

# Daycare Needs in Bulloch County

Prepared for:  
The Bulloch County Chamber of Commerce

Prepared By:  
The Bureau of Business Research  
and Economic Development

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## EXECUTIVE SUMMARY

The Bulloch County Chamber of Commerce requested a study to determine the demand for 24-hour daycare services. An article from the July 6, 2001, *Wall Street Journal*, “Bedtime Stories In 24-Hour Workplace, Daycare In Moving To The Night Shift,” illustrated the timeliness of the questions. The article reported a nation-wide trend toward the provision of daycare services during non-traditional hours.

Two forces are strongly behind the trend toward a need for 24-hour daycare services. First, the two-income-earner household has become a fixture of the American workplace. Second, there is strong evidence that a major source of absenteeism is the need to care for children.<sup>9</sup> Based on the survey conducted, both of these forces are apparent at the local level. As will be reported below, there are 1.7 earners per household reported by the survey respondents and also as discussed below the survey, 39% of the respondents with children in living in their household reported one or more days absent from work because of lack of childcare.

A pre-study survey of current daycare services was conducted. The pre-survey study was conducted in April and May 2001, and included twenty-seven daycare businesses in Bulloch County. Of the twenty-seven businesses listed in the phone book, thirteen completed the survey. The principle findings were that hours of service are limited to a period from a 6:00 or 6:30 a.m. to 5:30 or 6:00. The average price per week for ages 1

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<sup>9</sup> *Ibid.* Wall Street Journal.

and up was \$72 and the average price per week charge for infants was \$77. The majority of providers had a waiting list for admission.

A group of firms, all members of the Bulloch County Chamber of Commerce, agreed to provide a questionnaire to their employees. The participating firms had 2,800 employees. Therefore, the sample represented approximately 10% of total Bulloch County employment. Additionally, a key feature was that the survey asked questions about both the individual and the individual's household. For example, "Is someone in your household prevented from working outside the home because of the need to care for a child"; and, "In the last 6 months, has someone from your household had to miss all or part of a day of work because no daycare was available." Hence, the scope extended from 2,800 households, to potentially providing an assessment of daycare need based on up to 4,760 labor force participants or 26% of Bulloch County's employed residents.

The questionnaire was made up of a total of 27 questions separated into three different sections. The first section provides the demographic data on the questionnaire's respondent. The second section consisted of questions directly concerning children and daycare needs. An increasing number of households have the responsibility for care of elderly parents and this trend is expected to grow over the decade as the pace of retirement accelerates as the baby boom generation ages. In the last section of the questionnaire, needs for senior care and special needs adults are addressed.

### **Sample Size and Profile**

Twenty-seven percent (27%) of the 2,800 households completed the questionnaire and as indicated there were 1.7 workers per household. This means that the sample potentially represented 4,670 labor force participants or 26% of Bulloch County's employed residents. However, when the statistical profile was compared to the demographic profile of the County, there were serious differences suggesting that extrapolation of the findings to the county's workforce would be biased. Hence, the findings were deemed reliable only for the 4,670 households.

The sources of bias included the following:

- The number of male respondents was 9% larger than percent male population in the workforce;
- The percent of the population age 26-35 was 16% higher than for that age group in the workforce;
- The percent of the population age 19-25 was approximately 5% less than the percent of the population in that age range for the workforce; and
- The percent of the population age 56-62 was only half as large as for that age group in the workforce.

Additionally, the survey was given almost exclusively to full-time employees. The very high representation of those ages 26 to 35 is likely to bias the estimated needs for daycare up. The under representation of those ages 19 to 25 is likely to bias the estimated need for daycare down. There is no way to account for the degree of offsetting of the biases.

Additionally, even though there was a potential that part-time workers were represented by the questions relating to daycare needs, there was no way to insure a statistically representative sample of need based on employment status. It is hypothesized that a significant portion of the part-employment is because of lack of childcare. Hence, the use of full-time employees in the sample is likely to have biased the demand downward.

Finally, the need for assistance for adult care is believed to be seriously under estimated. The percent of the sample in the age range for those confronted with adult care needs is half that of the percent for ages 56-62 in the population.

Because of the potential biases the sample of responses were viewed as valid for the 2,800 households sampled. Again this represents approximately one-quarter of the total Bulloch County work force.

### **Survey Findings: Daycare**

Approximately 49.93% of the survey respondents indicated that there were an average of 1.8 children age 16 or younger present in the household. The response rate for the sample equates to children present in 29.7% of the sample households. The average age was 7.

The type of daycare used depends on the age of the child. For example, nationally 63% of the children under the age of 5 are in some kind of regular childcare arrangement at



some time during the week. Children ages 5 and older are less likely to depend on daycare, rather depending on a combination of school, organized clubs, sports, lessons, etc. The survey responses showed that approximately 50% of the children resident in the sample households were in the prime age to use daycare services and approximately 22% were age 3 or younger. Only 27 % of the households with children were currently using daycare services. The average household was spending \$67.28 dollars per child for childcare services.

The cost of lack of daycare services was estimated in two ways. First, 5.4% of the households in the sample had someone prevented from working because of a lack of daycare. This means that about 600 to 700 additional workers would be available for the labor force if affordable daycare services were available. Additionally, for households with children, 39% indicated that someone in the household had missed all or part of a workday in the last six months because of a lack of daycare. On an annual basis those who had missed work because of a lack of daycare missed work an average of six days per year.

Approximately 71% of the sample respondents with children indicated that they would use daycare if it were available. This is equivalent to 34.12% of the households in the sample. It was estimated that the sample households would have approximately 900 children of prime daycare age would be resident in the households that would use daycare. About 35% of the households with children ages 0 to 5 would use daycare

between 4 P.M and 8 A.M. For ages 6-15, nearly 31% would use daycare services between 4 P.M. and 8 P.M.

### **Survey Findings: Adult Care**

It was estimated that approximately 100 households were affected by the need for adult care. Of the households which have adult care responsibilities, 50% paid about \$70 per week for outside assistance and 83% said that they would use adult care if it were available. The times at which 31% of those with the need for adult care is the highest are between 8 A.M. and 12 P.M., and 29% would use between 4 P.M. and 8 P.M.

### **Conclusions**

There is a demand for daycare services and there is a demand for services during non-traditional hours. Approximately 34% of the sample indicated that they would use services if they were available. It was estimated that the sample households have approximately 900 children of prime daycare age. Of the sample households, 32% with children ages 0 to 5 would use daycare between 4 P.M. and 8 P.M. Additionally, 13% and 19% of the households with children ages 0 to 5 and 6 to 15, respectively, would use an overnight service. Additionally, over 100 households are affected by the need for adult care services and 83% of these would use a service if one were available.

## INTRODUCTION

The Bureau of Business Research and Economic Development was asked to complete a survey assessing the need for daycare and/or adult care facilities in the Bulloch County area. The primary focus of the question was whether there was a demand for 24-hour daycare services. The study was requested by the Bulloch County Chamber of Commerce and was completed with the cooperation of several area businesses. This report presents the findings of that survey.

The timeliness of the study is illustrated by the July 6, 2001 headline from the Wall Street Journal, “Bedtime Stories In 24-Hour Workplace, Day Care Is Moving To The Night Shift.” The article reports a nation-wide trend toward the provision of daycare services during non-traditional hours. Business in the U.S., whether it is manufacturing, retail, health care or hospitality services, operates 24-hours a day. At the peak of the 90s boom daycare became critical to the ability to lure additional workers into a region’s workforce.<sup>10</sup> In some very tight job markets, such as nursing, employers have launched aggressive building programs to provide 24-hour childcare.<sup>11</sup>

Two other forces are strongly behind the trend of the need for 24-hour daycare services. First, the two-income-earner household has become a fixture of the American workplace. As will be reported below, there are 1.7 earners per household reported by the survey

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<sup>10</sup> On average about 55% of women with infants participate in the labor force. However, concurrent with the peak of the 1990’s boom, in 1998 approximately 60% of women with infants in the labor force. The participation rate is higher in all circumstance for women with some college education. See “Fertility of American Women,” U.S. Bureau of Census, June 2000.

<sup>11</sup> Extended hour daycare is of particular interest in hospital and other health care settings with their strong emphasis on 3 and 4 day work-week staffing patterns.

respondents. Second, there is strong evidence that a major source of absenteeism is the need to care for children.<sup>12</sup> As will be reported in the survey below, 39% of the respondents with children living in their household reported one or more days absent from work because of lack of childcare.

In section one, this report discusses the findings of a telephone survey of existing daycare providers in Bulloch County. The primary purpose of that survey was to develop an estimate of the current market rate charged for daycare services. This information was critical in order to properly frame the question about the potential willingness of those who stated a need for daycare and to pay for daycare.<sup>13</sup>

Section two describes the survey methodology and the development of the questionnaire. The findings from the survey are presented in section three.

Daycare services have become part of the system of childcare in America. A growing number of companies offer on-site daycare. However, on-site daycare remains problematic for many businesses simply because it takes management time away from the primary mission of the business. Hence, an array of alternative programs have evolved including public-private partnerships and more recently vendors who will contract both to build and operate daycare centers tailored to the needs of a given business. Information about some of these alternatives is provided in the last section.

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<sup>12</sup> *Ibid.* The Wall Street Journal.

<sup>13</sup> Economists make an important distinction between need and demand. For example, we all need food, but the need for food only becomes demand for food if we actually purchase food.

## METHODOLOGY

The purpose of the study was to determine the need and demand for additional daycare services in Bulloch County. Additionally, a key focus was the need to determine if there was a demand for twenty-four hour daycare services. A group of firms, all members of the Bulloch County Chamber of Commerce, agreed to provide a questionnaire to their employees. The participating firms had 2,800 employees at the time of the survey. Therefore, the sample represented approximately 10% of total Bulloch County employment.

Both the survey and the questionnaire that were developed are described below.

However, it is important to note one key feature of the survey. That feature is that the survey asked questions about both the individual and the individual's household. For example, "*Is someone in your household prevented from working outside the home because of the need to care for a child?*" and, "*In the last 6 months has someone from your household had to miss all or part of a day of work because no daycare was available?*" Hence, the scope extended from 2,800 households, to potentially providing an assessment of daycare need based on up to 5,600 potential labor force participants.

Section one below provides an overview of the survey. Section two provides a discussion of the framework for interpreting the survey results.

## **Survey**

The survey was administered by several large businesses within Bulloch County including: Briggs and Stratton; Wal-Mart Distribution Center; Viracon; Daniel Brooks Petroleum; Georgia Power; International Agile Manufacturing; Claude Howard Lumber Company; Nash Finch (IGA); Ogeechee Technical College; and, Loxscreen. Two of these are among the five largest employers in Bulloch County.

When the questionnaire was designed, it was expected that it would be provided to all employees, full and part-time. However, the questionnaire was only distributed to full-time employees. This raises a concern that the potential demand for daycare may be underestimated. For example, part-time employees may not be working full-time because daycare is not available. In this scenario, the need for daycare would be underestimated.

For the balance of this report, the sample will refer to only full-time workers within the above-mentioned industries and their households. As noted, the questionnaire was designed to identify “household” demand for child or adult care services<sup>14</sup>, not just the individual respondent’s need. For example, the questionnaire asked if the respondent missed any work because of the need to care for a sick child. It also asked if anyone in their household missed all or part of a workday for the same reason.

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<sup>14</sup> In developing the study design the Bureau added the question of adult care because of the growing prevalence of literature on the number of women providing care services on both ends of their working career. Approximately 6.5% of those 65 years of age and older need assistance with personal care, according to the National Center for Health Statistics, [www.cdc.gov/nchs](http://www.cdc.gov/nchs), released July 2002.

The survey consisted of a mail-in questionnaire that was distributed by the above-mentioned companies and either returned directly to the Bureau of Business Research and Economic Development or to the supervisor at the company. The returns, however, were confidential.

The questionnaire was made up of a total of 27 questions separated into three different sections (see Appendix A). The first section provides the demographic data on the questionnaire respondent. Questions such as gender, age, marital status, employment status (full or part-time), and number of income earners in the respondent's household are identified in this section. This section also included a question about the respondent's address. This was used to insure that no household was represented more than once.

The second section consisted of questions directly concerning children and daycare needs. Questions in this section were to be answered only by those indicating that there were dependent children living in their household. The overall purpose of this section was to determine if daycare was already used or if there was a need for daycare.

Questions also identified the extent to which alternatives to daycare were used, e.g. care provided by family, friends or hired baby-sitters.

Important questions also contained in section two were the questions which asked if the respondent, or someone in the respondent's household, was prevented from working or had missed all or part of a workday due to the need to care for children. This information

was gathered to develop an estimate of the cost of absenteeism resulting from a lack of daycare.

Finally, section two of the questionnaire was also designed to estimate how much is spent per child per week in each household for childcare. The questionnaire specifically asked whether the individual would utilize a daycare facility if one were made available, and at approximately what times throughout the day and/or night would services be needed.

An increasing number of households have the responsibility for care of elderly parents and this trend is expected to grow over the decade as the pace of retirement accelerates and the baby boom generation ages<sup>15</sup>. In the last section of the questionnaire, needs for senior care and special needs adults are addressed. Only those individuals that had adults with these needs answered this section. The purpose of this section was to assess the need for adult care facilities in Bulloch County as the questions focused on senior adult dependents and special needs adult dependents. In contrast to an adult dependent who may need assistance in carrying out daily activities, a special-needs adult dependent is categorized as an adult not capable of mainstream, independent living.

Individuals were asked if someone in their household is prevented from working because of the need to care for a senior adult or special needs adult, and then asked if this is the same person who cares for the children in the household. This question was added in order to tie the need for daycare to the need for adult care. A question regarding whether

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<sup>15</sup> While on average only 6.5% of those over 65 require assistance with personal care, 7.6% of those between the ages of 75 and 84, and 19.0% of those over 85 require assistance with personal care.



the individual has a paid or non-paid person who assists in the care of the adult and how much is spent per week on that care was included to determine the amount of workforce expenditures on adult care. In addition, the respondents were asked if they would utilize an adult care facility if one were available, and the times of day that the facility would be needed.

### **Sample Size and Interpretation**

The survey was administered to 2,800 individuals working in each of the above-mentioned companies in Bulloch County. Of the total number of questionnaires sent out, positive responses from 759 individuals were received. This is a 27.12% response rate. Even though this is an acceptable response rate, the distribution of the questionnaires to only the full-time employees may result in a biased estimation of the need for child or adult care. People not included were part-time and temporary workers. It may be that many part-time workers choose part-time simply because of lack of daycare.

The Bureau has considered that there may be a slight discrepancy in the results for the adult care section. The definition of senior adult, special needs adult, and a senior or special needs adult dependent may not have been fully understood by the respondents. A problem arises when people have different definitions for key terms, and the wording of the survey questions with regard to adult data proved to be confusing. The results, however, were closely examined to avoid any double counting. The information provided in the findings section is still useful to the intended parties that are concerned with a more general definition of adult care.

As indicated, 27% of the sample of 2,800 households completed the questionnaire. Further, given that there were an average of 1.7 workers per household, the sample potential represents 4,760 participants in the workforce. Hence, the survey's coverage represents 26% of Bulloch County's employed residents. To estimate the potential need and demand for daycare and adult care services the sample responses were extrapolated 2,800 households in the survey sample.

## **FINDINGS**

The findings are separated into three parts. The first part summarizes the demographic characteristics of the sample of respondents. The second part summarizes various aspects of daycare use and needs including expenditures, additional demand, and times of current and preferred usage. The last part parallels the daycare use and needs section, but identifies the needs related to adult care.

### **WORKFORCE CHARACTERISTICS: SURVEY SAMPLE**

In order to be reasonably comfortable with extrapolating the estimates of the need and demand for daycare from the survey sample to the population, the demographic profile of the workforce in the sample was compared to the profile of the overall Bulloch County workforce. Table 1 compares the survey results with those retrieved from the United States Census Bureau for Bulloch County. While the results of the survey are intended to represent the needs of the entire survey sample, it is important to also compare the results to the workforce of Bulloch County to provide for potential generalization of the findings and to identify potential anomalies in the sample, which may create bias in the estimates. The following information is included for comparison and for the reader to gain an understanding of how representative the survey results are of the actual workforce of Bulloch County.

## General Profile

**TABLE 1**  
**GENERAL PROFILE OF BULLOCH COUNTY WORKFORCE<sup>16</sup>**

Characteristic	Survey	Bulloch County**
<b>Gender</b>		
Male	62%	53%
Female	38%	47%
<b>Age Range</b>		
16-18	0.82%	7.66%
19-25	16.96%	21.76%
26-35	35.02%	18.64%
36-45	25.99%	22.07%
46-55	17.37%	17.99%
56-62	3.15%	7.35%
63-65	0.55%	1.14%
66+	0.14%	3.41%
<b>Employment Status</b>		
Full -Time	99%	--
Part -time	1%	--
<b>Marital Status</b>		
Single	28%	25% <sup>17</sup>
Married	55%	44% <sup>18</sup>
Other*	17%	
Income earners per household	1.69	

\*Other includes widowed, divorced, separated, living with a partner and other categories

\*\*Source: U.S. Census Bureau

Sixty-two percent of the respondents identified themselves as males, compared to 53% as identified by the U.S. Census for the Bulloch County workforce. The sample consists of 55% percent married and 28% single individuals, while 17% identified themselves in a different category. The sample also consists of 99% full-time and 1% part-time

<sup>16</sup> In order to eliminate the possibility of double counting due to more than one family member receiving the survey, addresses were collected. The addresses were used to prevent double counting of households.

<sup>17</sup> This statistic is the percent of householders living alone, under the age of 65.

<sup>18</sup> The statistic is the percent of married couple households.

workers. Data is not available on the employment status and marital status for the workforce of Bulloch County. However, based on the Census of Population, which included marital status by household, it appears that the sample may be over representative of married households.

There are important differences in the age distribution of workers when the sample is compared to the age distribution for workers countywide. In general, one can assume that workers in the lowest age range of 16-18 and those in the highest age ranges of 56 and older will have a lower need for day care services than those in the median childbearing age. The average age in this survey was found to be 36 years old, while the U.S. Census reports the average age of the workforce is 37. However, the sample contains twice the population-percentage in the age 26 to 35 year old category. This means that the use and demand for daycare may be overstated in the sample and any extrapolation to the population would be biased on the high side of the true demand. In contrast, the sample percent in the 56 to 52 age range is half that of the percent in the population. Hence, the potential extrapolation of the need for adult care may be understated.

At least two other differences between the sample and the population may affect the applicability of the sample findings with respect to extrapolation to the population. First, women are underrepresented relative to participation in the workforce.

Second, when comparing the survey results for people ages 16-18, the census data is significantly larger. This difference is probably due to legal issues in distributing a survey. Without parental consent, a survey cannot be administered to anyone under the age of 18. Therefore, the minimum age in the survey is 18 years old.

### **CHILDREN, DAYCARE USE AND DAYCARE NEED**

In a report titled *America's Children 2002*, by the National Center for Health Statistics, 26% of the American population is comprised of children under the age of 18.

Additionally, the birthrate after decreasing during the decades of the 1960s and 1970s has rebounded from its lowest level of 1.8 births per woman to 2.0 births per woman.<sup>19</sup> With increased birthrates and pressures on both parents to enter the workforce to sustain a desired standard of living, there is an increased demand for all forms of childcare.<sup>20</sup> *America's Children 2002* indicates that without assisted daycare available, households are forced to rely on other means of care such as self-care (the latchkey children), babysitting and after school programs.

#### ***Number and Ages of Children***

Table 2 shows the average number of children and special needs children under the age of 16 in each household as well as the average age for the survey sample.

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<sup>19</sup> "Fertility of American Women," U.S. Census Bureau, June 2000.

<sup>20</sup> In 1975 only 34% of married couples with children under the age of six had both parents in the workforce. By 2000, 60% of married couples with children under the age of six had both parents in the workforce. Additionally, in 2000 nearly 20% of all employed parents were single parents. See "Taking Care of Kids at Work," Regional Review, Vol. 10, Number 3, Q3, 2000.

**TABLE 2**  
**PRESENCE AND AVERAGE AGE OF CHILDREN**

	Average	Children Present as a percent of Total Respondents	Households with Children Present as a percent of Total Sample
Number of children under 16	1.8	49.93%	29.7%
Average age	7	N/A	N/A
Children with Special Needs		13.0%	6.5%

The survey was conducted to determine the childcare usage and need of the sample households with children under the age of 16. Approximately 50% of the survey respondents indicated that there were an average of 1.8 children age 16 or younger present in their household. The average age was 7. The survey also showed that 13% of the respondents with children under the age of 16, had children with special needs. This equates to 6.45% of the entire respondent sample. Nationally, the percent of the population with a disability that limits daily activities is approximately 15%. Among children under the age of 18, 6.7% have disabilities that limit daily activities.<sup>21</sup>

***Age Range of Children and Types of Childcare***

Nationally, for working mothers the primary care arrangement for children *under the age of five* was daycare, 32%. Parent care was 24% where parents alternated shifts to provide care. Relatives provided care for 16%.

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<sup>21</sup> “Disability Watch-The Status of people with Disabilities in the United States,” Disability Statistics Center, University of California, San Francisco.

The types of childcare services used varied significantly according to the age of the child. For example, 63% of children under the age of five were in some form of regular childcare arrangement during a typical week. About 20% of preschoolers are cared for in an organized facility, either daycare or pre-school. Additionally, relatives such as a grandparent or the non-primary care parent, care for 41%.<sup>22</sup> Care by siblings was virtually zero for children under the age of five.<sup>23</sup>

On the other hand, for children age 5 and older, the majority of childcare was provided by schools and other structured activities. School (84%) and enrichment programs (sports, clubs, lessons and after-school programs, 17%) accounted for the bulk of childcare. Additionally, relatives provide much of the care for this group including: siblings, 17%; non-primary parent, 16%; and grandparents 15%. Childcare for 44% of children age 5 to 16 was self-care, the so-called “latchkey children.” Only about 6% of children age 5 to 16 were cared for in an organized facility.<sup>24</sup>

Table 3 shows the distribution of children for the survey system by age range. This information is useful in assessing the needs for different types of childcare.

Approximately half of the children present in the sample households are of the age where after school programs will be of interest. The other 50% are in the prime age groups for organized daycare services. On the supply side of after school programs, of the daycare providers surveyed by BBRED, about half of the facilities offered an after school

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<sup>22</sup> This report is from the U.S. Census Bureau, “Who’s Minding the Kids?” The survey specifically asked which parent was the primary care parent and also asked if parents arranged work shifts to share care responsibilities with the non-primary care parent.

<sup>23</sup> Note, the percents add to more than 100% because many children have multiple care arrangements.

<sup>24</sup> Note, the percents add to more than 100% because many children have multiple care arrangements.



program. The largest after school program offered by the Bulloch County Parks and Recreation Department serves nearly 500 children.

The BBRED survey of daycare providers showed that childcare services for children under the age of 3 tended to be among the most costly daycare services if provided at all. Regulations for the care of children in this age group typically require an adult to child ratio of 1 to 4, making the under age 3 group very labor intensive. Approximately 22% of the children present in the sample households are age 3 or younger.

The Georgia Lottery provides funds for pre-kindergarten education. Two of the thirteen respondents to the survey conducted by BBRED on daycare practices indicated that they supported their teaching program with Lottery supported funding. Both of these daycare programs were among the larger programs, but they were also among the more expensive. The higher expense results from the need to meet teaching certification standards for pre-kindergarten.

**TABLE 3  
PERCENT OF CHILDREN BY AGE RANGE**

	Under 1	1-2	3-5	6-9	10-13	14-15
Percent of total	8.5%	13.2%	20.5%	26.8%	21.6%	9.4%

Table 4 shows the usage of different kinds of childcare by the respondents with children present in the home. Thirty percent of the respondents indicated that they use childcare other than those listed on the questionnaire. Further, 29% used paid or non-paid

babysitters. Only 27% used a daycare facility. It is important to note that some households may utilize more than one form of childcare. All of these findings suggest that the pattern of childcare arrangement in Bulloch County is very similar to the pattern of childcare nationally.

**TABLE 4  
TYPES OF CHILDCARE ARRANGEMENTS**

Source	Percent
Daycare	27%
Babysitting	29%
After school	20%
Other	32%

\*Will not add up to 100% due to some families using more than one childcare resource.

Table 4 gives the breakdown by age for the type of childcare services used. The most frequently used services are daycare and babysitting services for children ages 1-5 years old. After school programs are highly utilized by children ages 6-15 as well as in families that have more than one child in different age ranges (for example, a family with one child age 2, and another child age 10). According to *America's Children 2002*, 61% of children from birth to age 6 received some form of childcare. It is also interesting to note that nationally, 27% of children ages 6 to 9 and 39% of children ages 10 to 14 participated in some before or after school activities such as sports, clubs and tutoring programs. This suggests that use of after school programs by sample respondents is consistent with national trends.

**TABLE 5  
 CHILDCARE SERVICES BY TYPE AND BY AGE RANGE**

Source	Age Range		
	1-5	6-15	1-15*
Daycare	43%	12%	30%
Babysitting	43%	26%	20%
After school	8%	29%	21%
Other	25%	8%	16%

\*Includes families with one or more children in multiple age ranges. For example, a family with a 3 year old and a 9 year old is included in this category, whereas a family with one or more children under the age of 5 is included in the 1-5 category. A family with one or more children, ages 6-15, is in the 6-15 category.

**Expenditures for Daycare**

A survey performed by the Georgia Southern University Child Care Committee assessing the needs for an on-campus child care center for university faculty and staff, found that the amount spent on child care was \$82.26 for full-time childcare and \$46.65 was spent on part-time child care. Table 6 shows the average amount spent on daycare per week based on the expenditures by sample respondents to the present survey.

**TABLE 6  
 DAYCARE EXPENDITURES**

	Average cost per week	
	Per child	Per household
Amount spent	\$67.28	\$121.10

The average amount spent per child per week is \$67.28, and since each household has an average of 1.8 children, the average weekly expenditures total \$121.10. Both survey findings are fairly consistent with the survey of suppliers, which BBRED conducted prior to the survey of needs. The supplier survey indicated the average weekly price for services for ages 1 and older was \$72. Costs for services for infant care were approximately \$77 per week.

The following figure presents the expenditures on childcare per age range. This table represents the expenditures on daycare that the workforce indicated they spent per week.

**TABLE 7  
EXPENDITURES ON CHILDCARE PER AGE RANGE**

	1-5	6-15	1-15*
Average	\$74.19	\$49.26	\$77.62

\*Includes families with one or more children in multiple age ranges.

As depicted above, it can be assumed that childcare costs decrease as ages increase due to the fact that there is less need for one-on-one time with the child. In addition, those children in middle school or high school are involved in other activities such as extracurricular clubs and sports so that some of the cost of childcare is hidden in the cost of education services.

### **Effect of lack of Daycare on Households and Firms**

The presence or absence of daycare most directly effects women’s labor force participation. In turn, labor force participation rates directly affect the supply and cost of labor.

#### ***Effect on Labor Supply***

The labor force participation of women is most directly affected by the presence and age of children. If childcare is unavailable, or perhaps too costly, people are forced to stay at home to care for children. Table 8 shows that 11% of the respondent sample with children under 16, or 5.4% of the total sample fall in this category. To approximate what this implies in terms of the scope the potential supply of additional workers, about 600 to

700 additional people may be able to participate in the labor force if daycare were available.<sup>25,26</sup>

These potential participants represent a loss of additional income for the household and also a loss of available workforce for the industry because the relevant skills that the individual possesses are idle and not being used efficiently. An additional implication that this may have for local industry is an increased cost of recruiting new employees from greater distances. If daycare is unavailable, the skilled workers are not included in the potential labor pool and therefore, the companies may be forced to hire and train unskilled labor<sup>27</sup>.

**TABLE 8  
INDIVIDUALS PREVENTED FROM WORKING**

	Households with Member Prevented from Working by Need for Daycare as a Percent of Households with Children	Households with Member Prevented from Working as a Percent of Respondent Sample
Individuals prevented from working by the need to care for children	11%	5.4%

<sup>25</sup> Approximately 30% of Bulloch County’s 20,743 households have children under 18 years of age present in the home or approximately 6,200 homes. If 11% of those homes have someone prevent from working by the presence of children, there would be a potential for an additional 680 labor force participants from this pool.

<sup>26</sup> For women with children a variety of factors effect the decision to work. The higher the level of education, the higher the income and participation in the labor force prior to having a child all increased the post-maternal labor force participation.

<sup>27</sup> In a recent study done by BBRED titled “Determining the Underemployment and Unemployment in the Savannah Laborshed,” a new definition of unemployment was used to help estimate the “true” unemployment in an area. One component it incorporated was if the individual would reenter the labor force if an employer would provide daycare. Remarkably, the unemployment rate went from 3.1% to 12.2%.

### ***Impact Effect of Absenteeism***

High absenteeism and high turnover directly effect productivity, and both are costly for firms. In fact, an often-repeated workforce complaint by Bulloch employers is the high rate of absenteeism. While absenteeism is most often cited as a measure of poor work ethic, workers in the workforce are multi-dimensional people with multiple responsibilities. In the case of the households in the survey of the respondents with children, 39% indicated that someone in their household had missed all or part of a workday in the last six months because of a lack of day care. This constitutes 17.26% of the workforce of Bulloch County. On an annual basis, those who had missed work because of a lack of daycare missed an average of 6 days per year.

A rough estimate of the costs of absenteeism caused by the lack of daycare can be based on employee wage rates. If the employee works based on an hourly wage, then each day absent from work is directly reflected in income. Those employees receiving yearly salary may not directly lose income because of absenteeism, but in the long term, may not be considered for pay increases or job opportunities.

**TABLE 9**  
**OPPORTUNITY LOSS**

Average days of work missed per year per person	Loss per year per person	Percent of Respondents with Children in the Household	Workforce
6.38	\$476	39%	17.26%

There is an average loss per year of \$476 per person based on the average daily wage in the industry of \$74.57<sup>28</sup>. The cost of \$476 per person for absenteeism can also be interpreted to represent the minimum cost to the firm of an absent employee. Since wages generally measure the value of employee output, the annual loss to the employers in the sample is at a minimum approximately \$140,000.

### **Conclusions about Benefits of Daycare to Firms**

Institutionalized daycare was introduced in the U.S. during World War II. Because wages were controlled, firms could not compete with other firms or attract new entrants into the labor force through increasing wages. Hence, most of the benefits provided by today's businesses were developed as means of enticing new workers into the workforce or to draw the best workers away from competing firms. Today only about 9% of all businesses with 100 or more employees provide on-site daycare. However, this under represents the portion of the labor force, which may have access to corporate sponsored on-site daycare, since 18% of firms with 1,000 or more employees have daycare.

Corporate sponsorship of daycare also varies by industry where in Professional Services 15% provide on-site daycare and in Finance/Insurance/Real Estate 11% provide on-site

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<sup>28</sup> Georgia Department of Labor, 2000

daycare. Hospitals providing on-site daycare account for the fastest growing segment of those businesses providing on-site daycare.<sup>29</sup>

Reduced absenteeism, decreased turnover and easier recruiting are systematically cited as the major benefits of corporate sponsorship of daycare facilities. Information technology companies routinely use corporate provision of daycare services as a recruiting tool.

Ford Motor Company implemented both a daycare center building program and expanded 24-hour services when a study showed that in order to reduce absenteeism, 31% of hourly employees were night shift employees and 58% of them were under the age of 46.<sup>30</sup>

### **Estimating Market-wide Demand in Bulloch County**

Economists distinguish between need and demand by determining if those who indicate a need or want are willing to pay for those needs.

Shown in Table 10, 71% of the respondents with children under the age of 16 indicated that they would utilize a daycare facility if one were made available. This is approximately 34.12% of the total sample. Therefore, with respect to the total sample of employees working for the businesses that participated in the survey, approximately 1,400 would be expected to have children under the age of 16. If each household has the average of 1.8 children, and if 71% would use the provided services, the potential

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<sup>29</sup> *Ibid.* "Taking Care of Children at Work."

<sup>30</sup> *Ibid.* "In 24-Hour Workplace, Daycare Is Moving to the Night Shift."



demand for services to children will be approximately 1,800. If this is reduced to the percent of children five and under, then the demand may be approximately 900.

**TABLE 10  
DEMAND FOR DAYCARE FACILITIES**

Opinion	Percent of Households with Children	Percent of Total Sample
Would use	71%	34.12%
Would not use	29%	13.8%

### **Negative Demand for Daycare**

This study found that only 29% of the respondents indicated that they would not use a daycare facility. This may be due to the fact that they are satisfied with their current situation. However, the preferences of these individuals may be expected to change if there are more options from which to choose. The previously mentioned Child Care Committee at Georgia Southern University found that 10% of the respondents think that cost is an important factor in choosing a daycare, while the majority, 16.3%, found that the child’s developmental needs constitute the main characteristic in choosing a childcare facility. If a variety of services are offered which meet the pricing concerns and other concerns of the parent, it is therefore safe to assume that part of the 29% may also be potential users of the daycare facility.

### ***Desired Availability of Service***

The survey asked what time of day a day care would be utilized by the workforce. This question is important in determining operating hours. Also, by examining the percentage of usage during various times, the effectiveness of keeping the day care center open after

certain hours can be shown. By offering services during hours that are not available from other daycare services, an opportunity emerges to capture those whose needs have not yet been met. Currently, the daycare centers are typically open at 6 AM and close around 5:30 or 6 PM, while after school programs begin around 2:30 PM and end around 5:30 PM. Shown in Table 11, the 31% of individuals with children ages 6 to 15 years old need day care services from 4 PM to 8 PM. This need is not being accommodated by currently available services as well as the 22% that have children infant to 5 years old.

As shown below, there is a demand for daycare services between the hours of 8 PM and 8 AM, by those who work night shifts. While there currently does not seem to be available services for these families, the survey shows there is a demand, which has yet to have been met.

**TABLE 11  
TIME OF DAY DAYCARE IS NEEDED**

Time of day	Age Range		
	0-5	6-15	0-15
8 AM – 12 PM	29%	18%	31%
12 PM – 4 PM	23%	19%	26%
4 PM – 8 PM	22%	31%	18%
8 PM – 12 AM	7%	9%	9%
4 AM – 8 AM	6%	10%	3%

## Adult Care

According to the National Center for Health Statistics, in 2001, 6.5% of Americans aged 65 years and older needed assistance for personal care needs. Only 3.3% of the respondents indicated that someone in their household was involved in care of a senior adult. This low response rate raises one concern about the representativeness of the sample. Recall that in the demographic profile only 3.15% of the survey respondents relative to the county were ages 56 to 62, which is half of the percentage for the same age group in the county's workforce. This is the age cohort most likely to be responsible for an aging parent. However, assuming that the 3.3% is representative of the total 2,800 population sampled, 100 households are affected by the need to care for a senior adult.

Table 12 shows that 36% of individuals, or 1.18% of the workforce, stated that they were prevented from working due to the need to care for a senior adult or special needs adult dependent, while 42% or 1.45% of the workforce, stated that they were prevented from working to care for a senior adult, or a special needs adult. Some individuals answered one or all three of the questions, so there may be an overlap in responses.

**TABLE 13**  
**INDIVIDUALS PREVENTED FROM WORKING**

Type of adult care	Respondents as a % of Sub-sample	Respondents as % of Total Sample
Senior adult or special needs adult dependent	42%	1.45%
Senior adult or special needs adult	36%	1.18%

\*Some individuals indicated primary care of both senior adult dependents and senior adults with or without special needs

With respect to the cost of adult daycare assistance, 50% of the households indicated that they paid for outside assistance. The average weekly cost of care was \$71.60.

Further, 83% of the households with senior adults would utilize an adult care facility if one were made available.

Table 13 shows the time when a care facility would be utilized by those with senior care responsibilities. The 31% who would use a facility between 8 AM and 12 PM is exactly the same rate of use as for childcare. However, where as 26% of the childcare demand was for the time period 12 PM to 4 PM, only 6% of the adult care is for this period of time. Conversely, for all evening and late night hours the demand for adult care is much higher than for childcare. It is hypothesized that senior care mostly likely falls on only one member of the household and that unlike such things as alternating shifts between parents so that one parent is available for childcare while the other works, in the case of adult care the adult care provider is locked out of employment opportunities.

With respect to an adult care facility, there probably is a demand sufficient to support the facility. This is particularly true for the non-traditional hour time blocks. If the respondent sample is representative of the population sample of 2,800, then approximately 76 households would use the services of an adult care facility. The demand could be much higher countywide, given the potential that the survey sample significantly under-represents the households that would most likely fall in this category.

## **Expenditures**

Table 14 depicts the expenditures on adult assistance including all categories of adult care. The survey showed that 36% of individuals that have the responsibility of caring for a senior adult, or 1.18% of the workforce, are prevented from working, while 50% of households use additional assistance. The 36% of the individuals who are prevented from working represent a pool of labor that is not productive and underemployed. Employers are not benefiting from the skills of these workers who are not included in the workforce. The study also found that the average household spends approximately \$71.60 per week on additional assistance for a senior adult.

**TABLE 14**  
**EXPENDITURES ON ADULT ASSISTANCE**

	Percent of Adult respondents	Workforce	Spent per week
Individuals prevented from working	36%	1.18%	--
Households using additional assistance	50%	1.58%	\$71.60

### **Demand**

The concept of demand should be considered in the same way as in the childcare section, as the percentage of the workforce that would utilize an adult care facility. In addition, demand relates to not only the type of services, but also the times of day they are offered.

The table below shows the demand for adult care in Bulloch County. It was found that 83% of the households with senior adults would utilize an adult care facility if one were made available, while 17% said that they would not. The same assumption can be made as in the daycare study, that the preferences of the 17% may change as new choices are

offered to them. Eventually these individuals will recognize the new services, and could be included into the potential market.

**TABLE 15  
DEMAND FOR ADULT CARE**

Opinion	Percent of Adult respondents	Workforce
Would use	83%	2.63%
Would not use	17%	0.53%

In addition, the employees were asked whether the person who is prevented from working to care for a senior adult is the same person who cares for the children in the household. Seventy-eight percent of the above-represented people, or 0.9% of the workforce responded positively to this question. This information ties the need for daycare to the need for adult care in Bulloch County, and in effect may lower the percentage of demand because there is an overlap in responses.

The table below shows the times of day that would be beneficial to employees if an adult care center were made available. Once again, the times of day are important to note because as shown below, the most useful time would be from 8AM to 12 PM used by 31% of those who are responsible for the care of a senior adult.

**TABLE 16  
TIME OF DAY ADULT CARE IS NEEDED**

Time	Usage
8 AM – 12 PM	31%
12 PM – 4 PM	6%
4 PM – 8 PM	29%
8 PM – 12 AM	11%
12 AM – 4 AM	14%
4 AM – 8 AM	9%

Looking at the supply side of Adult Care, there are approximately 10 facilities in the Bulloch County area that offer adult care in the form of assisted living, adult day care centers, nursing homes and rehabilitation centers. Only one facility classifies itself as an adult day care center, however. No other information is available at this time regarding the local characteristics of adult care facilities.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

This study clearly supports a finding that there is a demand for daycare services and an unmet need. Further, there is a demand for services during non-traditional hours. Approximately 34% of the households in the sample indicated that they would use daycare if it were available. It was estimated that sample households would have approximately 900 children of prime daycare age. Of the households who would use daycare, 22% of the households with children between the age of 0 and 5 would use daycare between 4 P.M. and 8 P.M. For ages 6-15, nearly 31% would use daycare

between 4 P.M. and 8 P.M. Additionally, 13% and 19% of households with children ages 0 to 5 and 6 to 15, respectively, would use an overnight service.

It was also estimated that approximately 100 households were affected by the need for adult care. Of the households with responsibility for adult care, 83% said they would use adult care if it were available. The times of use were 31% would use the services between 8 A.M. and 12 P.M. and 29% would use services between 4 P.M. and 8 P.M.

Households currently paying for daycare and adult care services spend about \$70 per child or adult per week. Nine of the thirteen daycare businesses in Statesboro/Bulloch County had waiting lists for admissions. There are no daycare centers for adults.

### **Recommendations**

Nation-wide corporations have been examining the same question asked by this study: Is there a need for 24 hour daycare services and would providing such services help the bottom line. A number of companies have concluded that the answer to both is yes.

However, business has remained uncomfortable with becoming involved in providing daycare. There is some basis for the discomfort because daycare services are not part of core business activities for most firms. The most intriguing option to emerge during the study is that specialty companies who plan, develop and operate daycare and adult care services for business have emerged in the market.



There are also several programs of assistance for business that want to provide daycare to employees. This is not meant to be a comprehensive list, but only to aid the process of obtaining financial assistance. These include:

- In the state of Georgia, employers that provide or sponsor childcare for their employees may receive a credit against corporate income tax equal to 75% of the cost of operation to the employer<sup>23</sup>.
- In the state of Georgia, employers who place qualified childcare property into service may receive a credit equal to 100% of the cost of the qualified property, to be claimed at 10% per year over 10 years<sup>24</sup>.
- The Child Care Services Improvement Act authorizes tax credits of up to \$1,000 to low-income parents, and issues grants to public, private and family day-care centers and provides an insurance pool to help lower the cost of liability coverage as well as a revolving loan fund<sup>25</sup>.
- In Bulloch County, companies providing or sponsoring childcare for employees are eligible for a tax credit of up to 50% of their costs<sup>26</sup>.

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<sup>23</sup> Law: Sec. 48-7-40.6, Code; CCH Georgia Tax Reports ¶16-190

<sup>24</sup> Law: Sec. 48-7-40.6, Code; CCH Georgia Tax Reports ¶16-190

<sup>25</sup> [www.sba.gov](http://www.sba.gov)

<sup>26</sup> Development Authority of Bulloch County