

The Sustained Effects of the New Hope Program on Child Care Use Among Low-Income Families

The New Hope welfare demonstration program, a random assignment, experimental program evaluation was implemented in Milwaukee, Wisconsin between 1995 and 1997. The New Hope Program was open to residents of two high poverty areas of Milwaukee who were 18 years or older, with incomes below 150 percent of the poverty threshold, and were willing to work full-time. After an intensive recruitment effort by program staff, individuals who were interested in participating in the study were randomly assigned to either the control group or the New Hope program group. Control group members received only those benefits that were available to low-income families at the time. The New Hope program offered additional employment services, wage supplements, health care assistance, child care assistance, and staff support for participants working 30 or more hours per week (those unable to secure work had access to community service jobs in order to meet this requirement). The program was designed to provide these supports to low-income workers for as long as they were needed. However, due to financial constraints, the demonstration program was limited to 3 years of operation. Program effects were evaluated in the second year of the program and two years after the program ended. Hence, we were able to examine whether the effects of the program that were observed when the participants were eligible for benefits endured after the program ended.

In this paper we present the five-year impacts of the New Hope program on child care arrangements, an important context for development. The child care subsidy offered through the New Hope Program offered financial assistance to cover most of the child care costs for children under age 13 as long as the New Hope participant worked 30 hours or more per week. The remaining out-of-pocket cost was based on parent income and household size. New Hope subsidies could only be used to purchase care in state-licensed or county-certified homes or child care centers. Although public subsidies were also available to some control-group parents through AFDC or federal and state subsidy programs, their availability was limited and the income thresholds were considerably lower than those for New Hope.

The availability of child care subsidies can decrease reliance on free or low-cost arrangements including self-care, informal care by older siblings, family, or neighbors and increase use of organized child care in centers and after-school programs by lowering parents' out-of-pocket costs. Many low-income parents prefer center-based care and use it when it is made available.¹ This was evident during the first two years of the evaluation. Owing to New Hope's child care subsidies, children in program group families spent more time in center-based care and parents paid less for such care than did control group families. The positive impact of New Hope on the amount of time children spent in formal care was strongest for girls on the use of center-based care and for boys on the use of extended day, before and after school programs. Given that families lost the New Hope child care subsidy when the program ended and that there were few sustained effects on employment and income by Year 5, one might not expect New Hope to have a

¹ Phillips & Bridgman, 1995; Quint et al., 1994

lasting effect on the types of child care used by families. On the other hand, there are a few reasons why program group families might continue to use more formal care than control group families. After initial exposure, parents may have come to value the benefits of center based care and may be more skilled in seeking out assistance in order to maintain formal arrangements for their children. In this paper, we present both quantitative impacts on child care use after the New Hope program ended and qualitative data to illustrate how some parents managed their children's care.

Method

The Child and Family Study (CFS) sample of the New Hope Project consists of 745 adult sample members and 1,140 children who were between the ages of 1 and 10 years at the time of random assignment. Most of these parents are single mothers, over half are African-American and over one-quarter are Hispanic. Survey data were collected 2 years after the program began (Year 2) and 2 years after the program ended (Year 5).

In the 5-year survey, parents were asked about all of the regular child care arrangements they used while they were working or away from home during the prior year. For both the school year and summer, parents indicated how many months the child had been in (1) center-based care (including preschool, before/after-school, community center, or Head Start), (2) home-based care (care by an adult in the family's home or the caregiver's home), and (3) care unsupervised by an adult (care by someone 16 years old or younger, child had cared for himself or provided care for siblings). Parents were asked whether they had paid for any of the arrangements they had used in the past year and if so, whether the care had been paid for by themselves, a spouse or partner, another family member, or the welfare department or other public agency. Finally, parents were asked how much money they (or another family member) had spent on child care in the past month for all of their children.

In addition to survey data that was collected in Year 5, we also utilize qualitative data that was collected between Year 3 and Year 5. In 1998, about the time the New Hope program ended, the New Hope Ethnographic Study (NHES) embarked on a three-year in-depth examination of 44 of the families from the CFS sample. NHES sample members were randomly selected from the CRS sample, both program and control group members are represented. Ethnographic fieldworkers collected detailed information regarding parent's everyday experiences and strategies for managing work and family life.

Results

Recall that members of the New Hope study were randomly assigned to either the program or control group. This process ensures that there were no systematic differences between study participants except program status at the time of enrollment in the study. Therefore, any observed differences between program and control group members can be attributed to the New Hope program. We characterize program effects as the mean difference between the New Hope program and the control group. In order to maximize the experimental nature of the data, we regressed each child care measure on a dummy variable representing program group status using the Ordinary Least Squares method of estimation. Baseline control variables included: parent education, age, race/ethnicity,

gender, having a child under 2 years of age, having more than three children, AFDC receipt as a child, having a car, ever having been employed full-time, residence in north or south side neighborhood, current employment status, earnings in the year prior to random assignment, and welfare receipt in the year prior to random assignment.

At Year 5, there were large and consistent program impacts on the types of child care experienced by the children in sample families. Children from program group families spent significantly more time in center-based care and significantly less time in home-based care during the school year and summer months than children from control group families. Program group children also spent less time being cared for by a minor during the summer. Across the whole year, program impacts translated into an average of one additional month of center care, one month less of home-based care, and approximately two-thirds of a month less of unsupervised care. Despite differences in the types of care they used, program and control group families did not differ in their use of paid care, the amount they paid for child care out-of-pocket, or their receipt of public child care assistance (i.e., from an agency or welfare department).

Additional analyses addressed whether program impacts differed based on child gender and age at Year 5. Impacts on child care did not differ by child gender. For children ages 6-8, New Hope families used more center care during the school year and summer months than did control group families. Control families used more home-based care, usually in the child's home. For 9-12-year-olds, who were in the age range when most children discontinue center-based child care, the major program impacts occurred for unsupervised care. Program children spent less time than controls in unsupervised care, including self-care, care by a minor, or caring for other children. They also spent less time in home-based care. There was a trend toward more center-based care ($p < .13$).

The impact on center-based care for the first two years of the study may be attributed to the New Hope child care subsidy, which made formal arrangements more affordable and more accessible. Despite the fact that New Hope families did not have access to New Hope child care assistance, they continued to use more formal care than control group families two years after the program ended. How were families able to continue to use different types of care two years after the end of the program especially given the absence of sizable long-term effects on earnings and income? We use suggestions from survey and ethnographic data to probe this finding. First, the use of formal care may be related to New Hope parents' greater stability of employment². Stable employment makes it possible to sustain center-based care; the reliability of such care may also have contributed to parents' ability to maintain stable employment. Qualitative data from the New Hope Ethnographic Study suggest that low-income parents like the stability and predictability of formal care for employment purposes.³

Second, with initial experience in securing formal, center-based arrangements for their children, perhaps parents were more familiar with and better able to continue using such arrangements in the future. Ethnographic evidence reveals that some parents worked to maintain the same type of child care arrangements they had established during New Hope:

² Huston et. al, 2003

³ Lowe & Weisner 2001

Andrea, a single African-American mother of a preschool aged daughter, realized in 1995 that she could not remain on AFDC to care for her daughter indefinitely and would have to find work to support the family. With her brother's help she found a job as a housekeeper at the community center, found out about and signed up for New Hope, and used the program's child care subsidy to place her daughter in full time child care. She maintained these arrangements for the three years of her New Hope eligibility. When her eligibility for New Hope ended, she was concerned about finding a child care arrangement that would continue the same kind of program and that she could afford. Fortunately, Andrea was able to enroll her daughter in a local school k-4 program, which covered most of her child care needs, with the exception of a short time in the morning and in the afternoon. She arranged with the child care center her daughter had attended since infancy to provide free care during these periods, and the school provided bus service to and from the center.

Third, parents may have perceived some positive effects of formal care for their children. In ethnographic interviews, parents said they thought that formal care contributes to children's academic skills. Recent research indicates that children who attend child care centers in the infant and preschool years perform better on cognitive and language tasks and show better school achievement than do those who spend time in home-based care of comparable quality.⁴ The positive effects of center-based care endure into the first few years of school.⁵ The 2-year impacts of New Hope on children's academic functioning may in part reflect benefits of increased time in center-based care.

Finally, New Hope project representatives worked to help families adjust to the loss of New Hope benefits at the end of the three-year program. Project representatives may have increased participants' awareness of other resources for child care assistance (to replace the New Hope child care subsidy) and helped them transition to the W-2 subsidy system. This may have contributed to the sustained positive effect of New Hope on the use of formal child care. However, it is noteworthy that by two years after the program's end, program group families were not more likely to be receiving any public child care assistance. Given that program families were not spending significantly more money out-of-pocket on child care than control group families, despite their increased use of formal care, it may be that they were able to negotiate or access resources for child care outside of the W-2 system.

⁴ NICHD Early Child Care Research Network 2000; Zaslow, McGroder, Cave, & Mariner 1999

⁵ Yoshikawa 1999; Broberg, Wessels, Lamb, & Hwang 1997