

Using Administrative Records to Evaluate Child Care Expense Reporting among Child Care
Subsidy Recipients

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Abstract

Policy leaders today look to quality data and statistics to help inform and guide programmatic and policy decisions. As a result, assessing the quality and validity of major household surveys in capturing accurate information is essential. One method for evaluating survey quality is to compare self-reported information in surveys to administrative records.

There has been little analysis of the self-reported child care expense since the question was added to the 2010 Current Population Survey Annual Social and Economic Supplement (CPS ASEC).¹ The self-reported child care expenses from the CPS ASEC are used in the Supplemental Poverty Measure (SPM) as an element of work expenses (Fox 2017). Macartney and Laughlin (2011) compared child care expenses in the 2010 CPS ASEC to estimates from the Survey of Income and Program Participation (SIPP) and found that there were significant but substantively small differences. Both of these estimates, however, are self-reported.

The Child Care Development Fund (CCDF) is a federal block-grant program that provides child care subsidies to low-income families while they work, attend training, or go to school. In fiscal year 2016, about 823,600 families per month received child care subsidies through the CCDF program (Office of Child Care 2018). Using administrative records from this program, we can examine how self-reported child care expenses in the CPS ASEC compare to reported copayments for families participating in CCDF.

In this paper, we are interested in understanding two issues. First, how closely do self-reported child care expenses in the CPS ASEC align with CCDF administrative records for families receiving subsidized child care? Second, how does replacing child care expenses in the

¹ The CPS ASEC previously asked whether households paid for child care, but the 2010 CPS ASEC was the first to ask how much households paid for child care.

CPS ASEC with administrative records for CCDF copayments change poverty measurement in the Supplemental Poverty Measure (SPM)?

Data and Methods

We plan to use two different data sources for this analysis – Department of Health and Human Services (HHS) CCDF administrative records (ACF-801) and the CPS ASEC. The CCDF administrative records are monthly case-level data that state or sub-state agencies submit to the HHS Office of Child Care. The records contain information on the family, employment and income, children receiving care, copayment amount, provider reimbursement, type of provider, etc. The CPS is a household survey primarily used to collect employment data. The CPS is usually fielded over the phone with one household respondent answering the questions for all household members. The CPS ASEC sample is based on the noninstitutionalized population of the United States. The CPS ASEC asks detailed questions on items needed to calculate the Supplemental Poverty Measure, including the amount paid for child care while working.

We will link case-level data from the CCDF administrative records for 42 states (those that provide full caseload data to the HHS) to households in the CPS ASEC for calendar years 2009 to 2014. We plan to compare the extensive and intensive margin of child care expenses by demographic characteristics. We will also run regressions to determine if there are any factors that predict under- or over-reporting of child care expenses, as well as the amount of under- and over-reporting. We will re-run the SPM for households receiving CCDF to determine the effect of substituting copayments from the administrative records on the SPM rate. We will also do

sensitivity testing comparing the number of hours worked and income between the two data sources.

Expected Findings and Limitations

There are some important limitations to this analysis though. Some low-income families rely on a patchwork of child care providers to care for their children. For example, they may use center-based child care during traditional business hours and home-based (paid or unpaid) care for work during non-traditional hours. The administrative records from CCDF only capture the child care expense of care subsidized through the program. If a family receiving CCDF subsidies has both subsidized care and non-subsidized paid care, the administrative records will underestimate the family's child care expenses. If the family receives subsidized child care through CCDF and non-subsidized unpaid care (for example, by a grandparent or other relative), the administrative records will not necessarily misestimate the family's expenses, but the data may underestimate the number of child care hours received. However, if the family has a child care copayment through the CCDF program that is paid for by a friend or relative or if the family is behind on paying their copayment, then the administrative records could overestimate the family's expenses. The paper will delve more into the limitations of this analysis and their implications.

Despite the limitations, this study allows us to understand the role of administrative records in measurement of national statistics. This research advances our knowledge on the role administrative records can play in advancing our ability to precisely and accurately measure national statistics, such as the SPM.

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