

# Uncertainty Ahead Means Instability Now

## Why Families, Children, Educators, Businesses, and States Need Congress to Fund Child Care

December 2022

### TENNESSEE



**The problems are clear:** Families can't find or afford child care because compensation is too low to attract and retain early childhood educators. As federal relief dollars that have saved the sector from complete collapse begin to dry up, the stability those dollars brought to programs will disappear with the funding.

**The solutions are clear:** The public benefits from public investments in child care and early learning. Congress needs to build on the successes of child care funding to prioritize additional, sustainable investments that ensure programs and educators can meet the needs of families, children, and businesses, and states can continue to build towards an early childhood education system that works.

In October 2022, more than 12,000 early childhood educators from all states and settings—including faith-based programs, family child care homes, Head Starts, and child care centers—responded to a new ECE field survey from the National Association for the Education of Young Children (NAEYC). The results of this survey continue to show that relief helped, but uncertainty about the future is impacting the present.

### Here are some reflections from survey respondents in Tennessee:

*"Grants have helped by providing wage supplements. I've been a preschool teacher for 10 years and I make the same hourly rate as an entry job/beginner at fast food and/or retail store and absolutely no benefits. This is the main reason for the loss of quality professionals within the child care system."—Early childhood educator*

*"With the stabilization grant funds, we have been able to pay staff a lot better wages and we have started requiring a college degree or CDA for all staff at our center. This has increased our quality tremendously. Since we've been able to pay our teachers better and we require better qualifications, the children have had more stability in the classroom, the teachers are much more engaged, and there have been a lot fewer absences from staff. We were also able to replace an old HVAC system that went out this summer with the funds."—Program Director/Administrator*

*"I can not burden my families by raising my rates to keep up with increasing cost. I work for hard working people that have budget increases in their families as well. The stabilization grant allowed me to pay for all the basic necessities, increase my staff's income, help a struggling family with child care fees, and start to build some needed emergency funds into my business plan."—Family child care owner/operator*

*"We are projected to be in a deficit of about \$150,000-\$200,000 for 2023, unless we raise tuition by at least another 30%. Without stabilization grant funds or similar funding, I anticipate our center closing in 2023."—Program Director/Administrator*

## Here's a brief summary of the survey data from Tennessee:

	TENNESSEE	NATIONAL
Sample Size	135	12,897
Child Care Center	54.8%	47.7%
Family Child Care	8.1%	18.6%
<b>STABILIZATION GRANTS<sup>1</sup></b>		
Total reporting that their program would have closed without grants	41.7%	34.0%
Total reporting that they believe their last payment will be in 2023	59.2%	61.0%
Total reporting that they do not know when their last payment will be	33.8%	27.0%
<b>When stabilization grants end:</b>		
Total reporting their programs will have to cut wages or be unable to sustain wage/salary increases	26.2%	23.0%
<b>STAFFING AND SUPPLY</b>		
<b>Current Challenges</b>		
Total reporting that their program is currently experiencing a staffing shortage	71.9%	67.0%
<b>Among respondents in programs with a staffing shortage:</b>		
› Reporting they are serving fewer children	51.5%	45.4%
› Reporting a longer waitlist	46.4%	37.4%
<b>Future Challenges</b>		
Total indicating “yes” or “maybe” to considering leaving their job or closing their family child care home	25.2%	29.2%
› In the field 5 years or less indicating “yes” or “maybe” to considering leaving their job or closing their family child care home	41.2%	45.0%
› In minority-owned businesses considering leaving	40.0%	43.7%
› In non-minority-owned businesses considering leaving	7.6%	25.0%
Number one thing needed to stay	Competitive wages	Competitive wages
<b>ECE WORKFORCE WELL-BEING</b>		
Total respondents experiencing financial insecurity in the last year	29.6%	29.5%
Total respondents who received more money from a wage increase or supplement in the last year	53.3%	49.4%
Total indicating that burnout/exhaustion are “greatly” or “to some extent” contributing to problems retaining teachers	75.6%	78.0%

**Methodology** This online survey, created and conducted by NAEYC using SurveyMonkey, represents the responses of a non-randomized sample of 13,037 individuals working in early childhood education settings who completed the survey in English or Spanish between October 5-23, 2022. To generate a more representative national sample from the pool of responses, a probability proportional to size (PPS) methodology was used to pull samples by state that are benchmarked to the share of the total early childhood workforce by state. These shares were calculated by the authors from the Bureau of Labor Statistics May 2021 Occupational Employment and Wage Statistics (Codes: 11-9031, 25-2011, 25-2051, 39-9011). The final sample size for the national-level analysis is 12,897. In contrast, for the state-level analysis, the entire sample of responses from each state were used. We are unable to supply detailed analysis in states for which there are very small sample sizes across sub-groups. Respondents were asked to select any setting that applied to them. They could choose from the following list: child care center, family child care home, non-profit, for-profit, school-based, Head Start, faith-based, multi-site. For this brief, only the percentages for child care center and family child care are reported.

The survey links were shared widely through email newsletters, listservs, social media, and via partnerships, and 10 randomly selected respondents were provided with a \$100 gift card for participation in a sweepstakes. Given the constantly changing and widely varying nature of the crisis, the broad 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. Additional information available at [www.naeyc.org/pandemic-surveys](http://www.naeyc.org/pandemic-surveys)

1. For more state-level information about the receipt of stability grants, please see ACF's state profiles. According to the profile for Tennessee providers, 89% of Tennessee's counties received funds as of 6/30/22. [https://www.acf.hhs.gov/sites/default/files/documents/occ/Tennessee\\_ARP\\_Child\\_Care\\_Stabilization\\_FactSheet.pdf](https://www.acf.hhs.gov/sites/default/files/documents/occ/Tennessee_ARP_Child_Care_Stabilization_FactSheet.pdf)