

DOCUMENT RESUME

ED 442 537

PS 026 637

AUTHOR Lee, Christine W.; Ohlandt, Stephanie J.; Witte, Ann Dryden
TITLE Parents Receiving Subsidized Child Care: Where Do They Work?
INSTITUTION Florida Children's Forum, Tallahassee.
SPONS AGENCY Department of Health and Human Services, Washington, DC.;
National Science Foundation, Washington, DC. Div. of
Undergraduate Education.; Carnegie Corp. of New York, NY.;
Florida State Dept. of Health and Rehabilitative Services,
Tallahassee.
PUB DATE 1996-00-00
NOTE 26p.; Additional funding provided by Wellesley College,
Department of Economics.
PUB TYPE Reports - Research (143)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Day Care; Early Childhood Education; Employed Parents;
*Employment Patterns; Family Work Relationship; Labor
Market; *Low Income Groups; *Welfare Recipients; Welfare
Services
IDENTIFIERS Florida (Duval County); Florida (Pinellas County); Florida
(Tallahassee); *Subsidized Child Care Services; Welfare
Reform; *Working Poor

ABSTRACT

To stimulate two-generational self-sufficiency for low-income families and follow through on welfare reform guidelines on term limits and work requirements, it is necessary to acquire data on the low-income labor market and the low-income child care market, as well as on the interactions of these markets. This study investigated the type of employment available for the working poor in three diverse areas of Florida on the premise that this information can provide an important context for the welfare-to-work transition required by welfare reform. Employment information was downloaded from the Child Care Management System databases of the Child Care Coordinating Agencies in Duval County, Pinellas County, and the Big Bend area in December 1995. Findings indicated that the working poor in the sample received federal, local, and state subsidies to help them pay for child care while they work. Most subjects were employed in retail trade, principally fast-food restaurants and grocery stores. After retail trade, employment patterns varied for each study area, with major employment including health services, business services, and public administration. (Statistics for employment patterns in each area are appended.) (JPB)

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Parents Receiving Subsidized Child Care:

Where Do They Work?

Christine W. Lee

Stephanie J. Ohlandt

Ann Dryden Witte

*Department of Economics
Wellesley College*

*Department of Economics
Florida International University*

National Bureau of Economic Research

Parents Receiving Subsidized Child Care:

Where Do They Work?

Christine W. Lee

*Department of Economics
Wellesley College*

Stephanie J. Ohlandt

*Department of Economics
Wellesley College*

Ann Dryden Witte

*Department of Economics
Wellesley College*

Department of Economics

Florida International University

National Bureau of Economic Research

Parents Receiving Subsidized Child Care: Where Do They Work?

Funders

United States Department of Health and Human Services,
Administration for Children and Families

National Science Foundation

Wellesley College,
Department of Economics

Starting Points, Carnegie Corporation

Florida Department of Health and Rehabilitative Services

Florida Children's Forum

Data Collected by

Big Bend Community Coordinated Child Care

Jacksonville Children's Commission

Community Coordinated Child Care of Pinellas

Research Team

Christine W. Lee

Stephanie J. Ohlandt

Ann Dryden Witte

Acknowledgments

The Research Team would like to thank Susan Muenchow, Executive Director, Florida Children's Forum (FCF) who provided the inspiration for this project and LisaAnn Benham, Research Coordinator, Florida Children's Forum, who provided us with the data we used and provided valuable insights throughout the project. We would also like to thank the many individuals at the TDS Group and the child care coordinating agencies in the study areas who helped make this project possible. Muenchow, Benham, and Pia Divine and others attending the meeting of the Administration for Children and Families (ACF) Research Consortium provided valuable insight, comments, and suggestions. The support of the funders in no way indicates their concurrence with our analysis or conclusions. We alone are responsible for all errors.

Parents Receiving Subsidized Child Care: Where Do They Work?

Copyright 1996, Florida Children's Forum

~~259 East Seventh Avenue, Tallahassee, Florida 32308~~

2807 Remington, Green Circle
All rights reserved.)

Table of Contents

SUMMARY OF FINDINGS	1
DATA METHOD AND ANALYSIS.....	3
PINELLAS COUNTY (ST. PETERSBURG)	5
RETAIL TRADE.....	6
HEALTH SERVICES	6
PROFESSIONAL AND SOCIAL SERVICES	7
BUSINESS SERVICES AND REPAIRS	7
EDUCATIONAL SERVICES	8
PUBLIC ADMINISTRATION	8
DUVAL COUNTY (JACKSONVILLE)	9
RETAIL TRADE.....	10
BUSINESS SERVICES AND REPAIRS	10
HEALTH SERVICES	10
PROFESSIONAL AND SOCIAL SERVICES	11
PERSONAL SERVICES	11
FINANCE, INSURANCE, AND REAL ESTATE	11
PUBLIC ADMINISTRATION	12
EDUCATIONAL SERVICES	12
COMMUNICATION AND PUBLIC UTILITIES	12
BIG BEND AREA (TALLAHASSEE)	13
RETAIL TRADE.....	14
PUBLIC ADMINISTRATION	14
PROFESSIONAL AND SOCIAL SERVICES	15
PERSONAL SERVICES	15
EDUCATIONAL SERVICES	15
BUSINESS SERVICES AND REPAIRS	16
CONCLUSION	17
APPENDIX.....	19
FOOTNOTES	21
SOURCES	23

SUMMARY OF FINDINGS

Welfare reform with its emphasis on term limits and work requirements makes understanding the low-income labor market and the low-income child care market vitally important. We need to understand both markets and the way in which they interact if we are going to stimulate two-generational self sufficiency for low-income families.

Effective policy that supports two-generational self sufficiency requires knowledge of how both the content and administration of child care subsidy programs influence parental employment and child development. Child care subsidies are frequently essential to allow primary caregivers to work outside the home. Child care subsidies are also frequently important to help low income families afford a level of care sufficient to build a new generation of productive workers.

Since enactment of the Family Support Act of 1988, programs that provide child care subsidies have grown in size and diversity. The federal emphasis has been primarily on using child care to help welfare families achieve economic self sufficiency. At the same time, some programs, such as the Child Care and Development Block Grant, have provided child care to low-income working families to help them avoid welfare dependency. As far as we are aware, there is no systematic information on who employs the parents receiving these various child care subsidies. Such information can provide an important context for the welfare-to-work transition required by welfare reform.

As a foundation for the Tri-State Child Care Research Partnership, we have worked with Child Care Coordinating Agencies in three diverse areas of

Florida: (1) Duval County (Jacksonville), (2) Pinellas County (St. Petersburg) and (3) the Big Bend area [Leon (Tallahassee), Gadsden, Jefferson, Liberty, Madison, Taylor, and Wakulla Counties]. These areas reflect a wide spectrum of child care issues.

Jacksonville is an old South/New South city on the Atlantic Coast of North Florida. It has long been a transportation, finance, and insurance center and has a substantial military presence. St. Petersburg, midway down Florida's Gulf Coast, has been a destination for tourists and retirees for many years. It also has substantial employment in manufacturing, finance, insurance, and real estate (see Table 1 or Chart 1 of the Appendix). Tallahassee, in the Florida Panhandle, is the state capital and has two state universities. The six counties that surround Tallahassee are rural with characteristics similar to the rural counties of South Alabama.

While each of these areas has unique characteristics, we believe that our results as a whole provide valuable insights regarding the type of employment available for the working poor. The working poor in our sample are "privileged"; they received federal, local, and state subsidies to help them pay for the care of their children while they work. Many other poor families who are working and struggling to make ends meet have no help with child care expenses. For example, in mid December 1995, working poor families eligible for child care subsidies in our study area were as likely to be on waiting lists for care as they were to be receiving it.

To summarize briefly the results for our three study areas, retail trade, with fast food and other restaurants pre-

Information about who employs parents receiving child care subsidies provides an important context for the welfare-to-work reform required by welfare reform.

In each of the study areas, we found unique employment patterns for workers receiving subsidized child care.

dominating, provides more employment for workers receiving child care subsidies than does any other type of industry in all three of our study areas. Fast food chains are a major source of employment with McDonald's providing from five to ten percent of the restaurant employment for workers receiving child care subsidies in our three study areas. Cashiering and bagging groceries is another important activity with the major regional grocery chains, Publix and Winn-Dixie, providing substantial amounts of employment.

After retail trade, we find unique patterns for each study area. In Pinellas, health services, predominantly nursing homes, is the next most important industrial sector; this is a reflection of the large presence of retirees in the area. In Duval County, business services, primarily agencies providing temporary personnel, assumes the number two spot and, in the Big Bend area, public administration, primarily employment at Florida's Department of Health and Rehabilitative Services, assumes the next most important employer role.

DATA METHOD AND ANALYSIS

We downloaded all of the employment information available in the Child Care Management System (CCMS) databases of the Child Care Coordinating Agencies in Duval County, Pinellas County and the Big Bend area (seven counties) in mid-December 1995.

The name of the employer for workers receiving child care subsidies was collected by an Eligibility Counselor as part of the Parent Interview which is used to determine eligibility for child care subsidies.¹ Parent Interviews began on January 4, 1992, in Duval County, on January 21, 1992, in Pinellas County and on June 30, 1992, in the Big Bend area. Thus we have information on the employers of workers receiving child care subsidies for over three years in each of our study areas.

The child care subsidy programs serving the largest number of working families in these three areas in 1995 were the Project Independence Program (which was Florida's welfare-to-work program at that time), the Transitional Child Care Program (which guarantees a year of child care to former AFDC recipients who are working but earning less than 185% of the federal poverty level), the AFDC Employed Program (serving those who are working but still receiving some AFDC), and the Income Eligible Program (serving those who are working, whether or not they are former AFDC recipients, and who have a maximum family income of 150% of the federal poverty level to enter the program and 185% to remain in the program.)

We began by creating frequency distributions of employers for each of the three study areas.² This revealed substantial concentrations of workers receiving child care subsidies at certain places of employment. Further, it appeared that certain

industries employed very large proportions of workers receiving child care subsidies. To determine whether this observation was confirmed, we assigned Standard Industrial Classification (SIC) codes to each employer.³

In order to understand our study areas, we obtained socioeconomic data including detailed employment data from the 1994 County and City Data Book (US Department of Commerce, 1995) and USA Counties: 1994 (US Department of Commerce, 1994) at the county level for each of the study areas. These sources contained employment by SIC codes and allowed us to compare the employment patterns of all workers in these study areas with the employment patterns of workers receiving child care subsidies.

The retail trade industry employs the highest percentage of both the low-income segment of the labor force which receives subsidized child care and the total labor force in each of the three metropolitan regions. This industry includes building and garden suppliers, general merchandise stores, food stores, automotive dealers and service stations, apparel and accessory stores, furniture and home furnishing stores, eating and drinking places, and other miscellaneous retail stores. Workers receiving subsidized child care are overrepresented in the retail industry. For example, in Jacksonville, 27% of the subsidized child care receiving labor force is employed in retail, whereas only 16% of the total labor force in Duval County is employed in retail. Further breakdowns of the retail industry reveal that certain businesses are responsible for employing a large portion of the workers receiving subsidized child care. We will continue to examine these breakdowns by industry and by company according to each city and surrounding region. (Please refer to the Appendix for tables and graphs of county employment by industry).

Workers receiving subsidized child care are overrepresented in the retail trade sector.

PINELLAS COUNTY (ST. PETERSBURG)⁴

As can be seen in Table 1 of the Appendix, Pinellas County has more employment in manufacturing; retail trade; finance, insurance, and real estate; and health services than the State of Florida as a whole. The county has less employment in transportation and educational services than does the state as a whole. The concentration of employment in health services reflects the large number of retirees residing in the county, and the low concentration in transportation and education reflects the county's reliance on transportation and educational institutions in adjoining Hillsborough County.

A comparison of the employment pattern for Pinellas County's overall labor force and the employment pattern for Pinellas workers receiving child care subsidies revealed substantial differences. As can be seen in Figure 1, employment in manufactur-

ing; construction; and finance, insurance, and real estate is lower for workers receiving child care subsidies than for other workers in Pinellas County. For example, while over 12% of all Pinellas workers are employed in manufacturing, less than 4% of workers receiving child care subsidies are employed in this sector.

Figure 1 provides a comparison of employment for the three industries in which workers receiving child care subsidies are most under represented and the three industries in which they are most over represented. The Appendix provides comparisons of employment patterns for a broader spectrum of industries. Figure 1 shows clearly that workers receiving child care subsidies are concentrated in the lower paying service industries while the overall Pinellas County labor force finds substantial employment in manufacturing, construction and

Over 12% of all workers in Pinellas County are employed in manufacturing, yet less than 4% of those who receive subsidized child care are employed in this sector.

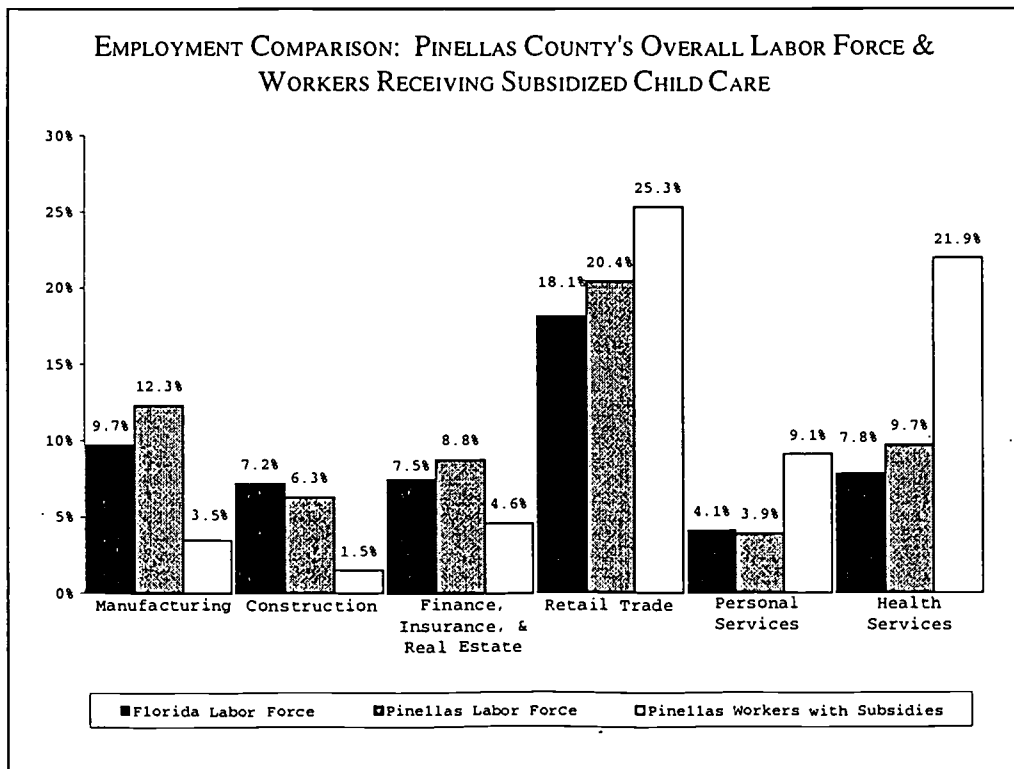


FIGURE 1

Workers in the health services sector represent 22% of all workers receiving subsidized child care in Pinellas county.

higher paying services. Additionally, the tables and figures in the Appendix show that employment for the subsidized child care receiving labor force of Pinellas County is negligible in transportation, communication and public utilities, and wholesale trade while these industries provide significant employment for the overall Pinellas labor force.

child care subsidies. Publix and Winn-Dixie (two large regional grocery store chains) provide employment for more than one-half of workers receiving child care subsidies employed by food stores and over 3% of employment for the entire subsidized work force. Department stores and other retail stores employ the remainder (see Figure 3).

RETAIL TRADE

In Pinellas County (see Figure 2), 25% of workers receiving child care subsidies are employed in retail trade, compared to 20% of the total labor force in Pinellas County. More than one third of these workers receiving subsidized child care are employed in eating places while another one fifth work in food stores. Major national chains, such as McDonald's, Checkers, Burger King, and Wendy's, provide 42% of all eating place employment and over 4% of overall employment for workers receiving

HEALTH SERVICES

The health services sector employs 22% of workers receiving child care subsidies, while it provides employment for only 9.7% of Pinellas County's total labor force. Nursing homes account for much of the employment in this sector. To be specific, nursing homes employ 40% of workers receiving child care subsidies in the health industry and 8.8% of subsidized child care receiving workers overall. A few nursing homes (e.g., the Country Place of Clearwater and Swanholm) provide substantial employment for subsidized workers. Hospitals,

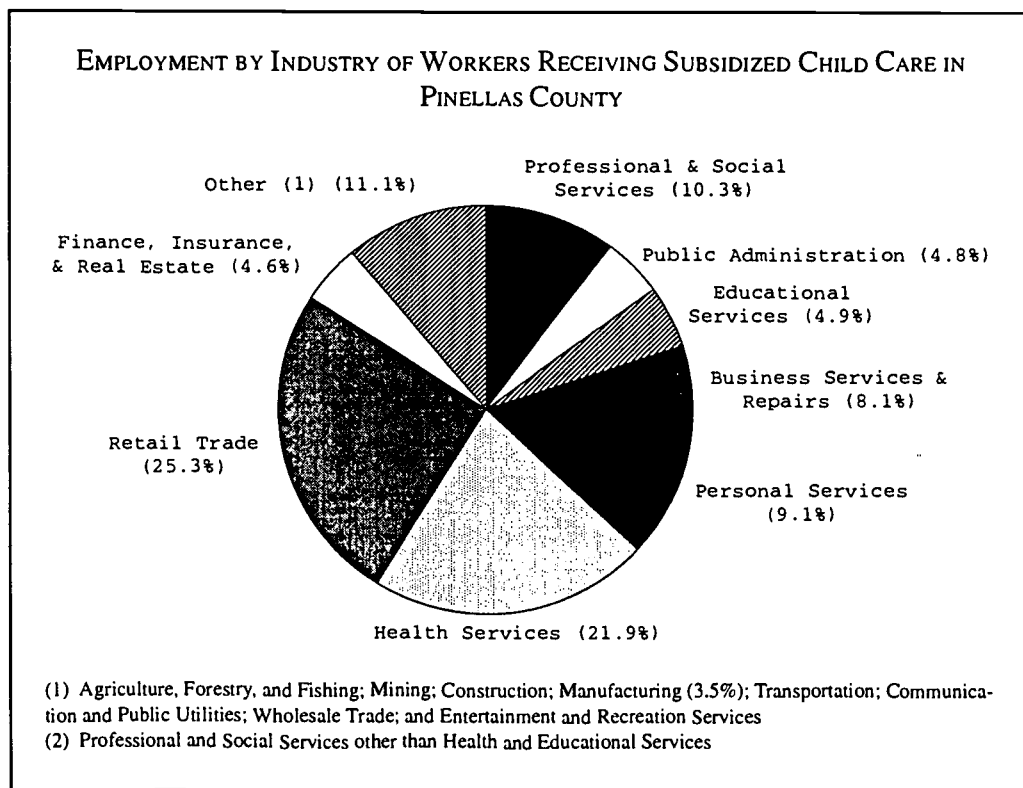


FIGURE 2

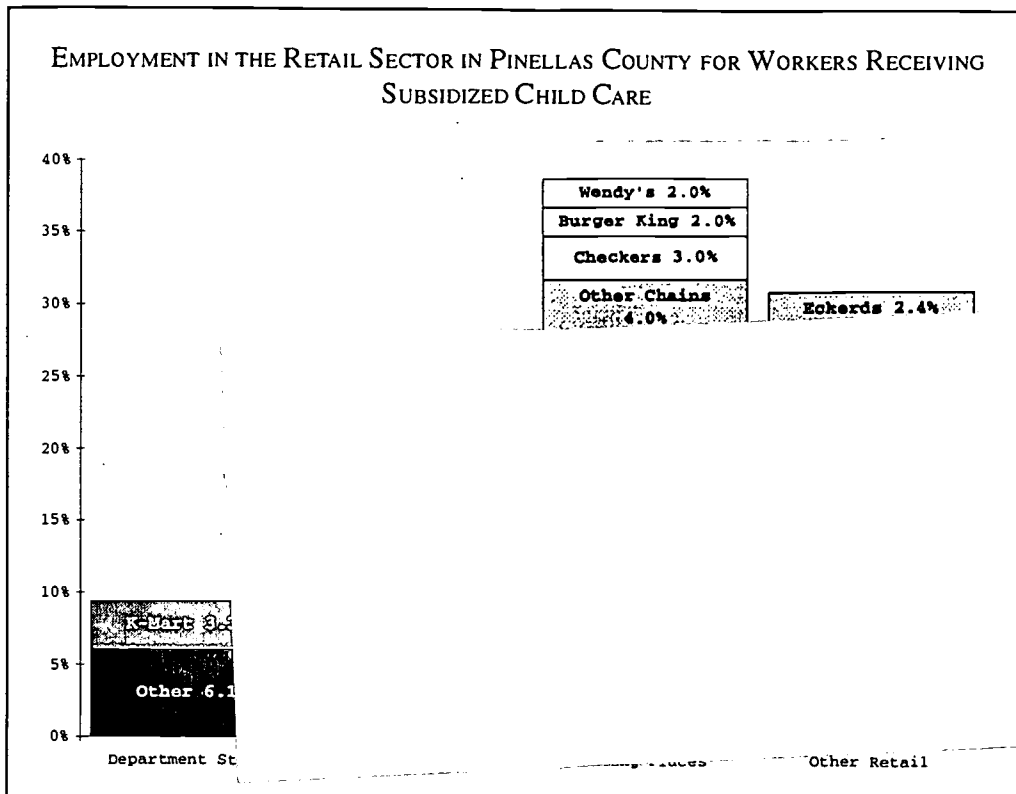


FIGURE 3

home care services, health services, and other labs and clinics employ the remaining 60% of workers receiving child care subsidies in the health sector (see Figure 4).

PROFESSIONAL AND SOCIAL SERVICES

Slightly more than 10 % of workers receiving child care subsidies are employed in professional and social services (almost all in social services) other than health and education, in contrast to slightly more than 6 % of all Pinellas workers. Child care centers and retirement homes together employ more than half of the workers receiving child care subsidies who work in this sector. Child care alone provides over 34% of the jobs for workers receiving subsidies in this sector, and 3.6% of the overall employment for these subsidized workers. Head Start programs alone provide 27% of the employment of the child care sector and 1% of overall employment for workers receiving child care subsidies.

PERSONAL SERVICES

The personal services sector, mostly hotel service, cleaners, and beauty salons, employ 9.1% of workers receiving child care subsidies, but only 3.9% of the total labor force in Pinellas County. Hotels such as Hilton Hotels, Holiday Inn, and Trade Winds Resort provide 50% of employment for workers receiving subsidies in the personal service sector.

BUSINESS SERVICES AND REPAIRS

The business services and repairs sector employs 8.1% of workers receiving subsidized care, in comparison to 5.6% of the county's total labor force. Employment in business services predominates, providing 88% of the employment for workers receiving subsidized child care in this industry. Most of this employment is with temporary personnel agencies which provide 55% of business services employment for the subsidized child care receiving population

In Pinellas County, hotels provide 50% of the employment for workers in the personal services sector who receive subsidized child care.

The Pinellas County School Board is a major employer of workers receiving subsidized child care in that county.

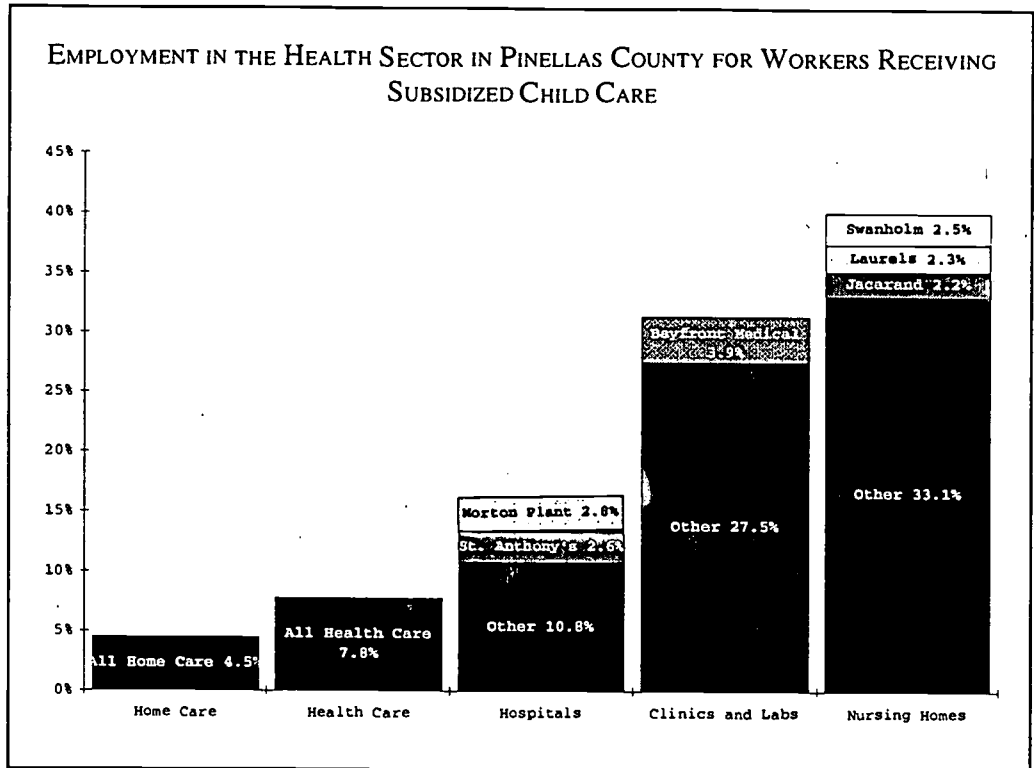


FIGURE 4

and 3.9% of the overall employment for workers receiving subsidized child care.

EDUCATIONAL SERVICES

The education sector provides 4.9% of overall employment for workers receiving child care subsidies. Major employers include the Pinellas County School Board, 32% of the sector's employment, and St. Petersburg's Junior College, 11% of the sector employment.

PUBLIC ADMINISTRATION

The public administration sector (other than education) provides employment for 4.8% of the labor force receiving subsidized child care and 3.6% of the total labor force in Pinellas County. The Department of Health and Rehabilitative Services accounts for nearly one third of the employment in public administration for workers receiving subsidized child care.

DUVAL COUNTY (JACKSONVILLE)⁵

As can be seen in Table 1 of the Appendix, Duval County has more employment in the finance, insurance, and real estate sector and in transportation than does the State of Florida as a whole. The county has less employment in manufacturing, retail trade, and business services and repairs than does the state as a whole. Over 7% of the county's workers are in the military, more than seven times the percent in the military in the work force in each of the other areas studied. This is due to the naval base which is located nearby. The concentration of employment in transportation reflects Jacksonville's role as a major railway center and as a major port. The large employment in finance, insurance, and real estate reflects Jacksonville's role as a finance and insurance center, and as the headquarters for Barnett Banks, Inc., a major Florida banking institution.

We find substantial differences between the overall employment pattern for Duval County and the employment pattern for Duval workers receiving child care subsidies. As can be seen in Figure 5, workers receiving child care subsidies are concentrated in the lower paying service industries while the overall Duval County labor force finds substantial employment in manufacturing, transportation and wholesale Trade.

Employment for workers receiving child care subsidies in Duval County is negligible in construction, manufacturing, and wholesale trade while these industries provide significant employment for Duval County's overall labor force. (see Figure 5 and the tables in the Appendix).

RETAIL TRADE

In Jacksonville, as in St. Petersburg, retail trade employs the largest portion

Employment for workers receiving subsidized child care in Duval count is negligible in construction, manufacturing, and wholesale trade.

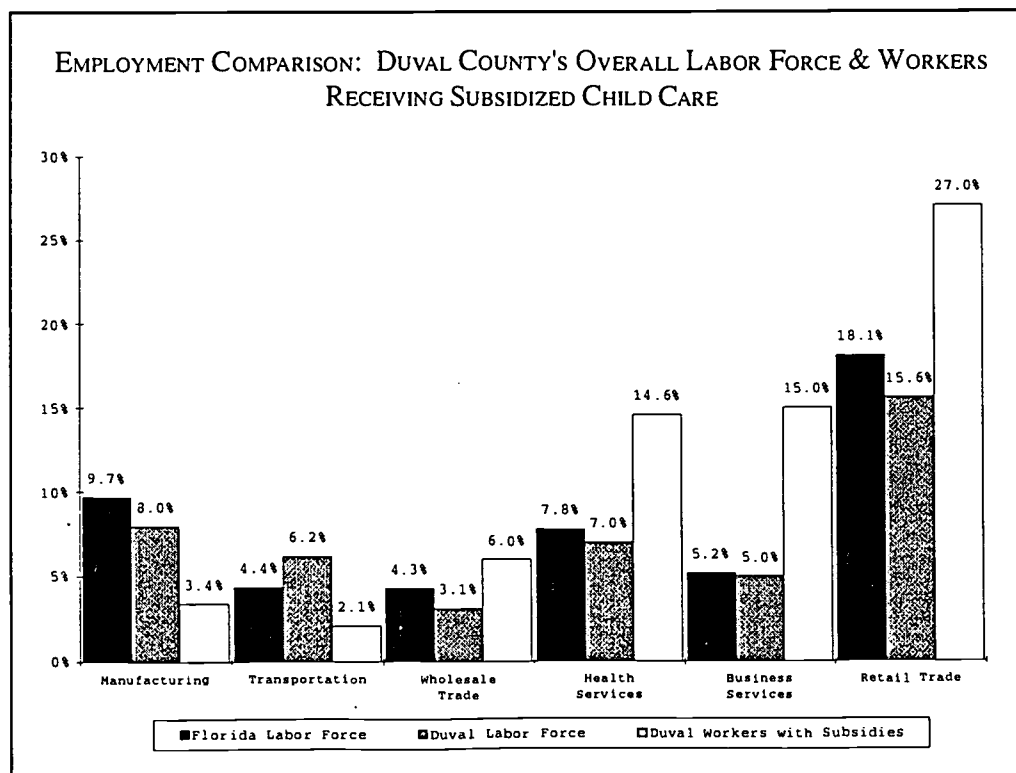


FIGURE 5

Winn-Dixie is the largest employer retail trade sector employer for workers receiving child care subsidies in Duval County.

of workers receiving child care subsidies (see Figure 6). Retail trade employs 27% of the workers receiving subsidies, but only 16% of the total labor force in Duval County. Winn-Dixie, a major regional grocery chain, is the largest retail employer of workers receiving child care subsidies and accounted for 9.3% of their total employment in retail trade. Furthermore, Winn-Dixie is the second most frequent employer of subsidized child care receiving workers, employing 2.5% of this population in Jacksonville (see Figure 7).

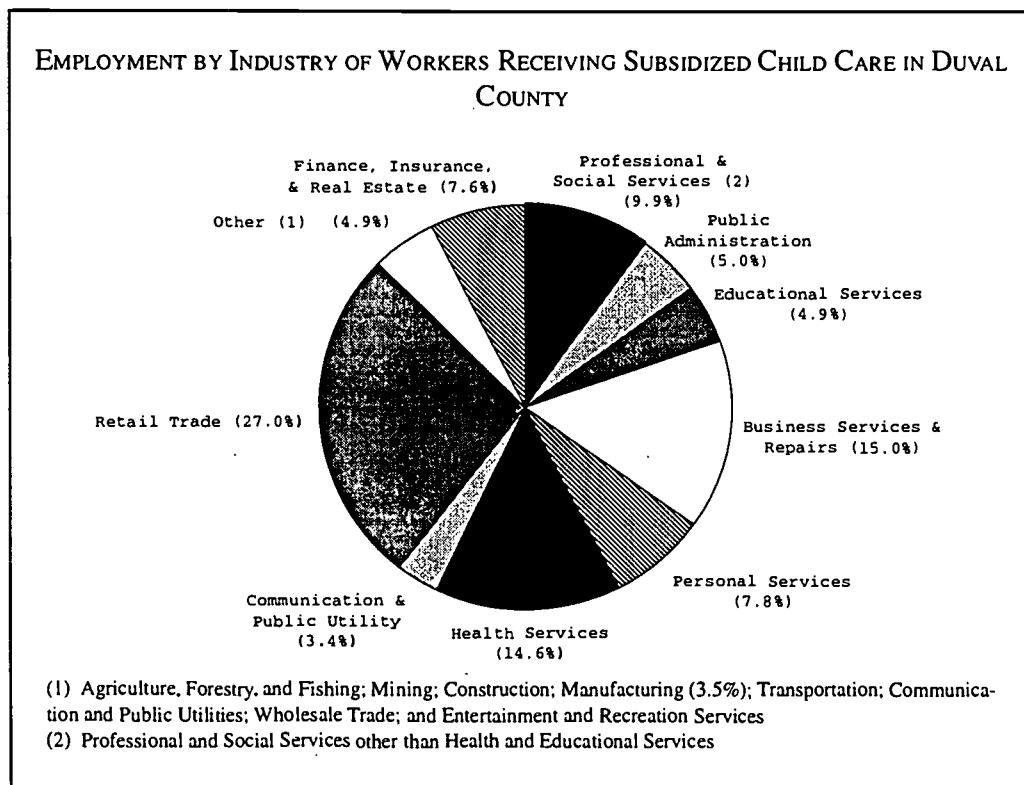
BUSINESS SERVICES AND REPAIRS

Firms supplying business services and repairs employed 15% of workers receiving child care subsidies. This percent is substantially larger than employment in this sector both for the county and the state (5.0% and 5.2% respectively of the total work force). The difference is accounted for by the large amount of employment by temporary personnel service agencies. Em-

ployment at such agencies comprises 72% of the total employment in this sector for the workers receiving subsidized child care. Two temporary service agencies (Accu Staff and Olsten Staffing Services) are the major personnel agencies employing workers receiving child care subsidies in Duval County. Accu Staff ranks as the number one employer of subsidized workers in the Jacksonville area. This company accounts for 24% of business services' employment and 3.5% of overall employment for workers receiving subsidized child care in the Jacksonville area (see Figure 8).

HEALTH SERVICES

The health services sector employs 15% of workers receiving child care subsidies, approximately double the Duval County average of 7% for the total labor force. Many of the workers receiving subsidized child care are employed at the University of Florida Medical Center which accounts for 12% of employment in the health



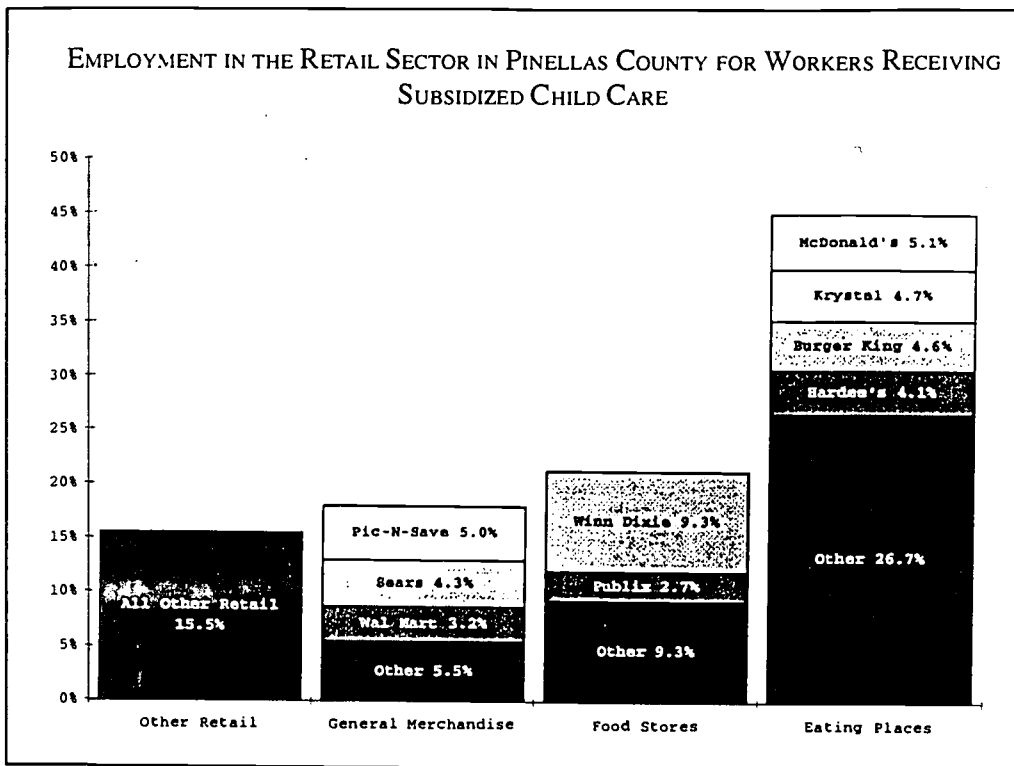


FIGURE 7

service sector and 1.8% of overall employment for workers receiving child care subsidies in Duval County.

PROFESSIONAL AND SOCIAL SERVICES

Professional and social services, other than health and education, provide almost 10% of employment for workers receiving child care subsidies in Duval County, while such employment accounts for only 5.4% of employment for the total labor force. Workers receiving subsidies are employed in social services, mainly in child care centers and billing service firms, not in professional services.

PERSONAL SERVICES

The personal services sector provides almost 8% of employment for Duval County workers receiving child care subsidies, but only 3% of the county's total labor force employment. Major employers include food service companies such as ARA Food Services and Cargill.

FINANCE, INSURANCE, AND REAL ESTATE

Workers receiving child care subsidies are under-represented in finance, insurance, and real estate (7.6%) compared to Duval County's total labor force (10.6%). In spite of this under-representation, several companies within this industry contribute significantly to the employment of subsidized workers. For example, Barnett Bank (headquartered in Jacksonville) employs almost 15% of subsidized workers in this sector, and provides 1.2% of the employment of workers receiving child care subsidies in Duval County. Blue Cross/Blue Shield employs 14% of the workers in this sector, and provides 1.2% of the total employment for workers receiving child care subsidies in the Jacksonville area. Other companies employing a large number of workers receiving subsidized child care include First Union Bank and Prudential.

Workers receiving child care subsidies are under-represented in the Finance, Insurance, and Real Estate sector.

The Public Administration sector in Duval County employs about the same percentage of workers receiving child care subsidies as it does of the overall labor force.

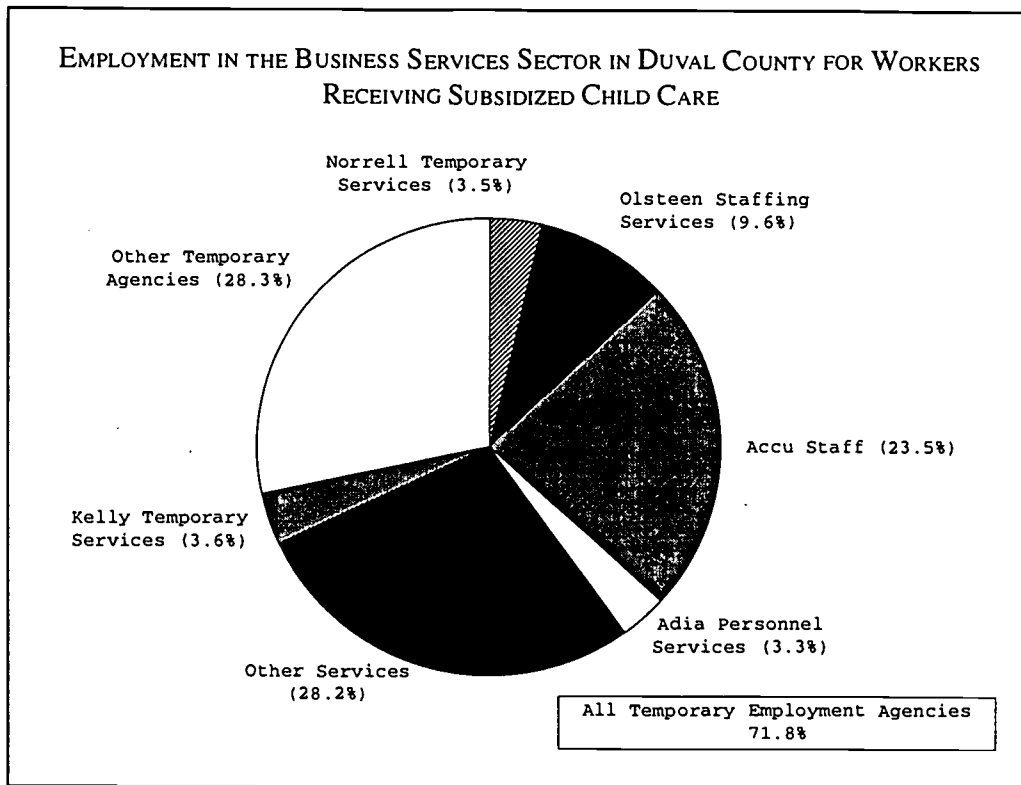


FIGURE 8

PUBLIC ADMINISTRATION

The public sector employs approximately the same percentage of workers receiving child care subsidies and of the overall labor force, 5%, in Duval County.

Although the public sector is not one of the larger employers of subsidized workers, specific public agencies employ a substantial portion of that labor force. For example, the Department of Health and Rehabilitative Services employs almost 2% of workers receiving subsidized child care.

EDUCATIONAL SERVICES

The education sector employs a slightly lower proportion of the workers receiving child care subsidies than of the total

workers in Duval County, 4.9% of the workers receiving subsidized child care and 5.8% of total workers. However, the Duval County School Board employs 2.3% of workers receiving subsidized child care.

COMMUNICATION AND PUBLIC UTILITIES

The communication and public utilities sector provides only 3.4% of the overall employment for workers receiving child care subsidies. However, AT&T employs 84% of the workers receiving subsidized child care in this sector and accounts for 2.4% of overall employment for workers receiving child care subsidies in Duval County.⁶

BIG BEND (TALLAHASSEE)⁷

As can be seen in Table 1 of the Appendix, the Big Bend area has more employment in public administration, educational services and other professional and social services than the State of Florida as a whole. This area has less employment in manufacturing, retail trade and transportation than does the state as a whole. The concentration of employment in public administration reflects the fact that Tallahassee is the state capital. The large employment in education is a reflection of the two major state universities (Florida Agricultural and Mechanical University and Florida State University) located in Tallahassee.

Turning next to a comparison of the employment pattern for all Big Bend workers and that for Big Bend workers receiving child care subsidies, we find substantial differences. As can

be seen in Figure 9, workers receiving child care subsidies are concentrated in the lower paying service industries and retail trade while the overall Big Bend labor force finds substantial employment in construction; manufacturing; and finance, insurance, and real estate.

In contrast to our other study areas, the health industry in the Big Bend area does not provide substantial amounts of employment for workers receiving child care subsidies although it does provide substantial employment for the overall labor force. Construction; manufacturing; transportation; communication and public utilities; wholesale trade; and the finance, insurance, and real estate sectors provide substantial employment in the Tallahassee area. However, these industries do not provide significant employment for workers receiving subsidized child care.

McDonald's is the second largest employer of workers receiving subsidized child care in the Big Bend area.

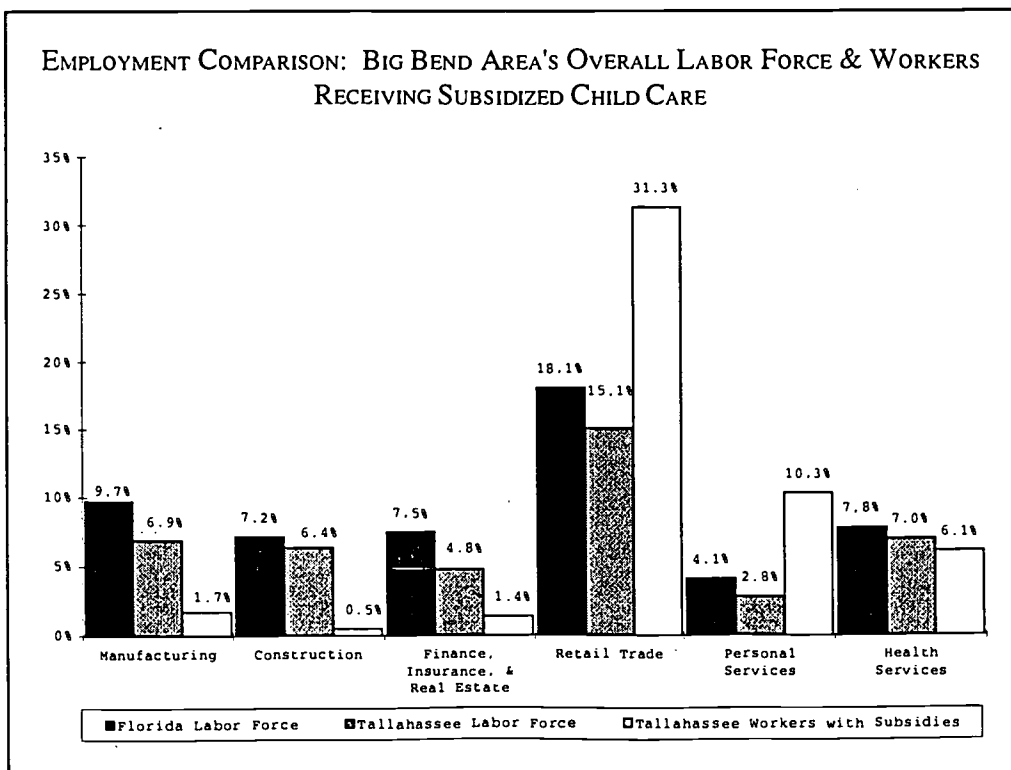


FIGURE 9

Public Administration provides employment for almost 17% of the workers receiving subsidized child care in the Big Bend area.

RETAIL TRADE

In the Big Bend area, as in other areas studied, retail trade provides employment for the largest proportion of workers receiving child care subsidies, 31% of workers receiving subsidized child care (see Figure 10). This proportion is more than double the 15% of all Big Bend workers in Retail Trade. McDonald's is a major employer providing almost 10% of employment in this sector for workers receiving subsidized child care, and 3.1% of the employment for these workers overall. McDonald's is the second largest employer of workers receiving child care subsidies in the Big Bend area. As in Pinellas and Duval Counties, food stores employ many workers receiving subsidized child care. Winn-Dixie and Publix employ 1.7% and 1.5% of total subsidized workers, respectively in the Big Bend area.

As shown in Figure 11, fast food employment and employment at convenience or discount retailers is more

common for subsidized workers in the Big Bend area than for workers receiving subsidized child care in Pinellas or Duval counties. The large number of employment opportunities in fast food may be related to the presence of the two large state universities in Tallahassee.

PUBLIC ADMINISTRATION

Public administration provides employment for almost 17% of workers receiving subsidized child care. This percentage is significantly higher than the percent employed in public administration in Duval (5.3%) and Pinellas (3.6%) Counties. As noted earlier, this is not surprising because Tallahassee is the state capital. Indeed, the subsidized child care receiving population is only slightly more likely to be employed in public administration than is the population as a whole in the Tallahassee area (16% of total workers are employed in public administration). The Department of Health and Rehabilitation Services (HRS) is a large

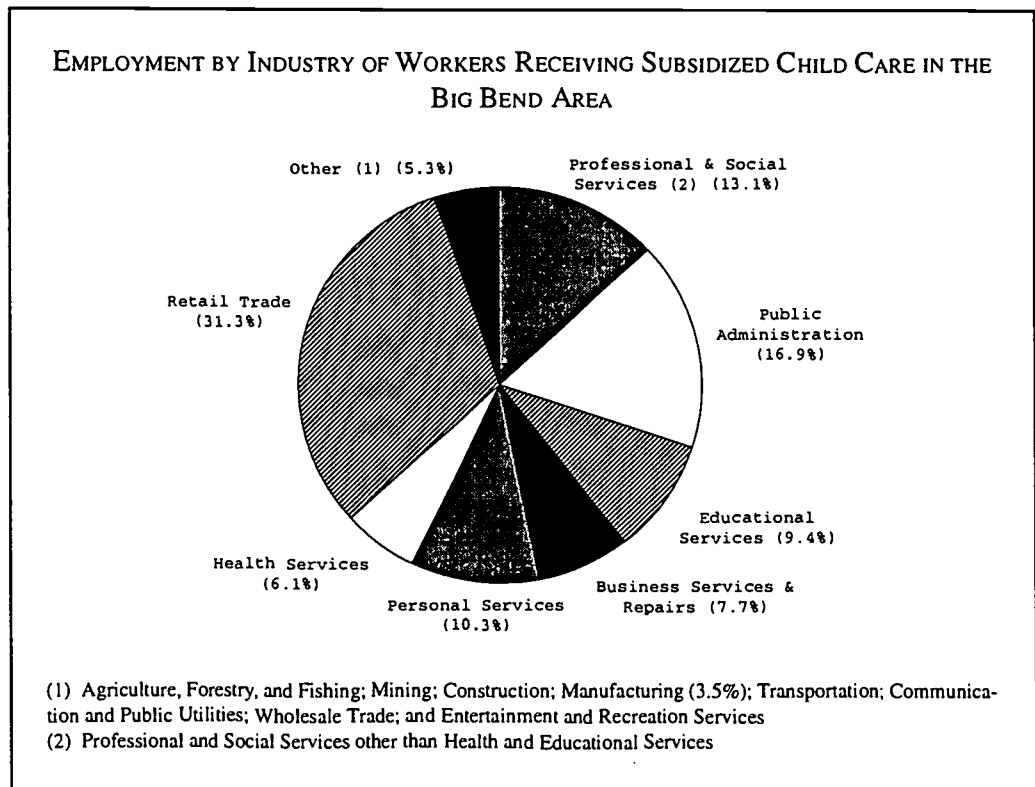


FIGURE 10

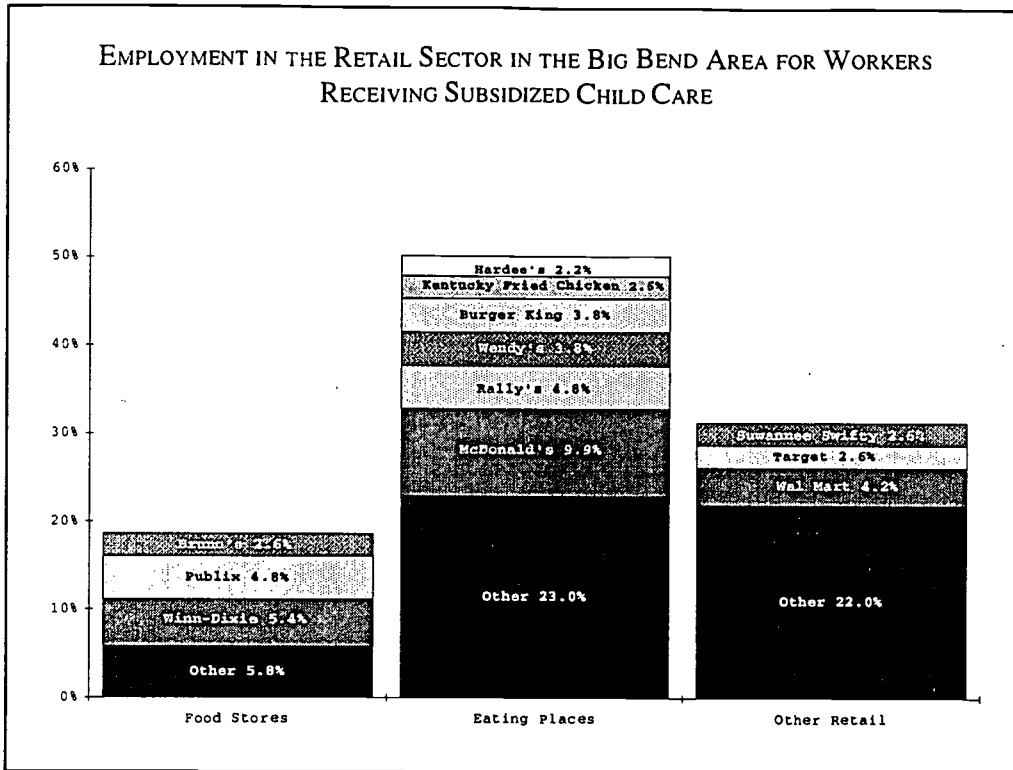


FIGURE 11

employer in the Tallahassee area. It employs 15% of the workers receiving subsidized child care in public administration and 2.6% of all workers receiving child care subsidies in the Big Bend area. The Florida Department of Labor provides almost 9% of the jobs for workers in public administration receiving child care subsidies in the Big Bend area and 1.5% of the total employment for this group (see Figure 12).

PROFESSIONAL AND SOCIAL SERVICES

The professional and social services sector employs a substantial proportion of workers receiving child care subsidies in Big Bend. While this sector employs only 7% of the total labor force in this region, this sector employs 13% of the workers receiving subsidized care. Various child care centers provide 62% of employment in this sector.

PERSONAL SERVICES

The personal services sector employs a significantly higher percentage of

workers receiving child care subsidies (10%) than of the total labor force (3%) in the Big Bend area. Hotels provide employment for 52% of workers receiving subsidized care in this sector and cleaning services provide 29%.

EDUCATIONAL SERVICES

The education services sector employs 9% of the workers receiving child care subsidies and 13% of overall employment. Universities and colleges provide 68% of this employment. Florida Agricultural and Mechanical University (FAMU), provides 60% of university and college employment for workers receiving subsidized child care and Florida State University (FSU) provides 31%. FAMU provides employment for almost 3% of the total child care receiving labor force. Indeed, it is the third largest employer of workers receiving subsidized child care in the Tallahassee area. Almost one fourth of the jobs of workers receiving subsidized child care in the educational service

Hotels and cleaning services account for more than 80% of the personal services sector employment for workers receiving child care subsidies.

As in Duval County, temporary personnel agencies are a significant employer of workers receiving child care subsidies.

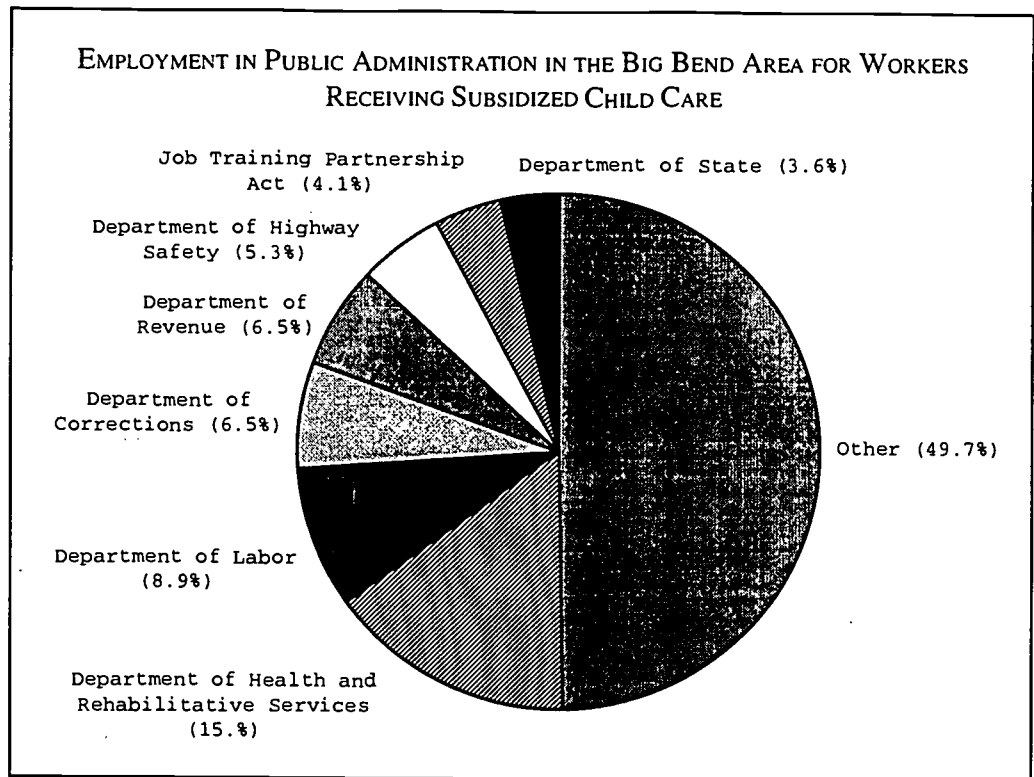


FIGURE 12

sector comes from the Leon County School Board. This school board provides 2.2% of overall employment for the labor force receiving subsidized care in the Big Bend area.

BUSINESS SERVICES AND REPAIRS

The business services and repairs sector provides jobs for 7.7% of workers receiving child care subsidies and 4.0% of all workers in this region. Much of the business services' employment, 86% of this sector, is provided through temporary personnel agencies (47% of the business sector and 3.6% of total employment for workers receiving

subsidized child care). As in Duval County, Norrell Temporary Services and Kelly Temporary Services are large employers of workers receiving subsidized child care in this sector. See Figure 8. Indeed, both of these temporary service companies employ one percent of the total labor force receiving subsidized child care in the Big Bend area. Other business services that employ a significant proportion of workers receiving child care subsidies include Unisys and Consultec, providing 20% and 15% of the employment in the business services sector and 1.3% and 1.0% of the total employment of workers receiving subsidized care respectively.

CONCLUSION

While it is well known that child care subsidies help low-income families work, it has not, as far as we are aware, previously been documented that major local, regional, and national employers benefit indirectly from child care subsidy programs. Our work documents that employers in retail trade and nonprofessional services employ many workers receiving child care subsidies.

Child care subsidies are essential to help families move from welfare to work, and quality child care provides an immediate benefit to employers by promoting higher productivity, lower absenteeism, and lower turnover. Looking toward the future, the quality of child care received by children while their parents work may also help determine whether these children enter school ready to learn and enter the work force ready to work. Without child care subsidies, either public or private, most low-income families simply cannot afford quality child care.

Child care subsidies allow employers to hire low skill workers without forcing the parents to jeopardize the health and safety of their children. These employers have a central role in successful welfare reform. Low skill workers need on-the-job training. As their skills improve, they need the opportunity to move up to higher paying jobs that will allow them to pay all of the costs of basic necessities, including the costs of developmentally sound child care.

Welfare reform will only succeed if employers, governments (federal, local, and state), and families work together. The current welfare reform debate has engaged two of the central actors, parents and governments. Our study has provided a mechanism to engage employers in welfare reform in Florida. Specifically, this research contributed

findings that provided support for the passage of the Child Care Partnership program as a portion of Florida's new welfare reform plan, WAGES (Work And Gain Economic Self Sufficiency), which was enacted in May 1996. The new legislation encourages employers to help share the cost of care for their low-income workers. Under the \$2 million pilot program, local child care agencies may offer matching dollars for child care to employers willing to assume part of the cost of child care for their employees who are eligible for subsidized child care. We hope that this study will help to reinforce the importance of employers to welfare reform and will encourage employers to develop policies that allow struggling families to deal more effectively with the need to care for their children while they work.

As documented in this paper, the employment patterns for the segment of the labor force that receives child care subsidies are significantly different than the employment patterns for the overall population. In each of our study areas, retail trade employs the largest percentage of workers receiving subsidized child care and accounts for a much higher proportion of employment for the population receiving subsidized child care than for the population as a whole. Although distinct employment patterns emerge in each study area, the following sectors, in addition to retail trade, employ a significant percentage of the subsidized child care receiving population throughout the state: health services; business services (mostly temporary personnel agencies); and professional and social services, other than health and education.

In addition, it is striking that certain industries provide few jobs for workers receiving child care subsidies. These

Employers benefit indirectly from child care subsidy programs.

It is striking that certain industries provide very few jobs for workers receiving subsidized child care.

industries include construction; manufacturing; and finance, insurance, and real estate. These industries provide many high paying jobs to the population as a whole, but relatively few jobs to workers receiving child care subsidies. Training

programs associated with welfare reform would do well to prepare welfare recipients for the better paying jobs in these industries as well as for jobs in the industries where low income workers are traditionally concentrated.

APPENDIX

Table 1 -- Employment by Industry for Overall Labor Force 1990

Industry	Florida	Pinellas	Duval	Big Bend Area
Construction	7.2%	6.3%	6.2%	6.4%
Manufacturing	9.7%	12.3%	8.0%	6.9%
Transportation	4.4%	3.1%	6.2%	2.3%
Communication & Public Utilities	2.7%	2.8%	3.1%	2.2%
Wholesale Trade	4.3%	3.9%	4.4%	2.4%
Retail Trade	18.1%	20.4%	15.6%	15.1%
Finance, Insurance, & Real Estate	7.5%	8.8%	10.6%	4.8%
Business Services and Repairs	5.2%	5.6%	5.0%	4.0%
Personal Services	4.1%	3.9%	3.0%	2.8%
Health Services	7.8%	9.7%	7.0%	7.0%
Educational Services	6.4%	5.0%	5.8%	12.8%
Professional & Social Services (2)	5.7%	6.4%	5.4%	7.3%
Public Administration	4.6%	3.6%	5.3%	16.1%
Other (1)	12.3%	8.2%	14.6%	9.8%

(1) Includes: Agriculture, Forestry, and Fishing; Mining; and Entertainment & Recreation Services

(2) Professional Services other than Health Services and Educational Services

Table 2 -- Child Care Subsidy Receiving Labor Force -- Pinellas County 1992-1995

Industry	
Retail Trade	25.3%
Finance, Insurance, & Real Estate	4.6%
Business Services & Repairs	8.1%
Personal Services	9.1%
Health Services	21.9%
Educational Services	4.9%
Professional & Social Services (2)	10.3%
Public Administration	4.8%
Other (1)	11.1%

(1) Includes: Agriculture, Forestry, and Fishing; Mining; Construction; Manufacturing (3.5%); Transportation; Communication & Public Utilities; Wholesale Trade; and Entertainment & Recreation Services

(2) Professional Services other than Health Services and Educational Services

**Table 3 -- Child Care Subsidy Receiving Labor Force -- Duval County
1992-1995**

Industry

Communication & Public Utilities	3.4%
Retail Trade	27.0%
Finance, Insurance, & Real Estate	7.6%
Business Services & Repairs	15.0%
Personal Services	7.8%
Health Services	14.6%
Professional & Social Services (2)	9.9%
Public Administration	5.0%
Educational Services	4.9%
Other (1)	8.3%

- (1) Includes: Agriculture, Forestry, and Fishing; Mining; Construction; Manufacturing; Transportation; Wholesale Trade; and Entertainment & Recreation Services
 (2) Professional Services other than Health Services and Educational Services

**Table 4 -- Child Care Subsidy Receiving Labor Force -- Big Bend Area
1992-1995**

Industry

Retail Trade	31.3%
Business Services & Repairs	7.7%
Personal Services	10.3%
Health Services	6.1%
Professional & Social Services (2)	13.1%
Public Administration	16.9%
Educational Services	9.4%
Other (1)	5.3%

- (1) Includes: Agriculture, Forestry, and Fishing; Mining; Construction; Manufacturing; Transportation; Wholesale Trade; Finance, Insurance, & Real Estate; and Entertainment & Recreation Services
 (2) Professional Services other than Health Services and Educational Services

FOOTNOTES

¹These data are recorded in the FMEM table of the CCMS database.

²Eligibility Counselors did not always use a consistent name for employers. For example, Sam's Inc. was referred to as Sams and Sam's as well as Sam's Inc.

³The Standard Industrial Classification breaks industries down into 16 categories: 1) Agriculture, Forestry, and Fishing; 2) Mining; 3) Construction; 4) Manufacturing; 5) Transportation; 6) Communication and Public Utilities; 7) Wholesale Trade; 8) Retail Trade; 9) Finance, Insurance, and Real Estate; 10) Business Services and Repair; 11) Personal Services; 12) Entertainment and Recreation Services; 13) Health Services; 14) Education Services; 15) Professional and Social Services, other than health and education; and 16) Public Administration.

⁴We received information on 6716 workers receiving subsidies in St. Petersburg. We were able to use information for 5221 (78%) of the records available. We were not able to use entries when no employer was listed or when it was not possible to discern the industry into which the indicated employer would fall. When an employer was listed frequently, we either called and obtained information that allowed us to assign an industry or asked individuals who had resided in the area to obtain the needed information. Thus, we include all large and medium size employers in our analysis.

⁵We received information on 6412 workers receiving child care subsidies in Duval county. We were able to use 5174 (81 %) of the records available. We were not able to use entries when no employer was listed or when it was not possible to discern the industry into which the indicated employer would fall. When an employer was listed frequently, we either called and obtained information that allowed us to assign an industry or asked individuals who had resided in the area to obtain the needed information. Thus, we include all large and medium size employers in our analysis.

⁶Note that available data sometimes did not allow us to discern if all of these employees were working directly for AT&T or hired through a temporary personnel agency, in that case, working only indirectly for the company.

⁷The data available for Tallahassee are less complete and may not be as representative as the data for St. Petersburg and Jacksonville. While child care coordinating agency staff in Pinellas and Duval counties routinely record employment information when determining eligibility for child care subsidies, not all staff in the Big Bend Agency record employment information. However, comparison of results for St. Petersburg and Jacksonville with results for Tallahassee do not reveal any substantial differences in employment patterns relative to employment in the counties making up the Big Bend area. We received information on 1202 low income workers receiving subsidies in the Tallahassee. We were able to use information for 1001 (83%) of the records available. We were not able to use entries when no employer was listed or when it was not possible to discern the industry into which the indicated employer would fall.

SOURCES

Bureau of the Census, U.S. Department of Commerce. County and City Data Book 1994: A Statistical Abstract Supplement. May 1995, Washington, DC. CD-ROM # CD-CCDB94.

Bureau of the Census, U.S. Department of Commerce. USA Counties 1994: A Statistical Abstract Supplement. December 1994, Washington, DC. CD-ROM # CD94-CTY-02.

Florida Children's Forum provided data compiled by the Eligibility Counselor at the time of the parent interview which determined whether the individual was eligible to receive subsidized child care. These data may be recorded in the Family Member Employment Table (FMEM) of the CCMS database. Our database contained the date of the interview, the name of the employer, and the employer's telephone number. Our database was pulled from the CCMS databases of the Jacksonville, St. Petersburg and Tallahassee Child Care Coordinating Agencies in mid-December 1995. The Jacksonville agency consistently uses the parents interview module of CCMS which records the interview information in the database. In St. Petersburg, the agency does not always use the parent interview module but does consistently record employment information in the database. In Tallahassee, some Eligibility Counselors record employment information in the database and others do not. We received all information available in the FMEM.



U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)



NOTICE

Reproduction Basis



This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.



This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").

EFF-089 (3/2000)