

# Holding On Until Help Comes

## Child Care's Fight to Survive: A Survey of Child Care Providers

July 13, 2020

Our nation's children, families, early childhood educators, and businesses long have been denied the level of public investment necessary to ensure a thriving, high-quality child care system. Now, the lack of sufficient public investment in the face of the COVID-19 pandemic has forced families, educators, and child care programs into a series of impossible choices between health, safety, quality, and financial solvency.

In telling their stories, child care providers have made it clear that they are doing everything they can to

hold their programs together: scrimping, spending down savings, and sacrificing their own income. But the financial cliff is looming, and a new survey from the National Association for the Education of Young Children (NAEYC) of more than 5,000 child care providers from all 50 states, Washington DC and Puerto Rico, shows that if help doesn't come—and soon—in order to save child care, there will be little left of child care to save. The US economy will suffer the consequences as families returning to work can't find quality, reliable care for their children.

Among the key findings:

- 2/5** Approximately two out of five respondents—and half of those who are minority-owned businesses—are certain that they will close permanently without additional public assistance.
- 18%** Nationally, **18%** of child care centers and **9%** of family child care homes remain closed.
- 86%** Of those who are open, **86%** of respondents are serving fewer children now than they were prior to the pandemic. On average, enrollment is down by **67%**.
- 70%** At the same time, upwards of **70%** of child care centers are incurring substantial, additional costs for staff (**72%**), cleaning supplies (**92%**), and personal protective equipment (**81%**).
- 1/4** One in four early childhood educators reported that they have applied for or received unemployment benefits, while a full **73%** of programs indicated that they have or will engage in layoffs, furloughs, and/or pay cuts. For minority-owned businesses, the situation is worse; only **12%** have not resorted to these measures in order to survive.

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## Between a Rock and a Hard Place

The findings of this survey are consistent with [prior surveys](#) indicating that approximately half of child care programs have been closed at some point during the pandemic. These closures led programs and providers to seek relief so they could continue to exist as families returned to work over time. Yet the Department of Labor reported that more than **325,000** child care workers have lost their own Jobs since February; **55%** of survey respondents who serve as directors reported that their programs had staff who had filed for full or partial unemployment. Another **1 in 5** reported that staff members had found new jobs, adding to a turnover rate that creates inconsistency, undermines quality, and undercuts the relationship development that is core to children's success and well-being. As uncertainty continues to rage, respondents indicated that **18%** of child care centers and **9%** of family child care homes remain closed, while those who are open are experiencing dramatically reduced enrollments that amplifies their

economic hardship. Some programs, rather than facing limited enrollment now, indicated an intent to reopen by the end of the summer, but permanent closures have begun as the relief that programs have received so far begins to run out.

“As of June 22, my child care center became another casualty of COVID-19. Our closure leaves children without care and education, families with nowhere to go, and me as an unemployed, educated mother and early childhood administrator who has invested 30 years in the most essential part of our economy.” — Jamie Madigan, Indiana

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## Seeking Supports to Survive

As [prior surveys](#) also have demonstrated, the Paycheck Protection Program (PPP) has bought time for programs that received funding to pay staff and cover fixed costs—but it has not benefited all programs equally. **72%** of respondents from large child care centers said their programs had received PPP funds compared to **29%** of small child care centers and **17%** of family child care homes.<sup>1</sup> **50%** of those from minority-owned businesses received the PPP. Only **14%** of programs responding to the survey received an Economic Injury Disaster Loan (EIDL) and **11%** report having had access to rent or mortgage payment deferrals.

To remain viable, nearly a third of programs responding have relied on parents continuing to pay tuition, and a third have received increased payments through the subsidy system (that percentage rises to **45%** of minority-owned businesses). **21%** of programs report receiving personal protective equipment and **16%** report receiving funding to provide emergency child care to children of essential workers, or help to pay for it. In addition, **8%** report receiving bonus payments for staff compensation. Many of these supports likely stemmed from the CARES Act, which provided \$3.5 billion to states through the Child Care and

“We received funds from the Paycheck Protection Program, and supports for our families who receive child care assistance funds. But they have almost run out, and once they're gone, so am I.”  
— Child care provider, Mississippi

Development Block Grant, and which has helped keep programs afloat. Yet without additional and substantial support to sustain them over time, programs will begin to sink because reopening—particularly in the face of rising COVID cases—will not solve the challenges they face.

While 86% of respondents said they sometimes or often hear from families who want child care to be open so they can go back to work, **72%** of respondents simultaneously said they sometimes or often hear from families that they aren't comfortable sending their children back to child care. Though these situations appear to pose opposing challenges, they lead to the same solution: federal support that stabilizes child care so that programs can be open and stay open safely over time.

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1. In this analysis, small child care centers are defined as those serving 50 children or fewer, pre-pandemic, and large child care centers are defined as those serving more than 50 children.

## More Closures Are Coming

The current reality is that **86%** of respondents are serving fewer children now than they were prior to the pandemic. On average, enrollment is down by **67%**, with the average number of children served decreasing from 105 to 48 for child care centers and 12 to 7 for family child care homes.

**63% of programs across all settings expect to be operating at or below 80% of enrollment past the end of this summer. If they are correct, and if they don't receive additional public support to close the gap, here's what our nation can expect to happen:**

"I'm taking it one week at a time, but we don't have enough students to pay the teachers, and teachers can't work without enough students, and parents keep saying they need us and please stay open, but they don't know when they will come back. We have so much expertise and we work so hard but we can't do this without assurance and support." — Child care provider, Texas

### Program Closures

BY THE END OF:



Only 18% of child care programs expect that they will survive longer than a year.

## Enrollment is Down but Costs are Up

While programs' revenues decrease, their expenses are increasing. **91%** of respondents indicate they are incurring additional costs for cleaning supplies; **76%** say the same for personal protective equipment and **23%** say they are spending funds for necessary facility changes. **72%** of centers and **15%** of family child care homes also say they are spending more money on increasing staff costs that allow them to maintain small and consistent groups of children. All told, large child care centers report that they are spending, on average, \$3,136 additional dollars

per month on these increased expenses; small child care centers report \$868 per month; and family child care homes report \$500 per month. Given that they were operating on razor-thin margins even before the pandemic, child care programs do not have any cushion in their budgets to absorb these costs. Operating in the red to meet these needs, as they are doing now, is unsustainable, particularly as their programs struggle with the ongoing loss of income.

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## Stabilize Child Care to Save Child Care

Child care is essential to our nation's short- and long-term well-being, and these child care programs are worth saving—so families can return to work and school over time, so children have a safe space where they are supported to learn and grow, and so the programs themselves can have the opportunity to be part of a better system for the future. Our nation's goal must not simply be to return to the way things were before, but rather to finally resolve the fundamental challenges that have confronted this system for decades. The survey indicated that a full **58%** of programs, including **46%** of family child care homes and **73%** of minority-owned businesses were working toward increasing their capacity to meet growing demand prior to the pandemic. Congress' goal must be more than re-establishing the status quo; it must be to help child care providers stabilize and survive so that children, families, educators, businesses, and the economy can thrive.

### Methodology

This online survey, created and conducted by NAEYC using SurveyMonkey, represents the responses of a non-randomized sample of 5,344 individuals working in center or home-based child care programs who completed the survey between June 19 and June 30, 2020. The respondents represent providers in 50 states as well as Washington, DC and Puerto Rico; 23% report that they work in family child care homes while 58% report that they work in center-based child care. The survey links were shared widely through email newsletters, listservs, social media, and via partnerships. The total number of individuals participating in the survey during this timeframe was 6,027 (in English) and 163 (in Spanish), but the number of responses from three states was well above the mean, so a smaller random sample from those states was selected to minimize a skew in the data results. Given the constantly changing and widely varying nature of the crisis, the analysis from this survey is intended to present the experiences of the respondents, as captured in the moment that they take the survey, with extrapolations for the experiences of the field and industry at large.

“The child care sector is approaching this catastrophic situation with both courage and determination. At the same time, providers rightly are weary, skeptical, and scared. As a country, we have a choice to make. Are we going to continue to underfund and undervalue a system that is the backbone to the rest of the economy or are we going to make the necessary investments that recognize the essential nature of child care?”

— Rhian Evans Allvin, CEO, NAEYC

**We urge Congress to provide needed, additional, dedicated, substantial investments to stabilize child care and early learning so the essential child care workforce in this \$99 billion industry can continue to support children, families, and the American economy through this crisis, recovery, and beyond.**