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Child Care in the Time of COVID: How Illinois Resourced Programs to Support (Re)opening

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SUGGESTED CITATION: Sabol, T., T. Virágh, O. Healy, and A. Nerella. 2021 (September 1). *Child care in the time of COVID: How Illinois resourced programs to support (re)opening.* Institute for Policy Research Rapid Research Report.
https://www.ipr.northwestern.edu/documents/reports/ipr-rapid-research-report-child-care-in-covid-sept-1-2021.pdf

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"Child Care in the Time of COVID: How Illinois Resourced Programs to Support (Re)opening"

by **Terri Sabol, Tímea Virágh, Olivia Healy, and Anika Nerella**

Executive Summary

The COVID-19 pandemic significantly disrupted the child care industry, as it did many industries in the United States. In response, the federal government spent billions of dollars in order to stabilize the child care system. The first major federal investment came from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020, which provided $3.5 billion in direct child care relief funds. In this report, we explore how child care programs were resourced in Illinois during the COVID-19 pandemic from state and federal investments.

We focus on three main resources in Illinois. First, the state offered Emergency Daycare Licenses during mandatory closures if child care programs served children of essential workers. These licenses could provide stability for private programs that faced significant revenue deficits from the loss of tuition. Second, through the CARES Act, child care programs qualified for the Paycheck Protection Program (PPP), which provided forgivable loans to small businesses that faced economic hardship due to COVID-19. Third, Illinois child care programs could receive Child Care Restoration Grants, funded by the CARES Act, which provided stipends to child care programs, based on capacity and geographic area.

We find that approximately 15% of eligible child care programs in Illinois received Emergency Daycare Licenses, 25% of eligible child care programs received PPP loans, and 60% received Child Care Restoration Grants. On average, child care programs in Illinois received $58,705 in PPP loans and $64,615 in Child Care Restoration Grants. We find few differences in the characteristics of neighborhoods with child care programs that received access to these policy supports compared to those with programs that did not. The only exception is that child care programs located in urban areas were far more likely to receive these three resources compared to rural areas.

Overall, our findings suggest good news for Illinois in terms of the proportion of programs that received Child Care Restoration Grants and the relative similarity in the demographics of neighborhoods that did and did not receive access to these resources. The open question, and our area of future inquiry, is whether these resources are sufficient in stabilizing the child care market in the years to come.

Introduction

Child care is essential for our nation's growth and productivity. Unfortunately, the child care market has always had its challenges in the United States. Even before the COVID-19 pandemic, the child care system suffered from instability, an inadequate number of slots, and insufficient funding. For instance, in Illinois, families spent an average of 31% of their income on child care, and only 36% of the children attended public, free preschool.[1] Child care programs in the private market often operated on razor-thin margins, especially for infant/toddler programs that needed to maintain low staff-child ratio to meet licensure requirements, such as one educator to four infants. Moreover, 58% of residents in Illinois lived in a child care desert, meaning that there were more than three times as many children as licensed child care slots.[2]

Given the pre-existing instability in the child care market, many policymakers, educators, and advocates were concerned that the COVID-19 pandemic would devastate the child care system. Some projected that without government intervention COVID-19 could lead to a permanent loss of 49% of all child care slots in the U.S (with similar projections for the state of Illinois.)[3] And there was reason to worry. During spring 2020, around 60% of all child care programs across the nation were mandated to close, which meant a loss of income for private programs that relied on tuition for revenue. Once programs were allowed to reopen, many faced increased costs due to enhanced health and safety requirements and required reductions in program capacity. Fortunately, the federal government allocated billions of dollars to support the child care system in response to the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) provided $3.5 billion in direct child care relief, and child care programs also qualified for the Paycheck Protection Program (PPP), which provided forgivable loans to small businesses that faced economic hardship due to COVID-19. In 2021, a second federal relief package, the American Rescue Plan, provided an additional $39 billion in child care relief funding, including $24 billion for a child care stabilization fund.

States had a fair amount of autonomy in how to allocate federal funds. Illinois focused strongly on ensuring that the funds went directly to child care providers. To do so, Illinois created Child Care Restoration Grants (CCRGs) that were designed "to be meaningful financial supports to help the early

[1] Center for American Progress. 2019. Early learning factsheet 2019 – Illinois.

[2] Center for American Progress. 2018. America's child care deserts in 2018 – Illinois.

[3] Center for American Progress. 2020 (April 24). Coronavirus pandemic could lead to permanent loss of nearly 4.5 million child care slots.

childhood infrastructure weather the storm brought about by the COVID-19 pandemic."[4] The grants were designed for licensed home-based and center-based providers that had their operating capacity reduced as a result of Illinois Department of Children and Family Services (DCFS) guidelines.[5] CCRGs provided stipends to child care programs based on their capacity and geography. In addition, under Governor JB Pritzker's executive order, child care programs could be granted an Emergency Daycare License (EDL) to stay open during mandatory closures if they served children of essential workers. EDLs could provide child care programs some stability if programs faced significant revenue loss due to loss of tuition.

Despite these resources, it is an open question as to whether providers had equal access to these resources. In this report, we explore variation in how child care programs were resourced in Illinois during the COVID-19 pandemic in terms of Emergency Daycare Licenses, federal PPP loans and Child Care Restoration Grants.

Motivation: The Vital Role of Child Care in Our Society

Child care is a cornerstone of our economy because it serves the dual goals of preparing children for the future and enabling parents and caregivers to work. Exciting breakthroughs across a diverse range of fields, including neurobiology, epigenetics, developmental science, and economics, all point to the importance of developing skills early in life to maximize children's potential.[6] Indeed, decades of rigorous evidence demonstrate that children thrive when they attend high quality, out-of-home child care programs. For parents, child care provides a vital work support. There have been drastic shifts in the rate of maternal employment over the last century. In the 1920s, 10% of mothers with young children ages 3–7 were employed. Today, 70% of such mothers are employed.[7] High-quality child care ensures that parents can work while their children are in a safe and stimulating environment. Stable

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[4] Illinois Professional Development System Gateways to Opportunity. 2021. Child care restoration grants.

[5] The CCRG program was part of the Business Interruption Grant (BIG) program developed by Governor JB Pritzker to provide $580 million in economic relief for small businesses hit hardest by COVID-19. Through the BIG program, $290 million was allocated to child care providers (through CCRGs) and $290 million for other small businesses throughout Illinois. According to the Illinois Department of Commerce & Economic Opportunity, BIG is the largest program of its kind in the nation and leverages federal funding provided by the CARES Act to help offset COVID-19 related losses for Illinois small businesses. See https://www2.illinois.gov/dceo/SmallBizAssistance/Pages/C19DisadvantagedBusGrants.aspx.

[6] Brooks-Gunn, J., L. Markman-Pithers, and C. E. Rouse. 2016. Starting early: Introducing the issue. *The Future of Children* 26:3–19; Shonkoff, P., D. Phillips, eds. 2000. Nurturing relationships. In *From Neurons to Neighborhoods: The Science of Early Childhood Development*. National Academy Press.

[7] Cascio, E. 2021. Early childhood education in the United States: What, when, where, who, how, and why. NBER Working Paper 28722.

child care has a positive feedback loop on the home environment—high-quality, predictable child care reduces parents' stress and allows them to be both better employees and parents. The breakdown of the child care market due to COVID-19 could potentially interfere with both parent and child wellbeing.

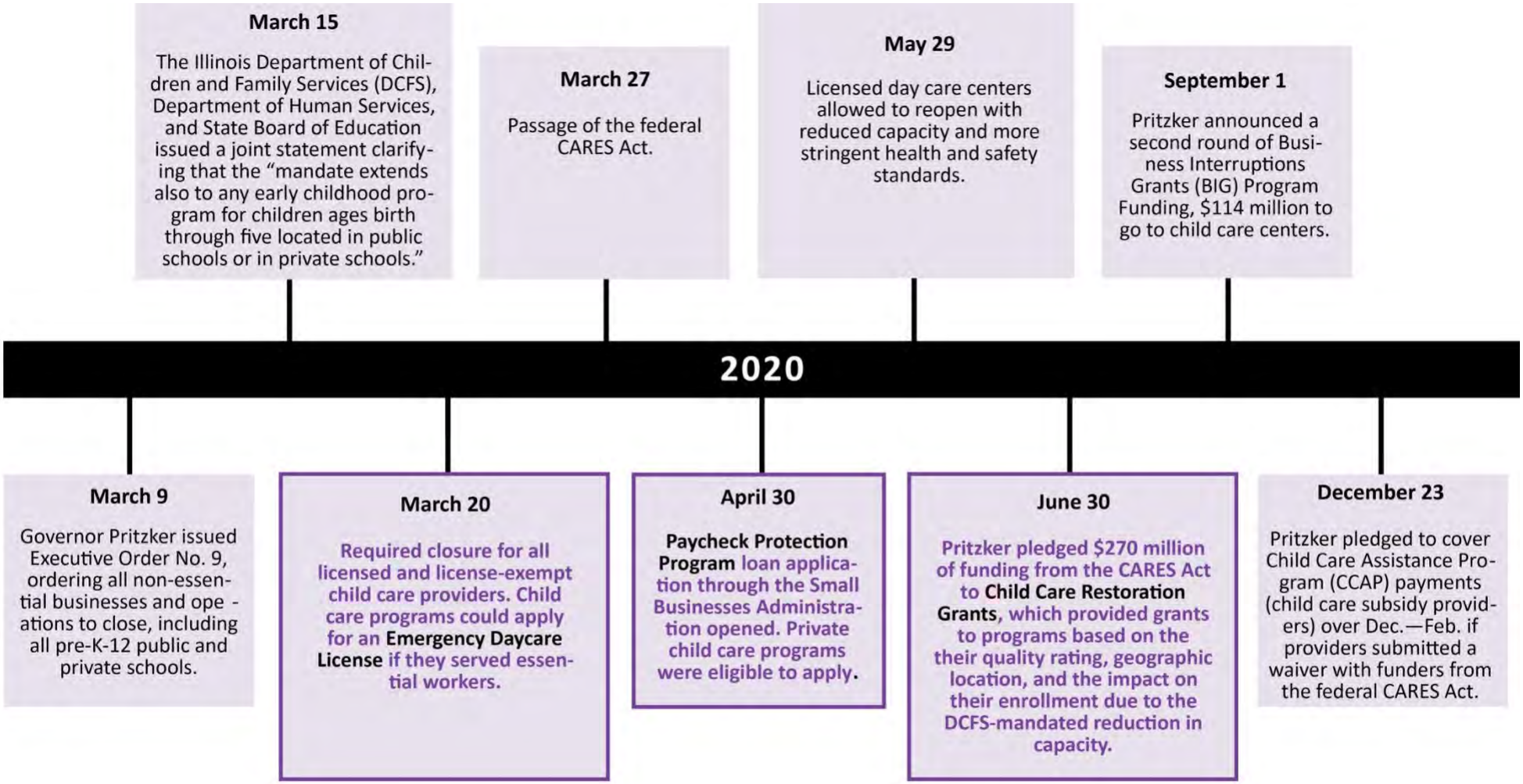
The child care crisis also has important implications for economic recovery in the United States. As U.S. Department of Treasury Secretary Janet Yellen recently said, "Education and caregiving [are] core elements of a strong economy. Historically, child care and other social programs to help families haven't been seen as crucial investments underpinning American Growth and productivity. But this is a failure of perspective."[8]

This report analyzes the extent to which Illinois child care programs received access to resources designed to stabilize operations and identifies any gaps in access based on neighborhood characteristics.

[8] U.S. Department of the Treasury. 2021 (April 28). Statement by Secretary Janet Yellen on the American Families Plan.

Timeline of Illinois' COVID-19 Response in 2020: Focus on Child Care

Below, we present how Illinois responded to and supported child care during the first year of the COVID-19 pandemic (2020).



The boxes with a purple outline are the three key policies we focus on in this report.

Research Questions

We explore two main research questions:

1. **How were child care programs resourced in Illinois during the COVID-19 pandemic?**
    - Emergency Daycare Licenses
    - Federal Paycheck Protection Program loan
    - Child Care Restoration Grants
2. **Were there demographic differences in neighborhoods with child care programs that received access to these resources?**

Data and Methods

We drew on a range of sources, including data from the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA), U.S. Small Business Loan Administration (SBA), Illinois Department of Human Services, the Universal Data System (USD) mapper, and the U.S. Census. Data on all licensed child care programs for 2019 (prior to the pandemic) came from INCCRRA and included basic information such as addresses, funding source, and capacity. INCCRRA also managed the Emergency Daycare Licenses, as listed through the state emergency day care portal, which were publicly available; we obtained them in April 2020. We received data on CCRGs (program name and amount given) from the Illinois Department of Human Services through a Freedom of Information Act request. We also accessed the public files on PPP loans from the SBA administrative data website, which included programs' information and their location by ZIP Code Tabulation Areas (ZCTAs) or ZIP codes.[9] We used a ZIP code to ZCTA crosswalk from the USD mapper and then linked all data based on ZCTA. All data were geocoded in ArcGIS.

Analytic Plan

We first examined the descriptive statistics on resource distribution, including: (i) number and percentage of child care providers that received each resource (EDL, PPP, or CCRG) at the program level; (ii) number and percentage that received each resource within a neighborhood; (iii) average amount given (PPP and CCRG only); and (iv) whether we could observe any geographic pattern in where resources were allocated within Illinois (based on mapping). To understand the extent to which

[9] ZCTA codes are the same as ZIP codes in most cases. Because ZCTAs are based on the decennial Census, they are more stable over time than ZIP codes. ZCTAs link to census block groups and are designed for tabulating summary statistics of geographic areas.

demographic characteristics of neighborhoods predicted obtaining resources, we ran three sets of analyses. For all sets of analyses, we limited to neighborhoods (defined by ZCTAs) that had at least one child care program as well as at least 50 children under age 5 who lived in the neighborhood prior to the pandemic.

Neighborhood demographics included measures of urbanicity, racial/ethnic characteristics of residents, and income, poverty, employment and percentage of frontline workers in the neighborhood as predictors. We also controlled for number of child care programs in the neighborhood. Appendix Table 1 shows pairwise correlations for all predictors we considered. We did not include education (percent of the population with at least a bachelor's degree) because it was very highly correlated with median household income. We also used the number of programs per neighborhood instead of the geographic area of the neighborhood to control for size/pre-existing capacity. We initially calculated measures of frontline workers both as a percentage of the total population and of those employed, but since we control for employment share, we measured frontline workers only as a percentage of the total population.

First, we tested whether there were bivariate (yes/no) differences in the neighborhood demographics in the neighborhoods that received any resource —EDL, PPP loan, CCRG— versus those that did not. For this set of analyses, each neighborhood predictor-outcome combination was run separately in the following OLS regression:

$$Y_z = \alpha + \beta C_z + \varepsilon$$

where Y_z represents a demographic variable at the neighborhood level (for example, share of residents employed), standardized across neighborhoods (ZCTAs) in our sample. C_z is an indicator variable for whether the neighborhood (ZCTA) has at least one child care program with the given resource of focus for the analysis (EDL, PPP loan, or CCRG).

Second, we ran multivariate logistic regressions to predict the likelihood that *any* child care provider in the neighborhood received or did not receive a certain resource (EDL, PPP loan, CCRG, with separate models for each), controlling for all other neighborhood characteristics (listed above). Lastly, we conducted multivariate OLS regressions to examine the extent to which neighborhood characteristics predicted the share of child care providers within a given neighborhood that received resources (percent of programs that received EDL, PPP loan, or CCRG, with separate models for each resource). We also ran a sensitivity checks to probe the robustness of our findings across varying samples. We ran our sample with Chicago only versus excluding Chicago to ensure that the large city was not solely driving the pattern of results.

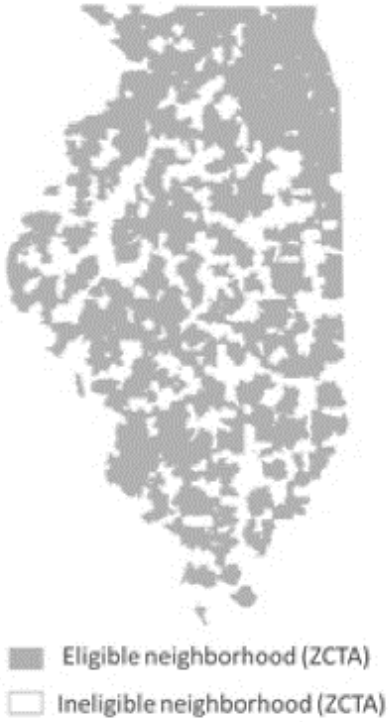
Sample

In 2019 (pre-pandemic), there were 9,613 licensed child care programs with the capacity to serve 350,031 children across 5,864 home-based (61%) and 3,749 center-based programs (39%). Because only private child care programs were eligible for all three resources (EDL, PPP loans, and CCRG), we excluded programs that received Head Start (561), and/or Preschool for All (860) funding (note some programs received both). We further restrict our sample to neighborhoods with at least one child care program and with at least one private child care center and 50 children under the age of 5 who lived in the neighborhood pre-pandemic to ensure we were studying neighborhoods where there was some demand for child care, which resulted in an additional reduction in the size of the sample (there were 179 child care programs located in neighborhoods with fewer than 50 children). As a result, our sample includes 8,158 private child care programs in 757 neighborhoods (ZCTAs), out of a total of 1,393 neighborhoods (ZCTAs) in Illinois. Only 933 of the 1,393 neighborhoods had at least 50 children pre-pandemic. Overall, 96.3% of all children under age 5 in Illinois live in the 757 neighborhoods in our analytic sample. We present the location of neighborhoods eligible for resources and included in our analytic sample in Figure 1, and the characteristics of the neighborhoods in our sample in Table 1.

Table 1. Neighborhood Characteristics in Our Sample

Neighborhoods (*n* = 757)	Mean/%	SD
Urbanicity (%)		
Urban	29.20	
Urban/rural mix	44.20	
Rural	26.56	
Unaffordability (%)	17.45	2.84
In poverty (%)	11.25	7.30
Income inequality	.42	.05
College or more (%)	19.65	11.86
Median household income ($)	68,183	25,297
Employed (%)	47.86	6.33
Frontline of total (%)	28.08	4.91
Race/ethnicity of residents (%)		
Black	9.49	19.38
White	82.14	21.93
Asian	3.22	5.81
Other single race	2.83	5.93
Multiracial	2.08	1.48
Hispanic	9.41	13.52
Area (sq. mile)	47.42	45.60
Number of child care programs	12.38	17.27

Figure 1. Illinois Neighborhoods Eligible for Child Care Resources in Response to COVID-19



Note: The map in Figure 1 demonstrates where the 757 eligible neighborhoods (defined by ZCTA) are located within Illinois (shaded in gray). Neighborhoods were eligible for analysis if there was at least one private child care center and at least 50 children under the age of 5 (pre-pandemic).

Main Findings

Research Question 1: How were child care programs resourced?

Emergency Daycare Licenses

In total, 1,483 child care programs received an Emergency Daycare License within our eligible neighborhoods (defined by ZCTAs), meaning that 18.18% of eligible programs received a PPP loan (1,483 out of 8,158 child care programs).[10] At the neighborhood-level, 57.7% of all eligible neighborhoods had at least one program that received a PPP loan (437 out of 757 neighborhoods). As demonstrated in Figure 2 we observe that EDLs look relatively evenly distributed across neighborhoods within the state, with some clustering in the Chicagoland area. Neighborhoods shown shaded in white are those that were ineligible for an EDL due to fewer than 50 children or no private child care

[10] When we examine the rate of EDLs across all of Illinois (and not just within eligible ZCTAs for our analysis), the rate is nearly identical (1,507 out of 8292 = 18.17).

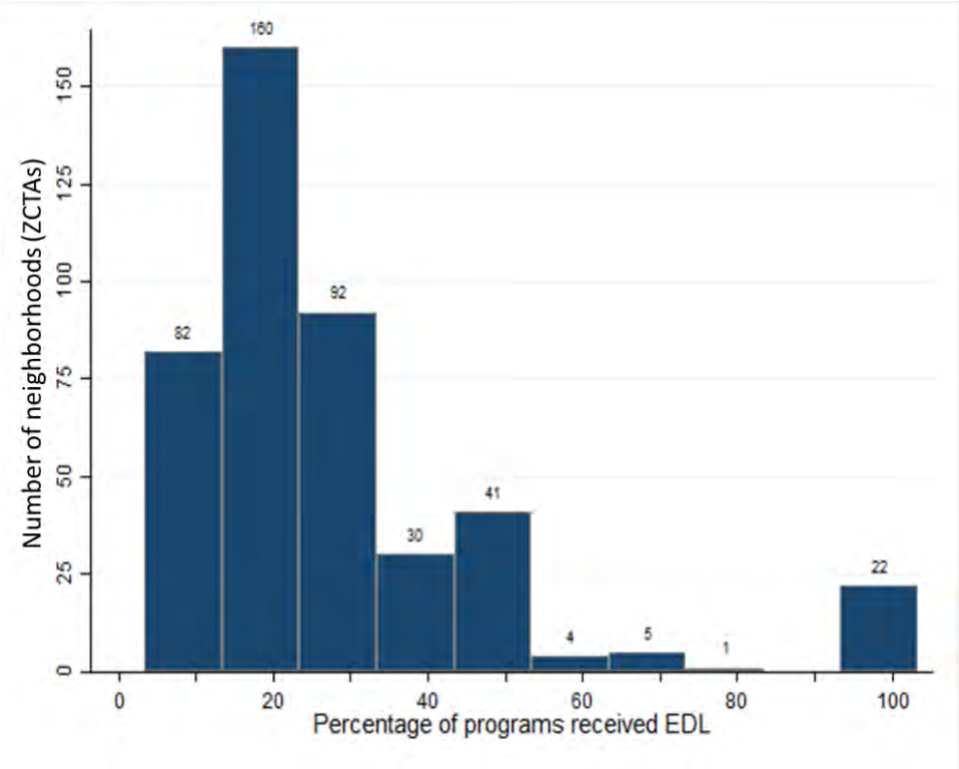
programs in the area. Among the eligible neighborhoods (with more than 50 children and at least one private child care program), neighborhoods in blue are those in which at least one program received an EDL; neighborhoods in grey are eligible neighborhoods in which no programs received an EDL.

Figure 2. Map of Neighborhoods That Received Emergency Daycare Licenses in Illinois

On average, 3.4 child care programs received an EDL within each of the 437 eligible neighborhoods (Standard Deviation [SD] = 3.9, range: 1-36). In terms of proportion, this means that on average, 28.5% of eligible child care programs received an EDL within each neighborhood. Figure 3 shows the distribution of the share of programs within a neighborhood that received an EDL.[11]

[11] This number was calculating by dividing the number of EDLs by the number of eligible programs within a given ZCTA and taking the average across all ZCTAs. There were a few ZCTAs where this ratio is higher than 1. We recoded the higher-than-1 values to 1.

Figure 3. Share of Programs That Received an EDL Within a Neighborhood



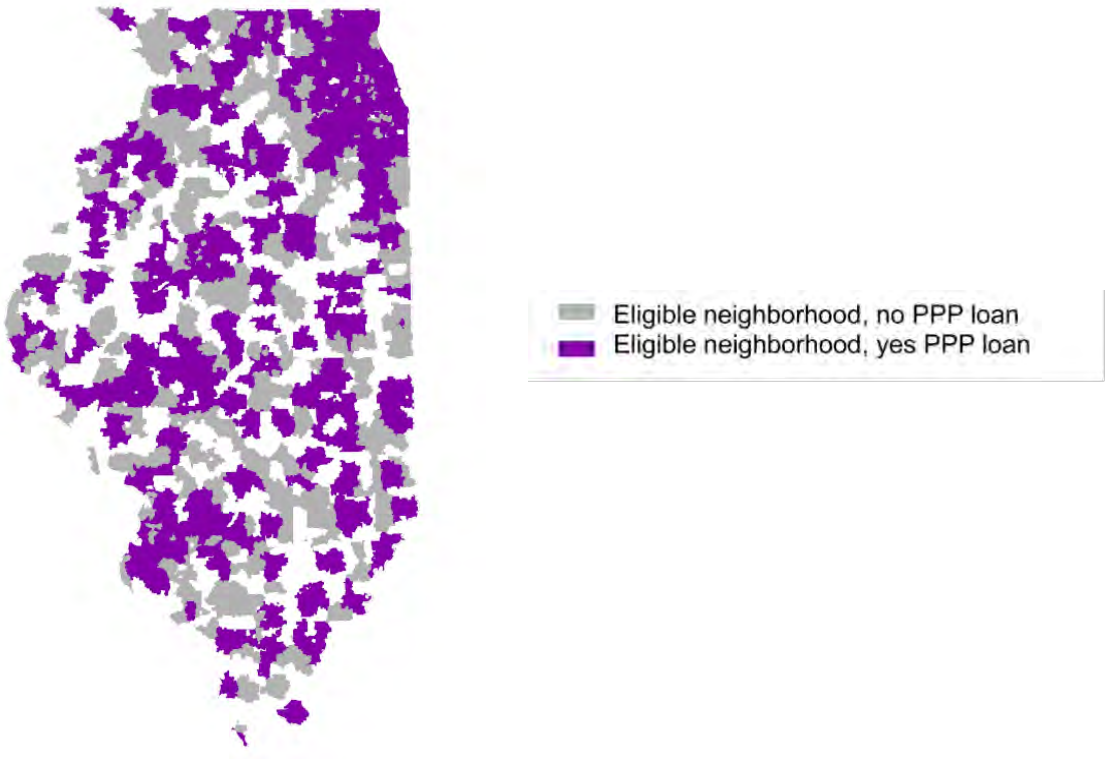
Note: For purposes of this figure, we restrict our sample to the 437 neighborhoods in which one program received an EDL.

Paycheck Protection Program Loans

Overall, 1,998 child care programs received a PPP loan within our eligible neighborhoods (defined by ZCTAs), meaning that 24.49% of eligible programs received a PPP loan (1,998 out of 8,158 child care programs).[12] At the neighborhood level, two-thirds of all eligible neighborhoods had at least one program that received a PPP (505 out of 757 neighborhoods). As demonstrated in Figure 4, we observe that PPP loans look relatively evenly distributed across neighborhoods within the state, with some clustering in the Chicagoland area. Neighborhoods shown shaded in white are those that were ineligible for PPP loans due to fewer than 50 children or no private child care programs in the area. Among the eligible neighborhoods (more than 50 children and at least one private child care program), neighborhoods in purple are those in which at least one program received a PPP loan; neighborhoods in grey are eligible neighborhoods in which no programs received PPP loan.

[12] When we examine the rate of PPP loan attainment across all of Illinois (and not just within eligible ZCTAs for our analysis), the rate nearly identical (2,044 out of 8292= 24.65).

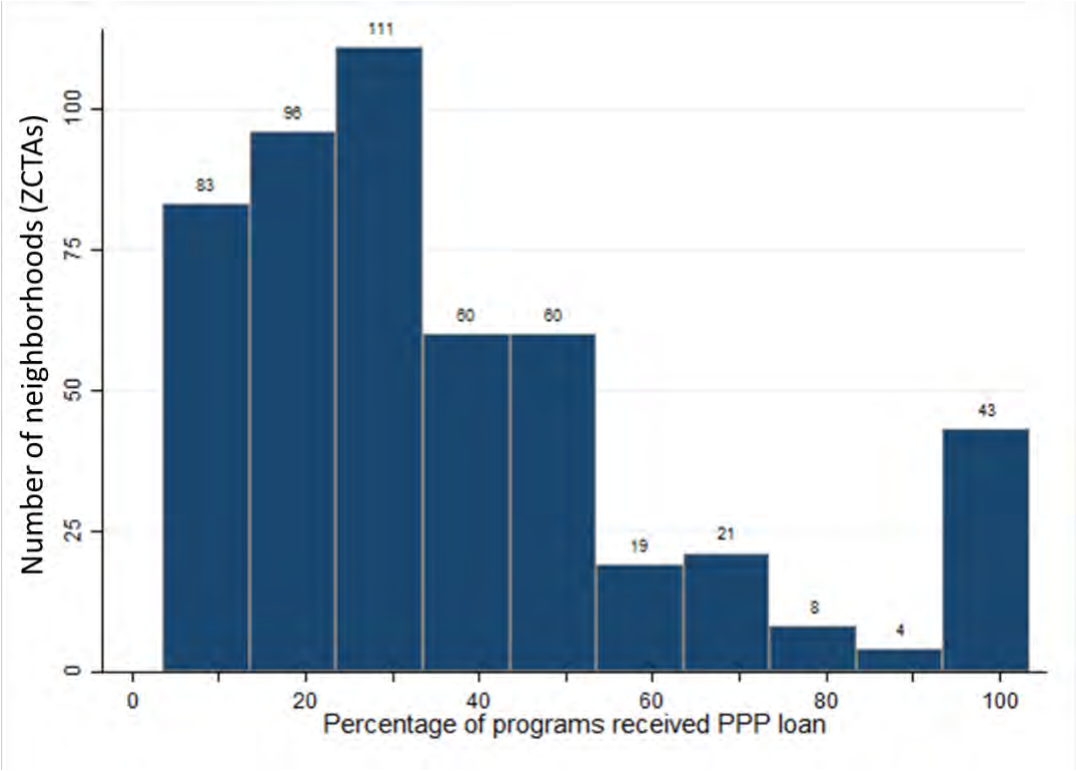
Figure 4. Map of Neighborhoods That Received PPP Loans in Illinois



On average, 3.9 child care programs received PPP loans within each of 505 eligible neighborhoods where at least one program received a PPP loan (SD = 4.5, range: 1-38). This equates to 37.5% of eligible child care programs receiving a PPP loan on average within each neighborhood (see Figure 5).[13]

[13] This number was calculated by dividing the number of PPP loans by the number of eligible programs within a given ZCTA, and taking the average across all ZCTAs. There were a few ZCTAs where this ratio is higher than 1, which is most likely because one person applied to the PPP loan with their primary address, but the child care program is in a different ZIP code. We changed the higher-than-1 values to 1.

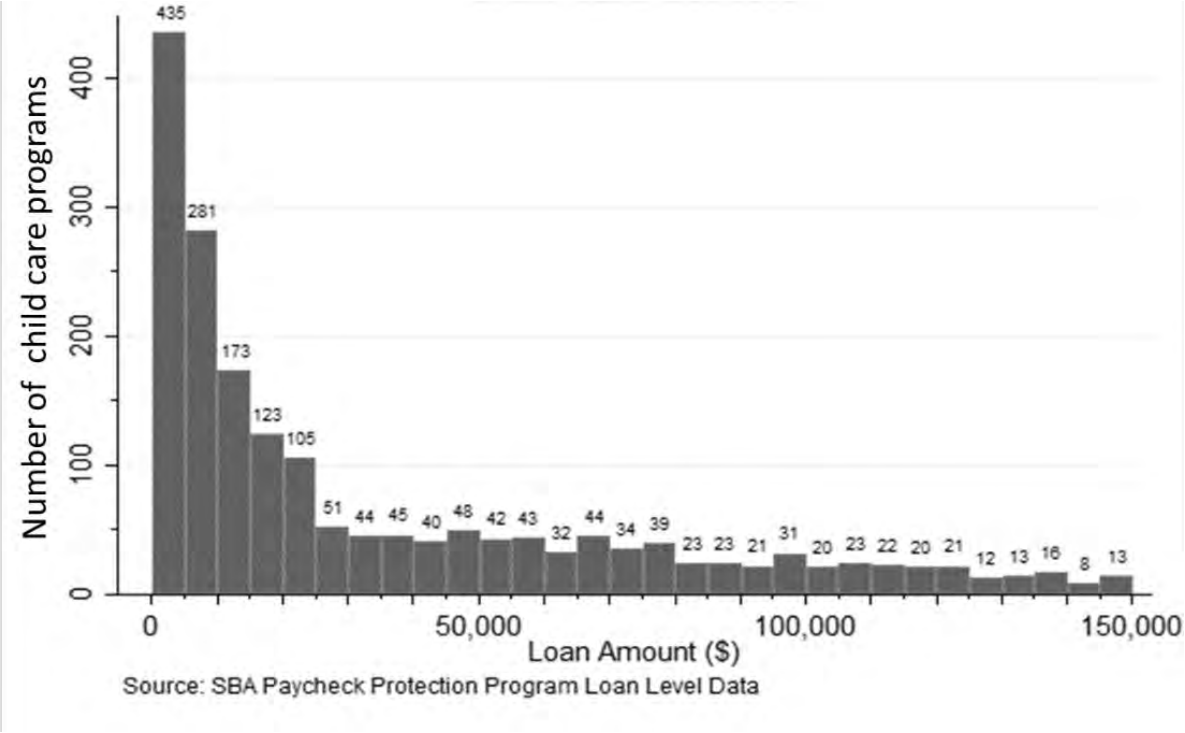
Figure 5. Share of Programs That Received a PPP Loan Within a Neighborhood



Note: In this figure, we restrict our sample to the 505 neighborhoods in which one program received a PPP loan

The average amount given to child care programs in PPP loans was $58,705 (*SD* = $113,073, range: $232–$2,360,000). Most PPP loans—90%—were under $150,000. Figure 6 presents the loan amounts given to child care centers that received less than $150,000. The average amount lent to these centers was $34,457 (*SD* = $38,057, range: $232–$149,428). The average amount loaned to programs that received over $150,000 was $284,318 (*SD* = $249,315, range: $150,000–$2,360,000).

Figure 6. Amount of Money Given in PPP Loans to Child Care Programs (Under $150,000)

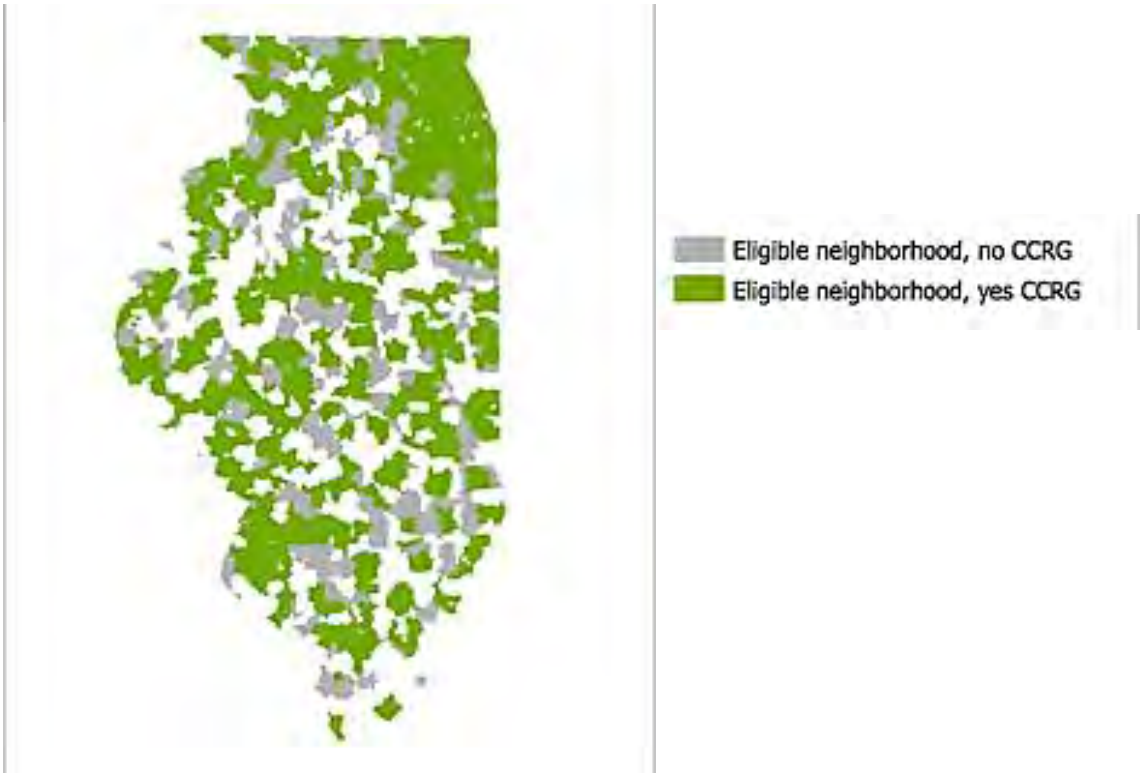


Child Care Restoration Grants

Overall, 4,935 child care programs received a Child Care Restoration Grant within our eligible neighborhoods (defined by ZCTAs), meaning that 60.49% of eligible programs received a CCRG (4,935 out of 8,158 child care programs).[14] At the neighborhood level, 80.6% of all eligible neighborhoods had at least one program that received a CCRG (610 out of 757 neighborhoods). As demonstrated in Figure 7, we observe that CCRGs are evenly distributed across neighborhoods within the state. Neighborhoods shown shaded in white are those that were ineligible for CCRGs due to fewer than 50 children or no private child care programs in the area. Among the eligible neighborhoods (more than 50 children and at least one private child care program), neighborhoods in green are those in which at least one program received a CCRG; neighborhoods in grey are eligible neighborhoods in which no programs received a CCRG..

[14] When we examine the rate of CCRG across all of Illinois (and not just within eligible ZCTAs for our analysis), the rate is nearly identical (4,990 out of 8,292 = 60.17%).

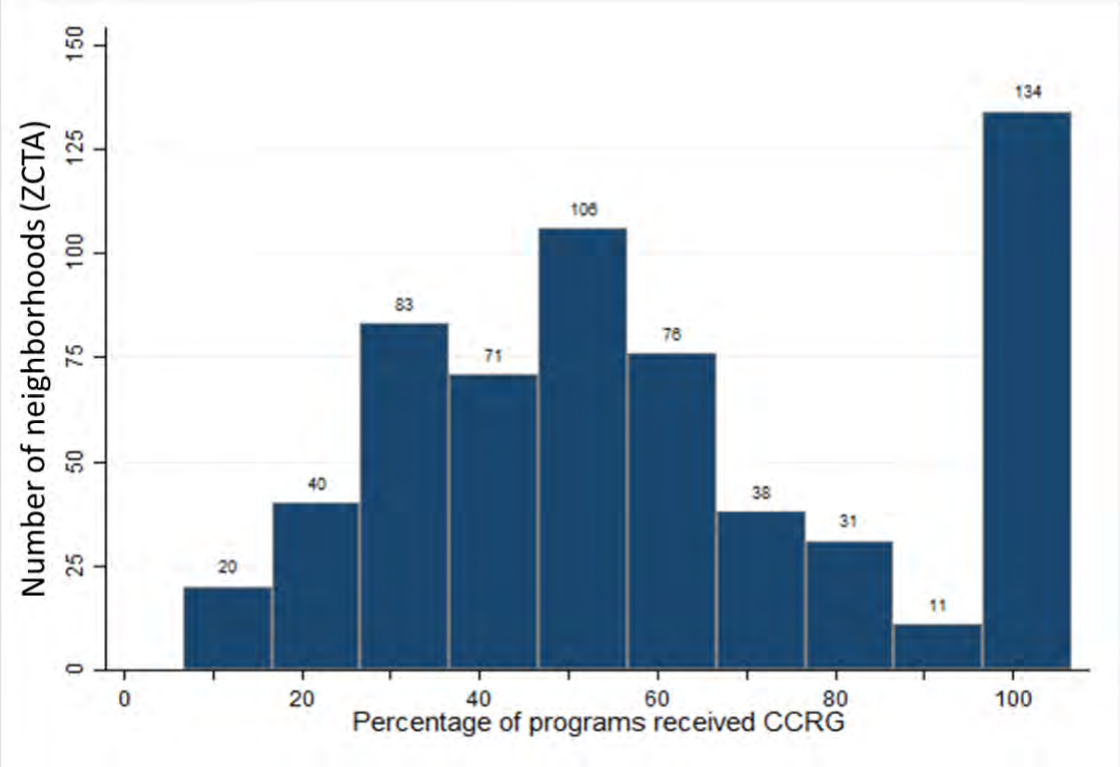
Figure 7. Map of Neighborhoods That Received CCRGs in Illinois



On average, eight child care programs received a CCRG award within each of 610 eligible neighborhoods where at least one program received a CCRG award (*SD* = 12.8, range: 1–107). This means that on average 60% of eligible child care programs received a CCRG award within each of the 610 neighborhoods that received at least one award (see Figure 8).[15]

[15] This number was calculated by dividing the number of CCRG awards by the number of eligible programs within a given ZCTA, and taking the average across all ZCTAs. There were a few ZCTAs where this ratio is higher than 1, which is most likely because one person has several child care programs but received the CCRG based on their primary address. We changed the higher-than-1 values to 1.

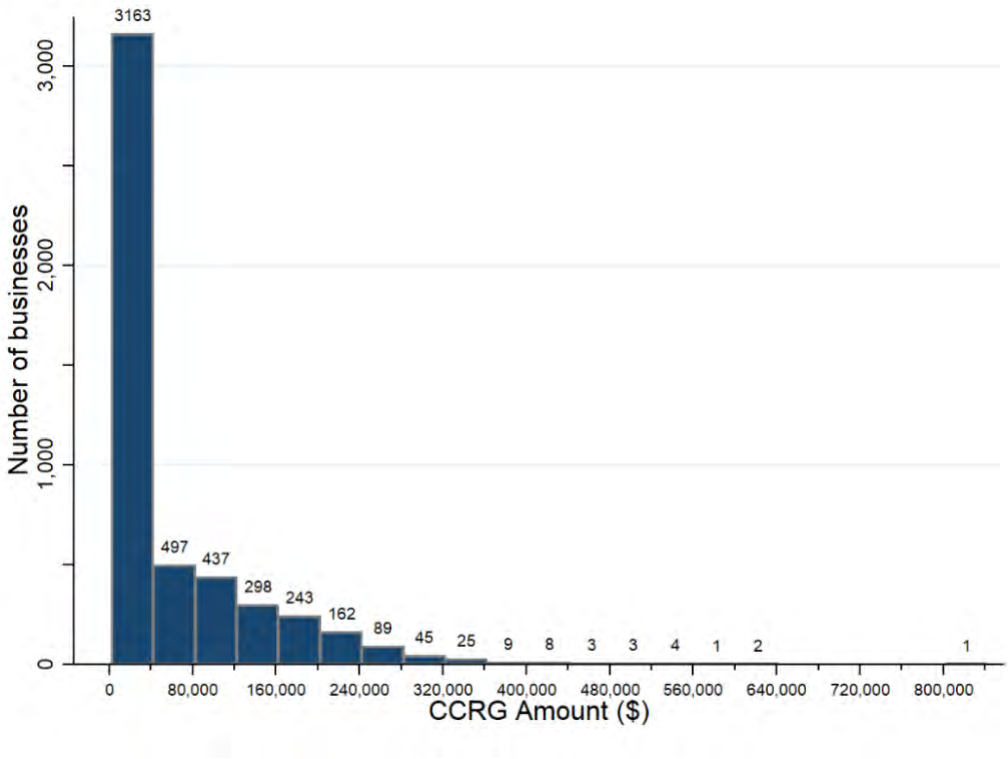
Figure 8. Share of Programs That Received a CCRG Within a Neighborhood



Note: In this figure, we restrict the sample to 610 neighborhoods in which one program received a CCRG.

The average amount given to child care programs in CCRG was $64,615 (*SD* = $54,518, range: $3,696–$356,379). Figure 9 presents the CCRG amount given among child care centers (child care centers that received no money are excluded).

Figure 9. Amount of Money Given to Child Care Programs Through CCRG



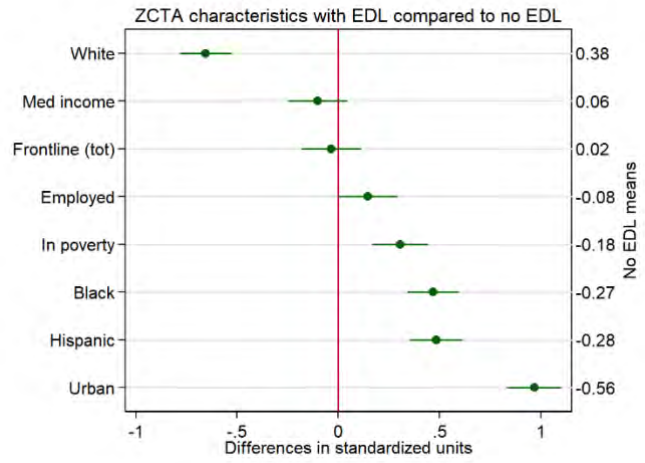
Research Question 2: Are there demographic differences in neighborhoods that received access to resources?

We explore how neighborhood demographics were correlated with attainment of resources designed to stabilize the child care market (EDL, PPP, and CCRG). In our first set of analyses, presented in Figure 9, we standardize all neighborhood characteristics and investigate whether neighborhoods that received resources differ in standardized units from neighborhoods that did not receive investment (confidence bars report 95% confidence intervals computed using robust standard errors). For reference, we report the standardized mean of these variables for neighborhoods without the resource on the right-hand side of each panel in the figure.

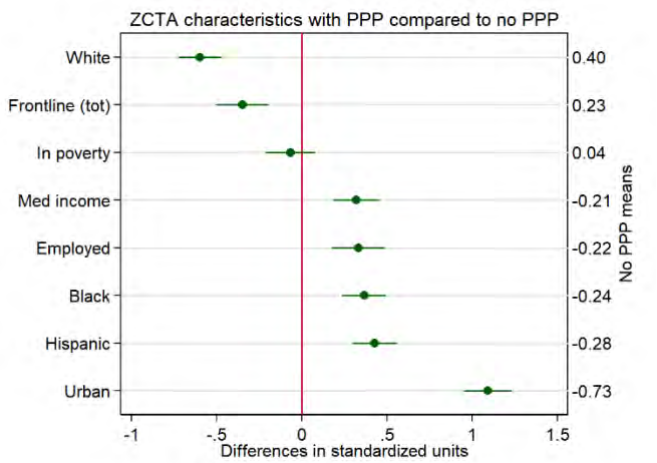
Panel A of Figure 9 demonstrates that neighborhoods that received EDLs have a lower percentage of residents identifying as White, a higher percentage of residents who identify as Black or Hispanic, and a higher rate of urbanicity. All other characteristics look relatively similar. Panel B demonstrates that neighborhoods that received PPP loans have on average a lower percentage of residents that are White, lower percentage of people who are frontline workers, and higher rate of urbanicity. The remainder of the characteristics look relatively similar (income, percent employed, percent Black and Hispanic). Panel C demonstrates that neighborhoods that received CCRGs have a lower percentage of residents identifying as White, lower percentage of frontline workers, and higher rate of urbanicity.

Figure 9. How Neighborhoods That Received EDL, PPP, and CCRG Resources Differ from Neighborhoods That Did Not

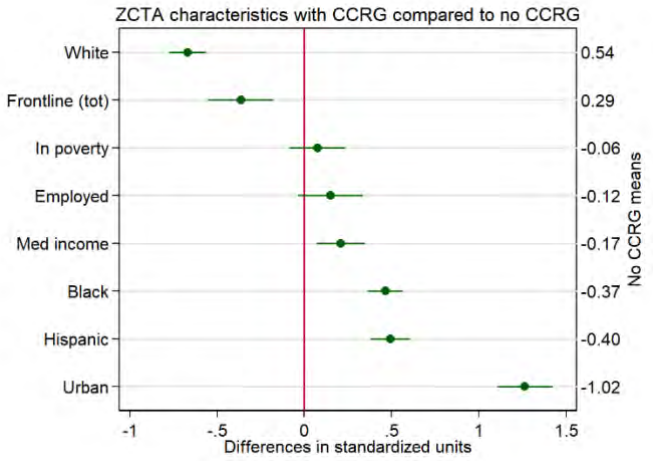
Panel A: EDL



Panel B: PPP Loan



Panel C: CCRG



In our second set of analyses, we conduct logistic regressions with all neighborhood characteristics simultaneously in the model (Table 2). The major neighborhood predictor of resource attainment was urbanicity. We find that neighborhoods located in urban areas were 3.5 times more likely to receive an EDL, 6.54 times more likely to receive a PPP loan, and 9.42 times more likely to receive a CCRG compared to neighborhoods in rural areas, holding constant all other neighborhood characteristics. Neighborhoods with more White residents were less likely to receive an EDL. Neighborhoods with higher poverty were less likely to receive PPP loans and neighborhoods with higher employment were more likely to receive PPP loans. No other patterns emerged, suggesting some degree of similarity in neighborhoods that did versus those that did not receive resources.

Table 2. Relation Among Neighborhood Characteristics and the *Likelihood* that Any Child Care Program Received EDL, PPP, or CCRG Resources (n = 757 neighborhoods)

	EDL	PPP Loan	CCRG
M/% above median	*Odds ratio*	*Odds ratio*	*Odds ratio*
Urban	3.58** (1.33)	6.54** (2.71)	9.42** (5.38)
Urban/rural mix	3.32** (0.88)	2.67** (0.72)	2.21* (0.69)
Median income	0.83 (0.12)	0.96 (0.17)	1.02 (0.20)
In poverty	1.04 (0.15)	0.71* (0.12)	0.81 (0.17)
Employed	1.21 (0.16)	1.40* (0.22)	0.87 (0.17)
Frontline workers	1.28 (0.17)	0.84 (0.12)	1.05 (0.20)
% Black	0.60 (0.17)	0.85 (0.27)	0.82 (0.35)
% White	0.40* (0.13)	0.88 (0.30)	1.08 (0.48)
% Hispanic	0.73 (0.18)	0.71 (0.17)	0.95 (0.29)

* p<.05 **p<.01

Note: All models also control for number of child care programs in the neighborhood. Outcome variable is whether any of the neighborhoods received the resource (yes=1; no=0).

In the third set of analyses, we conduct OLS regressions for the share of programs in a neighborhood that received investments (see Table 3). The patterns are similar to the above sets of analyses. A larger share of programs received all three resources in urban neighborhoods compared to rural neighborhoods. This pattern was especially large for the CCRG awards. For PPP loans, higher rates of employment were associated with a greater share of programs within a neighborhood receiving PPP loans. Conversely, higher percentages of frontline workers were associated with a lower share of programs receiving PPP loans.

Table 3. Relation Among Neighborhood Characteristics and the Share of Child Care Programs That Received EDL, PPP, or CCRG Resources (*n* = 747 neighborhoods)

	EDL	PPP Loan	CCRG
M/% above median	*B(SE)*	*B(SE)*	*B(SE)*
Urban	7.01*	20.32**	34.2***
	(3.20)	(3.80)	(4.58)
Urban/rural mix	7.08**	9.02**	13.10***
	(2.49)	(3.00)	(3.49)
Median income	-1.66	-0.45	-2.61
	(1.17)	(1.20)	(1.96)
In poverty	1.48	-0.09	-0.84
	(1.23)	(1.47)	(1.86)
Employed	0.93	4.60**	1.69
	(0.89)	(1.52)	(1.76)
Frontline workers	1.95	-3.91**	-2.28
	(1.08)	(1.42)	(1.70)
% Black	-2.51	-2.47	-1.59
	(2.64)	(3.03)	(3.72)
% White	-6.85*	-1.73	-5.77
	(2.87)	(3.50)	(4.11)

* p<.05 **p<.01 ***p<.001

Note: All models also control for number of child care programs in the neighborhood. We include all neighborhoods (n=747) in this analysis. Outcome variable is the share of programs that received a given resource in a neighborhood (range: 0–100%).

Sensitivity Checks

As a robustness check, we ran the same analyses (logistic regressions for receipt of resources and OLS regressions for share of programs that received resources) after excluding Chicago. The patterns for non-Chicago neighborhoods are similar to those for all neighborhoods, suggesting that our results are not driven by Chicago neighborhoods.

Conclusion and Future Directions

Overall, we found that only 15% of eligible child care programs received Emergency Daycare Licenses, and only a quarter of eligible child care programs received PPP loans. However, the majority—60%—of eligible programs received Child Care Restoration Grants. The average amount given in PPP loans was $58,705 and was $64,615 in Child Care Restoration Grants, which represents funds that went directly to child care programs.

In addition, we do not observe many disparities in the characteristics of neighborhoods that received access to these resources based on residential income, employment, or race/ethnicity. The only exception we find is that child care programs located in urban areas are far more likely to receive resources (EDL, PPP, and CCRG) compared to rural areas. There are a host of reasons why this may be the case, including having access to information resources (through regional advocacy agencies or coalitions) or having greater access to banks (for PPP loans). Overall, much more information is needed to understand how programs received access to funds.

The fact that so many programs received Child Care Restoration Grants and that we observed few disparities in access to the resources designed by the state and federal governments (EDL, PPP loans, and CCRG) is overall good news for Illinois. In this study, we examined one process by which the state attempted to ensure that the child care market would remain stable, namely through EDL, PPP loans, and CCRG resources. Whether these resources were sufficient to stabilize the child care market longer-term is an open question and a high priority for our future inquiry.

Appendix

Appendix Table 1: Pairwise Correlations Among All Neighborhood Characteristics

Pairwise correlations for eligible neighborhoods

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(1) Urban	1.00														
(2) % White > median	-0.58	1.00													
(3) % Hispanic > median	0.45	-0.56	1.00												
(4) % Black > median	0.47	-0.76	0.45	1.00											
(5) % College or more*	0.39	-0.34	0.23	0.18	1.00										
(6) Area (sq mile)*	-0.58	0.44	-0.40	-0.31	-0.33	1.00									
(7) Median income*	0.15	-0.12	0.16	-0.05	0.76	-0.26	1.00								
(8) In poverty (%)*	0.12	-0.19	-0.02	0.26	-0.43	-0.01	-0.68	1.00							
(9) Employed (%)*	0.08	0.05	0.15	-0.09	0.48	-0.17	0.45	-0.50	1.00						
(10) Frontline (employed)*	-0.29	0.26	-0.17	-0.12	-0.90	0.27	-0.71	0.45	-0.47	1.00					
(11) Frontline (total)*	-0.29	0.35	-0.09	-0.23	-0.62	0.19	-0.40	0.06	0.27	0.71	1.00				
(12) Income inequal*	0.33	-0.37	0.12	0.28	0.23	-0.10	-0.16	0.51	-0.26	-0.14	-0.38	1.00			
(13) Unaffordability*	0.59	-0.55	0.56	0.42	0.31	-0.53	0.22	-0.01	0.18	-0.25	-0.16	0.12	1.00		
(14) Geographic mobility*	-0.03	0.01	-0.01	-0.02	-0.06	0.11	-0.09	0.10	-0.09	0.05	0.00	0.10	-0.08	1.00	
(15) Number of programs*	0.33	-0.40	0.22	0.39	-0.02	-0.18	-0.17	0.31	-0.09	0.03	-0.05	0.27	0.37	0.05	1.00

**Indicates that variable is standardized using the n=757 neighborhood sample.*

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Acknowledgements

The authors gratefully acknowledge Bethany Patten from Illinois Department of Human Services and Joellyn Whitehead from INCCRRA for support of this work. They would also like to acknowledge Alison Rosengren and Hope Salvador for assistance on this project.