

# Early childhood providers are spending their own money to take care of LA's kids <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

Finding affordable child care in Los Angeles is often a struggle, but parents aren't the only ones dealing with the financial burden.

Child-care providers lay out money for everything from rent, to utilities, to buying meals and snacks, to paying employees and other expenses. After all of that, their net pay can amount to minimum wage or less.

The burden is especially heavy for small-scale operators like Silvia Jordan, who cares for six children in her Eagle Rock home. Her typical 12-hour day includes not just looking after the kids, but spending time filling out forms to receive meager state reimbursements for caring for low-income children — which sometimes don't come fast enough for her to stay ahead of her bills.

"We're not working for money because there is no money," Jordan said. "We're working for the passion we have for the kids."

A November 2019 analysis of L.A. County's early childcare and education system commissioned by the county Office of Child Protection explored how providers of all sizes — from small-scale operators like Jordan to facilities with multimillion-dollar budgets that serve hundreds of children — knit together nearly a dozen sources of public funding to provide care.

The conclusion?

"Quality childcare costs more than any one funding source pays," lead author Jeanna Capito said.

Data from more than 100 providers show that on average, there's an annual gap of \$4,000 to \$8,000 per child between the actual cost of quality care and the public funding available.

LAist talked to a few providers about the strategies they use to make ends meet.

## LONG HOURS, LOW PAY

Silvia Jordan often spends holiday breaks painting.

"I want my house to look like a museum for the kids," Jordan said. The sidewalk leading to the front door of her Eagle Rock home daycare is red with blue and green footprints. A mural of a tree overlooks the back patio where the children play.

That's because for the last 15 years, Jordan's house has also been her business, a home daycare for up to eight kids—right now she watches six children, between 3 months and 12 years old.

By one L.A. county estimate, licensed family child care homes like Jordan's account for 24% of child care spaces for kids 0-5.

Jordan said sometimes it's a 12-hour work day. After paying for groceries, utilities, her two assistants and supplies, she estimated she makes less than minimum wage.

Just getting reimbursed for what little money is available through the state to care for children from low-income families means hours filling out paperwork. Some grants are restricted to specific uses — for example, one might fund nutritious meals for kids.

Each requires detailed documentation — perhaps not a difficult task for larger operators that know the system or can hire experienced grant writers, but it's one more chore on top of many for the smaller providers.

"The harder it is for a provider to use the funds, the less likely they are to be able to maximize the money that's available to them," Capito said.

In addition to the 11 state and federal programs that directly fund services, the report prepared by Capito, an independent consultant, and First 5 LA identified more than 20 L.A. County programs with more than \$76 million meant to support providers. "Yet it is unclear if these programs are reaching the providers who need it the most," the report said.

## WHAT IF YOU'RE TAKING CARE OF HUNDREDS OF KIDS?

Even well-established providers can struggle with the system. Young Horizons Child Development Centers have served low-income families in Long Beach for 50 years.

Today, Young Horizons has a budget of about \$4 million to care for 400 children. "When I first came to Young Horizons, we used the backs of calculator tape — that's how frugal we were," said Executive Director Sarah Soriano. "The funding has increased, but so has the cost of living."

On a recent day, the kids lay down for their naps after a lunch of caldo de res, or beef stew.

"Have you ever seen all these toddlers go to sleep at the same time?" Soriano said. "They learn their routine and they're out."

But, Soriano says, the expenses to care for the little ones mount up quickly.

Under state requirements, child care providers must employ at least one staff member for every eight preschoolers and one staff member for every three infants.

Soriano said staff costs are more than half the center's budget.

"The funding barely is enough and sometimes not enough to pay the basics," she Soriano.

A 2017 L.A. County report found early educators earn an average of \$14.65 an hour. Soriano said at Young Horizons, some entry-level employees make minimum wage, while teachers earn between \$18 and \$20 an hour.

"I just wish I could get them so much more than that," Soriano said.

Soriano said she bolsters public funding with money from foundations and donors so she can pay staff more and buy supplies for the students.

Also on her wish list: renovations and infrastructure upgrades that could improve services for kids, like the walk-in cooler and freezer the center installed in its main kitchen about five years ago.

Soriano loves the walk-in because it's energy efficient and allows the center to buy milk and other perishables in bulk, but it came with a hefty price tag: \$80,000.

Was there a reserve to cover the upgrade?

"Absolutely not. There wasn't a piggy bank," Soriano said. She paid for the cooler with a state grant, which has since been converted into a loan program.

A recent survey from the Nonprofit Finance Fund found that half of L.A. County's non-profit daycare centers have less than one month of operating cash on hand.

Relying on public funding without a reserve makes early childcare centers vulnerable to changes in the economy.

Soriano said during the recession, the state cut 22% of her child care contracts. She had to close one of Young Horizon's centers, leaving 54 children without services.

## DIPPING INTO PERSONAL FUNDS

While larger organizations can hire employees to write grants or seek donations, small providers often have fewer resources.

Avalos said there's less than \$1,000 in her bank account and both she and her son have opened credit cards to stay afloat. For example, California caps weekly reimbursements for infant care at \$232 for family child care homes in LA County. There are different rates depending on the provider's location, the child's age and how many hours of care they qualify for.

Low wages are one factor contributing to the decline of California licensed home day cares. A 2018 report found the number of licensed home day cares has dropped 26 percent since 2008.

Avalos is hopeful that a new law that allows some home providers to collectively bargain with the state will bring needed changes. She says she feels empowered to fight for more professional development and higher salaries.

## HOW AFFORDABLE CHILDCARE CAN WORK

The county's fiscal analysis doesn't point to any single solution to the shortage of affordable childcare nor the less-than-ideal working conditions for providers.

But it did highlight examples where different municipal agencies successfully worked together to make improvements. Among them:

The L.A. Unified School District uses state funding to provide early education programs for almost 31,000 children. Last month, LAist reported on the district's new plan to connect the youngest learners to elementary and high school programs.

Santa Monica amended its zoning ordinance to allow the conversion of some residential homes to child care centers, dedicated staff to early education initiatives, and subsidizes services for some families who don't meet the income qualifications for state programs.

The L.A. County Department of Children And Family Services created a computer program to help social workers refer more families to early education programs.

"They're not just leveraging federal and state funding, they've also got local investments they're using to close the gap," Capito said.

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