



2024 SWVA Child Care Landscape Report



Child Care in SWVA

A national child care crisis remains at large as access to child care keeps families financially constrained and parents out of the workforce. Efforts at the state and regional level have been made to develop solutions to these same challenges here in Southwest Virginia (SWVA).

In the last year, the region has seen:

- cross-sector collaboration to address child care deserts.
- an increase in slots to provide low-income families with high-quality care at no cost to them.
- collaboration across child care programs to coordinate enrollment for families.
- efforts to train and recruit individuals to mitigate the provider staffing shortage.

Still, there is work to be done to expand access to affordable child care for all families, regardless of income and age of child. Nationally, parents are facing financial pressure to find quality, affordable, and reliable child care. In SWVA, 68% of children ages 0-4 have all available parents in the workforce. Almost half of surveyed businesses in the region reported challenges hiring and retaining staff due to a lack of child care access. Beyond economic gains, consistent access to high-quality child care is key to children's academic success: students with preschool experience are more likely to enter kindergarten ready to learn.

The following report outlines the region's child care landscape in the beginning of 2024, placing these national issues within the context of our rural communities here in SWVA.



Information in This Report Came From:

UWSWVA Regional Provider Survey

Data on staffing and capacity came from a regional provider survey conducted in fall of 2023 by United Way of Southwest Virginia (UWSWVA). The survey was sent to sites receiving public funding. The final sample consists of 102 respondents representing 207 physical sites. Multi-site programs completed 1 response for all locations. This sample represents 70% of all sites in SWVA and 95% of all publicly funded sites. At least 50% of all site types were represented with the exception of Religious Exempt Centers (10%).

LinkB5

The LinkB5 Project (LinkB5) includes a data system that informs a key state initiative to measure the quality of teaching and learning in every publicly-funded ECE classroom in the Commonwealth. Data on wages, benefits, and the cost of care were reported into the LinkB5 portal by providers at publicly funded sites in early fall 2023. Data was shared by the SEE Partnerships team at University of Virginia. Data only exists for sites that granted permission for Ready Region Leads to see their information (N=208).

Department of Social Services Child Care Search

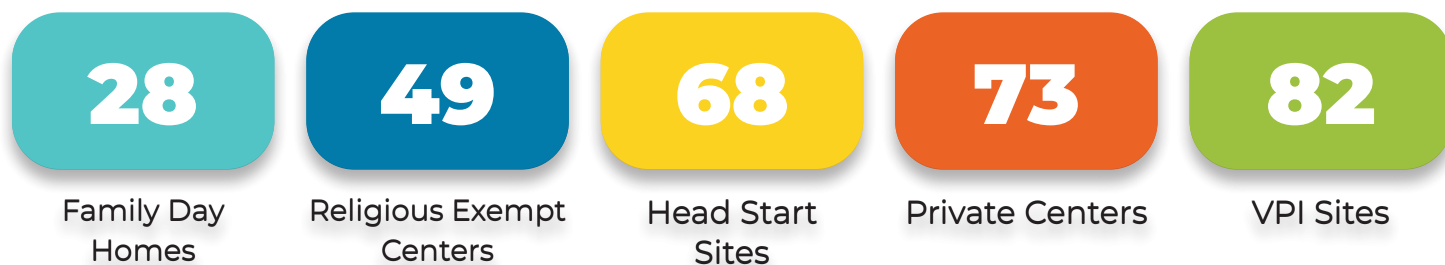
Data for all licensed and religious exempt sites in SWVA were pulled from the Department of Social Services Child Care Search. Information for Virginia Preschool Initiative sites was obtained from internal Ready Region staff. Unlicensed/unregistered sites, sites open <4 months out of the year, and sites that only serve afterschool-age children (ages 5+) were excluded. Changes in number of site types were calculated by comparing site lists from this source from December 2022 to December 2023. Site actual capacity was calculated by comparing survey respondents reported total slots to licensed capacity.

Sources for additional data reported can be found in the footnotes of each page.



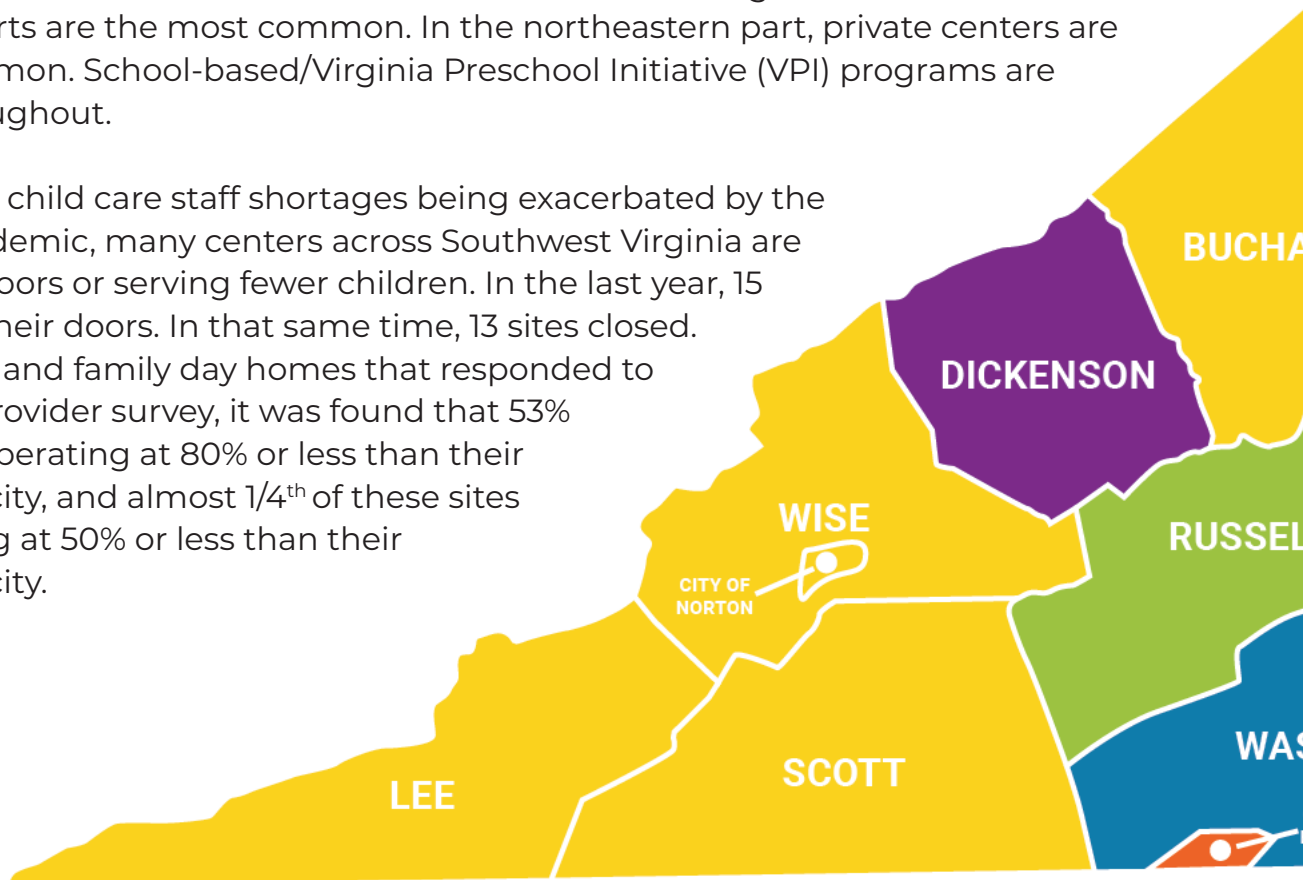
Child Care

The region is home to an estimated 300 child care sites



Some site types are more common in different areas of the region. In the southwestern part, Head Starts are the most common. In the northeastern part, private centers are the most common. School-based/Virginia Preschool Initiative (VPI) programs are frequent throughout.

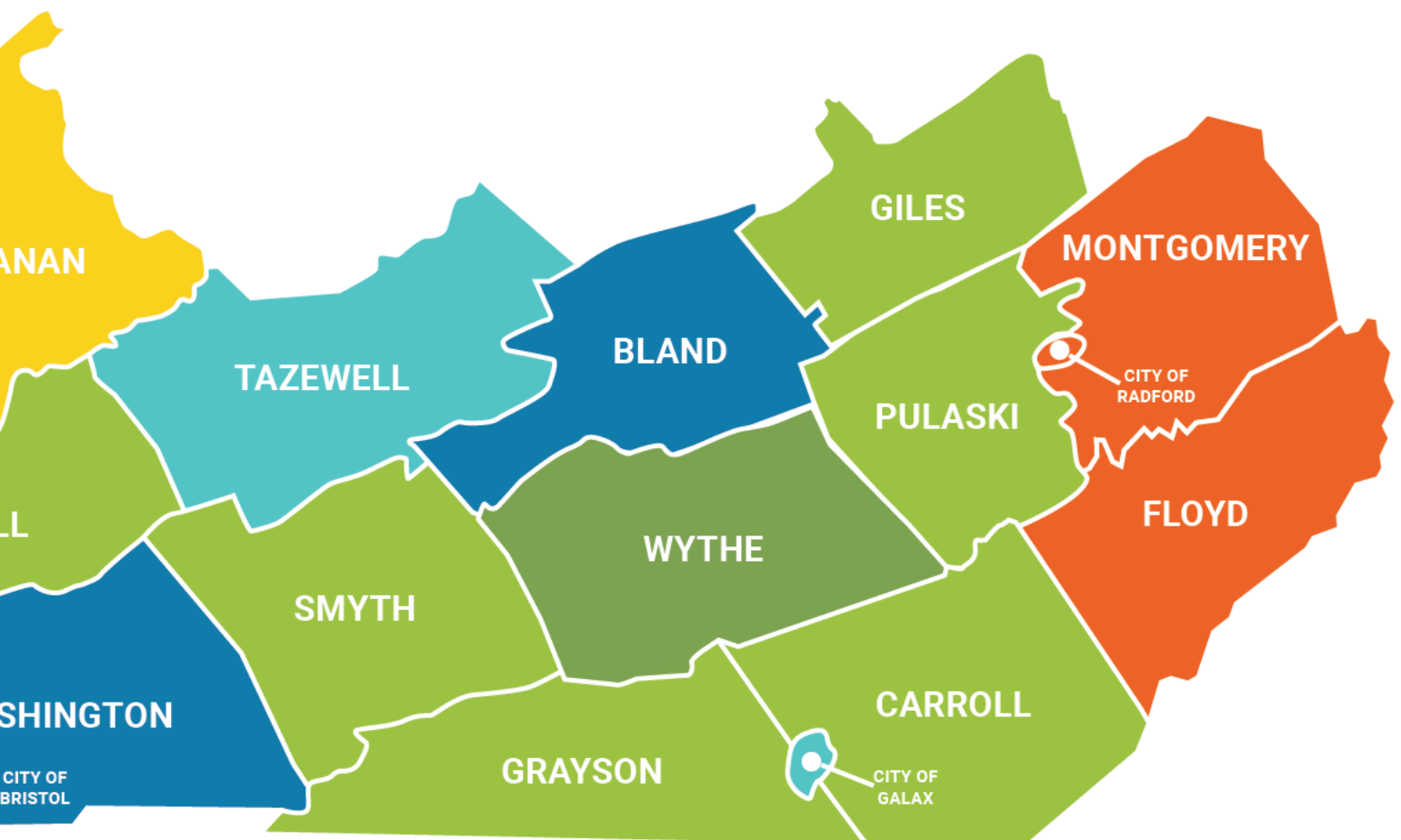
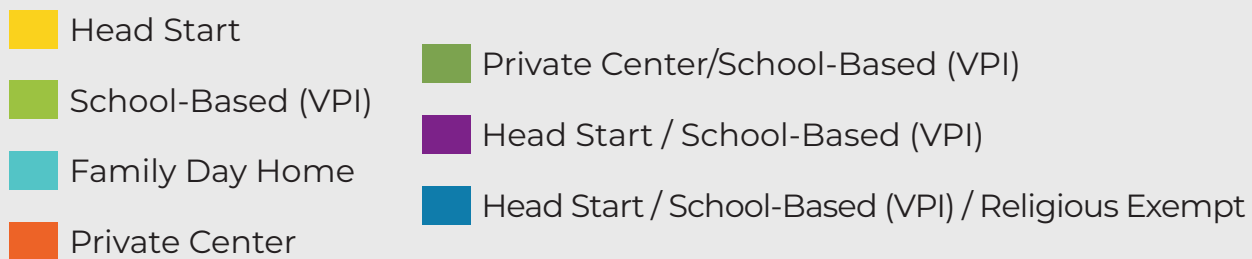
With historical child care staff shortages being exacerbated by the COVID-19 pandemic, many centers across Southwest Virginia are closing their doors or serving fewer children. In the last year, 15 sites opened their doors. In that same time, 13 sites closed. Of the centers and family day homes that responded to the regional provider survey, it was found that 53% of sites were operating at 80% or less than their licensed capacity, and almost 1/4th of these sites were operating at 50% or less than their licensed capacity.



Landscape

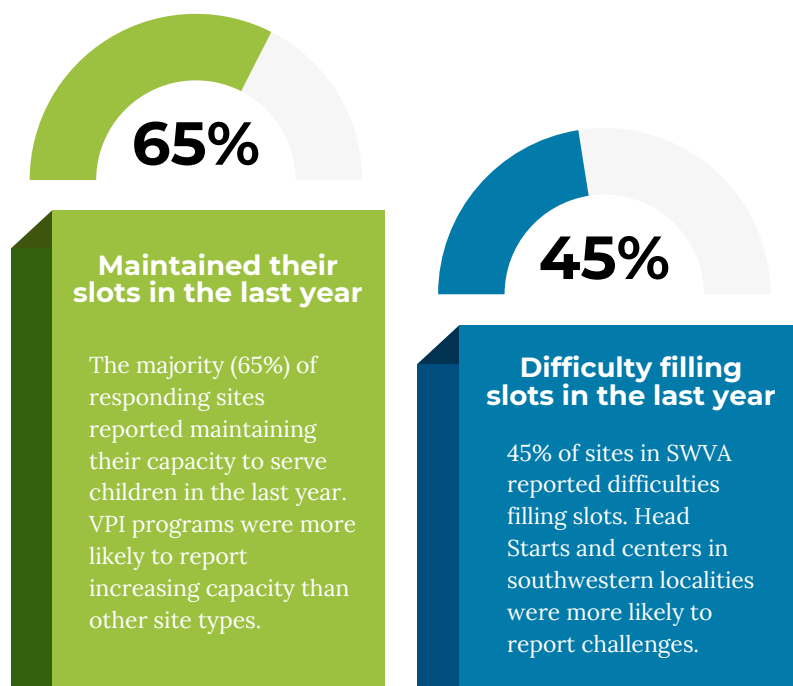
tes to serve approximately 25,000 children ages 0-4.

Most Common Child Care Program Types by Locality:



Capacity to Serve

Overall Capacity



The majority (65%) of responding sites reported maintaining their capacity to serve children in the last year. VPI programs were more likely to report increasing capacity than other site types.

45% of sites in SWVA reported difficulties filling slots. Head Starts and centers in southwestern localities were more likely to report challenges. The most frequent barrier (33%) identified by respondents was that the population of income-eligible preschool students is becoming increasingly harder to distribute

across Mixed Delivery, the Child Care Subsidy Program, VPI, and Head Start programs. Based on reported numbers, Head Starts often had more unfilled slots than children on waitlists to fill them.

VPI slots in the region increased by almost 30% from FY22 to FY23 and Mixed Delivery slots increased by 11% in that same time. VPI 3-year old slots increased by 49%, adding 135 slots to the region. A recent gaps analysis report from the Virginia Early Childhood Foundation found that in SWVA, there is 1 publicly-funded ECCE slot for every 1.1 preschoolers compared to 1 publicly-funded ECCE slot for every 7 infants and toddlers. Child care providers may need more support in identifying eligible families or an expansion in eligibility criteria to keep up with the increase in preschool slots. Additionally, more financial assistance options are needed for families with younger children.

Capacity by Age Group

Infants

34% of sites in SWVA serve infants. Of the 207 surveyed sites, there are approximately 525 slots to serve the region’s 7,214 infants. Private Centers are the most common option for families seeking infant care. Child care sites in the region, on average, have:
9 infant slots | **1** unfilled infant slot | **7** infants on their waitlist

Toddlers

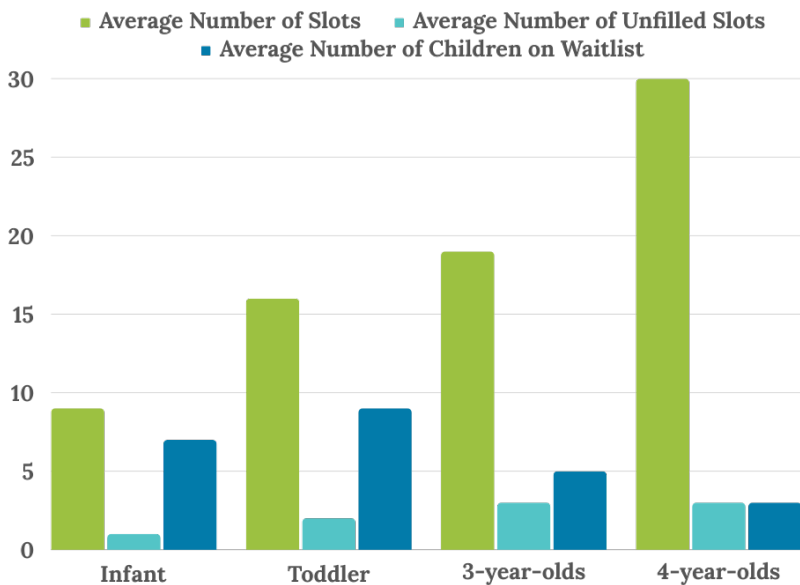
55% of sites in SWVA serve toddlers. Of the 207 surveyed sites, there are approximately 1,051 slots to serve the region’s 7,401 toddlers. Private Centers are the most common option for families seeking toddler care. Child care sites in the region, on average, have:
16 toddler slots | **2** unfilled toddler slots | **9** toddlers on their waitlist

3-year-olds

94% of sites in SWVA serve 3-year-olds. Of the 207 surveyed sites, there are approximately 1,669 slots to serve the region’s 5,121 3-year-olds. Head Starts are the most common option for families seeking care for their 3-year-old. Child care sites in the region, on average, have:
19 3-year-old slots | **3** unfilled 3-year-old slots | **5** 3-year-olds on their waitlist

4-year-olds

96% of sites in SWVA serve 4-year-olds. Of the 207 surveyed sites, there are approximately 2,529 slots to serve the region’s 5,213 4-year-olds. VPI programs are the most common option for families seeking care for their 4-year-old. Child care sites in the region, on average, have:
30 4-year-old slots | **3** unfilled 4-year-old slots | **3** 4-year-olds on their waitlist



Staffing Challenges

“There is a lack of eligible applicants who apply and the ability to pay a competitive wage.”

-Child Care Site Director

51% of responding sites reported struggling to find and hire staff. Head Starts (71%), Private Centers (76%), and sites in the northeastern localities were more likely to report staffing challenges. For all sites, 1 to 2 teachers were needed, on average.

Respondents raised three key issues regarding staffing struggles:

- 1. Inadequate pay and benefits (42%)
- 2. Finding qualified personnel (26%)
- 3. Decreasing interest in the early childhood education field (15%)

Most Likely to have Given Benefit:

	SCHOOL BASED PROGRAMS	PRIVATE CENTERS	HEAD STARTS	FAMILY DAY HOMES
Average Hourly Wage?	\$26.95	\$15.59	\$18.73	\$22.60
Paid Vacation?		✓		
Overtime?		✓		
Child Care?		✓		
Health Benefits?	✓		✓	
Retirement?	✓		✓	
Paid Sick Leave?	✓		✓	

Center-based programs, on average, have the lowest hourly rates for educators and assistants. School-based programs and Head Starts offer higher wages and frequently offer health benefits, retirement, and paid sick leave. Private Centers most commonly offer child care, overtime, and paid vacations. According to a 2023 provider workforce survey conducted by SEE Partnerships, SWVA

educators at Head Starts and Private Centers were less likely to envision themselves remaining at their center in the future.

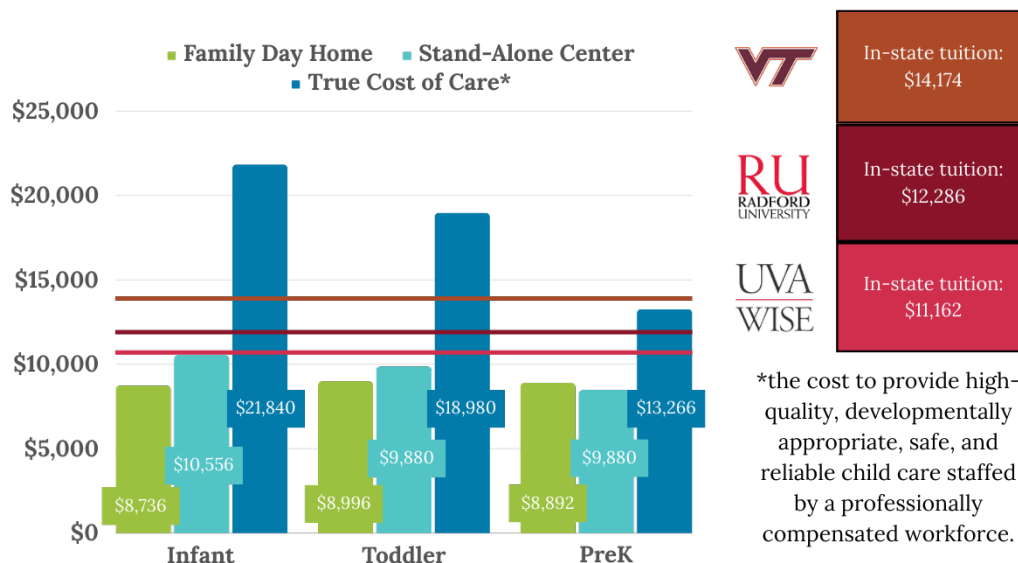
Child care continues to be an essential care and education occupation that requires highly skilled work for low wages. The SEE Partnerships provider workforce survey found that about 1 in 4 SWVA educators report worries around living paycheck to paycheck and 1 in 2 center- and Head Start-based educators are facing food insecurity.

True Cost of Care

The median annual income in Southwest Virginia is \$48,721. 19% of households in the region are at or below the poverty level and an additional 32% are considered to be A.L.I.C.E. populations (asset-limited, income-constrained, employed; e.g., employed but struggling to afford basic necessities, including childcare).

The average annual cost of child care in SWVA ranges from \$8,736 to \$21,840. Costs are higher for infants and toddlers and at Private Centers. According to the U.S. Department of Health and Human Services, child care is deemed “affordable” if it costs 7% or less than a family’s household income. Families in SWVA are currently paying approximately 1/5th of their income for care. These rates are per child, underscoring the strain families with multiple young children face.

True Cost of Child Care vs. VA University Tuition



48% of children ages 0-4 are living in low-income households (<200% of the Federal Poverty Level). These are children eligible for programs like the Child Care Subsidy Program, VPI, Mixed Delivery, and Head Start.

In our region, there are:

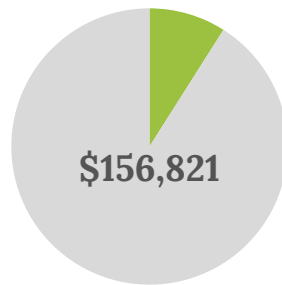
1,020 slots for eligible infants and toddlers | 4,155 slots for eligible preschool children

Investment into making early childhood education accessible for these families is invaluable. Still, there is a need for more affordable child care for families across the income spectrum and for households with multiple young children. For example, a family of four with an infant and preschooler making \$67,000 (225% Federal Poverty Level) will spend 30% of their annual income on child care.

Regional Cost Disparity

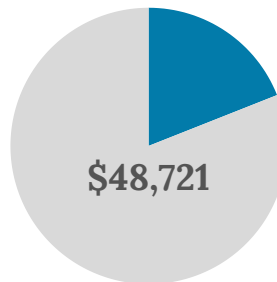
Loudoun County, VA

9% of the median household income is spent on childcare.



Southwest Virginia

19% of the median household income is spent on childcare.



Private child care in Virginia is among the most expensive in the country, and within the state there is great disparity around the financial burden of care. Even though the SWVA region's estimated median annual income is just over ½ of the state income, parents are paying just a few thousand dollars less for care than some of the wealthiest communities in the nation in northern Virginia.

While the cost of care is high, the cost of not having care has potential negative effects across many factors. Parents face difficulties making ends meet and may have to leave the workforce altogether to provide care for their children. It is estimated that the Virginia economy loses \$3.1 billion annually due to insufficient infant and toddler care.

“There are only 4 daycares in the county and 2 of them do not have an infant room. One of the ones that does is a Head Start and we don’t qualify.”

- Local Parent

Quality

Child care should not only be affordable, but maintain high quality standards. The Virginia Early Childhood Foundation reports that:

“The same factors that limit child care availability—low wages and thin profit margins—also negatively impact child care quality. The best and most talented educators may be the educators most likely to leave to seek higher paying jobs, and in the absence of stable revenue or spare funds, child care programs may be unable to afford to invest in ways that could increase program quality, like activities, curriculum, professional development, and competitive compensation for staff.”

Virginia has developed the Unified Virginia Quality Birth to Five System (VQB5) to assess and improve the quality of all classrooms that are publicly funded and serve children ages birth to 5. The initiative serves to support families in choosing quality programming across program types. VQB5 measures the quality of infant, toddler, and preschool teaching and learning based on two nationally-recognized quality indicators: Interactions and Curriculum. The process includes a supportive and continuous loop of measurement and improvement for educators.

VQB5 Process



Ready Region Southwest is responsible for coordinating VQB5 measurement and improvement activities across the 21 cities and counties in the southwest region of the state.

Approximately 70% of all sites in SWVA participate in VQB5. 95% of these sites across the region are using a state-approved curriculum. Reports on CLASS observations completed during 2022-2023 indicate that 88% of classrooms across the region have teacher-child interactions that meet expectations for quality as defined by current VQB5 guidelines, and another 12% of classrooms exceed those expectations. This data suggests that, despite the pervasive challenges in centers across the region, there is an unwavering commitment to the children they serve.

Summary

Child care businesses in the region are working in a fragile landscape. Despite their jobs being critical to a healthy workforce and local economy, child care providers are in financially tenuous positions. Families with infants and toddlers have limited options for care. Staffing, the cost of care, and the coordination of enrollment, particularly for preschoolers, are all key factors affecting sites' ability to serve children. The cost of care is 20%-25% of a family's income in SWVA. Almost 1/2 of children ages 0-4 in the region are in financially constrained households and would benefit greatly from access to care. Yet, there is limited assistance for these children, especially infants and toddlers.

The cost of child care is not just a low-income challenge: 1/3 of households are A.L.I.C.E. (Asset Limited, Income Constrained, Employed) populations who often do not qualify for financial assistance

to help cover the costs of child care. These families, and even families with modest incomes, face limited options: they are not eligible for the Head Start and VPI sites and cannot afford the high cost of care. Finally, child care doesn't just need to be an affordable option, it also needs to be of high quality. Child care educators in the region have worked hard to maintain quality environments for the children they serve, despite the strain on the child care system.

It is critical to understand and address the needs of our region's families and educators, promote the value of high-quality early education for children's social-emotional and academic success, and invest in the region's youngest citizens. An investment into accessible, high-quality child care is an investment in well-being, academic success, employment, financial stability, and the greater economy.



endless opportunities

