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TEACHERS COLLEGE COLUMBIA UNIVERSITY

*The Duration and Dynamics of Child Care
Subsidy Use in New York City: Children Aged 6-13*

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Background: The Policy Context

Children benefit from predictability and stability in their home, school, and after-school environments. For low-income families in New York City who rely on subsidized care for non school hours (before school, after school, school vacations), continuity in subsidy coverage can enable, though not ensure, stability in 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. For school-aged children, ACS contracts only with family child care providers (and not, for example, centers).



**A Snapshot of Children Aged 6-13
Receiving Child Care Subsidies in New York City,
Jan. 2006 – Dec. 2008**

- 91% used vouchers, while 9% used contracts.¹
- 31% used regulated care exclusively, 60% used unregulated care exclusively, and 9% switched between regulated and unregulated care.
- 75% received subsidies for reasons related to public assistance.
- 24% used their subsidies for center-based care only, 60% used informal family child care² only, 7% used regulated family child care only, and 9% used more than one type of care.
- The mean age of children receiving subsidies for care was 9 years.
- 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 the provider’s home.

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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 6 to 13 years ($N = 87,675$).

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, or moving the child to a free universal program.

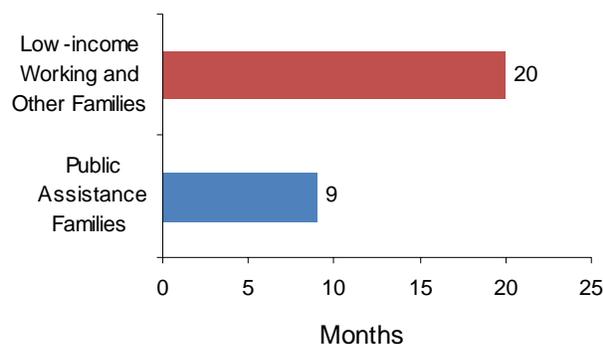
Analyses presented here examine group differences in subsidy spells and gaps. T-tests were used in comparisons between two groups. Analyses of variance (ANOVA), followed by Bonferroni-adjusted pairwise comparisons, were used in comparisons among three or more groups. All comparisons reported here are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

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 34 months.
- Children attending regulated care settings had longer average spells of subsidy use than children attending unregulated care settings (14 versus 11 months).
- Children from low-income working and other families’ average spell of subsidy use was more than two times longer than that of children in families receiving subsidies for public assistance-related reasons (20 versus 9 months). *See figure 1.*

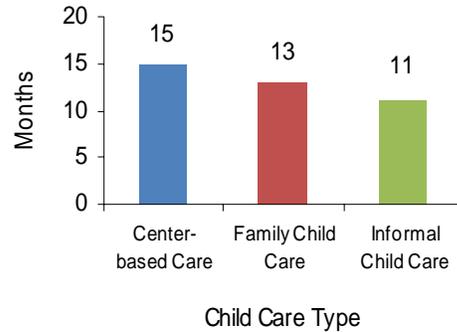
Figure 1. Average length of subsidy spells, Jan. 2006-Dec. 2008.



Children from low-income working and other families’ average spells of subsidy use were more than two times longer than those of children who received subsidies for public assistance-related reasons.

- Children in center-based care had longer average spells of subsidy use (15 months) than those in family child care (13 months) or informal child care (11 months). *See figure 2.*

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

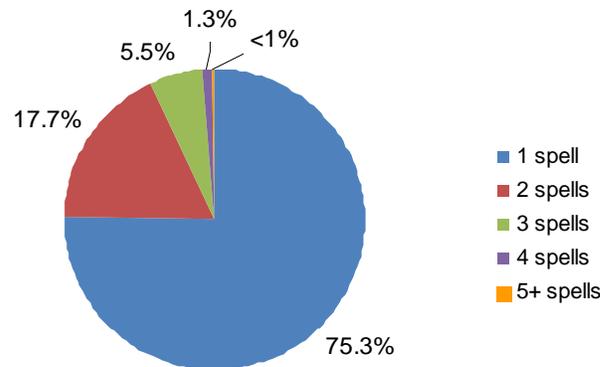


Findings: Number of Subsidy Spells, Jan. 2006–Dec. 2008

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

- The majority of children (75.3%) 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 3.*

Figure 3. Average number of subsidy spells, Jan. 2006-Dec. 2008.



- For children who experienced a single spell of subsidy use, the average spell length was 14 months; for children who experienced five or more spells of subsidy use, the average spell length was 3 months.
- Children who attended regulated care settings had fewer spells on average than children who attended unregulated care settings (1.12 versus 1.37).
- Children in center-based care and family child care had fewer spells of subsidy use (1.12 and 1.13, respectively) than children who used informal care (1.37).
- Low-income working and other families had fewer spells of subsidy use than families on public assistance (1.02 versus 1.42).



Children in center-based care and family child care had fewer spells of subsidy receipt than children in informal child care.



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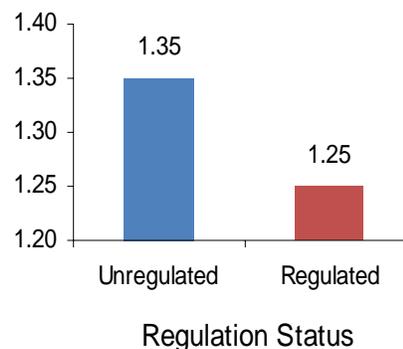
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Findings: Gaps Between Spells, Jan. 2006–Dec. 2008

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

- Of those children who experienced a gap in subsidy receipt, the majority (71%) experienced only one interruption, while only 6% experienced 3 or more gaps.
- The average gap in subsidy receipt lasted 5 months.
- Longer gaps were associated with the use of unregulated care settings compared to regulated care settings (5 versus 4 months).
- Children in unregulated care settings experienced more gaps on average than children in regulated care settings (1.35 versus 1.25). *See figure 4.*

Figure 4. Average number of gaps in subsidy receipt, Jan. 2006- Dec. 2008.



- Children who received subsidies for public assistance-related reasons experienced gaps between subsidy spells that were twice as long as those experienced by children of low-income working and other families (6 versus 3 months).
- Children who used informal child care experienced longer gaps (5 months) than children who used center-based or family child care (4 months).

Acknowledgments

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