FALL 2020

PICKING UP THE PIECES

Building a Better Child Care System Post COVID-19

Child Care Aware® OF AMERICA

childcareaware.org

Child Care Aware® of America is our nation's leading voice for child care. Our vision is that every family in the United States has access to high-quality, affordable child care. We advance a child care system that effectively serves all children and supports children's growth, development and educational advancement and creates positive economic impact for families and communities.

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EXECUTIVE SUMMARY

For over 30 years, Child Care Aware® of America (CCAoA) has kept the nation informed and advocated for affordable, quality child care for all families. This year, in response to COVID-19, we focus our efforts on documenting the devastating impact of the pandemic on the child care system.

Picking Up the Pieces: Building a Better Child Care System Post COVID-19 combines our annual report, *The U.S. and the High Price of Child Care* and *State Fact Sheets* into one report, along with additional data gathered from Child Care Resource and Referral agencies and other sources as recently as July 2020. In addition, the report features information about CCAoA's new Child Care Data Center that includes child care data and stories for six pilot states: Illinois, Minnesota, Missouri, Oregon, Washington and Wisconsin.

When COVID-19 was layered onto the already fragile child care system, it shattered. Among the report's main findings on the pandemic's impact on child care:

- As of July 2020, 35% of child care centers and 21% of family child care programs remain closed nationwide.
- Child care attendance and enrollment remain significantly lower than they were at the start of 2020. Seventeen of 32 states that submitted data for July 2020 lost more than 25% of their child care capacity.
- The cost to provide quality child care is also likely to increase due to lower provider-child ratios and increased costs for personal protective equipment (PPE) and cleaning supplies. Quality may suffer as child care providers focus on ways to stay in business.
- Without significant public investment in our child care system, providers will likely have to pass along extra costs related to COVID-19 to parents who are already struggling to stay afloat during this economic downturn.

Picking Up the Pieces outlines three key components to build a better child care system after COVID-19:

1. **Public investment.** With the additional stresses the pandemic has put on an already fragile child care system, $50 billion in dedicated funding is needed to stabilize the system. This significant funding level is necessary to support families as they return to school or the workforce, save thousands of child care jobs and businesses and ensure that we have a child care system to return to when COVID-19 subsides.
2. **A solid data foundation**. Data is fundamental to an equitable child care system, but it's extremely hard to get data from all states in a timely, standardized, systematic and efficient manner. CCAoA encourages the development of automated, interoperable systems with common standards to ensure that data collection, management, and dissemination is more efficient and functional for stakeholders.
3. **Resources and supports for families, children and child care providers.** Child Care Resource and Referral agencies (CCR&Rs) in nearly every state and other intermediaries are positioned to help families navigate complicated child care systems by providing consumer education products and referrals to affordable, quality child care programs. Over 75% of CCR&Rs have plans to help child care providers reopen, including providing information, helping providers secure PPE and cleaning supplies, and working to recruit child care providers to repopulate local supply.

INTRODUCTION

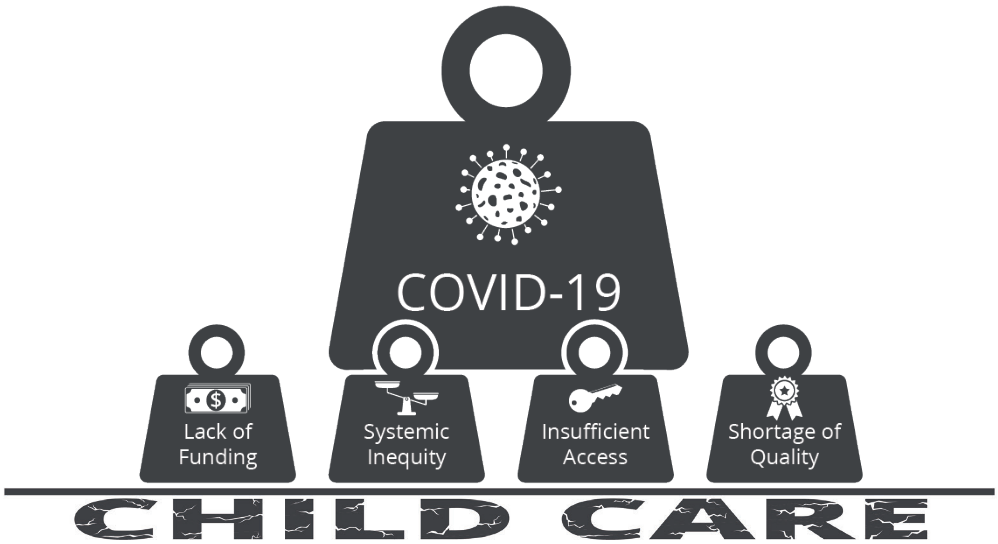
The COVID-19 pandemic has put a strain on most aspects of American life, including our child care system. Long before COVID-19, the system was in trouble. Child Care Aware® of America (CCAoA) examined this broken system in our report last year, The U.S. and the High Price of Child Care.

It was:

- **Fragmented.** Funding streams for child care come from different sources with different requirements. And each state has a different set of child care policies – some differences even exist within a state.
- **Inequitable.** Children of color and children from low-income families are less likely to be enrolled in high-quality, structured child care programs.
- **Inaccessible.** For many families in the U.S., access to affordable, high-quality child care is not an option. Year after year, providers are leaving the field, restricting parental choice even further. This is particularly true for families of color, families living in rural areas and children with special needs.
- **Underfunded.** When compared to other developed countries, the U.S. lags behind in public spending for child care. Currently, the U.S. only spends less than 0.5% of GDP on child care.[1]

When COVID-19 was layered onto the already fragile child care system, it shattered. Many providers are in danger of closing because their attendance and enrollment (and therefore their income) plunged and/or their expenses skyrocketed due to pandemic-related costs. Based on the findings of a child care provider survey in July, the National Association for the Education of Young Children (NAEYC) estimates that only 18% of providers can expect to survive past the next year if they do not receive any financial support.[2] We're already seeing the consequences: Parents are struggling to find child care arrangements that will allow them to work productively, either from home or back in their workplaces. Without a reliable, steady workforce, this country will not recover economically from the pandemic-related shutdown. And a reliable workforce requires a functioning child care system. Simply put – no child care, no recovery.

Child Care Shattered Due to Covid-19



WHY PICKING UP THE PIECES?

In past years, CCAoA has released two annual reports examining the child care landscape. State Fact Sheets explored child care supply, child care resource and referral agency (CCR&R) activities and quality initiatives in each state. The *U.S. and the High Price of Child Care* compared child care affordability among states. Both reports relied on data from the previous year gathered from CCR&Rs across the country.

However, the 2019 data we gathered does not fully reflect the reality of the massive changes in the child care system as a result of COVID-19. So this year, we decided to combine the State Fact Sheets and the *U.S. and the High Price of Child Care* into one report along with additional data we gathered from CCR&Rs and other sources as recently as July 2020. The result is Picking Up the Pieces: Building a Better Child Care System Post COVID-19. It features data, analysis and stories about how COVID-19 has affected the child care system.

Picking Up the Pieces is organized into three sections that explore the impact of COVID-19 on child care: Access, Affordability and Quality. Each section features:

- **Key findings** of our 2019 survey of states about child care, as well as updated child care supply data from July 2020. We were able to make child care supply comparisons pre-pandemic and mid-pandemic.
- **Case studies** featuring different aspects of this crisis and how families and child care providers are struggling.

Additionally, we release this report in conjunction with our new Child Care Data Center (CCDC). Please see our interactive website and more information about CCDC in the Access section. Support for the CCDC was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the view of the Foundation.

Finally, we shared our data with economists who gave their impressions on the state of child care and the consequences of not supporting families and child care providers.

For the sake of continuity, we still offer users the Child Care Affordability Appendices, which feature detailed 2019 child care price data.

ACCESS

According to an expert panel convened by Child Trends and funded by the federal Office of Planning, Research, and Evaluation (OPRE), access to child care '…means that parents, with reasonable efforts and affordability, can enroll their child in an arrangement that supports the child's development and meets parents' needs'.[3] CCAoA measures access through the change in the number of licensed child care providers over time.

2019 DATA

Even before the outbreak of COVID-19 and the associated closures of child care programs, the supply of child care was decreasing. Results from our 2019 survey results show that between 2018 and 2019, 53% of states reported a decline in the number of child care centers. More alarmingly, 79% of states reported a decline in family child care (FCC) providers. While more research is needed to identify the reasons for these declines, two theories are that the aging child care workforce is retiring in greater numbers, and that there are few incentives for new child care providers to enter the field.

Our data clearly shows that child care supply was significantly decreasing before the start of this pandemic. New data and anecdotes from providers and families indicate the situation has worsened since the beginning of 2020.

SINCE THE START OF THE PANDEMIC

While most states have allowed child care providers to reopen, barriers to access still exist. Some child care providers are serving fewer children due to changes in licensing regulations designed to prevent the spread of COVID-19. For example, many states have changed child care licensing rules to only allow a maximum of 10 children per classroom. Table 1 shows an example of the maximum ratios for children in centers in January 2020 compared to July 2020 for the state of Washington.

Table 1: Pre Covid-19 Child Care Ratios in Centers

Time Period	Age Group	Maximum Number of Children in Classroom
January 2020	Infant	8
	Toddler	14
	Preschooler	60 (20 per classroom)
July 2020	Infant	8
	Toddler	9
	Preschooler	27 (9 per classroom)

For further information about how provider group sizes have changed as a result of COVID-19, please see CCAoA's recent state-by-state analysis.

Although it may take a year or more to fully understand the extent of the impact of COVID-19 on our child care system, some worrying trends are emerging. As of July 2020, we found that 35% of centers and 21% of family child care programs remain closed nationwide. Time will tell if these closures become permanent. If they do, this will pose a serious problem as our nation works to rebuild the economy. As the economy recovers and unemployed parents find work, they will need child care for their young children. So will many parents currently working remotely who are called back to the office. For our economy to regain strength, we must have a steady, reliable workforce who aren't distracted by child care worries. There is no economic recovery without child care.

CCDC

CCAoA has built the Child Care Data Center (CCDC), a data warehouse and website which allows users to explore child care data at a deeper level. We piloted the CCDC with six states: Illinois, Minnesota, Missouri, Oregon, Wisconsin and Washington. In December 2019, these states submitted data for the 2019 calendar year related to child care access and affordability. Support for the CCDC was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the view of the Foundation.

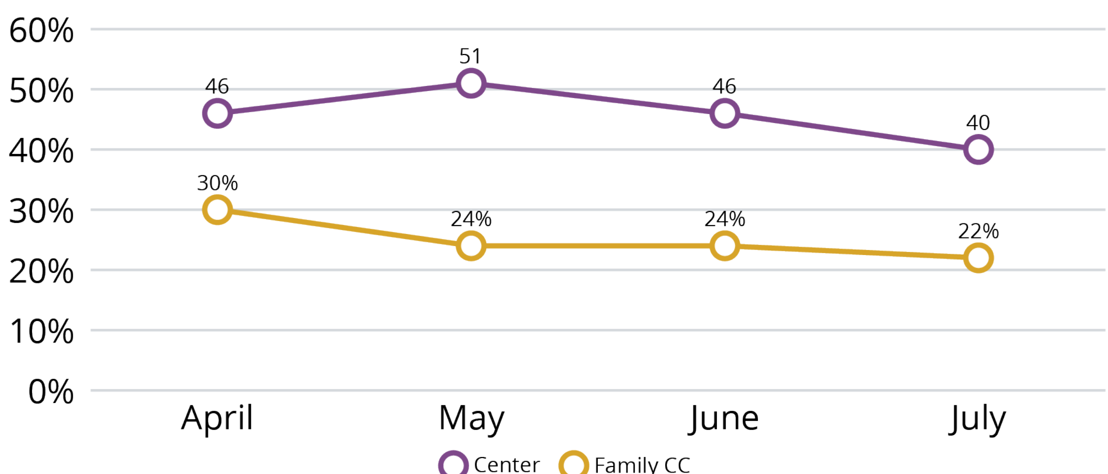
In order to capture the change in child care supply during the initial months of the pandemic, CCAoA requested the same data elements from these states as of mid-July 2020. Four of the six pilot states were able to provide these datasets: Missouri, Oregon, Wisconsin, and Washington. By comparing the 2019 numbers to those from 2020, users can see the effect of the pandemic on child care in these states, down to the county level.

Please use the interactive map to explore all of the CCDC data.

Mapping Work

Since March 2020, CCAoA's research team has worked with multiple states to create maps that track the supply of child care on a biweekly basis. We have eight states that have consistently provided data to us since the beginning of COVID-19: Alaska, Hawaii, Indiana, Iowa, Maryland, New Hampshire, Oklahoma and Washington. We have used the maps here to analyze child care supply trends from April to July 2020. Figure 1 shows that a significant percentage of providers in these states – between 20% and 40% – remain closed as of July 2020. We found that in these states, family child care providers have reopened at a faster rate than centers. This may be because family child care providers serve a smaller number of children and require less staff. Child care centers that had to furlough their staff members during the period they were closed likely require more time to regain or replace their staff.

Figure 1: Average Percent of Programs Closed by Month



*Based on data from eight states

Other Data Sources

Many researchers have been studying the effects of the pandemic on working families and child care providers. The Urban Institute compiled a table of 88 surveys related to child care during the pandemic. Table 2 summarizes the findings of some of these studies. Several common themes emerged from the survey findings:

- Parents are afraid to send their children back to child care
- Child care providers fear that they will not be able to survive without financial support
- In general, parents are struggling to find a child care situation that allows them to work
- Parents are unsure if they will be able to send their child back to their prior child care arrangements

In summary, multiple data sources show that child care supply was dramatically reduced as a result of COVID-19. This is putting a strain on both parents and child care providers.

Table 2: Summary of Survey Findings - Child Care and COVID-19

State	Organization	Timeframe	Respondents	Findings
Nationwide	Bipartisan Policy Center	April	National sample of 800 working parents with children under age 5 and paid for child care in the past 3 months	47% reported concerns about their ability to afford child care once they can return. 46% reported concerns that their child care providers will not reopen. Among parents who needed child care during the pandemic, 63% found it difficult to find quality, affordable child care. Nearly 20% of respondents reported that they are working less hours during the pandemic in order to provide child care.
Nationwide	Care.com	May	2,000 parents of children under age 16 who report that they pay for child care services	63% of parents are not comfortable with returning their children to child care settings as states reopen. 35% of these parents are considering in-home child care. Over 50% of parents believe that child care prices will rise as a result of COVID-19. Nearly half are more concerned about child care prices now than they were pre-pandemic.
Nationwide	National Association for the Education of Young Children (NAEYC)	March	6,000 child care providers across the country	Nearly 50% of providers reported losing income due to lack of attendance. 30% would not survive a closure of more than 2 weeks.
Nationwide	National Association for the Education of Young Children (NAEYC)	June	5,344 child care providers nationwide	86% of providers report serving fewer children compared to pre-pandemic attendance. 70% of providers report additional expenditures on staff, cleaning supplies, and personal protective equipment (PPE).
Nationwide	Procare Solutions	July	Based on child care attendance data from over 30,000 providers who use the Procare system	Based on data from this group of providers, child care attendance is on average 49% of what is was pre-pandemic.

CHILD CARE ATTENDANCE AND ENROLLMENT DATA DURING COVID-19

CCAoA encourages the development of automated, interoperable systems that include all the critical pieces of the child care data landscape. These technologies ensure that data collection, management, and dissemination is more efficient and functional for stakeholders. Two critical pieces of the child care data landscape are attendance and enrollment. Knowing the maximum number of child care slots only reveals one part of the child care supply picture. We must also understand how many of those slots are filled or at least how many children are attending child care to know how much additional capacity may be needed. However, this data point is not consistently tracked across states. CCAoA worked with multiple organizations that have developed software programs that help child care providers track attendance, payment and other administrative tasks. These organizations include: brightwheel, Early Learning Ventures, Procare Solutions and Wonderschool. CCAoA does not endorse any particular data management system.

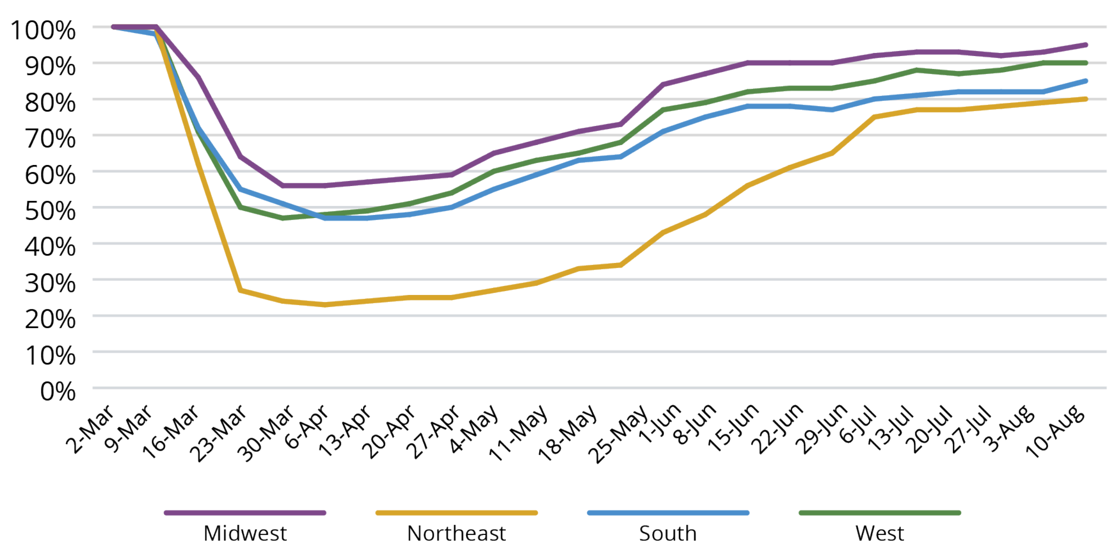
Because these organizations generously provided attendance or enrollment data to CCAoA, we have been able to explore child care trends before and during COVID-19.

Brightwheel is a leading technology platform serving child care providers of all sizes in all 50 states. The platform saves administrative time and reduces costs with product areas such as licensing and compliance with new COVID-19 requirements, automated invoicing and billing, messaging and communications, online learning and lesson planning and enrollment management.

Brightwheel was able to provide CCAoA with weekly child care provider data from March to August 2020. The dataset was categorized into four regions as defined by the U.S. Census Bureau: Midwest, Northeast, South and West. As seen in Figure 2, the Northeast states had the lowest percentage of brightwheel child care providers that remained open during Spring 2020, compared to other regions.

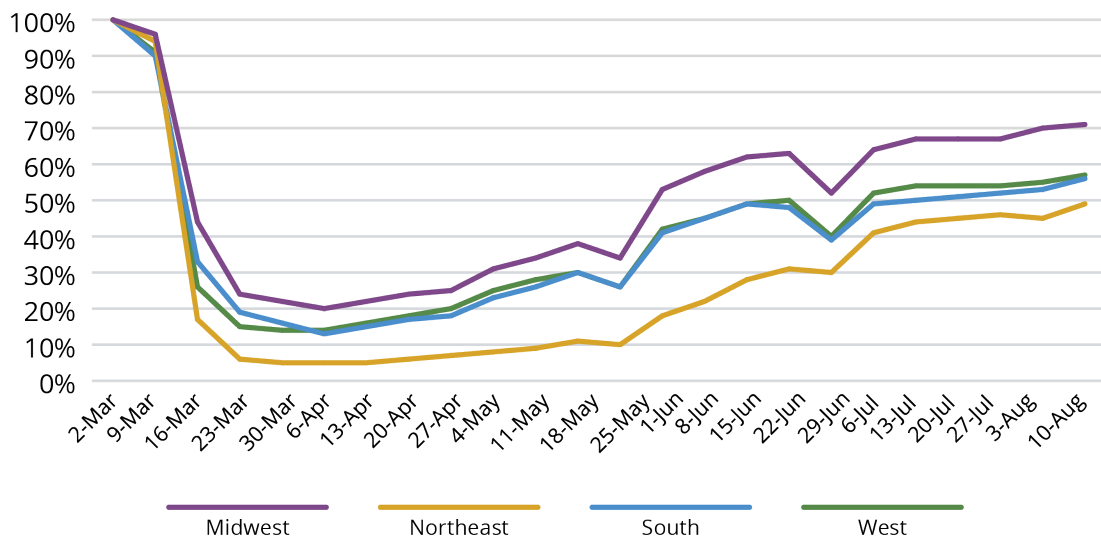
During the week of March 30th, 24% of child care programs using brightwheel in the Northeast were open. By August 10th, that number had risen to 80%. In contrast, 64% of brightwheel providers in the Midwest remained open throughout the Spring and as of August 2020, 95% of providers were open.

Figure 2: Percentage of Providers Open March to August 2020, Brightwheel Participants



The same regional trends were seen in child attendance among providers using brightwheel. Figure 3 shows the percentage of attendance compared to early March 2020. In early April 2020, attendance at brightwheel providers in Northeastern states was 5% of what attendance was in early March. As of August 2020, attendance for brightwheel providers in the Northeast had recovered to 49% of what it was in early March. As we saw with providers using other child care management systems, attendance dropped dramatically in March through May, with a gradual rise beginning in early June. Additionally, when examining provider and attendance data from all of these platforms, we found that attendance has not fully recovered as of July and August 2020. Whether attendance fully recovers to pre-pandemic levels remains to be seen.

Figure 3: Attendance Percentage March to August 2020, Brightwheel Participants

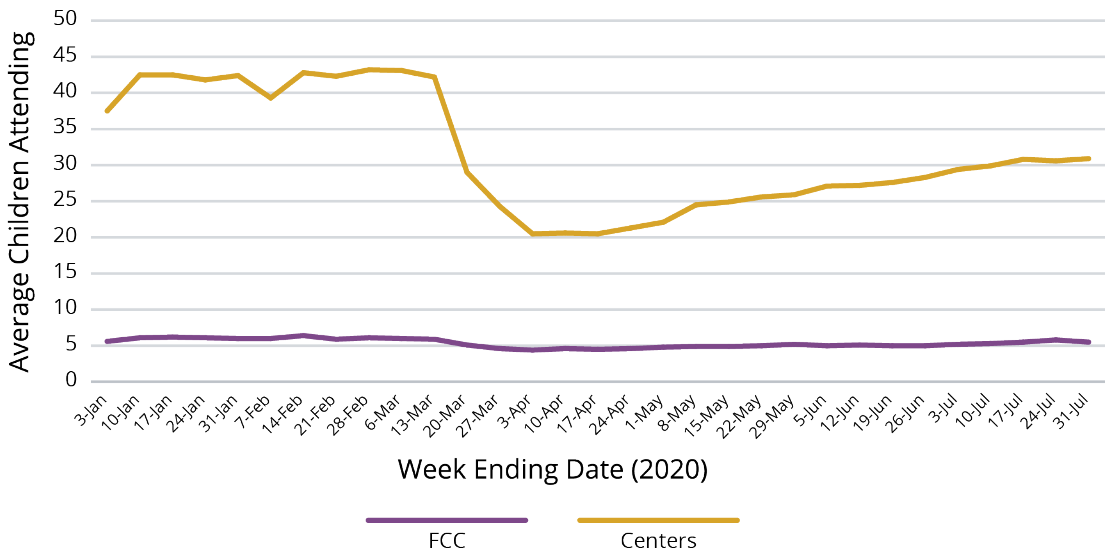


Early Learning Ventures (ELV) is a nonprofit organization based in Colorado that is dedicated to helping child care providers around the state develop the infrastructure and obtain the resources that they need to serve children effectively and efficiently. ELV offers child care programs a range of services including a records management system to track attendance, an online platform that helps providers find the resources they need to optimize their business operations, a billing module and member support. The main base of ELV is small centers with a licensed capacity between 15 and 30 children.

The ELV team provided CCAoA with weekly attendance data from 212 providers across the state of Colorado from January 1 - July 31, 2020. To protect the privacy of these providers, ELV's dataset did not include provider name, address, or other identifying information. As seen in Figure 4, center-based providers have seen a sharper decrease in weekly enrollment than FCC providers. For example, during the pre-pandemic week of January 10th, centers reported an average attendance of 37 children and FCCs reported an average attendance of 6 children. Centers saw the lowest average enrollment during the first three weeks in April. Attendance started to recover for centers in June, but progress has been slow. As of July 31st, an average of 30 children were attending centers while the number of children attending FCCs remained steady (5 children).

These findings are similar to our data, which showed that center-based child care has been harder hit by the pandemic than home-based care. Parents may not need child care at this time or may fear sending their children back. However, providers are struggling to stay in business with low attendance, a decrease in enrollment and low revenue.

Figure 4: Average Weekly Attendance,January to July 2020, Early Learning Ventures, Colorado Providers



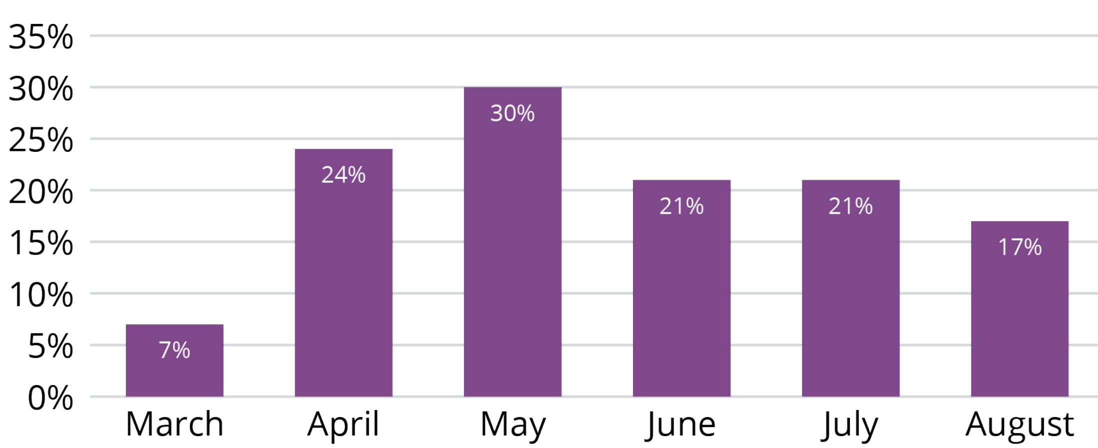
Wonderschool is an organization for child care providers whose mission is to ensure that every child has access to early education that helps them realize their potential. All programs that participate in Wonderschool must meet certain quality and safety standards that go beyond minimum state licensing requirements.

As of August 2020, 833 child care providers were participating in Wonderschool across 15 states. Nearly 75% of Wonderschool providers are in California, while 20% are in New York. The remainder of Wonderschool providers are located in Texas, Massachusetts, Pennsylvania, Colorado and several other states.

For most of its history, Wonderschool has served family child care providers. Recently, the team has started working with center-based programs. As a result of COVID-19, there has also been a strong interest in other types of child care such as nannying and micro schools – small 'pods' of children that gather to learn in a family home with a teacher leading the lessons.

At the start of COVID-19, Wonderschool programmers added an option allowing providers to pause enrollments. This allows a parent to hold their child's spot until a specified end date without having to pay tuition. In May, 30% of student enrollments were paused. As of August, 15% of the children served by these providers still have a paused enrollment status. Figure 5 shows the trends in paused enrollments from April to August 2020.

Figure 5: Percent of Paused Enrollments, March to July 2020, Wonderschool



Furthermore, for providers that continued to collect tuition through the Wonderschool platform, the average drop in collected tuition was around 23% due to paused enrollments.

Procare Solutions provides management solutions for child care owners, administrators, educators and parents. Its products help child care providers manage their records, communicate with parents and handle tuition payments. In July 2020, Procare released a report detailing how COVID-19 has impacted its users. The report includes a state-by-state analysis that tracks weekly child care attendance and program closures. Procare provided CCAoA with an updated dataset so that we could examine how the providers that use its platform have recovered as of August 2020.

Figure 6 shows the nationwide percentage of programs that use Procare that were open on a weekly basis from March 2nd to August 31st. The numbers from March 9th onwards are a percentage of providers that are open compared to the number open on March 2nd. As with our other case studies, we saw a downward trend in March and April, with a slow recovery beginning in May.

Figure 6: Number of Open Providers as Percent of Number Open on 2 March 2020, Procare Solutions

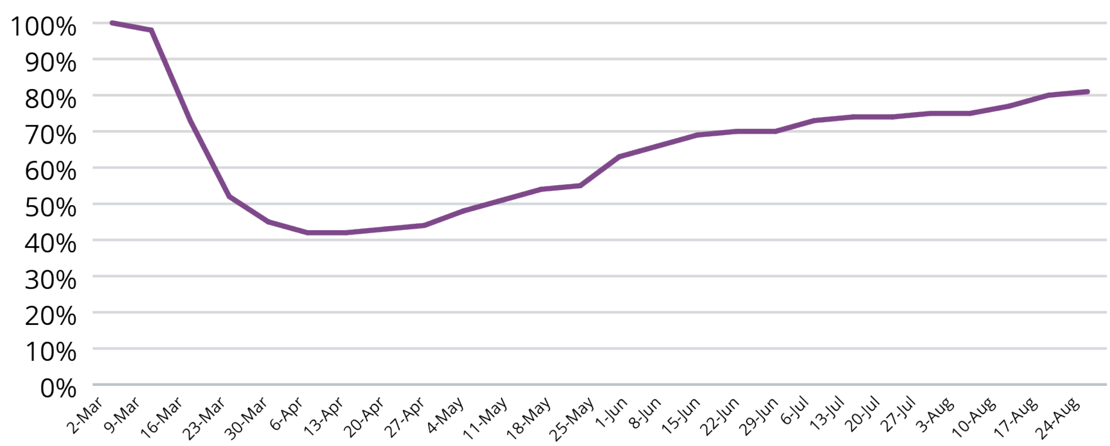
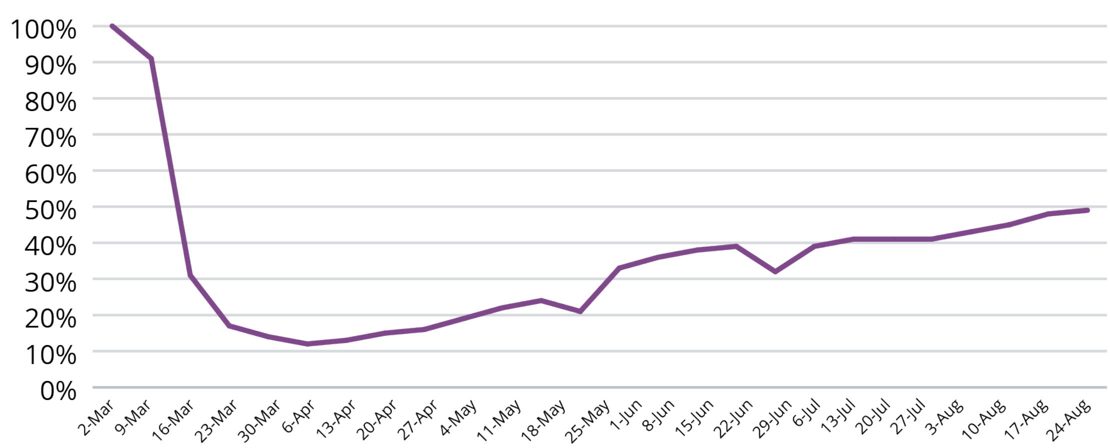


Figure 7 shows that as of August 24th, nationwide child attendance is only 49% of what it was during the week of March 2nd. Although attendance among programs that use ProCare has risen significantly compared to late March and early April, it is still well below attendance levels seen before the start of COVID-19.

Figure 7: Percent of Child Attendance as Percent Attendance on 2 March 2020, Procare Solutions



Overall Findings

Although these three platforms serve different types of child care providers in geographically diverse locations, some trends are apparent. Child care providers using these platforms generally saw a sharp decrease in attendance or enrollment beginning in March. By June, enrollment and attendance started picking up, but providers remain below the average enrollment/attendance levels seen at the beginning of 2020.

These findings are further evidence that child care providers are struggling financially and many programs may not survive COVID-19. Once providers permanently leave the field, parents who were already struggling to find affordable child care that works for them will be at an even bigger disadvantage. Without financial support for child care providers, supply gaps will widen across the country.

WHY CHILD CARE MATTERS TO BUSINESSES

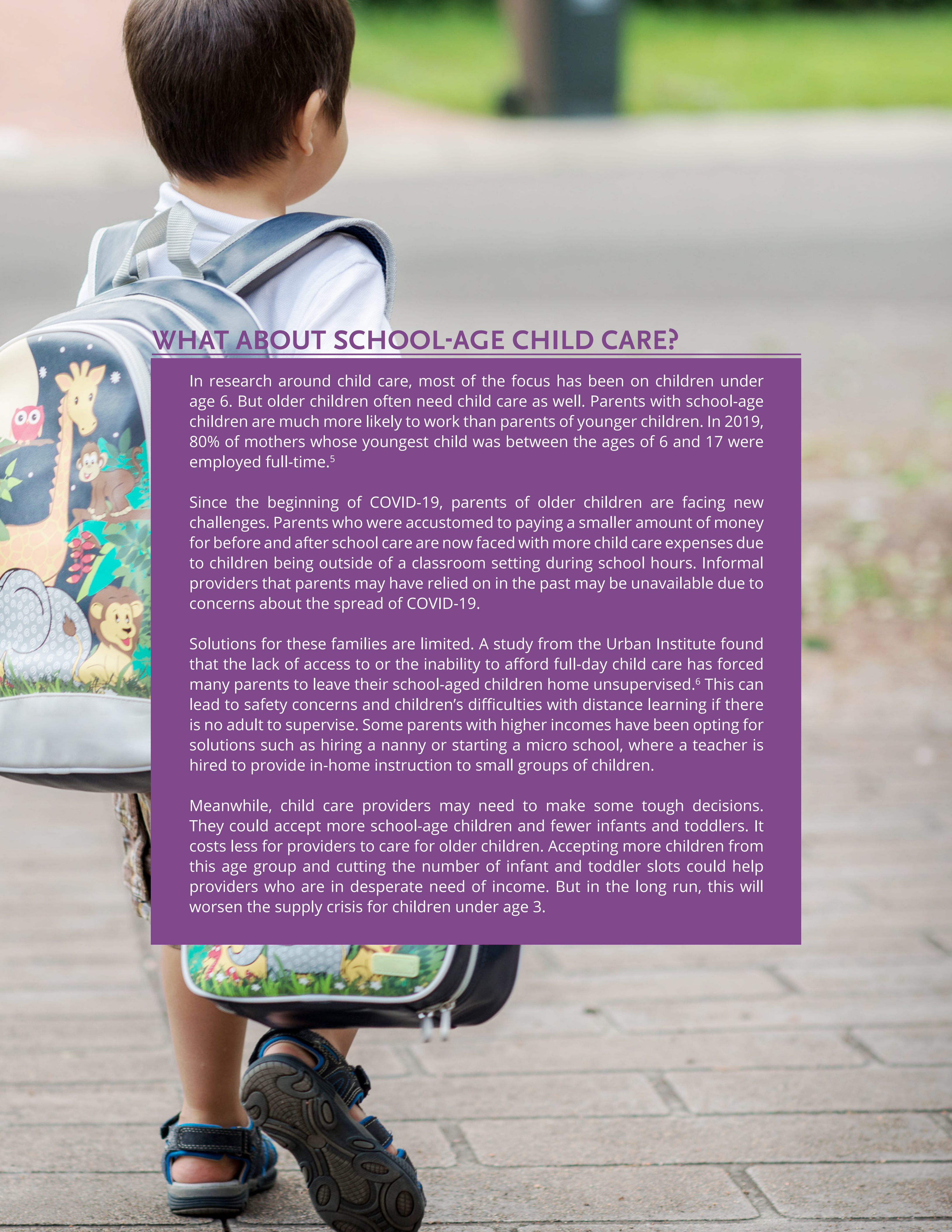
Access to quality child care options makes it possible for parents to work, and businesses benefit from their participation in the workforce. However, parents may miss work due to breakdowns in their child care arrangements (e.g., when a child is sick, snow days are called, etc.).

Because of COVID-19, many children are attending schools that have distance learning or hybrid learning schedules (a mix of in-person and online schooling). Parents need flexible work hours to attend to their child(ren)'s at-home learning. Other parents are in jobs that don't allow them to work from home; many face the difficult decision of leaving their children alone or leaving the workforce.

The business community is aware of the need for child care in order to keep their workforce in place. In 2018, ReadyNation studied the economic impact of insufficient child care on working families and businesses. Well before the pandemic, they estimated annual losses of $57 billion in earnings, productivity and revenue due to the nation's child care crisis. That $57 billion in losses included:

- Working parents loss of $37 billion due to reduced productivity at work, and in more time looking for work.
- Business loss of $13 billion from reduced revenue and extra recruitment costs.
- Taxpayer loss of $7 billion due to working parents being in lower income tax brackets and paying less sales tax.[4]

The authors predicted that these losses will accumulate and the impacts for young families and businesses will be long lasting. Add the potential impact of COVID-19 to these numbers and it is clear how important it will be to invest in child care to save the economy from ruin. For the U.S. economy to recover from COVID-19, American businesses will need access to a steady, reliable workforce - one with access to reliable child care.



WHAT ABOUT SCHOOL-AGE CHILD CARE?

In research around child care, most of the focus has been on children under age 6. But older children often need child care as well. Parents with school-age children are much more likely to work than parents of younger children. In 2019, 80% of mothers whose youngest child was between the ages of 6 and 17 were employed full-time.[5]

Since the beginning of COVID-19, parents of older children are facing new challenges. Parents who were accustomed to paying a smaller amount of money for before and after school care are now faced with more child care expenses due to children being outside of a classroom setting during school hours. Informal providers that parents may have relied on in the past may be unavailable due to concerns about the spread of COVID-19.

Solutions for these families are limited. A study from the Urban Institute found that the lack of access to or the inability to afford full-day child care has forced many parents to leave their school-aged children home unsupervised.[6] This can lead to safety concerns and children's difficulties with distance learning if there is no adult to supervise. Some parents with higher incomes have been opting for solutions such as hiring a nanny or starting a micro school, where a teacher is hired to provide in-home instruction to small groups of children.

Meanwhile, child care providers may need to make some tough decisions. They could accept more school-age children and fewer infants and toddlers. It costs less for providers to care for older children. Accepting more children from this age group and cutting the number of infant and toddler slots could help providers who are in desperate need of income. But in the long run, this will worsen the supply crisis for children under age 3.

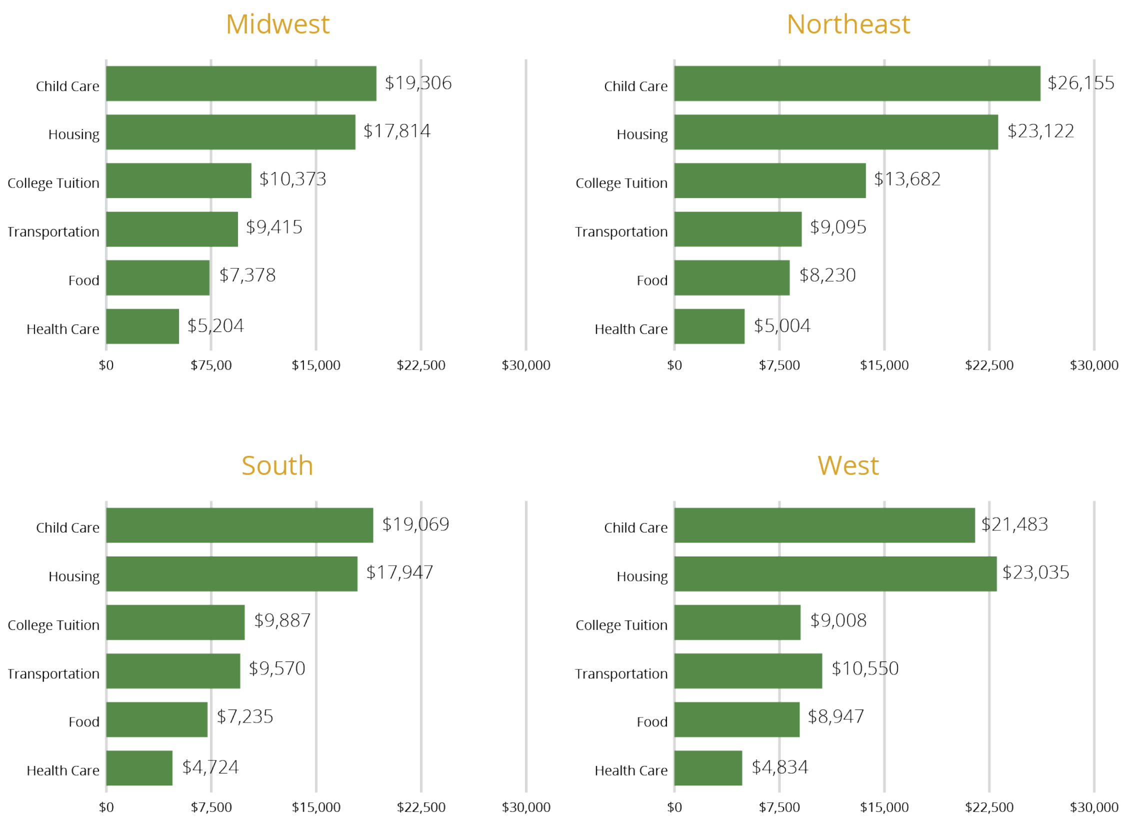
Child care affordability is defined as the price of child care divided by median household income for a married couple with children and for a single parent. One affordability benchmark that CCAoA considers is the U.S. Department of Health and Human Services' (HHS)) 2016 statement that families who are receiving child care subsidies should not pay more than 7% of their income towards co-payments. CCAoA has used this benchmark to say that no family should pay more than 7% of income towards child care, whether they receive child care subsidies or not. In this report we are only reporting affordability percentages without benchmarking them to a certain level, recognizing that different factors, such as regional cost of living and household size, shape what makes child care affordable, or unaffordable, for a family.

Please see our Appendices for complete rankings of states by age group and provider type.

2019 DATA

In 2019, working families across the country paid a significant percentage of their annual earnings to cover the price of child care. Figure 8 is a breakdown by Census-defined regions of the average annual price of full-time care in a center for two children (an infant and a four-year-old) compared to other household prices. Those other prices include housing, transportation, food and health care. In the Midwest, Northeast and South, the price of full-time, center-based care for two children is the highest category of household expenses. In the West, the price of child care for two children is surpassed only by the high price of housing.

Figure 8: Average Annual Household Expenses by Region



Our analysis found that California was the least-affordable state for infants in both center-based and FCC settings. On average, a married couple with an infant paid 18% of their income for center-based care and 12% for FCC.

CALCULATING AFFORDABILITY

Affordability is calculated by dividing the average price of child care by the median household income for families with children under 18*.

Price of fulltime child care ÷ Median household income for families = Price of care as a percentage of median household income

* U.S. Census Bureau, American Community Survey, 2014-2018 5-Year Estimates, Table B19126

NATIONAL PRICE ESTIMATES

Each year, CCAoA generates state-based rankings by affordability – the percentage of median household income it would take to cover the average price of child care in each state. In response to multiple requests for a national price of child care, we have attempted these calculations for the past two years. We report three approaches to calculating a national average price for an infant and a four-year-old in center-based and family child care homes. We have not included school-age prices at this time because of the enormous variability in this dataset across the country.

It is important to understand the following caveats when considering a national average price for child care. Each year, CCAoA makes extraordinary efforts to ensure that each state is represented accurately; our team works very closely with CCR&R agency staff to ensure that data is collected as uniformly as possible. However, each state's child care landscape is nuanced and unique; those distinctive differences are lost when attempting to calculate a national average. We generally do not recommend using a national average of child care prices, and particularly not as a standard of comparison with any state's average prices of child care.

Despite these reservations, we are reporting these price estimates in response to a demand for a national average. We developed three methodologies that consider such factors as the number of slots by different age groups (e.g., infants and 4-year-olds) and the number of programs, which could affect the price of child care in states. If there are a lot of programs in a state – a high supply of child care – prices may be forced down. An explanation of each methodology, along with calculations, is available in our Appendices.

What is the Takeaway?

When examining the overall average of each methodology (both provider types, infant and age four), we are left with a national annual average price of around $9,200 to $9,600. Without the context explained above, this does not mean much, particularly in a child care landscape that varies so dramatically from state to state. However, if you take those figures and compare them to the national median income for married couples with children under 18, you can determine it would take more than 10% of household income to cover the child care prices for one child. For a single parent, this would comprise 34% of household income.

SINCE THE START OF THE PANDEMIC

Currently, many states are gathering updated price data from child care providers. It may be at least a year before families feel the full impact of the COVID-19 pandemic on child care affordability. There are several factors that may make child care more expensive in the future, including providers' need to: reduce program capacity based on social distancing requirements, train on new health and safety measures, update and communicate new protocols to parents and staff and purchase supplies such as disinfectant and personal protective equipment (PPE).

Many child care providers who were forced to shut down still had fixed monthly expenses to pay, such as mortgages or rent, utilities and insurance. One study from Pennsylvania estimated that increased costs related to PPE and cleaning supplies would cost providers an additional $22 per child per week.[7] This same study found that if there are moderate decreases in child enrollment, providers would need to maintain the same number of staff to meet child-provider ratios. As a result, revenue will decrease but staffing costs will remain unchanged.[8] Providers who need to catch up on their bills, purchase the necessary PPE and cleaning supplies and deal with reduced enrollment will see a decline in their profit margins, which were already meager or insufficient. Child care providers will likely need to increase their rates if they want to stay in business.

> **"Everything that we do now costs more. Our food costs have gone up, delivery charges have increased, our overhead expenses have gone up, our insurance – we got a notification the other day that our insurance on the property is going up. So everything that it takes to operate the business has increased in response to the virus.**
>
> Lesia Daniels, child care provider in Mississippi

While there is never a good time to raise child care tuition, this is an especially difficult time for parents. COVID-19 caused an economic downturn and high levels of unemployment in this country. Families of color have been particularly hit hard by the pandemic and its economic consequences. The U.S. Census Bureau has been conducting the weekly Household Pulse survey to understand how families are doing during COVID-19. Survey results from the week of July 16th indicated that Black parents were most likely to report that they could not pay their rent or mortgage on time during the previous month. Table 4 shows that families of color are struggling with housing costs.

Table 3: Housing Cost Concerns, Household Pulse Survey (July 16-21)[9]

	White Parents	Black Parents	Hispanic/ Latino Parents
Did not pay rent or mortgage on time, previous month	11%	21%	17%
No or slight confidence that they will be able to pay rent or mortgage next month	19%	33%	35%

In this same weekly dataset, Hispanic or Latino parents were more likely to report losing a job (69%), followed by Black parents (62%) and white parents (57%). These job losses put an even greater strain on household finances and families begin to fall behind on bills. Although unemployed parents may not need child care at the moment, they will as they start their job hunt and find new jobs. Furthermore, parents who are behind on their bills will not be able to afford higher child care prices.

Parents who were already struggling to afford child may be hit with large tuition increases when they return to work. At the same time, child care providers need to have enough income to pay their bills and make a living. It is a difficult and unstable situation for all involved.

CASE STUDY

THE EFFECTS OF COVID-19 ON CHILD CARE PROGRAMS: A CLOSER LOOK AT WASHINGTON STATE

To keep children, families and child care providers safe, many states have mandated lower child/provider ratios during the COVID-19 pandemic. Lower ratios result in fewer children attending, but staffing needs remain unchanged or even increase to meet these new licensing requirements. Consequently, many child care providers are losing money.

> **"Financially, our situation is definitely not any better. Um, where we are right now with probably 92% enrollment – we'll be back to 100% next Monday. So our tuition – our weekly income – is the same as it was before corona. But our payroll is so high now because of small group sizes.**

Deeann Puffert, executive director of Child Care Aware® of Washington, created a tool that child care providers can use to determine how much it costs to run their businesses with increased restrictions due to the pandemic. Using the new ratios mandated by the state of Washington, this tool demonstrates that child care centers will struggle the most financially. The following tables demonstrate how lower ratios mean higher costs for child care providers. As the months go by, the funding shortfalls add up. Table 4 is an example of how the new ratios can affect a center's bottom line.

Table 4: Impact of Restricted Ratios on a Center in Washington

January 2020: 3 preschool classrooms, 1 toddler classroom, 1 infant classroom served a total of 82 children

Time Period	Age Group	Maximum Number of Children in Classroom	Monthly Cost per Child (for Provider)
January 2020	Infant	8	$2,359
	Toddler	14	$1,281
	Preschooler	60 (20 per classroom)	$922
July 2020	Infant	8	$2,293
	Toddler	9	$2,056
	Preschooler	27 (9 per classroom)	$1,798

As Table 5 illustrates, infant classrooms are not affected because the provider/child ratio did not change. In fact, the monthly cost per infant decreased slightly. However, lower ratios result in a 60% increase in the monthly cost per toddler and a 95% increase in the monthly cost per preschooler. In this situation, the provider would need to increase tuition or find another way to absorb this extra cost per child. Reducing staff would only result in reduced capacity to serve children, meaning reduced enrollment.

Even if a significant number of the children who attend this center had child care subsidy vouchers, the reimbursement rates would not be sufficient to cover a provider's costs. Table 5 compares average subsidy reimbursement rates to the new monthly cost per child to demonstrate this shortfall.

Table 5: Comparison of Monthly Cost per Child to Average Monthly Subsidy Reimbursement Amount

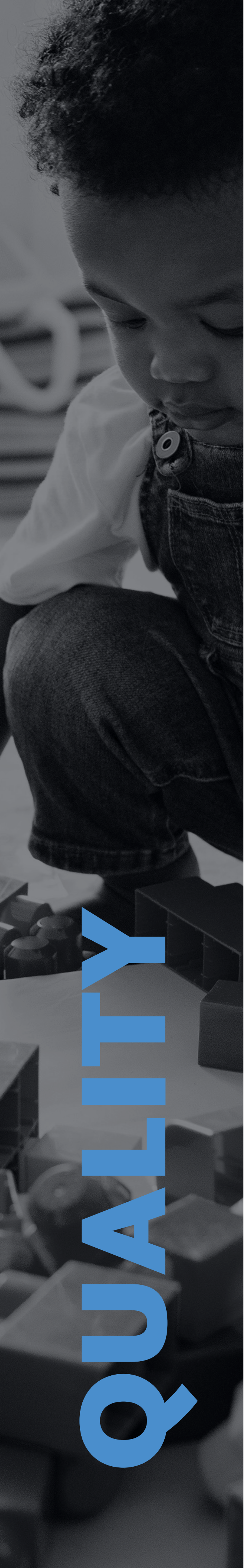
Time Period	Age Group	Maximum Number of Children in Classroom	Monthly Cost per Child	Average Monthly Subsidy Reimbursement	Monthly Shortfall per Child
July 2020	Infant	8	$2,293	$1,627	-$666
	Toddler	9	$2,056	$1,364	-$692
	Preschooler	27 (9 per classroom)	$1,798	$1,260	-$538

Even before Washington State mandated the new ratios, reimbursement rates for infants were below the actual cost per infant. For toddlers and preschoolers, the monthly subsidy covered all the cost per child and then some. However, there is a definite shortfall for all age groups with the new mandated ratios. Table 6 outlines the total monthly shortfall for this center.

Table 6: Total Monthly Shortfall

Time Period	Age Group	Maximum Number of Children in Classroom	Monthly Shortfall per Child	Total Shortfall (shortfall per child x children in age group)
July 2020	Infant	8	-$666	-$5,328
	Toddler	9	-$692	-$6,230
	Preschooler	27 (9 per classroom)	-$538	-$14,527
Total Monthly Shortfall				-$26,085

As we see in all of the tables above, a child care center in the state of Washington would not be able to survive for long under these new rules. Although these rules are only temporary, these losses can cause long-term damage to child care providers. In addition to helping providers estimate their business costs using this tool, Child Care Aware® of Washington has been conducting surveys of child care providers to understand their needs and struggles. One question on the survey asks providers to report whether they are at risk of closing permanently. As of July 2020, 46% of respondents reported that they are at risk of permanent closure. The significant loss in revenue caused by this pandemic may be a key factor in these providers' decisions about whether to continue operating.



2019 DATA

There are multiple ways that states recognize quality child care programs, including accreditation from early childhood organizations such as the National Association for the Education of Young Children (NAEYC) and ratings through a Quality Rating and Improvement System (QRIS). Our survey results indicate that nationwide, the average rate of participation in QRIS for center-based programs is 63%. For family child care providers, the nationwide average is 52%. Furthermore, only 9% of all center-based programs and just 2% of family child care homes are accredited. While programs that recognize quality child care abound, participation in quality recognition programs remains low.

Research continues to indicate that children who attend high-quality child care programs have positive long-term outcomes in later childhood and beyond. The long-term benefits include high school completion, higher income, better physical health and stronger families.[10] These outcomes also benefit the country, because they are associated with reduced crime rates, a stronger economy, lower public expenditures for financial assistance programs and healthier communities. Price-benefit analyses of high-quality programs such as the Perry Preschool Project, the Chicago Child-Parent Centers program, and the Carolina Abecedarian Project show returns of between $4 and $16 for every dollar spent.[11]

COMPONENTS OF HIGH-QUALITY CHILD CARE

Quality care provides the emotional and academic support children need to be school-ready by the time they enter kindergarten — quality child care is effective early childhood education. Quality child care should be culturally and linguistically responsive and should be provided by engaged and caring child care providers. Quality child care incorporates physical activity time and developmental screening practices and follows food safety guidelines. Additional components include a safe and stimulating physical environment, along with positive relationships between the provider and the family. See our website for a video of our executive director, Dr. Lynette Fraga, explaining the key elements of quality child care.

SINCE THE PANDEMIC BEGAN

As with affordability data, we will not see the long-term impact of COVID-19 on the supply of quality child care until later. However, we feature several case studies in this section that demonstrate the impact that this pandemic is having on providers with higher quality ratings.

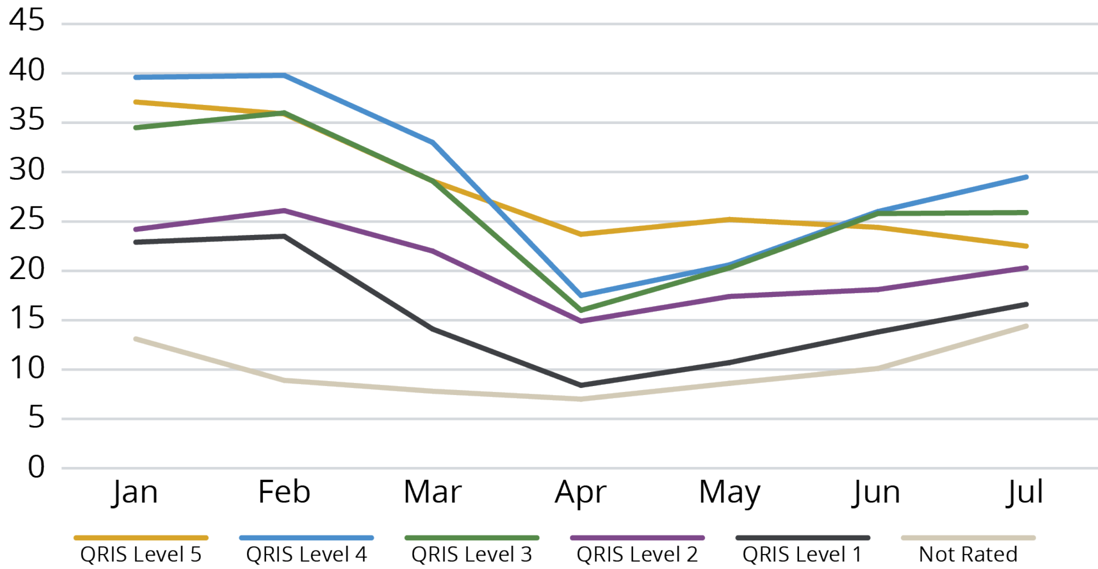
CASE STUDY

EARLY LEARNING VENTURES, COLORADO

As we noted in the Access section of this paper, Early Learning Ventures (ELV) is a nonprofit organization based in Colorado that provided CCAoA with provider enrollment data from January to July 2020 that was stripped of any identifiers such as address. Part of this dataset included the provider's quality rating, according to Colorado's QRIS – Colorado Shines.

Figure 9 is a summary of average monthly enrollment based on provider QRIS level. In Colorado, Level 5 is considered the highest quality. Starting in March 2020, all providers regardless of quality level had sharp declines in attendance due to the COVID-19 pandemic. However, providers with lower QRIS levels are recovering a bit faster than providers at Levels 4 and 5. For example, Level 1 providers started 2020 with an average weekly attendance of 24 children. As of July 31st, the average weekly attendance for child care providers at this level is up to 16 children. On the other hand, child care providers at the highest quality level (5) started 2020 with an average weekly attendance of 34 children. But as of July 31st, average attendance was only up to 22 children.

Figure 9: Average Monthly Attendance by Quality Level, Early Learning Ventures, Colorado Providers



CASE STUDY

COST TO PROVIDE QUALITY CHILD CARE

High-quality child care requires additional investments and costs providers more money to deliver. The Center for American Progress (CAP) developed an online calculator in 2018 which estimated the likely monthly cost per child, by age, in a child care center when one or more quality indicators are selected, such as lower provider-child ratios, bigger classrooms, and increased salaries for teachers.[12]

COVID-19 COST CALCULATOR

CAP recently released a version of their online calculator that estimates the additional expenses faced by providers who are operating under state emergency child care licensing requirements put in place to respond to COVID-19. The calculator allows the user to include data based on state requirements and includes information on staffing patterns, salaries, and additional sanitation costs. Users can also create a custom model based on the latest requirements.

Using the calculator from 2018, along with child care subsidy reimbursement rates and parent co-payment information, our partners at Opportunities Exchange calculated how much centers in Oregon and Wisconsin were earning or losing pre-pandemic based on child age and quality level. While the information is based on pre-COVID calculations, the story remains the same: providers are struggling to pay the true cost of providing quality child care.

Methodology

Louise Stoney from Opportunities Exchange conducted an analysis of the gap between likely cost per child and potential revenue in a child care center that serves children receiving a CCDF subsidy. For this case study we pulled data from her work in Oregon and Wisconsin, specifically the city of Portland (Multhonmah County) and two rural areas - Coos and Curry Counties - in Oregon; and the city of Milwaukee and Vernon County, a rural area of eastern Wisconsin.

For each geographic area, Ms. Stoney compared the likely cost of child care (based on the cost calculator developed by CAP) to the amount reimbursed by the state, plus the CCDF required parent co-payment. She made the comparisons for centers that meet the minimum licensing requirements and for higher-quality centers. Two different levels of parent co-payment were considered: for a family of two living at the federal poverty level ($19,600) and for a family of two with an annual household income of $30,000. For both Oregon and Wisconsin, Ms. Stoney inputted the following criteria for high-quality centers:

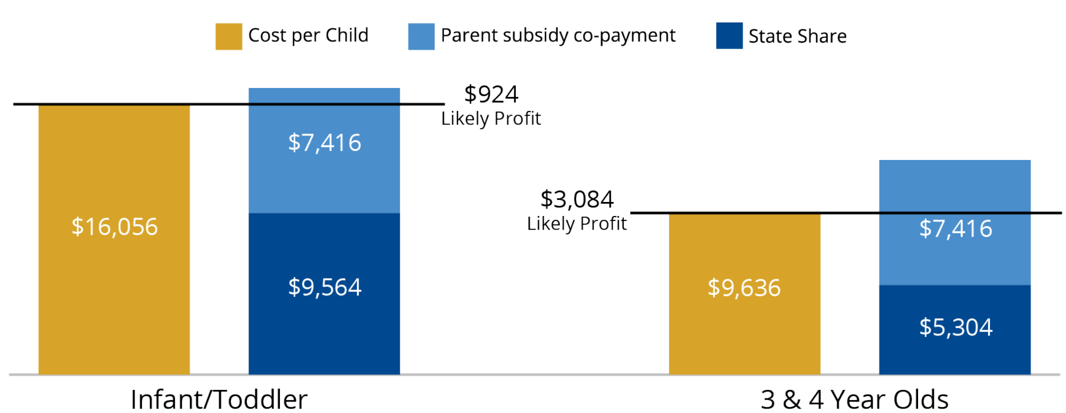
- lower provider-child ratios
- bigger classrooms
- more time allotted to teachers to plan lessons
- more classroom resources
- higher teacher salaries
- retirement benefits for staff
- higher employer contributions to health insurance

Selecting these quality indicators in the CAP tool resulted in a monthly cost per child that could be annualized when multiplied by 12 months.

Oregon

Figure 10 shows that centers located in Portland, the state's largest city, that comply with minimum licensing requirements are likely to make a profit when serving both infants and preschool-age children if they successfully collect the family co-payment in full. But, as Figure 10 also underscores, the parent co-payment can be very high (although it varies significantly based on family income.) A single mother with one child and a household income of $30,000 per year is expected to pay an annual copay of $7,416—almost 25% of her income.

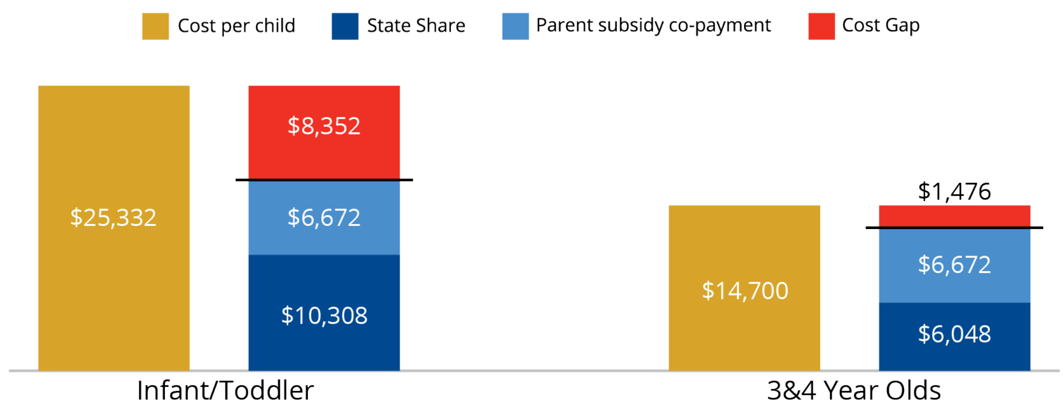
Figure 10: Minimum Licensing, Portland, Single Mom and Child at $30K



Cost per child from Center for American Progess

While the financial picture is positive for a Portland-based center meeting minimum licensing requirements, it is far more challenging for a center that seeks to provide higher-quality care. As Figure 10 indicates, the likely cost of providing care in a center that complies with higher quality standards exceeds potential revenue, resulting in a significant loss for each preschool-age child served and a staggering loss for infant care. Families that choose a provider who participates in SPARK, the Oregon Quality Rating and Improvement System, have co-payments that are approximately 10% lower. While these lower rates are reflected in Figure 11, the math suggests that they have almost no impact on either the affordability of care for parents or provider sustainability.

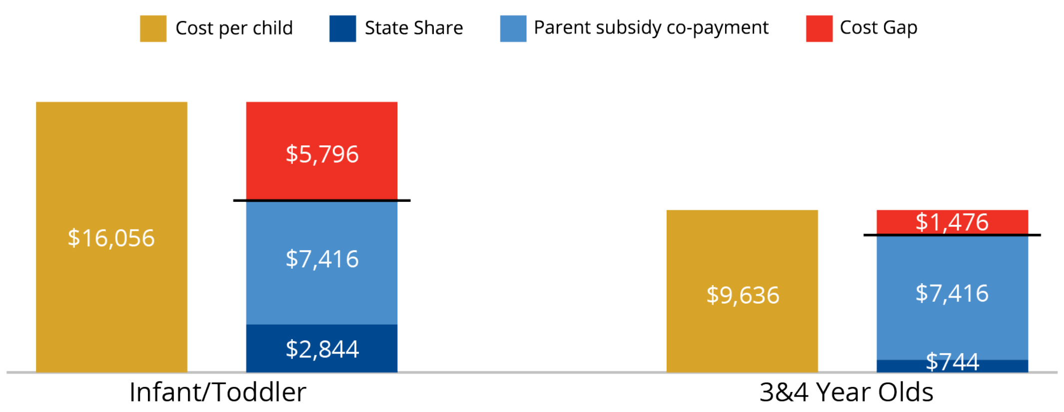
Figure 11: Top Quality, Portland, Single Mom and Child at $30K



Cost per child from Center for American Progess

When child care rates are based on market prices, areas with lower incomes, such as Oregon's rural areas, see significant drops in state reimbursement even at the 75th percentile. Figure 12 illustrates this problem. Even centers that meet just the minimum licensing standards cannot break even if they are located in Coos or Curry Counties, two rural jurisdictions along the Southeastern coast. The state share of CCDF reimbursement drops to $2,844 for an infant (compared to $9,564 in Portland) and to $744 for a preschooler. Yet the parent share of the payment – the co-payment required for CCDF funding – remains the same ($7416 annually) in both jurisdictions.

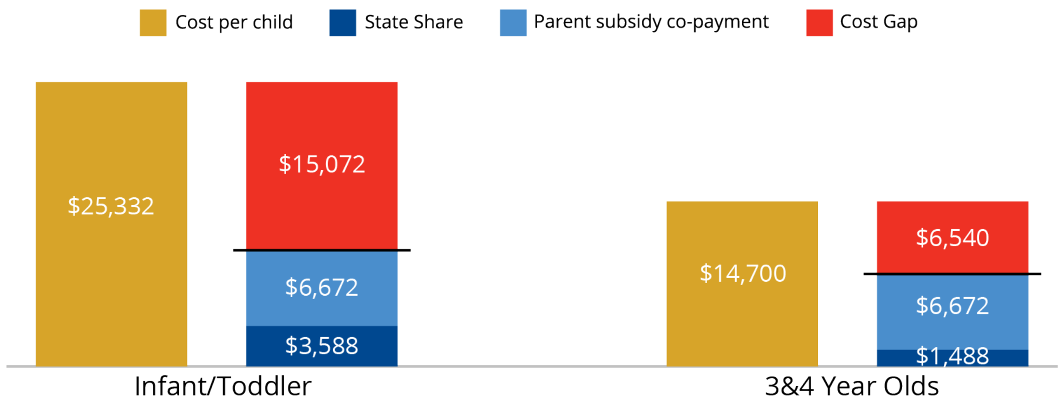
Figure 12: Minimum Licensing, Coos-Curry, Single Mom and Child at $30K



Cost per child from Center for American Progess

Centers in Coos and Curry Counties that are trying to provide higher-quality care face an impossible situation. The cost gap is over $15,000 for infants and over $6,000 for preschoolers. Although a child care center in these counties may have a strong desire to provide all of the elements of high-quality child care, they simply cannot operate with such extreme cost gaps. Not surprisingly, very little center-based care exists in these counties.

Figure 13: Top Quality, Coos-Curry, Single Mom and Child at $30K



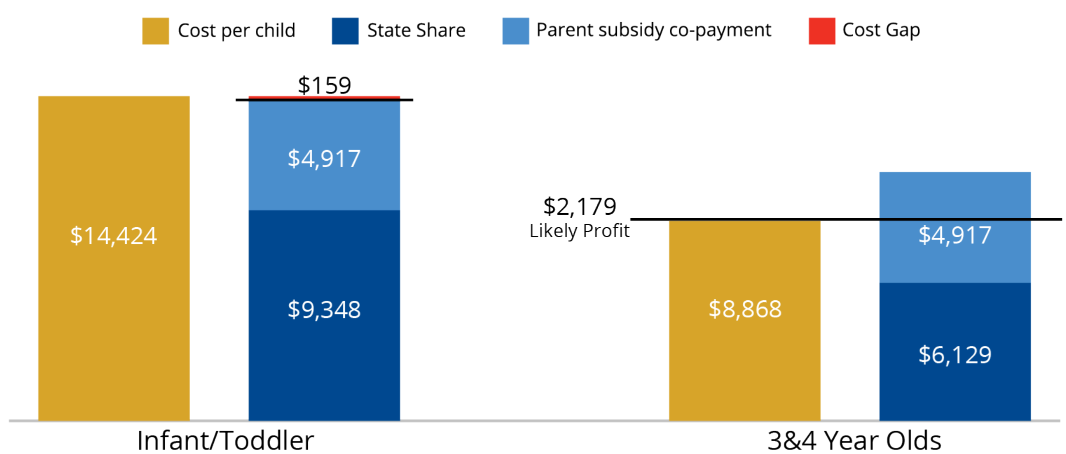
Cost per child from Center for American Progess

Wisconsin

While the per-child cost can vary significantly, many of the patterns we saw in Oregon can be found in other states. Wisconsin is one example. In Milwaukee, the largest city in the state, center-based providers that serve infants can just about break even at minimum quality but face a significant cost gap if they seek to meet higher quality standards (Figures 14 and 15).

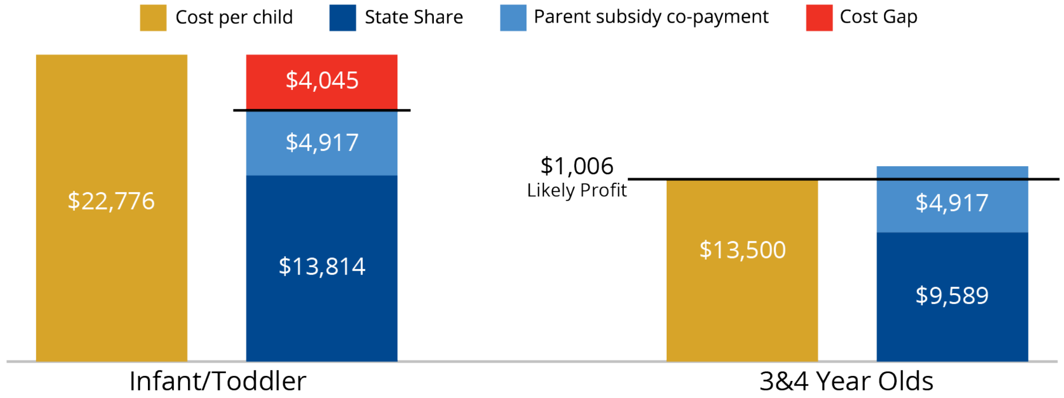
However, the story is completely different for centers that focus on preschool-age children, where it is possible to make a profit even at higher quality standards. It is important to underscore that likely profits require full collection of the parent co-payment, which is just over $4,900 a year for a single mother with an income of $30,000 a year (16.3% of household income).

Figure 14: Minimum Licensing, Milwaukee, Single Mom and Child at $30K



Cost per child from Center for American Progess

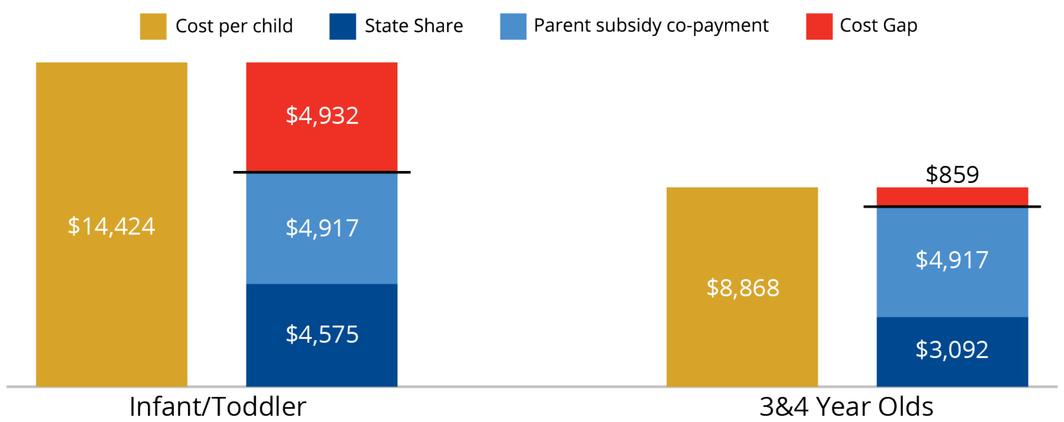
Figure 15: Top Quality, Milwaukee, Single Mom and Child at $30K



Cost per child from Center for American Progess

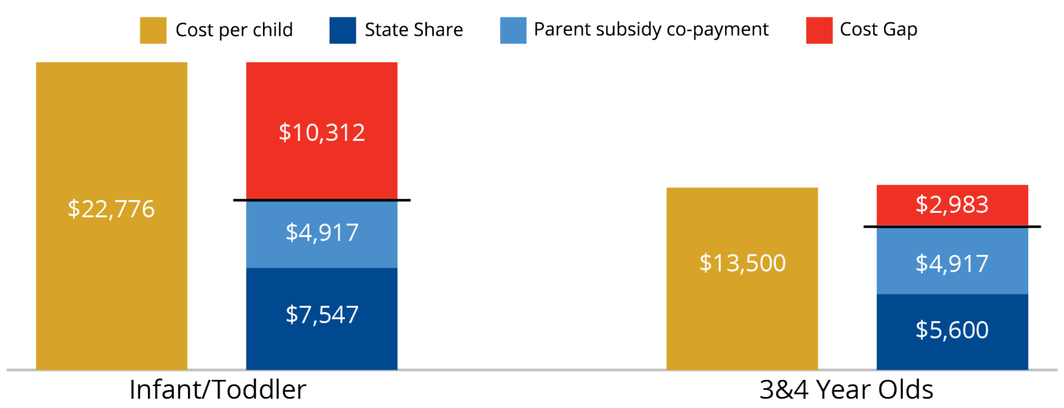
In Vernon County, a rural area on the eastern coast of Wisconsin, the story is similar to that experienced in rural areas of Oregon – centers face losses regardless of quality level or the ages of the children they serve. And to make matters worse, even though the state share of the subsidy payment is significantly lower in this rural county (about half what a center in Milwaukee receives) the expected parent co-payment is consistent across the state. In short, the state pays less in this rural area, but parents do not.

Figure 16: Minimum Licensing, Vernon County, Single Mom and Child at $30K



Cost per child from Center for American Progess

Figure 17: Top Quality, Vernon County, Single Mom and Child at $30K

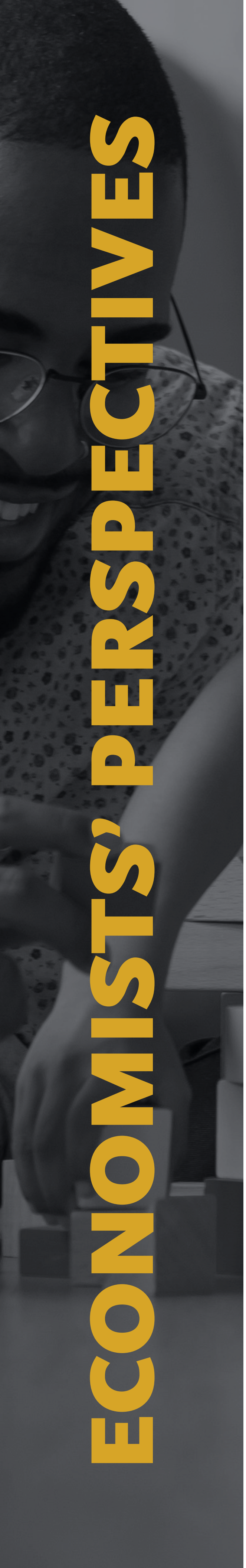


Cost per child from Center for American Progess

Sadly, this story repeats itself across the U.S. Child care centers located in areas with lower median incomes and those that seek to serve infants and toddlers struggle to generate the revenue needed to break even. It is rarely possible for providers to serve infants and toddlers without losing money, so it should come as no surprise that the supply of care for this age group is meager and a large percentage of CCDF money is spent on children over age three.[13] Despite the clear need for more child care spaces, center directors must make tough decisions about their infant and toddler classrooms. Should they stop serving this age group or eat the lost costs? Neither solution benefits families or child care providers.

This crisis is an opportunity to expand access, make child care affordable for all American families and increase the quality of providers. With massive investments in child care, we can help our providers survive and thrive. Our children, families and communities deserve equitable access to affordable and high-quality child care.

ECONOMISTS' PERSPECTIVES



Our team spoke with two economists about our data and asked them to assess the potential long-term consequences of COVID-19 on the child care industry. Our dataset included the number of center-based and family child care programs and their capacity – the number of children they could serve – for 2018, 2019 and the first half of 2020. The 2018 and 2019 data were obtained from the CCAoA annual survey. The data about child care supply as of July 2020 were obtained through a follow-up request to states that submitted 2019 survey data. Thirty-two states provided data from July 2020. Overall, the data show large variations in child care supply across the country during the COVID-19 response.

Dr. Randy Albelda is a Professor of Economics at the University of Massachusetts at Boston. Looking at our data, she noted that states with higher unemployment rates during the COVID-19 pandemic lost a higher percentage of child care slots. She also pointed out that more than 50% of the states that provided July 2020 data lost at least a quarter of their child care capacity.

A number of providers lost their jobs as a result of COVID-19. A shrinking pool of providers reduces the number of children that programs can serve and may lead programs to close. Providers who have been laid off may be forced to find work in other industries, which could result in a long-term shortage of child care providers even after the pandemic has ended.

> **"Although some of these providers may reopen, it is likely that a significant portion of child care capacity is permanently lost...the problem is not a demand-related phenomenon but related to supply. Even as states reopen their businesses and parents return to work, they will find that there is not enough child care available.**
>
> Dr. Randy Albelda

New child care programs may open to fill the void. However, it takes time for a new child care business to meet the necessary licensing requirements and open its doors to children and families. These requirements include hiring staff, getting health and safety inspections and ensuring that there are adequate operating procedures in place that best protect children.

Dr. Jessica Brown is an Assistant Professor in the Department of Economics at the University of South Carolina's Darla Moore School of Business. She shares the longstanding concern about the inadequate supply of child care. Child Care Aware® of America, advocates, businesses, parents, communities and other organizations have been highlighting the various issues around child care supply and demand in the U.S. for years. Even before COVID-19, the majority of child care providers were operating on razor–thin profit margins – with programs in low socioeconomic areas struggling the most to keep their doors open. The impact was felt primarily by single-parent families and families with low incomes.

Now, because of COVID-19 and the associated drop in the number of providers, the impact is being felt in many more U.S. families, including upper middle-class families across the

nation. A substantial number of providers, regardless of geography, will not be able to recover and will be forced to permanently close their doors. The providers who remain open are spending more to implement safe distancing protocols. Some, due to new requirements and lower teacher/child ratios, may be forced to enroll fewer children, effectively lowering their income.

Dr. Brown points out that center-based care may have longer-term impacts as well. They have higher fixed costs associated with operating the business and – because they offer slots to more children – will have to spend more to comply with strict COVID-19 health and safety requirements. These added expenses may force centers to increase their tuition to cover costs, which could then restrict their program to families able to afford a higher price of child care. Providers in areas where incomes are low likely won't have the option to raise tuition rates.

Centers in areas unable to afford a higher cost of care will be forced to close their doors at a rate much higher than other centers in more affluent areas. Families unable to afford increased prices will have to rely on internal sources of child care such as having older children care for younger children. Although using older children for child care has been a way of life for many families in the U.S., it prevents both the younger and older child from focusing on educational development and could lead to a larger inequality gap later in life. Brown states that "children from disadvantaged backgrounds have the most to gain from attending higher-quality center-based care and from being in more stable care arrangements, and they are also likely to be the most impacted by the (COVID-19) crisis."

Dr. Brown also notes that once a child care center closes, it is often difficult to reopen given the high start-up costs. This impact on center-based child care may lead to a national shift towards family-based providers. The shift may be welcomed by some families who are seeking smaller settings for their children during the COVD-19 crisis. However, this also means that the spaces that were available in centers will be lost and even with significant investment and recruitment, family child care providers won't be able to serve all the children in need of care. It is important that parents have options and therefore it may become even more important for us to understand the child care needs of communities and provide resources for the rebuilding of quality child care settings that meet those needs.

Dr. Albelda argues that 'child care must be viewed as a public good that requires public investment rather than a private market with typical supply and demand models.' The demand for child care is present, but parents who can work from home may be willing to continue working and caring for children while COVID-19 remains a concern. Parents who lost jobs during the pandemic are also likely to be stuck at home, finding that no child care is available when they need to look for work. Without public investment, a short-term child care supply issue will become a permanent issue in a child care system that becomes impossible to repair. Last-minute financial support for the child care industry will not be effective because the process of opening or reopening child care settings can take many months. We need financial investment now so these organizations can in turn invest in our future – the education and development of young children.

FUTURE DIRECTIONS

WHAT WILL IT TAKE TO FIX THE CHILD CARE SYSTEM POST COVID-19?

There is no simple, singular fix for the problems in the child care system. Building a better child care system will require three key components: public investment, a solid data foundation and resources and supports for families, children and child care providers.

Investment

With the additional stresses the pandemic has layered onto an already fragile child care system, $50 billion in dedicated funding is needed to stabilize the industry. This significant funding level is necessary to support families as they return to school or the workforce, save thousands of child care jobs and businesses and ensure that we have a child care system to return to when COVID-19 subsides. The funding would be used to help keep child care providers in business and make child care more affordable for families. Prior to the outbreak of COVID-19, child care was woefully underfunded. Therefore, in addition to the $50 billion needed to stabilize the child care industry, there must also be continued public investment to ensure that working families have access to affordable, high-quality child care.

Data

Data is fundamental to an equitable child care system. What we've learned over 15 years of gathering, measuring, visualizing and telling stories with data is that the data is abundant and available. However, it's extremely hard to get data from all states in a timely, standardized, systematic and efficient manner. Data is scattered throughout the country in systems built by different vendors, owned by different entities, contained in various silos and sometimes out of reach. When data is available, it's a snapshot of a moment in time and it quickly becomes outdated. We cannot afford, especially in times of crisis like COVID-19, to be unable to access data needed to impact lives.

As made clear in the Access section of this report, child care enrollment and attendance data are difficult to gather from states. For this report, we were grateful for the child care management software companies that gave us data from providers who use these systems. While we were able to see and report some trends in child care enrollment and attendance, imagine how much richer our understanding of the supply of child care could be if we were able to collect these data elements continuously, in real time and in a standardized fashion nationwide.

CCAoA encourages the development of automated, interoperable systems with common standards. These systems will ensure that data collection, management, and dissemination is more efficient and functional for stakeholders. As COVID-19 began to make a mark in the U.S. in March, CCAoA formed a partnership with three organizations (BridgeCare, 501ops (Bowtie), and BrightHive) to create rapid referral systems that connected families with providers that had immediate openings in the state of Texas, as well as Tarrant County, TX and Alleghany County, PA. These systems enabled providers to update their openings in realtime. Throughout the pandemic and beyond, these and other systems can inform decision makers about the supply and demand of child care in their localities, alerting them to where supply lags behind demand in the moment. This is just one example of what can be possible when multiple organizations collaborate to build data systems that are useful to child care providers and decision makers.

Resources and supports for families, children and child care providers

As we've discussed throughout this report, everyone in the child care community has been affected by the COVID-19 crisis:

- Providers are struggling to keep their doors open while meeting COVID-19 requirements.
- Parents are trying to keep their children safe and healthy while meeting the demands of work, school and child care needs.
- Children of all ages need child care during the times their parents are unavailable.

CCR&Rs and other intermediaries are positioned to help families navigate complicated child care systems by providing consumer education products and referrals to affordable, quality child care programs. They believe parents are their child's first teachers, and therefore provide information and resources that will help families make informed child care choices based on their preferences.

CCR&Rs also work to increase programs' access to financial resources and higher compensation. They often administer scholarships and grants to providers, administer financial and other incentives for programs to participate in Quality Rating and Improvement Systems (QRIS) and connect child care programs to resources and trainings to improve their business practices. Often, those who enter the child care workforce are driven by their passion to support the development of children. Few enter the profession with formal experience and training in business practices and financing. CCR&Rs offer resources and guidance to address these challenges.

No other member of the child care system is more connected to families and providers. Therefore, any proposed solutions to the current crisis should include CCR&Rs. Recently, CCAoA conducted a survey of CCR&Rs about their responses to COVID-19. We received responses from 41 states. We found that over 75% of CCR&Rs have plans to help child care providers reopen. These plans include providing information, helping providers secure PPE and cleaning supplies, and working to recruit child care providers to repopulate local supply. CCR&Rs are a critical piece of the child care system. Additional investment in these organizations would only strengthen our efforts to build a better child care system.

CONCLUSION

Throughout this report, we have analyzed the current and potential future impacts on the child care system caused by COVID-19. A system that was already fragmented, unaffordable and inequitable was further weakened. There are five key takeaways from this report:

- High-quality child care continued to be inaccessible and unaffordable for many families in 2019, before COVID-19 hit.
- COVID-19 demolished an already broken system. The supply of child care in a large number of states may not fully recover without significant dedicated support from federal and state governments. We found that 17 of 32 states which submitted data for July 2020 lost more than 25% of their child care capacity.
- Child care attendance and enrollment remain significantly lower than they were at the start of 2020. At the same time, child care providers face financial pressures associated with state-mandated lower provider-child ratios and increased costs for PPE and cleaning supplies. This may well represent the tipping point for child care providers who were barely making ends meet even before COVID-19, causing them to close their doors.
- Without significant public investment in our child care system, providers will likely have to pass along extra costs related to COVID-19 to parents who are already struggling to stay afloat during this economic downturn.
- The cost to provide quality child care is also likely to increase due to the factors mentioned above. Quality may suffer as child care providers focus on ways to stay in business. At the very least, these increased costs will disincentivize new providers from participating in quality improvement programs.

This is our opportunity to reimagine child care as a public good that all children have a right to access. The child care system should also include the most up-to-date data so that decision makers can determine how to best help families and child care providers. CCR&Rs have been and should continue to be the main point of contact between all of the various members of the child care system. We can leverage their expertise in child care to build a better system.

WANT TO DO MORE?

You can explore state-level data using our interactive map. When you click on a state, you will be directed to a State Fact Sheet with a lot of data about child care in that state. You can use this same map to explore child care data and stories for six pilot states in our new Child Care Data Center (CCDC). Our pilot states are Illinois, Minnesota, Missouri, Oregon, Washington and Wisconsin.

CCAoA has a vision for the future of child care: that every family in the U.S. has access to a high-quality, affordable child care system. You can help make that vision a reality by taking action today to let your Members of Congress (as well as your state and local policymakers) know that you will hold them accountable to ensure high-quality child care is affordable for all those who need it.

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