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SURVEY: N.C. CHILD CARE PROVIDERS CONCERNED ABOUT QUALITY AND AFFORDABILITY WITH ASSISTANCE SET TO END

Providers worry about continued viability as COVID-19 grants sunset

North Carolina's child care providers say Stabilization Grants enabled them to stay open during the COVID-19 pandemic and are concerned about costs and quality in the absence of support.

Nearly 4,400 programs have already received \$276.8 million in Compensation Grants (funded by the American Rescue Plan Act). With this funding set to expire at the end of 2023, a [new survey](#) highlights how programs in the state used those compensation resources and what they are concerned about once funding ends.

The North Carolina Child Care Resource and Referral Council (CCR&R) survey found that almost all responding programs (94%) received North Carolina Child Care Stabilization Grants to help with compensation, allowing them to hire and retain necessary staff and stay open during the pandemic. Almost nine in 10 programs (89%) used the funds to provide salary increases to staff with nearly half of providers (48%) saying it made retaining staff easier, and about four in 10 (41%) reporting it made hiring new staff easier.

When asked what was likely to happen to their programs once stabilization funding ends, child care providers conveyed staffing and affordability concerns that could threaten their ability to operate. More than eight in 10 providers indicated they would not be able to maintain current salary levels or were uncertain if they could do so. When asked about the impact of the end of the Stabilization Grants funds, child care providers were most likely to say that it would be difficult to hire comparably educated and experienced staff and that they would have to increase parents' fees.

"The support helped maintain staff during the pandemic, but we are hearing that without it, providers will likely have to compromise the quality of the staff they hire, thus impacting the quality of the child care they can provide," said Kristi Lee Snuggs, President of Child Care Services Association. "At the same time, they will have to raise parent fees, making child care even more unaffordable."

Other findings include:

- The share of programs providing employee benefits rose, with the greatest increase being for mental health support (14%) followed by paid sick leave (13%), paid vacation leave (12%) and health insurance (10%).
- Hourly wages for family child care increased by more than \$3, a 26% increase or \$6,386 annually. Even with the increase, family child care providers generally earn only \$15 per hour.
- Lead teachers at child care centers received hourly wage increases of \$2.42, a 21% increase or \$5,034 annually; and hourly wages for assistant teachers in centers increased by \$2, a 20% increase or \$4,160 annually. Teacher salaries remain low with lead teachers generally earning \$15 per hour and assistant teachers making \$13 per hour.

Throughout the pandemic, NC child care programs remained open despite public health concerns, increased operating costs, and fluctuating enrollment which reduced revenue. NC’s Child Care Stabilization funds were critical to keeping child care economically viable and increasing the still too low salaries of child care professionals who have yet to earn a living wage,” said Janet Singerman, President & CEO of Child Care Resources Inc. “If policymakers let this funding lapse, child care programs will face a viability crisis—at the very least, wages for workers will be reduced, the staffing crisis will become more acute, fees for parents will rise, and program quality will suffer.”

Full survey findings can be found [here](#). The analysis, “North Carolina Child Care Stabilization Fund Survey,” was prepared by Well World Solutions.

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