



The Subsidy Squeeze: How Child Care Providers Experience Benefits, Barriers, and the Eligibility Cliff in Categorical Programs



Dan Wang ^a, Amber H. Beisly ^b, Sarah E. Connelly ^c, Courtney Dewhirst ^d, Lisa White ^c

^a Department of Sociology; ^b Department of Early Childhood Education; ^c Educational Training, Evaluation, Assessment, and Measurement Department; ^d Instructional Leadership and Academic Curriculum
The University of Oklahoma

RESEARCH AIM

Aim

To assess the process and impacts of a multi-year program that provided categorical eligibility for child care providers to access child care subsidies in Oklahoma.

Background

- Early childhood care and education (ECCE) plays a vital role in child development and well-being, yet faces substantial challenges.
- When equipped with adequate resources and support, high-quality ECCE programs foster children’s development and yield lasting benefits for children and families.
- The categorical eligibility for the child care providers program in this study allowed all child care workers to qualify for a child care subsidy for their young children, regardless of their income.

METHODS

Research Design

- **Exploratory mixed-methods study**

Participants

- **Three focus groups** with urban and rural child care directors and staff.
- **62 survey responses** from child care providers.

Qualitative Data Analysis

- **Thematic analysis** examined qualitative data from two sources: focus group transcripts and open-ended survey responses.

Quantitative Data Analysis

- **Descriptive analysis** to understand characteristics and experiences of grant recipients with categorical eligibility for child care subsidies.
- **Measures**
 - Job Satisfaction (4 items)
 - Turnover Intentions (4 items)
 - Professional Support (1 item)

RESULTS

Qualitative Findings

1. How did families and child care centers utilize subsidies?

- **Family Utilization:** Meet Basic Needs and Enhance Quality of Life
- **Center Utilization:** Strategic Workforce and Quality Investments

2. Who received child care subsidies?

- **Universal Participation**

“All of my teachers with children utilized that.”

- **Eligibility Cliff Effect**

“The other two would not have [qualified for traditional subsidies]. And where I have seen it make a difference is almost in my staff in charge, and one of them was my assistant director...they had kind of reached that point where, between them and their husband, they were over the line...That was where I saw the difference, trying to bring in staff in charge or master teachers.”

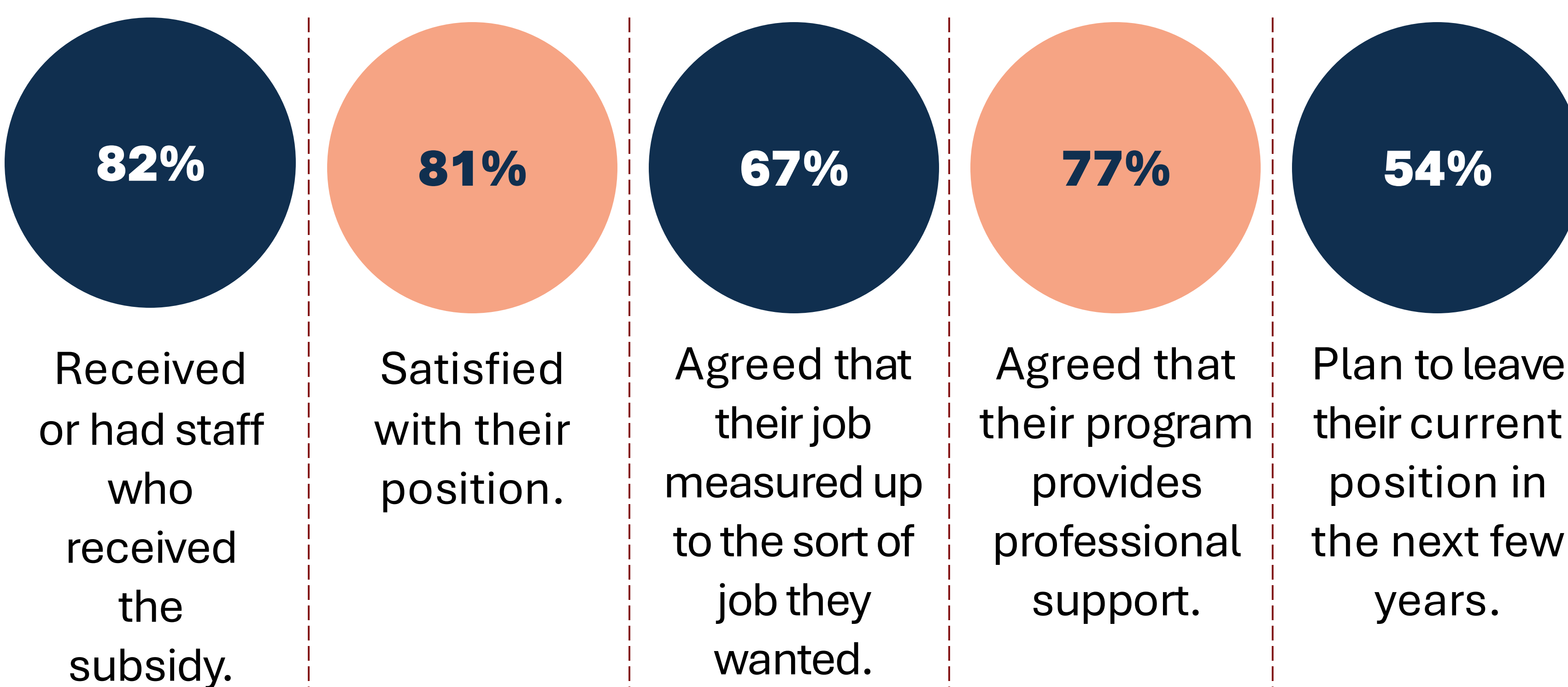
3. What barriers exist to receiving child care subsidies?

- Administrative Failures and Knowledge Gaps
- Systemic Communication Breakdowns

4. What were the impacts of ending the child care subsidies?

- Immediate Financial Shock and Family Crisis
- Center Operational Collapse and Revenue Crisis
- Workforce Exodus and Professional Demoralization
- Human Cost and System-Wide Implications

Quantitative Findings



DISCUSSION

Challenges for the ECCE Workforce

- The early care and education field faces low wages, minimal benefits, and high turnover rates.
- Many providers with young children face economic hardships and inflexible work policies that hinder their ability to afford child care.

Child Care Subsidies as Resources

- The categorical eligibility program benefits the child care workforce.
- Discontinuation would have negative impacts on individual educators, families, the profession, and the education system.

Future Directions to Support ECCE

- Future program implementation should refine the application process, enhance communication, and expand support for vulnerable populations.

Oklahoma in Action

- Recently passed a law, HB 2778, expanding access to subsidized child care for the ECCE workforce.
- Oklahoma Partnership for School Readiness (OPSR) will administer the Strong Start Program that provides free child care benefits to eligible

ACKNOWLEDGEMENTS

Funding Source

- Preschool Development Grant Birth to Five (PDG B-5) Evaluation Grant from the Office of Early Childhood Development within the Administration for Children and Families | Department of Health and Human Services.

Acknowledgements

- Oklahoma Partnership for School Readiness (OPSR)
- The evaluation team, led by Drs. David A. McLeod, Diane M. Horm, and Erin J. Maher.
- Study participants