

# ACCESS TO HIGH-QUALITY, AFFORDABLE CHILD CARE

## STRATEGIES TO IMPROVE HEALTH ACROSS BOSTON AND THE COMMONWEALTH

Policy Brief • April 2020

### SUMMARY OF FINDINGS

*Cost, location, hours, and/or availability of high-quality child care may restrict parent's ability to work and/or further their education, a condition referred to as "child care constraints". Children's HealthWatch research found that parents and children in families with child care constraints were at greater risk of poor health outcomes and material hardship compared to those without child care constraints.*

### RECOMMENDED STATE POLICY SOLUTIONS

1. Increase public investment in Head Start and Early Head Start programs through the State Supplemental Grant
2. Eliminate the child care subsidy waitlist and raise income eligibility for child care assistance
3. Limit co-payment fees for child care subsidies
4. Allocate necessary funding to expand hours of child care centers to better reflect nontraditional work hours and meet the needs of more families
5. Simplify the child care subsidy application and recertification process
6. Prioritize use of federal funds to improve quality of care, adequately cover provider costs and workforce pay, and increase the supply of subsidies to meet eligibility demand
7. Ensure availability of targeted comprehensive services and resources for families that utilize informal care

# BACKGROUND

High-quality early education and care (henceforth: child care) is critical to enable parents to work and/or further their education, given that all parents want to ensure their child is safe and nurtured while in the care of others. However, especially for infants and toddlers, child care can be difficult for families to access for a variety of reasons. For many families, the interrelated barriers of cost, location, hours, and availability of high-quality child care may restrict parent's ability to work and/or further their education — a condition referred to as “child care constraints”.<sup>1,2</sup> While some parents may prefer for their infant or young child to be cared for by a family member, for other families, inability to access child care in formal, licensed settings, means parents need to find alternative solutions — this is often informal care in a family member, friend or neighbor's home, known as “Family, Friend and Neighbor Care” (FFN). Despite the high prevalence of this form of child care, little research exists that describes who those families are. In order to promote high-quality environments that foster children's growth and development regardless of setting, it is important to understand key characteristics of families that utilize informal and formal care, in order to effectively advocate for appropriate strategies that promote quality of care. Given growing political will to address child care quality and cost pressures, this brief examines unique data that provide insight into the profile of families using FFN care — relative and non-relative care — compared to center-based care. This brief also illuminates the health and financial impact of child care constraints and provides state-level strategies to improve quality of and access to child care.

## THE SIGNIFICANT IMPACT — OF AFFORDABLE, HIGH-QUALITY CHILD CARE —



Improves cognitive development, social skills, and school readiness



Associated with higher levels of educational attainment and higher earnings for children in the future



Strengthens health and financial stability of families and communities



**Child care constraints:** When difficulties obtaining child care inhibit parents' ability to work and/or further their education



**Household food insecure:** When families lack access to enough food for all members to lead active, healthy lives because of insufficient family resources



**Child food insecure:** When children experience reductions in the quality and/or quantity of meals because parents can no longer buffer them from inadequate household food resources



**Energy insecure:** When families have limited or uncertain access to enough home energy (e.g. heat, electricity) to sustain a healthy and safe life



**Unstably housed:** When families experience one or more of the following: being behind on rent in the past year, moving twice or more in the past year, or experiencing homelessness during the child's lifetime

# A MATTER OF ACCESS

## HIGH QUALITY CHILD CARE IS ASSOCIATED WITH BETTER HEALTH OUTCOMES AND HIGHER EDUCATIONAL ATTAINMENT. HOWEVER, IT IS NOT CURRENTLY AVAILABLE TO ALL.

High-quality, nurturing, and affordable child care is essential to support children and their parents and is a crucial component of a child's healthy social and emotional development. However, despite evidence and widespread recognition of the critical role of high-quality early child care, many families, particularly those with low incomes, have limited access to these programs that could dramatically improve children's development and future opportunities.<sup>3</sup> A large body of evidence consistently demonstrates the importance of high-quality early environments as critical determinants of school readiness, cognitive and social outcomes, and later educational and workplace success for children from families with low incomes.<sup>4-7</sup> This is particularly true when considering the potential role of child care in offsetting the adversity and hardship often experienced by families with low incomes, which are also disproportionately families of color. Research indicates that children who participate in high-quality early childhood care and education have improved math, language, and social skills as they enter elementary school, attain higher levels of education, require less special education, have higher earnings as an adult, and have fewer lifetime interactions with the justice system.<sup>3-6, 8</sup> These each have immediate and lifelong implications for children's health and well-being, as well as the health of the larger community and the economy.<sup>3</sup>

Recognizing the critical role child care plays in child growth and development, it is essential that public investment focuses on increasing quality of care across settings while simultaneously expanding its access. However, availability of high-quality care that meets the needs and preferences of parents — including affordable cost, location, and hours — is limited across Massachusetts.<sup>9</sup>

### **Cost of care inadequately covers the true costs for providers to offer high-quality care**

Cost of child care has been of particular focus in recent years in Massachusetts, as what a family is required to pay in the Commonwealth is especially high compared to other states, ranking only behind Washington, DC.<sup>9</sup> These high costs place a significant burden on family budgets, particularly given the comparatively high costs of other competing basic needs, such as housing.<sup>10</sup> However, it is critical to also acknowledge that the cost of child care for families does not cover the true cost of providing quality child care and often results in insufficient wages for child care workers. The availability and distribution of public funds — both at the federal and state level — to offset the cost of child care for families and providers does not currently meet or reflect the need of Massachusetts families and the child care workforce.<sup>9</sup> To meet quality standards across settings, as well as expand access to care, multi-level financial investment will be required to build state-level and provider capacity to deliver high-quality programs that support child care workers, children, and their families.

### **Family characteristics differ by child care setting**

Unlike children who attend center-based care, children in Friend, Family, and Neighbor care (FFN) are hard to track and study given the informality of these settings.<sup>11</sup> The Children's HealthWatch dataset, therefore, provides a rare opportunity to understand the characteristics of families whose young children are in various child care settings. Children's HealthWatch, a pediatric research and public policy network headquartered at Boston Medical Center (BMC), interviews primary caregivers of young children receiving medical care in urban hospitals in 5 US cities — Baltimore, MD, Boston, MA, Little Rock, AR, Minneapolis, MN, and Philadelphia, PA. Between 2003 and 2018,

4,134 caregivers of children ages 6 weeks to 48 months utilizing FFN or center-based care were interviewed in the emergency department at Boston Medical Center. Caregivers reported on family demographics, child and caregiver health status, family material hardships, and public program participation. Caregivers who cared for their child at home were not included. In order to better understand this hard-to-study population of families using family, friend, and neighbor care compared to those in formal child care centers, we grouped the families into three groups — those using relative care (relative who lives in caregiver’s house, relative who lives in another house), non-relative (friend, neighbor, sitter, nanny) care, or center-based care.

We examined demographic differences between families of children in each of these settings. We found the groups differed significantly along several dimensions:

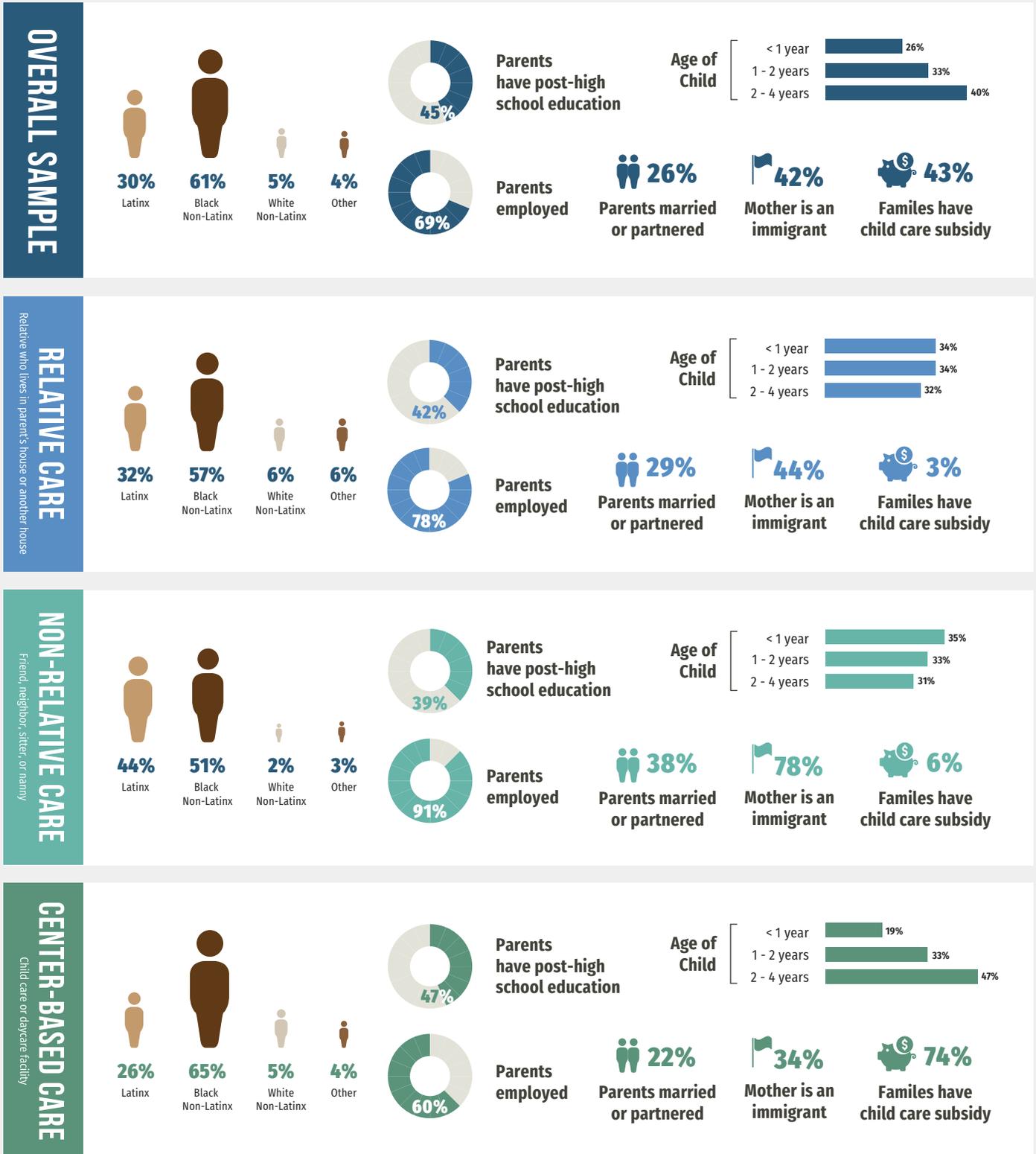
- More parents who identified as Latinx used FFN (both relative and non-relative care) care compared to center-based care, however more parents who identified as Black used center-based care over FFN care. Parents who identified as white utilized non-relative care less frequently than relative care or center-based care.
- Immigrant mothers reported using non-relative care more frequently than US-born parents, while a greater proportion of US-born parents used center-based care.
- Among parents with children in FFN care compared to those in center-based care, slightly more who used FFN had lower educational attainment.
- More families with infants used FFN care, while those with older children (age two to four) utilized center-based care.

- Employment also differed between the groups — 91.6% of the parents using non-relative care were employed compared to 77.5% of those using relative care, and 60.1% of those using center care. However, there were no differences between the groups with regard to the proportion of working parents who worked part or full time.
  - Similarly, a higher proportion of families using non-relative care (96.8%) reported that at least one person was employed in the household (either the parent and/or someone else), compared to 90.3% of those using relative care and 73.9% of those using center-based care.
- Of those who used center-based care, 73.8% received a child care subsidy.
- Families using relative care had somewhat higher monthly incomes on average than did those using non-relative and center-based care (average income: \$1767/month relative care, compared to \$1461/month non-relative care and \$1493/month center-based care). These equate to annual household incomes of approximately \$21,200, \$17,532, and \$17,900, respectively — far below the self-sufficiency standard of \$89,000 for one adult and an infant living in Boston.<sup>12</sup>

Unlike formal child care settings, guidelines and standards for quality care in FFN have not yet been explicitly established, in part due to the difficulty of identifying children and families using such care. However, many communities have begun to organize free resources and activities that promote safe, nurturing environments and child development, such as safety materials, playgroups, and story time groups designed specifically for FFN providers.<sup>13</sup> Understanding the FFN audience, and how they self-identify, is critical to effectively reach and engage these populations to support quality of care. The descriptive findings from our study begin to fill this gap in knowledge by describing key characteristics of parents that utilize FFN.

# CHILD CARE SETTINGS

## — DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS —



# UNDERSTANDING THE IMPACTS ON HEALTH

## CHILDREN, PARENTS, AND ENTIRE FAMILIES WERE AT GREATER RISK OF HARM WHEN THEY EXPERIENCED CHILD CARE CONSTRAINTS.

Using the same core dataset but exploring a different and complementary research question, Children's HealthWatch conducted another analysis to more deeply understand the barriers that some parents might be experiencing with obtaining child care for their young children. Between 2003 and 2018, 4,136 parents of young children were interviewed at BMC. Children less than 6 weeks old, those with current or past participation in Early Intervention, and those participating in Supplemental Security Income (SSI) were excluded from analysis. Parents who cared for their child at home were also excluded. This analysis focused on parents whose child is in some form of child care. The construct of 'child care constraints' is based on parent answers to a question asking if problems getting child care made it difficult for them to work or study.

In this sample, 25.9% of parents indicated experiencing child care constraints. Non-Latinx white parents experienced child care constraints less frequently than parents of other races/ethnicities. Families with a child care subsidy were less likely to experience child care constraints (31.8% with a child care subsidy compared to 68.2% with no child care subsidy). Families who experienced child care constraints compared to those who did not had slightly lower average monthly incomes (\$1,471/month compared to \$1,629/month). These equate to annual household incomes of approximately \$17,600 and \$19,500, respectively.

Results showed that children in families experiencing child care constraints had worse health outcomes compared to those in families not experiencing child care constraints. The impacts also extended to parent health and household material hardship.

Compared to young children in families who did not experience child care constraints, young children in families who experienced child care constraints were:

- 36% more likely to be in fair or poor health
- 80% more likely to be at developmental risk
- 151% more likely to be child food insecure

Compared to parents of young children who did not experience child care constraints, parents of young children who experienced child care constraints were:

- 51% more likely to be in fair/poor health
- 75% more likely to experience maternal depressive symptoms

Compared to families that did not experience child care constraints, families that did experience child care constraints were:

- 134% more likely to be household food insecure
- 69% more likely to be energy insecure
- 121% more likely to be unstably housed

### Families of color were more likely to experience child care constraints

Compared to their non-Latinx white counterparts, parents of other races/ethnicities were at a greater risk of experiencing child care constraints.

- Non-Latinx Black parents were 19% more likely to experience child care constraints
- Latinx parents were 36% more likely to experience child care constraints
- Other (non-white) parents were 41% more likely to experience child care constraints

## FAMILIES WHO EXPERIENCED CHILD CARE CONSTRAINTS ARE AT A GREATER RISK FOR MATERIAL HARDSHIPS AND POOR HEALTH OUTCOMES

Barriers to accessing high-quality child care, particularly for families with low incomes, impact parents' ability to work or further their education. Although many parents choose to stay home with their child, when a parent cannot work or attend classes as desired the entire families suffers. Child care constraints occur for a variety of reasons, including cost, location, hours, and availability of care. Whatever the specific reason, this study demonstrates that families with young children experiencing child care constraints are at increased risk of poor child health and development, poor parent physical and maternal mental health, and household material hardships.

### **The supply of public funds for child care subsidies and child care do not adequately meet the need of Massachusetts residents**

Public investment in the Child Care and Development Block Grant (CCDBG), Head Start, and Early Head Start creates opportunities for families across the country to access high-quality, affordable child care. Our data show the role child care subsidies may play in mitigating child care constraints — those with a subsidy had lower rates of child care constraints. However, federal and state investment in these critical programs is currently inadequate for meeting the needs of families, particularly those with low incomes. To offset the cost of child care, the Massachusetts Department of Early Education (EEC) provides child care subsidies (also referred to as vouchers or fee assistance) to eligible families with low incomes and who meet certain criteria, funded through CCDBG. Receipt of this subsidy reduces the financial burden of child care and thus child care constraints and allows parents to work or attend school. However, the amount of funding allocated to this program is only enough to serve a fraction

of eligible families. A 2014 Massachusetts analysis of the gaps in available subsidies compared to eligible children found the largest gap to be among infants and toddler care; furthermore, this study noted a large need for care during nontraditional hours, and a large number of eligible families were not able to access childcare subsidies due to the unavailability of centers offering care at non-traditional hours that match parents' work schedules.<sup>14</sup>

Similarly, funding for Head Start (ages three to five) and Early Head Start (ages zero to three) remain underfunded. However, with appropriations directed to Head Start programming at both the federal and state level, Massachusetts has the ability to leverage federal funding and increase support to this essential and premiere child care program through the Head Start State Supplemental Grant. This investment works to expand quality and access to programs for families with low incomes, as well as offers an avenue to address the critical workforce crisis facing the early child care field, allowing programs to invest in staff salaries.

### **Availability of quality child care does not meet the need of Boston residents**

A recent 2019 report found that Boston-wide, if all children aged 0 to 5 attempted to enroll in care, there would be a 35% gap in seats available; of the seats available, researchers identified just under half as "quality seats".<sup>9</sup> This indicates that there is not only a gap in child care availability in Boston, but an even larger gap in high-quality early childhood care. The findings were even more drastic for very young children. Researchers found that if all Boston children aged 0 to 2 attempted to enroll in early care, 74% would be unable to access care due to availability alone, and only 7% of these spots were considered "quality seats".

# ADDRESSING CHILD CARE CONSTRAINTS

## POLICY RECOMMENDATIONS

- 1. Increase public investment in Head Start and Early Head Start programs** through the State Supplemental Grant to better support programs to meet their non-federal match requirement, raise wages for all staff to meet rising minimum wage, and better support and expand programs for the most vulnerable young children and families in Massachusetts.
- 2. Eliminate the child care subsidy waitlist and implement universal access to high-quality child care** beginning in infancy to support parents' ability to remain in the workforce and/or attain higher education.
- 3. Limit co-payment fees for child care subsidies** to no more than 7 percent of families' income for families with incomes above 100 percent of the federal poverty line, and eliminate the co-payment fee for families with incomes below 100 percent of the federal poverty line.
- 4. Raise eligibility for the child care subsidy** from the current 50 percent to 85 percent of the state median income (SMI) to more adequately match the earnings' reality of a family living with a low-income in Massachusetts.
- 5. Allocate necessary funding to expand hours of child care centers** to better reflect nontraditional work hours and meet the needs of more families.
- 6. Simplify the child care subsidy application and recertification process**, particularly documentation and verification of self-employment and cash income, to increase usage and continuity of child care arrangement.
- 7. Prioritize use of CCDBG funds to improve quality of care**, adequately cover provider costs and workforce pay, and increase the supply of subsidies to meet eligibility demand.
- 8. Ensure availability of targeted comprehensive services and resources** for families that utilize informal care, such as FFN, and leverage trusted state and local partnerships and institutions to increase their uptake.

## CONCLUSION

Access to high-quality care is important for early childhood health and development and a necessary support for families. Many families face barriers to obtaining child care, which impact their ability to work or pursue education. Our research shows these constraints are associated with poor child and parent health and are linked to inability to afford other basic needs, including housing, food, and utilities. Each of these hardships are, in turn, associated with poor health outcomes.<sup>15-17</sup> Creative outreach and support for families using Family, Friend, and Neighbor care are important for ensuring all children benefit from development opportunities. Increased public investment in early education and care to adequately meet the needs of families is critical for ensuring parents are able to work knowing their children are safe and well cared for and children are able to thrive.

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