

SURVEY FINDINGS FROM FEBRUARY 15 TO MARCH 6, 2024

READY TO THRIVE

THE CURRENT CHALLENGES AND OPPORTUNITIES FACING LOUISIANA CHILD CARE PROVIDERS





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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.

In multiple surveys of child care providers and staff, they share their commitment to and passion for educating and caring for children. They also share the struggles and challenges of working in early care and education – increasing costs, low wages, high staff turnover, financial stress. Over the last decade, Louisiana made great strides in increasing the quality of early care and education in the state, and child care providers answered the call for increased quality. Louisiana’s child care directors and teachers are overwhelmingly educated and credentialed, however the average rate of pay in the sector remains below the level necessary to support a family.

This lack of competitive compensation for early educators results in high turnover rates for child care employees, who tend to not just leave a specific employer but the profession entirely, making it difficult for Louisiana child care businesses to find and retain talent. High teacher turnover in early care and education settings disrupts the relationships between children and teachers, which can negatively impact children’s development and quality of care.

In this year's survey of child care providers, those concerns and challenges persist. But the results are not all bad. Compared to prior years, the results for a number of indicators are improving; notably, only a few providers report concerns about not being able to remain open long-term.

SUMMARY OF SURVEY FINDINGS

While the child care industry is in 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.

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:

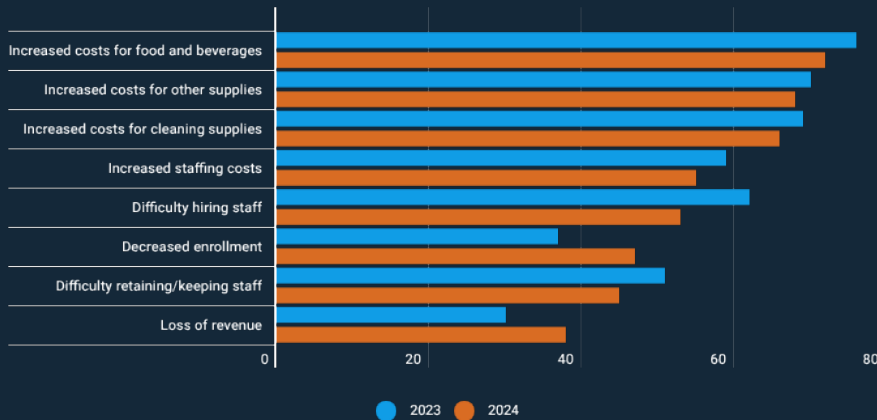
- **Reconsider allowing early care and education community networks to process Child Care Assistance Program (CCAP) applications** and conduct eligibility determinations to support decreased processing times for families.
- **Support early educator workforce development, recruitment, and retention** 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.

SURVEY RESULTS

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.

Chart 1
Providers Faced Operational Challenges, Cost Increases

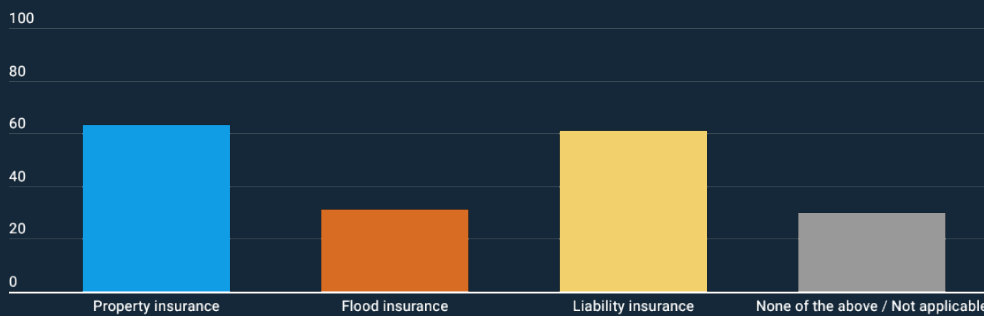


Questions: [2024] Since August 2023, has your business/program experienced any of the following? Please check all that apply. / [2023] Since January 2023, has your business/program experienced any of the following? Please check all that apply.
 Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

“It’s getting really hard to survive with [the] cost of increased insurance premiums and groceries that just seem to be climbing higher and higher.”
 - Provider, Terrebonne Parish

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.

Chart 2
Providers More Likely to Have Experienced Premium Increased for Liability, Property Insurance

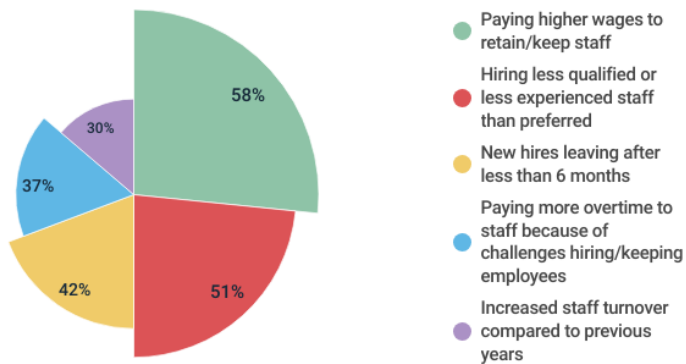


Question: Since August 2023, has your business/program experienced price increases for any of the following types of business insurance? Please check all that apply.
 Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

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%).

Chart 3
Most Providers Encountered Staffing Challenges, Cost Increases



Questions: [2024] Since August 2023, has your business/program experienced any of the following? Please check all that apply. / [2023] 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 to more than 100%.

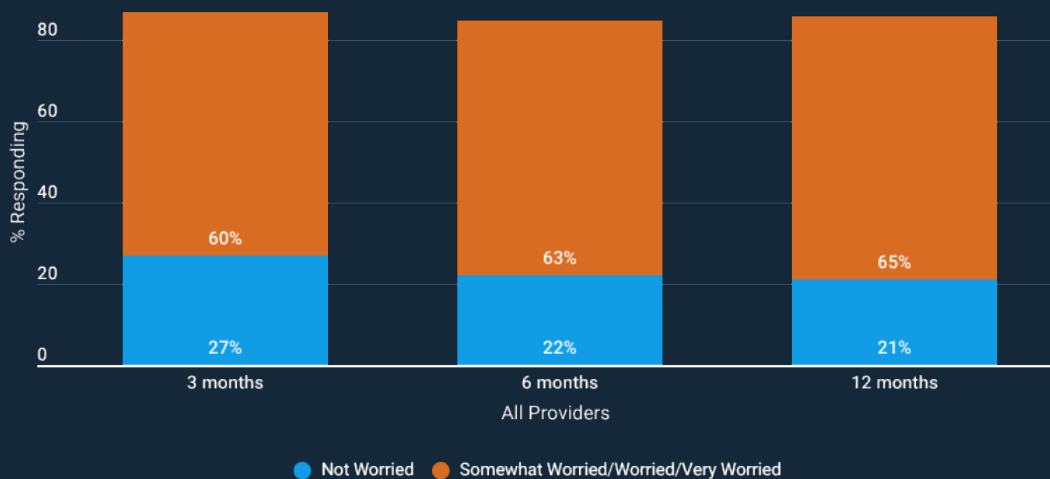
“Centers need immediate financial help to increase staff pay to retain our current qualified staff.”

- Provider, Ouachita Parish



Over 60% of providers worried about short- and long-term staff turnover. Providers who paid higher wages expressed less worry about staff turnover.

Chart 4
Most Providers Worried About Staff Turnover



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.

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.

Table 5

Response	Acadiana	Capitol	NELA	NWLA	SELA	SWLA	Statewide
Average Vacancies Per Provider	2.3	4.9	3.4	3.0	3.5	3.1	3.4
Percent of Providers Reporting Vacancies	42%	45%	38%	56%	50%	67%	47%

Question: How many position vacancies or job openings does your business/program have now (February 2024)? If you operate more than one center, please include your entire workforce across all locations.

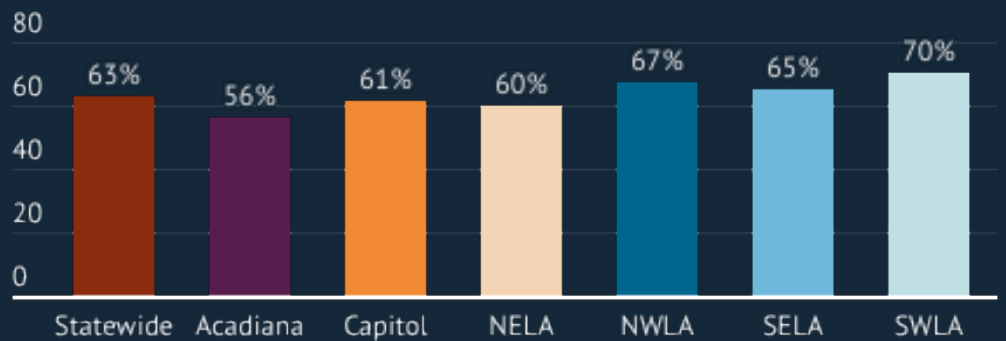
FAMILIES WAITING FOR CARE

Over 60% of providers maintained a waitlist, with an average waitlist size of 35 children, largely for children under age 3.

“**CCAP 1 year waitlist for enrollment is the #1 issue for centers receiving new students.**”
- Provider, Ouachita Parish

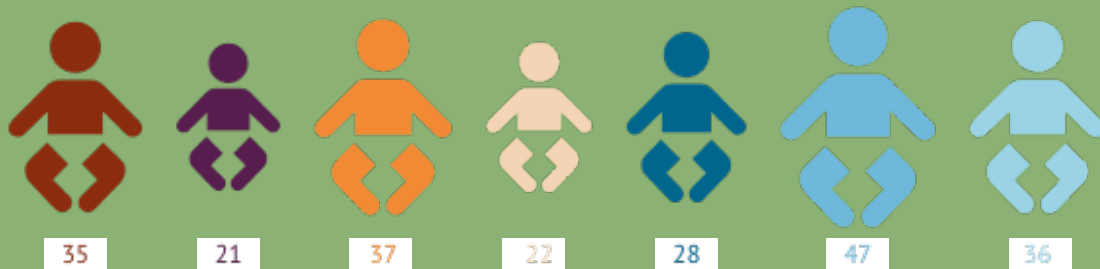
The majority of providers in every region of the state maintained a waitlist.

Chart 6



Question: If you had a waiting list of children/families wanting to enroll in your business/program last week (February 5 - 9, 2024), how many children in each age group were on the waiting list? Please include the total across all locations.

AVERAGE WAITLIST BY PROVIDER

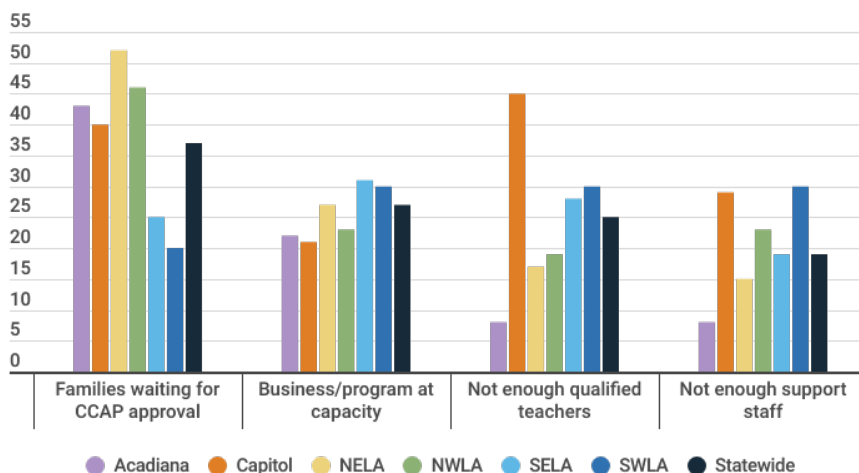


● Statewide ● Acadiana ● Capitol ● NELA ● NWLA ● SELA ● SWLA



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%).

Chart 7
Factors Contributing to Waitlists Varied by Region



Question: What factors contributed to your business/program having a waiting list last week (February 5 - 9, 2024)? Please check all that apply.
Note: Respondents may have selected more than one response. Percentages may total to more than 100%.

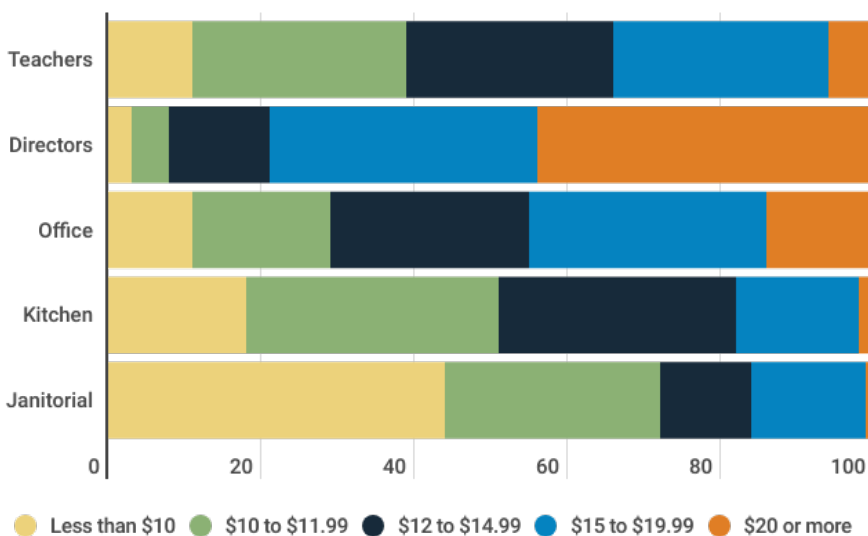
“The delays with CCAP are crippling to the families and reflect loss of revenue at the center level.”

- Provider, Orleans Parish

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.

Chart 8
Hourly Wage Ranges 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].

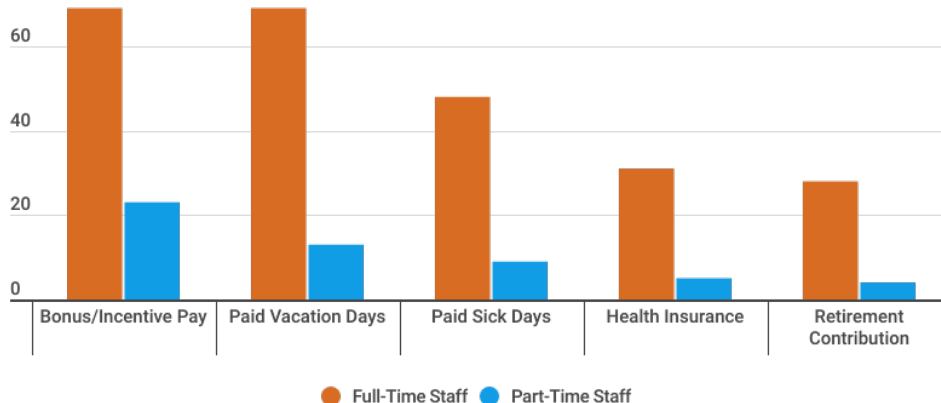
“When will there be some kind of program to help us pay these teachers their worth across the board?”

- Provider, Lafayette Parish



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.

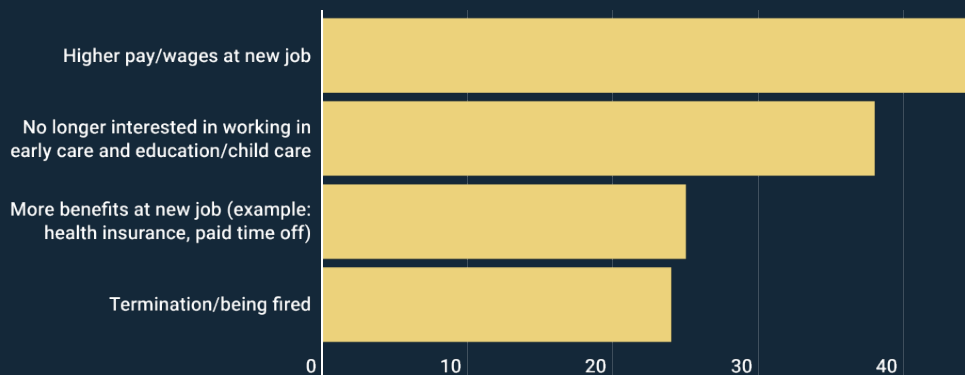
Chart 9
Providers Offered Benefits to Full-Time Staff at Higher Rates Than Part-Time Staff



Question: What types of benefits does your business/program offer employees now (February 2024)? 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 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 10
Providers Statewide Reported Higher Wages at New Job as Most Common Reason for Staff Turnover



Question: If any employees left your business/program in the past 6 months, 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 February 15, 2024, to March 6, 2024. Survey partners emailed the link to the survey to providers throughout the state.

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, 322 providers representing 454 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)	14%
Capitol Region (Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, Tangipahoa, West Baton Rouge, West Feliciana)	16%
Northeast Louisiana (Caldwell, Catahoula, Concordia, East Carroll, Franklin, La Salle, Lincoln, Madison, Morehouse, Ouachita, Richland, Tensas, Union, West Carroll)	20%
Northwest Louisiana (Bienville, Bossier, Caddo, Claiborne, De Soto, Grant, Jackson, Natchitoches, Red River, Sabine, Webster, Winn)	11%
Southeast Louisiana (Assumption, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Tammany, Terrebonne, Washington)	35%
Southwest Louisiana (Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis)	4%

Table A2: Program Type of Responding Child Care Providers

Program Type	Percent of Responding Providers
Public School	2%
Type III	77%
Type II	2%
Type I	3%
Registered Family Child Care	14%
In-Home Child Care	1%

