Our fragile child care 'system' may be about to shatter [1]

Child care programs across the country are ‘afraid to stay open and afraid to close,’ caught between fear of the coronavirus and fear of financial ruin

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After 35 years as an early childhood teacher and advocate, MaryLou Beaver became the director of The Children’s Place and Parent Education Center in Concord, New Hampshire, last November. It’s a job she loves.

“I’m home,” she said. “I’m with kids. I smile every day again.”

The coronavirus could end all that, perhaps forever.

Because of the spread of the virus, Beaver decided on March 13 to close the center, which is a nonprofit, for two days the following week to do a deep cleaning. She drove to six nearby stores that weekend to find just three gallons of bleach. By March 15, New Hampshire Gov. Chris Sununu had ordered all public schools to close, though child care services were allowed to stay open. Beaver, with four of five staffers over age 60 and the youngest worker managing diabetes, decided staying open would be too risky.

Keeping her staff safe had to be her first priority. “It’s a difficult, difficult decision to make,” she said.

In late March, Beaver said she could pay for utilities on the building the center owns and pay her teachers until April 6. Then her accountant built a budget projection. By April 2 Beaver had decided she needed to furlough her employees and advise them to apply for unemployment benefits.

“There’s going to need to be support for all of the child care providers out there, every kind, coming from the government,” Beaver said.

Dominated by small businesses, the country’s child care “system” has long been at a breaking point. Child care is expensive to operate and to provide, yet families are largely left to pay for it themselves while providers eke out a living on meager profits.

To make it through coronavirus-era closures and the economic downturn, providers like Beaver say they need help, fast.

Without it, parents juggling child care with working from home, or unable to afford care while they’re laid off, could find their provider is closed when they return to work.

So far, little direct help has been offered. The latest relief package, the CARES Act, provides $3.5 billion for the government subsidy program aimed at providers who serve low-income families and another $750 million for Head Start, the federal care and education program for families living in poverty. There’s also $350 billion slated for forgivable small-business loans, which most child care programs would be eligible for, and robust unemployment benefits to support laid-off workers in all fields.

“The economics are fragile in good times. When a crisis like this hits, it is devastating to the child care field.”

Rhian Evans Allvin, chief executive officer of the NAEYC

That is not enough specific help for child care, advocates say.

Conditions for child care were already tenuous before the global pandemic, said Rhian Evans Allvin, chief executive officer at NAEYC, a national professional association for child care providers. “The economics are fragile in good times,” she said. “When a crisis like this hits, it is devastating to the child care field.”

Many advocates have released statements or said in interviews that not acting decisively to help the industry now could have dire consequences for America’s fragile patchwork of child care services in the future. There is a push among some Democrats in Congress to include more direct funding in a fourth relief bill.

While the new law “will help health care providers, families and small businesses, more help is needed,” said a spokesperson for Sen. Tina Smith, D-Minn., who led an effort in the Senate to secure $50 billion specifically for the child care industry. That was not included in the $2 trillion bailout plan signed into law by President Donald Trump on March 27.

“It is essential that when Americans are ready and able to get back to work, that child care is there for their children,” Smith’s spokesperson said. Smith and others will be asking for new measures that do more to stabilize the child care field to be included in any new legislation, according to her spokesperson.

Despite its flaws, the dissolution of the child care services we have now would result in dire consequences for the rest of the economy.

“If and when we all go back to work and figure out the new normal, we need to make sure child care businesses are still around, because they are essential for America to get back to work,” said Julia Barfield, senior manager at the U.S. Chamber of Commerce Foundation, where she focuses on the connection between child care and the nation’s workforce.

As parents working from home with young children are saying loudly on Twitter, Facebook and every other social media channel: Raising a kid and working full time without child care is not sustainable.

“It has been really hard,” said Jennifer Fitzpatrick, an instructional coach in the Washington, D.C., public schools who is now working from home. Her toddler’s child care center is closed. “I’m trying to figure out how to not neglect my daughter and/or my staff and students,” she wrote in an email.

Fitzpatrick is still making child care payments since her center is collecting them and her salary hasn’t changed. Also, her daughter’s teacher checks in regularly by phone, and the school has sent home sample schedules and ideas for activities. But she worries the school, which just expanded to a larger facility, will struggle to stay afloat.

While state orders are changing by the day, most governors have not yet closed all child care facilities, and some have actively urged them to stay open. But many parents are keeping their kids and (out of necessity) their child care payments at home, leaving some providers with no choice but to close.

1.7 million — number of child care providers in the country

Ninety percent of child care in the U.S. is privately run, Evans Allvin of NAEYC said. The vast majority of these small business owners are women operating on thin profit margins.

About 1.7 million people are child care workers, center directors or preschool teachers, according to the U.S. Bureau of Labor Statistics. Collectively, they serve 21.4 million children who have not yet started kindergarten, according to the National Center for Education Statistics. Centers and school-based programs account for many of these children, but home-based providers offer the majority of care options in more than 20 states, according to Child Care Aware of America, a research and advocacy group.

Due to insufficient funding, just 1 in 6 children eligible for government subsidies to cover their care actually receive those funds. Everyone else pays their own way. With massive layoffs reaching well into the middle class, the bulk of funding available for child care has dried up overnight.

“What this has exposed is that the industry is built on the middle class, who are full paying,” Evans Allvin said. A NAEYC survey published on March 17 found that of the 6,000 providers who responded, 63 percent said they could survive closure for no more than a month without government help. About half of that group said surviving two weeks was the best they could expect.

Allison Morton runs Small Wonders, a child care program that started in her home eight years ago and until last week filled two centers in Portland, Oregon, with 185 children ages 2 to 5. On March 16, the first day of statewide school closures, she realized she’d have to close, too. Attendance had plummeted, the kids who were left were so anxious it was hard to run a normal day and the risk of spreading the virus at the centers had become too high, Morton said.

“There’s no corporate entity — it is just us,” Morton said. “Any hard choice is someone you know well.”

But she knew she didn’t have enough parents who could continue to afford the fees, so she laid off all her teachers, suspended her own salary and budgeted everything she’d managed to save toward rent on her two facilities. It would be “hard to look beyond the end of April,” based on her current cash reserves, Morton said on March 21. By the following week enough parents had voluntarily paid some portion of their tuition to cover April rent, stretching Morton’s reserves. Still, she now expects a 35 to 55 percent reduction in enrollment when the center does reopen due to so many parents losing their own jobs.

“We usually operate at 100 percent,” she said by text on April 2.

In Byron Center, Michigan, Wendy Tilma runs a home-based child care for about 15 kids who show up on a staggered schedule. On April 2, Tilma was still open, but 10 children had stopped attending, and she was bringing in only half her typical income. Her mortgage company is letting her skip her April 1 payment, but she isn’t aware of any other help headed her way. She did send in a request for payment for the kids covered by subsidies, but she has no idea if the state will pay her if the kids aren’t attending.

“I’m very scared for my job, my business and the kids I care for if I have to quit.”

Wendy Tilma, home-based child care provider in Michigan

“We have got nothing from the state aside from washing hands and cleaning,” she wrote the previous week. “I’m very scared for my job, my business and the kids I care for if I have to quit.”

Like many home-based child care providers, Tilma has invested a lot of time learning the best ways to care for children but is qualified for few other jobs based on her educational background. And, as is true in many rural and semi-rural places, the loss of even one decent child care option in the small western Michigan town she serves could make it hard for families there to get back to work.

Morton, Tilma and Beaver, the provider from New Hampshire, should be eligible for the small-business loans described in the new bill. Beaver heard about the loans through the New Hampshire Small Business center and plans to apply. Morton had applied even before the new federal measures, which include forgiveness for companies that continue to pay employees during closures, were announced.

“Programs should make the effort to go for these funds,” Morton said. Still, she’s worried the need among child care providers in Oregon will outpace the supply. And she expects that holding on long enough for the loan to arrive will be a challenge.

It is also unclear whether the smallest center owners or home-based providers, who tend not to have accountants or other financial experts on staff, will be able to easily secure these loans. Tilma had not heard anything about the new loans as of April 2 and it turned out applications for her county had closed on April 1 at 5 p.m.

Advocates and politicians had initially hoped the help for child care programs would be more direct.

“The COVID-19 pandemic is highlighting the unfortunate consequences of a long-time underinvestment in our child care infrastructure,” stated a letter sent on March 21 to Senate leadership from Sen. Smith and five of her Democratic colleagues. It went on to call for payments to providers to allow them to cover facility and personnel costs, hazard pay for child care providers willing to serve essential worker families and help for states trying to ensure safe and sufficient child care for those families, among other measures. Not all of this came to pass.

A similar letter, authored by Rep. Katherine Clark, D-Mass., and signed by 12 other sponsors, was sent to the House leadership. “The letter was intended to draw attention to the overwhelming need,” Clark said by email. She called the measures ultimately included in the latest relief bill “a good start” but said more would be needed to see child care services through the pandemic.

Meanwhile, without clear federal guidance, states are handling changes to their child care services in a wide variety of ways, according to ongoing tracking of state actions by the Alliance for Early Success, which advocates strong state policies for child care. Responses range from the signing of an executive order to cover sick leave for child care workers in Colorado to a two-page letter urging child care services to stay open sent to providers in Idaho. And while about 20 states and the District of Columbia are offering some financial help to providers who operate on subsidies, Vermont is so far the only state to offer any aid to child care services dependent on payments from parents.

In a move that is worrying to many child care experts, some states have suspended certain licensing regulations. A March 16 letter sent to providers by the commissioner of the New Jersey Department of Children and Families, for example, temporarily eliminated some staff qualification rules, suspends the fire drill requirement and drops group size limitations, among other changes. Commissioner Christine Norbut Beyer wrote that “offering necessary regulatory flexibility” will allow the state to meet what could be a significant “increase in the demand for child care” during the crisis.

“We’ve been really trying to scream that [the child care industry] can’t survive the way it is and it needs public funding, and now we’re at this point that it’s coming to a head.”

Meghan Tavormina, president of the NJAEYC

Lifting safety regulations is the last thing New Jersey or any other state should be doing, said Meghan Tavormina, president of the NJAEYC, the New Jersey affiliate of NAEYC. Faced with the virus on one hand and the likely collapse of their business on the other, Tavormina heard from many members that they were “too scared to stay open and too scared to close” for most of the month of March.

The state has since changed course, ordering child care programs not serving essential workers to close, effective April 1. Family child care services are allowed to stay open at the provider’s discretion.

“We’ve been really trying to scream that [the child care industry] can’t survive the way it is and it needs public funding, and now we’re at this point that it’s coming to a head,” she said. “Imagine trying to get the entire workforce back to work without child care.”

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