

THE IMPACT OF COVID-19 ON LOUISIANA CHILD CARE PROVIDERS

STATEWIDE SURVEY FINDINGS FROM
MARCH 16 - MARCH 23, 2020



**Agenda for
CHILDREN**

...a voice for Louisiana's children and families

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Overview

The COVID-19 pandemic has had wide-ranging and devastating impacts on Louisiana's people and economy. Since the first confirmed case of COVID-19 (novel coronavirus) in Louisiana was diagnosed in the New Orleans region on March 9, 2020, 2,745 additional cases have been confirmed and 119 people have died in the state, as of March 27.[i] While Governor John Bel Edwards ordered all public schools closed as of March 16, early learning centers and other child care businesses have been permitted to remain open. However, as the number of confirmed cases continued to rise, and as the calls for social distancing and later stay at home orders became increasingly urgent, some child care providers have temporarily shuttered their doors. As of March 27, 60% of licensed centers in Louisiana were temporarily closed, and those that remained open were mandated to follow enhanced health and safety protocols, including lower group size requirements.

Recent research conducted by the Louisiana Policy Institute for Children (LPIC) has shown that child care breakdowns have a significant negative impact on Louisiana's economy. Even before this public health crisis, LPIC research showed that one in six Louisiana workers with young children had to quit a job because of child care issues, and one in 13 Louisiana workers with young children had been fired due to recurring child care issues.[ii] On top of this, national research consistently shows that most child care centers operate on tight profit margins, which is likely to leave them particularly vulnerable in economic downturns.[iii] Given both the importance of the child care sector to the overall economy and its frequently precarious financial state, it is critical to understand the impact that COVID-19 is having on the early childhood sector and the kinds of supports providers will need in order to stay in business.

LPIC conducted a survey of child care providers in Louisiana from March 16-23, 2020, in partnership with Agenda for Children, Childcare Connections for Northeast Louisiana, Louisiana Association of United Ways, Northwestern State University, On Track by 5 Alliance, Pointe Coupee Early Childhood Coalition, United Way of Southeast Louisiana, and Volunteers of America. The survey asked child care providers what impact COVID-19 is having on their program or business, including financial losses and closure decisions, and what supports are needed to help providers respond to the public health crisis. It was shared by the Louisiana Department of Education during several informational webinars held during the survey window and emailed by the Child Care Association of Louisiana and Agenda for Children directly to providers throughout the state.

Timeline

- March 9, 2020:** The first confirmed case of COVID-19 in Louisiana is diagnosed in the New Orleans region.
- March 11, 2020:** The World Health Organization designates COVID-19 as a pandemic and Gov. Edwards declares a public health emergency in Louisiana.
- March 13, 2020:** Gov. Edwards encourages social distancing, mandates all public gatherings of 250 people or more be postponed or canceled, and closes all public schools until April 13, 2020.
- March 15, 2020:** Gov. Edwards limits public gatherings to 50 people, orders the closure of certain businesses, and limits restaurants to takeout and delivery orders.
- March 16, 2020:** LPIC survey opens.
- March 22, 2020:** Gov. Edwards issues a Stay at Home Order to begin at 5pm on March 23, directing all Louisiana residents to shelter at home and limit movements outside of their home to essential needs, and ordering additional business closures.
- March 23, 2020:** LPIC survey closes.
- As of March 27, 2020:** Louisiana has 2,746 confirmed cases of COVID-19 and 119 related deaths, and COVID-19 cases continue to increase on a daily basis.

NOTE: The scale of the pandemic and the guidance provided to child care centers changed dramatically over the course of the survey window, which could have an effect on the overall survey results. Child care providers who answered the survey on March 16 were more likely to be open, and they likely had less concrete information of the pandemic's economic impact on their center. By the time the survey closed on the morning of March 23, hours before the Stay at Home Order went into effect, over 30% of all child care centers in Louisiana had reported their closure to the Louisiana Department of Education. LPIC intends to replicate this survey in the coming weeks in order to provide a longitudinal view of the impacts of COVID-19 on child care providers.

Survey Findings

Results from the survey show the troubling impacts and difficult decisions facing child care providers in Louisiana during the early stages of the COVID-19 pandemic. **Most notably, due to COVID-19:**

A Majority of Child Care Providers Reported Losing Revenue

78% of child care providers in Louisiana had experienced a loss in revenue, with collective losses due to COVID-19 totaling almost **\$1.7 million**, as of March 23.

A Significant Number of Child Care Providers Had Closed or Were Planning to Close

Within the survey window, **20%** of child care providers had closed their program or business, and another **15%** anticipated closing. In the week following the survey, the percentage of closed providers rose to **60%**, according to data from the Louisiana Department of Education.

Closed Child Care Providers Experienced Financial Losses from Multiple Directions

72% of closed child care providers were no longer collecting tuition from families; however, **51%** of these providers were continuing to pay their employees.

One-Third of Child Care Providers Reported an Extended Closure Will Force Them to Permanently Close

Those centers serve approximately **12,500 children** and employ over **2,000 full- and part-time staff members**.

A Majority of Providers Requested Support to Pay Their Employees

Over 90% of child care providers indicated grants to pay employees during closures would support their response to COVID-19 both now and in the future if their program or business must close.

Future Considerations

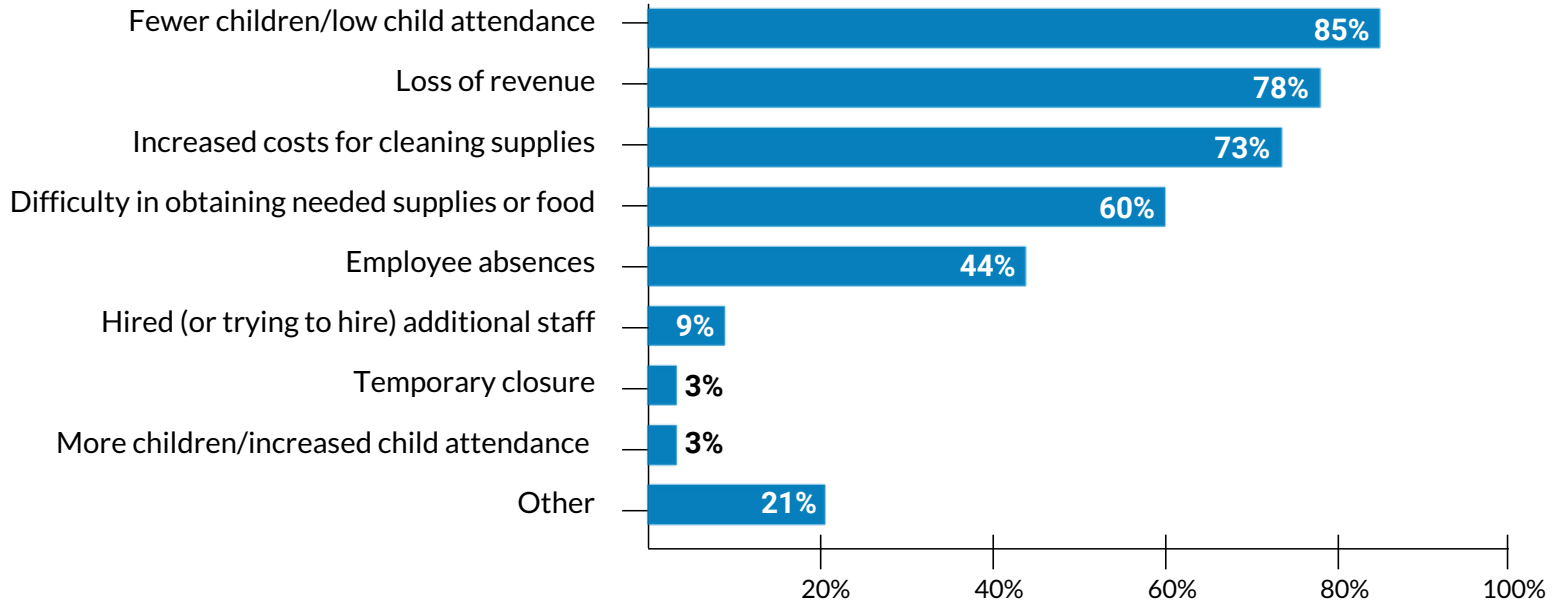
This survey is an early snapshot of what was happening in the child care sector at the beginning of the COVID-19 pandemic in Louisiana (March 16 - 23, 2020). LPIC intends to replicate this survey in the coming weeks in order to provide a longitudinal view of the impacts of COVID-19 on child care providers, as well as utilize data collected by the Louisiana Department of Education to supplement survey results. For now, these early survey results and past research suggest the following:

- **The child care sector, which already operates on thin financial margins, is experiencing serious, negative impacts from COVID-19, and the full extent of those impacts is yet to be seen.**
- **Given the importance of reliable, quality child care to Louisiana working parents and the state economy, any post-COVID-19 economic recovery effort should take the condition of the child care industry itself into account.**
- **While the child care sector may be able to access some of the recently available federal relief funds, given the breadth and depth of the impact of COVID-19 on this industry and its financial vulnerability, further state and local support will likely be needed for child care businesses to reopen and serve the working families who need them in order to return to work. This may include assistance accessing small business forgivable loans, unemployment benefits, and temporary regulatory relief.**

Majority of Child Care Providers Reported Losing Revenue Due to COVID-19

Almost 90% of responding child care providers in Louisiana reported COVID-19 has impacted their program or business in some way. Specifically, 85% of providers reported low child attendance, 78% were experiencing loss of revenue, 73% were facing increased cleaning costs, and 60% were having difficulty in obtaining needed supplies.

Figure 1
Impacts of COVID-19 on Child Care Providers

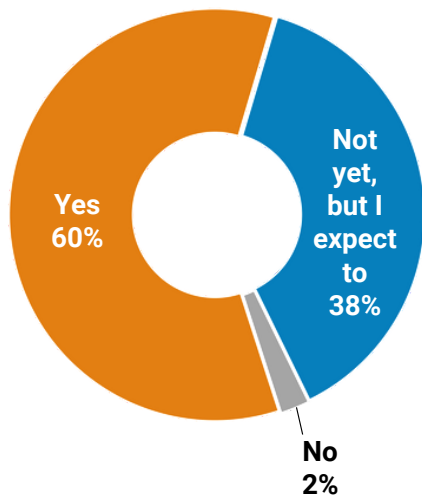


Question: [If responded "Yes" to previous question, "Has your business/program been impacted by COVID-19/coronavirus?"] If yes, how? Please check all that apply.

Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

During the survey window, 60% of responding child care providers in Louisiana were already experiencing financial losses as a result of the COVID-19 pandemic, and another 38% were expecting financial losses. Responding child care providers had already experienced losses totaling almost \$1.7 million due to COVID-19, as of March 23.

Figure 2
Most Providers Experienced or Expected Financial Losses Due to COVID-19



Responding child care providers had already experienced losses totaling almost

\$1.7M

due to COVID-19, as of March 23.

Question: Are you experiencing any financial losses due to the COVID-19/coronavirus outbreak? / [southeast Louisiana] Are you tracking any financial losses due to the COVID-19 outbreak?

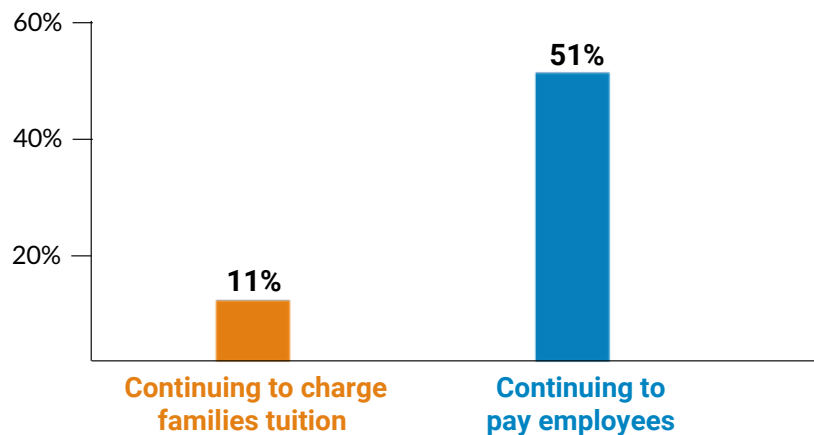


Significant Number of Child Care Providers Have Closed or Were Planning to Close

As of the survey closing on March 23, 20% of responding child care providers in Louisiana had to close their program or business due to COVID-19, and another 15% expected to close. Most respondents completed the survey before March 17, when there were approximately 200 confirmed cases of COVID-19 in Louisiana, largely in the greater New Orleans area, with a few cases beginning to appear in the Shreveport and Greater Baton Rouge areas. By the close of the survey on March 23, there were almost 1,200 confirmed cases of COVID-19, still largely concentrated in the New Orleans area, with increasing numbers in the Capitol region and northwest Louisiana. By March 27, a week after the survey closed and confirmed COVID-19 cases in the state exceeded 2,700, 60% of all child care centers in Louisiana had reported their closure to the Louisiana Department of Education.

Of the closed child care providers responding to the survey, the majority were not continuing to charge families tuition; however, half were still continuing to pay their employees.

Figure 3
While Most Closed Providers Were Not Charging Tuition, Half Continued to Pay Employees

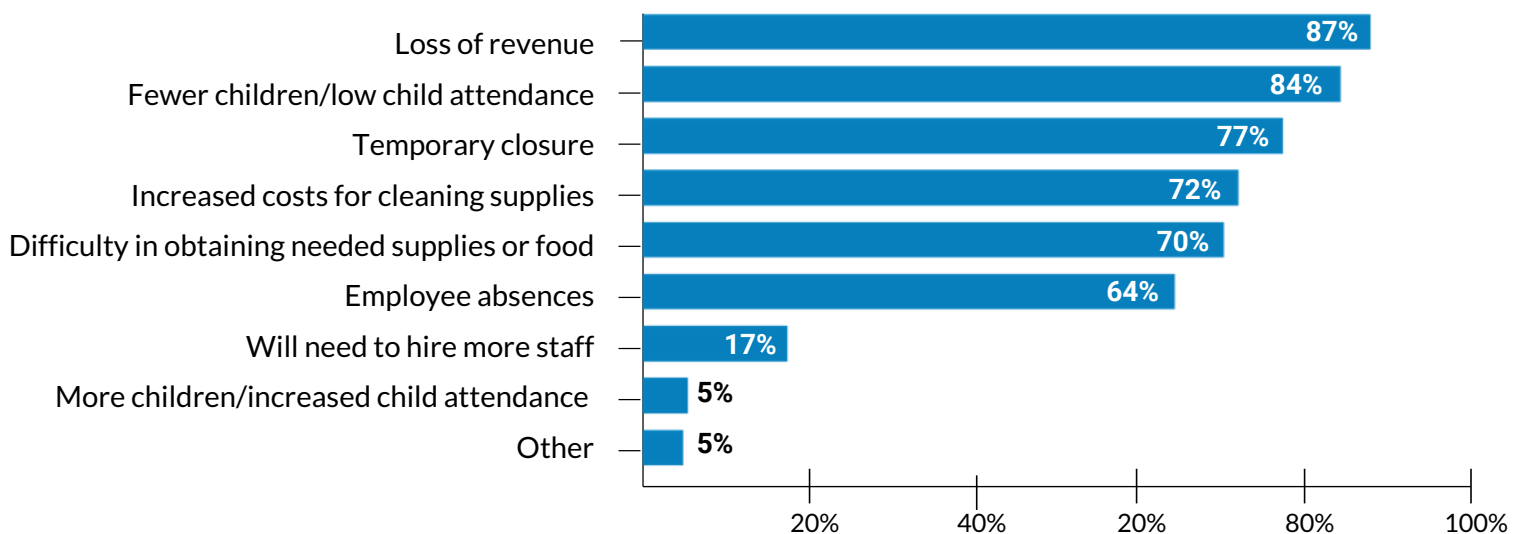


Questions: [If responded "Yes" to previous question, "Has your business/program closed due to COVID-19/coronavirus?"] Are you continuing to charge families tuition while your business/program is closed? Are you continuing to pay employees while your business/program is closed?

Child Care Providers Anticipated Employee Layoffs, Closures as Pandemic Continues

As COVID-19 continues to spread, the majority of child care providers in Louisiana expected to be impacted over the next weeks and months by revenue losses, low child attendance, and closures. This includes providers who had already closed, as well as those who remained open.

Figure 4
Most Child Care Providers Expected to Lose Revenue, Close Doors Due to COVID-19



Question: With the continued spread of COVID-19/coronavirus, how do you think it will impact your business/program over the next weeks and months? Please check all that apply.

Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

If the COVID-19 pandemic causes families to keep their children home for a long period of time or child care programs or businesses to close for an extended period of time, over two-thirds of responding child care providers expected to have to reduce or eliminate employee hours, and 35% expected to close their program or business permanently.

Table 5

Child Care Providers Expected Staff Layoffs, Permanent Business Closures from Long-Term Child Absences or Extended Closures

Response	Percent of Responding Participants
Layoff employees	71%
Reduce employees' hours	67%
Reduce business hours	40%
Close business permanently	35%
Other	17%

Question: What will happen to your business/program if families keep children home for extended periods or if your business/program is closed for an extended period of time? Please check all that apply.

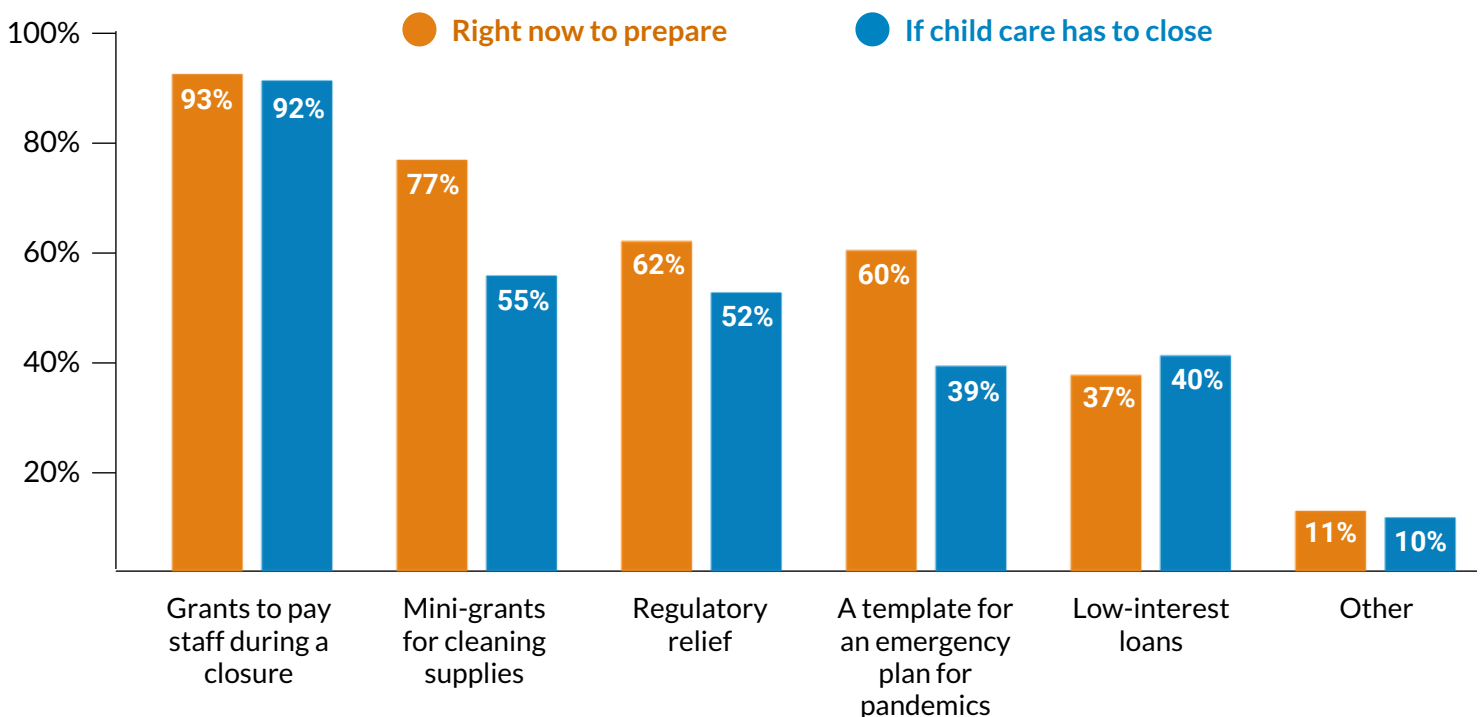
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

Majority of Providers Requested Support to Pay Staff, Purchase Supplies

When asked what would be helpful now, or in the future if their program or business has to close, over 90% of responding providers in Louisiana selected grants to pay staff during a closure. The majority of providers indicated grants would be the single most helpful support they could receive.

Figure 6

Grants for Staff Salaries, Cleaning Supplies Most Helpful for Responding to COVID-19



Questions: What kind of help would be useful to your business/program right now in preparing for the COVID-19/coronavirus? If your business/program has to close for a period of time (or has already closed) due to COVID-19/coronavirus, what kinds of support might your business/program need?

Note: Respondents may have selected more than one response. Percentages may total to more than 100%



Endnotes

- ⁱ Cases reported by the Louisiana Department of Health, as of March 27, 2020.
- ⁱⁱ Louisiana Policy Institute for Children. (2017). *Losing Ground: How Child Care Impacts Louisiana's Workforce Productivity and the State Economy*. Retrieved online at: <https://0cd902dd-9de1-4dae-8781-4a355ebda8df.filesusr.com/ugd/20d35d476f91BQZKqdp2CV3QV5nUESqSg1ygegLmqRygj.pdf>
- ⁱⁱⁱ Center for American Progress. (2018). *Where Does Your Child Care Dollar Go?* Retrieved online at: <https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

Survey Methodology

For this survey, LPIC and Agenda for Children developed and administered the survey online through Survey Gizmo (southeast Louisiana) and Survey Monkey (remainder of the state) from March 16, 2020, to March 23, 2020. Agenda for Children distributed a link to Survey Gizmo to providers in its resource and referral region in southeast Louisiana through its email listserv on March 16. The Child Care Association of Louisiana emailed survey links to providers throughout the state. The Louisiana Department of Education also shared both survey links during a webinar with child care providers on March 17 and March 20, 2020, and included the survey links in a COVID-19 resource FAQ on the department's website.

Prospective respondents included any child care provider in Louisiana. Of the approximately 1,624 licensed child care centers and family child care providers in the state, 449 providers representing 533 locations responded to the survey, answering some or all of the questions. For questions where some survey respondents did not provide an answer, the included results percentages reflect calculations based only on the number of survey respondents providing an answer to the question. For example, if only 100 survey respondents answered a question, the results would reflect what percentage of those 100 respondents selected each answer.

Characteristics of Survey Respondents

Table A1
Regions of Responding Child Care Providers

Region (Parishes)	Percent of Responding Providers
Acadiana (Acadia, Avoyelles, Evangeline, Iberia, Lafayette, Rapides, St. Landry, St. Martin, St. Mary, Vermilion, Vernon)	18%
Capitol Region (Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, West Baton Rouge, West Feliciana)	20%
Northeast Louisiana (Caldwell, East Carroll, Franklin, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, West Carroll)	8%
Northwest Louisiana (Bienville, Bossier, Caddo, Catahoula, Claiborne, Concordia, De Soto, Grant, Jackson, La Salle, Natchitoches, Red River, Sabine, Webster, Winn)	8%
Southeast Louisiana (Assumption, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Tammany, Terrebonne, Washington)	37%
Southwest Louisiana (Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis)	8%

Table A2
Program Type of Responding Child Care Providers

Program Type	Percent of Responding Participants
Type III Center	71%
Type I Center	14%
Type II Center	12%
Family Child Care	3%
In-Home Child Care	1%

Additional Survey Results

Table A3
Paid Sick Days Offered to Employees by Responding Child Care Providers

Offers Paid Sick Days	Percent of Responding Participants
Yes	31%
No	69%

Question: Does your center offer employees paid sick days?

Table A5
Responding Child Care Providers with Current Emergency Plan for Public Health Crisis

Currently Has Emergency Plan for Public Health Crisis	Percent of Responding Providers
Yes	57%
No	43%

Question: Do you currently have an emergency plan for a public health crisis or pandemic?

Table A4
Number of Sick Days Offered to Employees by Responding Child Care Providers

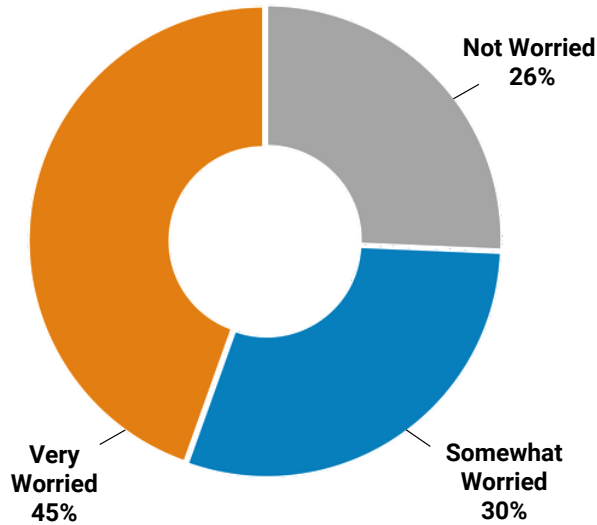
Number of Sick Days Offered	Percent of Responding Providers
1	2%
2	9%
3	17%
4	2%
5	35%
6	9%
7	2%
8	2%
9	1%
10	12%
12	7%
14	1%
15	1%

Question: [If responded "Yes" to previous question] If yes, how many sick days does your business/program provide to most employees?

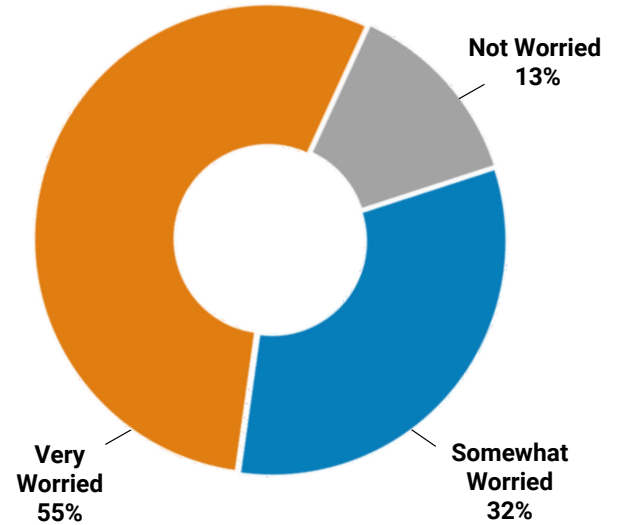
Figure A6

Responding Child Care Providers Level of Worry

Staff continue to come to work even if they are sick because they cannot afford to stay home/not work



Families try to send ill children to program because parents need child care in order to work



Questions: How worried are you about the following scenarios?: Staff may continue to come to work even if they are sick because they cannot afford to stay home/not work? Families may try to send ill children to your program because parents need child care in order to work?

Table A7

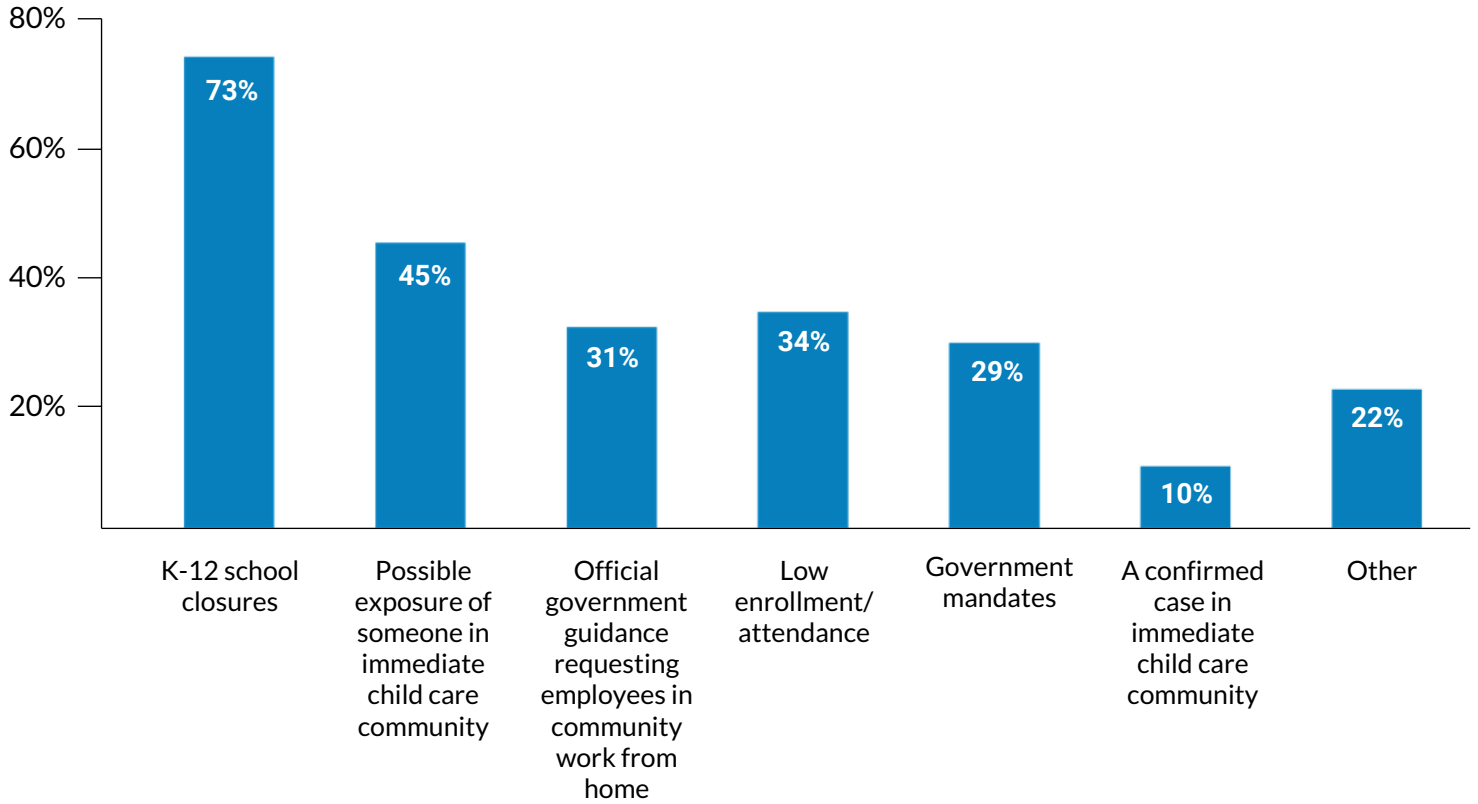
Actions Already Taken to Address COVID-19 by Responding Child Care Providers

Action Taken	% of Respondents
Increased sanitation/cleaning measures	97%
Communication with families about how to prevent the spread of COVID-19/coronavirus	90%
Communication with employees about how to prevent the spread of COVID-19/coronavirus	90%
Changes in sick policies for children	80%
Communication with families about how you would make the decision to close your business	78%
Created a plan for how to respond if an employee, child, or family may have been exposed to COVID-19/coronavirus	63%
Created a plan for how to respond if an employee or child has a suspected case of COVID-19/coronavirus	61%
Rescheduled or cancelled events	53%
Decreased business hours	31%
Increased business hours	2%
Other	9%

Question: What steps are you already taking to respond to COVID-19/coronavirus at your business/program? Please check all that apply.
 Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

Figure A8

Factors Influencing Current Child Care Closures



Question: [If responded "Yes" to previous question, "Has your business/program closed due to COVID-19/coronavirus?"] What circumstances influenced your decision to close your business/program due to COVID-19/coronavirus? Please check all that apply.

Note: Respondents may have selected more than one response. Percentages may total to more than 100%.



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