

# **Child Care Instability**

*Definitions, Context, and Policy Implications*

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## **Executive Summary**

In recent years, an emerging body of research has examined child care instability and continuity, and the role they play in the lives of low-income children and families. Policymakers are increasingly interested in child care instability and continuity of care as well. This focus is timely, given that the major federal-state child care program—the Child Care and Development Fund (CCDF, also known as the Child Care and Development Block Grant or CCDBG)—is up for reauthorization, thus providing an opportunity to address concerns about child care stability during the forthcoming policy discussion.

This paper is designed to support this emerging interest and inform the forthcoming policy debate. It first looks at what is and is not known about child care stability, then provides a framework to explore the implications of child care instability for children’s development, parental employment, and the often dynamic lives of low-income families. It also discusses the policy implications of these findings, with a particular focus on the CCDF. Finally, it highlights areas where future research is needed.

### ***Key Findings***

#### *What do we mean by child care instability?*

One challenge of looking at child care instability is that the terms and definitions are imprecise. “Continuity of care,” “child care stability,” and “changes in child care” are used interchangeably but can refer to very different phenomena that are likely to have different consequences for children and families.

These terms commonly refer to one of three changes in child care that can occur simultaneously: the end of an arrangement, multiple arrangements used within a particular period (such as a child care center in the morning and grandparent in the afternoon), and the end of a relationship with a caregiver within a particular arrangement. This paper focuses primarily on the first of these changes—which we also call child care instability—though it also provides information on other child care changes.

#### *Why should we care about child care instability?*

There are several reasons to be concerned about child care instability. First, it is common. Second, child care instability can affect children’s healthy development, and it seems likely to present particular problems for more vulnerable children who may be at special risk of poor developmental outcomes. (However, research also shows that other contextual characteristics of child care instability likely shape the impact of this change, including whether the ending is voluntary, intentional, provides time for transition, or is made to meet the developmental needs of the child. Understanding more about these characteristics of changes is essential as we explore the impact of instability on children and families.) Third, child care instability is closely related to work instability, and thus can affect efforts to support employment among low-income families.

Finally, child care instability relates closely to the stability (or instability) of other domains of family life—such as income, housing, health, and family composition—and needs to be considered as part of this larger network of family issues. As such, child care instability has implications for a number of important areas of child and family well-being. These complex interactions also highlight why instability can be much more challenging for lower-income families, who are particularly likely to experience multiple forms of instability and have fewer resources to respond. The interactions also help underscore the role that *flexibility* can play in reducing the destabilizing impact of instability in one domain. For example, flexibility in one domain, such as employment, could absorb some of the impact of child care instability and minimize the domino effect.

When perceived in this larger context, it becomes clear that child care is one component of a family’s complex balancing act. It also becomes clear that the relationships between stability in child care and stability in these other dimensions, and the stabilizing effect of flexibility, are likely to be very complex, with multi-directional, multi-faceted, and dynamic causes and effects. These findings also highlight the importance of recognizing this complexity and exploring these nuances when researching these questions. Finally, they suggest that supporting stability *and* flexibility in child care could help stabilize families by interrupting the cascading effect of instability in other domains.

#### *What causes child care instability?*

A host of factors can precipitate the ending of a child care arrangement. These include changes in employment; a caregiver’s decision to stop providing care; a parent’s decision to seek a different type of care because he or she is unhappy with the arrangement or because the child is ready for a new arrangement (such as going to school); changes in the parent’s ability to afford care; or changes in other logistical factors, such as transportation, schedules, and so forth. However, disentangling *the* cause for any particular ending can be challenging, as causes can occur simultaneously and can interact. This suggests that future research should work to explore these factors in greater depth.

#### *What do we know about the role of CCDF voucher subsidies in stability?*

While research suggests that the CCDF voucher subsidy system can help support stability, some other research suggests that elements of the child care subsidy system can contribute to the instability of care for low-income families:

- Child care subsidy eligibility and benefit levels are often tied tightly to eligibility characteristics that are highly changeable (including employment, income, and family composition), thus making subsidies inherently unstable.
- Administrative procedures can increase voucher instability. While some states have taken steps to address these problems, a number of state and local voucher policies and implementation practices can make it more challenging for families to receive and retain subsidies.

- Funding constraints add pressure to states to tightly control and monitor eligibility.

*What policy options can help?*

While few studies examine the effectiveness of strategies to support stability, the information in this report suggests a few promising areas to pursue. In particular, research on the factors related to stability suggests that certain conditions can support stability. For example, child care stability is more likely when the settings are

- stable themselves (i.e., caregivers are not likely to abruptly stop providing service);
- affordable for the family;
- matched to parents' preferences for care;
- able to meet the child's needs in terms of his or her age/developmental stage, personality, and special needs;
- appropriate to the family's unique life demands (work schedules, housing situation, personal logistics, transportation options, context, and other special needs [such as disability, etc.]);
- flexible and responsive to dynamic changes in the family member's lives; and
- chosen intentionally, which includes giving parents sufficient time to make an informed decision and having information on how well the arrangement meets their needs.

Five policy strategies that could help support these conditions are discussed in this paper and can be summarized as follows:

- Address inadequate funding levels that make it difficult for states to take any of the steps described below.
- Review and revise CCDF voucher policies and practices to ensure that vouchers are stable, flexible mechanisms to help families access child care, and that vouchers stabilize rather than destabilize care arrangements. This requires policymakers to consider how CCDF could support a broader concept of work, education, and self-sufficiency along with stability for children, rather than tightly linking eligibility to current work status.
- Ensure that CCDF policies focus on supporting a stable supply of quality care. Strategies should include assessing the role of voucher payment policies and practices, considering alternative financing mechanisms, helping providers improve their financial management capacity, and so forth.
- Strengthen CCDF's focus on helping families make intentional and informed child care choices through quality rating and improvement systems, child care resource and referral supports, and other forms of engagement.

- Identify and target CCDF services and other early childhood supports to families with highly unstable patterns in child care, work, housing, family composition, income, or other family domains.

Finally, the paper describes several important areas for future research that could support more informed policy decisions. Research needs to focus on developing more precise language and terminology for different aspects of change, develop and test logic models that not only illustrate the inputs and likely impacts for different forms of instability or discontinuity but also consider various mediating and contextual factors that affect the likely impact, and evaluate strategies to support stability.

While child care stability needs significantly more research, it matters for children's development, is closely linked to parental employment, and is part of a larger web of family instability and stability. As such, stability in child care is clearly in the purview of the Child Care and Development Fund. It should be a priority as policymakers consider how to help the CCDF support parental work, parent choice of providers, and healthy child development.



# **Child Care Instability**

## *Definitions, Context, and Policy Implications*

In recent years, an emerging body of research has examined child care instability and continuity, and the role they play in the lives of low-income children and families. Policymakers are increasingly interested in child care instability and continuity of care as well; for example, the leadership of the Child Care Bureau of the U.S. Department of Health and Human Services regularly highlights the importance of child care stability and continuity in public forums, and state child care administrators have identified improving continuity as a priority area of concern.<sup>1</sup> Their interest usually centers on the implications for children’s development and parental employment—the two overarching goals of federal and state child care efforts.

This focus is timely, given that the major federal-state child care program—the Child Care and Development Fund (CCDF, also known as the Child Care and Development Block Grant or CCDBG)—is up for reauthorization, thus providing the opportunity to incorporate concerns about child care stability into the forthcoming policy discussion.

This paper is designed to support this emerging interest and inform the forthcoming policy debate. It first looks at what is and is not known about child care stability, then provides a framework for understanding the implications of child care instability for children’s development, parental employment, and the dynamic lives of low-income families. It also discusses the policy implications of these findings. While it focuses on implications for the CCDF, the paper also discusses other federal priorities in early care and education. Finally, it highlights areas where future research is needed.

The paper is organized around the following questions:

1. What do we mean by child care instability?
2. Why do we care about child care instability?
3. What causes child care instability?
4. What do we know about the role of CCDF voucher subsidies in stability?
5. What policy options can help?

While this paper is not limited to research focusing on children younger than school age, or to research focusing on lower-income children, much of the work cited here has focused on those subsets of children.

## What Do We Mean by Child Care Instability?

One challenge of looking at child care instability is that the terms and definitions are imprecise. “Continuity of care,” “child care stability,” and “changes in child care” are sometimes used interchangeably to refer to the same phenomenon; at other times, they are used to describe very different phenomena that are likely to have different consequences for children and families.

Several kinds of changes in a child’s child care situation have been described using the terms above. Box 1 describes these changes, and how they are often defined and measured, in greater depth. The changes include these three:

- The *ending of a child care arrangement*—most often (but not always) the primary arrangement. This is often described as instability, though it is also described as change and discontinuity in care. (Some researchers suggest reserving “instability” for situations where arrangements end unpredictably.<sup>2</sup> We do not use this narrower definition here as the research literature often does not provide information on the predictability of the ending of the arrangement.)
- The use of *multiple arrangements*, which involve transitions for the child as he or she moves from one setting to another in a given day, week, or month. Multiple arrangements can be collectively stable and long-lasting, can involve frequent endings and beginnings, or can be a mixture of both. Therefore, there is some debate whether multiple arrangements should be considered a form of instability or discontinuity without considering additional factors (Morrissey 2008).
- How often a child experiences *the ending of a caregiver relationship within an arrangement*, such as the departure of a child’s teacher in a child care center. Although the overall arrangement is not classified as unstable, a change in caregiver can represent instability and discontinuity from a child’s perspective.

Each of these constructs captures some type of change in the child’s relationships with caregivers. Further, these changes can occur in combination or separately; for example, a child can experience unstable multiple arrangements and have a caregiver in one of those arrangements leave. Or a child can experience two of the three types of change, or only one.

The challenge, however, is that the implications of each type of event likely differ for children and families. Thus, how we define and measure instability or changes in child care affects the impact that we might expect (de Schipper, Van IJendoorn, and Tavecchio 2004; Tran and Weinraub 2006; Weber 2005). This suggests that future research should develop a clear and consistent terminology, explore the variable impacts of these different types of instability (or of particular combinations), and think through (and test) logic models for the kinds of changes one would anticipate stemming from these different forms of change.

In this paper, whenever possible, we focus on the first type of change—the ending of a child’s arrangement—and use the term “instability” to refer to these changes. We focus on this aspect of child care change because it clearly relates to children’s ability to have stable loving relationships with caring adults and, therefore, to children’s development, as well as to the ability of parents to balance work and other domains of family life. Given that this paper focuses the role of instability in child development, parental employment, and other domains of family stability, this aspect of child care change is the most relevant for our purposes. However, we are not always able to limit the discussion to instability because the research does not always distinguish between different forms of change. To the extent possible, we highlight when the research discussed includes other definitions.

### **Box 1. Defining and Measuring Child Care Stability**

Child care stability, continuity, or change in arrangements has been defined and measured in three different ways.

First, some measures focus on how often children experience *changes in their actual arrangements*. Most commonly thought of as involving *instability* in care, these measures include the following:

- Changes in settings and arrangements over time, which can be measured by the frequency of changes in arrangements, the number of spells in different arrangements over time, or frequency of care starts. These usually, but not always, focus on changes in primary arrangements. See, for example, Chase et al. (2005); de Schipper et al. (2003); Elicker, Fortner-Wood, and Noppe (1999); Gordon and Högnäs (2006); Hart (2006); NICHD Early Child Care Research Network (1997); and Scott, London, and Hurst (2005).
- The length of time a child is in any particular arrangement. See, for example, Loeb et al. (2003).
- The primary provider ratio, which calculates the number of months within a particular period that a child is with his or her primary provider. See, for example, Weber (2005).

However, some researchers suggest that these changes differ in their impact on children’s development and family outcomes and suggest that a distinction be made between predictable changes in arrangements (which they call change) and unpredictable changes (which they label instability).

*continued...*

### **Box 1. Defining and Measuring Child Care Stability (continued)**

Second, other measures of child care change focus on *multiple arrangements*, or the *number of arrangements* that children experience at the same time. (See, for example, de Schipper et al. 2003, 2004; Morrissey 2008; and Scott et al. 2005.)

There is some debate over whether multiple arrangements should be considered unstable or involving discontinuity of care. Some researchers include multiple arrangements as one form of instability, as it affects how often children must transition between relationships within a day, week, or other period. However, some researchers argue that *multiple arrangements* should be distinguished from *instability*, as each arrangement (and the combination) can be either stable or unstable (see, for example, Morrissey 2008). For example, a child can be in the same arrangements for a long period, or can be in multiple arrangements that change frequently. The former situation could be seen as relatively stable, whereas the latter would involve more instability (similar to that described above in the bullet on changes in arrangements). These two situations would likely have very different impacts on children’s development and sense of security, as well as upon family stability. Further, it seems possible that these situations may have variable impacts upon children depending on their other circumstances—such as their age, the level of chaos in their lives, and so on.

Third, still other measures focus on how regularly children experience *stability in their caregiving relationships within a particular setting*:

- How often children experience day-to-day and over-the-course-of-a-day stability in staffing and grouping patterns. (See, for example, de Schipper et al. 2004.)
- How often children experience changes in primary non-parental caregiver without experiencing a change in the actual setting—this is particularly important for children in child care centers, where there may be staff turnover without changes in the actual setting. (See, for example, Barnas and Cummings 1994 and de Schipper et al. 2004.)

This kind of change is important because it can produce discontinuity of care for the child but is less likely to affect the parent’s ability to work and the stability of other aspects of family life.

One of the most challenging aspects of examining these forms of change is that they can occur simultaneously or in various combinations. As a result, it can be even more challenging to disentangle the impacts of different forms of change.

## Why Should We Care about Child Care Instability?

The second major question we explore is why child care instability matters. This section examines what we know about four key issues related to the overarching question:

1. How common is instability in child care?
2. What does instability in child care mean for children's development?
3. What is the relationship between instability in child care and parental employment?
4. What is the relationship between instability in child care and instability in other family domains?

### *How Common Is Instability in Child Care?*

Research has consistently found that a substantial number of children and families experience child care instability, regardless of the definition used. For example, several studies examine how often children experience *changes in arrangements*—albeit across different populations of families—and all find a significant subset of children experiencing these changes:<sup>3</sup>

- A study examining child care patterns of a representative sample of families in Minnesota with children under age 12 shows that 22 percent of children under age 3 and 24 percent of children age 3 to 5 had a change in arrangements during the previous year (Chase et al. 2005).
- A study of a subsample of low-income mothers with children younger than 6 living in rural areas finds that a third changed child care arrangements in a one-year period (Hart 2006).
- A secondary analysis of NICHD data finds that 39 percent of infants in nonmaternal care have at least one change in primary arrangement between the ages of 6 and 15 months (Tran and Weinraub 2006).
- A study using administrative data on low-income families receiving child care subsidies in Oregon finds that over four years, half of arrangement spells last three months or less. Further, among children observed in the dataset for 12 months, 70 percent have at least one change in primary provider (Weber 2005).
- An ethnographic study of 42 low-income working families over two years finds that between a third and three-fifths of families change child care during any one of the five periods studied (Lowe, Weisner, and Geis 2003).<sup>4</sup>
- An ethnographic longitudinal study of 42 low-wage working single mothers over nearly three years in New York City finds that 60 percent of children are in five or more primary nonmaternal care spells from birth to age 4. When the nontransitory secondary care arrangements (those that lasted at least a month) are added, the average number of care spells per child rises to 12. On average, primary care spells

last about 7.5 months, and almost 40 percent of primary care spells last 3 months or less (Chaudry 2004).

### ***What Does Instability Mean for Children’s Development?***

One reason for concern about child care stability is because of the role it may play in children’s development. This section briefly describes what research tells us about this issue—first describing the relationship between stable care and children’s attachment, then describing what is known about the implications of different kinds of instability for different kinds of children and families. The studies cited in this section are not consistent in how they define and measure stability; therefore, these findings are not solely related to the impact of ending the child care arrangement (or *instability* as used in this paper).

#### *Child care stability is important for children’s healthy development*

Children need to develop trust and security through attached relationships with their caregivers (Howes and Hamilton 1992; also see Weber 2005 and the National Scientific Council on the Developing Child 2004 for summaries of the literature). Research and common sense suggest that relationship stability is an important part of being able to develop a secure attachment (Barnas and Cummings 1994; Elicker et al. 1999; Raikes 1993),<sup>5</sup> and that this stability is particularly important for very young children.

Numerous studies find a relationship between child care stability, attachment, and child outcomes.<sup>6</sup> These include, for example, research demonstrating relationships between child care stability and social competence (NICHD Early Child Care Research Network 2003), behavior outcomes (Huston, Chang, and Gennetian 2002), cognitive outcomes (Loeb et al. 2003), language development (Tran and Weinraub’s 2006 reanalysis of NICHD data), school adjustment (Howes 1988), and overall child well-being (de Schipper et al. 2003).<sup>7</sup>

However, despite the amount that is known about these relationships, relatively little is known about the mechanisms that underlie the relationship between child care stability and child development. For example, is it related to stress? attachment? health?

#### *Stability may be especially important for children who face particular vulnerabilities*

Instability and changes in child care arrangements may have a greater impact on the well-being and development of children who have particular vulnerabilities. This is consistent with research suggesting that the quality of early care and education may be of greater importance to children who are otherwise at risk of poor developmental outcomes (for a summary of this research, see Adams, Tout, and Zaslow 2007).

- *Infants and toddlers:* Stability in care arrangements seems to be particularly important for very young children—infants and toddlers—as the foundational blocks of trust and secure attachment are laid in the early years.<sup>8</sup>

- *Children who are vulnerable to poor outcomes because of maternal insensitivity:* For example, in the NICHD study of early child care, children who have less sensitive mothers and have more care arrangements over time are more likely to have insecure attachments; 44 percent of children with both risk factors have insecure maternal attachments, compared with 37 percent of children with one risk factor or neither (NICHD 1997).<sup>9</sup>
- *Children in lower-quality care:* One study finds that links between language development and having multiple arrangements vary depending on the quality of child care. Specifically, among children in higher-quality primary arrangements, language development is better when children have multiple concurrent arrangements than when they only have one. But, among children in lower-quality primary arrangements, language development is better if children are in fewer concurrent arrangements (Tran and Weinraub 2006).
- *Children from low-income families:* Many studies highlighting concerns about the effect of instability on children's development focus on low-income populations, such as families on TANF, child care subsidy receivers, and single mothers with low-wage jobs (Chaudry 2004; Hart 2006; Loeb et al. 2003; Weber 2005).
- *Children who face significant instability in other aspects of their lives:* Research also suggests that stability is particularly important for children who face significant disruptions in their home lives or their primary family relationships—for example, because of family disruption, homelessness, parental incapacity, and so forth. For these children, a stable relationship with another caregiver can be critical in giving them a sense of safety. Conversely, additional disruptions in child care relationships can exacerbate any developmental harm the child has already experienced (Dicker and Gordon 2004).

While more research is needed in all these areas, these findings suggest that instability may be of particular concern for children who are more vulnerable because they are very young, have parents with particular challenges, are in poor quality care, live in poverty, or have experienced significant instability in other areas of their life. Interestingly, these research findings are echoed in work examining the causes and impact of chronic school absence and school mobility upon school-age children. Chang and Romero (2008) suggest similarly complex and layered reasons behind school absence and highlight the particular challenges facing families with multiple problems. In addition, a workshop hosted by the National Research Council and Institute of Medicine (Beatty 2010) examined the impact of frequent moves on achievement levels and identified similar concerns.

*More information is needed to understand how the context and motivation of child care change relate to its effect on children's development*

While research suggests that instability affects children's development, the extent to which instability is a concern may vary depending on the specific situation. For example, the following characteristics of child care change may be important to consider when

assessing effects of instability on child outcomes (note that some of these characteristics are linked):

- *Whether it is predictable:* As noted earlier, Lowe and his colleagues (2003) suggest that predictable changes (such as those linked to a child’s going to school or getting older and needing a different kind of arrangement) are less problematic for families and children’s well-being than are unpredictable changes. This makes intuitive sense, as predictable changes allow both children and families to have advance notice, to plan for transitions, and to minimize disruption.
- *Whether it is intentional:* A closely related, but somewhat different, issue is whether the instability is intentional. For example, changes stemming from a parent’s conscious decisions, or made to accommodate a preference, seem less likely to create challenges for the child and the parent. Part of this is that intentional changes seem more likely to be predictable, but it is also because they are related to the parent deciding to meet the child or family’s needs.

This is closely related to the suggestion that it is important to consider whether multiple arrangements are *purposive* (Morrissey 2008). Specifically, some parents choose to have multiple arrangements so their children have a particular combination of options (such as part-time group settings focused on school-readiness and part-time family-like arrangements), while others appear to be forced into a patchwork of multiple arrangements in reaction to a changing or challenging employment situation.

- *Whether it involves moving to higher-quality or more developmentally appropriate care:* Some research suggests that when parents make child care changes to improve the quality of care, some of the negative effects of instability may be ameliorated by the positive effects from quality improvement. Tran and Weinraub (2006) describe this as the “protective factors” model, in which high-quality child care mitigates the negative effects of multiple arrangements or a transition in care arrangements.

Similarly, some suggest that the impact of the change may differ if the parent makes the change to meet a developmental need of the child. For example, many parents move from more family-based care settings to more center-based group settings as children move closer to school age. One could imagine this change is in the best interests of the child and could be positive over the long term.<sup>10</sup>

- *Whether the child continues to have a relationship with the caregiver:* Some research suggests that changes that involve ending child care relationships with individuals with whom the child will continue to have an ongoing relationship (i.e., relatives or close family friends) are not as disruptive to children’s sense of trust as ending a child care relationship with someone who will not continue to be in their lives (Weber 2005).
- *Whether there is a threshold at which instability becomes problematic:* Finally, while instability can be problematic for children’s development, it also appears that



infrequent child care changes may not be of concern. However, as Weber (2005) concludes, there is no agreement on the level at which disruption is problematic, or whether this threshold varies for children with different levels of risk or with different characteristics.

In general, the evidence in this area is in the early stages of being accumulated. Much work remains to be done to fully understand whether and how much these factors change the effects of child care instability on children's development, as well as on parental employment and other areas of instability.

*More information is needed about how child characteristics, contextual factors, and motivational factors interact to affect child outcomes from instability*

The preceding discussion concludes that child care instability may be of greater concern for children who are more vulnerable in certain ways. The discussion above also concludes that the effects of instability may differ depending on contextual issues around the change (such as intentionality, predictability, and frequency). However, these factors are likely to co-occur and interact for particular children and contexts. For example, families whose lives are more chaotic may face more instability that is less predictable, may be more likely to be using poorer quality care, and may be less likely to make child care changes that result in moving to a better quality arrangement. Further, families in these situations may be more likely to face other challenges that can create developmental risks. As a result, the relative importance of these various factors is challenging to disentangle, though they all point to greater concern for more vulnerable families and children.

This complexity highlights the importance of designing research to consider these issues in assessing the impact of instability on children's outcomes. Future research should focus on understanding the kinds of stability and instability that seem most important for children in different contexts, the characteristics of children who are most vulnerable to poor outcomes from instability, and the child or family characteristics and contextual factors that either moderate or worsen these outcomes.

### ***What Is the Relationship between Instability in Child Care and Parental Employment?***

Another reason policymakers have been concerned about child care instability is because of the potential link to instability in parental employment. The employment patterns of low-income parents are often characterized by instability, with frequent job changes, spells of unemployment, and shifting or odd-hour work schedules (see box 2 for details). While job instability is not always a problem, as job changes can be associated with moving up into higher-wage jobs, it is problematic if it is associated with periods of unemployment resulting in less work experience.

While employment instability has many causes, child care challenges can certainly play a role, and the close ties between child care and employment are such that instability in either domain could result in instability in the other. Some researchers

suggest that decisions about child care and employment are “paired decisions,” as they are so closely intertwined (Chaudry and Henly 2010).

Various studies have identified links between child care stability and employment stability, although the causal pathways have not been clearly delineated. However, some studies have found that at least some of the employment instability noted earlier is related to child care instability:

- Several studies find that mothers report that the lack of reliable and dependable child care arrangements affected their ability to remain employed (Bowen and Neenan 1993; Mason and Kuhlthau 1992; Presser and Baldwin 1980).
- Job exits for middle- and high-income mothers have been associated with ending of child care arrangements; this association is not found for lower-income mothers (Hofferth and Collins 2000).<sup>11</sup>

Research also shows a causal pathway from employment stability to child care stability. For example, a study of women moving from welfare to work in Cleveland finds that one theme behind unstable child care is complexity of arrangements and shifting of arrangements to “manage the demands of employment.” The women in the study “faced erratic schedules and long days that required them to patch together creative child-care arrangements.... Although the arrangements were often complicated responses to equally complicated work situations... they were too often also unstable” (Scott et al. 2005, 379). Similarly, in a study of 42 low-income working single mothers in New York City, more than half experienced the end of a child care spell caused by a change in employment during a four-year period (Chaudry 2004).

## **Box 2. Low-Wage Workers: Challenges around Instability in Employment**

Research on employment patterns of low-income workers has shown that many workers face unstable work situations either because employment patterns may be unstable or because their jobs may involve unpredictable work hours.

### *1) Low-wage workers may experience unstable work patterns:*

- Many low-wage workers experience frequent job changes. For example, by age 30, high school graduates with no college have already worked for an average of eight employers (Ahituv and Lerman 2004).
- Unemployment spells are common. In 2006, for example, 15 percent of families with incomes below 200 percent of the poverty level had a parent who was unemployed some time during the year. Bouts of unemployment can be long for low-income families; the average spell was about 21 weeks in 2006, compared with about 17 weeks for all workers (Simms 2008). Spells are likely to be longer now because of the prolonged unemployment associated with the current recession.
- TANF families moving from welfare to work can face particularly turbulent patterns. Families may move from one type of activity to another, with small breaks in between, and the length of their activities can range from a few weeks to a few months (Adams, Holcomb, et al. 2006).

### *2) Low-wage workers may be particularly likely to have jobs where the hours are unpredictable:*

- While her study is not limited to low-wage workers, Presser finds that one-fifth of American workers do not have a standard (e.g., fixed, daytime) schedule on their primary job. Among workers without fixed schedules (i.e., a fixed and predictable schedule during the day, evening, or night), 21 percent work variable hours and another 18 percent have a rotating work schedule (Presser 2003).
- Studies of low-wage hourly workers suggest that instability in work schedules—including schedule unpredictability, variability in hours, and limited control over work hours—is especially severe for this group (Henly and Lambert 2005; Henly, Shaefer, and Waxman 2006; Lambert and Henly 2007; and Perry-Jenkins 2008).
- A study of welfare leavers in three cities finds that a third work nonstandard hours or changing schedules (Rangarajan, Schochet, and Chu 1998). Another study finds that 11 percent of service occupation workers work irregular, rotating, or split shifts (Acs and Loprest 2005).

### *3) Many parents who receive child care subsidies work in industries that face volatility:*

- Studies of the employment patterns of families on CCDF in four states and the District of Columbia find that families on CCDF are particularly likely to work in the retail and service industries. These “two sectors employ between 65 percent and 85 percent of low-income workers who receive child care subsidies” (Okuyama and Weber 2001, 17). However, these industries are characterized by nontraditional hours and employment volatility. As a result, CCDF recipients appear particularly likely to have unstable employment patterns.

As was true in the preceding section on the relationship between instability and child development, some factors likely influence the effects of child care instability on employment stability. In particular, whether the employment context is flexible in allowing the parent to adjust to changing child care situations (and vice versa) seems quite important. However, as described in box 3, low-wage workers are particularly likely to face inflexible workplaces.

Flexibility is an important issue for this discussion. As Emlen describes in his seminal work in this area, flexibility is key to balancing work-family demands (Emlen, Koren, and Schultze 1999). Emlen identifies three potential areas of flexibility: work, family, and child care. Given that low-wage workers are less likely to find flexibility in their workplace, this heightens the importance of flexibility in their child care arrangement. Families facing inflexible workplaces and inflexible child care situations seem far more likely to face challenges in maintaining stability in one domain if they experience instability in the other (Emlen 2010).

Some families address the need for flexibility through multiple child care arrangements. Hofferth and Collins (2000) suggest that for low- and moderate-income mothers, multiple arrangements can help reduce job exits by providing additional flexibility and stability (also see Henly and Lambert 2005).

### **Box 3. Low-Wage Workers: Challenges of *Inflexible* Workplace Demands**

In addition to having unstable work situations, many low-wage workers have fairly inflexible workplaces, making it more challenging for them to adjust their work situations to accommodate challenges in their home life or parenting:

- For both lower-income parents and those in entry-level, lower-skill jobs, access to paid time off (including vacation, sick, or personal days) is significantly less than what is provided to higher-income parents or those in higher-skilled jobs (Acs and Loprest 2008; Ross Phillips 2004). The 2002 National Study of the Changing Workforce (NSCW) (Bond and Galinsky 2006) finds that low-wage and low-income workers are less likely than mid- and high-wage workers to be allowed
  - some paid time off for personal illness (39% versus 79%);
  - time off to care for a sick child without losing pay or using vacation days (24% versus 54%); or
  - enough paid time off to care for a sick child (17% versus 49%).

And only 33 percent of low-wage and low-income workers have control over when they take breaks during the day (Bond and Galinsky 2006).

- Lower-wage and lower-income workers have fewer options and less access to flexible work arrangements than higher-wage and higher-income workers (MacDermid 2006; Richman, Johnson, and Buxbaum 2006). According to the most recent data from the National Study of Employers, organizations in which more than half of employees are hourly have less workplace flexibility than organizations with fewer hourly workers (Galinsky et al. 2008).

### ***What Is the Relationship between Instability in Child Care and Instability in Other Family Domains?***

A final reason to be concerned about instability in child care is the evidence that child care is part of an interconnected set of family situations that can yield a cascading effect of instability for children and families. As discussed in box 4, lower-income families are disproportionately likely to experience instability in such key areas as income, health (including disability), household composition, and housing.

While more research on how instability in these domains is related to instability in child care is needed, there is some evidence of a connection. For example:

- Perry-Jenkins (2008) argues that unpredictable work hours and schedules create financial instability, which in turn can lead to residential instability, changes in child care arrangements, and indebtedness to kin and friends to whom workers turn for support.
- Similarly, Lowe and colleagues find that 65 percent of families who change care arrangements do so because of “changes in the amount of flexibility present in the

respondent's daily routine," such as employment changes, household composition (i.e., having a baby, moving, health), or because of features of the child care arrangement itself (Lowe et al. 2003, 10).

- Chaudry (2004, 118) highlights intersecting circumstances that can hamper causal interpretations: "It was often the case that much more than just child care was unstable in families' lives, particularly in the earliest years of children's lives when family and housing crises vied with the frequent changes in mothers' work and children's care." Even a change in just one of these domains—for example, in housing—can affect child care stability. Chaudry finds, for example, that 9 percent of the care spells of children ended because of housing changes.
- Roy and colleagues (2007, 13–14) find similarly complex patterns of families "cycling among strategies, settings, and resources ... in rapid succession."

These findings suggest that child care is one component of an intricate balancing act in which families engage. The relationships between stability in child care and stability in these other dimensions, and their mutual effects on children's development, parental employment, and other aspects of families' lives, create a very complex story, with multidirectional, multifaceted, and dynamic causality.

While there is relatively little research on the cumulative impact of instability on the development of young children, research looking at school-age children using data from 1997 found that nationally, more than one out of ten (13 percent) of poor children age 6–12 experienced two or more changes in residence, parent's employment, school, or health in the preceding 12 months. This study found that children who experienced this turbulence were more likely to have emotional and behavioral problems and be less engaged in school than their counterparts (Moore, Vandivere, and Ehrle 2000).

These issues underscore the importance of putting child care instability, and research on its effects on children and families, into a larger context. Failure to explore and understand these contextual issues may well result in inappropriately attributing impacts to child care. Lowe and colleagues (2005, 142) suggest that "child care stability is better viewed as more of an indicator of other things working well in the family context, more than as a discrete indicator taken alone."

#### Box 4. Instability in Other Family Domains

Child care and employment are not the only areas of instability in the lives of low-income families. For example, families also face the following:

- *Income instability:* Research on income volatility in the late 1990s and early part of this century suggests that when looking at families whose incomes fall in the lowest quintile of income, 44 percent of individuals living with children lose a quarter of their income at least once in the space of a year, and one five adults in families with children experiences a 50 percent or greater drop in family income in a year (Acs and Nichols 2010; Acs, Loprest, and Nichols 2009).
- *Health instability:* Health problems are more prevalent among low-income families; almost 21 percent of families with income below 150 percent of the federal poverty level have at least one member in fair or poor health, compared with only 16.7 percent of higher-income families (Perry, Kenney, and Tereshchenko 2009). Further, nearly 10 percent of employed parents developed or had a recurring disability during their time in the survey—and for about a quarter of this group, earnings dropped by more than 25 percent of family income, with other income sources offsetting only a small fraction of lost earnings. These workers were disproportionately likely to be lower income, and were less likely to have more than one working parent in the household.
- *Housing mobility:* Low-income families are fairly likely to move. For example, a study of welfare stayers and leavers finds that 36 percent of stayers with housing assistance moved in the past year, along with 48 percent of those without housing assistance. The numbers for welfare leavers are even higher, at 54 percent of those with housing assistance and 46 percent of those without assistance (Zedlewski 2002).

Further, instability can build across these domains, affecting income particularly adversely. One study finds that changes in employment, family, and health circumstances are “all significantly associated with experiencing a 50 percent drop in income in the next four months” (Acs et al. 2009). This is buttressed by studies showing the links between changes in family composition and poverty as well as employment instability and poverty (McKernan and Ratcliffe 2002), as well as disability and poverty or income loss (Perry et al. 2009).

Interestingly, some researchers are exploring the concept of “family stability” as something that encompasses several of these concepts. For example, Wells and Zinn conceptualize family stability “in terms of steadiness, permanence, and continuity” and measure it through “residential mobility, marital history, household composition changes, employment stability, and length of present marriage or relationship” (2004, 68). They also discuss how economic distress literature finds a strong relationship between economic instability and family instability.

Finally, there is also reason to consider the relationship between stability in these domains and children’s success and well-being. For example, recent research on the impact of stability in family composition suggests that *stability* in family composition may have a greater impact on children’s development than family structure (Peters and Kamp Dush 2009).

## What Causes Child Care Instability?

Research on the reasons behind the ending of child care arrangements identifies a variety of factors, some of which coincide. Various studies have asked parents about their reasons for changing arrangements.<sup>12</sup> Although these studies differ in their approach to the questions and to grouping answers, the reasons cited usually fall into the following general categories:

- *Changes in the parent's employment situation or schedule*, including job changes, variations in work schedules, and changes in job responsibilities.
- *The caregiver ending the child care arrangement*, including providers who go out of business or stop providing care, as well as providers who stop working with a particular child or family.
- *Dissatisfaction with the arrangement*, where parents choose to end a child care arrangement because they feel that the arrangement does not meet their child's or their own needs.
- *Developmental reasons*, such as the child getting older and moving into school, Head Start, or prekindergarten.
- *Changes in ability to pay for care*, including changes in income and/or access to other resources, as well as access to help paying for care through subsidies or changes in subsidy benefit levels.
- *Logistical concerns* such as problems with transportation, hours of service, and so on.

Given that studies ask about these issues in different ways and of different populations, it is not possible to provide a simple picture of the prevalence of any particular reason. Findings from two studies, however, are described in box 6 to illustrate diverse reasons cited, as well as variation across studies in the prevalence of different reasons.

Data such as these, however, should be interpreted cautiously. Child care choice is inherently complicated, as many of these reasons could occur simultaneously.<sup>13</sup> While some researchers deal with this problem by allowing parents more than one response, it still suggests that caution should be used in ascribing any single reason as being causal. It is also quite possible that one "cause" triggers another "cause"—such as a provider changing their schedule which causes the parent to be dissatisfied. As a result, researchers need to be careful to allow for a number of possible simultaneous causes, and to allow for dynamic interactions between them. Researchers are becoming increasingly aware of the complexity of the decisionmaking process that parents use to decide upon child care, and of the challenges of asking parents about these decisions.<sup>14</sup> This suggests, therefore, that the decisionmaking process they use around *changing* child care arrangements is equally complex—and likely to be equally difficult to capture



easily through research. This underscores the importance of identifying ways to better capture these complex interrelationships in future research.

In addition to the difficulty of relying on a single “cause,” the summary of reasons above also does not capture a number of other issues that seem likely to be critical in shaping the effect that the change would have on the child. Revisiting the discussion earlier in the section on instability and children’s development, the effects of ending the caregiving arrangement on the child seems likely to depend on the circumstances surrounding the change, such as:

- Is the change voluntary or motivated by something under the parent’s control, or is it involuntary?
- Is the change intentional or predictable, or is it unplanned and unpredictable?
- Does the family have time to consider various alternative arrangements and prepare for the change?
- Is the parent making the change because he or she believes it supports the child’s developmental needs or for other reasons?

These questions are equally appropriate to consider when exploring the effects of types of child care stability beyond the end of a primary arrangement. For example, parents may sometimes use multiple arrangements intentionally to accomplish particular child development goals (for example, to allow their child to attend a part-day Head Start or prekindergarten program). However, in other situations, multiple arrangements are driven by a need to patch together arrangements to meet employment schedules that change with little notice (Folk and Yi 1994; Morrissey 2008). One can imagine that these would have differential impacts on children and families. Similarly, one can imagine that losing a caregiver within a child care program would affect a child differently if the transition was planned, prepared for, and gradual, versus if it were unexpected and abrupt.

Adding these nuances to research on child care instability is important, and has parallels in other systems. For example, research on housing mobility for low-income families also underscores the importance of understanding the reasons behind, and context for, this mobility when trying to assess its impact (Turner and Briggs 2008).

### **Box 5: Reasons for Ending Care Arrangements from Two Studies**

To provide a sense of the relative prevalence of different reasons that parents give for ending their child care arrangement, we describe the results of two studies. The studies did not use comparable approaches to grouping the reasons, so they cannot be compared.

A study of mothers of children 5 and under in rural areas (Hart 2006), which allowed parents to identify more than one reason for changing arrangements, found the following:

- *Change in the mother’s work or school activities* was the precipitating factor for 46 percent of families whose care arrangement changed. For others, lack of care perceived as satisfactory, or inability to look for care, was a barrier to employment in the first place.
- *A child starting Head Start or kindergarten* accounted for about 20 percent of the endings.
- *A breakdown in the arrangement* accounted for 17 percent of the sample (“the person who was currently providing child care became unavailable or unwilling to continue providing that service”).
- *Financial considerations* accounted for about 5 percent of the changes.
- *Dissatisfaction with their arrangement* accounted for about 6 percent of the changes.

Another study examined a representative sample of parents in Minnesota who had changed arrangements for a focal child under 5 in the previous year, and used different categories (Chase et al. 2005). This study found the following, depending on the age of the child:

- *The caregiver falling through expectedly* accounted for 34–36 percent of changes. This included situations where the arrangement was seasonal, arrangement was considered temporary, the school year started or ended, or the child aged out of a program.
- *Employment or logistical changes/mismatches* accounted for 18–26 percent of changes. This included a change in job or work schedule, a residential move, termination of work or school, or problems with the child provider’s schedule, transportation, or location.
- *Dissatisfaction with the arrangement, or preference for a new arrangement* accounted for 12–15 percent of changes. For example, the parent or the child was unhappy with program, a preferred program became available, the parent wanted to stay with children, or the child became age-eligible for a new program.
- *The caregiver falling through or stopping service unexpectedly* accounted for 16–19 percent of changes.
- *Affordability problems* were cited by 5–6 percent of parents as the cause of the change.

These two studies reinforce the point that there is no single cause of instability. They strongly suggest that policy strategies to support stable care need to be multifaceted and should target the forms of instability that are of greatest concern.

## **What Do We Know about the Role of CCDF Voucher Subsidies in Stability?**

The previous sections lay out why stability in child care is critical for policymakers concerned about supporting low-income children’s development, parental employment, and stable families. This section examines what we know about the role that the Child Care and Development Fund plays in affecting stability. We focus on the CCDF because it is the largest federal-state source of funding and support for child care, and because it will be reauthorized in coming years.

The CCDF is a logical focus for efforts to improve child care stability, as the program’s overarching goals are to support employment among low-income parents and the development of their children. Given the previously discussed links between stable child care and child development, parental employment, and stable families, stability clearly needs to be an important priority for the program.

The bulk of CCDF funds are spent through vouchers that help low-income parents afford child care options in their communities so they can work. This section focuses on what we know about the role of voucher-based subsidies in affecting stability. It provides important context for the next section, which focuses on policy strategies to support stability.

### ***What Do We Know about Links between Voucher Receipt and Stability?***

Child care assistance under the CCDF helps more than 1.6 million American children and their families pay for child care. While more research is needed in this area, subsidy use appears to be associated with stability in two ways. First, subsidy use is associated with a number of positive employment outcomes, including more stable employment (Schaefer, Kreader, and Collins 2006) and increased likelihood of self-sufficiency (Acs, Loprest, and Ratcliffe 2010). Second, some evidence links subsidy use to more stable child care situations; Lowe and colleagues (2005) report that participants in the New Hope program (which included access to child care subsidies as well as other supports) had lower rates of child care instability than the control group.

Despite these positive signs, however, there are also indications that child care vouchers—as currently implemented—do not always provide stable and flexible financial assistance that can support families through periods of instability. Specifically:

- Many families experience short spells of subsidy use. For example, studies using comparable methods of analysis have found subsidy spells ranging from three to seven months (Meyers et al. 2002; Weber 2010), with families often coming back for subsequent spells. Other studies using non-comparable approaches find longer periods because of different measurement approaches (Gardner et al. 2009; Witte and Queralt 2005). Spell lengths seem to be associated with several factors, including the frequency of eligibility redetermination, age of child, receipt of other public assistance, type of employment, and family income.

- Time in subsidized arrangements may be even shorter than the subsidy spell (Weber 2010), and most arrangements are not resumed after a break in subsidy use. For example, only 18 percent of all arrangements are resumed after a break of one month or more (Weber 2005).
- One study of families in Oregon finds that some proportion of families is still eligible for assistance after losing their voucher (Grobe, Weber, and Davis 2006).
- While not all situations in which a family loses a subsidy lead to a change in child care arrangements, many do. For example, an Urban Institute study of child care centers and family child care homes in five counties across the country finds that only some providers said they sometimes or always continue to serve parents once they lost their voucher (Adams, Rohacek, and Snyder 2008, 89).

Overall, the research suggests that for at least some families, the loss of a voucher is likely to result in either losing the child care arrangement or incurring significant costs to afford the child care without a subsidy. However, more research needs to be done in this area.

### ***Why Are Subsidies Unstable, and What Does It Mean for Families?***

While much more research is needed to understand the causes of subsidy instability, qualitative research suggests that the design and administration of the subsidy system can contribute to the problem. The dynamic family patterns noted earlier are also likely to play a major role in subsidy instability. However, given this paper’s focus on CCDF policy and practice, this discussion emphasizes the factors related to the policies and practices of the subsidy system.

There is some evidence the subsidy system can contribute significantly to instability in child care for at least a subset of families that receive subsidies. For example, two studies examining subsidy-related causes as a cause of instability find the following:

- Four in ten families that reported using subsidies in one study “experienced instability in their child care arrangements specifically because of the way the [subsidy] program is structured and administered...subsidies also tended to increase the amount of instability and hassle present in their daily routines and in child care” (Lowe et al. 2003, 13–14).
- According to an ethnographic study of 42 families in New York City, 10 percent of care spells for children end because of subsidy- and cost-related reasons, such as increased cost of copayment, loss of subsidy, administrative problems, or eligibility ending (Chaudry 2004).

While the research base is slim, the available data suggest that three aspects of the subsidy system lead to voucher instability.

#### *Subsidy eligibility and benefit levels are tied to characteristics that are highly unstable*

Child care subsidy eligibility and benefit levels are often tightly linked to characteristics such as employment, income, and family composition. As was described earlier, these

characteristics are highly dynamic, particularly for low-income families. The tight calibration between family circumstances and subsidy eligibility and benefit levels is the result of state concerns about avoiding improper payments, overall fiscal accountability, and allocating scarce resources. These pressures also mean that states move quickly to adjust or terminate subsidies when family circumstances change (Adams, Snyder, and Sandfort 2002).

However, tying subsidy eligibility tightly to unstable characteristics makes subsidies inherently unstable.

- One study highlights the interconnections between instability across family domains (such as family mobility, employment mobility, and residential mobility) and child care subsidy instability. It finds that family mobility and employment changes disrupt child care subsidy use, and that residential mobility is associated with employment instability (Grobe et al. 2006).
- Case study research also shows these connections. For example, Lowe and Weisner (2004) relay the experiences of Michol, a mother who lost her subsidy because her work schedule and wages fluctuated unexpectedly. She then switched to a temporary caregiver and was planning on switching again.
- Similarly, interim findings from an ongoing study of low-income parents' child care choices highlights the example of a mother of five children who got back together with her children's father; her subsidy co-pay increased so much that she had to stop using child care subsidies because she couldn't afford care (Danziger, Chaudry, and Pedroza 2009).

#### *Administrative hurdles and problems can add to voucher instability*

While states have been working to address these problems, state and local voucher policies and implementation practices can make it more challenging for families to get and retain subsidies (Adams, Snyder, and Banghart 2008; Adams et al. 2002). These include what parents must do for subsidy application, redetermination, and interim change reporting. Taken cumulatively, the requirements can create significant client burden and make it difficult to retain the benefit.

These problems, and their links to voucher and child care instability, have been found in research examining family patterns:

- Longer redetermination periods and subsidy values are associated with longer spells of subsidy (see Weber 2010).
- Scott and colleagues (2005) describe Rochelle, who lost her child care vouchers for her two sons because the renewal process had become so challenging (specifically, she reported having to come in to the office each month to get a new voucher, which was challenging because she was in a new job). As a result, she ended up using her mother for child care instead of the arrangement she had used previously.

- Two parents lost a subsidy for their youngest child after a social service worker at the local welfare office made a mistake. They were asked to submit additional copies of paperwork and hoped to receive the subsidy once again. Meanwhile, a family member took care of the child (Chaudry et al. forthcoming).

#### *Funding constraints add pressure to states to tightly control and monitor eligibility*

The problems above are caused, at least in part, by funding constraints, which provide incentives for states to ration services and to tightly control eligibility and service levels (Adams and Rohacek 2002). States face difficult tradeoffs in deciding whether and how to introduce flexibility into a system that is already strapped for resources. Further, in times of public funding challenges, states are limiting services, which can contribute further to the instability of family's access to assistance (National Women's Law Center 2010; Schulman and Blank 2009).

Taken together, these findings suggest vouchers are not functioning as effectively as they could to stabilize families' ability to afford care over time, particularly for families with frequent changes in such circumstances as income, work status or hours, household composition, and so forth. These families find it difficult to retain child care subsidies through these changes, and they often face extra reporting requirements that can be challenging.

#### ***How Does Voucher Instability Play into Other Domains of Family Life?***

When considered in the context of the larger pattern of family life, where instability in one area can create a cascading impact on the others, the instability of voucher receipt has three important consequences.

First, when changes in circumstances result in the loss of a child care voucher, subsidy policies may magnify the destabilizing impact of whatever change has occurred in the family's life, rather than cushion it. Similarly, instability in the child care subsidy may then ripple through families' lives in other dimensions.

Second, the current approach to subsidy policy may undermine the maintenance of employment because eligibility criteria are tied so specifically to employment, and employment is unpredictable and unstable. Yet, losing child care assistance can make it harder for families to look for work and get back into the workforce.

Third, these policies and practices limit the feasibility of combining CCDF with other public funds to better support families. Specifically, the unstable nature of vouchers makes it more challenging to use subsidy funds to connect to other child and family systems. For example, as discussed in box 6, two overarching efforts are going on in states across the country: one to help coordinate and link early childhood systems, and one to link and coordinate work support benefit systems. Both efforts are challenged by the instability and tight calibration of child care subsidy vouchers.

**Box 6. Barriers That Voucher Instability  
Present for Efforts to Build Larger Systems of Care and Support**

Voucher instability has presented challenges for two efforts to coordinate and build cross-program systems:

*1) Early childhood systems:* Numerous studies have identified the challenges that instability of subsidy receipt presents for developing early care and education systems that cross programs such as Head Start, Early Head Start, and state prekindergarten initiatives (Schumacher et al. 2005). Such programs are designed to provide young children with a stable, good-quality early care and education experience over an extended period (at least a school year, sometimes multiple years). Eligibility is more stable, as it does not fluctuate with changes in the family status once the child is enrolled.

These services are often provided part-day, part-year; in a number of states, providers that wish to deliver full-time, full-year services to children of working parents must combine funds from different sources, including CCDF vouchers. However, the provider cannot count on the voucher payment being consistent, making this an undependable financing approach. It also may increase the use of multiple arrangements and thus contribute to some child care instability or change.

Similarly, parents who wish to access full-day, full-year services often must qualify for both a CCDF voucher and the early education program in states that allow prekindergarten funds to be used in child care settings. Yet, if parents are not able to get a voucher, they cannot afford the child care portion of the day (Adams and McDaniel 2009).

*2) Work support benefit systems:* Numerous states are working to integrate their child care eligibility and benefit systems with those of other work support benefits, such as the Supplemental Nutrition Assistance Program (SNAP, previously known as Food Stamps), Medicaid/CHIP, and so forth (Waters-Boots 2010). Some states have reported challenges in coordinating across programs because of child care's frequent adjustments of subsidy eligibility and benefit levels. For example, one state reported that it needed to stop adjusting family copayment levels between redetermination dates because such adjustments forced the state to adjust the family's SNAP benefit levels and threatened its ability to simplify the system for SNAP beneficiaries. As a result, the frequent reporting in the voucher system, and rapid adjustments of subsidies, is creating challenges to align and coordinate these benefit programs for families.

## What Policy Options Can Help?

Child care and early education policy could support greater stability in early care and education settings for children—both directly, and by minimizing the impact that instability in other domains of family life might have on child care arrangements. This section first provides an overview of the conditions that seem to support stable care situations, then considers the role of the CCDF in supporting such conditions. Although many other policy areas—such as work-family and labor policies—are highly relevant to child care stability, these are beyond the scope of this paper and will not be addressed here.

### *What Conditions Are Needed for Stable Care?*

The existing research base suggests that to maximize child care stability, families need to be able to choose settings that have several or all of the following characteristics. A given family needs a setting (or combination of settings) that

1. is dependable over time (i.e., caregivers are not likely to abruptly stop providing service);
2. is affordable given family resources (including stable access to free or low-cost care, or to stable child care assistance for low-income families);
3. matches parent’s preferences for care, including their values and ideas about quality;
4. meets the individual child’s needs in terms of age, developmental stage, temperament, and special needs;
5. accommodates the family’s unique life circumstances (such as work schedules, housing situation, transportation options, family composition, and other special family needs [such as disability, etc.]);
6. has some flexibility to respond to dynamic changes in family’s lives, particularly to changes to life circumstances; and
7. is chosen intentionally, which includes having sufficient time to make an informed child care decision and having information on the extent to which a particular arrangement reflects (3), (4), and (5)

In an ideal world (one in which all these conditions were actualized), changes in arrangements would more often be benign, or at least less detrimental, for children and families, as they would be intentional changes driven by the evolving needs of the child and the family.

While many parents find it difficult to locate care with these characteristics, lower-income parents are more likely to face challenges. They not only face constraints related to inadequate income and dynamic employment, housing, and other life circumstances, but may also live in communities with an inadequate supply of good care. Further, low-income families may have insufficient financial and other resources to overcome additional barriers they may face (such as having specific language or cultural needs, low literacy, children’s special needs, lack of transportation, and so forth).



Given the role of the CCDF in supporting child care choices, parental work, and child development for low-income working families—and the special challenges facing low-income families—it follows that that CCDF policies would focus on both helping low-income families access care with the characteristics listed above and minimizing how instability in other domains affects child care arrangement stability. Using CCDF policies to support parents in these ways would allow the program to actualize the CCDF goal of supporting parental choice.

### ***Key CCDF Policy Strategies to Support Stability and Minimize Instability***

The CCDF is a critical policy tool for addressing instability in child care for low-income families. In fact, the final CCDF regulations clearly describe stability as a goal of the program; state child care agencies are directed to “design programs that provide uninterrupted service to families and providers, to the extent statutorily possible.”<sup>15</sup>

Actions in four areas of CCDF policy could support one or more of the characteristics of stable care listed above:

1. Ensure that voucher subsidy policies meet the “first, do no harm” principle and, to the extent possible, support child care stability despite the volatility in other aspects of families’ lives
2. Ensure that CCDF policies support a stable supply of child care providers that effectively meet families’ needs
3. Use CCDF services to help families make intentional and informed child care choices
4. Focus resources on vulnerable families with particularly unstable patterns of child care use or dynamic family circumstances

Before discussing each recommendation in greater detail, two caveats should be considered. First, budget constraints force states to decide between the suggested policy approaches and other CCDF-related goals. The discussion below does not address the question of the “right” balance between child care stability and other goals. Second, there is not an extensive research base on the effectiveness of specific approaches to support child care stability, though our recommendations are rooted in what we know about child care stability. Consequently, the ideas below should be thought of as areas for exploration rather than proven policy recommendations.

*Ensure that voucher subsidy policies meet the “first, do no harm” principle and, to the extent possible, support child care stability despite the volatility in other aspects of families’ lives*

Data presented in earlier sections of this report suggest there is sometimes a mismatch between the fundamentally dynamic and unstable lives of low-income families and the current design of the subsidy system. Although low-income families clearly need flexibility to respond to the many changes in their lives, the subsidy system sometimes imposes rigidity and demands rather than flexibility. When this occurs, it can further destabilize child care as well as other aspects of families’ lives. CCDF regulations recognize the importance of this issue for meeting the goals of supporting parental

work, noting that states should “design flexible programs that provide for the changing needs of recipient families.”

To address these issues related to CCDF-funded vouchers supporting child care stability, federal and state policymakers could consider several steps:

- More clearly emphasize that “supporting the stability of care” is a goal of the CCDF that can and should be reflected in policy and practice.
- Provide states with leadership and policy guidance to reach this goal, including helping identify policy strategies and implementation practices to support flexibility, discussing practical tradeoffs, and advising how to balance flexibility with improper payment concerns.
- Assess and redesign eligibility criteria to reflect the realities of the low-wage work force and to help stabilize subsidy receipt when family circumstances are unstable (such as spells of unemployment, fluctuations in income, changes in household composition, residential mobility, and so forth). (See box 7 for examples.)
- Encourage states to simplify administrative procedures to help families establish and maintain eligibility through changes in family circumstances. (See box 7 for examples.)
- Identify and revise subsidy policies and practices that limit the feasibility of using CCDF in conjunction with Head Start and state prekindergarten dollars to support stability for children needing both funding sources to support a full day of care.
- Identify components of child care subsidy policy that make it challenging to coordinate CCDF eligibility with eligibility for other work-support benefit programs (such as SNAP, Medicaid, and CHIP). Revise federal policy guidance to explicitly support this strategy.

These types of efforts can help ensure that vouchers are stable and flexible mechanisms to help families access child care. Although these efforts are consistent with the formally stated goals of the CCDF, implementation often focuses on other priorities ahead of voucher stability. Consequently, carrying out these suggestions would likely also require a shift in thinking regarding priorities, goals, and allocation of scarce resources.

### **Box 7. Child Care Voucher Policies to Support Stability**

States across the country are working to better meet the needs of families, and—although they have not been formally evaluated—many strategies they have implemented seem likely to better support stability in subsidy receipt. These strategies usually work to accomplish one or both of two goals: first, to make child care eligibility less sensitive to instability in the lives of families; and second, to simplify administrative procedures in order to reduce client burden and increase retention.

Drawing from *Designing Subsidy Systems to Meet the Needs of Families* (Adams, Snyder, et al. 2008), several strategies designed to accomplish these goals are outlined below.

#### *1. Overarching strategies that support families in each interaction with the subsidy system*

- Support links and streamlining between child care subsidies and other social service programs
- Improve customer service practices by simplifying processes, lowering client burden, minimizing reporting, reducing in-person visits, addressing language and literacy barriers, making it easier to contact staff, and so forth.

#### *2. Simplifying application and redetermination procedures*

- Simplify the application process by easing access and submission, minimizing paperwork, and improving timeliness
- Simplify redetermination by lengthening authorization periods, issuing reminders, easing communication with agency, and simplifying paperwork and reporting

#### *3. Supporting stability of voucher receipt through changing circumstances*

- Simplify approach to interim change reporting by reducing reporting requirements, facilitating the process, identifying alternative ways to get information, and minimizing adjustments to subsidy levels.
- Minimize inadvertent termination of subsidies due to temporary changes in circumstance by providing subsidies during employment gaps, stabilizing subsidies for families with fluctuating income or employment patterns, and reducing changes in eligibility and copayments.

#### *Ensure that CCDF policies support a stable supply of child care providers that effectively meet families' needs*

Having a stable supply of providers that are able to meet the needs of families is a key aspect of child care stability. It is consistent with the core mission of the CCDF in two ways: first, as part of the goal that the CCDF “enhance the quality and increase the supply of child care for all families, including those who receive no direct assistance under the CCDF”; and second, as part of the goal that the CCDF “promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs.”

It is useful to separate this issue into two key components: strategies that can support a good *supply* of providers that meet the diverse needs of families, and strategies that can support the *stability* of those providers.

Although states often implement policy strategies to support the supply and stability of teachers within a center (such as by supporting wages, benefits, and improving working conditions), the recommendations here focus on stability of the arrangement overall.

### **Support supply**

The CCDF can support the supply of good-quality care in various ways. Although there is little research about factors that support or limit supply, and about how well different policy approaches affect supply, some policy options seem worth investigating:

- *Explore mixed funding systems with both vouchers and contract mechanisms:* Some research on the effectiveness of different financing mechanisms suggests that funding approaches that directly support programs (or supply-side approaches) are more effective at supporting supply than are voucher-based strategies (demand-side approaches) (Noailly and Visser 2009). Therefore, to build a supply of care in targeted areas or for targeted populations, some states disburse a portion of CCDF funds through a contract financing mechanism.<sup>16</sup> This usually involves some advance commitment of funds to a provider to serve a certain number of children. This approach is common in other early care and education funding streams—such as Head Start and state prekindergarten initiatives—that are designed to develop and sustain a stable supply of care that meets particular program standards. Identifying creative ways to design and target such strategies to support stability in the child care market would, therefore, be one promising area to explore.
- *Explore ways to use the CCDF “quality set-aside” to support supply:* Under the CCDF legislation, states are required to spend at least 4 percent of the block grant for “activities that are designed to provide comprehensive consumer education to parents, activities that increase parental choice, and activities to improve the quality and availability of child care (such as resource and referral services).”<sup>17</sup> Thus, although commonly called the “quality set-aside,” these funds are to be spent on activities around supporting supply and choice as well. At this point, there has been relatively little information gathered on how states spend their funds for this purpose or on the efficacy of their efforts (U.S. Department of Health and Human Services 2009).
- *Target resources to support quality care:* One of the most promising areas for further exploration is the growing movement to develop Quality Rating and Improvement Systems (QRIS), and to link subsidy rates to different levels of quality. Depending on the program design, this could not only help to direct scarce resources toward higher-quality programs, but also help families in the voucher system identify higher-rated programs. Linking this strategy, which effectively supports or expands demand of high-quality care, with the previously mentioned efforts to support

supply, could be particularly effective in supporting developmentally beneficial and sustainable programs.

### **Support financial stability for providers**

Another area worth further exploration concerns efforts to improve the financial stability of child care centers and family child care, as many child care programs indicate they face challenges in this area. For example, unpublished research from the Urban Institute on providers in five counties in 2003–04 found that even before the economic crisis, roughly a third of centers and family child care homes reported losing money in the previous year, and more than a third of centers and homes (rising to more than half of centers in two sites) reported sometimes or often struggling to meet payroll or other bills in the previous year (Adams and Rohacek 2010).

The factors that contribute to financial stability are likely to include market factors, such as the amount that parents in the surrounding community are able to pay, the stability of payments or access to financial resources (parents, subsidies, other program supports), financial and leadership attributes of the program director or provider, and availability of other resources from policy initiatives or sponsoring organizations.

Strategies that CCDF could employ to support financial stability among providers could include these four:

- *Identify and address subsidy payment policies and practices that seem likely to contribute to financial instability of providers that accept subsidies.* Recent research suggests that subsidy payment policies and implementation practices can contribute to financial instability by contributing to uncertain cash flow, unreimbursed expenses, and logistical challenges (Adams, Rohacek, et al. 2008). As shown in box 8, these policies affect overall payment levels (market-rate policies), actual payment levels (affected by a number of policies and practices that effectively reduce provider payments below state market-rate caps), timeliness of payments, and transaction costs associated with working with agencies and families in the voucher system. (Interestingly, recent research shows that these issues are not unique to child care, and are in fact common for government contracts and grants with human service nonprofit organizations [Boris et al. 2010]).

### **Box 8. Voucher Subsidy Policies and Implementation Practices That Affect Provider Financial Stability**

Recent research by the Urban Institute examined the experiences of child care providers with the voucher subsidy system in five counties. Using survey and qualitative data, the study identified several aspects of the CCDF that affected providers (Adams, Rohacek, et al. 2008). Many of these issues have a relationship to provider financial stability:

- Overall payment levels—specifically, concerns among some providers that maximum reimbursement rate levels were inadequate
- Policies and implementation practices that result in providers getting lower payments than suggested by their agreed-upon reimbursement rate, specifically because of
  - non-reimbursement for absent days;
  - inadequate notification about changes in authorization status, resulting in non-reimbursement for services delivered; and
  - challenges collecting copayments or parent fees.
- Policies and implementation practices that can affect cash flow and timing of payments, including
  - whether providers are paid in a timely way,
  - accuracy of payments, and
  - challenges resolving payment disputes.
- Policies and implementation practices that can involve significant transaction costs for providers, such as
  - challenges working with voucher agencies, and
  - experiences with agency staff and getting in touch with workers.
- Families and children receiving vouchers that need extra support or financial help
  - the burden associated with helping families navigate the voucher system
  - lost revenue due to reducing or waiving copayments or fees

- *Use CCDF quality and supply funds to identify, assess, and support strategies to help vulnerable programs become more financially stable.* Such strategies could include supporting better general business practices (including subsidy voucher management strategies), providing financial training to providers and identifying other ways to improve their financial well-being, helping and exploring the benefit of collective management approaches (Stoney 2004),<sup>18</sup> and ensuring the availability of stable funding sources (such as contract funding, public-private partnerships, and publicly guaranteed loan funds).<sup>19</sup>
- *Explore partnerships with other resource agencies.* Various federal and state agencies might be useful partners to help providers improve their financial stability and business management, though these arrangements would need to be tailored to fit the unique nature of the child care service. These partners could include, for example, Assets for Independence (<http://idaresources.org/>), which offers financial education and matched savings accounts that participants can use to expand and improve small business, and the Small Business Administration, which offers a range of supports to help small businesses succeed.
- *Strengthen strategies to support stability among family, friend, and neighbor (FFN) care providers, particularly those involved in the subsidy system.* CCDF funds are already being used to support FFN caregivers, and could be used in a more concerted way to identify, assess, and support strategies to help identify those caregivers who are not stable and to work to address the instability.

*Use CCDF services to help families make intentional and informed child care choices*

Another area worth further exploration is whether stability may be facilitated by helping parents actualize their preferences. Policy strategies focused on helping parents understand and articulate their preferences and values, understand their options, and have time to make intentional decisions and choices may contribute to the stability of care. These issues are likely to be particularly important for parents with very young children, who may be using child care for the first time.

Supporting informed parent choice is a major goal of the CCDF, which is supposed to “encourage states to provide consumer education information to help parents make informed choices about child care.” Consequently, supporting consumer education and parental choice is a key activity with CCDF quality set-aside funds. Currently, states use the CCDF to fund three somewhat overlapping supports for parent education and outreach:

- child care resource and referral agencies (CCR&Rs),
- quality rating and improvement systems (QRIS), and
- other parent outreach and education through state subsidy systems.

However, while parent education has been in place for some time, research into how and when to best inform parents about their options, and how to best help them operationalize their preferences, is still relatively scarce. As a result, policymakers have

relatively little information to guide them in this area. However this area of research is very promising, and a number of OPRE-funded studies are under way that should provide more information in coming years.

Meanwhile, it is important that policymakers continue to identify ways that the CCDF can effectively support intentional and informed decisionmaking. Some ideas to be explored include these three:

- *Continue to identify, assess, and support efforts to provide parents with education and support to help them find and use arrangements that meet their needs.* As noted earlier, states are currently funding numerous efforts to support informed parent choice. More information is needed to help policymakers identify, and find out about, the most effective strategies.
- *Identify ways to continue incorporating parent education and support into child care subsidy systems,* which because of cuts in administrative funding and other pressures have increasingly moved away from casework functions toward benefit processing.
- *Identify appropriate strategies for families at different points in their child care trajectory.* For example, strategies relevant for families in a series of short-term work-training activities for TANF may be different than for families who have been employed stably for some time. Families seem likely to need and be open to different types of information at different times, which suggest more tailored approaches rather than a standard approach to supporting choice of child care.

*Focus resources on vulnerable families with particularly unstable patterns of child care use or dynamic family circumstances*

Finally, the research discussed earlier suggests that the costs of instability—whether related to children’s development, parent employment, or general family stability—may be much higher for children and families with particular vulnerabilities. This suggests that it might be beneficial for policymakers to consider ways to identify families who are more vulnerable to poor child and employment outcomes, or who are experiencing unusually dynamic family situations, to help support stable child care as a mechanism to minimize the instability for the family and the consequences of that instability.

For example, the CCDF could reach beyond simply paying for care to identify ways to provide, or link families to, broader services. Such strategies could be interesting to consider as policymakers generally seek to help coordinate social service programs to create a more seamless set of supports for families. There are two other ways that CCDF programs might address the needs of families with especially unstable situations:

- *Use administrative data to identify families in the CCDF system who have particularly unstable patterns:* This could focus on those with dynamic child care situations (such as frequently changing child care arrangements or experiencing high rates of absenteeism from child care) or other dynamics that may suggest instability for children (such as turbulent employment histories, variable schedules, or other



changes in key family circumstances). If needed, these families could be provided with extra services and supports to help stabilize their child care patterns and, potentially, their general circumstances.

- *Work to ensure that vulnerable families not currently linked to CCDF receive services if they are eligible:* Many vulnerable families likely do not come under the purview of the CCDF. These might include families experiencing more serious issues such as homelessness, family disruption, and so forth, and who are more likely to come to the attention of policymakers through other social service programs—such as the child welfare system, housing and homelessness services, and family support or home visiting programs. It would be useful to consider whether there are ways that stable child care/early education settings could be part of the supports provided to these families.

As a result, it could be promising to explore the role that CCDF can or could play in supporting child care access and stability through broader human service programs. This would most effective if accompanied by other changes in CCDF administration designed to help families in these challenging situations retain eligibility for a sustained period.

## Conclusion and Next Steps

The stability of child care is a critical policy issue that has implications for child well-being and development, for stable employment, and for overall family stability. Further, while more research is needed, the existing research base suggests that child care instability is common, and that it can play a particularly important role for low-income families, whose lives are often characterized by instability in numerous spheres. As such, if child care is itself stable and flexible, it can buffer the effects of instability in other spheres. Conversely, if child care is not stable and flexible, it can accentuate or contribute to family instability in these other spheres. Thus, this paper highlights the importance of focusing on the needs of children and families whose lives are highly unstable in various domains.

Because of the important, multifaceted role that stability in child care can play in supporting child development and parental employment—both of which are central goals of the CCDF—this paper concludes that supporting child care stability might be elevated to higher priority for CCDF funds and policymaking. Specifically, CCDF policies and implementation practices should foster the range of conditions that support child care stability and flexibility. The policy strategies described in the paper can be summarized as follows:

- Address inadequate funding levels that make it difficult for states to take any of the steps described below.
- Review and revise CCDF voucher policies and practices to ensure that vouchers are stable, flexible mechanisms to help families access child care, and that vouchers stabilize rather than destabilize care arrangements. This requires policymakers to consider how CCDF could support a broader concept of work, education, and longer-term paths to self-sufficiency along with stability for children, rather than tightly linking eligibility to current work status.
- Ensure that CCDF policies support a stable supply of quality care. Strategies should include funding, assessing the role of voucher payment policies and practices, considering alternative financing mechanisms, helping providers improve their financial management capacity, and so forth.
- Strengthen CCDF’s focus on helping families make intentional and informed child care choices through QRIS, CCR&R supports, and other forms of engagement.
- Identify and target CCDF services and other early childhood supports to families with highly unstable patterns in child care, work, or family stability.

Making stability a priority, and the policy strategies described above, are clearly within the mandate of the CCDF, whose goals include “designing programs that provide uninterrupted services to families and providers,” “designing flexible programs to meet the changing needs of recipient families,” “helping parents make informed choices about child care,” “increasing the supply of child care for all families,” and “promoting

parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs."<sup>20</sup>

Beyond the policy strategies described above, this paper underscores the importance of the next phase of research on child care stability. In particular, the current research has laid an important foundation for understanding the different approaches to defining stability, the different impacts that instability might have on children and families, and the contextual factors that may affect the impact of different types of stability.

Yet, clearly much more needs to be done to understand these issues. This paper suggests that the following steps would help improve our understanding:

- Refine the terminology used to describe different kinds of child care changes—such as ending of arrangements, multiple arrangements, and ending of individual caregiver relationships within particular arrangements—to ensure that our work and policy development is based on a shared understanding and language.
- Develop and test logic models for different kinds of (or combinations of) child care change such as ending of arrangements, multiple arrangements, or changes of caregivers within arrangements. These efforts should
  - develop hypotheses regarding the likely relationship of each of these upon children's development, as well as upon (if relevant) other family outcomes, such as employment and other domains of family stability;
  - think through the likely role of confounding or mediating factors—such as child and family characteristics, motivation/intention, overall family stability, and level or extent of the child care change—and explore the role of these factors in different kinds of change;
  - consider multiple pathways of causality and interactions;
  - consider these issues within the larger context of child, family, and community characteristics (including stability in other domains), and consider the complexity of interacting events that can lead to such instability; and
  - test these models and hypotheses, and refine models and measures accordingly.
- Measure how often and which children experience these different types of change, in what combinations, and under what circumstances.
- Assess whether there is a differential impact of child care instability for children and families who may be at higher risk because of cumulative patterns of instability, age, poverty, health, or other risk factors.
- Expand research efforts to identify, assess, and evaluate the various policy and program strategies designed to support stability through the kinds of policy mechanisms described above.

In conclusion, child care instability is a critical issue relevant for a range of social policy goals, including healthy child development (especially for children vulnerable to poor outcomes), stable employment for low-income parents, and general family stability. The research also supports the increased concerns demonstrated by policymakers about these problems and suggests several policy strategies that should be considered—many within the purview of the CCDF. However, policy strategies would be even more effective if we knew more about the implications of different types of instability for these social goals and about the effectiveness of different strategies to address these problems. This information is essential to support policymakers in their efforts to ensure that low-income children and families have the supports they need to sustain their development and overall well-being.

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## Notes

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<sup>1</sup> Personal communication with staff at the Association of Public Human Service Agencies.

<sup>2</sup> Within the ending of child care arrangements, Lowe and colleagues (2003) suggest a further categorization, where *predictable* endings should be considered change and *unpredictable* endings should be considered instability. While a useful distinction and one that we would recommend using more systematically in the future, these definitions are not used consistently in current research, so we do not use them in this paper.

<sup>3</sup> Other forms of change in child care also seem common. For example, several studies (including some described earlier) find that children commonly experience multiple arrangements (Morrissey 2008). A nationally representative survey of children in 1997 found that 38 percent of children in nonparental care had more than one regular child care arrangement each week. Most of these children—30 percent—were in two arrangements, while 8 percent had three or more (Capizzano and Adams 2000). Research on child care patterns in Minnesota finds even higher rates of multiple arrangements, with 57 percent of children under age 3 and 69 percent of children age 3 to 5 having more than one regular child care arrangement (Chase et al. 2005). Multiple arrangements can be stable or unstable themselves. For example, a study of 38 women in disadvantaged neighborhoods moving from welfare to work in Cleveland, Ohio, finds that a majority “relied on multiple arrangements to cover their child-care needs” and that approximately three-quarters of those using multiple providers had arrangements that were “marked by instability” (Scott et al. 2005, 376).

<sup>4</sup> The five periods were summer to fall 1998, school year 1998–99, spring to summer 1999, summer to fall 1999, and school year 1999–2000.

<sup>5</sup> For example, Elicker and colleagues (1999) find that more months with caregivers is directly related to interactive involvement between the caregiver and infant; this is important because interactive involvement is associated with infant-caregiver attachment security. Some studies, however, have not found these links. For example, in the NICHD study of early child care, for which data were collected in the 1990s, the data do not support the hypothesis that frequency of child care starts directly affects attachment security. In other words, there are no significant differences in the likelihood of different levels of attachment security as the number of child care starts increases.

<sup>6</sup> For useful summaries of the literature around child care stability and child development, see Goldstein, Hamm, and Schumacher (2007); Hayes, Palmer, and Zaslow (1990); Howes, Hamilton, and Philippsen (1998); Weber (2005); and Whitebook, Howes, and Phillips (1990). Other studies on stability and attachment include Howes and Stewart (1987); O’Brien Caughy, DiPietro, and Strobino (1994); Fuller et al. (2002); and Suwalsky et al. (1986).

<sup>7</sup> Defined as an index of measures capturing such constructs as children’s happiness and engagement in the setting.

<sup>8</sup> For useful summaries of the literature on stability and continuity for infant and toddlers, see Goldstein et al. (2007) and Ounce of Prevention Fund (2008).

<sup>9</sup> Similarly, a study of children in center-based care in the Netherlands found that among children with a larger number of concurrent child care arrangements, the mother’s family management stress was associated with more internalizing problem behavior and less well-being in child care. Among children with fewer concurrent child care arrangements, there was no evidence of an association between maternal family management stress and child well-being in day care or internalizing behavior (de Schipper et al. 2004).

<sup>10</sup> Personal communication with Taryn Morrissey, October 19, 2010.

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<sup>11</sup> The authors do not indicate whether they have concerns about order of termination of child care and employment—they imply that child care instability caused the employment instability.

<sup>12</sup> Studies examining causes of instability or changes in child care include Chase et al. (2005); Gordon and Högnäs (2006); Hart (2006); and Scott et al. (2005).

<sup>13</sup> For example, imagine a parent who was using a relative and had always had an agreement with the relative that this arrangement would continue until the child entered kindergarten. She becomes increasingly dissatisfied with the relative's care, but she chooses not to stop the arrangement because of the child's pending move to the local school. The change, when it occurs, could fall into three of the above categories, though the parent may only choose one or two to report to researchers.

<sup>14</sup> See, for example, the work by the Child Care Policy Research Consortium on parental decisionmaking about child care. This will be summarized in Weber (forthcoming).

<sup>15</sup> Child Care and Development Fund Final Rule, 45 CFR Parts 98 and 99, available at <http://www.acf.hhs.gov/programs/ccb/law/finalrul/index.htm>.

<sup>16</sup> While contracts were a common financing mechanism for child care before the late 1980s, they are currently much less so. In 2008, for example, about 10 percent of the children served through CCDF were served through a contract funding mechanism, and it was a significant funding strategy in relatively few states. However, states differ enormously in how they structure, administer, and fund their contracts, as well as in the purposes of their contracted care (Schumacher, Irish, and Greenberg 2003).

<sup>17</sup> Child Care and Development Block Grant, "Sec. 658G. Activities to Improve the Quality of Child Care," <http://www.acf.hhs.gov/programs/ccb/law/ccdbgact/ccdbgact.pdf> (accessed July 20, 2010).

<sup>18</sup> For more information on promising efforts to support providers through collective management structures, see Stoney (2004) or <http://www.earlychildhoodfinance.org/handouts/CollectiveManagementfullreport.pdf>.

<sup>19</sup> See the discussion on strategies to support stable financing and supply in Schumacher and Hoffman (2008).

<sup>20</sup> Quotes are from the Child Care and Development Fund Final Rule, 45 CFR Parts 98 and 99, available at <http://www.acf.hhs.gov/programs/ccb/law/finalrul/index.htm>.