

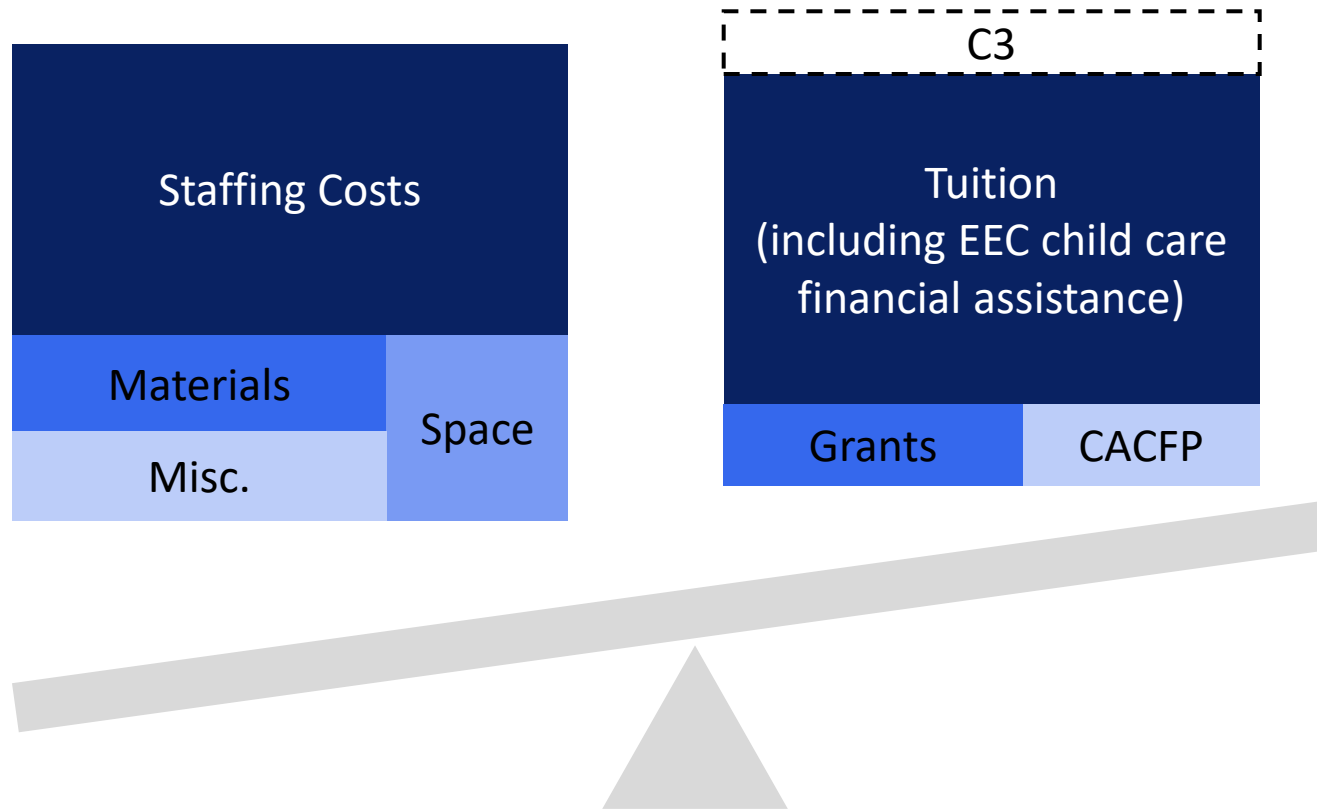


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Commonwealth Cares for Children (C3) Survey Findings

Please note these slides are from the Board of Early Education & Care January Meeting that occurred on January 10, 2024 and are not inclusive of all survey data.

C3 funds play a key role in supporting the early education and care market.



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.

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

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.

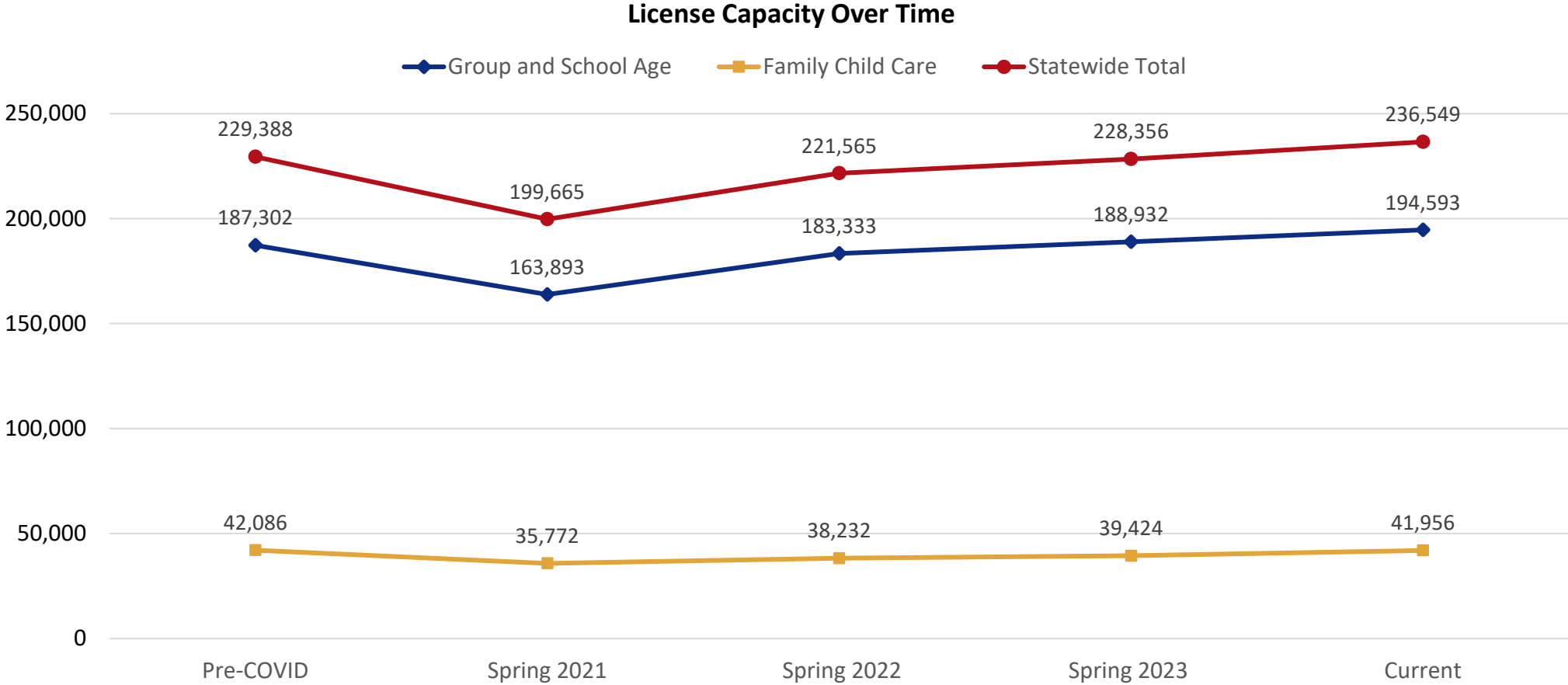
The fall survey launched on October 31, and providers were required to complete the survey when they applied for their December monthly C3 grant.

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*

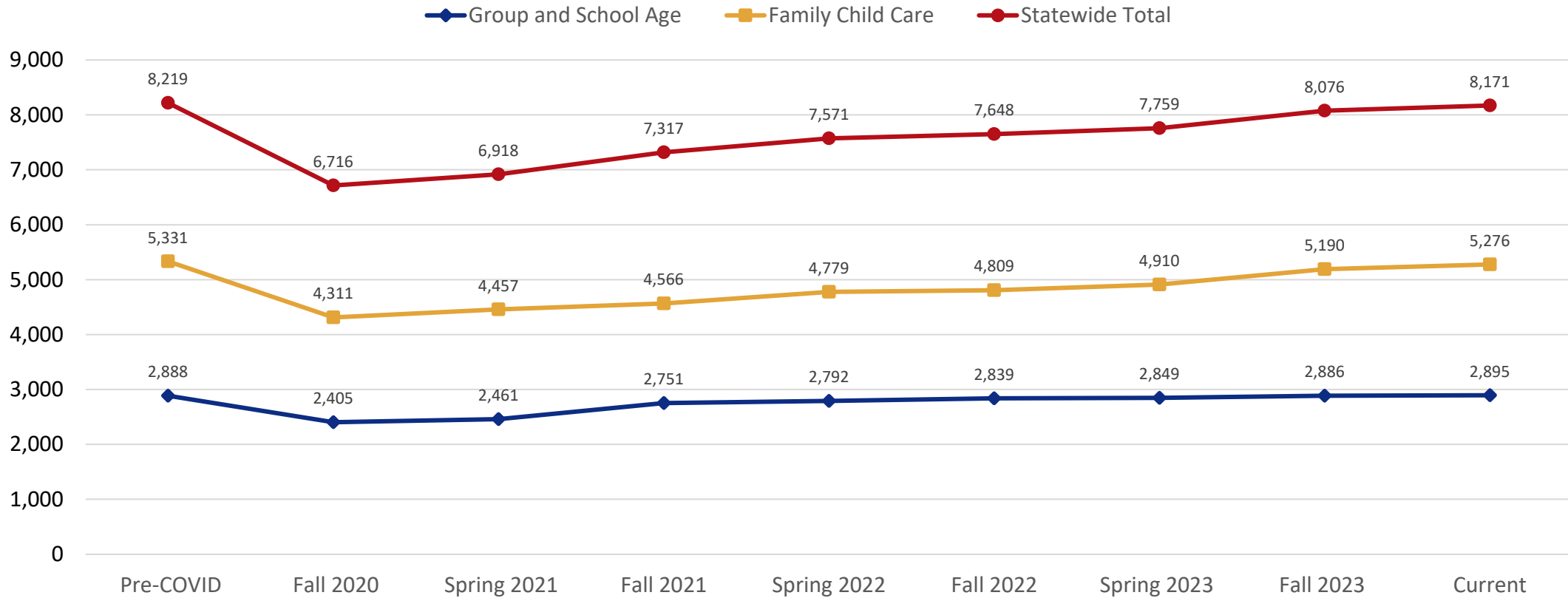
Response rates by region range from 82% in the Southeast and Cape to 88% in Western MA.

The license capacity of our system continues to grow and now exceeds pre-pandemic levels.



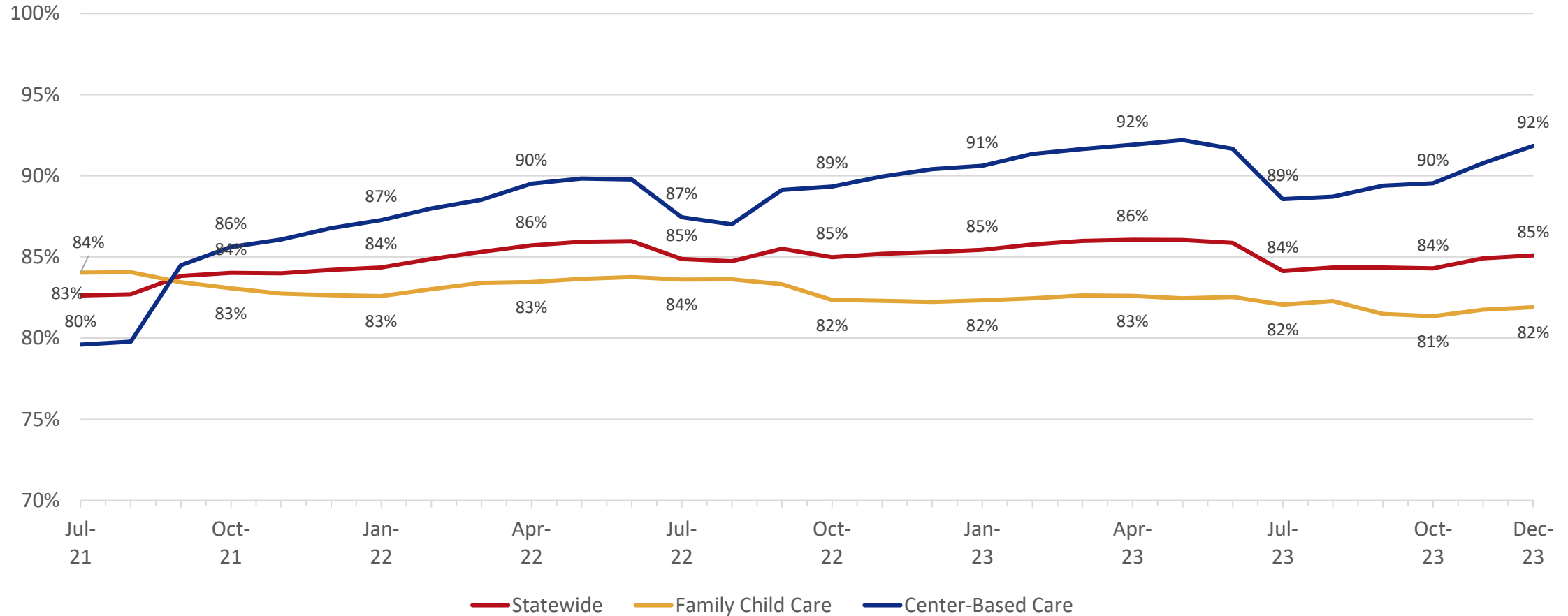
The number of licensed providers continues to rebound to pre-pandemic levels.

Number of Licensed Providers Over Time



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

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



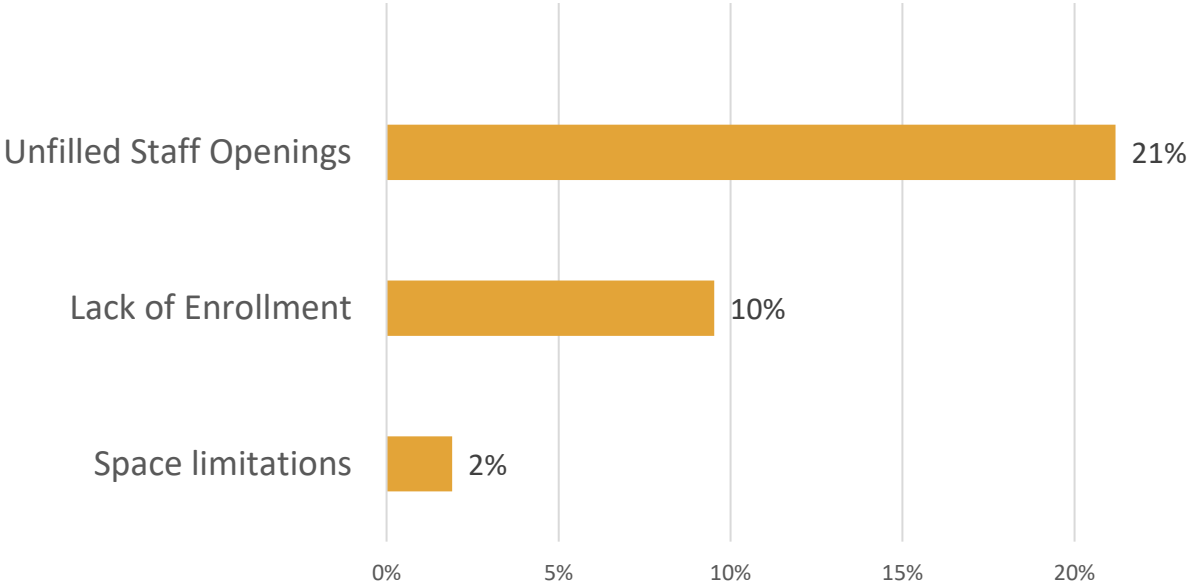
Just under 1/3 of all center-based providers report that they are unable to serve their full license capacity.

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



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

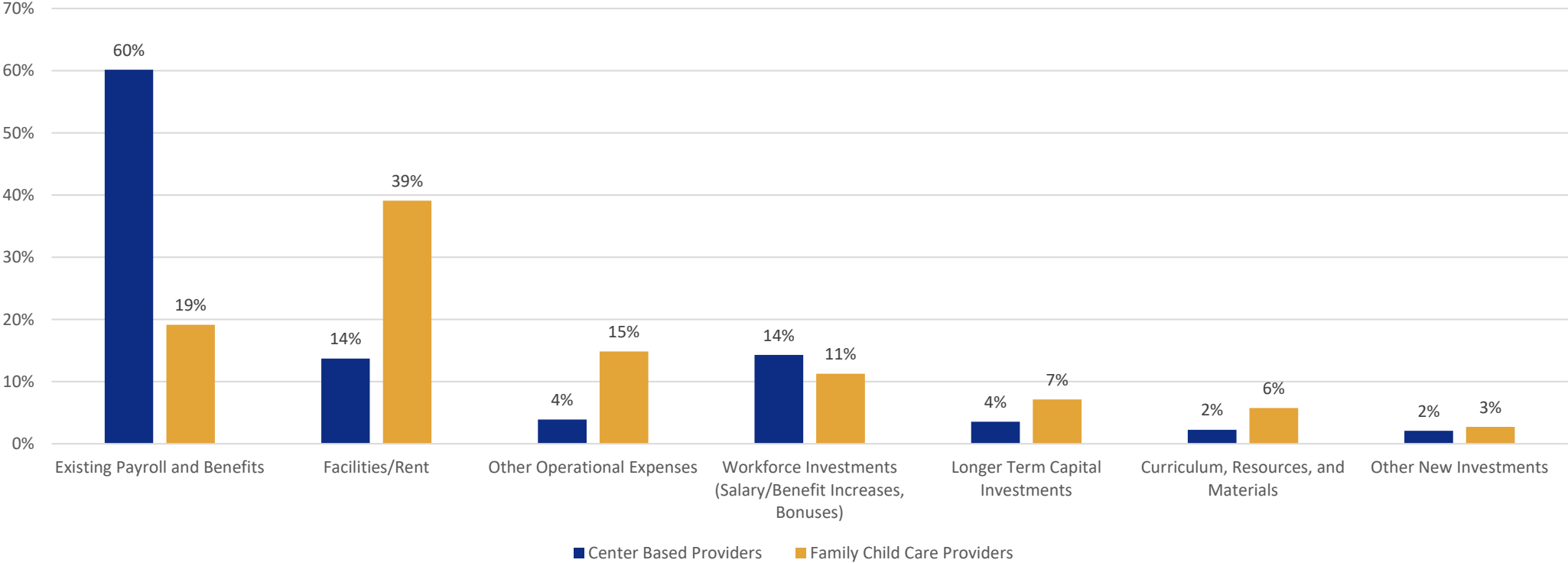


All other factors (transportation limitations, health and safety concerns, etc.) were cited by fewer than 2% of center-based providers.

The proportion of center-based providers that report being unable to serve their full license capacity (30%) is down slightly from 33% last spring.

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



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.

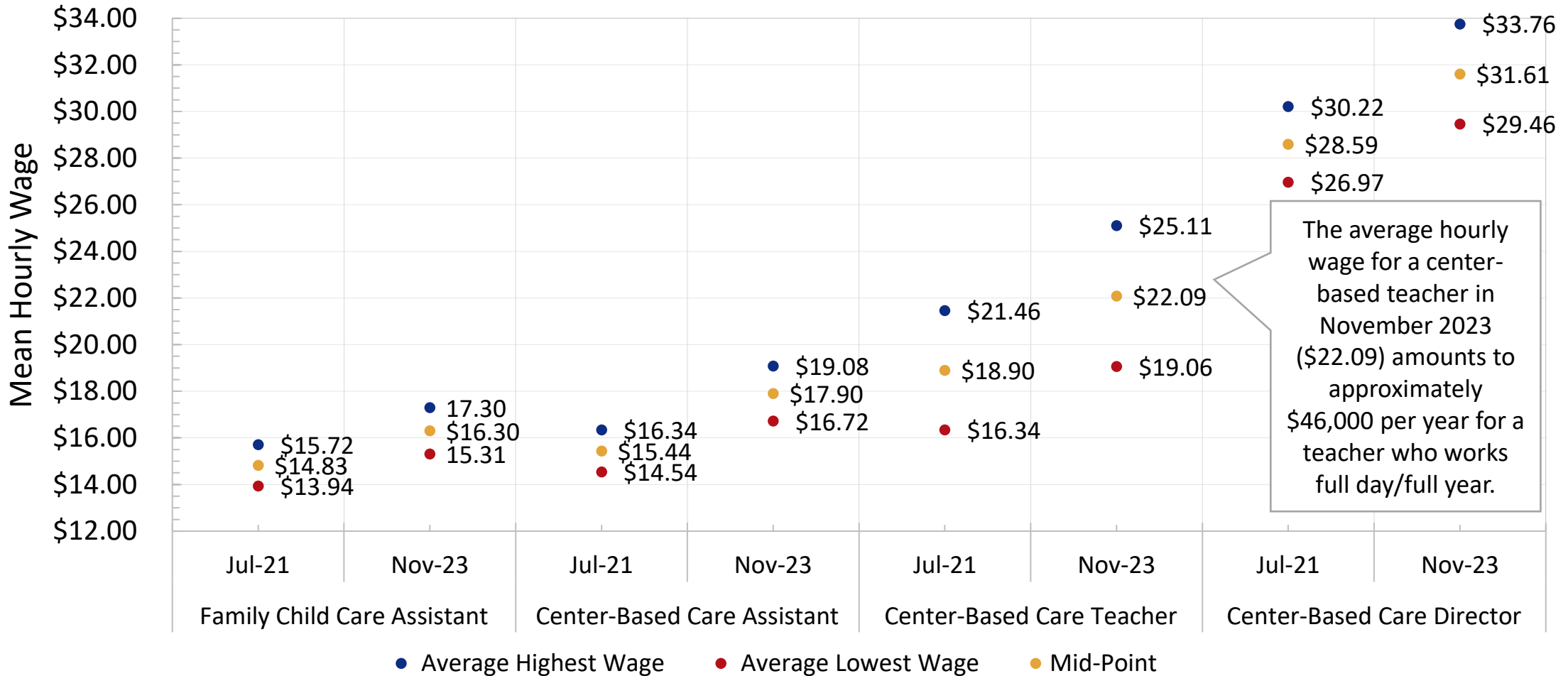
Providers spent two-thirds of recent grant funds on workforce-related expenses.

Total Workforce Spending (July 1-October 31, 2023)	
Category	Percent of Funds
Existing payroll and benefits	51%
Investments in salary increases	9%
Investment in new or improved benefits	1%
One time compensation and bonuses	3%
Incentives to hire new staff	1%
Investments in training, staff mental health, etc.	1%
Total	66%

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.

Average Educator Highest and Lowest Hourly Pay Over Time

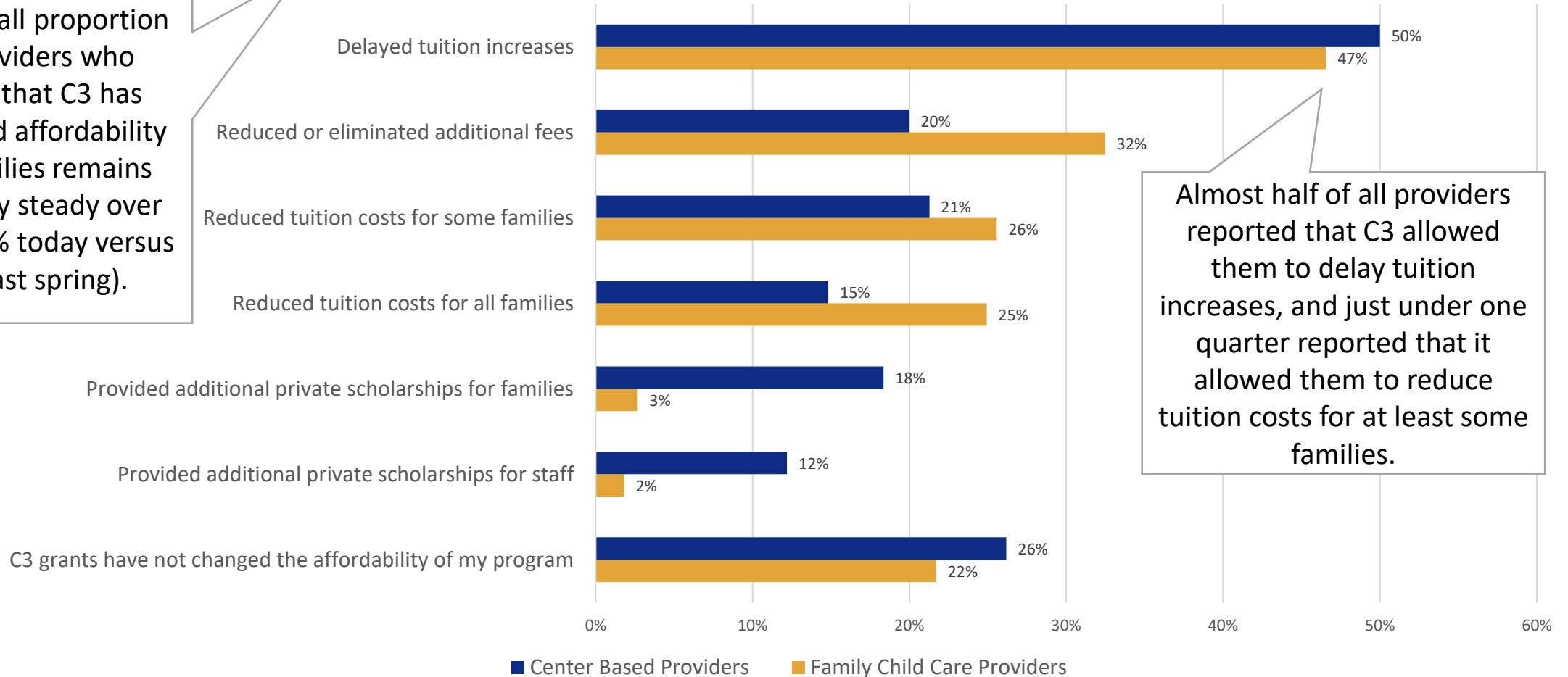


The average hourly wage for a center-based teacher in November 2023 (\$22.09) amounts to approximately \$46,000 per year for a teacher who works full day/full year.

More than three-quarters of providers report that C3 has had an impact on affordability for families.

How have C3 grants impacted affordability for families in your program?

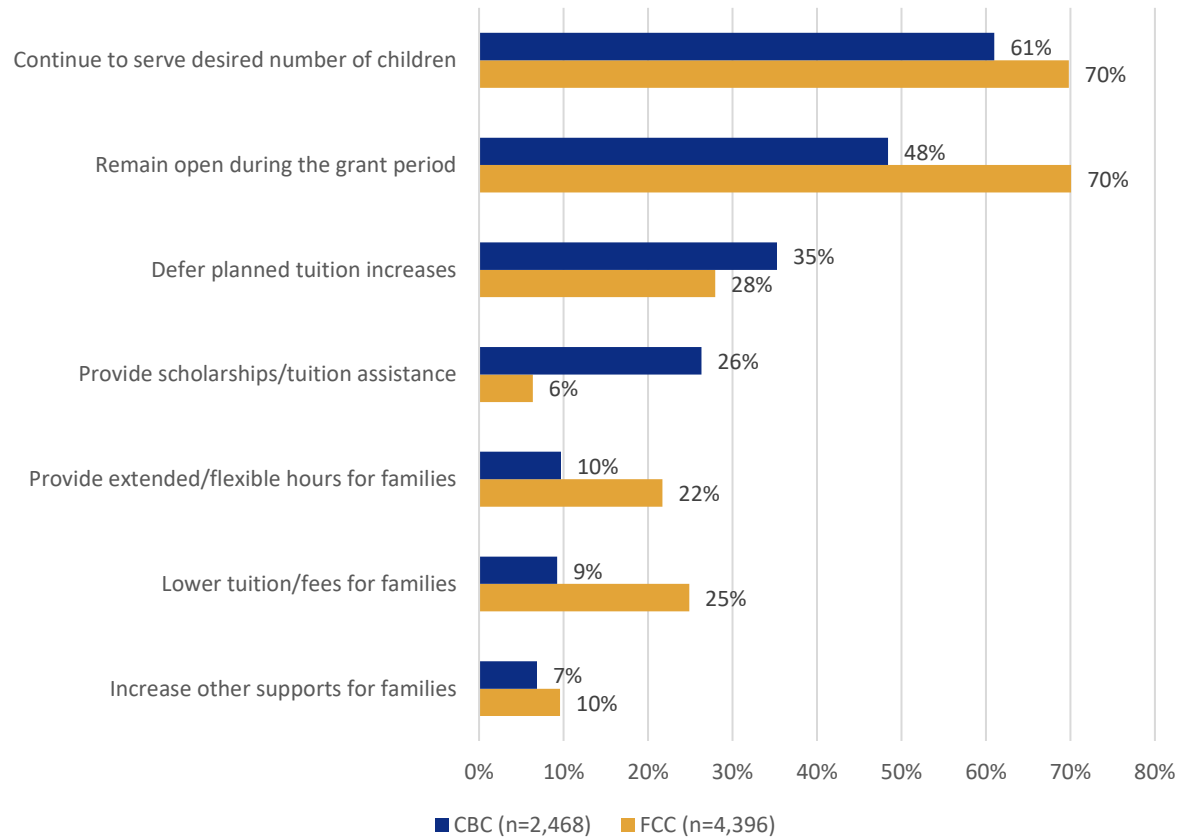
The overall proportion of providers who report that C3 has impacted affordability for families remains relatively steady over time (77% today versus 74% last spring).



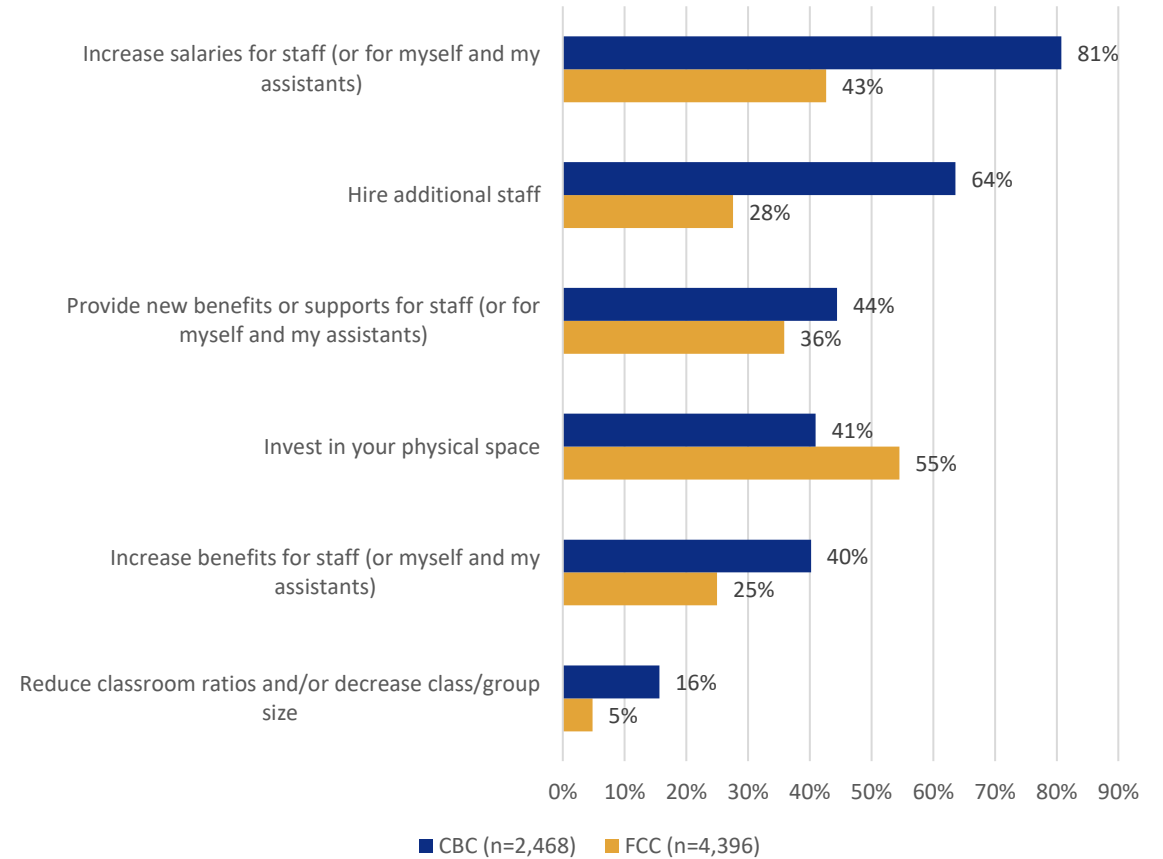
Almost half of all providers reported that C3 allowed them to delay tuition increases, and just under one quarter reported that it allowed them to reduce tuition costs for at least some families.

Providers report that C3 enabled them to remain open, serve their desired number of children, invest in staff, and support families.

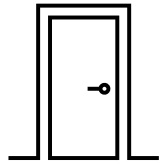
Providers Report that C3 Allowed Them to Remain Open, Serve Children, and Provide Supports to Families



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

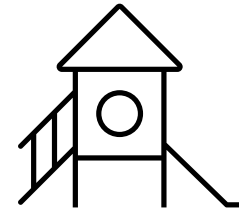


Programs increasingly report needing to close if C3 funds were no longer available.



1,161

programs report they would
**Close if C3 Funds No
Longer Available**

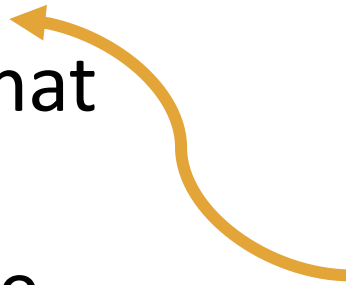


21% of family child care providers
report they would close
up from 18% in Spring 2022

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



~14,000
Seats in programs that
accept child care
financial assistance
would be lost if these programs closed

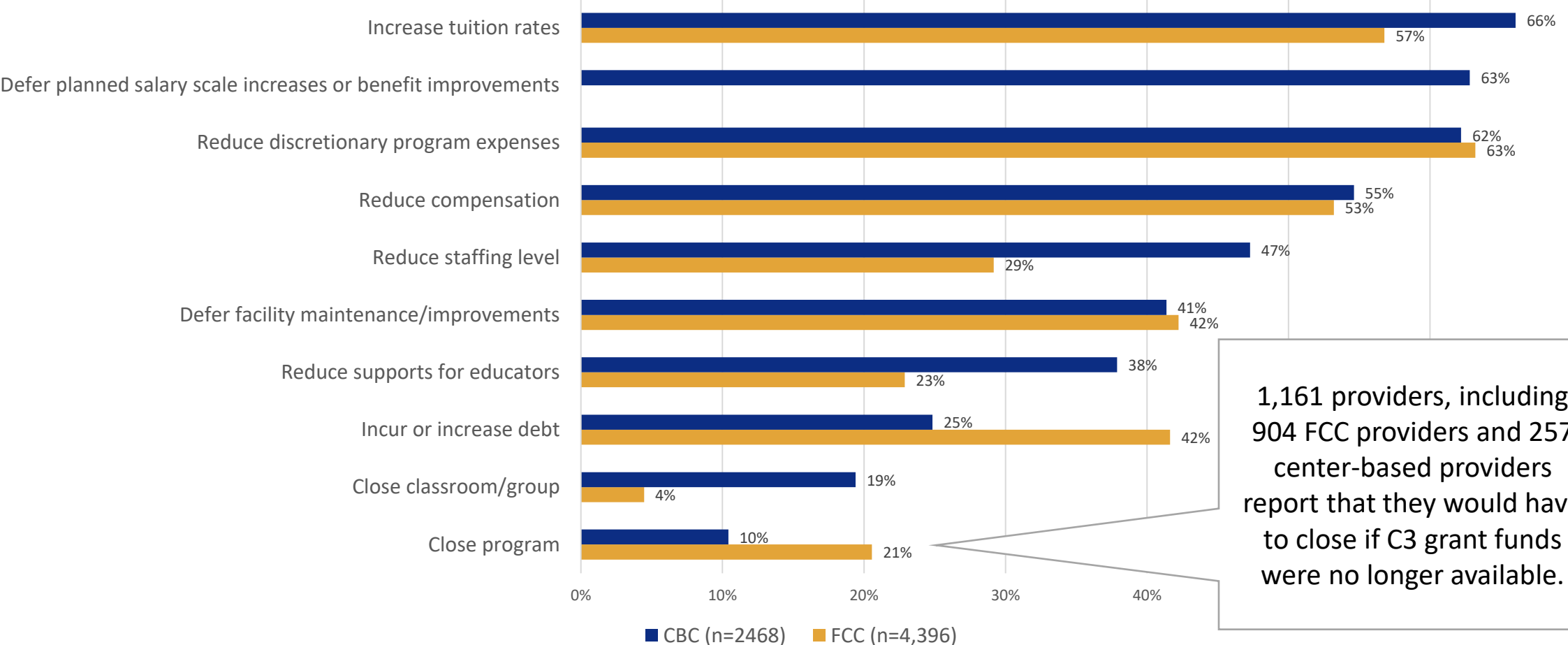


20,839
Licensed Seats
would be lost if these programs
closed



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?



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.