

## New Survey Shows Child Care Closures are Looming

The availability of child care across Texas is in jeopardy without significant, ongoing investments from local, state, and federal governments. A survey conducted by the Texas Association for the Education of Young Children (TXAEYC) in August 2023 of over 1,800 child care administrators reveals that **only 31% of child care programs are likely to remain open** without additional funding, **26% of child care programs reported that they are likely to close**, and 43% are unsure if they will close or not.

Every Texan, regardless if they have young children or not, relies on the supply of affordable, high-quality child care in our communities. We all depend on working parents who fill critical roles in our communities. If these working parents do not have access to child care for their young children, it will compromise their ability to participate in the workforce. This will be felt across all industries on which every day Texans rely.

### Child Care Shortages Driven by Teacher Shortages

Without sufficient staff, child care programs cannot be enrolled at full capacity. Over half of respondents to the survey indicated that their **top challenges are the recruitment and retention of staff**. This is leading to under enrollment in child care programs.

According to the survey, **only 20% of child care programs reported that their program is enrolled at full capacity and nearly half of programs reported they have empty or unused classrooms**. While Texas can use more child care facilities, especially in communities with few child care options, under enrollment of existing facilities must be addressed.

**Roughly 40% of programs reported having a waitlist** through the survey. Of those with waitlists, 60% are not enrolled at full capacity, with 30% indicating they have empty or unused classrooms. This demonstrates that many child care programs could serve additional children but are unable to.

**Pandemic relief funding directly for child care programs is coming to an end.** The Texas Workforce Commission distributed over \$4 billion in Child Care Relief Funding to nearly 11,000 child care programs between 2021-2023. Final payments to child care programs began in 2023, with most programs receiving their final payments by June 2023. Child care programs have through November 2023 to spend these funds. However, many programs have already fully expended these funds.

During the 2023 legislative session, the Texas Legislature considered a proposal to use \$2.3 billion in state funding to continue the child care grants after the federal funding expires, but legislators ultimately decided not to approve the funding. As this crisis escalates, supporting child care must be a priority for the state Legislature during the next session.

Staff shortages can be attributed to low wages in the child care industry. **The average early childhood educator in Texas earns only \$12/hour<sup>1</sup>** and typically does not have access to benefits. Only 1 in 10 early childhood educators in Texas earns a living wage, according to the Prenatal-to-3 Policy Impact Center. As Child Care Relief Funding is expended, 43% of programs reported they will have to cut wages or will be unable to sustain wage increases for their staff, according to the recent survey.

*"We are a small private non-profit preschool and the CCRF allowed us to increase teacher salaries and even give a bonus to staff. Our thought was the increase in salaries would be taken care of with an increase in enrollment which unfortunately, has not happened due to staffing shortages. Since we have been unable to hire competent employees, we have not been able to increase enrollment."*

- Cheryl Schaum, Preston Meadow Lutheran Church Kids Day Out Preschool, Plano, TX

## Child Care Will Become More Unaffordable for Families

Many child care programs utilized Child Care Relief Funds to curb tuition increases for families. However, without these funds, **72% of child care programs reported through the survey that they will have to raise tuition.** Tuition is already unaffordable across Texas as the average cost of infant care is over \$9,000/year<sup>2</sup>. 57% of child care programs reported that families' inability to afford tuition is one of the top challenges they are currently facing.

*"I am currently working on a tuition increase price list. However, I keep deleting the cost because I know my current parents and parents who are calling almost daily to inquire about slots available and tuition rates will not be able to afford childcare at the rate needed to keep the program running and the staff to make enough money to care for families."*

- Stephanie Kemp, Lil Fox's Den Child Development Center, Killeen, TX

## Investments in Child Care Work

The Child Care Relief Funding helped keep many child care programs open. **Two-thirds of child care programs reported that their program would have closed without these funds.** The top uses of these funds reported were program/classroom supplies, baseline wages for staff, and bonuses for existing staff. After these funds are expended, child care programs will be in a tough place as they figure out how to continue to cover all of their costs.

*The CCRF funds have been very beneficial and necessary for us to retain employees during this period of high inflation. With these funds ending, we are very concerned about being able to retain our trained, qualified, and excellent teachers. If we cannot keep them or find new ones, then we will probably have to reduce our services and/or possibly close as parents in our community cannot afford the 'true' cost of childcare, let alone high quality childcare.*

- Kaye Boehning, Tomorrow's Promise Montessori Schools, Huntsville, TX

## Additional Investments Required to Protect Supply of Child Care

Additional investment in child care at the local, state, and federal levels are required to protect and increase the supply of high-quality child care in Texas. With staffing challenges leading to lower enrollment in programs, **TXAEYC urges policymakers to prioritize strategies that increase the compensation of and supports for the early childhood workforce** aimed at building up the pipeline and supply of early childhood educators, allowing child care programs to enroll at full capacity. This will increase the supply of child care in communities across Texas and allow working families to participate in the workforce.

### About TXAEYC

The Texas Association for the Education of Young Children is a professional membership association that works to increase access to high-quality early childhood education and to advance a diverse, well-prepared, and well-compensated early childhood profession. With nearly 3,000 members and 17 local chapters, TXAEYC is the largest membership organization in the state of Texas for early childhood professionals. We are an affiliate of the National Association for the Education of Young Children, the Southern Early Childhood Association, and ACCESS - Associate Degree Early Childhood Teacher Educators.

### Methodology

TXAEYC distributed the survey to all licensed child care centers and licensed or registered family child care homes who had email addresses on file with the Texas Health and Human Services Commission. The survey was open between August 3-21, 2023 during which 1,886 eligible responses were received. Eligible responses were those received from child care directors/owners whose programs received Child Care Relief Fundings. Respondents represent 159 counties. 79% percent of respondents were child care centers and 21% were family child care homes.

### References

<sup>1</sup>Prenatal-to-3 Policy Impact Center. (2023). *Texas early childhood educators do not earn a living wage*. Retrieved at <https://pn3policy.org/resources/child-care-in-crisis-texas-case-study-1/>

<sup>2</sup>First Five Years Fund. (2023). *Child care and early education in Texas*. Retrieved at [https://www.ffyf.org/wp-content/uploads/2023/07/FFYF\\_Texas\\_2023.pdf](https://www.ffyf.org/wp-content/uploads/2023/07/FFYF_Texas_2023.pdf)