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The "Kiddie Cab" Industry Transformation in the 21st Century

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**The "Kiddie Cab" Industry
Transformation in the Twenty First Century**

By

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**Portland State University
Master of Urban and Regional Planning
Field Area Paper
August 21, 2000**

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➤ **Kiddie Cabs Defined**

A new niche business has increased in the United States from a handful of private van services in 1992 to almost 250 nationwide. Referred to by many as "kiddie cabs," these private business are more than buses, in that, they will chauffeur children to after school activities, the dentist, school, and anywhere else that children need to go.

The Kiddie Cab industry must explicitly be separated from publicly owned and operated transportation services for children such as paratransit services, shuttles for specific programs such as the YMCA, and any other transportation services for children that are currently funded and operated by public auspices. The businesses that are now being called Kiddie Cabs are private individuals and groups who recognized a need to provide transportation services to young people in their geographic areas and invested their own time and money into purchasing the equipment and manpower to make it happen.

The specifics of each Kiddie Cab business may differ from one to another, but the basic premise is to provide another option for young people to get to activities, programs, facilities, or services. Implicit in this, is the fact that without such mobility, many children may not be able to become actively involved in school, family, and community, which prevents isolation for a large portion of the population.

➤ **History of the Kiddie Cab Industry**

The Kiddie Cab industry is a relatively new industry that appears to have peaked in the mid 1990's and has now dropped off for various reasons that will be spoken of in upcoming sections of this report. In a January 1997 issue of Business Start-Up Magazine, the Kiddie Cab industry was listed as one of the ten hottest growing industries

in the country (NCTA website). The opportunities seem to be there for people who are in a good market area and have the resources and business acumen to make it work for them.

The kiddie cab trend was started in 1992 by Pamela Henderson, a physical education teacher and mother of three. Stuck in snow and traffic as she drove her daughter home from an after-school program in Troy, Michigan, Mrs. Henderson figured she could be chauffeuring other children as well. She finally quit her teaching position and bought two vans, which resulted in Kids Kab. Similar services soon sprouted including KangaCab in Marlton, New Jersey, Kids Express in O'Fallon, Missouri, and VanGo in Encino, California. The major barriers to such an endeavor are start up and insurance costs, which range from \$20,000 to \$100,000, which could take at least two years to recoup. Also, in many states, such as California, the industry's growth has led to more regulations causing more red tape and costs in beginning such an endeavor. These topics will be addressed in more detail in other sections of this report so will only be mentioned briefly here.

➤ **The Neglect of the Transportation Issues of Women and Children**

Mrs. Henderson's idea to begin a Kiddie Cab business mentioned above was not some far-fetched idea of addressing the transportation needs of herself and others in her neighborhood. It was in response to a very real problem that has only been recently recognized in the world of transportation analysis, research, and planning. This problem continues to worsen as communities throughout the United States develop into low-density subdivisions with so called "big box" stores sprouting up along newly built roads.

Past transportation and land use policy and the construction of interstate highways, beltways, and bypasses has obviously contributed to the suburbanization of jobs and housing. This fact coupled with the increasing numbers of women in the workforce who are, in many instances, still responsible for child care and household management duties, has resulted in women spending many hours in their cars running errands and chauffeuring children. Furthermore, once the interstate highway system was almost complete in the late 1980's, it was clear that the attention of the federal government, state government, and even local jurisdictions were shifted to dealing with system management and congestion. Other issues were either not discussed or not seen as very important.

The Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 then helped to "refocus attention and funding to metropolitan areas, revitalized the consideration of social, economic and environmental considerations through a planning and programming process, expanded the eligible uses of federal transportation funding and called for increased public and local government involvement" (Dittmar, p.2). ISTEA caused a significant increase in funding for research and policy analysis and did open up more opportunities for women's issues to be considered in transportation planning. It did not go far enough in developing a comprehensive way for women to be involved in transportation planning and policy analysis and it surely did not attempt to address these issues in any unique manner.

This issue was discussed by Hank Dittmar in his article entitled "Wooing Soccer Moms and Demonizing Welfare Mothers." His explanation for why ISTEA did not address women's transportation issues adequately was because of four main reasons that

included a capital project emphasis, overemphasis on rush hour work trips, not enough public input from women, and only lip service given to social issues.

The capital project emphasis simply states that "the planning process has not yet adapted to managing the transportation system to promote accessibility for different population groups" (Dittmar, p. 3). Women's issues and especially the issues of children are not readily applied in transportation models. These models usually focus on where, when, and if to build a new roadway or expand or build transit lines.

An overemphasis on rush hour work trips is causing other issues, such as non-work travel, to take a back seat in the metropolitan planning process. This may be because such research is much more complex and most likely would yield inferior results due to such complexities, but barrier to transit use by women, children, the elderly, etc. should be more fully integrated into the planning process.

Dittmar's third reason for the neglect of women's transportation issues in ISTEA's plans is due to the limited involvement of women in the planning process. He claims that "transportation planners are still predominantly male and attendees at public involvement sessions appears to be predominantly male as well" (Dittmar, p. 3).

The Surface Transportation Policy Project's final reason for such neglect states that a "scan of metropolitan plans indicates that many consider social issues through a check-off process, where issues mandated by ISTEA are listed in a matrix in an appendix to the plan and a check mark indicates that the issues were considered" (Dittmar, p. 3). If only lip service is being given to such social issues as women's transportation issues, and other sections of the population not traditionally considered, how can they be addressed now or into the future?

The research and policy analysis concerning the transportation issues of women and children is limited, but some important insight can be gained from what has been gathered. The Surface Transportation Policy Project has extracted data from the Nationwide Personal Transportation Survey in order to pinpoint some of the national trends that are and will continue to occur on the topic of the transportation patterns of women, especially women with children.

"According to the most recent available federal data, women overall spend 64 minutes per day in a car. Single mothers spend 75 minutes a day in the car. Married mothers with school-aged children spend 66 minutes a day driving, which is almost 17 solid days in the car" (High Mileage Moms, p. 1).

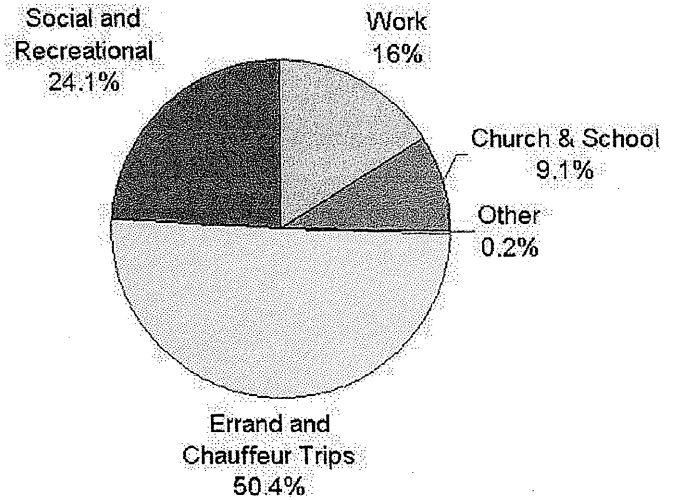
In many places, including suburbs, rural areas, and urban areas alike, children must be chauffeured everywhere, and shops, schools, and home are so spread out women must take numerous car trips just to get everything done. Two types of trips, chauffeur service, especially for children and the elderly, and errand running are making life especially difficult for women. Children have become especially dependent on their parents to chauffeur them around, especially children living in suburban or rural areas. Subdivisions and neighborhoods have few sidewalks and even fewer safe places to bike. "The number of trips children take by foot or bicycle has been declining steadily, from 15.8 percent of all trips in 1977 to 14.1 percent in 1990, and 9.9 percent in 1995" (Surface Transportation Policy Project. Mean Streets: Children at Risk. 1998). This same study estimated that 50 percent of five to nine-year-olds get to school by car, and only 11 percent actually walk. Since 1990 the number of children walking to school has gone down 23 percent, as car trips have continued to rise.

Families are now moving to suburban settings with the aforementioned results because of quality of life choices that directly affect the lives of their children. These families are moving to such locations because of the perception, which is in many cases true, that the schools, daycare facilities, parks, and other services and facilities are of a better quality than in more urban settings. As mentioned, such choices and preferences for a low-density suburban lifestyle have perpetuated the market for such housing, which has resulted in its increased availability and continued growth across the United States. The results of such development patterns and familial choices of where to live and raise children has resulted in a very real concern for the reliance on the automobile for most trips. Women are increasingly bearing the brunt of this reliance, but again, it must be realized that many families who move to the suburbs chose to live this lifestyle in the first place.

What should be further realized is the fact that many parents do not always choose the closest provider of services, programs, facilities, etc. This includes daycare, after school care, doctors, dentists, sports programs, and the list goes on and on. Such services, programs, and facilities are, in many cases, chosen because of reasons such as high quality, proximity to other destinations, referrals, etc. This cross hauling of children, the choice by many parents to live in the suburbs, and development that favors suburban sprawl is causing parents, especially women, to spend ever increasing amounts of time driving. The following charts, provided by the American's Use of Time Project, graphically depict the breakdown of women's trips by purpose in 1995 and the same information is shown for men.

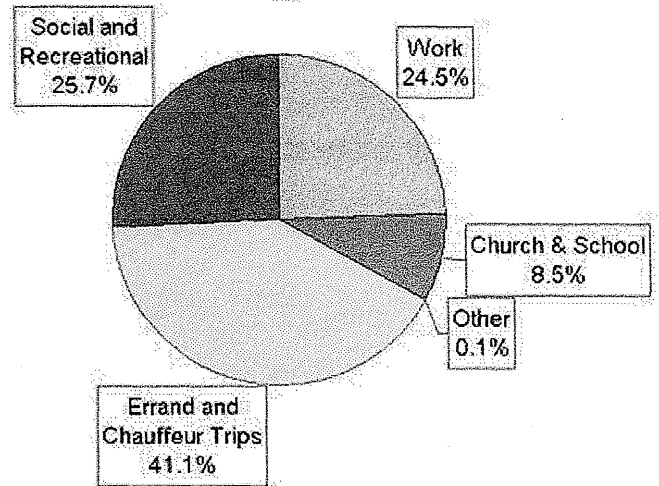
The increased reliance on the automobile for chauffeuring and running errands has meant that personal and family time for women, especially mothers, has been replaced by time in the car. According to the Americans' Use of Time Project, driving for work or errands is a chore, not a pleasure; people put in on a par with things like getting dressed, or working a second job (The Americans' Use of Time Project).

**Women's Trip Making By Purpose
1995**



The neglect of women's and children's transportation issues, as has been discussed, is not being addressed by the public sector at the federal, state, or local level because of all of the reasons already mentioned. Innovative ideas have simply not occurred and children and their respective parents continue to be dependent on the automobile for most

**Men's Trip Making By Purpose
1995**



trips. These are the reasons that Kiddie Cabs entered the business scene all across the country in the early and mid 1990's. Public auspices are not providing the type of transportation services that many parents, especially working parents, need to allow their children and themselves enough mobility. Many individuals and groups witnessed or

experienced such a lack of services and decided to do something about it. The question is whether or not such private endeavors are or could provide such services efficiently and effectively enough to stay financially stable in a world that tends to punish private endeavors of this nature in favor of public provision of such services or no service at all.

➤ **The Trials and Tribulations of Private Transportation Services**

The history of public transportation provision through private means is fraught with a very high rate of failure. A few generations ago, public transit systems, most of which were privately owned, earned enough money from fares to pay for operating and capital costs. Now, with fewer passengers to carry and longer routes to carry them on, the cost of operating public transportation have increased dramatically. According to the Alabama Family Alliance, "Operating costs have increased nationally in real terms by 160 percent since 1960. At the same time, earnings from passenger fares have declined. From 1960 to 1992, the ratio of earnings to operating costs decreased from 1.03 to .37." To keep mass transit from going bankrupt, Congress created the Urban Mass Transportation Administration in 1964. During the mid- to late 1960's, public aid was used to finance the conversion of transit from private to public monopoly. Currently there are no publicly owned mass transportation providers that accumulate enough money from fares to pay for operating and capital costs. According to the American Public Transit Association, public transportation currently relies on taxpayers for 67 cents of every dollar spent, or about \$3 to \$4 billion every year. Some providers have attempted to increase the number of riders by increasing the number of buses and stops, but this is extremely expensive and usually only increases ridership by small amounts.

The realities of public transit and its supporters continually fall well short of intentions. Contemporary urban growth patterns have rendered traditional forms of mass transit meaningless. Transit is needed, but inefficient, highly subsidized public transit systems simply cannot deliver the benefits that have been promised and hoped for.

Kiddie Cabs could be considered a form of mass transit that is now beginning to again be provided by private auspices. The past has shown that provision of such services by private means can be more efficient and sometimes more innovative than publicly operated and funded transportation services. The question that remains is whether or not these services can realistically be provided in a country dominated by the private automobile, low-density sprawled development, and highly subsidized public transportation provision? This question, along with many others, will be explored further as this report progresses.

➤ **The National Child Transportation Association**

The history of the Kiddie Cab industry has witnessed the arrival, success, and eventual debunking of a national association called the National Child Transportation Association, which formed in February 1995 and ended in 1998. It began with two members and at its heyday had approximately 65 member businesses spread over 40 states. Its purpose and mission as an organization began as merely an information provider to any individual or group seeking information about the logistics of starting such a business. Eventually, it provided a myriad of services for its members. These services included the selling and training of a software program that many Kiddie Cab business use to operate called TranSoft, an informational web site that was viewed by approximately 200 people per month, a drug testing program, a monthly newsletter, a

national referral program, a yearly conference of movers and shakers in the industry, the distribution of a national industry survey, among other programs and services. In addition to these member services, the NCTA also lobbied, whenever possible, for appropriate laws and regulations that were favorable to its constituency at the local, state, and national level.

The debunking of the NCTA occurred because of declining membership within the organization caused by a high number of businesses within the industry that were forced to close down in 1997 and 1998. Directly before its closure, Rob Hainsworth, NCTA founder and CEO, felt that the membership dues were high for new people joining the industry and the number of benefits were insufficient to draw in more members. Also, he felt that "the lack of anyone from within the industry to step up and take any kind of meaningful leadership role" never happened as he had hoped.

The NCTA is no longer operating, but its importance to the industry in its three years of existence should not be underestimated. The web site is still up and running for any new start ups and provides some very valuable information and contacts. Also, its National Insurance Program is still available, which provides automobile liability insurance specifically for Kiddie Cab businesses easily and economically. The most important legacy of the NCTA for purposes of this evaluation was its dissemination and completion of a nation wide survey. This survey will be the starting point for the analysis and interviews that make up the basis of this report.

➤ **Important Insight gained from the 1997 NCTA Survey**

The NCTA survey was mailed in January of 1997 to 178 private child transportation businesses nation-wide. This was the first effort within this industry to gather information from such a large number of businesses so it can therefore not be used to conduct year to year comparisons or determine trends within the industry. What it does give is a baseline and description of the industry at the point in time it was administered.

Out of the 178 companies that received the survey 34 replied, which resulted in a 17% response rate. What follows is a summary of some important characteristics of the survey to provide a snapshot of the industry as it appeared in 1997. The survey contained eleven different sections with a total of 72 questions. Important points of each section are contained below with conclusions about what these points may mean for the industry.

Section I - Demographics

- Most of the respondents businesses serve a suburban area (69%), but many responded as serving a combination of suburban, rural, and urban settings.
- The base population served was usually between 50,000 and 100,000 people (44%).
- The circumference of the areas served were for the most part (56%) either 10 to 15 miles or more than 25 miles.
- The average household income, estimated by the respondents, was usually (59%) \$40,000 to \$60,000.
- The furthest distance that service was provided was usually 10 to 15 miles (59%).

Conclusions:

The market for these types of services consists of middle class households in suburban settings. The areas that are served are relatively small in circumference, but contain between 50,000 and 100,000 people. A substantial household income is

necessary for residents to be able to afford such premium services. Lastly, these services may be the only alternative to the private automobile for transporting children in such suburban settings.

Section II - Start up and Company History

- 69% of the respondents began their businesses with only one vehicle.
- 41% of the respondents opened their operations in 1996.
- 38% of the respondents began with only two employees.
- 53% of the respondents took 30 to 60 days from the decision to open their business until the first ride was provided.
- 59% of the businesses who responded said that child transport is their only business.
- Other businesses that the Kiddie Cab companies are or were involved in included, but were not limited to Senior Transportation (34%), Courier Services (13%), School Bus Service (9%), Day Care Services (6%), Handicapped Transportation (6%), and other businesses (54%), which included airport shuttles, charters, medicaid, Head Start, etc.

Conclusions:

Most of these businesses are new operations that began with very little capital, equipment, and manpower and took considerable time from project conception to the first rides that were provided. Furthermore, many of the businesses are limited to only providing Kiddie Cab services, while others have decided to offer other types of transportation services for one reason or another.

Section III - Licensing

- 66% of the respondents were provided with state licenses, while 50% were provided with local licenses.

Conclusions:

The regulation of this industry was somewhat limited in 1997, but mostly came from state and local initiatives. Further information needs to be gathered to come up with reliable conclusions concerning licensing of the industry.

Section IV - Vehicles

- 82% of the respondents had 1 to 4 vehicles within their fleets, while 4 vehicles was the highest category containing 25% of the businesses who sent back the survey.
- 72% of the respondents purchased their initial vehicles, while only 9% leased and 16% used their own personal vehicles at least initially.
- The split between the purchase of new and used vehicles was relatively even with 47% acquiring vehicles that are new and 53% acquiring vehicles that are used.
- Of all the vehicles reported in the survey 46% were the larger vans that hold 12-15 passengers.
- 75% of the vehicles use cell phones, 50% use beepers, and 25% use radio telephones. All of the vehicles were equipped with one of the above communication devices.

Conclusions:

Most of the businesses answering the survey are relatively small and own and operate as private individuals. The vehicles are usually purchased by each business and tend to be both used and new vehicles. Technology is being utilized to allow the dispatching and routing to be reliable and accurate.

Section V - Insurance

- 88% of the businesses answering the survey had automobile insurance, while 56% had general liability and 47% had workers compensation.
- 63% of the businesses had \$1,000,000 or more coverage on their automobile insurance, while 52% had \$500,000 or less. 15% did not respond to this question. 38% had \$1,000,000 or more coverage on general liability while 19% had less. 43% did not respond to this question.

Conclusions:

Insurance coverage varies considerably and appears to have no uniformity across the industry. The insurance policies are fairly substantial in terms of the amount of coverage for most of the businesses, but more information needs to be gathered before reliable conclusions can be drawn.

Section VI - Employees

- Most of the businesses had between 2 and 3 employees (47%).
- The starting salaries for drivers was from \$5 to \$10 per hour. The average was \$6 per hour as was the mean. The largest grouping was 22% reporting \$7 per hour.
- 75% of the businesses employed drivers while only 19% reported that they employed a director, 34% a manager, 3% employed dispatchers, 9% employed secretaries, and 6% employed bookkeepers.

Conclusions:

The businesses are, for the most part, staffed with only a few people. Wages are low for drivers, who are usually the only staff members, which may point to the fact that owners of these businesses are also acting as drivers.

Section VII - Financial Information

Note: More than 41% of the companies that responded began operating in 1996 so financial figures will have more meaning in future surveys. The few insights contained below are skewed by this fact.

- The largest category (31%) of average gross revenue per vehicle was less than \$10,000.
- Many businesses (59%) that responded to the survey were still waiting for a return on their investment, but this may have more to do with the fact that 69% of the businesses are less than two years old.
- The majority of the respondents (88%) used their own capital to finance their businesses.
- Overall it was reported that it would require approximately \$63,000 in the first two years and over \$75,000 over a three year period to start up a Kiddie Cab business.
- The average annual expenses of the businesses responding to the survey were as follows:
 1. **Staffing - \$55,863**
 2. **Gasoline - \$11,637**
 3. **Insurance - \$10,970**
 4. **Vehicle Maintenance - \$5,900**

5. Communications - \$4,364
6. Marketing - \$2,635

- The average cost per ride of the businesses responding to the survey were as follows:

(Note: No business was able to provide an average ride at a cost below \$2-\$3)

1. More than \$7 (25%)
2. \$6-\$7 (19%)
3. \$4-\$5 (16%)
4. \$5-\$6 (13%)
5. \$3-\$4 (6%)
6. \$2-\$3 (3%)

Conclusions:

The Kiddie Cab businesses that responded to the survey were recent start up businesses. This industry is not a get rich quick scheme because a return on investments takes at least two years or probably longer. Staffing was the largest expense by far and the average cost of each ride provided may be comparable to a taxi ride.

Section VIII - Children

- 50% of the businesses provided service to 0-50 children per day while 22% provided service to 51-75 children daily.
- The age range for the children was between 0 and 20 years of age. The average youngest age was 2.9 years and the average of the upper scale was 15.7 years old.
- The majority of the businesses (81%) register all of their children in one way or another.

Conclusions:

There appears to be a gap in service for children over 16 years and under 2 years of age. Most of the businesses register the children they transport for safety and security reasons.

Section IX - Company Policies

- The majority of the businesses (88%) did background checks on the drivers.
- Only 59% of the responding businesses had drug testing policies.

- Only 69% of the respondents indicated that they require their drivers to have driver education programs.
- 81% of the respondents have in service training for their staff and if they did 22% did it annually, 19% monthly, 16% semi-annually, and 3% quarterly.
- The marketing techniques were used as follows:
 1. Word of Mouth (97%)
 2. Flyers (84%)
 3. Newspapers (63%)
 4. Personal Visits (59%)
 5. Magazines (13%)
 6. Radio (13%)
 7. Television (6%)
- 69% of the Kiddie Cab businesses provided discounts for regular clients.
- Only 50% of the businesses provided discounts for frequent riders.
- Only 53% of the businesses had formal contracts with parents.
- 53% of the businesses turn down between 1% to 15% of potential clients, but the reasons were not specified in the survey.
- 59% of the businesses had a waiting list. The average waiting list ranged from 0 to 2000 with the average being 127 and the mean 15.
- The hours of operation for opening time varied with the highest category (57%) being 7 AM and the highest category for closing time (38%) was at 7 PM.
- Wednesday was the busiest day while Friday appears to be the quietest day.
- The busiest hours, according to the respondents, are between 2 and 4 PM.
- 66% of the businesses do not provide service on the weekend.
- 53% of the businesses do not provide service on holidays.
- Most (81%) of the businesses do not provide field trip services.
- The contracts that the businesses have with other agencies are as follows:
 - 1: Private Schools (41%)
 2. Summer Camps (38%)
 3. Daycares/Pre-Schools (31%)
 4. Local School Authority (25%)
 5. Other: including student organizations, government agencies, and medicaid (19%)

6. Parks and Recreation (16%)
7. YMCA/YWCA (9%)
8. Dentists/Doctors (6%)

Conclusions:

Driver selection and training is very uneven across the industry. No standards appear to be in place concerning such issues. Many of the businesses are not flexible in terms of when and where service is provided, which may result in loss of clients in the short and long term. There appears to be a rush hour occurrence of when service is demanded the most, which is between 2 PM and 4 PM. Contracts with other businesses do exist, but could be explored and utilized more fully to counteract the peaks and valleys that occur during busy times and downtimes.

Section X - Safety/Security

- Most (88%) of the businesses responding to the survey used child safety seats and 75% provided them, while 34% used seats provided by clients.
- 72% of the businesses used child identification tags and 53% used driver identification tags.
- 81% of responding businesses provided service door to door while 47% provided service adult to adult.
- Most (88%) of the services used other adults, besides the drivers, as aides or assistants.

Conclusions:

Safety appears to be a priority for most of the businesses, but is lacking in many instances due to one reason or another. This may be the case because the provision of safety equipment is expensive and difficult to provide for all who may expect and/or need it. Only a small proportion of businesses make sure that children arrive in the hands of an adult. Others merely drop children off at destination points and assume they reach an adult quickly and easily.

➤ **Status of the Industry Before 1997**

The Kiddie Cab industry before 1997, using only the NCTA survey described above, appears to have been growing very rapidly all across the country in mostly suburban areas, but some were located in rural and more urban areas alike. A bandwagon affect began to happen during the early 1990's, in that, many entrepreneurs were seeing these types of businesses come to life and with very little capital, know how, or even resources to obtain capital and know how, were able to begin modest businesses. These businesses all had the same objectives, but were dissimilar in how their operations were conducted.

The results of a proliferation of such services across the country has resulted in an industry that appears to be at a "turning point" and moving into another direction. This so called "turning point" and how it relates to Kiddie Cabs in Portland, Oregon is the basis of what follows. Through case studies and interviews, this turning point and how the industry may look in years to come is what will be uncovered throughout the rest of this report.

➤ **The Kiddie Cab Niche and its Competition**

The niche that Kiddie Cabs seem to be successful in attracting are children that reside in suburban and urban settings with two-working parents earning a total income of between \$40,000 and \$60,000 or more annually. According to Rob Hainsworth, former CEO and founder of the National Child Transport Association, Kiddie Cabs "attract business from middle and upper income families in urban and suburban areas who wish to send their children to daycare facilities and schools at times when they themselves or the regular school bus services are unavailable." The addition of the time of day as a

factor in considering the Kiddie Cab niche is important to consider. The successful and long lasting Kiddie Cab businesses have managed to provide specialized transportation for children when and where no other transportation options are available. This idea of time and space is important to consider as competition for Kiddie Cab businesses is discussed below. The competition, as outlined in the Matrix of Competition below, comes from taxi services, households, daycare providers, and informal providers. If Kiddie Cabs are providing services at times when all of these other options are unavailable, while providing services to and from places that are not serviced by the other options, then is there any competition for such services?

Kids Cabs, especially in Oregon, have a slight advantage over other competitors

Competitive Services for Kiddie Cabs					
	Households	Informal Providers	Daycare Providers	Taxi Services	Kiddie Cabs
Other Services	None	Couriers, Emergency Transportation, airport transportation and all other transportation services needed.	Daycare, Summer Camps	None	Couriers, Senior Transportation, School Bus Service, Day Care Services, Handicapped Transport, Airport Shuttles, Charters, Medicaid, Head Start
Drivers	Family Members, Guardians	Friends, Family	Owners, Hired Help	Owners, Hired Help	Owners, Hired Help
Vehicles	All types of automobiles Privately Owned or Leased	All types of automobiles Privately Owned or Leased	Vans of varying sizes owned or leased	Cars, vans, etc. owned or leased	Vans that hold between 12-15 passengers usually owned, but may be leased.
Regulation	General Licensing	General Licensing	General Licensing	Extremely regulated including restricted entry, minimum service requirements, multiple licenses, etc.	No regulation in Oregon, but varies from state to state
Insurance	General Insurance, at least liability	Usually required to have specific limits on passengers, the taxi vehicles, and other vehicles.	Usually required to have specific limits on passengers, the taxi vehicles, and other vehicles.	Usually required to have specific limits on passengers, the taxi vehicles, and other vehicles.	General Insurance, but varies from state to state
Age of Children	All Ages	All Ages	0 to 18 years	All Ages, but usually caters to those over 18 years of age	Usually 0 to 20 years

due to less regulation than other transportation providers who may pose the largest threat. The Kids Cab industry in Oregon is simply not known to exist by many who may otherwise lobby for more regulation of it. It is relatively simple in the state of Oregon to begin such an endeavor because all that is needed is a van, someone to drive it, and liability insurance. It has been almost completely left to parents to decide whether or not they would like to patronize these businesses in Oregon. This is not the case in California where it is extremely regulated, which will be discussed in an upcoming section, but most states are like Oregon, in that, the industry is essentially being left to regulate itself. Other transportation providers such as taxi companies, informal providers, and daycare providers with their own shuttles are all much more closely watched and regulated, which makes it very difficult for such providers to begin operations catered to children and expand services if needed. Taxi companies are probably the most regulated and most cities have placed a moratorium on new start up businesses. To conclude, Kids Cabs, especially in Oregon, have an advantage over its would be competitors simply because such a new industry has yet to be burdened with regulations that squelch new start ups, limit expansion into new areas, and generally make it too difficult to remain financially stable.

Competition for the business of transporting children appears to be a concern for any new or existing Kiddie Cab service, but there are mixed opinions as to how prominent such competition is. Mike Lopeman, former treasurer of the NCTA, feels that competition is growing and is "from cab operations as well as other shuttle services." He feels that such competition is putting pressure on small private Kiddie Cab businesses who do not have the ability to cover large geographic areas without substantially

increasing operating and capital costs. On the other hand, Rob Hainsworth has stated that he does not see much competition except for competition between Kiddie Cab businesses themselves. He goes on to say that if Kiddie Cabs expand into other areas of business as listed below in the Matrix of Competition, then competition may be more of a factor. In his opinion this competition would be for these other services not the specialized transportation services that Kiddie Cabs provide. Furthermore, he does not see "airport transportation or courier services moving into this area." He feels that the most fierce competition of the future may be from school boards who decide to get into the business. This has not occurred yet, but he feels that it may some time in the near future.

After speaking with a few daycare providers who have their own shuttles for the children involved in their programs and services, it was quite clear that they do not feel that private Kids Cab services are threatened by their presence. This is simply because most daycare providers who own such shuttles do not usually offer transportation to the public at large. Therefore, a large market exists for Kids Cab services in many areas because many trips are not provided by any other means besides the private automobile. These trips include such things as trips to the doctor, rides to little league practice, trips to dance recitals, etc. It is true that taxi services in most areas could potentially be used as transportation for children, but parents are usually hesitant in calling a taxi for their children because it is perceived as not being as safe and secure as a service specifically for children. Informal providers are usually very specific as to where and when transportation is provided, which again does not allow the flexibility of destinations that Kids Cabs afford.

In conclusion, the particular niche that Kiddie Cabs cater to mentioned above that combines both spatial characteristics and time, limits the competition for such services. If a Kids Cab business is able to find a location and service area large enough and provide specialized transportation only for children when other alternatives are simply not available, then the business will prosper and not face much competition unless another Kids Cab service is in the area. Recognizing and marketing such services to such a specific niche of the population is important if a business is to steer clear of competition from taxi services and other transportation services that includes the private automobile.

➤ **Kiddie Cabs in the Portland Metropolitan Area**

The indicators of whether or not a Kiddie Cab business will do well in a specific location, as interpreted from the NCTA survey mentioned above, include such things as the number of children under the age of 18, the income of the residents in a particular service area, the lack of other transportation alternatives, and land use patterns. These will all be discussed below when considering two very different Kiddie Cab businesses in the Portland Metropolitan Region. One of these businesses is doing quite well and has consistently increased its service area over the last several years, while the other has not been able to capture enough customers in a relatively small geographic area to be able to remain financially stable. The latter business will be shutting down such services over the next year. Why has one been able to prosper while the other continues to struggle? The indicators mentioned above that were taken from the NCTA survey will be used below in an attempt to solve this puzzle.

"Kids on the Go"

Kids on the Go is a private taxi service located on Northeast 33rd Avenue in Portland, Oregon. Originally a preschool with its own shuttle service for its students, it decided in 1992 to offer its shuttle services to other children within a eight mile radius of the school.

Youth of all ages enrolled in school are eligible for this shuttle service, but close monitoring of the mixes of ages is routinely done in order to ensure safety and security for very young children. Older teenagers are not usually included in the same trips with very young preschool aged children. A \$50 enrollment fee is required for membership and each mile thereafter is \$1.50 with a \$6 minimum.

This service is not like a traditional taxi service, in that, reservations beforehand are needed, in order for the shuttle to have a fixed route from day to day or week to week. A member cannot call up at anytime to request the shuttle service. In this manner it acts as a youth carpool of sorts and the shuttle service is more cost effective and structured. Also, due to financial reasons, Kids on the Go does not currently provide wheel chair access, but intends to do so in the near future.

To ensure that each trip is an enjoyable one, audio and video equipment has been installed in the vans that allow passengers to watch movies, listen to music, or play with toys that are provided. This service has and continues to provide trips of all sorts that include trips to the dentist, soccer practice, the babysitter, school, and the list goes on and on.

The eight mile radius that Kids on the Go provides service to includes portions of both Northeast and Southeast Portland. The demographic profile contained here is for the

City of Portland as a whole as well as the seven mile radius that Kids on the Go currently provides service to. This profile is intended to provide an idea of the population residing in Portland in order to make some comparisons to the City of Beaverton where another Kiddie Cab business is currently operating called VanGo Shuttle Service, which will be discussed next. This overall picture does give some striking insight as to how a Kiddie Cab service may fair if located anywhere in the City of Portland and where Kids on the Go is now located.

The City of Portland is in Multnomah County and is the largest city in Oregon. Its demographics, shown in Table I below, reveal that from 1980 to 1990 the age group that would include zero years to nineteen years of age increased, but only very slightly. The target market for Kiddie Cabs, as the NCTA survey mentioned above attests to, is

Table 1					
Portland, Oregon					
Community Age Groups					
Age Groups	1970	1980	% change 1970-80	1990	% change 1980-90
under 5 years	29,779	23,883	-20%	30,314	27%
5-19 years	94,079	68,259	-27%	76,792	13%
20-44 years	114,472	150,431	31%	193,287	28%
45-64 years	90,607	67,881	-25%	73,269	8%
65+ years	56,682	55,929	-1%	63,657	14%
Median Age	25 years	28 years		31 years	

Source: U.S. Census 1970, 1980, 1990 (Demographic Data)

zero to twenty years of age with the average low being approximately 3 years and the average high being about 16 years of age. Such a small growth of this age group in Portland may have continued throughout the 1990's, but an accurate picture of this will not be available until the results of the 2000 Census are released. If this trend did continue, it is quite clear that a Kiddie Cab business may not have a significantly growing

market. A small market overall would then require that a business here would need to expand service over a large geographic area in order to capture enough of a clientele. This is prohibitively expensive and is exactly what Kids on the Go is now experiencing and has experienced since beginning operations in 1992.

The next consideration in discussing Portland's demographics is income of its

Table 2					
Portland, Oregon					
Income					
(In Dollars)	Community 1990	State 1990	County 1994	State 1994	% of state
Median Household Income	25,592	27,250	39,100	37,200	105%
Per Capita Income	14,716	13,418	23,802	20,741	115%

Source: U.S. Census 1990 (Economic Data), Oregon Economic Development Department (Projections)

residents. As can be seen in Table 2 above, the median household income was \$25,592 in 1990. This was well below the household income of \$40,000 to \$60,000 recognized by the NCTA survey as necessary for households to be able to afford Kiddie Cabs. Again, 1990 data is recognized to be ten years old, but it can be assumed that household income has not increased by \$15,000 to \$20,000 in ten years, which is what would be needed to reach the range recognized as needed to support these types of services.

Given the above conditions of Portland that include its very modest growth of children between the ages of zero to nineteen years of age and its below average household incomes compared to the state as a whole, it is quite obvious that a Kiddie Cab business would not prosper in the city as a whole.

Now that a portrait of the City of Portland as a whole has been examined, it is necessary to specifically look at the area that Kids on the Go currently services. The service area includes an eight mile radius in all directions from its home base at 3127 NE

33rd Avenue in Portland. This encompasses much of Northeast Portland as well as sections of Southeast Portland and totals twenty-four different Census Tracts with a combined population of 73,287 people and 30,257 households according to the 1990 U.S. Census.

The twenty-four different tracts contained in this area can vary tremendously. The most populated tract contains 6,217 people and 2,105 households, while the least populated contains 946 people and 297 households. The average number of people within these twenty-four tracts is 3,054 people and the average number of households within each tract is 1,261.

Differences in the percentage of residents within each tract that are below the age of eighteen varies tremendously also. The smallest number of residents within this age range are contained in Census Tract 23.02 where 11% (109 persons) of the 970 residents are under the age of 18. The highest percentage of residents under the age of 18 is in Tract 33.02 where 35% (870 persons) of the 2,480 residents are under the age of 18. The average percentage of residents under the age of 18 of all twenty four tracts is 21% (15,150 persons) of the 73,287 people who live in these Census Tracts. These facts reveal that Kids on the Go have particular Census Tracts within their service area that contain many potential customers, while other Tracts simply do not contain very many children that would need such services.

Another indicator of success for Kiddie Cab services is the income of the residents within an area that is served. Kids on the Go's service area has very large differences between Census Tracts with respect to household income. The lowest median household income of the twenty four tracts served is \$9,875, which is Census Tract

23.01, while the highest median income of all of the tracts is \$42,792, which is Census Tract 19. The average median household income of the twenty four tracts is \$23,336. The success of a Kiddie Cab business appears to require household incomes of between \$40,000 and \$60,000 as inferred from the NCTA survey mentioned above. Only a small portion of Kids on Go's service area contains households that earn such incomes.

"VanGo Shuttle Service"

VanGo Shuttle Service is another Kiddie Cab business located in Beaverton, Oregon. This business serves a much larger geographic area than Kids on the Go, which not only includes Beaverton, but also Aloha, Tigard, and Tualatin. Some of VanGo's clients' most popular destinations include trips to school, sports activities, lessons, the doctor, daycare, grandma's house, and summer camps. Operating Monday through Saturday with no service on Sundays or holidays, VanGo is fully insured and licensed. Drivers have free and clear driving records, which are checked before they are hired and are also CPR and first aid certified. The environment is always smoke free and portable phones are used in each van for last minute changes should they be needed to each day's preplanned route. Car seats are provided for children under forty pounds and each van is outfitted with toys and games for children of all ages.

VanGo has been tremendously more successful than Kids on the Go and appears to be located in an area that is much more receptive to such services. Beaverton, Tigard, and Aloha are areas that are distinctly suburban and appear to contain the types of people that Kiddie Cabs look very attractive to. Lack of transportation, besides the private automobile, makes it necessary for parents to chauffeur their children almost everywhere in all of these cities. Also, the development patterns of such suburban areas have

separated land uses to the point of also requiring long commutes for children to reach school, the doctor, dentist, baseball practice, etc. What follows is a demographic profile of these areas in order to get more specific as to how they are well suited for Kiddie Cabs.

Table 3					
Beaverton, Oregon					
Community Age Groups					
Age Groups	1970	1980	% change 1970-80	1990	% change 1980-90
under 5 years	1,914	2,288	84%	4,229	54%
5-19 years	5,104	6,997	73%	10,290	68%
20-44 years	7,519	14,439	52%	25,515	57%
45-64 years	2,984	4,830	62%	8,413	57%
65+ years	1,056	2,028	52%	4,863	42%
Median Age	25 years	28 years		31 years	

Source: U.S. Census 1970, 1980, 1990 (Demographic Data)

The demographics of Tigard, Aloha, and Tualatin are all very similar to Beaverton, which will be used here to provide a demographic profile of the area served by VanGo Shuttle Services. Beaverton is also where the majority of VanGo's customers reside so it will be used for this analysis in order to simplify the numbers as compared to Kids on the Go discussed above. As can be seen from Table 3 above, children between the ages of five and nineteen years have consistently grown the most out of any other age group from 1970 to 1990. It is quite clear that a market is available in Beaverton for children's transportation services.

Table 4					
Beaverton, Oregon					
Income					
(In Dollars)	Community 1990	State 1990	County 1994	State 1994	% of state
Median Household Income	33,951	27,250	42,300	37,200	114%
Per Capita Income	17,200	13,418	23,054	20,471	113%

Source: U.S. Census 1990 (Economic Data), Oregon Economic Development Department (Projections)

The economics and employment characteristics of Beaverton are also very conducive to Kiddie Cab services assuming that the 1997 NCTA survey is correct about the appropriate market. The median household income in Beaverton in 1990 was \$33,951, which was \$6,701 above the median household income for the state of Oregon as a whole, as can be seen from Table 4 above. Assuming that the target market for Kids Cab services are those who earn between \$40,000 to \$60,000 annually, Beaverton has many households with incomes who can afford such services.

➤ **A Comparison of Kids on the Go and VanGo Shuttle Services**

The indicators already mentioned of whether or not a Kiddie Cab business will do well in a specific location include such things as the number of children under the age of 18, the income of the residents in a particular service area, the lack of other transportation alternatives, and land use patterns.

Kids on the Go does not fair well in any of the indicators mentioned. Its small service area of eight miles does not contain a large population of residents under the age of 18 and this population does not appear to be growing to any significant degree. The median household income of residents within this area is far below the \$40,000 to \$60,000 that is needed to enable residents with children to afford such services. Public transportation is available in this area, which is competition for such services. Lastly, the land use patterns are urban in character leading to more opportunities for children to ride bicycles, walk, etc. Furthermore, these same land use patterns give parents and guardians of children more opportunities to link trips together when travelling for various purposes. For example, a parent or guardian has more opportunities in higher density, urban, mixed

use areas to chauffeur children by private automobile, while simultaneously fulfilling other transportation objectives and running errands that may not be related to the children. All of these ideas result in more competition for high priced Kids Cabs that are not as flexible as the private automobile.

Beaverton as well as Tigard, Aloha, and Tualatin could potentially be very supportive of a Kiddie Cab business located there. This is again assuming that our assumptions about what is the appropriate and feasible area for such services is correct. The area that VanGo Shuttle serves has very little transportation available other than the private automobile, its suburban in its land use characteristics, contains many children, has households that can afford such premium services, and has a growing high technology industry that requires workers to work long hours leading families to perceive time spent travelling as a significant opportunity cost. It appears that if Kids Cab services cannot prosper in Beaverton they will not prosper anywhere, again assuming that our assumptions are correct.

➤ **Analysis/Conclusions through Interviews**

Areas and People "Best Suited" for Such Services

This report relies on a number of interviews that were conducted with several people within or knowledgeable about the industry in order to get at the "best suited" places and people for this type of service provision. Furthermore, an attempt was made to recognize and describe ideas these interviewees had concerning changes that could be made to such services in order to be more applicable to urban, suburban, and rural settings as well as low, middle, and upper class households. What was striking is the fact that everyone interviewed thought that these types of services are not applicable to more

than one setting, which reinforced the assumptions already mentioned about where these services are and should be provided.

An interview with Tammy Kennedy, owner and operator of Kids on the Go, revealed some very important points to consider in providing such services to children in an urban setting such as Southeast and Northeast Portland where she believes it is difficult to provide such services efficiently and effectively. She iterated, as was seen in the 1997 NCTA survey, that these services are ideally suited for suburban settings. She believes that it is "difficult to offer a children's shuttle service and be all things to all people. The territories are too big and there is not enough business in one small area. It is difficult to expand and add drivers unless all vans are full and moving." In other words, expansion beyond the eight mile radius that they currently operate is necessary to capture the needed amount of children to keep the vans full, but this expansion comes with very high operating and capital costs including vans, drivers, gasoline, etc.

The insight gained from the 1997 NCTA Survey described above reveals that Kiddie Cab businesses are most suitable and profitable in suburban areas that contain households of moderate incomes between \$40,000 to \$60,000 dollars. Whether or not the 38 respondent businesses to this survey in 1997 were or are representative of the entire industry cannot be determined until another nationwide survey is conducted over the next few years. This would allow comparisons and trends to be recognized that could lead to more concrete conclusions about the industry as a whole.

The Kiddie Cab Market's Immaturity and Non-Emergence

The Kiddie Cab market, as explained above, consists of children between the ages of zero and twenty years who live in a suburban or urban setting and whose parents earn between

\$40,000 and \$60,000 annually. This market is obviously growing and expanding in sheer numbers, but the number of parents who are willing and able to patronize Kiddie Cab services has increased only slightly. The market overall has not matured and has not reached its potential across the country.

The reasons for the slow emergence of a significant market for Kiddie Cabs has resulted due to a number of interconnected and multifaceted reasons. It could be said that the expanding system of highways across the United States, coupled with households who are increasingly buying second automobiles has not made seeking other forms of transportation a priority for many. Although this is true, one can also say that carpooling (horizontal integration) between and among parents has not allowed the Kiddie Cab market to expand. Furthermore, it has been shown that there are an ever increasing number of schools, sports programs, day care facilities, etc. (vertical integration) who are providing their own transportation services as part of the fees for patronizing such services and facilities.

All of the above, and many other reasons not mentioned, need to be taken into account when considering why the Kiddie Cab market has not reached maturity. For one reason or another, this market is growing very slowly and will not grow fast enough in most areas across the country for these businesses to expand and grow beyond where they currently are. In fact, many more Kiddie Cab services now operating will give way to other forms of transportation services as the vertical integration and horizontal integration of such services mentioned above continues to grow. This will continue simply because schools, day care facilities, sports programs, and other after school programs and activities are increasingly becoming aware of the transportation needs of their clientele.

This is not to say that Kiddie Cabs in many areas do not have enough of a clientele to remain in business. Many areas are ripe for such service provision and could be quite successful. What is important for such businesses is to always remember to provide service that goes when and where the above mentioned vertical and horizontal integration does not. For instance, Kiddie Cabs could market their services to parents who would like transportation for their children in the middle of a weekday to the dentist or doctor. Although this is only one example, Kiddie Cab businesses have an available clientele in many cases, but do not market their services in order to attract the clientele most inclined to patronize such services. Many of these businesses are not even known to exist by many households with children who reside in a given Kiddie Cab's service area. If such services are not even known to many where it exists, how can the limited market mentioned be tapped to any significant degree?

Kiddie Cabs and the Potential for Public/Private Partnerships

At the writing of this report it was obvious that the Kiddie Cab industry was most often operating with its own clientele and had no ties or interconnections with other transportation services whether they be public or private. These interconnections, in most cases, were either ignored or not sought due to a number of reasons.

Integrating public and private transportation services has been discussed in many spheres within the transportation planning field, but no one has come to terms with how to go about doing so. At first glance it appears that integrating public transportation services such as buses, light rail, trolleys, subways, etc. with Kiddie Cab services could result in an integrated and multi-modal network. This network could be much more efficient and serve many more people and larger geographic areas if it were made

available in most jurisdictions across the country. A hypothetical situation like this views such cooperation as an opportunity to pool public and private resources together to allow children and their respective parents more mobility. Unfortunately, an analysis of such an endeavor is not possible because there are no examples of such cooperation with Kiddie Cab services.

After speaking with folks within the industry, it became very apparent that most would not support such endeavors even though it could give their business more security and a larger client base. This is explained simply by the fear of regulatory powers that could make their businesses unprofitable and difficult to establish and operate.

The Regulation of the Kiddie Cab Industry

Regulation of the Kiddie Cab industry is very different and uneven from state to state. Two ends of the spectrum of regulation could be California, where it is very difficult and time consuming to obtain the rights to own and operate such a business, and Oregon, where there is no regulation of the industry to speak of.

California has established itself, within the Kiddie Cab business community, as possibly the most regulated state. This regulation is under the auspices of the California Public Utilities Commission's Rail and Carrier Safety Division. To begin the process of obtaining a license in California one must pay a filing fee to obtain the authority to operate a Certified Charter-Party Carrier of Passengers. After this authority is obtained, a detailed application form must be completed. Various attachments to this application are then required. If it is a partnership, a partnership agreement must be attached. If it is a corporation, the Articles of Incorporation and/or certificate of Qualification/Status must be filed. Other forms include a profit and loss statement, workers' compensation form,

equipment statement of applicant form, a "livery" license plate application form, a driver statement of applicant form, a vehicle inspection fee statement form, a highway safety requirements form, a carrier profile form, and a controlled substance and alcohol certification requirement form. If this is not enough, all applicants must have their insurance company file a Public Liability and Property Damage insurance certificate and if hiring employees, the insurance company must file a Workers' Compensation insurance certificate with the Public Utilities Commission. Tammy Kennedy, of Kids on the Go in Portland, has stated that "it is almost an act of god to obtain a license to transport children in California." This laundry list of required forms and certificates gives testimony to this statement.

The case in Oregon is much different and is easily summarized by the fact that no regulation of the industry exists at all. Each business only has to obtain insurance and registration of the vehicles in order to begin business. Other issues such as workers' compensation, drug and alcohol testing, training, etc. are all left up to each business to decide upon the appropriate plan of action.

No national regulations currently exist for the Kid Cab industry, but there is a budding effort to establish national guidelines. The NCTA, before it was disbanded, was in the process of drawing up recommendations for its members to maximize safety regardless of any one state's rulings. These recommendations would have had to be somewhat flexible though due to the differences in regulation from state to state. An example could come from California, in that, the maximum number of passengers allowed in California is eleven. If a company has a vehicle equipped for twelve people,

one seat must be taken out. Therefore, any ruling on passenger vehicles with twelve or more passengers would not apply to any California members.

California continues to be in turmoil over how much to regulate the industry. While most states have not figured it out yet, "California is taking a positive role from a child-safety point of view" according to Rob Hainsworth, former Director of the NCTA. It will be a number of years before everyone is satisfied, but child safety concerns and the maintenance of vehicles are two issues that have been agreed upon to this point.

There are those who feel that regulation of this industry should be strictly left as a business decision between parents and companies providing the services. For many parents the major issue is not having transportation at all rather than how safe the transportation is. Private automobiles may not be as safe as buses, but no one would say that parents should not be allowed to transport their children by private automobile.

The California legislation, in some ways, does increase costs for kid cab operators. For instance, because of the limit on passengers, companies must acquire more vehicles, hire more drivers, and pay more insurance if demand increases. Furthermore, such regulation makes the time from idea conception to actually providing service to increase dramatically. For example, in 1995 Mark Friedman, owner of Kids in Motion in San Diego, applied for his CPUC license in February. "He describes the application process as free form, saying they sent him a sample application and told him to modify it as necessary" (Sakurai, p. 3). Friedman was required to answer questions concerning finances, possible rate structures, and also had to explain why this service was needed in his area. After all of this, he waited nine months before he received a two-year interim permit that he would have to apply for again after it expired.

Such differences in regulation within the industry are seen in almost every state where these businesses are offered. Ron Kinney, California's Pupil transportation Director, feels that "regardless of what maintenance and driver screening regulations are put into place, it is inevitable that a tragedy such as a kidnapping or a fatality will occur within the kid cab industry" (Sakurai, p. 4). This can be countered with the fact that nothing of this nature is known of within the industry, which points to the possibility that self regulation between clients and owners may indeed be enough to ensure the safety and security of children.

A Transportation Alternative for Children and their Parents

Kiddie Cabs and other innovative ideas that provide transportation services to children, which inevitably gives parents more mobility, are unanimously understood to be very beneficial to any given area. Kiddie Cabs generally are useful to fulfill the essential purpose of providing transportation to children where other means, besides the private automobile may not be available.

An important consideration of Kiddie Cabs, that has been recognized by Ms. Kennedy of Kids on the Go, is the loosening of family cohesion that may occur due to parents that are increasingly not involved in the lives of their children. Kiddie Cabs provide another opportunity for parents to pass on child rearing responsibilities to others. Although this topic is not more fully explored in this research, it is an important consideration of the social impacts of such services and warrants future research as this industry proceeds over the next several years.

The "New Look" of Kiddie Cabs in the 21st Century

The status of the Kiddie Cab industry has taken a very serious downturn and is taking on a new look in the twenty-first century. The peak of the industry appears to have been in 1995 or 1996. Since then many businesses have gone out of business or have realized that limiting their services to child transportation is not economically feasible.

Further investigation into Kiddie Cabs and how they are integrated with other transportation services reveals that the businesses that have persevered over the last decade have been more open and willing to offer other transportation services such as elderly transportation, courier services, and others mentioned in the 1997 NCTA survey. This offering of other services has allowed these businesses to compensate for downtimes when the transportation of children may not be in as much of a demand. Furthermore, in order for these businesses to take advantage of a specific geographic area that is usually between ten and fifteen miles or less, it is pertinent to have the vehicles as full as possible throughout the day. Tammy Kennedy, of Kids on the Go in Portland, has stated that "the territories are too big and there is not enough business in one small area. It is difficult to expand and add drivers unless all vans are full and moving." Merely providing transportation services for children has worked for some of the businesses in this industry, but most that have survived are taking advantage of other services in order to capture as much business from a small geographic area as possible.

Mike Lopeman, the former treasurer of the National Child Transport Association (NCTA), says that many individuals during the mid nineties thought that this was "the new growth business and that lack of capital and proper business planning" resulted in

the demise of these entrepreneurs not long after beginning their operations. Mr. Lopeman goes on to say that "the business is still there, but it is taking on a different look and instead of the mom and pop type of operations, you now have a "real" business that will provide various types of transportation including the transportation of children." These "real" business, as Mr. Lopeman has mentioned, are alluded to in the 1997 NCTA survey mentioned above and include child care and courier services, among others.

Ms. Kennedy of Kids on the Go in Portland has given the same perspective on the decline of the industry, but has witnessed it as the owner and operator of a struggling Kiddie Cab business. She feels that children's transportation should be exclusive to children and that watering it down with other services takes away from the personalized aspects that it holds and cherishes. This idea of big verses small within the industry is important to consider. Parents who patronize such businesses prefer a service that is as close to the transportation that they themselves or a friend could provide to their children. This can only be provided by Kiddie Cab Services that are small and on a first name basis with both the parents and the children. Parents will continue to use such a service after the first trip if they feel that they are leaving their children in the hands of those who are going to give their children continuous attention that is specific to the needs of each child. Such personalized service can be provided much easier by Kiddie Cab businesses that are small and provide only children's transportation.

On the other hand, Ms. Kennedy does recognize that it is almost impossible to only provide these types of services to children. She intends on getting out of the business in the near future to concentrate on only providing transportation to their already existing before and after school programs and summer camps. Providing children's

transportation services to the general public has not been very profitable for Kids on the Go, which is what has happened to many other businesses like this over the last five or six years.

➤ **The Need for Continued Research**

The final analysis and conclusions mentioned are based on interviews, case studies, and a very limited literature search about this industry that has already been discussed. Due to the turbulent and changing nature of this industry over the last five years it became apparent that many issues have restricted the research contained here, which can shed light on some important issues within the private child transportation industry. These issues include confidentiality, business failures, competition between businesses, lack of uniformity between each business and between each state, and the lack of a clear definition of what Kiddie Cabs actually are and who they are supposed to provide services to.

Confidentiality is an issue that has limited research in this field for the life of its existence and had a tremendous impact on the research contained here. These private endeavors were very reluctant to divulge information to outside parties due to two areas of concern for confidentiality. The first is confidentiality between clients and management. Simply stated, when discussing the transportation patterns of children, parents are very clear about confidentiality. When patronizing one of these services, parents are very sensitive to the idea that destinations of their children are not divulged to any outside parties and are not recorded within the organization either. The two Kiddie Cab businesses that were approached in Portland, Oregon for this research reiterated this fact many times during interviews that were conducted. This squelched any opportunities

to perform interviews or surveys with clients of these businesses because management would not allow clients to be recognized in any way. Such information could be a topic of further research if these roadblocks are able to be overcome in the future.

The other form of confidentiality is the reluctance of Kiddie Cab businesses to provide information to outside parties that may divulge practices or policies that could help rival businesses or bolster ideas in those who may be considering such businesses. This second type of confidentiality may be lessened in the near future due to a lessening of competition within the industry, but this remains to be seen.

Business failures within this industry have resulted in a lack of available businesses for interviews nationwide. Not only has the NCTA mentioned above gone out of business, but also many Kiddie Cab businesses themselves have failed. Mike Lopeman, former treasurer of the NCTA, said that "these businesses seem to be a thing of the past. The insurance accounts we handle continue to go out of business. Much of this business is picked up by cabs or larger shuttle services." Kiddie Cabs do exist in almost every state, but they increasingly are going out of business as time goes on. This has resulted in the turning point of the industry mentioned above.

The lack of uniformity between each business within the Kiddie Cab industry in terms of regulation, clientele served, operational characteristics, etc. has infused difficulties in the research contained here because of an inability to ask questions and make conclusions about answers to questions over the whole of the industry. Without uniformity, answers to questions are very disjointed and conclusions cannot be formed. As time proceeds and individual entities become more aware of this industry at the local, regional, statewide, and even national level, uniformity may slowly evolve.

The final problem that future research may be confronted with is the lack of understanding in the industry of exactly who is or should be the clientele and where and to what extent these services should be provided. The changing look of these businesses and their need to provide more than just child transportation services has resulted in them becoming much more than Kiddie Cabs. Perhaps these private businesses will take on such a new look as to warrant a new name to be attached to them that is more all encompassing of the myriad of services provided. Further research over the next several years with such changes occurring so rapidly may see the eventual ending of the Kiddie Cab industry. The evolution of an industry that provides transportation services through private means to the population at large for an every increasing number of reasons and destinations may be the result. Future research should seek to uncover such an evolution.

-Resources-

Written Material

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Interviews

- Rob Hainsworth - Former CEO and Founder of the National Child Transport Association (NCTA).
- Tammy Kennedy - Owner/Operator of Kids on the Go in Portland, Oregon.
- Lee Larson - President of Oregon School Transportation Association
- Mike Lopeman - Former Treasurer of the National Child Transport Association (NCTA), Currently a partner of Summit Global Partners who provide insurance services to about 25 Kiddie Cab businesses.
- Denine Mishoe - Owner/Operator of VanGo Shuttle Service in Beaverton, Oregon.
- Owner/Operator - Morning Star Childcare Inc.
- A Supervisor at a YMCA Childcare Unit in Portland, OR
- Unidentified respondent - Children's Club Pick Up Service, Portland, OR