

CHILD CARE FOR WORKING POOR FAMILIES: QUALITY, CHILD DEVELOPMENT, AND PARENT EMPLOYMENT OUTCOMES

INTRODUCTION

While the effects of child care quality on low-income parents and their children are well documented, little is known about how local communities provided child care to low-income working families in the wake of the welfare reform of the mid-1990s. This research addressed this issue by studying the child care experiences of low-income working parents and their children (6 months to 6 years) in four communities in Indiana (Marion, Lake, Allen, and St. Joseph counties) during 2002 and 2003. The research employed an integrated design, including analysis of existing state- and county-level data, qualitative interview data, parent surveys, provider surveys, and researcher observations to describe and compare child care in these four diverse communities, identifying community-level variables that may affect the type and quality of care selected and used by low-income working families. We also describe the quality level of child care used by low-income working families in the four communities and relate these factors to parent employment patterns and children’s developing competence (cognitive and social-emotional).

STATE CONTEXT

During the time data were collected for this study (2002-2003), Indiana provided a unique context for examining these issues. Although both center-based and home-based child care settings could be licensed, Indiana was and still is a state where a high proportion of child care settings are exempt from licensing. Indiana child care regulations exempt center-based child care settings from regulations if they operate as “child care ministries.” Indiana law recognizes child care ministries as child care operated by a church or religious organization that is

exempt from federal taxation under Section 501c3 of the Internal Revenue Code. The religious organizations may choose not to become licensed by registering as a child care ministry. Another reason for abundant exempt care in Indiana is that home-based child care providers are not required to be licensed unless they care for six or more unrelated children (with one provider). Family child care homes are licensed for six to 12 children.

For family child care homes, caregivers were required to possess a high school diploma or a high school equivalency certificate (GED) to apply for a license. Since 2001, documentation was required that any new licensee had completed, enrolled in or agreed to complete within three years, a Child Development Associate (CDA) credential program or a similar program approved by the Division of Family and Children. For licensed child care centers, administrators were required to possess a college degree plus education and experiences in early childhood development including 15 college credit hours in early childhood education. Training requirements for licensed family child care providers included universal precautions, first aid, and one person on site to be pediatric CPR certified. Center teacher training requirements were the same but also included 12 hours of in-service training annually. Annual inspections for both family and center care included food, sanitation, health, program, and safety and fire. Child-adult ratios and group sizes for center- and home-based child care settings are displayed in Tables 1 and 2. For child care ministries, there was no educational requirement for administrators and no child-adult ratio requirement. Staff training requirements included only universal precautions and an annual inspection that included only fire.

TABLE 1. REQUIRED CHILD-ADULT RATIOS AND GROUP SIZES FOR INDIANA LICENSED CHILD CARE CENTERS

	Child-Adult Ratio	Maximum Group Size
Infants	4:1	8
Toddlers (18 to 27 Months)	5:1	10
3 years	10:1	20
4 years	12:1	24
5 years	15:1	30
School Age Children	20:1	30



COMMUNITY CONTEXT

In Indiana, child care spending decisions are often made at the county level. At the county level, Indiana’s Step Ahead Initiative has also influenced child care. The purpose of Step Ahead was to develop a comprehensive, coordinated, seamless array of services for all young children, birth to 13, across the state. Each of Indiana’s 92 counties was required to create a “Step Ahead Council” comprised of service providers, advocates, and families to make decisions about the provision and coordination of services. The assumption was that the needs and services in each county are different and, thus, solutions to improving the service delivery system are different. Step Ahead Councils were given the task of determining how Child Care Development Fund (CCDF) quality dollars were to be spent in each county. There were five priorities eligible for funding (increase awareness of child care issues, develop partnerships between business and the public sector around child care, increase child care capacity, increase the number of credentialed providers, and reduce child care staff turnover). Each county could decide which priorities would be their focus and what percentage of the CCDF quality improvement funds would be allocated to the priorities selected. Although all five of these priorities address important issues, several are more directly relevant to quality (e.g., increasing the number of credentialed providers) than others (e.g. increasing awareness of child care issues).

CRITICAL ISSUES FOR CHILD CARE USED BY LOW-INCOME WORKING FAMILIES

- **Quality Child Care is Important for Children’s Development:** High quality child care can be an important contributor to children’s development. Extensive research in child care and early childhood education conducted over the past 20 years has clearly demonstrated

strong, positive relationships between a variety of quality measures and various dimensions of children’s development and well-being. (Lamb, 1998; Love, Schochet, & Meckstroth, 1996; NICHD, 2003; Scarr & Eisenberg, 1993; Vandell & Wolfe, 2000).

- **The Child Care Context is Different for Low-Income Working Families:** Low-income families are also more likely than middle class families to need “irregular” or flexible child care. In other words, they need child care that covers second and third shift work, changing shifts, etc. Formal child care settings are least likely to accommodate these needs (Phillips, 1995). Therefore, forms of informal, home-based care become more attractive to low-income families. Among families who have selected home-based care for their children, lower income and ethnic minority families are more likely than their white, middle-class counterparts to use relatives rather than regulated family child care providers, and were less likely to pay for care (Kontos, Howes, Shinn, & Galinsky, 1997). Therefore, low-income children are more likely to be cared for in legally exempt (not required to meet state licensing requirements) or illegal care (Helburn & Bergmann, 2002). The type of child care families select has implications for quality of the care they receive.
- **Children of low-income working families attend lower quality child care:** Although significant progress has been made in equalizing access to child care since the 1960s, including the expansion of Head Start and other state funded preschools for families living near or below poverty live, there are still disparities in the quality of care used by families at different income levels. Relative care, which is

TABLE 2. REQUIRED CHILD-ADULT RATIOS AND GROUP SIZES FOR INDIANA LICENSED FAMILY CHILD CARE HOMES

Age Range	Adult-Child Ratio for Licensed Family Child Care	Maximum Group Size for Licensed Family Child Care
Birth to 24 months	(6:1) [two of the 6 children must be at least 16 months and walking. Otherwise the ratio is 4:1]	Number of children allowed: 13-16;
Birth to 6 years	(10:1) [No more than 3 of the 10 children may be under sixteen months of age and must be walking]	Provider’s own children are counted if under age 8
3-10 years	(12:1)	
All ages	(12:1) [the maximum capacity in a child care home is 1:12 plus 3 children during the school year who are enrolled at least in Grade 1]	

often utilized by low-income families, has been found to be significantly lower in quality than regulated family child care (69% of relatives were providing inadequate quality care). Kontos and colleagues (1997) found that a little less than half (43%) of low-income families using home-based care were receiving low quality care compared to 13% of their middle income counterparts.

- **Low-Income Children Benefit from High Quality Early Care and Education but Frequently Lack the Opportunity to Participate in Such Settings:** Based in part on the early intervention literature, it has been assumed high-quality community-based child care can serve as a protective factor for children at risk for impaired development due to risk factors such as low parental education, minority ethnic background, single parent homes, and poverty (Lamb, 1998). Several studies have reported differential effects of child care on cognitive or language development related to socioeconomic status or family structure (Peisner-Feinberg & Burchinal, 1997) and ethnicity (Burchinal, Ramey, Reid, & Jaccard, 1995; Peisner-Feinberg & Burchinal, 1997). These researchers found the effects of child care are stronger for preschool children from less advantaged circumstances.
- **Welfare Reform and Other Policies Have Brought Child Care to the Forefront of Concerns for Low-Income Working Families:** The implementation of welfare-to-work programs has placed new strains on the child care system. Income levels in Indiana, amount of child care subsidy funding, and rates of employment of low-income families post-welfare reform have resulted in a situation where the vast majority of families receiving subsidies are at 100% of poverty level or below (Janet Deahl, Educare consultant, Indiana Family Social Services Administration, personal communication, June, 2001). Few low-income families whose incomes are above 100% of poverty are receiving subsidies for their child care needs. This is a situation that has a major impact on low-income working poor families who must pay a large proportion of their income for child care in order to stay in the workforce. Focusing on child care for low-income families is particularly important as welfare reform continues and the demand for child care on the part of families transitioning from welfare to work increases (Collins, Layzer, Kreader, Werner, Glantz, 2000; Zaslow, Oldham, Moore, Magenheimer, 1998).

- **Not Enough is Known About the Child Care Settings Utilized by Low-Income Working Families:** Little is known about how the child care market works for low-income working families. The differences in availability of non-parental care for different kinds of families has been well documented; however, less is known about the roles state policies and local contexts may play in affecting quality of available care. State policies that govern child care regulation as well as community-level contextual variables (such as use of federal child care dollars, availability of regulated versus exempt child care, employment rates, availability and saturation of child care subsidy funds, and diversity) are among the forces that may be affecting quality of child care.

RESEARCH DESIGN AND METHODOLOGY

The study was conducted in four urban communities in Indiana: Marion (Indianapolis), Allen (Fort Wayne), Lake (Gary, Hammond, East Chicago), and St. Joseph (South Bend) counties. These communities were chosen because they were abundantly populated with varying availability of licensed and unlicensed child care. During phase I of the research, 22 community key informants were interviewed, eight parent focus groups were conducted, 188 low-income working parents were surveyed, and existing community data were analyzed to describe child care utilization and to identify important community child care context variables for low-income families. Then, during phase II of the research, 307 low-income working families whose young children were in out-of-home child care (approximately 76 in each community; split between infants/toddlers and preschool-age children) and their child care providers in the communities were assessed, including rigorous measurements of child care structural and process quality, children's cognitive and social-emotional competence, and parents' employment patterns. (See Appendix A, Methodology, for detailed descriptions of procedures and measures.)

The families who participated in the study were recruited by research assistants in public places (public libraries, community centers, etc.), schools (vocational-technical, GED classes, state university, etc.), and government agency offices (workforce development services, WIC, Child Care and Development Fund (CCDF) voucher offices; etc.). Attention was given to recruiting an equal number of families in each community (approximately 76 in each community) and equal numbers of families with infants/toddlers and preschool-age children. A total of 307 low-

income working families whose young children were in out-of-home childcare were recruited to participate.

Several eligibility criteria were established to ensure the sample represented low-income working families with young children in out-of-home care. The criteria included:

- Annual family income was less than \$35,000.
- The head of the household was working (work, school, or job training totaling at least 20 hours per week).
- The family had a child between 6 months and 6 years old, and the child was in out-of-home care at least 15 hours per week for the past two months.
- The family was not on TANF (Temporary Assistance for Needy Families).
- The child care provider agreed to participate.

SURVEY MEASURES AND INSTRUMENTS

Phase I of the research had four main components: community child care leader semi-structured telephone interviews, parent focus groups with low-income working families, parent surveys of potential participants, and review of existing community data. The community child care leader interviews addressed issues from the perspectives of the family, the child care provider, and the community. Parent focus groups explored current child care arrangements and issues such as supplemental child care, flexibility of child care, and financial resources, as well as the parents' perceptions of ideal child care and what communities do to support families. Parents completed a brief, self-administered questionnaire about their employment status, income, number of children, and child care utilization, including difficulties with child care arrangements, employer assistance with child care, and how current arrangements could be ideal. Existing community data included community child care supply, employment level and wealth, availability of child care resources and referral, and availability and utilization of child care subsidy funds as well as the overall diversity of the community.

Phase II of the research included the child assessment, parent survey, caregiver survey, and classroom observations. The child assessments included the major components of cognitive and social-emotional development and were collected through direct child assessments and rating scales completed by parents and caregivers. The parent survey was designed to measure parent employment patterns, the parent's perceptions of child care and work, the parent's relationship with the caregiver, and their child's social and emotional development. The caregiver survey

was designed to gain information about their specialized training and experience in child care work, relationship with the child and their parents, and ratings of each child's social and emotional development. Classroom observations collected data on both structural and process quality of the care environment as well as children's play, social interaction and talk while in child care. (See Appendix A, Methodology, for detailed descriptions of procedures and measures.)

OVERVIEW OF PROJECT

The current document is a report of the Community Child Care Research Project (CCCRP) funded by the U.S. Department of Health and Human Services/Child Care Bureau. Subsequent chapters describe:

- Community contexts, including economic conditions and experiences of low-income working families in these four Indiana communities;
- The characteristics of the low-income working families, children and child care settings, and caregivers who participated;
- The child care experiences of low-income working families, including child care utilization, issues, problems, and solutions and variations in the child care context among communities;
- The quality of child care in the four communities and variations among communities;
- The children's social and cognitive competence, the relationship between child care quality variables and children's competence, and how the relationships vary across child care settings and communities; and
- The parents' employment and education patterns, the relationship between child care quality variables and parent employment and education patterns, and how the relationships vary in different child care settings and communities.

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