



# Michigan Child Care Assistance: Reasons for Non-Use and Impacts for Families

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## Michigan Partnership

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**Michigan Department of Education (2019-2023), Michigan Department of Lifelong Education, Advancement, and Potential (2023-2024)** administers the state's child care assistance program, including policy, funding, and provider payments. (The program moved from one department to the other in December 2023.)

**Michigan Department of Health and Human Services** determines assistance eligibility for the state's public benefit programs, including child care assistance. It manages the Bridges data system and application process.



# Study Funding Acknowledgement

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The contents of this presentation are solely the responsibility of the authors and do not necessarily represent the official views of the Office of Planning, Research and Evaluation, the Administration for Children and Families, or the U.S. Department of Health and Human Services.



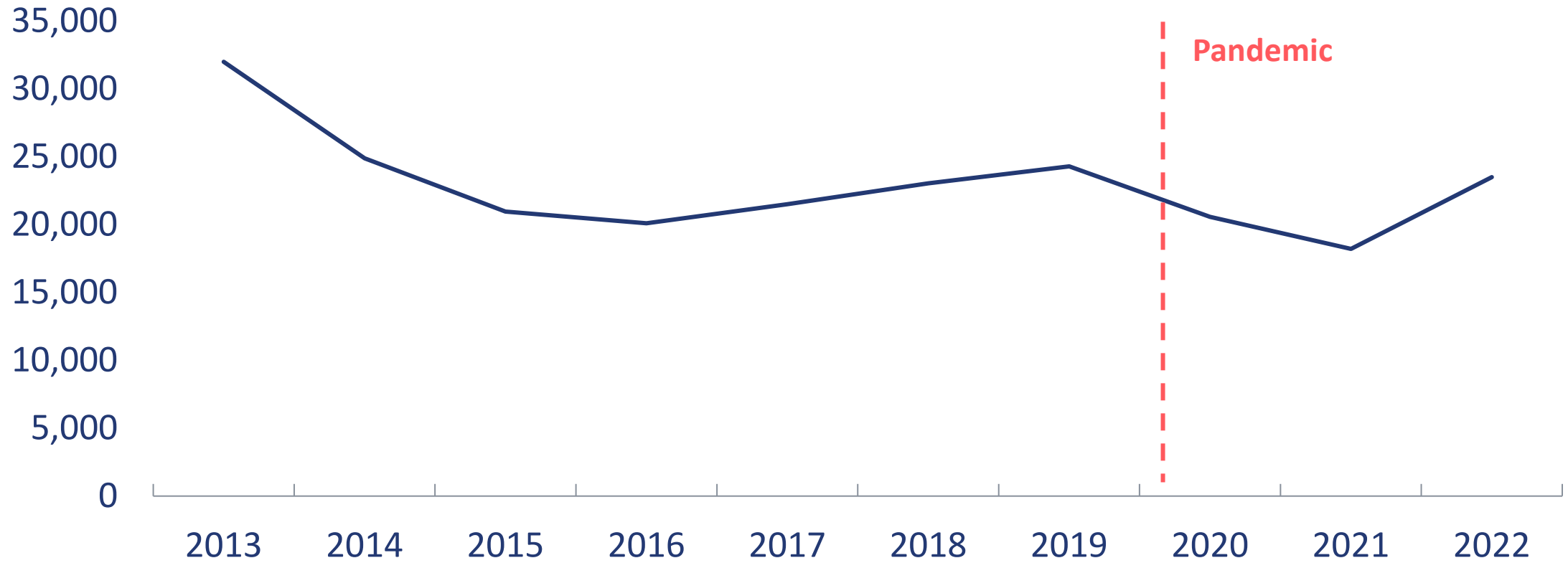
# Study Overview

Sources:	What is the impact of changes to child care policy on subsidy outcomes?	To what extent do local child care market conditions mediate the impacts?	What opportunities do families, providers, and caseworkers see to improve?	How have the two state agencies collaborated to improve the access to child care?
Administrative data: program case-level, licensing, provider quality	✓	✓		
American Community Survey		✓		
State agency coordination assessments				✓
Eligibility specialist surveys	✓		✓	
Provider interviews	✓		✓	
Parent interviews	✓		✓	

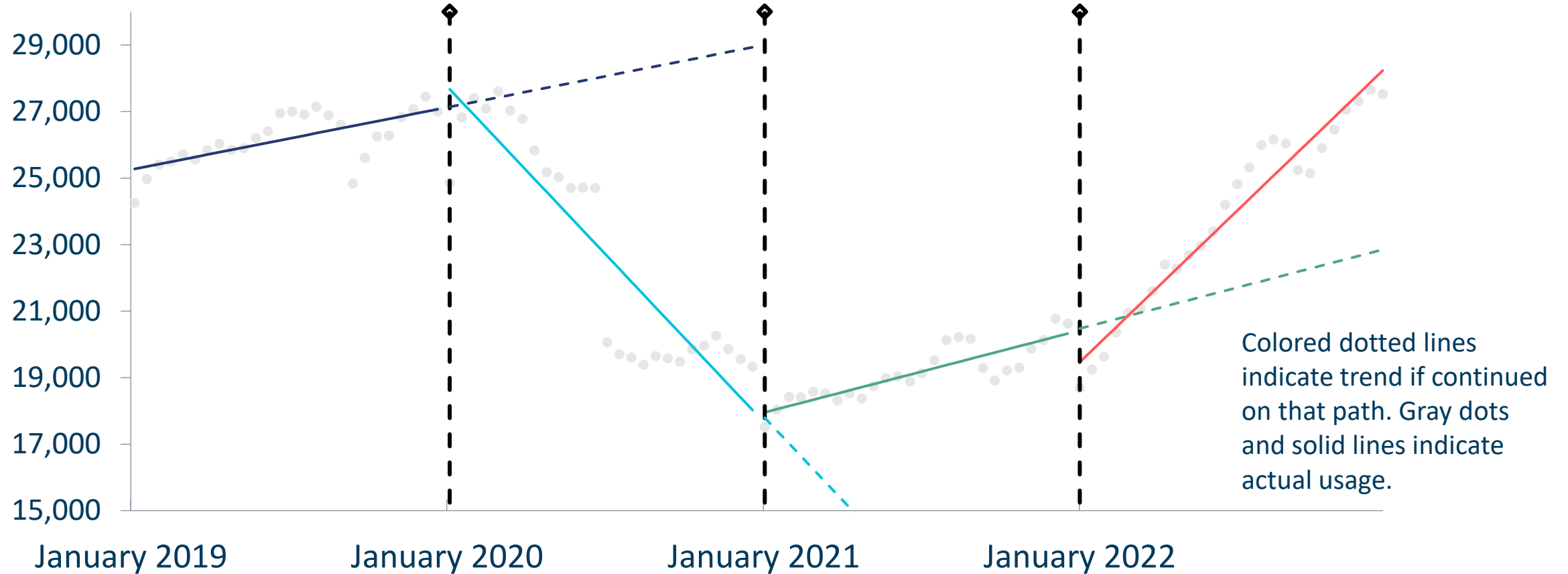
# Subsidy Use 2013-2022

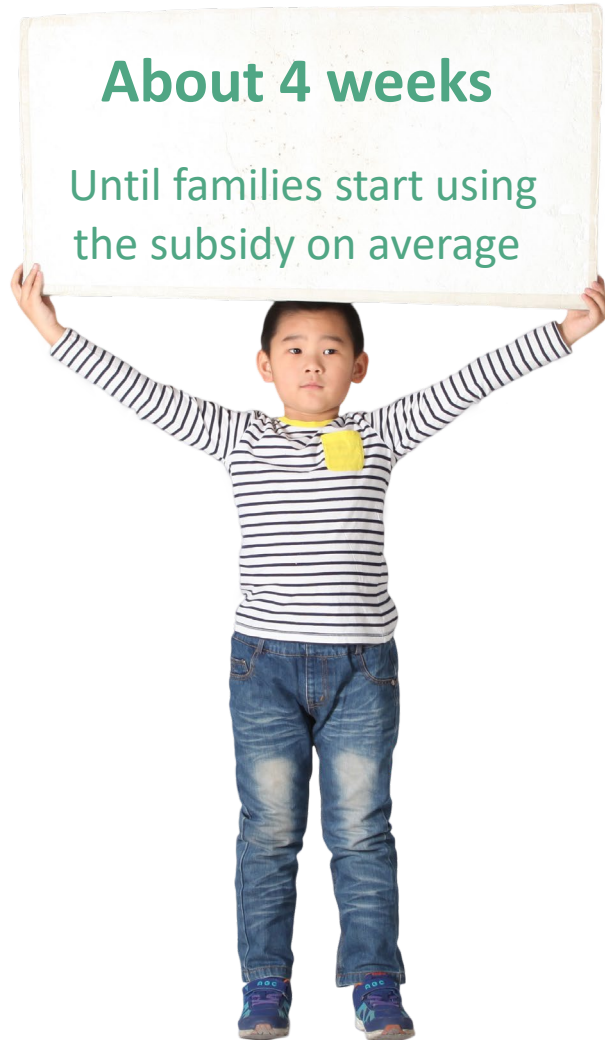


Number of Families Using the Subsidy



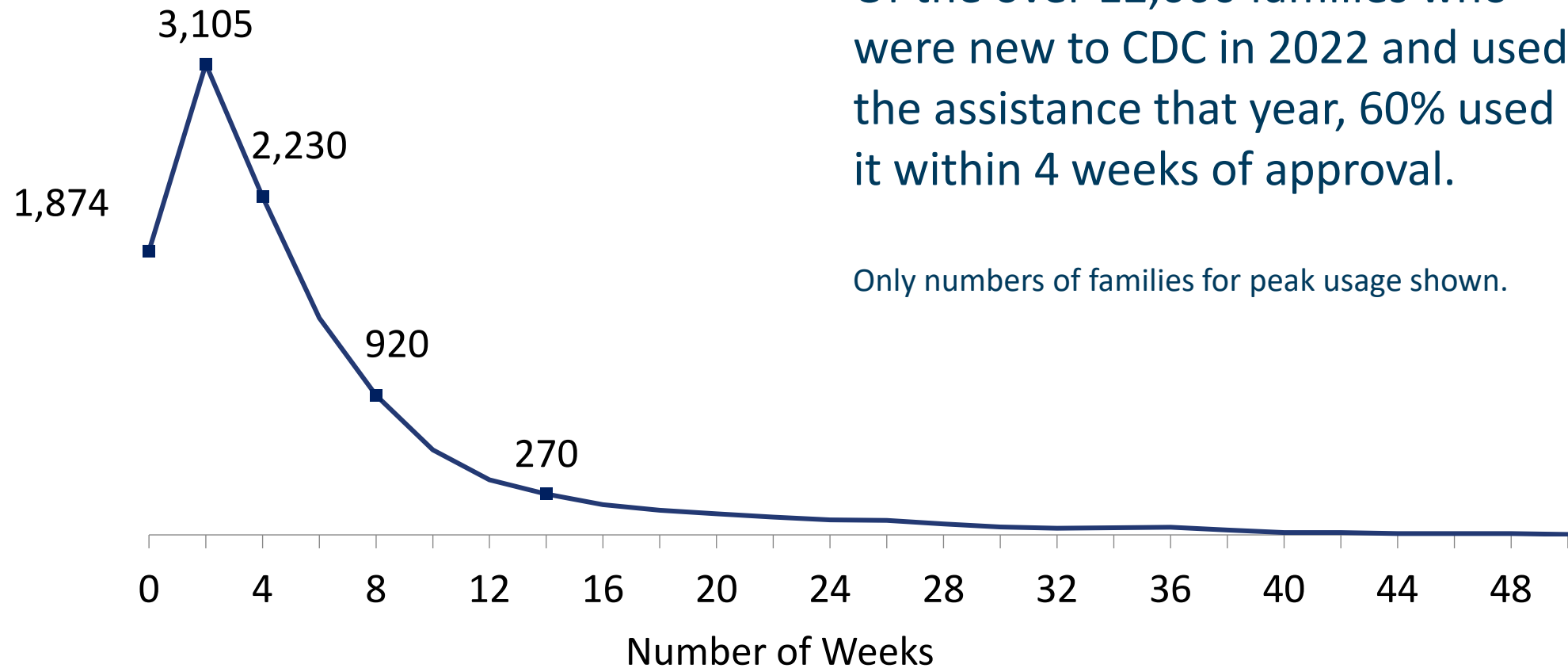
# Subsidy Use During Pandemic





## Non-Subsidy-Utilization Patterns

- There is no relationship between how long it took to first use the subsidy and when the family was approved.
- Policy changes did not make families more likely to use their subsidy compared to pre-2022 policy changes.
- 16% of families use it immediately and 42% within the first 2-3 weeks







# Non-Subsidy-Utilization Patterns

Racial/Ethnic Differences, Combined 2021-2022,  
Controlling for Region

- Asian families 60% more likely to not use their subsidy than white families
- Black families 45% more likely to not use their subsidy than white families





# Why Don't Families Use the Assistance?

2023 Telephone Interviews with Parents

- From program's 2022 data, identified who had provider billing and who did not.
- Sampling criteria: service region, type of provider
  - Subsidy Users – 48 parents
  - Non-Subsidy-Utilizers - 48 parents



# Interviewed Family Demographics

	Subsidy User	Non-Subsidy User
Average age of youngest child (years)	2.95	3.8
Average reported income (for 4 weeks)	\$2,672	\$3,261
% Reported any income	77%	69%
% Need reason: employment*	86%	73%
% Need reason: approved activity*	14%	27%
% African American/Black	48%	56%
% Single parent household	72%	78%

\* Families can have multiple need reasons.

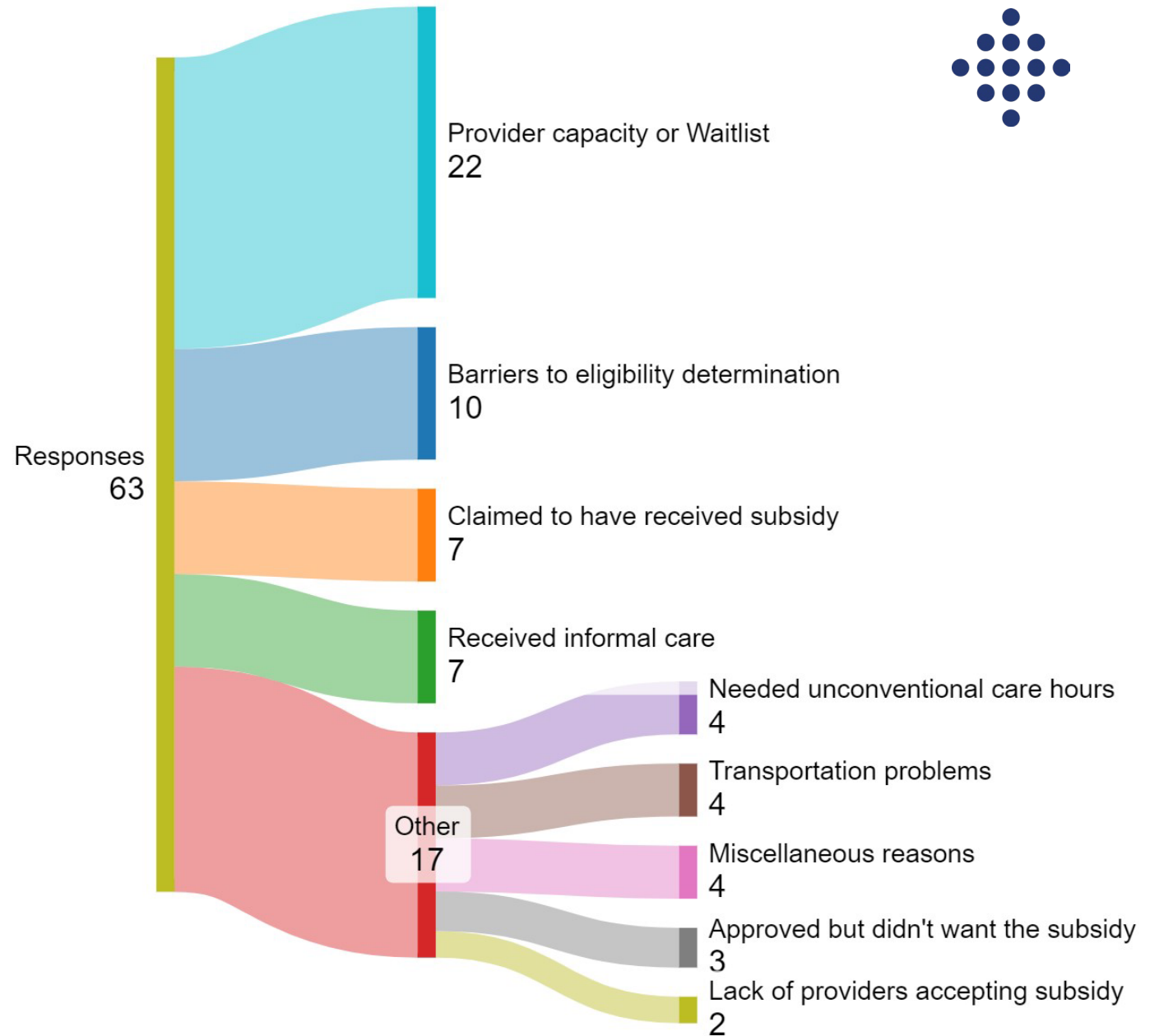




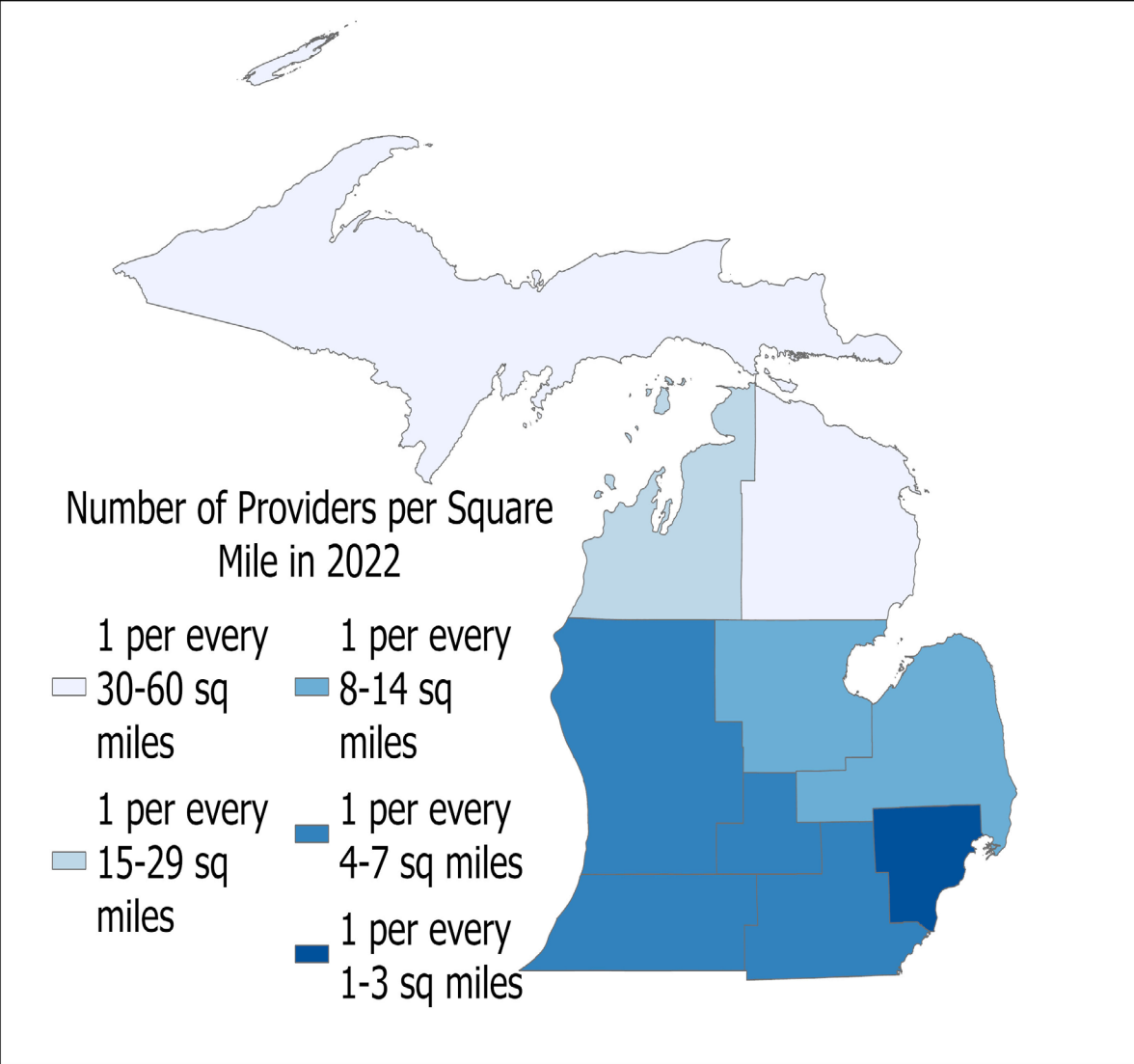
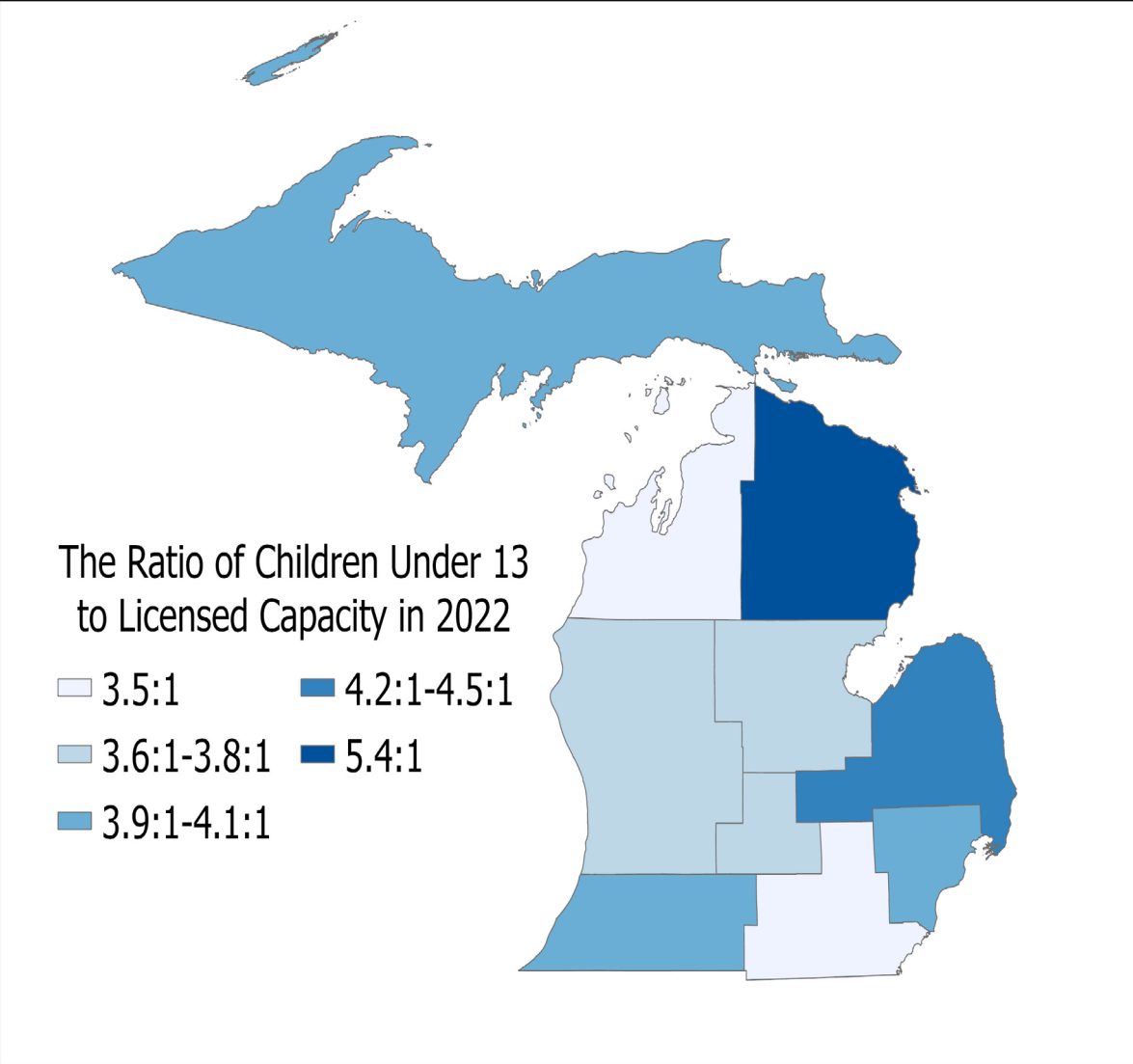
# Reasons for Non-Use

- Nearly half of parents (22 of 48) cited waitlists or lack of provider capacity

Graphic shows more responses than number of interviews because many parents gave more than one reason for non-use.



# Geographic Accessibility: Ratios and Density of Providers





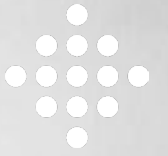
# Non-Subsidy-Utilization Patterns

## Geographic Variation

- Lowest usage is in rural areas of the state (Northwest, Northeast, Upper Peninsula)
- Highest usage is in urban areas of the state (Metro Detroit and Eastern)

Differences are likely due to fewer child care options in rural areas





## Parent Voices:

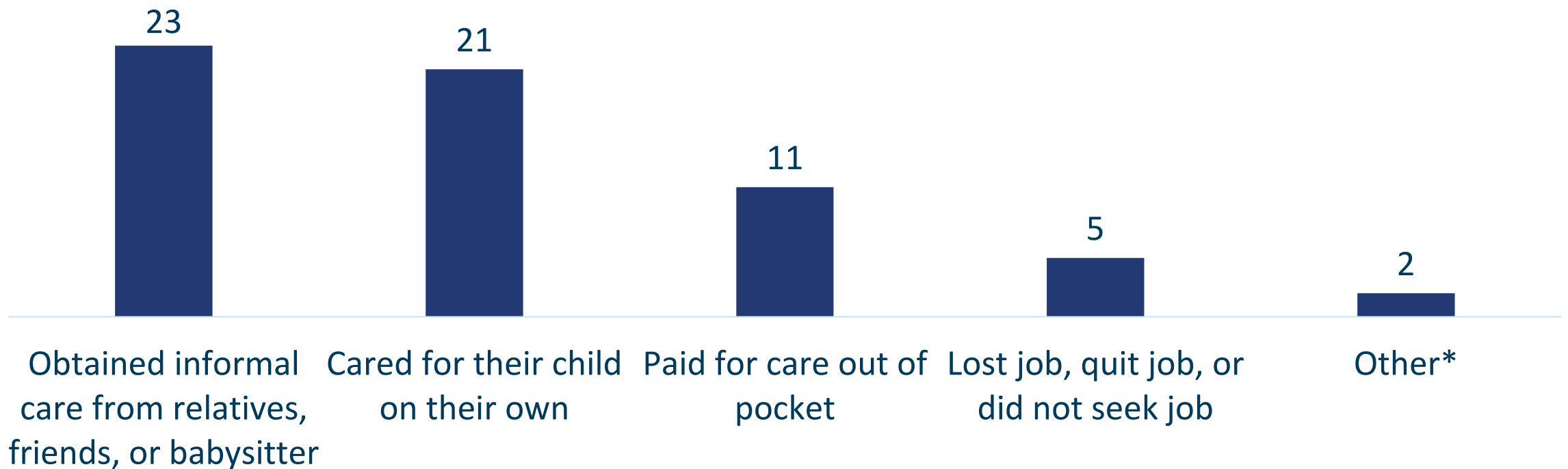
“Everyone I looked up was accepting CDC [assistance]... [But] everybody's on the waiting list, so there was really no choice.”

“Some of them just told me that they didn't have anything that meet[s] my schedule and then others told me that they didn't provide transportation as well, so I couldn't use them.”





# How Did Families Respond to Lack of Suitable Child Care?





## Recommendations

- Incentivize increases in the supply of child care slots for families with assistance, particularly in the regions with the lowest usage
- Help families find child care slots that meet their needs with targeted outreach in the first few weeks of subsidy approval
- Explore in further research why some families of color are less likely to use the subsidy
- Engage communities (educators, businesses, etc.) in addressing child care supply issues using economic-impact messaging

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