

POLICY PERSPECTIVES

Center for the Study of Women in Society

UNIVERSITY OF OREGON · WOMEN IN THE NORTHWEST RESEARCH INITIATIVE · NO. 2



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The **Women in the Northwest Research Initiative** generates and disseminates research that informs social policy, public understanding, and scholarship to improve the lives of women, families, and communities.

This Policy Perspectives presents data from “Oregon Families Who Left Temporary Assistance to Needy Families (TANF) and Food Stamps: A Study of Economic and Family Well-Being, 1998 to 2000.” (Available at <http://wnw.uoregon.edu>)

EMPLOYMENT-RELATED DAY CARE

Maya Bronson* is a single mother in her early twenties who has utilized ERDC to help cover childcare expenses for her eight-year-old daughter. Although Bronson has worked for the same company for two years, she has struggled with an unpredictable schedule, often requiring her to be available for work on weekends or for work before 5:00 A.M. or after 10:00 P.M., hours that are hard to cover with paid childcare. As her hours increased from part-time to full-time, her hours became more predictable, her income increased, and her ERDC co-payments went from \$20 a month to \$181 a month. She could not afford the higher co-payment and began to rely more heavily on her mother to care for her daughter. Currently she works a fairly predictable 5:00 A.M. to 1:30 P.M. shift, but not one conducive to the sleep of a child. So she drives her daughter to her mother's house each evening where her daughter sleeps. Bronson describes the experience:

“I had a really hard time with it at first. I just did not like it and did not deal well with it at all. But we have gotten to the point where I take her there at bedtime, tuck her into bed, you know, read a book and then go home.”

—Maya Bronson, TANF Leaver

The challenge of patching together childcare arrangements under such conditions is a constant negotiation. Sometimes Bronson has had to drive her daughter two-and-a-half hours to her grandmother's house while Bronson worked weekend shifts. At other times, she has stayed home from work because childcare coverage was simply not available.

TABLE 1: MONTHS OF USAGE OF EMPLOYMENT-RELATED DAY CARE (ERDC) BY FORMER TANF LEAVERS AND TANF DIVERTED

Never used ERDC	219	(58%)
Used ERDC	155	(42%)
1–3 (months)	29	(8%)
4–6	34	(9%)
7–9	14	(4%)
10–12	16	(4%)
13–15	22	(6%)
16–18	17	(5%)
19–21	23	(6%)
Total	374	(100%)

Source: Administrative Record Data, Adult and Family Services, State of Oregon, February 1998–October 1999.

Parents often decide not to use employment-related day care because co-payments rise rapidly as family income increases, but not enough to cover the co-pay. As Lydia Santos*, a Food Stamp leaver, said:

I was really excited about getting a raise at work. Then it was like I didn't get a raise because it all went to childcare . . . It would be nice to get [ERDC] even if they only paid for a third of the childcare or something, just not to be totally cut off. —Lydia Santos, Food Stamp Leaver

Rising incomes also quickly take families over the ERDC eligibility limits. Consequently, many do not qualify even though average incomes for the families in the study were very low (Table 2). And with such low incomes, they are unable to pay the costs of care, which can vary between \$400 and \$700 per month, for young children in full-time care.

TABLE 2: MEDIAN TAKE-HOME (NET) EARNINGS OF EMPLOYED RESPONDENTS

At first survey (n=970)		At second survey (n=756)	
Number with earnings	Average take-home pay/month	Number with earnings	Average take-home pay/month
65% (636)	\$957.50	69% (525)	\$1,000.00

Source: First and Second Surveys of Welfare and Food Stamp Leaver and Diverted Study

The lack of available high-quality day care is another problem, identified by almost 30 percent of respondents as a barrier to employment. And many of the parents in the study worked irregular or unscheduled hours when suitable care may not be available. When parents have to work at night or when unscheduled overtime is required by their employers childcare arrangements become precarious. Although the age of a child influences a parent's choices about whether or not to use childcare, about 50 percent of all children aged twelve and under in the sample were not in any paid or unpaid childcare at eighteen to twenty-one months after their families left TANF/FS or were diverted from TANF. Work requirements for ERDC may prevent parents from pursuing further education because they do not have enough hours in the day to go to school, care for their children, and still work enough to qualify for ERDC. Thus, as Kim Smith* implies, parents may be caught in low-wage jobs.

"They'll pay for you to work. They'll pay for your day care to work a minimum wage job for the rest of your life, you know, if you chose to. Because at a minimum-wage job you'll never be able to afford day care yourself anyway. But they won't pay for someone, for day care for a year or two for them to go to school and get a degree so they can become more successful." —Kim Smith, TANF Leaver

RECOMMENDATIONS

- Lower co-payment amounts for ERDC so that more families can afford to use it.
- Adjust ERDC income eligibility amounts to ensure access by more families.
- Encourage the development of more high-quality day care centers.
- Modify ERDC rules so that those pursuing higher education are more often eligible.
- Support the Student Block Grant program for childcare.

*Names have been changed for the purposes of this report.