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Early Care and Education Programs During COVID-19: Persistent Inequities and Emerging Challenges

Findings From the 2020 California Early Care and Education Workforce Study

By Yoonjeon Kim, Elena Montoya, Lea J.E. Austin, Anna Powell, and Wanzi Muruvi

Executive Summary

The early care and education (ECE) system has been under-resourced and undervalued since well before the pandemic (McLean et al., 2021). Low pay and poor working environment have long plagued the ECE industry as key drivers of chronic high turnover rates and teacher staffing shortages in the field (U.S. Department of Treasury, 2021). Additional disparities within the system place providers on vastly different financial footing as a function of the type of program in which they operate, their access to public funding, and characteristics of the families they serve (Austin et al., 2018; Whitebook et al., 2014). The pandemic has exacerbated these pre-existing issues.

Using data collected by the Center for the Study of Child Care Employment (CSCCE) through the 2020 California Early Care and Education Workforce Study, this report takes a closer look at the impact of COVID-19 on ECE programs, with a focus on program-level challenges, staffing shortages, and disparities based on program type and center funding type.

Key Findings

- In California, child care operates through a market-based mixed-delivery system that is funded with a combination of federal, state, and local funding streams, but largely relies on what parents can afford to pay.
    - About 27 percent of centers and 12 percent of FCC programs hold contracts with Head Start or the California Department of Education.
    - The vast majority of centers and FCCs are operating either entirely on family fees or with a mix of family fees and non-contract-based subsidies, such as vouchers.
- The ECE workforce in California, while almost exclusively female, is highly diverse in terms of cultural, racial, and linguistic backgrounds; educators are highly reflective of the children and families they serve.
- The pandemic had dire consequences for the entirety of an already under-resourced California ECE sector, but the levels of stress were not borne equally by all programs and exacerbated long-entrenched disparities within the sector based on program type and funding.
- Family child care (FCC) providers, who work in their own homes, faced the greatest economic challenges and were pushed further into precarity.

    - FCC programs (64 percent) remained open throughout the pandemic at higher rates than centers (23 percent), largely because they were lacking the resources to withstand a temporary closure.
    - FCC providers (76 percent) were about four times more likely than center-based directors (19 percent) or teaching staff (19 percent) to report a loss of income during the pandemic.
    - FCC providers (43 percent) were about three times more likely than center directors (15 percent) to report that they were unable to pay themselves.
    - A higher share of FCC providers reported that they worked more unpaid hours during the pandemic (66 percent) than center directors (57 percent) or teaching staff (13 percent).
    - The majority of FCC providers (56 percent) responded that they did not receive any financial support during the pandemic, except for the state funds for essential supplies that were made available for all licensed programs.
- Center-based programs were more likely than family child care providers to struggle with staffing challenges, changes in program operations, and reduced attendance.
    - Center directors (59 percent) were more likely than FCC providers (35 percent) to report increased staffing costs during the pandemic as a challenge.
    - The vast majority of centers (87 percent) made various staffing changes, including layoffs, furloughs, and reduction of hours.
    - Job turnover among teaching staff was about 36 percent; turnover among assistant teachers (58 percent) was higher than among teachers (32 percent).
    - More than 95 percent of all centers, regardless of center funding type, stated that finding teaching staff with desired qualifications was a challenge, and 78 percent of centers reported difficulty in finding staff due to the compensation they are able to offer.
    - About 95 percent of centers experienced a decline in attendance compared to about 64 percent of FCC providers.

- While the majority of centers struggled with staffing shortages, Head Start and state-contracted centers tended to have better program stability than centers without contract-based funding.
    - Centers without contract-based funding (64 percent) were more likely than Head Start (39 percent) and Title 5 centers (47 percent) to have experienced reduction in teaching staff during the pandemic.
    - Compared to centers without contract-based funding, Head Start and Title 5 programs were less likely to have implemented various staffing changes, including layoffs, furloughs, and reduction of hours, perhaps due to stable financial support directed to these programs during the pandemic.
    - Turnover rates of teaching staff were much higher in centers without contract-based funding than in Head Start and Title 5 programs; turnover rates among assistant teachers in non-contracted programs (72 percent) were more than double the rates reported in Head Start (26 percent) or Title 5 programs (36 percent).

Recommendations for Policymakers

Recommendation 1: Provide additional pandemic relief and recovery funds specifically designated for compensation and to address documented inequities among programs.

- Compensation should be sufficient in order for FCC providers to be able to pay themselves and for FCCs and centers to recruit new and retain current staff.
- Ensure compensation funds reach the entirety of the sector, not just those programs already participating in the state's subsidized system through contracts or vouchers.
- Provide targeted financial relief to FCCs in response to the acute financial insecurity they have experienced during the pandemic.

Recommendation 2: Develop a methodology to identify, and then fund, the true cost of providing high-quality ECE in both center- and home-based settings.

- Ensure the methodology accounts for a wage scale that establishes the floor at the regionally assessed living wage, articulates minimum benefit standards (health insurance, paid leave, retirement), scales up to at least parity with Transitional Kindergarten and elementary school teachers, and provides for non-contact hours (i.e., paid preparation/planning time).

- Use the true cost to establish appropriate levels of funding for ECE programs, rather than basing it on market rates.

Recommendation 3: Prioritize stable contract-based funding arrangements for home-based providers and centers.

- Contracts should guarantee a base funding amount—accounting for a specific number of publicly funded spots, rather than using volatile enrollment or attendance levels.

Recommendation 4: Ensure conditions for all early educators to have a choice to join a union and engage in collective bargaining.

- Ensure opportunities to expand the reach of collective bargaining as a strategy to support the acquisition of well-articulated health, safety, and working condition standards for FCCs and center-based staff throughout the state.

Recommendation 5: Ensure that all state policies are made in consultation with early educators.

- Establish practices that center the experiences, intellect, and leadership of early educators.

Recommendation 6: Establish simple data-collection protocols to examine and report the utilization and impact of pandemic relief and other state funding in order to inform future policies and resource allocation.

- Ensure that lead agencies draw on existing data before requiring redundant information of programs or individuals and invest in systems to streamline reporting for recipients.

- Data collection and reporting should include all programs regardless of setting, funding source, or funding mechanism.

Figures and Tables

Introduction

The early care and education (ECE) workforce—nearly all of whom are women—provide an essential service to our communities at all times. Prior to the COVID-19 pandemic, many ECE programs were already operating on thin margins and struggling with high staff turnover (U.S. Department of Treasury, 2021). The pandemic has exacerbated those conditions as enrollment and income from family fees dropped and costs related to cleaning supplies and safety protocols increased (Malik et al., 2020). Many programs were not able to withstand these challenges and closed permanently (National Association for the Education of Young Children, 2020). As a result of program closure, reduction of hours, and fluctuation in enrollment, many early educators lost their jobs or had their wages cut (National Association for the Education of Young Children, 2021, 2022). Most ECE programs had to shoulder increased operational costs and deal with staffing shortages as they were continuously pushed to the margins.

While child care has been hailed as essential, inadequate policy responses to COVID-19 have forced many early educators to choose between their livelihood and their own health. It is not surprising that many early educators who left their jobs—often for work with better pay and benefits—or who lost their jobs during the pandemic are not returning. As a result, programs continue to face substantial staffing shortages. As of this writing there are 117,000 fewer child care staff than at the onset of the pandemic (Center for the Study of Child Care Employment, 2022).

While the entire ECE sector in California has been hit hard by the pandemic, the burden was not borne equally by all child care programs. The 2020 California Early Care and Education Workforce Study—a survey of 7,500 early educators fielded by the Center for the Study of Child Care Employment (CSCCE) in Fall 2020—found that center-based programs were more likely than family child care (FCC) providers to experience operational and staffing challenges heightened by pandemic restrictions, while FCCs faced other unique struggles, as small business owners tended to be under-resourced even before the pandemic. Among the center-based programs, those holding contracts with Head Start or the California Department of Education were more stable and less likely than centers without contract-based funding to struggle from operating challenges.

Federal relief dollars for the child care sector have been essential to stabilizing the sector from the worst effects of the pandemic. However, in California, these funds have been primarily allocated to programs already receiving public funding through direct contracts or vouchers (A. B. 131, 2021; Bipartisan Policy Center, 2021; The Hunt Institute, 2021), which only make up about one-half of programs (data not shown). This focus on subsidized programs may have contributed to the uneven impact of the pandemic, further entrenching long-standing inequities in the system.

This report draws on findings from the Workforce Study to take a close look at the impact of COVID on child care programs in California, with a focus on program-level challenges, staffing shortages, and disparities based on program type and funding source. While federal and state pandemic relief have played an important role in helping programs stay afloat, current job numbers suggest not enough has been done to stabilize child care as the COVID-19 pandemic continues.

Pandemic Policy Responses in California

At the time of data collection for this study, in the fall of 2020, most public financial support for the child care sector came through the Coronavirus Aid, Relief and Economic Security (CARES) Act, which appropriated $3.5 billion in new Child Care and Development Block Grant (CCDBG) funds for the nation's child care system (with $350 million going to California). The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), passed in December 2020, provided nearly $1 billion in additional CCDBG funds to California. The American Rescue Plan Act, passed in March 2021, provided California with $3.5 billion in aid that could be used for a variety of increased business costs related to the pandemic, including increasing staff compensation and retention payments, rent and mortgage payments on child care businesses, health and safety supplies and equipment, and mental health support for children and staff (Child Care Services Association, 2022; Office of Child Care, 2021).

Among federal and state pandemic-related funding directed toward child care, all licensed child care programs were able to access funding for cleaning supplies and personal protective equipment (PPE), as well as one-time stipends of $3,500 to $6,500 (based on licensed capacity). These stipends were allocated in 2021 after our survey was conducted. Other payments and relief efforts—for example, payment by the state during closure and increased reimbursements to support operating costs—applied only to programs that already received public funding to provide early care and education services (A. B. 131, 2021; Bipartisan Policy Center, 2021; The Hunt Institute, 2021).

California did not allocate any funding specifically to individual early care and education staff for wage increases, supplements, or relief, even though federal aid allowed such support (American Rescue Plan Act, 2021).

Key Findings

- In California, child care operates through a market-based mixed-delivery system that is funded with a combination of federal, state, and local funding streams, but largely relies on what parents can afford to pay.
  - About 27 percent of centers and 12 percent of FCC programs hold contracts with Head Start or the California Department of Education.
  - The vast majority of centers and FCCs are operating either entirely on family fees or with a mix of family fees and non-contract-based subsidies, such as vouchers.
- The ECE workforce in California, while almost exclusively female, is highly diverse in terms of cultural, racial, and linguistic backgrounds; educators are highly reflective of the children and families they serve.
- The pandemic had dire consequences for the entirety of an already under-resourced California ECE sector, but the levels of stress were not borne equally by all programs and exacerbated long-entrenched disparities within the sector based on program type and funding.
- Family child care (FCC) providers, who work in their own homes, faced the greatest economic challenges and were pushed further into precarity.
  - FCC programs (64 percent) remained open throughout the pandemic at higher rates than centers (23 percent), largely because they were lacking the resources to withstand a temporary closure.
  - FCC providers (76 percent) were about four times more likely than center-based directors (19 percent) or teaching staff (19 percent) to report a loss of income during the pandemic.
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- The majority of FCC providers (56 percent) responded that they did not receive any financial support during the pandemic, except for the state funds for essential supplies that were made available for all licensed programs.

- Center-based programs were more likely than family child care providers to struggle with staffing challenges, changes in program operations, and reduced attendance.
  - Center directors (59 percent) were more likely than FCC providers (35 percent) to report increased staffing costs during the pandemic as a challenge.
  - The vast majority of centers (87 percent) made various staffing changes, including layoffs, furloughs, and reduction of hours.
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  - About 95 percent of centers experienced a decline in attendance compared to about 64 percent of FCC providers.

- While the majority of centers struggled with staffing shortages, Head Start and state-contracted centers tended to have better program stability than centers without contract-based funding.
  - Centers without contract-based funding (64 percent) were more likely than Head Start (39 percent) and Title 5 centers (47 percent) to have experienced reduction in teaching staff during the pandemic.
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- Turnover rates of teaching staff were much higher in centers without contract-based funding than in Head Start and Title 5 programs; turnover rates among assistant teachers in non-contracted programs (72 percent) were more than double the rates reported in Head Start (26 percent) or Title 5 programs (36 percent).

About the Data

From October through December 2020, CSCCE surveyed representative samples of approximately 2,000 center administrators and 3,000 home-based family child care providers, as well as non-probability samples of about 2,500 center-based teaching staff members and 280 transitional kindergarten (TK) teachers through the 2020 California Early Care and Education Workforce Study.

We administered four surveys of approximately 100 questions each, resulting in an extensive data set that includes program characteristics, characteristics of children served, program staffing, and workforce demographics (including age, gender, race and ethnicity, education, experience, tenure, and compensation), as well as information on economic well-being, work environment, and the impact of COVID-19 on the lives and livelihood of early educators

In this report, we focus on the impact of the pandemic on ECE program as reported by center directors and family child care providers, examining the program-level challenges, staffing shortages, and disparities based on program type and funding source. All analyses were weighted to reflect population-level distributions for region and infant/toddler license and to adjust for unequal response rates.

Throughout the paper, we examine the pandemic's impact on centers and family child care programs. Among centers, we categorize and examine variations by center funding type. As center-based programs often receive funding from multiple sources, we used a strategy of sequential categorization to create mutually exclusive categories. We classified programs that reported having a contract through either Head Start, Early Head Start, or Migrant Head Start as "Head Start" centers. Among the remaining centers, those with a contract to operate a state-subsidized (Title 5) program are classified as "Title 5" programs, while the rest of the centers are categorized as "Other Centers."

We also examine variations by teacher job role and, in the case of FCCs, by the number of children they are licensed to care for. We defined two categories for teacher job roles: "Assistant Teacher/Teacher Aide" and "Teacher." FCCs are categorized as "Small" or "Large" according to their license capacities.

In addition to the extensive quantitative data, we also collected a substantial volume of qualitative responses to open-ended questions across the four surveys. Our respondents wrote more than half a million words. For this paper, we present qualitative data analysis as well as selected responses from providers about the impact of the pandemic on their programs and staffing challenges.

Early Care and Education Programs in California

Market-Based Mixed-Delivery System

In California, child care operates through a market-based mixed-delivery system that is funded with a combination of federal, state, and local funding streams but largely relies on what parents can afford to pay. Programs are delivered through a mix of non-profit, private, school-based, and family child care programs and can be funded through a mix of parent fees and public funding.

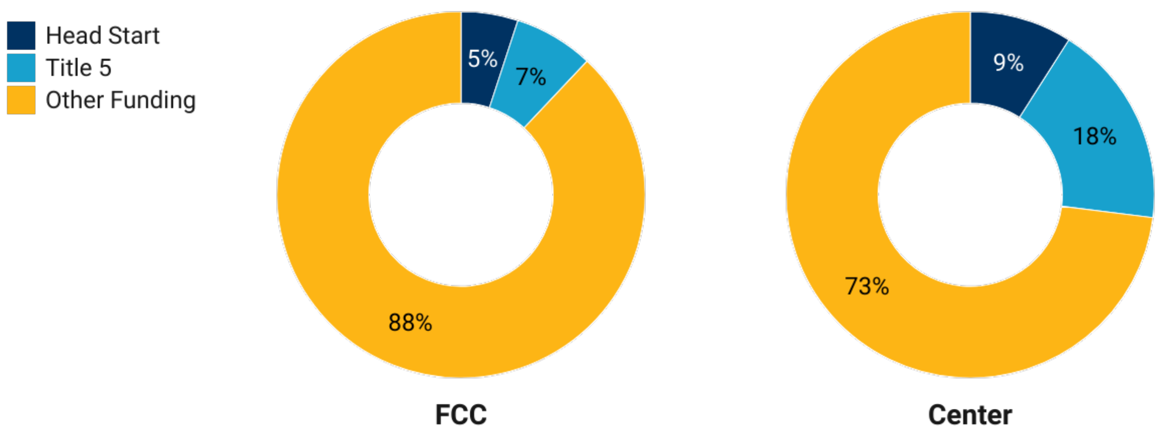
There are key differences between center-based and FCC programs. Family child care providers offer noncustodial care and education in their own homes, often caring for children across a range of ages in mixed-age settings. In contrast, child care centers are usually located in commercial buildings, schools, or churches. They are larger in size, care for more children than family child care homes, and are more likely to separate children by age. According to the most recent pre-pandemic administrative data, approximately 9,500 licensed child care centers were operating in the state in 2019, serving more than 550,000 children, and nearly 25,000 family child care homes serving about 270,000 children (California Child Care Resource & Referral Network, 2019b, 2019a; California Department of Social Services, 2019).

There are two major ways that state and federal dollars are distributed to early care and education in California: contracts and vouchers. Contracts are distributed to designated programs that meet specific operational and regulatory criteria to fund permanent slots for families meeting income and other eligibility criteria. Vouchers are provided to families meeting income and other eligibility criteria to subsidize the cost of care for their children.

Figure 1 shows that about 9 percent of centers held contracts with federally funded Head Start, about 18 percent had contracts to operate a state-subsidized (Title 5) program, and about 73 percent of centers were operating with a mix of family fees or non-contract-based public subsidies. Among family child care programs, about 5 percent had contracts with Head Start, about 7 percent had direct contracts with the state, and about 88 percent were operating with other funding, including family fees or non-contract-based public subsidies.

FIGURE 1. CHILD CARE PROGRAMS, BY FUNDING TYPE

California, 2020

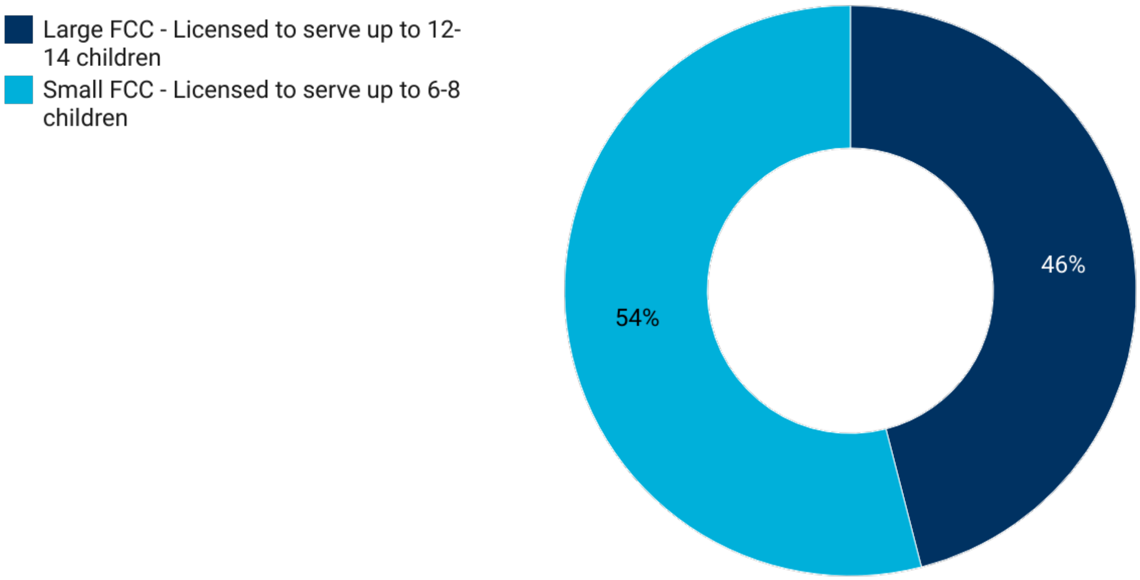


FCC N = 2,378
Center N = 2,022
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Family child care homes in California can be licensed as either small or large. The number of allowable children in both small and large homes includes all children under age 10 who live in the licensee's home. The license for small homes allows providers to serve, at most, six to eight children. Large family child care homes can serve as many as 12 to 14 children. Among FCCs, about 46 percent were large homes and 54 percent small homes (**Figure 2**).

FIGURE 2. FAMILY CHILD CARE PROGRAMS, BY SIZE

California, 2020



FCC N = 2,915

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

Workforce Characteristics

The ECE workforce in California is almost exclusively female and highly diverse in terms of cultural, racial, and linguistic backgrounds. Our earlier data snapshot reported that nearly all educators are women (98 percent), and the majority of them identify as people of color, including 71 percent of FCC providers, 66 percent of center teachers, and 45 percent of center directors (Powell et al., 2022). Many early educators were born outside the United States—42 percent of FCC providers, 28 percent of center teachers, and 18 percent of center directors—and more than one third are multilingual, with multilingual Spanish speakers making up the largest group (Powell et al., 2022). This highly diverse workforce is more reflective of the children and family it serves than California's K-12 workforce.

We have also found that close to three quarters of center directors, about one half of center-based teaching staff, and about one third of FCC providers have at least a bachelor's degree (Kim et al., 2022; Williams et al., 2021). These educators also have extensive practical experience, averaging more than 15 years of teaching children in the ECE field.

Our data also shows that early educators' characteristics vary by program setting (Kim et al., 2022; Powell et al., 2022). For example, FCC providers are more likely to be women of color or immigrant women than the center-based workforce. Compared to center-based directors, FCC providers and center-based teaching staff are more likely to speak languages other than English. A higher proportion of center directors and teachers hold a bachelor's degree or higher than FCC providers, but FCC providers have longer tenure in the ECE field than center-based teaching staff.

Impacts of COVID-19 on ECE Programs

Program Status

At the time of the survey, a vast majority of both centers (86 percent) and FCCs (84 percent) were physically open and providing in-person care and education (see **Table 1**). However, centers and FCCs have closed and opened over the course of the pandemic at very different rates. Nearly two-thirds of FCCs (64 percent) reported that they have remained open throughout the pandemic. Conversely, the majority of centers (63 percent) closed at some point—most likely in the early months of the pandemic—then reopened for in-person care and education. Among centers, about 10 percent reported that they were closed for in-person care but providing distance learning, and 4 percent were closed for any service. Among FCCs, only 2 percent provided distance education and about 14 percent closed. Among FCC programs, large FCCs were more likely than small FCCs to have stayed open after the onset of the pandemic (69 percent and 60 percent, respectively). A higher proportion of small FCCs reported that they were closed at the time of the survey compared to large FCCs (18 percent and 9 percent, respectively).

Among centers, program status differed by center funding type. A much higher share of centers without contract-based funding were open for in-person care and education as of Fall 2020 compared to Head Start or Title 5 programs (92 percent, 71 percent, and 66 percent, respectively). Centers without contracts stayed open throughout the pandemic at higher rates than Head Start or Title 5 programs (24 percent, 14 percent, and 21 percent, respectively). Close to one third of both Head Start and Title 5 programs reported they were closed for in-person care and education but were providing distance learning (29 percent and 32 percent, respectively), while only 3 percent of centers without contract-based funding responded similarly.

TABLE 1. OPERATING STATUS IN FALL 2020, BY CENTER FUNDING TYPE AND FCC SIZE

California Child Care Programs

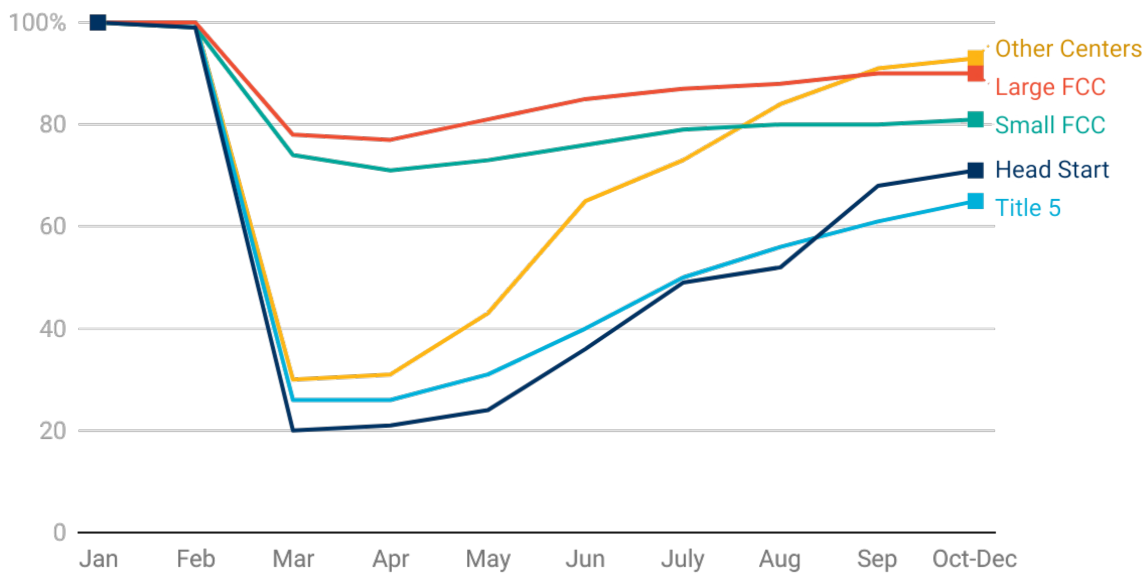
	Open In-Person		Closed	
	Open throughout the pandemic	**Reopened**	**Distance learning only**	**Closed**
Center				
Head Start	14%	57%	29%	0%
Title 5	21%	45%	32%	2%
Other Centers	24%	68%	3%	4%
Total	**23%**	**63%**	**10%**	**4%**
FCC				
Large FCC	69%	20%	2%	9%
Small FCC	60%	19%	2%	18%
Total	**64%**	**20%**	**2%**	**14%**

FCC N = 2,915
Center N = 2,015
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Figure 3 shows trend lines in operating status from the onset of the pandemic to the end of 2020. About 60 to 80 percent of child care centers and about 20 percent of FCCs in California closed down in March 2020. In the following months, centers started reopening for in-person care. Programs without contracts reopened at much higher rates than Head Start and Title 5 programs, many of which remained closed while providing distance learning. Among family child care programs, large FCCs reopened at slightly higher rates than small FCCs.

FIGURE 3. PROPORTION OF PROGRAMS OPEN AFTER PANDEMIC ONSET, BY CENTER FUNDING TYPE AND FCC SIZE

California Child Care Programs, 2020



FCC N = 2,915
Center N = 2,015
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Shift in Attendance

By the time of the survey (October-December 2020), the majority of programs were serving fewer children than in February 2020. We asked programs that were open for in-person care and education about the number of children attending their program at the time of the survey and the number they had pre-pandemic. As shown in **Table 2**, 95 percent of centers and 64 percent of FCCs reported they experienced a reduction in attendance. When compared to the pre-pandemic level of attendance, centers experienced about a 40-percent decline and FCCs about a 20-percent decline in attendance as of Fall 2020. Among family child care programs, large FCCs experienced a greater decrease in attendance than small FCCs (23 percent and 11 percent, respectively).

TABLE 2. ATTENDANCE, BY CENTER FUNDING TYPE AND FCC SIZE

California Child Care Programs, 2020

	# of children Feb 2020	# of children Oct-Dec 2020	Decline in attendance? (% yes)	% decline in attendance compared to Feb 2020
Center				
Head Start	104	56	95%	40%
Title 5	85	43	96%	43%
Other Centers	77	47	95%	38%
Total	**80**	**47**	**95%**	**39%**
FCC				
Large FCC	13	10	72%	23%
Small FCC	7	5	56%	11%
Total	**10**	**7**	**64%**	**17%**

FCC N = 2,291
Center N = 1,712
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Pandemic Operational Challenges

Programs across the state reported a range of challenges to operating in the context of the COVID-19 pandemic. While there were differences among program types, the most common challenges for FCCs and centers were the costs of personal protective equipment (PPE) and cleaning supplies (about 75 percent for both centers and FCCs) and loss of income from families (64 percent for FCCs, 73 percent for centers). See **Figure 4**.

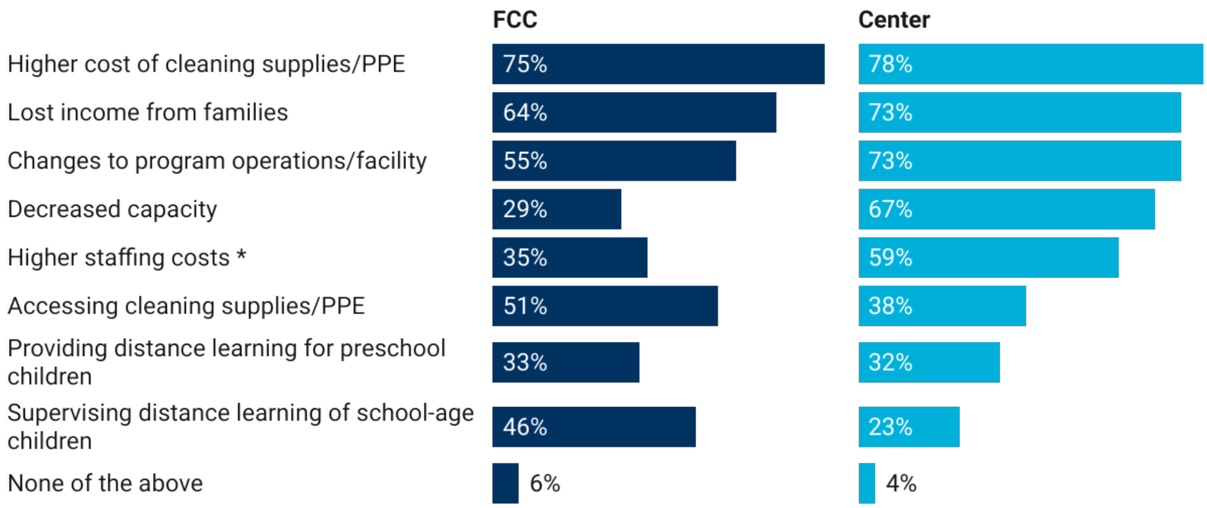
More than 70 percent of centers reported challenges related to changes to facilities and how they operate (see **Figure 4**). Many directors mentioned new procedures, including "daily temperature checks" and "contactless sign-in and sign-out," and changes to their facilities to meet health and safety requirements, such as the creation of "additional classroom spaces" or "separate play area outside." Decreased capacity (67 percent) and increased staffing costs due to health and safety requirements (59 percent) were also major challenges for centers.

While decreased capacity and increased staffing costs were less of a challenge for FCCs, about 55 percent reported changes to operations and facilities as challenges. Access to cleaning supplies and PPE was more likely to be a challenge for FCCs (51 percent) than for centers (38 percent).

Notably, about one third of FCCs (33 percent) and centers (32 percent) reported providing distance learning for preschool-age children as a challenge, and almost one half (46 percent) of FCCs experienced challenges related to supervising school-age children who are distance learning.

FIGURE 4. OPERATIONAL CHALLENGES AFTER PANDEMIC ONSET, BY PROGRAM TYPE

California Child Care Programs, 2020

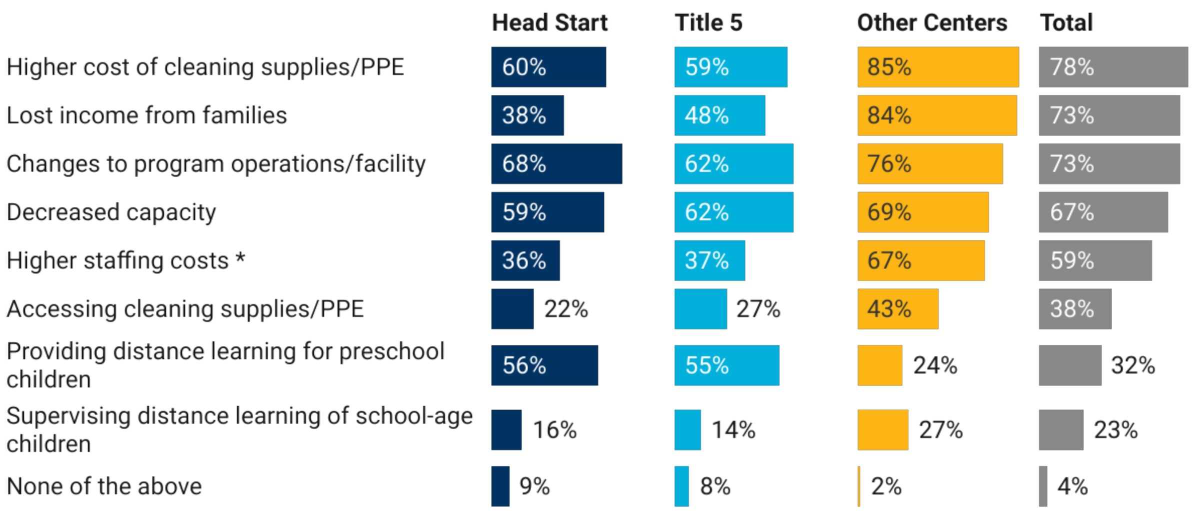


FCC N = 2,100
Center N = 1,611
* Estimates are based on programs with at least one staff member.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

When comparing center-based programs with different funding sources, centers without state contracts were more likely than Head Start and Title 5 centers to report challenges in almost all of the items (**Figure 5**). One exception was distance learning for preschool-age children, where more than 55 percent of Head Start and Title 5 program directors reported providing this service as a challenge, compared to about one quarter (24 percent) of centers without contracts.

FIGURE 5. OPERATIONAL CHALLENGES AFTER PANDEMIC ONSET, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,611

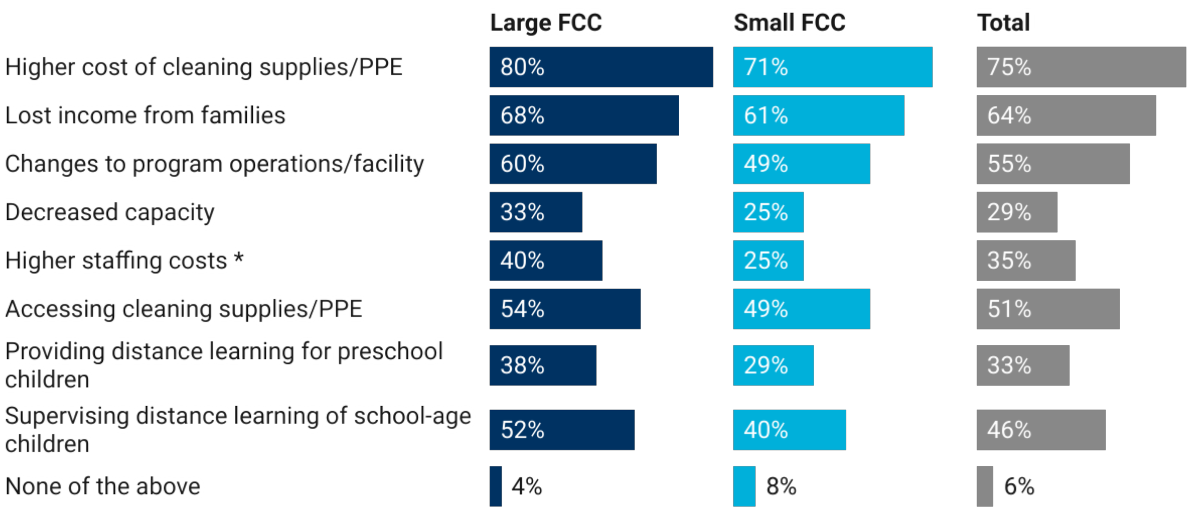
* Estimates are based on programs with at least one staff member.

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

Perhaps because of their larger size, large FCCs were more likely to be affected by the various health and safety requirements during the pandemic. For all items, large FCCs were more likely than small FCCs to report that they experienced such challenges.

FIGURE 6. OPERATIONAL CHALLENGES AFTER PANDEMIC ONSET, BY FCC SIZE

California Family Child Care Programs, 2020



FCC N = 2,100
Center N = 2,015
* Estimates are based on programs with at least one staff member.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

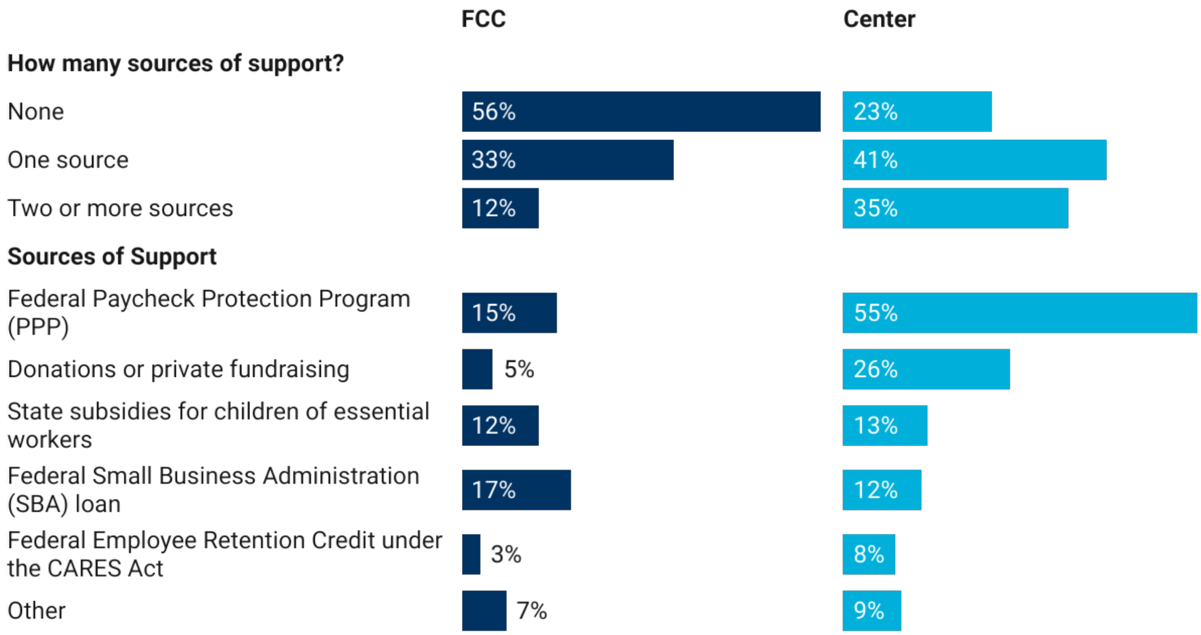
Pandemic Support

ECE providers turned to a number of pandemic assistance programs to get by during the first year of the pandemic. **Figure 7** shows that centers were more likely than FCCs to have benefited from pandemic support. The majority of FCC providers (56 percent) responded that they did not receive any financial support during the pandemic. More than one third (35 percent) of centers reported that they received support from more than two sources, while about 12 percent of FCC providers did likewise.

Centers and FCCs differed in the types of aid they received. More than 50 percent of centers received Paycheck Protection Program (PPP) loans, private loans that small businesses could use to pay for payroll and certain other costs. Only about 15 percent of family child care providers received PPP loans. One quarter of centers (26 percent) received donations or funds from private fundraising compared to just 5 percent of FCCs. About 17 percent of FCCs and 12 percent of centers received Federal Small Business Administration (SBA) loans. In addition to these resources, state funds for essential supplies (cleaning supplies or PPE) were made available to all licensed programs. About 40 percent of center-based programs and FCCs reported that they benefited from this support (data not shown).

FIGURE 7. PANDEMIC ASSISTANCE, BY PROGRAM TYPE

California Child Care Programs, 2020



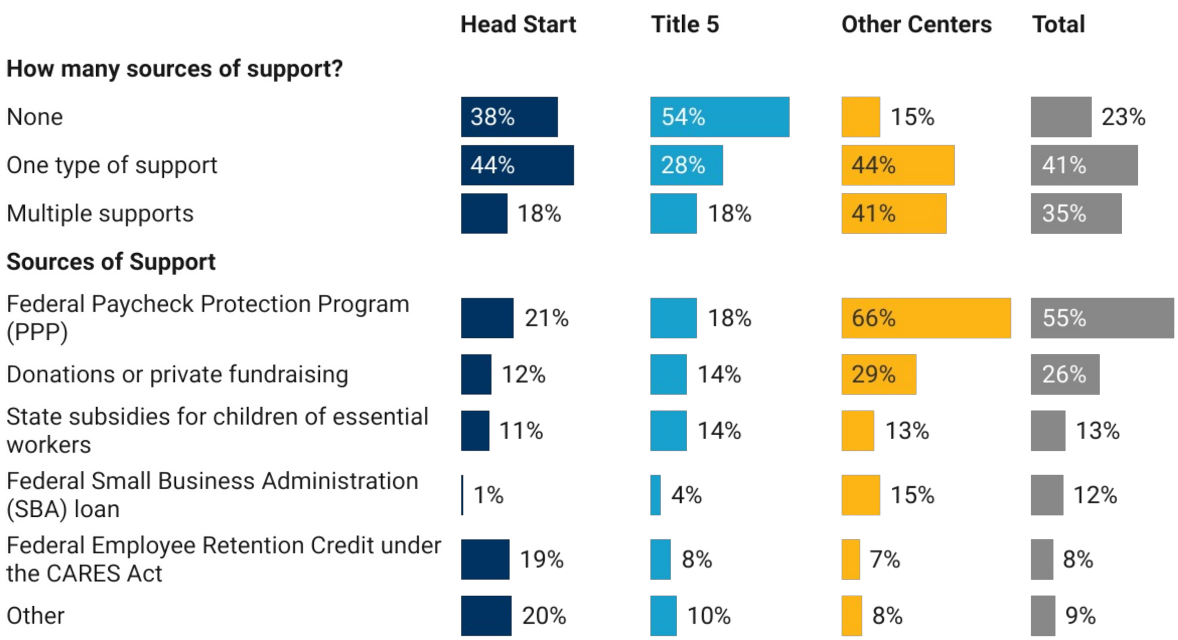
FCC N = 2,231
Center N = 1,461
Source: Center for the Study of Child Care Employment, University of California, Berkeley

When looking at center-based programs by funding type, Title 5 programs were most likely to respond that they did not receive any pandemic support, followed by Head Start programs, and centers without contract-based funding (54 percent, 38 percent, and 15 percent, respectively; see upper panel of **Figure 8**). A much higher share of other centers reported that they received support from more than two sources compared to Head Start or Title 5 programs (41 percent, 18 percent, and 18 percent, respectively). Perhaps there wasn't much need for pandemic assistance for the contract-based programs because their operating expenses (including wages and benefits) continued to be funded during physical closure in the earlier months of the pandemic or as long as they offered remote learning services during periods of physical closure in later months (California Department of Education, 2020a, 2020b, 2020c; Head Start ECLKC, 2020a, 2020b).

For specific types of pandemic assistance, a much higher share of centers without contracts received PPP loans than Head Start or Title 5 programs (66 percent, 21 percent, and 18 percent, respectively; see lower panel of **Figure 8**). About 15 percent of other centers received federal SBA loans, while only about 1 percent of Head Start and 4 percent of Title 5 programs did likewise. Centers, regardless of funding type, benefited from the state funds for essential supplies. About 36 percent of Head Start programs, 47 percent of Title 5 programs, and 40 percent of other centers responded that they received state funds for essential supplies (data not shown).

FIGURE 8. PANDEMIC ASSISTANCE, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,461

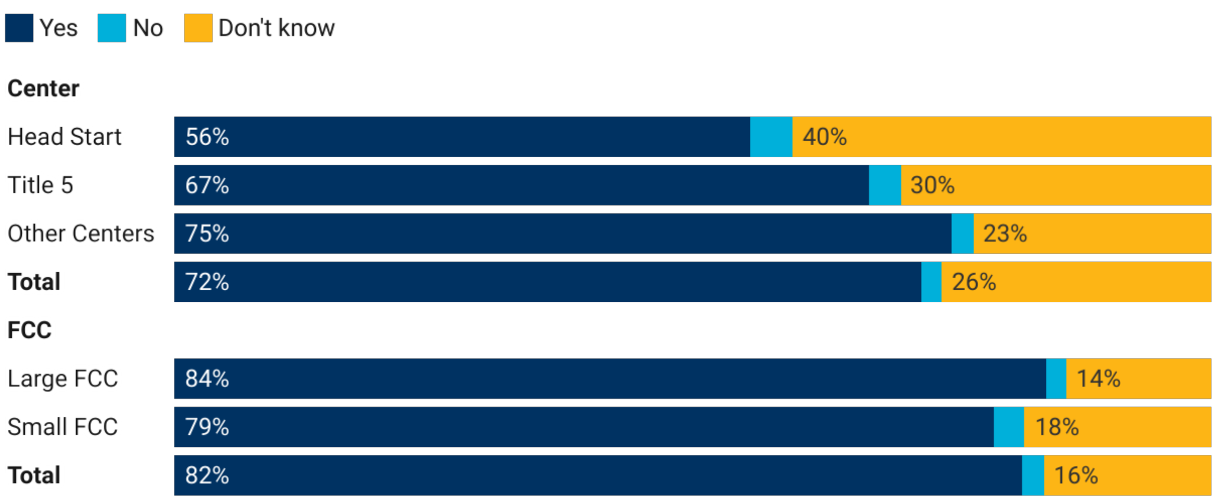
Source: Center for the Study of Child Care Employment, University of California, Berkeley

More than 70 percent of center directors and more than 80 percent of family child care providers responded that they would accept additional financial assistance if it were available in the future **(Figure 9)** This finding is likely an underestimation of real needs, as 26 percent of center directors responded that they did not know whether they would accept assistance, commenting in the write-in responses that “it’s not up to me” or “the central office decides.” Less than 5 percent of both center directors and FCC providers knew they would not accept future assistance.

Among center-based programs, centers without contract-based funding were more likely than Head Start or Title 5 programs to say they would accept additional assistance (75 percent, 56 percent, and 67 percent, respectively; see **Figure 9**). Again, this finding may be due to the fact that these decisions are not made at the individual program level, especially in Head Start or Title 5 programs. Among family child care providers, slightly more large FCCs than small FCCs said they would accept additional funding (84 percent and 79 percent, respectively).

FIGURE 9. ACCEPTANCE OF FUTURE FINANCIAL ASSISTANNCE, BY PROGRAM TYPE, CENTER FUNDING TYPE, AND FCC SIZE

California Family Child Care Programs, 2020

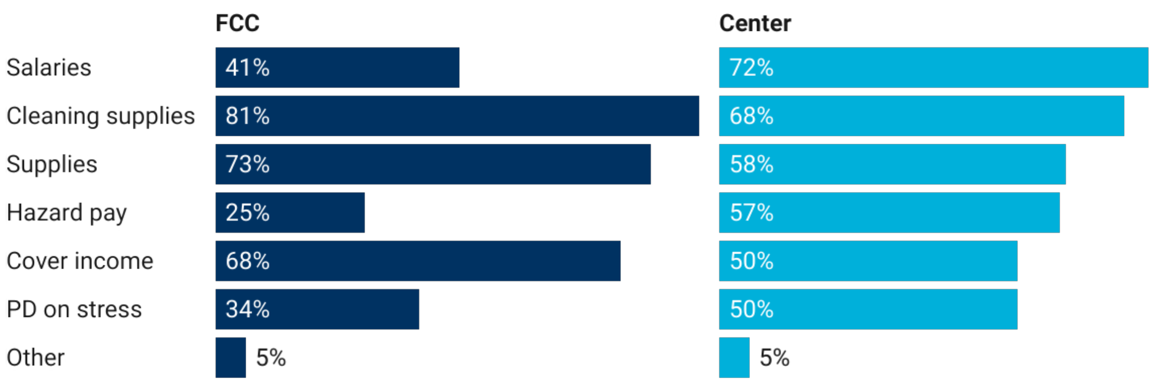


FCC N = 2,391
Center N = 1,616
Source: Center for the Study of Child Care Employment, University of California, Berkeley

When asked about future use of aid, two of the top three responses for both family child care providers and center directors was to cover expenses for cleaning supplies (81 percent and 68 percent, respectively) and replacement of materials (73 percent and 58 percent, respectively; see **Figure 10**). Aside from these responses, priorities for FCCs and centers diverged. Center directors responded they intend to use future funds for staff-related expenses, such as staff salaries (72 percent) or hazard pay for staff (57 percent). More than two thirds of FCC providers responded they would use the assistance to cover loss of income. This finding reflects that many FCC providers were running their businesses at a loss during the pandemic, as we will see in a later section.

FIGURE 10. USE OF FUTURE FINANCIAL ASSISTANCE, BY PROGRAM TYPE

California Child Care Programs, 2020

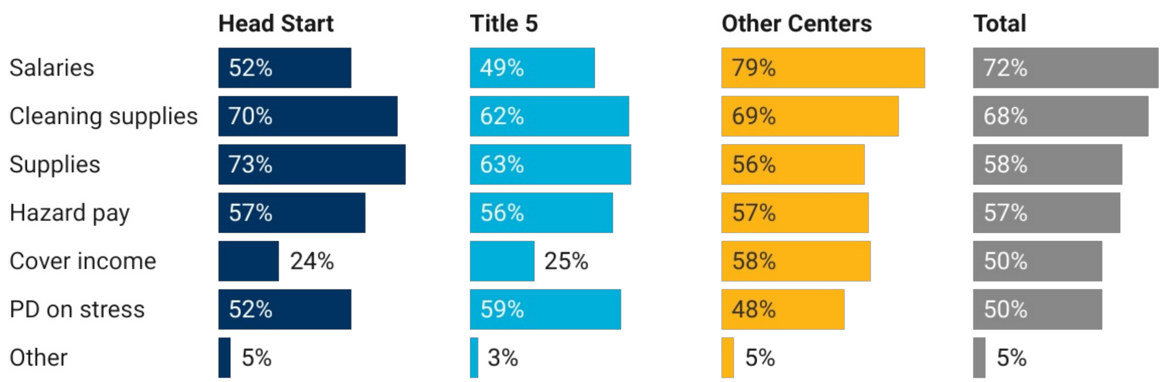


FCC N = 2,293
Center N = 1,514
Source: Center for the Study of Child Care Employment, University of California, Berkeley

When looking at center-based programs by center funding type, a much higher proportion of centers without contracts than centers with Head Start or Title 5 funding responded that they would use future aid to cover staff salaries (79 percent, 52 percent, and 49 percent, respectively; see **Figure 11**). In addition, a much higher proportion of centers without contracts (58 percent) indicated that they would use the funds to cover loss of income. As we describe in the following section, centers with contract-based funding sources were less likely than those with other funding to experience business challenges and staffing shortages during the pandemic.

FIGURE 11. USE OF FUTURE FINANCIAL ASSISTANCE, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,514
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Staffing Shortages in Center-Based Programs

Staffing Changes

After the onset of the pandemic, centers operated with fewer staff members, though Head Start and Title 5 programs experienced smaller reductions than other center-based programs. As shown in **Table 3**, the average number of teaching staff members per center decreased from 11.2 in February 2020 to 9.0 in October-December 2020. Centers, on average, experienced about an 18-percent decline in staff.

When comparing center-based programs by center funding type, centers without contract-based funding experienced the largest decrease in teaching staff members after the onset of the pandemic, followed by Title 5 programs and Head Start centers (20 percent, 14 percent, and 9 percent, respectively).

Staffing changes also differed by job role. Centers, on average, have seen a greater reduction in assistant teacher/teacher aides than teachers (a 23-percent decrease compared to a 16-percent decrease). Unlike other center types, Head Start displayed comparable staff reduction rates between assistant teachers and teachers (a 9-percent decrease compared to an 8-percent decrease).

TABLE 3. STAFFING CHANGES AFTER PANDEMIC ONSET, BY CENTER FUNDING TYPE

California Child Care Centers, 2020

	Assistant Teachers	Teachers	All Teaching Staff
# of teaching staff, Feb 2020			
Head Start	6.0	6.7	11.9
Title 5	6.6	6.1	11.3
Other Centers	3.7	8.8	11.1
Total (N = 1,174 - 1,744)	**4.6**	**8.1**	**11.2**
# of teaching staff, Oct-Dec 2020			
Head Start	5.6	6.0	10.8
Title 5	5.0	5.3	9.2
Other Centers	2.7	7.1	8.8
Total (N = 1,173 - 1,743)	**3.6**	**6.7**	**9.0**
% decrease in teaching staff compared to pre-pandemic			
Head Start	9%	8%	9%
Title 5	17%	9%	14%
Other Centers	27%	18%	20%
Total (N = 1,069 - 1,705)	**23%**	**16%**	**18%**

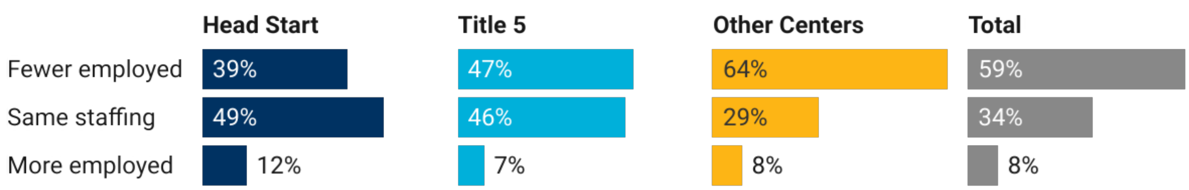
Source: Center for the Study of Child Care Employment, University of California, Berkeley

As of October-December 2020, about 60 percent of all centers reported that they are operating with fewer staff members, compared to February 2020 (**Figure 12**). About one third (34 percent) of centers reported that they had the same number of teaching staff, and about 8 percent of programs reported more teaching staff members, regardless of center funding type.

Patterns differed between contract-based centers and centers without contracts. Head Start and Title 5 programs were less likely than other centers to have fewer staff members in Fall 2020, compared to before the pandemic. While close to one half of Head Start or Title 5 programs reported having the same number or more teaching staff members in Fall 2020 compared to before the pandemic, less than 30 percent of other centers reported likewise.

FIGURE 12. CHANGE IN NUMBER OF STAFF MEMBERS, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



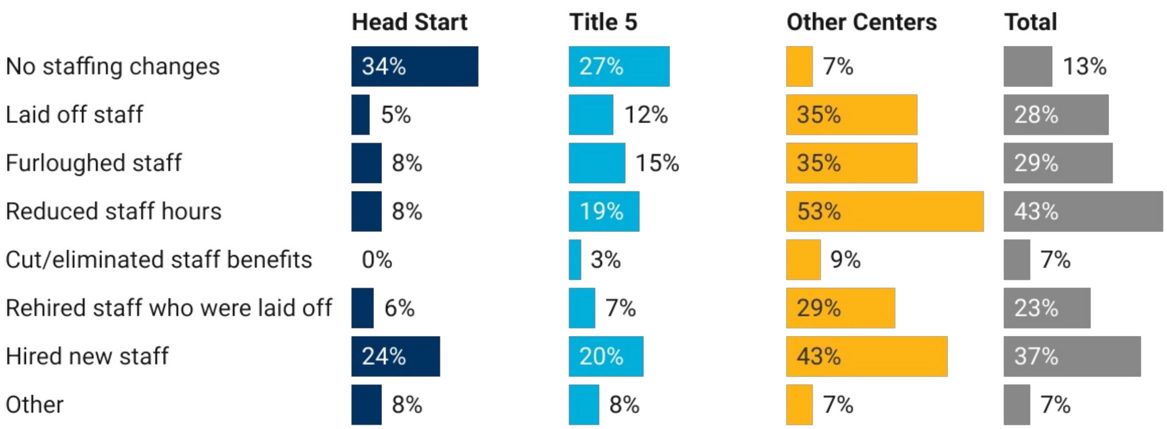
Center N = 1,705
Source: Center for the Study of Child Care Employment, University of California, Berkeley

These different shifts in teaching staff may be explained in part by a combination of public policies and funding mechanisms. **Figure 13** shows that about one third (34 percent) of Head Start programs and about one quarter (27 percent) of Title 5 programs did not make any staffing changes. Compared to contract-based programs, a much higher proportion of centers without contracts reported that they had laid off, furloughed, and rehired staff or hired new staff. More than one half (53 percent) of other centers reduced staff hours, while about 19 percent of Title 5 centers and 8 percent of Head Start programs reported the same.

Directors pointed out that stable contract-based funding spared them from making staffing changes. One director of a Title 5 program noted, “Our program costs are met entirely through our annual CSPP Contract. In the event that our contract is not renewed by the state, layoffs and downsizing could occur. At this time, we are planning to continue operations as planned, unless our funding changes.” One director from a Head Start center commented, “I am very lucky to work in a school district, in a program funded by Head Start and the California Department of Education because, so far, we have not had any cuts to our budget.”

FIGURE 13. STAFFING CHANGES, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



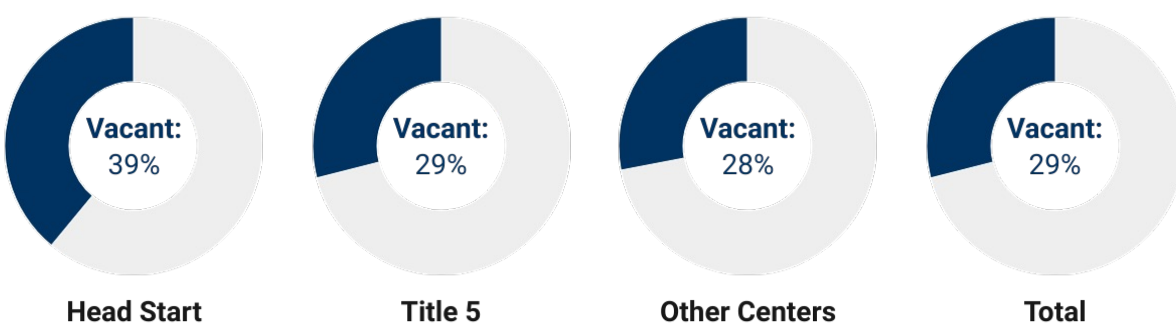
Center N = 1,686

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

About 29 percent of all centers reported that they have at least one vacant teaching position in their programs (**Figure 14**). Head Start centers were more likely than Title 5 programs or non-contracted centers to report at least one vacancy (39 percent, 29 percent, and 28 percent, respectively).

FIGURE 14. TEACHING VACANCIES, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,712

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

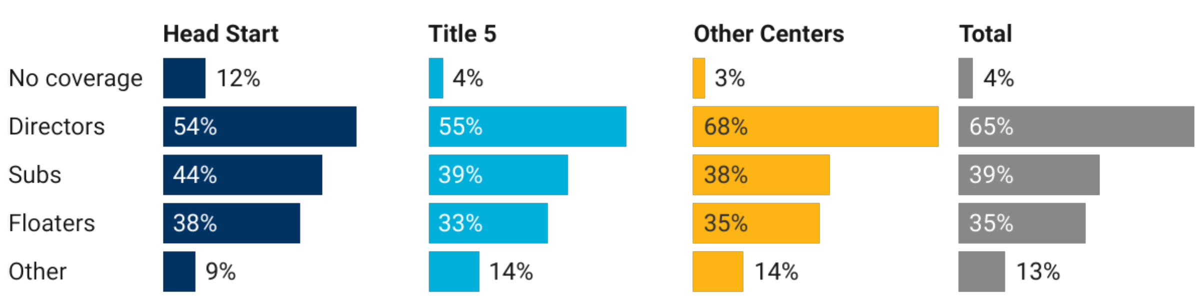
We asked how centers cover for teaching staff who are out sick, absent, or out of the classroom for a break. About 65 percent of center directors responded that they themselves cover for the teaching staff (**Figure 15**). This finding may reflect the lack of on-site substitutes as well as an overall staffing shortage in the programs. Directors of centers without contract-based funding were much more likely to report covering for staff than directors of Head Start or Title 5 programs (68 percent, 54 percent, and 55 percent, respectively). The second- and third-most common responses for coverage during absence of teaching staff were substitutes (39 percent) and floaters (35 percent).

Many write-in responses from center directors reflected concerns about covering absences. One director noted, "Staffing patterns due to illness and absences will be a challenge for both our teachers and teaching assistants. There is no one to cover spaces and not a lot of funds to hire the on-call and extra staff support." Another reported, "No subs and regular staff person on a health leave; unable to cover all tasks due to lack of classroom coverage."

Many center directors likewise reported challenges of having to routinely cover for teacher absences themselves. One director commented, "I cover all the breaks and lunches and support teachers with playground coverage all day… I have very little time to do things like staff development, parent education, etc." Another reported, "I am working 10- to 12-hour days to cover for the teachers that can't be paid full time. I find my anxiety level is higher than normal. I'm more fatigued now. I have more stress [about] keeping the numbers up so we can pay all staff including myself."

FIGURE 15. ABSENCE COVERAGE, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,479
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Turnover

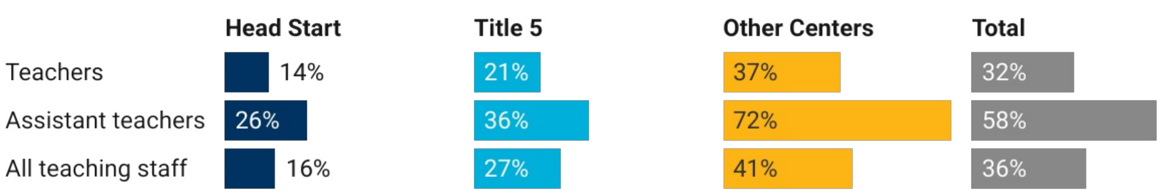
Turnover rate is a common indicator for center workforce stability. In order to determine job turnover, we asked directors to report the number of teachers and assistant teachers who had left their centers in the past 12 months. As shown in **Figure 16**, turnover among teaching staff was about 36 percent, on average, which is much higher than the turnover rates of around 25 percent in the 2006 California Early Care and Education Workforce Study (Whitebook et al., 2006). Overall turnover rates differed by center funding type. Head Start centers had the lowest overall turnover rate, followed by Title 5 programs and centers without contracts (16 percent, 27 percent, and 41 percent, respectively).

Regardless of center funding type, turnover rates were much higher among assistant teachers (58 percent) than teachers (32 percent). When turnover rates were compared across program funding and job roles, assistant teachers in non-contracted programs displayed the highest turnover rate (72 percent), while teachers in Head Start centers had the lowest turnover rate (14 percent).

Many directors mentioned concerns over high turnover rates, noting low compensation as one of the key drivers. One director noted, "I have a high teacher turnover due to lack of being able to pay teachers a living wage. Now, with COVID, these challenges are even tougher. Everyone seems to be walking on eggshells and emotionally exhausted." Another director commented, "I have two staff [members] retiring in December, and I am concerned that I will not find a qualified substitute. [...] I am also concerned that as the workload for ECE teachers increases and pay stays the same, we are at risk of losing high-quality teachers to other fields where they can make a sustainable living."

FIGURE 16. TURNOVER RATES, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 951 - 1,686
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Recruitment

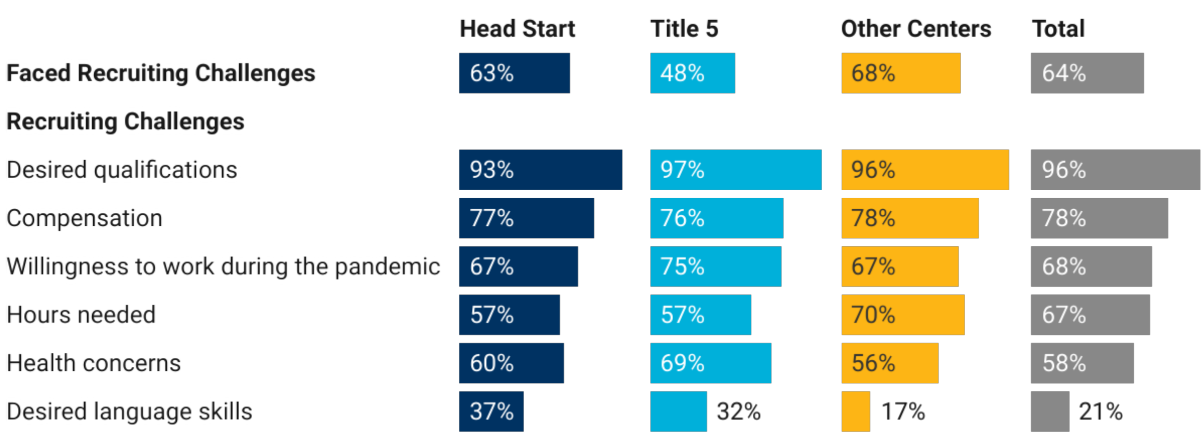
The majority of centers reported that they faced challenges in recruiting teaching staff, though Title 5 programs were less likely than Head Start or centers without contract-based funding to face difficulties in recruitment (**Figure 17**). For those who responded that they face recruiting difficulties, we asked about specific causes of their challenges. More than 95 percent of all centers, regardless of center funding type, said that finding teaching staff with desired qualifications was a challenge, and 78 percent of centers reported difficulty in finding staff due to the compensation they are able to offer.

Multiple center directors emphasized this struggle in their written comments. One wrote, "It will always be a challenge to find teachers who will want to work for close to minimum wage and also carry ECE units. Teachers who have higher degrees generally are looking for a higher level of teaching career than preschool-age level." Another confirmed, "Minimum wage in California keeps rising, and it is difficult to pay my staff more than they would make at a retail or service job. It is very difficult to find qualified people and pay them what we can afford, not to mention finding staff with the same values as our program."

Compared to contract-based centers, centers without contracts were more likely to report difficulty in finding staff available for the hours needed. This finding might be due to the fact that these centers tend to provide longer hours of in-person care and education than Head Start or Title 5 programs (data not shown). Head Start and Title 5 programs were more likely to report difficulty in finding staff with desired language skills, as they are more likely than centers without contracts to serve dual language learners (DLLs) (Bergey et al., 2020).

FIGURE 17. RECRUITING CHALLENGES, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 973 - 1656

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

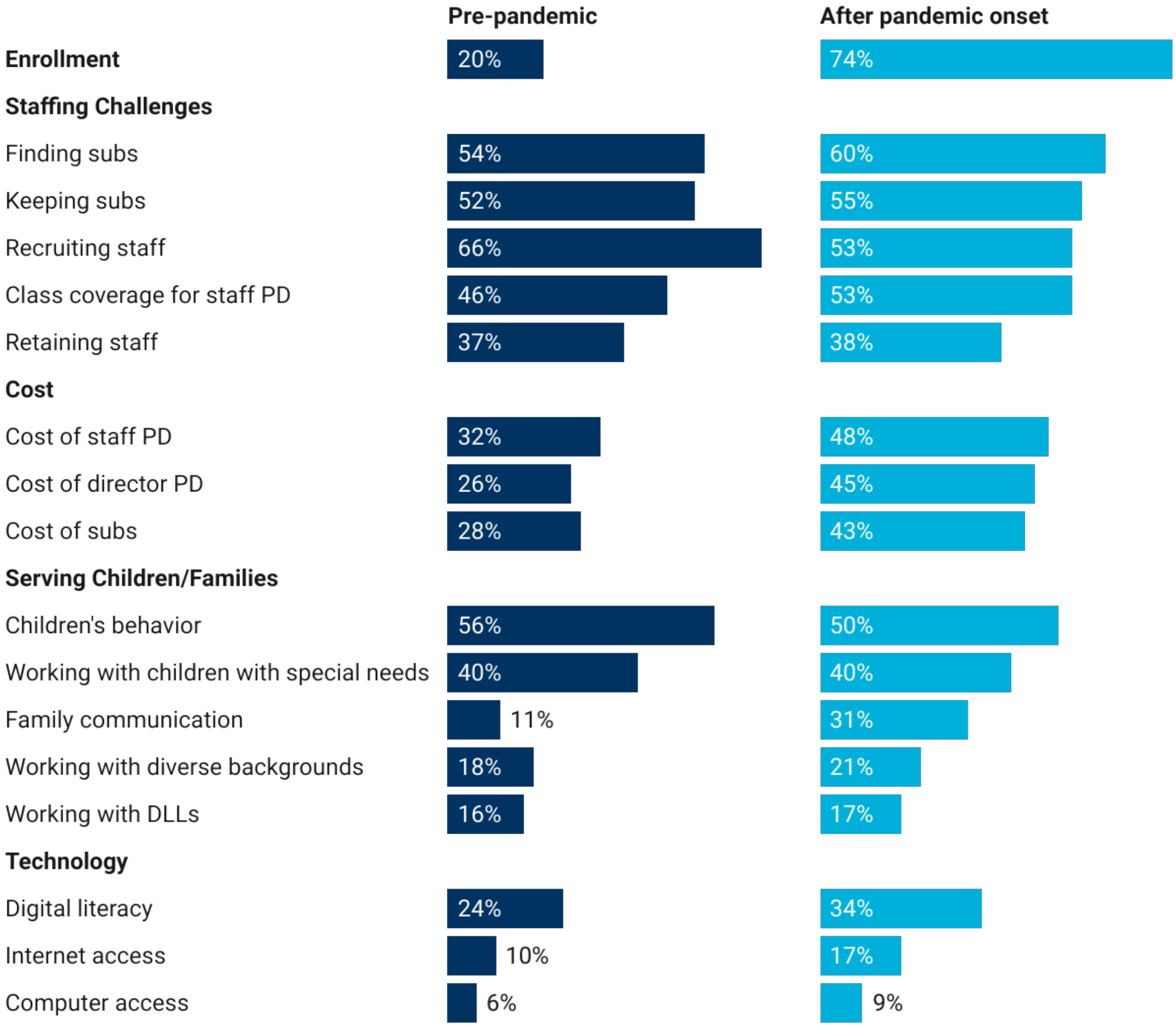
Persistent Challenges

Early care and education programs have long been under-resourced, facing challenges in their day-to-day operations. The pandemic shifted the weight of some of these challenges. With decrease and fluctuation in children's enrollment, it is not surprising that many more directors reported they faced enrollment challenges in Fall 2020 than prior to the COVID-19 pandemic (**Figure 18**). While about 20 percent of center directors reported enrollment as a challenge in February 2020, more than 70 percent of directors reported enrollment challenges in October-December 2020. Staffing-related challenges, such as recruitment and retainment of qualified teaching staff and substitute teachers, were prevalent for the majority of directors, even before the pandemic. For example, recruiting teaching staff was a challenge for about two-thirds of all center directors prior to the pandemic and about 53 percent of directors during the pandemic. A slight decrease in staffing challenges during the pandemic may be largely attributed to drop in enrollment. Staffing challenges were much higher for programs that had the same number of children or more children after the onset of the pandemic (data not shown).

Decreased enrollment and increased operational costs have further increased financial strain for many center-based programs. Much higher shares of centers reported challenges related to covering costs for substitutes or for staff and director professional development during the pandemic compared to pre-pandemic. For example, while about one third of directors reported that covering the cost of staff professional development was a challenge pre-pandemic, close to one half of directors reported professional development expenses as a challenge during the pandemic.

FIGURE 18. BUSINESS CHALLENGES FOR CENTERS, BEFORE AND DURING THE COVID-19 PANDEMIC

California Child Care Centers, 2020

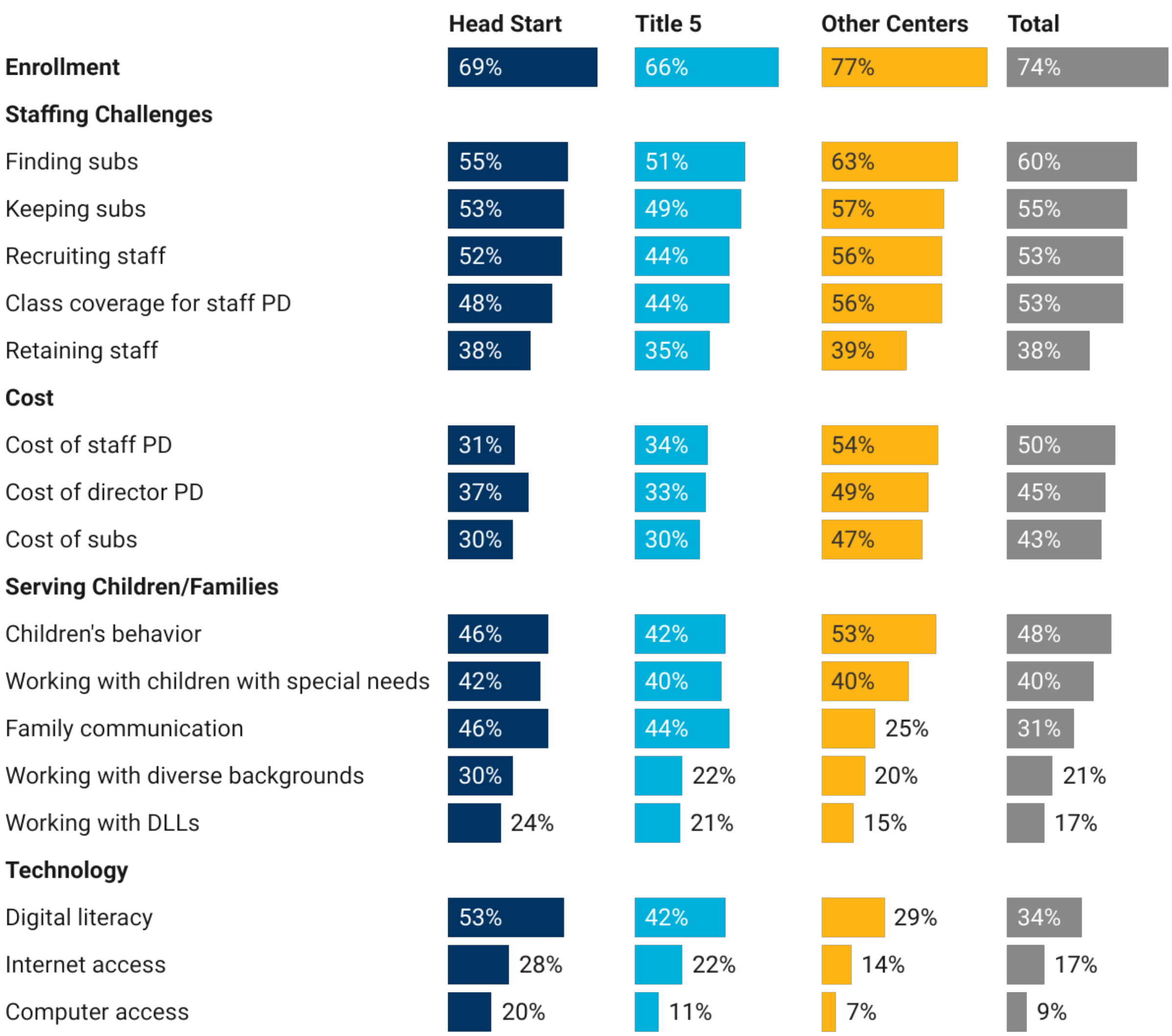


Center N = 1,428 - 1,584
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Challenges related to staffing or covering costs were consistently higher among centers without contract-based funding than Head Start and Title 5 programs (**Figure 19**). On the other hand, Head Start and Title 5 programs were more likely than other centers to report technology challenges (like access to the Internet or computers) and difficulty communicating with families. We have seen above that many Head Start and Title 5 programs were closed for in-person services and providing distance learning only as of Fall 2020. These technology and communication challenges perhaps stem from the pandemic-specific operating status of these programs.

FIGURE 19. BUSINESS CHALLENGES DURING THE COVID-19 PANDEMIC, BY CENTER FUNDING TYPE

California Child Care Centers, 2020



Center N = 1,428 - 1,584
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Unique Struggles for Family Child Care Homes

Under the current system, family child care providers face daunting operational and financial challenges even in the best of times. We have seen that these providers stayed open throughout the pandemic with little-to-no financial or health and safety support. In the following sections, we will show how FCC providers were further pushed into precariousness in the context of the COVID-19 pandemic. It should also be noted that FCC providers are more likely than center operators to be women of color and immigrant workers.

Staffing in FCCs

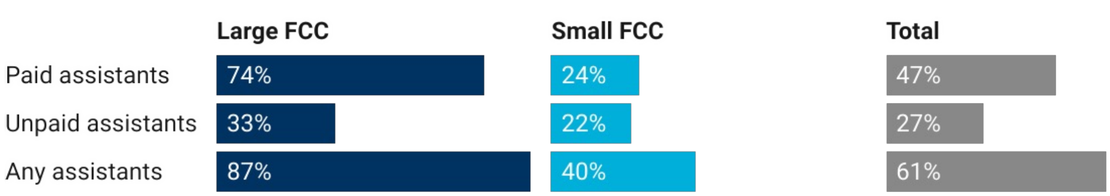
Many FCC providers involve other adults who regularly interact with the children in their family child care businesses. Although these assistants play an important role in supporting the family child care businesses, this segment of the ECE workforce has not received the attention it deserves.

As shown in **Figure 20**, about 61 percent of all FCC providers reported they have worked with assistants at some time before or during the pandemic. About one half (47 percent) of providers reported their work involved paid assistants and more than one quarter (27 percent) of the providers reported they have worked with unpaid assistants.

It is typical for large FCCs to have one or more assistants, as they are licensed to care for more children. During the pandemic, however, some of the large FCCs no longer needed assistants due to a drop in enrollment. Close to 90 percent of large FCCs reported they are getting help from assistants in their child care businesses, while about 40 percent of small FCCs responded similarly.

FIGURE 20. USE AND PAYMENT OF ASSISTANTS, BY FCC SIZE

California Family Child Care Programs, 2020



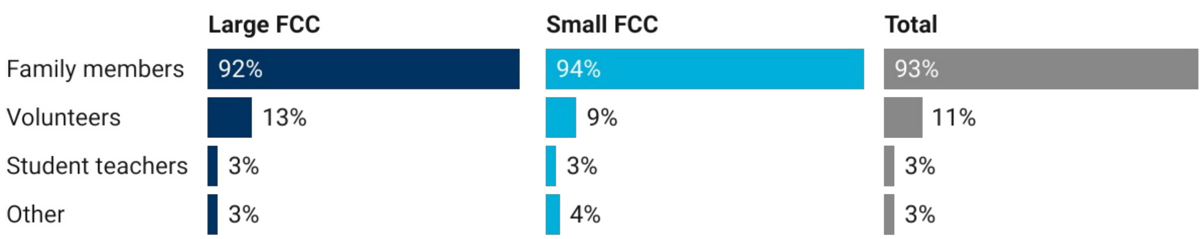
FCC N = 2,498
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Among FCC providers who work with unpaid assistants, the overwhelming majority receive help from family members (**Figure 21**). About 11 percent of these providers reported that they currently work or had worked with volunteers.

Many providers who work with family members mentioned that they cannot afford to hire paid assistants. One provider reported, "It's too expensive to hire. I have my mother and daughter who help occasionally when I need it." Another wrote, "My mom... is 82 years old, and I anticipate her not being able to help out like she does now. My program is in a rural community with little ability for me to pay someone or to find volunteer help."

FIGURE 21. TYPES OF UNPAID ASSISTANTS, BY FCC SIZE

California Family Child Care Programs, 2020



FCC N = 485
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Staffing Changes

Many FCCs experienced reduction in staff. **Table 4** shows that FCCs had about 1.9 assistants before the onset of the pandemic and about 1.3 assistants in October-December 2020. On average, FCCs experienced about a 34-percent decline in the number of assistants. Overall, there were greater reductions in paid assistants than unpaid assistants (41 percent and 35 percent, respectively).

TABLE 4. STAFFING CHANGES AFTER PANDEMIC ONSET, BY FCC SIZE

California Family Child Care Programs, 2020

	Paid Assistants	Unpaid Assistants	All Assistants
Feb 2020			
Large FCC	2.0	1.2	2.2
Small FCC	1.3	1.0	1.3
Total (N = 574 - 1,345)	**1.8**	**1.1**	**1.9**
Oct-Dec 2020			
Large FCC	1.2	1.0	1.4
Small FCC	0.8	0.9	1.0
Total (N = 574 - 1,345)	**1.1**	**1.0**	**1.3**
% decrease in assistants compared to pre-pandemic			
Large FCC	41%	34%	34%
Small FCC	42%	38%	37%
Total (N = 447 - 1,245)	**41%**	**35%**	**34%**

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

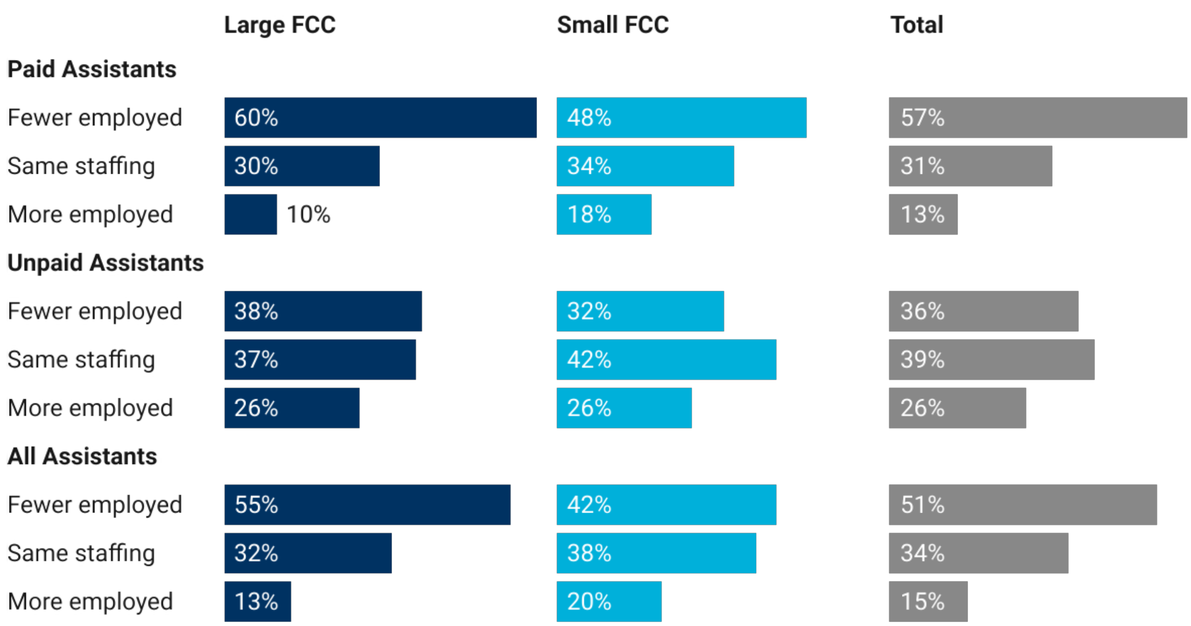
Figure 22 shows that about 51 percent of FCC providers had fewer assistants, about 34 percent the same number of assistants, and about 15 percent had more assistants in Fall 2020 than before the pandemic. Large FCCs were more likely than small FCCs to report a reduction of assistants during the pandemic (55 percent and 42 percent, respectively). Slightly higher proportion of small FCCs than large FCCs reported they had more assistants in Fall 2020 than before the onset of the pandemic (20 percent and 13 percent, respectively).

When comparing patterns for paid and unpaid assistants, FCCs were more likely to report a decrease in paid assistants (57 percent) than in unpaid assistants (36 percent). Regardless of FCC size, about one quarter of programs reported having more unpaid staff in Fall 2020 than before the pandemic. Given the economic hardship during the pandemic, laying off paid assistants may have been an inevitable choice for these providers. Perhaps some of these slots were replaced by unpaid assistants.

One provider wrote, "Four family members run the daycare: my wife and I, and our daughter and son. Before the pandemic, we were able to pay our children for their work, after the pandemic, we [...] stopped paying them but [we are] glad they still want to help us out for free." Another provider reported, "I don't have my usual assistants, and I don't feel comfortable hiring new people. So, I have to do a lot more work, and it is tiring but manageable because my teenage daughter helps a lot."

FIGURE 22. CHANGE IN NUMBER OF ASSISTANTS, BY FCC SIZE

California Family Child Care Programs, 2020

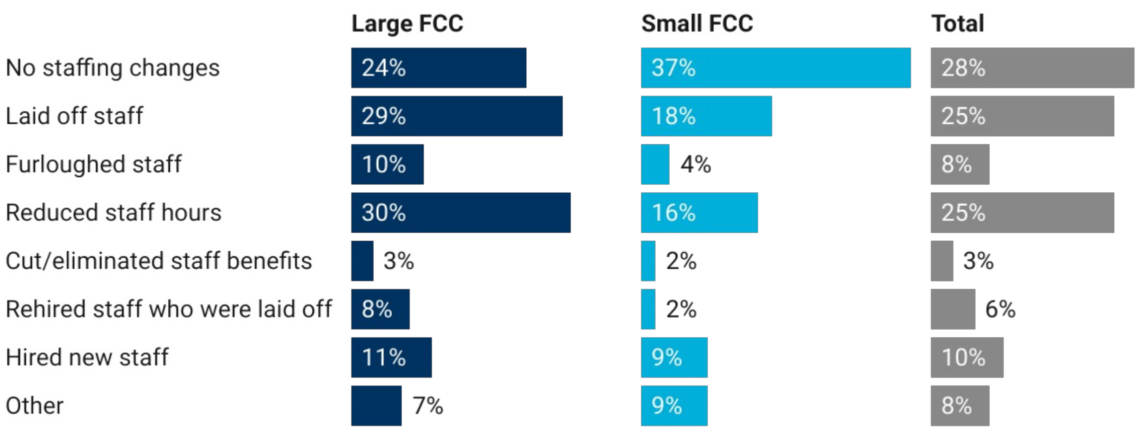


FCC N = 574 - 1,345
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Figure 23 shows the different types of staffing changes made by FCC providers from March 2020 to October-December 2020. On average, about 28 percent of FCC providers responded that they did not make any changes to staffing during this time, a much higher share than reported among center-based programs (13 percent). Compared to center-based programs, FCCs were less likely to report various kinds of staffing changes, perhaps because of their smaller size. FCCs also remained open after the onset of the pandemic at higher rates and were therefore less likely to be prone to staffing rearrangements. Large FCCs were more likely to have made changes in their staffing than small FCCs.

FIGURE 23. STAFFING CHANGES, BY FCC SIZE

California Family Child Care Programs, 2020



FCC N = 1,431

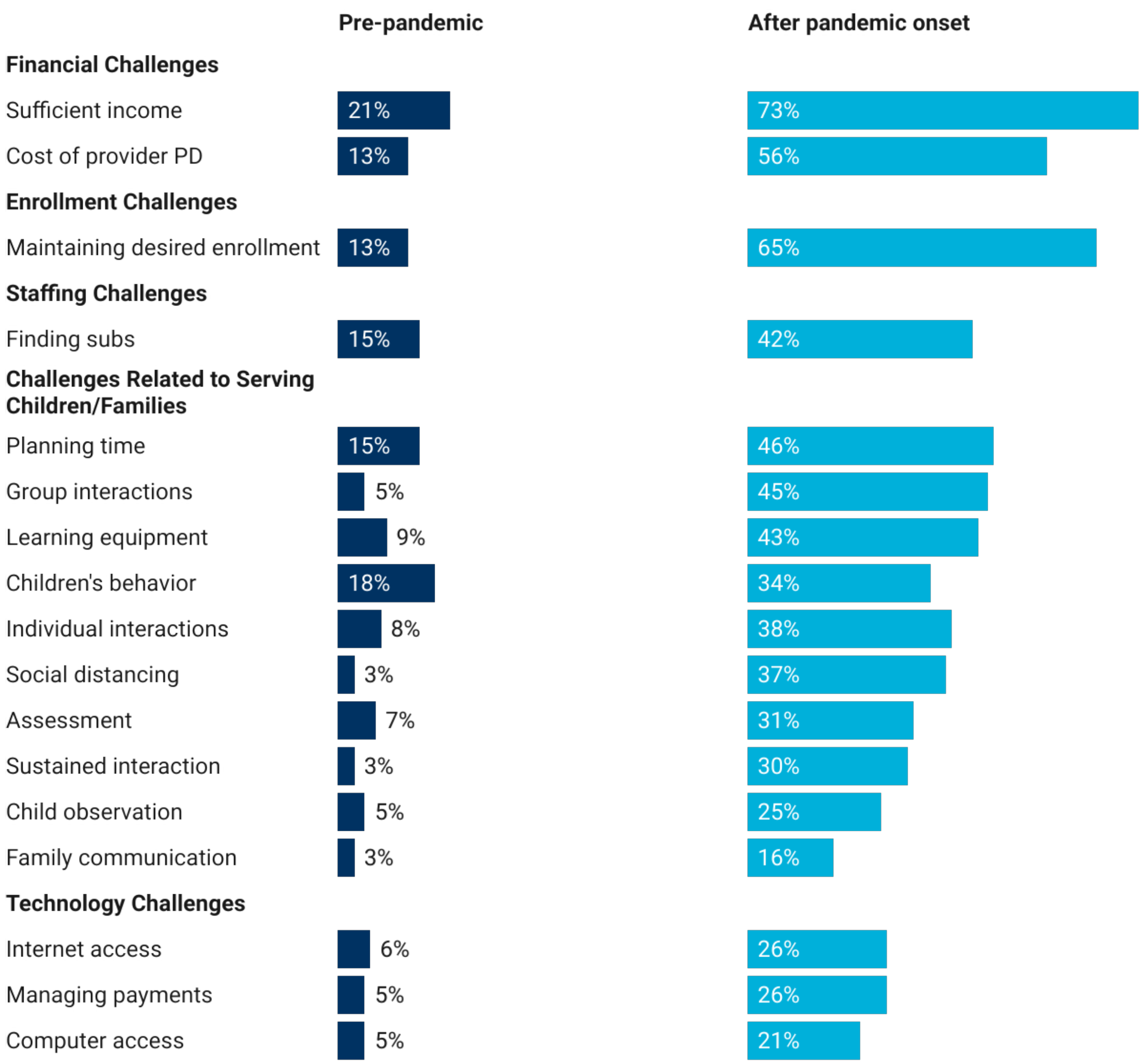
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Greater Challenges During the Pandemic

We asked about business challenges that FCC programs faced before the COVID-19 pandemic and at the time of the survey. **Figure 24** shows that FCC providers reported greater challenges in Fall 2020 than prior to the onset of the pandemic across all domains. This finding highlights the heightened struggles and sufferings of FCC providers during the pandemic. The top three challenges for FCC providers were related to financial strain: earning sufficient income (73 percent); maintaining enrollment (65 percent); and covering the costs of professional development needs (56 percent).

FIGURE 24. BUSINESS CHALLENGES FOR FCCS, BEFORE AND DURING THE COVID-19 PANDEMIC

California Family Child Care Programs, 2020



FCC N = 1,831 - 2,085

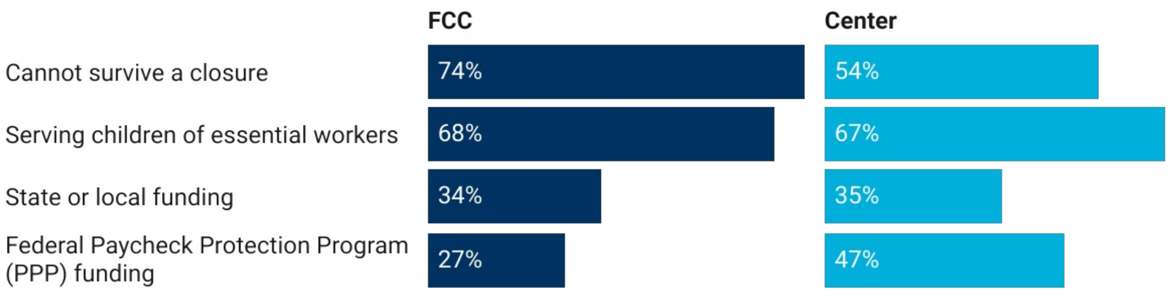
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Pushed Further Into Precarity

As previously described, family child care programs were more likely than centers to remain open after the onset of the pandemic. Our data shows that the main reason FCCs stayed open was because they could not afford to close. When asked about their decision to stay open, FCC providers (74 percent) were more likely than center directors (54 percent) to report that they remained open during the pandemic because they did not have the financial resources to survive a closure (**Figure 25**).

FIGURE 25. REASONS FOR STAYING OPEN, BY PROGRAM TYPE

California Child Care Programs, 2020

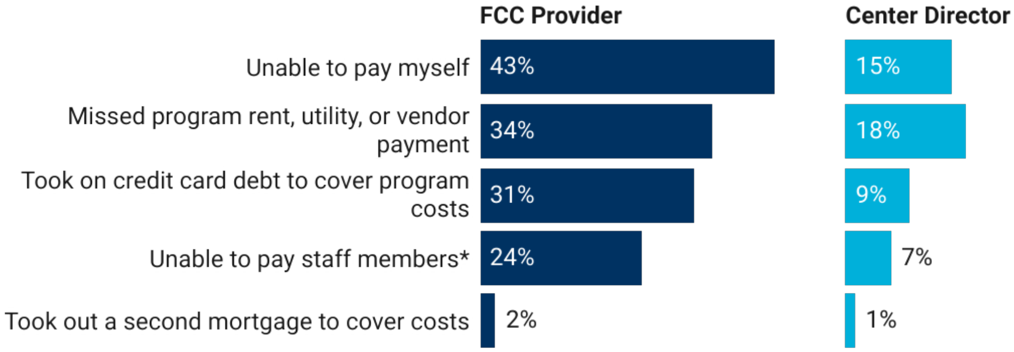


FCC N = 2,322
Center N = 1,596
Source: Center for the Study of Child Care Employment, University of California, Berkeley

In FCCs, the program represents the provider as both an individual wage earner and a business, and pandemic impacts on the business have direct implications for individual providers. As shown in **Figure 26**, FCC providers were more likely than center directors to respond that they were unable to pay themselves (43 percent); had missed a mortgage, rent or other business payment (34 percent); had taken on credit card debt (31 percent); and were unable to pay staff (24 percent).

FIGURE 26. FINANCIAL HARDSHIPS, BY PROGRAM TYPE

California Child Care Programs, 2020



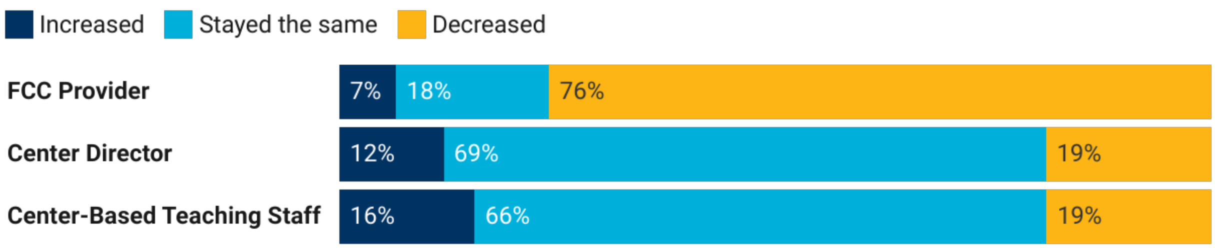
FCC N = 2,186
Center N = 1,512
* Estimates are based on programs with at least one staff member.
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FCC providers were about four times more likely than center-based directors or teaching staff to report a loss of income during the pandemic (76 percent, 19 percent, and 19 percent, respectively; see **Figure 27**). The decrease in income may be interpreted as a result of reduced hours or services, but our data shows otherwise. About two third (66 percent) of FCC providers reported they worked more unpaid hours after the onset of the pandemic, a much higher share than among center directors (57 percent; see **Figure 28**).

Many write-in responses described these situations succinctly. One provider reported, "We work harder to meet health and sanitation protocols, and we have to cut down the number of children to serve in order to meet social distancing requirements. So, more work for less income." Another provider wrote, "Post pandemic has made our already hard profession more challenging. With us making less income, trying to maintain our safe level of quality care is very hard. I have to work more after-hours, between 12 and 14 hours per day to make sure I'm cleaning and sanitizing my program and completing all paperwork required to keep my program afloat."

FIGURE 27. CHANGES IN PAY DUE TO THE PANDEMIC, BY POSITION

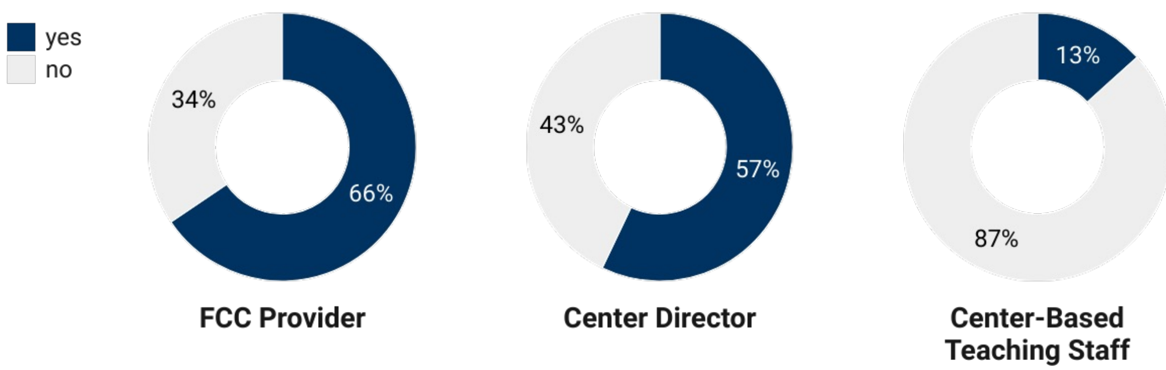
California Child Care Workforce, 2020



FCC Provider N = 1,788
Center Director N = 1,315
Center-Based Teaching Staff N = 2,011
Source: Center for the Study of Child Care Employment, University of California, Berkeley

FIGURE 28. WORKED MORE UNPAID HOURS DURING THE PANDEMIC, BY POSITION

California Child Care Workforce, 2020



FCC Provider N = 1,555
Center Director N = 1,503
Center-Based Teaching Staff N = 2,252
Source: Center for the Study of Child Care Employment, University of California, Berkeley

Conclusion and Recommendations

The early care and education system is under-resourced and fraught with structural inequities even in the best of times. The pandemic made persistent problems worse and created new challenges. Nearly all child care programs have suffered, but some have fared worse than others. Study findings reveal different experiences for family child care homes and center-based programs, and among centers, differences by funding source and funding mechanism illustrate the important role of stable public funding for programs.

Most notably, FCC providers experienced greater economic losses and challenges. Throughout the pandemic, family child care homes stayed open at higher rates, often because they had no financial alternative, and FCC providers fared worse in most measures of economic well-being. The majority of FCC providers struggled to earn sufficient income during the pandemic and some even had to forgo paying themselves. Compared to centers, FCC providers were also less likely to receive pandemic support. These conditions worsened the overall precarity of these small family businesses. Our findings are in line with the mounting evidence regarding the disproportionate impact of the pandemic on more vulnerable socioeconomic groups and small businesses owned by women and people of color (Fairlie, 2020; Furceri et al., 2021; Perry et al., 2021). We must turn a critical eye to why FCC programs were more likely to remain open, yet faced greater economic precarity, during this global health emergency and what state and federal support these providers require during the current health emergency and beyond.

Outside the time of our study, the Child Care Providers Union (CCPU), representing FCC providers who participate in the subsidy system, negotiated a collective bargaining agreement with the State of California, securing important resources that include increased reimbursement rates, investments in professional development, and increased access for low-income families (Child Care Providers Union, 2021). The historic agreement speaks to the importance of the relationship between the state and independent programs and highlights the important role of workers' rights and collective bargaining.

Among child care centers, our findings reveal that programs with stable, predictable contract-based funding through Head Start and/or the State of California were the least negatively impacted financially. During the time of our study, contracted programs continued to receive their full contracts which included operational and staffing costs. While the majority of centers struggled with staffing shortages, centers with stable contracts tended to have better workforce stability and were more likely to maintain the same number of staff in Fall 2020 as before the pandemic.

While aid from federal and state relief funds has been essential for these programs, they nonetheless faced stiff pandemic challenges and continue to struggle with staff shortages and financial difficulties because state reimbursement rates do not adequately reflect the true cost of providing care (Saucedo & Schumacher, 2022). Our findings suggest that programs that received public funding in the form of vouchers had less stability and greater economic stress than programs with contract-based funding. Similarly, centers without any public funding experienced greater hardship than contracted programs.

Our findings illustrate the important role of public funding for program stability, particularly stable contract-based funding. During the first year of the pandemic, relief funds were primarily allocated to programs that already received public funding. In March 2021, outside the time of this study, the American Rescue Plan Act (ARPA) was passed, providing historic amounts of funding for early care and education. ARPA funding has the potential to serve as a catalyst for designing policies and investments that can address underlying systemic deficiencies. At the time of this report, it remains unknown how wide-reaching funding from ARPA has been in California.

Pandemic relief dollars have staved off the collapse of the child care system in California. However, these relief funds cannot—nor were they designed to—address longstanding foundational issues in how the United States has organized and funded early care and education. As of this writing, California has 8,600 fewer child care jobs and 7,200 fewer child care spaces than at the onset of the pandemic (Assembly Budget Committee, 2022; BLS Beta Labs, 2022). The findings of our study underscore the imperative of resourcing child care as a public good in which all programs receive stable public funding and all educators are paid a living wage.

Recommendations

A stable, effective, and equitable early care and education system requires intentional policies and investments that provide public resources to all programs and guarantee fair compensation and economic dignity for the workforce. As California advances to its next stages of pandemic response, we urge policymakers to ensure that a robust plan for early care and education is included. Such a plan should aim to exceed pre-pandemic conditions, which were plagued by underfunding, structural deficiencies, and inequities. Instead, early care and education should be resourced as a public good. To this end, we offer the following recommendations for resourcing and supporting early care and education programs:

Recommendation 1: Provide additional pandemic relief and recovery funds specifically designated for compensation and to address documented inequities among programs.

- Compensation should be sufficient in order for FCC providers to be able to pay themselves and for FCCs and centers to recruit new and retain current staff.
- Ensure compensation funds reach the entirety of the sector, not just those programs already participating in the state's subsidized system through contracts or vouchers.
- Provide targeted financial relief to FCCs in response to the acute financial insecurity they have experienced during the pandemic.

Recommendation 2: Develop a methodology to identify, and then fund, the true cost of providing high-quality ECE in both center- and home-based settings.

- Ensure the methodology accounts for a wage scale that establishes the floor at the regionally assessed living wage, articulates minimum benefit standards (health insurance, paid leave, retirement), scales up to at least parity with Transitional Kindergarten and elementary school teachers, and provides for non-contact hours (i.e., paid preparation/planning time).
- Use the true cost to establish appropriate levels of funding for ECE programs, rather than basing it on market rates.

Recommendation 3: Prioritize stable contract-based funding arrangements for home-based providers and centers.

- Contracts should guarantee a base funding amount—accounting for a specific number of publicly funded spots, rather than using volatile enrollment or attendance levels.

Recommendation 4: Ensure conditions for all early educators to have a choice to join a union and engage in collective bargaining.

- Ensure opportunities to expand the reach of collective bargaining as a strategy to support the acquisition of well-articulated health, safety, and working condition standards for FCCs and center-based staff throughout the state.

Recommendation 5: Ensure that all state policies are made in consultation with early educators.

- Establish practices that center the experiences, intellect, and leadership of early educators.

Recommendation 6: Establish simple data-collection protocols to examine and report the utilization and impact of pandemic relief and other state funding in order to inform future policies and resource allocation.

- Ensure that lead agencies draw on existing data before requiring redundant information of programs or individuals and invest in systems to streamline reporting for recipients.
- Data collection and reporting should include all programs regardless of setting, funding source, or funding mechanism.

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Findings From the 2020 California Early Care and Education Workforce Study

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Established in 1999, the Center for the Study of Child Care Employment (CSCCE) is focused on achieving comprehensive public investments that enable the early childhood workforce to deliver high-quality care and education for all children. To achieve this goal, CSCCE conducts research and policy analysis about the characteristics of those who care for and educate young children and examines policy solutions aimed at improving how our nation prepares, supports, and rewards these early educators to ensure young children's optimal development. CSCCE provides research and expert analysis on topics that include: compensation and economic insecurity among early educators; early childhood teacher preparation; access to educational opportunities and work environments; and early childhood workforce data sources and systems. CSCCE also works directly with policymakers and a range of national, state, and local organizations to assess policy proposals and provide technical assistance on implementing sound early care and education workforce policy.

Center for the Study of Child Care Employment

Institute for Research on Labor and Employment

University of California, Berkeley

2521 Channing Way #5555, Berkeley, CA 94720

(510) 642-2035 | cscce.berkeley.edu