

Illinois Child Care Assistance Program Brief

Earnings & Child Care Assistance After One Year

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Overview

Many low-income working parents rely on subsidized child care. The program supports qualifying families in working or attending school, many of whom may be unable to afford market-rate child care. Examining parents' income and employment patterns can guide policymakers to optimally structure subsidized child care to support sustained employment and improve program engagement. This brief series focuses on the work, school, and child care engagement of Illinois families enrolled in the Child Care Assistance Program (CCAP). This brief examines parent earnings and family participation in subsidized child care 1 year after program entry.

What We Did

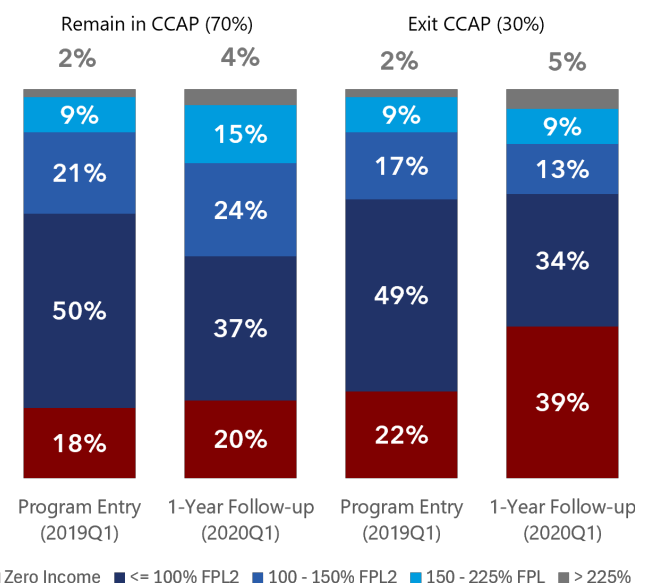
We analyzed the labor market participation and earnings of parents with subsidized child care cases that opened in the first quarter of 2019. We restrict analyses to households that had not participated in the Child Care Assistance Program (CCAP) in the prior 2 years. We used CCAP data from the Illinois Department of Human Services (IDHS) Child Care Management System (CCMS) joined to wage data reported to the Illinois Department of Employment Security (IDES). We examine the distribution of household income, relative to the Federal Poverty Line, in the first quarter of 2020, one year after program entry, for families who remained in CCAP and families who exited CCAP.

What We Found

Seven out of ten families were still participating in subsidized child care 1 year after program entry. Families that continued participating in CCAP 1 year after program entry had, on average, stable or increasing earnings. Among this group, the percentage of families earning above 100% FPL increased from 32% to 43%. Despite the modest upward movement, almost all families (96%) remained below the 225% FPL threshold.

Families that exited CCAP after 1 year had, on average, lower earnings than when they started. The percentage of families exiting CCAP with positive earnings up to 150% FPL decreased from 66% to 47% 1 year after program entry, while the percentage of families with no earnings increased. The share with earnings above 225% FPL increased slightly, from 2% to 5%, in this same period. These shifts in earnings may represent changes in employment (for example, losing a job) and total earnings (for example, earnings above program income limits) that impact program eligibility for some families.

Families Remaining in CCAP for One Year have Higher Incomes than Families who Exit



Notes: Parents' income is determined by total wages of both head of household and other parent found in the wage data in a quarter. Cases where neither parent were found in the wage data are categorized as zero income. CCAP participation 1 year later is determined based on whether a case has any CCAP payments made in 2020 Q1.

Learn More

[Follow along](#) for technical details and methodology, and additional study findings on parental employment within subsidized child care.

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About CCAP

The Child Care Assistance Program (CCAP) in Illinois provides child care subsidies to low-income families in the state who participate in qualifying employment and educational activities. Eligibility for CCAP is restricted to families with children under age 13 whose household income falls below 225% of the federal poverty line at the time of application (or 275% of the federal poverty line at the time of eligibility redetermination). According to IDHS, in FY2020, Illinois CCAP served 193,715 children and 108,316 families, and distributed subsidy payments to 26,798 child care providers.

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