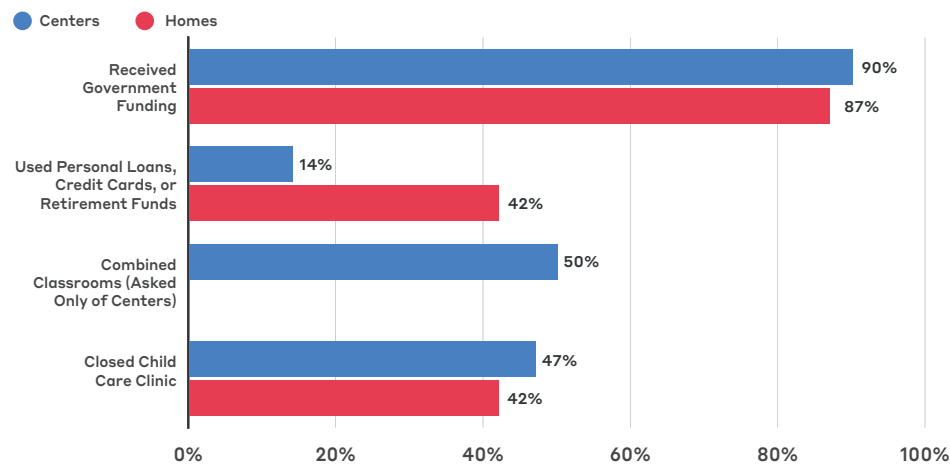


SURVIVING THE PANDEMIC

Child Care Programs in Indiana

A study conducted by the Bipartisan Policy Center finds that the COVID-19 relief packages passed by Congress were a lifeline for struggling U.S. child care programs. Nearly all child care providers in the 11-state survey reported using the funds to keep their businesses open during the pandemic. Key findings for Indiana are highlighted below.

Strategies Used by Child Care Centers/Homes in Indiana During the Pandemic



Top 3 Reasons Centers Closed

- Covid Exposure/Illness (32%)
- Government Requirement (21%)
- Other (21%)

Top 3 Reasons Homes Closed

- Covid Exposure/Illness (53%)
- Loss of Enrollment (15%)
- Government Requirement (13%)

Top 3 Reasons Centers Combined Classrooms

- Loss of Enrollment (45%)
- Loss of Teachers, Unable to Hire Replacements (33%)
- Loss of Support Staff, Unable to Hire Replacements (13%)

Almost half (47%) of child care centers and 42% of family child care homes (FCC) in Indiana closed at some point during the pandemic with homes closing for slightly longer, on average (46 days), compared to centers that closed (43 days). Both centers and homes cited COVID exposure or illness (32% and 53% respectively), government requirements (21% and 13% respectively), and centers cited loss of enrollment (15%) while homes gave other reasons (21%) as the top three reasons for closing.

Additionally, 50% of centers reported combining classes due to loss of enrollment (45%), loss of teachers and

being unable to replace them (33%), and loss of other support staff and being unable to replace them (13%) as their main reasons for doing so. About 14% of centers and 42% of homes reported the use of personal loans, credit cards, or retirement funds to stay afloat.

Most centers (90%) and homes (87%) reported receiving government relief funding during the pandemic. On average, centers received \$293,075 (median \$200,000) and homes received \$38,139 (median \$30,000) to help them to continue operating. Centers reported spending the money to pay teachers, pay the rent/mortgage, or to pay for facility maintenance or modification, while

Uses of Government Relief Funding for Centers and Homes in Indiana

	Child Care Centers	Family Child Care Homes
Pay Teachers and Other Classroom Staff	52%	N/A
Pay Other Essential Support Staff (Centers)/ Assistants (Homes)	6%	34%
Pay Rent/Mortgage	10%	23%
Pay for Facility Maintenance or Modifications	14%	19%
Pay for Personal Protective Equipment	7%	10%
Create Socially Distanced Space for Children and Staff	4%	6%
Start/Resume Mental Health Services to Children and Staff	3%	1%
Pay for Activities	5%	6%

homes mainly spent the money pay other essential support staff, to pay rent/mortgage, and to pay for facility maintenance or modification.

THE PANDEMIC'S IMPACT

Enrollment: In Indiana, between March 2020 and May 2022, enrollment in centers declined by 11.27% and decreased by 6.13% in homes. The decline among enrollment in centers was most pronounced among infants and toddlers (=19.56%). In homes, the decline was steepest for before-and-after care for school children (-9.55%).

Enrollment in Centers and Homes in Indiana

Centers				
	Mar - 20	May - 22	Change	% Change
Infants/Toddler (Birth-2)	26.29	21.15	-5.14	-19.56%
3 to 5 Years Old	39.88	36.85	-3.03	-7.60%
Before and After School (School-Age)	15.20	14.21	-0.99	-6.54%
Total Capacity	81.37	72.20	-9.17	-11.27%

Homes				
	Mar - 20	May - 22	Change	% Change
Infants/Toddler (Birth-2)	4.09	4.00	-0.1	-2.26%
3 to 5 Years Old	6.64	6.17	-0.5	-7.09%
Before and After School (School-Age)	2.64	2.39	-0.3	-9.55%
Total Capacity	13.37	12.55	-0.8	-6.13%

Staffing: In Indiana, between March 2020 and May 2022, there was a decline in the number of teaching staff. These declines were most pronounced among assistant teachers.

Average Number of Staff

	Mar - 20	May - 22	Change	% Change
Lead Teacher	7.50	6.43	-1.07	-14.25%
Assistant Teacher	10.20	7.68	-2.52	-24.74%
Center Director or Assistant Director	1.77	1.80	0.04	2.24%
Other staff	1.69	1.85	0.16	9.64%

Methodology of 11-State Survey:

The Bipartisan Policy Center worked with Well World Solutions to conduct a survey of child care centers and family child care homes in 11 states to better understand how child care programs weathered the COVID-19 pandemic and how they used the federal government's pandemic-related stimulus funding. The survey was fielded from June 14-30, 2022. The MOE was +/- 11% for centers and +/- 6% for homes in Indiana. For more information on the methodology, see the full report.

In May 2022, the average number of openings in centers was 2.42 for lead teachers and 4.37 for assistant teachers. The table below provides more details.

Average Number of Openings in Centers in Indiana

Lead Teachers	
Total	2.42
Infant/Toddler	0.83
3- to 5- Year Olds	0.93
Before and After School	0.66

Assistant Teachers	
Total	4.37
Infant/Toddler	1.90
3- to 5- Year Olds	1.79
Before and After School	0.69

Total Openings	
Infant/Toddler	2.73
3- to 5- Year Olds	2.72
Before and After School	1.34

Strategies used by centers hiring and retaining new staff included, offering higher wages, child tuition discounts or waivers for staff, and access to scholarship programs to obtain a higher education degree. Their biggest competitor for staff was public schools and retail stores like Walmart, Amazon, grocery stores, etc.

The majority of home-based providers (63%) have staff – 41% of them said hiring staff “very difficult” and 30% of them found it “very difficult” to retain staff.

CONCLUSION

The pandemic exposed fundamental flaws in the child care market. COVID-19 relief funding kept the child care market afloat, but as we emerge from the pandemic, we must address the flaws in the business model so that child care can survive and our economy can fully recover. We need to examine the true costs of child care and determine how to ensure the country has a stable, high-quantity system that meets the needs of all concerned—parents, children, businesses, and our education system. Child care provides a public good. Congress and our nation needs to ensure every parent has access to safe, affordable, quality child care.