



Quality Child Care is Under Serious Threat in Georgia

Executive Summary

For the second year in a row, Quality Care for Children has seen substantial declines in quality in our survey of child care centers and providers. The past two years have been extremely challenging for child care programs, as they have for many other small businesses and nonprofits. Overall, we can identify two main trends occurring during the recession: a substantial drop in the total number of child care programs in Georgia, and a large decline in the number of programs accredited by the National Association for the Education of Young Children, the most widely recognized mark of quality for child care centers.



- Since 2007, the number of child care centers accredited by the National Association for the Education of Young Children decreased by more than 27 percent. As of mid-December 2009, only 221 programs serving 26,843 children were NAEYC accredited. This is a small percentage of the 470,000 children in Georgia under the age of 6 who spend as much as 10 hours a day in the care of someone other than their parents.
- The total number of child care programs is down substantially in the past three years, with the biggest drop coming in 2009, when the number of family child care providers fell by nearly 34 percent and the number of child care centers dropped 19 percent.

This year's survey goes into more detail about why and how child care quality and quantity are declining:

- More parents are unable to afford high-quality care and are opting for cheaper care for their children. Although less expensive care does not always mean lower quality, that is often the case.
- As revenues decline, many centers are forced to cut back on teacher and staff training as well as needed repairs and supplies, such as books.
- Enrollment is dropping, putting programs at risk. Nearly one out of five child care centers and more than one-fourth of family care providers are "worried about having to close."

This is the second year in a row Quality Care for Children has documented declines in both quantity and quality of child care programs in Georgia.

A system of quality and affordable child care is critical for our children, families and state to thrive. High quality child care benefits children in terms of their cognitive and social development, school readiness and health and well-being, contributing to the long-term economic development of the state.¹ QCC believes that by supporting Georgia's child care programs, we are also supporting Georgia's children. We will continue to monitor the impact of the economic troubles on child care programs and provide support and resources to help the remaining programs survive and maintain, as much as possible, an enriching environment for all our children.

Over the past several decades, women have entered the workforce in record numbers. In the 1940s, fewer than one in five women with children worked outside the home. By 1998, 65 percent of women with children under the age of six were in the labor force. The percentage was even higher among women with children between the ages of six and 17 - 78 percent. Today, over half (55 percent) of these women provide most, if not all, of their family's income. By the most conservative estimate, parents' earnings in Georgia supported by the availability of child care are \$13.6 billion.²

The increase in the number of mothers working outside the home, as well as families where both parents work outside the home, has led to a much greater demand for child care services in Georgia. Now with unemployment up to 10.5%, many families need child care so they can conduct a job search, but they cannot afford child care fees. Some child care providers are allowing children to stay for a reduced fee or even free. Many parents are making difficult decisions about who cares for their children while they search for work. Some are turning to unlicensed child care in order to meet all of the demands placed on them. At the same time, research on brain development has shown that the child care years, birth to five, are critical, setting the foundation for all future learning and development. Quality, affordable child care is essential so that parents can work and children can learn. *It is a troubling fact that, as evidence continues to mount about the value of early learning and nurturing, the quality of care provided to Georgia's youngest citizens is declining measurably.*

"We continue to learn about the importance of development in the early years, and foundations, businesses and parents are more concerned than ever about child care quality – and yet the number of high quality programs is dropping," said Pam Tatum, CEO of Quality Care for Children. "We must be vigilant about child care quality and what's best for the children. We must put children first."

Survey Results

More parents are unable to afford high-quality child care programs.

The effects of the recession are trickling down to the youngest Georgians, as parents lose jobs or have seen their hours and income reduced and are forced to seek less expensive care for their children. Parents must have child care in order to look for work, but many can no longer afford their existing programs and must find less expensive options. Although lower cost does not always mean lower quality – that is often the trade-off.

This "trading down" could have long-term consequences for the development of children in our state. There is strong evidence linking high-quality care with improved cognitive, language and social development.³ In addition, studies over time have shown that higher quality child care contributes to later school success in a wide variety of areas, including higher math scores and improved cognitive and behavioral skills.⁴

According to the survey, 92 percent of child care centers and 76 percent of family child care providers

1 "Georgia's Child Care Industry: Economic Impact and Workforce Development Study," The Child Policy Partnership, executive summary.
2 *ibid*

3 Shonkoff J., and Phillips, D. (Eds.) (2000). National Research Council and Institute of Medicine. *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Washington, DC: National Academy Press.

4 Frank Porter Graham Child Development Institute, University of North Carolina, Chapel Hill. *Early Learning, Later Success, The Abecedarian Study*, Executive Summary, 2000.

have seen an increase in the number of parents losing their jobs. Not surprisingly, 60 percent of child care centers and more than 36 percent of family child care providers have seen an increase in parents leaving for less expensive programs. Nearly 70 percent of family child care providers have seen an increase in the number of parents who report they are unable to afford child care.

Nearly 81 percent of child care centers and more than 56 percent of family child care providers have seen an increase in parents leaving child care to place their child with a friend or relative. Although this can be a good option, there is no guarantee that the environments are safe or that the caregivers have sufficient experience or training to promote early learning.

More child care programs are unable to meet high quality standards.

Child care programs cut back on teacher/staff training and benefits as revenues decline.

One of the most important factors in child care is the quality of the teachers and staff. The education levels, specialized training and pay of teachers in particular have been found to be closely linked to quality of child care.⁵ And yet many child care programs must cut teacher and staff benefits and eliminate or reduce training because they simply can no longer afford it.

More than 42 percent of family child care providers report that their revenues “are down a lot.” About the same percentage of child care centers describe themselves as “struggling to make ends meet.” As a result, 22 percent of child care centers are cutting teacher and staff benefits and nearly 15 percent are no longer paying for, or providing teacher/staff training. Nearly a third of family child care providers are changing or putting off plans to attend training.

Child care programs are spending less on needed improvements and supplies such as books and toys.

More than half of child care centers and family child care providers are putting off needed improvements. Sixty-three percent of family child care providers and 43 percent of child care centers are spending less on books, educational toys and materials.

Child care programs and providers are reducing or waiving fees, often at their own expense.

A third of child care centers and more than 36 percent of family child care providers report that they have adjusted their fee schedules to allow parents more time to pay. At the same time, more than 20 percent of child care centers and nearly 35 percent of family child care providers reduced their fees for parents. While this assistance is helpful for parents and enables them to keep their children enrolled, it reduces the overall revenues and therefore has a detrimental affect on quality.

Enrollment is dropping, putting programs at risk.

Child care is a business with very low profit margins.⁶ Programs need to be full or nearly full at all times in order to make ends meet. According to the survey, more than 84 percent of child care centers are seeing increased vacancies this year – for the second year in a row. Thirty-seven percent of centers are between half and two-thirds full, while 18 percent are less than half full. Nearly 19 percent of centers are “worried about having to close.” Meanwhile, over 27 percent of family child care providers are worried about closing and more than 6 percent are “making preparations to close.”

This statewide survey was conducted February 15, 2010 by Quality Care for Children and includes responses from 356 child care centers and 552 family child care providers.

5 Peisner-Feinberg, E. S., Burchinal, M. R., Clifford, R. M., Culkin, M., Howes, C., Kagan, S. L., Yazejian, N., Byler, P., & Rustici, J. (1999). *The children of the Cost, Quality, & Outcomes Study go to school: Executive summary*. Chapel Hill, NC: Frank Porter Graham Child Development Center, University of North Carolina at Chapel Hill.

6 For-profit day cares typically earn a pre-tax profit of 4 percent to 5 percent, according to Marketdata Enterprises, a Florida research firm, as quoted in Seattle Post-Intelligencer special report. 6/24/2002

What Quality Care for Children is Doing

Over the short term, we are helping families maintain child care and child care programs maintain quality. Quality Care for Children does this by:

- Raising money for child care scholarships to help families struggling to pay for child care
- Providing financial support to high-quality programs currently suffering from high vacancies and revenue losses

We also are working on long-term solutions, including an alliance that will allow child care programs to use their collective buying power to save money on goods and services – freeing up money they can then use to improve quality.

Most child care programs are small, independently-owned businesses and are currently unable to save money by buying large quantities, or get the discounts available to much larger buyers. The Georgia Alliance for Quality Child Care, which will launch this spring, will allow child care programs to buy goods and services at group prices.

This recession has exposed vulnerability in the system that has long existed. Children need a level of quality that often times neither the parents nor the child care programs can afford to provide. While we continue to advocate for child care subsidies to make child care affordable for parents, this is one way to make *quality* more affordable for child care programs.

About Quality Care for Children

Quality Care for Children is an Atlanta-based nonprofit organization with a 30-year history of ensuring Georgia's infants and young children are nurtured and educated. The organization's primary focus is on creating excellence in child care and early learning by:

- **Building Supply:** providing training and resources to child care providers to increase the overall quality of care.
- **Finding Quality:** helping parents access quality affordable care for their children to ensure the best early learning experiences.

Quality Care for Children (QCC) is the single source of child care referrals for the State of Georgia through 877-ALL-GA-KIDS help line.

The organization also works with child care providers to ensure children are fed nutritious meals through the child care food program. In total, the organization leverages more than \$4 million annually in food reimbursements.