

ON THE PATH TO RECOVERY: THE EVOLVING IMPACTS OF COVID-19 ON LOUISIANA CHILD CARE PROVIDERS

Statewide Survey Findings from September 29 - October 19, 2021

The Louisiana Policy Institute for Children (LPIC) is conducting a series of surveys about the impact of COVID-19 on Louisiana child care providers, in partnership with Agenda for Children, Child Care Association of Louisiana, 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. These surveys provide real-time insights into the state of early care and education over the course of the COVID-19 pandemic, including the evolving challenges and circumstances facing child care providers.

SUMMARY OF SURVEY FINDINGS

Results from this survey show child care providers in Louisiana continue to face cascading challenges resulting from the COVID-19 pandemic, even as the majority of providers are now open. Most notably:

A year and a half into the pandemic, COVID-19 closures continue to impact providers.

- **Only one-third** of providers who responded to the survey reported not having to temporarily close classrooms or the entire center because of a potential or confirmed case of COVID-19 in 2021.
- **Almost half** of providers had to temporarily close classrooms in 2021 because of a potential or confirmed case of COVID-19, and **31%** had to temporarily close the entire center. On average, in 2021, providers had to close classrooms **at least 3 times** and the entire center **nearly 2 times**.

However, the financial strain appears to be easing for providers.

- Fewer responding providers reported experiencing financial losses due to COVID-19, **58%** in Fall 2021 compared to **76%** in January 2021. However, reported loss amounts continue to increase, averaging over **\$300,000 per center** as of October 19, translating to an estimated **\$287 million** in collective losses statewide.
- Fewer providers reported having families behind on tuition payments, **43%** in Fall 2021 compared to **60%** in January 2021, and the average amount owed to a center decreased to **just over \$7,000** from over \$16,000 in January.
- Providers indicated greater confidence in their ability to continue operations, with **52%** expecting they could afford to operate in the long term based on their current finances and enrollment rates, up from **38%** in January 2021. **One-third** of providers remained unsure of how long their business could afford to operate, while only **7%** predicted their business could last six months or less.

Providers still face operational challenges, but the types of challenges changed.

- Providers reported some staffing challenges at higher rates, including **64%** experiencing employee absences, **55%** hiring or trying to hire additional staff, and **51%** facing increased staffing costs.
- Most providers continued to face increased costs for cleaning supplies (**81%**); however, fewer responding providers experienced difficulty in obtaining needed supplies (**46%**).

Rebounding enrollment rates and relief grants likely contribute to providers' improved financial positions.

- **Almost half** of providers served at least the same number of children in Fall 2021 as they did in January 2020 before the pandemic. On average, enrollment was just **2%** less in Fall 2021 than it was in January 2020.
- More providers maintained a waitlist in Fall 2021 (**57%**) compared to January 2021 (**36%**), and **53%** reported being at capacity as a contributing factor for the waitlist.
- **Over 90%** of providers received COVID-19 related grants from the Louisiana Department of Education, and a higher rate used the grant funds to offer employee pay incentives – **70%** of providers in Fall 2021 compared to **58%** in January 2021 – while also continuing to use the grant funds for typical operational costs, including utilities (**84%**), cleaning supplies (**84%**), and employee wages (**83%**).
- **Nearly half** of all providers that received LDE grants used the funds to off-set family co-pays and/or owed balances of families receiving child care assistance.

While many providers offer increased compensation to employees now, raises and paid time off may not be permanent.

- **Over half** of providers reported paying a higher average teacher wage in Fall 2021 than in January 2020, with **32%** paying at least \$12 an hour in Fall 2021 compared to **23%** in January 2020.
- Of providers offering benefits to employees, the most commonly available benefits were **bonus pay** and **paid vacation and sick days** for full-time staff. The percentage of providers offering bonus pay and paid time off to both full-time and part-time employees **increased** from January 2020 to Fall 2021.
- **Almost 80%** of providers paid staff their regular paychecks during COVID-19 related classroom or center closures in Fall 2021 compared to **47%** of providers in January 2021, and only **5%** of providers did not pay staff during closures in Fall 2021 compared to **25%** of providers in January 2021.



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BACKGROUND

This report details the findings of the fifth survey of child care providers, conducted September 29 - October 19, 2021, one month after Hurricane Ida made landfall in southeast Louisiana, causing widespread damage in the region. The survey window was over six months into Louisiana's shift to a modified Phase Three of reopening and almost two months into a reinstated indoor mask mandate for all individuals ages 5 and older. In Phase Three, teacher-to-child ratios and classroom group sizes for all ages returned to pre-pandemic levels for early care and education providers. In addition to loosening COVID-19 precautions, the Louisiana Department of Education continued administering rounds of COVID-19 relief grants, awarding over \$126 million to child care providers in 2020 and 2021.

MAINTAIN THE MOMENTUM, GROW INVESTMENTS IN CHILD CARE

These survey results indicate providers are in a better place today than they were at the beginning of the year, but have still not recovered to pre-pandemic levels of service. Supports, largely in the form of grants, in 2020 slowed dire consequences for providers, and those in 2021 appeared to help providers move toward recovery. Although enrollment rates increased and financial losses decreased, many families still remain without access to quality care for their children. For Louisiana to truly thrive, it must take the steps necessary to ensure all families can access a robust, affordable early care and education system. **The following actions would further Louisiana's progress in COVID-19 recovery by building on earlier efforts to bolster early care and education and support children, parents, and the economy:**

- **Continue to use federal stimulus and COVID-19 relief funds to stabilize the child care sector** through the issuance of grants to child care providers and support wage enhancements for child care staff, who typically earn less than a family-supporting wage and help to keep the economy running in a field that experiences extremely high employee turnover.
- **Support quality providers with increasing enrollment capacity** either at their existing facilities through grants for facility improvements and expansion or by acquiring additional facilities.
- **Increase state investments in early care and education to expand access to high-quality child care**, especially for children birth through age 3, which will prepare our students for a smart start in life, enable families to be productive in the workforce, and serve as an economic engine for local communities.

SURVEY METHODOLOGY

LPIC developed and administered this survey online through Survey Monkey from September 29, 2021, to October 19, 2021. 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, 267 providers representing 301 locations responded to the survey, answering some or all of the questions. While response numbers for this survey were slightly lower than for prior surveys, the results continue to reflect a significant sample of child care providers across Louisiana. 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.

