CHILD CARE IN CRISIS

Solutions to Support Working Families, Children & Educators
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INTRODUCTION

The COVID-19 pandemic has upended lives, livelihoods, and our economy. Many of us are worried about our loved ones who are sick or vulnerable. Families are facing stressful challenges and troubling uncertainty. Many people have been laid off. They are trying to make ends meet with no or reduced incomes, or they’re balancing the full-time job of parenting while also working from home. Meanwhile, other families may have one or more essential workers, requiring them to serve on the frontlines of the pandemic and place their children in emergency child care or with family members, neighbors, or friends.

Access to high-quality, affordable child care has always been fundamental to the well-being of families and children. As a mom of two, I’ve long recognized the importance of affordable and high-quality child care. It’s foundational to our economy, and will be a key factor in reopening our communities safely by making it possible for parents to return to work. Unfortunately, the child care sector faced serious challenges in Oregon and across our nation long before the COVID-19 pandemic. Accordingly, we must now simultaneously address the ongoing child care crisis while battling the effects of COVID-19 on this fragile industry and the families who rely on it. We need a dual focus; we must stabilize and vastly improve the system in ways that support the positive learning, growth, and development of children, the families who need child care, and the people who provide it.

Fixing the child care system is also an issue of racial justice. The child care workforce is overwhelmingly women, and predominantly women of color. We must make sure child care providers and early childhood educators are paid a living wage that reflects the value of their highly-skilled work. Along with other barriers, families of color face income gaps that make quality child care even less affordable. Black, Indigenous, and other children of color are more likely to be in the least supported child care settings, and many child care settings are segregated by race. Resources must be distributed in a way that focuses on equity and on dismantling the systemic underinvestment in Black, Indigenous, and other families and workers of color.
Simply put, every child deserves high-quality child care, and providing it is an investment in our future. As Professor James Heckman, a Nobel Memorial Prize winner in economics, notes, “short-term costs are more than offset by the immediate and long-term benefits through reduction in the need for special education and remediation, better health outcomes, reduced need for social services, lower criminal justice costs, and increased self-sufficiency and productivity among families.”

This report will describe:
- The pre-covid-19 child care crisis in Oregon
- How the pandemic exacerbated this crisis and created new problems
- Policy efforts to stabilize the industry during the pandemic
- A proposed path forward, including specific legislative actions

This report is informed by many conversations with Oregon child care providers and early childhood educators, parents, and other advocates. Our shared goal is to give all families access to affordable and high-quality care while meeting the needs of the child care workforce.

**AN EXISTING CRISIS**

The pre-COVID child care crisis can be distilled into three main problems: vast unmet need, high cost for families, and insufficient compensation and benefits for early childhood educators.

**Vast Unmet Need**

Early childhood education fosters children’s social and emotional development and prepares them to thrive in school and throughout life. Investment in early learning, including quality child care, is also good for the economy because it allows parents to work, seek work, or participate in their own educational advancement, while knowing their children are safe and learning.

Unfortunately, there is more need than available care. According to the Oregon State University College of Public Health and Human Sciences (Oregon Child Care Research Partnership, 2019),
all 36 counties in Oregon were child care deserts for infants and toddlers before the pandemic, with only one child care slot for every three children who need care. Families in rural areas face even more scarcity. Access to affordable, high quality child care tends to be hardest for low-income families and families of color.

Too often working parents struggle to find quality child care, leaving them with few options. Even if a family can find a slot, it may not be affordable or provide the flexibility they need. Working mothers play a large role in our workforce, but because of entrenched gender roles women also continue to take on the majority of child care and household responsibilities. Research shows that a lack of affordable child care reduces mothers’ ability to work outside the home and expands the gender pay gap (Center for American Progress, 2019). Another result of not having enough affordable child care is that parents, who must work to afford basic expenses such as groceries and rent, are left with the option of placing their children in care where their learning is not supported, or they are exposed to unsafe conditions. This is an unacceptable situation that is forced onto parents and must be reversed.

When I was looking for infant care and preschool last year it was so time-consuming it was like having a second job. I felt beyond lucky to finally secure a spot in a preschool that met my older son’s special needs. For my infant, I ended up piecing together care with babysitters and family because infant care is nearly impossible to find. I have a lot of fears right now, but one of the biggest is that my older son’s school will be one of the many providers that doesn’t survive this crisis. The math just won’t work out to continue to operate. For any working family, child care is one of our basic needs. And if child care crumbles, if it gets even a fraction more difficult to find, then our collective ability to work crumbles too.

Megan McMillan, parent
High Cost for Families

Even before the COVID-19 pandemic, too many families were struggling to find affordable, high-quality child care. Working families in Oregon pay some of the highest child care costs in the country. Child care can cost as much as, or more than, college. According to research by Child Care Aware, infant care in a center in Oregon averages $13,518 per year compared to $10,610 for in-state college tuition at a public college (US and High Price of Child Care, 2019). In the Portland Metro area families are paying upwards of $21,000 per year for center-based infant care. Over the years, families have been spending a growing share of their income on child care, which limits their ability to afford other basic necessities, save money for a home or retirement, or cover the costs of an education. Although the U.S. Department of Health and Human Services recommends that no more than 7 percent of household income go toward child care payments, the average in Oregon is 14.7 percent for preschool and 18 percent for infant and toddler care (Child Care Aware Fact Sheet Oregon, 2019). This burden is much higher for low-income families.

The unrealistically high costs of child care are holding women, and single mothers especially, back from the economic mobility that we should all have. As a single mom with two young kids, the only way I’ve been able to maintain work so I can support the three of us has been through the subsidies I qualified for during a time of unemployment—when I literally couldn’t afford to pay for child care and was let go from my job. This allowed me to qualify for the lowest-tier co-pay ($59 per month) of the Employment Related Day Care (ERDC) program for a year allowing me to work and begin to rebuild our lives.

When reapplying at the beginning of this year, I lost my ERDC because I made a couple hundred dollars over the limit for an affordable co-pay; instead I had to adjust my schedule and providers so that I could afford to go to work. I chose this instead of letting go yet another job for not being able to afford child care, sabotaging my career, and once again have to rely on government assistance. I have always wanted to work, I just can’t afford to. Child care costs hold women back from our careers—not to mention career choices—and ability to provide for families.

Laura Kirk, parent
I am a mother of 3 children: a boy of 16 years, and 2 girls who are 12 and 5 years old. Before having my children, I had some understanding of the difficulties families faced in finding good child care. But it wasn’t until my first child was due to be born 16 years ago that I found myself in need and anxiously searching for child care. I have had to leave the workforce each time my children were born. Being a minimum wage hourly employee has never been worth paying three parts of my salary to leave my children to someone else—the cost of child care has been too high every time. All parents, regardless of their employment status or income level, deserve quality options and the ability to choose the type of care and provider that best suits their children and family for early education and the child care of their children.

Nancy Gamino, parent

Countless working families are struggling to come up with the thousands of dollars they need for child care or preschool each year. This challenge is compounded for families with more than one child in care. Although the federal government provides some financial assistance, the vast majority of families who qualify for child care assistance don’t receive it because these programs are dramatically underfunded. Even families who receive child care subsidies in Oregon, still pay an average of 11 percent of their income toward child care because of required parent copayments. The high cost of child care forces too many low and middle income families to rely on “patchwork child care” to cover parents’ work schedules. Parents who work retail or other jobs with variable shifts, inflexible scheduling, and schedules not known in advance, also depend on patchwork child care. Working parents should not have to choose between buying groceries and paying for child care. And they should not have to worry about missing work, which often means missing a paycheck, if they can’t find care for their children. In the United States of America, no child should be denied a strong start in life because of their family’s economic circumstances.
Early childhood educators pour their heart, and soul into the important work of caring for the next generation, backed up by their skills and expertise in the field. In exchange, they are paid near-poverty wages, and nearly half are eligible for public assistance. In Oregon the average annual income of early childhood educators is $26,740, and nationwide they are paid on average $10.72 an hour (Early Childhood Workforce Index). Additionally, child care providers and early childhood educators often lack some of the same benefits afforded to other workers, such as paid vacation time and health care. This disproportionately affects women and women of color, who make up about half of the child care workforce. Skilled, supported, and knowledgeable early childhood educators provide high-quality education, nurture the social and emotional development of children, and set children on a path to success. Low hourly wages and few or no benefits not only jeopardize the financial security of workers, but also negatively affect retention and quality.

The quality of a child care program depends on the quality of the staff. Increasingly, child care programs require advanced degrees and credentials to reflect the science and skills required of this workforce. Yet while education and training requirements have increased, wages have remained stagnant. With students financing an ever-increasing share of higher education through loans, educators are in the precarious position of having low wages and significant student loan debt.

“We certainly aren’t in it for the money. I’m a child care provider and a union member, and like my colleagues, I put my heart into serving some of our state’s most vulnerable families, and sometimes absorbing costs they can’t pay, because I want to do what’s best for the next generation of Oregonians.”

Natalie Jackson, Child Care Provider
The Effects of COVID-19 on Child Care

Unfortunately, the COVID-19 pandemic has exacerbated all of the pre-existing problems. Notably, since the pandemic started access to child care has become more critical yet more scarce.

Child Care Providers of All Sizes are Struggling

Many child care providers are struggling to cover operating expenses, and may face permanent closure as states require them to shut down or limit their enrollment to the children of first responders and essential workers to protect public health. Prior to COVID-19, Oregon had 3,835 licensed providers with the capacity to serve approximately 128,000 children in child care. During the pandemic, Oregon Governor Kate Brown required that all child care programs close unless they were operating as emergency child care for essential workers—2,200 programs stayed open as emergency child care.

“When child care closed because of COVID-19, I had to make a big adjustment to drastically scale back my consulting business in order to care for our 2.5 and 5 year old boys. It was too difficult to juggle work and child care, so we chose to shift my role to primary caregiver in order to allow my partner to retain his full time job, which we cannot financially survive without.”

Mackenzie Weintraub, parent
Although these providers have the capacity to serve about 23,000 children, only 15,000 children are currently enrolled. This means that only 12 percent of the children who attended care before COVID-19 are attending care during the pandemic. The providers that have remained open also face increased expenses to care for children safely, including the cost of purchasing personal protective equipment and cleaning supplies, and they also lose revenue because they must limit classroom sizes.

Family child care providers experienced acute challenges, particularly given indications that they had difficulty accessing Paycheck Protection Program benefits and have struggled with access to unemployment insurance.

“Before the COVID-19 pandemic, our program operated at full capacity with a waitlist. Since transitioning to operate as an emergency child care program, we have lost two-thirds of our enrollment and have struggled to stay afloat financially. It has been extremely challenging to find the cleaning supplies and personal protective equipment we need to stay safe and meet state requirements—I fear if another surge of cases hits, we will not be able to survive. I have seen so many of my fellow providers have to close their doors for good. The reality is, if we continue to ignore the child care crisis in America and fail to provide the dire financial support needed to keep programs like mine running during this pandemic, we will undoubtedly become extinct.”

Lisa Duffield, Child Care Provider
For 30 years I have had the privilege of operating four NAEYC accredited, 5-star SPARK rated centers only to see them taken to their knees in a little under three months. Every single day has been fraught with crisis management, each decision made in isolation with few clear and ever changing guidelines.

We closed for 10 weeks out of complete necessity due to low staffing and low enrollment. We finally reopened under the emergency child care guidelines, consolidating our four centers into two, with only a third of the families and staff returning at this time. Even with reserves and the PPP loan, my business cannot survive under these conditions. We’re expected to stride forward, but I feel like I’m taking my staff and families crawling through a long tunnel and hoping there will be light at the end of it.

Alice Smith, Joyful Noise Child Development Centers
Without swift action, many providers and centers—whether they are small family childcare businesses, franchise locations, or national child care providers—will not be able to reopen their doors when physical distancing requirements are eased. The Center for American Progress estimates that as many as 44,000 slots could be permanently lost in Oregon. Closure of these providers will not only seriously damage our child care infrastructure; it will also devastate businesses and their employees by making it impossible for many parents—most often mothers—to reenter the workforce.

**Emergency Child Care**

Health care workers, grocery workers, restaurant workers, public sector workers and first responders, farmworkers, utility workers, transportation workers, sanitation workers, and other hourly employees deemed essential are on the frontlines of the pandemic. As they devote their time to protect the health, safety, and well-being of our communities, essential workers should not have to worry about whether their children have safe and reliable care.

For those essential workers to serve our communities, we must protect their well-being and safety and the well-being and safety of their children. I have been conducting rigorous oversight of the Occupational Safety and Health Administration and fighting to secure appropriate protections for all workers. I have also been working to secure necessary personal protective equipment and to address issues in the manufacturing supply chain to make sure 10

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My husband and I have run our family child care for the last 13 years. We chose to provide emergency care, because we saw that the families in our care needed that support. Our monthly income has dropped over 50 percent. Yet, our expenses have increased considerably. We need more staff to cover requirements for group size, social distancing, and cleaning. None of our expenses have decreased, employees work hard and deserve compensation, food still has to be bought, and rents, utilities, insurance, and supplies all have to be paid. It has been nearly impossible to find gloves, masks and cleaning products. If we can find them, the price has increased dramatically, and we are using them at a quicker rate. This model is not sustainable in the long run. We need a more long term plan for assistance, or will have to permanently modify or shut down our business.”

Sarah Crozier, Mi Escuelita Bilingual Preschool & Child Care
we anticipate future needs and prevent shortages. Recognizing that child care providers and early childhood educators are putting themselves on the frontlines and struggling to pay their bills, securing premium pay for the child care workforce and other essential workers must be a priority during the COVID-19 pandemic to recognize their role in sustaining our communities.

Prior to the pandemic, we were a stable business offering the only five-star rated African American licensed program in Washington County. Our families are largely low-income and some commuted an hour each way by bus. Early childhood educators are underpaid, underfunded, and undervalued. The state should increase requirements for early childhood educators to increase respect and wages in this field. We need hazard pay, more financial support from the government, more training, and clear and consistent information about how to reopen safely. Despite this crisis, I have faith that we can make changes that will have an everlasting effect on educators, students and families, and Oregon as a whole.

Zakkiyya Ibrahim, Education Explorers
CONVERSATIONS WITH OREGONIANS

This pandemic has shattered every American’s sense of normalcy and created dire situations for many. To learn more about current child care needs, obstacles to re-opening, and how the federal government can be helpful, my staff and I spoke with a number of families, providers of all sizes, early childhood educators, and Oregon-based advocacy organizations about their struggles. Here are their concerns:

- The added expense of implementing health and safety standards
- Lack of premium pay and sufficient PPE for the child care workforce (including how to procure PPE for home based programs)
- Risk of losing licensed child care facilities that will be hard to replace
- Inability of families to afford co-pay and tuition
- How they can stay in business during the expected period of low enrollment
- Risk of losing trained and credentialed staff who will be hard to replace
- How they can improve access to benefits, especially health insurance, to help retain staff
- The lack of ability to provide mental health supports for children in care
- The challenge of making sure Child Care Development Block Grant (CCDBG) funding is used to support the compensation of frontline early childhood educators, while simultaneously supporting the fixed expenses of running a child care center of family child care home
- State distribution of federal relief funds is not happening quickly enough
The pandemic has worsened an existing child care crisis, and addressing it is critical for our families and our economy. Congress must act now to meet the current needs and also to overhaul and reimagine the entire system. The system that emerges from this crisis must be better and more sustainable than the one that existed before. This will require addressing the three main problems—unmet need, affordability for families, and fair compensation for the child care workforce—while also stabilizing the industry, addressing expected challenges to reopening, and committing to a strong and continuing federal investment in our children.

During the pandemic, I’ve been leading the charge on efforts to stabilize child care, dedicate more federal resources to help essential and emergency workers cover the cost of child care, and support the needs of child care providers and early childhood educators. Notably, I am urging House leadership to make a game-changing investment of $100 billion in funding —$50 billion in short-term stabilization funding and an additional $50 billion in long-term recovery funding—to protect the vital child care sector by providing immediate relief and long term support.
Legislation to help families that has been signed into law since the COVID-19 outbreak includes:

- **Families First Coronavirus Response Act**

  The Families First Coronavirus Response Act expanded access to emergency paid sick time and paid family leave to nearly 87 million workers to help cover their own illness, illness of a family member, as well as child care and school closures. Although these provisions don’t cover all workers, it’s a first step and I’ll continue to fight for all workers to have access to paid family leave and paid sick days, regardless of whether there is a global pandemic.

- **Coronavirus Aid, Relief, and Economic Security (CARES Act)**

  This law included $3.5 billion for the Child Care and Development Block Grant (CCDBG) program for continued payment and assistance to child care providers and to support child care for essential workers. It also provided $750 million in grants for Head Start, including up to $500 million for support of summer programs in certain areas. Oregon received $38.5 million for CCDBG. Oregon has used this supplemental funding to provide child care free of charge to essential workers who need it most during this time. In addition, this law included key supports for early childhood educators, including a suspension of payments on federally-held student loans to support the many early childhood educators earning their degrees and credentials. The law also included access to small business loans of up to $10 million that can be forgiven, if programs use the loans for specific purposes such as wages, paid sick or family leave, health insurance benefits, retirement benefits, mortgages or rent, or utilities.

Although I was pleased to support the investment of $3.5 billion for the child care sector in the CARES Act, this is far from the investment that is needed to support working families, providers, and the child care workforce. According to current projections, the nation’s child care system requires $9.6 billion per month to avoid permanent closures and remain operational. Oregon received $38.5 million under the CARES Act; however, Oregon’s Early Learning Division estimates it will cost about $84 million per month to retain existing capacity, not including the increased costs associated with operating under emergency child care guidelines.
If substantial support is not provided to sustain the child care sector, programs will continue to bear a steep financial burden and be forced to shutter permanently. And if child care is not available as businesses reopen, parents—mostly mothers—will find it impossible to go back to work. This will have long-term consequences for our families and economy.

To respond to the needs of Oregonians, I’m fighting for immediate passage of the following legislation to put our child care system on a successful path forward and finally meet our country’s needs.

- **Heroes Act (passed by the House on May 15, 2020, awaiting Senate consideration)**

  As a start to address the deeper needs in child care, this bill includes an additional $7 billion for CCDBG. The Heroes Act will also provide child care providers and early childhood educators and other frontline workers who are in contact with patients, the public, or co-workers with an additional $13 per hour in premium pay in addition to regular wages, up to $10,000. The Heroes Act includes the COVID-19 Every Worker Protection Act, which will require the Occupational Safety and Health Administration to issue an Emergency Temporary Standard for workplace protections for all essential workers who are currently on the job, and workers who will face occupational exposure to COVID-19 when they return to work. Critically, the Heroes Act will help expand access to emergency paid sick leave and emergency paid family and medical leave by eliminating exemptions for health care workers, first responders, workers at businesses with fewer than 50 employees, and workers at businesses with 500 or more employees.

- **Child Care is Essential Act**

  This bill, which I introduced along with other child care champions, would make a significant financial investment in our child care infrastructure. It will provide $50 billion – less than the amount that went to the nation’s airlines in coronavirus legislation – in direct grant funding to help child care providers of all types cover operating expenses, with appropriate oversight mechanisms. It will make sure that all child care providers are paid through the pandemic and beyond. And it will provide funding so child care providers can purchase personal protective equipment and cleaning supplies and cover other increased costs during the pandemic. Finally, this legislation will give parents relief from high-cost copayments and tuition. The Senate introduced a companion bill.
• Child Care for Working Families Act

First introduced in 2017, the Child Care for Working Families Act is a comprehensive plan to give all Americans the opportunity to create a better life for their children. This bill addresses the three major barriers facing the child care industry prior to the COVID-19 pandemic: unmet need, affordability, and support for early childhood educators. Unmet need is addressed through more robust federal investments in child care. According to the Center for American Progress, the bill will create more than 770,000 new child care jobs, and providers will be paid a living wage. To make child care more affordable, this bill expands on the existing Child Care Development Block Grant (CCDBG) program to cap child care expenses to the recommended 7 percent of income for all families with incomes under 150 percent of state median income, or $125,000 for a family of four in our state. Families making less than 75 percent of state median income will not pay out of pocket. The bill would also support early childhood educators by improving training and compensation to a living wage or more if the educator possesses similar credentials to an elementary school teacher. This bill will make meaningful changes to transform the child care industry by providing every child with access to high-quality early learning and care that is affordable for working families. The Senate introduced a companion bill. Congress should pass this legislation to benefit families and the economy.

• College Affordability Act

I will also continue working on the College Affordability Act, a comprehensive reauthorization of the Higher Education Act. This bill includes many of my priorities that will greatly help students and borrowers. Critically important for early childhood educators, this bill includes my provision to automatically connect struggling borrowers with more affordable income driven repayment plans. This will also allow early childhood educators to pursue their dream of educating young children while being able to successfully pay their student loans with payments they can afford, which keeps them out of default. Additionally, this bill updates and improves the CCAMPIS program, which will provide high-quality and affordable child care for college students. The College Affordability Act passed out of the Education and Labor Committee in October and is now waiting to be taken up by the full House of Representatives.
The United States remains the only major industrialized nation without paid family leave, and in our country, 25 percent of new mothers are back at work two weeks after having a baby. **We must do better to support families and enact meaningful paid leave laws and flexible work schedules to bring the nation’s policies in line with the needs of our workforce.**

- **Family and Medical Insurance Leave Act** *(FAMILY Act)*
  
  *I am a long-time advocate for permanent and comprehensive paid leave policies. This legislation would provide workers with up to 12 weeks of partial income when they take time off for their own serious health condition, including childbirth and pregnancy, adoption, or to care for a family member.*

- **The Healthy Families Act**

  *The Healthy Families Act would provide workers in businesses with 15 or more employees to earn up to seven job-protected paid sick days each year to be used to recover from their own illnesses, access preventive care, provide care to a sick family member, or attend school meetings related to a child’s health condition or disability. The paid sick days could also be used for survivors of domestic violence, stalking, or sexual assault to seek assistance.*

- **PAID Leave Act**

  *The PAID Leave Act would provide all workers with access to emergency paid sick leave and paid family leave and would make the FAMILY Act effective in January 2022.*

- **Schedules That Work Act**

  *Unfair and unpredictable scheduling practices in the workplace jeopardize the financial security, health, and well-being of working families. Women, and especially women of color, are more likely to work in low-wage occupations and have limited control over their schedules. They are often given little or no advance notice of changes to their hours, making it increasingly difficult to meet caregiving and job responsibilities. I have been a long-time supporter of the Schedules That Work Act, which would give workers control over their schedules and provide more predictability and stability to meet responsibilities on the job and at home.*
Today’s children are tomorrow’s leaders, and they deserve a brighter future. Families depend on parents’ employment and children depend on nurturing, stimulating environments for healthy development. The viability of child care programs—and therefore the viability of our nation’s economy—is dependent on substantial, additional, and direct investment. It’s time to provide working families with the solutions they need. Congress can and must make sure that every family has access to affordable, high-quality child care, and that the child care workforce is adequately compensated for the complex, demanding, and critically important job they perform.
Acknowledgments

My sincere thanks to the many people and organizations who shared their perspectives about this issue with my staff and me.

AFSCME
Children’s Institute
Early Care and Education Consortium
Education Explorers
Family Forward Oregon
Joyful Noise Child Development Center
KinderCare
Latino Network
Laura Kirk
Lisa’s Wiggle Worms
Mackenzie Weintraub
Megan McMillan
Mi Escuelita Bilingual Preschool & Child Care
Nancy Gamino
Natalie Jackson
National Association for the Education of Young Children
Northwest Early Learning Hub
Northwest Regional Child Care Resource and Referral
Oregon Association for the Education of Young Children
Oregon Child Development Coalition
ReadyNation Oregon
SEIU