Examining the Child Care Cliff Effect in a Rural Setting

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Introduction
Now twenty years old, the central tenet of welfare reform was to move families from public benefits to employment (Mallon & Stevens, 2011). Research suggests that these goals have been met for some. However for many families, their net disposable income actually decreased due to low wages, increases in child care costs, and cut-backs in public benefit programs (Ahn, 2015). Key to this problem are the effects of the benefits-cliff that families face as their income increases and they no longer qualify for assistance - often before sufficient income can be sustained to replace that support. With regard to child care benefits, the cost of care can wind up greatly exceeding even a generous increase in wages (Dinan, Chau, & Cauthen, 2007).

The purpose of this study was to better understand the experience of families in one California County accessing low-income child care support. It is a replication of a previous study, and demonstrates similar results (Roll & East, 2014). Quantitative results show that 41 (35%) of families reported facing the child care cliff. A thematic analysis of qualitative interviews with a subset of these families revealed several common themes. These themes were consistent with the existing literature on families accessing support for child care, including struggling with basic needs and administrative hassles. Unique to this study were issues for families with multiple health problems and transportation challenges.

This article begins with an overview of child care as a work-support benefit, and is followed by a review of literature on the cliff effect, with special consideration for rural communities. The study setting and partnerships are described, followed by the methods and results. The article ends with a discussion of findings and implications for policy.

1 Child Care as a Work Support
A central aspect of welfare reform (1996) was moving families off cash aid and into employment through the shoring up of work-supports. The goal was for parents to enter and stay in the work force. These supports include food stamps, utility assistance, tax credits and subsidized child care. Because of the high cost of child care, these subsidies are particularly crucial for parents to be able to work and plan for the care of their children.

Child care funding in the United States is initiated at the federal level through the Child Care and Development Block Grant (CCDBG), most recently reauthorized in 2014. It is the primary vehicle through which states provide subsidized care for qualifying families. States also use Temporary Aid to Needy Families (TANF) funds to support subsidized child care.

Annually, California appropriates more than $2 billion for child care and development programs. For low-income families who are not participating in CalWorks (TANF), subsidized child care is available through Alternative Payment Programs (AP). These programs help families make child care arrangements, and pay for those services directly
according to the qualification guidelines. Larger counties such as Los Angeles have multiple AP programs, whereas smaller counties generally have one contractor who determines eligibility for families and provides child care vouchers. In 2012-13, 46% of all subsidized child care slots in California were provided through vouchers (Taylor, 2014).

2 The Cliff Effect
While the idea of providing families with work-supports as they move into the labor market may sound prudent in theory, these supports in practice actually keep some families in poverty. The reason the cliff effect exists lies in the structure of social welfare policy. Government benefits vary greatly by program, state, and sometimes even by county. However, they generally include either a phase-out or an eligibility limit (Purmort, 2010). Often, programs will contain both. In a program with a phase-out, benefits are gradually decreased as earnings increase. In programs with a firm eligibility limit, benefits are lost when a family reaches a certain income. In the case of food stamps, there is first a gradual loss of benefits as a family’s income increases. However, at a certain point, benefits are completely lost, often leaving the family worse off (Purmort, 2010). Similarly with child care benefits, there is a gradual increase in copayments as families increase their income. However as the family reaches the eligibility limit, the benefit is cut off - a phenomenon known as the cliff effect. In the case of child care - the most expensive of the work support benefits - a family may have to make very difficult choices, such as sacrificing a wage increase to be able to make ends meet (Dinan, Chau, & Cauthen, 2007; Roll & East, 2014).

The cliff effect is a very real phenomenon for many working families, and the burden of maintaining subsidized child care vouchers can be a real source of stress. Families are keenly aware that an increase in income or fluctuating income can lead to a loss in benefits (Healy & Dunifon, 2014). This stress notwithstanding, it is clear that families want to work, but wages just above the benefits cap are not adequate to cover child care expenses in most parts of the country (Albeda & Shea, 2010; Dinan, Chau, & Cauthen, 2007).

Albeda and Shea (2010) found that families overwhelmingly prefer to work rather than rely on government support. However, in order for them to exercise this preference, families face a difficult dilemma: choosing whether working more will benefit or hurt their family’s ability to make ends meet. They found that families are constantly weighing short-term versus long-term needs; their decision-making is informed by both the need for child care and for family well-being. Thus, their strategies are centered on deciding whether they will become “stuck-trapped between reliance on inadequate levels of public support but unable to make it solely in the labor market today and in the future” (Albelda & Shea, 2010, p. 257).

3 Rural Considerations
The needs of families in rural communities are both-understudied and under-resourced (Slovak, Sparks, & Hall, 2011). It is known that because of limited economic investment in rural areas, residents face significant barriers to obtaining and retaining employment. This problem is compounded by a lack of public transportation and the limited availability of child care (Rural Policy Research Institute, 2001).

While low-income families in both urban and rural settings face challenges in accessing and affording care for their children, there are added barriers for families who live far from urban centers. Colker and Dewees (2000) outlined a list of challenges that low-income families face in accessing child care, including the sheer fact that they are in places where the population is spread out and dispersed. This fact often makes center-based care impractical. In addition,
families in rural communities often have longer commute times, so their transportation options are often costlier and more limited (Colker & Dewees, 2000). Families in rural settings often have fewer choices of providers, fewer work options, and at times, may have to compromise the quality of care based on the more limited skills of local service providers (Colker & Dewees, 2000).

This issue is captured well in an emerging concept for this area of research – child care deserts. A term coined by researchers at Child Care Aware, a child care desert is a region in which there is limited or no access to quality child care (Dobbins, Tercha, McCready, & Liu, 2016). Framing the issue in this way speaks to its systemic nature, in that, as with a food desert, an essential commodity is largely or entirely unavailable to people based on the geography of where they live.

Child care deserts are not uniquely an American social policy issue. A recent report from Canada finds that 44% or 776,000 non-school aged children do not have access to child care in their communities (MacDonald, 2018). Research in China has uncovered disparities in care for urban versus rural families attributed mainly to discrepancies in funding (Hong, Liu, Ma, & Luo, 2015). At the same time, countries such as Germany, France, and Italy have made significant investments in child care, thus improving care and reducing disparities across social class and geography (Hamm & Martin, 2015).

4 Butte County

This study was conducted in a Northern California county that is largely rural, and has a higher than average incidence of poverty. Butte County is home to 225,000 Californians, of whom 32,000 are children under the age of twelve. Butte County has slightly higher rates of unemployment and poverty than the rest of the state. Twenty-two percent of Butte County residents are living at or below the poverty line, compared to 15% statewide (US Census Bureau, 2015). Among families who qualify for subsidized child care, there is capacity for only 26% of the children in need (California Child Care Resource & Referral Network, 2015). According to the 2015 California Child Care Portfolio (2015), 59% of parents of children ages 0-12 are employed in the formal labor market compared to the rest of the state at 63%. Finally, Butte County families rank much higher in the Adverse Childhood Experiences Scores than any other county in California, with 76.5% of residents reporting one or more ACEs (Annie E. Casey, 2015).

5 Valley Oak Children’s Services

Valley Oak Children’s Services (VOCS) has been providing early care and education programs in Butte County since 1980. As the County’s Alternative Payment Program, they are the gatekeeper for all state child care and development vouchers for CalWORKs and eligible working poor families. They assist roughly 900 families (1,500 children) to qualify for and maintain subsidized child care at any given time. Of these families, between 60 – 65% have one or more parents who work full-time. The average family income is $1,596/month. Another 30% of parents are in school or other training programs and a handful of these families have a disabled parent and/or are involved with the child welfare system.

6 Community Stakeholder Meetings

To begin exploring this topic in Butte County, the research team connected with a variety of community stakeholders to get a sense of their concerns and ideas regarding low-income child care access and availability. These meetings included the local child care planning council, staff at Valley Oaks Children’s Services, the Butte County First Five Commission, and the...
Butte County Office of Education. Most fruitful were a series of meetings with local families through the Butte County Parent Café, funded by the Butte County First Five Commission. The meetings were effective in building relationships, announcing the study, and eliciting ideas for contacting families.

7 Methods
This study was a replication of the cliff effect study in Colorado (Roll & East, 2014). In that study, the researchers located survey respondents using a convenience sample of families whose children were enrolled in child care facilities that accept the child care voucher. The survey portion of the study was used to garner study demographics, including the number of families reporting an experience with the cliff effect, and also to choose the sample for interviews of families who met the criteria of having faced the cliff effect. That study was conducted largely in urban areas and with only 11% of families identifying as living in a rural community. The motivation for the current study was to identify similarities and differences within a larger sample of rural families.

The current study also used convenience sampling to identify families willing to complete a survey. The survey was the same one used in the Colorado study (Roll & East, 2014), which was developed by the authors. The purpose of the survey was two-fold: 1) to identify the number of families who report reaching the child care cliff, and 2) to choose the sample for the qualitative interviews based on a “yes” answer to the question: *Some people tell us that they sometimes don’t take a raise at their job, or don’t work over a certain number of hours in order to keep their the child care voucher benefits. Has something like this ever happened to you?* Approval from the Institutional Review Board at the principal investigator’s University was obtained prior to any data collection.

In November 2015, postcards were mailed to 1,814 Butte County residents – 981 active VOCS families and 833 from the waiting list. The postcards invited families to take an online survey in either English or Spanish and offered a raffle of $100 for successful completions. A total of 141 surveys were returned, 117 of which were complete and used for analysis.

In January 2016, families who had indicated that they had been impacted by the cliff effect and/or strategized in some way to keep their benefits were randomly contacted for in-person interviews. From the sample of 117 families, the research team randomly selected families to be contacted for an interview. The first ten people to respond to the inquiry with a willingness to participate were scheduled for an interview. Families were compensated with a $25.00 gift certificate for their time.

The qualitative interviews and analyses were conducted by the primary investigator and two graduate research assistants. Interviews took place either in the interviewee’s home or at a mutually agreed upon site, e.g. the public library. All of the interviews were transcribed. Next, utilizing the constant comparative method (Glaser & Strauss, 1967; Lincoln & Guba, 1985), each researcher carefully reviewed the transcripts, placing into categories of terms, ideas, and statements that seemed to be related. The data were then coded, and themes were created based on the groups of codes. The primary investigator then went back through the data to check for additional codes and themes. To increase the dependability of the analysis, a second researcher provided an independent check of the themes, also called researcher triangulation (Rolfe, 2006). As an additional level of checking, we presented the initial findings to the VOCS staff and caseworkers for their consideration of the families’
perspectives. Time was spent as a research team critically discussing each theme and relating the themes back to the theory and literature.

8 Results
The survey sample for the study was 117 families who were either currently receiving, or on the waitlist for, a child care voucher in Butte County. Of the total surveys, 114 were completed in English and three were completed in Spanish. The average age of the survey respondents was thirty-two years old. All other sample demographics closely match the population accessing the child care vouchers through Valley Oaks Children’s Services. Demographic characteristics for the surveys and the County are presented in Table 1.

Table 1: Survey Sample

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>% of survey respondents</th>
<th>% Butte County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race/Ethnicity</td>
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<td></td>
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<tr>
<td>White</td>
<td>69</td>
<td>72</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
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<td>16</td>
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<tr>
<td>Native American</td>
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<td>3</td>
</tr>
<tr>
<td>African American</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Asian American</td>
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<td>5</td>
</tr>
<tr>
<td>Female</td>
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<td>51</td>
</tr>
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<tr>
<td>Married</td>
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<td>Living With Parents</td>
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</tr>
<tr>
<td>Employment</td>
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<tr>
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<td>47</td>
</tr>
<tr>
<td>working part-time</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>students</td>
<td>26</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Data Source: US Census Bureau, 2016

In addition to demographic characteristics, the surveys indicated the percentage of families who reported having reached the child care cliff. Of those families currently receiving the child care voucher, 35% answered “yes” to hitting the cliff. A subsequent question asked families who had hit the cliff to identify some of the strategies that they had undertaken to avoid falling off the cliff. Following each choice is the number of families who reported using this strategy (respondents were asked to check all that apply).

- Not taking a raise at work (7%)
- Not taking additional hours at work (33%)
- Not taking a job offer (23%)
• Not getting married/changing family status (16%)
• Not accepting child support (2%)
• Not turning in paperwork (9%)

Profile of interviewees

Of the 10 parents interviewed, nine identified as female and one as male. Their average age was 30 years old, and they had an average of two children each (with a range of one to three). Four of the 10 identified as Latina/Hispanic, and seven out of 10 were single parents. All of the parents who were interviewed had completed high school, and nine out of the 10 had completed some college coursework. Five of the 10 parents were currently working, and the average monthly household income for the sample was $1,830/month.

8.1 Themes

A thematic analysis revealed multiple commonalities among the families who were interviewed. These themes were consistent with the existing literature on families accessing support for child care (Roll & East, 2014; Albeda & Shea, 2010; Dinan, Chau, & Cauthen, 2007). Themes included the cliff effect, struggling with basic needs, and administrative hassles. Unique to our study were issues for families with multiple health problems and also transportation challenges.

8.1.1. Cliff Effect

By nature of how they were chosen from the survey sample, all of the families who were interviewed were dealing with the child care cliff effect. Most were keenly aware of the exact income level cut-off for benefits, and were constantly weighing job opportunities, school, and child support to be able to maintain their child care benefits. For example, one mother dropped out of school when her financial aid meant her parent fee would increase. She made this choice in order to maintain her benefits at the current level.

The cliff effect was significant for these families especially because all of them described a strong desire to work. They were proud to be members of the workforce, and they wanted stable child care so they could remain in their jobs and even advance in the workplace. They clearly understood the cliff effect was holding them back, and they were frustrated this policy conundrum was keeping them from participating in full employment.

Several direct quotes, all from separate interviews, illustrate this theme, for example, “I was working two jobs at the time and both my jobs were like, ‘We’re going to give you a $1 raise’, and I said no, ‘Please do not give me raise’. Another interviewee said, “How much more am I getting? I’m getting $80 a month before taxes, and I’m going to lose a $1000 benefit. I mean, depending on the care I’m getting. It’s so stupid.”

Often the cliff effect was realized when women were being recognized for a job well done and then faced the hard decision about accepting the reward. By way of example, one woman said, “My boss said, ‘This year I’m thinking about giving you a raise again’. I’m like, ‘No, don’t give me a raise’. And then it looks bad when I go to apply for a new job: ‘Oh why were you only getting $13 an hour?’” Or this woman who was eligible for an annual bonus:
If we get our yearly bonus, that’s gonna put me over income. I probably will say, ‘Please don’t give this to me.’ I don’t want it because there’s no way that I would be able to be off the program and have to pay for child care, cause I would be working to pay for child care.

In the following statement, another woman talked about the tension between quality and access to care, clearly demonstrating the policy pitfalls:

There’s been well twice now where I’ve chosen a provider because they’re better quality, and you want your kids to go to a quality place while you’re gone. But then, you know, their rates are higher than what the County can reimburse, so you’re always stuck with this co-pay. And then, you know, you get a promotion like I did, and then now you have to pay the family fee on top of the co-pay, and it’s just like you can never get ahead. You really can’t. It’s very frustrating.

8.1.2. Struggling with Basic Needs

The families we met with were struggling with meeting basic needs. While every family had different circumstances, they each described stressful and chaotic lives greatly affected by their ability to manage with limited resources as well as the existence or lack of social supports in their networks.

Managing daily life with limited resources

By nature of their low-paying jobs and limited government support, these families manage the expenses of their households with less money than other families. With the majority of families in the study reporting incomes at or near the poverty level, it is not a surprise that the data reveal an almost daily struggle to make ends meet. Families discussed a variety of challenges, from buying food and school supplies, to paying medical bills. Specific to the rural nature of Butte County, significant issues included transportation costs, travel time, and a general lack of resources.

While many of these struggles were resource-related, they were compounded by systemic hurdles that many of the families faced. For example, inconsistent work schedules or income meant coming on and off of the voucher program, sometimes causing them to lose their spot and having to get back on a waiting list. In general, children with special needs are often involved in multiple systems, and families therefore must do a great deal of paperwork and advocacy for their children to remain in stable care. Indeed, several of the families interviewed had children with significant special needs, such as autism or other intellectual disabilities. These situations caused added challenges for families in managing their time and resources.

It is not uncommon for families living on limited resources to find frugal and creative ways to get by each month. Families in this study described a variety of strategies to pay rent, cover child care costs, and obtain enough food to make it to the next paycheck. For example, one person told us, “We get food stamps, of course, but they cut us down to $300, and we’re barely making it work with three kids. But we’re doing okay. My dad taught me how to shop really well.”

One woman, who had recently lost her student job at the local university, described her situation as follows:
Our rent is $800. We actually just moved there a couple months ago ‘cause we were living in a really crappy place before. I didn’t want my daughter in that area, so I was just like, we’re gonna have to get a better place. If it means we have to spend less money a month on other things to be in a better place, then that’s what I’m willing to do.

Another woman’s exasperation is clear in the way she describes her budget:

It’s not like you’re asking to go to Disneyland, which you should get to go, you know. And we talk about that, too. About families not even getting to do the things that families should be able to do, because you’re so busy just trying to meet basic needs: food, shelter, child care.

Social supports

The families interviewed described how they essentially “packaged” their resources from three different sources – work, government benefits, and social supports. This income packaging, as it is called in the literature, is well documented among families living on limited resources (Zippay, 2002).

Families in the study described varying levels of social supports. Some women could name a handful of people who could help them with a ride, or from whom they could borrow $50.00 in an emergency. For others, their social support networks were very small or non-existent. One woman explained that while her family members lived nearby, they had issues with substance abuse and criminality; they therefore were not only unreliable, but not an influence she wanted on her children. Women with little social support demonstrated high levels of anxiety due to constantly having to manage scarce resources.

A few quotes illustrate this theme, for example one interviewee stated, “It’s a scary thought, but I try to just hope and pray that nothing goes wrong because it’s just me and my kids.” Another woman described her situation in this way:

I have a lot of family, but they’re all kind of not in a good place. I just hate taking them to my mom’s. I mean, I do have my mom as back-up when they’re sick. I don’t know where the line is at with day care, because I know there’s a lot of other kids, and I try to avoid taking them when they’re sick. But I just as much hate taking them to my mom’s because there’s a lot of people over there that – it’s just not a great environment. Yeah, so I mean I do have my mom. But I just hate, hate, hate having them there. But when they’re sick what do you do?

Much of what interviewees expressed illuminated the fact that building and maintaining social networks required time that they do not have. For example, one woman stated, “I don’t have a strong network of friends, because I work and I take care of two boys that takes up all my time.”

8.1.3 Administrative Hassles

For families in our study, the amount of paperwork and frequency of recertification created real barriers to accessing and maintaining their child care benefits. These administrative hassles are abundant in the literature and were also revealed in the interviews. Particularly for families involved in more than one social service system, the number of case workers and the different requirements for each program proved to be time consuming, confusing and
burdensome. While women understood they had to follow program requirements, they faced costs that included not only tangible resources, but also the critical resource of time itself.

A few quotes illustrate this theme, like this woman who had a reasonable concern about the availability of service for working families:

Yeah so like that was really hard for me, was being able to schedule and get to the appointments they needed me to be at because I’m the primary household. So it was really difficult for me to take off of work, my work that I needed to make money; to get to where they needed me to be because my job was an 8-5 Monday through Friday job just like theirs is Monday through Friday 8-5. So it was really difficult to schedule in that time to meet with them to sign all the paperwork they needed me to sign, or to hear the requirements and to say where we’re at with the program. And I just feel like they need to work maybe even just one Saturday a month or something, just to help those that aren’t able to get away from work during the week to be able to go and take care of what they need to take care of.

For other respondents, the administration of the rules felt as though their lives were being scrutinized by the service providers. One woman said it like this, “I have to check in with all these people... My life is micromanaged.” Another quote illustrates well this feeling of surveillance:

It’s a lot of paperwork I have to turn in every month. I have to keep track of my hours and everything. The faster I get off this help would be the better. I mean I appreciate the help I’m getting from the county. But it’s just too many things I have to keep track of that I’d rather just be able to take care of myself and my family.

8.1.4 Health

The final theme revealed in the data was health of both parents and children. Several of the families that were interviewed had children with special health needs. An often compounding factor was the poor health of the parents. While the rate of uninsured residents of Butte County closely matches that of California at 8.1% and 8.3% respectively, individuals in Butte County are twice as likely to have a disability (US Census Bureau, 2015).

One mother had been recently diagnosed with a heart condition, limiting her ability to work as well as care for her children. Besides having chronic health conditions, just being sick for a day or two can be problematic for families receiving subsidized child care. Because the subsidy is available only for parents who are working. On any particular day, a parent who calls in sick, in theory, needs to pull their child out of care in lieu of resting and getting better to go back to work. Parents, in their desire to follow the rules and maintain their benefits, are then put in the position of caring for their child when they themselves were sick – potentially delaying their own recovery. One parent described it like this;

The rules are that if you are at home with one of your children or you are sick you can’t have child care. That’s the rule. So even though you might be vomiting continuously you’re supposed to be able to watch your children so you can’t have child care. That is a messed up rule.

There is increasing attention to the rural disparities in access to healthcare. Goins, Williams, Carter, Spencer, and Solovieva (2005) found five separate categories of barriers to rural health care, including: transportation difficulties, a limited supply of providers, a lack of quality in
health care, social isolation, and financial constraints. These barriers to healthcare mirror much of what families face in accessing child care.

8.1.5 Transportation

Unlike many of the existing studies of the child care cliff effect, ours identified transportation as a significant challenge for families in Butte County. This is an ever-present theme in rural communities as outlined in the review of existing literature (Kidder, 2003; Colker & Dewees, 2000). Limited public transportation, the cost of gasoline, and long distances from homes to work and services create significant challenges in rural communities. Some child care centers provide transportation, which, especially in rural communities is a considerable advantage.

One woman told us that, “not very many centers do transportation. It seems to be an issue. My son used to go to a center that did transportation, but then they didn’t have any transportation spots so I had to move him to a different person.” Another respondent talked about the challenges with relying on public transportation in this quote, “I take the bus to school and to work. My boyfriend has a car but he tries not to drive very much just because of gas. It makes managing all of our family obligations very difficult.”

8.2 Study Limitations

The primary limitation of this study was a less than ideal response rate. With a population of 1,800 families either receiving benefits or on the waitlist, an ideal survey sample would be between 400 – 600 completed surveys. With more time and additional resources, we likely could have increased the number of completed surveys. However, the overall consistency between the Colorado study and the current one appears noteworthy. The data in the current study showed 35% of families reported having faced the cliff effect, and in the Colorado study 33% of families reported having faced the cliff effect (Roll & East, 2014). These similarities warrant further investigation as they may prove helpful in discerning the extent of the cliff effect as a policy failing.

An additional limitation, common in qualitative research, was the influence of the researchers themselves. Because the families were involved with VOCS in some capacity, they may have seen the role of the researchers as inherently tied to their child care benefits. While we made every attempt to demonstrate our neutrality and explain that we were independent researchers, there were likely implications for whether and how families reported their experiences. Again, more time and resources may have allowed the researchers to become better known and trusted within the community, and this in turn may have reduced possible bias on the part of the respondents.

9 Conclusion & Implications

Borne out in the data, a substantial number of Butte County low-income families have faced the child care cliff. In the original Colorado-based study, 33% of families reported experiencing the cliff effect (Roll & East, 2014). Of the current sample, 35% of families reported having to make difficult decisions when successful job activities and other potential increases in income forced them to strategize to maintain their child care benefits. These strategies included such things as declining a raise or a bonus, not accepting child support, and not taking extra hours at work. While families recognized that these decisions may hurt them in the long run, their short-term need for affordable child care outweighed these later drawbacks.
In addition to the child care cliff, families faced multiple other barriers to making ends meet. These were largely due to the challenges of living on limited resources, compounded by the administrative hassles of securing and maintaining government support. In addition, significant health issues and limited transportation options in this largely rural county worked against families’ ability to become financially stable.

To mitigate the cliff effect, policymakers should adopt mechanisms so that families can incrementally leave benefits rather than experience abrupt terminations, or cliffs. Pilot programs in Maryland, Florida, and Colorado require families to pay slightly more for their monthly fees when they have received an increase in income, rather than terminate their benefits. These programs have shown early promise (Birken, Moriarty-Siler, & White, 2018). Flexibility for agency staff in individualizing benefits for families, based on local support systems and community partners, may also afford families a better opportunity to make practical financial decisions. This would allow them to accept a raise or increase in pay and not fall behind.

Limited child care access and availability occurs in the context of broad social issues, most fundamentally poverty. Families across the country pay an average of 10% of their income on child care (Laughlin, 2010). However, low-income families spend almost 20% of their income on care, almost double the national average. Improved funding for additional subsidized child care slots would be a start to mitigating these discrepancies. For rural families, economic growth and viability could mean not only improvements in employment opportunities, but also better healthcare and transportation infrastructure. An investment in rural communities would go a long way toward improving educational outcomes as well as overall quality of life.

While child care support for low-income families is indeed a vital resource, sufficient funding and policy implementation remain challenges for providers and advocates serving families. As revealed in this study and in the research literature, the benefits-cliff faced by as many as one third of families continues to be a significant hurdle for families to gain self-sufficiency. In addition, compounding the child care cliff effect are multiple other policies that create obstacles to a family’s ability to become and remain financially stable.

In California, the Legislative Women’s Caucus made child care its top priority for 2016, and in June of that year Governor Brown signed the State budget including an investment of $147 million to increase early education and child care support. Advocates were hopeful that this would be the start to a multiyear investment by the State in early care and education and indeed the State has continued to recognize and support improved funding in this area.

At the federal level, rule changes to the Child Care and Development Fund proposed by the Obama administration have begun to take effect across the Country as states adopt new policies and procedures. Relevant to the cliff effect, the rule change ensures that once qualified, families will be eligible for a minimum of 12 months of assistance regardless of temporary changes in parents’ employment or participation in education or training, as long as their family income does not exceed the maximum federal eligibility level. This rule change is also intended to make it easier for states to align CCDF policies with other programs, such as SNAP, Medicaid, CHIP, Early Head Start, and Head Start, potentially cutting down on administrative hassles for families. In addition, the proposed rule change establishes income eligibility limits at or below 85% of state median income, allowing more families to qualify.
These slow, incremental policy changes are promising, and are undoubtedly the result of dedicated advocates bringing the stories of families to the attention of policy makers. It will take time to see the real effects of these policies on the lives of families. Future research would do well to continue to elucidate obstacles faced by these families as they seek financial stability, so that we can create and modify programs to better meet their needs and those of our larger society.

References


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