

Uncertainty Ahead Means Instability Now

Why Families, Children, Educators, Businesses, and States Need Congress to Fund Child Care

December 2022

MICHIGAN



The problems are clear: Families can't find or afford child care because compensation is too low to attract and retain early childhood educators. As federal relief dollars that have saved the sector from complete collapse begin to dry up, the stability those dollars brought to programs will disappear with the funding.

The solutions are clear: The public benefits from public investments in child care and early learning. Congress needs to build on the successes of child care funding to prioritize additional, sustainable investments that ensure programs and educators can meet the needs of families, children, and businesses, and states can continue to build towards an early childhood education system that works.

In October 2022, more than 12,000 early childhood educators from all states and settings—including faith-based programs, family child care homes, Head Starts, and child care centers—responded to a new ECE field survey from the National Association for the Education of Young Children (NAEYC). The results of this survey continue to show that relief helped, but uncertainty about the future is impacting the present.

Here are some reflections from survey respondents in Michigan:

"The stabilization grant helped us in many ways, however it did not solve our biggest problem which is a high staff turnover. Despite offering a bonus, we still have staff choosing to leave because our wages are not high enough for them. Our wages are not a livable wage for most. We need regular supplemental income in addition to our tuition that we charge."—Program Director/Administrator

"How will I stay open? I can have 7 kids at \$3.00 to \$3.50 an hour. I can not buy food, pay business utilities, and insurance on that. I can not raise rates on families. Right now the grants and the higher state aid are all that is keeping me open. State pay goes back down next year. I do not know if I will stay open past that."—Family child care owner/operator

"As a result of the stabilization grants, for the first time in the 13 years I have been at our center, we are able to make building improvements and replace equipment as well as purchase new and exciting materials for the children we serve."—Program Director/Administrator

"Stabilization grants are providing us with opportunities to better train our staff and have money in our budgets to pay for schooling, training, and furthering education."—Program Director/Administrator

Here's a brief summary of the survey data from Michigan:

	MICHIGAN	NATIONAL
Sample Size	223	12,897
Child Care Center	39.0%	47.7%
Family Child Care	9.4%	18.6%
STABILIZATION GRANTS¹		
Total reporting that their program would have closed without grants	19.5%	34.0%
Total reporting that they believe their last payment will be in 2023	39.2%	61.0%
Total reporting that they do not know when their last payment will be	48.5%	27.0%
When stabilization grants end:		
Total reporting their programs will have to cut wages or be unable to sustain wage/salary increases	25.4%	23.0%
STAFFING AND SUPPLY		
Current Challenges		
Total reporting that their program is currently experiencing a staffing shortage	64.6%	67.0%
Among respondents in programs with a staffing shortage:		
› Reporting they are serving fewer children	56.2%	45.4%
› Reporting a longer waitlist	44.4%	37.4%
Future Challenges		
Total indicating “yes” or “maybe” to considering leaving their job or closing their family child care home	19.3%	29.2%
› In minority-owned businesses considering leaving	40.9%	43.7%
› In non-minority-owned businesses considering leaving	16.5%	25.0%
Number one thing needed to stay	Competitive wages	Competitive wages
ECE WORKFORCE WELL-BEING		
Total respondents experiencing financial insecurity in the last year	28.3%	29.5%
Total respondents who received more money from a wage increase or supplement in the last year	50.7%	49.4%
Total indicating that burnout/exhaustion are “greatly” or “to some extent” contributing to problems retaining teachers	82.1%	78.0%

Methodology This online survey, created and conducted by NAEYC using SurveyMonkey, represents the responses of a non-randomized sample of 13,037 individuals working in early childhood education settings who completed the survey in English or Spanish between October 5-23, 2022. To generate a more representative national sample from the pool of responses, a probability proportional to size (PPS) methodology was used to pull samples by state that are benchmarked to the share of the total early childhood workforce by state. These shares were calculated by the authors from the Bureau of Labor Statistics May 2021 Occupational Employment and Wage Statistics (Codes: 11-9031, 25-2011, 25-2051, 39-9011). The final sample size for the national-level analysis is 12,897. In contrast, for the state-level analysis, the entire sample of responses from each state were used. We are unable to supply detailed analysis in states for which there are very small sample sizes across sub-groups. Respondents were asked to select any setting that applied to them. They could choose from the following list: child care center, family child care home, non-profit, for-profit, school-based, Head Start, faith-based, multi-site. For this brief, only the percentages for child care center and family child care are reported.

The survey links were shared widely through email newsletters, listservs, social media, and via partnerships, and 10 randomly selected respondents were provided with a \$100 gift card for participation in a sweepstakes. Given the constantly changing and widely varying nature of the crisis, the broad analysis from this survey is intended to present the experiences of the respondents, as captured in the moment that they take the survey, with extrapolations for the experiences of the field and industry at large. Additional information available at www.naeyc.org/pandemic-surveys

1. For more state-level information about the receipt of stability grants, please see ACF's state profiles. According to the profile for Michigan, providers in 100% of Michigan's counties received funds as of 6/30/22. https://www.acf.hhs.gov/sites/default/files/documents/occ/Michigan_ARP_Child_Care_Stabilization_Fact_Sheet.pdf