

HELP WANTED

The Staffing and Operating
Challenges Facing Louisiana
Child Care Providers



Survey Findings
from April 26
to May 19, 2023



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OVERVIEW

The Louisiana Policy Institute for Children (LPIC), with partners, began surveying Louisiana child care providers in 2020 as part of a larger effort to understand the impact of COVID-19 on child care in Louisiana. The survey now shifts to an annual snapshot of the early care and education sector in Louisiana, including the current issues facing providers.

Louisiana, like the rest of the nation, experienced a range of economic benchmarks in 2022 and 2023. This included record low unemployment rates, hovering around 3% or less in Louisiana, and increasing interest and inflation rates not seen in years. At the same time, the large federal investments from the COVID pandemic began tapering off. Together, these factors contributed to increased costs for business, rising wage and workforce competition, and more families in need of publicly funded early care and education without the ability to access it. Child care providers again found themselves stuck between their own staffing challenges, rising costs, varying supply shortages, including infant formula, and families' need for services.



SUMMARY OF SURVEY FINDINGS

These survey results provide a snapshot of the child care industry in Spring 2023.

Providers are not immune from the pinch of inflation and the rising costs of doing business.

- Most providers who responded to the survey experienced **increased costs for routine expenses**, including food and beverages, cleaning and other supplies, and staffing costs.
- Over **two-thirds** of providers saw their premiums for at least one type of business insurance increase, with annual premiums increasing by **an average of almost \$17,000**.

Child care, like other industries, experiences major staffing challenges.

- **Over 80%** of providers experienced at least one staffing cost increase or challenge, including paying higher wages to retain staff, seeing new staff leave within 6 months of starting, and paying more overtime to existing staff because of staffing challenges.
- **Over two-thirds** of providers worried about short- and long-term staff turnover.
- **More than half of providers** indicated they have at least one job vacancy, with the average provider looking to fill 3 positions, predominantly for teaching roles.



Staffing challenges and delays in public child care assistance leave many families waiting for care.

- **Over two-thirds** of providers maintained a waitlist, with an average waitlist size of 34 children, largely for children under age 3.
- Providers cited **a number of factors that contributed to their maintaining a waitlist**, namely families waiting for Child Care Assistance Program approval (52%), being at capacity (41%), not having enough qualified teachers (34%), and not having enough other staff (29%).

While providers have increased wages to retain employees, most child care workers still earn less than a livable wage and receive few workplace benefits.

- Average wages for child care staff varied by position, ranging from **\$9.93 per hour for janitorial staff** to **\$12.96 per hour for teachers** to **\$20.91 per hour for directors**.
- **Over 90%** of providers offered at least one workplace benefit to staff, with the most common being bonus or incentive pay (73%) and paid vacation days (70%). Less than half of providers offered staff paid sick days, and less than one-third offered health insurance or retirement benefits.
- For providers that lost staff in 2023, **over half** of departing employees cited higher wages at the new job as their reason for leaving.

INVESTMENTS IN CHILD CARE SUPPORT THE WORKFORCE OF TODAY AND TOMORROW

A robust Louisiana economy and workforce stands squarely on the shoulders of a healthy early care and education sector. As employers and small businesses themselves, child care providers not only employ their own employees, but also support the employment of thousands of working parents across the state, providing a safe, nurturing, and educational environment for young children while their parents work. Children enrolled in high-quality early care and education are better prepared for success in elementary and high school, as well as adulthood. Child care providers are only able to provide these crucial services at an affordable cost to families with a steady workforce and manageable expenses. To help stabilize this critical sector and support the current and future workforce, Louisiana must:

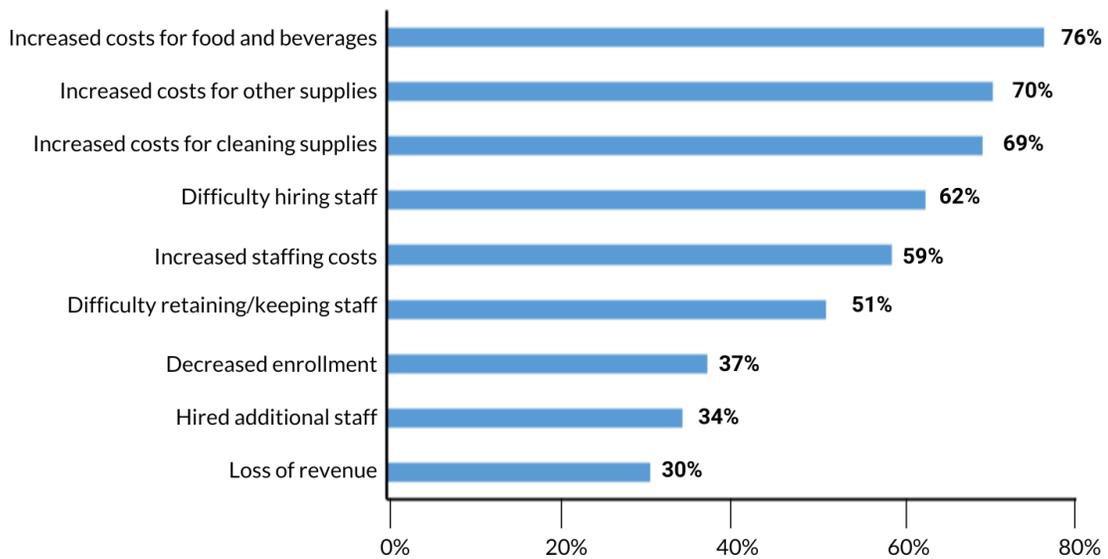
- **Continue to increase state investments in early care and education** to expand access to high-quality care, especially for children birth through age 3, supporting our youngest learners, their working parents, and employers across the state.
- **Expand scholarship opportunities for early educator credential programs** to help build a robust pipeline of high-quality, qualified teachers and reduce staffing shortages.
- **Explore options for insurance reform to reduce premiums for child care providers**, which provide critical support to other businesses and the state economy.

SUMMARY RESULTS

PROVIDERS ARE NOT IMMUNE FROM THE PINCH OF INFLATION AND THE RISING COSTS OF DOING BUSINESS.

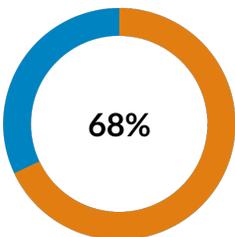
Most providers who responded to the survey experienced **increased costs for routine expenses**, including food and beverages, cleaning and other supplies, and staffing costs.

Figure 1
Providers Faced Operational Challenges, Cost Increases in 2023



Question: Since January 2023, has your business/program experienced any of the following? Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total more than 100%.





Over two-thirds of providers saw their premiums for at least one type of business insurance increase, with annual premiums increasing by an average of almost \$17,000.

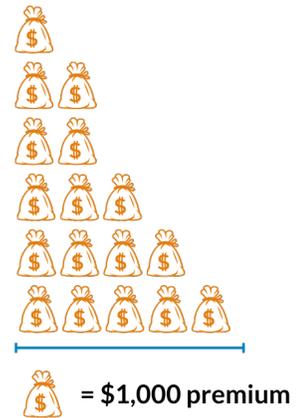
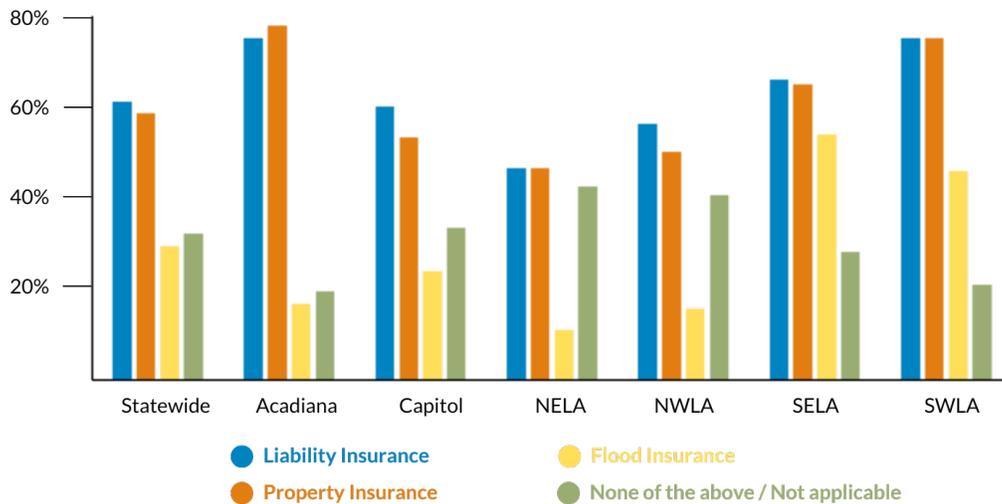


Figure 2
Providers More Likely to Have Experienced Premium Increases for Liability, Property Insurance

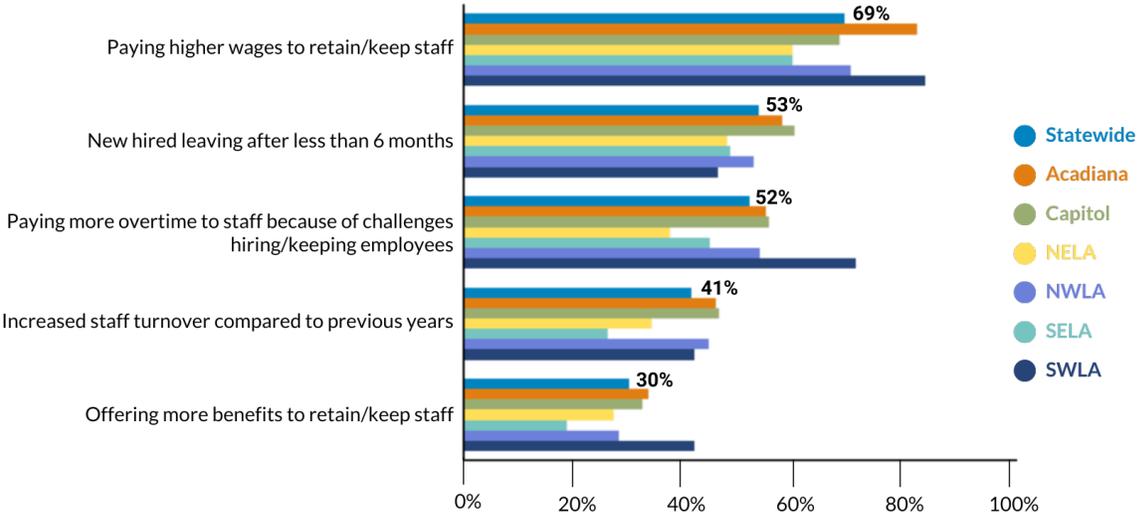


Question: Since August 2022, has your business/program experienced price increases for any of the following types of business insurance? Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

CHILD CARE, LIKE OTHER INDUSTRIES, EXPERIENCES MAJOR STAFFING CHALLENGES.

Over 80% of providers experienced at least one staffing cost increase or challenge, including paying higher wages to retain staff, seeing new staff leave within 6 months of starting, and paying more overtime to existing staff because of staffing challenges.

Figure 3
Providers Encountered Variety of Staffing Challenges, Cost Increases in 2023



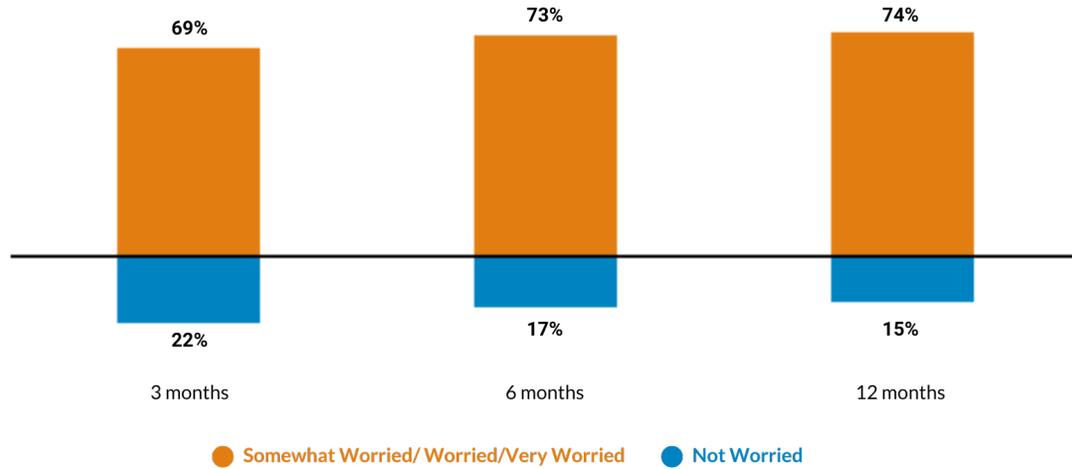
Question: In 2023, has your business/program experienced any of the following staffing related costs or challenges?
Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.



Over two-thirds of providers worried about short- and long-term staff turnover.

Figure 4

Most Providers Worried About Staff Turnover in the Next 3, 6, and 12 Months



Question: How worried are you about staff turnover at your business/program in the next 3, 6, and 12 months? Staff turnover includes employees leaving your business/program for any reason and you having to hire new employees to replace them.

More than half of providers indicated they have at least one job vacancy, with the average provider looking to fill 3 positions, predominantly for teaching roles.

Table 5

Providers in Capitol, Southeast, and Southwest Regions Reported Position Vacancies at Higher Rates

Response	Acadiana	Capitol	NELA	NWLA	SELA	SWLA	Statewide
Percent of Providers Reporting Vacancies	47%	61%	45%	48%	60%	62%	55%
Average Vacancies Per Provider	2.4	3.8	2.5	3.2	3.6	2.7	3.3

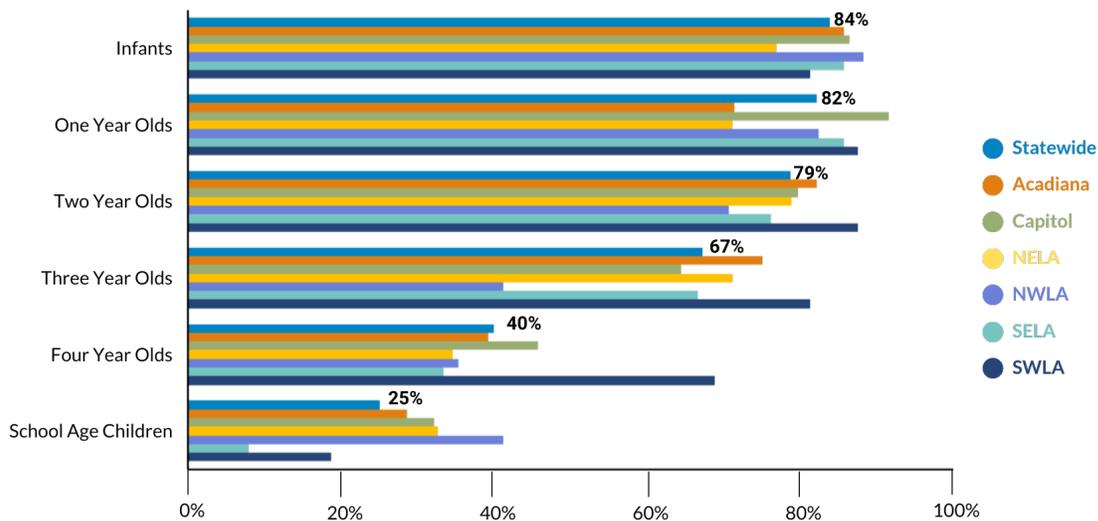
Question: How many position vacancies or job openings does your business/program have now (April 2023)? If you operate more than one center, please include your entire workforce across all locations.



STAFFING CHALLENGES AND DELAYS IN PUBLIC CHILD CARE ASSISTANCE LEAVE MANY FAMILIES WAITING FOR CARE.

Over two-thirds of providers maintained a waitlist, with an average waitlist size of 34 children, largely for children age 3 and under.

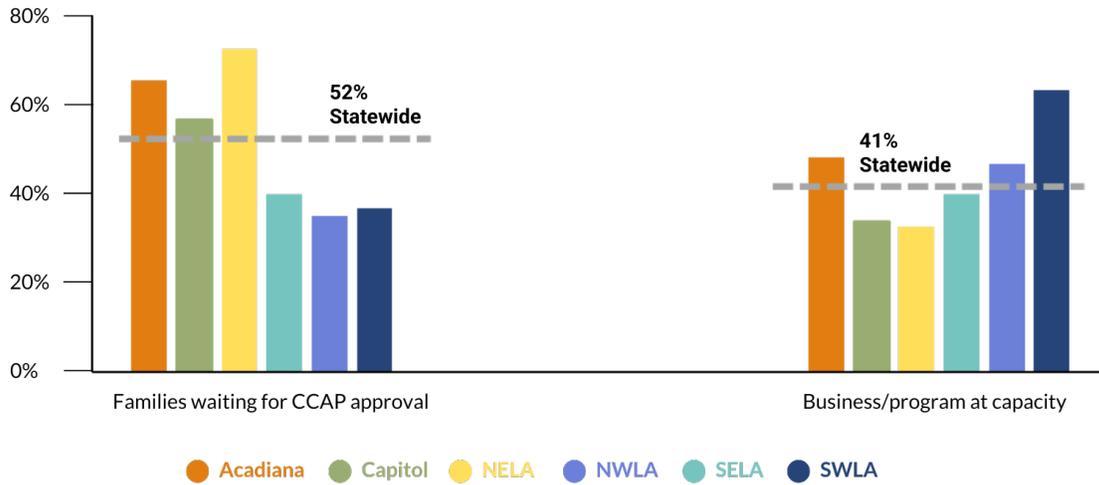
Figure 6
Providers with Waitlists Most Likely to Have Wait for Children Age 3 and Younger



Question: If you had a waiting list of children/families wanting to enroll in your business/program last week (April 17 - 21, 2023), how many children in each age group were on the waiting list? Please include the total across all locations.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

Providers cited a number of factors that contributed to their maintaining a waitlist, namely families waiting for Child Care Assistance Program approval (52%), being at capacity (41%), not enough qualified teachers (34%), and not enough other staff (29%).

Figure 7
Factors Contributing to Waitlists Varied by Region



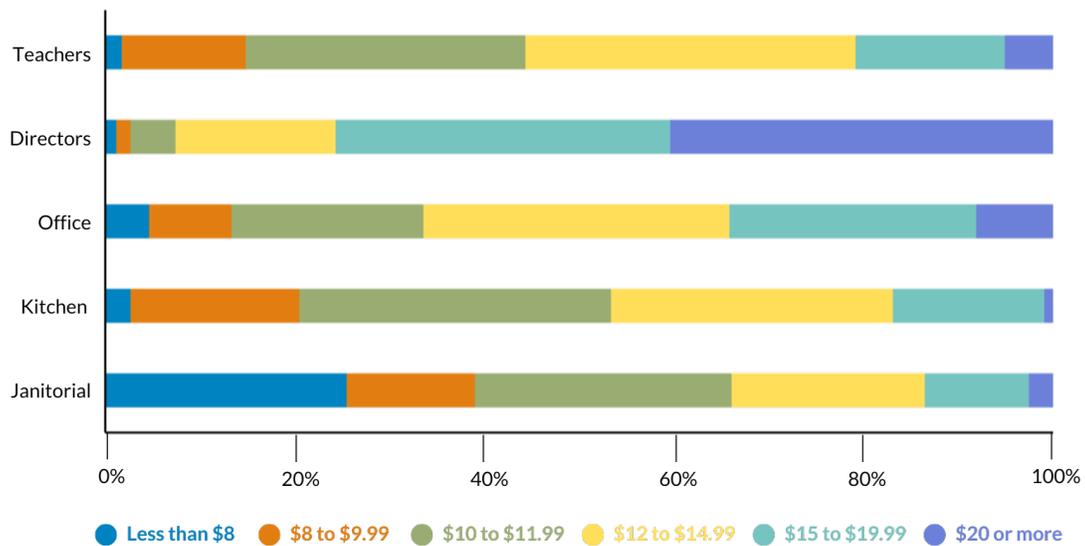
Question: What factors contributed to your business/program having a waiting list last week (April 17 - 21, 2023)? Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.



WHILE PROVIDERS HAVE INCREASED WAGES TO RETAIN EMPLOYEES, MOST CHILD CARE WORKERS STILL EARN LESS THAN A LIVABLE WAGE AND RECEIVE FEW WORKPLACE BENEFITS.

Average wages for child care staff varied by position, ranging from **\$9.93 for janitorial staff** to **\$12.96 for teachers** to **\$20.91 for directors**.

Figure 8
Hourly Wage Ranges by Position Type

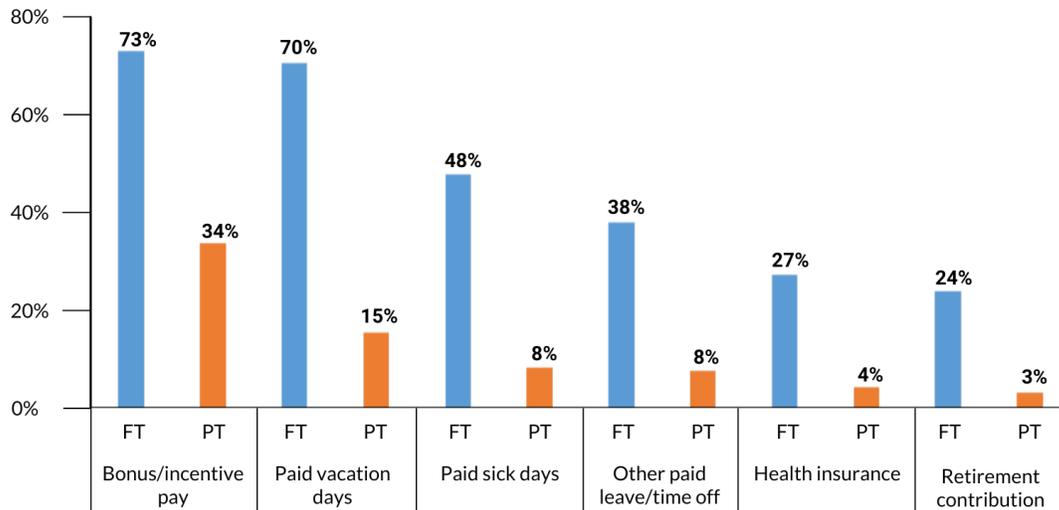


Question: What is your average/typical salary or wage for [position] now (April 2023)? Please provide the typical or average amount your business/program pays [position].



Over 90% of providers offered at least one workplace benefit to staff, with the most common being bonus or incentive pay (73%) and paid vacation days (70%). Less than half of providers offered staff paid sick days, and less than one-third offered health insurance or retirement benefits.

Figure 9
Providers Offered Benefits to Full-Time Staff at Higher Rates Than Part-Time Staff



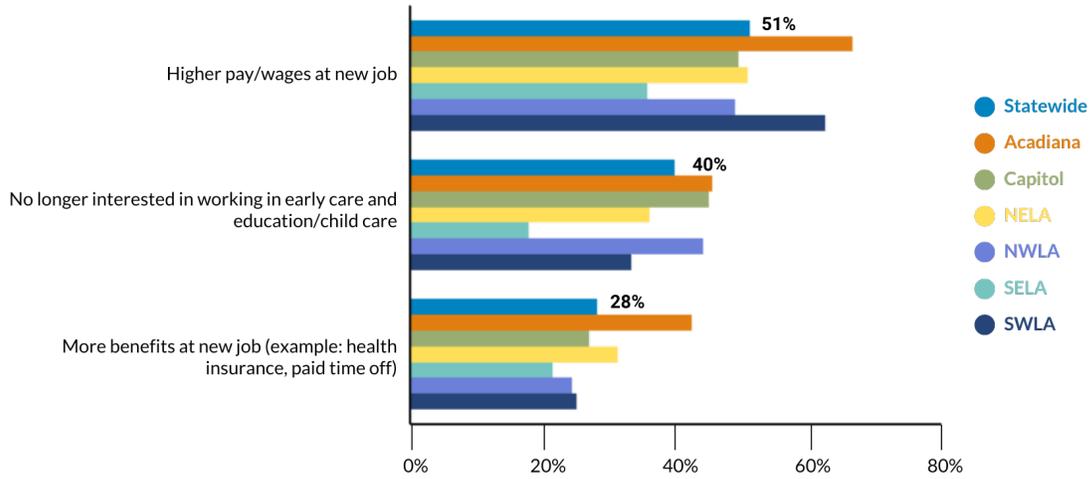
Question: What types of benefits does your business/program offer employees now (April 2023)? Please check all that apply. Include benefits offered to some or all employees.

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



For providers that lost staff in 2023, **over half** of departing employees cited higher wages at the new job as their reason for leaving.

Figure 10
Providers Reported Higher Wages at New Job as Most Common Reason for Staff Turnover



Question: If any employees left your business/program in 2023, what reasons, if any, did they give for leaving? Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.



Appendix

Survey Methodology

LPIC developed and administered this survey online through Survey Monkey from April 26, 2023, to May 19, 2023. Survey partners emailed the link to the survey to providers throughout the state. The Louisiana Department of Education also shared the survey link in a webinar for child care providers on May 4, 2023, and in its newsletter to child care providers on May 11, 2023.

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, 393 providers representing 484 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, Vermillion, Vernon)	10%
Capitol Region (Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, West Baton Rouge, West Feliciana)	29%
Northeast Louisiana (Caldwell, East Carroll, Franklin, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, West Carroll)	20%
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)	27%
Southwest Louisiana (Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis)	7%

Table A2:
Program Type of Responding Child Care Providers

Program Type	Percent of Responding Providers
Type III	74%
Type II	6%
Type I	8%
Registered Family Child Care	11%
In-Home Child Care	2%

