Child Care Programs Are Being Forced to Raise Tuition or Close for Good

(And Families Pay the Price Either Way)

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National Association for the Education of Young Children

In the absence of federal relief, struggling child care programs trying to remain open to serve children and families in their communities are being faced with a stark choice: raise tuition, or close for good. Three months ago, **35%** of centers and home-based programs responding to NAEYC's survey were already in a position where they had to increase tuition and another **28%** hadn't decided yet.

Checking in with these programs in September with a follow up survey, NAEYC found that half of the programs who responded had raised tuition rates for at least some families between March 15 and September 15.[1]

For many programs, taking this action was neither their first step, nor their first choice.

- **47%** of programs who said they had raised tuition have also taken on new debt to stay open and serve families, including putting supplies and other items on credit cards.

Overall, 52% of providers who responded have taken on new debt to survive, including 69% of family child care homes and 46% of child care centers. Large child care centers, given that their fixed costs are the greatest, were also the most likely to have received a Paycheck Protection Program loan, taken on new debt, and raised tuition rates.

For a household with two children in child care, these tuition increases would result in families paying an additional **$2,112 to $2,760** per year. For a family of four living at the poverty level, the tuition increase alone would amount to **8-11%** of their annual income.

By How Much?

Among the providers who have had to resort to raising tuition to remain open, the average increase for centers was a **11% increase**, while family child care homes averaged **14% increases**. This amounted to an average increase of **$115 per child per month** for families whose children were enrolled at a center, and **$88 per child per month** for families whose children were enrolled in a family child care home.

Congress and the White House must act with urgency to prevent additional suffering and closures. **Nearly two-thirds of respondents said that if additional public support became available, they would not need to raise tuition rates.** A majority of respondents likewise indicated that if nothing changed from the way it is now, with increased expenses and decreased enrollment and revenue, they would have no choice but to increase tuition in order to stay open.

At the same time, if families—who are more likely to be unemployed and underemployed due to the pandemic—can't pay increased tuition, child care programs will have only one option left: permanent closure. Already, 40% of child care programs who responded to NAEYC's survey are certain they will close without public assistance.

1. From September 18-30, NAEYC sent a brief survey to 1,600 individuals who had indicated in July that their program had raised tuition rates, or thought they might have to. 206 individuals responded to the survey; 68% from a child care center and 27% from a family child care home. These data provide a look into a subset of programs who responded to this survey; they are not intended to be nationally representative.

For more data and information on the depth and breadth of the child care crisis, visit naeyc.org/pandemic-surveys or email advocacy@NAEYC.org