



...ensuring affordable, accessible, high quality child care for all young children.

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Early childhood professionals and children feeling the effects of the recession

A recent study conducted by child care resource and referral agencies across the state found that many child care programs are seeing a decline in enrollment and an increase in families either unable to pay tuition or falling behind in their payments. As child care businesses try to make up for declining revenue and increasing costs, child care providers are taking the biggest hit.

To compensate for the decline in business, many programs are reducing staff hours and freezing salaries. For a workforce that earns as little as \$8 an hour, this could mean it will become increasingly difficult to keep qualified teachers in the classroom. To further compensate, program directors are also combining classrooms and age groups, and laying off staff.

As programs work to stay in business, the children enrolled could feel the impact as well. Research has shown that better-compensated teachers provide higher-quality care. Likewise, high turnover of child care staff has also been shown to negatively impact the quality of care in programs. With the loss of teachers and the increase in class size resulting in the possibility of increased child to teacher ratios, the quality of care children are receiving could be further affected.

While child care staff are being hit hard, many families are benefiting from more flexible and innovative care options as programs develop new strategies to either increase revenue or decrease expenses. Many child care programs have begun offering payment plans as well as part-time, summer or school-age care. Others are offering transportation services or allowing families to share child care slots.

The compound issues facing the child care industry have been made only more complex by the current financial hardships faced by businesses and families alike. Just as other businesses are learning to survive with increased costs and decreased demands, some child care programs across the state seem to be succeeding at finding the right mix of revenue and expense. Others seem to be struggling a bit more.

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For a complete copy of the 2009 Impact of the Recession on Child Care in North Carolina study, please contact the NC Child Care Resource and Referral Council at one of the contacts listed above.

The Impact of the Recession on Child Care in North Carolina study was produced by the North Carolina Child Care Resource and Referral Council in conjunction with the 18 regional lead child care resource and referral agencies, which helped with data collection. The North Carolina Child Care Resource and Referral Council is comprised of three agencies: Child Care Resources Inc. in Charlotte, Southwestern Child Development Commission in Webster, and Child Care Services Association in Chapel Hill. The Council serves in a planning and advising capacity to the North Carolina Division of Child Development in developing a high performing statewide child care resource and referral system, and funds core service delivery in all of the eighteen child care resource and referral regions throughout North Carolina.

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