

# COVID-19 and the demand for child care: Preliminary evidence <sup>[1]</sup>

Preliminary draft, comments welcome [Not yet peer-reviewed]

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## AVAILABILITY

Access online [PDF] <sup>[2]</sup>

## Excerpted from introduction

The COVID-19 pandemic is causing major disruptions to nations throughout the world. In the United States, over 200,000 cases have been identified and approximately 4,500 deaths are attributable to the virus.<sup>1</sup> The economic toll is likely to be severe. Indeed, the number of individuals seeking unemployment insurance benefits grew to nearly 3.3 million during the week ending on March 21, 2020 surpassing the previous record of 680,000 set on September 18, 1982. In response, the federal and state governments have issued a series of declarations and directives aimed at curbing large gatherings. For example, 37 states have issued a “stay at home” mandate, and non-essential businesses in virtually every state are now operating under a mandatory closure order.

The combination of these state-based “stay at home” orders and mandatory business closures is likely to have widespread economic consequences, stemming from the reduced demand for many goods and services and the increased number of job separations. The child care industry is arguably one of the most vulnerable sectors. Currently, child care providers in 12 states have been ordered to close, with more states likely to issue similar directives in the coming days (Hunt Institute, 2020). Providers in the remaining states have the option to close (or serve only the children of essential workers), and anecdotal evidence suggests that many have exercised this option, electing to furlough or layoff their employees. Given that child care businesses generate most of their revenue from parent fees, it is not surprising that, in a recent survey, 30 percent of providers reported they would not survive a closure of more than two weeks, and another 17 percent claimed they would not survive any closure (NAEYC, 2020).

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[1] <https://childcarecanada.org/documents/research-policy-practice/20/04/covid-19-and-demand-child-care-preliminary-evidence> <sup>[2]</sup>

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