

2020

**NEAYC
SD Child Care
Provider Survey
COVID-19 Impact**



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Survey Background

In April 2020, the National Association for the Education of Young Children conducted a [nationwide survey](#) to investigate the ongoing effects of the COVID-19 pandemic on child care. More than 5,000 providers responded to the survey between April 2nd and 10th.

Black Hills Reads partnered with SDAEYC to distribute the survey in South Dakota which helped generate 215 responses from South Dakota providers.

Black Hills Reads sent out the survey to several state partners with email verbiage and suggested social media posts to get the most reach. Partners included the Sioux Falls Child Care Collaborative, SDAEYC, DSS, SD Enrichment offices, the United Ways across the state and many others. Black Hills Reads also launched a social media campaign to spread the message intentionally across SD to unregistered providers.



National Association for the
Education of Young Children



South Dakota Association for the
Education of Young Children

Survey Limitations

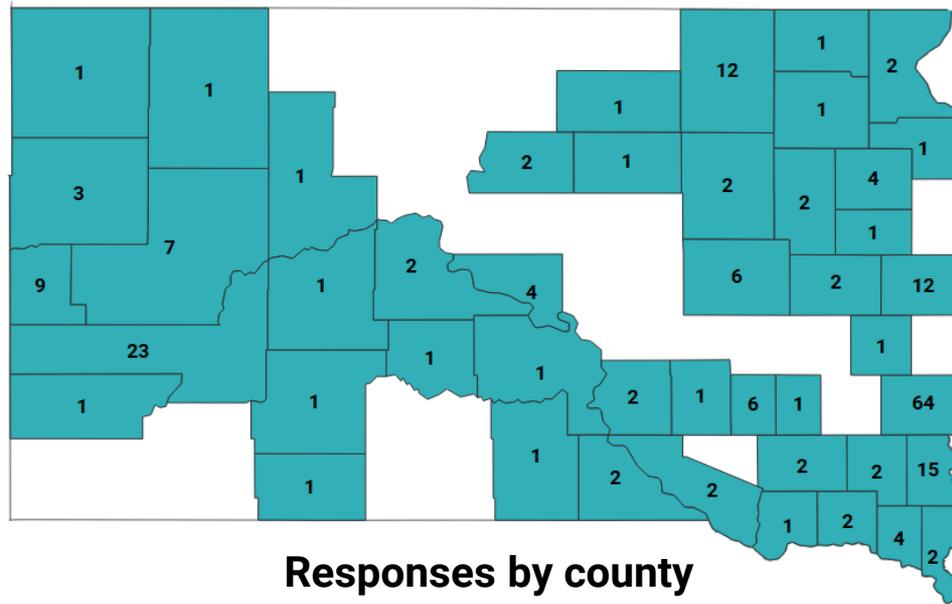
The survey provides important and useful data, but several limitations should be noted:

- Few responding organizations were from reservation counties
- We cannot know if the survey adequately represents the all types of child-care facilities in the state because South Dakota does not require licensing/registration for child care facilities minding fewer than 13 children.

Respondent Profile

Of the 215 Respondents...

- **55%** serve children whose families receive child care subsidies
- **5%** receive Head Start or Early Head Start Funding
- **70%** are not currently pursuing any type of accreditation, either with NAEYC or the state of SD
- **26%** were from West River, **74%** from East River

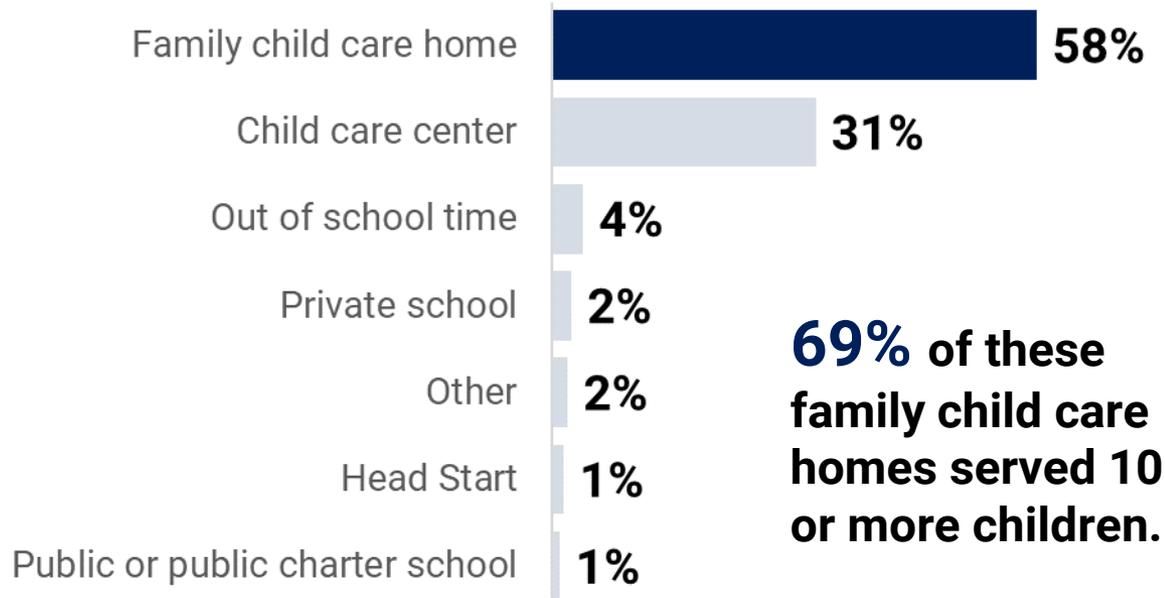


Respondent Profile

58% of respondents were family child care homes.

In-home family child care providers are not required to be registered or licensed with the state of SD if they serve less than 13 children. Because most in-home child care providers are self-employed sole proprietors, many of these providers faced significant barriers in securing federal COVID funding and/or unemployment assistance.

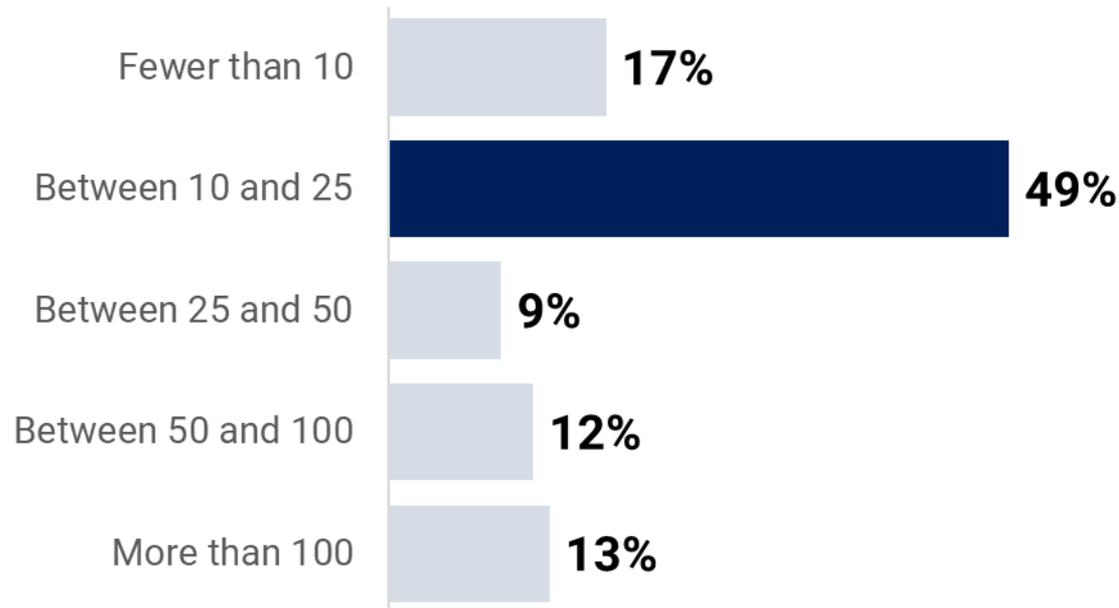
Which kind of program do you work in / operate?



Respondent Profile

66% of respondents are small entities serving fewer than 25 children in normal circumstances, most serving between 10 and 25.

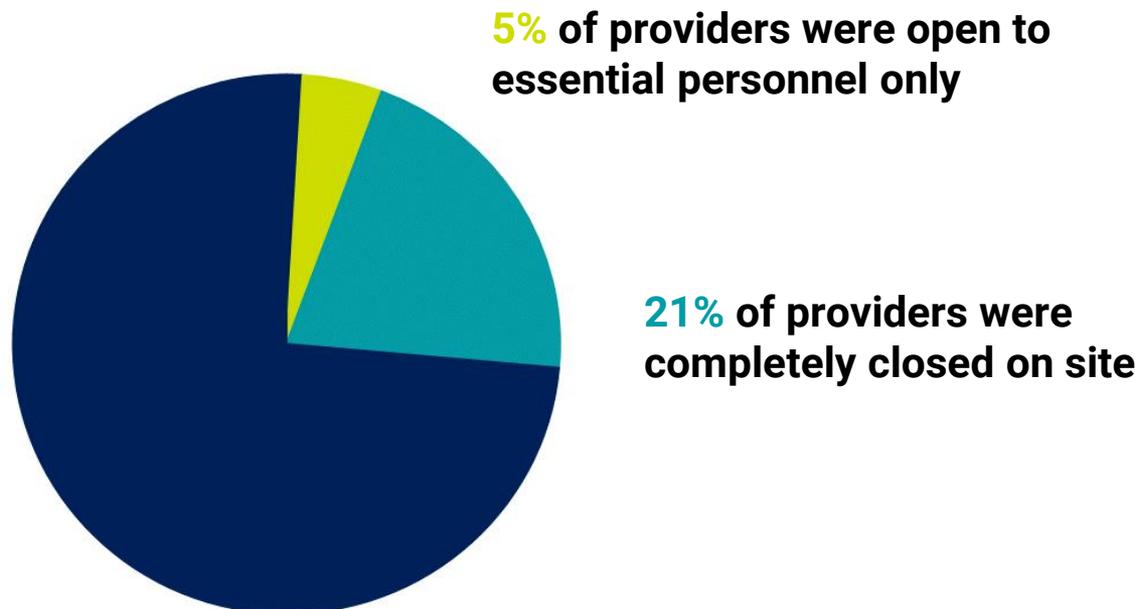
How many children does your program typically serve?



Capacity

26% of providers either closed or were open to essential personnel only.

Many providers that were completely closed did provide other services to their families including tele-education and resource sharing. Many programs experienced a decrease in demand as parents chose to keep their children home or lost their ability to pay.



Capacity

Between 1,800 and 2,300 child care slots were temporarily lost during the COVID-19 survey time period.

Child care providers will likely open back up, but the reduced capacity may mean further economic impacts for child care providers as a whole. 38% of programs who closed were motivated to do so for the health and safety of children, families, and staff. 18% did so because they did not have a sufficient number of students or staff attending for it to make sense.

| Normal Capacity | Number of closed or providers limiting service | Child care slots affected |
|--------------------|--|---------------------------|
| Fewer than 10 | 12 | 110 to 120 |
| Between 10 and 25 | 17 | 234 to 306 |
| Between 25 and 50 | 7 | 190 to 266 |
| Between 50 and 100 | 9 | 600 to 675 |
| More than 100 | 9 | 700 to 900 |
| Total | 54 | 1,834 to 2,267 |

Programming/Activities



36% of child care providers currently provide curriculum instruction or activities for families



53% are providing professional development and/or meetings for staff



Many providers continue to support the acute needs of their families. Respondents provide much more than child care for their families. This includes food and connecting them with community resources

Demand

53% of programs are currently operating at or below half capacity

Many programs experienced a decrease in demand as parents elected to keep their children home or lost their ability to pay.

If your program is open, what percentage of your enrollment capacity is being served?

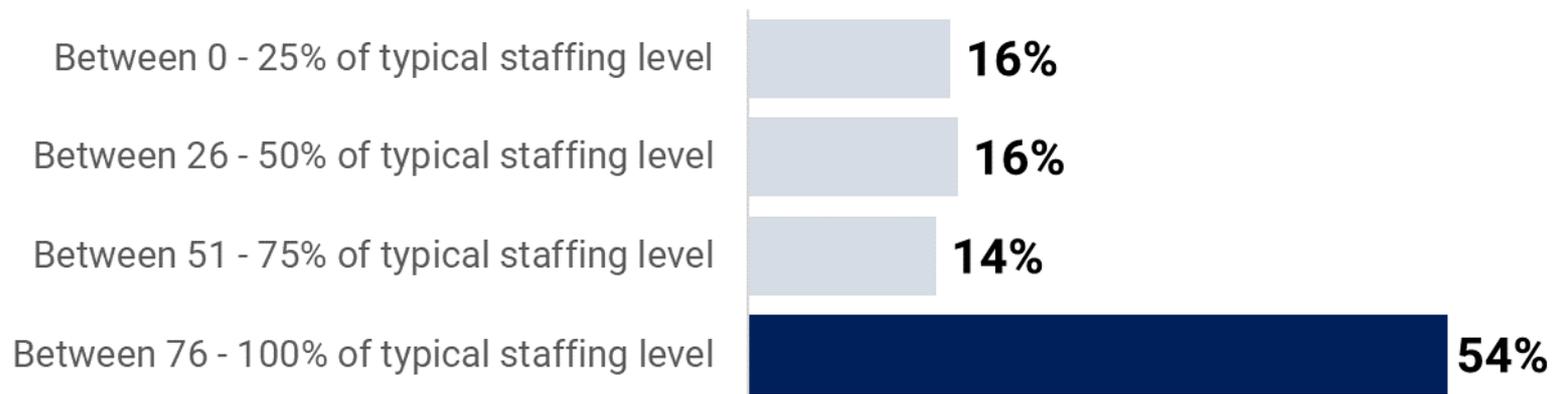


Demand

Even though capacity may be limited, 54% of programs maintained between 76% and 100% of normal staffing hours.

Though providers were minding fewer children, they spent more time cleaning and communicating with families. For those who were not minding children, time was spent on professional development and family support.

If your program is open, how does the number of staff hours worked per week compare to the typical staffing level?



Demand Fears

19% of child care providers listed fears about their families not returning as their top COVID-19 related concern.

“We need help paying for fixed costs and additional support for families to pay for care as there have been a large number of job losses by our families.”

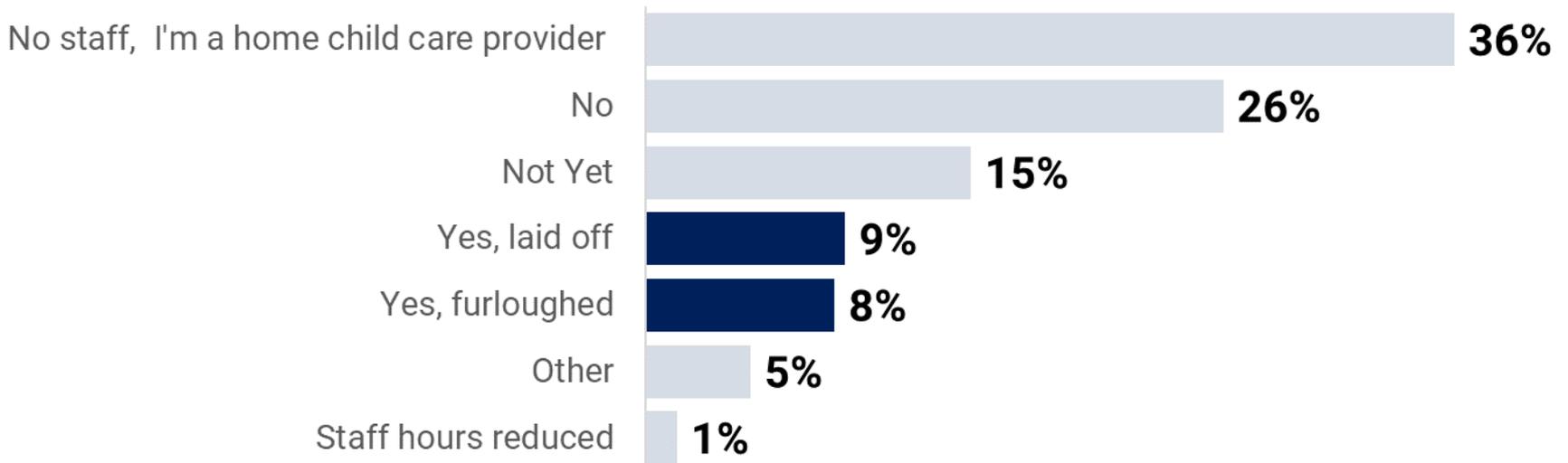
“The summer months are our busiest months for sure which help get us through our slower months and without all of those kids coming it could mean we might have to close our doors. Obviously, financial support is huge, but we also need to make sure that our clients who left are coming back. I am not sure how to do that when no one feels safe. “

Workforce

17% of programs laid off or furloughed staff, though the majority of respondents were single person at-home daycares where this did not apply.

Other programs reported reducing staff hours or allowing staff who requested it to stay home unpaid. Only 16% of respondents or the people they work with were using paid leave during this time

Have you had to lay off or furlough staff?

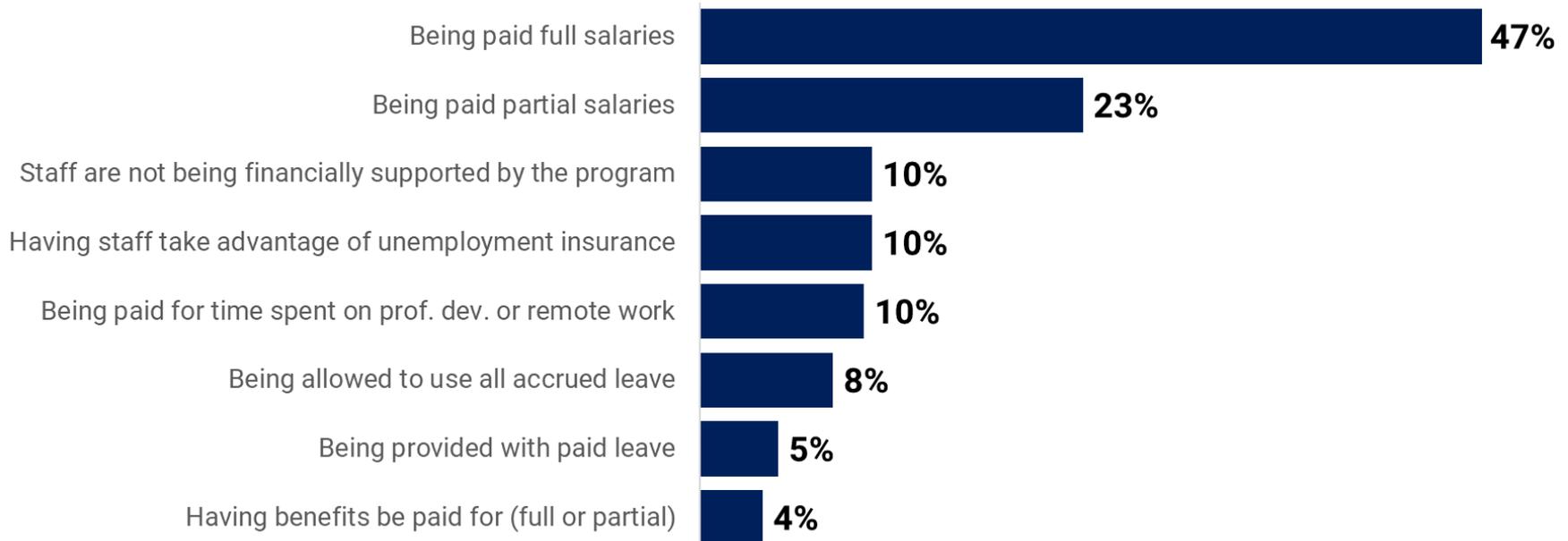


Workforce

Less than half of providers and/or their staff are being paid full salaries.

Only 4% of all respondents were paying full or partial benefits for their staff. This likely also indicates the nature of the child care workforce already being low wage without benefits. According to the NAEYC research, even prior to COVID “early childhood educators were earning such low wages that nearly half of them were eligible for public assistance.”

How are you and/or staff in your program being financially supported?



Unemployment

**Only 42 (20%) of respondents applied for unemployment.
Only a handful of applicants were successful.**

Many smaller providers shared a number of barriers in their employees qualifying for or securing unemployment.



Self-employed and sole-proprietorships earned too much income to qualify for unemployment

"I have a few kids and that income is too much for unemployment guidelines but I'm still only making 25 percent of my weekly income. "



Many applicants reported frustrations with state government. Many reported not hearing back on their status and most sharing that it took at least 3 weeks to get payment once approved.

"No one knows anything, every time I call it's a different answer. At this point it will be a miracle if I even qualify."



Self-employed, sole-proprietorships, and church-sponsored day cares do not pay into state unemployment so their employees were unable to collect unemployment

"Our business does not pay into state unemployment insurance pools. As a result, our furloughed employees are not able to collect unemployment insurance."

Sources of Concern

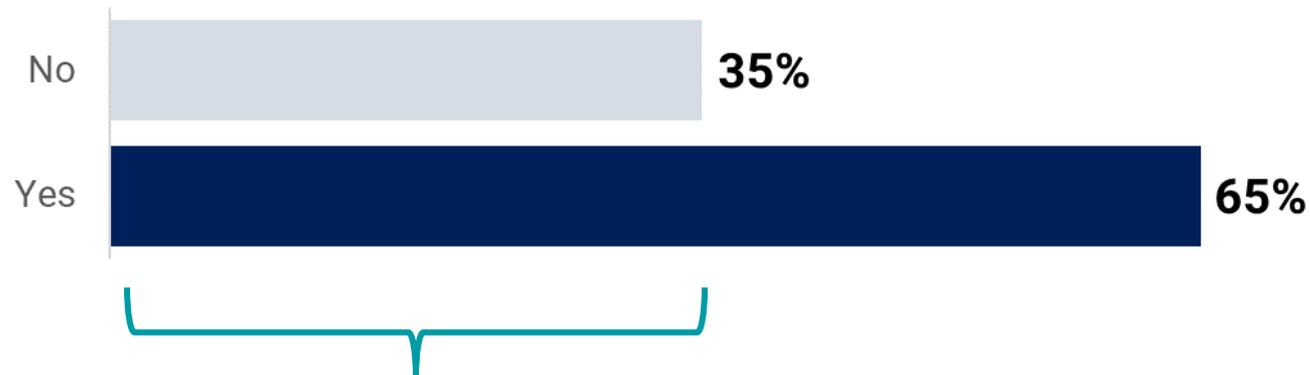
Providers ranked the following issues as their greatest sources of concern for the current and future sustainability of their child care programs. (Highest concern = 1)

1. Paying staff or paying myself as a solo provider (average rank 2.2)
2. Making / missing rent or mortgage payments (average rank 3.5)
3. Whether families will come back after the pandemic is over (average rank 3.7)
4. Making / missing utility payments (average rank 4.0)
5. Finding and paying for protective and cleaning supplies for staff or myself (average rank 4.3)
6. Paying for staff or my own health insurance and other benefits (average rank 5.0)
7. Whether staff will come back after the pandemic is over (average rank 5.3)

Financial Fears

65% of programs are charging families for care, but half of these programs are charging reduced rates.

Is the program charging private pay families during this time?

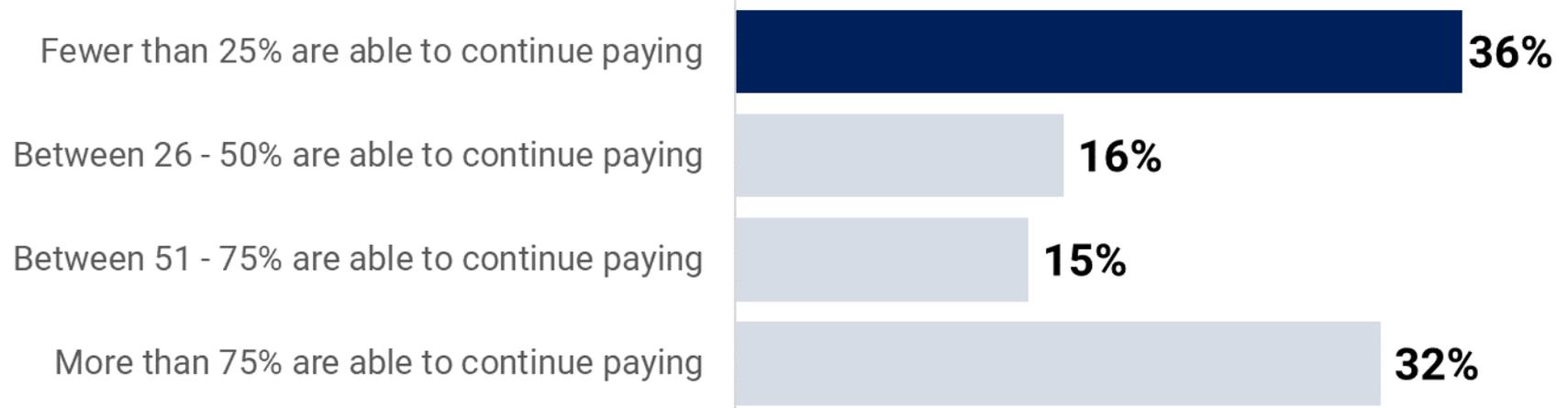


54% of providers who continue to charge families are doing so at a reduced rate

Financial Fears

36% of providers reported that only one in four families are continuing to pay their full tuition.

Approximately what percentage of families who pay without assistance are continuing to pay their full tuition?



Financial Fears

Budgets are being stretched due to higher food and cleaning supply costs, even for fully funded programs.

Almost all the calls for food assistance were from in-home day care providers

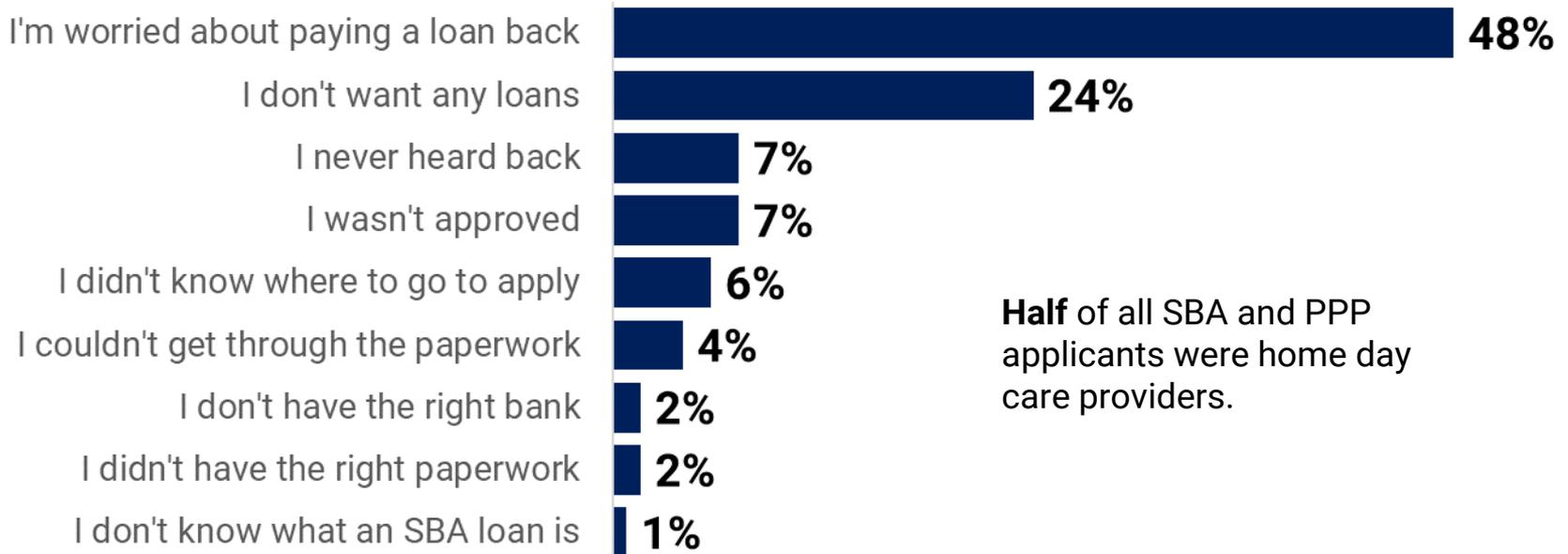
“We need help purchase food, formula, and milk for children in care since prices are rising”

“Right now supply accessibility is our biggest hurdle. Some food items are limited or out of stock. Some of the prices of food have gone so high that our budget isn't designed to handle. We do not qualify for a food program so the entire burden falls on us. Hand sanitizer and Lysol are also hard to find and extremely expensive.”

SBA/PPP Funding

Half of all providers that applied for SBA or PPP loans were worried about paying their loan back

If you have encountered challenges in applying for a special (Small Business Administration) loan, please identify them:



Half of all SBA and PPP applicants were home day care providers.

PPP, EIDL, CARES Funding

Disparities between at home child care facilities and larger, center-based programs emerged in terms of applying for state and federal funding.

Most larger child care facilities found the process easy and straightforward. Larger facilities had more internal capacity to apply for SBA grants and EIDL or PPP loans. These providers already had dedicated internal staff, HR, Bank Loan Officers, CFOs, or board members to facilitate funding and loan applications.

"A board member filed, not myself. It sounds like it all went smoothly. Only concern is the rules on how to use it are not completely clear."

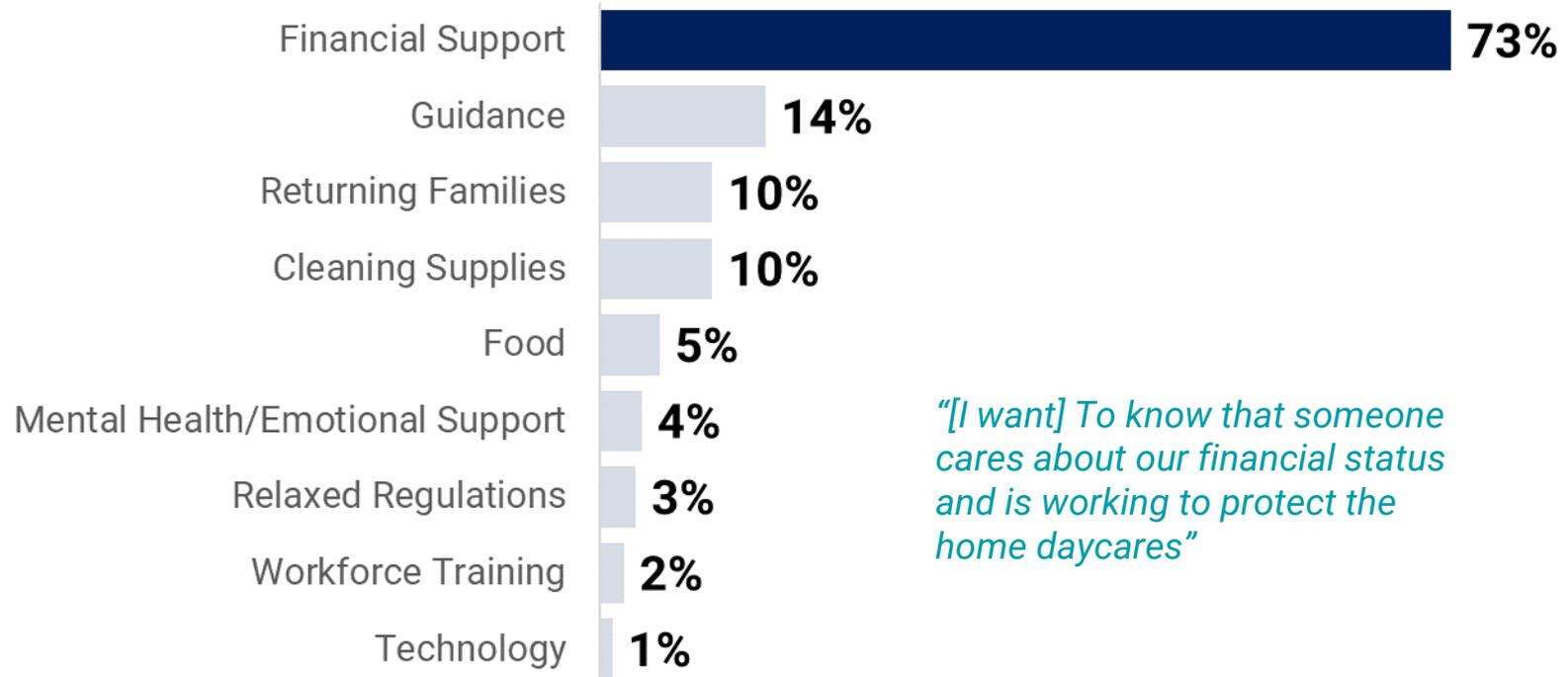
In home child care providers without existing financial ties to banks or internal HR capacities found the application process nerve-racking, confusing, or impossible. Many also voiced disappointment in the amount of their loan if awarded. Most in home day cares who did secure funding received between \$1,000 to \$1,500 through SBA for the EIDL(Economic Injury Disaster Loan)

"I got approved but it is for such a small amount because they have to go off your net income and not your gross income and most self employed people deduct as much as they can which significantly lowers your income so the amount approved for was next to nothing!"

Provider Asks

Providers primarily want financial support. Followed by guidance from regional leaders. More specifics are on the following slide.

Tell us specifically what kind of support is most important to you at this time:



Provider Asks



Providers are interested in the following types of financial support:

- Grants and Forgivable Loans
- Direct Deposit Assistance
- Food reimbursement and adjustments to current programs.
(Almost all calls for food assistance were from in-home providers)
- Stipends or scholarships for families to pay for childcare even if their child isn't currently in the program



Guidance

- State government and other leaders be more clear on available programs, eligibility what's expected
- 26 providers showed interest in having email/online support, with no perceivable difference between home day cares and larger child care center



Supplies

- Cleaning supplies
- Direct relationships with suppliers or special shopping hours at retailers

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