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Saved But Not Solved

America's Economy Needs Congress to Fund Child Care

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Once child care programs have the resources they need to thrive, children, families, businesses, and our nation's economy also will thrive. On the other hand, as long as child care programs continue to struggle, children, families, businesses and the economy will continue to struggle.

In January 2022, as the Omicron COVID-19 variant surged, nearly 5,000 early childhood educators working across all states and settings—including faith-based programs, family child care homes, and small and large centers—responded to a brief check-in survey from NAEYC. The results of this survey show that emergency federal and state relief funds have provided critical support for stabilizing child care programs and prevented more widespread permanent program closures.

However, because relief was not intended to resolve the systemic challenges that have plagued the child care market—for parents and providers alike—severe challenges remain. Relief funds are, and were designed to be, only the beginning of what is needed to recover and rebuild.

Congress must now make the substantial, sustainable, long-term investments in affordable, high-quality child care and preK that are urgently needed for a successful and equitable economic recovery. If they do not, then the relief funds that are making such a difference now will have only delayed the collapse of our current child care system, and children, parents, educators, and businesses will pay the price, both immediately and far into the future. As these survey results and stories indicate, these investments cannot wait until another day and time.

Here's what January's early childhood education field survey tells us:

› **Relief is working.** Only 15% of respondents (759) said they had not received stabilization grants through the American Rescue Plan, either because their state had not made the grants available at the time of the survey, or because their programs hadn't applied or weren't eligible. Because many of the survey respondents are front-line educators, 27% weren't sure if the relief they had received were stabilization grants.

However, a full 60% of respondents (2,927) worked in child care centers and family child care homes that received stabilization grants through the American Rescue Plan; these programs alone reported serving more than 220,000 families across the United States.

Of those who received stabilization grants, 92% said that the grants helped their program stay open.

- Nearly half (46%) of providers reported using child care relief to pay off debt they took on in the course of the pandemic, including 63% of those in family child care homes.
- 75% of respondents reported that their programs had used the funds to support compensation for educators; 53% provided increases through bonuses and 38% also reported an increase in baseline pay (some programs utilized both strategies). At the same time, compensation remains far too low, and educators continue to leave their programs for jobs in other sectors where employers can pay staff more.

"The stabilization grant is what has enabled us to stay open. We would 100% be closed now without it." - Sarah, Wisconsin, works for a child care center serving approximately 150 families

"Those grant funds meant the difference between shutting down and keeping our doors open." - Suzanne, Connecticut, works at a child care center serving approximately 75 families

"The grant money is the ONLY thing that has kept us from having to close our facility." - Heather, South Carolina, works for a faith-based child care program serving approximately 200 families

"Because of Omicron unexpectedly hitting our program, we would not be able to remain open long-term if we did not have the stabilization grant money." - Robin, Arkansas, works at a child care center serving approximately 75 families

"It helped me so much to pay debts I had for my program, better the care for children and fix the car so I can drop off and pick up kids from school and home." - Mabis, New York, runs a family child care program serving 6 families

As recently outlined in **Child Care Aware's brief on ARP implementation**, many states are using the supplemental Child Care and Development Block Grant discretionary relief funds to make more families eligible for support and to lower their child care payments. In addition to the support families are receiving from state actions, half of survey respondents (51%) also indicated that they had used their program stabilization funds to help some or all of the families in their program save money on the costs of care.

› **Major challenges remain.**

- Non-competitive compensation leads to the severe child care staffing crises, which leads to closed classrooms, disruptions in quality, and longer waiting lists that keep our families out of the workforce. Indeed, two-thirds of respondents reported experiencing a staffing shortage that affected their ability to serve families; **52% of those with staffing shortages were forced to serve fewer children while 37% had a longer waiting list.**

In **NAEYC's July 2021 survey**, 80% of respondents from child care centers were reporting that they were experiencing a staffing shortage, though there was early evidence showing that relief was beginning to help. This survey indicates that while staffing remains a tremendous challenge, stabilization grants may be successfully helping to mitigate the worst of it.

- Nearly one in three (28%) respondents reported that they are definitely or maybe considering leaving their program or closing their child care home in 2022.

Staying Safe: Equitable Access to Testing

In early January, there were many stories of early childhood educators struggling to find and afford COVID testing for staff, families, and children. While their counterparts in K-12 settings were gaining access to tests and masks through dedicated funding streams, child care programs across states and settings were left without clear and consistent guidance, funding, or solutions, navigating the system essentially on their own. At the time of the survey, approximately 1 in 5 programs described having no or limited access to COVID tests, which contributed to their closure and staffing challenges, as well as staff morale. Substantial variation depended on the type of program, however; for example, 31% of family child care homes reported limited or no access, compared to 16% of centers and 10% of school-based programs. While the testing situation has become less dire in the time since the survey was administered, we highlight this data point so we can collectively name the challenge and work to avoid the same inequities in the context of a future variant or pandemic.

"The bonuses help but more needs to be done for child care employees or many of us won't be here to provide care and education to our youngest children." - Gina, Maine, works for a child care center serving 70 families

This comes on top of recent findings from Child Care Aware of America indicating that between December 2019 and March 2021—during the pandemic but before ARP funds started to go out—8,889 child care centers and 6,957 licensed family child care homes were permanently closed.

- **Long term investment is urgently needed.** 75% of respondents reported that the end of stabilization grants would have a negative or highly negative effect on their programs.
  - Of the respondents who said they knew enough about Build Back Better's investments in child care and preK to answer the question, **89% agreed that it would "secure the future of our program," including 86% of respondents from family child care homes and 85% of respondents from faith-based programs.**

Americans understand the essential role that child care and early learning play for families and our economy. Our nation has both the power and the obligation not only to have temporarily saved child care, but to finally solve the challenges for good. In order to do so, Congress must act. Relief has helped, but now Congress must prioritize—and not leave behind—the necessary, significant, sustained investments in quality child care and preschool that will respond to our communities' short- and long-term needs and support America's economy, families' economic security, and children's success.

Methodology

This online survey, created and conducted by NAEYC using SurveyMonkey, represents the responses of a non-randomized sample of 4,987 individuals working in early childhood education settings who completed the survey in English or Spanish between January 6-24, 2022. The respondents represent providers in 50 states as well as Washington, DC and Puerto Rico; 28% report that they work in family child care homes while 53% report that they work in center-based child care. Others work in public school preK and Head Start. 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. In recognition of survey fatigue and ongoing challenges, this field survey was shorter and the results are therefore less comprehensive than in previous NAEYC survey iterations from 2020 and 2021 (results of which can be viewed at www.naeyc.org/pandemic-surveys). In addition, 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 grants helped with recovery for 2020 and 2021 losses. But we are not whole. We cannot continue to raise fees on families to pay for staff and care. More funding is necessary to keep doors open in 2022, and a funding source dedicated to child care." - Marjean, Washington, works for a child care center serving 680 families

"As the director of a high-quality nonprofit child care center, I can assure you that every day is a financial struggle for families who can't afford care, for early childhood education staff who can't earn a living wage or count on benefits like health insurance, and for directors who cannot find qualified applicants due to the low wages, lack of benefits and public misunderstanding about the importance of the work of early childhood professionals. We know that child care is essential. Without it, the economy crumbles. Serious investment to sustain a healthy early childhood education system will reap benefits for generations to come. The return on this investment is enormous, both from an economic standpoint and for the creation of healthier, more successful individuals and communities." - Elizabeth, Vermont, directs a child care center serving 50 families