



# READY TO THRIVE

## THE CURRENT CHALLENGES AND OPPORTUNITIES FACING LOUISIANA CHILD CARE PROVIDERS

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.

While the child care industry is in a better position now than it was in the peak of the COVID pandemic, challenges persist. These survey results provide a snapshot of the child care industry in Spring 2024.

### The cost of doing business remains high.

- **Most providers who responded to the survey continued to experience increased costs for routine expenses**, including food and beverages, cleaning and other supplies, and staffing costs. While experienced by less than half of providers, higher percentages of providers reported decreased enrollment and loss of revenue, compared to 2023.
- **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 \$23,000.

### Staffing remains a concern, and impacts families' access to care.

- **Nearly 80%** of providers experienced at least one staffing cost increase or challenge, including paying higher wages to retain staff (58%), hiring less qualified or experienced staff (51%), and seeing new staff leave within 6 months of starting (42%).
- **Over 60%** of providers worried about short- and long-term staff turnover. Providers who paid higher wages expressed less worry about staff turnover.
- **Almost half** of providers indicated they have at least one job vacancy, with the average provider looking to fill 3 positions, predominantly for teaching roles.
- **Over 60%** of providers maintained a waitlist, with an average waitlist size of 35 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 (37%), being at capacity (27%), and not having enough qualified teachers (25%).

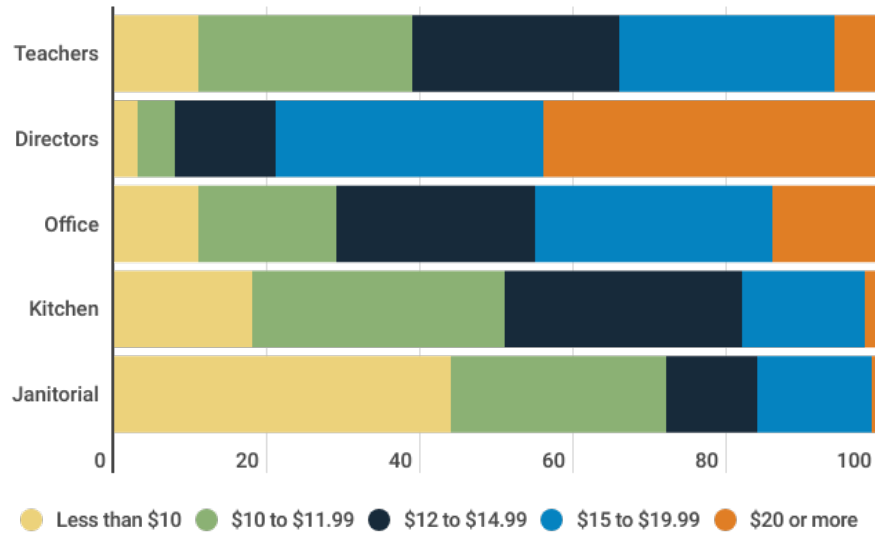
### Wages continue to trend upward, yet remain below a liveable wage standard, and employees receive few workplace benefits.

- **Average wages for child care staff varied by position**, ranging from \$9.72 per hour for janitorial staff to \$13.32 per hour for teachers to \$19.59 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 (69%) and paid vacation days (68%). **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 2024, **almost half** with departing employees cited higher wages at the new job as their reason for leaving. Providers who paid lower wages reported employees leaving for increased wages at higher rates than providers paying higher wages.



Chart 8

## Average Wages for Child Care Staff Vary by Position Type



Question: What is your average/typical salary or wage for [position] now (February 2024)? Please provide the typical or average amount your business/program pays [position].

## A Strong Child Care Sector Supports Louisiana Economic Growth

As Louisiana looks ahead and seeks to become a top location for families to live and work, we must consider the role child care plays in achieving that goal. High-quality, affordable child care supports parent workforce participation and child academic development and wellbeing. Without a robust child care sector, employers experience staffing challenges and disruptions, families struggle to balance work and family responsibilities, and the larger economy suffers the consequences. To support its continued growth, Louisiana must:

- **Reconsider allowing early care and education community networks to process Child Care Assistance Program (CCAP) applications** and conduct eligibility determinations to support decreased processing times for families.
- **Support early educator workforce development, recruitment, and retention** efforts through expanding training and certification programs in high schools, exploring strategies to increase compensation, and providing categorical CCAP eligibility to child care professionals.
- **Foster a robust business environment for child care providers**, which provide critical support to other businesses and the state economy, by continuing to explore insurance reform and expanding economic development program offerings.
- **Explore implementation of a competitive wage scale for early educators** to better align with the credentials and experience levels of the profession.
- **Consider categorical eligibility and phased income thresholds for child care workers** for certain benefit programs, including Medicaid, to prevent the unintended consequences of benefit cliffs.



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