



North Carolina Child Care Access to CARES Business Loan Programs

April 2020

Summary:

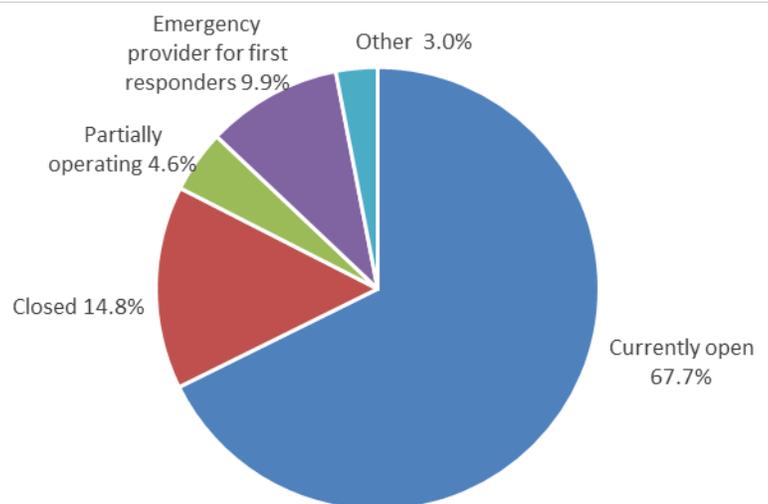
On March 27, the Coronavirus Aid, Relief and Economic Security (CARES) Act established two Small Business Administration (SBA) loan programs available for small businesses including child care providers: Paycheck Protection Program (PPP) and Emergency Economic Injury Disaster Loans (EIDL). Child Care Services Association conducted an online survey with North Carolina child care programs about their experiences applying for CARES Act funds. Highlights include:

- Less than half of respondents, 43.9% or 231 programs, tried to apply for funds from the CARES Act between March 20 – April 22.
- When asked about their application, most programs reported successfully submitting an application; however, more than one-third of programs reported that they were not able to submit an application.
- Only 39 programs in North Carolina had their CARES application approved as of April 24, leaving 81% or 166 respondents without approved applications.
- 84% of programs (228) said they will try to apply for CARES funds again.

Child Care Survey on CARES Act Utilization in North Carolina:

On April 20, Child Care Services Association released an online survey to North Carolina child care programs about their experiences applying for CARES Act funds. Five-hundred twenty-six (526) child care programs (licensed centers and child care homes) responded to the survey, out of 4,568 child care programs across North Carolina who received the survey via email.

More than two-thirds of child care programs that responded to the survey (67.7%; 356) report that they are currently open. In addition, 14.8% are closed, 4.6% are partially operating and 9.9% are identifying as emergency provider for first responders.



Note: 526 responses

Unemployment Insurance Benefits Utilization

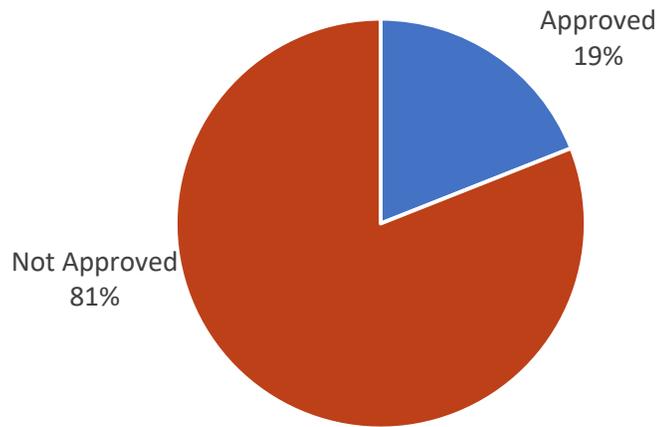
Closed programs were asked if their employees were applying for unemployment insurance benefits. Just over one-third of respondents (34.4% or 76 providers) reported their employees were applying for unemployment insurance benefits.

CARES Act Small Business Loan Participation in North Carolina

Applications Submitted

Less than half of respondents, 43.9% or 231 programs, tried to apply for funds from the CARES Act. Almost two-thirds of those that answered about their application (64% or 176 providers) said they were successful in submitting an application. That leaves 35.8% or 98 child care programs that said they were unable to submit an application.

CARES Application Status as of April 24, 2020

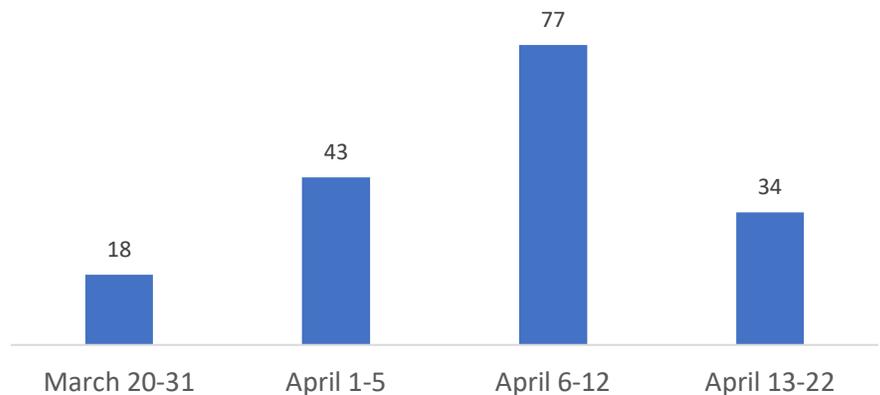


Note: 205 Responses

Approved Applications

Only 19% of respondents or 39 providers had their CARES application approved, leaving 81% or 166 providers who responded to this question without approved applications. Eighty-four percent (84%) of respondents (228 programs) said they will try to apply for CARES funds again.

CARES Applications that were **not** Approved by Submission Date



Note: 172 responses

One child care program's experience:

"I was successful in getting my application to my bank early on. My application was in the queue at the bank for over a week when the SBA funds ran out. I am a very small business. We only have eight employees. Other small businesses with CPAs on the payroll were ready to go without having to wait for their banker. They were able to get their applications in on day one. Real small businesses that had to wait for their banker did not get any money. I have promised my staff to pay them for April while we are closed. I am now feeling that I must open for May whether I want to or not. I have three staff that have serious health concerns and are afraid to work."

Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL)

When asked if they have applied or will try to apply for either of the small business loan programs, 58% (305 programs) said they have or will apply for the Paycheck Protection Program and 19% (101 programs) said they have or will apply for the Economic Injury Disaster Loan. More than one-fifth of respondents (22.8%; 120 programs) said they would not apply. While programs may apply for both the PPP and EIDL programs, in the survey respondents were asked to select one choice so it is possible programs plan to apply for more than one of the loan programs and those numbers may be higher.



Note: 526 responses. Respondents were able to select the PPP, EIDL or No as responses but not select more than one option.

COVID-19 Resources for Child Care Professionals, Families and Advocates:

For more information about small business loans through the Federal CARES Act and other COVID-19 resources for child care providers, families and advocates, please visit: <https://www.childcareservices.org/covid-19-safety-resources/>.