

The Rhode Island Child Care Policy Research Partnership

is a collaboration among the Rhode Island Department of Human Services (DHS), researchers from the Wellesley College Child Care Research Partnership, and Rhode Island KIDS COUNT. The Partnership facilitates research and data collection that are critical to supporting Rhode Island's child care system and to improving access to high-quality affordable child care for Rhode Island families.

The Rhode Island Child Care Research Partnership is a State Child Care Data and Research Capacity Project funded by the Federal Child Care Bureau in the Administration for Children and Families, in the US Department of Health and Human Services.

Child Care Snapshots is a series of publications produced by Rhode Island KIDS COUNT that highlights major issues related to child care policy.

Snapshot Number Two is based on a February 2004 research study conducted by Dr. Ann Witte and Dr. Magaly Queralt from the Wellesley College Child Care Research Partnership: *An Examination of Child Care Choices of Low-Income Families Receiving Child Care Subsidies*.

CHILD CARE SNAPSHOTS



April 2005

Number Two

Child Care Choices of Low-Income Families in Rhode Island

Research facilitated by the Rhode Island Child Care Policy Research Partnership and conducted by Ann D. Witte, Ph.D., and Magaly Queralt, Ph.D., of Wellesley College shows that as child care access and availability expand in Rhode Island, the child care choices of families are changing. Between July 1998 and June 2002, child care policy reform significantly increased the likelihood that Rhode Island families receiving child care subsidies would choose licensed center care or certified family child care homes for their children over legal non-certified care. These findings are based on a study sample of 19,386 households that received child care subsidies between July 1998 and June 2002.

Background: Rhode Island's Child Care Assistance Program

Child care subsidies became an entitlement in Rhode Island for all eligible families in May of 1997, beginning a period of significant child care assistance policy reform. The 1999 launch of Starting Right—an initiative to improve access for low-income families, affordability, and quality of child care—increased the eligible age for children using subsidies from 12 to 15 and the maximum eligible family income from 185% to 225% of the federal poverty guideline. In 2004, a family

of four earning less than \$42,413 was eligible for child care subsidies.

These policy changes dramatically increased in the number of child care subsidies provided through the Child Care Assistance Program (CCAP). In 2004, 13,810 Rhode Island children used child care subsidies, more than double the number in 1996.¹ The availability of affordable, high-quality child care is critical to both a child's development and to a parent's ability to work.

Child Care Choices of Families with Two Children in Subsidized Care

Research conducted by Dr. Witte and Dr. Queralt examines how choices Rhode Island families make about child care have evolved as a result of the changes to child care subsidies in the state. Witte and Queralt define four possible child care choices for families with two children: licensed center care for both children, certified family care for both children, legal non-certified care for both children, or “mixed” care, meaning that the children received multiple types of child care. While most families receiving child care subsidies select center care for both children, one major trend over the study period was a shift in the preferences of parents away from legal non-certified care and toward licensed center

care and certified family child care homes. Part of this trend may be attributable to a large increase in the number of child care slots provided by certified family child care homes. This shift toward licensed child care centers and certified family child care homes is most striking among families that are currently or were formerly enrolled in the Family Independence Program (FIP), Rhode Island's cash assistance program. The same shift occurs, though to a lesser extent, among families never enrolled in FIP. Yet overall, families currently or formerly enrolled in FIP remain more likely to choose legal non-certified care for their children than families never enrolled in FIP.

Through subsidies, families have access to multiple child care options. Families using subsidies currently have a choice of three different types of child care settings:

- 1) **Licensed child care centers:** Regularly operating facilities where staff provide consistent care and supervision.
- 2) **Certified family child care homes:** Homes with a resident individual of at least 18 years of age providing care and supervision to four or more children.
- 3) **Legal non-certified care:** Care provided by relatives or neighbors approved by the Department of Human Services. This care may be provided in the provider's home or in the child's home.²

An Analysis of Child Care Choices

Dr. Witte and Dr. Queralt describe the child care choices families make in two ways: probabilities and simple percentages. Probabilities describe the likelihood that the average family with two children in subsidized care will select a certain type of child care. Simple percentages describe actual occurrences: the percentage of families with children enrolled in a given form of child care at a certain point in time.

Probabilities Associated with Child Care Choices

Families Currently or Formerly Enrolled in FIP with Two Children in Subsidized Care:

Between July 1998 and June 2002, families currently or formerly enrolled in FIP with two children in subsidized care show a significant shift in their child care choices from legal non-certified care to certified family child care and licensed center care. The likelihood of a family choosing certified family child care for both children doubled, from 4.9% in July 1998 to 9.8% in June 2002.³

The likelihood of a family currently or formerly enrolled in FIP choosing licensed center care for both children also grew during this time period from 68.3% to 78.8%. This change in preferences was similar to that for a family never enrolled in FIP, whose likelihood of choosing licensed center care for both children increased from 72.0% to 79.5%.

The option of legal non-certified care is rapidly losing favor, particularly among families currently or formerly enrolled in FIP. Their probability of choosing legal non-certified care decreased by more than half (24.1% to 8.9%) between 1998 and 2002.

Families Never Enrolled in FIP with Two Children in Subsidized Care:

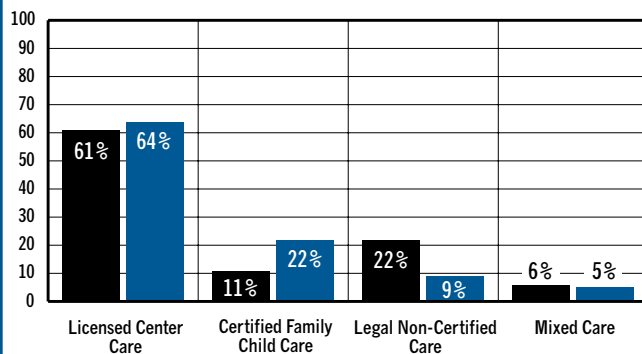
In general, families never enrolled in FIP made a smaller shift from legal non-certified care to certified care. The probability of a family never enrolled in FIP placing their children in legal non-certified care decreased from 22.8% to 9.8%.

While the greatest proportion of families with two child care subsidies and never enrolled in FIP continue to choose licensed center care, this percentage decreased slightly between 1998 and 2002.

Percentages Describing the Choices of Rhode Island Families with Two Children in Subsidized Care

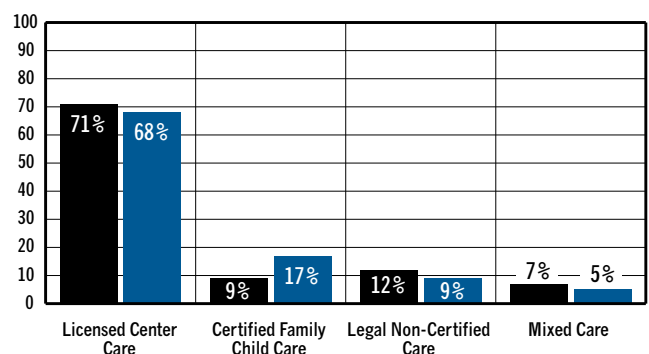
Families Currently/Formerly Enrolled in FIP

■ July 1998 ■ June 2002



Families Never Enrolled in FIP

■ July 1998 ■ June 2002



Note: These percentages describe the percentage of families who fell into each category in July 1998 and June 2002.

Source: Witte, A.D. & M. Queralt. (2004). *An examination of child care choices of low-income families receiving child care subsidies*. Wellesley, MA: Wellesley Child Care Research Partnership.

Child Care Capacity in Rhode Island

The size and capacity of child care in Rhode Island:

In 2004 in Rhode Island, there were 26,448 slots for children under 6 years of age in licensed child care centers or certified family care homes as compared with 15,483 slots in 1995. There were an additional 14,006 slots for children between the ages of 6 and 12, up from 5,750 in 1995.⁴

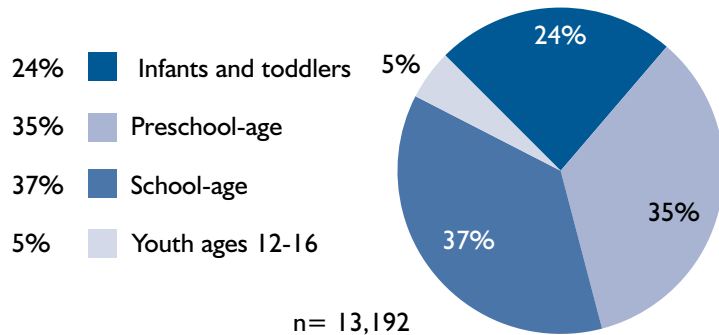
As more child care subsidies have become available in Rhode Island the child care market has experienced growth, both in licensed child care centers and in certified family child care homes. Between 1995 and 2004, certified family child care slots for children ages birth to 12 more than doubled in number, from 3,704 to 8,448.⁵

Child care subsidies and cash assistance:

In Rhode Island in 2004 there were 23,031 children under age 16 enrolled in FIP and eligible for subsidized care.

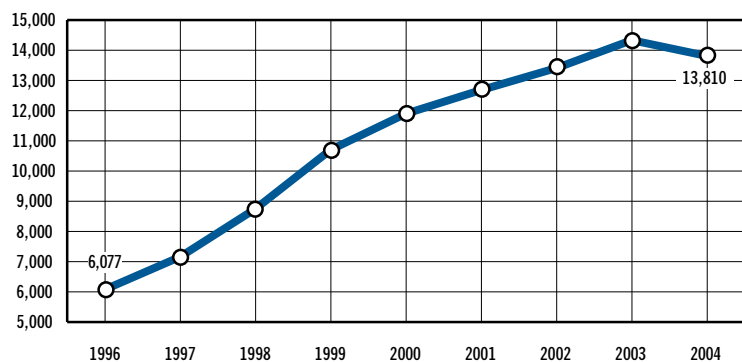
As of December 2004, the majority (76%) of families using child care subsidies were not enrolled in FIP, 19% were enrolled in FIP and 5% of subsidies were used by children in the care of the Department of Children, Youth and Families.⁶

Children in Subsidized Care, Rhode Island 2004



**Note that this n is different than the total subsidies below because a different report is used by the Department of Human Service to collect age data.*

Child Care Subsidies, Rhode Island, December 1996-2004



◆ In 2004, 13,810 Rhode Island children used child care subsidies, more than double the number in 1996.

Source: Rhode Island Department of Human Services, December 1996 - December 2004.

A Closer Look at Families' Child Care Choices

How do family characteristics affect the child care choices of families with two children in subsidized care?

Dr. Witte and Dr. Queralt also consider how various family characteristics affect the choices families make between child care options. Characteristics that influence a family's choice include: family size, race and ethnicity, parent's education, U.S. citizenship and parent's age.

Family Size:

For a family currently or formerly enrolled in FIP, the probability of choosing center care for all of their children increases as the number of children in subsidized care increases. In June 2002, the likelihood of a family with one child in subsidized care choosing licensed center care was 76%, whereas the corresponding probabilities for families with two and three children in subsidized care were 79% and 95% respectively.

The likelihood of families currently or formerly enrolled in FIP choosing legal non-certified care also varies by the number of children in subsidized care. In June 2002, the likelihood of a family with one child in subsidized care choosing legal non-certified care was 3%, whereas the corresponding probabilities for families with two and three children in subsidized care were 9% and less than 1% respectively.

Race and Ethnicity:

White and Black families currently or formerly enrolled in FIP are more likely to choose licensed center care than their Hispanic counterparts, who are more likely to choose legal non-certified care.

Black families currently or formerly enrolled in FIP with one child in subsidized care are more likely

to choose legal non-certified care than certified family child care.

Black families never enrolled in FIP with one child in subsidized care are more likely to choose licensed center care over legal non-certified care than similar Hispanic and White families never enrolled in FIP.

Parent's Education:

For families currently or formerly enrolled in FIP, with two or three children in subsidized care, the likelihood of choosing center care over legal non-certified care increases as education level increases.

U.S. Citizenship:

Families headed by non-U.S.-citizens show a significant preference for family child care rather than legal non-certified care. For families currently or formerly enrolled in FIP, with two children in subsidized care, non-citizen families have a 60% greater likelihood of choosing certified family child care over legal non-certified care than citizen families. For families never enrolled in FIP, non-citizen families are almost twice as likely to choose certified family child care over legal non-certified care as citizen families.

Parent's Age:

For families currently or formerly enrolled in FIP and with two children in subsidized care, the probability of choosing licensed center care increases as the age of the parent increases, peaking at age 35 and then gradually declining.

The probability of choosing certified family child care increases continuously with the parent's age through the age of 50.

Policy Implications

Child Care Quality:

The research by Dr. Witte and Dr. Queralt on child care choices describes a changing distribution of preferences and enrollment patterns. As families in Rhode Island become more inclined to place their children in licensed child care centers and certified family child care homes, it will be necessary to consider the quality levels and outcomes associated with these child care environments.

Research indicates that the quality of care is critical to the well-being and development of each child. Compared to children in low-quality settings, children in high-quality settings score better on tests of both cognitive and social skills in their early school years.^{7,8}

Children in higher quality settings have more advanced language and pre-math skills, more advanced social skills, and more positive attitudes toward their child care experiences.⁹ Yet for many low-income families quality child care is prohibitively expensive or does not fit with the nonstandard work schedules of parents.

The growth in the child care market and investments made through Starting Right have allowed low-income families greater access to child care. As the availability of child care becomes less of a concern, child care investments can focus on the quality of care in regulated child care.

Options for Improving Quality:

Professional Development: Specialized training and professional development for providers are critical to meeting the needs of children.

Workforce Stability: The quality of child care is strongly related to the wages, education, and retention of teachers. Compensation initiatives can improve the education and stability of the child care workforce, particularly when professional development is linked to pay increases.¹⁰

Quality Rating System: A quality rating system is a systemic approach to assess, identify and improve the level of quality in early care and education and child care settings. Quality ratings systems can be used

to inform consumers, to provide incentives for and reward higher quality care, and to focus and direct investments in quality improvements and provider supports.

Early Learning Standards: Guidelines developed to inform child care providers and families about best practices and approaches for preschool education can be voluntarily adopted in classrooms to improve instruction.

Accreditation: The nationally recognized benchmark of quality care is accreditation by the National Association for the Education of Young Children (NAEYC) for child care centers or by the National Association for Family Child Care (NAFCC) for family child care homes.

Resources For Parents

[Options for Working Parents](#)

Referral and information on child care providers.

Toll-free (800) 244-8700 or (401) 272-7510

www.optionsforworkingparents.com

[Child Care Assistance Program, RI Department of Human Services \(DHS\)](#)

Information and applications for child care subsidies.

DHS Info Line: (401) 462-5300

Providence Field Office: (401) 272-2000, Pawtucket Field Office: (401) 729-5400

www.dhs.ri.gov/dhs/famchild/dcspgm.htm

Resources For Providers

[Child Care Support Network](#)

Technical assistance, in-service training, and resources for program enhancement to licensed child care providers.

(401) 438-9500 ext. 3335

www.meetingstreet.org

[CHILDSPAN](#)

Professional development for child care providers and support for accreditation.

(401) 729-0765

www.childspan.net

[Health Insurance for Providers, RI Department of Human Services \(DHS\)](#)

Fully paid health coverage for certified, family child care providers and their minor children through Rlte Care, and health-care premium cost-sharing for licensed child care centers where at least 40% of enrollment is children using subsidies.

(401) 462-3415

www.dhs.ri.gov/dhs/heacre/drchiccf.htm (Family child care providers)

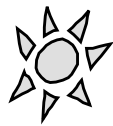
www.dhs.ri.gov/dhs/heacre/dinsccf.htm (Center-based care providers)

Source:

Witte, A. D. & Queralt, M. (2003). *An examination of child care choices of low-income families receiving child care subsidies*. Cambridge, MA: National Bureau of Economic Research.

References:

- ^{1,6} Rhode Island Department of Human Services, December 1996-2004.
- ² Definitions according to the Child Care Assistance Program, Rhode Island Department of Human Services.
- ³ All probabilities are calculated for a family with median characteristics of the population of families currently or formerly enrolled in FIP with two child care subsidies.
- ^{4,5} Options for Working Parents, Providence, RI, December 1995 and 2004.
- ⁷ *The children of the cost, quality, and outcomes study go to school*. (June 1999). Chapel Hill, NC: The University of North Carolina at Chapel Hill.
- ⁸ Vandell, D. & Wolfe, B. (2000). *Child care quality: Does it matter and does it need to be improved?* Madison, WI: University of Wisconsin at Madison, Institute for Research on Poverty.
- ⁹ Whitebook, M. & Sakai, L. (2003). Turnover begets turnover: an examination of job and occupational instability among child care center staff. *Early Childhood Research Quarterly*, 18(2003) 273-293.
- ¹⁰ Park-Jadotte, J., Golin, S. G., & Gault, B. (2002). *Building a stronger child care workforce: A review of studies of the effectiveness of public compensation initiatives*. Washington, DC: Institute for Women's Policy Research.



Wellesley Child Care Research Partnership

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For more information on the Child Care Snapshots or the Child Care Policy Research Partnership visit www.dhs.ri.gov and www.rikidscount.org