EXECUTIVE SUMMARY

A recent study documents that Oregon’s Employment Related Day Care Program (ERDC) supports employment and enables parents to meet the needs of their children. Three major findings emerged from recent interviews with ERDC participants:

- Without a subsidy parents could not afford to work as most of their wages would be required to cover child care expenses.
- Loss of a subsidy threatens the stability of both child care and employment.
- ERDC parents have substantial child care costs even with a subsidy

Without exception, the parents we interviewed expressed deep gratitude for child care subsidies.

In the following pages we share some of the parent stories on which the findings listed above are based. These stories come from 24 in-depth interviews, conducted between February and April 2009, with recipients of child care subsidies in rural and urban parts of Western Oregon. Note that these brief accounts scarcely do justice to the complexity of the stories told in our interviews. Nor do they convey adequately the challenges faced by low-wage working families, the hardship they experience, and the innovative strategies they employ to make the best life possible for their children. We applaud their courage and their determination, and we thank them (all named with pseudonyms here) for taking the time to speak with us about their private lives.

STUDY BACKGROUND

In order to more fully understand the impact of the child care subsidy policies on the employment and child care decisions of participating families, the Oregon Employment Department collaborated with researchers from the University of Oregon and Oregon State University to interview parents. In-depth qualitative interviews with 44 randomly selected recipients of ERDC subsidies were completed in winter and fall 2009, and a telephone survey of another 500 parents will be completed in spring 2010.

KEY FINDINGS FROM QUALITATIVE INTERVIEWS

Child care subsidies make work possible.

Almost all of our respondents reported that without a subsidy they could not afford to work as most of their wages would be required to cover child care expenses.

- Angela (2 children): “Literally, if I didn’t have assistance, I couldn’t work. [If] I don’t work, I have no money to pay for anything... I’d be looking at five bucks an hour [in child care costs] out of my nine dollars an hour, so I would be making four dollars an hour and you can’t pay bills off of that.”
- Mimi (4 children): “I would be out of a job. It’s everything to me. Without that, I would not be successful at all. I am so grateful for that program, you have no idea. Me and my kids, [before] we were barely even staying alive. And now, if my kids need something, if I need pull-ups for my son, I can go buy them. Before, I couldn’t. I’d have to borrow money. So, that daycare that they’re giving me and helping me with, it’s everything. It gives my kids everything. I’m grateful for that program. It helps a lot of people out.”
- Rachel (3 children): “I could work, but I’d be living out of a box, or my car. Because how do you pay rent and pay your daycare? [If you have two kids] you’re looking at $1100-1200 a month in childcare. How do you do that and work? Especially as a single mom?... If I didn’t have [a child care subsidy] we’d be living in a cardboard box. So I’m glad that we do. So then I can work and do what I’m supposed to do.”
- Mary (3 children): “I could work, but I’d be living out of a box, or my car. Because how do you pay rent and pay your daycare? [If you have two kids] you’re looking at $1100-1200 a month in childcare. How do you do that and work? Especially as a single mom?... If I didn’t have [a child care subsidy] we’d be living in a cardboard box. So I’m glad that we do. So then I can work and do what I’m supposed to do.”
- Lacy (2 children): “I’m grateful for the help because if I didn’t have that help, I don’t even see how people can afford it. [My costs] are like $1500. Wow. I mean that’s like my paycheck right there. Plus more. I wouldn’t be able to live.”
- Martha (2 children): “There’s no way if I[1] didn’t have state-care babysitting I could afford $600-700, $800 a month with two kids. I barely make $900 a month right now with $324 in child support. That’s included in the $900 a month. How could I do that? And keep up on diapers and things I need.”

Loss of a subsidy threatens the stability of both child care and employment.

Research consistently shows: whether children are in single or multiple arrange-
ments, the stability and quality of child care are critical to the healthy development and emotional well-being of children. Yet low-income parents often do not have access to either stable or high quality care. When they do, not only can it benefit the child, but it can also help parents maintain stable employment. Child care subsidies do not guarantee that child care will be stable, but they can have a positive effect. We found that when parents lost child care subsidies, often child care arrangements fell apart and employment was jeopardized.

Julia's (3 children) story illustrates the critical importance of the child care subsidy in maintaining stability in employment and child care arrangements. Julia, the mother of three children (two school-age and one preschool age) was self-employed cleaning apartments for landlords between tenants. She had built up a decent clientele and was getting enough jobs to make ends meet (she reported that she made $12,000 last year). Her mother took care of her children:

I started working, three years. I started at first arranging my schedule around my kids school hours. Which worked. But then, I was losing jobs by doing it that way. And then it got to the point where I would pick my kids up from the bus stop and I would take them with me to work...Yeah, and then one time...we walked into a place and somebody had broken in, and I'm like 'this isn't a safe place for you guys' so that was when I talked to my mom, and we've been good in the child care for two years.

Julia needed extremely flexible hours as she worked on demand and often worked evenings, weekends, and days. Her mother was willing to come to her house whenever she was needed; she took care of the kids 20-50 hours per week. In our first interview with her, Julia remarked that if she lost her subsidy she was confident that her mother would still care for her kids. When we spoke with her a few months later, she reported that she had lost her subsidy because she was self-employed. Her mother stopped providing the care because she could not afford to do so without pay. Since, Julia has struggled to find care.

When she could, she paid friends and her mother for care out of her pocket. She left her older child alone, something she said she would never do when we first interviewed her because she has an ex-boyfriend who has stalked her. She split her younger kids up to be cared for by different friends when necessary. She often could not take a cleaning job because there was no one available to care for her children. The loss of her subsidy meant that Julia's employment was at risk and her children were no longer in stable, safe arrangements. For her, this was a devastating blow to her previously stable life as a low-wage self-employed worker and to her self-esteem: “I built this business. Something I built out of nothing. I didn't have a dime to my name...This is more than work. This is who I am. I may clean for a living and a lot of people look down on this but I don’t get child care and I don’t get child support.”

ERDC parents have substantial child care costs even with a subsidy.
Child care often costs more than the subsidy covers, even with the 2007 improvements to the Oregon Employment Related Day Care Program. In addition to their copay, parents pay for hours not covered, additional providers to care for kids during non-standard hours and weekends, the difference between the state rate and the provider's rates when they can't find a provider who will accept the state rate, and sometimes for supplies, food, and transportation provided by the child care worker. Parents managed the costs through a variety of complex strategies, including: bill juggling, creating a payment plan approved by the provider, relying on tax refunds to pay back bills, credit card debt and payday loans, medical hardship, clothing hardship, and network support.

Angela, the mother of two children ages 7 and 2, had worked evenings and weekends for four years in a facility for adults with developmental disabilities when we interviewed her in winter 2009. Her work schedule made it difficult to find child care in a center, hence she relied for a period of time on her daughter's paternal grandmother. When she became dissatisfied with this arrangement she hired a friend she knew from her workplace to provide care in Angela's home for her children. The provider charged more than the subsidy rate, so in addition to her copay Angela paid the difference between the subsidy and the cost of the child care. With an hourly wage of $9.70 and around 30 hours of work per week, Angela could not afford her monthly child care bill, so she and the provider made an arrangement in which Angela regularly paid a portion of the bill, and she made up the difference when she received her tax refund:

We work out the difference between what [the provider] charges and what the state pays, and I'll usually do half of it every month and the whole copay...When I do my taxes, I pay off—let's say I don't pay a hundred bucks a month, when taxes come back I pay them that $1200 I didn't pay during the year.

Angela was one of many parents who told us that they arranged a payment plan with their providers when their child care costs exceeded their available funds each month, and many said that they relied on their tax refunds to catch up each year.

Most respondents reported that they did not receive a break in the amount they had to pay their child care provider. Most centers were not flexible, and parents reported that they felt especially obligated to make sure family and friends received the income from providing child care because the provider relied on this source of income to pay their own bills—it was the child care provider’s job, respondents pointed out. Thus, almost everyone with whom we spoke described elaborate strategies to manage their expenses and pay for child care.

CONCLUSION
ERDC is critically important in helping low-wage workers maintain employment. Without a child care subsidy, these families are at risk of losing employment and relying on welfare. Working low-wage jobs, families cannot afford the market cost of child care. Loss of a child care subsidy introduces instability in the lives of families who are managing to make ends meet in the very low wage jobs available to them.

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