

Behavioral Insights for Child Care: Lessons from the BIAS Project

Research in behavioral science has shown that small changes in the environment can make it easier for people to act and make decisions that support their goals. The Behavioral Interventions to Advance Self-Sufficiency (BIAS) project, launched in 2010, was the first major project to apply behavioral insights to the human services programs that serve poor and vulnerable families in the United States. The project was sponsored by the Office of Planning, Research and Evaluation of the Administration for Children and Families in the U.S. Department of Health and Human Services, and led by MDRC. The goal of the project was to learn how tools from behavioral science could be used to deliver program services more effectively and, ultimately, improve the well-being of low-income children, adults, and families. The BIAS project targeted three domains: child support, child care, and work support.

The federal Child Care and Development Fund (CCDF) is the largest child care subsidy program for low-income families in the United States, with most of its funding used for subsidies to low-income parents who are working or in school. Like many other human services programs, offices that administer CCDF often require clients to make active decisions and follow a series of steps to obtain benefits. These actions include deciding to apply, completing forms and proving eligibility, and selecting a child care provider that accepts the voucher and payment rate and has available openings at hours that work for the parent. Once parents receive their vouchers, they may be required to recertify eligibility several times each calendar year to maintain benefits.¹ Failure to complete the process on time may result in interrupted child care services or accrual of debt owed to child care providers. On-time renewals, on the other hand, may contribute to consistent child care for families, stable payments for providers, and a reduced administrative burden for the state.

¹ At the time of the BIAS project, parents in Indiana had to prove their continued eligibility for the CCDF subsidy every few months by providing documentation. The Child Care and Development Block Grant Act of 2014 extends the period of eligibility to 12 months and directs states to ensure that their procedures do not unduly disrupt parents' employment. These provisions aim to make the process more efficient. The BIAS study had a similar objective.

The BIAS team worked with two states to design four tests focusing on two points in the CCDF process: when parents are applying for the program and when they must renew their eligibility.

Problem Focus 1: Applying for a Subsidy — Provider Choice

Parents using a child care voucher must choose a child care provider. Some states have a Quality Rating and Improvement System (QRIS), which is designed, in part, to provide a standardized rating of provider quality. Since participating providers must meet a minimum standard of quality, the ratings may help parents select a provider. Administrators in Indiana were interested in increasing the number of parents who used their CCDF subsidies to pay for QRIS-participating providers, especially those with higher ratings.

Problem Focus 2: Subsidy Renewal

States require parents to periodically document their continued eligibility for their child care subsidy. CCDF administrators in Indiana and Oklahoma wanted to improve their respective renewal processes and increase the number of parents renewing on time.

The following pages describe each state's problem(s) of interest, behavioral intervention design, and findings. First, provider choice in Indiana is described, followed by tests related to subsidy renewal in Indiana and Oklahoma.

BEHAVIORAL INTERVENTIONS TO ADVANCE SELF-SUFFICIENCY



Child Care: Indiana — Provider Choice

DEFINE.

Low-income parents who are working or attending school can apply for a Child Care and Development Fund (CCDF) subsidy to offset some of their child care costs. To assist parents in selecting a provider, Indiana created a voluntary Quality Rating and Improvement System called Paths to QUALITY (PTQ). PTQ ranks providers on a four-point scale based on their achievement of standards related to health and safety, staff qualifications, parental engagement, and curriculum development. However, not all child care providers that are eligible to receive CCDF subsidies participate in PTQ. About one-third of CCDF parents in Indiana do not choose PTQ providers. The BIAS study aimed to increase the percentage of CCDF parents who selected a PTQ provider at the time of enrollment, and to increase selection of the highest-rated providers within this group.

DIAGNOSE & DESIGN.

The team examined the process of choosing a child care provider among parents who were placed on a waiting list for the CCDF subsidy. The team identified several bottlenecks: (1) parents may not be aware of, or understand, the quality-ratings program; (2) they may not begin their search for a child care provider while still on the waiting list, when they likely have more time to consider options; and (3)

when parents are called off the waiting list, they have limited time to choose a provider.

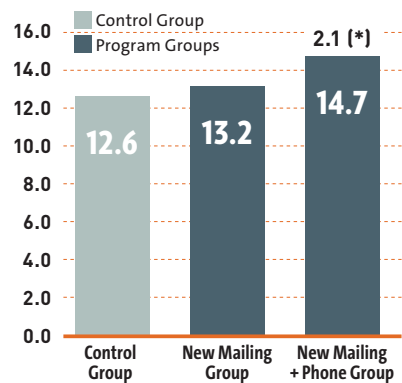
The BIAS team, assisted by the Indiana Association for Child Care Resource and Referral (IACCRR), replaced a letter and brochure that the state routinely sent to parents on the CCDF waiting list with a new, behaviorally informed mailing. The new mailing included individualized referrals to child care providers near the parent’s home, shown on a map, along with graphics displaying the levels of quality and the benefits of choosing a PTQ provider. Some parents also received a proactive phone call from an IACCRR agent to explain the PTQ program and provide additional referrals.

TEST & FINDINGS.

Participants were randomly assigned to one of three groups: (1) a program group that was sent the new mailing and received a proactive phone call (n = 2,415); (2) a program group that was sent the new mailing only (n = 3,580); or (3) a control group that was sent the agency’s existing marketing materials (n = 6,657). The interventions did not increase the overall percentage of CCDF families who chose any quality-rated provider. However, the new packet combined with a phone call increased the percentage of families who chose a highly rated provider (Level 3 or 4) by 2.1 percentage points, from 12.6 percent to 14.7 percent (a statistically significant

difference). There was also evidence that this intervention was more effective when parents received the referrals and phone call closer to the time when they signed up for the CCDF waiting list rather than closer to the time when they actually received their subsidies, which could be months later.

SELECTED HIGH QUALITY-RATED PROVIDER (%)



NOTE: Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

CONCLUSION.

The findings from this study of child care provider choice offer some support for the conclusion that parents who are making complex child care decisions with limited time may benefit from personal assistance delivered at a time when they are open to considering new child care arrangements. In this case, that time seems to be when parents sign up for a subsidy rather than closer to the time when they receive the subsidy.

FOR MORE DETAILS, SEE THE FULL REPORT:
Cutting Through Complexity: Using Behavioral Science to Improve Indiana’s Child Care Subsidy Program



The Behavioral Interventions to Advance Self-Sufficiency (BIAS) project was the first major opportunity to use a behavioral economics lens to examine programs that serve poor and vulnerable families in the United States.



Child Care: Indiana — Redetermination

DEFINE.

Indiana requires parents to periodically document their continued eligibility for child care subsidies. The goal of the BIAS intervention, designed in collaboration with the Indiana Office of Early Childhood and Out of School Learning, was to reduce the number of appointments needed to complete the subsidy redetermination process and increase the number of parents renewing on time.

DIAGNOSE & DESIGN.

Collecting the right documentation to complete redetermination can be difficult, and proof of employment can be especially hard to establish because of state verification requirements. In addition, the state did not send a reminder to parents about their upcoming renewal appointment, so they may have forgotten to attend.

The BIAS team launched two rounds of evaluation. The first round assessed an intervention focused on simplifying the renewal letter and checklist that the state normally sent to parents, along with mailing a reminder about their upcoming appointment date. A second intervention, which was informed by data from the first round of evaluation, focused on providing parents with more detailed information and forms

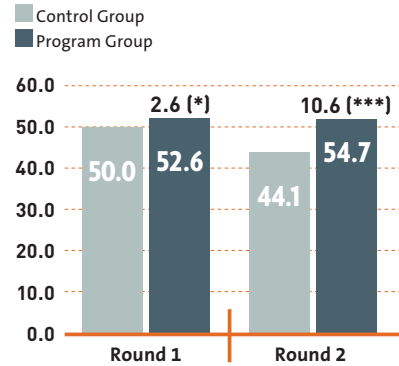
explaining how to show that they were meeting their work requirement, in addition to providing a more personalized reminder.

TEST & FINDINGS.

Participants were randomly assigned either to the program group, which received new, behaviorally informed, simplified materials and a reminder (n = 2,666, Round 1; n = 2,365, Round 2), or to the control group, which received the state's standard materials (n = 2,666, Round 1; n = 2,367, Round 2).

In Round 1, parents who received simplified renewal instructions were 2.6 percentage points more likely to attend their first scheduled renewal appointment (52.6 percent vs. 50.0 percent), and 3.2 percentage points more likely to complete the process in one appointment (62.5 percent versus 59.3 percent). The intervention did not produce a statistically significant change in the number of parents renewing by the deadline. In Round 2, the redesigned intervention materials increased the percentage of parents who attended their first scheduled appointment by 10.6 percentage points (from 44.1 percent to 54.7 percent). It did not change the likelihood that parents completed redetermination in one appointment, but it did increase the percentage of parents who renewed on time by 2.7 percentage points (from 76.4 percent to 79.1 percent).

FAMILIES ATTENDING 1ST SCHEDULED RENEWAL APPOINTMENT (%)



NOTE: Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

CONCLUSION.

Behavioral interventions can increase the number of eligible parents who renew their child care subsidies on time or meet other renewal milestones. The study findings may also point to a tension between getting parents to complete the process in one appointment, and reaching parents who may need more help gathering the complete documentation and renewing on time. In Round 2, behavioral messaging increased the percentage of parents who *attended* at least one appointment, but not the percentage who *completed the process* in one appointment, as happened in Round 1.

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Child Care: Oklahoma

DEFINE.

Oklahoma requires that families receiving child care subsidies document their continued eligibility periodically. Only about one-third of child care subsidy cases that are eligible for renewal each year in Oklahoma are renewed by the state’s deadline. This intervention was designed in partnership with the Oklahoma Department of Human Services to increase the number of clients who renew their child care subsidies on time.

DIAGNOSE & DESIGN.

The BIAS team identified four potential factors that could hinder on-time renewal rates: (1) the renewal process and deadline are unclear to clients; (2) clients face challenges submitting the required documentation; (3) the renewal deadline is not reinforced; and (4) the renewal process does not communicate a sense of urgency.

The team designed three interventions to improve outcomes: (1) a “provider intervention,” which gave child care providers more information about their clients’ renewal deadlines and prompted them to send reminders about and help clients with renewal; (2) a “client intervention,” which used early and clear communication to clarify the renewal process and continual reminders to parents; and (3) a

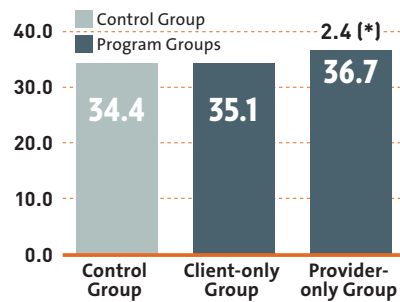
“combined intervention,” which included both the client and provider interventions.

TEST & FINDINGS.

Clients were randomly assigned to one of four groups: (1) a provider-only group that did not receive the client intervention but whose providers received the provider intervention (n = 2,261); (2) a client-only group that received the client intervention but whose providers did not receive the provider intervention (n = 2,393); (3) a combined intervention group that received the client intervention and whose providers received the provider intervention (n = 2,283); or (4) a control group that was not exposed to any intervention on either the client or provider side (n = 2,411).

The provider intervention increased the client renewal rate before the renewal deadline to 36.7 percent, a statistically significant increase of 2.4 percentage points over the control group’s 34.4 percent, at an estimated cost of \$1.10 per provider per month. The client intervention, which cost about \$1.00 per client, did not appear to improve on-time renewal, but it may have helped clients renew by the end of a 30-day grace period following the renewal deadline. Clients receiving the intervention showed a statistically significant 2.4 percentage point increase in renewals by the end of

FAMILIES RENEWING CHILD CARE SUBSIDIES ON TIME (%)



NOTE: Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

this grace period. Combining the client and provider interventions did not appear to be more effective than either intervention alone.

CONCLUSION.

This study demonstrates that child care agencies can use behavioral insights to improve renewal process outcomes. The findings also suggest that behavioral strategies designed for staff and other service providers who work directly with clients sometimes produce greater impacts than focusing interventions directly on program participants. In this case, child care providers regularly interact with families at times when the benefits of the child care subsidy are likely to be most salient, making them a potentially powerful channel for improving child care subsidy system outcomes.

FOR MORE DETAILS, SEE THE FULL REPORT:
 Engaging Providers and Clients: Using Behavioral Economics to Increase On-Time Child Care Subsidy Renewals



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