

Am I Next? Sacrificing to Stay Open, Child Care Providers Face a Bleak Future Without Relief

December 2020

The essential yet chronically undervalued child care sector has sacrificed and struggled to serve children and families since the start of the COVID pandemic. NAEYC's newest survey, completed between November 13–29, 2020, by more than 6,000 respondents working in child care centers and family child care homes shows that the crisis facing child care is as consistent and devastating today as it was in [March](#) and in [July](#).

Individuals who worked in child care programs that have closed are difficult to reach. While we were able to hear from 289 of them, the nature and timing of this survey outreach meant that **93%** of respondents work in programs that, to date, have managed—often at great personal and professional cost—to remain open for the children and families they serve.

“The situation is dire for child care providers—the ones that are still open. Add to that the thousands of providers that have already closed and the magnitude of this national crisis is much, much greater.” — Rhian Evans Allvin, CEO, NAEYC

Nearly half of survey respondents reported that they know of multiple centers or homes in their community that have closed permanently. This percentage rests at **42%** for those who are minority-owned businesses and rises to **56%** for those who describe their community as suburban.

With **56%** of child care centers saying they are **losing money every day that they remain open**, programs are confronting an unsustainable reality, even as they are desperately trying to remain viable for the children and families they serve.

Child care providers, who are already paid so little that **nearly half live in families accessing public benefits**, are doing everything they can to hold their programs together: taking on debt, spending down savings, cutting costs, and sacrificing their own already-meager incomes.

- › **42%** of respondents reported taking on debt for their programs by putting supplies or other items on their own personal credit cards;
- › **39%** reported trying to meet families' needs by dipping into their own personal savings accounts;
- › **60%** work in programs that have tried to reduce their expenses by engaging in layoffs, furloughs, and/or pay cuts.

According to a [Bipartisan Policy Center analysis](#), fewer than **6%** of the more than **670,000** child care businesses received a Paycheck Protection Program loan. However, even for the **46%** of respondents to this survey who reported that their program received this loan, more than one quarter of them still reported putting supplies on credit cards or dipping into personal savings accounts.

Yet despite the steps they are taking to save themselves, the math on their bottom line does not work. Additional costs due to the pandemic continue to rise:

- › **91%** of respondents are paying additional costs for cleaning supplies
- › **73%** are paying additional costs for Personal Protective Equipment (PPE), and
- › **60%** are paying additional costs for staff/personnel, in an environment in which **69%** say recruiting and retaining qualified staff is more difficult now than it was before the pandemic.

In addition, revenues are decreasing, both for the **66%** of respondents in programs that are allowed to operate at their licensed capacity, and for the **33%** who are open only with reduced capacity. And while some programs have managed to boost their dwindling enrollment by caring for school-aged children who are engaged in virtual or hybrid schooling, **81%** of respondents from programs that are open are still **servicing fewer children than prior to the pandemic**, with an average decline of nearly one-third.

Attendance is down even further; on a typical day, only **68%** of enrolled students are in attendance. This is a significant challenge because, in the initial months of the pandemic, and with support from CARES Act funding, many states moved to paying child care programs based on pre-COVID enrollment, rather than daily attendance; this policy change served to stabilize and save many programs. However, as states spend the last of their CARES Act dollars for child care, and in the absence of new relief, many have returned to policies of paying programs by attendance.¹ When enrollment is down, and attendance is down even further, programs are left in a deep state of fiscal distress.

Children and families benefit from stability, yet their child care programs are operating in an incredible state of uncertainty, and are barely holding on as they desperately wait for help to come.

- › **44%** of respondents are confronting so much uncertainty that they are unable to say how much longer they will be able to stay open.
- › Of those who can predict, **one in four** child care centers and **one in three** family child care homes say that if enrollment stays where it is, and no additional support comes forward, they will have to close within the next three months.
- › That percentage rises substantially for programs that are minority-owned, **51%** of whom say they won't survive more than three months under the current status quo.

This uncertainty is driving educators and programs out of the child care sector, and harming children, families, and businesses. Real relief requires more than a band-aid. We continue to urge Congress to provide immediate, robust and targeted investments to stabilize and support child care and early learning so the essential workforce in this \$99 billion industry can continue to support children, families, and the American economy through this crisis, recovery, and beyond.

“We are temporarily closing as of tomorrow. I cannot find or keep staff. I have a waitlist and empty classrooms.”
— Tanya Going, child care provider, Pryor, Oklahoma

“We are foregoing purchases that impact quality programming in an effort to save funds. The uncertainty and the increased expenses have caused us to postpone the purchase of needed materials, supplies, staff professional development and equipment.” — Melissa Colagrosso, child care provider, Oak Hill, West Virginia

1. As of September 2020, at least 13 of the 34 states that paid child care subsidies based on pre-pandemic enrollment over the summer reverted to attendance-based payments. Bipartisan Policy Center, “September Update: State-by-State Use of CARES Act Funds to Support Child Care Through the Fall,” September 2020. Available at: <https://bipartisanpolicy.org/blog/september-update-state-by-state-use-of-cares-act-funds-to-support-child-care-through-the-fall/>.

Methodology: This online survey, created and conducted by NAEYC using SurveyMonkey, represents the responses of a non-randomized sample of 6,071 individuals working in center or home-based child care programs who completed the survey between November 13 and 29, 2020. The respondents represent providers in 50 states as well as Washington, DC and Puerto Rico; 36% report that they work in family child care homes while 64% report that they work in center-based child care. The survey links were shared widely through email newsletters, listservs, social media, and via partnerships, and 10 randomly selected respondents were provided with a \$50 gift card for participation in a sweepstakes. 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.

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