

# Subsidy Utilization and Impact on Early Care and Education of Low-income Children with Special Needs

Amanda L. Sullivan, Amy Susman-Stillman, & Elyse M. Farnsworth



UNIVERSITY OF MINNESOTA  
Driven to Discover<sup>SM</sup>

## Project Description

The principal objective of this project is to describe the nature and impact of child care subsidy use by low-income families eligible for subsidies who have children with special needs. These children represent a substantial proportion of the general population under age 5, including those served by child care subsidies. Poverty increases risk for developmental delays and disabilities, in addition to being negatively correlated with school readiness. As such, young children with special needs in low-income families face compounded risk for poor outcomes, making even more critical early care and education experiences conducive to developmental gains.

## Project Objectives

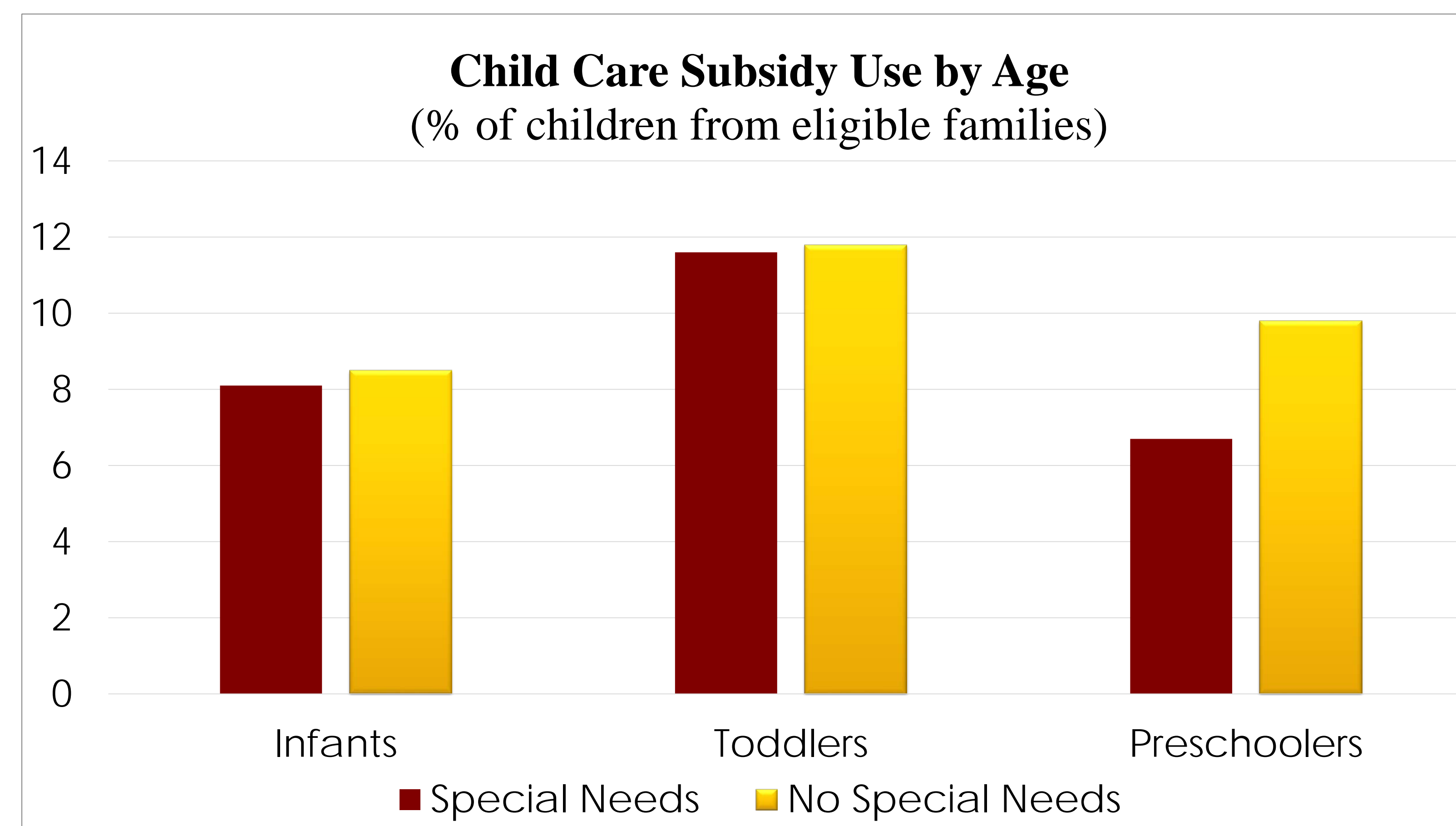
1. To describe patterns and predictors of subsidy use among children with disabilities or delays relative to typically-developing children within the population of subsidy-eligible, low-income families.
2. To identify differences in care types and quality and predictors thereof between children with special needs and typically-developing children from low-income families who do and do not receive subsidies.
3. To ascertain the extent to which subsidy receipt, care type, and care quality are related to school readiness of children with special needs who come from subsidy-eligible families.

## Method

This study entails secondary analysis of nationally representative data drawn from the Early Childhood Longitudinal Study – Birth Cohort of children born in the U.S. in 2001. Data were collected via parent interviews, direct assessment of children, teacher ratings of children's behavior, and observational ratings of child care quality.

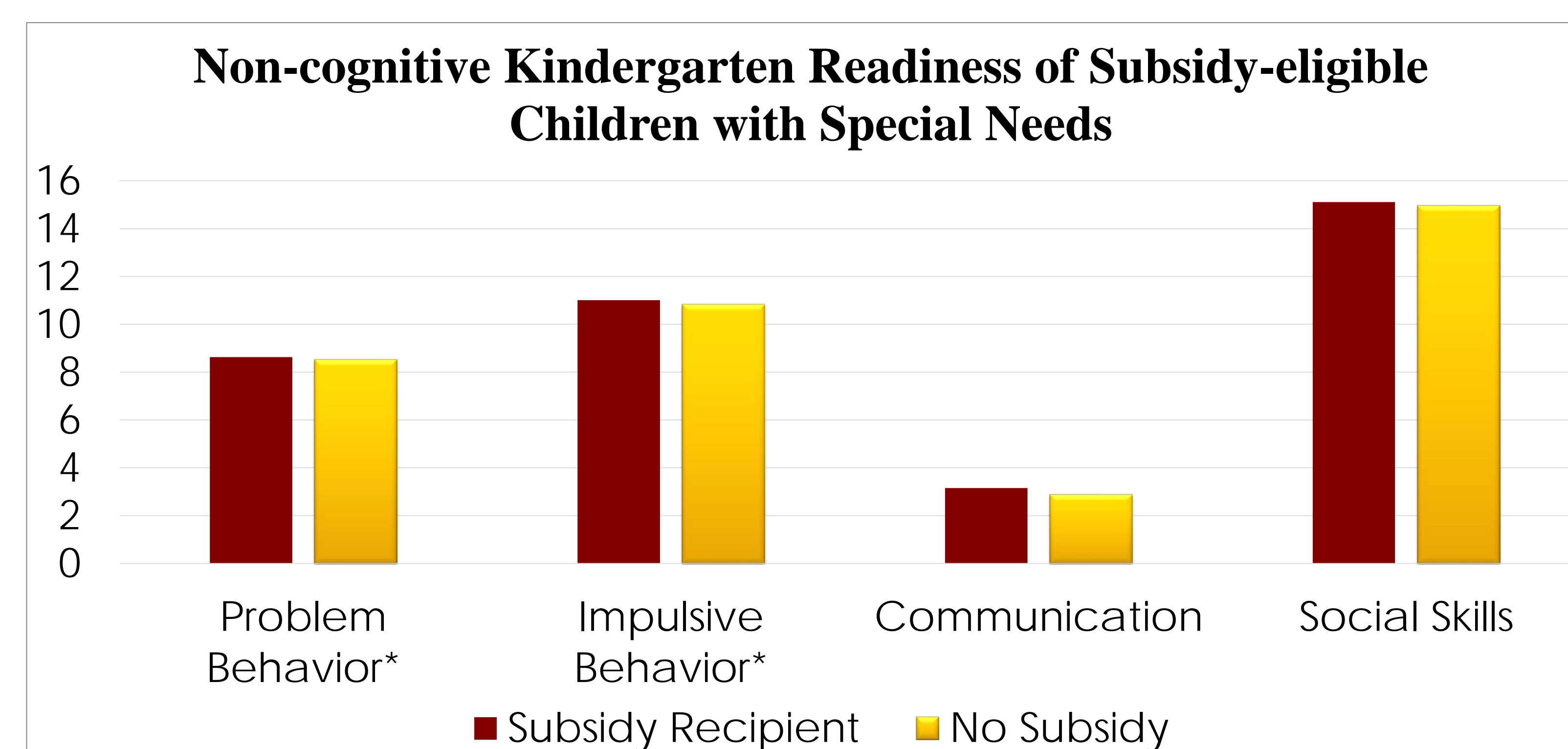
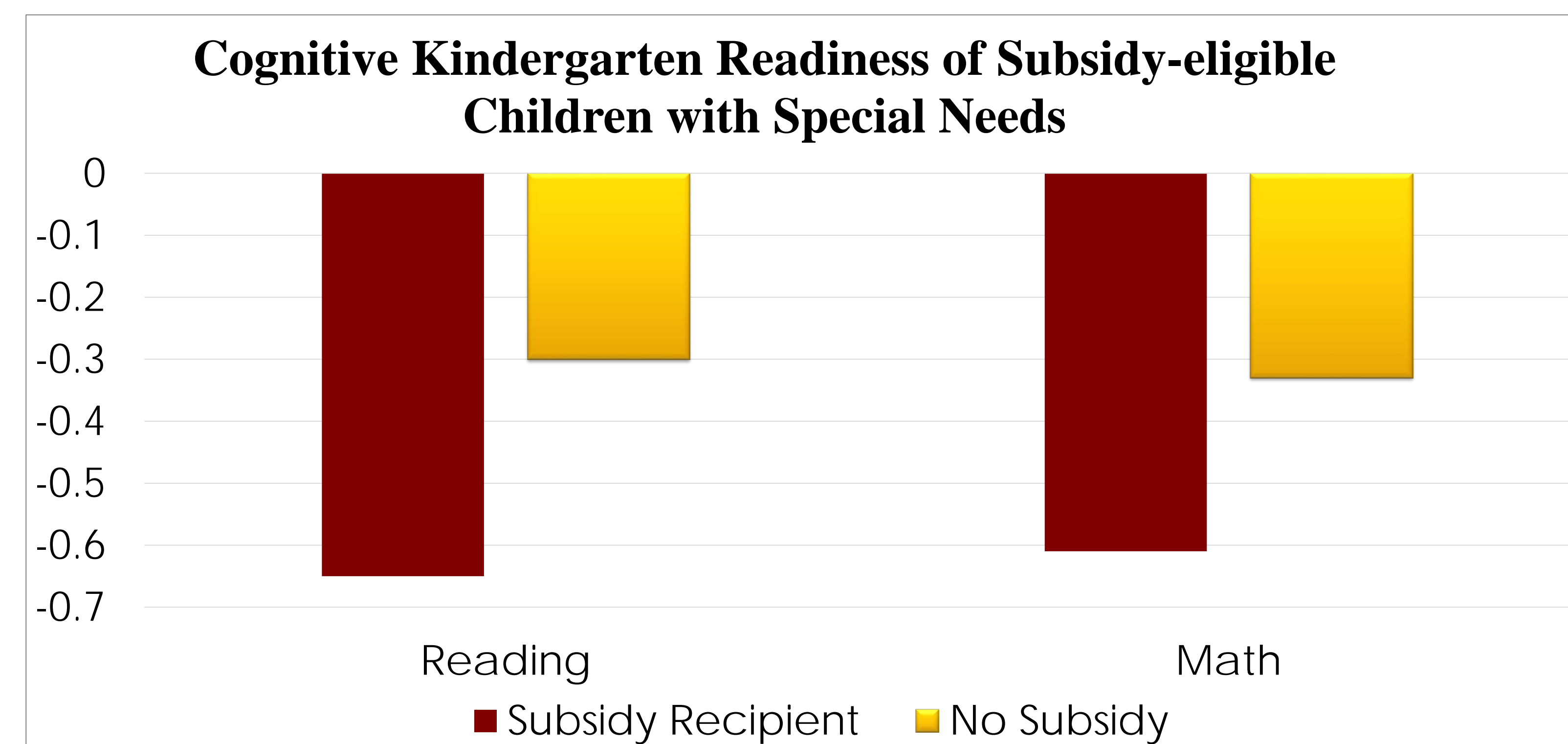
## Sample

Our sample is approximately 5,400 low-income infants, toddlers, and preschoolers in subsidy-eligible families, including 1,050 children with special needs, who participated in the Early Childhood Longitudinal Study – Birth Cohort (ECLS-B).

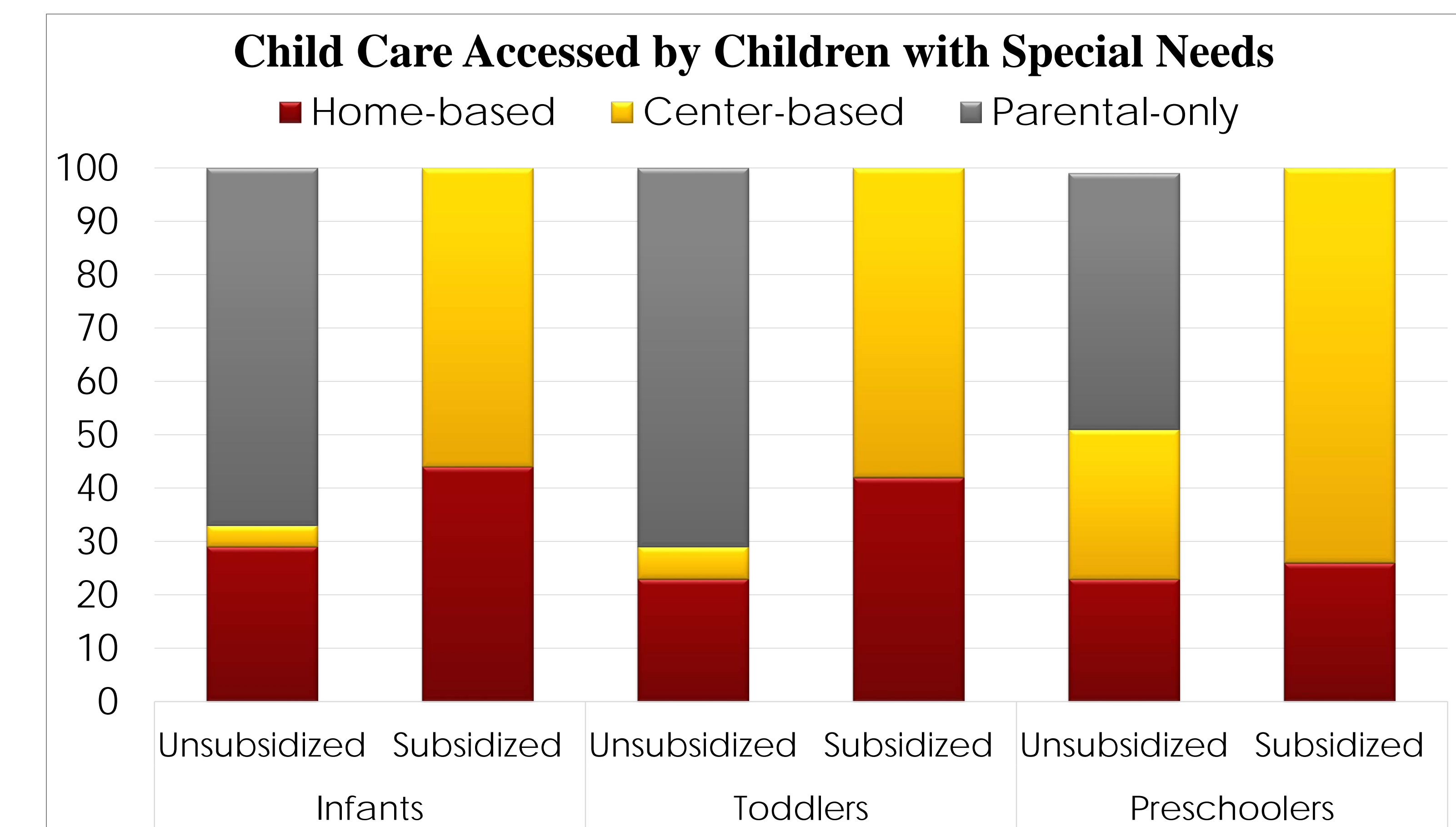


### Patterns & Predictors of Subsidy Use

- Throughout early childhood, children with special needs are less likely to access subsidized child care; the difference was greatest among preschoolers.
- Families least likely to access subsidized care include those from: non-English households, married families, with multiple siblings, and nonworking moms.
- Among children with special needs, use of subsidy resulted in higher use of child care than children with special needs who did not use subsidy. Subsidy recipients also accessed more hours of care per week, which is conducive to desirable employment outcomes.



\*Lower scores on problem and impulsive behaviors are more favorable.



### Differences in Care Type & Quality

- Most families of children without special needs who do not access subsidies rely only on parental care. Although only 6-11% of families of children with special needs use subsidies, the majority of those who do will access center-based care.
  - Rates of center-based care for toddlers and preschoolers were still lower for children with special needs than their typically-developing peers
- Type of care used varied primarily by marital status, family size, and work status.
- Subsidies were associated with receipt of higher quality care for toddlers, but lower quality for preschoolers.
  - Higher child:adult for toddlers and preschoolers
  - Less access to quality care for larger families and working parents
  - Black children with special needs especially likely to receive poor quality care

### Effects of Subsidy Receipt and Care on School Readiness

- Propensity score weighting was used to approximate random assignment to subsidies and determine the effects of subsidy receipt on school readiness.
- There were no significant differences in school readiness among children with special needs who did and did not receive subsidized care.
    - Regardless of subsidy receipt, children with special needs performed below average on measures of kindergarten math and reading skills. Although average performance was lower in both domains for subsidy recipients, these differences were not statistically significant.
    - There were no significant differences in non-cognitive measures for problem behavior, impulsive behavior, social skills or communication.
  - Care type and quality did not moderate the effect of subsidy-receipt on kindergarten cognitive and non-cognitive outcomes; however, care type was a significant predictor of kindergarten academic outcomes above and beyond ecological factors. Children who attended home- or center-based care had better reading and math skills than children who received only parental care.

