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Introduction

In October 2007, Oregon implemented a fundamental change in child-care subsidy policy with the objective of significantly affecting the stability of employment and child-care arrangements in low-wage working families who relied on subsidies. As Table 1 indicates, prior to October 2007, Oregon's child-care policies were among the least generous compared to those of other states (Shulman and Blank 2006, 2008). As of October 2007, the state's child-care policies became among the most generous in the nation by substantially increasing the subsidy rates to providers and decreasing the copayments required of parents.

The Department of Human Services (DHS) notified parents likely to be eligible, program participants, and providers of the changes. After the 2007 policy changes, DHS designed a flier and poster to let potential participants know of the changes and to encourage them to apply. Fliers and posters were widely distributed through organizations serving low-income parents (DHS offices, Oregon Food Bank, domestic violence shelters, libraries, elementary schools, and child-care and education programs such as Head Start, including tribal and migrant programs, Even Start Family Literacy Programs, and special-education

TABLE 1
Selected Elements of Oregon's Child-Care Subsidy Eligibility Rules (1997 to the Present)

Eligibility Rules	Old Policies: Prior to September 2007	New Policies: October 2007
Maximum (enhanced) subsidy rates paid to providers	Enhanced rate* was adequate to purchase about 26 percent of child-care slots statewide in 2006.	Increased maximum subsidy rates to 75th percentile for most licensed facilities
Copay amounts paid by parents	Copays were up to 68 percent of income. For example, at 150 percent of the federal poverty level, copay amounts paid by parents (for a family of three) was \$524	Copays were up to 17.7 percent of income. For example, at 150 percent of the federal poverty level, copay amount paid by parents (for a family of three) is \$270
Income eligibility ceiling per month	1997 to January 2003: 185 percent of poverty level. February 2003 to September 2007: 150 percent of poverty level	185 percent of poverty level
Frequency of recertification	Voucher clients every three months; caseworkers have authority to set to between one and twelve months but the expectation was three months	Voucher clients every six months; caseworkers have authority to set to between one and six months. Six months has become the norm
Program expenditures	2005–7 approved biennial budget of \$86,040,873	2007–9 approved biennial budget of \$133,953,768

* In 1999, the state created an enhanced rate with a 7 percent higher payment to providers who have approximately twelve hours of specific training with an additional eight hours required every two years.

programs). Parents who were enrolled in the subsidy program at the time of the change were notified of the decrease in their copay but did not receive notice of policy changes. DHS did three mailings explaining the policy changes to listed providers. Letters in English and Spanish were mailed to providers a month prior to the changes as well as after the changes.

In a collaborative project with Bobbie Weber and Deana Grobe (Oregon State University), we sought to examine how this different policy context affected the stability of subsidy usage, the child-care arrangements, and employment among families receiving employment-related daycare subsidies in Oregon. When subsidy rates went up and copays went down, policymakers anticipated that parents would have greater access to child-care options, more stable arrangements, and would thereby also be able to sustain employment with fewer disruptions due to problems with child care. Further, policymakers believed that more stable and potentially higher-quality child care purchased with higher subsidies might result in better child outcomes.

Past research on Oregon's subsidy program has primarily used administrative data. A study of the dynamics of participation in child-care subsidy programs found short spells of subsidy use across the five states studied. The median length for receipt of subsidy ranged from three months in Oregon to seven in Texas (Meyers et al. 2002). While half the families returned for another period of subsidy use, it was typically for another short spell (Meyers et al. 2002). Research also shows that families in Oregon who utilize subsidies for only a few months remain eligible and continue to receive other work support benefits (Grobe, Weber, and Davis 2008). Studies suggest that procedures and policies related to obtaining and retaining eligibility for a child-care subsidy may be a barrier to participation, both in Oregon and elsewhere (Grobe, Weber, and Davis 2008; Adams, Synder, and Sandfort 2002; Shlay et al. 2004).

The short spells of subsidy use typical for many families raised concerns that child-care arrangements may also be of short duration. Indeed, Weber (2005, unpublished doctoral dissertation) found that children's (subsidized) child-care arrangements were shorter, on average, than their subsidy spells. Half of all subsidized arrangements in Oregon ended within three months for children observed for up to three years, and only 18 percent of the arrangements with the same provider were resumed (Weber 2005, unpublished doctoral dissertation). This

compares to findings from two studies using nationally representative samples that found about 50 percent of children under age thirteen were in the same arrangement after one year (Blau and Robins 1998; Hofferth et al. 1991). Research has shown that multiple changes in arrangements can produce a negative impact on a child's development (Huston et al. 2002; Loeb et al. 2004). Stable child care and stable maternal employment have also been found to be associated, although the direction of the relationship is not clear (Blau and Robbins 1991; Hofferth and Collins 2000; Meyers 1997; Miller 2003).

Although these studies provided important information on parents' response to policy and economic conditions, they were limited in being able to capture the underlying issues facing low-income families that can be explored directly with parents through interviews and surveys. For example, what happens to subsidized arrangements after the loss of a subsidy? What are the reasons why parents leave the subsidy program? How do work schedules and work hours affect child-care decisions? What leads to the disruption of a child-care arrangement? Does the extent of a parent's social network affect employment and child-care decisions? A qualitative study of subsidy parents expands the literature by comparing outcomes (stability of subsidy usage, child-care arrangements, and employment) under two substantially different sets of policies within the same state.

Methods

In order to better understand the potential complex effects of both the old and new policy context on parents' decisions regarding child-care arrangements and employment, we designed a multimethod approach to evaluation, including a qualitative and survey component. We established an advisory committee composed of representatives from the Department of Human Services (DHS) and the Child Care Division, Oregon Employment Department, researchers, child-care providers and partners, and a parent. The list of advisory committee members is included as Appendix A. The committee has advised us as we conducted fieldwork and analyzed the data.

We planned to conduct first qualitative interviews to explore parents' detailed accounts of their employment, child-care arrangements, and experiences with the subsidy program pre- and post-October 2007. Through in-depth interviews, we designed the protocol to identify unexpected factors shaping stability in child care and

employment or experiences with the child-care subsidy program to explore more broadly in the survey. From the patterns and themes identified in the qualitative component of the study, we then designed a survey that was administered to 580 subsidy recipients in Oregon. This report focuses solely on the findings from the qualitative component of the study.

The qualitative portion of the study aimed to explore—through open-ended, conversational interviews—a number of complicated factors that may be related to the changes in the policy context, including child-care arrangements in the old and new policy context and how they may have changed; resources available for child care (including financial and social networks, and formal and informal care options); basis for decisions regarding care; stability of care arrangements; satisfaction with care arrangements; logistics of subsidy use and experiences with DHS; employment circumstances and conditions; if employment changed, the factors driving those changes; the factors behind changes in subsidy receipt; management of child care and employment—conflicts, constraints, facilitators, both before and after the changes to the Oregon Child-Care Subsidy Program.

Ellen Scott, principal investigator for the qualitative component and lead author of this report, worked with University of Oregon graduate students to conduct in-depth interviews with subsidy recipients, and code and analyze the data. We interviewed forty-four subsidy recipients and fifteen of their child-care providers. The interviews were digitally recorded and transcribed verbatim. We also obtained permission from twenty-seven respondents to review their DHS administrative data on copays and subsidy payments to providers since January 2007.

We originally proposed to interview forty subsidy recipients, twenty-five randomly selected through the means we describe below and a purposive sample of fifteen subsidy recipients. To generate the latter sample, we proposed to use demographic descriptors of the initial sample of twenty-five to identify weaknesses in the variation in the sample across a variety of dimensions that were important to our analysis. From this description of our sample, we planned to generate a second purposive and theoretical sample that would allow for greater variation in our small sample.

However, based on findings midway through the study, we decided not to create the purposive sample. In its place we interviewed more subsidy recipients randomly selected through the process

described below and we sought to interview their providers as well, if given permission to do so. We describe this change in methodological approach in greater detail below.

Sample

The following criteria were used to narrow initially the population of subsidy recipients in Oregon:

- 1) all recipients on September 2008 and July, August, or September 2007
- 2) those who lived in thirteen northwest counties
- 3) those who had one child over the age of five in September 2008
- 4) restricted the number of recipients who were in the program for twenty-three months or longer
- 5) eliminated the four people who were in the program for six months or less

This resulted in a pool of **763** people; we selected every other person in this initial sample to end up with a sample of **382**. The Department of Human Services (DHS) provided the University of Oregon with the identifying information for the sample of 382.

Of those, **53** were in center care (CC), **51** were in nonrelative care in their own home (IH), **79** were in regulated family care (RF), **97** were in relative care either in their own home or in a relative's home (RE), and **102** were in unregulated neighbor care (UN).

We used Stata, a data analysis and statistical software, to sort the sample by care type and to randomly sort within each grouping. We then chose the first twenty names for each care type from the randomly sorted list. Our first contact was via postcards provided by DHS, mailed in sealed envelopes to recipients, inviting them to participate in the study. As we indicated on the postcard, we followed the mailing with phone calls to parents. Phone calls began in February 2009, with the goal of initially interviewing five families in each of the five categories of child care.

We found that approximately 25 percent of the numbers were wrong. For approximately 50 percent we left messages, which were sometimes returned. In the remaining 25 percent we typically got yes responses to interview requests. In a few cases, we were told they were not interested, call back, not a good time, and so forth. A few families spoke a language other than English, so we didn't schedule interviews, even though in a couple of instances they expressed interest and

asked if we could provide translation.

With the first draw of twenty names per care category, we completed five interviews in the center care (CC) and relative care (RE) categories, and four in the unregulated neighbors or friends (UN) category. After difficulties getting five families using in-home nonrelative care (IH) and regulated family care (RF) to agree to an interview, we drew an additional random sample of twenty more names in each category and completed five interviews in the IH category and four in the RF category.

After completing this initial round of interviewing, we presented initial findings to the advisory board. Upon reviewing some very surprising results revealed in the initial analysis of data, the advisory board recommended that we change our initial interview plan in order to better understand some of the findings.¹ This is quite typical in qualitative research based in grounded theory (Charmaz 2006), and indeed is the beauty of the method—one can pursue interesting findings by changing course and thereby obtain the data necessary to understand complex relationships. With the approval of the advisory board, we modified the initial methodological approach as follows: we agreed to conduct follow-up phone interviews with the initial group of twenty-four respondents to explore further their knowledge of the policy and what happened with their copay amounts since October 2007. In that phone call we also requested their permission to contact their providers and obtain their DHS administrative data on copays and subsidy payments to providers since January 2007. Upon the advice of the advisory board, we decided that it was critical that we interview providers to see if they had greater knowledge of the changes to subsidy policy, and we thought it critical to compare recipients' perceptions of their copay amounts with the administrative data for their cases, if they allowed us access. Because we changed our approach, the Child Care Division

1. Discussed in depth in the section that follows, the finding that particularly surprised us and motivated the change in interview strategy was that the subsidy recipients seemed to have no knowledge of the changes to child-care subsidy policy implemented in October 2007. We also found that their perceptions of changes to their copay differed significantly from the expected outcome of a major reduction in the copay (that is, the majority perceived their copay to have increased since October 2007 or fluctuated so substantially that the changes constituted a serious burden). We felt that these findings warranted greater investigation.

approved an expansion of the scope of the project by funding a second year of qualitative data collection during which we conducted an additional set of twenty interviews in fall 2009. In those face-to-face interviews we asked respondents if they would permit us to interview their care providers and obtain their administrative data. We also changed the interview schedule to focus in greater depth on the issue of copays amounts and fluctuation, as well as how they managed the cost burden.

In order to conduct the second set of twenty interviews, we returned to the original large subsample of the population of subsidy recipients and continued to make calls to sets of twenty recipients randomly sampled by care type. Because the contact information was then almost a year old, DHS updated the contact information for us in October 2009 and we successfully completed the additional interviews by December 2009, again by first sending potential respondents a postcard soliciting their involvement with the study and then calling them to schedule an interview.

In Table 2 (see next page) we provide descriptive statistics of the forty-four respondents interviewed for this study.

Interview process

Interviewers met respondents in a location convenient to them, most typically their home, and interviewed face to face in a semistructured interview process. Interviewers were trained to obtain consent and clearly instruct interviewees that they were free to refuse to answer any question and end the interview at any time, with no penalty. At the beginning of the interview, they were given the \$25 gift certificate to compensate for their time in order to reduce the possibility of coercion to complete the interview. We also explained that we would assign a pseudonym in order to maintain confidentiality. Interviewers conducted semistructured interviews in a conversational manner, using an interview guide, but we also followed the lead of the interviewee and allowed the conversation to be directed by their concerns. Interviews lasted one to two hours. They were transcribed verbatim.

Coding and analysis

We coded the interviews using Atlas TI, a qualitative data management software program. In coding, we categorized the data according to themes that emerged from the literature and were consistent with our main lines of questioning. We paid close attention to the emergence of themes

TABLE 2
Description of Sample (N=44)

Age of children (range).....	<1 year—19
Average number of people in household.....	2.7
Average age of parent.....	32
Percent of single-parent households.....	77 percent
Percent employed at time of interview.....	82 percent
Percent on TANF at time of interview.....	16 percent
<hr/>	
Self-identified race	
White	28
Hispanic	7
African-American.....	5
Native American.....	2
Asian, Pacific Islander.....	1
Mixed.....	1
<hr/>	
Parents' education level	
<High school.....	18 percent
High school	36 percent
Some college.....	41 percent
Bachelor's degree.....	5 percent
<hr/>	
Average estimated monthly income.....	\$1,300 gross
Percent with changing work schedule*.....	54 percent
Percent working.....	69 percent nonstandard hours*
Parent with disabilities.....	55 percent or health issues
Percent with children.....	30 percent with special needs
<hr/>	
Child-care type	
Center-based.....	10
Relative.....	9
In-home nonrelative.....	9
Unregulated in-home.....	8
family care	
Regulated family care	8

* Of those employed at the time of the interview

subsequent interviews (for example, an entire segment on fluctuating cost burden, the impact of the cost burden, and how families managed their child-care costs, even in a generous policy context). As we coded interviews, we explored a variety of themes with which we began this study and themes that emerged in the context of conducting the interviews, and wrote analytic memos, which are the basis for this report assessing the impact of Oregon's changes to child-care subsidy policy in October 2007.

The study was approved by the University of Oregon Office for the Protection of Human Subjects. In all references to families interviewed, we use pseudonyms.

Parents were not aware that child-care subsidy rates increased and that copays decreased.

Findings

In the sections that follow, we examine

- 1) parents' and providers' perceptions of the policy change
- 2) copay after October 2007—amounts, fluctuation, and cost burden
- 3) impact of the child-care subsidy: "Without a subsidy, I could not work"
- 4) child-care arrangements and the child-care subsidy: stability and continuity of care, satisfaction with care, flexibility, and access to child care that enables employment
- 5) parents' experiences with DHS and the Child-Care Subsidy Program

1) Perceptions of Policy Change and Impact: Parents and Providers

Parents were not aware of the policy change.

Given the magnitude of change in the benefits between pre- and post-October 2007, we anticipated that parents and providers would be fully aware of the changes implemented in the Employment-Related Daycare Program (ERDC). When we interviewed *parents*, not a single respondent said that they were aware that child-care subsidy rates increased and that copays decreased. Given that parents were not aware that policies changed, it is not surprising that child-care arrangements in this sample did not change consistently around the time of October 2007. Parents did not remark that they had access to or utilized different care options subsequent to that time as a result of the increased rates and did not report that the new subsidy rate allowed them access to care with which they were more satisfied. As we discuss below, reported changes in child-care arrangements seemed to be driven by factors other than cost (job changes, dissatisfaction with providers, changing availability of providers, and some-

or categories in the interviews that were surprising or new in some way, and we developed codes for those themes, too. Based on emergent codes or themes, we developed new interview questions to add to the protocol in

The policy change resulted in a “big difference” in [a child care provider’s] ability to keep her business running.

times a move). We cannot know if knowledge of the policy changes would have had an impact on child-care changes.

It made some sense to us that perhaps parents might not be aware of a changed payment to a provider, but we were quite startled to find that they were also unaware of a decrease in their copay. Indeed, when probed about this, their perceptions were rather that their copay had actually gone up since October 2007 or that the copay had fluctuated unpredictably, causing them distress as they tried to budget their extremely tight finances. We detail the experience with copays in Section 2.

Providers were aware of the policy change.

We interviewed fifteen providers: six center-based providers, four relative providers, three in-home nonrelative providers, and two regulated family providers. We were unable to interview unregulated friends or neighbors. The interviews with providers indicated that they were much more aware of the change in subsidy policy than were subsidy recipients. Overall, they recounted positive effects. Thirteen of fifteen providers reported knowledge of the subsidy policy change. Nine reported positive effects due to the policy change; three reported negative effects they attributed to the policy change; and one reported knowledge of the change but no evaluation of its impact. The positive impacts, which we detail below, related to increased provider revenue, ability to serve additional subsidy users, and benefits to parents and children. Overall, centers and other nonrelative providers seemed to be affected by the change most significantly and reported the most positive effects from the policy change.

Nine of the providers (only one of them a relative provider) reported that the increased revenue due to higher reimbursement rates led to a range of benefits. First, it led to stability and financial solvency for their businesses. A center-based care provider reported, “If it hadn’t increased, because they were so low (reimbursement rates), we were just about not able to pay our bills, just because we have so many state-pay [families] and their payments were so low.” A regulated in-home provider reported that the policy change resulted in “a big difference” in her income and ability to keep her business running, but subsidized rates were still far below market child-care rates and below what was necessary to provide high-quality care. Two nonprofit center-based providers recognized that the increased reimbursement rates allowed their centers to cover more of their costs, but since their programs received other

subsidies (Head Start and university funds) their actual overall revenue did not increase. This was a unique situation because when reimbursement rates increased it meant that the centers received less funding from their parent institutions. The higher reimbursement rates did not directly affect the centers’ overall income, but did decrease costs borne by the institution.

Second, the increased income had an individual effect on the providers and their families. For example, it lifted one provider’s family out of a precarious economic position. As the regulated family care provider reported, “It helped me because, well, it gave me a really nice boost in pay. It’s like getting a raise. It’s just like anything. It really helped me. I think it pulled us out. We were always right on the border of being able to qualify for this for ourselves. And it just pulls that much further from that line and it makes like just a little bit more comfortable.” A home-based nonrelative provider reported that the increased reimbursements amounted to “a little pocket change” and that she could afford a costly dental procedure.

Third, providers also reported they were able to invest increased revenues back into the business by buying new supplies, making facility improvements (i.e., fixing a leak in their roof), and offering higher-quality food to the children under their care. Last, the increased revenue allowed providers with multiple employees, particularly at one larger regulated family care site, to increase stability for their workers and provide health insurance and other employment-related benefits. This benefit to workers is particularly significant given that the provider reported that many of these employees were or had been subsidy users themselves.

In sum, the increased income to providers due to higher reimbursement rates allowed them to stabilize their business, reinvest in and improve the child care, and provide better services to their clients and better work conditions for workers.

Besides the benefits of increased income to providers, nine providers mentioned additional positive effects they were aware of: providers’ ability to take on more subsidy users due to higher reimbursement rates; lower copays, which allowed parents to access or continue care; and the decrease in cost burden, which eased the tension around billing and payment that had previously characterized these relationships.

A few providers, none of them center-based providers, seemed unaware of the policy change or were confused about its impact. For example, two providers mentioned that their clients expe-

rienced increased copays, which they attributed to the change in subsidy policy in October 2007. As a result, the providers said they had fewer subsidy users in their care because parents could not afford the cost of care. This contradicted fundamentally the experience of most of the providers we interviewed, so we suspect these individuals were mistaken in the attribution of the cause of the increased copays.

The story of one center-based care provider is a striking example of the positive effect of the policy change for providers and parents. Prior to the policy change, she had to increase her rates in order to cover her costs, which made care prohibitively expensive for subsidized families. She explained,

"We had to go back and look and go, 'Hey, this isn't working for us. If we want to continue to have this center right here where it's at and not potentially maybe close the door, we're going to have to charge an additional amount to all of our subsidy clients.' Very heartbreaking and very devastating, because what happened was I probably lost 60 percent of the child-care-assisted families when we asked them to pay that."

The policy change occurred soon after her rate increase and she said that she was able to call all of the affected families and bring them back to her center. The provider would not have been able to bring these families back to her center without the increased reimbursement rates that resulted from the policy change. The provider explained that most of the parents who lost care at her center had to rely on patched together care from relatives and friends. This exemplifies one way the decreased cost burden benefits parents and allows for stability in care for children.

One provider sums up the personal rewards she receives working with children and the broad benefits of subsidized child care to parents, children, and communities:

"There's actually nothing more rewarding than that, there really isn't, and more fulfilling as a teacher and as an educator, knowing that you are making a huge difference in a child's life. And by the state opening up their doors and giving us parents the option of where they want to go, it has opened up parents' options as well. Parents are actually feeling more comfortable, they're actually doing better jobs at work, they're better employees because they're not as stressed as, 'Oh my gosh, who's watching my child today?' 'Oh my gosh,

are they OK? 'Are they learning anything, are they getting into trouble?' 'Oh my goodness.' That family stress somewhat dissipates to almost nothing, and therefore the child is more relaxed, the parent becomes a better employee, everybody wins—everybody wins, all around. And they're giving back to their community by working and being a productive member of society. So it's a win-win situation for everybody all the way around."

Overall, most providers were aware both of the changes in child-care subsidy policy and the beneficial effects of these changes. They noted receiving notification from DHS about the rate changes. Although some noted the rate changes were small, others explicitly said they could then take more subsidy recipients because the subsidy payments came closer to the cost of care—a change that would benefit subsidy recipients, albeit one they would not be aware of necessarily. A few providers, all relative or in-home nonrelative providers, were not aware of the changes to subsidy policy, or were substantially confused about the new policy.

On the contrary, all parents were strikingly unaware of the policy change, and indeed they noted that their perception was that their copay had actually increased or fluctuated dramatically in the period since October 2007. Confused by this finding, we changed our research design (discussed in the method section) in order to explore more fully these perceptions.

In the remainder of this report, we focus on the parents' accounts of their copays, and their employment and child-care arrangements pre- and post-October 2007 in order to evaluate potential effects of the child-care subsidy policy, despite parents' lack of awareness of the policy change. The following sections address copay amounts and fluctuations, employment conditions, child-care arrangements, and experiences with DHS.

2) Copay after October 2007—Amounts, Fluctuation, and Cost Burden

Because we were so struck by how incongruous the intent of the policy was with parents' perceptions of the changes in their copay since October 2007, we sought to examine the administrative data on copays for the people with whom we had spoken. We obtained permission from twenty-seven respondents to obtain the administrative data for their cases. This proved extremely helpful in understanding their perceptions that the copay had not decreased since October 2007

Although rates were still below market child-care rates, providers could take more subsidy recipients because payments came closer to the cost of care.

When the copay went up, even by \$50, it caused stress, worry, and fear about not being able to pay other bills.

and their general lack of awareness of this policy change.

Copay amounts. As we discuss at length in a subsequent section, parents were profoundly aware of, and grateful for, the assistance they received through child-care subsidies. With gross incomes averaging about \$1,300 a month, the families we interviewed could not afford child care otherwise. However, despite the generosity of the subsidy rates and copay amounts, parents experienced substantial financial burden in meeting their portion of the child-care costs, even when paying very low copays. The copay for the twenty-seven respondents for whom we had administrative data ranged from \$25 to \$435 between January 2007 and September 2009. The mean copay for individuals ranged from \$18.57 to \$244.80 (including the months when respondents received a subsidy but paid no copay); the *mean* copay for the entire sample of twenty-seven respondents was \$107.44.

Copay fluctuation. As intended, when the changes to Oregon's child-care subsidy policy were implemented in October 2007, the copay amount **decreased for most** of the respondents for whom we had access to administrative data (fifteen of twenty-seven). The copay stayed **the same** for those for whom the copay was already either zero or \$25.00 in October 2007 (seven of twenty-seven). One individual experienced a substantial **increase** in her copay in October 2007, but this corresponded with an increase in income; one individual experienced no change in the copay and **no change** in income in October 2007, however her copay did decrease in September 2007. Three respondents were not on the program in October 2007.

Between October 2007 and the end of the study period, we found that for 55 percent of parents (fifteen of twenty-seven) the copay **fluctuated**. Given the increases and decreases in the copay amount, a drop in copay or very low copay two years prior to the interview was forgotten amidst the generally fluctuating but regularly obligated bill.

For 33 percent (nine of twenty-seven parents), the copay **increased** between three and twelve months after October 2007 and stayed higher than it had been, or continued going up over time. Respondents remembered primarily the subsequent increases rather than the momentary drop (even if those increases could be explained by increased income or hours).

Finally, for 11 percent (three of twenty-seven),

either the copay was already low or it **decreased** in October 2007, and it stayed low. For those who experienced a permanent drop in their copay in October 2007, we surmise that this was not notable to them in the context of the poverty these families experience and the extreme difficulties they have making ends meet, hence they did not remember this change.

According to the administrative records, for the majority the copays did not stay down between October 2007 and the end of 2009. For most of the parents we interviewed, the copay fluctuated substantially or increased and remained higher than it was in October 2007. This finding from the administrative records helped to clarify our enigmatic finding that recipients did not remember that copays decreased and rather perceived the opposite—that their copays had been going up over time or went up and down. Given that the policy change radically reduced the copays by between 20 and 65 percent depending on the household income as a percentage of poverty level, the parents would undoubtedly have experienced much higher copays had the policy not changed, but parents did not know that.

Based on the range of an individual's copay, length of periods of copay stability, and average amount that copay changed when it fluctuated, there appear to be **no patterns of child-care cost fluctuation by care type**.

Their responses to our query about their copay amounts reflect the fluctuation many experienced: Alice reported: "Oh gosh, I have no idea. [My copay] changes. I mean it would literally change every six months, if not less than that. It's usually always anywhere between \$50 and up to \$300, I think, is the most. Maybe it got up to \$350 sometimes."

Tammy said: "Right now my co-pay is, I think, \$138, for a few months now. And then before that, it was, like, \$158, and it's been right below \$200. It goes up and down, because every six months I think it is, they redo it. [I was] kind of bummed out about it, but I was still thankful that it wasn't over \$1,000. But it was, like, oh man. You know, so, now let's see, okay, I got to make this much more [to cover the higher copay]."

The fluctuation in copay was also noted by two relative providers who reported that copays for their clients generally increased, even after the policy change. Both said that the copays for their clients decreased for one month and then increased dramatically when the clients were recertified. The increased copay made child care prohibitively expensive for the parents and they

discontinued care in each of these cases, and thus providers lost income.

Although the intention of the 2007 change to Oregon's child-care subsidy policy was to diminish the cost burden of child care for low-wage working parents, parents still experienced copay increases. Parents were not aware of what their child-care costs would have been had the policy not changed. What they did know was that their costs increased since October 2007, as indeed they had, even if not equivalent to what the costs would have been in the previous policy context. Therefore, in the absence of comparable information, when asked whether they remembered a policy change that led to a decrease in their child-care copays, their responses were that, to the contrary, their copays had increased during the period since then and they had no recollection of this policy change.

Parents' descriptions of the impact of fluctuating copay amounts during the study period.

Parents described the burden of fluctuations in the copay poignantly. When the cost went up, even by \$50, it caused stress, worry, and fear about not being able to pay other bills. When the cost went down (for the rare few), respondents talked about the opportunity to make a larger payment on another bill, diminish their debt, or buy their kids a night out. Often the benefit of a decrease in their copay was the opportunity to catch up on accumulated debts.

That the copays varied over time was also very difficult for respondents, even if the amount changed predictably at the time of redetermination. Many knew that their copay would vary with household size and with their income, and tried to plan accordingly, but the increase was still burdensome. Some found that the variance was not predictable, which made it even more difficult to manage: several recipients reported that the frequent changes made it difficult to maintain a budget and caused emotional distress.

Jill reported that her copay changed frequently and that she was not able to predict this change. According to DHS records, her copay remained at the same level for three to six months, and then changed—sometimes dramatically. In November 2008, her copay was \$37 and in December 2008 it was \$161. She explained the emotional toll of this unpredictability: "I don't think I've been able to breathe the whole time, because it's constantly, 'What are they going to take away? What are they going to charge?' Par-don my emotionality, you know, but that's very much the reality."

Tabitha reported that her copay changed based on her fluctuating income, but these fluctuations affected her and her family. When asked about the impact of a copay increase, she said, "It gets very stressed, you know, and overwhelming, overwhelming feeling that everything's out of your control. You know, you kind of, like, doing everything you can by the book, and things like that come up."

When asked about the impact of copay decreases, she said, "The decrease, I think, a majority that means that more things are able to get paid with, bills-wise. The kids are able to get things that they need." She understands why her copay fluctuates, but must still scramble in the months her copay is higher.

Camelia described the consequence of having worked as much overtime as she could a few years ago, after getting out of a bad marriage that left her in a lot of debt. After finding out that child-care hours for overtime had to be paid for out of pocket—"so you end up having to pay whatever you paid, or got paid in overtime into the overtime for the babysitter"—and then having her copay go up because of her increased income, she tried to avoid overtime: "Once they start seeing that overtime, the copay will probably go back up if they see that I'm making more money. So I'm trying to keep it at forty, below forty-two hours and stuff like that. Because I don't want, that's probably why it went down, because I haven't, I've been doing that forty-one hours, maybe forty-two, but I haven't been going, like, fifty hours a week like I used to and stuff like that. I think that's why [the copay] went down a lot."

In her cost-benefit analysis, the increased income wasn't substantial enough after paying for the increased copay to make it worth the additional hours at work.

Managing the cost burden of fluctuating copays. Subsidy recipients were consistently clear that *neglecting to pay* a copay was *not* an option. Whether paying a relative, neighbor, or a licensed provider, respondents were aware that the provider's income depended on their responsible payment of this bill. Only two respondents mentioned the practice of waiving the copay. Overall, respondents seemed to perform a juggling act, employing various strategies when necessary to manage all their expenses on a very low income.

Suzanne's story exemplifies the experiences of many respondents:

When the copay went down, often the benefit of that decrease was just the opportunity to catch up on accumulated debts.

"You make it work."
Most subsidy recipients relied on a range of strategies to manage the cost burden associated with child care.

Her copay varied year to year, and went up substantially over time from \$25 to \$192. She explained this as a strategy to make her be "more self-sufficient." She said the increased copay was difficult, but "you make it work." For her that meant establishing a payment plan with her mother, but she (like most respondents) felt obligated to make payment. Her mother counted on it. Suzanne, like most respondents, employed multiple strategies for making ends meet: juggling bills, paying less on some; paying the minimum on credit cards and carrying debt; living literally paycheck to paycheck; using taxes to catch up with her debt to her mother; not purchasing the clothing she felt her children needed; and not getting them everything they needed for school.

Thirty-nine respondents discussed some kind of strategy for managing increased cost burden and the most common strategy mentioned was making payment plans to providers. Twenty-three respondents mentioned **payment plans** which usually consisted of an informal or formal payment agreement with the provider to pay in two parts during the month, pay in later months, or **use a tax return** (discussed below) to pay in a lump sum. Two mentioned that they paid their balance by performing odd jobs for the provider or using food stamps to buy food for the provider.

Nineteen respondents mentioned **bill juggling**, paying less on some bills in order to meet the copay. "I usually just either try to cut back on paying a bill or just don't pay it entirely."

Fifteen mentioned **going without** luxuries, or denying themselves and their children entertainment. "We're having to cut back, mostly entertainment stuff." They used to go for drives, to dollar movies, or to parks. "Now, we're sticking close to the apartment."

Twenty-two respondents reported that they relied on **tax returns** to cover debts with providers or catch up with other bills. Providers seem to be remarkably flexible, willing to wait until spring each year to get a lump sum for services. Absolutely everyone said that they pay something each month but for most it was a struggle to keep up with this bill and many fell behind. For example, one respondent (Angela) explained when asked about a copay increase, "I knew it was going to go up some, just not that much. And yeah, I ended up chasing my hind end. I was always chasing the previous month's copay by at least \$50 every month until taxes came in and I was able to get caught back up."

Ten mentioned relying on **network support**

to manage increased cost burden. Twenty-eight respondents seemed to have substantial network support (friends, family members who lived close by and were active in helping them out) beyond their regular provider. Seventeen respondents noted this assistance in the form of child care to cover overtime at work or child-care hours not covered by their subsidy, provider illness, time to run errands or doctor's appointments, or during parent illness. Fourteen mentioned some kind of financial assistance from these networks. This was mostly in the form of small loans to cover child-care copays and other bills that were paid back over time or in a lump when they received their tax return. Financial assistance was also given in the form of reduced rent or no rent by living in a family or friend's home. Family and friends also seemed generous in providing food, clothing, and other supplies to respondents in times of need. Two respondents also mentioned child-care trades within their networks.

Ten respondents reported **clothing hardships**, especially for the parents. For example, when asked if there was anything that she had to go without after her copayment went up, one mother said, "Shoes. A coat that zips up. I own three pairs of pants. Every article of clothing I own can fit into two backpacks, because I can't afford [more]. If I get any fatter or any skinnier, I can't afford to wear clothes."

Medical hardships were spontaneously mentioned by twenty-two respondents, however only three directly stated that increased child-care cost burdens were connected to medical hardships such as unpurchased medications, unfixed teeth, and other problems not attended to. The medical hardships the parents discussed, even if not always in relation to the child-care cost burden, were chronic and serious, including migraine headaches, cancer, and multiple sclerosis. Nineteen respondents mentioned that one or more of their children experienced some kind of chronic or serious health issue such as asthma, a developmental disability, or serious illness such as cancer. Health-care assistance through programs such as the Oregon Health Plan was crucial in managing expenses related to these medical issues, however many parents were not covered, though their children were. The absence of health-care coverage resulted in significant hardships related to medical expenses. Three respondents reported that their wages had been garnished at some point for unpaid medical expenses.

Finally, four mentioned relying on **credit cards or payday loans** to make ends meet.

3) Impact of the Child-Care Subsidy: “Without a Subsidy, I Could Not Work”

Conditions of employment. Parents’ retrospective accounts of their employment between January 2007 and the time of the interview (either spring or fall 2009) indicate, not surprisingly, that their employment circumstances were typical of the low-wage labor market in a number of respects: periods of unemployment, low wages, variable hours and schedules, nonstandard hours, inflexible employers, and few employment benefits. **As they struggled with these conditions of employment, they said the thing that made it possible for them to retain a job, or cycle from one job to the next, was the child-care subsidy.** Without a subsidy, they consistently told us, they could not work. Below, we review their employment conditions followed by their accounts of what the subsidy meant to them as they negotiated the low-wage labor market.

Unemployment. Eight out of the forty-four respondents (18 percent) were unemployed at the time of the interview, higher than the Oregon unemployment rate of 11 percent at the time. Twenty six of forty-four (59 percent) experienced some unemployment during the study period. Five of forty-four (11 percent) had more than one period of unemployment during the study period. Most of these unemployment spells were relatively brief, lasting only a couple of months.

The eight respondents unemployed at the time of the interview were out of work for a multitude of reasons: pregnancy; an educational opportunity they hoped would result in a better job; fired after receiving worker’s comp for a few months; laid off when an employer went out of business; fired from a large national retailer due to a clash with a supervisor after working there for ten years; medical problems; and fired after missing too much work at a company with a very strict policy. Three were in the jobs program, three were receiving unemployment, and the other two were depending on spouses and living off of savings. Some also relied on child support, student loans, and Social Security income for their disabled children.

Ariel had worked for a chain grocery store for almost five years when we first spoke with her. She typically worked about twenty hours a week, Sunday–Thursday, 5:00 a.m.–11:00 a.m. She got one week of paid vacation time each year and she anticipated this would go up to two weeks once she passed the five-year mark of employment. She also anticipated more extensive health-care and

retirement benefits to begin once she had been employed five years. Her mother had cared for her children. Her life was stable by all measures. We happened to interview her a second time and discovered that she lost her job just before she reached the five-year mark, for reasons she did not know.

Job and employment stability. In this section, we explore the experiences of our respondents with respect to both job stability and employment stability.

Job stability refers to the experience of having held only one job during the study period. Those who experienced job instability held more than one job during the study period.

On average, the parents in our sample held 1.6 jobs during the study period. Twenty-five parents (57 percent) held only one job throughout the entire study period. Nine (20.5 percent) held two jobs, and nine (20.5 percent) held three jobs. One (2 percent) worked seven different jobs in the study period.

There were many reasons why parents in our sample had a job change. For some, it was voluntary: they sought a schedule that would work better for their family (for example, one that would allow parents to have dinner with their children and put them to bed); they hoped to be in a job with more enjoyable work; or they pursued jobs that paid better. Others were forced to change jobs: they needed a different schedule to accommodate their child-care options; they were having another child and needed to take time off work; they were fired for being late or missing work for their kids; or they moved.

Employment stability considers more factors than the number of jobs a person held during the study period. In this expanded concept, we include job changes, periods of unemployment, and/or major changes in shift or schedule when working for the same firm (for example, when someone moved from a day shift to a graveyard shift, we classified that as an employment change, though they were in the same job).

On average, the parents in our sample experienced two changes in employment during the study period. Only eleven (25 percent) had *no employment changes* during the study period. Sixteen (36 percent) had one or two employment changes, and seventeen (39 percent) had three or more employment changes. Looking specifically at what was driving the roughly eighty-nine changes in employment that occurred in our sample during the study period, thirty-two were due to moves between employment and unemployment,

Their employment circumstances were typical of the low-wage labor market.

Respondents worked variable hours, which resulted in unpredictable income and copays.

thirty-two were due to moves from one job to another, and twenty-five were due to shift changes.

Nancy spent the three-year study period (in addition to a couple of years prior) going back and forth between the same three jobs, always hoping for more pay or better hours. She switched from working in a child-care center to working a retail job, where she hoped to get benefits and a slightly higher wage. She quickly found it to be problematic to have to go wake the kids up at daycare and bring them home to put them to bed again, so this switch resulted in a change in child care from the center where she had been working to having a friend come over and stay with them so that they could sleep at home. When her employer did not give her full-time hours, preventing her from getting benefits, and she could only work in the evenings, she added work at a school cafeteria. The younger kids went back to the child-care center during the day and were cared for by Nancy's friend at night. When working two jobs was too challenging and she never got to see her kids, she eventually quit both and lived on the Temporary Assistance to Needy Families program (TANF) for a year. At the time of our interview, she had just returned again to one of those same jobs, back at the bottom as an on-call worker with no seniority and no guaranteed hours. She planned to rely on her network, primarily a sister and a friend, to do most of the child care. Her eldest was nine years old, so she was accustomed to using the subsidy and these changes were not detrimental to her ability to access the subsidy. However, each time she changed, she gave up workplace seniority, she had to figure out a new child-care situation for all five of her kids, and she gave up any wage increases she had earned.

Wages and hours. From the data provided by respondents (not confirmed by employers), we estimated their wages and hours worked per week. This analysis is based on their employment at the time of the interview. We exclude five respondents who were unemployed and not in the welfare job training program at the time, but include three respondents participating in the welfare job-training program in the analysis of hours and schedules, but not wages and benefits. Thus, the sample size is thirty-six for the data on wages and benefits and thirty-nine for the rest of the analysis of employment conditions.

They reported working highly variable num-

TABLE 3

	Wages	Hours
Mean.....	10.83.....	30.7
Median.....	10.50.....	32
High.....	14.07.....	40
Low.....	8.40.....	16
Change*.....	+1.02.....	-

* Change is average change from beginning of time period to end of time period.

bers of hours, which made income unpredictable and therefore also affected their copays (copay amounts are tied to income, so when income varies, copays will also vary). Four parents had schedules that varied by forty or more hours, working on call or for temp agencies with no guarantee of minimum hours. Ten reported variation that ranged between fifteen and twenty-five hours per week. Most had employers that required this flexibility of the employee. Others had seasonally variable hours. For example, Rachel worked in a movie theater where she got more hours during vacation periods. Fourteen respondents reported a range of variable hours between four and ten per week. This typically represented an additional shift in which they covered for an absent employee. Eleven reported zero variation in their hours.

Schedules and nonstandard hours. Typical of low-wage workers, variable schedules and non-standard hours were common among the parents we interviewed.

Just over half of the thirty-nine employed or in job training through the welfare program when we conducted the interviews had unstable schedules (they worked different shifts or days on a weekly basis) and/or little control over when they could choose to do extra shifts. We grouped them into four categories: three people (8 percent) reported work schedules that changed week to week and they were expected to be available for work on any given day and shift; eighteen people (46 percent) had set schedules but sometimes worked extra shifts or stayed late, or they had a consistent shift but worked variable days; 11 people (28 percent) had stable schedules, without variation; seven (18 percent) worked jobs that allowed them the flexibility to choose when they work or jobs that are on-call, so although the scheduling was variable, the parent had some control over when they worked.

The majority of respondents also worked nonstandard hours. Twenty-seven (69 percent) regularly worked nonstandard hours while only

twelve (31 percent) worked the standard day shift, between 8:00 a.m. and 6:00 p.m., Monday through Friday.

Terry's experience at a large box store was that "they'd say you're going to have a set schedule, and you'd work that schedule for two months, and everybody's happy, kids well-adjusted. [And then], 'We're going to change your schedule.' Well, why?"

Rachel and Shania also had highly varied schedules that demanded complete flexibility. Each week they found out what days and shifts they would be working the following week. Both required highly flexible providers, and while Rachel fortuitously found one quickly, Shania did not have the same luck. She found that there were very few options that met her scheduling needs. "Because a lot of places, they'll only watch kids—like, some will watch kids on weekends, some will watch them only up until 6:00 o'clock at night, you know? So it's really, really hard to find somewhere that is weekends and open late hours." As a result her children were placed twice during the study period with providers with whom she was highly dissatisfied. In both cases, she decided to move her children to different arrangements.

Sometimes the child-care subsidy played an important indirect role in allowing parents to move into more stable jobs with a standard day shift. Ara's story illustrates:

Ara's sister watched her children for no payment, but it became a source of tension until Ara got the subsidy and was able to pay her sister. Ara worked at a retail store that rarely offered its employees a stable schedule, but there were certain positions that had regular hours and days. By the time of the interview, she had switched to one of those positions. The subsidy was essential to this improved employment: because of the subsidy, her sister continued to provide care during Ara's erratic and nonstandard work hours. After a period in which Ara was completely reliable at work, despite the nonstandard hours, she became eligible for the highly desirable standard shift that also reduced her reliance on her sister for care.

Employment benefits. Sixteen (44 percent) parents working when we interviewed them had **health insurance** available through their employment, but only eleven participated: nine (25 per-

cent) were able to get insurance for themselves but not for their family, and two (5.5 percent) were able to get insurance for themselves and their children through work. Five (14 percent) were offered insurance but said it was too expensive for them to participate. Twenty (56 percent) had no health insurance option available to them through their work.

The lack of insurance constituted a substantial hardship for a number of families. Several parents had been recently kicked off of the Oregon Health Plan (OHP), creating health hardships as many had substantial health problems. Parents reported that they went without important and even life-saving medications and treatments because they could not afford to purchase the care out of pocket.

Courtney often went without her prescription medications in months when she was having trouble making ends meet. When she and her kids unknowingly got cut off from OHP, they racked up such a high bill due to her daughter's congenital heart condition that she filed for bankruptcy. Luckily, she was one of the two in our sample who got insurance for themselves and for their children through her work.

Angela was supposed to take several medications for back problems and asthma, none of which she could afford. She also had major dental problems, including serious tooth decay. She could not afford to get her teeth pulled. At the time of the interview, she was hoping to get a line of credit through a private company that finances health procedures typically at 14.5 percent interest. Health insurance was offered through her work, but only for employees who worked more than thirty-five hours a week for four months, and maintain that. Her work hours varied between thirty and forty, so she was unable to access health insurance.

Paid time off (sick and vacation time), an important employment benefit especially for single parents, was available to 61 percent of the parents working at the time of the interview. Fourteen (39 percent) had sick leave included in their paid time off; eight (22 percent) had some paid time off, but it did not include sick leave. This is an important distinction because sick leave enables the parent to spontaneously take time off work to take care of sick children (or themselves) without losing income. While vacation pay and holiday pay can help with income, they do not help single parents in the difficult situation of a suddenly ill child. Finally, fourteen (39 percent) had no paid leave of any type.

Sometimes the child-care subsidy played an indirect role in allowing parents to move into more stable jobs with standard schedules.

The child-care subsidy mattered enormously in the lives of low-wage workers. Indeed, it might be the single most important work support currently in existence.

Violet was a massage therapist who was paid per massage and had no sick leave. She dropped her daughter off at school on her way to work. Once recently, when she dropped her daughter off, they were doing head checks for lice and they found some on Violet's daughter, and she was not allowed to stay there. So Violet had to take her home to treat the lice, which meant that the clients she had scheduled went to other massage therapists. Violet missed out on the income for that time but she also risked losing clients.

Shania, on the other hand, did have sick leave through her work, but only twenty-four hours per year. It helped, but was not adequate: "Mine, unfortunately, is all used up because I have a daughter that has a really low immune system and she has asthma and scarred lungs and stuff like that. So, in the wintertime she gets really sick."

Retirement benefits were rare in our study. Only nine (25 percent) reported having some retirement option available to them, and most did not participate by contributing a percentage of their paycheck to the plan. Four (11 percent) would have retirement plan options after working for their company for a certain period of time.

Job flexibility was a critical benefit to these single parents. Respondents repeatedly said their family's needs came first. If their children are sick, they will miss work to take care of them and if the parent is in a job that does not accommodate that need, they likely risk unemployment and financial instability. Contrary to many low-wage working parents, a majority of parents in this sample did have relatively flexible employers. Only seven (18 percent) worked the strictest jobs in which there were point systems to punish tardiness (per minute) or absence, regardless of the reason. In this system, once the worker accumulates a certain number of points, they are automatically suspended or fired. Twenty-four parents (62 percent) worked in jobs in which they could miss work to take care of their kids without worrying that they would lose their job, though they might lose that day's income. They could also switch shifts occasionally or request time off to go to appointments when necessary. Finally, eight (21 percent) worked jobs that were family-friendly and therefore exceedingly flexible. Parents could choose the shift that they want to work, fitting their work life around their family life, without risking loss of income. They could also take their children to work when necessary.

Anna was lucky to finally land a job in a family-friendly workplace, after spending the previous years cycling from job to job. She took her half-hour lunch break around 3:00 p.m. to go pick her daughter up from daycare. Then her daughter would stay with her at work for the rest of the day.

Tabitha had the opposite experience. She worked for a very strict company that counted every minute a worker was late or missed work, and assigned points accordingly even if the worker requested it ahead of time. When a worker accumulated points equivalent to seven days of missed work or fourteen days of tardy attendance, they were terminated. "It was never no time that I could make a doctor's appointment and come to work, you know, two hours late. You know, that was just not going to happen. You rather just take a full occurrence just taking the whole day or something like that, you know?"

Child-care subsidies make employment possible. From our interviews, we have no evidence that the changes in subsidy policy affected the stability or quality of the respondent's employment. As the previous section demonstrates, both before and after the policy changes were implemented, these parents cycled in and out of low-wage jobs, worked erratic schedules and nonstandard hours, and received few, if any, job-related benefits. Their income didn't change much during the period of the study; they earned paltry wages that meant they were consistently eligible for the child-care subsidies. In sum, not surprisingly the changes implemented in the child-care subsidy did not have the power to alter the exigencies of the low-wage labor market in which these workers are generally employed. However, the child-care subsidy *mattered enormously* in the lives of these low-wage workers. Indeed, it may be the single most important work support currently in existence. The words of our respondents illustrate.

One-hundred percent of our respondents said that without the subsidy, they could not pay for child care and therefore they could not work.

"I would be out of a job. It's everything to me. Without that, I would not be successful at all. I am so grateful for that program, you have no idea. Me and my kids, [before] we were barely even staying alive. And now, if my kids need something, if I need pull-ups for my son, I can go buy them. Before, I couldn't. I'd have to borrow money." [Mimi]

"I would go completely under, I think, without this program." [Suzanne]

"There's no way, if you didn't have state-care babysitting, I could afford \$600–\$700 a month, \$800 a month [in child-care costs] with two kids. I make barely \$900 a month right now with \$324 of my son's child support. That's included in the \$900 a month. How could I do that? And keep up on diapers and things they need? And I mean electricity, when it's cold, 100, 150 bucks a month in this apartment for electricity. . . ." [Martha]

"Because I'd be paying what I make [for] daycare, I wouldn't be able to work." [Marcy]

"I wouldn't be able to work. I'd have to stop working, basically. I'd have to quit my job, and then I'd be back at the same. It'd be, like, I can't work, I can't work because I can't pay child care. [My provider] makes something like \$1,500 a month off of my boys. I could not pay \$1,500. I don't make that much a month, so I'd have to stop working." [Rachel]

"I could work, but I'd be living out of a box or my car. Because how do you pay rent and pay your daycare? [If you have two kids] you're looking at \$1,100–1,200 a month in child care. How do you do that and work, especially as a single mom? If I didn't have [a child-care subsidy] we'd be living in a cardboard box. So I'm glad that we do. So then I can work and do what I'm supposed to do." [Mary]

"Literally, if I didn't have assistance, I couldn't work. [If] I don't work, I have no money to pay for anything. I'd be looking at five bucks an hour [in child-care costs] out of my [nine dollars an hour], so I would be making four dollars an hour and you can't pay bills off of that." [Angela]

"I'm grateful for the help because if I didn't have that help, I don't even see how people can afford it. [My costs] are, like, \$1,500. Wow. I mean that's, like, my paycheck right there, plus more. I wouldn't be able to live." [Lacy]

Child-care subsidies help employment stability. These workers are vulnerable to fluctuations in the labor market, including unreliable employers and low-wage jobs that can be temporary or insecure during times of economic downturn. Inevitably, they cycle from job to job, often with periods of unemployment in between.

They are able to pursue new jobs because they count on having a child-care subsidy, even after a break in receipt.

Eleven of the twelve parents who lost their child-care subsidy during the study period did so because of a *spell of unemployment*. When they started a new job after a period of unemployment, they would immediately reapply to the child-care subsidy program. Whether the spell of unemployment was predictable or unexpected, they counted on the subsidy to become employed again. Only three of the twelve did *not* have a change in child-care arrangements after the break in subsidy receipt and subsequent return to the subsidy program. Typically, children experienced multiple changes in care during these cycles on and off the Employment-Related Daycare Program.

Sometimes the break in subsidy is part of a regularly planned period of unemployment. Suzanne's story illustrates:

Suzanne, who had three children, ages eleven, nine, and six, worked a seasonal job picking vegetables. When she worked June through November, her schedule was 7:00 a.m.–3:00 p.m., Monday through Friday. She had cycled on and off the child-care subsidy program for five years with this arrangement. Suzanne dropped her children at her mother's house, where she cared other kids, or their grandmother came to the kids' house if Suzanne had to work a late shift. The grandmother provided care in summer, too. Suzanne was slowly gaining seniority and she was hoping to be in line soon for "regular employment," by which she means full-year. On the importance of the subsidy to her work, she says, "I don't know how I could go to work if they cut that. I mean it's hard enough to come up with the copay, but to have to come up with the whole thing? And it wouldn't be fair to make my mom watch them for my copay amount . . . I couldn't work without their assistance. If I didn't have [it], I couldn't work. And I'd probably start losing a lot of things because I can't pay bills, and you can't draw unemployment very long . . . but I would go completely under, I think, without this program."

Sometimes a break in subsidy is due to the typical involuntary cycling workers do in the low-wage labor market. It is the subsidy that allows them to continue to obtain the next job, as Marcy's story illustrates:

Parents count on being able to return to the subsidy program after a break in employment.

Loss of a child-care subsidy can instigate child-care instability and with it job instability.

Marcy, whose children were one and ten, worked for the same large retail chain store from January to July 2007. Her only child at that time was in a child-care center after school. In July 2007, Marcy left her job, partially because she had been working wildly variable shifts, and partly due to her pregnancy. She was unemployed for a year until July 2008. She did not get a subsidy then or use child care. When she went back to work at a new company, with varying shifts typically between 6:00 a.m. and 4:00 p.m., she put her children in another child-care center after a month home with a babysitter during the summer. The oldest was bused to school from the center and bused back after school. She desperately wanted and preferred an in-home provider but was unable to find one, so her kids ended up in the center. She was limited in her choice of centers because she needed one that was open on Sundays. Like many others, Marcy's break in subsidy receipt resulted in a new child-care arrangements after her return to work, but the subsidy allowed her to resume employment after her spell of unemployment and maternity leave.

Loss of a child-care subsidy can instigate child-care instability and with it job instability.

One of the twelve parents who lost her child-care subsidy did so when Oregon changed its eligibility criteria in April 2009 and eliminated all self-employed workers from the subsidy program. Julia's story illustrates how crucial the subsidy can be in maintaining a delicate balance of job and child-care stability:

Julia, the mother of three children (two school-age and one preschool age) was self-employed, cleaning apartments for landlords between tenants. She had built up a decent clientele and was getting enough jobs to make ends meet (she reported that she made \$12,000 last year). Her mother took care of her children: "I started working, three years. I started at first arranging my schedule around my kids' school hours, which worked—but then I was losing jobs by doing it that way. And then it got to the point where I would pick my kids up from the bus stop and I would take them with me to work, but I ended up working two or three hours longer. [Interviewer: "Cleaning up after them?"] Yeah, and then one time . . . we walked into a place and somebody had broken in, and I'm, like, 'This isn't a safe place for you guys,' so that was when I talked to my mom, and we've been good in the child care for two years."

Julia needed extremely flexible hours as she worked on demand and often worked evenings, weekends, and days. Her mother was willing to come to her house whenever she was needed; she took care of the kids twenty to fifty hours per week. In our first interview with her, Julia remarked that if she lost her subsidy, she was confident that her mother would still care for her kids. When we spoke with her a few months later, she reported that she had lost her subsidy because she was self-employed. Her mother stopped providing the care because she could not afford to do so without pay. Since, Julia has struggled to find care. When she could, she paid friends and her mother for care out of her pocket. She left her older child alone, something she said she would never do when we first interviewed her because she has an ex-boyfriend who has stalked her. She split her younger kids up to be cared for by different friends when necessary. She often could not take a cleaning job because there was no one available to care for her children. The loss of her subsidy meant that Julia's employment was at risk and her children were no longer in stable, safe arrangements. For her, this was a devastating blow to her previously stable life as a low-wage self-employed worker and to her self-esteem: "I built this business. Something I built out of nothing. I didn't have a dime to my name. . . . This is more than work. This is who I am. I may clean for a living and a lot of people look down on this, but I don't get child care and I don't get child support."

All three of these stories indicate how crucial the child-care subsidies are to both planned and unplanned breaks in subsidy receipt, as well as to the stability of employment and child care overall.

4) Child-Care Arrangements and the Child-Care Subsidy

In our interviews, we asked respondents to describe for us their child-care arrangements for each child during the period of the study. Their retrospective accounts included the child-care arrangements they utilized to cover a given day or week for each child, and how, when, and why those arrangements changed during this period. Thus, we have parental reports that describe the patchwork of arrangements they employed to cover their child-care needs and the changes in those arrangements over time.

Fourteen families used multiple arrangements

simultaneously to cover their child-care needs. This means they patched together different care arrangements during the week and weekend, or several arrangements in the course of a given day to cover needs. Most only had one paid arrangement, although a few did pay out of pocket for an additional provider or had two providers who were subsidized by DHS. It seemed that most were not aware that they could have two providers paid through the subsidy system.

Families described both primary and secondary child-care arrangements. Their primary care typically covered their usual, predictable schedule, and was often the care provided during standard business hours, when they worked such a schedule. Secondary arrangements covered occasions when they had unexpected additional work, a schedule change that didn't fit their provider's availability, or shifts that were during nonstandard work hours.

Mimi's case exemplifies how child-care arrangements change over time, are patched together, and involve variable arrangements to manage erratic shifts. The mother of four children, ages nine, seven, four, and two when we interviewed her, Mimi worked the same job during the study period, however her usual schedule changed and always involved odd and unpredictable shifts. At the beginning of the study period, she relied on an unregulated friend-neighbor to provide care when she worked a graveyard shift, midnight to 8:00 a.m. Her children would sleep at the provider's house; in the morning, the older kids would go from there to school and the younger two would stay with the babysitter while Mimi slept for a few hours before getting them for the day. Mimi would feed her kids dinner and bring them back to the provider's. Mimi's shifts changed to 6:00 a.m.–2:30 p.m., and then the provider became unavailable because she was pregnant. At that point, Mimi's mother would come to the house at 4:00 a.m. and get the older children ready for school and the younger children off to their child-care center. Mimi would pick everyone up after her shift. When she worked occasional evening shifts, the teenage daughter of a friend would care for the kids, and when she worked Sundays the kids' father would come to town and care for them. Mimi explicitly stated that her mother was not paid for the care she provided because "they can't pay her because I don't think I can have two providers. So she doesn't get paid, she just helps."

Changes in care arrangements. The majority of our respondents experienced changes in child-care arrangements during the study period. Of forty-four respondents, twenty-five (57 percent) had at least one change in their child-care arrangements between January 2007 and the time of the interview (either winter 2009 or fall 2009). Nineteen (43 percent) had no changes in care. As the analysis below reveals, the primary reasons for changes in care arrangements were dissatisfaction with the provider, the provider becoming unavailable, or changes in jobs and sometimes an accompanying loss of child-care subsidies.

Seventeen (39 percent) used multiple types of care over the course of the study period. Mimi's story (above) illustrates: At the beginning of the study period, she relied on unregulated care by a friend-neighbor; she switched to care by her mother and a child-care center when the provider became pregnant. Her occasional additional shifts were covered by a teenage friend and the kids' father.

Table 4 (see page 18) summarizes the percentage of respondents within child-care change categories (no change or change in arrangements) who experienced at least one job change; worked nonstandard hours (evenings, early mornings, or weekends); held a job in which their schedule changed on a regular basis (week to week, or every other week, for example); experienced a change in their regular schedule (that is, they worked a 6:00 a.m. to 2:00 p.m. shift for six months and then worked a 4:00 p.m. to 10:00 p.m. shift, for example); expressed dissatisfaction with their provider; and reported that a child-care provider became unavailable (or, in a few cases, available) at some point during the study period.

Table 4 indicates that parents with and without care changes during the course of the study experienced job changes, nonstandard hours, and changing schedules in similar proportions considering the small size of the sample. This suggests that job conditions may not be major drivers of change in child-care arrangements. There was a striking difference in satisfaction with and the availability of the providers across care change categories, suggesting that these factors may be primary drivers of changes in care arrangements. Further analysis of the relationship between type of care, job changes and employment conditions, and changes in care arrangements (discussed below) indicated a potentially complex relationship between these factors that is not revealed in the simple comparison of change categories.

Most parents
changed their
child-care
arrangements
during the study
period.

Parents who experienced no changes in child care utilized relative care much more frequently than those with changes in care.

TABLE 4
Percent of families within categories of change who experienced work and care challenges

	More than one job	Nonstandard hours	Changing schedule	Dissatisfied	Availability of provider	Subsidy break
One or more care changes N=25 (57%)	48%	60%	76%	36%	48%	32%
No changes in care N=19 (43%)	42%	68%	84%	11%	0%	21%

The intersections of child-care change and employment change. We examined the associations between child-care (in)stability and employment (in)stability, as well as the relationship of subsidy receipt to stability in those categories. Upon careful analysis and comparison of the findings across four subgroups defined by child care and employment change status, we found the following:

Parents who experienced no changes in child care utilized relative care much more frequently than those with changes in care, and almost none used center-based care. To some extent, stability of care is a story of care type, with relatives providing the most stable care in this sample.

Parents who experienced changes in child care rarely used relative care. The cases of those who experienced job changes and those who did not reveal the nuances of the factors driving changes in child-care arrangements. When respondents experienced changes in their jobs, those changes seemed to drive the child-care changes (as opposed to consistently unstable employment conditions, such as erratic schedules or nonstandard hours).

When respondents did not experience a change in job, child-care changes were driven overwhelmingly by dissatisfaction with the provider and the provider becoming unavailable. Again, consistently unstable employment conditions such as erratic schedules or nonstandard hours did not appear to affect directly child-care arrangements.

Among the parents we interviewed, in only one case did changes in child-care arrangements affect employment (Julia's case). In this sample, we found that employment drove changes in child care much more than did changes in child care drive employment changes.

Below, we present these findings in detail and discuss further the implications.

We divided the sample into four categories by child care and employment change status.

- 1) Child-care stability, employment stability (N = 11, 25 percent)
- 2) Child-care stability, employment instability (N = 8, 18 percent)
- 3) Child-care instability, employment instability (N = 13, 30 percent)
- 4) Child-care instability, employment stability (N = 12, 27 percent)

Parents in **all subgroups** had highly unstable schedules: between 62 percent and 75 percent of each subgroup described variable schedules, or schedules that changed during the course of the study.

Parents in **all subgroups** experienced high rates of medical problems: more than 50 percent of the respondents in each subgroup had experienced serious health issues and/or pregnancies that caused them to miss work.

Child-care stability, employment stability. The most stable subgroup, those with neither change to their child-care arrangements nor change to their employment circumstances, had the fewest racial or ethnic minority respondents (18 percent); the fewest respondents with less than a high school education (27 percent); and substantial use of relative care (45 percent) and relatively little use of center-based care (9 percent).

The use of relative care may have allowed for the flexibility necessary to accommodate erratic schedules and nonstandard hours. These providers were able to alter their work schedules to respond to the needs of the parents whose work schedules were changing.

Ariel, the mother of four children (ages twelve, eleven, nine, and two at the time of the interview), worked an early shift (starting at 5:00 a.m.) for a grocery store. Although the start time was stable, she could not predict when

the shift would end—anytime between 11:00 a.m. and 2:00 p.m., and she was often called to do weekend shifts. Ariel's mother moved in with them and provided care. By living with the family, she could be available for the early shifts as well as for the irregular end of shift and weekend work.

Only three respondents in this subgroup used regulated family care or center-based care, which tend to be more constrained and therefore less capable of responding to changing needs of parents. One respondent with regulated family care was lucky to have a provider who was extremely flexible and offered extended hours of care, but this was relatively rare among the more formal providers in our sample:

Ruby, the mother of one child, age eight, worked as the only employee on a tree farm. She essentially worked on call for her employer, who would call the night before with her hours for the next day, but her child-care provider could pick her children up at school, keep them late, and provide all daycare when her children were not in school. Ruby reported: "The biggest thing for me was flexibility because of the kind of job I have. My hours are different every day. You know, it can be a really long day sometimes, like in harvest time we go into the nighttime. So it had to be somebody that was willing to keep over certain hours. A lot of the babysitters only do from 6:00 to 6:00 . . . and sometimes harvest nights we don't get done until 8:00 or 9:00 o'clock. And so it's got to be somebody that was willing to do dinner and had no time limit, or, because of working Saturdays, that would be available on the weekend in case I had to jam and couldn't find someone for him to go visit, or something like that."

The only person in this subgroup to use center-based care worked standard daytime hours in a diner. She was one of only four parents in this subgroup who did not have a drastically changing schedule, hence her ability to rely consistently on the care of a single child-care center.

The parents in the stable subgroup were also highly satisfied with their care providers. Only one described being unhappy with her child-care arrangement. Martha explained that her need for a provider who would accept a child-care subsidy and work extended hours reduced her options. Although she didn't like the regulated provider she used, she felt stuck with the arrangement.

Child-care stability, employment instability. This subgroup, like the other subgroup with no changes in child care, was notable in one important respect: these parents relied more on relative care and unregulated in-home care than center-based or regulated family care. It appears again that stability of care is a story of care type. Relying on relative care, very long-term relationships with nonrelative care providers, and/or relying on personal networks for care, overwhelmingly these respondents expressed satisfaction with care and had the good luck of providers remaining available.

Although only two people in this subgroup were classified by DHS in the category of relative care, their accounts revealed that in point of fact four (of eight) were using relative care as their primary arrangement. One case classified as using unregulated family care was using relative care for the entire study period, hence was misclassified.² Another relied on an afterschool program (center-based care) for a few hours a day, hence her classification in the DHS center-based category, but for her primary care she relied also on her mother in the morning before school and during the summer. Of the remaining four respondents, two had relied consistently on the same regulated family care providers since their children were infants and their employment changes had not disrupted these care arrangements. A third mother relied on a combination of an afterschool program and the unregulated family care of a friend of the family. Only one respondent in this subgroup had consistently relied on unregulated care with a provider she was not happy with, but she felt stuck because this provider was one of a few she could find who was willing to work her evening and weekend schedule.

Ara, who had two children, ages ten and fourteen, worked for the same large retail store but in different jobs that required significant changes to her schedule during the period. Ara's sister provided care until Ara's schedule recently changed allowing her to be there after school and in the evenings.

Sylvia had five children, ages fifteen, fourteen, eleven, eight, and three. From January 2007 to March 2008, Sylvia worked for a hotel

2. This was one of very few instances in which we found that the DHS category did not match their description of their current child care arrangement, so we do not mean to imply there was a consistent problem with the DHS data on child-care categories.

It bears noting that a majority of people experiencing the most child care instability were people of color.

chain, forty hours a week in a schedule that varied. She was told her schedule the week prior. She then received unemployment for six months and in September 2008 started working through a temp agency, standard office hours and some weekends, about twenty hours a week. Throughout, the children's grandmother cared for kids before and after school and all day in summer time. The care was provided at Sylvia's mother's house. Sylvia was classified as receiving unregulated family care.

Riley had five children, ages eighteen, fifteen, twelve, six, and one. The one-year-old child was her eldest daughter's, but she is counted here; Riley has some responsibility for her since her daughter and granddaughter live with her. From January 2007 to September 2007, Riley was a security guard at a factory. She worked the swing shift, Monday through Friday, with optional overtime every other Saturday. In September 2007, she started working at a manufacturing firm, Monday through Friday, 6:00 a.m.–2:30 p.m., and occasional Saturdays or evenings. Riley relied on a relative (doesn't specify relationship) who ran an in-home daycare center where her kids had gone for years, both during the week when they were too young for school, or before and after school (into the evenings), and during summer.

Alice, who had only one child, age five, had several job changes during the study period. At the beginning of the study period (January–June 2007), she worked two jobs, days as a substitute teacher and three nights as a waitress until 4:00 a.m. In the last year of the study period, she switched from waitressing to working in an office. She patched together her arrangements, but they didn't change during the study period. For daytime work hours, she had the same regulated family provider, since her son was an infant; when she worked nights, various family members would take care of her child. In the last months of the study, her son had started all-day kindergarten, so he was with the provider only in the afternoons from 3:00 to 5:30. When she worked a late shift, he would instead take a bus after school to a boys and girls club where her sister worked. He would stay there with her until 7:00 p.m. and then go home with his aunt until 8:30 p.m.

Rachel, the mother of three children, ages five, three, and three, was employed in two jobs during the study period. She worked for a large manufacturer, 2:30 p.m.–11:00 p.m., Monday through Friday, until February 2008. After one month of unemployment, she began working in a movie theater. Her hours varied, from twenty to forty hours a week and varied seasonally. She often worked evenings and Saturdays. She had one regulated family care provider since her children were infants. When she worked 2:30–11:00 p.m., the children were with provider until 8:00 p.m., and then their grandfather, Rachel's father, would pick them up and stay with them until Rachel got home. In her current job with a variable schedule, her children were still with the provider until 8:00 p.m. and then with their grandfather if necessary.

Megan had three children, ages twelve, ten, and seven and worked at the same location but in different jobs with different schedules during the study period. From January 2007 to February 2008, she worked 1:00 p.m.–9:30 p.m., four days a week. Then she switched to a position in which she worked 10:30 a.m.–7:00 p.m., also four days a week, including one weekend day. She had the same provider for several years, but she didn't like the care arrangement at all. Because of her evening and weekend work schedule, she felt stuck, since few providers are willing to work those hours. Megan illustrates that stable arrangements are not always the sole objective when a mother is dissatisfied with the quality of care.

Child-care instability, employment instability. The most unstable subgroup, those with changes in both child-care arrangements and employment during the study period, had the highest percentage of racial or ethnic minority respondents (62 percent)—indeed, half the nonwhite parents in the entire sample were in this subgroup (eight of sixteen); the highest percentage of moves (46 percent) during the course of the study period; and the greatest use of center-based care (46 percent) and the least use of relative care (no one relied on relatives consistently as a primary source of care).

Like all the subgroups, the majority of parents in this subgroup (69 percent) experienced schedule changes. However, notably all of the parents in this group had more than one job during the study period, too. The combination of job

changes (not simply erratic schedules), potentially related to moves, and child-care arrangements that were less capable of providing the flexibility needed, seemed to account for the overall instability among the people in this subgroup. Again, it bears noting that a majority of those experiencing the most instability were people of color, who are likely to face higher rates of employment discrimination, which may have also contributed to the job changes.

Most respondents in this subgroup referred to **job changes** as the source of their changes to child-care arrangements.

Marcy, whose story we reported in detail previously, worked in a large chain retail store from January–July 2007, had a break in employment due to a pregnancy, and subsequently became employed in a new job with a new schedule. The *break in subsidy use and job changes* resulted in multiple changes to her child-care arrangements.

Nancy, the mother of five children, ages nine, eight, seven, five, and five, had many *job and shift changes* during the study period. Her job changes were related to her attempt to get more hours and better shifts. She was also unemployed for a year from September 2008 to September 2009. When Nancy changed jobs and her schedule changed from standard to non-standard hours, she moved her children from a child-care center, where she worked for a bit, to care by a friend who could manage the swing shift.

Sabrina, with three children, ages nineteen, sixteen, and eleven, went from working evening shifts in an assisted-living facility to working maintenance during daytime shifts to driving a bus and going to school during the study period. From January 2007 to September 2009, Sabrina relied on a friend to provide care for her youngest child. Because of the provider's flexibility, she was able to shift her hours when Sabrina's schedule shifted from nights to days. Although very happy with their babysitter, who lived next door, she had just switched to care by the grandmother, Sabrina's mom, when we did the interview. She was not paying her mom for the care (because she didn't think a relative could be paid for child care). Since Sabrina's schedule was now more in line with the kids' schedules (she was a school bus driver), she needed her mom only before school and after for an hour.

Jane, whose three children were seventeen, nine, and seven, worked as a substitute teacher and had a second job as a substitute in a residential home for teens. From January 2007 to September 2007, she relied on a regular patchwork of care: her friend, who stayed with kids before school; a friend and subsidized babysitter who picked them up from school; and the subsidized babysitter on weekends when they were not with their father. During the school year of 2007–8, Jane worked at her kids' school, so she went to school with them and didn't need morning care. From September 2008 to her interview, the kids went to a new babysitter in the morning until school began (Jane paid out of pocket for this arrangement), and sometimes to an afterschool program. *Job changes and the availability of network members (her friend)* drove the changes in morning care. The subsidized provider on weekends and during summer was consistent for study period, however the morning care changed from the friend to a new babysitter.

Five of the respondents in this group experienced breaks in their subsidy receipt when their employment changed, usually because they experienced periods of unemployment. For all of them, this also meant a new care arrangement after the subsidy break.

A few parents in this subgroup attributed the changes in their child-care arrangements to provider availability:

Terry, the mother of two children, ages four and ten, had several jobs during the study period, including a period in the middle in which she was on TANF and doing the Jobs Program. Her kids were cared for by their grandmother, Terry's mother, in the beginning of the study period when Terry worked for a large retail store with a completely irregular schedule. She needed someone with complete flexibility. Tragically, her mother (the grandmother) died suddenly and thus was *unavailable*. In 2008, when Terry had to seek a new provider, she moved her kids to her son's best friend's mother's in-home child-care center for before- and afterschool care. They were with their dad on the weekend; she worked Saturdays, 9:00 a.m.–5:00 p.m.

Tanya, mother of two children, ages ten and eleven, worked three different jobs in the fast food industry during the study period. She worked evening shifts consistently, but on

People of color are likely to face higher rates of employment discrimination, which may have contributed to the job changes.

The need for providers who can offer flexible scheduling may result in the selection of providers whose quality of care is dissatisfactory.

variable days. In January 2007, her long-term child-care provider became unavailable due to a severe injury in a car accident; she was replaced by Tanya's fiancé's mother, who had the flexibility she needed given her variable schedule. Tanya felt strongly about having her children cared for by someone she knew and definitively not in a child-care center due to her fear that her children would be mistreated.

A couple of others attributed the changes in their child-care arrangements to **dissatisfaction** with providers:

Sally, the mother of three children, ages eight, six, and three, worked three jobs since January 2007, all daytime shifts. When we interviewed her, she was pregnant, receiving TANF, and hoping to return to her last job after the baby was born. Her children had been in care of an older woman from January 2007 until two months prior to her interview. She got sick a lot and canceled, forcing Sally to miss work. Further, she lived far from Sally's workplace and home, which made it inconvenient. When Sally discovered a child-care center close by, she went in and decided to move her kids there with the hope that the care would be more reliable and certain it would be more convenient.

Joyce, the mother of one child, age five, had different care arrangements for the several jobs she held during the week over the course of the study period and the job she worked weekends. For the standard hours in which she needed care, she relied on a child-care center, but she was dissatisfied with the quality of care. While waiting for a subsidized slot to open in the center of her choice, she moved her daughter several times. For the weekend hours, Joyce relied on various arrangements over the three years. Friends watched her daughter for a few months (unpaid); then she put in her an in-home daycare for a couple of months, which she wasn't happy with; she then selected a provider through "the state" and had her daughter cared for in her own home. At the time of the interview, her weekend babysitter was someone she had found through Craigslist. It wasn't clear why she switched from the previous weekend sitter, but she was happy with the current provider.

Child-care instability, employment stability. The subgroup in which mothers had changes in their child-care arrangements but were employed in the same job throughout, or had spells of unemployment but only one job in the study period, had the highest percentage of parents with more than a high school diploma (67 percent), and the greatest use of unregulated nonrelative care (50 percent), with equal small distributions of use of the other care types (center-based, regulated family, and relative).

They shared with the members of all subgroups highly variable work schedules, although they had only one job throughout the study period. Only two used relative care, but six respondents used unregulated or in-home care by friends or neighbors, both of which can be flexible compared to regulated family care and center-based care. Four families used center-based or regulated family care. In this subgroup, it appeared that the child-care changes were driven primarily by satisfaction and availability of the provider. Mothers found care providers who could cope with their highly erratic schedules, or nonstandard hours, however it might be the case that the need for such flexibility resulted in selection for providers whose quality of care did not satisfy the mothers. Mothers described searching for different providers because they did not approve of the care their children received. An additional and smaller subset of mothers had to seek alternative care when providers became unavailable, sometimes when the providers found new jobs, perhaps themselves preferring more regular schedules and thereby more predictable employment.

The two families in this subgroup with the most stable child-care arrangements were mothers who employed their children's grandmothers. In both instances, they lost their otherwise completely stable child care right before or during the time in which we interviewed them, but not due to circumstances related to the job or satisfaction with providers: Julia, whose story was described in detail above, lost her child-care subsidy when Oregon decided to make ineligible parents who are self-employed. As soon as Julia lost her subsidy and could not afford the rates the state had paid, her mother was forced to seek employment elsewhere. In the other case, Judy's mother stopped caring for the children when she left to care for a sick relative in her home country. Neither situation was anticipated, nor could they be prevented.

Others, like Mimi (presented above), described concerns with the quality of care, the

convenience of the provider's location, and experiences with providers becoming unavailable:

Angela, who had two children, ages six and two, was in a job-training program during the day between January and fall 2007, and used a child-care center. She then became employed at a residential program for people with developmental disabilities and worked evenings and weekends. From fall 2007 through winter 2008, a paternal grandmother lived with the family and cared for the girls (paid through subsidy program), but Angela was *dissatisfied* with the care so she kicked the grandmother out. From winter 2008 through winter 09, the kids were cared for in-home by someone Angela met through her work. Thus, a combination of *work schedule changes* and *dissatisfaction with a provider* drove these two changes.

Lacy, whose two children were six and three, worked one job doing clerical work during the study period. She changed her child-care arrangements once because the center was in the opposite direction from her workplace, so she moved her children when spots opened up in a center near her home in order to reduce her driving. *Dissatisfaction* due to the distance prompted her to move her children.

Camelia, who had three children, ages five, eight, and ten, worked one job during the study period, but her work shift changed from evenings and weekends to daytime shift, Monday through Friday. Her brother-in-law cared for her children, but because he was far away from her home and work, she was *dissatisfied* with this arrangement. She switched to a babysitter, who then left to get another job and became *unavailable*. For ten months prior to interview, Camilia employed another babysitter.

Courtney's story illustrates many of the drivers of change in child-care arrangements. She had three children, ages five, seven, and eleven, and worked in a hospital on a 7:30 to 3:30 shift, varying days each week. She learned her schedule two weeks prior. From January to May 2007, her brother and his wife cared for the children in Courtney's home. Courtney expressed *dissatisfaction with care*: she said, "There were some issues there. My daughter has GI issues and if she doesn't want to eat, don't force her to

eat—and his wife was forcing her to eat, and that's not okay." She switched to a babysitter during the week, and her boyfriend during weekends. The interview is a bit unclear, but it appears that she *moved* and therefore switched to another provider in September 2007; her boyfriend continued weekend care. In December 2007, a friend moved in and she watched kids; then her friend moved out (became *unavailable*). In February 2008, the mother of Courtney's boyfriend took over care and had been providing it until the time of the interview.

Shania, whose three children were four, eight, and ten, worked for the same large food store throughout the study period, but she experienced major changes in her regularly scheduled shifts: she worked 5:00 a.m. to 2:00 p.m., seven days a week with random days off, then noon to 9:00 p.m. or 3:00 p.m. to 9:00 p.m. When we interviewed her, she was training to be a manager, which required her to work all shifts. She required, therefore, a very flexible child-care situation. After two changes in child-care arrangements due to her *dissatisfaction with provider* (first was "abusive," and second was imposing her religious perspectives on the kids), Shania described "loving" her current provider. However, her work schedule made it very difficult to find providers. The kids were with the first provider from January to April 2007, with the second until September 2007. Then she moved them to their current situation at a "babysitter's" house after school where she picked them up after work (anywhere between 4:00 and 9:00 p.m.). This babysitter also cared for them when Shania worked weekends or when they didn't have school. She reported that it was very difficult to find high-quality care by someone who could meet her needs for flexibility and availability: "And times, like the availability, is harder, too, because a lot of places, they'll only watch kids, like some will watch kids on weekends, some will watch them only up until 6:00 o'clock at night, you know? So it's really, really hard to find somewhere that is weekends and open late hours." She was ultimately very satisfied with her children's care. This case demonstrates how the subsidy allows a recipient to pursue other options when she is dissatisfied, but constrained still by work schedules that require flexible providers.

"It's really, really
hard to find
somewhere that is
[open] weekends
and late hours"

—Shania

Parents sought providers who were “nice” and “trustworthy.” Not surprisingly, they spoke of wanting their kids to be in “good care.”

Ashley, the mother of four children, ages twelve, six, six, and a few months old, worked evenings and late shifts for a fast food restaurant from January to June 2007. She needed care during the hours of 4:00 or 5:00 p.m. until as late as 1:00 or 2:00 a.m. She relied on in-home, nonrelative care from January to May 2007, but her friend-provider became *unavailable* when she got another job. Ashley switched to center-based care (out of provider’s home), but was *dissatisfied* with care because the provider allowed other adults to be around the children without supervision. When she switched to a day shift in June 2007 until shortly before the interview when she went on maternity leave, she was able to switch to Head Start for her six year olds.

Reba had three children, ages two, six, and seven, and worked two jobs at the same time during the study period. She scheduled the second job around the schedule from her first job, which she got one week in advance. She typically worked day shifts, but she was willing to work weekends when she could find child care (usually family members). The first change in care arrangements was due to *dissatisfaction and unavailability*—the center was shut down when the provider’s son was found to be molesting children. The motivation for the second change is less clear, but from October 2008 to April 2009, her kids were cared for by “another parent,” and then she placed them with another provider in an in-home daycare center. She also relied on her mother to pick up one kid from basketball practice two days a week, and she occasionally relied on other family members to do extra hours when she was working evenings or weekends (she works two jobs, in variable schedules).

Only Tabitha talked solely of unemployment and the loss of her subsidy as the cause of her shift from a child-care center to relying on family members so that she could go back to school.

Tabitha had two children, ages five and nine. She was unemployed during the first part of the study period until September 2007. From September 2007 to December 2008, she found a job through a temp company in manufacturing, 5:30 p.m.–5:30 a.m., three to four days a week. She then became unemployed and was going to school full time when we interviewed her. When she was employed, she had a subsidy and used a daycare provider

across the street for her youngest child during the school year. When she lost her job, she relied on family to help out during school breaks and in the evenings. Her *employment status* caused the changes in her child-care arrangements, after the loss of her subsidy.

In summary, in the comparison of the two groups who *did not* experience changes in child-care arrangements (one with changes in employment and the other without) with the two groups who did experience changes in child-care arrangements, type of care appears to be most salient factor. We found that the concentration of relative care or otherwise highly flexible and long-term, loyal providers among those who did not experience changes to their child-care arrangements may have helped to stabilize the child care, even when mothers were moving from job to job. These providers were able to handle the erratic schedules, but they were also able to handle the transitions to completely new jobs.

Parents who experienced changes in child-care arrangements also sought highly flexible providers, as they, too, worked erratic schedules and nonstandard hours. But the subgroups with changes to child-care arrangements relied less on relative care and more on center-based care, regulated family care, and unregulated family care. Changes in child-care arrangements were more common for mothers who did not use relative care.

By comparing the two groups who *did* experience changes in child-care arrangements, one with changes in employment and the other without, we can gain greater understanding of the complex factors driving changes in child care. This comparison revealed three distinct mechanisms of change in child care: dissatisfaction with care, unavailability of provider, and job changes.

Among the subgroup with no employment change, job conditions (erratic and nonstandard schedules) did not induce changes to child-care arrangements, but the parents felt **dissatisfied** with the providers and therefore sought new care, or the providers became unavailable. In seeking providers who could offer the flexibility necessary to accommodate their erratic schedules, parents may have been forced to opt for care that was less than desirable to them when they went out of their networks, hence the dissatisfaction. Child-care subsidies allowed them the opportunity to seek new providers when they were dissatisfied.

Those with no employment change also had

a number of providers who became **unavailable**, some due to health emergencies, including deaths and pregnancies. Some providers sought different employment, thus becoming unavailable. Perhaps they, too, were stressed by the difficulties of unpredictable and nonstandard schedules and therefore not reliable as long-term providers.

Among the subgroup with employment changes and child-care changes, it appeared that **job changes** in the context of center-based or family child-care homes, not erratic schedules or nonstandard hours, explain some of the instability in child-care arrangements. A new job (perhaps as a result of being fired or laid off from a previous job) can mean an entirely new schedule that was not predicted or planned for. There may be more instability with a new job than there is with a job that entails consistently unpredictable schedules; in the latter case, parents seek care providers who can accommodate their erratic schedules, which they are aware of when child-care arrangements are made. Among the families who had both child-care changes and employment changes, it appeared that the job change did instigate the need for new arrangements, in addition to changes motivated by both dissatisfaction and provider unavailability.

Factors driving parent's child-care choices.

We asked parents to discuss how they chose their child-care arrangements. In response to this open-ended question, parents could list as many factors shaping their decisions regarding child care as occurred to them. We did not ask them to rank them. By the number of mentions they made, we ranked the things they discussed.

Not surprisingly, they named factors that correspond with those driving parents to change their children's care arrangements. In order of number of mentions, they were as follows: considerations relevant to employment, convenience, and affordability; provider attributes; the appeal of the physical facility; and the general atmosphere and focus of the program (i.e., whether it provided an educational component or was "nurturing," two different preferences that were tied often to age of the child). In this open-ended query, however, these parents focused overwhelmingly on pragmatic questions rather than ideals about the type of care being provided.

By a large margin, the most important were things that made the care arrangement work with their employment: **hours of operation, flexibility, location of the daycare, transportation**, and the **expense**. Seventeen parents discussed the impor-

tance of the hours of operation, and this did not seem to be correlated with child-care type. Some parents, like Ruby, had the good fortune of finding the incredibly flexible providers they needed without sacrificing a sense of quality. Others, like Shania, felt they had been forced to settle for care that was inadequate, and this forced them to seek a different provider and move their children.

Fifteen parents discussed the importance of location. For some that meant the proximity to either home or work; for others, that meant proximity to public transportation.

Seven parents discussed how important it was that their school-age kids have access to transportation from school to an afterschool program, or the ability to have variable pick-up and drop-off sites for children with multiple care arrangements in the morning and afternoon. Some parents needed providers who could pick children up at school.

Eleven parents also mentioned the financial burden of child care as something they considered in choosing a provider. Were there considerable additional expenses? Were providers flexible with the payment of bills and willing to establish a payment plan?

The second most important category of items mentioned constituted **provider attributes**, but these were mentioned far less frequently. Parents sought providers who were "nice" and "trustworthy." Not surprising, they spoke of wanting their kids to be in "good care." But these characteristics were trumped by the issues of availability, flexibility and convenience.

For example, Tammy explained that she chose her current provider by driving by, "and then I went in there and talked to them and [it was] a very clean place and nice people." Rachel's experience was similar. After narrowing down her possibilities based on rates and availability, she said of her current provider, "I met her and we got along really fine, and so I started leaving my kids with her." When asked what is most important to her in a child-care situation, Ashley said: "The people that are taking care of my kids. You know, how they are and what they know and how they treat the kids, that's the most important thing to me."

Similarly, Marcy and Lacy used fairly intangible criteria when making decisions about child-care providers, trusting their intuition to guide them. As Marcy explained, "I'm picky, but I'm not, like—I understand people are people, but if I just get a weird feeling, I'm not going to take my kids there." When describing how she chose her current child care, Lacy said, "I looked at a

But the characteristics of providers were trumped by the issues of availability, flexibility, and convenience.

Parents sought providers who spent time with their children and prepared them for school.

couple, like some around my work, I did—but I just didn't meet with them, though. I just talked to them over the phone and, you know, you get that vibe with people. And I went into this one and I just liked it from the start: the attitude, how they work things. Yeah, you know, appearance is good to me but it's mainly the personality of the people that does it.”

For many parents, one of the most important characteristics of a provider is that it be someone they already know and trust—either a family member or good friend. Sixteen parents listed this, and six preferred that a family member or good friend at least recommend their provider. However, they had different reasons for this preference. Some felt their children's needs would best be met by a family member. Ariel explained that one of the things she appreciates about ERDC is that “you get to pick, and it could be a family member, and that was the big thing with Sammy. He's very shy. Once you get to know him, he's not, and he doesn't like people too much. So for him, it worked out really good that my mom could stay and watch him, and she got paid for watching her grandson.”

For others, such as Mary, having a family member watch their kids was the next best thing to be able to take care of the kids themselves. “If I could be a full-time mom, I would do it. But in society, you can't. So I want them with people that I trust and I know and, you know, that are like family to them. And that's why I got my grandpa and my mom and my best friend. Because, you know, they've all been around, they've all seen the kids grow up. They've been here for plenty of years, [so] I feel safe and secure in it. So that's why I chose to do it that way.” Quite a few parents mentioned that their first choice would be themselves, staying at home with their kids.

As other parents did, Ariel also had concerns about not being able to fully trust providers that they didn't already know. “I don't like other people watching my kids that's not family, that I can't really trust . . . especially now with everything, the kidnappings and everything else going on, and rapes. You can't trust them with strangers, you know, even though they go through the steps, they get background checked. But it's still always, are they really doing what they say they're doing? Are they spanking my child or are they beating them up? Or, you know, whatever. So this way, yeah, family could still do it, but you're more at ease when family watches your kids. I think, I am. I can kind of go to work better.”

The third category of concern was the **physical facility**—cleanliness and condition of the

space and the toys, and a space to play inside and a safe place to be outdoors. As Megan said, “Outside play areas are important. Kids definitely need to spend time outside, even if it's not the best weather. They need to have some sort of, you know, so maybe it's sheltered but it's still outside or, you know, something. You can't sit in a house all day.” For others the interior and exterior of the facility need to be maintained to a certain standard. Tammy said, “If the outside ain't kept up—I mean, I could be wrong—but if the outside ain't kept up and the grounds aren't kept up, I wouldn't even want to walk in that door. And I mean, that could be wrong on my part, but I figure, at least I know they care about their property, how they present themselves. But I would just walk in there, and if I wasn't pleased with the way the place was kept up, I wouldn't even ask them the questions. I would just walk right out. And that's if I can get through the front door, from the outside appearance.”

Finally, parents talked about what **the atmosphere** was like generally and whether there was an **educational component**. Seven parents wanted their kids to have a provider who spent a lot of time interacting with the kids at daycare, and perhaps give them one-on-one time. Terry discussed how much she valued the interaction that she observed with her provider. “I think it's definitely well worth what they get paid, to do what they do. Because she's not one of those people's who's, like, ‘Oh yeah, this is a daycare,’ and then she sits on her butt all day and watches the kids in one little corner of the house, you know? She's actually providing good solid care for them. I wish there were more people like that.” Violet said that it was important to her to have “somebody that's going to be interactive with them, not just let them sit in front of the TV all day or, you know, somebody who's going to color with them or teach them things. I've always looked for more preschool setting than an actual daycare.”

Five parents wanted their kids to be in an educational environment. For example, Mimi was thrilled to learn about Head Start through a flier on her door and was eager to switch her children to this program that she felt would prepare them for school. What she loved about it was “the fact that they were learning ABCs, 1-2-3s, and that they could be around other kids and they could learn, and they'd be ready for kindergarten. And the fact that I'm working and I can't work with them like every other parent probably could that was staying at home with their kids. I'm not staying at home with my kids, so I can't. And if they're going to get that resource and then

it's going to help build their life for the future, I would love to do that."

Although Head Start is not the only daycare that offers an educational component, the parents who could not afford what they considered to be education-focused daycare centers were especially appreciative of the advantages they felt their children were receiving through the services of Head Start. Tabitha said, "Most importantly is just making sure that their social skills and their learning and education and stuff is being looked at, and that they can still have their time of play and stuff like that, you know, kind of like school. But just to be able to be somewhere where they're being challenged with their learning and stuff like that. [I like Head Start because] they're being challenged every day. And plus, because both of my kids, because they didn't get a lot of time with me because I'm not home, I'm always working or school or some, whatever the case may be, I was always really busy, and it's hard to do things."

Parents mentioned other concerns: the desire for structure and discipline; a desire for a nurturing, a "homey" or noninstitutional environment; the accountability they thought they could rely on with center-based care; the opportunity to interact with other kids and gain social skills; an experienced, trained provider who would be prepared for challenges that might come up; and the quality of the food.

5. Parents' Experiences with the DHS and the Child-Care Subsidy Program

Overall, interviewees, including parents and providers, found the process for obtaining and managing a child-care subsidy relatively easy to understand and implement. They consistently stated that the value of the subsidy to their lives made the time spent completing and submitting the paperwork well worth the effort. Both subsidy recipients and providers experienced occasional challenges in working with the DHS that led to loss of care for families or delayed payments to providers. Parents and providers had several suggestions, detailed below, for improving the subsidy program and making the paperwork process more efficient.

Eleven parents spoke positively about interactions with their DHS caseworkers and the redetermination process. Some caseworkers stood out to subsidy users as extraordinarily helpful because they advocated for their clients, understood their needs, communicated clearly, and processed paperwork and responded to their clients promptly. Some parents reported chal-

lenges they had experienced in working with their caseworker, suggesting that their experiences were highly dependent on their particular caseworker. Ten of the interviewees mentioned having excellent caseworkers, but at some point having one that did not meet the usual standards and created difficulties for the parent.

Most of the interviewees reported problems with their caseworkers that appeared to be due to caseworkers being overburdened with large caseloads. For example, seven interviewees mentioned that caseworkers did not return phone calls or were not responsive in other ways. Nine mentioned that caseworkers processed paperwork slowly and occasionally misplaced it after parents submitted it. Seven of the interviewees mentioned that caseworker delays in processing paperwork lead to interruptions in benefits.

For example, Shania was at risk of losing her job because her child care fell through. After a glitch in the paperwork, her provider did not get paid and refused to watch the kids until she knew that she was going to be paid. Shania had to stay home two days while waiting for the problem to get worked out. Because she worked for a very strict company that counted each absence against their workers, they threatened to fire her if she missed one more day. When she told the DHS that, they finally got it straightened out, her provider got paid, and she was able to keep her job.

Sixteen of the parents mentioned that they feel it necessary to travel to a DHS office to drop off their paperwork in person. They explained that they did this because they were worried the paperwork would be lost in the mail or that they wanted to ensure it was received before a deadline. One parent stated that she regularly traveled forty-five minutes each way to the closest DHS office to submit required paperwork.

Most providers found the DHS system easy to navigate and said that their payments were on time. However, they also mentioned problems due to delayed paperwork and lapses in communication. Five providers mentioned problems related to delays in communication and paperwork from the DHS. For example, two providers mentioned cases where the authorized hours were incorrect due to a clerical error (parents were only authorized for one hour per month) and that it took three months to correct. In the meantime each of these providers had to use emergency funds to cover their costs during this time. Two providers described situations where they did not receive prompt notification that parents had a reduction in subsidized child care hours or had

The process of obtaining and managing a child-care subsidy was easy for both subsidy recipients and providers. Problems with caseworkers appeared to be due to the burden of large caseloads.

One-hundred percent of our respondents said that without child-care subsidy, they could not pay for child care and therefore they could not work.

lost their subsidy altogether. This caused a hardship for providers because parents were unable to pay the unexpected bill. Experiences such as this led a few of the providers to be hesitant to provide care to subsidy-user families.

Parents had several suggestions to improve the program and various processes. First, several mentioned that an online or phone system for submitting information or for redetermination would be helpful. Second, several suggested that there should be a streamlined redetermination option for parents whose information and circumstances hadn't changed since their previous redetermination. Third, parents said it would be more accurate to include additional expenses (e.g., health-care costs and transportation costs) and consider their net pay, instead of their gross pay, when calculating copay amount. Fourth, parents suggested that providers should receive higher reimbursement rates for providing care during nonstandard work hours, such as late at night, weekends, or for centers that are open twenty-four hours a day.

Providers also mentioned that a streamlined billing system would benefit them and parents. Again, the large amount of time spent on paperwork made two center-based providers hesitant to offer care to additional subsidy users. Three providers suggested this process would be easier if the DHS used a more automated system for billing and verification. Two mentioned that they had experiences in the state of Washington that offered a phone system for verifying monthly hours and that this alleviated a good portion of the paperwork burden for providers with subsidy user clients.

In sum, the subsidy users and providers reported that their interactions with the DHS in regard to paperwork and billing were usually positive. The quality of interaction and communication with caseworkers was dependent on the particular caseworker and their caseload. At times, mistakes in processing and poor communication led to loss of care and work hours for parents, and loss of willingness of providers to offer services to subsidy user families. Parents and providers consistently agreed that although the paperwork could be occasionally burdensome, it was well worth the subsidy that allowed parents to have care for their children and therefore stay in the workforce. Parents and providers would most benefit from a streamlined system for determining benefits and processing paperwork for payments.

Conclusion

Although the effects of the 2007 changes to Oregon's Employment-Related Daycare Program subsidy were not always visible to the parents we interviewed, the parents make perfectly clear how critical this program is to their children's child care and therefore to the parent's employment. The subsidies did not guarantee that child-care arrangements would be stable, however the parents argued that it was because of the subsidies that they could be employed at all—without the financial assistance provided by this program, they could not afford child care and without child care they could not work. Indeed, the ERDC program may be the most important employment support for low-wage workers currently in existence.

Through in-depth interviews with forty-four recipients of ERDC subsidies, we came to understand better the complex relationships between parents' employment and child-care arrangements, the use of the subsidies and their effects on stability of employment and child care, the cost burden associated with child care even in the context of generous subsidies, the factors driving changes in child-care arrangements, the role of personal networks in managing employment and child care, how well the DHS and the subsidy system are functioning for low-wage working parents, and how hard parents work to manage their lives and provide for their children. Below we summarize these main findings from the report.

- 1) Child-care providers were aware of, and grateful for, the policy changes implemented in October 2007. Higher subsidy rates allowed providers to stabilize their businesses; improve their often precarious economic position; invest in and improve their businesses; take more subsidy recipients or keep subsidy recipients they were considering dropping due to low subsidy rates that didn't meet costs prior to the change in policy.
- 2) Parents were not aware of the policy changes implemented in October 2007. Rather than remember a decrease in their copay amounts, parents remembered that their copays had increased since that time, or had fluctuated significantly. Puzzled by this, with their permission we investigated the administrative data.

- 3) When we examined the administrative data, we understood better parents' perceptions that their copay amounts had fluctuated or increased since October 2007, despite the intended effect of the policy change. Indeed, after an initial decrease, the copay amounts for individual parents did fluctuate after October 2007, or increase again within three to twelve months and stay high. Despite generous subsidy rates and low copay amounts, parents experienced substantial and fluctuating financial burden associated with child care.
- 4) The fluctuations in the copay amounts were difficult to manage. Parents developed a range of strategies to cope with the cost burden associated with fluctuating or increasing copays, including payment plans to providers, reliance on tax returns to pay back bills, bill juggling, denying luxuries or entertainment, reliance on network support, risking medical hardship, clothing hardships, and use of credit cards to pay bills. Although impossible for parents to know and therefore comment on, the challenge of managing the cost burden would have been substantially greater had the copays not been significantly reduced in the new policy context.
- 5) Parents struggled to manage the stressors of low-wage work. The conditions of employment common to the parents in this sample included the following:
- rates of unemployment substantially higher than the state average
 - job instability (more than one job) during the study period
 - low wages averaging \$10.83 per hour, and \$1,300 gross per month
 - variable hours of work
 - variable schedules
 - nonstandard hours
 - inadequate employment benefits, such as health insurance, paid time off, and retirement
 - surprisingly, most had relatively flexible employers and did not risk job loss if they needed to be absent or leave early due to a family emergency
- 6) One-hundred percent of our respondents said that without the subsidy, they could not pay for child care and therefore they could not work. We found no evidence that the changes in the subsidy policy affected the stability or quality of the respondent's employment. However, they were able to cycle in and out of low-wage jobs, and sustain employment, albeit in jobs with erratic schedules and nonstandard hours, because they had assistance with child care. The ERDC program made employment possible for them. They counted on being able to reapply for a subsidy after a spell of unemployment. Some parents had regular spells of unemployment due to seasonal labor, others had unexpected spells due to layoffs, particularly in the recessionary times in which we conducted the interviews. All relied on the subsidy to enable them to become employed again. In this manner, the subsidies were critical to employment stability, even if this did not mean stability in the same job over time.
- 7) Overwhelmingly, in this sample, it was employment conditions that drove changes in child care much more than did changes or problems in child care drive employment changes. However, we did have cases that illustrated how the loss of a child-care subsidy results in loss of child care, which then causes employment to become unstable.
- 8) A significant minority of our sample (32 percent) relied on multiple arrangements simultaneously to cover their child-care needs. Often this patchwork of care included the provision of secondary care by members of their networks, most typically relatives.
- 9) Even with a subsidy, child-care arrangements changed a lot. The majority of parents in our sample (57 percent) experienced changes in their child-care arrangements over the course of the study. Our analysis of the relationship between changes in child-care arrangements and employment instability helps elucidate the factors driving changes in child-care arrangements.
- a. Parents who experienced no changes in child care utilized relative care much more frequently than those with changes in care, and almost none used center-based care. To some extent, stability of care is a story of care type, with relatives providing the most stable care in this sample.

With a child-care subsidy, parents were able to seek new providers when they had concerns about the quality of care.

- b. Parents who experienced changes in child care rarely used relative care. Comparing the cases of those who had child-care changes and experienced job changes and with those who did not experience job changes further reveals the nuanced factors driving changes in child-care arrangements. When respondents changed jobs, those changes seemed to drive the child-care changes (as opposed to consistently unstable employment conditions such as erratic schedules or nonstandard hours). When respondents did not experience a change in job, child-care changes were driven overwhelmingly by dissatisfaction with the provider and the provider becoming unavailable. Again, consistently unstable employment conditions such as erratic schedules or nonstandard hours did not appear to affect directly child-care arrangements. However, these employment conditions may affect child care indirectly—parents may be forced to prioritize care providers who are flexible and can accommodate their erratic schedules and nonstandard hours, but as a result they may compromise concerns about quality of care. As a result, parents find themselves dissatisfied and seeking new care arrangements, hence dissatisfaction is a primary driver of change in care for these parents who did not have a change in job. Further, when nonrelatives accommodate such difficult schedules, they may seek different employment and therefore become unavailable at higher rates.
- 10) With a child-care subsidy, parents were able to respond to their dissatisfaction and seek new providers when they had concerns about the quality of their children's care. The subsidy did not stabilize child-care arrangements, but in some cases it permitted parents to choose different providers in pursuit of better-quality care.
- 11) The support of personal networks was important in this sample. Parents relied on relatives and friends to provide primary child care, and to provide secondary care to assist them with overtime at work, provider absences, time necessary to run errands or go to appointments, or parent illness. Some relied on network members for sporadic financial assistance, such as small loans to cover child-care copays and other bills they could not manage. Sometimes parents received assistance with reduced rent as well as contributions of needed food or clothing.
- 12) Parents reported relatively positive experiences with the DHS and the child-care subsidy program:
- they found the process for redetermination to be straightforward
 - they attributed the variation in their experiences over time to individual caseworker discretion
 - they noted the impact of large caseloads on caseworkers' capacity to respond in a timely manner
 - they dropped their paperwork off at DHS offices and made sure to get a receipt upon delivery, given experiences with lost or misplaced paperwork that sometimes delayed their benefits
- 13) Although not germane to the core of this report, it bears noting that many families struggled with unmet medical needs and considerable health hardship as a result. They described serious illness and long-term chronic problems that were insufficiently addressed because most of the parents did not have health insurance, although most children were covered under the Oregon Health Plan.
- 14) Finally, we think it is critical to emphasize the exceedingly hard work parents did to manage wage work and care work and provide for their children's needs. They went to great lengths to seek out the best care options they could find for their children, and change them when necessary; they worked graveyard and other challenging schedules in order to be available for their children as much as feasible, even if it meant sacrificing parental health and well-being due to chronic sleep deprivation and overload; and they aggressively pursued employment and educational opportunities they thought would improve their economic situation and thereby their children's future. Despite the extreme poverty in which they struggled to manage, they put their children first and worked hard to improve their circumstances.

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Products to Date

Policy brief distributed to the Oregon Legislature, January 2011: "Oregon's Employment-Related Child-Care Subsidy Program: An Investment That Makes Employment Work for Low-Wage Families"

Policy brief distributed to the Oregon Legislature, January 2010: "Making Employment Work for Low-Wage Families: Oregon's Employment-Related Child-Care Subsidy Program"

Panel presentation, Oregon Child Care Commission, November 2010, "Study of Child-Care Policy Impacts: Results from the Qualitative Component"

Panel presentation, Child-Care Policy Research Consortium, October 2010, "Child-Care Subsidies and Parental Well-Being"

Panel presentation, Oregon Child Care Researchers Roundtable, October 2010, "Study of Child-Care Policy Impacts: Results from Qualitative Component"

Testimony before the Oregon Senate Commerce and Workforce Development Committee and the Oregon House Business and Labor Subcommittee on Workforce Development, "Making Employment Work for Low-Wage Families: Oregon's Employment-Related Child-Care Subsidy Program"

Panel presentation, Child-Care Policy Research Consortium, October 2009, "Instability in Subsidized Care: What Women Leaving Welfare for Work in 1999 and Women Working Low-Wage Jobs in 2009 Tell Us about Child-Care Subsidies and Stability"

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