

Action for Children



# The Tipping Point

## CENTRAL OHIO CHILD CARE PROVIDER SURVEY REPORT

November 2023



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# About Action for Children

Action for Children is a community-based nonprofit organization that works to positively impact child well-being and growth through child care and parent support services in central Ohio.<sup>1</sup> Action for Children is the local child care resource and referral agency serving Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, and Union Counties. This is Service Delivery Area (SDA) 9 in Ohio's Child Care Resource and Referral Network.

Throughout this report, SDA 9, inclusive of all seven counties, will be referred to as “central Ohio.”

## About this report

The Central Ohio Child Care Provider Survey began in 2020 with a need to understand what was happening in the child care sector during the public health emergency caused by the COVID-19 pandemic. The context is changing, and now is still a critical time to focus on child care and work toward smart policies and investments that look to future reform and sustainability.

This fifth survey confirms one thing the field itself has understood for a long time: Every part of the child care system is connected. However interconnected, it is not in balance, and child care is at a tipping point. Thanks to federal relief funding that is soon to end, and state and local leadership, there are signs of improvement in this survey. We can build on that, or we can fall backwards. National leaders tell us it is a “textbook example of a broken market,” that fails to meet the needs of children, caregivers, working parents, and communities.<sup>2</sup> Here in central Ohio, new data shows providers continue to struggle to pay expenses, families face rising tuition, and caregivers lack critical supports like health insurance. Action at the local, state, and national level is needed to push child care forward.

Investment is crucial. It is not sustainable to rely only on limited public subsidies and what families can pay. Government, business, and philanthropic leaders at all levels can work together to solve what needs to be solved in a way that recognizes families' preferences and respects the skilled work of caregiving educators in early childhood programs.

The child care stabilization grants funded by Congress worked. This was an effective intervention, but unfortunately the federal funding stopped coming. There is an urgent need for sustained flexible investment to be used in centers and family child care programs.

Without such intervention soon, the stress and strain borne by child care programs and the families and caregivers who rely on them will worsen, and our children and communities will lose.

## Objectives

- Gather quantitative and qualitative data regarding the current state of the child care sector in central Ohio
- Understand the ground level experience of the child care sector in central Ohio
- Communicate the priorities of the child care community to local, state, and federal policymakers and leaders
- Understand the people and stories behind the data

## Methods

- An online survey was distributed September 11, 2023, to 1,239 licensed providers in central Ohio (SDA 9) via e-mail.
- Over the course of 3 weeks, providers received reminders via email, phone, and social media. Throughout the data collection period, survey respondents were randomly selected and received gift cards and children’s books to encourage and thank them for their participation.
- A total of 419 responses were collected (266 child care centers, 153 family child care homes).
  - The results are statistically significant with 95% confidence and a margin of error of 5%.
  - The results are generalizable throughout each county and by the two major program types: child care centers and family child care homes.
- Qualitative data was gathered through open-ended responses and focus groups with survey respondents to understand the real-world perspective of the findings.

## Representative Demographics of Survey Responses

The 2023 Central Ohio Child Care Provider Survey respondents are representative of the child care providers (centers and family child care homes) throughout central Ohio, by setting type and by race. There is proportional representation across each county in central Ohio. There is a slight overrepresentation in the survey of family child care providers as well as programs that have Publicly Funded Child Care (PFCC) Agreements. This representation is similar to the 2022 survey and report, *Reckoning, Not Recovery*.<sup>3</sup> Please see Appendix A for details.



“Child care wages and tuition pricing is at a tipping point. It can be difficult hiring qualified teachers with the compensation we are able to offer and we can’t raise our prices much more without pushing parents to the point they can’t afford us. This is a huge trend all over childcare in Ohio.” – Child Care Center Director, Franklin County

# Summary of Findings

## Survey results at-a-glance, by county across central Ohio

### Provider confidence outlook

- Thirteen percent of child care providers report they are unsure if they will be open in the next three months. This is a two percentage point increase overall from 2022. Licking and Fairfield counties show five percentage point increases and Franklin County is a two percentage point increase. Delaware County reports a 1 percentage point decrease in comparison to the 2022 survey results. In 2022, 7% of child care centers and 19% of family child care providers lacked confidence in remaining open in three months. This year marks a slight increase in child care providers lacking confidence for their short term survival.

SDA9 (Central Ohio)	Delaware County	Fairfield County	Franklin County	Licking County	Madison, Pickaway, and Union County	Centers	FCCs
13%	3%	9%	16%	5%	0%	9%	20%

### Monthly revenue and expenses

- Over half (52%) of child care providers reported monthly revenue does not cover their expenses. This is up two percentage points from 2022, but this trend varies by county. The percentage of providers whose revenue does not cover expenses increased in Franklin, Licking, and Madison, Pickaway and Union counties, but decreased in Delaware and Fairfield counties.

SDA9 (Central Ohio)	Delaware County	Fairfield County	Franklin County	Licking County	Madison, Pickaway, and Union County	Centers	FCCs
52%	19%	27%	59%	45%	51%	48%	59%

### Enrollment

- Overall, child care programs are still not operating at their full capacity. If at full capacity, an estimated 9,925 additional children would be able to receive care. Programs are operating at a depressed enrollment: on average, programs are at 66% enrollment across central Ohio. Fairfield County and Franklin County providers are most challenged across the region, operating at 58% capacity and 63% capacity, respectively.

SDA9 (Central Ohio)	Delaware County	Fairfield County	Franklin County	Licking County	Madison, Pickaway, and Union County	Centers	FCCs
66%	76%	58%	63%	83%	70%	66%	87%

## Child care centers want to hire

- More than 2 in 3 child care centers across central Ohio have open positions and/or a desire to hire staff. This improved eleven percentage points from 2022 (81%), but still reflects a staffing crisis for child care centers. Approximately 1,626 staff are needed to continue providing quality care to the children in central Ohio.

SDA9 (Central Ohio)	Delaware County	Fairfield County	Franklin County	Licking County	Madison, Pickaway, and Union County	Centers	FCCs
70%	57%	55%	75%	64%	69%	70%	N/A

## Tuition

- For the second consecutive year, more than half of child care providers, 56% across both program types, reported raising tuition in the past 12 months. Sixty-six percent of those providers report planning to raise tuition again in the next six months.

### Have had to raise tuition in the past 12 months

SDA9 (Central Ohio)	Delaware County	Fairfield County	Franklin County	Licking County	Madison, Pickaway, and Union County	Centers	FCCs
56%	57%	64%	53%	50%	68%	65%	40%

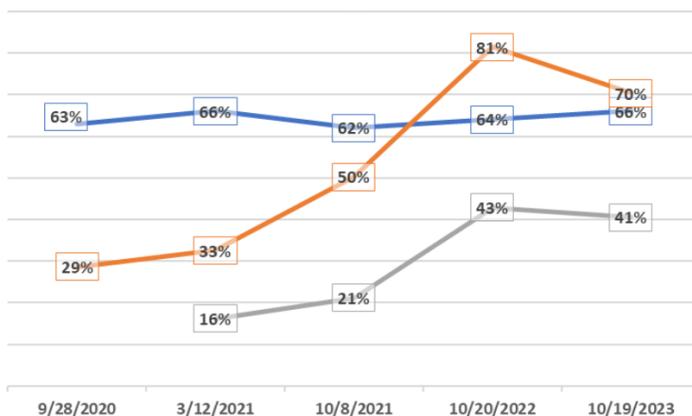
### Of those who have raised tuition, planning on raising it again in next 6 months

66%	64%	67%	69%	45%	50%	66%	67%
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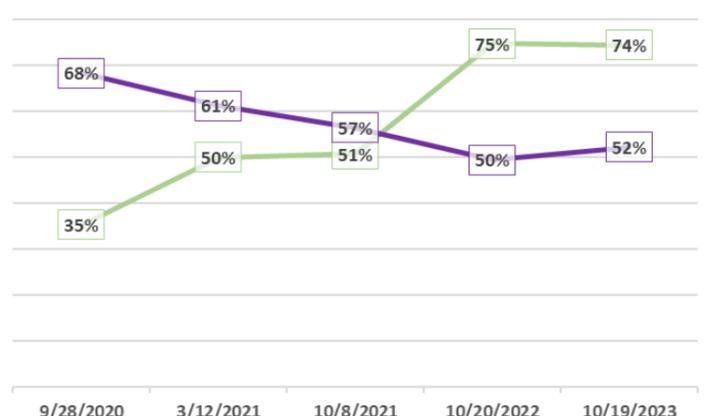
## Summary of Trends

### Charts comparing data since 2020

Enrollment & Staffing



Operations & Finances



■ Total Average Enrollment

■ Centers looking to hire

■ FCCs looking to hire

■ Programs recording a monthly loss

■ Programs who have increased or plan to increase tuition

# Another turbulent year for child care in central Ohio and America

A year has passed since the last Action for Children provider survey and report and more than two years have passed since Congress approved the American Rescue Plan Act (ARPA) funds with the last of the federal child care relief dollars.

The scales have shifted again and again during this time:

- The 2023 survey time frame includes the crucial intervention by the Ohio Department of Job and Family Services (ODJFS) of federally funded child care stabilization grants administered by the Ohio Child Care Resource and Referral Association. Central Ohio communities also benefited from ARPA State and Local Fiscal Recovery Funds that power Franklin County RISE.
- Since the last survey, Ohio leaders changed the requirements for Step Up To Quality (SUTQ).<sup>4</sup> Family child care is exempt from participating in SUTQ, and centers that participate in PFCC now may choose not to participate in SUTQ if PFCC enrollment is less than 25% of their licensed capacity.
- This year also included a new statement from the U.S. Department of Commerce: Workers need child care, semiconductor manufacturers need workers, and so manufacturing companies applying for \$150 million or more in a newly available CHIPS and Science Act grant would be required to include a child care plan in their application. Intel Corporation is one such prospective grantee, with far-reaching implications for central Ohio's families.<sup>5</sup>
- This report covers a period of Congressional inaction on child care as a public good, though proposals were considered and continue to be offered. Federal relief funding has ended. In Ohio, prudent and forward-thinking investments by state and local government means the flow of ARPA funding will continue into 2024, but everywhere the end of this relief funding, the "APRA cliff," is in sight.

"Child care is a constant and growing need in this nation. Although staffing has been a perpetual challenge, the staffing epidemic is posing a serious situation for programs. It makes it difficult to focus on anything else, such as program direction, development and leadership. There is growing concern among administrators about the future of early childhood education."  
– Child Care Center Administrator, Franklin County



Previous reports were published during the height of the peril and complexities of the global health pandemic. Though that context is different now, it is still a critical time to focus on child care and engage in smart policies and investments that look to future reform and sustainability. The child care market was not strong before the pandemic. This part of the crisis is not new.

When considering the early childhood workforce, leaders must understand this is about people who have basic human needs and families to support, and the needs of families go beyond securing a child care slot. A national survey found family hardship rose again when pandemic-era policies and supports started to expire.<sup>6</sup> For instance, 26% of households reported difficulty paying for basic needs in January 2022, but by December 2022, this hardship rate skyrocketed to 47% of households with young children. Researchers also found that in August 2023, 28% of child care providers reported difficulty paying for utilities, 26% of households with young children reported difficulty paying for food, and 22% reported difficulty paying for health care.<sup>7</sup> All of this must be considered in our efforts to balance the scales.

# What's in a Child Care Budget?

## Understanding the revenue-expenses balance

Operating budgets for family child care and child care centers can come from:

- Tuition and fees from enrolled families
- Publicly Funded Child Care (PFCC) reimbursement (payment rates are set by Ohio leaders and paid with funds from Congress) for eligible, enrolled families, if the program chooses to participate
- Child and Adult Care Food Program (CACFP) reimbursements for the costs of meals and snacks (payment rates are set by Congress), if the program chooses to participate
- And less common, but possible: donations if a program is a non-profit organization, or foundation grants, if a program is eligible

This revenue arrives weekly or monthly, sometimes weeks or months after the expenses have been incurred, and must cover everything the child care program offers:



Materials and supplies for play and learning



Meals and snacks not provided by parents or guardians



Wages and benefits



Utility bills



Facility use and maintenance



Licensed business expenses such as insurance

Adjustments to any of the incoming sources has an impact. For example:

- Reduced enrollment means less funds for operating costs
- *Increased funds for rates in PFCC means more families could be eligible for child care*
- CACFP rates far below the price of groceries puts healthy meals and snacks in jeopardy
- *One-time funding initiatives make it impossible to plan and sustain a program*

The Child and Adult Care Food Program (CACFP) is a federal nutrition program that provides partial reimbursement to child care, Head Start, after-school programs, and adult care programs for the costs of meals and snacks in accordance with nutrition standards. CACFP reaches 4.2 million children each day nationwide. Action for Children is a CACFP Sponsor in central Ohio, providing 500,000 meals and snacks annually in partnership with nearly 130 child care programs.

# Children, Caregivers, Compensation, and Capacity

**Every part of the child care system is connected. However interconnected, it is not in balance.**

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Child care has been cited as a “textbook example of a broken market,” that fails to meet the needs of children, caregivers, working parents, and communities.<sup>8</sup> The child care market was not strong before the pandemic. This part of the crisis is not new.

An important consideration, of course, is families’ costs and how to subsidize or offset those fees -- but alone, it isn’t enough. Child care needs to be supported by an approach of investing in child care program operating costs that are the basis of the quality, reliability, and accessibility that families, businesses, and communities rely on.

## **Help wanted: Skilled, nurturing caregivers**

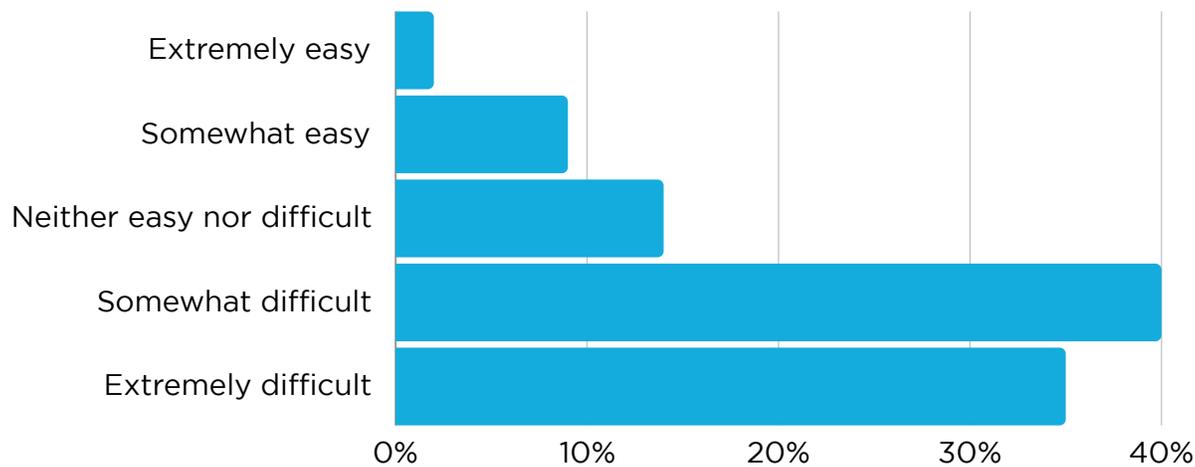
Early childhood educators are the core of program quality, as care and learning happen in the context of relationships. They must be healthy and well-compensated, and this is true for child care centers and for family child care homes. The challenges are significant.

Seventy percent of child care center administrators indicated they would like to hire new staff or have open positions, and on average are looking to hire about two positions. Unfortunately, three out of four child care centers (75%) declared it is difficult to find and hire new staff. Without teachers, child care center classrooms will remain closed and unavailable to families.

“The child care cliff is coming. Programs that serve lower- and middle-income families (can’t/won’t charge a mortgage payment) are going to close. We will close without additional government support because it costs more to provide care than I can charge to my families. I want to offer more hours, but my staff is burnt out. Another staff member could help, but I can’t afford to hire someone.”  
– Child Care Administrator, Franklin County



## Provider ease of hiring



## Budgeting for staffing

Labor costs can be upwards of 80% of a center’s operating budget. Family child care providers in central Ohio are barely paying themselves. As it is, 52% of child care providers shared their revenue does not cover their monthly operating expenses. Family child care providers are 10% more likely to have revenue loss compared to center child care providers.

When more dollars are needed to pay early educators competitively, how will that work for families? Whether providers rely on private pay tuition or receive Publicly Funded Child Care subsidies, it can be difficult to adjust tuition rates without losing enrollment. It is impossible to balance this broken scale without significant reform and investment.

## Wages

Child care center survey respondents reported the median highest hourly wage is currently \$17.00 for a lead teacher, and \$14.25 for an assistant teacher. The median ideal wage is \$18.00 per hour for a lead teacher and \$15.00 per hour for an assistant teacher. Most (75%) directors reported difficulty hiring, and 32% expressed it was difficult or extremely difficult to retain staff.

“[My biggest concern is] retaining staff because we can’t afford to pay them livable wages. There are plenty of other jobs that pay way more. I’m not making enough revenue to take care of the building maintenance. I know I can up rates, and I will have to, but it just seems so unfair for how much child care costs already.”  
– Child Care Center Owner Licking County



Seventy-four percent of family child care respondents run their business and care for children by themselves.

- Nearly half (48%) of family child care respondents reported they do not allocate a salary for themselves.
- Of those who do pay themselves monthly, the median monthly salary is only \$1,454.
- Forty-one percent of family child care professionals reported they would like to hire staff, but most (77%) report they are unable to pay staff.

**Compensation issue: health insurance**

The 2023 survey asked for the first time whether area child care centers offered health, dental or vision insurance as an employee benefit, and whether family child care providers had this insurance for themselves.

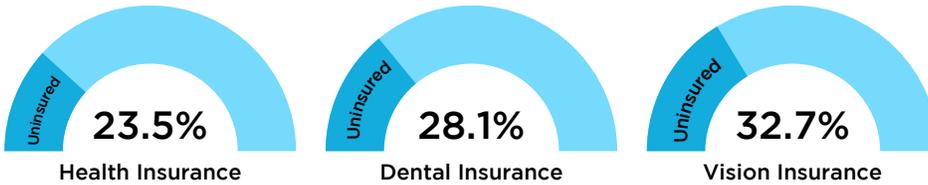
Only one-third of central Ohio child care centers offer health, dental, or vision insurance for their staff.

**CENTER-BASED PROGRAMS**



One in four family child care providers report they do not have health insurance for themselves, and even more lack dental and vision coverage.

**HOME-BASED PROGRAMS**



Why is this the case? Some employees in centers may be part-time workers not eligible for a full-time employee benefit. Those who work in centers or are family child care providers might participate in the employee-sponsored insurance of a spouse. Many in the early childhood workforce are eligible for Medicaid because of their lower incomes.

“I am scared for the amount of help we do not have. I cannot compete with local fast food restaurant chains that can hire dollars above my rate. On top of that we need people who have a love for children and can make a livable wage.”  
 - Family Child Care Provider, Licking County



“I pay bills and then I’m broke. [Tuition] payment is up and down, and I spend the majority [of income] on operational costs.”  
 - Family Child Care Provider, Franklin County



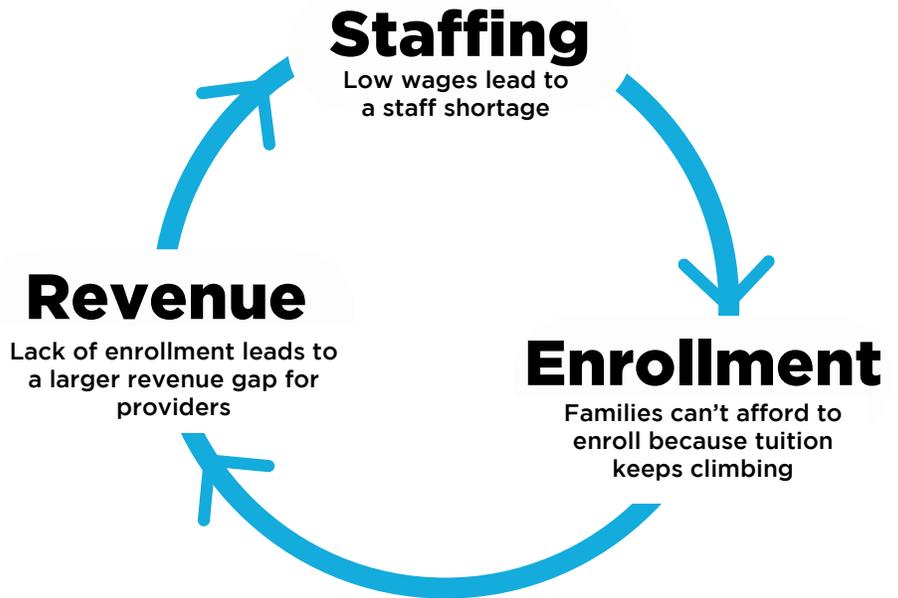
But the biggest reason centers do not offer health, dental, or vision insurance, and the biggest reason family child care providers do not have this for themselves: costs. There is no room in the program budgets for this.

### Classrooms are empty

If all central Ohio child care programs were operating at full capacity, an estimated 9,925 additional children could be enrolled in child care.

Almost half (48%) of child care centers reported there are one, two, or three empty or unused classrooms and most plan to open those classrooms

again. For more than 40% of providers (including centers and homes combined) the largest challenge is not enough enrollment. About 1 in 3 child care centers indicated “not enough staff coverage” was the reason classrooms were not full. This is an estimated 1,626 early childhood educators needed, for child care centers alone.



## Providers share about families' challenges

### Transportation needed

Transportation is a critical need in central Ohio and poses significant barriers for families accessing child care. That means dropping off and picking up children who spend the workday - or night - with a provider can be a challenge for families, as well as transportation to and from before/after school programs to school buildings for older children. Child care centers and family child care providers may not be able to provide transportation, and school districts may be limited in what they offer.

#### New enrollment challenge

**14%**

of respondents reported families don't have transportation to get the child to/from the child care program

#### Retention challenge

**11%**

of respondents reported families don't have or lose transportation to/from the child care program

Increasing the availability of child care closer to home and workplaces is needed – though the caregiving workforce both in centers and family child care would be central to this being possible.

## Different hours needed

In a 24/7 economy, working families’ child care needs extend beyond the 9 a.m. to 5 p.m. work day and the standards of a Monday to Friday, 40-hour work week. Providers report their operating hours do not meet the needs of a sizeable group of area families. Increasing the availability of child care at non-traditional or flexible hours is needed – though again the caregiving workforce both in centers and family child care would be the key to meeting this need.

### New enrollment challenge

**14%**

of respondents reported that they don’t/can’t offer the hours families need

### Retention challenge

**17%**

of respondents reported that families need different child care hours due to parents’/guardians’ work

## Tuition and Publicly Funded Child Care (PFCC)

Alarming, 50% of providers shared families do not enroll because families cannot afford tuition/fees. This is also a factor in retaining families once they have enrolled: though only 8% reported retention of families is difficult or somewhat difficult, among those, 34% stated the reason is families cannot afford tuition/fees.

**Ohio’s Publicly Funded Child Care program provides limited tuition assistance to families that meet work participation requirements and are income eligible. PFCC is limited to licensed programs. Some child care programs, nonprofits, and local governments offer limited tuition assistance as well.**

Publicly Funded Child Care (PFCC) is a much-needed support but there are federal and state policy and budget challenges reported by child care providers. Across all settings in central Ohio, 80% of the child care providers surveyed have PFCC (sometimes called Title XX) provider agreements.<sup>9</sup> Three percent of centers and 75% of family child care providers enroll families with PFCC agreements.

The median number of children served through PFCC agreements is 20 in child care centers, and five in family child care programs. Among those with PFCC agreements, 48% stated low reimbursement rates keep them from being able to enroll more children whose care is paid through PFCC. PFCC providers also say the reimbursement procedure is difficult/time consuming (34%).

For the 20% of respondents who do not have PFCC agreements, 40% reported the payment rates are a problem and 45% reported the reimbursement procedure is difficult/time-consuming. Ohio currently reimburses child care providers participating in PFCC at a rate ranked as one of the four lowest states rates in the nation.<sup>10</sup> The state has plans to address this, moved in part by the U.S. Department of Health and Human Services, to increase the PFCC reimbursement rates which are far below the national recommendation. Ohio leaders plan to move rates up to the 50th percentile of local market rates.<sup>11</sup>

### Budgeting to continue serving families

Fifty-two percent of child care providers shared that their revenue does not cover their monthly operating expenses. Child care providers are not bringing in enough dollars to cover their costs of operation. Family child care providers are 10% more likely to have revenue loss compared to center child care providers.

So, what are child care programs to do? Where would additional revenue come from? Without a reliable funding intervention, there is nowhere to turn without turning to parents themselves.

Fifty-six percent of child care providers have raised their tuition rates since September 2022. Sixty-six percent of those that have raised tuition stated they plan on needing to increase rates again, and 42% of those that had not raised tuition since September 2022 said they plan on needing to increase rates. More than half (57%) of those planning on increasing tuition reported they would do so in January-March 2024.

Providers that had not increased tuition in the past 12 months tend to have higher enrollment of PFCC children. The more a program serves the PFCC portion of

“With the rising cost of food, utilities, interest rates and the cost of maintenance to the facility along with retention of staff, centers could be forced into raising rates and outprice families needing care.”  
- Child Care Center Administrator, Licking County



families needing child care, the less likely it is to raise tuition. The policy constraints about rate-setting mean they can't raise tuition. Thirty-eight percent of family child care providers have 100% of their enrolled families paying with PFCC. There are no families paying out of pocket, and so no path for filling any tuition or revenue gap. And Ohio's subsidy payment rate is far below federally recommended levels.

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# Survey Spotlight: Stabilization Grants Worked

The 2023 survey time frame includes the crucial intervention of the Ohio Department of Job and Family Services (ODJFS) administering Child Care Stabilization Grants with funding from Congress.

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## Looking back

Congress approved \$24 billion for these stabilization funds, and of that, the state of Ohio was allocated nearly \$800 million to distribute to child care providers.<sup>12</sup> Eighty-six percent of respondents reported they received pandemic-era emergency funding. These funds went directly to providers to be used flexibly so operations could continue to support families counting on child care to go to work, job training or school.<sup>13</sup>

**\$189,500**

average award for  
child care centers  
in Ohio<sup>14</sup>

**\$33,600**

average award for  
family child care  
programs in Ohio<sup>15</sup>

### Top 3 Uses for Grant Funds (Centers)



### Top 3 Uses for Grant Funds (FCCs)

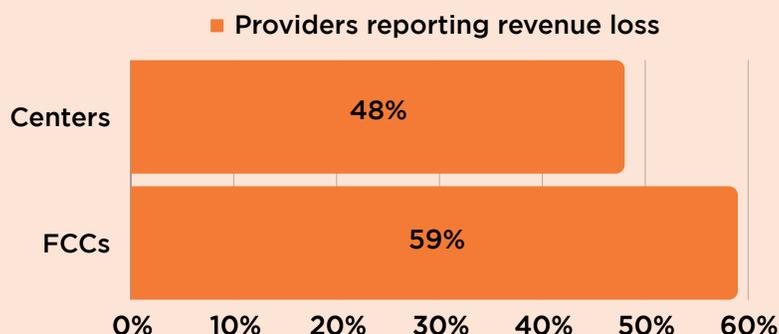


Central Ohio child care centers' top uses of funds were to take care of their staff, keep them paid, and give bonuses where possible for the skilled work that they do. Central Ohio family child care provider grantees were keeping a roof over their heads -- and those of the children in their care -- and keeping the lights on. All grantees used the money for supplies to maintain a safe, quality environment. They used it to take care of basic human needs, and the human needs of their staff. This is critically important to understand.

## Now, and the balancing act ahead

Unfortunately, funds go quickly with the ongoing expenses of child care operations, and even more so when inflation is high and competition for employment is fierce. Current revenue does not cover operating expenses, tuition is on the rise and there is a very real possibility that it will continue to go up.

52% of all child care providers shared their revenue does not cover their monthly operating expenses.



## How does the end of federally funded stabilization grants impact central Ohio programs?

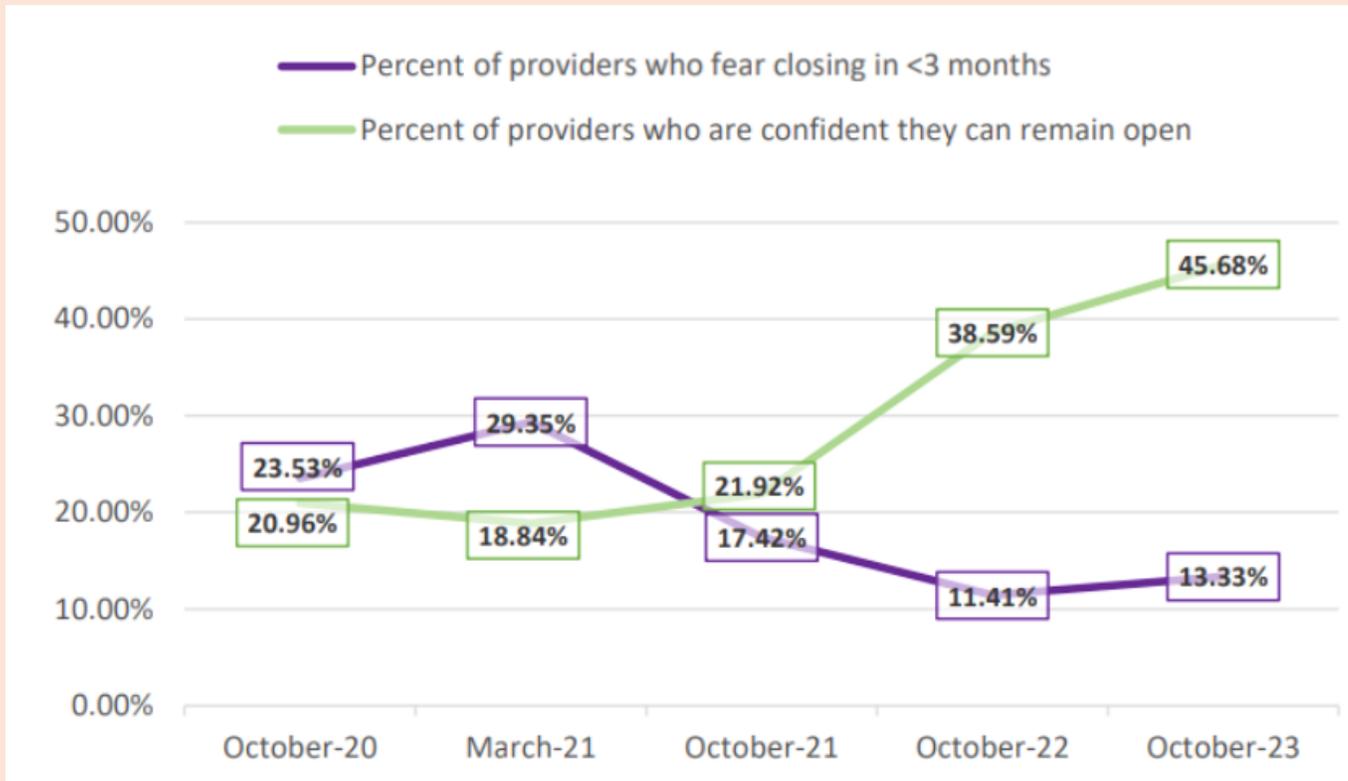
**45%** stated they'll need to raise tuition

**38%** reported they won't be able to cover operating expenses

**20%** reported it will affect the quality of their program

In 2022, 11% of respondents reported they might have to close within three months or less. This was the lowest percentage since the public health emergency began and was reported at a time when the stabilization grants were flowing to programs thanks to funding from Congress and smart action from ODJFS. In 2023, 13% indicated they would need to close within three months without additional help. This is similar to 2022 and both are much lower than in 2021 (17%).

When child care providers knew they could depend on public support through the stabilization grants, they were more likely to have confidence of remaining in business.



**With stabilization grants provided over the last year, half of central Ohio centers and one-third of family child care programs feel they can make it and stay open moving forward.**

This is good news. But only 8% percent of child care providers responded that they will not be affected by the end of the public funds (10% of child care centers, and only 3% of family child care providers). They will be open, but they will be strained and out of balance in their efforts for families and staff.

Sixty percent of child care programs receiving stabilization grants reported there will be a financial gap that will not be accounted for from other sources when the funding ends.

- 31% of child care centers reported they will have to reduce staff
- 27% reported they will have to reduce staff compensation
- 17% of family child care providers reported they will likely close down their program

As child care providers, and especially family child care providers, look further ahead there is a dramatic increase in the number of providers who don't think they can remain in business and serving children and families. More than half of central Ohio's child care providers (43% of centers, 60% of family child care providers) anticipate they will be closing within a year without additional help. This will impact the programs, families, and the whole community.

## Survey Spotlight: Early Childhood Educator Wellness

Early childhood educators are the core of quality, as care and learning happen in the context of relationships. They must be healthy and well-compensated.

Labor costs can be upwards of 80% of a center’s operating budget. Child care center survey respondents reported that the median current highest hourly wage for a lead teacher is \$17.00 and assistant teacher is \$14.25. The median ideal wage is \$18.00 per hour for a lead teacher and \$15.00 per hour for an assistant teacher. Child care center classrooms without teachers will remain closed and unavailable to families. 53% of family child care respondents reported that they do not allocate a salary for themselves. Of those who do pay themselves monthly, the median monthly salary is only \$1,454.

Nationally, providers have reported high levels of concern about housing.<sup>16</sup> About 43% of providers said they were worried about not being able to pay their rent or mortgage. Among providers who rent, 41% were worried about being evicted, and among those who own their own homes, 26% said they worried about foreclosure. Nationally, child care center teachers were more likely to worry about eviction, foreclosure, and not being able to pay their rent or mortgage than family child care professionals and relative caregivers. More than one in four providers have reported difficulty paying for utilities (28%) and food (26%), and one in five reported having difficulty paying for healthcare (22%). Researchers report that experiencing material hardship negatively affects child care providers’ emotional well-being.<sup>17</sup>

“Teachers and caregivers are not paid enough. This brings down the quality of care. Our center has a great staff, but most of them are barely staying afloat in their personal lives. They deserve more.”

– Child Care Center Director, Delaware County



### Wellness in central Ohio

This year, the Action for Children survey asked for the first time whether area child care centers offered health, dental or vision insurance as an employee benefit, and whether family child care providers had this insurance for themselves.



**2 in 3 child care centers do not offer health, dental or vision insurance for their staff**



**1 in 4 family child care providers do not have health, dental or vision insurance for themselves**

## The cost of health insurance is the leading barrier

This significant lack of access to health benefits is deeply concerning given challenges with recruitment and retention in the profession. The foundation of child care is an early childhood workforce that is healthy and able to do the work. They seek to do this work and do it well, and also need to be able to take care of themselves, their families, and their financial obligations to maintain a safe, reliable place to live and have nutritious meals. These are problems with solutions.

# Survey Spotlight: Families and Work

When considering the needs of families, this is about the whole of their success that goes beyond securing a child care slot.

A national survey found family hardship rose again when pandemic-era policies and supports started to expire.<sup>18</sup> For instance, 26% of households with young children reported difficulty paying for basic needs in January 2022, but by December 2022, this hardship skyrocketed to 47%. Researchers also found that in August 2023, 28% of providers reported difficulty paying for utilities, 26% reported difficulty paying for food, and 22% reported difficulty paying for health care.<sup>19</sup>

Once again in this year's survey, Action for Children asked providers about challenges with recruiting and retaining families. Ranking after their challenges with tuition, area providers reported family transportation and the mismatch of child care and parent work hours as the most significant issues.

## Transportation



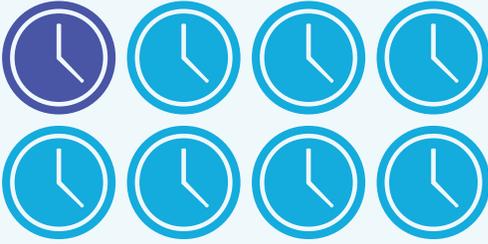
**New Enrollment Challenge:**  
1 in 7 respondents reported families don't have transportation to get to the child care program



**Retention Challenge:**  
1 in 9 respondents reported families don't have or lose transportation

Transportation barriers are a significant issue for families accessing child care. This is easy to understand when we reflect on the region's limited public transit and relentless costs of maintaining a car, the significant distances that might be between work and home and a child care arrangement, and at all hours of the day and night. Child care centers and family child care providers may not be able to provide transportation, and school districts may be limited in what they offer.

## Hours needed



**New Enrollment Challenge:**  
1 in 8 respondents reported that they don't or can't offer the hours that families need



**Retention Challenge:**  
1 in 6 respondents reported that families need different child care hours due to parents'/guardians' work

Among central Ohio's more than 1,200 licensed child care providers, only two centers provide 24-hour care. Other centers and family child care homes are open longer than 6 a.m. to 6 PM, but not covering entire second or third shifts. While some family child care providers have indicated to Action for Children staff their readiness and willingness to add shifts and be available, not all family child care providers can or want to be available for additional hours. The reality is this crucial caregiving work for the round-the-clock economy is happening thanks to relatives, friends, and neighbors. Sometimes this child care arrangement is paid for by the parent, and sometimes it is unpaid labor possible because of the relationship between the caregiver, parent, and child. This arrangement is the least supported nationally and in Ohio, but also the most-used home-based child care.

# It is time for action for our communities

**Though a year has passed since the last report, and more than two years have passed since Congress approved the American Rescue Plan Act with child care relief dollars, we must continue asking leaders to invest in families and in the early childhood workforce, and to invest in both at the same time.**

Offsetting child care costs for families is an important part of a comprehensive approach, but alone it isn't enough. It needs to be supported by an approach of investing in child care program operating costs that are the basis of the quality, reliability, and accessibility that families, businesses and communities rely on. If a community-based child care program is understaffed, or the preferred options are completely full, or not open during the needed hours, or not accessible due to geography or transportation needs, a parent fee offset does not make child care available to the family.

It is critically important we remember that when we talk about the early childhood workforce, this is about people who have basic human needs and families to support. When we talk about families, this is about the whole of their success that goes beyond securing a child care slot. Families are choosing which bills to prioritize, and child care bills are only one of their obligations. People need health care, housing, enough to eat, and job quality along with wages and benefits to afford basic needs.

## **To create the much-needed comprehensive approach, leaders should:**

- Support a mix of models for delivering or accessing child care
- Ask questions, assess the need, and understand family need and preference
- Use data to set investment levels and opportunities
- Invest in operating costs in addition to offsetting tuition and fees for child care

“[Stabilization grants] gave us the chance to do things we wouldn't have been able to do - nice things for children, being able to serve our families better. A lot of people were out of work during the pandemic. We helped our parents out too. No one had to bring diapers and wipes. I supplied them because I was given this money and I used it for rent too but I used it to help my families who were struggling. I invested in them and in return, they do everything they can now that they're back to pay on time. They needed the help.”  
– Family Child Care Provider, Franklin County



- Consider the variety of hours each day and days each week of workers in various jobs
- Leverage the power of partnerships by engaging with child care providers, local government, nonprofits and foundations, and Action for Children

## Leaders should invest in family affordability

Child care program leaders in central Ohio are keenly aware of their families' affordability challenges. Significant, sustained investment is needed so that timely, sufficient financial support is available to families:

- Ohio's state leaders can expand family eligibility for PFCC to reach more families
- Federal leaders can invest so that all eligible families are served
- Employers in central Ohio can bolster families' abilities to be at work reliably by:
  - Offsetting families' child care expenses
  - Contracting or "Sponsorship" to ensure child care slots are available to employees, and caregivers are compensated at a competitive rate with health benefits
- City and County leaders can invest in innovations like the Franklin County RISE Scholarships

**Franklin County RISE is a bold initiative driven by the leadership of the Franklin County Board of Commissioners and the City of Columbus who turned to Action for Children in 2021 to guide a process to identify how best to address pandemic child care challenges. One of the consensus recommendations was for a scholarship fund to offset the costs of child care for families earning too much to qualify for Publicly Funded Child Care. Announced in March 2022, Franklin County RISE is a public-private partnership that has since gained national attention. In addition to support for early childhood educators and incentives for child care programs, Franklin County RISE includes scholarship of up to \$10,000, benefitting more than 1,200 children in its first year.<sup>20</sup>**

## Leaders should invest in program operations and compensation

The stabilization grants funded by Congress worked. This has been an effective intervention - but relief funding has stopped flowing from Washington. There is urgent need for sustained flexible investment to be used in centers and family child care programs for:

- Start-up expenses and capacity-building as programs expand to meet demand
- Staff wages including compensation for substitutes and hiring or retention bonuses
- Staff benefits
- Meals and snacks in child care

- Utility bills
- Rent/fees for use of the center space and housing costs for the home-based family child care program
- Maintenance and supplies expenses
- Transportation expenses of the provider

## Leaders should invest so we can do more together

In this year's survey, we found that half of area providers report families do not enroll due to inability to afford the prices; transportation and hours are also significant issues. Families and child care program leaders are all making choices constrained by resources. With deeper understanding of where children are when their parents and caregivers are at work, job training, or school, we can work together to solve challenges in a way that recognizes families' preferences. Ohio leaders must recognize families want to choose a child care arrangement that is best for them -- center, family child care home, or relative/friend/neighbor. They may need a location close to home, work, or somewhere else, and may need transportation to get there. Families need care compatible with their cultural needs and preferences.

## Now is the time to act

Child care is one part of a care economy that has failed to work for families, providers, communities, and children. Action for Children is ready to work with federal, state, and local leaders, as well as corporate and philanthropic leaders, in crafting a comprehensive solution to the child care crisis, one that is rooted in the needs of the child care professionals and families closest to the challenge.

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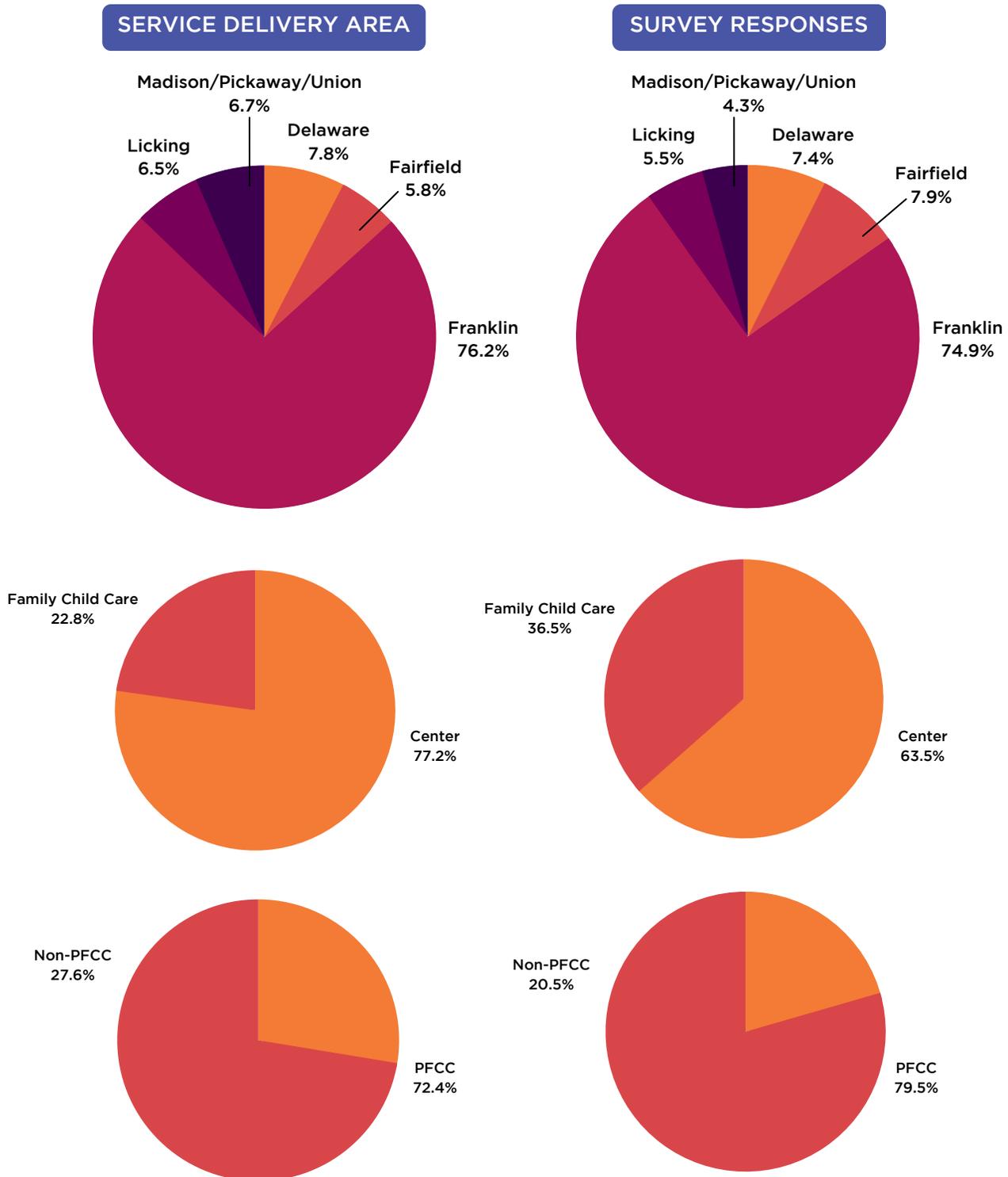
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## Appendix A: Representative Demographics of Survey Responses

Survey responses are representative of the population of all central Ohio providers based on program location by county. Responses reflect a higher response rate of family child care (FCC) programs and a slight over-representation of programs providing Publicly Funded Child Care (PFCC).



\*Numbers are rounded. Madison, Pickaway, and Union counties were combined for analysis due to small group size.

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## Appendix B: Federal child care relief funding at-a-glance

Since March 2020, three federal relief measures have included child care funding:

### CARES Act

The Coronavirus Aid, Relief and Economic Security Act or “CARES Act” was signed into law in March 2020.<sup>21</sup> It included payments to states through the Child Care and Development Block Grant (CCDBG), the existing federal child care law. Congress approved \$3.5 billion in this child care investment, and the state of Ohio was allocated \$117 million.<sup>22</sup>

### CRRSA Act

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) was signed into law in December 2020. It included payments to states through CCDBG. Congress approved \$10 billion in supplemental funding for child care, and the state of Ohio was allocated \$333 million.<sup>23</sup>

### American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) was signed into law in March 2021. It included the largest investment in child care relief yet: \$15 billion in payments through CCDBG, and \$24 billion in new “child care stabilization grants” which were designed to be payments directly to child care centers and family child care programs. Of these dollars, the state of Ohio was allocated nearly \$500 million for CCDBG, and nearly \$800 million in funds for stabilization grants. State leaders had until September 30, 2023 to liquidate stabilization grant funding and until September 30, 2024 to liquidate their allocation of CCDBG.<sup>24</sup>

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Quotes featured in this report were gathered from our 2023 Central Ohio Child Care Provider Survey. Some quotes have been edited for length and clarity.

## Continued Support

You can continue to support Action for Children's advocacy efforts, ensuring our vision that all children have opportunities for quality early learning experiences to prepare them for success in school and life by sharing this document with your local, state, and national government representatives to encourage them to invest in child care.

Action for Children uses this data to guide our programs and advocacy efforts. Your monetary support allows us to continue this effort.

Please visit [actionforchildren.org/donate](http://actionforchildren.org/donate) to make your gift today!