Commonwealth Cares for Children (C3) Fall Survey Data
Please note these slides are from the Board of Early Education & Care January and March meetings that occurred on January 10, 2024 and March 13, 2024 and are not inclusive of all survey data.
C3 funds play a key role in supporting the early education and care market.

As of the most recent C3 survey, 1,161 providers report they would close without C3 funds.

In a functioning market, revenues are expected to be greater than costs, allowing for reasonable reserves and opportunities for reinvestments.

- Child care revenue comes largely from tuition, whether in the form of parent fees or child care financial assistance from EEC.
- Data from C3 grantees points to ongoing challenges in balancing costs associated with workforce retention with affordability for families.
- C3 helps programs mitigate the need for tuition/fee increases in the face of significant rising costs, benefiting a broad range of working families.
Fall 2023 C3 Survey Overview

In October, EEC launched the fifth in a series of surveys to gather additional information about programs’ use of C3 grant funds, ongoing financial needs, investments in educators, and services provided to families.

The fall survey launched on October 31, and providers were required to complete the survey when they applied for their December monthly C3 grant.

This analysis includes responses from 6,864 providers (84%) that completed the survey prior to January 1, 2024. Respondents include:

- 2,468 GSA programs (84%)
- 4,396 FCC programs (85%)
- 4,291 programs (92%) that serve children with subsidies*

Response rates by region range from 82% in the Southeast and Cape to 88% in Western MA.

*Note: For purposes of this analysis, “serve children receiving EEC child care financial assistance” is defined as a program that served a child with child care financial assistance in Feb 2020, May 2021, Nov 2021, March 2022, June 2022, Sept 2022, Dec 2022, and/or March 2023, and June 2023, as these are the points used in the C3 formula.
Program Stability
The licensed capacity of our system continues to grow and now exceeds pre-pandemic levels.

**Licensed Capacity Over Time**

- **Group and School Age**
- **Family Child Care**
- **Statewide Total**

<table>
<thead>
<tr>
<th>Period</th>
<th>Group and School Age</th>
<th>Family Child Care</th>
<th>Statewide Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-COVID</td>
<td>229,388</td>
<td>42,086</td>
<td>271,474</td>
</tr>
<tr>
<td>Spring 2021</td>
<td>199,665</td>
<td>35,772</td>
<td>235,437</td>
</tr>
<tr>
<td>Spring 2022</td>
<td>183,333</td>
<td>38,232</td>
<td>221,565</td>
</tr>
<tr>
<td>Spring 2023</td>
<td>188,932</td>
<td>39,424</td>
<td>228,356</td>
</tr>
<tr>
<td>Current</td>
<td>194,593</td>
<td>41,956</td>
<td>236,549</td>
</tr>
</tbody>
</table>

January 10, 2024
The number of licensed providers continues to rebound to pre-pandemic levels.

**Number of Licensed Providers Over Time**

- **Group and School Age**
- **Family Child Care**
- **Statewide Total**

January 10, 2024
On average, providers are currently filling 85% of their licensed seats with enrolled children.

Average Enrollment as a Proportion of Licensed Capacity, by Provider Type

Family Child Care
Center-Based Care

Jan-21 80%
Oct-21 83%
Jul-21 83%
Apr-22 83%
Jan-22 84%
Apr-22 84%
Jul-22 87%
Oct-22 82%
Jan-23 82%
Apr-23 83%
Jul-23 82%
Oct-23 84%
Dec-23 85%

Jan-23 89%
Apr-23 90%
Jul-23 92%
Oct-23 89%
Dec-23 90%

Jan-24 92%
More than 2/3 of all center-based providers report that they are able to serve their full licensed capacity.

Factors Limiting Center-Based Programs' Ability to Serve their Full License Capacity (n=2,468)

- All GSA Providers Unable to Serve Their Full License Capacity: 30%
- Unfilled Staff Openings: 21%
- Lack of Enrollment: 10%
- Space limitations: 2%

The most frequently cited factors limiting center-based programs’ ability to serve their full licensed capacity include...

All other factors (transportation limitations, health and safety concerns, etc.) were cited by fewer than 2% of center-based providers.

The proportion of center-based providers that report being unable to serve their full licensed capacity (30%) is down slightly from 33% last spring.
C3 participation has steadily increased since July 2021.

In December:

4,673 FCC Providers
(89% of all FCCs)

2,634 Center-Based Providers
(89% of all CBCs)

4,584 in Highest SVI Areas
(93% of all providers in highest SVI areas)

4,552 Providers Serving Children with Child Care Financial Assistance
(95% of all providers serving children with CCFA)

From C3 application data as of February 23, 2024. Providers can continue to apply for July 2023-March 2024 through April 5, 2024, and therefore participation rates above for those months will continue to rise. Percentages based on eligible programs at the end of December 2023.
Overall, licensed capacity has grown 7% since the beginning of FY23.
Patterns in growth vary by provider type.
Licensed capacity has increased within all EEC regions at a comparable rate, with the highest rate of growth in Metro Boston.

<table>
<thead>
<tr>
<th>Region</th>
<th>July 2022 Licensed Capacity</th>
<th>February 2024 Licensed Capacity</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>42,878</td>
<td>45,564</td>
<td>6.0%</td>
</tr>
<tr>
<td>Metro Boston</td>
<td>48,416</td>
<td>53,433</td>
<td>10.4%</td>
</tr>
<tr>
<td>Northeast</td>
<td>57,516</td>
<td>61,416</td>
<td>6.7%</td>
</tr>
<tr>
<td>Southeast and Cape</td>
<td>43,978</td>
<td>46,729</td>
<td>6.3%</td>
</tr>
<tr>
<td>Western</td>
<td>28,543</td>
<td>30,240</td>
<td>5.9%</td>
</tr>
</tbody>
</table>
Fewer programs are closing than opening, resulting in a net gain over time. Family child care providers are opening at a higher rate.

Open and Closed Programs By Month

Center Based Care

Family Child Care

Newly Opened
Newly Closed
Capacity growth is seen across all age groups, with infant and toddler classrooms showing the largest gains and preschool the smallest.

Center Based Care Growth, By Age Group

- Infant/Toddler Capacity: 35,556 to 39,267 (+10.4%)
- Preschool Capacity: 85,657 to 89,416 (+4.4%)
- School Age Capacity: 61,324 to 66,454 (+8.4%)

March 13, 2024
Overall, a notable number of FCC providers report reliance on C3 to remain open, whereas center-based programs are more likely to report reliance on C3 to stay open if they serve children with CCFA and/or are in high SVI areas.

C3 Fall 2023 Survey Data as of 1/1/24.
Programs that serve children with CCFA and/or in highest SVI areas report lower enrollment rates, a potential indicator of financial instability.

C3 Application data as of January 25, 2024.
Programs increasingly report needing to close if C3 funds were no longer available.

1,161 programs report they would close if C3 Funds No Longer Available

\[ \text{~14,000} \] Seats in programs that accept child care financial assistance would be lost if these programs closed

21% of family child care providers report they would close up from 18% in Spring 2022

10% of center-based programs report they would close up from 8% in Spring 2022

20,839 Licensed Seats would be lost if these programs closed

Data from Spring 2023 C3 Survey

January 10, 2024
Workforce Supports
Center based providers continue to spend more than half of recent grant funds on existing payroll and benefits, while FCC providers spend almost 40% of funds on facilities and rent.

**Grant Spending by Category and Provider Type: July 1-October 31, 2023**

<table>
<thead>
<tr>
<th>Category</th>
<th>Center Based Providers</th>
<th>Family Child Care Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Payroll and Benefits</td>
<td>60%</td>
<td>19%</td>
</tr>
<tr>
<td>Facilities/Rent</td>
<td>39%</td>
<td>14%</td>
</tr>
<tr>
<td>Other Operational Expenses</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Workforce Investments (Salary/Benefit Increases, Bonuses)</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Longer Term Capital Investments</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Curriculum, Resources, and Materials</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>Other New Investments</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Note: In the most recent survey, EEC shifted the structure for reporting grant spending. Previously, providers reported cumulatively on all grant funds expended since the start of the grant program. EEC now asks providers to report on grant funds spent during a finite reporting period. Therefore, these data should not be directly compared to previously reported data. Additionally, these data do not include unspent funds.
Providers spent two-thirds of recent grant funds on workforce-related expenses.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing payroll and benefits</td>
<td>51%</td>
</tr>
<tr>
<td>Investments in salary increases</td>
<td>9%</td>
</tr>
<tr>
<td>Investment in new or improved benefits</td>
<td>1%</td>
</tr>
<tr>
<td>One time compensation and bonuses</td>
<td>3%</td>
</tr>
<tr>
<td>Incentives to hire new staff</td>
<td>1%</td>
</tr>
<tr>
<td>Investments in training, staff mental health, etc.</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66%</strong></td>
</tr>
</tbody>
</table>

66% of all grant funds spent between July 1 and October 31, 2023 were used to support the early education and care workforce.
Educator wages continue to grow since the start of the C3 grant but remain low.

The average hourly wage for a center-based teacher in November 2023 ($22.09) amounts to approximately $46,000 per year for a teacher who works full day/full year.
The overall proportion of providers who report that C3 has impacted affordability for families remains relatively steady over time (77% today versus 74% last spring).

Almost half of all providers reported that C3 allowed them to delay tuition increases, and just under one quarter reported that it allowed them to reduce tuition costs for at least some families.

C3 grants have not changed the affordability of my program.

Provided additional private scholarships for staff

Provided additional private scholarships for families

Reduced tuition costs for all families

Reduced tuition costs for some families

Reduced or eliminated additional fees

Delayed tuition increases

How have C3 grants impacted affordability for families in your program?
Average hourly wages have risen for educators since the inception of C3, although educators working in programs that serve children receiving CCFA and in programs in high SVI communities have experienced smaller increases.
In Massachusetts and some other states, child care employment has reached and surpassed pre-pandemic numbers, although the sector already faced shortages prior to 2020.

**FIGURE 2**

**Selected States: Child Care Industry Jobs as a Percentage of February 2020 Baseline, through December 2023**

*ARPA stands for the American Rescue Plan Act of 2021*

About one-fifth of centers report that unfilled staff openings prevent them from serving their full capacity.

C3 Fall 2023 Survey Data as of 1/1/24.
Family Access
Providers report impacts to families and educators if grant funding were no longer available.

If this grant funding were no longer available, what would be the impact to your program?

- Close program: 19% CBC, 21% FCC
- Close classroom/group: 10% CBC, 4% FCC
- Reduce staffing level: 29% CBC, 41% FCC
- Reduce compensation: 47% CBC, 53% FCC
- Defer facility maintenance/improvements: 42% CBC, 41% FCC
- Reduce discretionary program expenses: 62% CBC, 63% FCC
- Incur or increase debt: 42% CBC, 42% FCC
- Reduce supports for educators: 38% CBC, 23% FCC
- Defer planned salary scale increases or benefit improvements: 66% CBC, 63% FCC
- Increase tuition rates: 57% CBC

1,161 providers, including 904 FCC providers and 257 center-based providers report that they would have to close if C3 grant funds were no longer available.
Providers report that C3 enabled them to remain open, serve their desired number of children, invest in staff, and support families.

Providers Report that C3 Allowed Them to Remain Open, Serve Children, and Provide Supports to Families

- Continue to serve desired number of children: 61% (CBC), 70% (FCC)
- Remain open during the grant period: 48% (CBC), 70% (FCC)
- Defer planned tuition increases: 28% (CBC), 35% (FCC)
- Provide scholarships/tuition assistance: 6% (CBC), 26% (FCC)
- Provide extended/flexible hours for families: 10% (CBC), 22% (FCC)
- Lower tuition/fees for families: 9% (CBC), 25% (FCC)
- Increase other supports for families: 7% (CBC), 10% (FCC)

Providers Report that C3 Allowed Them to Support the Workforce and Make Other Quality Investments

- Increase salaries for staff (or for myself and my assistants): 43% (CBC), 81% (FCC)
- Hire additional staff: 28% (CBC), 64% (FCC)
- Provide new benefits or supports for staff (or for myself and my assistants): 44% (CBC), 36% (FCC)
- Invest in your physical space: 41% (CBC), 55% (FCC)
- Increase benefits for staff (or myself and my assistants): 40% (CBC), 25% (FCC)
- Reduce classroom ratios and/or decrease class/group size: 5% (CBC), 16% (FCC)

CBC (n=2,468)  FCC (n=4,396)
Family child care providers are less likely to report recent increases to tuition compared to centers. Programs of both types serving more low- and moderate-income communities are less likely to report tuition increases.

- Most providers that reported raising tuition report that they raised tuition by less than 5%.
- FCCs tended on average, to report slightly larger increases to tuition, with 25% reporting that they raised tuition by 6-10% (versus 20% of centers) and 9% reporting that they raised tuition by more than 10% (versus 3 percent of centers). See appendix for more details.
Most programs also provide their own financial supports to families beyond the EEC child care financial assistance system.

Financial Supports Center-Based Programs Provide to Families

- Reduced child care tuition for your educators and staff: 66% (69% for Center-Based Care; 66% for Center-Based Care: No CCFA)
- Reduced child care tuition for siblings: 55% (55% for Center-Based Care; 55% for Center-Based Care: No CCFA)
- Scholarships or grants to families: 36% (39% for Center-Based Care; 33% for Center-Based Care: No CCFA)
- Temporary tuition breaks based on family circumstances: 25% (33% for Center-Based Care; 33% for Center-Based Care: No CCFA)
- Sliding scale tuition: 9% (5% for Center-Based Care; 5% for Center-Based Care: No CCFA)
- Other: 6% (7% for Center-Based Care; 7% for Center-Based Care: No CCFA)
- We do not provide financial supports to families: 10% (10% for Center-Based Care; 10% for Center-Based Care: No CCFA)

Financial Supports FCC Programs Provide to Families

- Reduced child care tuition for your educators and staff: 8% (8% for Family Child Care; 8% for Family Child Care: No CCFA)
- Reduced child care tuition for siblings: 26% (32% for Family Child Care; 32% for Family Child Care: No CCFA)
- Scholarships or grants to families: 4% (4% for Family Child Care; 4% for Family Child Care: No CCFA)
- Temporary tuition breaks based on family circumstances: 14% (20% for Family Child Care; 20% for Family Child Care: No CCFA)
- Sliding scale tuition: 4% (3% for Family Child Care; 3% for Family Child Care: No CCFA)
- Other: 3% (3% for Family Child Care; 3% for Family Child Care: No CCFA)
- We do not provide financial supports to families: 37% (49% for Family Child Care; 49% for Family Child Care: No CCFA)

C3 Fall 2023 Survey Data as of 1/1/24.