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Findings from the National Survey of America's Families: Milwaukee County Results for Families with Preschool Children, 1997 and 1999

by John Pawasarat, University of Wisconsin-Milwaukee Employment and Training Institute, May 2002.

The National Survey of America's Families, conducted in 1997 and in 1999, provides a unique opportunity to examine the child care arrangements and employment patterns of mothers with preschool children in Milwaukee County. The survey was designed to be representative for the nation as a whole and for 13 states, including Wisconsin. Milwaukee County was the only county in the U.S. to be separately surveyed.¹ This technical assistance paper was prepared at the request of Milwaukee County to use the NSAF survey to help estimate the number of families needing Wisconsin child care subsidies for low-income families and to analyze the type of care selected by working parents in Milwaukee County.

The analysis focuses on the estimated population of 65,766 Milwaukee County children under age five.² Given the interest in determining the number of families eligible for Wisconsin child care subsidies, the population was analyzed by three income levels: an estimated 19,473 children in low-income families (with income at less than 150 percent of the federal poverty level), 20,526 children in mid-range income families (with income at 150-299 percent of poverty), and 25,767 children in upper range income families (with income at 300 percent or more of poverty).³

I. Who Needs Care

Data from the 1997 and 1999 National Survey of America's Families indicate that much of the Milwaukee County preschool population eligible for the Wisconsin child care subsidy program may already be receiving support. This is because lower-income single parents are not employed at levels that would make them eligible for subsidies and almost none of the two-parent low-income families have both parents employed at the required levels.

- The percent of the population of low-income preschoolers with a mother employed remained the same for 1997 and 1999. In 1999 a slightly higher percentage of mothers were employed full-time.
- The majority of Milwaukee County mothers of preschool children do not work full-time. In 1999, 28 percent of preschool children in lower-income families had a mother employed full-time (40 hours or more a week), as did 36 percent of children in families

¹ The National Survey of America's Families collected information on children, adults (under age 65) and families living in non-institutionalized settings. Low-income households were oversampled. For a detailed description of the survey and methodology, see the Urban Institute's website at www.urban.org/Content/Research/NewFederalism/NSAF/Overview/NSAFOverview.htm.

² In most cases these children are not enrolled in school. Four percent were enrolled in Head Start.

³ Family income levels were for the prior year. In 1996 income at 150 percent of poverty was \$15,540 for a two-person family and \$23,400 for a four-person family; income at 300 percent of poverty was \$31,080 for a two-person family and \$46,800 for a four-person family. In 1998 income at 150 percent of poverty was \$16,275 for a two-person family and \$24,675 for a four-person family; income at 300 percent of poverty was \$32,550 for a two-person family and \$49,350 for a four-person family.

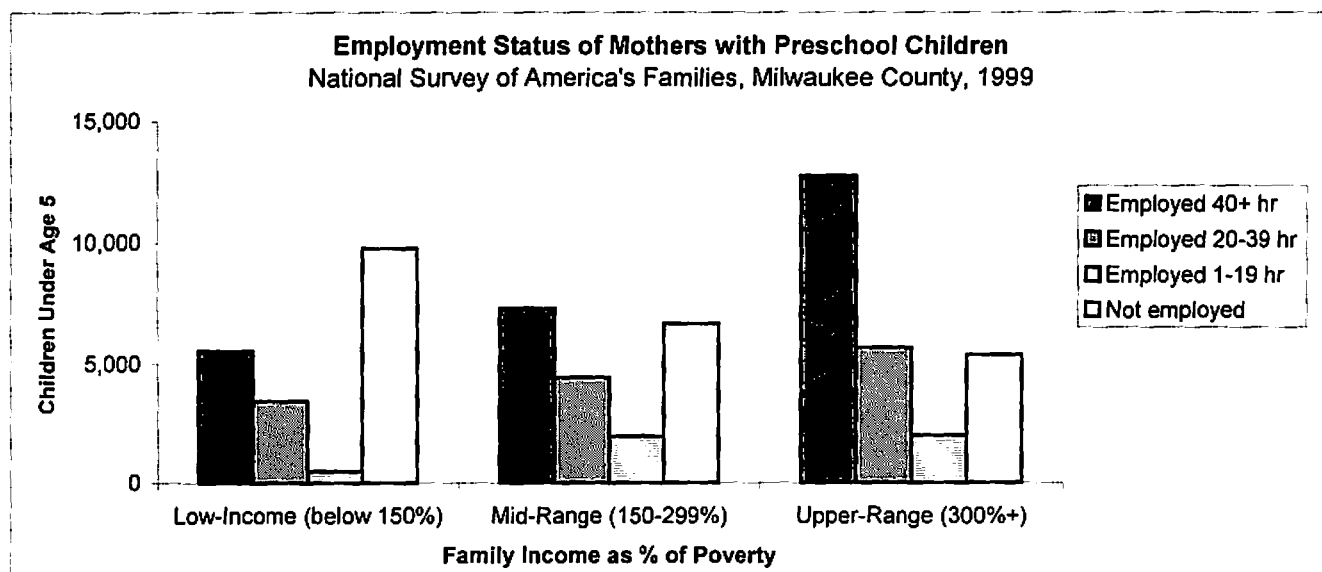
with mid-range income and 49 percent of children in families with upper-range incomes.

- The additional percentage of Milwaukee County children with mothers employed half-time or more (i.e., 20 – 39 hours per week) was 18 percent for children in lower-income families, 22 percent for children in mid-range income families, and 22 percent for children in upper-range income families.

Status of Milwaukee County Children Under Age 5 by Income Level and Mother's Employment
National Survey of America's Families, Milwaukee County, 1999

	Family Income as % of Poverty Level			ALL
	Less than 150%	150-299%	300% or above	
Estimated total number of children	19,473	20,526	25,767	65,766
% of children in 2-parent families	35%	78%	88%	69%
Percent of children where mother is:				
Employed full-time (40+hours)	28%	36%	49%	39%
Employed 20-39 hours/week	18%	22%	22%	21%
Employed 1-19 hours/week	3%	9%	8%	7%
Not employed	51%	33%	21%	33%
TOTAL	100%	100%	100%	100%

- Half of the Milwaukee County preschool children whose mothers are employed full-time are in higher income families where the family income is at 300 percent of poverty or more. Another 29 percent are in mid-range income families, usually ineligible for subsidy programs in 1999. Less than a fourth are in poor families.



- Most low-income families eligible for child care subsidies are headed by single parents. Only 35 percent of children in families with income below 150 percent of the poverty level were in a two-parent family, compared to 78 percent of children in families with income at 150-299 percent of the poverty level and 88 percent of children in families with income at 300 percent of the poverty level or above.
- Very few low-income two-parent families (11 percent) had both parents employed.
- The 1999 NSAF survey data estimated that there are 19,473 low-income preschoolers in Milwaukee County (children under 5 years of age and in families with income below 150 percent of the federal poverty level). The labor force participation rates for mothers of this population did not change significantly from 1997 to 1999, and the increasing demand for child care anticipated under TANF was not evident in the 1997 and 1999 surveys. For low-income children under age 5, 49 percent had an employed mother in 1997 and the same percentage had an employed mother in 1999. The percentage of children with a mother working full-time, however, did increase from 22 percent in 1997 to 28 percent in 1999.⁴
- Of the 5,500 preschoolers in low-income families with a mother employed full-time (40 hours a week or more), 2,500 received a child care subsidy, 1,600 were in unsubsidized care with relatives, and the rest were in a combination of unsubsidized care settings. Another 3,500 low-income children had employed mothers working 20-39 hours a week, of which about 1,000 were in subsidized care (mostly in group centers), 1,200 in unsubsidized care (mostly with relatives), and 1,200 not in a care setting.

II. Who Is in Child Care

Because most mothers of preschoolers are not employed full-time, the majority of Milwaukee County children under age 5 are not in full-time child care (40 hours or more a week), and less than half are in care for 20 or more hours per week for work-related purposes.

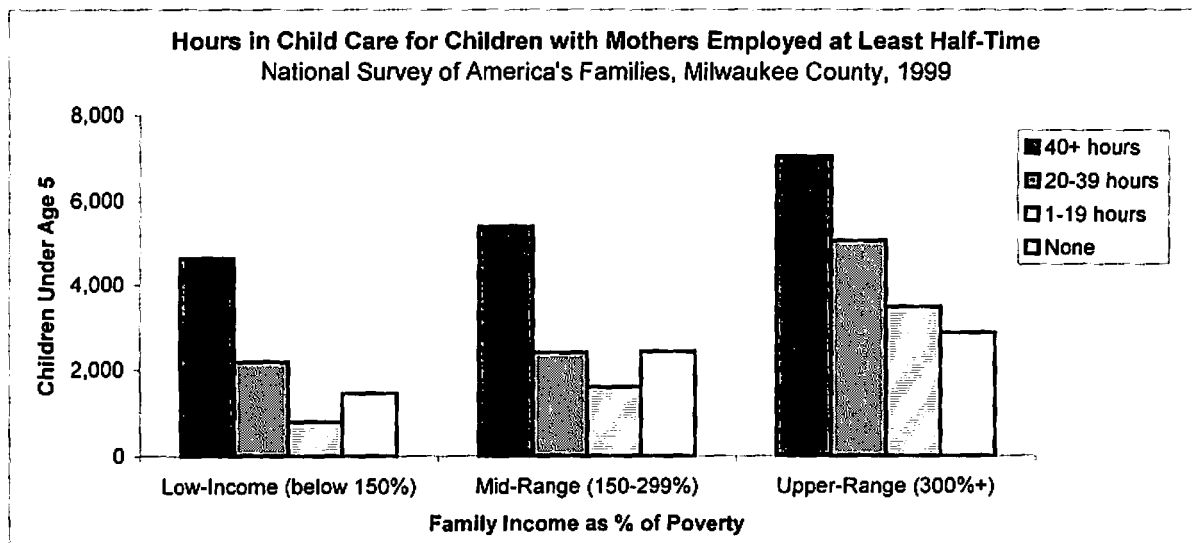
- Of the 65,766 children under age 5 in Milwaukee County, about 39,200 have mothers working at least 20 hours a week and about 26,300 are in child care for at least 20 hours a week.
- For children with mothers employed 20 hours or more a week, the percentage in full-time child care was 51 percent for children in low-income families, 46 percent for children in families with mid-range incomes, and 38 percent in the largely two-parent families with upper-range incomes.
- Low-income children with mothers employed 20 or more hours a week were the most likely to be in child care for 20 or more hours per week, with 75 percent of the children in care at least 20 hours.

⁴ Caution should be used in interpreting results between years as the survey sample size may result in a high margin of error.

Hours in Child Care for Preschool Children of Mothers Working 20+ Hours per Week
National Survey of America's Families: Milwaukee County, 1999

	Family Income as % of Poverty Level			ALL
	Less than 150%	150-299%	300% or above	
Children with mother employed 20+ hr/wk	9,037	11,780	18,395	39,212
Hours in work-related child care:				
Full-time day care, 40+ hours/week	51%	46%	38%	43%
Part-time care 20-39 hours/week	24%	20%	27%	24%
Part-time care, less than 20 hr/week	9%	14%	19%	15%
None	16%	20%	16%	17%
TOTAL	100%	100%	100%	100%

- Of the 19,473 Milwaukee County children under age 5 from low-income families, 9,037 had a mother employed 20 or more hours per week. About half of these children (4,600) were in full-time child care.



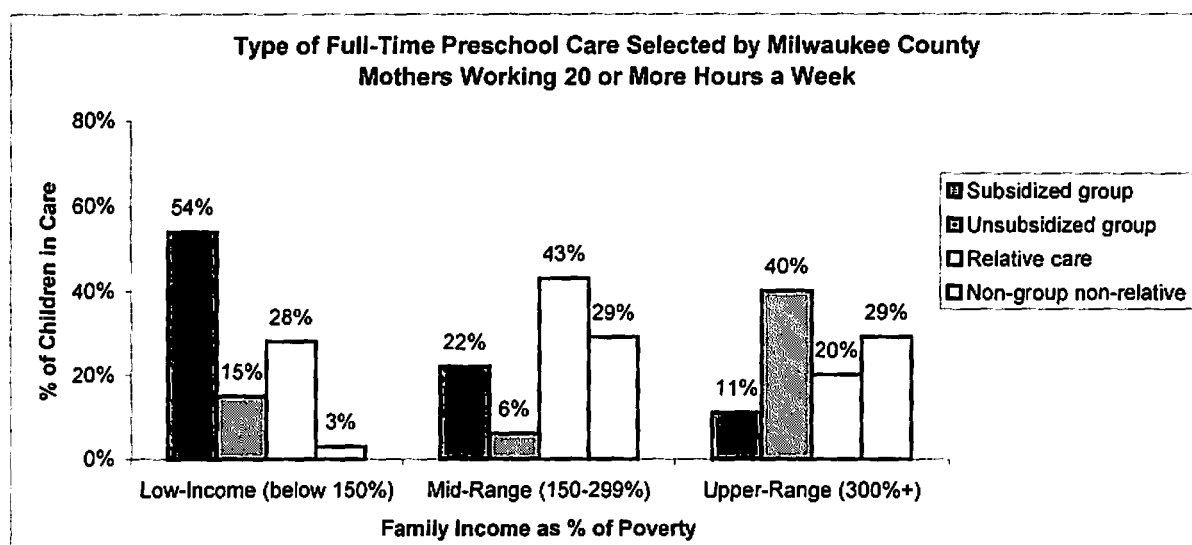
III. Type of Care Selected: Group, Relative or Non-Relative

The type of full-time care selected by employed mothers varies by income level of the family and the presence of a child care subsidy. This analysis examined the full-time care used for preschool children with mothers employed 20 hours or more a week. (Note: In the NSAF relative care does not include care by a parent or other family member living in the household. Only child care by non-household members is considered in the analysis.)

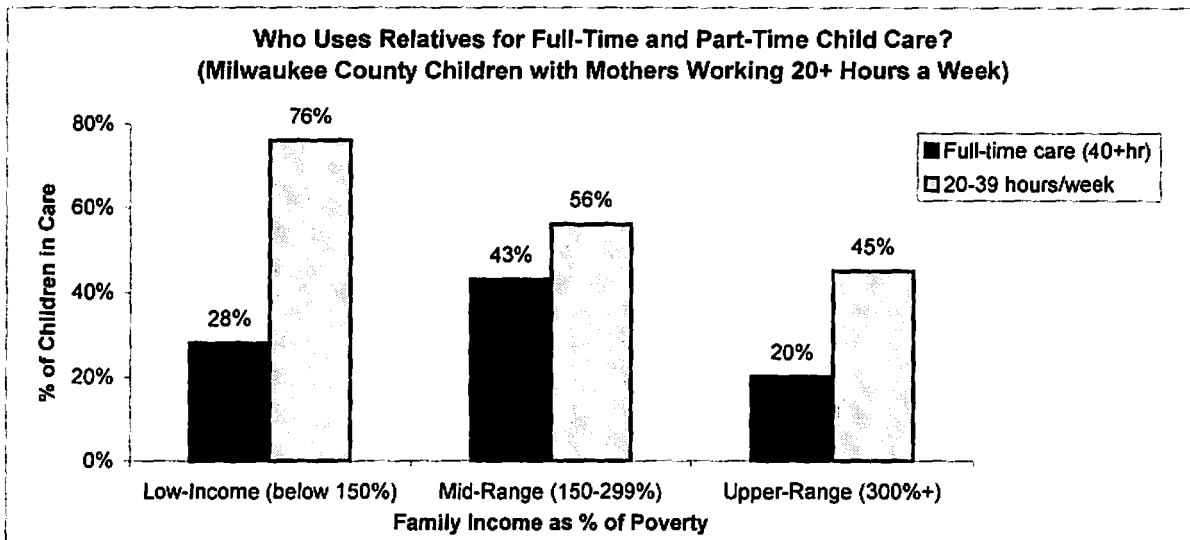
**Full-Time Care Preferences for Preschool Children (Where Child is in Day Care
40+ Hours per Week and Mother Is Working 20+ Hours per Week)
National Survey of America's Families, Milwaukee County, 1999**

	Family Income as % of Poverty Level			
	Less than 150%	150-299%	300% or above	ALL
Full-time care preferences				
Relative care	28%	43%	20%	30%
Group care	69%	28%	52%	48%
Other	3%	29%	28%	22%
TOTAL	100%	100%	100%	100%

- For low-income children in care full-time, most (69 percent) were in group care with 54 percent in subsidized care and 15 percent in unsubsidized group care. In 28 percent of the cases, relatives were caring for the child.
- For mid-range income families, relatives were the first day care choice for full-time care, with 43 percent of children cared for by relatives.
- Children in upper-range income families were the second most likely (after the poor) to have their preschool children in full-time group care (51 percent), with most in unsubsidized care (40 percent).



- Children in work-related care 20-39 hours per week were more likely to use relatives. The percentage of preschool children in relative care was 76 percent for poorer children, 56 percent for children in mid-range income families, and 45 percent for children in upper-range income families.



The NSAF survey collected information on whether child care was subsidized, with subsidies most often cited as coming from the welfare department, social service agency or other agency, a sliding fee scale, or in a very few cases as an employer subsidy.

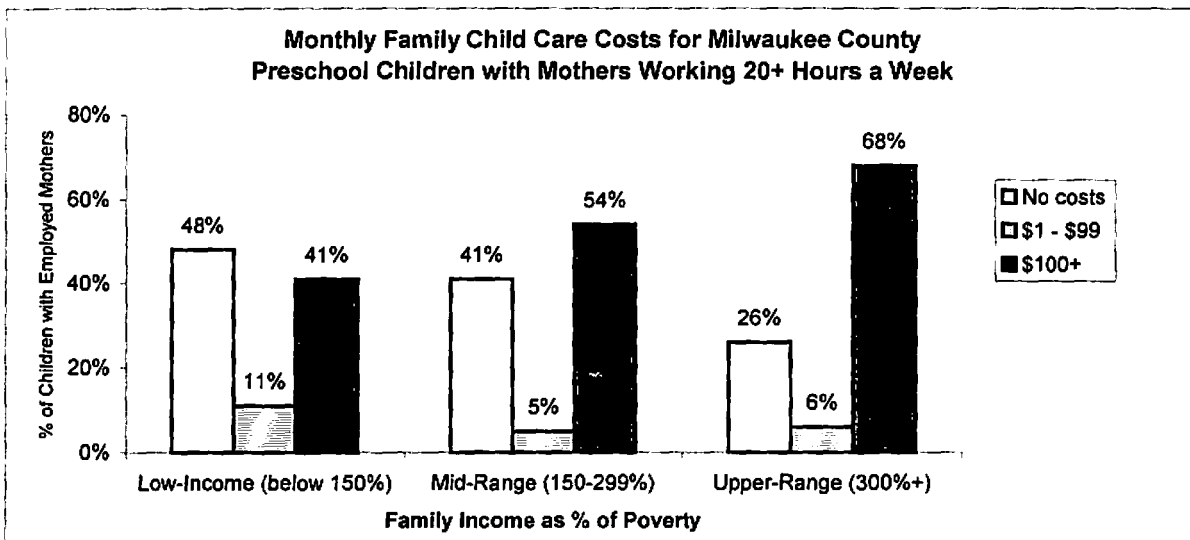
- Over half of low-income children in full-time care showed a child care subsidy, compared to a fourth of children in families with mid-range incomes.
- Almost all (97 percent) of subsidized care for the low-income population was in group settings.

IV. How Much Do Milwaukee County Parents Pay for Child Care

The NSAF collected information on child care expenses for each Milwaukee County family with children in day care.

- Many employed mothers in Milwaukee County have no child care expenses. This occurs most often in two-parent families where the spouse or other household members juggle child care responsibilities. In two-parent low-income families, 72 percent have no day care expenses, for mid-range income families 50 percent have no expenses, and for upper-range income families 29 percent have no expenses.
- Many low-income families receive child care subsidies that cover their day care costs. In lower-income single-parent families, 50 percent of preschool children with an employed mother had a child care subsidy in 1999.
- Of children with mothers employed at least half-time (20 or more hours a week), 48 percent in low-income families had no child care expenses paid by the family and another 11 percent had monthly child care costs of less than \$100. In mid-range income families, 41 percent had no child care expenses paid by the family and another 5 percent

had monthly costs of less than \$100. In families with income at 300 percent of poverty or more, 26 percent had no child care expenses and another 6 percent had costs of less than \$100 a month.



- Most employed families with preschool children in child care did not appear to be paying the rates listed by group and family care providers in the local child care market survey, where the vast majority of licensed providers receiving government subsidies reported rates exceeding \$500 a month. Only 12 percent of children from mid-range income families and 7 percent of children from low-income families had employed mothers who paid more than \$500 a month for child care for the entire family.
- Even in families with upper-range incomes, only 29 percent of children had employed mothers paying above \$500 a month for child care.

**Child Care Expenses for Mothers with Preschool Children
and Employed 20 or More Hours Per Week
National Survey of America's Families, Milwaukee County, 1999**

Monthly Child Care Expenses*	Family Income as Percent of the Poverty Level:		
	Less than 150%	150-299%	300% or above
Percent with <u>no</u> child care expenses	48%	41%	26%
Percent paying \$1-\$99 per month	11%	5%	39%
Percent paying \$100-\$499 per month	34%	42%	6%
Percent paying above \$500 a month	7%	12%	29%
TOTAL	100%	100%	100%

*The NSAF reported monthly child care expenses for all children in care.