



# 2020 -2021

## Child Care Benchmark Report

Child Care Statistics  
and Industry Trends



**Presented by:**



**In Association With**



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COMPANY



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# Introduction

Each year when producing the Benchmark Report and thinking about child care from a business, technology, and educational perspective, I always have the same thought: “Wow, this year was unlike any year I’ve seen so far.” I think you would all agree with me, however, when I say that 2020 has *really* been unlike any year we’ve ever seen so far.

Many of us have been fortunate enough to work from home safely to reduce our chances of contracting and spreading the COVID-19 virus. Many others, however, are braving the frontlines and a term — essential workers — has been popularized to accurately reflect the value that they provide to keep everything vital in society running smoothly. This includes early childhood educators and administrators who have been long underappreciated for the demands of the field.

If there is a silver lining to the pandemic, it may be that essential services may finally be given the attention and prioritization that they deserve. Child care businesses — who have small profit margins at the best of times — have been challenged to continue operating with altered ratios and additional procedures in place. Turning a blind eye is no longer an option: early childhood education is fundamental for all parents to join the workforce and to help children’s learning and development. In Canada, for instance, the federal government has recently pledged to institute the long-promised Universal Child Care System<sup>1</sup>.

With this Benchmark Report, our goal is to provide a much-needed snapshot of the child care industry from the providers’ point of view. By better understanding their operations, priorities and outlooks, we hope that all child care organizations can get a better sense of how they compare to their peers. For families, advocates and policy-makers, we hope this data

serves to make well-informed decisions that will benefit our children and those who look after them.

On behalf of HiMama and our partners, thank you for reading the 2020 Benchmark Report and, most of all, thank you to all of our Early Childhood Educators working with children during the difficult times that the COVID-19 global pandemic has presented us with - you are all heroes in my eyes.



**Ron Spreeuwenberg**  
Co-Founder & CEO  
HiMama

<sup>1</sup>[blog.himama.com/canada-universal-child-care-system/](https://blog.himama.com/canada-universal-child-care-system/)

# Year In Review



Previous yearly reviews have been a collection of major news items and trends that have helped shape the child care industry, but this year has had one item dominate the headlines: COVID-19.

In a time of avoiding close contact with others, child care professionals have been placed in a precarious position. On the one hand, workers need a place to send their children while they provide essential services and/or keep the economy going; however, it is impossible for providers to keep children in an early childhood setting wearing personal protective equipment and social distancing all day – not to mention keeping them and their staff safe as well!

## Shutting Down

When the World Health Organization classified COVID-19 as a pandemic on March 11, 2020<sup>2</sup>, societies across the globe essentially shut down by staying at home wherever possible while we got a handle of the situation and figured out what the next steps should be.

This created a tremendous strain for child care: many parents now had to juggle working from home while watching their children, or in the case of essential workers, figure out where to send their children while they went to work. For providers, shutting down or operating with reduced enrollment meant uncertainty for their staff and their ability to survive until whenever the pandemic passes.

## The New Normal

As months went by and we learned more about the virus, the idea of COVID-19 going away in the near future became impossible. This required a shift in mindset away from ‘waiting it out’ to living with it in what has been termed the ‘new normal.’ Cautiously reopening the various components of everyday life in a safe manner

has been an ongoing learning experience. Providers have implemented new health and safety policies that have had significant impacts on staffing, capacity, cleaning and programming. This has required a tremendous amount of planning, creativity and leadership in order to facilitate in order to ensure that everyone is happy and safe, despite all of the uncertainties that are present.

## Uncertainty Ahead

All of the careful planning has needed to be carried out with the underlying stress of not knowing what tomorrow brings. It has seemed that at any moment centers may need to close down again for an indefinite amount of time. We are unsure whether the requirements and concerns of today will still be present next month, year or decade. An event of this magnitude will undoubtedly alter the way we think about the world, and the impact that this will have on child care remains to be seen.

What we have seen during this process is the perseverance of child care providers to do whatever it takes to continue being of service to their communities no matter what obstacles are thrown their way. In this survey, we have also uncovered new ways that providers have been adapting as the needs of families have been changing. For example, 39% of providers have started offering remote programming, 38% of whom plan on continuing to do so even after things return to normal.



<sup>2</sup>[www.who.int/news-room/detail/27-04-2020-who-timeline---covid-19](https://www.who.int/news-room/detail/27-04-2020-who-timeline---covid-19)

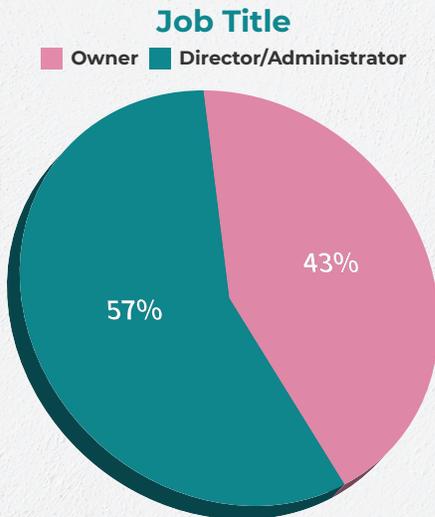


# Methodology & Demographics

A total of 862 childcare centers were recruited from August 17th to September 17th, 2020 through the email lists and social media accounts of HiMama, the Child Care Success Company, the Council for Professional Recognition, the Institute for Childhood Preparedness, and ProSolutions Training. Respondents were asked to provide data from the preceding 12 months from the date that they took the survey.

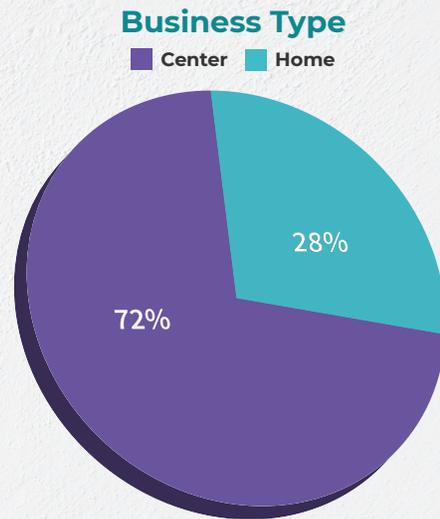
## Child Care Professionals

57% of respondents identified themselves as Directors or Administrators, while the remaining 43% of respondents identified themselves as Owners.



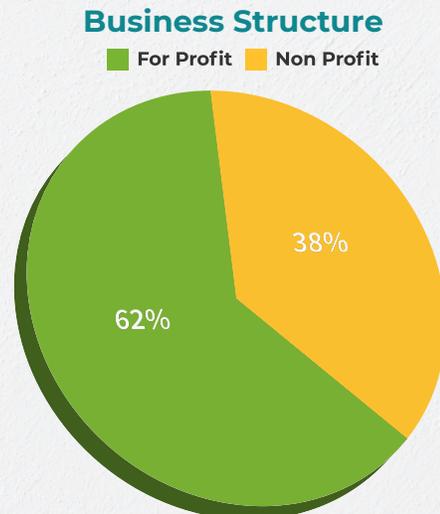
## Small and Large Providers

72% of respondents represent child care centers, while the remaining 28% of responses were from in-home providers.



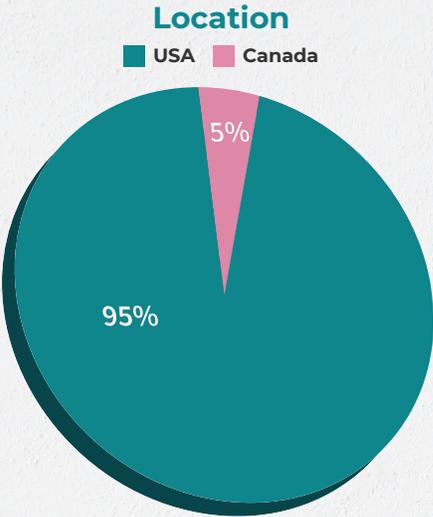
## Varying Business Structures

62% of respondents are from for-profit businesses and 38% are from the non-profit sector.



# North American Businesses

95% of respondents were from the US, while only 5% were from Canada.



# Enrollment

Ultimately, enrolling and retaining children is the most impactful activity to the revenue of any child care program. Yet, during the COVID-19 pandemic many centers found themselves in a state of emergency.

We experienced many states either completely closing down child care programs or adding many health, safety, and capacity restrictions and regulations which made it extremely challenging to run and operate a profitable child care business.

Even when programs were allowed to operate during the peak of the COVID-19 related restrictions, many parents were nervous about keeping their children enrolled in child care. Centers had to work fast to calm parents' fears, gain their trust, and adjust their services to meet new demands and concerns which included:

- Switching from in person to virtual tours
- Creating online learning options for children
- Creating and sending activity packs and "busy-bags" for families to use at home
- Offering part-time and flexible scheduling options
- Creating videos and e-books detailing their COVID-19 response plans, highlighting the procedures and practices designed to keep children, staff, and families safe

Even with all of the innovation and reinvention that has happened, COVID-19 has resulted in a decline in enrollment averaging around 33% for most programs.

The outlook isn't all bleak, though. While growth and expansion efforts may have slowed for some at present, we are likely to come full circle as we learn more about the virus and as effective treatments or vaccines are discovered.

Remaining consistent with your marketing and enrollment building efforts will be the key to continuing to attract and enroll more students. Focus on constantly re-iterating how clean, safe, and ready you are to serve your community, and make sure it's easy to find your school online.



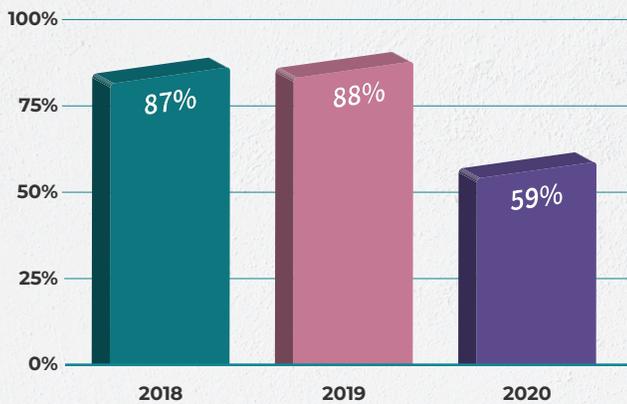
**Kris Murray**

President and Founder  
Child Care Success Company

## Average occupancy rates have decreased by 33%

Average occupancy rates decreased from 88% to 59% (33% decrease) from 2019 to 2020 driven by the impacts of COVID-19.

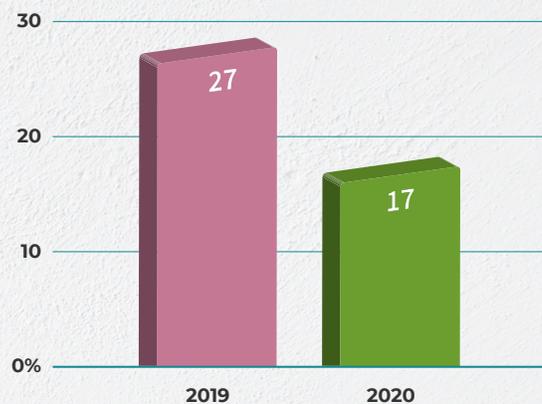
Occupancy Rate



## 36% decline in planned additional spots

Although providers are planning on adding an average of 17 spots in the coming year, this is down 36% from 2019.

Child Spots Adding in Next 12 Months

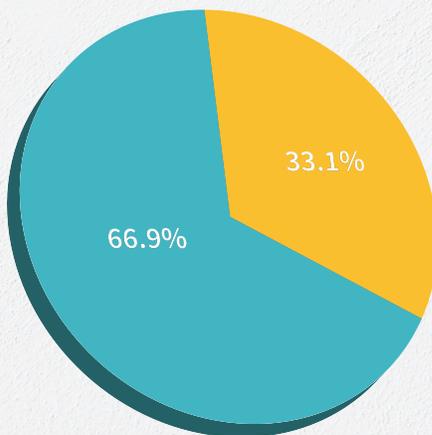


## 33% of children being kept home as a precaution

When asked what percentage of the children are being kept at home due to health precautions, respondents shared that on average they are seeing 33% of children being kept at home.

Children Kept Home

Allowed to Return Kept at Home

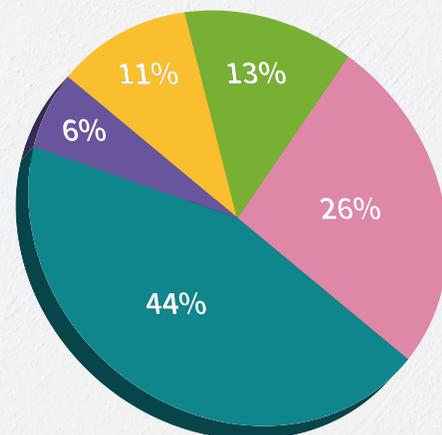


## 44% of enrollment is at the preschool age

The majority of enrollment among respondents' businesses is at the preschool age (44%), followed by toddler (26%), infant (11%), school-age (13%) and kindergarten (6%). This split remained consistent year over year.

Population By Age Group

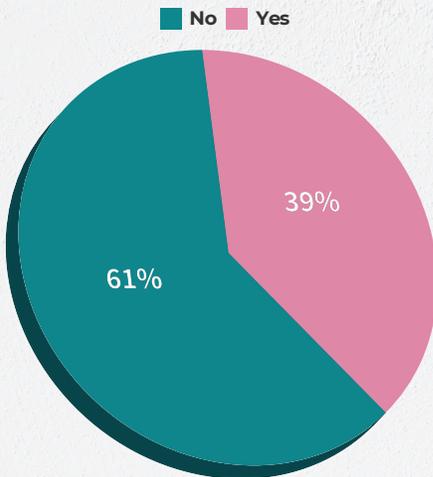
Preschool Toddler Infant School Age Kindergarten



## 39% of centers have been exploring remote learning

As centers went through closing, re-opening, and children being kept at home, remote learning became a buzzword within early childhood education for 2020 with 39% of centers looking into ways to provide online services to keep children engaged and learning at home.

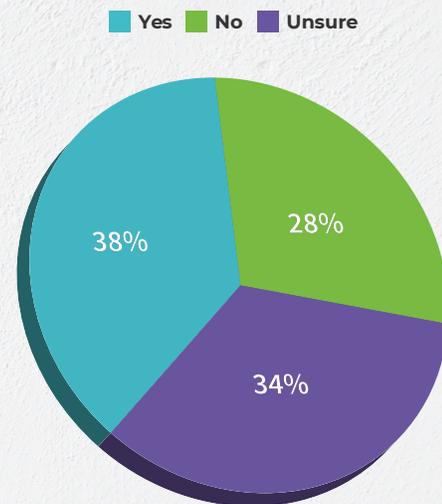
Exploring Remote Learning



## 38% plan to continue remote learning after the pandemic

While remote learning started primarily as a way to support families while children were being kept home, some have said that it is here to stay. Of those who are currently providing remote programming, 38% plan on continuing to do so once things return to normal.

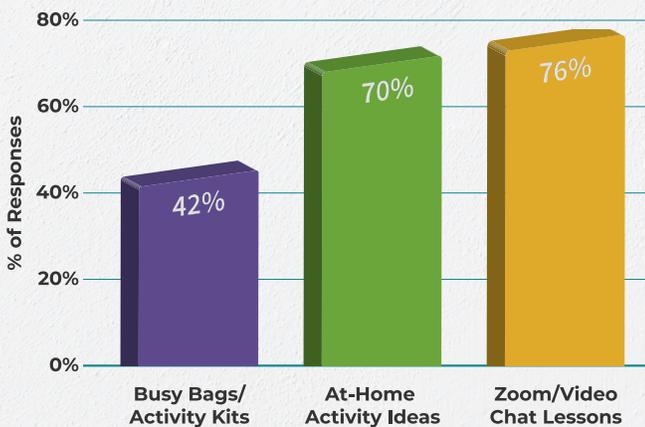
Will You Continue Remote Learning When Back to Normal?



## 76% of remote learning programs leverage video calls

Of those exploring remote learning, they have been doing so through video calls (76%), activities to do at home (70%) and take home busy bags/activity kits (42%).

What have you done to promote remote learning?



# Staffing

ProSolutions Training provides online solutions for staffing and professional development needs. We work with teachers, directors, non-profits, corporate franchises, and state governments, and over the years we have learned from our customers that staffing and retention is a major area of concern. And this year is no different.

As this year's survey shows, the majority of respondents do not have enough staff. This is unfortunately in part due to low salaries in the industry. The COVID-19 pandemic did not help this situation as occupancy levels also dropped. Yet, there is some positive information as the report highlights. Remote learning could become a long-term solution that could create new learning opportunities.

Ongoing professional development as a part of performance can help improve staff retention. Many respondents said they motivated their team with performance evaluations and staff socials. We have found success in creating an engaging onboarding program. Because great onboarding helps keep staff more engaged and happier.

When professionals feel connected to their employers – and committed to their careers – their interactions with other people are more positive and constructive.



**Carla Rogg**

President  
ProSolutions Training



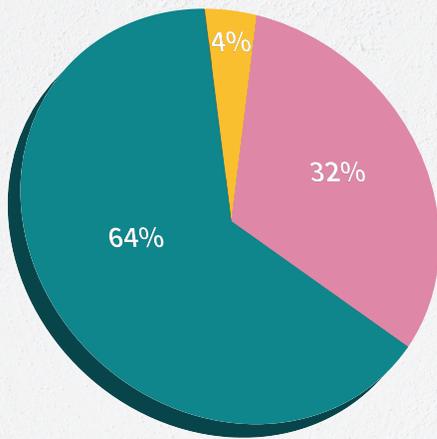
## 64% of providers do not have ideal staffing levels

The majority of respondents (64%) currently do not have enough staff employed and 4% have too many (for a total of 68% having non-ideal staffing levels). Only 32% of businesses have the ideal staff number, which is consistent with the results from 2019.



### What Are Your Staffing Levels Like

■ Too Little +7% vs. 2019  
■ Ideal -7% vs. 2019  
■ Too Many -2% vs. 2019

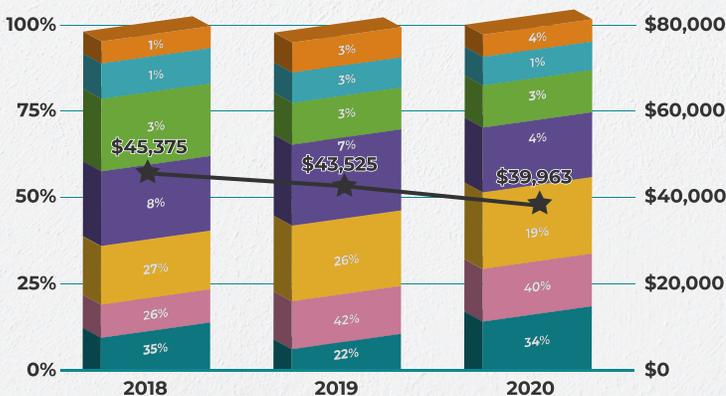


## The average salary of an early childhood professional is \$33,560

Teachers and directors unfortunately continue to be undervalued. In fact, salaries for 2020 have declined since 2019, with an average director salary of \$39,964 (down 9%) and an average teacher salary of \$27,156 (down 5%).

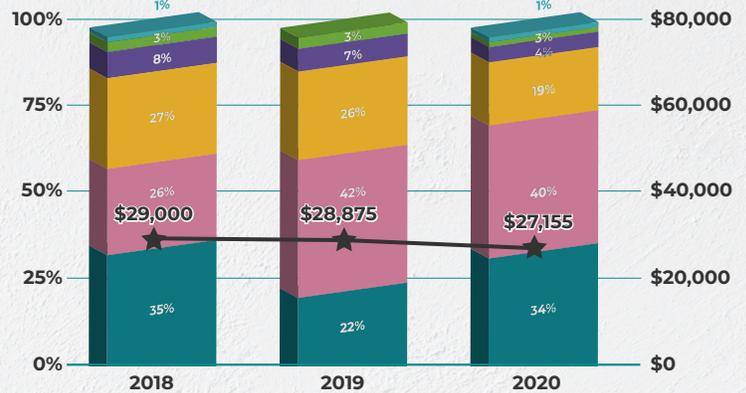
### Average Director's Salaries (ECE)

■ 20k or less ■ 20k-30k ■ 30k-40k ■ 40k-50k  
■ 50k-65k ■ 65k-80k ■ 80k or more ★ Average



### Average Teacher Salaries (ECE)

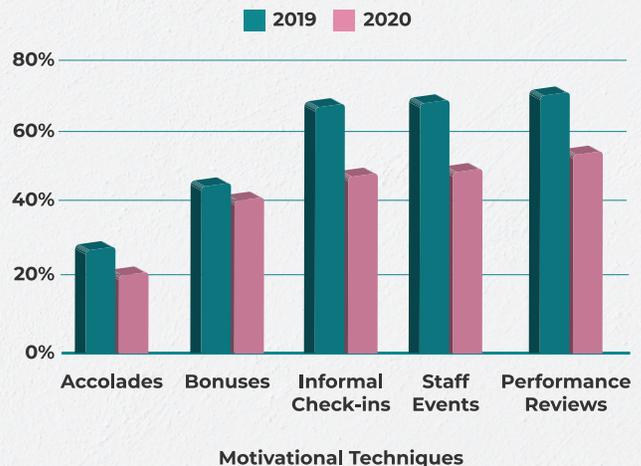
■ 20k or less ■ 20k-30k ■ 30k-40k ■ 40k-50k  
■ 50k-65k ■ 65k-80k ★ Average



## Keeping staff motivated is more important than ever

In these anxious and exhausting times, staff morale is one of the biggest challenges that providers are facing in 2020. This year's survey, however, found fewer providers regularly using the listed motivation techniques – something that should be reprioritized to minimize staff turnover concerns. As with 2019, performance reviews were chosen as the most popular technique.

### Which Of The Following Staff Motivation Techniques Do You Occasionally or Regularly Use?

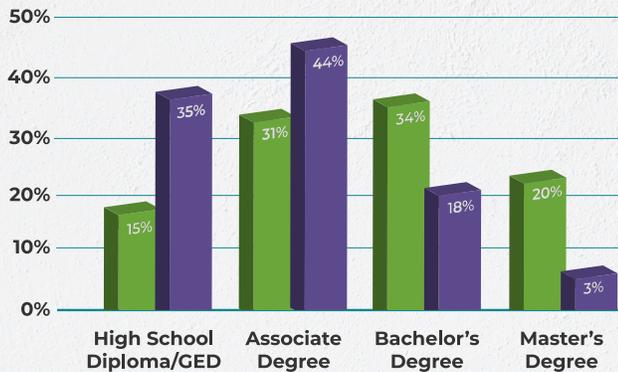


## 65% of directors have an associate or bachelor's degree

Most teachers' highest education level is either a high school diploma or associate degree (79%). Directors had a higher education level, with either an associate or bachelor's degree (65%).

### Education Level

■ Director ■ Teacher



# Financials

No matter what size business you are, finances are always something that is top-of-mind. There are many requirements like teacher-to-child ratios and cleaning that result in high operating costs, especially with even stricter requirements in 2020, yet we need to provide services that are affordable for families. It is a tough balance.

Depending on the future of the COVID-19 pandemic, we are at risk of a devastating blow to the child care sector. With stricter health and safety regulations, it will become even more costly to operate a child care center, which will make already tight margins even tighter. This is where the government must step in to help support this crucial part of both our economy and our society. Business leaders and parents that depend on affordable high quality child care will need to actively and consistently pursue the support of their individual US Senator in the passage of the Child Care Essential Act. The House has already passed this legislation that would give \$50B additional dollars to Child Care.

The findings from this report indicate that revenues were down over 60% this year due to the impact COVID-19 has had on attendance. While child care programs responded in turn by lowering expenses where they could, they were only able to do so by an average of 17%. Additionally these are short term actions that are not sustainable if we intend to keep high quality centers open and affordable during and post COVID-19. Currently it is expected that nearly one third of our nation's licensed child care centers will go out of business due to the financial circumstances created by the pandemic.

Pre-COVID-19, many communities already lacked enough child care slots for their population of children ages 6 weeks to 5 years of age. The loss of centers will be even more devastating in these areas known as Child Care Deserts. The loss of licensed child care centers and or the long term reduction of operating expenses will also deny many of our nation's most vulnerable children the opportunity to attend a high quality early care and education center.



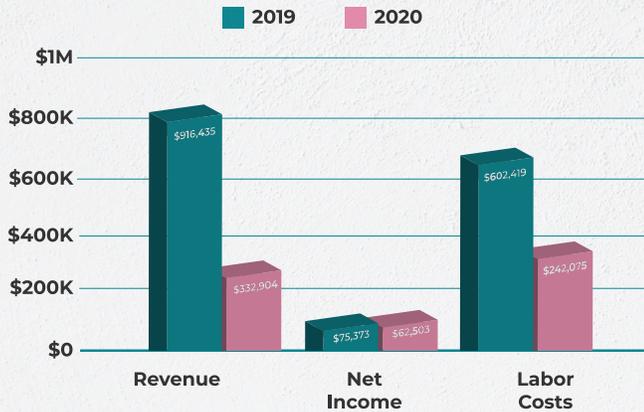
**Cindy Lehnhoff**  
NCCA Director  
National Child Care Association



## Net income decline by only 17% due to reduced labor costs

Revenue and labor decreased in lockstep by 64% and 60% respectively, net income was only affected with a 17% decline. This was likely a combination of government intervention and programs doing a good job managing their costs to offset losses in revenue.

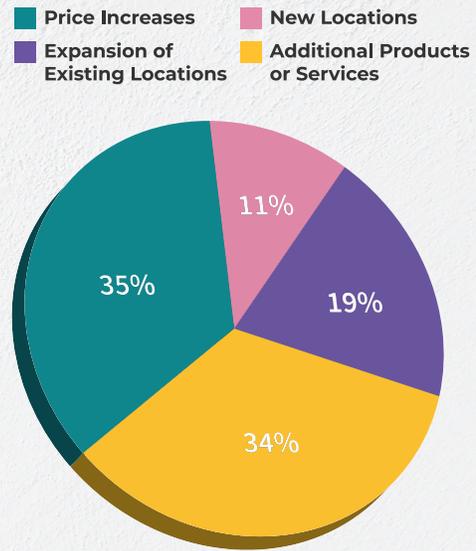
Revenue, Net Income & Labor



## Exploring new strategies to increase revenue in 2020

Businesses have shifted their attention away from new locations and price increases, in favor of exploring new ways to provide value, with a 48% increase of providers ranking 'additional products or services' as their #1 revenue growth strategy. This is likely primarily the expansion to remote learning programming such as virtual classes.

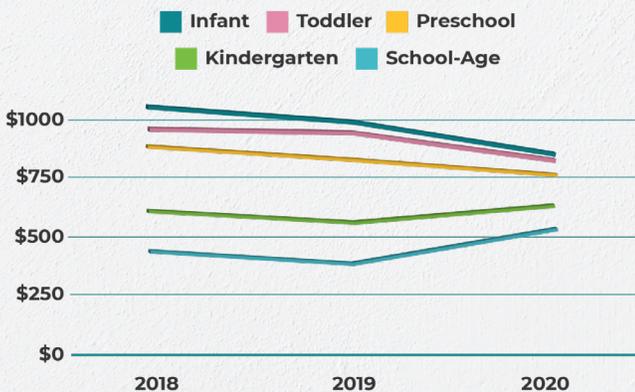
2020 Revenue-Growth Strategies



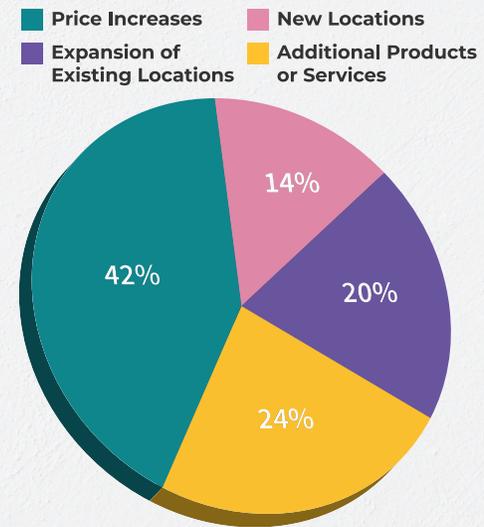
## Average monthly tuition down for infant to preschool

Tuition prices vary depending on many factors including geography and full-time/part-time. Averaged as a whole, these are the monthly tuition rates by age group in USD, with 2020 seeing a noticeable increase in school-age pricing. Overall, tuition appears to have gone down, perhaps due to reduced programming as a result of COVID-19.

Average Monthly Pricing

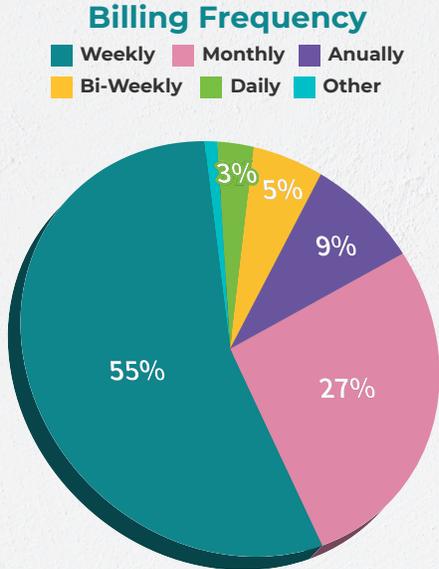


2019 Revenue-Growth Strategies



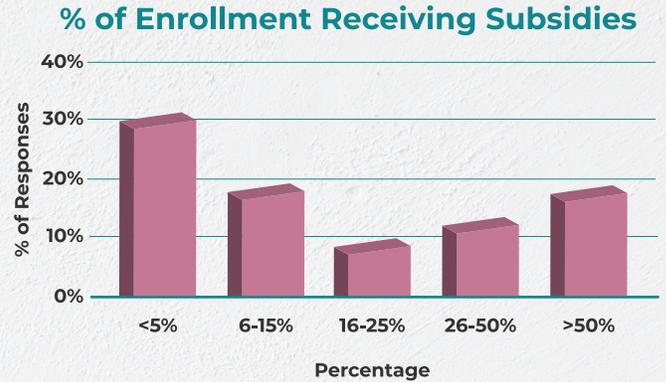
## 55% of providers charge weekly

55% of respondents charge parents on a weekly basis, followed by 27% of businesses charging monthly.



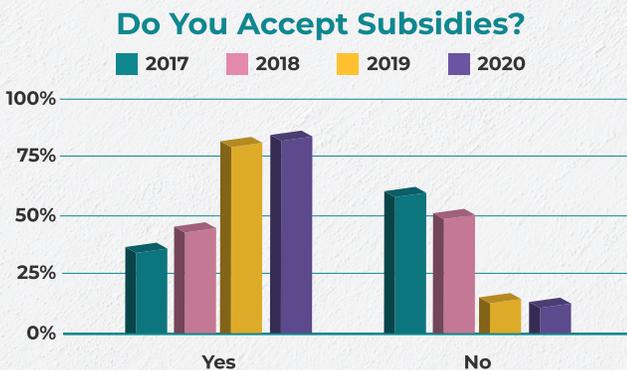
## 50% of providers have up to 15% of families receiving subsidies

Of those who accept subsidies, 31% have under 5% of their student population receiving subsidies, followed by 19% of providers having 6-15% and over 50% of their families receiving subsidies.



## 86% of providers accept subsidies

The vast majority of respondents accept subsidies, with just 14% of providers reporting that they do not. These results are consistent with the steep rise in subsidy acceptance recorded in 2019.



# COVID-19

In 2020 the world was faced with an unprecedented public health challenge. The emergence of the Coronavirus (COVID-19) pandemic caused massive disruption to our everyday lives and routines. The early childhood sector was not immune from this disruption and many programs were forced to close due to government orders or low enrollment. At the same time, other programs were asked to stay open to provide care for the children of front-line workers. Like many emergencies, there was an initial void of evidence-based and actionable information that was needed to better understand the virus and protect the health and safety of children and adults.

The science around brain development in the early years of life is well settled. Without question, the education and experiences of children growing up during this time period will be different than that of generations before and after. While we do not yet appreciate the long-term impacts of coronavirus on society and on early childhood education, some teachers/providers have already reported seeing stalled progress and regression. As we move forward, it will be vital to continue to monitor the development of children that were impacted by coronavirus and, if needed, ensure they are provided with additional opportunities to help get their development back on schedule.

There are many lessons learned from the pandemic. However, one lesson stands out among the others. Early childhood professionals rose to the challenge during coronavirus. Faced with herculean tasks and, in many cases, a lack of support or guidance, they sacrificed enormously to help keep the children they serve and their communities safe.



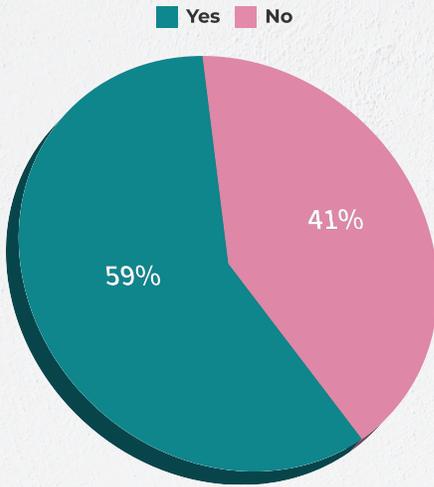
**Andrew Roszak**

Executive Director  
Institute for Childhood Preparedness

## 41% of providers remained open during all stages of COVID-19

59% of providers closed at some point due to COVID-19; however, 41% of centers never shut down during the pandemic

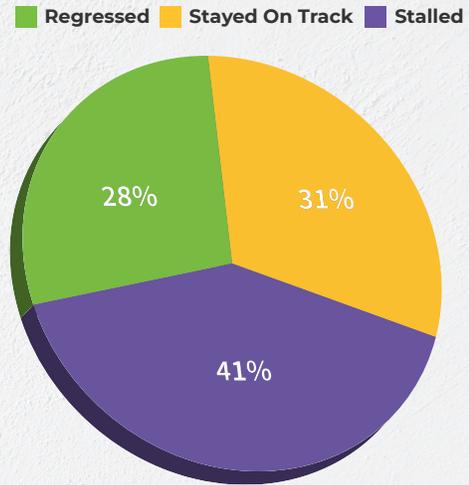
Did Your Center Close Due to COVID-19?



## 41% of providers believe children’s development stalled

After being closed, 41% of centers who reopened felt that the children’s development had stalled, 31% stayed on track, and 28% regressed.

When Children Came Back, Did You Feel Like Their Development:



## Average days closed:

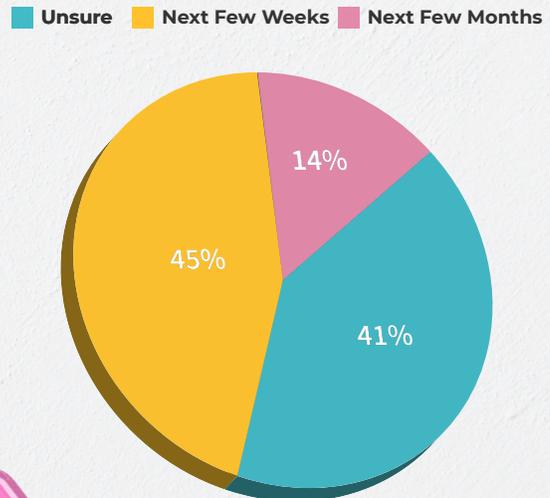
92

Of those who closed, providers remained closed for three months before reopening.

## All respondents plan on reopening at some point

45% of respondents who had shut down planned on reopening within the next few weeks. No respondents said that they don’t plan on reopening.

When Do You Plan on Reopening?



## American providers more optimistic than Canadians

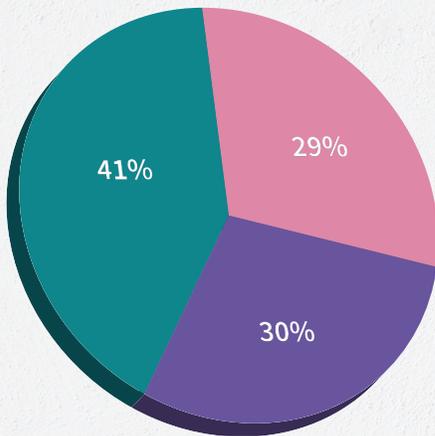
When asked in their confidence of surviving if COVID-19 were to go on for another 12 months, responses were fairly evenly split across all options overall in the United States. However, Canadian providers were less optimistic than their American counterparts, with a 49% increase in 'Not Confident' responses.

## Americans more satisfied with Government than Canadians

Most participants did not feel satisfied with their government's guidance, however opinions changed north and south of the border, with 41% of Americans feeling neutral and 23% not satisfied, vs. Canadians who felt 40% neutral and 45% not satisfied.

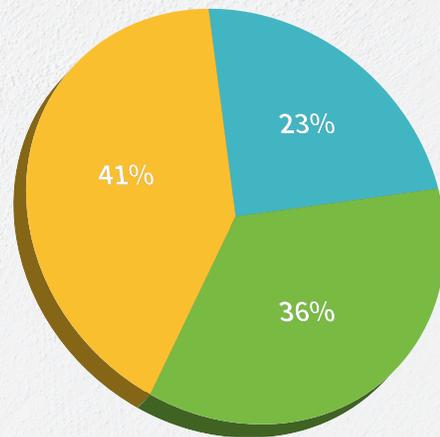
**Confidence in Surviving 12 Months of COVID - USA**

■ Somewhat Confident ■ Very Confident ■ Not Confident



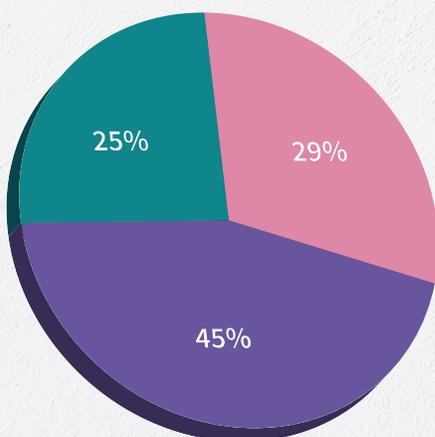
**Satisfaction With Government Guidance - USA**

■ Neutral ■ Satisfied ■ Not Satisfied



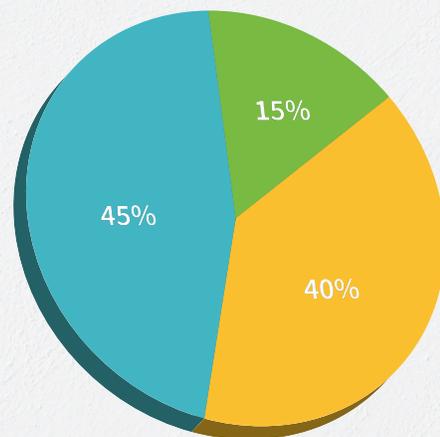
**Confidence in Surviving 12 Months of COVID - Canada**

■ Somewhat Confident ■ Very Confident ■ Not Confident



**Satisfaction With Government Guidance - Canada**

■ Neutral ■ Satisfied ■ Not Satisfied

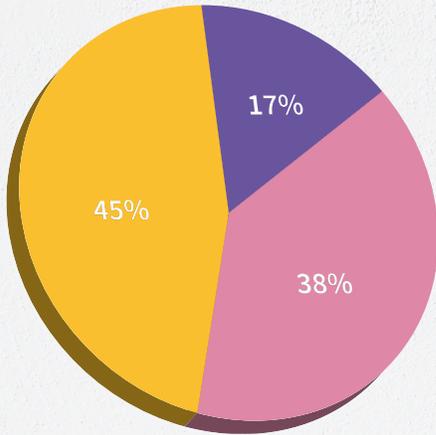


## Up to 83% of providers find new expectations reasonable

Providers are very understanding of the new health and safety expectations of them, with 83% of American respondents and 78% of Canadians finding the precautions reasonable or very reasonable.

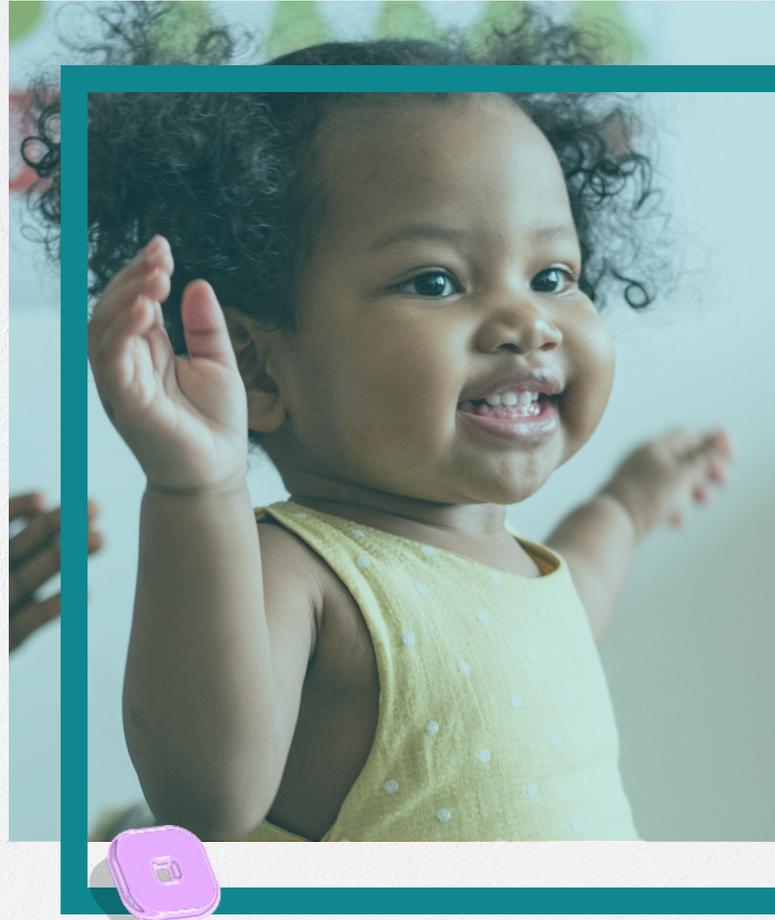
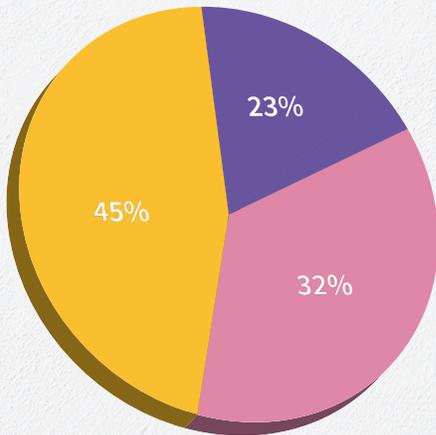
### How Reasonable Are New Health & Safety Precautions - USA

Very Reasonable Reasonable Not Reasonable



### How Reasonable Are New Health & Safety Precautions - Canada

Very Reasonable Reasonable Not Reasonable



# Outlook

As others have referenced in this report, 2020 is a complicated year for so many reasons and a year we will not soon forget. It is so important that we share hope and optimism, not just for ourselves, but for our youngest learners.

There are some reasons to be hopeful. While some of the data found in this report point to the pandemic's dramatic impact on early education, we know that our educators and center owners, including those who have earned their Child Development Associate (CDA)™, are well equipped to support children in the best way possible. Whether it is communicating with a mask on, encouraging students to find unique ways to share how they are feeling, engaging in new methods to turn rules into fun games or promoting safety and healthy living, we know this is the sort of support children need right now.

It will not surprise anyone that finances tops the list of risks that individuals are concerned about. Centers are being hit hard, as many have had to close their doors for months and are unsure if they will ever be able to reopen, and if they are able to reopen some are plagued with lower enrollment as parents are concerned by both safety and affordability.

Early educators have been called upon during this unprecedented time to fill a critical need in order to help parents return to work. As

more people recognize the essential role early education centers and educators play, we should support greater investment in our sector.

This challenging time has not been easy, but we are in this together. We must support one another and find the best and safest ways to continue the important work we are doing to educate our young children.

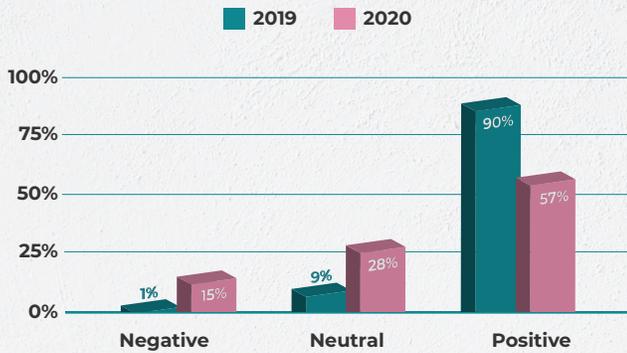


**Dr. Calvin E. Moore, Jr.**  
CEO  
Council for Professional Recognition

## 33% decline in positive outlooks

Positive outlooks on the year ahead saw a decline of 33% from 2019, with more respondents feeling either neutral or negatively. Notably, only 1% of respondents in 2019 felt negatively about the upcoming year, whereas 15% currently feel negatively when thinking about 2021.

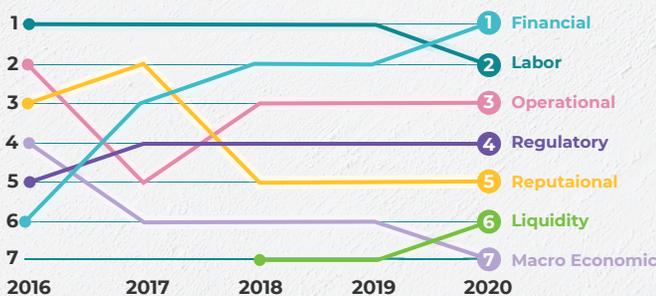
How Do You Feel About the Future?



## Finances are the #1 risk

Finances has moved up one position to rank as the #1 risk organizations are facing in 2020. This correlates with centers having lower enrollment numbers, which may mean financial uncertainty as less revenue is being generated.

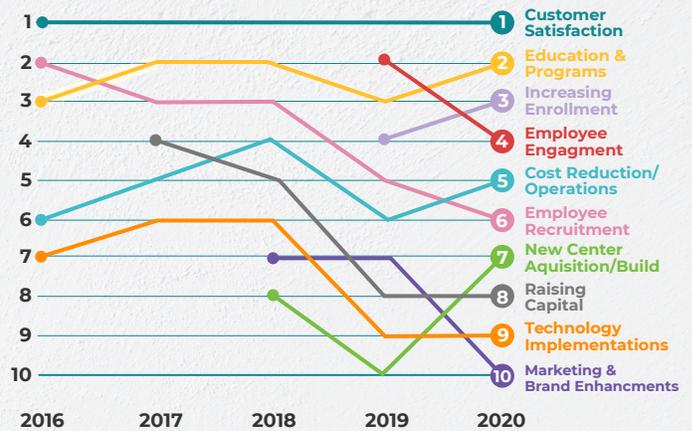
Ranking of Organizational Risks (vs 2019)



## Customer satisfaction is the #1 priority

Despite all of the changes this year, this has had no effect on Customer Satisfaction continuing to be the most important priority that centers have. Interestingly, New Center Acquisition/Build has risen three spots, suggesting that despite the uncertainty of today, providers still have big goals for tomorrow.

Ranking of Organizational Priorities (vs 2019)



# About Us

## HiMama is the only certified social enterprise child care app

Our top-rated platform streamlines documentation, delights parents and amplifies the work of early childhood professionals.



### Attendance & Health Tracking

Keep track of the information that matters most



### Daily Reports For Parents

Digital Daily Sheets with meals, naps, activities and more



### Real-Time Parent Updates

Share updates directly to parents' email or phone



### Messaging Via Email, App & Text

Send mass emails and text messages to parents



### Staff Management

Check and view teacher-to-student ratios in real-time



### Program Planning

Plan learning with our classroom activity planner



### Billing & Payments

Receive payments without ever chasing parents again



### Calendars With Reminders

Keep parents informed on upcoming events and meals



### Developmental Assessments & Portfolios

Record and reflect on developments with online reports



### Comprehensive Training & Support

Unlimited phone and email support for staff and families

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himama



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INSTITUTE FOR  
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[childhoodpreparedness.org](http://childhoodpreparedness.org)

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[childhoodpreparedness.org](http://childhoodpreparedness.org)

**PRO SOLUTIONS**  
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*Inspiring* POTENTIAL

Promoting improved performance and recognition of professionals in the early childhood education of children ages birth to 5 years old.

[prosolutionstraining.com](http://prosolutionstraining.com)



Promoting the success of licensed providers in quality early care and education.

[nccanet.org](http://nccanet.org)





“Educating the mind without educating the heart is no education at all.”

**-Aristotle**

