

THE CHILDCARE INDUSTRY IS COLLAPSING HERE IS HOW IT CAN BE SAVED

PRESS RELEASE – FOR IMMEDIATE RELEASE

Contact: Jessica Erickson, jessica@parentdayout.com

Executive Summary

COVID-19 has fundamentally changed how families consume childcare services, and daycare centers that fail to quickly adapt to this change risk being left behind.

Childcare providers must begin to align their services with the new realities that families face, including care that is available when parents need to run errands, work part-time, work long hours, or work irregular schedules.

Bottom line: in the post-pandemic world, as parents struggle to balance work, school, and family responsibilities, service flexibility and on-demand availability will be the new benchmarks by which childcare providers will be measured.

Impact of COVID-19

The pandemic has caused a rapid and catastrophic contraction in demand for traditional childcare services across the United States.

While the CARES Act provided some short-term relief, we are already hearing from childcare administrators that CARES funding was not enough to offset the reduction in industry revenues, and most estimates place the cost at \$10 billion a month to give operators enough runway to last through six months of shutdowns.

As you read this, tens of thousands of childcare centers across the country are already without means to pay basic operating expenses, not to mention additional expenses incurred as the result of heightened health and safety measures.

In fact, things have gotten so dire, that industry stakeholders are now drawing up contingency plans for a nightmare scenario where:

- Thousands of childcare centers are forced to close
- Tens of thousands of teachers are laid off
- Childcare deserts metastatically spread across the country
- And parents across all industries are unable to return to work

Bottom line: *if a large portion of the nation's childcare providers are forced to shut down, and these are mostly small businesses run by women, this will exponentially impede the recovery of the American economy.*

A changing landscape

To those of us paying attention, the last few months have been a truly disconcerting experience. In front of our eyes, a \$50 billion dollar industry, a bedrock of the American economy, has convulsed and buckled, demonstrating just how ill-prepared it is to deal with changing market conditions.

As the nation's childcare system primarily relies on direct payments from families, financial stability of this sector can only be achieved when industry revenues bounce back to pre-pandemic levels. Therefore, any proposed solution that does not directly focus on growing demand for center-based childcare will be as effective as a band-aid placed over a gaping wound.

Bottom line: *the only sustainable strategy moving forward, is one where limited public funds are used to buttress the industry in the short-term, while private capital begins flowing back to service providers that best support the post-COVID childcare needs of American families.*

A glimpse into the future

As a result of deep-rooted structural inefficiencies and administrative hurdles, the childcare sector has remained an operational dinosaur, stuck in an innovation molasse and all but ignored by the winds of technological progress.

But there is a light at the end of this tunnel.

The [Enrollment \(Plus\) model](#), recently introduced by [Parent Day Out](#), sweeps aside decades old operational inefficiencies and points the way towards a brighter and more prosperous future for all stakeholders of the childcare ecosystem. It provides both service providers and service consumers unparalleled flexibility and freedom to not just survive, but to thrive in the post-COVID marketplace.

The Enrollment (Plus) model is the future of center-based childcare, as it allows childcare centers across the country to immediately fine tune their service model to meet the current needs of American families, all at zero out of pocket cost, and with full operational discretion over all aspects of the service, including staffing, eligibility, rates, and schedule.

Bottom line: *the Enrollment (Plus) model compliments the existing business framework of licensed daycare centers, allowing them to generate brand-new revenue streams by responding in real time to the needs of their community.*

About Parent Day Out

Parentdayout.com is the premier source of information for parents researching licensed daycare centers and private preschools. We offer the following services:

[Air Out with Parent Day Out](#): provides families with on-demand access to participating daycare centers for drop-in services

[School Explorer](#): is the most comprehensive source covering licensed daycare centers and private preschools, with over 100K searchable facility profiles across the US.

[Neighborhood Spotlight](#): provides families with a birds-eye view of a neighborhood, capturing what the area is really like.