

Early Childcare Supports for Low-Wage Earning Families in the United States

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Abstract:

In the United States, a large portion of the job market is made up of minimum- or low-wage positions. For parents earning low incomes, full-time (or more) hours and continuous employment are imperative for financial stability necessitating the need for childcare. Many parents employed in low-wage jobs experience challenges to financial stability and access to center-based childcare that is also high-quality. The affordability of childcare and the mismatch between childcare services and job characteristics are significant concerns for parents employed in low-wage jobs. Affordable, high quality childcare that supports the daily realities of parents earning low wages is especially difficult to find. When families cannot access appropriate childcare arrangements, employment, financial stability, and children's healthy development may be compromised. The purpose of this entry is to describe the challenges that families earning low wages encounter as they navigate work demands and attempt to secure center-based childcare. In so doing, the everyday experiences of low-wage earning families and their resilient efforts to secure childcare inform future directions for research and policy.

Keywords: caregiver/provider | childcare and eldercare | policy advocate | research or teacher | children | workplace practitioner | employer policies & HR management | public policies | scheduling, leave, and flexible work

Article:

Introduction

In the United States, a large portion of the job market is made up of minimum- or low-wage positions. For parents earning low incomes, full-time (or more) hours and continuous employment are imperative for financial stability necessitating the need for childcare. Many parents employed in low-wage jobs experience challenges to financial stability and access to center-based childcare that is also high-quality. The affordability of childcare and the mismatch

between childcare services and job characteristics are significant concerns for parents employed in low-wage jobs. Affordable, high quality childcare that supports the daily realities of parents earning low wages is especially difficult to find. When families cannot access appropriate childcare arrangements, employment, financial stability, and children's healthy development may be compromised. The purpose of this entry is to describe the challenges that families earning low wages encounter as they navigate work demands and attempt to secure center-based childcare. In so doing, the everyday experiences of low-wage earning families and their resilient efforts to secure childcare inform future directions for research and policy.

Basic Concepts and Definitions

Low-Wage Earning Families

Low-wage earning families live in arrangements in which parents are employed in jobs that pay at or close to the minimum wage. Full-time earnings from low-wage jobs fall below the U.S. poverty threshold and are also well below the median household income (Boushey et al. 2007). Approximately 60 million Americans live in families that depend on low-wage employment, with 15 million children impacted (Oxfam America 2014). Notably, the federal minimum wage has remained stagnant at \$7.25 per hour since 2009, and families have experienced the realities of relying on low wages for some time (U.S. Bureau of Labor Statistics [BLS] 2017). Although states may enact higher wage standards, it is often argued that the revised pay rates are not enough to sustain families, especially those with young children who need childcare. Low-wage employment opportunities exist primarily in the service and hospitality industries, and the characteristics of this type of work make it difficult to secure childcare (BLS 2017; Glass and Fujimoto 1996). Additionally, the challenges of low-wage work are compounded with other family contextual characteristics frequently tied to systemic inequities (Perry-Jenkins 2005).

Early Childcare Supports

Early childcare supports are comprised of a range of services and sources of funding that families use to secure care arrangements. Many families rely on a patchwork of multiple formal and informal childcare supports. These supports may include care from family or community members, center- or home-based care, or other providers to meet childcare needs that are often shaped by parental employment constraints. Work from Crosby, Gennetian, and Huston (2005) suggest that although many low-wage earning families rely on multiple sources of childcare, there is evidence that informal arrangements are not necessarily preferred over center-based care. Center-based childcare is a type of formal care arrangement that requires providers to follow state or federal regulations and licensing procedures and may be funded by several sources. Sources of funding for center-based childcare include grants, federal and state subsidies, employer-based subsidies, and direct payments from parents or other family members. Additionally, some childcare centers, such as Head Start, may directly offer full or partial funding. Families may utilize more than one method of funding to cover the costs associated with center-based childcare. Although parents employed in low-wage jobs may prefer high-quality center-based childcare arrangements for their children, the care received is often of lower-quality and many parents lack access to formal care altogether (Zaman et al. 2012).

Importance to Work-Family Studies

The daily realities of low-wage earning families include challenges that differ from higher-earning families. Notably, much of the available literature about the impact of parents' work and the care of their young children applies to higher-paying positions (French & Agars, 2018). Additionally, early childcare is rarely discussed in the work and family studies literature (Henly and Lambert 2005). This lack of attention is problematic because without adequate childcare, a family's financial stability, parental employment stability, and the development of children is impacted. Furthermore, limited childcare access due to low-wage work contributes to gender inequality in dual-earner families. For the large number of low-wage earning families headed by single-mothers, limited access to childcare presents unique work-family challenges that undermine mothers' employment, financial stability, and children's development (Williams and Boushey 2010).

For decades, scholars have lamented a lack of research that specifically links contributions from the work and family literatures to research focused on early childcare (Bromer and Henly 2009). Historically, childcare was framed as a 'family support' emerging from holistic educational interventions in the 1960s (e.g. Head Start). Although few studies exist documenting the links between work and family for low-wage earning families in the United States as they navigate early childcare, there is evidence that procuring childcare can be a source of stress for families and can impact the well-being of both children and their parents (e.g. Charrois et al. 2017; Gordon et al. 2011). As income inequality continues to grow in the United States, more families must navigate the constraints of low-wage work as they seek care for their young children (Duncan, Magnuson, and Votruba-Drzal 2014). Taken together, the current literature on low-wage earning families and early childcare supports underscores a critical need for interdisciplinary work-family research.

Body of Knowledge

Addressing the experiences of low-wage earning families and how they access center based childcare in the U.S. involves understanding both the characteristics of the workplaces parents inhabit and the context of early education. Additionally, anti-poverty policies play a role in providing additional supports to low-wage earning families who seek formal childcare. To date, research has primarily focused on the realities of low-wage employment, the benefits of center-based childcare, the Child Care and Development Fund (CCDF), and other policies that aim to increase family income.

Key Features of Low-Wage Work

Three defining features of low-wage jobs are nonstandard hours, unpredictable scheduling, and inflexibility. Low-wage employment typically extends outside of the traditional 9am-5pm timeframe, hours are not consistent across days and weeks, and notice of scheduling is often last minute. Inflexible policies pose additional challenges as employees are unable to control their work schedule and cannot take time off when emergencies arise. In turn, low-wage employment can result in financial instability for families and have a negative impact on their well-being (Morsy and Rothstein 2015). Furthermore, the characteristics of low-wage work pose challenges to a family's daily functioning, childcare needs, and make jobs more difficult to keep. Parents

who cannot secure childcare when they are scheduled to work face the added threat of losing their job. Low-wage jobs are often difficult to maintain because policies and work expectations are not compatible with the everyday lived experiences of parents (Glass and Fujimoto 1996). For example, current workplace policies are informed by an outdated husband-breadwinner, wife-homemaker script with little development in family-responsive policies to better reflect the experiences of most families in the United States (i.e., dual-earner parents, single-parent families) (Perry-Jenkins et al. 2013; Moen 2003). Notably, there is variability among working-class families in the U.S. that make it difficult to characterize their experiences (and childcare needs) in the same way, underscoring the importance of flexible workplace policies that match the unique needs of low-wage earning families (Perry-Jenkins 2005; Sweet 2014). Only recently have employers begun to incorporate more flexible workplace policies that accommodate the everyday realities of low-wage workers such as policies regarding consistent scheduling with adequate notice and the accommodation of employee emergencies (Morsy and Rothstein 2015). However, because flexible, family-responsive workplace policies are not well represented in low-wage occupational settings (French and Agars 2018), low-wage earners continue to struggle with upward economic mobility, employment stability, and access to childcare (National Academies of Sciences, Engineering, and Medicine [NASEM] 2019; Weiland and Yoshikawa 2012).

Benefits of Center-Based Childcare

It is widely emphasized that center-based childcare has benefits for young children, especially those in low-wage earning families (Yoshikawa et al. 2013; Zaman et al. 2012). However, given the mismatch between the landscape of center-based childcare and the needs of low-wage earning families, it can be difficult to access this form of care (NASEM 2019; Zaman et al. 2012). Even when families identify an affordable childcare option, they often must compromise the quality of care (Bromer and Henly 2009; Crosby et al. 2005). Reliable and high-quality centerbased childcare provides an important educational foundation and demonstrates potential for mitigating the impact of economic inequities and other systemic disparities on children and families (Weiland and Yoshikawa 2012; Yoshikawa et al. 2013). High-quality childcare can also offer other benefits to family well-being. For example, research indicates that access to highquality childcare may alleviate parenting stress and the impact of maternal depression on child behavioral outcomes (Charrois et al. 2017; Gordon et al. 2011). Accordingly, high-quality, center-based childcare has the potential to buffer family well-being from the negative impact of economic strain associated with earning low wages via supporting children's healthy development and helping parents meet the expectations of their work. Another promising area of research focuses on how childcare providers support families. A qualitative study conducted by Bromer and Henly (2009) examined how childcare providers support parents in balancing family and work demands through both logistical and financial supports. Daily supports such as flexible center hours, transportation, and emergency childcare arrangements could bridge gaps between childcare needs and employment constraints. Currently, only about 8 percent of childcare centers offer services during evenings, weekends, and overnight (Adams and Henly 2020). Expanding services from childcare providers could alleviate some of the daily challenges that make it difficult for low-wage earning families to access and utilize center-based childcare.

Childcare Subsidies (CCDF)

Quality of care and logistical supports are integral factors that inform the childcare decisions of low-wage earning families, however affordability remains as a key concern. Many low-wage earning families rely on subsidies to alleviate some or all of the costs of childcare. The Child Care and Development Fund (CCDF) is a large-scale federal program that grants childcare subsidies to low-income families. CCDF is a federal block grant where states regulate the dispersion of funding to families. Research indicates that recipients of subsidies most frequently use them for center-based care, meaning that this program is an important facilitator of childcare accessibility in low-wage earning families (Crosby et al. 2005). CCDF subsidies are one way that many low-income families access center-based childcare, however funding for this program is limited, and many families remain on waiting lists. Approximately 1.3 million children receive subsidies annually, representing only 15% of the eligible population of families (Adams and Henly 2020). Another concern raised by scholars is the contingency placed on parents to participate in work-related activities during the period of subsidy funding (Grobe et al. 2017). This is problematic because the low-wage jobs parents rely on are often unstable. Due to difficulties of maintaining the work-related activity requirements and the hassles of the administrative process, families typically receive coverage for only four to eight months on average (Adams and Henly 2020). When families who rely on subsidies are unable to maintain employment, they experience a dual loss of the subsidy and childcare (Grobe et al. 2017; NASEM 2019). Parents lose access to childcare, and it is more difficult for them to find a new job, especially one that offers stability (Crosby et al. 2005). The CCDF work-contingency can also have negative implications for family well-being. Findings from Herbst and Tekin (2014) show that the use of childcare subsidies were related to less leisure time spent with children and worse maternal health due to the strain of fulfilling the work requirements of the funding. This policy study also reported more negative interactions between children and their parents in subsidy recipients as compared to non-subsidized families. These findings are consistent with work from Perry-Jenkins (2005) that demonstrates that maintaining employment in a low-wage job and securing childcare makes other daily family-oriented tasks and interactions more difficult. Finally, childcare providers suffer when families experience a loss of subsidy. In cases where families lose subsidy funding and can no longer afford to send their child to childcare, and centers lose revenue. This unpredictability in center financial resources makes it difficult for centers to invest in higher quality care (Herbst and Tekin 2014).

Other Policies Supporting the Affordability of Center-Based Childcare

Aside from subsidies through CCDF, there are other policies that support families in accessing center-based childcare through offering additional financial resources. The Dependent Care Tax Credit (DCTC), Earned Income Tax Credit (EITC), and minimum wage regulations are other areas that have an indirect impact on the use of center-based childcare in low-wage earning families. While these policies do not directly fund childcare, they do increase family income which has been shown to further contribute to positive child outcomes (Duncan et al. 2014). However, scholars have raised concerns because similar to CCDF, the DCTC and EITC are tied to employment (Duncan et al. 2014; Weiland and Yoshikawa 2012). Notably, there is also evidence that even though these policies relate to an increase in parental employment, family income is not greatly impacted (Duncan et al. 2014). Beyond employment status and wages, the number of hours worked is important to consider (Henly and Lambert 2002). In low-wage jobs, organizations frequently cut back on employee hours or have inconsistent scheduling in order to

maximize profits (Morsy and Rothstein, 2015). Raising the minimum wage is also frequently discussed as a solution and could have an impact on the financial stability of families. However, there is a lack of research that has examined how changes in the minimum wage would impact child outcomes (Weiland and Yoshikawa 2012). While raising wages to reflect the cost of living more closely is likely to benefit families, it is crucial to adopt more supportive workplace policies to improve the quality of low wage-earning jobs (Oxfam America 2014). Workplace policies that are more supportive of job and income stability would not only expand access to childcare but also facilitate the use and effectiveness of anti-poverty policies (NASSEM 2019).

Implications for Research and Practice

An overview of the literature on low-wage employment and the accessibility of early education underscores that many families struggle to secure center-based childcare. Many workplace policies are outdated and do not reflect the realities of low wage earning families in the United States. Accordingly, many low-wage earning families experience employment instability during the childrearing years and have difficulties securing adequate early childcare supports (Morsy and Rothstein 2015). Supports can help facilitate the accessibility of childcare, but are not enough to alleviate the difficulties of simultaneously relying on low wages and navigating employment constraints that make childcare essential. An integral factor driving the need for childcare and childcare supports is that the limited incomes that low-wage earning families rely on are often unlivable wages (Duncan et al. 2014; Oxfam America 2014). Raising the wages of low-paying jobs might offer families with additional resources and benefits to children; however, research is mixed in reporting other possible implications including unemployment rates and the use of government assistance policies (Duncan et al. 2014; Reich and Rest 2015; Weiland and Yoshikawa 2012). Furthermore, the necessity of childcare is magnified in low-wage earning families because they cannot afford to take time off of work (Henly and Lambert 2005). Prior empirical work is consistent in documenting the great potential of high-quality center-based childcare, especially for children in low-income families (Yoshikawa et al. 2013; Zaman et al. 2012). Policies exist that subsidize childcare or provide additional financial resources to low wage-earning families, however funding is limited, and program requirements are difficult for many parents to maintain. Despite the existence of many childcare supports, families still struggle to find high-quality care that fits their needs due to their limited earnings.

A large-scale program providing a network of childcare, financial, and employment supports to low-wage earning families could be an important addition to existing antipoverty policies. One such intervention, the New Hope Project implemented in 1994, demonstrated strong promise that providing income supplements, childcare subsidies, subsidized health insurance, and other work supports could improve employment stability and pull families out of poverty (Huston et al 2001). Participants in this program were committed to working full time hours in order to be eligible for this program, however this requirement was more flexible than other policies because there were supports offered that assisted families in finding work. Although this intervention only lasted a few years, its effectiveness has been documented in numerous studies (e.g. Duncan et al. 2009; Huston et al. 2001; Miller et al. 2008) and in relation to other similar interventions (e.g. Crosby et al. 2005). Specifically, an evaluation of New Hope by Duncan and colleagues (2009) highlighted that the supports provided by this program were enough to lift many families out of poverty and increase employment. Additionally, there was

evidence of lasting benefits to children whose families participated in this program (Huston et al. 2001), and the use of center-based care increased due to the childcare subsidies offered by New Hope (Crosby et al. 2005). Childcare supports are important for facilitating the use of center-based care, however understanding how the quality of centers may be impacted by subsidies should be considered in future empirical and intervention work. Notably, the positive effects of the supports offered by New Hope on employment stability and family income were limited only by the duration of the program (Duncan et al. 2009; Miller et al. 2008; Duncan et al. 2009). However, the long-term effects of the New Hope program underscore the necessity of the types of work, family, and childcare supports that benefit low-wage earning families.

Even so, additional research is needed to understand how workplace policies, center based childcare providers, and anti-poverty policies impact families and identify ways to better support those relying on low-wage employment. Further inquiry into how employers of low wage workers can adopt corporate policies that ensure more job stability, predictable work schedules, and work flexibility for families has the potential to better support parents of young children and facilitate greater ease in securing higher quality childcare arrangements (Glass and Fujimoto 1996; Grobe et al. 2017). In addition, it is necessary to examine how employers of low-wage earners can be incentivized to adopt these policies. One promising direction is to explicitly link inflexible workplace conditions with higher rates of absenteeism and turnover that in turn impact productivity and profits (Morsy and Rothstein 2015). In addition to research identifying areas for workplace reform, there is a need for the promotion of consistent high quality care across center-based early education. When families can find a way to access and afford childcare, it is important that this investment is worthwhile and will provide children with a strong educational foundation (Duncan et al. 2014; NASEM 2019). Furthermore, future research that better integrates the bidirectional relationship between the instability of low wage work and center-based childcare is needed. Given that prior empirical work indicates that work instability impacts the use of childcare (Crosby et al. 2005; Morsy and Rothstein 2015), and childcare reliability impacts work stability (NASEM 2019), the lack of research on this bidirectional relationship represents a critical need. Finally, there are several areas of antipoverty policy that support low wage-earning families that should be further investigated. Specifically, the effectiveness of childcare subsidies and policies like CCFD, DCTC, and EITC should be explored especially focusing on the implications of having employment-related requirements. Additionally, further examination of how CCDF is disbursed is warranted given that not all eligible families are able to procure funding. Given the large budgets allocated to these efforts, it is important to ensure that the positive effects of government investments are maximized.

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