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AN ECONOMIC ANALYSIS OF CHILD CARE
AND LOW-INCOME MOTHERS

BY

BRENDA C. DONNAN
B.S., University of Central Florida, 1977

THESIS

Submitted in partial fulfillment of the requirements
for the degree of Master of Arts: Economics
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of the University of Central Florida

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TABLE OF CONTENTS

ACKNOWLEDGMENTS	iii
LIST OF TABLES	v
LIST OF FIGURES	vii
Chapter	
I. INTRODUCTION	1
II. A STATISTICAL OVERVIEW OF U.S. MOTHERS IN THE LABOR MARKET	3
III. METHODOLOGY	29
IV. TITLE XX CHILD CARE IN FLORIDA	31
V. A CASE STUDY OF THE ORLANDO SMSA	38
VI. SUMMARY OF FINDINGS AND RECOMMENDATIONS	62
APPENDIX	
A. STATISTICAL TESTS	66
B. FEE SCHEDULE: TITLE XX CHILD DAY CARE SERVICES UNDER "INCOME STATUS"	68

LIST OF TABLES

1.	Labor Force Participation Rates of Mothers and All Women, Selected Years 1940-1976	4
2.	Women by Marital and Labor Force Status and Presence and Age of Own Children, March 1976	7
3.	Mothers in the Labor Force, by Marital Status of Mother and Age of Children, March 1976	9
4.	Minority Mothers in the Labor Force, by Marital Status of Mother and Age of Children, March 1976	10
5.	Employed Women Full or Part Time by Marital Status and Presence and Ages of Own Children, March 1976	13
6.	Employment Status of Ever-Married Women 16 Years of Age and Over, by Presence and Age of Children, March 1976	15
7.	Occupational Distribution of Working Mothers (Husband Present), by Age of Children, March 1975	17
8.	Median Annual Earnings of Year-round Full-time Workers in 1975, by Selected Characteristics, March 1976	18
9.	Median Family Income in 1975 in Families with Children Under 6, by Type of Family, Labor Force Status of Mother and Race	19
10.	Arrangements Made for Daytime Care of Children 3 to 13 Years Old by Age of Children and Labor Force Status of Mother, October 1974 and February 1975	22
11.	Employment Status by Sex and Minority Status, 1976	38
12.	Estimates of Female Unemployment (UnE) and Labor Force Participation Rates (LFPR) by Race and Age, 1977	39
13.	Occupational Distribution of Employed Women by Race in Orange and Seminole Counties, 1970 and 1976	40

14.	Average Weekly Hours and Earning in the Orlando SMSA, 1976 and 1978	41
15.	Persons 14 and Over Receiving Welfare Benefits by Race and Sex, 1976	42
16.	Comparison of the Socioeconomic Characteristics of the Inactive Population and Surveyed Sample at Enrollment . .	46
17.	Employment Status of Primary Recipients	47
18.	Employment Stability of Primary Recipients	48
19.	Occupational Distribution of Recipients by Type of Most Recent Job	49
20.	Annual Earned Income from Pre-enrollment to the Time of the Survey	50
21.	Reason for Increase in Earned Income	50
22.	Distribution of AFDC Recipients by Amount of AFDC Payment .	52
23.	Distribution of AFDC Recipients by Length of Time AFDC Was Received	52
24.	Length of Child Enrollment in 4C Program	53
25.	Reason for Satisfaction with Child Care Center	53
26.	Reason for Dropping Out of 4C Program	55
27.	Alternative Child Care Arrangements	55
28.	Employment Status Before Enrollment and at the Time of the Survey by Length of Enrollment	56
29.	Distribution of Recipients Receiving No AFDC Before Enrollment and at the Time of the Survey by Length of Enrollment	57
30.	Distribution of Earned Income at the Time of the Survey by Length of Enrollment	58
31.	Profile of Success Cases	60
32.	Fee Schedule: Title XX Child Day Care Services Under "Income Status"	69

LIST OF FIGURES

1. Labor Force Composition by Sex, 1950 and 1976	3
2. Labor Force Participation Rates of Mothers with Children Under Six, by Marital Status, March 1976	6
3. Labor Force Status of Married Mothers, Husbands Present by Race, March 1976	11
4. Socioeconomic Characteristics of the Surveyed Sample at Enrollment	44

CHAPTER I

INTRODUCTION

Historically, the role of child care has varied with the needs of the economy, with war and depression bringing a significant increase in the supply of publicly-supported child care centers. Rising divorce rates, the liberation of women, i.e., increased job opportunities, and economic need have contributed to the tremendous increase in the labor force participation of women with children, thus increasing the demand for child care support. The provision of child care support is a critical problem in the economic status of mothers, thus assessing the outcome of support for this service is crucial to the continuation of such support.

Purpose of the Study

The purpose of this study is to analyze the effects of child care funding on those who have used the service, through:

1. a survey of literature to determine current theories relevant to the study, and
2. a case study analysis of the Orlando SMSA to determine the effect of child care support on the labor market status of working mothers in the area.

Research Significance

Little work has been done to assess the outcome of child care support on economically disadvantaged mothers. Future studies should examine whether dollars invested in child care support are economically justified, in terms of benefits to society. It is hoped that this study will show the need for more research in this area and eventually lead to a reassessment of the economic status of women and their needs in the economy.

Organization of the Study

The study is composed of five major sections. The first section discusses the current literature and specifies the hypotheses involved with the issue. The second section defines the methodology used to conduct the study. In the third section, Title XX child care in Florida is examined as it applies to local child care centers. The fourth section is a case study of the Orlando SMSA, including background information, description of the population and analysis of the sample. The final section presents a summary of the findings along with recommendations.

CHAPTER II

A STATISTICAL OVERVIEW OF U.S. MOTHERS IN THE LABOR MARKET

Trends in Labor Force Participation

Women have been increasing their labor force participation dramatically over the past quarter of the century. As shown in figure 1, women, who made up 52.8 percent of the adult population in 1976, accounted for about two of every five workers compared to one out of every five in 1950, when it was common practice for them to leave the labor market to assume their child-rearing responsibilities.

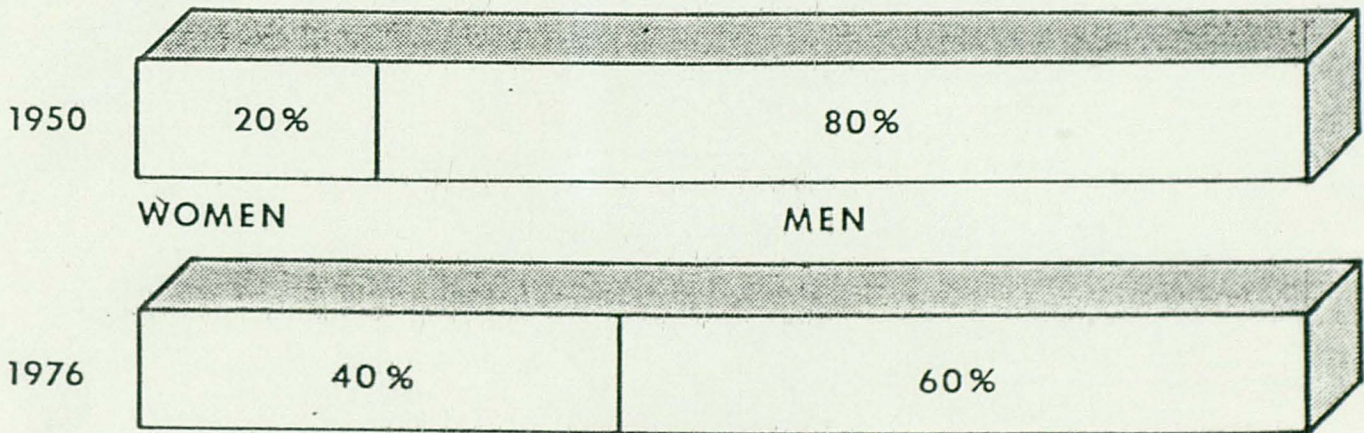


Fig. 1. Labor force composition by sex, 1950 and 1976.

However, recently the proportion of women with dependent children in the labor force has grown steadily, reflecting the most significant change in the American labor force in this country. Table 1 shows that between 1940 and 1976, the labor force participation rate of

mothers increased from 8.6 percent to 48.8 percent whereas that of all women rose from 28.2 percent to 46.8 percent. In March 1976, approximately two-fifths of all working mothers had children under six (1, p. 1).

TABLE 1

LABOR FORCE PARTICIPATION RATES OF MOTHERS AND ALL WOMEN,¹ SELECTED YEARS, 1940-1976

Year	Mothers ²	All Women ³
1976	48.8	46.8
1975	47.4	46.3
1974	45.7	45.6
1972	42.9	43.9
1970	42.0	43.3
1968	39.4	41.6
1966	35.8	38.9
1964	34.5	37.4
1962	32.9	36.6
1960	30.4	36.7
1958	29.5	36.0
1956	27.5	35.9
1954	25.6	33.7
1952	23.8	33.8
1950	21.6	33.1
1948	20.2	31.9
1946	18.2	31.2
1940	8.6	28.2

SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977):4, table 3.

¹Includes women 16 years of age and over for 1968-1976 and 14 years and over prior to 1968.

²Data are for March except 1946-1954, which are for April.

³Annual averages

The following statistical presentation will be confined to working mothers with children under six years of age to examine the effect of child care support on labor market status of working mothers.¹ The socio-economic characteristics of mothers in the labor force are discussed first to explain their labor force participation.

Characteristics and Determinants of Labor Force Participation of Mothers

The socio-economic characteristics of a mother will determine the likelihood of her joining the labor force at any particular time. Such characteristics can be grouped as personal and employment characteristics. The personal classification includes marital status, ethnic background, and education; the employment breakdown covers work experience, employment status, occupational distribution and income.

Personal Characteristics

The personal characteristics discussed cover factors that determine labor market participation of mothers with children under six years of age. Marital status, ethnic background and education are examined.

Marital status. Marital status has a significant effect on the labor force participation of mothers. As shown in figure 2, divorced women consistently have the highest labor force participation rate of any marital group. Furthermore, the increasing number of females who head families is attributed to the soaring divorce rate, which almost

¹Unless otherwise indicated throughout this paper, "mothers" refers to those with children under six years of age.

doubled between 1963 and 1974. Of all women who headed families and were in the labor force in 1975, 40.0 percent were divorced; and in 1977, 46.0 percent were divorced. All groups of female-headed families had higher labor force participation rates than did mothers with husbands present.

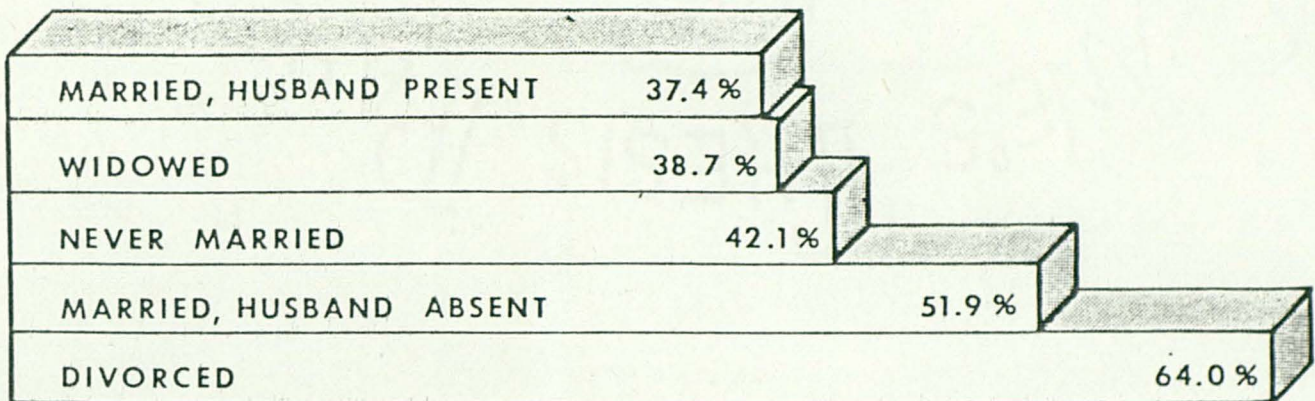


Fig. 2. Labor force participation rates of mothers with children under 6 by marital status, March 1976.

In 1976, over two million mothers lived in families without husbands present and 53.0 percent were in the labor force, compared to 11.8 million married mothers with husbands present, 37.0 percent of which were in the labor force. As shown in table 2, the labor force participation rate for all marital groups is higher for mothers of three to five year olds than for those with children under three, suggesting that the younger the child the less likely a mother is to work, regardless of marital status.

In March 1976, over 5.3 million mothers or 39.7 percent of all mothers were in the labor force. Table 2 shows that married mothers have a labor force participation rate of 44.1 percent compared to 63.4 percent for mothers without husbands present. However, according to

TABLE 2

WOMEN BY MARITAL AND LABOR FORCE STATUS AND PRESENCE AND AGE
OF OWN CHILDREN, MARCH 1976
(Numbers in thousands)

Item	3 to 5 Years, None Younger	Under 3 Years	Total
Total, 16 years and over	6,170	7,781	13,951
In labor force	2,926	2,631	5,557
Labor force participation rate	47.4	33.8	39.8
Unemployment rate	10.2	15.4	
Never married, total	180	290	470
In labor force	99	99	198
Labor force participation rate	55.1	34.1	42.1
Unemployment rate	22.3	25.9	
Married, husband present, total	5,044	6,774	11,818
In labor force	2,227	2,197	4,424
Labor force participation rate	44.1	32.4	37.4
Unemployment rate	8.7	13.8	
Married, husband absent, total	412	461	873
In labor force	248	205	453
Labor force participation rate	60.1	44.3	51.9
Unemployment rate	19.1	25.3	
Divorced, total	479	218	697
In labor force	329	117	446
Labor force participation rate	68.7	53.8	64.0
Unemployment rate	10.1	17.9	
Widowed, total	55	38	93
In labor force	23	13	36
Labor force participation rate	(1)	(1)	38.7
Unemployment rate	(1)	(1)	

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, U.S. Working Women: A Databook (Washington, D.C.: Government Printing Office, 1977):20, table 19.

NOTE: Children are defined as "own" children of the family head and include never married sons and daughters, stepchildren, and adopted children. Excluded are other related children such as grandchildren, nieces, nephews, and cousins, and unrelated children.

¹Rate not shown where base is less than 75,000.

table 3, married mothers make up 82.6 percent of all mothers in the labor force while separated, divorced and widowed mothers compose only 17.4 percent of mothers in the labor force. Although married mothers have lower rates of labor force participation, they compose a greater part of the labor force population, suggesting that marital status affects the composition of the female labor force as well as the participation rate of mothers. In addition to marital status, ethnic background has a significant impact on the labor force participation of mothers; this impact will be discussed in the following section.

Ethnic background. The labor force participation rate of mothers is also affected by their ethnic backgrounds. In 1976, one of three black families was headed by a female and one of nine white families had a female head. Furthermore, 27.4 percent of the 944,000 minority mothers in the labor force were heads of families as shown in table 4, compared with 17.4 percent for all mothers in the labor force (see table 3).

The labor force participation rate of black mothers is much higher (57.5 percent) than that of other racial groups (figure 3). However, there is no significant difference in the labor force participation rates of minority mothers by marital status (1, p. 3) as there is for mothers in the aggregate, suggesting that marital status is not a factor in the labor force participation of black mothers while their ethnic background has a strong impact. Along with marital status and ethnic background, a mother's labor force participation is also affected by her education, the topic of the next section.

TABLE 3

MOTHERS IN THE LABOR FORCE, BY MARITAL STATUS OF MOTHER
AND AGE OF CHILDREN, MARCH 1976
(Mothers 16 Years of Age and Over)

Marital Status of Mother and Age of Children	Number (in thousands)	Percent Distri- bution	As Percent of All Ever- Married Women in the Population
Mothers with children under 6 years ¹	5,358	100.0	39.7
Married, husband present	4,424	82.6	37.4
Widowed, divorced, or separated	935	17.4	56.2
Mothers with children 3 to 5 years (none under 3) ¹	2,827	100.0	47.2
Married, husband present	2,227	78.8	44.1
Widowed, divorced, separated	600	21.2	63.4
Mothers with children under 3 years ¹	2,531	100.0	33.8
Married, husband present	2,197	86.8	32.4
Widowed, divorced, or separated	335	13.2	46.7

SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977):2, table 1.

¹May also have older children.

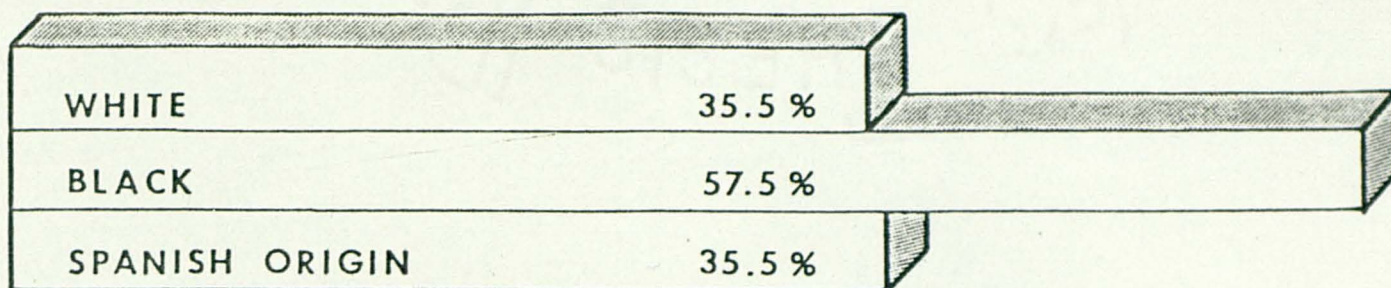
TABLE 4
 MINORITY MOTHERS² IN THE LABOR FORCE, BY MARITAL STATUS
 OF MOTHER AND AGE OF CHILDREN, MARCH 1976
 (Mothers 16 Years of Age and Over)

Marital Status of Mother and Age of Children	Number (in thousands)	Percent Distri- bution	As Percent of All Ever- Married Women in the Population
Mothers with children under 6 years ¹	944	100.0	53.3
Married, husband present	684	72.6	53.2
Widowed, divorced, or separated	259	27.4	53.8

SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977):3, table 2.

¹May also have older children.

²Includes those of all races other than white. Spanish-origin mothers are included in the white population.



SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977), p. 46.

Fig. 3. Labor force participation rates of married mothers, husbands present by race, March 1976.

Education. The fewer years of school completed, the lower the labor force participation and the lower the level of employment of female heads of families (2). In the 1960s mothers made up only a small part of the female work force; however, the higher their level of education, the more likely mothers were to work (3). Of all female family heads in 1976 with eight years of school or less, 28.0 percent were in the labor force; of those with sixteen years or more, 77.0 percent were labor force participants. Of all female family heads in the labor force, 39.0 percent had not finished high school and only 9.0 percent had completed four or more years of college. These statistics suggest that the higher the level of education of female heads of families, the greater their labor force participation.

Because of their marital status, divorced, separated and widowed mothers have higher rates of labor force participation although married mothers represent a greater proportion of mothers in the labor force. Furthermore, black mothers are more likely than other ethnic groups to be working and to be heads of families although their marital status has

little effect on their labor force participation. Finally, the higher her level of education, the more likely a mother is to be working.

Employment Characteristics

Along with personal characteristics, a mother's employment characteristics are major factors influencing her labor force participation. Within this classification, work experience, employment status, occupational distribution, income, poverty and welfare will be discussed.

Work experience. The number of weeks worked per year and the number of hours worked per week have contributed to changes in the labor force participation of mothers. In part, the increased labor force participation of women is attributed to an increase in the mean number of weeks women worked (4). In the period 1960-62, 46.6 percent of employed women worked full time, fifty to fifty-two weeks. This rate was 52.1 percent in the period 1970-72 and in 1976, 66.4 percent of all working women worked full time.

Divorced, separated, widowed and never-married mothers are more likely to be employed on a full-time schedule. Table 5 shows that of the 4.8 million working mothers in 1976, 3.3 million or 68.2 percent worked full time. Of the 392,000 divorced mothers who worked, 85.7 percent worked full time compared to 65.3 percent of married mothers with husbands present. Never-married, separated and widowed mothers also worked full time at a higher rate than married mothers, 73.3 percent, 79.3 percent and 70.8 percent respectively. Furthermore, mothers who head families are more likely to hold two or more jobs (5).

TABLE 5
 EMPLOYED WOMEN FULL OR PART TIME¹ BY MARITAL STATUS AND
 PRESENCE AND AGES OF OWN CHILDREN,² MARCH 1976
 (Numbers in Thousands)

Item	% Distribution	Children Under 6	3-5 None Younger	Under 3
Total, employed women 16 years and over	100.0	4,855	2,628	2,227
Worked full time	68.2	3,312	1,803	1,509
Worked part time	31.8	1,543	825	718
Never married, total	100.0	150	77	73
Worked full time	73.3	110	52	58
Worked part time	26.7	40	25	15
Married, husband present, total	100.0	3,928	2,034	1,894
Worked full time	65.3	2,564	1,323	1,241
Worked part time	34.7	1,363	711	652
Married, husband absent, total	100.0	353	200	153
Worked full time	79.3	280	154	126
Worked part time	20.7	73	46	27
Divorced, total	100.0	392	296	96
Worked full time	85.7	336	260	76
Worked part time	14.3	56	36	20
Widowed, total		31	20	11
Worked full time	71.0	22	14	8
Worked part time	32.2	10	7	3

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, U.S. Working Women: A Databook (Washington, D.C.: Government Printing Office, 1977):21, table 20.

¹ Full-time workers are those who usually work thirty-five or more hours per week; part-time workers are those who usually work one to thirty-four hours per week.

² Children are defined as "own" children of the family head and include never-married sons and daughters, stepchildren, and adopted children. Excluded are other related children as grandchildren, nieces, nephews, and cousins, and unrelated children.

In contrast, married mothers with husbands present are more likely than other mothers to be working part time due to low costs of informal child care arrangements, i.e., care in their own home or someone else's home (6). As table 5 shows, of the 1.5 million mothers working part time in 1976, 88.3 percent were married with husbands present.

Employment status. Whether a mother is employed or unemployed is affected by the presence and ages of her children as well as her marital status and race. The younger the child, the higher the unemployment rate for mothers in all marital classifications. Furthermore, unemployment is higher for women who head families than for any other category, except part-time workers. In 1976, as seen in table 6, the unemployment rate for all mothers was 12.2 percent; however, widowed, divorced and separated mothers were unemployed at a rate of 16.9 percent. For those with children under three, the rate was higher still at 22.3 percent. In contrast, the unemployment rate for the total labor force was 7.7 percent in 1976. These statistics imply that very young children tend to serve as a deterrent to employment, particularly for divorced and separated mothers (7). Furthermore, black mothers who are married with husbands present have higher rates of unemployment, 13.2 percent in 1976, than married mothers of all races, 11.2 percent suggesting that employment status is influenced by the ethnic background as well.

In addition to work experience and employment status, the occupational distribution of mothers also is an important employment characteristic, to be discussed in the next section.

TABLE 6

EMPLOYMENT STATUS OF EVER-MARRIED WOMEN 16 YEARS OF AGE AND OVER,
 BY PRESENCE AND AGE OF CHILDREN, MARCH 1976
 (Numbers in Thousands)

Employment Status	Children Under 6 Years ¹		
	Total	3 to 5 Years, None Under 3	Under 3 Years
All ever-married women	13,482	5,990	7,491
In labor force	5,358	2,827	2,531
Unemployed	654	276	378
Unemployment rate	12.2	9.8	14.9
Married (husband present)	11,819	5,044	6,774
In labor force	4,424	2,227	2,197
Unemployed	496	193	303
Unemployment rate	11.2	8.7	13.8
Widowed, divorced, or separated	1,663	946	717
In labor force	935	600	335
Unemployed	158	83	75
Unemployment rate	16.9	13.9	22.3

SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977):8, table 6.

¹May also have older children.

Occupational distribution. The level of skill required in a mother's job is a significant employment characteristic of working mothers. Less than one of five mothers with husbands present was employed in professional or technical positions in 1976 as shown in table 7. Most of these mothers were concentrated in low-skill, low-paying occupations where 65.4 were clerical, operative or service workers. Furthermore, black women have an even greater concentration in these low-level positions. Except for the highly educated, mothers tend to remain in these relatively low level jobs (3), presenting barriers to the improvement of their economic status. The occupational distribution and the employment status of mothers have a direct effect on their incomes, the next variable to be examined.

Income. A major factor in a mother's labor force participation is her earnings, which may constitute the only source of financial support for her family or a contribution to family income along with other sources. However, women still suffer the economic consequences of a wage gap due to family responsibilities, decreased opportunities for promotions, seniority and better jobs as well as shorter work weeks and fewer hours and lower levels of education and employment. This gap is also attributed to increasing divorce rates (2). Median earnings for full time employed women in 1976 was \$7,600 compared to men's median earnings of \$12,700. The median annual income for divorced women in 1975 was \$7,922 and \$6,733 for separated women, both of which were only 64.3 percent of men's earnings in the same marital classifications. As shown in table 8, women, working full time year-round, earned no more

TABLE 7

OCCUPATIONAL DISTRIBUTION OF WORKING MOTHERS (HUSBAND PRESENT),
BY AGE OF CHILDREN, MARCH 1975

Occupation Group	Under 6 Years ¹
Total (in thousands)	3,821
Percent	100.0
Professional and technical workers	18.9
Manager and administrators, nonfarm	3.4
Sales workers	6.2
Clerical workers	32.7
Craft and kindred workers	1.4
Operatives, including transport	13.8
Service workers (except private household)	18.9
Private household workers	2.6
Farmers and farm managers	0.3
Farm laborers and supervisors	0.9
Laborers, nonfarm	0.9

SOURCE: U.S. Department of Labor, Employment Standards Administration, Working Mothers and Their Children (Washington, D.C.: Government Printing Office, 1977):9, table 7.

¹May also have older children.

than 65.9 percent of men's earnings in the same occupational categories. Furthermore, even after adjustments for such factors as education, work experience, and occupational distribution, wage gaps were still evident (8, p. 9).

TABLE 8

MEDIAN ANNUAL EARNINGS OF YEAR-ROUND FULL-TIME WORKERS IN 1975,
BY SELECTED CHARACTERISTICS, MARCH 1976

Item	Annual Earnings		Women's Earnings as Percent of Men's
	Women	Men	
Occupation:			
Professional and technical	\$10,524	\$15,968	65.9
Managers and administrators, except farm	9,125	15,903	57.4
Clerical	7,562	12,136	62.3
Operatives, except transport	6,241	10,953	57.0
Service, except private household	5,414	9,491	57.0

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, U.S. Working Women: A Databook (Washington, D.C.: Government Printing Office, 1977):36, table 39.

The earnings of working mothers constitute an important contribution to the economic status of low income families (3). In a study of 3.9 million husband-wife families with children under six in 1970, it was found that 75.0 percent of these families would have been living on less than \$10,000 per year without the mothers' earnings (9). In 1974, 13.0 percent of all husband-wife families had incomes below \$5,000 when the wife was not working. However, only 4.0 percent of the families

with working wives had incomes below that level. Table 9 shows that in 1975, the median family earnings for white husband-wife families was only slightly higher (8.9 percent) when the mothers worked. However, in black husband-wife families, incomes increased 54.4 percent when mothers worked. In contrast, median income for white families headed by women increased 69.3 percent when the mother worked, while it increased only 39.6 percent for working black mothers who were heads of families. Thus, mother's earnings are a crucial factor in the economic status of her family.

TABLE 9

MEDIAN FAMILY INCOME IN 1975 IN FAMILIES WITH CHILDREN UNDER 6,
BY TYPE OF FAMILY, LABOR FORCE STATUS OF MOTHER AND RACE

Item	Husband-Wife Families			Families Headed by Women		
	White	Black	Spanish Origin	White	Black	Spanish Origin
Children under age 6	13,678	11,056	9,957	4,014	3,914	3,941
Mother in labor force	14,477	13,323	11,808	5,340	4,946	4,787
Mother not in labor force	13,290	8,630	8,910	3,154	3,542	3,523

SOURCE: Allyson Sherman Grossman, "Almost Half of All Children Have Mothers in the Labor Force," Monthly Labor Review 100 (June 1977): 43, table 3.

Poverty and welfare. In 1976, 52.0 percent of children under eighteen in families with female heads were living below the poverty

level,¹ but only 8.3 percent in two-parent families were poor. More than 800,000 families with female heads had welfare as their only source of income and 94.0 percent of them live below the poverty level. Of female family heads who were employed, only 19.8 percent were poor (10).

In a study of families headed by women, an economist showed that incomes of families headed by women were likely to be below the poverty level as the number of children increased, and, with this increase, the mother's opportunities for economic self-sufficiency declined (11, p. 119).

Welfare seems to be a perfect substitute for work for many mothers with low earning potential (12). Approximately 80.0 percent of welfare recipients, specifically recipients of Aid to Families with Dependent Children (AFDC), are family heads of households. Thus, households with female heads are more likely than other families to be living below the poverty level and to be receiving welfare payments for at least a part of their support.

Summary indicators on working mothers. Nonwhite, unskilled women who are divorced or separated are more likely left as heads of households to support their families (12). This group, therefore, has urgent needs to participate in the labor force and to work full time. Their lower earnings are due to their lower levels of education and concentration in lower level jobs as well as a wage gap. Furthermore, they have higher rates of unemployment, the younger are their children. They

¹In 1976 the poverty level in the United States was less than \$5,815 for a family of four.

are also more likely to live in poverty and to receive public assistance.

Of all mothers not in the labor force, 1.9 million lived below the poverty level and 1.2 million had children under six. Of the latter group, 4.0 percent or 42,000 mothers were willing to enter the labor force. The inability to arrange child care was the major barrier, however, for 41.0 percent of these mothers. Of the 1.6 million mothers receiving public assistance, 71.0 percent were not in the labor force. Of these, 24,000 were willing to go to work; however, the inability to arrange child care for 36.0 percent and family responsibilities for 42.0 percent prevented them from so doing (10).

Child Care

Although organized day care for children is used infrequently, little is actually known about the current demand for and supply of child care services and facilities. While almost half the children under eighteen in the United States had working mothers in 1975, only 6.0 percent of those under six used formal day care (see table 10). In 1970 the capacity of licensed public and voluntary non-profit child care centers was only 285,000 while there were 6 million preschool children with working mothers (9, p. 71). Furthermore, 75.0 percent of these centers had waiting lists. In 1972 federal funds supplied support for less than 5.0 percent of the economically disadvantaged families and the majority of non-profit centers served children of single parents. Federal funds helped support only approximately 10.0 percent of the children cared for outside the home (13, p. 78).

TABLE 10

ARRANGEMENTS MADE FOR DAYTIME CARE OF CHILDREN 3 TO 13 YEARS OLD BY AGE OF CHILDREN AND
LABOR FORCE STATUS OF MOTHER, OCTOBER 1974 AND FEBRUARY 1975¹
(Percent Distribution)

Item	Total	Care in Own Home				Care in Someone Else's Home		Day Care Center	Other
		Child's Parent	Child Cares for Self	Other Rel.	Non- Rel.	Rel.	Non- Rel.		
Total children 3 to 13 years ²	100.0	81.7	4.6	5.2	1.4	2.9	3.2	0.8	0.2
3 to 6	100.0	82.0	0.1	3.6	1.3	5.1	6.2	1.6	--
7 to 13	100.0	81.5	6.8	6.0	1.5	1.8	1.6	0.4	0.4
With mother in labor force	100.0	64.6	9.4	8.8	2.7	5.6	6.9	1.6	0.4
3 to 6	100.0	59.2	0.4	6.9	2.9	11.5	15.2	3.8	--
7 to 13	100.0	66.9	13.2	9.7	2.6	3.0	3.3	0.7	0.6
With mother employed	100.0	62.0	10.1	9.5	2.9	5.9	7.4	1.8	0.5
3 to 6	100.0	55.1	0.4	7.6	3.2	12.5	16.9	4.2	--
7 to 13	100.0	64.8	14.0	10.3	2.8	3.2	3.5	0.8	0.6
With mother employed full time	100.0	50.9	13.1	12.5	3.6	7.5	9.3	2.4	0.6
3 to 6	100.0	42.6	0.7	9.2	4.1	15.6	21.6	6.1	--
7 to 13	100.0	54.2	17.9	13.8	3.4	4.3	4.5	1.0	0.8

TABLE 10--Continued

Item	Total	Care in Own Home				Care in Someone Else's Home		Day Care Center	Other
		Child's Parent	Child Cares for Self	Other Rel.	Non- Rel.	Rel.	Non- Rel.		
With mother not in labor force	100.0	95.7	0.7	2.1	0.3	0.8	0.2	0.1	0.1
3 to 6	100.0	96.9	--	1.3	0.2	1.0	0.4	0.1	0.1
7 to 13	100.0	95.0	1.1	2.5	0.4	0.6	0.2	0.1	0.1

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, U.S. Working Women: A Databook (Washington, D.C.: Government Printing Office, 1977):25, table 25.

¹Data for children 3 to 6 years old obtained from February 1975 Current Population Survey; data for children 7 to 13 years old obtained from October 1974 Current Population Survey.

²Includes a small number of children with no mother present, not shown separately.

The demand for formal child care is price elastic and is significantly affected by demographic characteristics and the wage rate of the female head of household (14). The cost of day care is high and the economically disadvantaged, those with incomes less than that required to meet normal needs are, therefore, less likely to use day care services in favor of the less expensive informal arrangements, such as care by a friend, relative or sitter in their own homes or in someone else's (15, p. 135).

Public child care support remains a controversial issue. Little is known about its economic implications, yet there are interesting arguments for and against expanding such support. The issue is whether child care support is worthwhile. The arguments for support will be presented as Hypothesis I and arguments against the issue will be presented as Hypothesis II for purposes of referral within the text.

The provision of public child care support would benefit mothers by strengthening their labor force participation and, for those mothers on income maintenance programs, reducing the welfare rolls. With funding, mothers could take advantage of employment and educational opportunities available in order to improve the economic status of their families.

~~*~~ The large number of people on the waiting lists of child care centers, the increased labor force participation of mothers with pre-school children and the increase in the number and percentage of households headed by females strongly support the argument that more funding is needed, so that mothers can continue working or find employment. Furthermore, these factors suggest that welfare mothers would choose

employment over welfare to improve their economic status. The free choice may ultimately lead to a decrease in sex discrimination, which is more evident for low-income mothers, and, lead to a decrease in the wage gap (16).

The contrasting argument is that the provision of public child care support would not reduce welfare rolls significantly. The costs of providing the necessary employment and training along with day care services for welfare mothers would be greater than the actual costs of welfare and would even increase city costs (17). It was also found that an increase in welfare payments leads to a decrease in labor force participation of men and women since the tax rate and increases in the number of children serve as disincentives to work (12).

Furthermore, because 43.0 percent of the mothers on welfare never went beyond the ninth grade and because day care is very expensive, public funding of child care will not reduce welfare costs (18).

Unless a woman can acquire at least a high school education or can acquire meaningful job training and job experience, and unless she can work full time most of the year, it is unlikely that her annual earnings alone would be sufficient to lift the income of a family of four above the poverty line. (11, p. 119)

Societal benefits are minimal, at best. When funding is added to the cost of income maintenance programs, the costs to society will be greater than the value of the additional production created by welfare mothers who find jobs (16, p. 12).

Finally, it was found that changes in income and employment that were observed after day care support, had already begun before regulated day care was used, suggesting that any improvements in the economic

status of women using the service would have occurred even without day care funding (19).

These hypotheses will be tested in the next section for their validity in the Orlando SMSA.

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CHAPTER III

METHODOLOGY

This section provides a procedural description of the data collection, interview format, questionnaire administration and data analysis techniques used in this study.

Information was collected from a sample survey of 4C (Community Coordinated Child Care) inactive recipients and from the 4C records for the Orlando SMSA. The population under consideration represented 526 files of inactive recipients that dropped out of the program between January and June 1976. The population excluded the after-school cases since the study concentrates on children under six years of age.

After scanning the population, forty more cases were discarded for different reasons.¹ The remainder of the population was contacted. But, the number of recipients who actually responded to the survey totaled 111.

The survey questionnaire was designed in a structured format to facilitate telephone interviewing with a total of twenty-six questions. A copy of the questionnaire and a cover letter explaining the purpose of the research were mailed to the inactive recipients prior to the actual

¹ Cases were deleted when the primary recipient was a grandmother or a father without the mother present, when the child never showed up at the center, when the child or mother died, or when there was not sufficient information in the file for analysis.

telephone interviews.¹ Most interviews were conducted during non-working hours in the evenings or on weekends. Each interview lasted approximately ten minutes. A follow-up procedure was set up to contact those individuals who could not be contacted by telephone. They were sent a note asking that they either call back with a telephone number where they could be reached or simply complete the questionnaire and mail it back. However, such a follow-up procedure was expensive and produced poor results.

When all the surveys were completed, they were coded and key punched. Statistical Package for the Social Sciences (SPSS) was used for the tabulation and analysis of the data.²

¹Of these, seven refused to cooperate; 227 were returned in the mail and could not be located by telephone; and, 141 could not be located by telephone although their letters were not returned.

²See Appendix A for a description of the statistical tests used in the analysis.

CHAPTER IV

TITLE XX CHILD CARE IN FLORIDA

Objectives

Title XX of the Social Security Act provides federal funds for a portion of state-provided social services, including child day care. Day care services for children in Florida are aimed at the achievement or maintenance of economic self-support and self-sufficiency to prevent, reduce or eliminate dependency, and the prevention of neglect, abuse or exploitation of children. These goals are consistent with the national goals of the Social Security Act, a requirement of the act for reimbursement with Title XX funds to assure compatibility of the services with the law. Child day care in Florida provides services for the children of economically disadvantaged parents or care-takers whose gross monthly income is \$750 (\$9,000 annually) or less for a family of four, adjusted for family size and who are employed, in training or incapacitated.

Funding

Title XX funds are distributed to states on the basis of their populations. District allocations within the state are determined by the availability of other social service funds and the earning potential of the program, which is based on the estimated cost, the mix of clients

and the rate of Federal Financial Participation (FFP) available for the service. Title XX requires that a minimum of 50.0 percent of federal funds be for the cost of services to AFDC or SSI (Supplemental Security Income) recipients. The eligible services are reimbursed at a 75.0 percent rate. State funds and local donor contributions each supply 12.5 percent of the total payment for child care. Donors provide funds for eligible families within specified geographical areas.

Eligibility Criteria

Primary recipients of federally funded child care services must be employed, seeking employment, in training or disabled to qualify for support. Free services are provided to those who qualify on the basis of income maintenance eligibility status (M), which requires that families be AFDC or SSI recipients. The state sets the maximum income levels allowable for receipt of these welfare payments. Eligibility for this category is redetermined at least every twelve months or when a family's financial circumstances change significantly.

Income eligibility status (E) requires that families have gross monthly income of no more than \$750 (\$9,000 annually) for a family of four (adjusted for family size). This income criterion classifies the recipient as working, but economically disadvantaged. Fees are based on annual gross income (Appendix B)¹ and 25.0 percent of the fee charged for the first child is assessed for each additional child in the same

¹The fee schedule in Appendix B applied to recipients in 1976 when the population in this study used 4C although the eligibility criteria discussed above applies to current recipients.

family. Redetermination is required every six months or when the financial situation changes significantly.

Community Coordinated Child Care in the
Orlando SMSA (4C)

In the Orlando SMSA, 4C subscribes to the goals of economic self-support and self-sufficiency. According to Phoebe Carpenter, the 4C Administrator, child care is viewed not as a rehabilitative service for the indigent, but as a service to "well" families with low incomes, those who are already making a personal effort to improve their economic status (1). In light of this philosophy and due to increased competition for child care slots, 4C no longer accepts applicants who are seeking employment in favor of those who are already employed or in training actually leading to employment on the premise that child care is a greater necessity for those already employed. Furthermore, 4C shows no priority for either of these eligible groups and recipients on income maintenance programs who are working, are considered equally with those who qualify on the basis of income status. Vacated slots are filled from waiting lists on a first-come, first-serve basis.

According to Carpenter, child care support alone can lead to reduced welfare rolls and improvement in the economic status of families using the service (1). Carpenter believes that the key to breaking the poverty cycle, where generation after generation lives in or near poverty, is getting the children into day care. Although those using the service were in all likelihood already making upward progress in their economic status, as suggested in Hypothesis II, according to Carpenter, it was frequently at the expense of the child's well-being

so that day care is crucial to the child's mental, emotional and physical stability as well as to the family's economic position. Society would therefore benefit, concludes Carpenter, from well-adjusted children growing into healthy, productive adults and, as stated in Hypothesis I, reduced welfare rolls over the long term.

In contrast to Stein's statement in Hypothesis II, Carpenter believes that even though mothers using 4C may not be capable of lifting their incomes very high due to lack of training and skills, they can increase their earnings to a level where they can function independently without the support of income maintenance programs, such as AFDC. Families that terminate 4C support, according to Carpenter, are not leaving the labor market and returning to welfare, but are keeping their children in the centers and paying the full fees. Although it is estimated that over half these mothers have relatives available to care for the children, the current fees charged 4C recipients are too low, says Carpenter, to make less regulated modes of care a viable alternative.

Very young single mothers who have not completed high school face greater barriers than other mothers, according to Carpenter, in that 4C day care is no longer provided for them to finish their education unless it is actually leading to a particular job.

In contrast, AFDC officials in Orlando believe that child care support alone will not reduce welfare rolls, as stated in Hypothesis II, although they agree that child care support is a necessary supportive service (2). From their point of view, the key to reducing welfare rolls and improving the economic position of mothers on welfare, is in

providing a group of supportive services along with child care, such as transportation, training, job placement and follow-up services. While the demand in the Orlando area is for highly skilled and service workers, manpower programs in the area train these mothers for jobs where there is already an oversupply, such as tailoring and nurses' aides, so that competition for these jobs is keen, according to Sylvia McElroy, an AFDC official, whose comments follow. Furthermore, the state tests required for work experience programs are biased and serve as formidable barriers themselves. Moreover, if a mother is placed in a job, having supportive services terminated immediately (except child care which may continue for thirty days) tends to reduce her ability to adjust to her new status and to learn to manage independently.

Frequently, continues McElroy, these women can not find employment for which they are trained and will remain on AFDC and work in low-level, low-paying jobs, such as domestics, and, at the same time, maintain the cycle of poverty. Furthermore, these mothers become discouraged workers and lose their motivation for self-sufficiency. This effect, as described by the AFDC officials, could be diminished with more follow-up and moral support from the service agencies.

The impact of child care in the Orlando area relative to a mother's labor market status will be examined in the next section.

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CHAPTER V

A CASE STUDY OF THE ORLANDO SMSA

Background Information¹

The Orlando SMSA, made up of Orange, Osceola and Seminole counties, had a total population of 597,003 in 1976, of which 309,711 or 51.9 percent were female. The Orlando labor force consisted of 272,600 people, and 108,000 or 39.2 percent were women, of which 83.5 percent were white and 16.3 percent were black (see table 11). Black women were unemployed at a rate of 14.5 percent in contrast to 10.7 percent for white women while the unemployment rate for the Orlando population in 1976 was 9.2 percent (1).

The labor force participation rates were also much higher for nonwhite women (51.8 percent) compared to white women (46.1 percent). When compared according to age distribution, only those white women under the age of twenty-five had higher labor force participation rates than nonwhite women in the same age bracket, as shown in table 12. However, of those twenty-five and over, nonwhite women had much higher rates of labor force participation. The unemployment rates were also much higher for nonwhite women in all age groups.

¹The background description of the Orlando SMSA will concentrate on all women in the area due to the lack of local data on mothers with children under six.

TABLE 11

EMPLOYMENT STATUS BY SEX AND MINORITY STATUS, 1976

Sex and Minority Status	Labor Force ¹	Employed	Unemployed	Percent Distribution ²			Unemployment Rate ³
				Labor Force	Employed	Unemployed	
BOTH SEXES							
TOTAL	272,600	247,400	25,200	100.0	100.0	100.0	9.2
White	233,650	213,250	20,400	86.0	86.2	81.0	8.7
Black	38,400	33,650	4,750	13.8	13.6	18.8	12.4
Other	550	500	50	0.2	0.2	0.2	9.1
FEMALE							
Percent of Both sexes ²	39.2	38.7	48.8	--	--	--	--
TOTAL	108,000	95,750	12,250	100.0	100.0	100.0	11.3
White	89,900	80,250	9,650	83.5	83.8	78.6	10.7
Black	17,900	15,300	2,600	16.3	16.0	21.2	14.5
Other	200	200	0	0.2	0.2	0.2	--

SOURCE: Census of Population 1970 and Florida Department of Commerce, cited by Sterling Tuck, Orlando Labor Market Analyst, from Files of Seminole County Manpower Division, Sanford, Fla.

¹Labor Force derived by adding employed to unemployed.

²Percentages in the percent distribution columns and percent of both sexes are from the 1970 Census of Population.

³Unemployment rates were computed from rounded numbers.

TABLE 12

ESTIMATES OF FEMALE UNEMPLOYMENT (UnE) AND LABOR FORCE PARTICIPATION RATES (LFPR)¹ BY RACE AND AGE, 1977²

Age Cohort	White		Nonwhite	
	UnE Rate	LFPR	UnE Rate	LFPR
16-17	16.2%	32.3%	27.5%	28.2%
18-19	12.9	57.8	39.3	51.4
20-24	11.0	59.0	23.3	58.8
25-34	7.1	52.2	17.3	65.8
35-44	9.2	34.7	20.0	67.1
Total (All ages)	9.3	46.1	19.1	51.8

SOURCE: Sterling Tuck, Orlando Labor Market Analyst, from Files of Seminole County Manpower Division, Sanford, Florida.

¹Total LFPR percentage is a ratio based on the population 16 and over.

²1977 assumed unemployment rate of 9.6%.

Similar to the national distribution, women in the Orlando area are concentrated in low-level, low-paying jobs as shown in table 13. According to the Orlando Labor Market Analyst, in June 1977 women made up 72.8 percent of all clerical/sales workers and 70.9 percent of all service workers registered with local Florida State Employment Service (1).

In 1976 per capita personal income in the tri-county area was \$5,948 while in April of that year, average annual wages in food and kindred production, and in manufacturing were \$9,205 and \$9,451 respectively (see table 14). By June 1978 these wages had increased to \$11,412 and \$11,482 for both categories.

TABLE 13

OCCUPATIONAL DISTRIBUTION OF EMPLOYED WOMEN BY RACE IN
ORANGE, AND SEMINOLE COUNTIES, 1970 AND 1976

	Total	White	Black	Other
All Occupations 1976	90,200	75,000	15,000	200
Percent 1970	100.0	100.0	100.0	100.0
Professional, Technical & Related	15.1	16.2	9.4	7.0
Managers and Administrators, Nonfarm	4.0	4.5	1.3	7.7
Sales	8.3	9.6	1.9	-
Clerical	35.9	41.6	7.4	19.0
Craft and Kindred Workers	1.8	1.8	1.8	5.6
Operatives, Including Transport	9.2	8.6	12.1	7.7
Laborers, Nonfarm	.9	.7	1.6	-
Service, Except Private Household	16.2	14.2	26.1	35.9
Private Household Workers	5.7	1.4	27.2	16.9
Farm Workers	2.9	1.2	11.2	-

SOURCE: Census of Population 1970 and Florida Department of Commerce, cited by Sterling Tuck, Orlando Labor Market Analyst, from Files of Seminole County Manpower Division, Sanford, Florida.

TABLE 14
 AVERAGE WEEKLY HOURS AND EARNINGS IN THE
 ORLANDO SMSA, 1976 AND 1978

	Weekly Earnings	Hourly Wages	Average Hours (Weekly)
April 1976			
All Manufacturing	\$181.75	4.39	41.4
Food and Kindred	177.02	4.06	43.6
June 1978			
All Manufacturing	220.81	5.27	41.9
Food and Kindred	219.47	4.73	46.4

SOURCE: Florida, Department of Commerce, Orlando SMSA: Labor Market Trends, June 1976 and August 1978.

From July 1975 to June 1976 there were an average of 6,606 families receiving AFDC benefits with an average 2.3 children per family. In February 1978, the number of families had increased to 6,912, but the average number of children had decreased to 2.1 per family. The average benefit received per family was just under \$140 per month in 1978.

According to the Orlando Labor Market Analyst, the economically disadvantaged make up almost 19 percent of the total population of the SMSA (1). Although 35.0 percent are nonwhite, the majority of the poor are in larger than average white families in which the head of the household is unemployed. However, nonwhites have the greatest needs for employment-related assistance. Moreover, 72.1 percent of welfare recipients are females as shown in table 15.

TABLE 15

PERSONS 14 AND OVER RECEIVING WELFARE BENEFITS
BY RACE AND SEX, 1976

	Number	Percent Distribution
White Male	1,955	16.7%
Nonwhite Male	1,304	11.2
White Female	4,084	35.0
Nonwhite Female	4,336	37.1
Total	11,679	100.0

SOURCE: Florida, Department of Commerce, Orlando SMSA: Labor Market Trends, June 1976 and August 1978.

Comparison of the Inactive Population and the Sample

Socioeconomic Characteristics
of the Population

The inactive population is made up of all parents (486) with children under the age of six, who were terminated from the 4C program between January 1 and June 30, 1976. These parents are designated "primary recipients" by the child care centers. The following statistical analysis describes the population at the time of their enrollment.

A primary recipient in the first half of 1976 was most likely a female (96.5 percent) head of household and under the age of thirty-five (89.5 percent), employed (67.7 percent) or seeking employment (19.1 percent).

Slightly more than half the population was black (51.0 percent) while the majority of the balance were white (42.2 percent) with a small

proportion representing other minorities (3.3 percent). All the males included in the population were married with wife present so that data could be collected on the mothers. Less than one of four mothers was married with husband present while more than three of four or 76.1 percent were heads of households. Although there were more single mothers (27.2 percent) than any other marital category, except for widows who made up less than 1.0 percent of the population, the distribution of all categories was almost even with 23.5 percent married, 24.7 percent separated and 23.4 percent divorced.

The primary recipients lived in families with an average of 3.4 members. The median family size was three indicating two children for mothers without husbands present, and the mode was two, representing one child for one-parent households. Over 80.0 percent lived in families with fewer than five persons.

Most of the families were poor at enrollment with almost three-fourths having incomes below the state poverty level, while all families earned less than the median income level of the state. Furthermore, one out of three families was receiving AFDC at enrollment.

On the average, families did not use 4C services for a very long period of time. Only 14.0 percent used the services for more than one year while 68.0 percent used 4C for six months or less.

Socioeconomic Characteristics of the Sample

In comparison, the socioeconomic characteristics of the sample are very similar to those of the population. Figure 4 shows that of the 111 recipients surveyed, 99.1 percent were females and 88.2 percent were

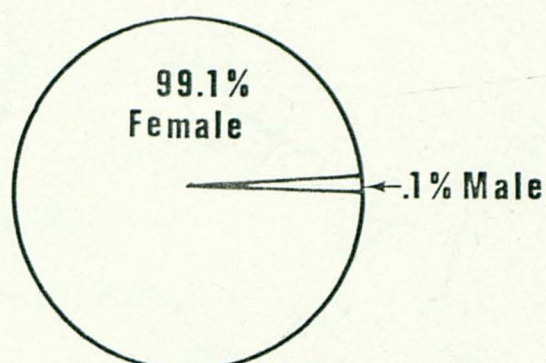
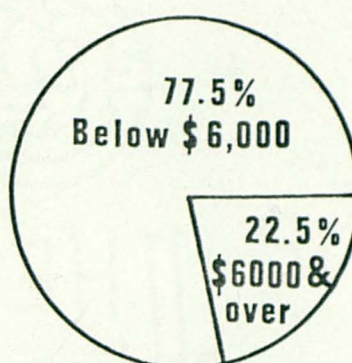
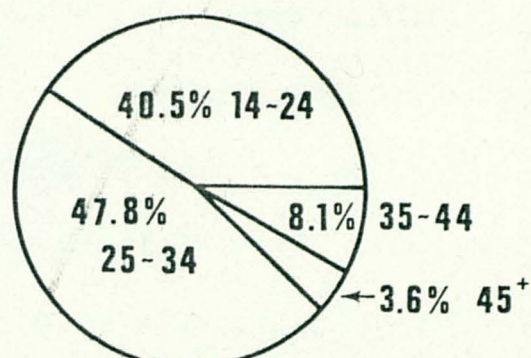
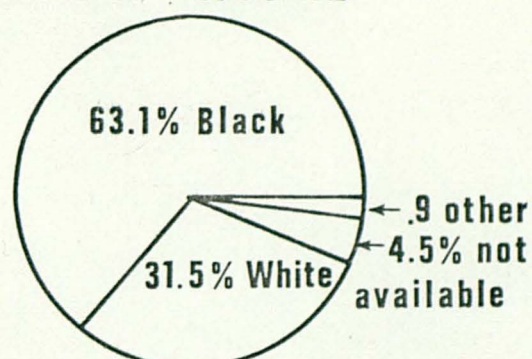
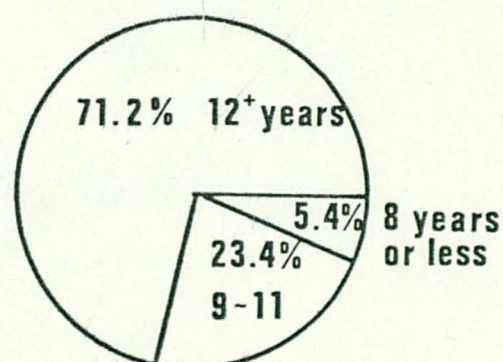
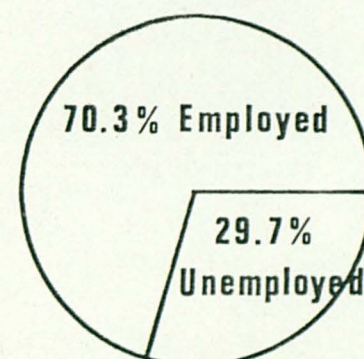
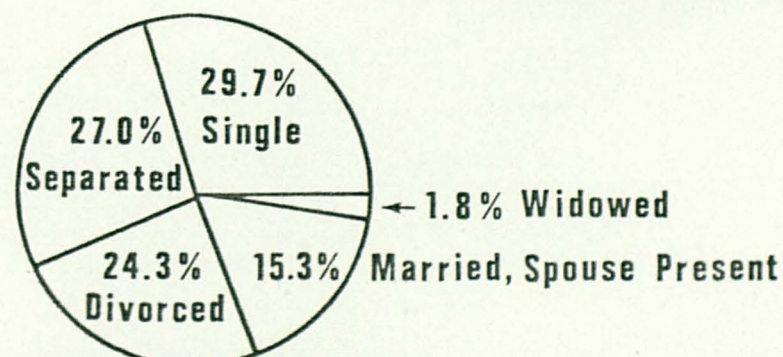
**SEX****ANNUAL INCOME****AGE****RACE****EDUCATION****EMPLOYMENT STATUS****MARITAL STATUS**

Fig. 4. Socioeconomic characteristics of surveyed sample at enrollment.

under the age of thirty-five. Seventy-one and two-tenths percent had completed twelve years or more of school. From the sample, 68.5 percent were employed and 15.3 percent were seeking employment. The average family size in the sample was 3.5 members with 80.1 percent of the sample heading families with four members or less. Approximately 69.0 percent of the families had incomes below the state poverty level at the time of enrollment and 38.7 percent received AFDC or SSI benefits.

Seventy of the recipients surveyed were black (63.1 percent) and only 15.3 percent were married with spouse present while 81.0 percent were female heads of families. Approximately seven of ten families in the sample were poor and all had annual incomes under \$9,000. Furthermore, over one in three families received public assistance.

Table 16 shows a comparison of the population and the surveyed sample to determine the representativeness of the sample. According to the distribution of the socioeconomic factors discussed above, the sample is indeed representative of the inactive population except for the race dimension where the sample had considerably more blacks (63.1 percent) than the population (51.0 percent).

Statistical Analysis of the Sample

Employment Characteristics

Employment status. From the period just before their enrollment until the time of the survey (August 1978), the percentage of recipients who were employed increased dramatically. As shown in table 17, before enrolling in 4C, 57.7 percent of the respondents were employed and 21.6 percent were in training. At that time 14.4 percent were unemployed and

TABLE 16

COMPARISON OF THE SOCIOECONOMIC CHARACTERISTICS OF THE INACTIVE POPULATION AND SURVEYED SAMPLE AT ENROLLMENT¹

	Population	Sample
Sex:		
Female	96.5%	99.1%
Male	3.5	.9
Race:		
White	42.2	31.5
Black	51.0	63.1
Other	3.3	.9
Marital Status:		
Single	27.2	29.7
Married, Spouse Present	23.5	15.3
Separated	24.7	27.0
Divorced	23.4	24.3
Widowed	.8	1.8
Employment Status:		
Employed	67.7	70.3
Unemployed	32.3	29.7
Eligibility Status:		
Eligible	66.0	61.3
Maintenance	34.0	38.7
Reason for Using 4C²:		
Employment	67.5	68.5
Seeking Employment	19.1	15.3
In Training	10.9	14.4
Unable to Care for Child	1.7	0.0
Age:		
14-34	89.5	88.2
35 and Over	9.8	11.7
Family Size:		
2-4 Members, Inclusive	81.6	80.1
5 or More	18.2	19.8
Mean	3.4	3.5
Median	3	3

¹Some distributions may not add up to 100.0 percent due to lack of information or no response answers.

²Discrepancies in distribution of Employed may be due to those in work-training programs.

the remainder not in the labor force. After enrolling, 76.6 percent were working and 13.4 percent were in training. Only 2.7 percent were unemployed. At the time of the survey, 79.3 percent of the recipients were employed, representing a 37.4 percent increase in employment over the pre-enrollment status. Furthermore, approximately seven of ten of those employed were working full time. None of the respondents were actively seeking employment, i.e., unemployed, at the time of the survey. Of those not in the labor force, 16.6 percent could not find jobs, while another 16.6 percent found it was no longer necessary for them to work. The remaining 66.8 percent listed home-related responsibilities as the reason for not working. Only 2.7 percent of those surveyed had not worked at all during the entire period since enrollment.

TABLE 17
EMPLOYMENT STATUS OF PRIMARY RECIPIENTS¹

Status	Before Enrollment	After Enrollment	At Time of Survey
Employed	57.7%	76.6%	79.3%
Seeking Employment	14.4	2.7	0.0
In Training	21.6	13.4	4.5
Not in Labor Force	4.5	1.8	16.2

¹ Percentages may not add up to 100.0 due to no response.

Employment stability. The majority of recipients (66.7 percent) have held only one job since the time of their enrollment (table 18). Almost three-fourths (23.4 percent) changed jobs one time and only 4.5

percent held three or more jobs during the study period. The mean number of jobs held was 1.3 and the mode was 1. Furthermore, almost half (48.6 percent) of those surveyed have been working in their most recent job for over two years and 26.1 percent have had the same employment for one to two years. The remaining 25.3 percent have been working in the same job less than one year, are not employed, or did not respond to the question.

TABLE 18

EMPLOYMENT STABILITY OF PRIMARY RECIPIENTS¹

Number of Jobs Held Since Enrollment	Percent Distribution
0	2.7%
1	66.7
2	23.4
3	2.7
4	1.8

¹ Percentages may not add up to 100.0 due to no response.

Occupational distribution. Table 19 shows the distribution of employment by type of job for the one hundred recipients who specified their most recent job. Mothers were concentrated in service (61.0 percent) and clerical positions (21.0 percent) with 11.0 percent in technical or operative jobs and only 3.0 percent in managerial positions.

TABLE 19

OCCUPATIONAL DISTRIBUTION OF RECIPIENTS BY
TYPE OF MOST RECENT JOB

Type of Job	Percent Distribution
Clerical	21.0%
Service	61.0
Managerial	3.0
Technical	6.0
Operative	5.0
Agriculture	4.0

Earned income. From April 1976 to June 1978, wages for kindred and food, and manufacturing workers increased 21.5 to 24.0 percent (see table 14). In contrast, table 20 shows that from pre-enrollment until the time of the survey, the mean earned income of recipients increased 116.8 percent. Before enrollment, 85.5 percent of those surveyed had earned income below the poverty level. At the time of the survey, only 50.5 percent lived in poverty. It was found that 70.3 percent of the sample had increased incomes and only 16.2 percent showed declines, while 13.5 percent experienced no change. The pay gains for three of every four recipients were attributed to promotions (29.2 percent), better paying jobs (20.8 percent) or regular pay increases (23.6 percent) as shown in table 21. Of those respondents who suffered a pay loss, 62.5 percent had either lost their jobs or had a different, lower-paying job.

TABLE 20

ANNUAL EARNED INCOME FROM PRE-ENROLLMENT TO
THE TIME OF THE SURVEY

Annual Income	Before 4C	After 1 Year	At Time of Survey
0	54.0%	39.7%	27.1%
\$ 1-\$ 999	0.0	.9	0.0
1,000- 1,999	3.6	2.7	2.7
2,000- 2,999	6.3	7.2	3.6
3,000- 3,999	6.3	9.9	3.6
4,000- 4,999	8.1	9.9	9.0
5,000- 5,999	8.1	16.2	9.9
6,000- 6,999	6.3	6.3	19.8
7,000- 7,999	.9	1.8	7.2
8,000- 8,999	1.8	.9	5.4
9,000- 9,999	3.6	.9	5.4
10,000 and Over	.9	3.6	7.2
Mean	\$2,255	\$2,983	\$4,889

TABLE 21

REASON FOR INCREASE IN EARNED INCOME

	Percent Distribution
Promotion	29.2%
Better Paying Job	20.8
Part Time to Full Time	5.6
More Skills Acquired	11.1
Regular Pay Increases	23.6
Addition of or Increase in Husband's Income	9.7

Poverty and welfare. While earned income was increasing, AFDC payments were declining as shown in table 22. Total AFDC payments to 4C participants surveyed dropped 44.7 percent from \$39,960 before enrollment to \$22,092 at the time of the survey. Furthermore, the proportion of recipients collecting no AFDC has increased over the time period under study. The reasons for receiving AFDC were unemployment and low income, and the average length of time that AFDC was received was twenty-four months (see table 23). Of those who terminated AFDC, 68.6 percent found employment and 20.8 percent had increased earned incomes. Slightly more than half the sample had never received AFDC payments.

Child Care: 4C

Three-fourths of the sample had only one child enrolled in a 4C center and less than 4 percent had more than two children in the program. The average length of enrollment was in the range of twelve to seventeen months as shown in table 24 while the mode was six months or less. Over one-third of the children were enrolled for more than two years. Three-fourths of those surveyed kept their child(ren) in the same center while the majority of the balance changed centers only once.

An overwhelming 96.3 percent were satisfied with the child care centers they used. The quality of care was the major reason for satisfaction for 31.5 percent of the respondents although one of three was equally satisfied with all factors discussed (see table 25). Only 4.5 percent were dissatisfied with the arrangements, primarily due to quality of care. Furthermore, the assessed fees were affordable for

TABLE 22

DISTRIBUTION OF AFDC RECIPIENTS BY AMOUNT OF AFDC PAYMENT

Annual Amount	Before 4C	After 1 Year	At Time of Survey
\$ 0	74.8%	82.9%	88.3%
1- 999	6.3	3.6	2.7
1,000-1,999	14.4	11.7	4.5
2,000-2,999	4.5	1.8	3.6
3,000-3,999			0.9
Total AFDC Payments	\$39,960	\$26,688	\$22,092

TABLE 23

DISTRIBUTION OF AFDC RECIPIENTS BY LENGTH OF TIME AFDC WAS RECEIVED

No. of Months	Percent Distribution
1-12	39.4%
13-24	27.3
25-35	9.1
37 or More	24.2
Mean--24.15 Months	

TABLE 24

LENGTH OF CHILD ENROLLMENT IN 4C PROGRAM

Months	Percent Distribution
6 Months or Less	28.8%
7-11	11.7
12-17	21.6
18-23	2.7
24-36	20.7
36 or More	13.5

TABLE 25

REASON FOR SATISFACTION WITH CHILD CARE CENTER

Reason	Percent Distribution
Cost	18.9%
Location	9.9
Quality of Care	31.5
Other	2.7
All Equal	33.3
Not Satisfied	4.5

most recipients (76.6 percent). Only 12.6 percent found the fees too high while the remainder felt they were too low or had no opinion.

Table 26 shows the reasons for participants' dropping out of the program although 9.0 percent were still using 4C services at the time of the survey. Improvements in income (29.7 percent) and no need for continued care (31.5 percent) were the major reasons for discontinuing the service. Only 26.1 percent expressed a continued need for child care after leaving 4C. Of those who made alternative arrangements (see table 27), 35.5 percent used other regulated child care centers, while over half (57.8 percent) either stayed home or relied on a friend, relative or sitter. The fees paid for alternative arrangements ranged from \$5 to \$40 per week.

It was found that the primary recipients surveyed were very dependent on 4C support to achieve their labor market goals. It would have been "very difficult" for 71.2 percent of the sample to maintain their labor market or training status without 4C assistance. It would have been "somewhat difficult" for 20.7 percent and "not difficult" for only 8.1 percent of the recipients to maintain their labor market status.

Length of Enrollment in 4C Program

The length of enrollment proved to be a significant factor in the economic status of mothers, with those enrolled over two years showing the greatest improvements. Of those who were enrolled from twenty-four to thirty-six months, 87.0 percent were employed at the time of the survey compared to 39.1 percent before enrollment, a 122.5

TABLE 26
REASON FOR DROPPING OUT OF 4C PROGRAM

Reason	Percent Distribution
Child Still in Program	9.0%
Care No Longer Needed	31.5
Income Too High	29.7
Lack of Transportation	2.7
Change in Parent's Schedule	4.5
Could Not Pay Fee	4.5
Unemployed	1.8
Other	16.2

TABLE 27
ALTERNATIVE CHILD CARE ARRANGEMENTS

Alternative	Percent Distribution
Friend, Relative or Sitter	28.9%
Other Child Care Center	35.5
Parent Stays Home	28.9
Other	6.7

percent increase over the pre-enrollment status, as shown in table 28. All of those who were enrolled eighteen to twenty-three months were employed before enrollment and also employed at the time of the survey, suggesting that this group was already working towards improving their status, as presented in Hypothesis II. Those enrolled less than two years or more than three years showed less dramatic improvement although the proportion employed increased significantly. Hence, it appears that most improvements in employment status would occur after two years.

TABLE 28

EMPLOYMENT STATUS BEFORE ENROLLMENT AND AT THE
TIME OF THE SURVEY BY LENGTH OF ENROLLMENT

Length of Enrollment (in Months)	Before Enrollment		At Time of the Survey	
	Employed	Unemployed	Employed	Not in Labor Force
6 or Less	59.4%	15.6%	71.9%	25.0%
7-11	76.9	7.7	92.3	7.7
12-17	62.5	16.7	79.2	20.8
18-23	100.0	0.0	100.0	0.0
24-36	39.1	21.7	87.0	13.0
Over 36	53.3	0.0	66.7	33.3

$\chi^2 = 28.0$	$p = .05$	$\chi^2 = 7.7$	$p = .05$
$N = 111$	$df = 36$	$N = 111$	$df = 12$

It was found that only those recipients enrolled over one year showed improvements in their welfare status although a large proportion of those enrolled less than one year received no AFDC benefits before 4C assistance or at the time of the survey (see table 29). The greatest improvements were shown by those enrolled over three years, with an

increase from 46.7 percent to 93.3 percent receiving no AFDC. These findings suggest that the longer the enrollment, the more likely a recipient is to terminate AFDC.

TABLE 29

DISTRIBUTION OF RECIPIENTS RECEIVING NO AFDC BEFORE ENROLLMENT AND AT THE TIME OF THE SURVEY BY LENGTH OF ENROLLMENT

Length of Enrollment (in Months)	Distribution Before Enrollment		Distribution At Time of the Survey	
	Vertical	Horizontal	Vertical	Horizontal
6 or Less	32.5%	84.4%	27.6%	84.4%
7-11	13.3	84.6	11.2	84.6
12-17	24.1	83.3	23.5	95.8
18-23	2.4	66.7	2.0	66.7
24-36	18.1	65.2	20.4	87.0
Over 36	8.4	46.7	14.3	93.3
	$\chi^2 = 117.1$	$p = .05$	$\chi^2 = 81.2$	$p = .05$
	$N = 111$	$df = 144$	$N = 111$	$df = 72$

Although those enrolled over three years showed significant improvements in their welfare status, their earned incomes were more likely to be below the poverty level at the time of the survey, as shown in table 30. Of that group 80.1 percent were earning less than \$6,000 annually compared to 30.8 percent for those enrolled 7 to 11 months. Over half of all the other groups were earning below \$6,000 per year at the time of the survey, although all groups showed improvements in their earned incomes. These findings would suggest that increases in income would most likely occur within the first year of enrollment.

TABLE 30

DISTRIBUTION OF EARNED INCOME AT THE TIME OF THE SURVEY BY LENGTH OF ENROLLMENT

Annual Earned Income	Length of Enrollment									
	6 Mos. or Less		7-11		12-23		24-36		36 or More	
	Vert.	Horiz.	Vert.	Horiz.	Vert.	Horiz.	Vert.	Horiz.	Vert.	Horiz.
\$ 0- 999 ¹	31.3%	33.3%	7.7%	3.3%	18.6%	16.7%	26.2%	20.0%	46.7%	23.3%
1,000-1,999	6.2	66.7	0.0	0.0	3.7	33.3	0.0	0.0	0.0	0.0
2,000-2,999	3.1	33.3	0.0	0.0	3.7	33.3	0.0	0.0	6.7	33.3
3,000-3,999	3.1	25.0	0.0	0.0	3.7	25.0	4.3	25.0	6.6	25.0
4,000-4,999	6.3	20.0	7.7	10.0	14.8	40.0	13.0	30.0	0.0	0.0
5,000-5,999	3.1	9.1	15.4	18.2	11.1	27.3	8.7	18.2	20.1	27.2
6,000-6,999	25.0	36.4	46.1	27.3	11.1	13.6	21.7	22.7	0.0	0.0
7,000-7,999	3.1	12.5	7.7	12.5	7.4	25.0	8.7	25.0	13.3	25.0
8,000-8,999	0.0	0.0	15.4	33.3	14.8	66.7	0.0	0.0	0.0	0.0
9,000-9,999	6.3	33.3	0.0	0.0	3.7	16.7	8.7	33.3	6.6	16.7
10,000 and Over	12.5	50.0	0.0	0.0	7.4	25.0	8.7	25.0	0.0	0.0

$$\chi^2 = 360.7$$

$$p = .05$$

$$N = 111$$

$$df = 390$$

¹This category includes the thirty recipients who did not report their current income.

Profile of Success Cases

Success cases include two groups that were involved in the study. The first group consists of those recipients who were receiving AFDC benefits at enrollment and terminated such support before the time of the survey. The second group includes those recipients who never received AFDC during the study period. Being classified as economically disadvantaged, the second group had the potential to become AFDC recipients, and, without child care support, may have left the labor force in favor of income maintenance programs.

Of all cases surveyed, ninety-eight primary recipients are classified as successful in terms of their welfare status. Of the 88.3 percent classified as success cases, 88.8 percent were under the age of thirty-five and 76.5 percent had completed twelve years of school or more (see table 31). Only 15.3 percent were married with the balance being single (27.6 percent), separated (27.6 percent), or divorced (26.5 percent). The success cases had smaller families with 67.3 percent having three or fewer family members. At the time of enrollment 69.4 percent were already employed and 69.4 percent were also classified as income eligible. At the time of the survey 83.7 percent were employed. Since enrollment, 66.3 percent held only one job while 24.5 percent held two and 75.5 percent had increased their earned incomes.

Thirty-seven recipients or 33.3 percent of the sample were employed in the same job at the time of the survey that they held before enrollment. Most (67.7 percent) were clerical workers with the balance in service (18.9 percent) and managerial positions (13.5 percent). The employment stability of this group would suggest that they were already

making upward progress in their economic status before 4C assistance, as presented in Hypothesis II.

TABLE 31
PROFILE OF SUCCESS CASES¹

Age		Employment Status at	
14-24	40.8%	Enrollment	
25-34	48.0	Employed	69.4%
35-44	8.2	Unemployed	30.6
45 and Over	3.1		
Marital Status		Eligibility Status at	
Single	27.6%	Enrollment	
Married	15.3	Maintenance	30.6%
Separated	27.6	Eligible	69.4
Divorced	26.5		
Widowed	1.0	Length of Enrollment	
Family Size		(Months)	
2	31.6%	6 or Less	27.6%
3	35.7	7-11	11.2
4	15.3	12-17	23.5
5	6.1	18-23	2.0
6 or More	11.2	24-36	20.4
Race		Over 36	14.3
White	35.7%	Current Employment	
Black	60.2	Status	
Other	1.0	Employed	83.7%
Education of Mother		Unemployed	0.0
8 Yrs. or Less	4.1%	Not in Labor Force	15.3
9-11 Years	19.4		
12 or More	76.5	Number of Jobs Held	
		1	66.3%
		2	24.5
		3	3.1

¹ Percentages may not add up to 100.0 due to no response.

Reference

1. Tuck, Sterling, Orlando Labor Market Analyst, from Files of Seminole County Manpower Division, Sanford, Florida.

CHAPTER VI

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Findings

Child care assistance proved to be an aid in the improvement of the economic status of economically disadvantaged mothers and the reduction of welfare rolls. The labor force participation rate of mothers increased as mothers took advantage of available employment opportunities and as those in training programs before enrollment entered the labor force. Furthermore, the proportion of those in the labor force who were employed increased dramatically during the study period while the unemployment rate dropped to zero. Earned income increased sharply although a portion of that increase was attributed to husbands' incomes. The number and percentage of welfare recipients and the amount of benefits received declined from the pre-enrollment status to the time of the survey. The proportion living below the poverty level also declined significantly. Most mothers were highly dependent on 4C support and were very satisfied with the 4C arrangements. Over one-third of those surveyed went on to pay for regulated child care after terminating 4C. These findings support the hypothesis that mothers would choose work over welfare when that option is available.

Although the statistics show clear improvements and a high percentage of success cases, there are other factors involved that were not

tested in the study and may have accounted for the economic improvements shown by the recipients surveyed. It is unknown to what extent these mothers depended on other supportive services, such as transportation, to make the improvements. Furthermore, it is not known whether those mothers who chose work over welfare would have continued on welfare or made alternative child care arrangements, had 4C support not been available. Finally, child care support could have no positive effect on the recipients if there were no job opportunities available for these mothers. Therefore, the improvements made by the mothers studied can not be attributed solely to child care support.

It was also shown, as explained in Hypothesis II, that approximately one-third of the sample were already making progress before 4C and in all likelihood, would have been successful without the assistance provided. Furthermore, the statistics showed that after three years, those mothers still using 4C were not showing marked improvements in their earned incomes. Although most mothers had terminated AFDC, most of these mothers would still be classified as low income and, over the long run, may be maintaining the cycle of poverty. Furthermore, since most mothers were concentrated in traditionally female jobs, i.e., clerical and service positions, it is unlikely that the earnings for the majority of recipients will ever increase far beyond the poverty level without benefit of additional training, retraining or upgrading of skills to acquire higher level positions. This training would incur considerable costs for society as well as additional costs for other supportive services during the training period.

It can therefore be concluded that child care support is an important supportive service for some low-income mothers and the lack of such support could present obstacles to their upward mobility. However, it is not a panacea, nor is it likely that child care support alone will lead to higher standards of living for most low-income mothers.

Recommendations

These findings would suggest that child care be provided in combination with other supportive services, such as training, where there are job opportunities available. Furthermore, child care support should be provided first to those economically disadvantaged mothers who are already employed, as is currently being done, and have at least a high school education to make the investment worthwhile. Support should be available to those in training or working toward a high school diploma to improve their chances for self-sufficiency and the opportunity for higher-level, higher-paying jobs. Since most improvements shown by success cases are made in less than two years, recipients should be monitored to determine whether they are making progress and those cases receiving welfare benefits and not showing improvements within a reasonable period of time should be terminated. Otherwise, those recipients would be receiving benefits from two tax sources at a greater expense for society.

Finally, research should continue in this field to determine the effects of and needs for other supportive services as well as the impact of training on economically disadvantaged mothers.

APPENDIXES

APPENDIX A
STATISTICAL TESTS

Chi-square is a test of statistical significance. The expected cell frequencies are compared to the actual values found in the table according to the following formula:

$$\chi^2 = \sum_i \frac{(f_o^i - f_e^i)^2}{f_e^i}$$

where f_o^i equals the observed frequency in each cell, and f_e^i equals the expected frequency calculated as

$$f_e^i = \frac{c_i r_i}{N}$$

where c_i is the frequency in a respective column marginal, r_i is the frequency in a respective row marginal, and N stands for total number of valid cases.

APPENDIX B

FEE SCHEDULE: TITLE XX CHILD DAY CARE SERVICES UNDER "INCOME STATUS"

TABLE 32

Fee Schedule: Title XX Child Day Care Services Under "Income Status"
(Annual Gross Income)

FEE		NUMBER OF PERSONS IN FAMILY													
WEEKLY/DAILY		ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT	NINE	TEN	ELEVEN	TWELVE	THIRTEEN	FOURTEEN
2.00	.40	3040	3699	4679	5267	6027	6628	7218	7809	8400	8990	9621	10251	10880	11510
		3162	3857	4891	5511	6313	6948	7571	8194	8818	9441	10107	10772	11436	12101
4.00	.80	3163	3858	4892	5512	6314	6949	7572	8195	8819	9442	10108	10773	11437	12102
		3284	4015	5103	5756	6600	7269	7926	8580	9237	9894	10594	11295	11992	12693
6.00	1.20	3285	4016	5104	5757	6601	7270	7927	8581	9238	9895	10595	11296	11993	12694
		3405	4174	5315	6002	6887	7590	8279	8966	9655	10346	11082	11817	12549	13285
8.00	1.60	3406	4175	5316	6003	6888	7591	8280	8967	9656	10347	11083	11818	12550	13286
		3526	4332	5528	6247	7174	7910	8632	9352	10075	10798	11569	12339	13106	13877
10.00	2.00	3527	4333	5529	6248	7175	7911	8633	9353	10076	10799	11570	12340	13107	13878
		3647	4489	5740	6492	7461	8230	8985	9738	10494	11250	12056	12860	13662	14040
12.00	2.40	3648	4490	5741	6493	7462	8231	8986	9739	10495	11251	12057	12861	13663	
		3768	4647	5952	6737	7749	8550	9338	10125	10913	11702	12542	13382	13770	
14.00	2.80	3769	4648	5953	6738	7750	8551	9339	10126	10914	11703	12543	13383		
		3889	4804	6165	6981	8036	8871	9691	10511	11332	12154	13029	13500		
16.00	3.20	3890	4805	6166	6982	8037	8872	9692	10512	11333	12155	13030			
		4010	4961	6377	7225	8323	9191	10044	10897	11751	12605	13230			
18.00	3.60	4011	4962	6378	7226	8324	9192	10045	10898	11752	12606				
		4131	5118	6589	7469	8610	9511	10397	11283	12169	12960				
20.00	4.00	4132	5119	6590	7470	8611	9512	10398	11284	12170					
		4680	6120	7560	9000	10440	11880	12150	12420	12690					

SOURCE: Florida, Department of Health & Rehabilitative Services, Division of Family Services Manual 204, Appendix E, 10 June 1976, p. 2.