

# OREGON'S CHILD CARE SUBSIDY PROGRAM

Household, Child, and Provider Characteristics  
from 2014 through 2020

Oregon Child Care Research Partnership  
Prepared for the **Oregon Early Learning Division**





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## INTRODUCTION

This report is an annual product of the Oregon Child Care Research Partnership at Oregon State University for Oregon's Early Learning Division. The purpose of this report is to describe trends in Child Care and Development Fund (CCDF) child care subsidy program participation over time.

The report starts by describing the characteristics of households. Then children are described; followed by providers.

## DATA SOURCE

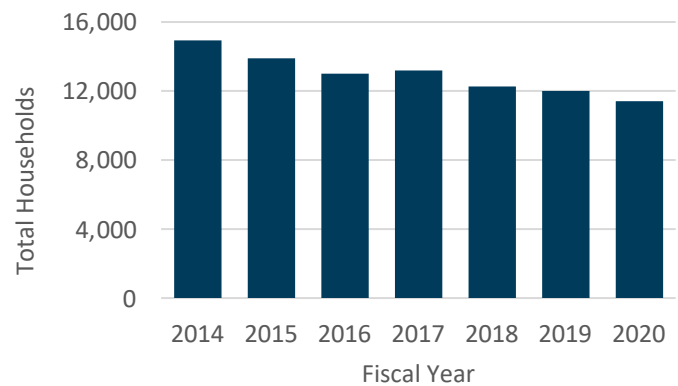
To describe participants, the report uses ACF-801 administrative program data. ACF-801 data is used to track and report child and household participation and payments made to providers. Data are analyzed yearly by Federal Fiscal Year (FFY), which runs October 1st-September 30th. For example, FFY 2015 starts October 1st, 2014 and ends September 30th, 2015. This report illustrates participation trends from 2014 through 2020.

# Households

## Household Participation in Oregon's Child Care Subsidy Program

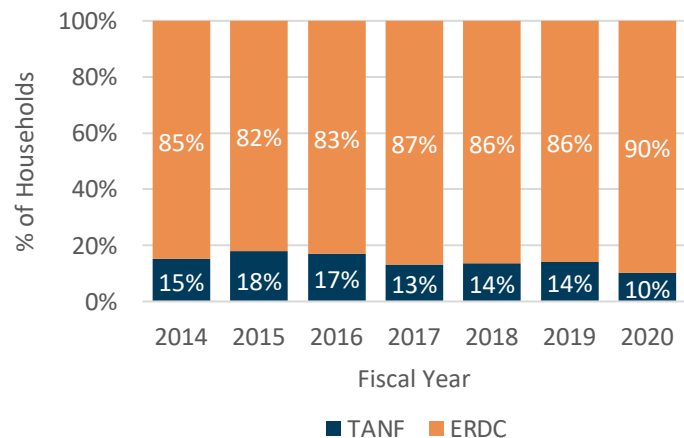
### THE NUMBER OF SUBSIDY PARTICIPATING HOUSEHOLDS HAS DECLINED OVER TIME.

The number of households participating in the subsidy program declined by just over 3,500 families between 2014 and 2020; a 24% decline.



### MOST PARTICIPATING HOUSEHOLDS RECEIVE AN EMPLOYMENT RELATED SUBSIDY

TANF subsidy accounts for only 1 out of 10 households participating on subsidy in 2020.



The number of subsidy participating households is defined as any unique head of household that received at least one month of child care support in a fiscal year. Household characteristics are drawn from the first month the household appears in the dataset.

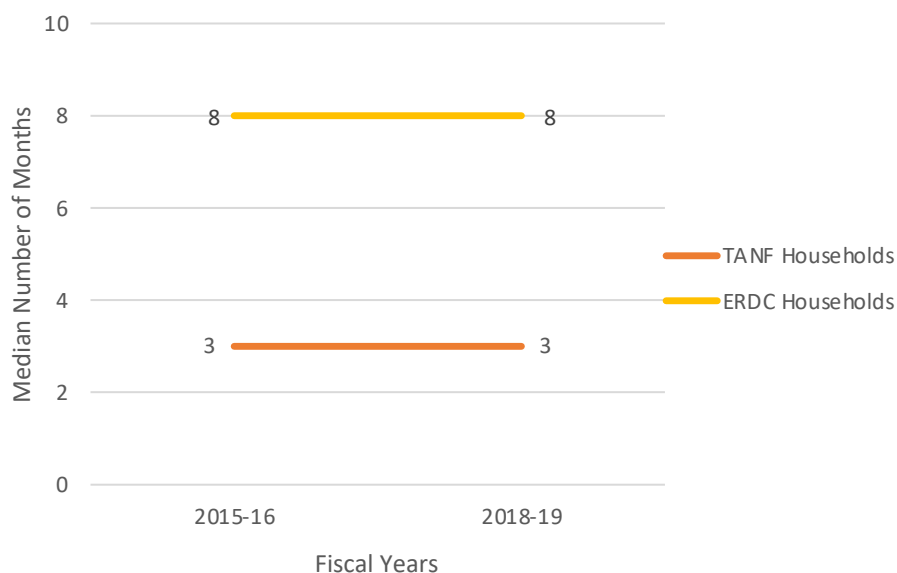


# Households

## Household Participation in Oregon's Child Care Subsidy Program

### HOUSEHOLDS RECEIVING EMPLOYMENT RELATED SUBSIDY PARTICIPATE FOR MORE MONTHS THAN HOUSEHOLDS RECEIVING TANF SUBSIDY.

Between 2015 and 2019, employment-related subsidy households, on average, continuously participated in the program for 8 months. In contrast, TANF-related subsidy households continuously participated for 3 months.



Note: Household stability on the program is estimated using duration, or survival, analysis to estimate the median spell length of participation for subsidy participating households.

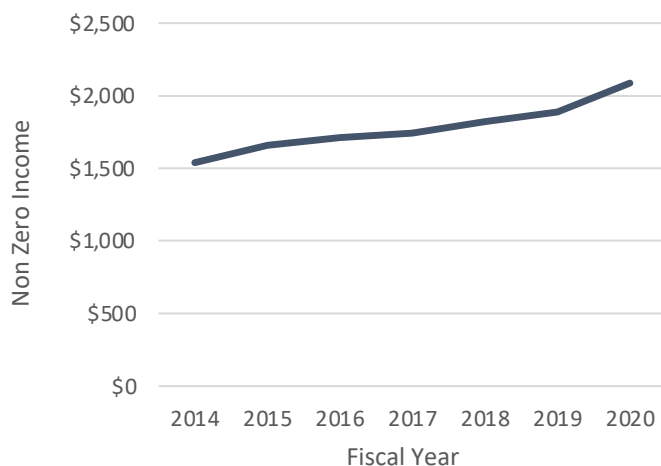
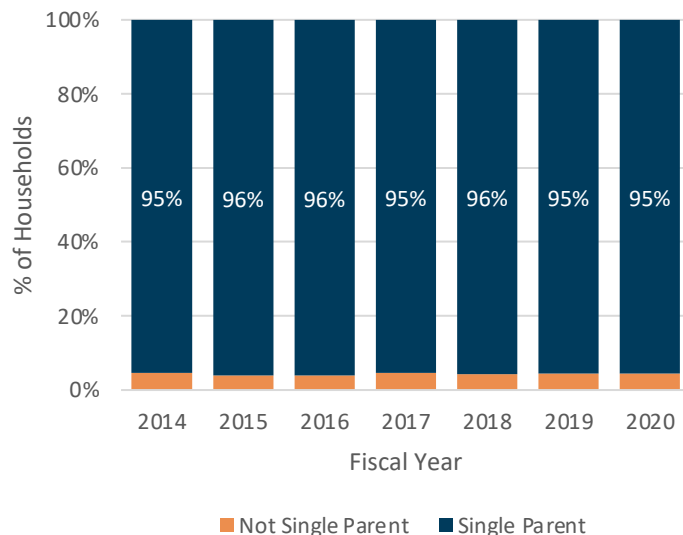
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# Households

## Household Participation in Oregon's Child Care Subsidy Program

### THE SUBSIDY PROGRAM PRIMARILY SERVES SINGLE- PARENTS HOUSEHOLDS.

Consistently over time, 9 out of 10 households participating in the subsidy program are headed by a single-parent.



### AVERAGE MONTHLY HOUSEHOLD INCOME HAS ONLY SLIGHTLY INCREASED OVER TIME.

Among those receiving employment related subsidies, mean incomes increased slightly from \$1,539 in 2014 to \$2,087 in 2020.

Note: Income is not inflation adjusted, and zero income observations were omitted when calculating the average monthly income. Average income could not be estimated for families using TANF subsidies as zero income was recorded for over 90% of households, compared to just 15% of ERDC households.

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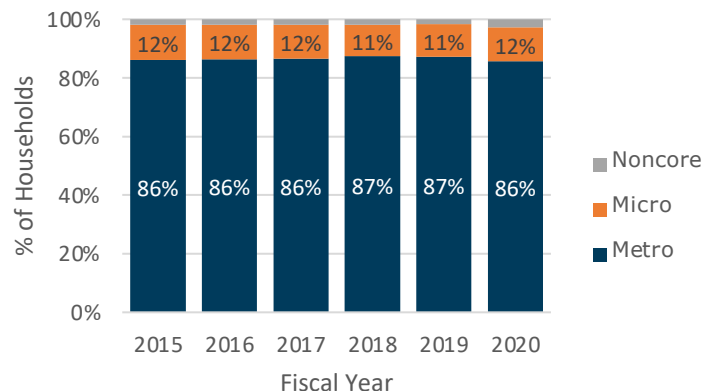


# Households

## Household Participation in Oregon's Child Care Subsidy Program

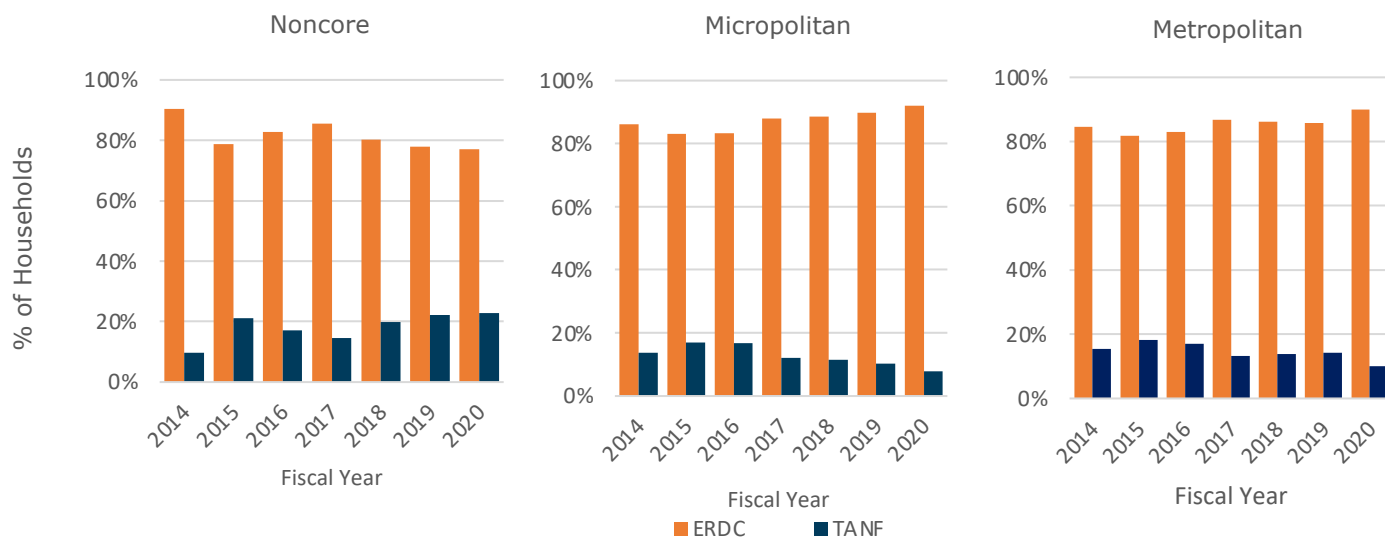
### SUBSIDY UTILIZATION RATES ACROSS GEOGRAPHIC REGIONS HAS REMAINED STABLE OVER TIME.

Consistently over time, nearly 9 out of 10 households on subsidy live in metro counties.



### TANF SUBSIDY PARTICIPATION RATES ARE HIGHEST IN NONCORE COUNTIES.

As of 2020, in noncore counties 1 in 5 participating households are on TANF subsidy, whereas only 1 in 10 subsidy-participating households are using TANF subsidy in the rest of the state.



Note: Metropolitan counties include: Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Linn, Marion, Multnomah, Polk, Washington, Yamhill. Micropolitan counties include: Clatsop, Coos, Crook, Curry, Douglas, Hood River, Klamath, Lincoln, Malheur, Morrow, Umatilla, Union, Wasco. Remote (Noncore) counties include: Baker, Gilliam, Grant, Harney, Jefferson, Lake, Sherman, Tillamook, Wallowa, Wheeler.

The Economic Research Service defines Metro counties as densely settled counties with an urban core population of 50,000 or more, and outlying counties tied to the central core by labor force commuting. Micropolitan counties are similar to metro counties, but include an urban core with a population between 10,000 to 49,999, and outlying counties tied to the core by commuting. Noncore areas are the remaining counties that are neither metro nor micropolitan.

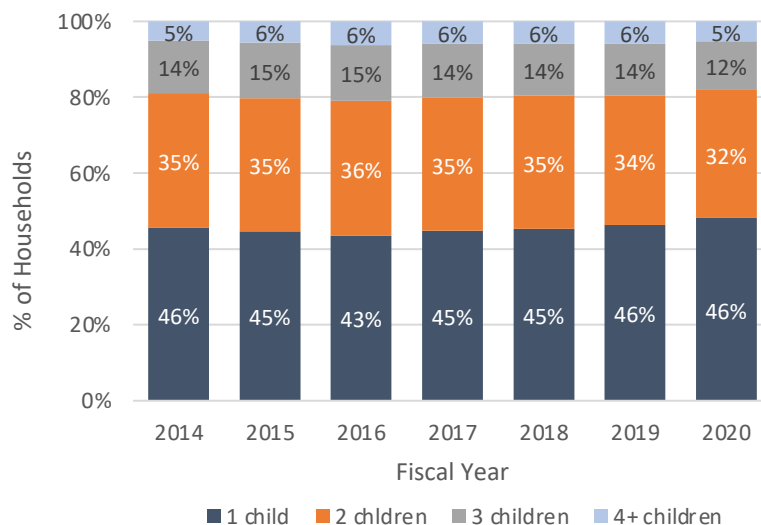
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# Households

## Household Participation in Oregon's Child Care Subsidy Program

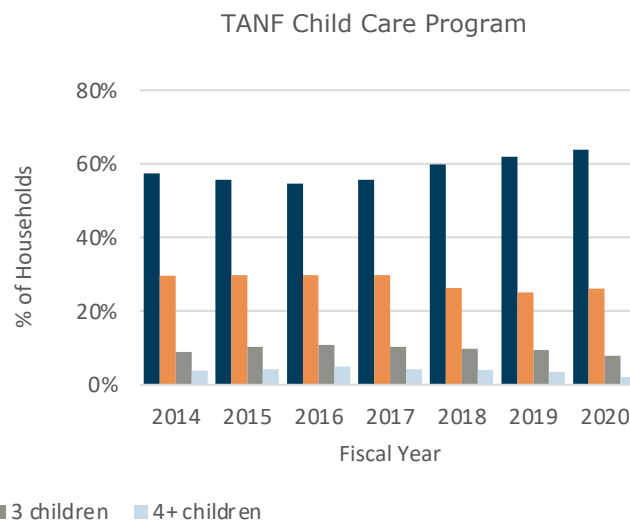
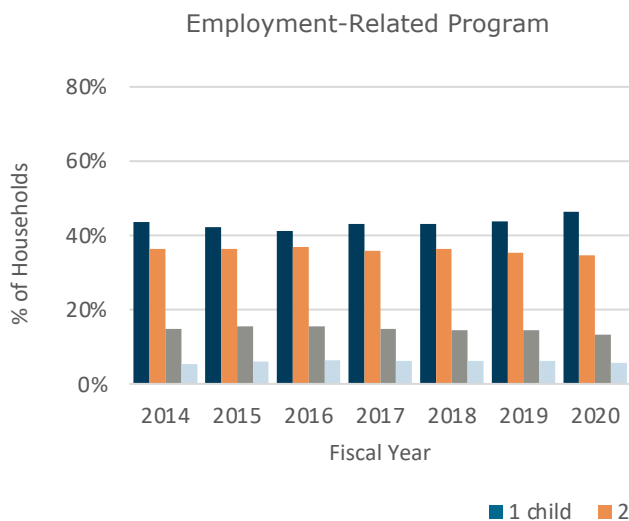
### MOST PARTICIPATING HOUSEHOLDS HAVE ONE OR TWO CHILDREN ON SUBSIDY.

Consistently over time, the majority of households using subsidy have 1 or 2 children, on subsidy.



### THERE IS A LARGER SHARE OF ONE CHILD HOUSEHOLDS IN TANF CHILD CARE THAN IN EMPLOYMENT-RELATED DAY CARE SUBSIDY.

As of 2020, nearly 1 out of 2 households on employment-related day care have only one participating child, while nearly 2 out of 3 households on TANF have only one participating child.



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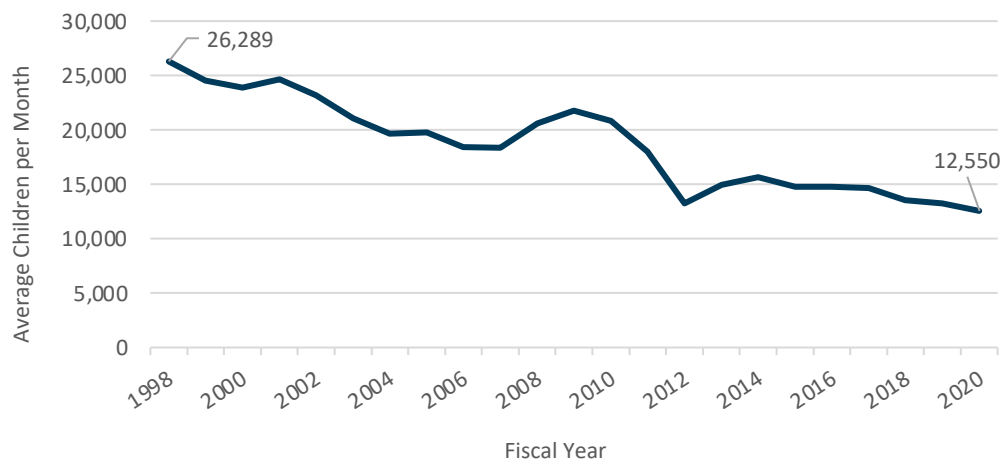


# Children

## Child Participation in Oregon's Child Care Subsidy Program

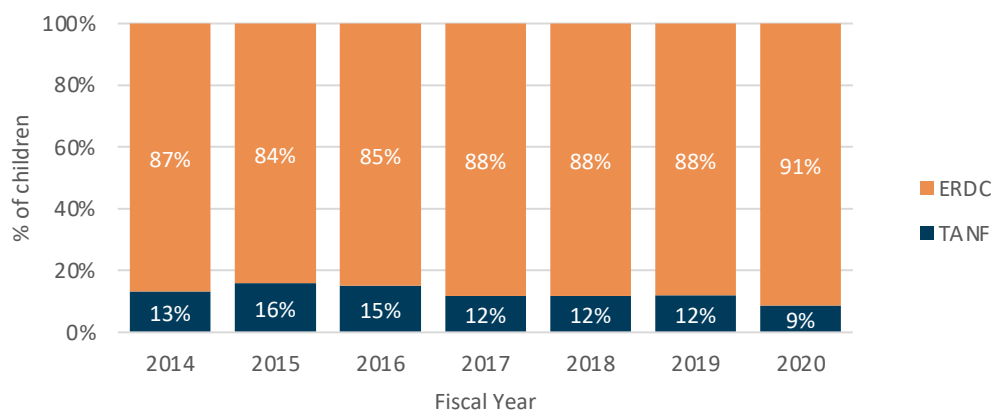
### FEWER CHILDREN ARE BEING SERVED BY THE SUBSIDY PROGRAM OVER TIME.

Over the last two decades, the average monthly caseload of children receiving subsidy has dropped by half. Despite growth between 2007-2009, there was a rapid decline until 2012. The implementation of a wait list due to budget constraints in October 2010 is related to this decline.



### MOST PARTICIPATING CHILDREN ARE SUPPORTED BY THE EMPLOYMENT-RELATED DAY CARE (ERDC) PROGRAM.

Consistently over time, the majority of children served by the subsidy program are engaged through the employment related day care (ERDC) program rather than TANF child care.



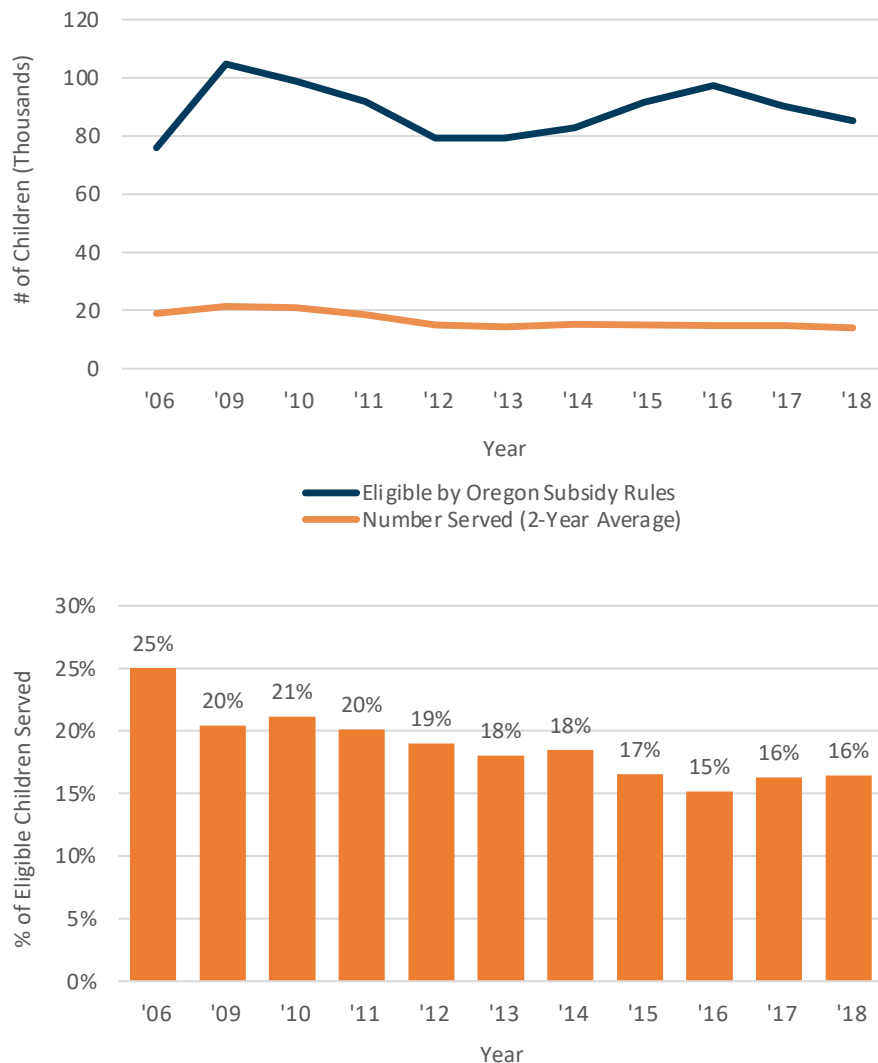
The number of subsidy participating children is defined as any unique child that received at least one month of child care support in a fiscal year. Child characteristics are drawn from the first month the child appears in the dataset.

# Children

## Child Participation in Oregon's Child Care Subsidy Program

### THE PROGRAM SERVES A FRACTION OF ELIGIBLE CHILDREN.

The percent of eligible children served by subsidy has declined by approximately 9% over the last 12 years.



Note: The number of children eligible by Oregon subsidy rules is estimated by the Administration for Children and Families (ACF) Assistant Secretary for Planning and Evaluation (ASPE). This estimate becomes available about two years after the fiscal year ends. For more on subsidy eligibility, visit [health.oregonstate.edu/early-learners/affordability](https://health.oregonstate.edu/early-learners/affordability).

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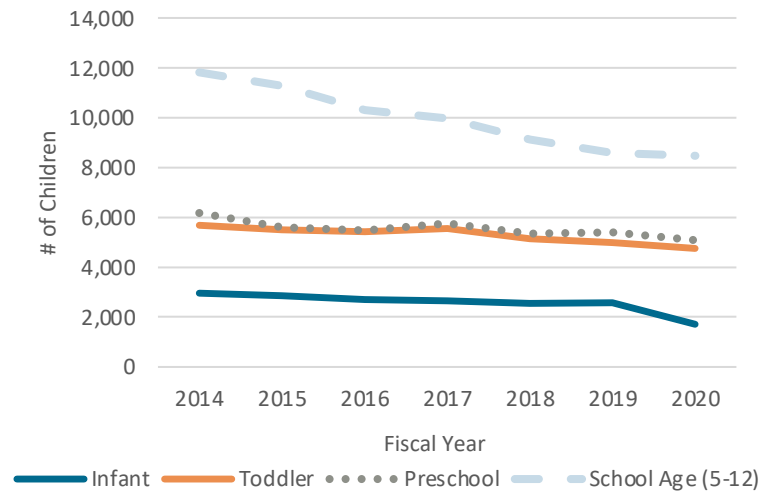
# Children

## Child Participation in Oregon's Child Care Subsidy Program

### THE LARGEST DECLINE IN SUBSIDY PARTICIPATION IS AMONG SCHOOL-AGE CHILDREN.

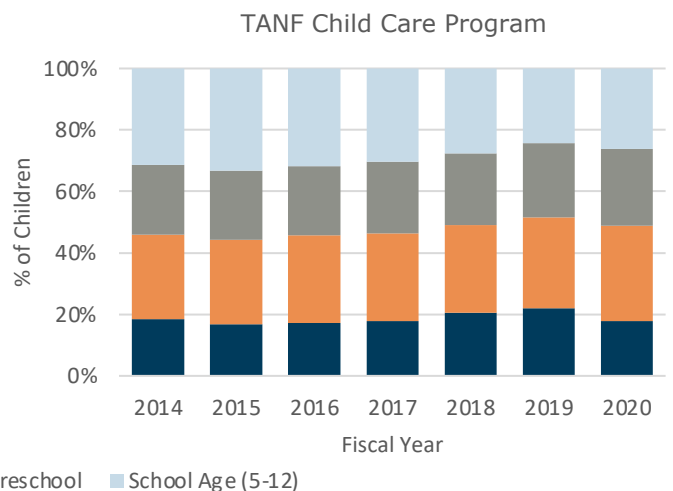
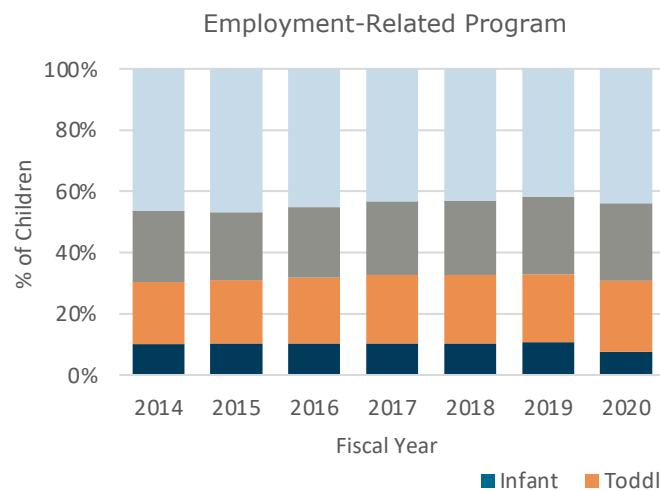
Participation among school-age children has dropped by a quarter. In contrast, younger children have experienced only a slight decline in participation over time.

There was also a notable decline in infants served from 2019 to 2020, which may be related to the COVID-19 pandemic.



### THERE IS A LARGER SHARE OF INFANTS AND TODDLERS IN THE TANF PROGRAM THAN EMPLOYMENT-RELATED SUBSIDY.

Only 1 in 3 children served on employment-related are infants and toddlers, whereas 1 in 2 children served by TANF subsidy are infants and toddlers.



Note: Ages are defined as Infant= 0-11 months; Toddler = 12-35 months; Preschool = 3-5 years; School-age = 5+ years

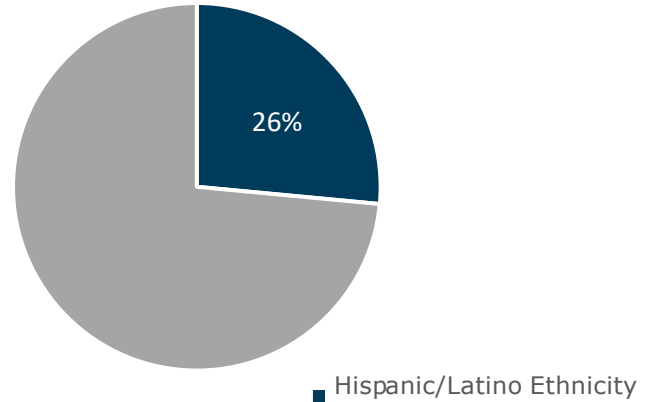
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# Children

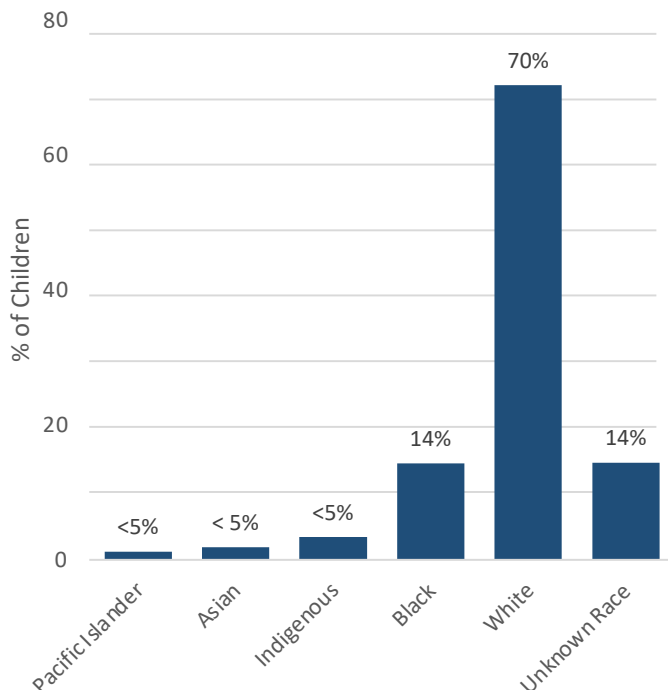
## Child Participation in Oregon's Child Care Subsidy Program

### IN 2020, A QUARTER OF PARTICIPATING CHILDREN REPORT HISPANIC/LATINO ETHNICITY.

26%, or about 5,380 children participating in the subsidy program, identified as Hispanic/Latino.



Note: Hispanic/Latino ethnicity was asked of parents for each participating child. This question was asked separately from race, which is illustrated below.



Note: In this figure, children can be identified by more than one race. About 5% of children reported more than one race; the remaining children reported only one. If no race was indicated, the child is included in a category called "unknown Race"

### RACIALLY, THE MAJORITY OF CHILDREN PARTICIPATING ON SUBSIDY IDENTIFY AS WHITE IN 2020.

In 2020, 70% of children were identified as white. Fourteen percent or about 2,900 children identified as Black or African American. Fewer than 5% of children identified Indigenous or Native American, Asian, and Pacific Islander

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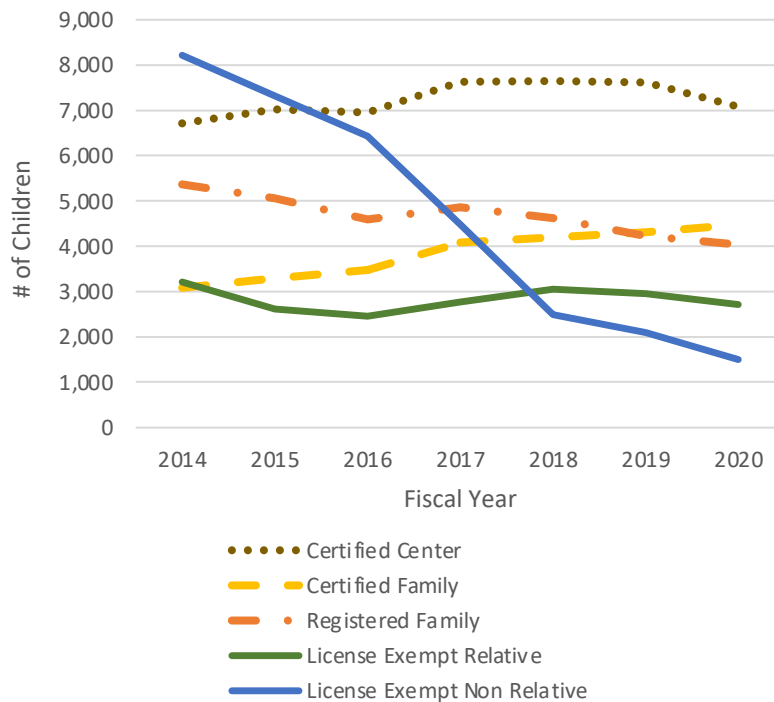


# Children

## Child Participation in Oregon's Child Care Subsidy Program

### THERE HAS BEEN A SHARP DECLINE IN THE NUMBER OF CHILDREN RECEIVING LICENSE-EXEMPT NON-RELATIVE CARE, SUCH AS CARE BY FRIENDS AND NEIGHBORS.

The number of children served by license-exempt non-relative providers has dropped by 82% between 2014 and 2020, while the participation of license-exempt relative care has remained stable over time. There has also been a 25% decline in the use of Registered Family homes (small home-based care). In contrast, participation in other care types has remained steady or increased.



Note: The type of care is based on a child's primary provider, which is defined as the provider with the highest subsidy payment and billed hours within the first month of subsidy receipt.

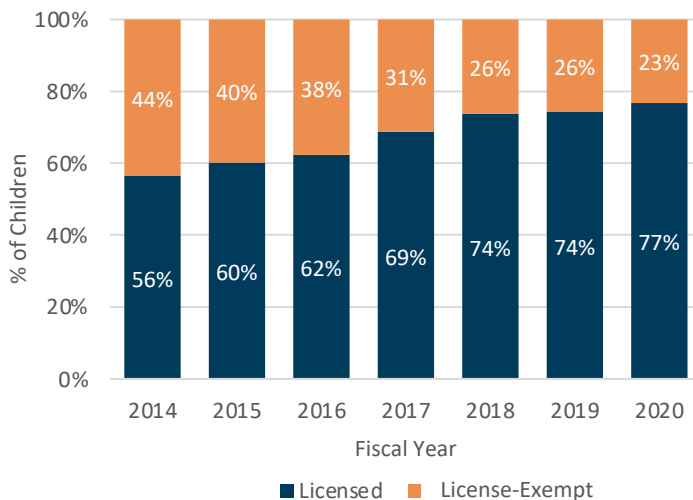
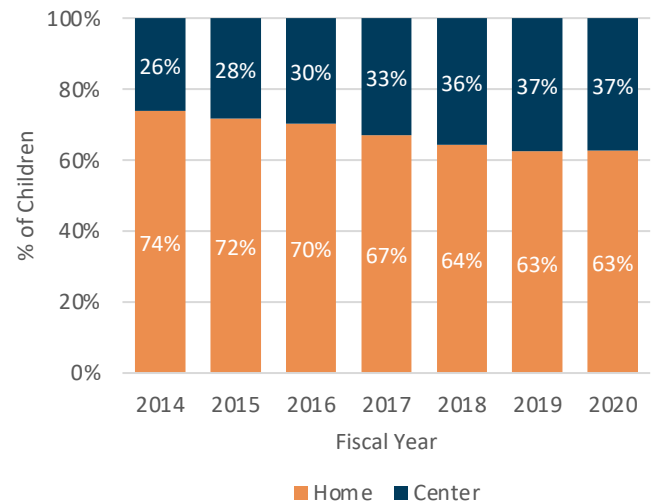
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# Children

## Child Participation in Oregon's Child Care Subsidy Program

### THE MAJORITY OF CHILDREN PARTICIPATING IN SUBSIDY CONTINUE TO BE SERVED IN HOME-BASED PROGRAMS.

As of 2020, 3 in 5 children served by the subsidy program are attending home-based programs, however, the share of children in center-based programs is increasing over time.



### A GROWING SHARE OF CHILDREN USING SUBSIDY ARE BEING SERVED IN LICENSED PROGRAMS.

The proportion of children served in license-exempt programs has declined. As of 2020, over 3 out of 4 children are now served in licensed programs.

Note: The type of care is based on a child's primary provider, which is defined as the provider with the highest subsidy payment and billed hours within the first month of subsidy receipt.

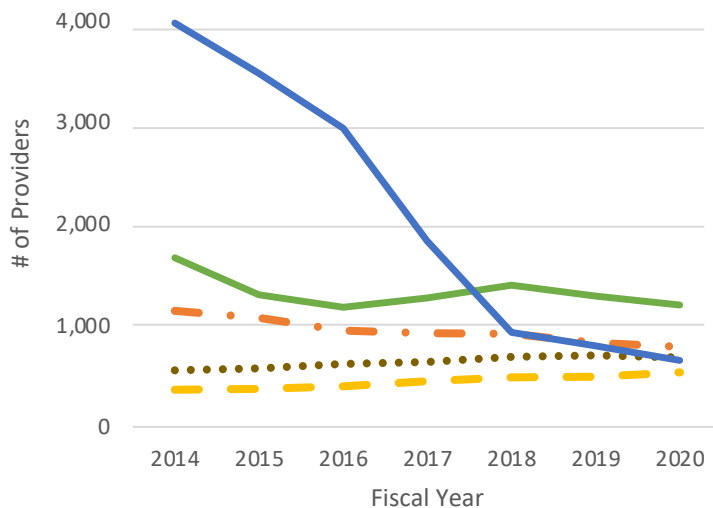
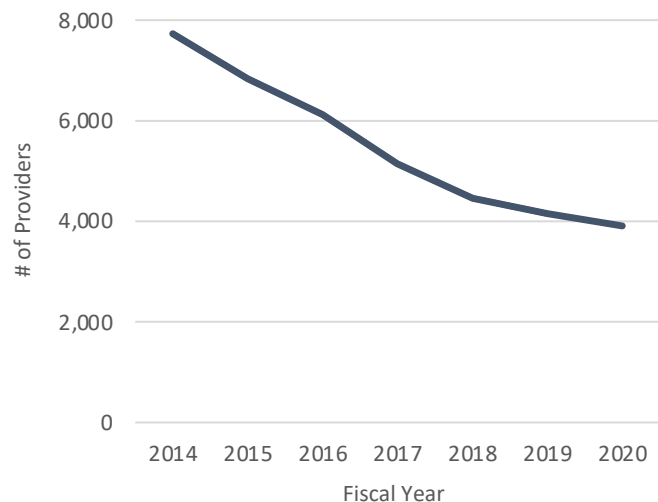
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# Providers

## Provider Participation in Oregon's Child Care Subsidy Program

### THE NUMBER OF SUBSIDY-PARTICIPATING CHILD CARE PROVIDERS CONTINUES TO DECLINE.

Between 2014 and 2020 the number of subsidy providers declined by half, from just under 8,000 to around 4,000.



### THE MAJORITY OF THE PROVIDER DECLINE IS EXPLAINED BY THE LOSS OF LICENSE-EXEMPT NON-RELATIVE PROVIDERS.

The subsidy program lost more than 3,300 license-exempt non-relative providers over the last 7 years, which works out to be an 84% decline.

- Certified Center
- Certified Family
- - Registered Family
- License-Exempt Relative
- License-Exempt Non-Relative

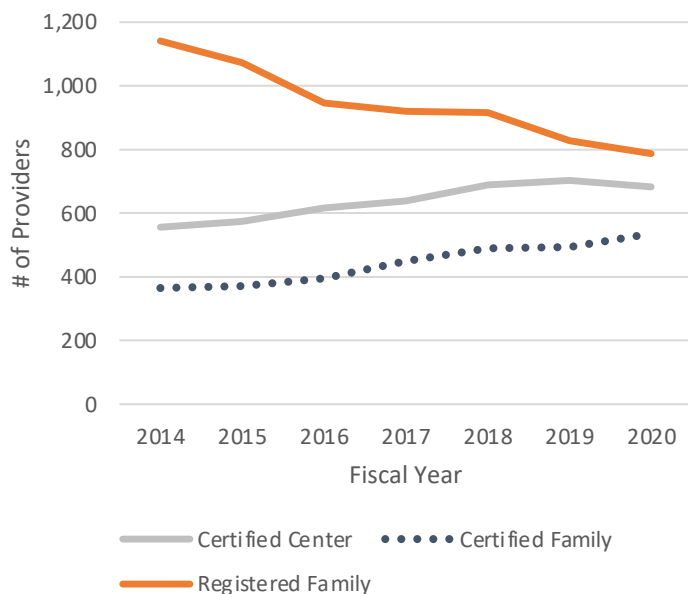
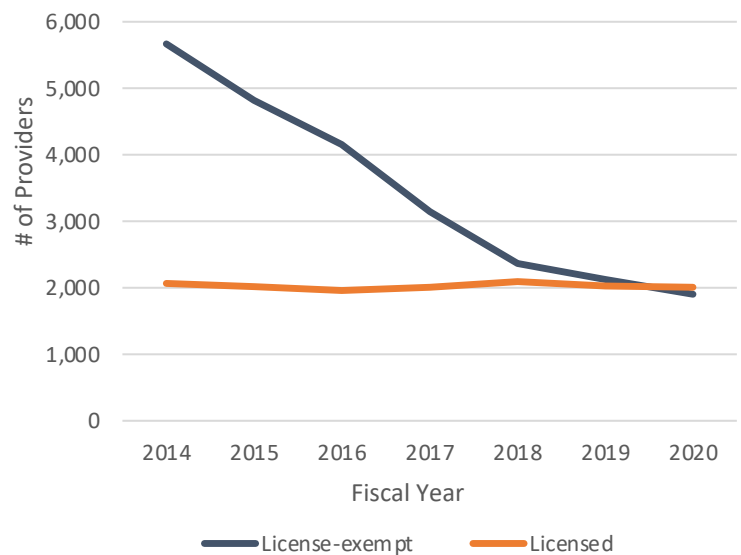
The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.

# Providers

## Provider Participation in Oregon's Child Care Subsidy Program

### LICENSE-EXEMPT PROVIDERS NO LONGER MAKE UP THE MAJORITY OF PROVIDERS PARTICIPATING ON SUBSIDY.

In 2014, there were almost 3 times as many participating license-exempt providers than licensed. As of 2020, that difference no longer exists.



### AMONG LICENSED PROGRAMS, REGISTERED FAMILY PROVIDER PARTICIPATION CONTINUES TO DECLINE

The number of participating registered family providers has declined by more than a quarter since 2014. In contrast, the number of certified centers and certified family providers has grown.

The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.

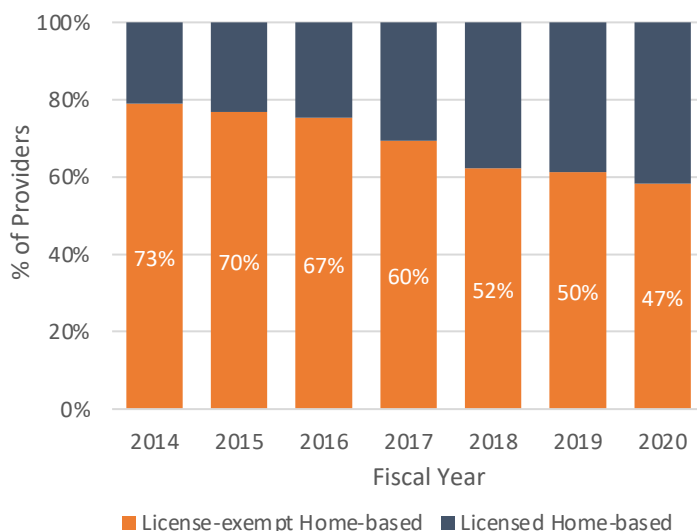
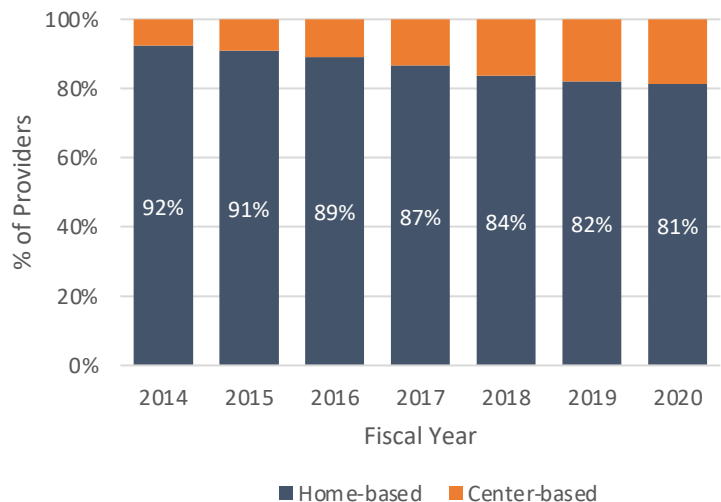


# Providers

## Provider Participation in Oregon's Child Care Subsidy Program

### HOME-BASED PROVIDERS REPRESENT THE VAST MAJORITY OF PROVIDERS PARTICIPATING IN THE SUBSIDY PROGRAM.\*

Across both licensed and license-exempt programs, home-based providers continue to account for 4 in 5 providers participating in the subsidy program compared to centers.



### HOME-BASED PROVIDERS ARE INCREASINGLY LIKELY TO BE LICENSED.

The number of participating small home-based providers has declined by more than a quarter since 2014. In contrast, the number of licensed centers and large home-based providers has grown.

\*Note: Although home-based providers make up the vast majority of the subsidy-participating providers, they care for relatively fewer children than centers-based programs. So, although there are fewer center-based providers, centers often care for a larger number of children (see page 13 for child participation by type of care).

The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.



## FOR MORE INFORMATION

To learn more about child care in Oregon, visit [health.oregonstate.edu/early-learners](https://health.oregonstate.edu/early-learners)

## ACKNOWLEDGEMENTS

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