

# AECEA Provincial Survey in Response to the COVID-19 Pandemic

## Overview and Main Findings

The Association of Early Childhood Educators of Alberta (AECEA) recently conducted a survey to understand the effects of the COVID-19 crisis on Alberta's child care programs. The survey was open for responses from April 1 to April 3, 2020.

Child care programs were eager to share their experiences: During that brief period AECEA received 324 responses, including 218 from child care centres, 44 from preschools, and 62 from out-of-school-care programs. It should be noted that the survey may not be representative of the approximately 2850 such child care programs in Alberta, as it was distributed widely through multiple channels. However, at present this survey is the best available source of information about prospects for child care program sustainability and closure during and after the COVID-19 crisis. The three key findings from this survey were:

1. Most (70%) programs responding to this survey said that they face permanent closure in 1-3 months due to financial stress caused by fixed operating costs (rent or mortgage, utility payments, insurance, and other costs apart from salaries and wages).
2. Child care centres in particular appear to be at risk, as three out of four (75%) said they face permanent closure in 1-3 months.
3. About one in three (35%) of all programs said that problems *other* than fixed costs might also prevent them from continuing to operate even after the COVID-19 crisis ends.

These numbers are sobering. Even if this survey is not strictly representative of all programs in Alberta, the results are roughly consistent both with surveys in other jurisdictions and with the fragility of most Canadian child care programs to any closure for any amount of time.<sup>1</sup>

These results also mean that child care programs likely need specific assistance with their fixed operating costs *in addition to* the wage subsidies, loans, and deferrals of utility and tax payments offered to them by governments so far. If this assistance is not provided, the child care sector in Alberta could collapse during this crisis. Given the key role that child care plays in allowing parents to work, such a collapse would result in even greater job loss in the next few months and could seriously hamper Alberta's eventual recovery from the COVID-19 crisis.

## Methods

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<sup>1</sup> See National Association for the Education of Young Children (2020). "Child Care in Crisis: Understanding the Effects of the Coronavirus Pandemic." Available at [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects\\_of\\_coronavirus\\_on\\_child\\_care.final.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf), visited April 10, 2020; and Friendly, M. & Ballatyne, M. (2020). "Childcare is an essential service in good times and bad and must be treated like one. Here's what a smart COVID-19 childcare plan could look like." Available at <https://policyoptions.irpp.org/magazines/march-2020/covid-19-crisis-shows-us-childcare-is-always-an-essential-service/>, visited April 10, 2020.

Six individuals from early learning and child care regional directors' groups, non-profit and for-profit child care providers, and community organizations developed a survey to gain information about child care centres, preschools, and out-of-school-care programs that had been temporarily closed due to the COVID-19 pandemic.<sup>2</sup> The survey was targeted to directors and/or license holders for these three types of programs and was administered online.

To gain as many responses as possible within a short period of time, links to the online survey were sent to AECEA's 1,167 members, who were then asked to direct the survey to the directors and license holders of the programs where they worked. A further 2,628 emails were sent to individuals on AECEA's non-member email list with the same request. AECEA also shared a link to the survey on its member-only Facebook page, which has 415 followers, and on its public Facebook page, which has 1,146 followers (both individuals and organizations). How many viewed the Facebook posts is unknown. Finally, the online survey was also shared through AECEA's other informal networks and community contacts.

After the survey was closed, the dataset was inspected for potential quality issues. In particular, the dataset was examined closely for any duplicate responses, as the survey was not "locked" in any way to prevent multiple submissions from the same program or individual. Analysis of response patterns indicated that three responses might have been duplicates, and the analyses below were therefore run excluding these three responses. Analysis of the full dataset (including the three potential duplicates) resulted in almost identical results. As part of the survey, respondents were also asked to list specific fixed program costs. Some respondents appeared to misinterpret these questions and so these data were not examined in this report.

## **Findings**

Most (70%) programs responding to this survey said that they face permanent closure in 1-3 months due to financial stress caused by fixed operating costs (rent or mortgage, utility payments, insurance, and other costs apart from salaries and wages). It should be pointed out that at the time this survey was administered, closure in three months would be the end of June 2020. Increasingly, estimates for returning to normal economic activity, during which child care programs could broadly reopen, are well later than early summer.

Further analysis revealed that anticipation of closure within the next 3 months varied by type of program (see table below). Notably, three out of four (75%) of child care centres said they face closure in 1-3 months, compared to 66% of out-of-school-care programs, and just 55% of preschool programs. This variation by type of program is important because the bulk of full-day child care spaces in Alberta (82% as of December 2019) are in day care centres (also called "child care centres" here); the results from this survey suggest that shutdowns from COVID-19

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<sup>2</sup> It could be argued, with some merit, that because this survey was targeted only to those programs that were not re-opened for essential workers, the results paint a gloomier picture than if those re-opened programs had been included. It should be noted, though, that of the 2850 existing programs in Alberta, only 189 were listed as re-opened on April 8, 2020 (less than 10%) and it is unclear to what extent re-opening in a limited way during the crisis will affect the longer term prospects of a program after the crisis.

could hit those full-day programs faster than part-day programs. This variation could be particularly bad news for full-time working parents that depend on spaces in full-day child care.

**Anticipated Time to Permanent Closure by Type of Child Care Program (as of April 1-3, 2020)**

Anticipated Time to Permanent Closure	Child Care Centre (%)	Out of School Care (%)	Preschool (%)	Total (%)
1-3 months	74.5	65.6	54.6	70.1
4-6 months	8.3	19.7	31.8	13.7
7 months or more	2.3	1.6	2.3	2.2
No permanent closure anticipated	14.8	13.1	11.4	14.0

Note: Totals may not add to 100 percent due to rounding. Three survey responses were excluded from the analysis as possible duplicates.

There are two other interesting patterns in the table. First, while more child care centres might anticipate closing soon, the great majority of other programs are not far behind. In fact, 84% of respondents anticipated closing within 6 months, with no real difference between type of program. Second, child care centres were slightly more likely to respond that they did *not* anticipate permanent closure (15% vs. 13% for out-of-school care and 11% for preschools). One explanation could be that more child care centres are part of a larger nationwide business or organization that can draw on other funds. Alternatively, some child care centres may have low fixed operating costs or have ways to pay their operating costs separate from parent fees or funding from being part of a larger organization.

Finally, there are other issues that operators are concerned about beyond just fixed program costs. Slightly more than a third (35%) of all programs said that problems *other* than fixed costs might prevent them from continuing to operate even after the COVID-19 crisis is over. The top two reasons named by respondents were:

1. *Lower enrollment in the program after the crisis.* There were a number of specific reasons that respondents noted might lead to lower enrollment, including concerns that parents would not have jobs and therefore not need care, families might stay with re-opened programs or day homes that they switched to during the crisis, and lower enrollments would result in too little income to cover program costs.
2. *Difficulties rehiring, retaining, or attracting staff after the crisis.* Some of the specific reasons mentioned for this concern included staff finding work at other programs and staff finding work in other industries or fields (it should be noted that a common issue for child care programs even during normal times is recruiting and retaining qualified staff).

Other concerns mentioned included the costs associated with re-opening after crisis was over, especially in the time between re-opening and when enrollment increases to pre-crisis levels; a need for adequate government assistance after the crisis is over and whether that assistance would be enough; and uncertainty about whether they would be able to enroll children at certain regular times, such as the beginning of the school year. Some programs also took expanded on their concerns about their fixed costs, in particular rent and lease payments.