

2020 | NOVEMBER

COVID-19 CHALLENGES FACED BY THE VIRGINIA CHILD CARE PROFESSION

STATEWIDE CHILD CARE, ECE, & SCHOOL AGE PROGRAM SURVEY RESULTS

Across Virginia, child care businesses (both center-based programs and home-based programs) are struggling to remain financially viable during the COVID-19 public health pandemic. To reduce the likelihood of community spread of the coronavirus, which throughout the country was causing widespread illness and death among affected individuals (and families), Governor Ralph Northam issued a series of executive orders beginning in March 2020 to promote the health and safety of Virginians.

Overnight, public schools and businesses closed in an effort to curb the spread of the virus. Unemployment soared. Initially, it was thought that the public health pandemic would challenge America for several weeks. As the virus spread, in the absence of a vaccine to combat COVID, several weeks turned into months. While many businesses have re-opened since the spring of 2020, Virginia, like other states throughout the country, continues to struggle to maintain balance between public health protections and the need to advance the journey to economic recovery.

Because parents' abilities to work often depends on child care (particularly parents of young children or elementary school-age children whose schools remain closed), and the effects of COVID on the workforce were so astounding, Child Care Aware of Virginia conducted a statewide survey of child care and early education programs between May 13, 2020 and September 4, 2020 to capture the challenges faced by this essential industry.

Child care is a business - most often a small business, though it is often not viewed through the same lens as other small businesses. Whether operated as a center-based program (licensed or religious exempt) or a home-based program (licensed, voluntary registered, under a local ordinance or a local system), business viability was impacted by COVID-19 similarly to other small businesses. However, unlike other small businesses, the supply of child care is directly linked to greater economic recovery since parents depend on child care so they can work to support their families. Families need child care - employers need child care.

Understanding the challenges child care and ECE programs face can help Virginia policymakers and state agencies, as well as local communities, develop strategies to best support the needs of working families and better understand the critical importance of investing in early care and education programming as an economic strategy.

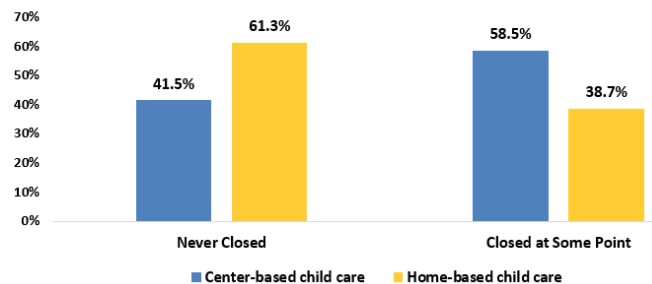


SURVEY RESULTS OVERVIEW

Statewide, 670 center-based programs, including licensed and exempt centers, early education and preschool programs, and school-age programs (appx. 19% of center-based programs) and 763 regulated home-based child care providers (about 27% of home-based programs) responded to our survey to share their experiences about operating businesses that served the public during the ongoing pandemic.

While many programs closed at some point between March and September, most are now re-opened, although struggling to stay in business.

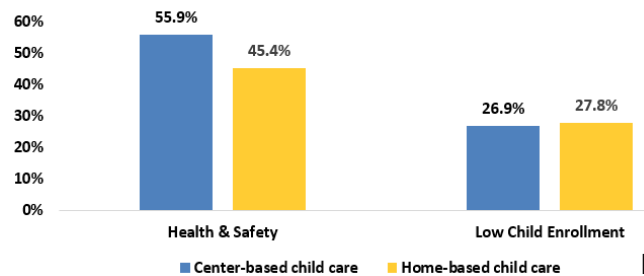
**COVID 19: VA Child Care Programs by Type of Care
Programs that Remained Open vs Closed at Some Point
Since March of 2020**



PROGRAM CLOSURE DECISIONS

There were many factors that led to center-based and home-based program closures. The top two reasons for closure for both centers and homes were: health and safety followed by low child enrollment.

**COVID 19: Top 2 Reasons for VA Child Care Closures
by Type of Care**

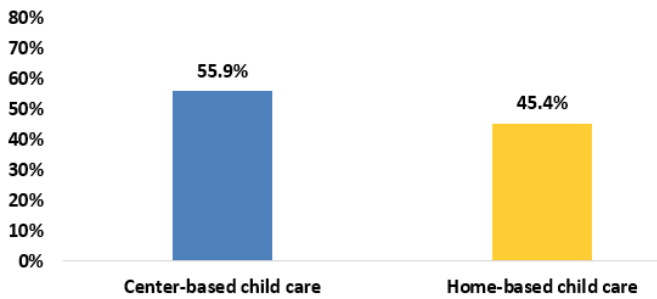


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CHILD CARE STAFFING CHALLENGES

While COVID-19 has presented center and home-based child care programs with multiple challenges with regard to staffing, the top challenge for both types of businesses was related to laying off or furloughing staff.

COVID 19: Top Staffing Challenge for VA Child Care Programs: Lay Offs & Furloughs

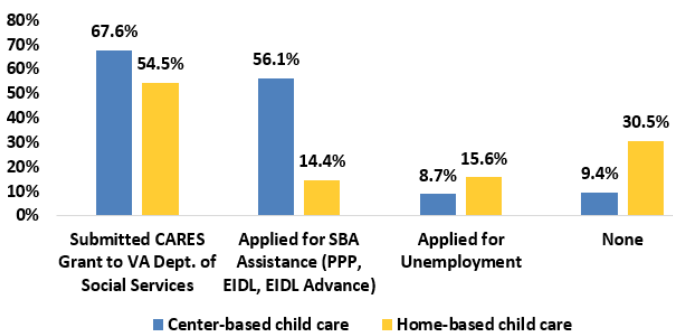


they needed to meet operational costs. Many mentioned low child enrollment, increased staffing costs, and increased operational costs related to PPE, cleaning supplies, and other purchases related to COVID to promote the safety of children. Home-based providers expressed similar concerns. However, many providers commented that they didn't know about the financial relief options available to them. Many expressed frustration with the SBA relief programs - they were denied assistance, banks or community lenders wouldn't accept their applications, or they needed help to fill out the forms because they felt it was overwhelming and confusing. Several mentioned that "they weren't good at computers" and needed help to fill out online applications.

ACCESS TO FINANCIAL SUPPORT TO HELP STABILIZE BUSINESS OPERATIONS

The survey asked all respondents about the type of financial assistance for which they applied to temporarily help their business stay afloat during the pandemic. The responses to this question varied greatly by the type of program (i.e., center-based programs were much more likely to apply for a variety of financial relief options compared to home-based providers).

COVID-19: VA Child Care Providers by Type of Care and Financial Relief Sought



CHILD CARE PROGRAM SURVEY BREAK-OUT RESULTS

To best understand survey responses by the type of program (e.g., center-based compared to home-based programs), Child Care Aware of Virginia has presented the results for each in a brief overview format by program type.

In addition, a robust array of comments were shared through the survey in response to multiple questions. There were 658 comments by individuals working in center-based programs and 870 comments by individuals working in home-based providers and staff. Given the number of comments, Child Care Aware of Virginia has combined those comments into a "Voices from the Field" brief.

Center-based providers, while grateful for some financial support, expressed concerns about financial viability over the long-term of the current public health pandemic. Many centers shared their experiences in multiple sections of the survey where comments were requested. The comment most frequently mentioned by center-based staff was that the financial support they received paled in comparison to what

The individual center-based, home-based, and voices from the field briefs follow in the next pages. They are also available as separate documents on Child Care Aware of Virginia's website.

