



Child Care & COVID-19: With Crisis Comes Opportunity

Child care is a critical workforce facilitator and foundational to Virginia's health and economy. While long recognized by Virginia's business community, this has never been more evident than during the current health and economic crisis.

Virginia's child care industry has a nearly \$2.5 billion impact on Virginia's economy and employs over 40,000 individuals supporting an additional 13,000 jobs in other industry sectors.¹ Yet the child care industry² is fraught with a challenging cost structure, operating on razor thin margins and characterized by great fragility, leaving these small businesses (considered essential personnel per COVID-19) especially vulnerable to the cascading economic impact of the pandemic.

The pandemic has caused a disruptive tension by jeopardizing the stability of the child care industry while also exacerbating the need for emergency child care for essential workers. Child care operators must make difficult business decisions within an uncertain environment: Do I close my doors (temporarily or permanently)? Or can I remain open at even steeper cost to provide emergency child care for essential workers? These decisions are thorny and laden with ethical considerations of implications related to health, economics, and equity; yet, bottom line it's a math problem. Child care operators now must absorb even higher costs and reduced income as they follow Gov. Northam's mandates and public health guidance (including no more than 10 individuals per space, social distancing, and disinfection).

As currently articulated most vocally by the health & hospital industry, child care is a necessary workforce support for essential personnel like health care and public safety staff, enabling them to provide critical services for all Virginians. Despite the risk to their own health and that of their staff, some child care providers are striving to stay open to serve these essential/emergency personnel but have little bandwidth to discern the near- and long-term economic implications from these decisions.

Virginia's leaders in government, business, philanthropy, and the nonprofit sector must recognize the critical role that child care serves both in the current COVID-19 crisis (to support and sustain provision of first responder/essential worker services) and in the future for Virginia's economic recovery and long-term viability. With crisis comes opportunity: These leaders must take assertive steps to plan and act strategically to transform the Commonwealth's early childhood system.

The Virginia Early Childhood Foundation is committed to facilitating Virginia's successful rapid response, recovery, and transformation of child care solutions. Our efforts include:

- Supporting principled planning, decisions, and action: See VECF's [Priorities and Position Statement](#).
- Convening Smart Beginnings [COVID-19 Collaboratives](#) to address emergency child care, e.g., by identifying localized strategies to match supply (available child care slots) with demand (preferences of essential workers needing safe child care for their children).
- Providing regular briefings for two-way information and sharing among state officials and early childhood stakeholders statewide. Recordings of past briefings may be found [here](#).
- Advising and assisting the Administration and state agencies, community collaboratives (including employers and philanthropy), and child care operators with tools, insights and resources for strategic decision-making and action. For example, this tool (*under construction*) clarifies options and supports decision-making by child care operators for pursuit of relevant COVID-19 response economic protections and federal aid.

Looking beyond COVID-19, the child care industry needs economic relief and protections from state and federal governments. Like other industries, without significant financial supports and investment, the child care industry may not fully recover.

As Virginia begins to think about its economic recovery in the days and months ahead, child care will be vital to ensuring families can return to work. We must collectively and collaboratively seize the opportunity for a strengthened and more equitable child care system for Virginia's bright future.

¹Committee for Economic Development, 2019 Update, "Child Care in State Economies"

² Child care types include unregulated, informal care (called Family, Friend and Neighbor Care), self-employed individuals (home-based licensed family child care), licensing-exempt faith-based and licensed non-profit centers, and for-profit small businesses.