

## Subsidy and Scholarships



### Goals

The goals of child care subsidies are the following: 1) provide child care for children whose families meet financial or situational criteria, 2) support parental employment, 3) improve continuity of care, and 4) improve child development outcomes for children.

### Program Features

In North Carolina, child care subsidies are available through state-administered Child Care and Development Fund (CCDF) and state Smart Start funds. Subsidies are available either as vouchers or as subsidized slots in contracted child care settings. This allows parents to choose care that is accessible to them and can include care in centers, family child care homes, or informal care provided by a relative, friend, or neighbor.

North Carolina limits subsidies to programs that have at least a three star rating based on the state's adopted Quality Rating Improvement Scale, with exceptions granted for religious-affiliated programs or programs actively pursuing three-star or higher licensure. Parents in this state must also meet situational and financial criteria. Parents must be income eligible and be working or looking for work or in school or a job training program. Children are eligible for subsidies if they are receiving child protective services or child welfare services, or their family is experiencing a crisis, and the family pays no parent fee. All other families are required to pay a portion of child care expenses based on their income.

For more information about subsidy, see [http://ncchildcare.dhhs.state.nc.us/parents/pr\\_sn2\\_ov\\_fa.asp](http://ncchildcare.dhhs.state.nc.us/parents/pr_sn2_ov_fa.asp).

### Special Note for Smart Start Implementation

Smart Start funds may only be used to for subsidy in 4 and 5 star centers and child care homes. Three star sites may be included under certain conditions, such as if there is an insufficient number of 4 and 5 star sites and/or if the 3 star site is receiving technical assistance to ultimately enhance quality.

Smart Start funds are often used to enhance or boost the subsidy payment for the highest quality of care or to extend the subsidy period for seeking employment or education. Other

### Subsidy and Scholarship Snapshot

- **EC Profile Indicator:**
  - PLA50 - Average Star Rating for Subsidized Children in 1-5 Star Care and Percent of Subsidized Children in 4 and 5 star care
- **Clearinghouse Rating:** None
- **Research supports** use with eligible families and children ages birth through five
- **Related Smart Start outcomes:**
  - Improved access to high quality care
  - More children on track for typical and/or enhanced development
- **Purveyor training required:** No
- **Frequency:** Full-time child care
- **Dosage:** Full-time child care
- **Suggested Assessments:** Teaching Strategies GOLD for NC Pre K

examples of Smart Start supported subsidy activities include targeting Smart Start subsidy funds to specific child populations or a certain geographic area with very low resources, and to support more children attending NC PreK.

### Target Audience

Eligible parents and children ages birth-5 years

### Documented Outcomes

	Type of Study	Outcomes				
		Improved employment stability	Increased earnings	Improved quality of care	Increased continuity or use of care	Improved academic development*
Forry & Hofferth (2011) <sup>i</sup>	Quasi-experimental	✓				
Ha & Miller (2015) <sup>ii</sup>	Quasi-experimental	✓	✓			
Johnson et. al. (2013) <sup>iii</sup>	Quasi-experimental; secondary data analysis				✓	∞
Johnson et. al. (2012) <sup>iv</sup>	Quasi-experimental; secondary data analysis			✓		
Weber et. al. (2014) <sup>v</sup>	Quasi-experimental				✓	

*This table contains outcomes found to be associated with the program or approach. Individual studies may contain additional outcomes that were tested and not found to be associated with the program or approach.*

\*Aligned with Smart Start outcome *More children on track for typical and/or enhanced development*

∞ - Examined but did not find a relationship between subsidy and child academic outcomes. In this study, subsidy was not targeted to high quality centers. It is the high quality that should better promote kindergarten readiness.

### Research Evidence for Subsidy and Scholarships

- There is some evidence that families that receive subsidies experience an increase in the continuity or use of care.
- Results are mixed as to whether subsidies improve the quality of care or the employment stability for the families that receive them.

## Review of Experimental and Quasi-Experimental Studies

<b>Citation</b>	Forry, N. D., & Hofferth, S. L. (2011). Maintaining work: The influence of child care subsidies on child care–related work disruptions. <i>Journal of Family Issues</i> , 32(3), pp. 346-368.
<b>Population and Sample</b>	Wait List Study (Montgomery County, Maryland): 40 predominately single, low-income parents Fragile Families Study (national): 4,700 urban families nationally
<b>Methodology</b>	Quasi-experimental
<b>Purpose</b>	This study examines the association between receiving a child care subsidy and experiencing a child care–related work disruption using two samples and both cross-sectional and longitudinal regression models.
<b>Measures &amp; Assessments</b>	Data for this study come from two sources: (1) the Wait List study and (2) the Fragile Families and Child Wellbeing (Fragile Families) study
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>Child care–related work disruptions were found to be less likely among subsidy recipients across samples and methods.</li> <li><u>Wait List study data</u>: Child care subsidy status was a significant predictor of child care–related work disruptions. Controlling for individual, family, and child care predictors in the cross-sectional model, the odds of experiencing a child care–related work disruption were 75% lower for parents receiving a subsidy than parents not receiving a subsidy. The longitudinal analysis, which compared the same Wait List parents over time, found that parents who changed subsidy status experienced 0.36 fewer child care–related work disruptions, on average, over the past 3 months while receiving a child care subsidy compared with parents who did not change subsidy status. The change in subsidy status variable alone predicted 6% of the variation in the difference of child care–related work disruptions experienced.</li> <li><u>Fragile Families study data</u>: Controlling for individual, family, child care, and community variables, subsidized parents’ odds of experiencing a child care–related work disruption were 51% lower than the odds for nonsubsidized parents. Maternal depression, living with more adults in the household, and living in an area with a higher median housing price were also positively associated with experiencing a child care–related work disruption.</li> </ul>

<b>Citation</b>	Ha, Y., & Miller, D. P. (2015). Child care subsidies and employment outcomes of low-income families. <i>Children and Youth Services Review</i> , 59, pp. 139-148.
<b>Population and Sample</b>	8984 subsidy eligible: 8004 receiving subsidies, 980 receiving no subsidies for various unknown reasons as comparison group
<b>Methodology</b>	Quasi-experimental
<b>Purpose</b>	This study examined the relationship between mothers' child care subsidy use and their earnings and labor force attachment. Using Wisconsin administrative data, this study examined 48 months of subsidy use for mothers who became eligible for child care subsidies between March 2000 and February 2001 (n = 8984). Comparing subsidy-eligible mothers who received subsidies and those who were eligible but did not, the study examined the likelihood of experiencing an increase (or decrease) in earnings and the likelihood of experiencing an increase (or decrease) in the number of quarters employed.
<b>Measures &amp; Assessments</b>	N/A
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>The receipt of more than a year of child care subsidies was positively and significantly associated with the relative risk of increases in earnings and number of quarters employed, although the association between 13 and 24 months of subsidy receipt and increases in the number of quarters employed were marginally significant.</li> <li>In most models, the relative risk of increased earnings was significantly associated with increases in the number of months of subsidy receipt. Similarly, subsidy receipt was negatively associated with the probability of a decrease in the number of quarters employed when mothers received more than one year of subsidies.</li> <li>The average annual earnings of mothers who received subsidies for 25 months or more was about \$14,300 (representing an average increase of \$4,647 over the study period). This was still less than the federal poverty line for a family of three, which was \$15,735 in 2005.</li> <li>Mothers who were maintaining stable employment and subsidy receipt over time were more likely to have significant earnings increases beyond the income eligibility limit. This finding suggests that mothers who maintain employment but do not have substantial increases in earnings might simply be working in a low-wage job with limited opportunities for advancement rather than changing their work effort in order to maintain eligibility for subsidies.</li> </ul>

<b>Citation</b>	<b>Johnson, A. D., Brooks-Gunn, J., &amp; Martin, A. (2013). Child-care subsidies and school readiness in kindergarten. <i>Child Development</i>, 84(5), pp. 1806-1822.</b>
<b>Population and Sample</b>	1400 (400 subsidy recipients, 1000 eligible non-recipients)
<b>Methodology</b>	Quasi-experimental; secondary data analysis
<b>Purpose</b>	The federal child-care subsidy program represents one of the government's largest investments in early care and education. Using data from the nationally representative Early Childhood Longitudinal Study–Birth Cohort, this study examines associations, among subsidy-eligible families, between child-care subsidy receipt when children are 4 years old and a range of school readiness outcomes in kindergarten.
<b>Measures &amp; Assessments</b>	Data are drawn from the Early Childhood Longitudinal Study– Birth Cohort (ECLS– B), a nationally representative study of children born in 2001
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Subsidies were not associated with higher quality of child care.</li> <li>• Subsidy receipt when children are preschool aged is not associated with reading or social-emotional indicators of school readiness in kindergarten, after accounting for children's family background and earlier abilities.</li> <li>• Subsidy recipients scored lower on math than non-recipients in Community-Based Center care, but the same as children in Head Start and public pre-k.</li> <li>• Subsidies may not be generous enough to substantively increase household income. Subsidy receipt was not associated with food insecurity and it was only marginally associated with a very small reduction in the amount paid for care. Thus, there is only tentative evidence that subsidies free up money that would otherwise be spent on child care, and very little money at that. Furthermore, subsidies were not positively associated with maternal cognitive stimulation, which has been found to improve with increased family income.</li> <li>• Subsidies were associated with greater use of Community-Based Centers. Community-Based Center care predicted higher math scores and decreased prosocial behavior, consistent with past research.</li> <li>• Supplementary analyses revealed that subsidies predicted greater use of center care, but this association did not appear to affect school readiness.</li> </ul>

<b>Citation</b>	<b>Johnson, A. D., Brooks-Gunn, J., &amp; Martin, A. (2012). Child-care subsidies: Do they impact the quality of care children experience? <i>Child Development</i>, 83(4), pp. 1444-1461.</b>
<b>Population and Sample</b>	750 subsidy-eligible families with child observation data: 200=subsidy recipients, 550=nonrecipients
<b>Methodology</b>	Quasi-experimental; secondary data analysis
<b>Purpose</b>	The federal child-care subsidy program represents one of the government's largest investments in early care and education but little is known about whether it increases low-income children's access to higher quality child care. This study used newly available nationally representative data on 4-year-old children to investigate whether subsidy receipt elevates child-care quality.
<b>Measures &amp; Assessments</b>	Data are drawn from the Early Childhood Longitudinal Study– Birth Cohort (ECLS– B), a nationally representative study of children born in 2001
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Subsidy recipients use higher quality care compared to non-recipients who use no other publicly funded care, but lower quality care compared to non-recipients who instead use Head Start or public pre-k.</li> <li>• Findings suggest that subsidies may have the potential to enhance care quality but that parents who use subsidies are not accessing the highest quality care available to low-income families.</li> </ul>

<b>Citation</b>	<b>Johnson, A. D., Han, W. J., Ruhm, C. J., &amp; Waldfogel, J. (2014). Child care subsidies and the school readiness of children of immigrants. <i>Child Development</i>, 85(6), pp. 2140-2150.</b>
<b>Population and Sample</b>	<ul style="list-style-type: none"> <li>• 2200 native-born mothers receiving subsidies</li> <li>• 700 immigrant mothers receiving subsidies</li> </ul>
<b>Methodology</b>	Quasi-experimental; secondary data analysis
<b>Purpose</b>	This study is the first to test whether receipt of a federal child care subsidy is associated with children of immigrants' school readiness skills. Using nationally representative data (n≈2,900), this study estimates the associations between subsidy receipt at age 4 and kindergarten cognitive and social outcomes, for children of immigrant versus native-born parents

<b>Measures &amp; Assessments</b>	Data are drawn from the Early Childhood Longitudinal Study– Birth Cohort (ECLS– B), a nationally representative study of children born in 2001
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>For children of immigrants, subsidized Community-Based Center care was associated with higher levels of reading development, when compared to home-based care (subsidized or not). No associations between subsidies and math or behavior problems were detected. The absence of negative behavioral effects of subsidies may be due to these children experiencing lower levels of behavior problems to begin with.</li> <li>For children of native-born parents, subsidies were negatively associated with math but this finding is largely constrained to users of Community-Based Center care. Additionally, children of native born parents in subsidized Community-Based Center care exhibited increased behavior problems, relative to parental care, unsubsidized Community-Based Center care, and unsubsidized home-based care.</li> </ul>

<b>Citation</b>	<b>Weber, R. B., Grobe, D., &amp; Davis, E. E. (2014). Does policy matter? The effect of increasing child care subsidy policy generosity on program outcomes, Children and Youth Services Review, 44, pp. 135-144.</b>
<b>Population and Sample</b>	Prior to policy change: N=13,774 families; After policy change: N=14,450 families
<b>Methodology</b>	Quasi-experimental, pre/post (non-matched) with controls
<b>Purpose</b>	<p>A dramatic change in the generosity of one state's child care subsidy policy provides an opportunity to study the relationship between subsidy policy generosity and program outcomes. This study addressed three specific research questions:</p> <p>(1) To what extent were families who entered the program after the policy change like those who entered prior to the change? Specifically did more generous subsidy policy bring different families into the subsidy program and did the economic recession of 2008 result in different employment characteristics?</p> <p>(2) Did the increase in generosity of policy affect the behavior of parents who participated in the program? Specifically, to what extent did generous policy affect the type of child care arrangements selected by parents in the program and to what extent did generous policy affect continued participation in the subsidy program?</p> <p>(3) To what extent did the employment characteristics of parents affect continued participation in the subsidy program?</p>
<b>Measures &amp; Assessments</b>	<ul style="list-style-type: none"> <li>Child Care Subsidy program data</li> <li>Client Maintenance System (for additional family socioeconomic variables)</li> <li>Unemployment Insurance (UI) wage data</li> </ul>
<b>Study Implementation</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>Results from a comparison of type of care used by parents entering before and after the policy change showed that more generous policy was associated with an increase in center care, especially for two- and three-year-old children. Although the increase in generosity was associated with an increase in the use of center care for those entering the program under the new policy, this change was not as pronounced for those families who received a subsidy under both the old and new policies. Overall, the increases in use of center care were relatively small, greater for new entrants than for those who re-entered under the new policy.</li> <li>Median subsidy spells were slightly over a month longer for those who entered after the policy change than they were for those who entered prior to the policy change (5.3 versus 4.2 months). There also were more long spells, with 25% of the families experiencing spells of 10 months or more after the policy change. Longer subsidy spells were also found for reentry families, those who entered in 2005–2007, exited, and reentered in 2007–2009. The difference was slightly less than a month for those who exited and reentered.</li> <li>The employment characteristics of the two entry cohorts were similar. Parents averaged from 9 to 9.99 of the 16 observed quarters employed. About half of parents that entered prior to 2007 were employed over 2.5 of the 4 years (69% of observed quarters). Those who entered only after the 2007 policy change were employed slightly over 2 years (56% of observed quarters).</li> <li>The new policy reduced the likelihood of exit by about 17%. Families were more likely to exit if they lived in a county where employment was growing and families were less likely to exit if the child care supply in the community was greater. As the value of the subsidy increased by \$100, families were about 2% more likely to remain in the program.</li> </ul>

## Review of Meta-Analyses

None

## Review of Descriptive and Non-Experimental Studies

<b>Citation</b>	<b>Herbst, C. M. (2009). The labor supply effects of child care costs and wages in the presence of subsidies and the earned income tax credit. <i>Review of Economics of the Household</i>, 8, pp. 199-230.</b>
<b>Population and Sample</b>	Final analysis sample consists of 74,042 single mothers with at least one child ages 0–12
<b>Methodology</b>	Non-experimental
<b>Purpose</b>	This paper uses CPS and SIPP data between 1990 and 2004 to examine the effects of child care expenditures and wages on the employment of single mothers. It adds to the literature in this area by incorporating explicit controls for child care subsidies and the EITC into the estimation. Doing so provides an opportunity to examine mothers' sensitivity to prices and wages net of policies that influence these amounts
<b>Measures &amp; Assessments</b>	<ul style="list-style-type: none"> <li>• March Current Population Survey (CPS)</li> <li>• Survey of Income and Program Participation (SIPP)</li> </ul>
<b>Implementation &amp; Fidelity</b>	Secondary data analysis
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Increases in child care costs are associated with reductions in single mothers' employment, while increases in wages are expected to increase employment levels.</li> <li>• Results imply that, for the average single mother, price and wage effects are not sensitive to variables capturing subsidy and Earned Income Tax Credit (EITC) generosity. This ignores the possibility of a differential responsiveness to these policies across the price and wage distributions. Mothers who are more likely to benefit from subsidies because they are paying higher child care costs are more likely to be employed. On the other hand, mothers who are more likely to claim higher EITC benefits because they have low wages are more likely to be employed.</li> </ul>

<b>Citation</b>	<b>Moodie-Dyer, A., &amp; Galambos, C. (2012). Child care subsidies: Parental perceptions and differences between recipients and nonrecipients. <i>Families in Society: The Journal of Contemporary Social Services</i>, 93(3), pp. 204-211.</b>
<b>Population and Sample</b>	156 low-income parents (57 receiving subsidies, 99 not receiving subsidies)  Although a total of 57 participants (37%) were currently receiving child care subsidies, 66% of the sample met the state's subsidy eligibility criteria of at or below 127% FPL. When non-recipients (n = 99) were asked whether they were currently eligible, slightly less than half of this group reported not being eligible for child care subsidies (44%), and 13% reported being eligible despite not using subsidies. Forty-one percent of non-subsidy participants reported they didn't know if they were eligible.
<b>Methodology</b>	Non-experimental
<b>Purpose</b>	Child care subsidies are underutilized and underfunded, however much research has shown encouraging outcomes linked to subsidy use for both families and children. Despite some positive results, less is understood about how parents perceive the subsidy program, and barriers to entry and continuity. The goals of this study were to understand differences between low-income parents who used child care subsidies and those who did not, and to assess parental perceptions of the program. Data were collected from a sample of parents who utilized non-parental child care. The following research questions were addressed: (a) What differences exist between families who use child care subsidies and those who do not? (b) What are the experiences and perceptions of the subsidy system by parents who have ever received child care subsidies?
<b>Measures &amp; Assessments</b>	Survey
<b>Implementation &amp; Fidelity</b>	A survey was developed and distributed at three locations: the Women, Infant and Children (WIC) program, the public library, and a Head Start parenting class. At each site during a three-month period in 2010, the researcher screened participants for eligibility and distributed printed copies of the survey to each participant. The surveys were self-administered and took approximately 15 minutes to complete and participants received a \$10 gift card upon completion. Sites were chosen based on willingness to help with recruitment and access to the working poor parent population.  Purposive sampling was used to select participants with a total household income of less than 300% of the

	FPL who utilized non-parental care for at least 10 hours a week for at least one child who had not yet started kindergarten. The 300% FPL was based on the federal maximum guideline for providing child care assistance to families earning up to 85% of the SMI, approximately 250-300% of the FPL for Missouri
<b>Staff Qualifications</b>	N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Child care subsidy recipients were more likely than non-recipients to: (a) be without a partner in the home; (b) be non- White; (c) earn at or below 127% FPL; (d) spend less than 10% of their income on child care; and (e) use nonrelative caregivers.</li> <li>• Results to a survey for the 79 participants (51%) in the total sample who reported ever receiving subsidies: 53% of participants received child care subsidies for less than 1 year; 18% of participants used subsidies for 1 year, up to 2 years; 15% used subsidies for 2 years, up to 3 years; and 14% of participants used subsidies for 3 years or longer.</li> <li>• 87% of the 79 participants indicated that the subsidies were a tremendous boost to their ability to work and make a living, 59% that they had more choices because of child care subsidies, and 50% that child care subsidies were easy to keep. 35% of participants indicated that they had experienced lost or interrupted subsidies. Of these, 42% had this happen one time.</li> </ul>

<b>Citation</b>	<b>Raikes, H., Torquati, J., Jung, E., Peterson, C., Atwater, J., Scott, J., &amp; Messner, L. (2013). Family child care in four Midwestern states: Multiple measures of quality and relations to outcomes by licensed status and subsidy program participation. <i>Early Childhood Research Quarterly, 28</i>, pp. 879-892.</b>
<b>Population and Sample</b>	<p>Study 1: 1058 family child care (FCC) providers completed the interview; 135 observed providers are included in the current study. Among the providers observed, 88 were licensed and 71 served children receiving subsidies.</p> <p>Study 2: 572 licensed providers completed surveys and 270 (47% of those surveyed) were observed; 285 license-exempt/registered providers completed surveys and 103 (36%) completed observations. In all, 379 family child care providers were observed and analyzed in Study 2.</p> <p>The analytic sample for the current study consisted of 514 FCC providers for whom data regarding state (IA, KS, MO, NE), subsidy status (yes, no), type of care (licensed vs. non-licensed), and an observation were available. Altogether, 62 (12.2%) were from Iowa, 138 (26.8%) from Kansas, 175 (34%) from Missouri, and 139 (27%) from Nebraska (see Table 2). Among these providers, 357 (69.5%) were licensed, and 273 (53.1%) cared for children who received subsidies. Family child care providers were asked about the ages of children they cared for: 53% reported they cared primarily for children of a mixture of ages; 27% cared primarily for infants; 18% primarily for preschool age children and 1% primarily school age children.</p>
<b>Methodology</b>	Non-experimental
<b>Purpose</b>	<p>Quality of FCC in four Midwestern states was examined using four measures designed to assess structural and/or process quality to determine if dimensions converge or vary across types of FCC (licensed and license-exempt/registered) and subsidy receipt (programs serving children whose care is paid by subsidies and programs not serving subsidized children). The following research questions were addressed:</p> <ol style="list-style-type: none"> <li>(1) What is the quality of FCC in four Midwestern states?</li> <li>(2) Does quality vary in FCC as a function of licensing status, across the spectrum of family child care?</li> <li>(3) Is quality different in FCC homes for children receiving subsidies and those programs not serving subsidized children?</li> <li>(4) Does quality in FCC vary by state? States with different policy contexts and choices in how to license FCC providers could be associated with different quality outcomes.</li> </ol>
<b>Measures &amp; Assessments</b>	<ul style="list-style-type: none"> <li>• Family Day Care Rating Scale (FDCRS)</li> <li>• Quality Instrument for Informal Child Care (QIC)</li> <li>• Caregiver Interaction Scale (CIS)</li> <li>• Midwest Child Care Assets Index (Assets Index)</li> </ul>
<b>Study Implementation</b>	<ul style="list-style-type: none"> <li>• This paper combines data from two studies conducted by the Midwest Child Care Research Consortium (MWCCRC). Each study utilized survey measures and follow-up observations.</li> <li>• Two core observers in each state received training on the FDCRS from the scale authors or from someone who had been trained directly by the authors, on the QIC from the test author (all), and from a researcher who had used the CIS in another study (all), as the author was not available for training. Following procedures recommended by the FDCRS authors, “anchors” from each state attained cross-state reliability in two-day observation and scoring sessions on all observation measures at three FCC sites in a common location, at the beginning of each study. A train-the-trainer model was implemented, and the core observers trained teams of eight to twelve other observers in their states and served as reliability “anchors” for all observational measures during data collection.</li> </ul>
<b>Staff Qualifications</b>	• N/A
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Overall, results indicate that the quality of FCC in these four Mid-western states is minimal to good, on average, and that 26.5% of care was rated in the good range on the FDCRS (a score of 5 or better).</li> <li>• The proportion of good quality FCC as measured by the FDCRS was more than twice in licensed care</li> </ul>

than in licensed exempt/registered and the proportion of good quality FCC was approximately 50% higher in non-subsidized than in subsidized.

- Results indicate that FDCRS, QIC, and Assets Index scores were significantly higher for licensed FCC programs but CIS scores did not differ significantly as a function of licensing status. Licensed FCC providers scored significantly higher on all but two subscales of the FDCRS (language and reasoning and exceptional children) and on all subscales of the QIC.
- Providers receiving child care subsidies scored significantly lower on the FDCRS, QIC, and CIS, but there was no significant difference between subsidized and non-subsidized providers on the Assets Index. These findings suggest that, on average, subsidized FCC programs are providing poorer quality of care than non-subsidized programs when measures of process quality or measures combining structural and process quality are used. Findings hold true regardless of whether the most widely accepted and used measure of FCC quality (FDCRS) is used or if a measure specifically designed to capture the unique aspects of non-formal FCC settings is used (QIC).

## End Notes

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<sup>i</sup> Forry, N. D., & Hofferth, S. L. (2011). Maintaining work: The influence of child care subsidies on child care-related work disruptions. *Journal of Family Issues*, 32(3), pp.346-368.

<sup>ii</sup> Ha, Y., & Miller, D. P. (2015). Child care subsidies and employment outcomes of low-income families. *Children and Youth Services Review*, 59, pp. 139-148.

<sup>iii</sup> Johnson, A. D., Brooks-Gunn, J., & Martin, A. (2013). Child-care subsidies and school readiness in kindergarten. *Child Development*, 84(5), pp. 1806-1822.

<sup>iv</sup> Johnson, A. D., Brooks-Gunn, J., & Martin, A. (2012). Child-care subsidies: Do they impact the quality of care children experience? *Child Development*, 83(4), pp. 1444-1461.

<sup>v</sup> Weber, R. B., Grobe, D., & Davis, E. E. (2014). Does policy matter? The effect of increasing child care subsidy policy generosity on program outcomes, *children and Youth Services Review*, 44, pp. 135-144.

## Additional Resources

Blau, D., & Tekin, E. (2001). The determinants and consequences of child care subsidy receipt by low- income families. *Joint Center for Poverty Research: Chicago, IL*. pp. 1-33.

Tarnai, J. (2011). Impacts of HB3141 on the working connections child care program. *Social & Economic Sciences Research Center: Pullman, WA*. pp. 1-81.

Note: Research summaries could include verbiage directly reproduced from the research literature. Quotes and italics may be used to show a direct quote but not always.

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