



# ENHANCE

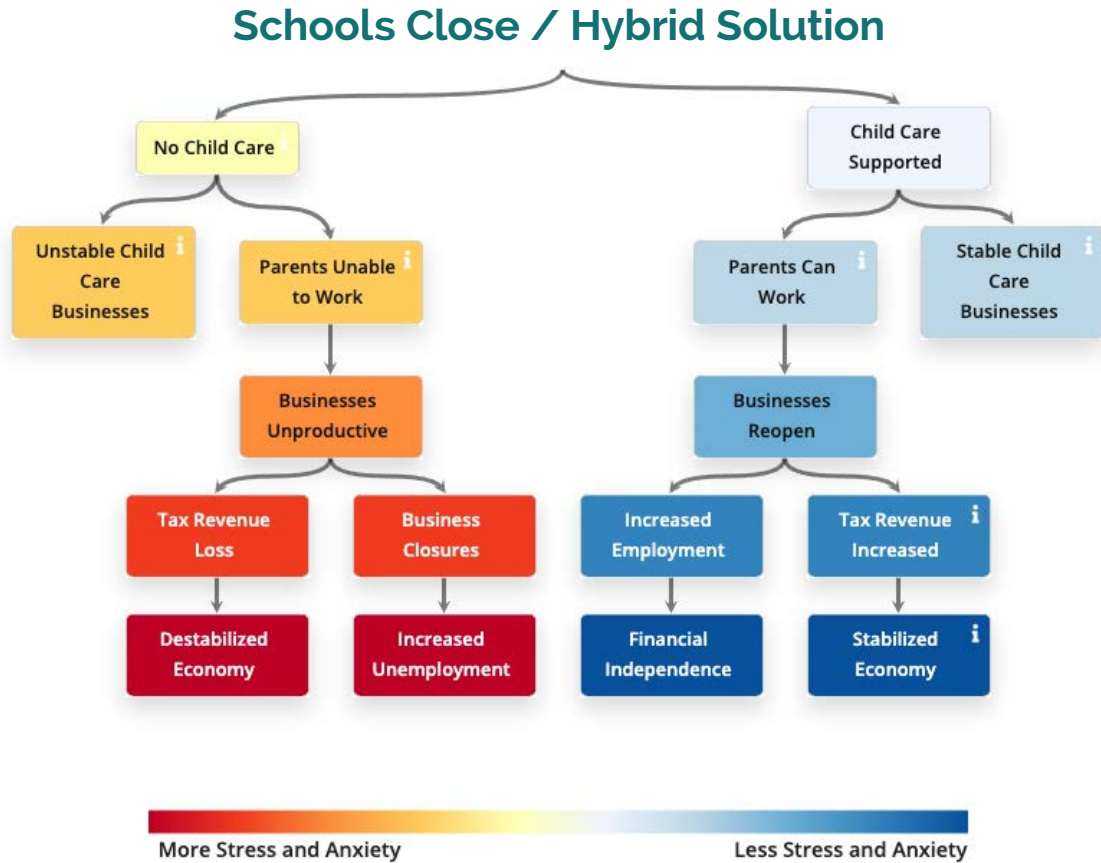
Essential Child Care Needs COVID-19 and Beyond

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# ENHANCE - Summary Report

## Essential Child Care Needs COVID-19 and Beyond

Due to COVID-19 school and business closures resulted in cascading effects to families, providers, businesses, and schools, which illuminated the fractured child care system in Montana that existed before the pandemic. Child care access, affordability and dependability became a central factor in Montana's ability to respond, rebuild and re-open. The below illustrates how child care is linked to resiliency and the below report highlights what ENHANCE learned from conducting a statewide survey:



ENHANCE is a collaborative initiative to address child care and out-of-school time care needs across the state of Montana led by the Montana VOAD (Volunteer Organizations Active in Disasters) Child Care Sub Committee in response to COVID-19. The ENHANCE statewide survey was designed to illustrate the complexity of issues related to child care needs to ensure the state's stability during and post pandemic.

## What is in the ENHANCE Report?

The ENHANCE Report includes the results of the ENHANCE survey - a statewide assessment of the impact of COVID-19 on child care needs across families, care providers, businesses and schools. This was a mixed methods survey design using both quantitative and qualitative questions driven by a robust literature review collected across local, state and national sources. Results and themes from the ENHANCE survey along with highlights from recent reports are presented on this site as interactive data to support advocacy efforts across sectors.

The findings from these efforts highlight how COVID-19 affected child care in Montana and how reinforcing the child care infrastructure is important for a solutions-oriented approach to the state's socio-economic stability. Explore the full report to learn more about how:

- **Child care in Montana is not affordable for most and not accessible to all.**
- **Child care business owners and providers would benefit from increased support at the local, state, and national levels.**
- **The child care business model is broken. Quality care is unaffordable for families and the child care workforce wages inadequate.**
- **The child care system would benefit from increased integration, coordination, and collaboration across sectors.**
- **The fractured child care system is taking a toll on individuals, families, and communities.**

ENHANCE has a mission to ensure Montana re-opens by addressing the cascading effects and resources needed to address child care needs across sectors, building sustainable systems and community resilience. In looking at the impact of COVID-19 through the lens of child care, a road map to respond and rebuild our state and nation is made clear - investing in child care infrastructure is critical.

## Affordability

### Child care is not affordable for most

Without having a stable child care infrastructure to support families, especially essential worker parents - community and economic resiliency is fragile. Parents are faced with making critical decisions for the safety and wellbeing of their children weighed against the financial stability of their family. These are impossible choices. Without an appreciation of how these challenges relate to one another, families will remain vulnerable and at risk having an unknown long term impact on our state's workforce and tax revenue potential. Ultimately this affects all Montanans.

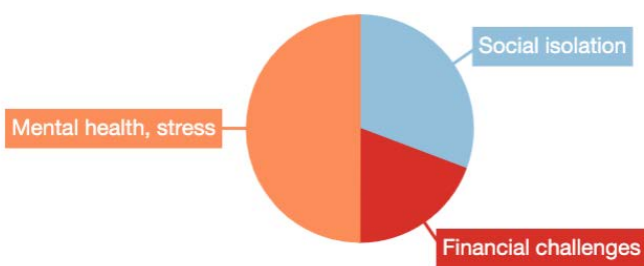
**33.68%**

of Parents reported they can no longer afford child care due to employment changes related to COVID-19 whereas prior to COVID-19, 87% of parents could afford child care.

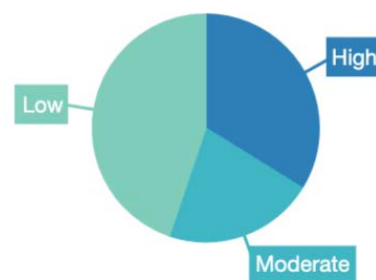
- For families relying on a single parent or are not as well-paid the ability to afford child care even under non-pandemic circumstances is even more of a challenge.
- Census data shows that there are roughly 20,399 single mother households in Montana of which 21.99% have children under 6 years of age.

Parents have the same or greater child care needs than before COVID-19 but with added compounding factors of health risks, loss of income, unpredictable work and school schedules. It is challenging for parents to make decisions for their families when these factors are unpredictable. Added to these challenges are increased stress, anxiety and mental health burdens.

**Parent Challenges**



**Parent Comfort with in-person Child Care**



## Accessibility

### Child care is not accessible for all

The statewide response to close schools and implement shelter - in - place orders had an impact on parents with children, particularly those who are essential workers. Not only did these parents have to design solutions to meet the needs of their children, those solutions were needed immediately in order to be able to work and support essential services. Under normal circumstances after school programs, summer camps and day-care facilities can surge capacity but in light of the nature of COVID-19 these options may not be practical or safe, per national and state guidelines. Parents had to make tough choices about leaving children home either without supervision or relying on family members, friends or paying for child care.

**64%**

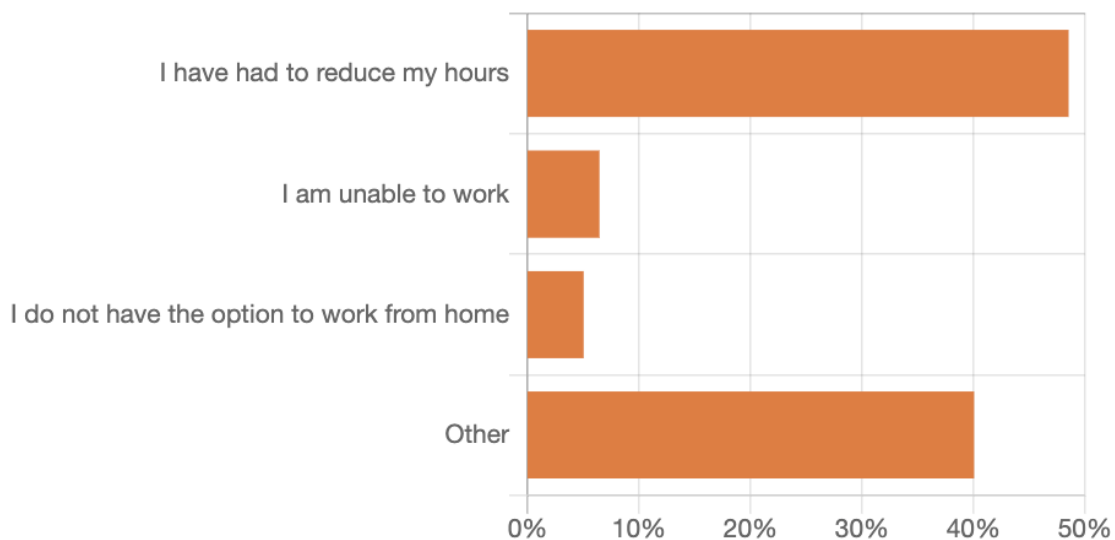
of Parents who responded to the survey were essential workers and **91.6%** of all Parents who responded reported they have the same or greater child care needs than before COVID-19.

**56%**

of Parents reported that working has imposed an **INCREASED** health risk to them and their families. Obvious health risks related to the Coronavirus but related risks include increased domestic violence and addiction.

Shifting to work from home may seem like a win financially but not necessarily if child care needs are not met. The unmet child care needs of Montana's workforce as we move beyond COVID-19 may permanently impact parents ability to return to work.

### How has your need for child care affected your ability to work during COVID-19?

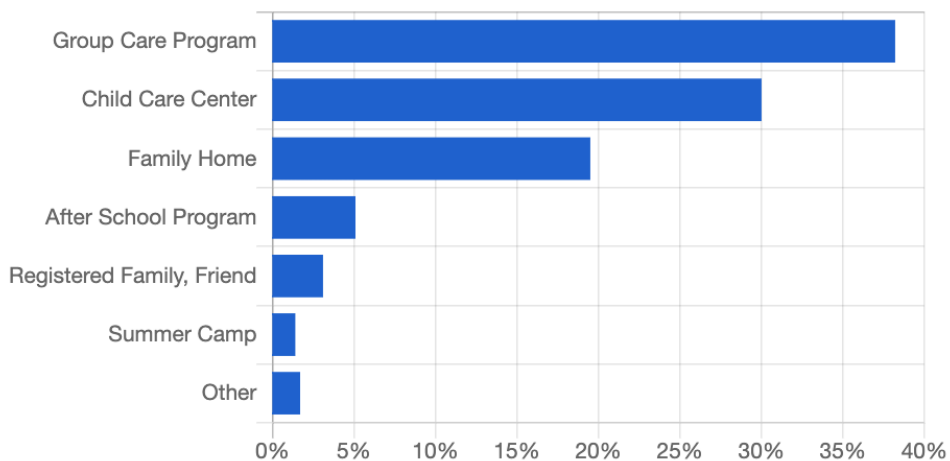


Licensed child care providers are regulated by the state across provider types and include capacity limitations and various requirements to maintain quality child care.

PROVIDER TYPE	CHILDCARE CENTER	GROUP HOME PROVIDER	FAMILY HOME PROVIDER	FAMILY, FRIEND & NEIGHBOR CARE
TOTAL CHILD CAPACITY	13 or More	7 to 12	1 to 6	1 to 2
POSSIBLE INFANT CAPACITY (UNDER AGE 2)	Up to 12	Up to 6	Up to 3	Not Applicable
CAREGIVER EMPLOYMENT	65%	27%	6%	2%
PERCENT OF PROVIDERS	28%	41%	23%	9%

Source: DPHHS CCUBS caregiver data as of 3/1/19. NA = Not applicable because age limits are not typically placed on FFN providers.

The majority of providers reflected these licensed facilities. A handful of summer camp and afterschool programs were also reflected in the ENHANCE results.



Parents are understandably cautious of group child care and many, if they are able, are choosing to keep their young children at home. Regardless, with decreased enrollment, there is a concern that child care businesses will not be able to sustain their operations or remain resilient once families are ready to return to their child care provider, or when health officials dictate it is safe to care for larger groups.

**56%**

**of Child Care providers remained open but with reduced enrollment. Either as a result of a safety precaution or parent choice.**

**60%**

**of Providers have had to reduce pay/hours, laid off, fired or furloughed employees even further limiting potential for capacity.**

**8.62%**

**of Child Care Providers reported a Moderate to High likelihood of permanent closure within the next 2 months**



## Funding

### Child care business owners and child care providers lack supports at the local, state, and national levels

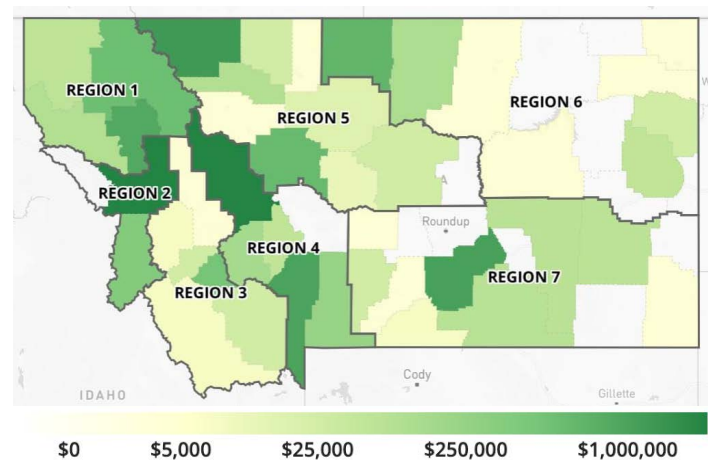
Child care is not typically categorized as a “business” yet providing child care professionally is a business and child care businesses are uniquely impacted by COVID-19. Capacity restrictions, added sterility, safety and personal protective equipment (PPE) supply costs, fluctuating and increased demands have all contributed to challenges faced by providers. COVID-19 CARES Act Relief Funds covered 100% of the Best Beginning Scholarship, a federally funded and state distributed program for low-income families. Relief included copayments for families for the months of March, April, and May 2020 and reimbursing providers at 100% of the authorized amount of care for those same months regardless of attendance. As of July 2020 Montana had distributed \$1,419,479 in Best Beginnings Child Care Scholarship support.

However, the **Best Beginnings Child Care Scholarship only reaches about 25% of eligible families.** Additionally, COVID-19 CARES Act Relief Funds supported licensed child care providers in Montana, by distributing grants totaling between \$3,000 and \$26,500 based on size of program to 818 providers.

ENHANCE’s advocacy work contributed to an additional \$50M of block grant funding to be allocated for Child Care in the below ways:

- \$30 million in grants to maintain and expand child care for school-age children during out of school time.
- \$10 million for families with special circumstances requiring in-home care.
- \$8 million for supplemental payments to all licensed and registered child care facilities to maintain and expand child care slots.
- \$2 million for CCR&R agencies for administration and outreach.

#### Special Circumstance Child Care Scholarships by County



COVID-19 highlighted how the historically limited investment in child care as a common - public good correlated with our collective ability to respond and our limitations to meet the demand. It required a significant amount of advocacy and reliance on aid funding to ensure at least in the immediate response to COVID-19 child care services would be available.

## Market Failure

### Child care businesses are unstable - a product of market failure

In order for child care programs to be financially sustainable they must live by what is called the Iron Triangle, they must strive for full enrollment every day, collect tuition on time and in full, and match annual revenue to expenses. Since the pandemic, nearly every child care program in Montana has had at least one, if not all three, of these elements at risk. Providers operate with thin margins and even one month of missed income, or an unexpected decrease in enrollment can be catastrophic.

**83%**

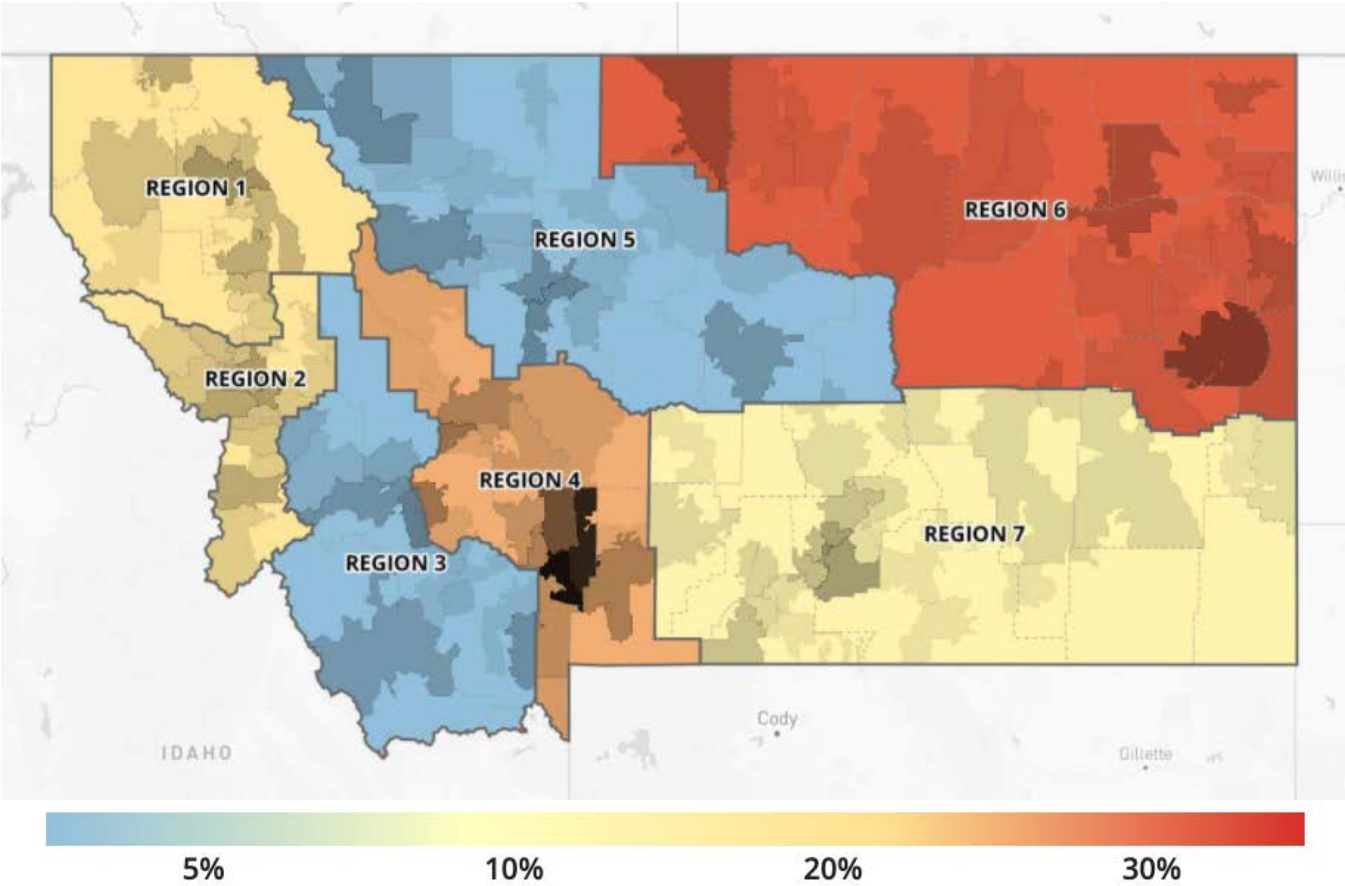
of Providers reported they are NOT prepared or UNAWARE of what is required to offer staff under federal policies if a case of COVID-19 is suspected in their program

- The lack of preparedness amongst providers is concerning.
- Early on during the pandemic, the National Association of Education of Young Children conducted a national survey, where 58% of Montana respondents indicated they would be unable to survive a closure lasting two weeks or more, the required quarantine time should a child or staff member test positive for COVID-19. For small providers a single-positive COVID-19 event can be catastrophic.

In addition to reduced enrollment, child care businesses are experiencing greater than normal expenses in order to implement safety precautions and increased sanitation procedures. Cost of cleaning supplies not only doubled but so did the amount of supplies that must be used every day to ensure programs are following best practice guidelines for keeping facilities and surfaces disinfected and clean. Not to mention the increased staff time required to implement the increased sanitation procedures.

Regions at risk of losing valuable providers across the state are Region #4 and #6 with Region 6 representing very rural communities.

### Provider Unable to Recover in Next Two Years



\* Darker areas represent density of ENHANCE survey respondents by zipcode. Color scale corresponds to the percentage of Providers who reported that they will not recover financially in the next two years.

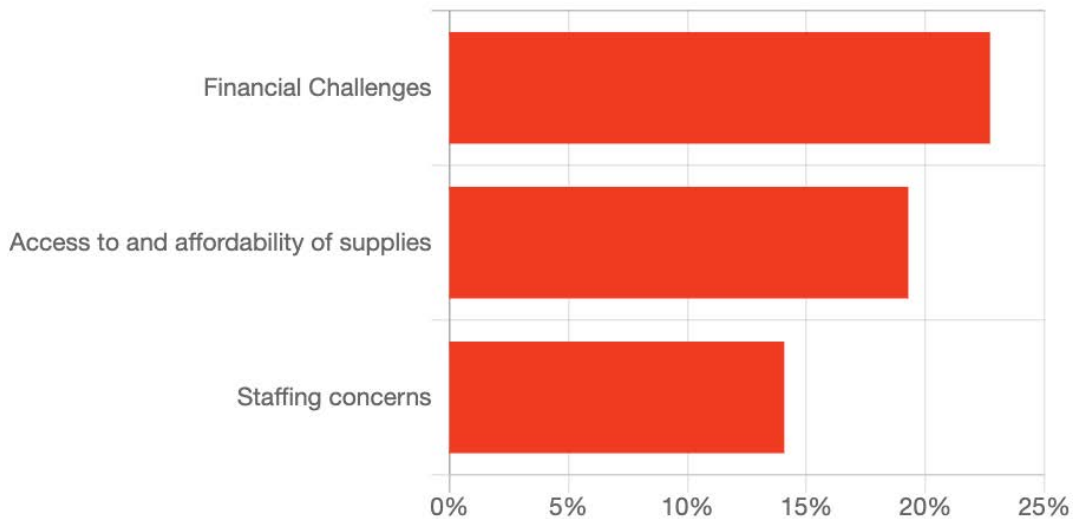
**\$19,137**

When asked to put a value on total costs related to COVID-19, Providers averaged \$19,137 with a monthly average cost of \$4,235.

Providers across the state benefited from COVID-19 relief packages with the top 3 accessed packages being State Grants to Licensed Care Providers (24.42%), CARES Act Stimulus Checks (18.27%) and Unemployment (17.94%) but 45.85% of providers who did not access any relief package reported they did not know if they would qualify or how to apply or access relief packages.

With CARES Act Funding ending at the close of this year child care businesses are at risk as reduced enrollment and attendance combined with temporary closures costs is not a viable nor financially stable outcome for this industry. Even one temporary closure could result in permanent closure for these small businesses.

### TOP 3 Challenges Providers have Experienced since COVID



As our state looks to make decisions about economic recovery, our success depends on including child care as a critical component of our plans to meet the changing needs of children, families, and employers.

### The child care system is disconnected

In a typical disaster (Flood, Hurricane or Earthquake) schools provide acute shelter but longer term services are supported by churches, charities (ie Red Cross, United Way). As COVID-19 is not a typical disaster (e.g. there is not a defined and predictable term or duration, boundary of affected area, or population affected) the typical disaster responses do not match the need. Further, there is a lack of coordination between child care providers, families, employers, schools, and agencies providing health crisis support services.

**Only 8.72%**

of schools supported direct emergency child care solutions for COVID-19

**78.3%**

of schools (who completed the survey) reported they have unknown plans or are returning to school with a reduced capacity or hybrid online learning solution for the 2020-21 school year.

- Schools were immediately closed upon COVID-19 outbreak and in retrospect there was a missed opportunity for schools to serve as emergency child care providers as they have the infrastructure set up for child care, cafeterias and bathrooms on campus that could have served as a natural space for emergency child care, particularly for essential workers.
- There are 823 schools in Montana, 435 of them representing elementary schools.
- 41.37% of schools reporting that prior to COVID-19 they supported families with child care needs directly through provider partnerships yet 57.45% of schools reported that they do NOT plan to support child care needs during the '20-'21 school year if attendance does not return to pre-COVID-19 structures.

There is an opportunity for schools to play a critical role in collaborating with providers in their community to support child care needs. Communication of school plans and services will be critical as plans remain unpredictable leading into flu season on top of the pandemic and resurgence of outbreaks. Creative solutions and coordination of services will be critical for schools to recover financially even with government subsidies.

Businesses can play a major role in improving affordability and access to child care for their workforce. This can not only reinforce the entire child care infrastructure but can be a successful retention strategy to attract young families to Montana, overall boosting our economic stability.

**54.47%**

of Businesses report employees are struggling to continue or return to work due to child care challenges

Only 21.1% of businesses reported to offer child care benefits as part of employment but 69.62% are not sure or would consider implementing child care benefits

## The “Work” in Working From Home

Many businesses maintained employment during COVID-19 by pivoting operations for employees to work from home. For employees with children the ability to efficiently and effectively work from home is compounded by child care responsibilities and with ‘20-’21 school year plans including virtual learning parents struggle to maintain these conflicting obligations.

**One Business respondent stated:**

**“Increased demand for our services, staff that do not have child care or school, now have to be at home AND be education teachers for their kids, while also being employees. Not sustainable”**

One Parent respondent stated:

**“At some point, one of us will likely have to opt out of the workforce. We cannot effectively homeschool our children while trying to work full time. Neither of us would like to stop working but may be forced to without enriching and educational activities for our children.”**

It is in the best interest of employers to be proactive in identifying child care needs of their employees and be innovative in their approach to providing sick leave, flexible schedules, telework options, and other solutions to best meet the needs of businesses, employees, and families. Businesses can collaborate with community organizations and work with school districts to support creative solutions such as co-op child care partnerships, work-family balance policies, on-site child care, flexible scheduling arrangements, and connecting employees with community resources.

**67%**

of children under the age of 6 live in households where all available adults are working - **without child care these children are left vulnerable.**

An estimated **27,000 Montanans** fell into these categories in September, which is just **over 5%** of the labor force.

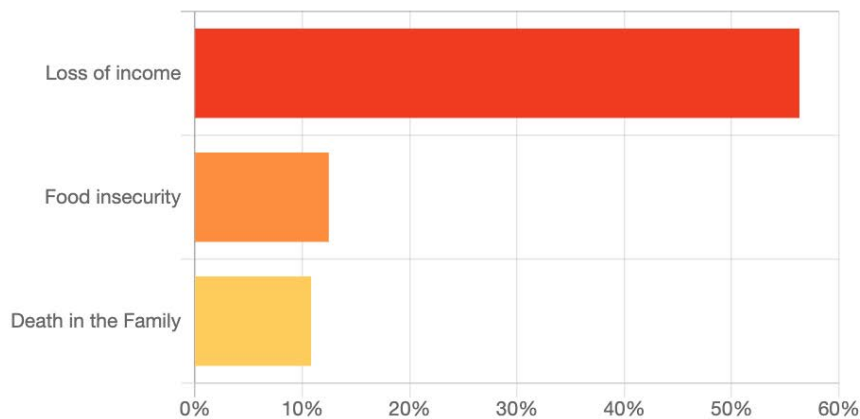
- Are unemployed and did not look for work due to family responsibilities/child care problems
- Are working part-time and did not look for part-time work due to family responsibilities/child care problems
- Had to take time off of work in the last week due to family responsibilities/child care problems

# Chronic Stress

## The fractured child care system is taking its toll

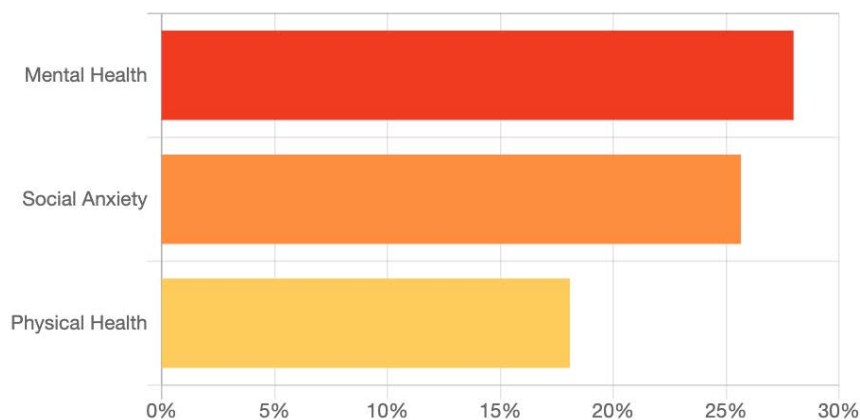
Stress in the home due to COVID-19 is compounded by increased anxiety, economic distress, mental illness, addiction, and abuse. These stressors amongst others are known as Adverse Childhood Experiences (ACEs) and they have a tremendous impact on future violence victimization and perpetration, and lifelong health and opportunity. ACE prevention and intervention are critical to the overall wellbeing of our communities.

### TOP 3 Significant events experienced by families since COVID-19



Significant events such as loss of income, food insecurity and death in the family are considered proxy to ACEs all of which have been more likely to occur due to COVID-19.

### TOP 3 Concerns of Parents for long term impact of COVID on themselves or their child/children

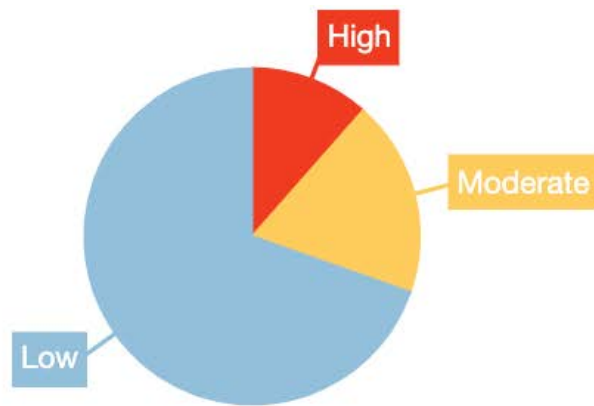


A third of Parents #1 concern is the long term mental health impact of COVID-19 on themselves and their children.



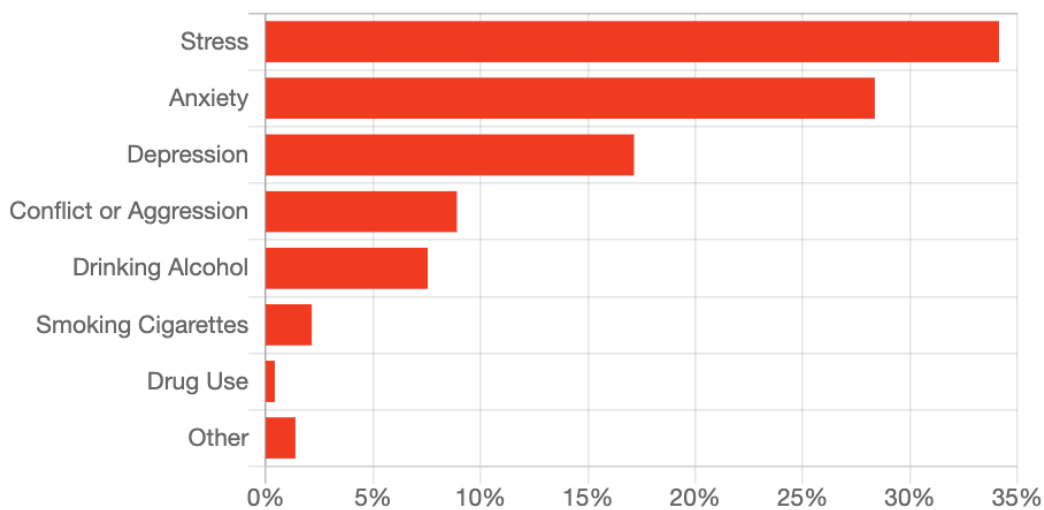
Chronic stress is of concern as parents are faced with the challenge of continued homeschooling and the lack of community support.

### Reported Stress Levels as a Parent



The overall increase of ACEs related experiences pose concern of the long-term impact COVID-19 will have on this generation of children.

### Family members experienced an increase in:



CDC recommendations for preventing ACEs align with solutions that address the cascading effects of COVID-19 on child care.

### Investing in child care is investing in Montana

Child care businesses and the child care system is on the brink of collapse. This is not new, instead, it has been on the brink for some time, and the COVID-19 pandemic has highlighted and exacerbated these intersecting factors and cascading effects.

Historically, child care and the work of child care providers has been undervalued. Child care should be considered an essential service and an essential local business. There is a need for financial and business support for child care providers so that they can compete and be sustainable in the economic market.

These results demonstrate the need for workplace support and family friendly policies to support the diverse needs of families and communities such as flexible schedules, telework, alternative schedules, and paid leave.

Child care providers and families cannot fund child care alone. Financial support from local, state and federal sources is essential as the system cannot sustain itself. Investment in child care will have significant long term health and economic impacts for families, child care providers, and communities for generations.

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## Collaborators & Advocates

For a full list of ENHANCE Collaborators and Advocates, read the Survey Results full report at:

<https://www.enhancemt.org/survey-results.html#report-collaborators>