Tertiary Workforce Services Analysis in Southwest Virginia

Childcare

There are many layers to a thriving workforce. According to the three-sector economic theory, there is a need for “primary sector” raw materials, “secondary sector” manufacturing and production of goods, and “tertiary sector” services such as transportation, distribution, and customer service (Fisher, 1939; Clark, 1940; Fourastie, 1954). The concept behind these three layers can be applied not only to the production of goods, but also to the workforce itself. On the primary level, workers need the basic raw materials, namely employment opportunities (businesses). On the secondary level, workers need the education, training, and professional development to prepare them for these jobs. On the tertiary level, workers need “wrap-around services” in their lives to enable them to remain employed. Regardless of the ways in which this concept is framed (in terms of goods or in terms of workforce), this tertiary layer forms the essential foundation of a healthy economy. This report is one of three reports that explore these critical tertiary services in Virginia’s Workforce Areas I, II, and III: childcare, transportation, and behavioral health facilities.
SUMMARY

Childcare needs are a critical consideration for our workforce. Working parents depend on accessible, affordable, available, and high-quality childcare in order to acquire or maintain employment. Demand for higher access to affordable childcare is the second most cited service gap in the region according to workforce stakeholder organizations. This report analyzes the extent to which workers can access childcare service in three workforce development regions: Far Southwest Virginia, New River Mount Rogers, and Virginia’s Blue Ridge Works.

To assess the current status of childcare provision in the regions of Southwest Virginia, the Virginia Tech Office of Economic Development created a childcare inventory, which can be found here: https://goo.gl/lX5WRJ. This inventory was created by compiling data from multiple daycare databases, such as that of the Department of Social Services, and then verifying that data through intensive primary and secondary data gathering. The inventory includes child day centers, voluntarily registered home-based childcare, Head Start facilities, public school pre-school facilities, and religious exempt childcare. Home-based childcare units that have not been documented on any reliable online database were not included. The data is also publicly accessible on a Google Map, available here: https://goo.gl/inDjMX. As of February 2017, a local coding organization, Code for NRV, is in the process of converting this inventory into a publicly accessible and searchable website for job seekers and childcare service providers, and a local group of organizations and stakeholders has agreed to participate in the maintenance of this resource.

Based on the analysis of this inventory as it relates to larger population trends, key findings include:

• There is a notable geographical gap in childcare, where most facilities are located within population and employment centers: Abingdon, Blacksburg, Bristol, Christiansburg, Norton, and Roanoke. While this is expected, parents who live outside of these population centers may have to find alternative childcare options if they wish to keep their children closer to home, or they must find options closer to these population/employment centers, hopefully closer to work.

• This region falls behind the state and nation in terms of number of registered facilities per 1,000 children and proportion of children living in poverty. The capacity of existing childcare facilities meets anywhere from 10-30% of demand (as determined by 2015 population counts).

• Other access challenges that arose in this research included the cost of childcare for many workers, the hours of operation for these facilities, and the question of “quality” childcare. Lower paid workers and those with second and third shifts may have little hope of accessing registered childcare services.

• This research did not delve into access related to infant care and more informal childcare networks, both of which are presumably vital in these regions.

The following pages break down key statistics for each of the three workforce regions.
WDA I has approximately 23,000 children ages zero to twelve.

WDA I has 9.1 registered childcare facilities for every 1,000 children ages five and under. Meanwhile, Virginia has 12.0 registered childcare facilities for every 1,000 children ages five and under.

13.6% of children under 5 years live with relatives living in poverty in WDA I, compared to 0.7% in Virginia and 2.5% in the nation.

5.4% or approximately 4,288 households in WDA I have children ages five and under. Of these, 33% are single-parent households. Both Virginia and the U.S. have slightly higher percentages of households with children under six, 6.8% and 6.2% respectively.

217 recorded childcare workers (both public, private and self-employed) were in WDA I in 2017, representing a 45% decrease since 2007. One reason for this low number is the median hourly wage of $7.49.

Childcare Coverage in Southwest Virginia
(For Ages 0-5)

- No formal childcare: 76.5%
- Registered childcare: 20.7%
- Known unregistered childcare: 2.8%
- Child Day Centers & Head Starts: 16%
- Home-Based: 16%
- Religious: 16%

Significant variation in childcare capacities within the region exist. The majority of facilities are located in municipal and workforce centers.

<table>
<thead>
<tr>
<th>County or City</th>
<th>Young Children (Age 0-5)</th>
<th>Children (Age 0-12)</th>
<th>Total Registered Childcare Establishments</th>
<th>Total Known Childcare Establishments (Including Unregistered)</th>
<th>Avg Capacity (Children Ages 0-12 Served) Per Establishment</th>
<th>% Children Aged 0-5 Served</th>
<th>% Children Aged 0-12 Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buchanan</td>
<td>1,114</td>
<td>2,964</td>
<td>11</td>
<td>15</td>
<td>24</td>
<td>28.5%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Dickenson</td>
<td>875</td>
<td>2,274</td>
<td>4</td>
<td>4</td>
<td>41</td>
<td>13.8%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Lee</td>
<td>1,319</td>
<td>3,408</td>
<td>10</td>
<td>10</td>
<td>23</td>
<td>16.3%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Norton</td>
<td>243</td>
<td>593</td>
<td>3</td>
<td>3</td>
<td>41</td>
<td>39.1%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Russell</td>
<td>1,549</td>
<td>3,976</td>
<td>10</td>
<td>12</td>
<td>21</td>
<td>13.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Scott</td>
<td>1,173</td>
<td>3,001</td>
<td>8</td>
<td>12</td>
<td>38</td>
<td>29.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Tazewell</td>
<td>2,325</td>
<td>6,179</td>
<td>21</td>
<td>34</td>
<td>24</td>
<td>20.1%</td>
<td>13.4%</td>
</tr>
<tr>
<td>Wise</td>
<td>2,319</td>
<td>5,870</td>
<td>14</td>
<td>20</td>
<td>24</td>
<td>14.9%</td>
<td>8.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8,928</td>
<td>23,027</td>
<td>81</td>
<td>110</td>
<td>27</td>
<td>20.7%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Source: U.S. Census ACS; Virginia Tech Office of Economic Development Childcare Inventory 2016-2017
New River Mount Rogers
Workforce Development Area II (WDA II)

44,000
WDA II has approximately 44,039 children ages zero to twelve.

8.3
WDA II has 8.3 registered childcare facilities for every 1,000 children ages five and under. Meanwhile, Virginia has 12.0 registered childcare facilities for every 1,000 children ages five and under.

5.6%
5.6% of children under 5 years live with relatives living in poverty in WDA II, compared to 0.7% in Virginia and 2.5% in the nation.

5.4%
5.4% or approximately 8,081 households in WDA II have children ages five and under. Of these, 32% are single-parent households. Both Virginia and the U.S. have slightly higher percentages of households with children under six, 6.8% and 6.2% respectively.

978
978 recorded childcare workers (both public, private and self-employed) were in WDA II in 2017, representing a 16% decrease since 2007. One reason for this low number is the median hourly wage of $8.11.

Childcare Coverage in New River Mount Rogers
(For Ages 0-5)

[Diagram showing childcare coverage]

Significant variation in childcare capacities within the region exist. The majority of facilities tend to fall in population hubs along major highways (I-81).
Virginia’s Blue Ridge Works
Workforce Development Area III (WDA III)

WDA III has approximately 45,556 children ages zero to twelve.

WDA III has 9.0 registered childcare facilities for every 1,000 children ages five and under. Meanwhile, Virginia has 12.0 registered childcare facilities for every 1,000 children ages five and under.

6.1% of children under 5 years live with relatives living in poverty in WDA III, compared to 0.7% in Virginia and 2.5% in the nation.

5.6% or approximately 7,763 households in WDA III have children ages five and under. Of these, 37% are single-parent households. Both Virginia and the U.S. have slightly higher percentages of households with children under six, 6.8% and 6.2% respectively.

1,232 recorded childcare workers (both public, private and self-employed) were in WDA III in 2017, representing a 15% decrease since 2007. One reason for this low number is the median hourly wage of $8.36.

Childcare Coverage in Virginia’s Blue Ridge Works
(For Ages 0-12)

- No formal childcare: 67.9%
- Registered childcare: 32.1%

Childcare Facility Type
- Short-term Camps, 2%
- After School, 11%
- Home-Based, 19%
- Religious, 30%
- Child Day Centers/Head Start, 31%

Significant variation in childcare capacities within the region exist. The majority of facilities tend to reside in the region’s greatest population hub, Roanoke-Salem.

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**Childcare Facilities by County in Workforce Development Area III**

*(Virginia’s Blue Ridge Works)*

<table>
<thead>
<tr>
<th>County*</th>
<th>Young Children (Age 0-5)</th>
<th>Children (Age 0-12)</th>
<th>Total Registered Childcare Establishments</th>
<th>Avg. Capacity (# Children Aged 0-5 Served) Per Establishment</th>
<th>Avg. Capacity (# Children Aged 0-12 Served) Per Establishment</th>
<th>% Children Aged 0-12 Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleghany &amp; Covington</td>
<td>1,282</td>
<td>2,694</td>
<td>8</td>
<td>24</td>
<td>46</td>
<td>13.6%</td>
</tr>
<tr>
<td>Botetourt</td>
<td>1,748</td>
<td>4,093</td>
<td>14</td>
<td>22</td>
<td>70</td>
<td>23.8%</td>
</tr>
<tr>
<td>Craig</td>
<td>302</td>
<td>813</td>
<td>2</td>
<td>27</td>
<td>47</td>
<td>11.4%</td>
</tr>
<tr>
<td>Franklin</td>
<td>3,368</td>
<td>7,245</td>
<td>29</td>
<td>21</td>
<td>51</td>
<td>20.6%</td>
</tr>
<tr>
<td>Roanoke City, Roanoke County, &amp; Salem</td>
<td>15,266</td>
<td>30,711</td>
<td>144</td>
<td>41</td>
<td>82</td>
<td>38.4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>21,966</strong></td>
<td><strong>45,556</strong></td>
<td><strong>197</strong></td>
<td><strong>35</strong></td>
<td><strong>73</strong></td>
<td><strong>32.1%</strong></td>
</tr>
</tbody>
</table>

*Cities are grouped with their surrounding counties in this table because a high percentage of childcare centers in Area III do not differentiate between city and county when identifying their locations or service areas.

Source: U.S. Census ACS; Virginia Tech Office of Economic Development Childcare Inventory 2016-2017*
This research was made possible by the Virginia Board of Workforce Development in collaboration with the Virginia Community College System. Rapid Response is a Virginia resource operating under funding provided by the federal Workforce Innovation and Opportunity Act, that helps businesses with employee hiring, staff restructuring and training. Rapid Response is most noticeably front and center to Virginia’s workers when their place of employment is downsizing and a significant number of workers lose their jobs. As part of the current Rapid Response funding, the Virginia Tech Office of Economic Development was contracted to explore other factors inhibiting employment outside traditional skills gaps.

Virginia Tech Office of Economic Development is part of the Outreach division of Virginia Tech, meant to serve as one arm in advancing the university’s land-grant mission. The Office of Economic Development (OED) helps Virginia communities find their paths to prosperity by providing leadership in many areas of economic development, including technology, workforce, entrepreneurship, and community development. Sarah Lyon-Hill, Ross Hammes, Allison Homer, Faruk Hesenjan, Luis Camacho, Ronnie Stephenson, and Maeve Gould played key roles in the development of these reports.

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