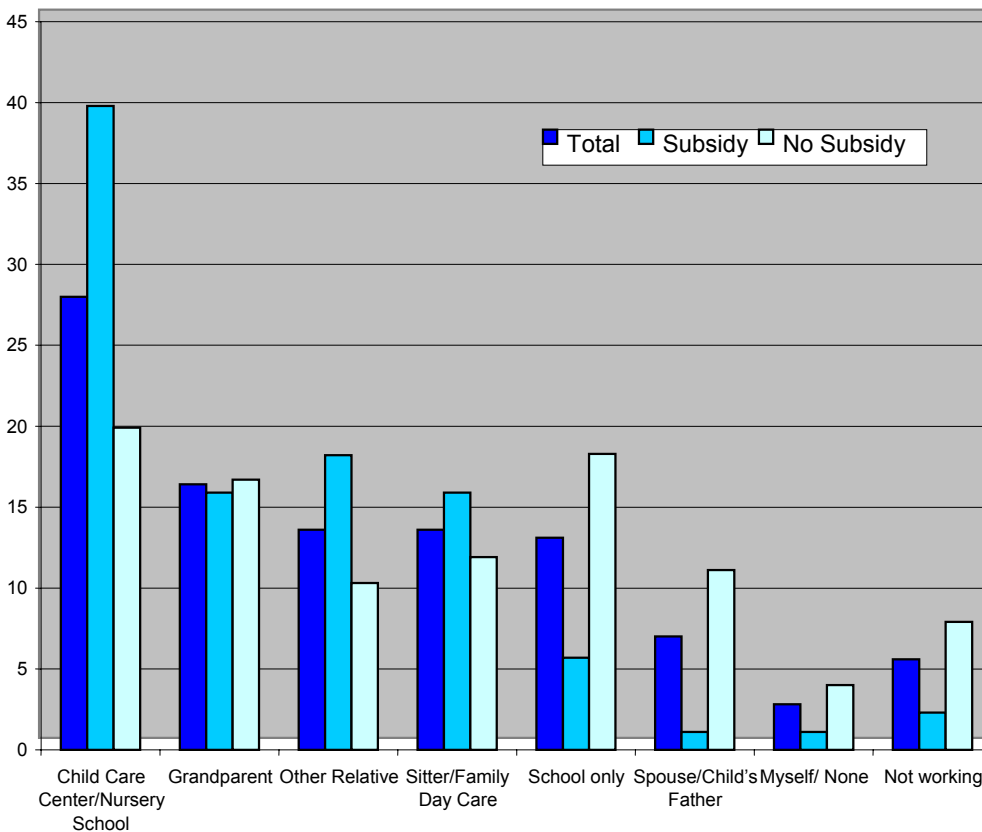
A majority of the respondents are either African American (49%) or Hispanic (37%) About one-third of respondents lack a high school degree and two-thirds lack a car. Twenty percent of mothers reported a disabling health condition and more than one-fourth have at least one child with serious physical or behavioral problem. The mothers in the sample are also earning fairly low wages, averaging about 8 dollars per hour, and working close to full time on average. The vast majority of respondents report having at least one social network tie, i.e., someone outside the household with whom they regularly discuss important matters. Forty-one percent of the 215 respondents are currently receiving a child care subsidy while the other 59 percent are not.

Health and social services (25%), retail trade (18%), hospitality (12%), and manufacturing (11%) are the dominant industrial sectors for these workers. The predominant occupational groups are clerical (22%), sales (18%), building and grounds cleaning/maintenance (12%), and health care support (11%). These are traditional female-dominated occupations and are consistent with a sample of low-skilled urban mothers.

Primary Care Arrangements

The arrangement used most often, regardless of subsidies is center based formal child care (Figure 1). This category includes nursery school/preschool, Head Start, and before and after school programs in or out of the child’s school. Subsidy recipients are much more likely to use this type of care than other types of care. This arrangement also costs the most, with a mean weekly price for the whole family of \$143. Grandparent care is used second most often, and there is not much difference in the usage of this arrangement by subsidy receipt. Subsidy recipients are more likely than non-recipients to use other relatives, including older siblings and to use a sitter or family child care center. Not surprisingly, recipients are less likely than non-recipients to use only school (because it is typically free), or their husband/child’s father.

**Primary Child Care Arrangement, Child 1
(Sample of Subsidy Applicants, N=215)**



Predicting Subsidy Receipt

To investigate who is most likely to be awarded a child care subsidy, we used logistic regression to predict subsidy receipt. Our statistical model showed that net of eligibility factors, at-risk mothers who have more barriers in their lives are more likely to be awarded child care subsidies. Single moms, those without transportation, those with lower wages, those with young children and special needs children, and immigrant Hispanics are more likely to receive a subsidy. In addition we find that using a child care center is strongly associated with subsidy receipt.

Predicting Work-Hour and Schedule Related Problems Resulting from Child Care

To test our theory that child care subsidies lessen the degree of work problems for recipients, we used three survey questions that ask about three different aspects of work and scheduling. Survey respondents were asked whether child care issues caused them to change shift or work schedule (19.5%), to reduce their work hours or work fewer than desired (24.7%), or to be unable to do overtime work (31.2%). If a mother said yes to any of the three, we counted her as having a work schedule problem stemming from child care (46.5%). We then used logistic regression to predict the likelihood of work problems conditioning on subsidy receipt. Other factors controlled in the model include: type of child care arrangement, cost of care, number and age of children, race/ethnicity of respondent, single motherhood and number of other adults in the household, size and sex composition of mothers' social network, car ownership, education, job flexibility, hours worked, unionized job, and firm size.

Our findings show that *subsidies do lessen problems at work*. Recipients are 56% less likely to report problems, net of other factors. In addition, having more flexible work and child care arrangements and more women friends to help out also lessen the incidence of problems. Married women and those using their spouse instead of obtaining child care have more problems at work than other women. We think this is because families who trade off two jobs and caring for the kids have less wiggle room in their schedules.

What are the child care problems that lead to work-hour and work-scheduling problems?

In the survey, we followed up the reports of work problems by asking respondent to name the child care issues that led to the work problem. The results for each item included in the work-hour/schedule measure are shown in Table 1 by subsidy receipt.

Table 1. Work-Hour Related Problems Resulting from Child Care, by Subsidy Receptiency

	Total	Subsidy	No Subsidy
	n=215	n=89	n=126
CHANGED SCHEDULE/SHIFT BECAUSE OF CHILD CARE	19.5%	20.2%	19.0%
Child care problem that caused schedule/shift change	(n=42)	(n=18)	(n=24)
Child care closes too early in the evening	40.5%	50.0%	33.3%
Child care opens too late in the morning	14.3	11.2	16.7
Caregiver unavailable	14.3	16.7	12.5
Child care not available on weekends	9.5	11.2	8.3
Couldn't find anyone to transport my child	9.5	5.6	12.5
Extra care hours too expensive	7.1	-	12.5
Child in care for too long	4.8	5.6	4.2
Result of schedule/shift change	(n=42)	(n=18)	(n=24)
Less desirable pay	52.4%	44.4%	58.3%
Less desirable work tasks	11.9	16.7	8.3
Less Chance of Promotion	7.1	11.1	4.2
No Change	28.6	27.8	29.2
REDUCED WORK HOURS BECAUSE OF CHILD CARE	24.7%	18.0%	29.4%
Child care problem that precipitated reduced work hours	(n=53)	(n=16)	(n=37)
Child care closes too early in the evening	28.3	37.5	24.3
Caregiver unavailable	26.5	18.8	29.7
Child care not available on weekends	17.0	6.3	21.6
Sick Child	9.4	12.5	8.1
Couldn't find anyone to transport my child	5.7	12.5	2.7
Extra care hours too expensive	5.7	6.3	5.4
My child care subsidy did not pay enough	5.7	6.3	5.4
Child care opens too late in the morning	1.9%	-	2.7%

	Total	Subsidy	No Subsidy
COULDN'T WORK OVERTIME BECAUSE OF CHILD CARE	31.2%	23.6%	36.5%
Child Care Problem that Interfered with Overtime	(n=67)	(n=21)	(n=46)
Child care unavailable	70.1%	66.7%	71.7%
Couldn't find anyone to transport my child	10.5	19.1	6.5
Child care not available on weekends	9.0	9.5	8.7
Extra care hours too expensive	7.5	4.8	8.7
Too many hours away from children	1.5	-	2.2
Sick Child	1.5	-	2.2

The first panel indicates among mothers who had to change their work shift because of child care problems, the first four lines all relate to the available hours and days of the child care arrangement. This is clearly the issue that most negatively affects these mothers on the job. In addition, several mothers reported difficulty transporting children among multiple arrangements, not wanting to leave children for so many hours, and difficulty in paying for more hours. None of the subsidy recipients reported difficulty paying for the additional child care hours. Both subsidy recipients and non-recipients reported that problems with child care availability hours led to shift and schedule problems at work.

Quitting and Being Fired

The ultimate work disruption is leaving employment all together. To analyze the impact of subsidies on these severe outcomes, we examine the six mothers in this subsample of subsidy applicants who report quitting their most recent job this year because of child care. We also analyze the seven mothers who report being fired from their most recent job this year because of child care. Table 2 presents the results of this analysis.

Table 2. Job Termination Resulting from Child Care

	N/%	Subsidy Recipient
Quit Job Because of Child Care Problems		
<i>Sometimes child care causes so much disruption with their work that people decide to quit their job altogether. Did you quit this job because of child care in the past 12 months?</i>	2.8% of 214	0%
Child Care Problem that Precipitated Quitting	(6)	

	<i>N/%</i>	<i>Subsidy Recipient</i>
<i>What was the main child care issue that caused you to quit your job?</i>		
Child care arrangement became unavailable	2	No
Could not afford child care	1	No
Could not find child care	1	No
Child too sick	1	No
Children “complained of mom not home too much”	1	No
Fired from Job Because of Child Care Problems		
<i>Some child care causes so much disruptions at work that people get fired from their job. Do you have reason to believe that your child care situation was responsible for your being fired from your job in the past 12 months?</i>	3.3% of 215	1.1%
Job Problem that Precipitated Firing		
<i>Now, think back to the time you were fired from your as a result of child care. What do you think was the main problem on the job that caused you to be fired?</i>	(7)	
Repeatedly late or absent because of child care problems	4	No
Job performance suffered because couldn't concentrate	1	No
Had to take off a few months when child was sick and child care wouldn't take child	1	No
Could not stay late or work overtime	1	Yes
N (sample: child care subsidy applicants)		215

None of the mothers who quit because of child care was a subsidy recipient. Six out of the seven who were fired were not subsidy recipients. The one subsidy recipient who was fired says that she was fired because she could not stay late or work overtime. Her primary arrangement is center-based care. In fact, subsidy recipients are much more likely to use a center for their child care arrangement. Although institutionalized care in a center or program has certain benefits (the quality may be higher, for example), time-flexibility is one of its downsides. Centers are typically open from 6:30 or 7:30 am until 5:30 or 6:00 in the evening. Many of them charge by the minute for every minute the parents are later than closing time. These thirteen mothers who quit or were fired provide further evidence that people with subsidies experience fewer work problems than do non-recipients.

Conclusion

These findings suggest that child care subsidies do play a role in the work lives of low income families beyond moving women into employment. Subsidies lessen work hour and work schedule problems caused by child care issues by about 56 percent, net of other factors. Child care subsidies, therefore, can be a powerful tool to help working-poor

families juggle work and family and improve their life chances. Family day care/baby sitter type of child care arrangements are strongly associated with fewer problems at work. The fact that subsidy recipients are much more likely to use institutional types of care may be something that the subsidy system could do better. If more families were served and more families using flexible arrangements were served, works hour and schedule problems could be reduced further.

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