

OREGON'S CHILD CARE SUBSIDY PROGRAM

Household, Child, and Provider Characteristics
from 2014 through 2021

Oregon Child Care Research Partnership
Prepared for the **Oregon Department of Early Learning and Care**



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OREGON STATE UNIVERSITY



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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.

This is the second annual report, which covers trends through Federal Fiscal Year 2021.

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.

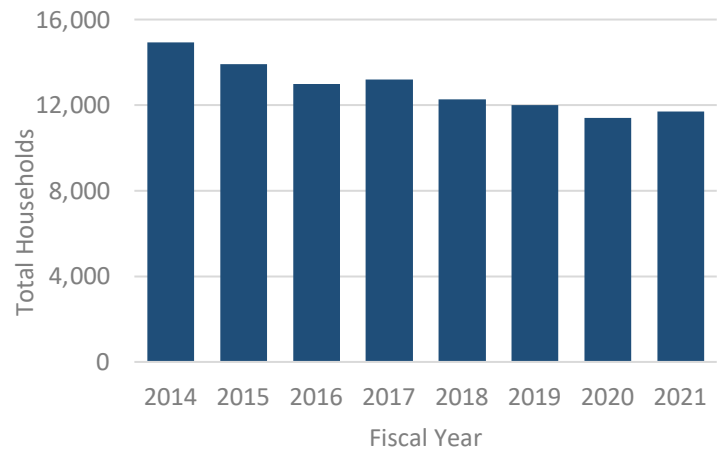
Data are analyzed yearly by Federal Fiscal Year (FFY), which runs October 1st-September 30th. For example, FFY 2015 starts October 1st, 2014 and ends September 30th, 2015. This report illustrates participation trends from 2014 through 2021.

Households

Household Participation in Oregon's Child Care Subsidy Program

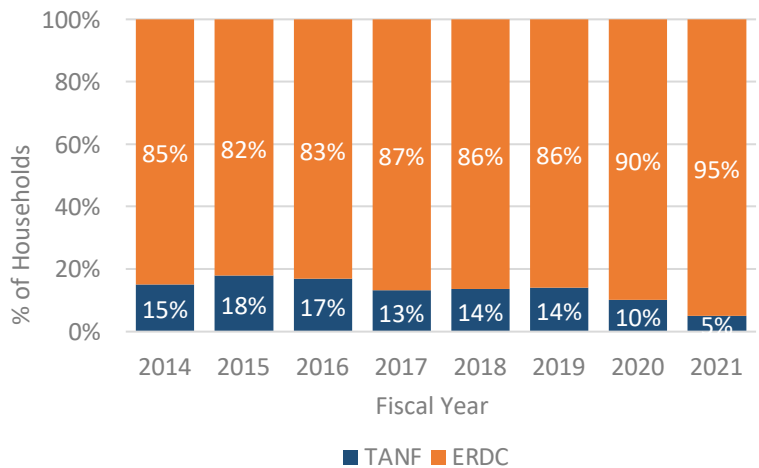
ALTHOUGH THE NUMBER OF PARTICIPATING HOUSEHOLDS HAD DECLINED OVER TIME, MORE FAMILIES WERE SERVED IN 2021 THAN 2020.

The number of households in the subsidy program has declined 22% since 2014. However, between 2020 and 2021 the number of families served increased by just over 300 families. This is the first increase in households served since 2017.



A GROWING MAJORITY OF PARTICIPATING HOUSEHOLDS ARE SERVED BY EMPLOYMENT RELATED DAY CARE (ERDC).

TANF child care subsidy accounts for only 1 out of every 20 households participating on subsidy in 2021. This is down from 1 out of every 10 households in 2020.



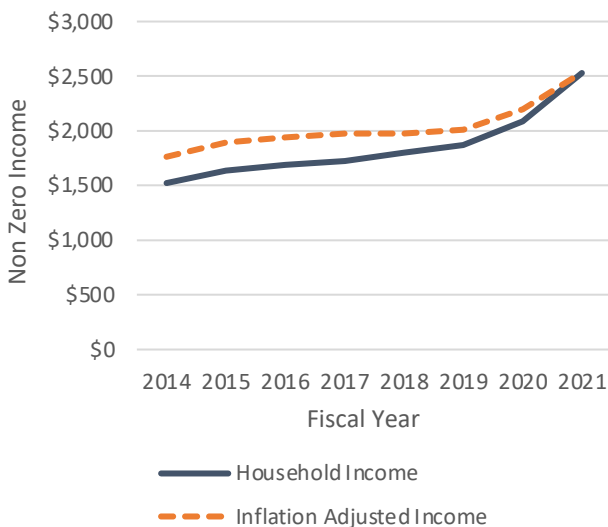
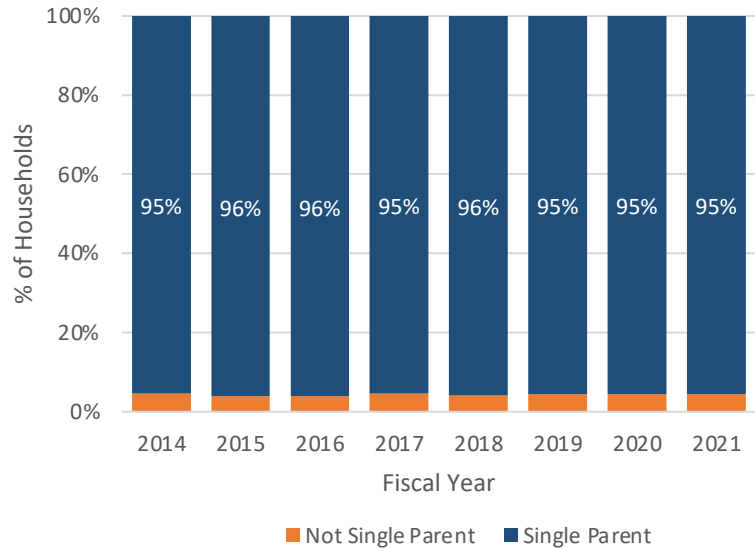
The number of subsidy participating households is defined as any unique head of household that received at least one month of child care support in a fiscal year. Household characteristics are drawn from the first month the household appears in the dataset.

Households

Household Participation in Oregon's Child Care Subsidy Program

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 INCREASED OVER TIME, WITH LARGER INCREASES IN 2020 and 2021.

The average monthly household income increased modestly each year through 2019. When adjusting for inflation, income appears relatively stable until 2020. Between 2019 and 2021, the average inflation adjusted income increased 13%, compared to an average of 5% in previous years.

Notes: Inflation adjusted income is calculated using the Bureau of Labor Statistics Consumer Price Index inflation calculator for 2021. Observations with zero income 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.

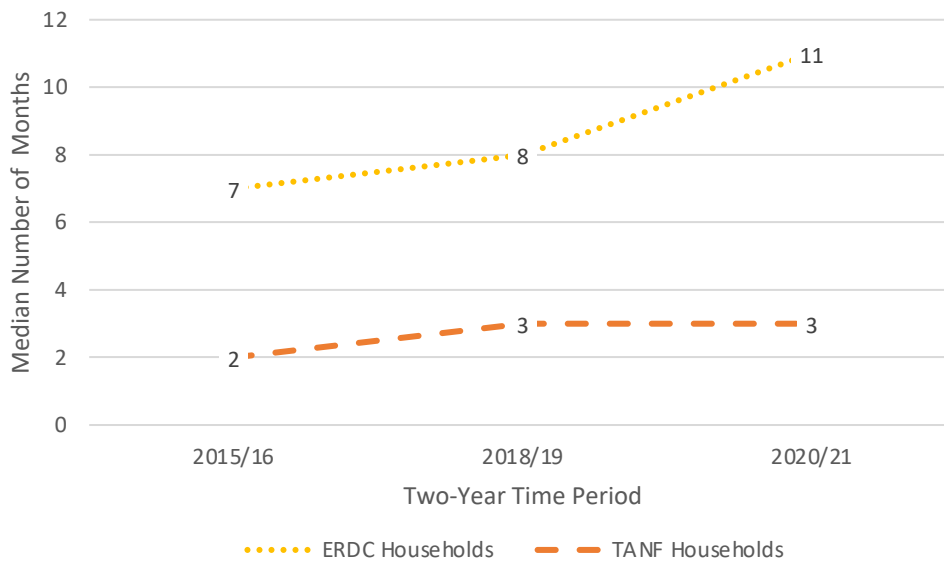
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Households

Household Participation in Oregon's Child Care Subsidy Program

THE LENGTH OF TIME A HOUSEHOLD CONTINUOUSLY PARTICIPATES ON EMPLOYMENT-RELATED SUBSIDY (ERDC) HAS INCREASED BY THREE MONTHS.

Since years 2015-2016, households receiving employment-related subsidy (ERDC), on average, continuously participated in the program for 7-8 months; during years 2020-21, this increased to 11 months. Households participating in TANF-related child care subsidy continuously participate for 2-3 months over time.



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

ERDC households include those whose subsidy payments are for only ERDC reasons across the two-year analysis period. TANF Households include those whose subsidy payments are for only TANF reasons across the two-year analysis period.

The January 2023 version of this report incorrectly reported the 2015/2016 median spells lengths as 8 for ERDC households and 3 for TANF households. This error has been corrected.

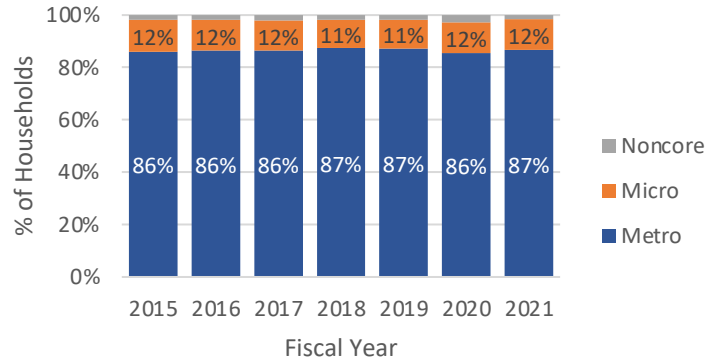
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Households

Household Participation in Oregon's Child Care Subsidy Program

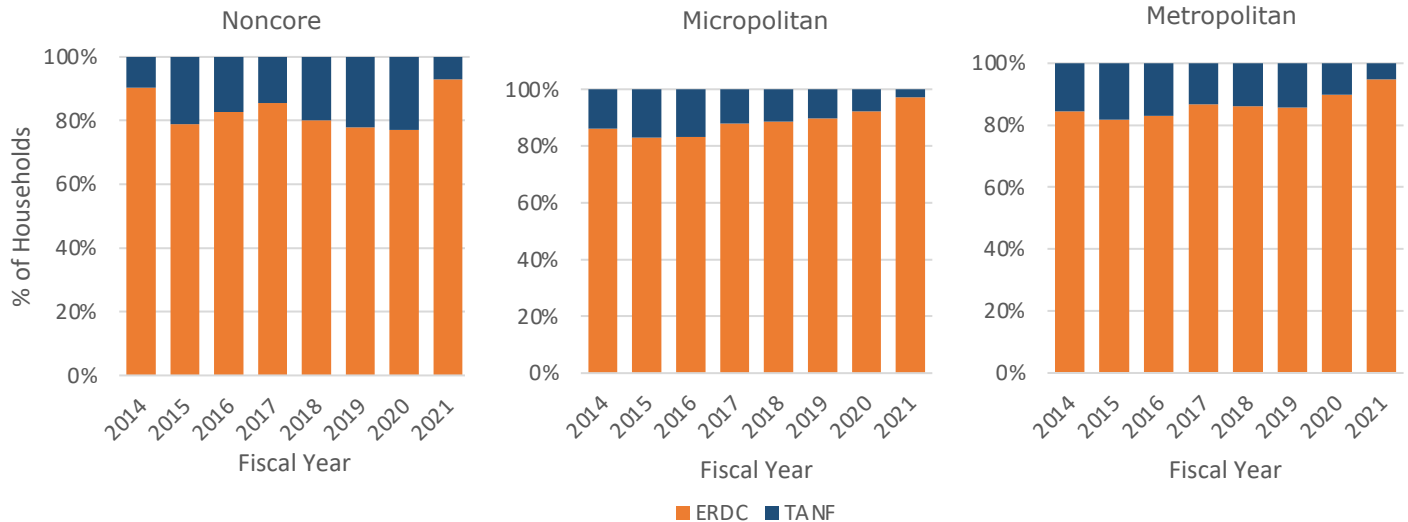
SUBSIDY UTILIZATION RATES ACROSS GEOGRAPHIC REGIONS HAS REMAINED STABLE OVER TIME.

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



THE PROPORTION OF SUBSIDY PARTICIPATING HOUSEHOLDS ON TANF SUBSIDY DROPPED ACROSS ALL REGIONS IN 2021.

Within Metropolitan and Micropolitan counties, a declining proportion of participating households are using TANF subsidy. A less consistent yearly pattern appears for households within Noncore counties; these households account for less than two percent participating households, so trends should be interpreted cautiously.



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. 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.

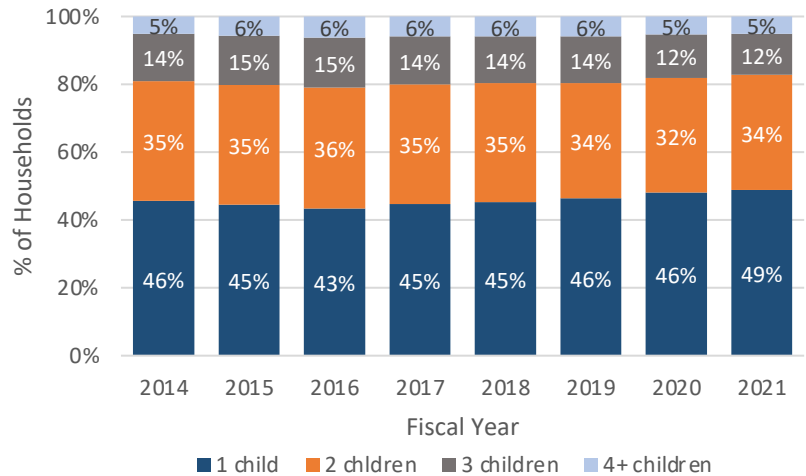
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Households

Household Participation in Oregon's Child Care Subsidy Program

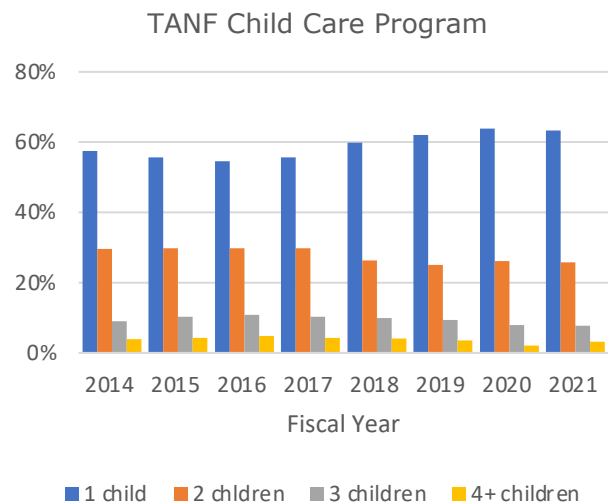
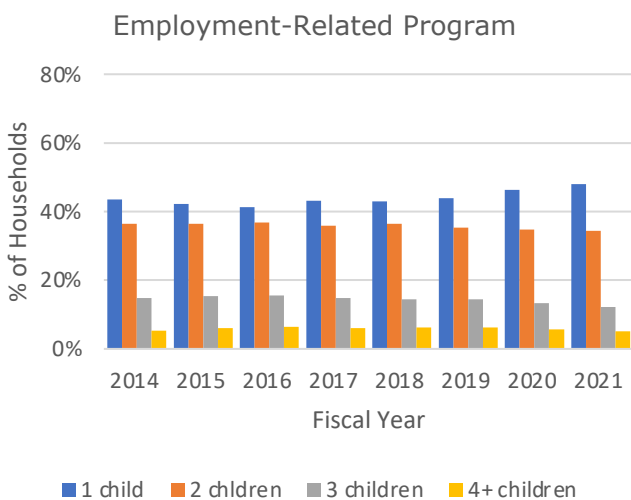
MOST PARTICIPATING HOUSEHOLDS HAVE ONE OR TWO CHILDREN ON SUBSIDY.

Consistently over time, nearly 1/2 of households have 1 child, and approximately 1/3 have two 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 2021, 63% of households in TANF have only 1 child, compared to 48% of employment-related program families.



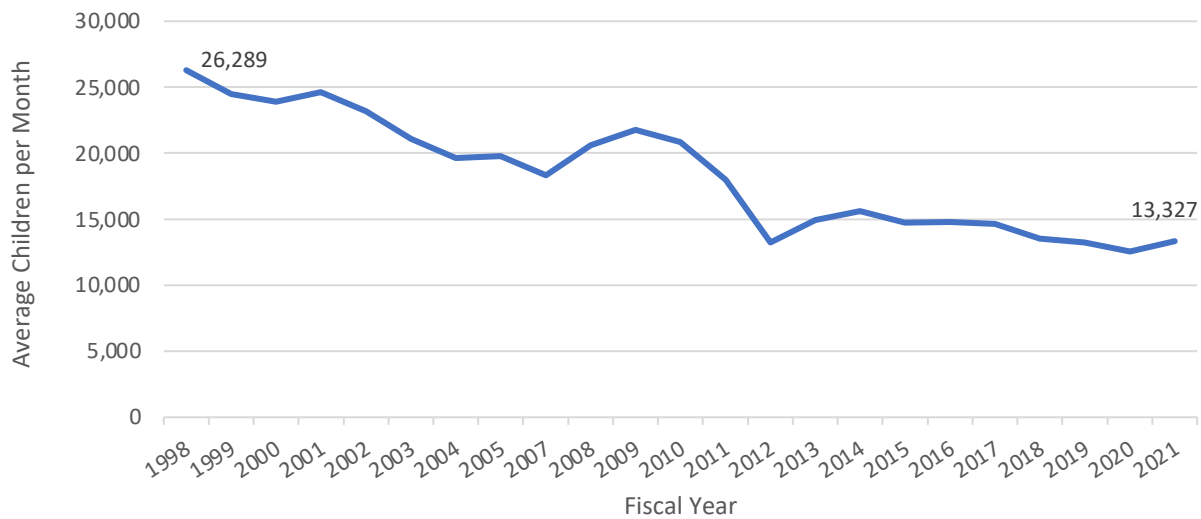
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Children

Child Participation in Oregon's Child Care Subsidy Program

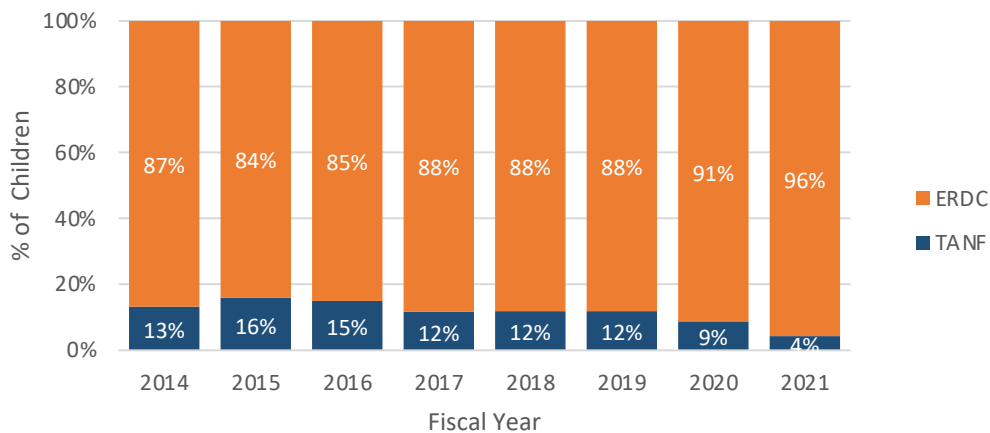
FEWER CHILDREN ARE BEING SERVED BY THE SUBSIDY PROGRAM THAN WERE SERVED TWO DECADES AGO.

The last two decades, the average monthly caseload of children receiving subsidy has dropped nearly 50%. 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. The average number of children being served each month in 2021 is similar to the amount that were served in 2012.



MOST PARTICIPATING CHILDREN ARE SUPPORTED BY THE EMPLOYMENT-RELATED SUBSIDY DAY CARE PROGRAM.

The percent of children supported by the TANF program dropped again in 2021, from 9% to 4%.



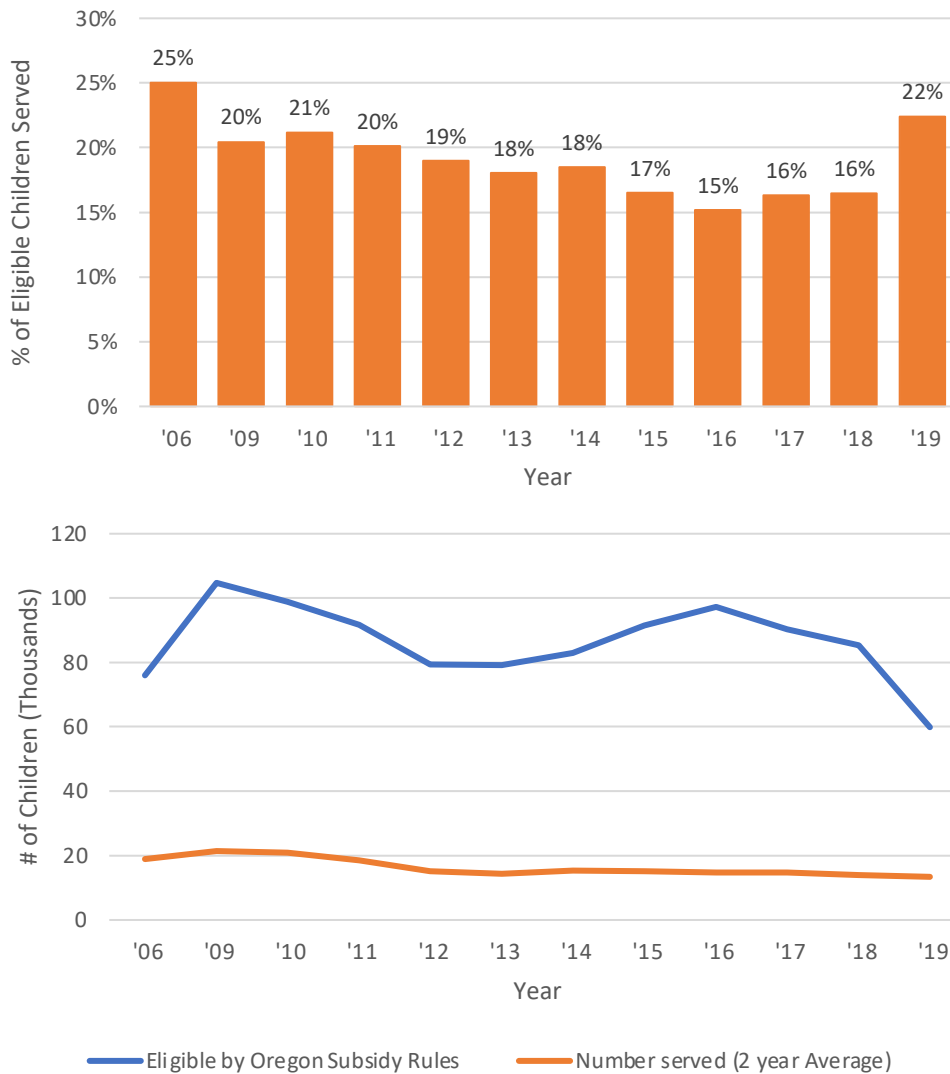
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Children

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 approximately 9% between 2006 and 2018. Between 2018 and 2019, the percent of children served increased from 16% to 22%. This increase appears to be explained by a decline in the number of eligible children; the number of children served appears consistent over time.



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.

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Children

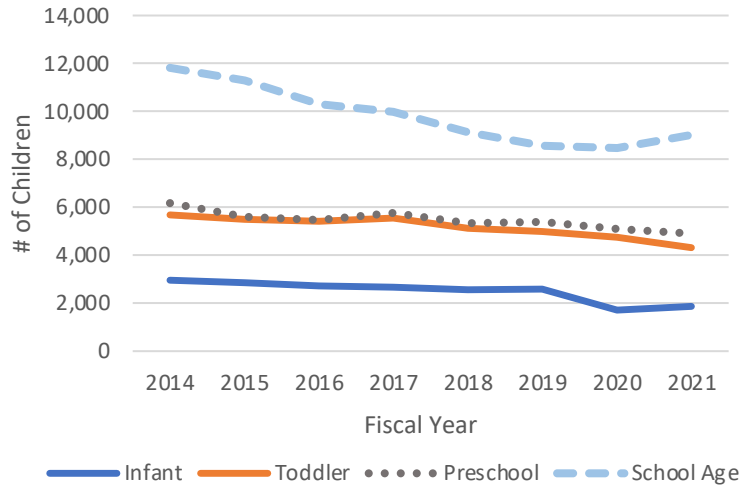
Child Participation in Oregon’s Child Care Subsidy Program

UNTIL 2021, THE LARGEST DECLINE IN SUBSIDY PARTICIPATION IS AMONG SCHOOL-AGE CHILDREN. BETWEEN 2020 AND 2021 SCHOOL-AGE PARTICIPATION INCREASED.

Participation among school-age children dropped by a quarter between 2014 and 2020. Between 2020 and 2021 school-age participation increased by 6% or just under 550 children.

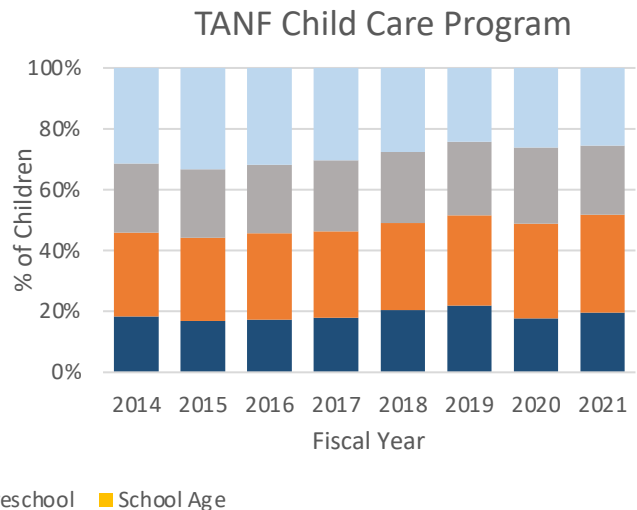
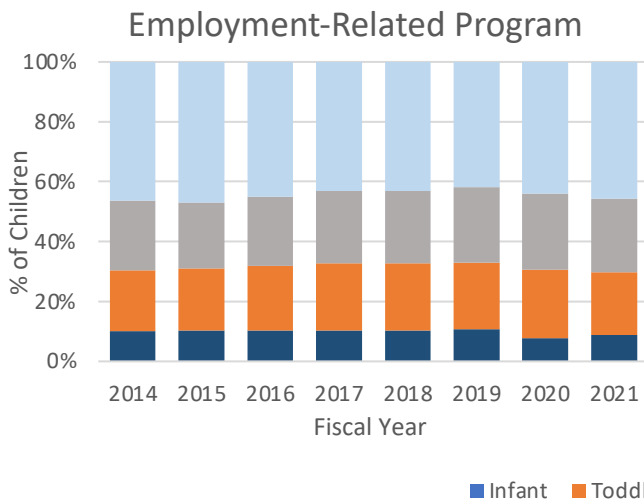
There was also a notable decline in infants served from 2019 to 2020, which may be related to the COVID-19 pandemic. Between 2020 and 2021, the number of infant participation increased by 9% or just over 155 children.

Participation among toddler and preschool children has slightly declined over time.



THERE CONTINUES TO BE A LARGER SHARE OF INFANTS AND TODDLERS IN THE TANF PROGRAM THAN EMPLOYMENT-RELATED SUBSIDY.

Comparing across subsidy programs, 1 in 2 children served by TANF subsidy are infants and toddlers, whereas only 1 in 3 children served on employment-related are infants and toddlers. This trend appears consistent over time.



Infant = ages 0-11 months; Toddler = 12-35 months; Preschool = ages 3-5 years; School-age = 5-12

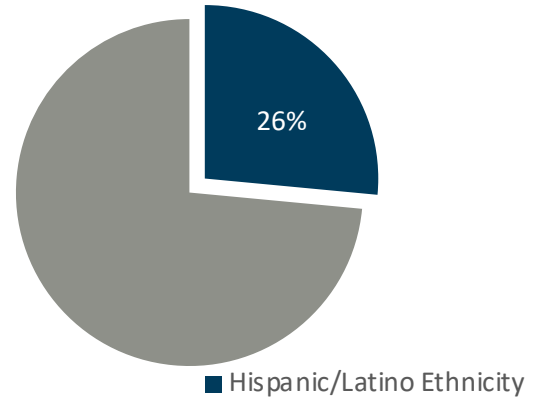
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Children

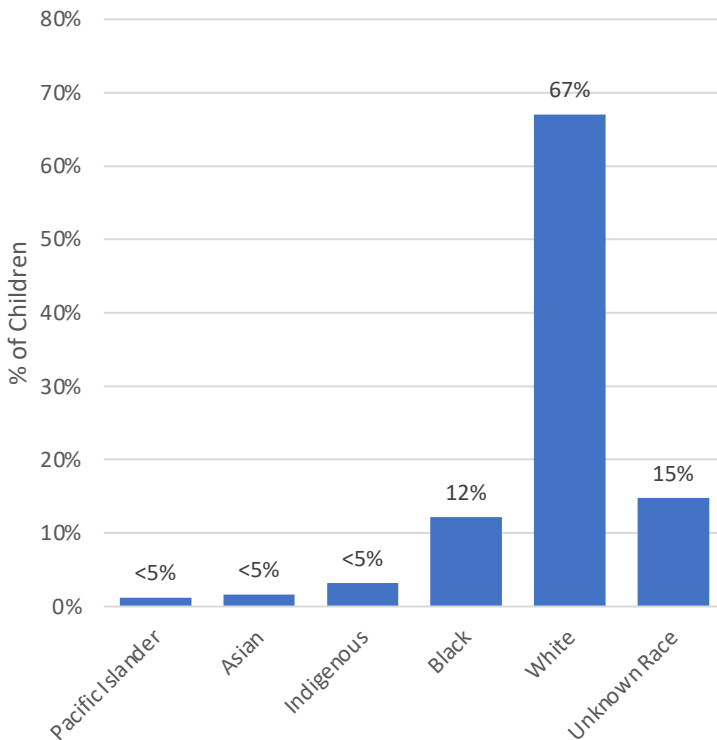
Child Participation in Oregon's Child Care Subsidy Program

A QUARTER OF PARTICIPATING CHILDREN REPORT HISPANIC/LATINO ETHNICITY.

In both 2020 and 2021, 26% of children participating in the subsidy program, were identified as Hispanic/Latino by their parent(s).



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



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

Similar to 2020, in 2021, 67% of children were identified as Black or African American. Less than 5% were identified as Pacific Islander, Asian, or Indigenous/Native American combined.

Note: In this figure, children can be identified by more than one race. Nearly 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"

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Children

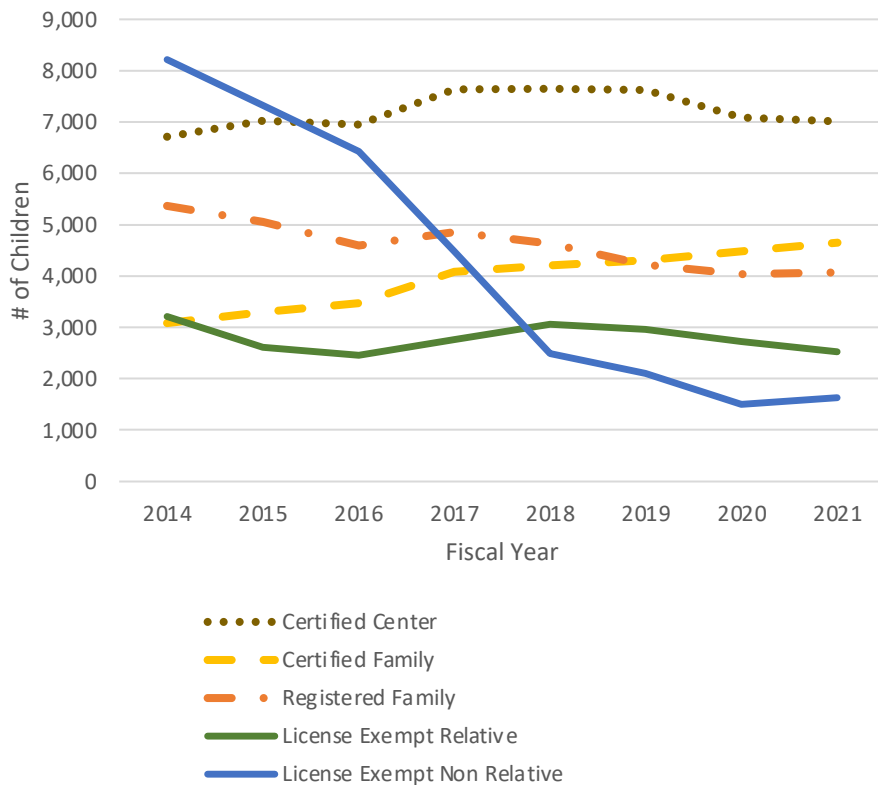
Child Participation in Oregon's Child Care Subsidy Program

UNTIL 2021, THERE HAS BEEN A SHARP DECLINE IN THE NUMBER OF CHILDREN ATTENDING LICENSE-EXEMPT NON-RELATIVE CARE. HOWEVER, BETWEEN 2020 AND 2021, LICENSE-EXEMPT NON-RELATIVE CARE SLIGHTLY INCREASED.

The number of children served by license-exempt non-relative providers dropped by 82% between 2014 and 2020, while the participation of license-exempt relative care has remained generally stable over time. Between 2020 and 2021, the number of children served by license-exempt non-relative care increased by just under 9%, or 130 children.

Within licensed home-based care settings, there has been a 25% decline in the number of children attending of Registered Family programs, while the number of children served in Certified Family programs has increased by 50%, or 1566 children, between 2014 and 2021.

The number of children served by certified centers has remained relatively stable, although by 2021, the number of children served by centers has declined by 8% or about 610 children.



The type of care is based on the primary provider (the provider that has the highest subsidy payment, which usually coincides with the highest number of billed hours) and the first month the child appears in the dataset.

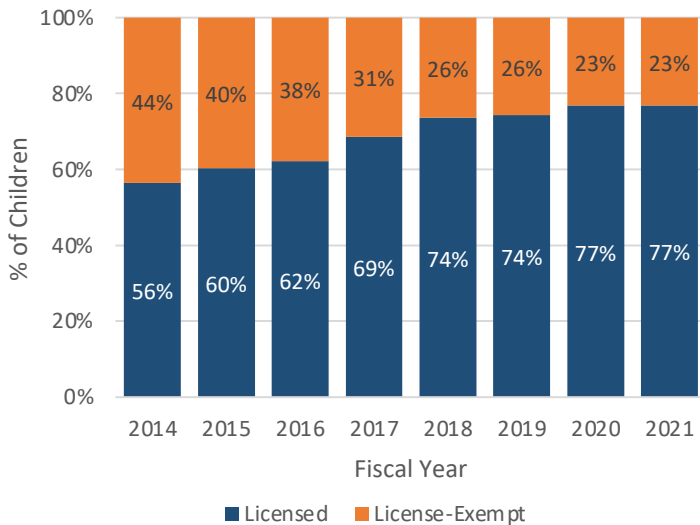
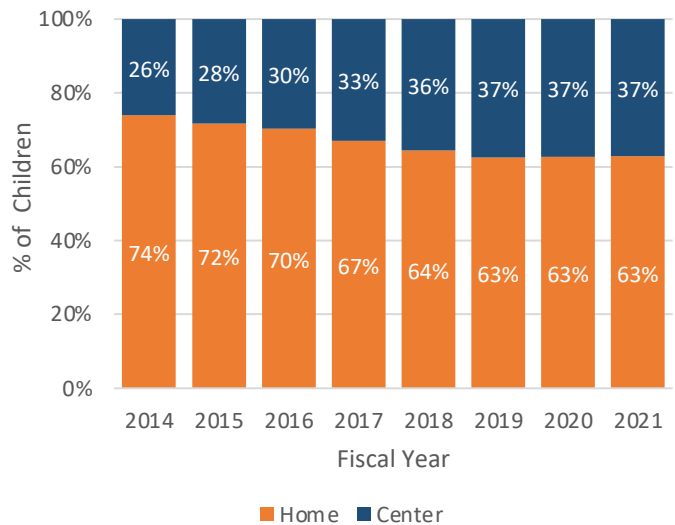
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Children

Child Participation in Oregon's Child Care Subsidy Program

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

The percent of children in home-based and center-based programs has remained relatively constant between 2018 and 2021.



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

The proportion of children served in license-exempt programs has declined. In both 2020 and 2021, over 3 out of 4 children using subsidy are attending licensed programs.

The type of care is based on the primary provider (the provider that has the highest subsidy payment, which usually coincides with the highest number of billed hours) and the first month the child appears in the dataset.

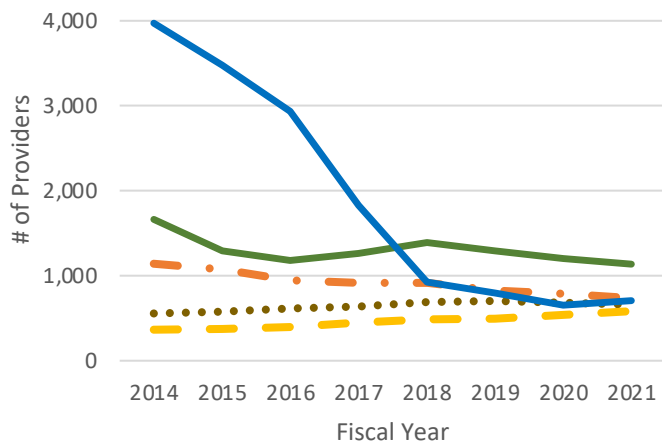
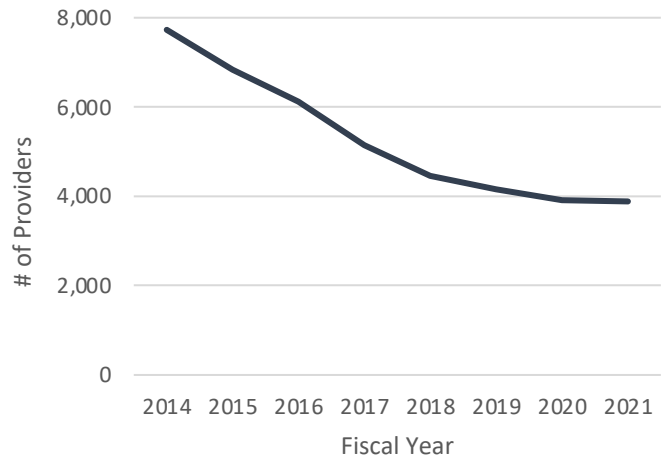
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Providers

Provider Participation in Oregon's Child Care Subsidy Program

UNTIL 2021, THE NUMBER OF SUBSIDY-PARTICIPATING CHILD CARE PROVIDERS WAS DECLINING.

The total number of providers has declined by 50% since 2014. However, the decline between 2020 to 2021 was less than 1%.



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

The subsidy program lost about 3275 license-exempt non-relative providers over the last 8 years, which works out to be an 82% decline between 2014 and 2021.

In both 2020 and 2021 the number of license-exempt non-relative providers has been relatively stable, with about 700 providers participating in each year.

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

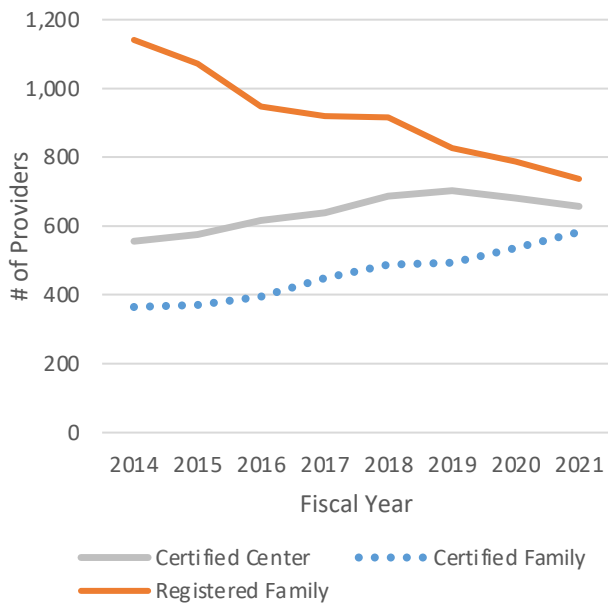
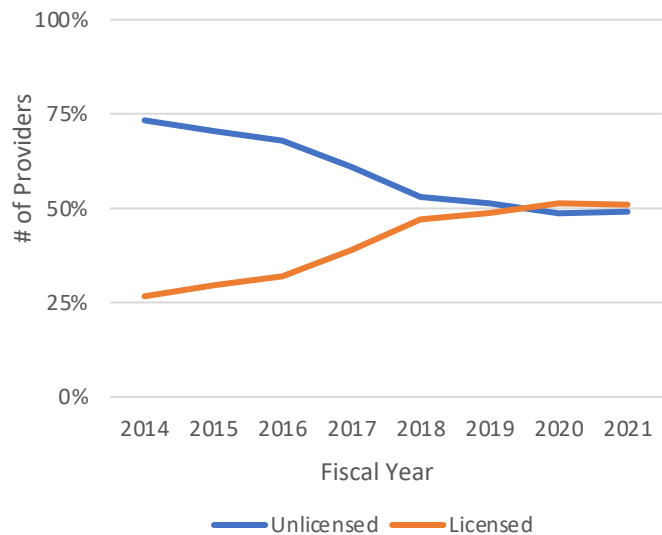
The number of subsidy participating providers in a fiscal year counts each provider that was in the system for at least one month of the year. The characteristics of the provider are drawn from the first month the provider receives a payment in a given fiscal year.

Providers

Provider Participation in Oregon's Child Care Subsidy Program

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

Similar to 2020, in 2021 licensed providers currently make up just over half of all participating providers. In 2014 licensed providers made up less than 30% of providers.



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

There are 35% fewer license providers in 2021 than there were in 2014. Between 2020 and 2021, the number of participating registered family providers dropped by 50. In contrast, the number of participating certified centers and certified family providers has grown.

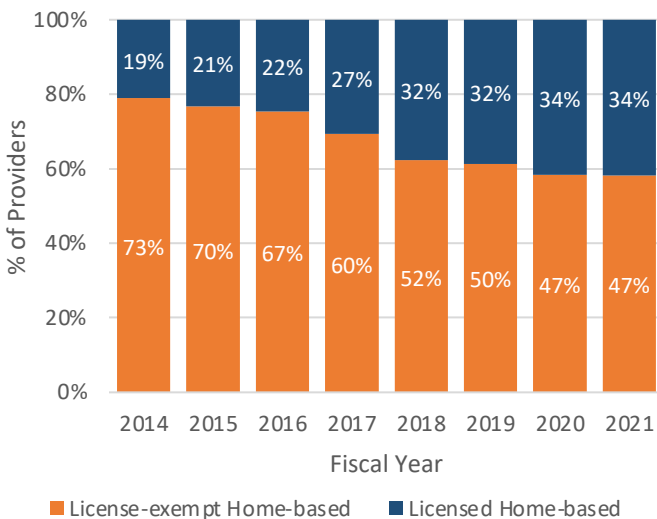
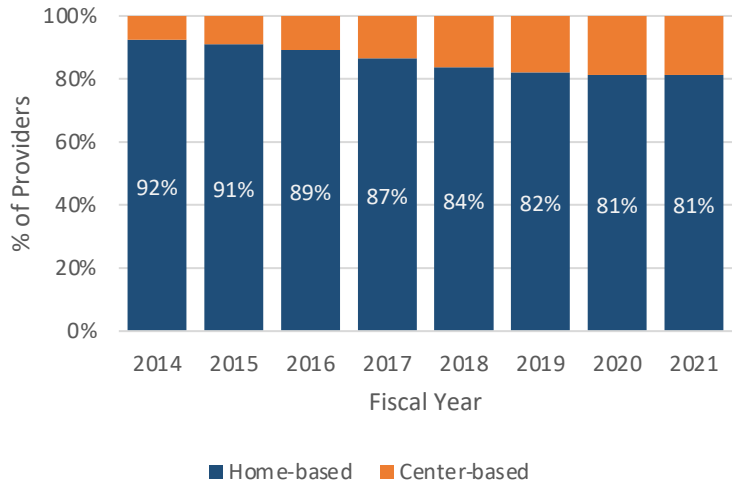
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Providers

Provider Participation in Oregon's Child Care Subsidy Program

HOME-BASED PROVIDERS STILL REPRESENT THE VAST MAJORITY OF PROVIDERS PARTICIPATING IN THE SUBSIDY PROGRAM

Regardless of licensing status, in both 2020 and 2021 years, home-based providers account for 4 in 5 providers participating in the subsidy program compared to centers.



HOME-BASED PROVIDERS ARE INCREASINGLY LIKELY TO BE LICENSED.

Less than 1 in 5 home-based providers were licensed in 2014. In contrast, by 2020 and 2021 more than 1 in 3 were licensed each year.

*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).

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FOR MORE INFORMATION

To learn more about child care in Oregon, visit health.oregonstate.edu/early-learners

AUTHORSHIP

Prepared by the Oregon Child Care Research Partnership

Megan Pratt & Laurie Houston

Oregon State University, College of Public Health and Human Sciences

oregonccrp@oregonstate.edu 541-737-5373

The contents of this report are solely the responsibility of the authors and do not represent the official views of the funding agency, Oregon State agencies, nor does publication in any way constitute an endorsement by the funding agency.

CORRECTION NOTE

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