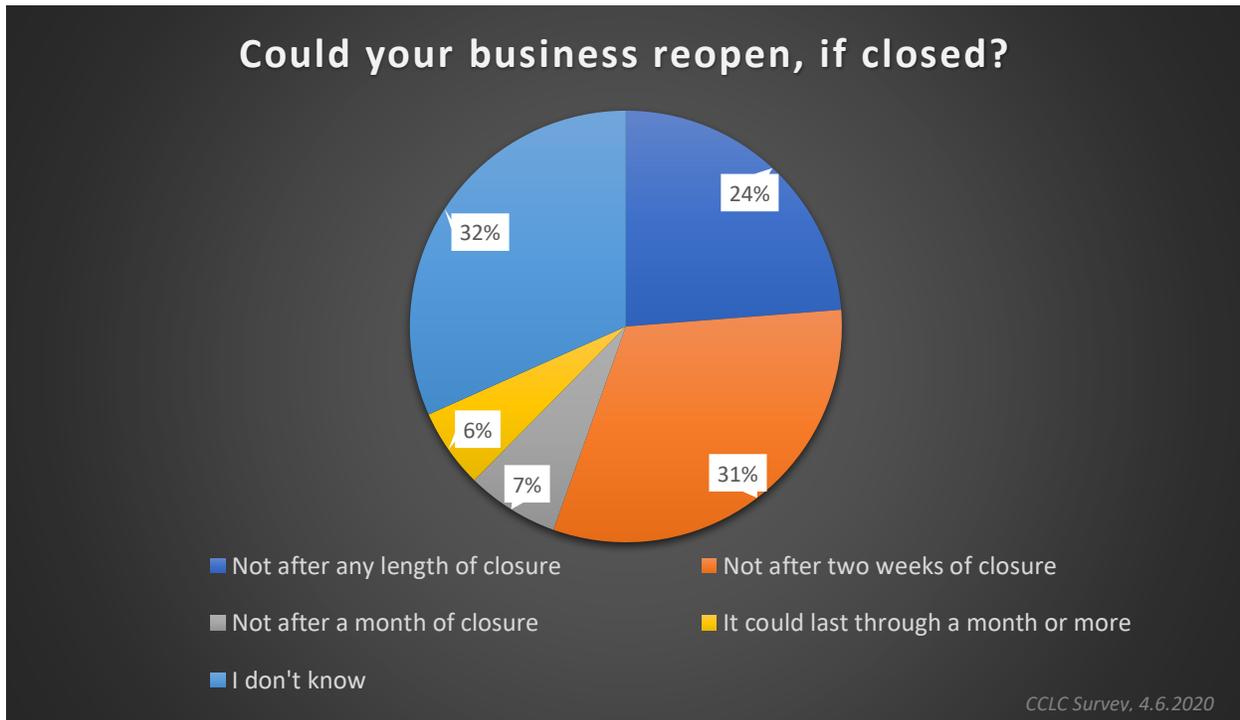


Georgia's Child Care Provider Survey Executive Summary

GEEARS: Georgia Early Education Alliance for Ready Students and Quality Care for Children recently surveyed Georgia's child care providers and found that **time is fast running out to get providers the support they need to serve families during this time of critical need and into the future.** Survey results came from providers at Family Child Care Learning Homes (FCCLHs) as well as Child Care Learning Centers (CCLCs) that operate Head Start, faith-based, nonprofit, and for-profit programs. While some differences emerged between CCLCs and FCCLHs (e.g., 60% of CCLCs reported being closed, while 70% of FCCLHs reported they were *open*), data from both highlight the specific perils facing the industry today and identify areas for potential support.

Urgency:

While most industries are feeling the impact of the COVID-19 pandemic, child care providers in Georgia have an alarmingly small window of time to restart their cashflow or lose their business altogether, as most providers operate with very small profit margins. These surveys show that **49% of CCLCs and 55% FCCLHs responding indicated they could not reopen again if closed for two weeks.** Over the years, Georgia has made huge strides towards increasing access to quality child care; because of today's public health emergency, Georgia must act now to sustain this vital field and protect those gains.



Funding Streams:

The typical child care business model is fragile. Though it is true that most child care providers “blend and braid” funding from multiple sources including some public dollars that are promised to continue to flow from the Georgia Department of Early Care & Learning (DECAL) for select programs, it is the case that *private dollars* (family tuition and fees) are constitute a major portion of providers’ revenues. 52%

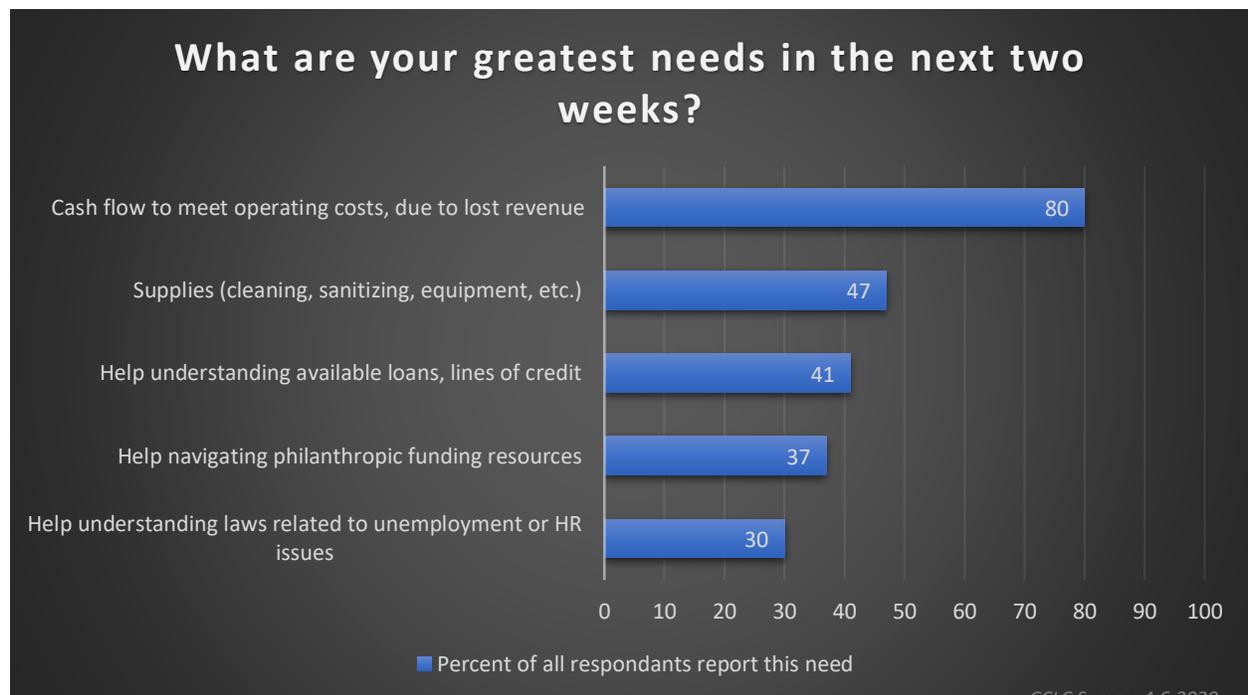
of CCLCs and 89% of FCCLHs report that **private dollars are the largest single portion of their funding stream**. With Georgia’s families under the State’s shelter-in-place order, many have discontinued payments to providers since they aren’t utilizing the service. Child care centers and family child care learning homes programs have therefore faced a significant income drop seemingly overnight. This has led to the cash flow issues that make **63% of CCLCs and 62% of FCCLHs report that they are less than a month away from closing for good**.

Reported Effects:

Child care providers are reporting that they are taking steps to sustain the business during and after the pandemic, and are already being forced to make hard decisions. **Over 60% of FCCLHs and over 80% of CCLCs report decreased enrollment and “loss of income because of families unable to pay”**. As organizations scramble to manage costs, the child care workforce is feeling the brunt of the effects. **50% of CCLCs have laid off or furloughed staff, and 47% report having to reduce hours**. Many centers will have taken both measures. In contrast, family child care learning homes report very few layoffs, but this is likely because such locations are often owned and staffed by a single person. This also means FCCLHs cannot change labor costs to rein in the budget. Implementing public health orders related to COVID-19 also means that providers’ operational costs are rising due to things like reducing occupancy numbers in each room or increasing cleaning regimens. All child care providers are making good faith efforts to weather this situation, but the industry is clearly in need of outside help to get through the cash gap providers currently face.

The Opportunity for Philanthropy to Make a Difference:

Novel funding sources are needed to address these novel issues presented by the COVID-19 crisis. Only 3% of CCLCs and fewer FCCLCs report philanthropic dollars as a “large portion of their funding”. At least **86% of all providers report no philanthropic dollars in their revenue streams at all**. Government programs like The CARES Act will make some new child care funding available, and child care providers



are expected to be eligible for those programs. However, the timeline required to keep child care providers operational is extraordinarily short. While aid from governmental efforts like the CARES Act still need time for States to develop implementation plans and time after that for providers to navigate applying, creative solutions from the private sector can help mitigate the crisis immediately. The clock is running out, so new sources of grants or no interest loans are needed now to supplement, not supplant, government funding.

80% of CCLCs and 70% of FCCLHs reported needing temporary funding in the next two weeks to meet operating costs while at reduced revenues due to decreased enrollment. 47% of CCLCs and 60% of FCCLHs report needing supplies, such as cleaning equipment, sanitizers, protective equipment, etc. Lesser but significant percentages report needing help understanding and navigating aid programs. This is an opportunity for the philanthropic community to bridge the gap and address the specific needs of the child care industry during and after this public health emergency, so that children and families have quality programs to return to.

Family Needs:

These surveys also asked to providers to share a little about what they hear their client families are expressing, and they too are feeling a financial pinch. **64% of CCLCs and 45% of FCCLHs say their families need assistance paying child care tuition because of personal loss of income.** 51% of FCCLHs and 46% of CCLCs reported parents expressing a need for essential supplies like cleaning supplies, diapers, and paper products. GEEARS can provide further details on provider-reported family needs, upon request.

Geography:

If data related to particular geographies (e.g., city, county, ZIP, etc.) are important to your work, please let us know how it can be of use and we will work to pull the data you need. Email gbarrett@gears.org.