

Subsidies Can Help Families Access Child Care, But Barriers Remain

Family perspectives on accessing and keeping subsidies in New Mexico

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About the Child Care Policy Research Partnership (CCPRP) Grants Awarded in 2019

In 2019, the Office of Planning, Research, and Evaluation (OPRE) in the US Department of Health and Human Services (HHS), Administration for Children and Families (ACF), awarded 11 grants to support active partnerships between state Child Care and Development Fund (CCDF) Lead Agencies and researchers to study questions relevant to local and national child care policy and practice. This summary highlights key takeaways from research conducted by the University of New Mexico Cradle to Career Policy Institute in partnership with the New Mexico Early Childhood Education and Care Department. For takeaways from other CCPRP-2019 grants, see <https://urbn.is/4egOJV9>.

Introduction

Parents who enroll and keep their children enrolled in a child care subsidy program are more likely to work and have higher earnings. Their children also are more likely to use higher-quality care.¹ But families often struggle to access and keep subsidies because of administrative burdens and other factors.²

In recent years, New Mexico has taken steps to reduce these burdens, such as by requiring families to reapply for subsidies every 12 months, instead of every 6 months. Drawing on administrative data and surveys in addition to interviews with families, we examined families' experiences with the subsidy program. We also looked at whether they encountered barriers to enrolling in and maintaining subsidies. Although the program helps families move toward economic stability, barriers to accessing subsidies and care remain.

¹ Yoonsook Ha and Daniel P. Miller, "Child Care Subsidies and Employment Outcomes of Low-Income Families," *Children and Youth Services Review* 59 (December 2015): 139–48, <https://doi.org/10.1016/j.childyouth.2015.11.003>; Rebecca M. Ryan, Anna Johnson, Elizabeth Rigby, and Jeanne Brooks-Gunn, "The Impact of Child Care Subsidy Use on Child Care Quality," *Early Childhood Research Quarterly* 26, no. 3 (2011): 320–31, <https://doi.org/10.1016/j.ecresq.2010.11.004>.

² Jade Marcus Jenkins and Tutrang Nguyen, "Keeping Kids in Care: Reducing Administrative Burden in State Child Care Development Fund Policy," *Journal of Public Administration Research and Theory* 32, no. 1 (January 1, 2022): 23–40, <https://doi.org/10.1093/jopart/muab020>.

Key Takeaways

Initial and continuing access to subsidies supported families' economic stability:

- Nearly all families said child care subsidies improved their financial stability.
- Families who lost access to subsidies said this loss of access threatened the financial and child care stability they had gained from participation.

However, many families did not know about the subsidy program or could not find care that met their families' needs:

- Many families struggled to access care that met their children's behavioral health needs or their families' transportation needs and work schedules.
- Among a sample of income-eligible families who did not use subsidies, 43 percent said they had not heard of the program.

Families' access to subsidies was affected by state policies, agency staff, and family characteristics:

- After New Mexico began reapproving families for benefits every 12 months instead of every 6 months, families remained enrolled in the subsidy program for longer. However, for Native American families and families headed by student parents, there were smaller increases in the time they spent enrolled.
- Families with more adults in their households, earnings from self-employment, and higher incomes reported more difficulty recertifying their benefits than other families.
- Families who encountered helpful, responsive agency staff during the enrollment and recertification processes said that they had an easier time accessing subsidies.

Policy and Program Implications

These and other findings from our study suggest four ways agencies and policymakers could improve access to child care subsidies:

1. **Expand the care supply, especially the care available during nontraditional hours.** Policymakers and agencies could fund subsidized care during evenings or weekends by contracting with providers to offer certain types of care, rather than offering family vouchers. They could also enhance supports for home-based providers, who are more likely to operate during nontraditional hours.
2. **Increase outreach efforts.** To ensure families are aware of the subsidy program, state leaders could expand public awareness and communications efforts. Evaluating communications strategies to understand which are most effective for specific populations could also increase awareness.
3. **Work with communities who experience the most barriers to sustained subsidy access to develop targeted solutions.** In New Mexico, collaborating with Native American families and

student parents could help better identify and address barriers to staying enrolled in the subsidy program.

4. **Provide specialized trainings for eligibility workers to better serve multigenerational households or families with nontraditional jobs.** States could increase access to subsidies by increasing funding for eligibility workforce retention and training efforts.

Methodology

We surveyed and interviewed parents and primary caregivers to understand their experiences with and knowledge of New Mexico's child care subsidy program. Across multiple studies, we collected data from families who participated in the program, who were income-eligible but did not participate, who had exited the subsidy program, or who had risk factors for child welfare involvement.

We collected these data from 2020 to 2023, when many families were impacted by child care closures and job losses related to COVID-19. We also used state administrative data to analyze whether the time families spent enrolled in the subsidy program changed after New Mexico adopted a 12-month recertification period.

Further Reading

Breidenbach, Andrew L., and Hailey Heinz. 2024. "Income Dynamics for New Mexico Families Receiving Child Care Assistance, 2013-2018: An Analysis of Changes in Earnings by Qualifying Activity and Subsidy Duration." University of New Mexico Cradle to Career Policy Institute.

Heinz, Hailey, Shelley Alonso-Marsden, and Elisabeth Baker Martínez. 2024. "Extra Help for Extra Needs: Family Perspectives on New Mexico's Supplemental Child Care Subsidy Program for Families at Risk for Involvement with Child Protective Services." *Early Childhood Research Quarterly* 68:180–90. <https://doi.org/10.1016/j.ecresq.2024.05.008>.

University of New Mexico Cradle to Career Policy Institute. 2023. "Extra Help for Extra Needs: Perspectives from Families Receiving Child Care Assistance Through At-Risk Eligibility." Albuquerque: Cradle to Career Policy Institute.

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and National Policy Requirements”: <https://www.acf.hhs.gov/grants/administrative-and-national-policy-requirements>.

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