

# Child Care Utilization in Maryland During the COVID-19 Pandemic

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## Overview

This research brief provides a summary of findings from a survey of parents in Maryland conducted in the fall of 2020 to examine child care needs, access, continuity, and costs for infants, toddlers, preschoolers, and school-age children during the COVID-19 pandemic. The survey was distributed to families receiving child care scholarships<sup>1</sup> and to families with children enrolled in licensed child care in Maryland. This parent survey was conducted on behalf of the Maryland State Department of Education (MSDE) by researchers at Child Trends as part of the Maryland Child Care Policy Research Partnership funded by the Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.

Continuity of care is defined in this project as receiving care from the same child care provider before and during the COVID-19 pandemic for young children (ages 0-5), or in the summer and fall of 2020 for school-age children. Continuity of care is important to understand because it is associated with positive experiences and outcomes for children, such as more child-caregiver interactions, more secure attachment relationships, fewer behavior problems, and smoother developmental progress.<sup>i,ii</sup> Continuity of care is also associated with decreased stress on parents and caregivers and with stronger family-caregiver relationships.<sup>ii</sup>

### Key Continuity of Care Findings:

- Most children were able to stay with their primary caregiver during the pandemic.
- Continuity of care was higher among families that received a child care scholarship than among families that did not. This was true for families with young children (ages 0-5) and families with school-age children.
- Among young children in households that did *not* receive a child care scholarship, continuity of care varied by race and ethnicity. Racial differences in continuity of care persisted within a sample of respondents in households with an income less than \$50,000.
  - Among all respondents who did *not* receive a scholarship:
    - A lower percentage of children with Hispanic/Latino parents (45%) remained in care with the same provider during the pandemic than children with Black (63%), White (74%) and multiracial (68%) parents.
    - A higher percentage of children with Hispanic/Latino parents (26%) were receiving care from a new provider during the pandemic than children with White parents (18%) and children with Black parents (12%).
    - A higher percentage of children with Hispanic/Latino (29%) and Black (26%) parents were not in care at the time of the survey than children with

<sup>1</sup> Child care scholarships were formerly called child care subsidies.

- multiracial (10%) or White (8%) parents.
- Among respondents with household incomes less than \$50,000 but who did *not* receive a child care scholarship, children with White parents (71%) remained with the same child care provider during the pandemic at higher rates than children with Black (55%), Hispanic/Latino (44%), or multiracial (40%) parents.

### Key Cost of Care Findings:

- For most young children who were still cared for by the same primary care provider, child care expenses stayed the same during the pandemic as they were before the pandemic.
- Two thirds of respondents who received a child care scholarship reported that the scholarship did not sufficiently cover school-age care expenses during the school day.
- More than 2 out of 3 Black, Hispanic/Latino, and multiracial parents reported that out-of-pocket fees for school-age care were not affordable, compared to about 2 out of 5 White parents. Racial disparities in reporting that out-of-pocket costs for school-age child care were not affordable were also evident when examined among only those with a household income less than \$50,000.

This brief begins with context related to the provision and receipt of child care during the COVID-19 pandemic and outlines challenges faced by parents and child care providers, as well as policies put in place to support child care. Next, we provide an overview of the survey from which data were obtained, followed by findings related to respondent characteristics, continuity of child care, and cost of child care. Finally, we discuss findings in terms of their implications for policy and practice in Maryland.

## Introduction

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The global COVID-19 pandemic that began in March 2020 caused major shifts to the national landscape of early child care and early education (ECE). Mandated child care closures, shifts in parental employment status, and concerns about health and safety resulted in large changes to the supply of and demand for child care during the pandemic. Due to increased expenses from new health and safety regulations and reduced revenue from lower enrollment, many child care providers have faced financial instability. A national survey of licensed child care centers and family child care homes conducted in November 2020 found that 44 percent of child care providers reported feeling uncertain of how much longer they would stay open.<sup>iii</sup>

Parents have also reported difficulties due to COVID-related child care closures. In a national survey of parents conducted in August 2020, more than 70 percent of parents reported that their child care provider was closed or operating with limited hours or space, and approximately one third of parents who had an unrelated child care provider before the pandemic shifted to having a family member or relative care for their child(ren).<sup>iv</sup>

Parents of school-age children encountered additional challenges during the pandemic. The same survey found that two thirds of parents with school-age children reported that schools would require some type of online learning during the 2020-2021 school year. Thirty-eight percent of parents with school-age children said they would look for a child care provider if their school did not open in fall 2020;

however, 75 percent of these parents said they would be unable to afford or unwilling to pay for this care.<sup>iv</sup>

In Maryland, the vast majority (79%) of child care providers said in January 2021 that they experienced financial losses, and nearly half (49%) believed that if families kept children at home for another six months, they would have to close permanently. One third (33%) of providers said that they would need to increase tuition and/or fees if families kept children home for another six months.<sup>v</sup>

This research brief provides a summary of findings from a survey of Maryland parents conducted in the fall of 2020 to examine child care needs, access, continuity, and costs for infants, toddlers, preschoolers, and school-age children during the COVID-19 pandemic.

The purpose of the survey was to answer the following questions:

1. How many children are receiving child care from the same primary provider at the time of survey completion (fall 2020) as they had been before the pandemic?
2. Are families able to afford child care? Do child care scholarships sufficiently cover the cost of care?
3. Are there differences by scholarship receipt or by race/ethnicity in continuity and cost of child care in Maryland during the pandemic?

This parent survey was conducted as part of the Maryland Child Care Policy Research Partnership. It complements the Maryland Family Network's survey<sup>v</sup> of child care providers conducted in January 2021, which highlighted difficulties faced by child care providers by providing information about Maryland families' experiences with child care during the pandemic. Further, the findings of this parent survey provide insights to state administrators and policymakers looking to support families and child care providers during the current public health crisis and its aftermath.

Before providing more information about the methods and findings of the Maryland COVID Parent Survey, we briefly review the policy contexts affecting child care in Maryland as a result of the COVID-19 pandemic.

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## The Maryland Child Care Policy Research Partnership

In October 2019, Child Trends, in partnership with the Maryland State Department of Education (MSDE) Division of Early Childhood, received funding for a four-year project from the Office of Planning, Research, and Evaluation within the U.S. Department of Health and Human Services to investigate how Maryland's Child Care and Development Fund (CCDF) policies, regulations, and initiatives enacted since the Child Care and Development Block Grant (CCDBG) Act of 2014 have affected low-income families' equitable access to high-quality child care.

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## Federal and Maryland state policies to support child care during the pandemic

In March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law. The CARES Act included \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant (CCDBG)<sup>2</sup> to prevent, prepare for, and respond to the coronavirus.<sup>vi</sup> States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to address the needs of working families and child care providers during the COVID-19 pandemic.<sup>vi</sup> A Child Trends policy scan found that a majority of states are using these funds to support families and providers by waiving or covering a portion of the child care tuition that families receiving child care subsidies might otherwise have to pay; continuing to pay providers for subsidized slots during an initial period of closure or low attendance; and providing additional funds for the care of children of essential workers.<sup>vii</sup>

Maryland received \$45 million in supplemental CCDBG funds through the CARES Act and deemed child care an essential service. The state used three quarters of its supplemental funds to cover the costs of child care for essential workers and about a quarter to increase child care scholarship<sup>3</sup> payment rates for providers that were open and serving frontline and essential workers.<sup>viii</sup> Maryland also continued to provide scholarship payments to providers based on enrollment rather than attendance,<sup>viii, 4</sup> and it provided start-up grants to encourage new providers to open. As of September 1, 2020, 79 percent of child care providers had reopened.<sup>ix</sup> The state did not add slots for school-age children in child care during remote learning and did not cover the full-day rate of care for school-age children receiving subsidies during the school year.<sup>5</sup>

## The Maryland Parent Survey of Child Care During the COVID-19 Pandemic

MSDE was interested in understanding whether there were disparities in how Maryland families were affected by the pandemic in terms of their access to child care, especially among families that receive child care scholarships. To be eligible to receive a child care scholarship, all parents in the household must be working and household income must be below a particular amount, which varies based on the number of individuals in the household. An online survey was distributed to parents in Maryland between September 4, 2020 and November

### Key Terms

**Continuity of care:** receipt of care from the same child care provider before and during the COVID-19 pandemic for children ages 0-5, or in the summer and fall of 2020 for school-age children

**Cost:** the amount parents need to pay for their child to attend or receive child care

**Access:** the ability to enroll one's child(ren) in an affordable child care arrangement with reasonable effort that supports their child's development and meets parents' needs

<sup>2</sup> The Child Care and Development Block Grant (CCDBG) provides the federal funds delivered through the federal Child Care and Development Fund (CCDF) program.

<sup>3</sup> Maryland refers to child care subsidies, funded through the CCDF program, as child care scholarships.

<sup>4</sup> Before the COVID-19 pandemic, Maryland was one of six states to base subsidy payment on enrollment, not attendance (OCC, 2019 <https://www.acf.hhs.gov/occ/policy-guidance/delinking-provider-payments-and-attendance>).

<sup>5</sup> During the COVID-19 pandemic, CCDF Lead Agencies have the option to pay full-day rates for school-age children when they are virtually learning/not physically attending school. For more information, see: <https://www.acf.hhs.gov/occ/faq/ccdf-frequently-asked-questions-response-covid-19#28>.

9, 2020. All families participating in Maryland’s child care scholarship program were contacted about participating in the survey, and all licensed child care providers were asked to share a link to the survey with enrolled families. Because of this recruitment method, the resulting sample largely included families that were receiving child care scholarships and non-scholarship-receiving families that had a child enrolled in child care in Maryland at the time of survey distribution. Parents were asked about their child care needs and use during the pandemic for their young (ages 0-5) and school-age children. For more detail on the methodology of this survey, including sample sizes, see Appendices A & B.

## Findings

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All differences between subgroups discussed in this brief are statistically significant at  $p < .05$ .<sup>6</sup> The number of respondents contributing to analyses for individual survey items varied because not all participants answered every question (e.g., a participant would receive questions about school-age child care only if they had a school-age child). Because sample sizes varied by survey item and some samples were quite small, we note the relevant sample sizes from which findings are drawn in figure titles and footnotes. For detailed demographic characteristics, see Table 2 in Appendix B.

### Respondent characteristics

#### **Survey respondents reflected the state population distribution by county but households with low incomes and Black parents were more highly represented in the survey sample than in the state as a whole.**

Analyses explored how representative the survey sample was of the Maryland population.<sup>7</sup> Survey respondents’ county of residence generally reflected the population distribution across the state,<sup>xi, 8</sup> with the highest percentage of participants in Baltimore County, Montgomery County, Prince George’s County, and Baltimore City (see Appendix B, Table 2).

The distribution of household incomes among survey respondents skewed lower compared to the population of Maryland as a whole. For example, 55 percent of survey respondents reported household incomes less than \$50,000 compared to 30 percent of households in the state overall. This finding aligns with our survey recruitment methods. All families participating in Maryland’s child care scholarship program were intentionally invited to participate in the survey because MSDE was especially interested in understanding their needs during the pandemic, and the scholarship program has a household income eligibility threshold that targets lower-income households. For example, a household of four with an annual income of \$71,525 is eligible for child care, but a household of four with an annual income above that is not.

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<sup>6</sup> We did not adjust our p-values for multiple comparisons because doing so would have been overly-conservative for our often relatively small sample sizes, and we did not want to inflate the risk of a Type II error (false negatives).

<sup>7</sup> Due to our recruitment approach which resulted in an overrepresentation of scholarship recipients in our sample, caution should be taken when interpreting comparisons between the sample of survey respondents and the state population. While it would have been optimal to compare the characteristics of our sample with those of scholarship recipients in the state of Maryland as a whole, we could not take this approach due to limited publicly available data on characteristics such as county of residence and change in employment status for all scholarship recipients statewide (see Appendix B, Table 2).

<sup>8</sup> Population distribution is based on population estimates from July 2019.

Compared to statewide racial demographics, a larger proportion of survey respondents identified as Black, and a smaller proportion identified as White. The proportion of survey respondents who identified as Hispanic/Latino, however, reflected the proportion of Hispanic residents statewide. The overrepresentation of Black residents in the survey sample is likely confounded with the high concentration of lower-income households in our sample and the high representation of respondents from Baltimore City and Prince George’s counties, whose populations are more than 60 percent Black.<sup>xii</sup> Indeed, 80 percent of Black families in our sample reported incomes less than \$50,000, compared to 63 percent of Hispanic/Latino families, 57 percent of multiracial families, 35 percent of Asian families, and 28 percent of White families (see Appendix B, Table 3).

### The majority of respondents reported being essential workers or having an essential worker in the household.

Nearly three quarters (72%) of respondents reported that they and/or someone else in their household was an essential worker. This is higher than the percentage of individuals in the full Maryland labor force who are essential workers.<sup>xiii</sup> Four in ten respondents reported that compared to before the COVID-19 pandemic, they or another adult in their household was working fewer hours, furloughed, lost a job, or quit a job at the time of survey completion.

**Four in ten respondents** reported that compared to before the COVID-19 pandemic, they or another adult in their household was either working fewer hours, furloughed, lost a job, or quit a job at the time of survey completion.

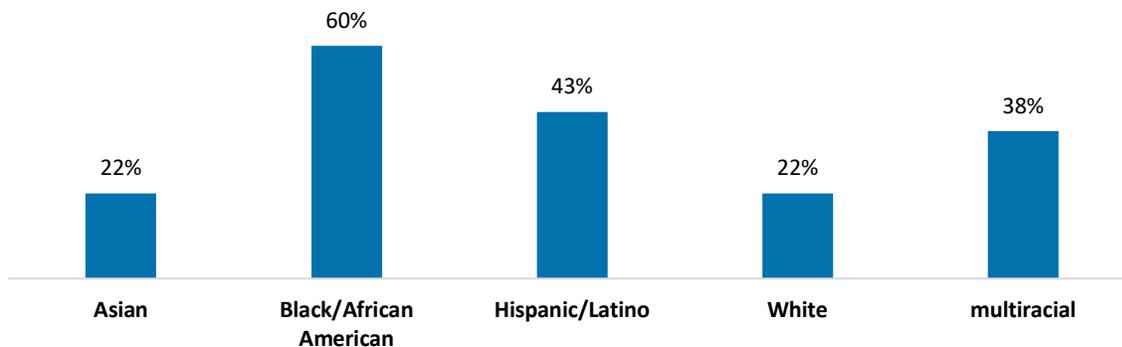
### Racial and ethnic disparities in household income, child care scholarship receipt, and change in employment status were evident.

White and Asian respondents generally reported higher household incomes than Black and Hispanic/Latino respondents (see Appendix B, Table 3). This pattern is consistent with that of all Maryland households.<sup>xiv</sup> Black respondents (60%) reported the highest rate of scholarship receipt and White (22%) and Asian (22%) respondents reported the lowest rate of scholarship receipt (see Figure 1). In addition, slightly fewer than half of Hispanic/Latino (49%), Black (46%), and multiracial (45%) respondents reported that they or another adult in their household was working fewer hours, furloughed, lost a job, or quit a job, compared to just more than one quarter (28%) of White respondents (See Appendix B, Table 3).

The racial disparities in household income reflect patterns of racial segregation fueled by both past and current discriminatory policies in the United States as a whole and in Maryland in particular that have prevented Black families from obtaining mortgages and owning homes.<sup>xv, xvi</sup> Coupled with barriers to educational and economic opportunities, these policies have led to high concentrations of African American families within lower-income communities in the United States.<sup>xvii, xviii</sup> While White, Black, and Hispanic families in Maryland generally fare better than the national average, by race, in terms of labor force participation, business value, median property value, and educational attainment, racial disparities in these indicators of wealth and prosperity *within* Maryland persist.<sup>xii</sup> These findings underscore the importance of disentangling race and socioeconomic status, when possible, in analyses.<sup>xix, xx</sup> Although we do not include controls in analyses, where racial differences in findings are significant, we further

investigate whether these differences persist among lower-income households through sub-group analyses.<sup>9</sup>

**Figure 1.** Proportion of respondents who indicated that they received a child care scholarship, by race/ethnicity (n=3,213)



\*Due to small samples sizes (n<50), this figure does not include information about children whose parents identified as American Indian/Alaskan Native, Native Hawaiian or Pacific Islander, or other.

## Continuity of child care

Access to stable, high-quality ECE is important for both children and families. Participation in high-quality ECE is associated with positive outcomes for children, families, and communities across many domains.<sup>xxi</sup> As noted, CCDBG funding from the CARES Act enabled children of essential workers to continue attending child care. These funds were also used to support and stabilize providers who cared for children receiving child care scholarships in the early months of the COVID-19 pandemic in 2020. While a high proportion of child care providers in Maryland had reopened by September 2020, a primary concern was whether young children (i.e., infants, toddlers, and preschoolers) and school-age children who were in care before the pandemic or in the summer, respectively, needed care in the fall of 2020. Furthermore, we were interested in learning whether children continued to be cared for by the child care provider they had before the pandemic. We operationalize continuity of care as remaining with the same provider before and during the pandemic for young children, or during the summer and fall of 2020 for school-age children. A lack of continuity of care includes being in care with a different provider than before the pandemic or in the summer or no longer being in care at the time of survey completion.

This section discusses findings for respondents who had at least one child in their household who received child care before the COVID-19 pandemic or in the summer of 2020.

<sup>9</sup> In our sample, race and ethnicity is a mutually exclusive categorical variable. Percentages of individuals in each racial group include only those who did *not* identify as Hispanic and those in the Hispanic group could have identified as any race.

## The majority of children were able to stay with their primary caregiver during the pandemic.

Nearly three quarters of young children (ages 0-5 years) remained with their primary provider during the COVID-19 pandemic.<sup>10</sup> Survey respondents were not asked if they had any gaps in use of their primary child care provider since the pandemic began.

Regardless of household scholarship receipt or race/ethnicity, the vast majority of school-age children who needed care before, during, and/or after school hours continued receiving care from the same provider during the school year as during the summer. More than three quarters (81%)<sup>11</sup> of school-age children who were in child care in the summer of 2020 continued to be cared for by the same provider in the fall.<sup>12</sup>

Regardless of household scholarship receipt or race/ethnicity, the vast majority of school-age children who needed care before, during, and/or after school hours continued receiving care from the same provider during the school year as during the summer.

## Continuity of care was higher among families that received a child care scholarship than among families that did not.

As shown in Figure 2, young children in households that received a child care scholarship remained with their primary care provider during the COVID-19 pandemic at higher rates than young children in households that did not receive a scholarship (84% compared to 68%). Compared to young children in households that received a child care scholarship, young children in households that did *not* receive a child care scholarship experienced higher rates of changes in care such as switching to a new provider (18% compared to 11%) or not being in care (14% compared to 6%) during the COVID-19 pandemic.<sup>13</sup>

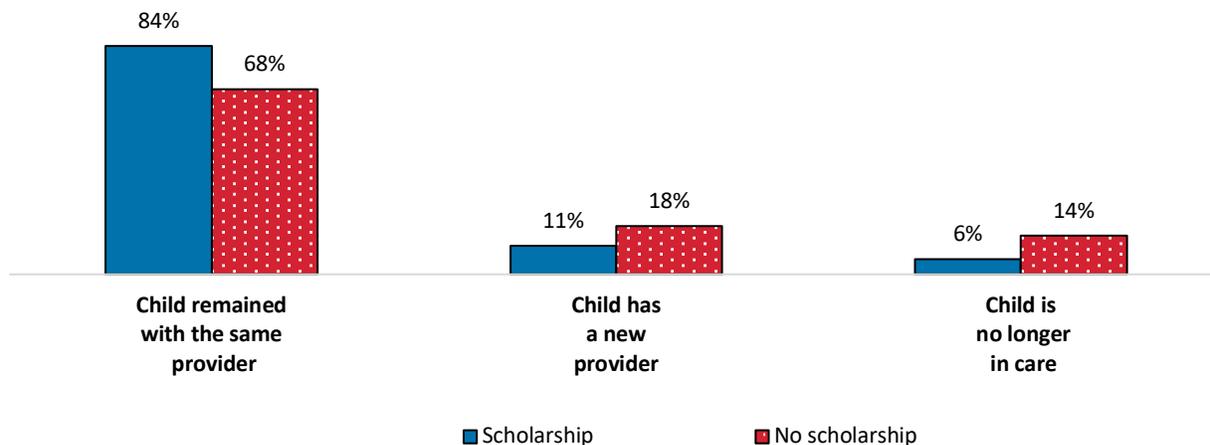
<sup>10</sup> This percentage is based on a sample of 2,594 respondents who had a child in child care before the COVID-19 pandemic.

<sup>11</sup> This percentage is based on a sample of 1,786 school-age children who were in child care before the pandemic.

<sup>12</sup> We are unable to report on the percentage of school-age children who were in care with a new provider or had left care during the pandemic due to limitations in the survey structure.

<sup>13</sup> Only parents with a child currently receiving a scholarship and/or in licensed child care in fall 2020 were invited to complete the survey. Therefore, the 14% of children in households that *did not* receive a scholarship and who were no longer in care likely resided in the same household as a child who *was* in child care at the time of the survey.

**Figure 2.** Percentage of young children who remained with the same provider during the pandemic by scholarship receipt (n of young children in households with a scholarship=1,050; n of young children in households without a scholarship=1,472)



School-age children from households that received a scholarship also remained with the same provider at higher rates than school-age children from households that did not receive a scholarship. Specifically, most (89%)<sup>14</sup> school-age children from households that received a child care scholarship remained with the same provider from the summer to fall, compared to about two thirds (68%)<sup>15</sup> of those in households that did not receive a scholarship.

Young children in households that received a child care scholarship remained with their primary care provider during the COVID-19 pandemic at higher rates than young children in households that did not receive a scholarship (84% compared to 68%).

### Among young children in households that did not receive a child care scholarship, continuity of care varied by race and ethnicity.

Figure 3 shows how continuity of care varied by race and ethnicity for children in households without scholarships. Specifically, a lower percentage of children with Hispanic/Latino parents (45%) remained with the same provider during the pandemic than those with Black (63%), White (74%), and multiracial (68%) parents.

These racial/ethnic disparities were further examined among the subsample of lower-income families that did not receive a child care scholarship.<sup>16</sup> Among young children in households that did not receive a child care scholarship and reported a household income less than \$50,000, children with White parents (71%) remained with the same child care provider during the pandemic at higher rates

<sup>14</sup> This percentage is based on a sample of 1,080 school-age children who were in a household that received a scholarship and were in child care before the pandemic.

<sup>15</sup> This percentage is based on a sample of 642 school-age children who were in a household that did *not* receive a child care scholarship and were in child care before the pandemic.

<sup>16</sup> As noted earlier, we did not adjust for multiple comparisons due to small sample sizes (e.g.,  $n=266$  for this analysis) and the heightened risk of false negatives; differences noted here (and throughout) were significant at  $p<.05$ .

than children with Black (55%), Hispanic/Latino (44%), or multiracial (40%) parents.<sup>17</sup>

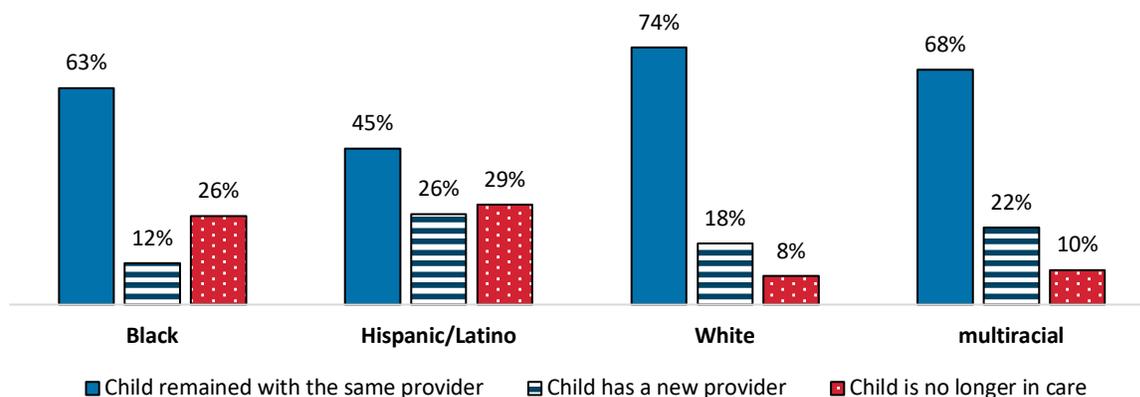
Analyses also examined the percentage of children in households that did not receive a scholarship who were in care with a new provider during the pandemic than before the pandemic (see Figure 3). A higher percentage of children with Hispanic/Latino parents (26%) were receiving care from a new provider during the pandemic than children with White parents (18%) and children with Black parents (12%).

Figure 3 also shows the percentages of children in households that did *not* receive a scholarship who were in child care before the pandemic but were no longer in care at the time of the survey. Twenty-nine percent of young children with Hispanic/Latino parents and 26 percent of young children with Black parents were not in care during the pandemic compared to 10 percent of children with multiracial parents and 8 percent of children with White parents.<sup>18</sup>

Among families with a household income less than \$50,000 and who did *not* receive a child care scholarship, a higher percentage of young children with Hispanic/Latino parents (36%) and Black parents (35%) were no longer receiving child care at the time of the survey compared with just 13 percent of children with White parents.<sup>17</sup>

The racial and ethnic differences in continuity of care evident among families who did not receive a child care scholarship are further considered in the discussion section of this brief.

**Figure 3.** Continuity of care for young children in families that did not receive a scholarship, by parents' race/ethnicity (n=1,426)



\*Due to small samples sizes (n<50), this figure does not include information about children whose parents identified as American Indian/Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or other.

<sup>17</sup> These percentages are based on a sample of 266 young children who were in a household that did *not* receive a scholarship and had a household income less than \$50,000. In addition, these 266 children were in child care before the pandemic.

<sup>18</sup> Respondents reported whether they received a child care scholarship rather than whether each of their children received a child care scholarship. Thus, the children in households that *did not* receive a scholarship and who were not in care at the time of the survey likely resided in the same household as a child who *was* in child care, because only families with a child currently in licensed child care (with or without a scholarship) could have responded to the survey based on the survey's recruitment techniques.

## Affordability of child care

Given providers' increased expenses to provide care during the pandemic,<sup>v</sup> we were interested in learning whether child care fees increased, decreased, or stayed the same during the COVID-19 pandemic for children who remained with the same provider.

For many families, the prevalence of virtual learning for school-age children resulted in a need for school-age child care during school hours. The additional hours of school-age care needed by families during the pandemic could have potentially increased child care expenses for families – even among families receiving child care scholarships. This is because Maryland provided part-day (i.e., before and/or after school hours) scholarships for school-age children as they normally would during the school year, despite school-age children potentially needing additional hours of care during the school day for supporting virtual learning while their parents worked.

### For most young children who were still cared for by the same primary care provider, child care expenses stayed the same during the pandemic as they were before the pandemic.

Generally, families with young children did not experience a change in out-of-pocket child care costs during the pandemic. The majority (79%) of young children with the same provider during the pandemic had a provider whose fees stayed the same.<sup>19</sup> Respondents in households that received a scholarship were more likely than respondents in households that did not receive a scholarship to report increases in child care costs for young children (26% compared to 16%).

### Two thirds of respondents who received a child care scholarship reported that the scholarship did not sufficiently cover school-age care expenses during the school day.

Of those who had at least one school-age child who was learning virtually (part-time or full-time) during the 2020-2021 school year and needed care during the school day, two thirds (66%)<sup>20</sup> said that the scholarship was not enough to cover the cost of care during the school day for at least one child. It is not surprising that a high percentage of survey respondents reported that they were unable to pay for care during school day hours given that scholarships for school-age children were part-day scholarships and only intended to assist with child care before and/or after standard school day hours.

Respondents with a young child in households that received a scholarship were more likely than respondents in households that did not receive a scholarship to report increases in child care costs for young children (26% compared to 16%).

<sup>19</sup> This percentage is based on a sample of 1,254 children who were in child care before the COVID-19 pandemic and were in care with the same provider at the time of survey completion.

<sup>20</sup> This percentage is based on a sample of 673 households that received a scholarship and had at least one school-aged child who needed care during the school day.

## More than half of respondents reported they could not afford child care costs for at least one school-age child.

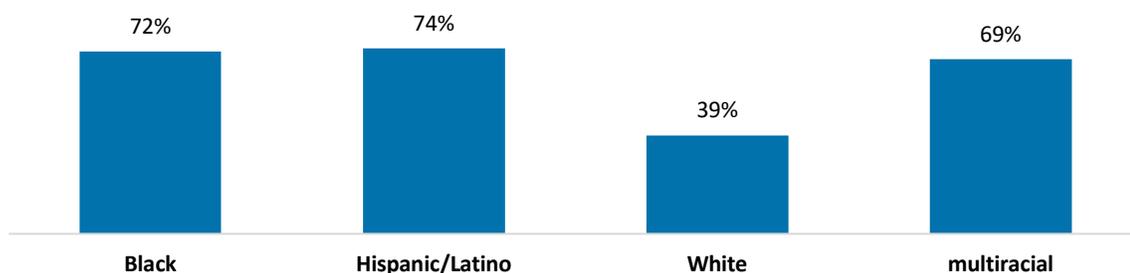
Of all households with at least one school-age child (with and without child care scholarships) that reported needing child care during the school day, the majority (62%)<sup>21</sup> reported that they could not afford child care costs for at least one school-age child. Respondents who received a scholarship were more likely than respondents who did not receive a scholarship to report that they were unable to pay the fees for school-age care during the school day (72% compared to 48%).

Respondents who received a scholarship were more likely than respondents who did not receive a scholarship to report an inability to pay the fees for school-age care during the school day (72% compared to 48%).

## Between two thirds and three quarters of Black, Hispanic/Latino, and multiracial parents reported that they could not afford<sup>22</sup> to pay the out-of-pocket costs for school-age care, compared to about two out of five White parents.

More than two thirds of Black (72%), Hispanic/Latino (74%), and multiracial (69%) respondents reported that they could not afford the out-of-pocket fees of child care for school-age children during the school day. In contrast, about two out of five (39%) White respondents reported that they could not afford to pay for care for one or more school-age child (see Figure 4). Racial disparities persisted in the lower-income sample. Specifically, among respondents who reported a household income less than \$50,000, Black (76%), Hispanic/Latino (80%), and multiracial (87%) respondents reported that they could not afford to pay out-of-pocket fees for school-age care during the school day at higher rates than White (61%) respondents.<sup>23</sup>

**Figure 4.** Percentage of respondents reporting they could not afford out-of-pocket child care fees for one or more school-age children (n=1,225)



\* Due to small samples sizes (n<50), this figure does not include information about children whose parents identified as American Indian/Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or other.

<sup>21</sup> This percentage is based on a sample of 1,327 households that reported needing care for one or more children during the school day. It does not necessarily follow that all these households were using care for their children.

<sup>22</sup> These findings are based on responses to the survey question "Are you able to pay the out-of-pocket costs for care during the school day?"

<sup>23</sup> These percentages are based on a sample of 860 respondents who had at least one school-age child who needed care during the school day and reported a household income less than \$50,000.

## Summary and Implications

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This final section of the research brief summarizes the key findings related to continuity of care, cost of care, and racial differences in continuity and affordability of care. We also offer suggestions Maryland might consider in its efforts to improve access to and affordability of early child care for all families.

### Continuity of child care

The majority of young children and school-age children in our sample of families in Maryland remained with the same provider during the pandemic that they used before the pandemic or during the summer of 2020. Children with child care scholarships remained with the same provider at higher rates than children without scholarships. The high proportion of children who remained with their primary care provider during the pandemic, particularly the high proportion of children receiving child care scholarships, suggests that increased CCDBG funding from the CARES Act (2020) helped child care providers remain open, especially those serving families receiving scholarships. The additional \$10 billion in CCDBG funding from the COVID-19 relief legislation in December 2020 and the \$39 billion in CCDBG funding through the American Rescue Plan (2021) is intended to help states promote children’s continuity of care. While our survey results show a high rate of continuity with the same provider, especially for children receiving a child care scholarship, parents of children who were still attending care may have been more likely to complete the survey than those with a child enrolled but not attending care.<sup>24</sup>

Among families that did not receive a child care scholarship, the proportion of families that reported having children in care with the same provider, in care with a new provider, or not in care during the pandemic varied by race/ethnicity.<sup>25</sup> These differences persisted when looking only among a subsample of households with an income less than \$50,000. An examination of the reasons why children were not in care or were in care with a new provider suggested that the most common reason was because their previous provider closed.<sup>26</sup> Still, the racial differences in percentages of children not in care or in care with a new provider align with other research that suggests that even before the pandemic, Black, Hispanic/Latino, and indigenous families were more likely to face an inadequate supply of licensed child care and that Black and multiracial parents experience child care-related job disruptions—such as quitting a job, not taking a job, or greatly changing their job—due to problems with child care at nearly twice the rate of White parents.<sup>xxii</sup>

The persistence of racial differences in continuity of care during the pandemic, even within a lower-income sample, could reflect higher rates of job loss among Black and Hispanic/Latino adults than White adults during the pandemic.<sup>xxiii</sup> In our sample, higher rates of Black and Hispanic/Latino respondents reported that an adult in their household was working fewer hours, furloughed, had lost a job, or had quit a job than White respondents. Similarly, other factors associated with structural racism involved in

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<sup>24</sup> Administrative records cannot be used to validate our findings because MSDE’s COVID-19 policies allowed children with a scholarship to remain enrolled with their providers, even if the children had stopped attending during the pandemic; providers were then reimbursed for all enrolled children with a scholarship.

<sup>25</sup> As noted earlier, respondents reported on whether they received a child care scholarship rather than whether each of their children received a child care scholarship. Thus, the children in households that *did not* receive a scholarship who were not in care at the time of the survey likely resided in the same household as a child who *was* in child care, as only families with a child currently in licensed child care (with or without a scholarship) could have responded to the survey based on the survey’s recruitment techniques.

<sup>26</sup> This examination did not involve testing for statistical significance due to the small subsample of parents who were asked to share the reasons for changes in child care arrangements during the pandemic—namely, those respondents whose child(ren) did not remain in care with their previous provider and who did not receive a scholarship.

how families experienced the COVID-19 pandemic may explain the racial differences observed in continuity of care in this survey. For example, we know that Hispanic/Latino and Black households historically have disproportionately experienced housing insecurity, and they continued to do so during the COVID-19 pandemic.<sup>xxiv, xxv</sup> We also know that housing instability can contribute to discontinuity of child care for young children.<sup>xxvi</sup>

Although it is difficult to determine the exact reasons for the racial differences identified in this survey,<sup>27</sup> the finding that families of color were more likely to experience instability in child care when they were not receiving a child care scholarship suggests that Maryland should examine and address the barriers to access to child care assistance for families of color, including removing administrative hurdles for parents and increasing consumer education about child care quality and the child care scholarship system.<sup>xxvii</sup>

## Affordability of child care

Respondents reported that the scholarship funds they received for their school-age children were not enough to cover child care during the school day. More than half of households reported having a difficult time affording out-of-pocket school-age care costs, but a much higher percentage of those who received a scholarship reported that they could not afford care compared to those who did not receive a scholarship. It is evident that families in Maryland, particularly those receiving child care scholarships, needed additional financial support to cover the cost of child care for school-age children while they were learning virtually. Although many children have returned to in-person learning or a hybrid of virtual and in-person learning, Maryland should consider providing additional financial support by either offering full-day scholarships for school-age children or extending the hours of care the scholarship covers when schools operate fully remotely or in a hybrid model.

There were substantial racial differences in whether respondents could afford school-age child care costs. Black, Hispanic/Latino, and multiracial respondents more frequently reported that they could not afford to pay for care during the school day than did White respondents. Black, Hispanic/Latino, and multiracial respondents were more likely to report lower household incomes than White respondents and were more likely to receive a child care scholarship than White and Asian respondents. As noted previously, the part-day scholarships for school-age children did not cover the cost of child care during the school day. Racial disparities in household income and affording child care go hand in hand and further highlight racial disparities in economic opportunities and access to child care.<sup>xxviii</sup> In addition to extending the hours of care paid for by scholarships if schools operate remotely or in a hybrid model for the 2021-2022 school year, Maryland can work to ensure that families are aware of other financial benefits they are eligible to receive and resources available to them that might help off-set child care costs. For instance, the Child Tax Credit, expanded by the American Rescue Plan, is based on child eligibility and has no minimum earnings requirement.<sup>xxix</sup>

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<sup>27</sup> While further analyses of the survey data are possible, the survey does not permit us to evaluate all the possible hypotheses for these emergent racial patterns.

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