

NATIONAL

Without Federal Support, Child Care Providers and Families Struggle to Hang On, Hindering our Nation's Economic Recovery

Child care is an essential pillar of the American economy, yet COVID-19 has pushed an already-struggling industry to the brink of collapse. In the face of increasing costs and decreasing revenue, child care providers are struggling to hang on and need federal support. The federal relief funding delivered by Congress in December will supply some much needed short-term assistance to families and providers for roughly the next three months, but we know the dire effects of the pandemic will be felt for months to come, and therefore, the recent relief funding won't meet the full and immediate needs facing our child care industry.

As the Chamber of Commerce recently stated, "[w]ithout this industry's survival and ability to safely care for the children of working parents, every other American industry will struggle to return to work." Additional federal investments in the child care industry will ensure that child care providers can remain open - or reopen in order to serve the children and families that depend on them to be able to go to work, particularly working mothers who have been the hardest hit by the lack of child care options. Any efforts to stimulate America's economic recovery and return parents to work will fail if any portion of the child care industry collapses.

Providers Continue to Face Uncertainty:

Providers are contending with stark financial realities including increased costs to implement new health and safety protocols and decreased revenue due to limited capacity to ensure appropriate social distancing recommendations. These factors are forcing child care providers to make tough choices about whether they can reopen, or remain open.

- According to the Bureau of Labor Statistics, the child care industry lost roughly 171,000 jobs between February 2020 and December 2020 which still have not been recovered.
- A [December survey](#) of providers from the National Association for the Education of Young Children (NAEYC) **showcased** that they are facing an unsustainable reality without significant public investment:
 - 56% of child care centers are losing money each day they remain open.
 - One-in-four centers and one-in-three child care homes say that if enrollment stays where it is and no additional support comes forward, they will have to close in the next three months. That rises to 51% of minority-owned businesses who won't survive more than three months at the current status quo.
 - 42% of respondents reported taking on debt for their programs by putting supplies or other items on their own personal credit cards.
 - 81% of respondents from programs that are open are still serving fewer children than prior to the pandemic, with an average decline of nearly one-third.
 - On average, attendance is down to only 68% of enrolled students.
- Additionally, the pandemic is causing tremendous increases in operating costs. A [recent report](#) from the Center for American Progress (CAP) **found** child care providers have, on average, faced a 47% increase in operating costs during the pandemic, with home-based family child care providers facing a 70% increase.

Families, Especially Working Mothers, Are Struggling to Access the Care they Need to Work:

While some providers have been able to remain open, they are often operating at reduced capacity due to new health and safety guidelines. This has resulted in limited access to care, meaning parents are struggling to find the care they need to be able to go to work, disproportionately affecting working mothers.

- A [December parent survey](#) from the Bipartisan Policy Center (BPC) **explored** how parents' child care preferences have shifted throughout the pandemic and whether parents have been able to access their preferred child care arrangement.

- 86% of parents report that their child care programs are closed or are operating at reduced capacity, with 11% reporting their programs had permanently closed.
- Two thirds of parents say the maximum amount their household can afford for child care each week per child is less than \$200—well below the cost of quality child care in many states, especially infant care.
- **A U.S. Chamber of Commerce Foundation [survey](#)** found that 50% of parents who have not yet returned to the workforce cite childcare as a reason, demonstrating that many working parents continue to experience similar, and sometimes even increasing, difficulties in balancing both work and their families' childcare needs.
- **Working mothers have been disproportionately affected by the lack of access to child care.** BPC, in an October [survey](#), found that 42% of women with children under 2 years old left work during the coronavirus pandemic and that women are twice as likely as men to say they left the workforce for caregiving responsibilities due to childcare provider or school closures
 - Another [survey](#) from the U.S. Chamber of Commerce Foundation found that 11% of parents reported declining a new opportunity, such as a promotion or a new job, to provide childcare in the last three months, with women being twice as likely to have declined a job opportunity and over four times as likely to have quit the workforce entirely than men.
- If providers close, there would be long-term consequences for families trying to balance work and care for children. What's more, [research from CAP](#) suggests that closures will disproportionately impact low- and middle-income families as well as Black and Latinx families.
- **[Polling conducted in September by the First Five Years Fund \(FFYF\)](#)** shows that 46% of parents say their current child care situation is only a short-term solution or is not working well right now. Furthermore, voters see child care as essential.
 - 79% of all voters say the COVID crisis has shown how essential it is that we build an accessible, affordable child care system for those who need it.
 - 67% of voters see child care is essential or very important to get the economy going again.
 - 53% of voters continue to believe that federal funding for quality early education should be increased.

Employers Are Seeing The Impact Of The Lack Child Care On Working Parents:

Parents are trying to balance multiple roles, many with limited to no access to formal child care or family, friends, or neighbors to help, making the availability of child care vital to our economic recovery.

- **[A survey from the U.S. Chamber of Commerce Foundation highlights](#)** how employers are helping working parents return to work, thinking about childcare assistance, benefits, and accommodations.
 - 32% of employers have seen some of their employees leave the workforce due to the effects of COVID-19, and half of those cited child care concerns as the factor contributing to employees leaving the workforce.
- Another **U.S. Chamber of Commerce Foundation [release](#) revealed** employers' concerns about a lack of child care:
 - 40% of employers are concerned that some employees will not fully return to work.
 - 40% of employers have offered additional child care assistance, benefits, or accommodations because of the pandemic.

To view state-specific data, visit Child Care Relief's [website](#).