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*The Duration and Dynamics of Child Care
Subsidy Use in New York City: Children Aged 0-5*

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Background: The Policy Context

Young children benefit from predictability and stability in their home and child care environments. For low-income families in New York City who rely on subsidized child care, continuity in subsidy coverage can enable, though not ensure, stability in child care arrangements. This study documents the dynamics of subsidy use in New York City over a 3-year period (Jan. 2006 – Dec. 2008).

In New York City, the Administration for Children's Services (ACS) oversees the child care subsidy program, which is the largest publicly-funded child care system in the nation. Eligibility for child care subsidies is open to families on public assistance (TANF) who are working or engaged in an approved work-related activity; to low-income working families (with incomes at or below an established threshold); and finally to families with special priority circumstances such as involvement with child welfare preventive and protective services. Subsidies are administered through a mix of contracts and vouchers. Contracted child care settings are regulated, while vouchers may be used in either regulated or unregulated settings.



**A Snapshot of Children Aged 0-5
Receiving Child Care Subsidies in New York City,
Jan. 2006 – Dec. 2008**

- 57% used vouchers, while 43% used contracts.¹
- 55% used regulated care exclusively, 26% used unregulated care exclusively, and 19% switched between regulated and unregulated care.
- 55% received subsidies for reasons related to public assistance.
- 39% used their subsidies for center based child care only, 26% used informal family child care² only, 16% used regulated family child care only, and 19% used more than one type of care.
- 31% received infant care (0-18 mo.), 17% received toddler care (19-35 mo.), and 52% received preschool care (36 mo. – 5 yr.).
- 50% of the children were girls, and 50% were boys.

¹ Describes their first subsidy spell. Only 5% of children subsequently switched types.

² Informal care includes legally exempt family, friend, and neighbor care in the child's home or in the provider's home.

AUTHORS

Margo Gardner, Ph.D.
Anne Martin, Dr.P.H.
Aleksandra Holod, MPP
Anna D. Johnson, MPA
Jeanne Brooks-Gunn, Ph.D.

Data and Methods

These analyses use administrative data from the New York City Administration for Children’s Services. These data provide information on all families who received child care subsidies from the City from January, 2006 through December, 2008. This includes families who enrolled during the observation period as well as families already receiving subsidies. For this policy brief, we selected only the families who had a child aged newborn to 5 years ($N = 172,180$).

These data were used to measure child care subsidy **spells** and **gaps** between subsidy spells.

A child care subsidy **spell** is defined as a period of subsidy receipt lasting one month or longer (between January, 2006 and December, 2008).

A **gap** is defined as a period between two subsidy spells (which occurred between January, 2006 and December, 2008). Analyses of gaps refer only to children who experienced two or more subsidy spells. The reasons for gaps are unknown. Possible explanations include, but are not limited to, failure to complete the paperwork for recertification, a change in parental employment or income status leading to loss of eligibility, a change in provider eligibility, or parental dissatisfaction with the provider.

Analyses presented here examine group differences in subsidy spells and gaps. T-tests were used in comparisons between two groups. Analyses of variance (ANOVA), followed by Bonferroni-adjusted pairwise comparisons, were used in comparisons among three or more groups. All comparisons reported here are significant at the $p < .05$ level.

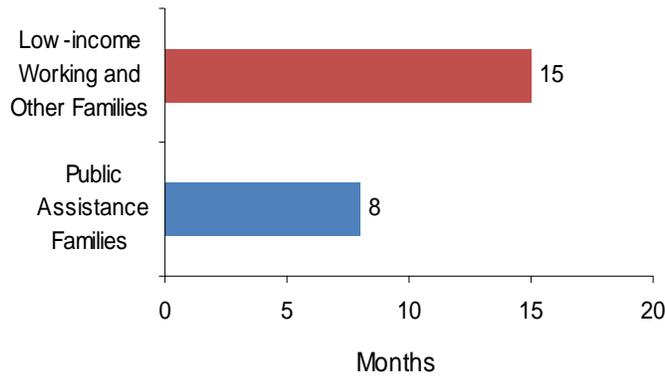
Children in center-based care had longer average spells of subsidy use than children who used family child care or informal child care.

Findings: Duration of Subsidy Spells, Jan. 2006–Dec. 2008

Note: Longer spells indicate greater continuity in subsidy use.

- Children in New York City used a child care subsidy for an average of 12 months at a time. Between January 2006 and December 2008, some children used subsidies for as little as 1 month, and others for as long as 36 months.
- Children attending regulated care settings had longer average spells of subsidy use than children attending unregulated care settings (12 versus 9 months).
- Among children attending regulated care settings, those in contracted care had longer spells of subsidy use than those with vouchers (13 versus 11 months).
- Infants and preschool-aged children had average subsidy spells of 12 months. Toddlers had average subsidy spells of 11 months.
- Children in center-based care had longer average spells of subsidy use (13 months) than children in family child care (12 months) or informal child care (9 months).
- Children from low-income working and other families’ spells of subsidy use were 7 months longer on average than those of children in families receiving subsidies for public assistance-related reasons (15 versus 8 months). *See figure 1.*

Figure 1. Average length of subsidy spells, Jan. 2006-Dec. 2008



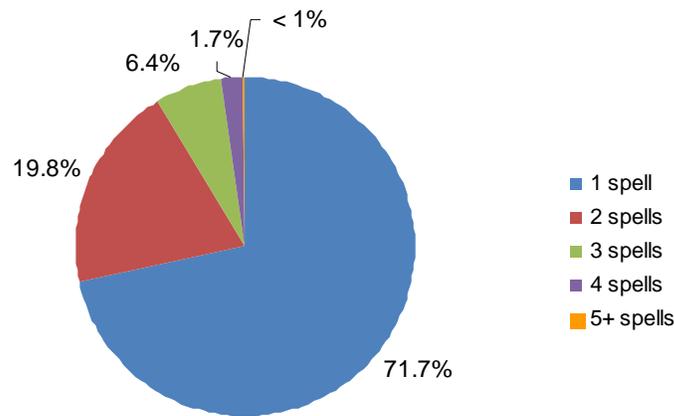
Preschoolers experienced the fewest spells and toddlers experienced the most spells.

Findings: Number of Subsidy Spells, Jan. 2006–Dec. 2008

Note: Fewer subsidy spells indicate greater continuity in subsidy use.

- The majority of children (71.7%) had only one spell of subsidy use; less than 1% of children had five or more spells of subsidy use during the 36-month period. See figure 2.

Figure 2. Average number of subsidy spells, Jan. 2006-Dec. 2008



- Children attending regulated care settings had fewer spells on average than those attending unregulated care settings (1.16 versus 1.48).
- Among children attending regulated care settings, those in contracted care had fewer spells than those with vouchers (1.10 versus 1.29).
- Children who used center-based care had fewer spells of subsidy receipt (1.14) than children who used family child care (1.19) or informal care (1.48).
- Preschoolers experienced the fewest spells (1.33) and toddlers experienced the most spells (1.50).
- Children from low-income working and other families had fewer spells of subsidy use than children from families receiving public assistance (1.09 versus 1.58).



National Center for Children & Families
Teachers College, Columbia University
525 West 120th Street, Box 39
New York, NY 10027
(212) 678-3904
(212) 678-8255

VISIT US ON THE WEB AT
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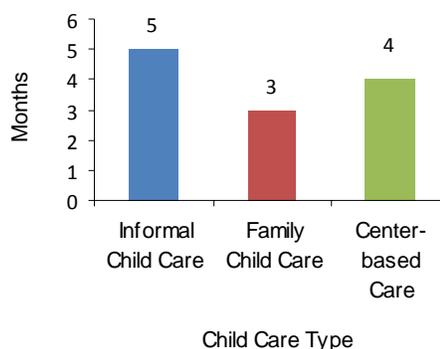
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Findings: Gaps Between Spells, Jan. 2006–Dec. 2008

Note: Longer and more frequent gaps indicate lack of continuity in subsidy use.

- Of those children who experienced a gap in subsidy receipt, nearly all experienced one or two interruptions (91.5%) while less than one percent experienced five or more gaps.
- The average gap in subsidy receipt lasted 5 months.
- Children attending unregulated care settings had longer gaps in subsidy receipt than children attending regulated care settings (5 versus 3 months).
- Among children attending regulated care settings, those in contacted care had fewer gaps than those with vouchers (1.10 versus 1.28).
- Children who received subsidies for a public assistance-related reason experienced longer gaps between subsidy spells than children from low-income working and other families (5 versus 3 months).
- Longer gaps were associated with the use of informal care (5 months), compared to center-based care (4 months) and family child care (3 months). *See figure 3.*

Figure 3. Average length of gap between subsidy spells, Jan. 2006-Dec. 2008.



Acknowledgments

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