

Child care industry squeezed from all sides, providers say^[1]

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EXCERPTS

More than 750 Maryland child care providers closed their doors during the COVID-19 pandemic. But during a meeting with a state legislative committee Wednesday, providers and other stakeholders said the pandemic is just one of many forces squeezing Maryland's child care industry.

WYPR's Rachel Baye joins Nathan Sterner to explain.

Nathan: It's not the only factor, but what effect has the pandemic had on child care providers?

Rachel: According to the Maryland State Child Care Association, 44% of providers are operating at less than half their full capacity.

Holly Frazer, who owns two centers in Washington County, said she has a few theories about the drop in enrollment during the pandemic.

"Number one, families are still scared of COVID," she said. "Let's just state the obvious: A lot of parents, if they have the option to be home or with family, that's what they're gonna choose."

Child care providers also have to follow more stringent quarantine rules than, for example, public schools. When one child tests positive, the provider has to close the classroom, and anyone who came into contact with the child has to quarantine for two weeks.

"So what are parents doing?" Frazer said. "They're leaving. They're going to the neighbor down the street. The aunt's now watching, or they're getting their kids in public school programs, even if that's not where they want them to be, because they don't have to quarantine."

Nathan: When the parents pull their children out of child care, they also pull their tuition dollars, which I imagine hurts the providers' bottom lines.

Rachel: Right. These are already businesses that operate on very slim margins.

That's another challenge: Like many businesses, child care providers are struggling to find qualified workers.

That's in part because of what they can afford to pay. The average child care teacher in Maryland makes just over \$26,000, often without benefits, according to Christina Peusch, executive director of the Maryland State Child Care Association. The average center director makes \$41,000.

"In Maryland, we're required to have specific qualifications to work in a child care program," Peusch said. "Finding people that meet those requirements have been even more difficult because they can work at Target or Starbucks or Kohl's for a lot more money per hour than they can for us."

Nathan: Tuition at childcare centers is notoriously high. Where does that money go if not to salaries?

Rachel: Child care is most expensive for younger children. According to the Economic Policy Institute, the average cost for infant care in Maryland is more than \$15,000 a year, which is more than in-state college tuition.

One reason is the strict child-to-teacher ratio. Expanding to bring in more students requires hiring more teachers.

Nathan: It sounds like it's a cycle.

Rachel: And here's the next part of that cycle: Because child care is so expensive, low-wage workers rely on the child care scholarship program. But the providers who spoke Wednesday said Maryland's program is a bureaucratic mess.

One of those providers is Tracey Clay, school director at the Celebree School in Germantown.

"One particular family had to lose their job, because they could not get the approval fast enough in order for them to have childcare in order for them to go to work," Clay recalled.

She described a teacher at her center who received the scholarship to cover tuition for her two children. This teacher spent hours on the phone for multiple days — hours when she was supposed to be caring for children at the center — trying to get her scholarship sorted out.

Issues with the scholarship force many workers to pull their children out of child care and quit their jobs to care for them.

And experts say it's largely women who are forced into this situation. Between January 2020 and June 2021, the state Department of Labor says roughly 57,000 women left Maryland's workforce, though we can't say for sure how many left because of child care concerns.

Nathan: And that, in turn, affects every business trying to find workers.

Rachel: Exactly.

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