

The Impact of COVID on Enrollment and Revenue at Virginia Family Day Homes

Daphna Bassok & Kennedy Weisner
June 2021



When the coronavirus pandemic (COVID) hit in March 2020, public schools across the country were ordered shut, and many child care centers closed as well. In contrast, the vast majority of home-based child care providers remained open and continued to serve children of essential workers and other families in need of care. In Virginia, 70% of all licensed child care centers closed at some point during the pandemic, compared to only 20% of licensed home-based providers – referred to as “family day homes” in Virginia’s licensure.¹

Family day homes continued to play a unique role throughout the fall. Only 52% of child care centers in Virginia were open and serving children, compared to 88% of family day homes.² For some families, family day homes were the only option for in person care. For others, they provided a child care option with fewer children, which may have appealed to families concerned about the health risks of larger group settings during a global health pandemic. They also provided care for children who were enrolled in virtual school but still needed care and supervision while their parents or guardians worked.

SUMMARY

- This brief uses data from over 200 home-based child care providers in Virginia to describe the impact of the coronavirus pandemic on enrollment and financial challenges.
- Over one-half of teachers (51%) reported drops in enrollment compared to one year prior, in Fall 2019, and 47% described experiencing more challenges with attendance.
- Most teachers reported revenue losses (84%) and increased expenses (97%), and 30% reported total income losses of over \$10,000 since the start of the pandemic.
- To cover expenses and keep their site open, over three-quarters (78%) reported using personal savings or funds since August, and 40% indicated using a credit card.

Despite the critical role they have played, both during the pandemic and beforehand, the experiences and needs of home-based providers, many of whom are women of color, are oftentimes overlooked.

This brief details the unique challenges that home-based providers faced throughout the pandemic, summarizing the impact of COVID on their enrollment and finances. It uses data from a survey of family day home teachers fielded in Fall 2020 as part of Virginia’s Preschool Development Grant Birth-5 (PDG B-5).³ All family day home providers participating in the PDG B-5 were invited to take a survey about their experiences during COVID.⁴ In total, 228 providers⁵ completed the survey, a response rate of 81%.⁶ Nearly all respondents were female, and more than three-quarters were women of color. Most (59%) had a high school degree or less. This survey provides a unique opportunity to better understand the impact of the pandemic on this understudied workforce.

ABOUT THE SAMPLE

	96%	Female
	47 years	Average age
	31%	Hispanic, regardless of race
	26%	Black, non-Hispanic
	23%	White, non-Hispanic
	17%	Asian, non-Hispanic
	59%	High school diploma or less
	19%	Associate degree
	22%	Bachelor’s degree or higher
	11 years	Average time spent teaching & caring for children at site
	52%	Household income below \$45,000 (before taxes)
	29%	Had no health insurance

IMPACT OF COVID ON ENROLLMENT

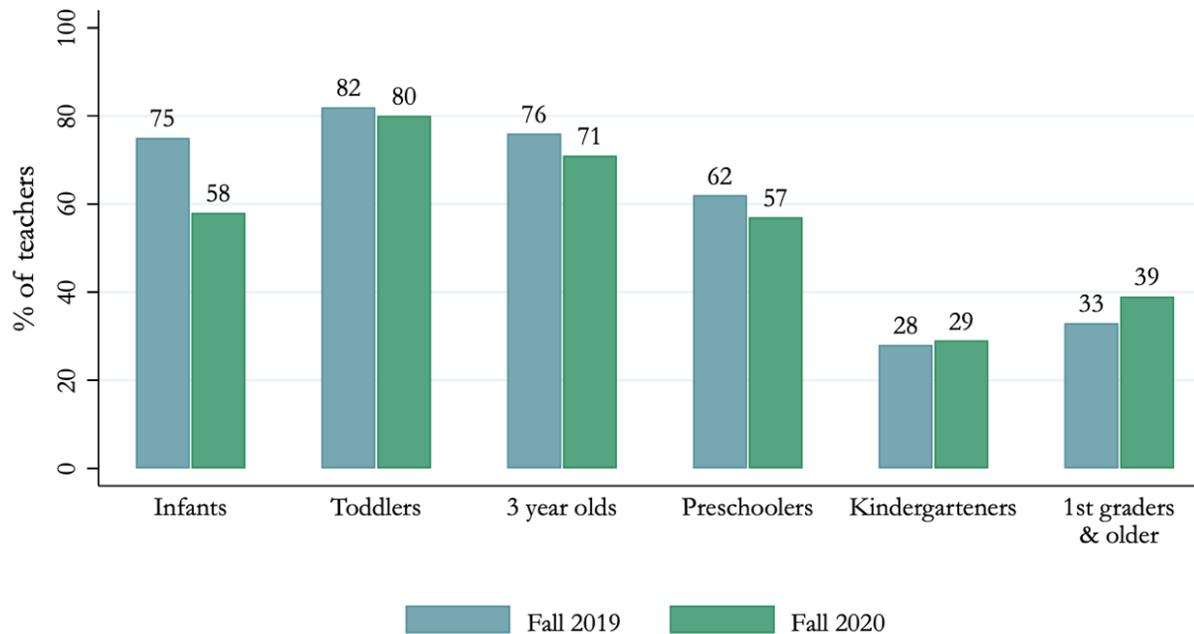
COVID impacted enrollment at family day homes in many ways. Most family day home teachers (59%) reported serving at least one child also enrolled in virtual school elsewhere (including preschool, kindergarten, and school-age children), and about two in five (38%) reported serving children dual enrolled in virtual elementary school (first grade or older).

Despite serving this new role, only one in five family day home teachers reported increases in enrollment. Declines were much more common: 51% experienced a drop in enrollment relative to the previous fall. At the time of the survey, teachers reported an average of seven children enrolled at their site. This was about one fewer child than they reported serving one year earlier, a 15% drop in overall enrollment.

Relatedly, 56% of family day home teachers reported openings at their site for children 0-5. This rate is high; in a similar survey of family day home teachers in PDG B-5 communities in Virginia in May 2019, just 39% reported any openings.⁷

Declines in enrollment were particularly pronounced for the youngest group of children – infants, whose parents may have been particularly concerned about the risks of COVID.⁸ As shown in Figure 1, in Fall 2019, three-quarters of teachers reported caring for at least one infant. In Fall 2020, this was true for just 58% of teachers. In contrast, family day home teachers were slightly *more* likely to be caring for at least one school-age child in Fall 2020 than one year earlier.

Figure 1. Percent of Teachers Serving at Least One Child in Each Age Group, by Year



Note: Based on responses from 176 teachers

In addition to drops in enrollment, teachers reported considerable trouble with irregular attendance among enrolled children. Nearly one-half (47%) indicated that they were experiencing more attendance challenges at their site than they had in 2019, and only four-fifths (81%) reported that either all or most of their enrolled children were

regularly attending. One teacher shared, “I’m to the point where it’s really hard to stay open because I don’t have kids every day. I have them off and on, here and there.”⁹

“I’m to the point where it’s really hard to stay open because I don’t have kids every day. I have them off and on, here and there.”

FINANCIAL CHALLENGES DURING COVID

Given their struggles with enrollment and attendance, it is unsurprising that family day home teachers also reported experiencing significant losses in revenue. Most teachers (84%) reported that they had experienced revenue losses since the pandemic began in March 2020, with 30% reporting that those losses had totaled over \$10,000. One teacher described the effect of fluctuating attendance on their site’s finances: “It’s the instability of the children coming that is hurting our business. When a child has to be in quarantine for 2 weeks, well that’s 2 weeks without pay and no one to replace the loss. Some families can continue to pay but some cannot, so I don’t ask them to.” Another wrote, “We’re trying to help one another through this pandemic and showing one another empathy, but we’re continuing to take a loss in income even 7 months after it all started.”

“We’re trying to help one another through this pandemic and showing one another empathy, but we’re continuing to take a loss in income even 7 months after it all started.”

In addition to loss of revenue from enrollment and attendance challenges, nearly all teachers (97%) reported spending money on COVID-related health and safety supplies (e.g., cleaning and hygiene products, forehead thermometers) since August. A significant portion (44%) reported spending at least \$1,000.

Most teachers reported using personal funds to cover their revenue losses and new expenses. Over three-quarters (78%) reported that they had dipped into personal savings since August, and 40% indicated that they had used a new or existing credit card to pay for their site’s expenses. One teacher elaborated, “We have used a lot of our savings and now have a loan to repay to safely keep our daycare open and to pay bills.” Another teacher wrote, “The financial impact has been immense. I have been able to pay staff but have not been able to pay bills or have any income for myself.”

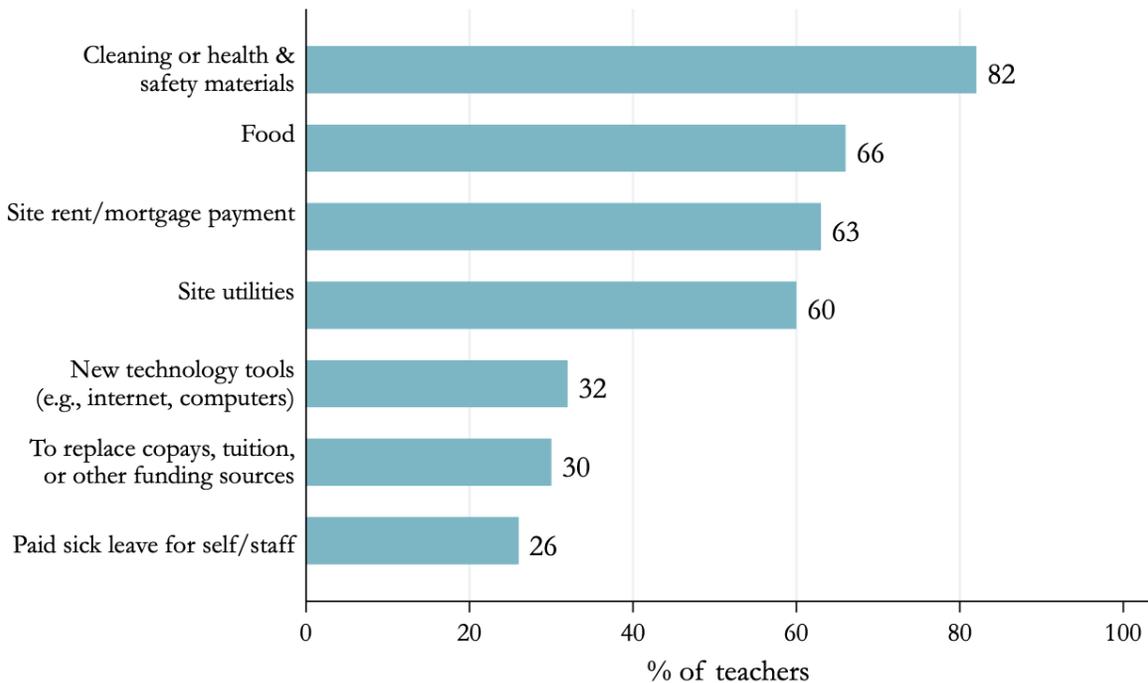
Two-thirds of teachers (66%) reported accessing financial supports through different government sources. The most commonly accessed resource was CARES II grants distributed

“The financial impact has been immense. I have been able to pay staff but have not been able to pay bills or have any income for myself.”

through the Virginia Department of Social Services (59%), followed by the Pandemic Unemployment Assistance program for self-employed workers under the CARES Act (21%), and the Paycheck Protection Program (18%). Teachers also reported receiving financial support through the Virginia Small Business Financing Authority Child Care Financing Program (15%) and the Economic Injury Disaster Loan program (14%).

Figure 2 highlights the most common ways teachers who indicated receiving any pandemic-related financial support from a government source used or were planning to use the money. The majority of teachers (82%) indicated that they used or planned to use the money to purchase cleaning or health and safety supplies, 66% on food, 63% on rent or mortgage for the site, and 60% for their site’s utilities.

Figure 2. Common Uses of Financial Supports Provided by State & Federal Governments



Note: Based on responses from 146 teachers who reported receiving financial supports

CONCLUSION

The coronavirus pandemic created unique challenges for home-based child care providers. Family day home teachers struggled with revenue losses from enrollment drops, unpredictable attendance, and increased costs for supplies to ensure health and safety. Most teachers reported using savings or credit cards and relying on government supports just to be able to remain open and continue serving families. Notably, family day home teachers took on these financial burdens at a time when they were facing considerable financial instability. At the time of the survey, over one-half (52%) had household incomes below \$45,000, 42% were food insecure, and many relied on public assistance, including Medicaid, unemployment benefits, or access to school meals for their own children.

As part of the American Rescue Plan Act of 2021, the child care sector will receive more than \$50 billion in relief funds, some of which will be allocated to home-based providers. Many have also received funds from the earlier CARES Act and other pandemic-related financial supports. While these funds are vital to helping home-based providers – and the child care sector more generally – recover from COVID, they are insufficient for addressing the underlying and longstanding financial challenges family day home teachers experience. Even before the pandemic, many home-based providers were already living in households with low incomes. A previous survey of family day home providers in Virginia revealed that pre-pandemic, in May 2019, over one-quarter were food insecure and about three-quarters were experiencing some degree of financial insecurity.¹⁰

Home-based providers play an essential role in providing care and education for young children, especially for families who require care during non-traditional hours. Nonetheless, these providers – who are often women of color – work for low wages and have little financial security, a fact that the coronavirus pandemic has exacerbated. Their vital role in furthering the development of young children and supporting families is often overlooked. As the nation recovers from the pandemic, and as we consider historic investments in early childhood care and education systems, the unique role of home-based care providers within the diverse early childhood system should be recognized and supported through both immediate and longer-term investments.

ENDNOTES

¹ Virginia DSS Licensing Closures as of January 31, 2021.

² Virginia DSS Licensing Closures as of October 30, 2020.

³ In 2019, the Virginia Department of Education (VDOE) began the PDG B-5 initiative in partnership with the Virginia Early Childhood Foundation (VECF) and the University of Virginia (UVA) with the goal of building a more cohesive early childhood education (ECE) system. As part of this initiative, the UVA team has been administering a series of workforce surveys that aim to better understand the experiences of early educators in Virginia. VDOE has been incrementally expanding the work of the PDG B-5 to communities across the state. This brief uses data collected in the second year of PDG B-5, which includes publicly funded ECE programs from 70 cities and counties across the state. These communities account for about two-thirds of Virginia's total population.

⁴ The survey was distributed online and on paper between October and December 2020, was available in both English and Spanish, and took about 30 minutes to complete. All respondents received a \$20 gift card.

⁵ As was true statewide, the family day homes of nearly all respondents (99%) were open when they completed the survey. Two respondents reported that their site was currently closed but had been open at some point since August 2020 and are included in the analysis. One respondent reported that their site was closed and had not been open at all since August 2020; this teacher is excluded from the analysis.

⁶ This response rate is high, as surveys of early educators typically do not exceed 40%.

Boyd-Swan, C. & Herbst, C.M. (2019) Racial and ethnic discrimination in the labor market for child care teachers. *Educational Researcher*, 48(7), 394-406. <https://doi.org/10.3102/0013189X19867941>

⁷ This survey included a smaller set of family day home providers in PDG B-5 communities in Virginia who participated in the first year of the initiative.

Bassok, D., Doromal, J.B., Michie, M., & Weisner, K. (2020, July). *Family Day Homes in Virginia's Preschool Development Grant Birth through Five Initiative: Baseline Survey Findings*. Virginia PDG B-5 Evaluation SEE-Partnerships Report. Retrieved from http://bit.ly/see_partnerships_FDH_baseline

⁸ Bassok, D., Miller-Bains, K., Michie, M., & Doromal, J.B. (2021, June). *Navigating Infant and Toddler Care During the Pandemic: Findings from Virginia*. Virginia PDG B-5 Evaluation SEE-Partnerships Report.

⁹ Some quotes in this brief have been lightly edited for clarity.

¹⁰ This survey included a smaller set of family day home providers in PDG B-5 communities in Virginia who participated in the first year of the initiative.

Bassok, D., Weisner, K., Doromal, J.B., & Michie, M. (2021, January). *Virginia's Family Day Homes in the Early Months of COVID-19: Lessons from Two Waves of the PDG B-5 Workforce Survey*. Virginia PDG B-5 Evaluation SEE-Partnerships Report. Retrieved from http://bit.ly/see_partnerships_FDH_COVID