California Child Care at the Brink
Understanding the Impact of COVID-19 on California Child Care and Early Education

Marcy Whitebook, Ph.D.
Director Emerita
UC Center, Sacramento
July 22, 2020
“We are stuck in a limbo between staying open for essential workers and risking our own health and safety because we are needed, and [we] can’t afford to close.”

- California Survey Respondent
Early Educators Needs Seem Invisible to Policy Makers

"They were asking us to do crazy things with our health and our lives, without real regard for the risk we were taking."

—Pat Sullivan, San Francisco family child care owner and advocate

Most states have closed K–12 schools

Yet most states encourage child care facilities to remain open
California’s Early Educators are Among the Lowest Paid Workers in the State

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child care worker</td>
<td>$12.29</td>
</tr>
<tr>
<td>Preschool teacher</td>
<td>$16.19</td>
</tr>
<tr>
<td>Center director</td>
<td>$23.91</td>
</tr>
<tr>
<td>Kindergarten teacher</td>
<td>$38.33</td>
</tr>
<tr>
<td>Elementary teacher</td>
<td>$45.17</td>
</tr>
<tr>
<td>All workers</td>
<td>$19.70</td>
</tr>
</tbody>
</table>

Earnings by Occupation

- In 2017 the median wage for child care workers was $12.29, a 3% increase since 2015.
- For preschool teachers the median wage was $16.19, a 3% increase since 2015.
- For preschool or child care center directors, the median wage was $23.91, a 6% decrease since 2015.

Use of Public Income Supports (EITC, Medicaid, Food Stamps, TANF)

- Child care worker families’ participation in one or more public income support programs: 58%
A Profile of California’s Early Educators

Figure 3. Race/Ethnicity of Early Childhood Workforce in California, 2012

Note: Because the sample size of home-based unlisted providers was too small to report the five race/ethnicity categories reported for the center-based workforce and the home-based listed workforce, these five race/ethnicity categories were collapsed into two categories for this segment of the workforce.
Existing Disparities in California

Early educators who are black are even more likely to be in poverty

Shares in poverty, by race/ethnicity

<table>
<thead>
<tr>
<th>Race</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>15.7%</td>
</tr>
<tr>
<td>Black</td>
<td>24.2%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>14.6%</td>
</tr>
<tr>
<td>Asian</td>
<td>11.9%</td>
</tr>
</tbody>
</table>
Child Care Should Cost No More Than 7% of a Family’s Income

For a median family with children:
- 24.9% of $68,034

For a minimum-wage worker:
- 67.9% of $24,960

For a typical child care worker:
- 64.3% of $26,360

COVID-19 Impact Study, Phase 1

Survey conducted at the end of April 2,180 child care programs participated

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Participants</th>
<th>Open</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Centers</td>
<td>34%</td>
<td>32%</td>
</tr>
<tr>
<td>Home Based Family Child Care Providers</td>
<td>66%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Regional Snapshot, Phase 1

- Offers a more detailed picture of the current crisis in California
- Analyzed our data for each of five regions
Financial Challenges, Phase 1

- Families that are unable to pay or have lost their jobs or income: 66%
- Loss of income due to low attendance or families not paying: 61%
Widespread Staffing Changes, Phase 1

78% of all programs made staffing changes (e.g., laid off staff, cut benefits)

57% of all programs either laid off or furloughed staff
Difficulty Accessing Essential Supplies, Phase 1

62% of open programs are having difficulty obtaining either cleaning supplies or personal protective equipment (PPE) for staff.

69% of open programs indicate that they would like mini-grants for cleaning supplies and/or sanitizing services.
Regulatory Guidance, Phase 1

37% of programs said they would like clear guidance on regulatory changes (e.g., closures, social distancing, ratios)
COVID-19 Impact Study, Phase 2

In late June/early July we conducted a follow-up survey with 953 participating respondents from our first survey.

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Total</th>
<th>Open</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Care Centers</td>
<td>377 (40%)</td>
<td>65%</td>
</tr>
<tr>
<td>Home Based Family Child Care Providers</td>
<td>576 (60%)</td>
<td>82%</td>
</tr>
</tbody>
</table>
Key Findings, June 2020

- Deeply concerned about the health risks of operating
- Reopening process has introduced new financial challenges
- Decreased capacity and increased costs in an already financially unstable industry
- Without more public funding, continued collapse of CA child care Industry
Health Risk Emerged as a Primary Reason Why Programs Closed

- They felt their family’s health was at risk
  - FCC: 75%
  - Center: 27%

- They felt their own health was at risk
  - FCC: 65%
  - Center: 29%

- They felt the health of the children and families they serve was at risk
  - FCC: 63%
  - Center: 46%
Programs Contend with Decreased Capacity, Reduced Income, and Higher Costs

**80%** of open programs reported that they are open because they lack the financial resources to survive a closure.

**77%** of open programs have experienced loss of income from families.

**99%** of open centers and **78%** of open FCC programs have fewer children attending than pre-pandemic (January 2020).

**Centers**
On average, centers with fewer children are operating at 44% of their pre-pandemic attendance.

**FCC Programs**
FCC programs with fewer children are operating at 55% of their pre-pandemic attendance.
Open Programs Have Experienced the Following Challenges

80% Higher costs due to cleaning/sanitation and PPE supplies

66% Reported changes to their operations to meet health and safety requirements
“There is no way we will survive financially with the limited group size. We had 150+ students, now the most we can have is 48. Parents can’t possibly pay enough to cover our costs. Without government subsidies, we won’t survive.”

California child care provider and survey respondent
Without Public Funding, Providers’ Financial Health is Increasingly Dire

<table>
<thead>
<tr>
<th>Category</th>
<th>FCC</th>
<th>Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unable to pay themselves at some point</td>
<td>49%</td>
<td>28%</td>
</tr>
<tr>
<td>Taken on personal credit card debt to cover program expenses</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>Missed a rent or mortgage payment for their program</td>
<td>22%</td>
<td>19%</td>
</tr>
</tbody>
</table>
“We are PERSONALLY funding the heightened cleaning, ratio and staffing requirements. NO funding has been given to us by the state that is enforcing these rules. This model does NOT work and will put centers out of business in the next few weeks!”

California child care provider and survey respondent
Programs Struggle to Understand and Adhere to New Guidelines and Regulations

"We are doing the best we can with all the conflicting guidelines, mandates, and regulations. Too much is left to interpretation, the line between the state and local directives is blurred and confusing."

- California Survey Respondent
“The guidelines are not in line with a sustainable business, we were already barely financially stable and now we are absolutely not. Our rates would have to double or triple.”

California child care provider and survey respondent
Open Programs Continue to Have Difficulty Obtaining and Paying for Essential Health and Safety Supplies

In the past month:

38% of open programs have not had sufficient PPE or cleaning/sanitizing supplies.

10% of open programs did not have sufficient food for their program.

Looking ahead to the next month:

37% of open programs do not have enough funds to pay for the PPE or cleaning/sanitizing supplies they need.

20% of open programs do not have enough funds to pay for the food they need.
The Pandemic has Exacerbated an Already Widespread Teacher Shortage

- 62% of open centers have staff who are not working due to concern about the health risk.
- 48% of open centers have staff who are unable to work because they are taking care of their own children.
- 35% of open centers have staff who are taking a leave of absence.
- 70% of open centers are not able to provide health benefits for all of their teaching staff.
- 78% of open centers and 61% of open FCC programs have fewer paid teachers on staff than they had pre-pandemic (January 2020).

“California Child Care in Crisis: COVID-19 Impacts Escalate as California Reopens” | cscce.berkeley.edu
Equalize Safeguards for Educators of Children of all Ages

<table>
<thead>
<tr>
<th>ALIGN</th>
<th>IMPLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Criteria for school and ECE opening/reopening based on community spread</td>
<td></td>
</tr>
<tr>
<td>• Resources and safety provisions for PPE, Testing, and Facility</td>
<td></td>
</tr>
<tr>
<td>• Stabilization fund for all licensed ECE programs to ensure survival</td>
<td></td>
</tr>
<tr>
<td>• Health coverage and sick leave guarantee for ECE educators</td>
<td></td>
</tr>
</tbody>
</table>

Eliminate the societal distance between ECE and K-12
“I had to permanently close – none of my staff wanted to return, only one parent wanted to return, my landlord was completely unsympathetic, [and I] can’t meet financial minimums with allowable group sizes.”

California child care provider and survey respondent
Acknowledgements

The California COVID-19 Impact Study is currently supported by grants from the Heising-Simons Foundation and the David and Lucile Packard Foundation.
Thank You!

Learn More About Our Research
cscce.berkeley.edu

Marcy Whitebook
mwhbk@berkeley.edu

Ashley Williams
Senior Policy Analyst
ash.williams@berkeley.edu

Sean Doocy
Research Associate
sean.doocy@berkeley.edu

Center for the Study of Child Care Employment
University of California, Berkeley