

THE US CHILD CARE INDUSTRY

ACHIEVING A MORE EDUCATED AND BETTER PAID WORKFORCE

INTRODUCTION

The purpose of this paper is to provide an accessible overview of child care with a special focus on the child care workforce in the United States in 2014. The broad questions that guide this document are:

- What does the industry “look like”? What does this mean for workers in child care?
- How has it changed and not changed over recent decades? And how have the skills and pay of workers changed, or not?
- What are the strongest ways to enhance workers’ skills and wages building around an agenda of quality care and quality jobs for the future in child care?

KEY SOURCES

The important 2014 study by Whitebook et al., “Worthy Work, STILL Unlivable Wages,”¹ contains a wealth of useful information and is heavily cited and quoted throughout this paper. It is essential reading. In addition to Census and data from the Bureau of Labor Statistics (BLS), that study and this paper draw extensively on data from the 2012 National Survey of Early Care and Education (NSECE),² a national survey developed by the National Opinion Research Center to address deficiencies in existing early care and education (ECE) workforce data. The survey consists of four integrated surveys (households with children under 13; home-based ECE providers; center-based ECE providers; and center-based ECE teachers/caregivers) totaling 10,000 questionnaire responses collected in the spring of 2012.³

We begin by only briefly discussing the importance of the industry and the

¹ M. Whitebook, D. Phillips, and C. Howes, “Worthy Work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study,” Center for the Study of Child Care Employment, Univ. of California, Berkeley, 2014 (referenced hereafter: Whitebook et al. 2014a).

² This data is summarized in the report by the Office of Planning, Research and Evaluation (OPRE), U.S. Dept. of Health and Human Services, “Number and Characteristics of Early Care and Education Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education (NSECE),” OPRE Report 38, October 2013 (referenced hereafter: OPRE 2013); and OPRE, “Characteristics of Center-based Early Care and Education Programs: Initial Findings from the National Survey of Early Care and Education (NSECE),” OPRE Report #2014-73a, November 2014 (referenced hereafter: OPRE 2014).

³ <http://www.norc.org/Research/Projects/Pages/national-survey-of-early-care-and-education.aspx>

Written by Laura Dresser and Jody Knauss

ABOUT COWS

COWS (Center on Wisconsin Strategy) is a nonprofit think-and-do tank, based at the University of Wisconsin-Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. Through our various projects, we work with cities around the country to promote innovation and the implementation of high road policy. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

COWS
BUILDING THE
HIGH ROAD

ECE workforce. The rest of the document is organized in five sections that address the most important issues about the industry, its workforce, and its consumers.

In Section 1 we present an overview of the size and segments of the industry. In Section 2 we describe relevant characteristics about the ECE workforce: demographic composition, education levels and experience. In Section 3 we discuss the level of wages, their change over time, and the influence of unionization on child care wages. In Section 4 we address the issue of funding and sources for child care costs. Finally, in Section 5 we present some reflections geared toward developing policies to benefit the ECE workforce.

WHY QUALITY CHILD CARE MATTERS

Whitebook et al. (2014a) review the last two decades of neurological and behavioral research on young children and summarize the new thinking on young child development this way: **“Positive child development requires quality adult-child relationships, especially with parents but also with other adults with whom young children interact.”** Quality child care – care in which strong adult-child relationships are developed – reduces stress in children and promotes their learning and development. Low quality care, without nurturing and secure adult-child relationships, raises stress levels in young children. Childhood stress is associated with a host of learning and other developmental difficulties in later life. In brief, kids need quality child care in their early years in order to develop properly into adults.

This developmental picture supplements more traditional economic arguments that continue to show the benefits of high-quality ECE. Longitudinal studies cited in Whitebook et al. (2014a) show **a public benefit of between three and seven dollars for every dollar spent on high-quality ECE.** Other studies of public pre-K programs similarly show three to five dollars in savings for every dollar invested, generating a return greater than virtually any other public intervention.⁴

And from a policy perspective, there is no longer any doubt that our contemporary social and economic organization demands high-quality child care. Over 90 percent of men and 70 percent of women with children are working in the paid labor force. Even among women who have children under the age of six, the labor force participation rate is 64 percent.⁵ And government policy strongly encourages (when it does not require) low-income parents, especially single parents, to secure paid work. Despite inadequate funding of the subsidy programs that make child care affordable for (some) low-income workers, it is nevertheless the expectation that low-income children will spend a significant portion of their childhood cared for by someone other than a primary parent caregiver. While government programs continue to support child care access and affordability over quality, it is increasingly understood that poor kids benefit the most from high-quality care.

WHAT DOES THIS IMPLY FOR THE CHILD CARE WORKFORCE?

1. We need child care workers to be as competent, talented, well-trained, and professional as possible.

Whitebook et al. (2014a) argue:

“The work of teaching young children is highly skilled and complex... [I]t is imperative that early childhood teachers know about typical and atypical child development, how children develop mathematical understanding and literacy, and how to promote learning across multiple domains.

⁴ Whitebook et al. (2014a, p. 8)

⁵ <http://www.bls.gov/news.release/famee.t05.htm>

Additionally, they must be skilled in helping children develop important lifelong personal dispositions, such as task persistence, negotiating conflict, and regulating their impulses. These skills must be applied in the context of working with children from a variety of cultures and economic backgrounds ... and who have special needs.” (p. 54)

2. Controlling stress in the lives of children in child care requires controlling stress in the lives of their teachers. **When child care teachers are themselves economically stressed, the quality of care suffers.** Yet economic stress resulting from poor wages and benefits is a way of life for many child care teachers.
3. But the real crux of the issue is that the child care workforce is stressed by low-wages and high demands. And this is an industry with very weak rewards for higher education, college degrees, etc. So skills are critical, but unrewarded. And parents have limited capacity to pay more for care.
4. Systematically increasing care quality requires increasing wages and that will require sustained public attention and investment in this workforce.

SECTION 1: INDUSTRY OVERVIEW: SIZE, FUNDING AND SEGMENTS

Section includes: Child Care as an “industry”; Home-based and Center-based providers.

1.1 THE CHILD CARE “INDUSTRY”

The child care “market” or “industry” that exists now arose out of two totally distinct phenomena in the twentieth century. First, working class mothers required “daycare” for their children while they worked. When they were not able to rely on unpaid family, friends, or neighbors (FFN), who were, and continue to be, the first option for poor and working class mothers,⁶ they paid for child care.

Second, among a very different set of families, the institution of “preschool” arose. Preschool developed as a part-day, supplemental education and enrichment program for children ages 3-5, almost all of whom were otherwise raised at home. ECE workers at preschools were considered “preschool teachers,” not “child care workers,” though with neither the credentialing requirements nor compensation of K-12 teachers. Thus, while daycare was often considered a poor substitute for stay-at-home parenting, preschool was a “child development” bonus on top of traditional parenting.

That distinction seems almost quaint now. A majority of women in all segments of the population are in the paid workforce, and full-day child care is a core feature of contemporary life. Four-year-old kindergarten (4K), and even 3K, are increasingly common. About 12 million U.S. children ages 0-5 – roughly 60 percent of all children in this age group– receive child care in any given week from a caregiver who is not their primary caregiver.⁷

Nevertheless, the distinction in child care between low cost and easy availability, which drives parents to **home-based care**; and quality, which drives families to **child care centers and schools**, persists. The

⁶ Defining child care as “care provided to a child aged 0-5, not in kindergarten, by a caregiver who is not the child’s primary caregiver, while that primary caregiver is working or receiving education/training” (that is, something different than stay-at-home parenting), it is still the case that unpaid FFN comprise most of the child care “workforce.”

⁷ The estimate goes as high as 12.5 million according to L. Laughlin, “Who’s Minding the Kids? Childcare Arrangements: Spring 2011,” U.S. Census Bureau, April 2013; <http://www.census.gov/content/dam/Census/library/publications/2013/demo/p70-135.pdf>; Other sources, like the 2013 Child Care Aware report, “Parents and the High Cost of Child Care,” mention a figure of about 11 million: <http://usa.childcareaware.org/sites/default/files/Cost%20of%20Care%202013%20110613.pdf>

vast majority of home-based child care, paid or unpaid, is still provided by FFN in completely or largely unregulated settings. Very few home-based child care providers are regulated beyond basic health and safety concerns, and virtually all quality improvement programs are aimed at centers and schools, exclusively. Extending these efforts to home-based care presents real challenges.

Size of Workforce

Over 2 million Americans, virtually all women, do paid work as ECE teachers and child care workers. The recent NSECE (2012) breaks it down this way: 1 million center-based teachers and care workers and slightly more than 1 million paid home-based providers. There are also 2.7 million unpaid home-based providers of at least part-time, regular child care, who are mostly FFN.⁸

Table 1.1
NUMBER OF ECE TEACHERS AND CAREGIVERS SERVING CHILDREN AGES 0-5, BY PROVIDER TYPE PAYMENT STATUS

| | |
|--------------------|-----------|
| All Paid Providers | 2,034,000 |
| Center-based | 1,000,000 |
| Home-based | 1,034,000 |
| Unpaid, home-based | 2,733,000 |

Source: OPRE 2013, p. 24

The most recent employment projections from the Bureau of Labor Statistics (BLS) suggest that **child care is and will continue to be a large and growing sector of the U.S. employment.** BLS figures do not precisely match the NSECE data, but in the two primary BLS employment categories for ECE workers, demand for “child care workers” is projected to grow 15.4 percent from 2012-2022, from 1.3 million workers in 2012 to 1.5 million in 2022,⁹ and jobs for “preschool teachers” are estimated to grow 17 percent over 2012-22, from 440,000 to 515,000, as the number

of children ages 3-5 grows and demand for preschool increases.¹⁰ “Teacher assistant” jobs, many of which are also in the ECE category, are projected to increase by 9 percent as well. With the exception of the “teacher assistant” jobs, all occupations in the child care workforce are projected to grow more rapidly than the national labor market. Overall U.S. employment is forecast to increase 11 percent over the decade.¹¹

In addition to job growth, the U.S. Dept. of Labor (DoL) also estimates occupational “replacement needs,” additional workers needed to account for retirements and turnover among the existing ECE workforce. Replacement needs are calculated as the percentage of estimated job openings in an occupation resulting from the flow of workers out of it. The DoL forecasts replacement rates of 28 percent for preschool teachers and 29 percent for child care workers for the period 2012-22. These rates are high compared to the 22 percent replacement rate for elementary school teachers and the 23 percent replacement rate for all occupations.¹² Very low compensation (especially given education levels) of the child care workforce is one reason for these high replacement rates: workers are drawn to better paid opportunities outside of the industry.

⁸ OPRE (2013, p. 4)

⁹ <http://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm#tab-6>

¹⁰ <http://www.bls.gov/ooh/education-training-and-library/preschool-teachers.htm#tab-6>

¹¹ <http://www.bls.gov/news.release/ecopro.nr0.htm>

¹² http://www.bls.gov/emp/ep_table_110.htm

1.2 HOME-BASED VS. CENTER-BASED PROVIDERS

Home-based providers

The vast majority of home-based care is provided by **unpaid** FFN in completely unregulated arrangements. Of the 2.7 million unpaid child care providers regularly responsible for children ages 0-5 who are not their own, at least 5 hours per week, only a handful –about 3,000– are registered or otherwise listed with state agencies.

Table 1.2

PAID HOME-BASED ECE TEACHERS AND CAREGIVERS SERVING CHILDREN AGES 0-5, BY NUMBER AND RELATIONSHIP TO CHILDREN SERVED

| | |
|--|-----------|
| All Paid Home-Based | 1,034,000 |
| Listed | 115,000 |
| Unlisted | 919,000 |
| Cares only for children with previous relationship | 604,000 |
| Cares for at least unrelated (“public”) | 315,000 |

Source: OPRE 2013, p. 24

According to the NSECE (2012), there are about one million paid home-based child care providers. Of these, about 60 percent care only for children with whom they have an existing relationship and are very lightly regulated. Another 30 percent care for at least one child with whom they did not already have a relationship and are not registered or otherwise listed with any state or national regulator. A “listed provider” is one who is licensed, regulated, registered, license-exempt, or participates in an Early Head Start program. While being listed does not guarantee the provision of quality child care, it is probably safe to say that listed providers are more likely to

approach the professional orientation of center-based care. Only 115,000, or about 10 percent of home-based paid providers, are registered or otherwise listed with state or federal agencies.¹³

Four out of five listed home-based teachers and caregivers serve both ages 0-3 and 3-5. Unlisted caregivers are more specialized, with only 28 percent serving both age groups (mostly likely because many only care for 1 or 2 children).¹⁴ Also, the vast majority (85 percent) of listed home-based providers work full-time, often working significantly more than 40 hours per week – the median number of hours of work per week for listed home-based providers was 54. In contrast, two-thirds (68 percent) of unlisted home-based providers worked less than full time, though still with a median of 28 hours of work per week.¹⁵

Center-based providers

The NSECE provides a more fine-grained analysis of center-based care, both in terms of the occupation of the caregiver and the type of center. Of the 1 million center-based teachers and caregivers of children ages 0-5, 45 percent are estimated to be lead teachers; 21 percent are teachers or instructors; 22 percent are assistant teachers; and 11 percent are aides. About 5 percent of center staff are non-teaching staff and therefore were not included in the survey.

The survey also distinguishes centers in terms of how they are funded and whether they are related to a policy initiative such as Head Start. As later data will show, **funding status is a key distinction among centers**. Sequentially from most advantaged to least, programs are distinguished by public school district sponsorship,

¹³ OPRE (2013, p. 6)

¹⁴ Unfortunately, the NSECE survey responses lump together both paid and unpaid unlisted providers. Presumably, at least some paid providers are now or may in the future be subject to state regulation, and unpaid unlisted providers, who are likely to stay beyond the reach of regulators and reformers.

¹⁵ OPRE 2013, p. 20.

Table 1.3

NUMBER AND SHARE OF TEACHERS SERVING CHILDREN AGES 0-5 AND NUMBER AND SHARE OF ENROLLMENT, BY SPONSORSHIP AND FUNDING OF CENTER-BASED PROGRAMS

| | Number of Teachers & Caregivers | % of Teachers & Caregivers | Enrolled Children | % of Center-based Enrolled Children |
|--|---------------------------------|----------------------------|-------------------|-------------------------------------|
| School-sponsored | 61,400 | 6.1% | 506,000 | 7.2% |
| Head Start-funded (not school-sponsored) | 143,000 | 14.3% | 1,300,000 | 18.6% |
| Public Pre-K funded (not school-sponsored or Head Start) | 209,000 | 20.9% | 1,300,000 | 18.7% |
| Other (none of above) | 587,000 | 58.7% | 3,900,000 | 55.5% |
| Total | 1,000,000 | 100% | 7,000,000 | 100% |

Source: OPRE 2013, p. 24; OPRE 2014, p. 14

Head Start funding, public Pre-K funding, or none of the three.¹⁶

Unlike home-based providers, center-based teachers and caregivers tend to specialize by age. While two-thirds of centers serve children aged 0-5, 57 percent of the center-based teachers and caregivers serve only ages 3-5 only, and 34 percent serve only ages 0-3 (with the vast majority of these serving only ages 1-3). Just 9 percent of center-based staff serve both age groups.

SECTION 2: WORKFORCE CHARACTERISTICS

Section includes: Demographic characteristics (overwhelmingly female, more diverse and not wealthy); ECE workers' education levels –home-based providers' level lower, higher levels in school district sponsored programs; ECE workers' experience.

2.1 DEMOGRAPHIC CHARACTERISTICS OF THE ECE WORKFORCE

Women comprise virtually the entire child care industry workforce. Various estimates show the industry workforce to be 95-98 percent female. Also, ethnic minorities are disproportionately represented among child care workers compared to the overall workforce or to the K-12 teaching workforce. Current Population Survey (CPS) industry data for the “child daycare services” industry, which captures about three-fourths of the ECE workforce, indicates an industry workforce that was 16 percent black and 19 percent Hispanic in 2013.¹⁷ Maroto and Brandon (2011) reach similar conclusions.¹⁸

According to Whitebook (2014b), while 84 percent of K-12 teachers in the United States are white, between one-third and one-half of ECE teachers are people of color. “For example, the most recent statewide study of California’s early care and education workforce found that 58 percent of family child care providers, 47 percent of center teachers, and 63 percent of center assistant teachers were people of color, compared to 26 percent of K-12 teachers. ... In North Carolina in 2012, just under half of center-based ECE teaching staff (49 percent) were people of color. Slightly fewer center directors (44 percent) were people of color.”¹⁹

¹⁶ The data shows the number of teachers and caregivers at various types of centers. “School-sponsored” centers are those for which a public school district has administrative oversight. These may include some Head Start, Early Head Start, and public Pre-K funded staff. “Head Start-funded” means at least one child was funded by Head Start. These may include some Public Pre-K programs. “Public Pre-K funded” means at least one child was funded by public Pre-K money but the program was not school-sponsored or Head Start-funded. OPRE 2013, p. 9.

¹⁷ Current Population Survey data

¹⁸ M. Maroto and R. Brandon, 2011. “Summary of Background Data on the ECCE Workforce,”

Prepared for the IOM Committee on the ECE Workforce. http://www.ncbi.nlm.nih.gov/books/NBK189910/table/tab_B_6/?report=objectonly

¹⁹ Whitebook, Marcy 2014, “Building a Skilled Teacher Workforce: Shared and Divergent Challenges in Early Care and Education and in Grades K-12,” Gates Foundation, September 2014, pp. 8, 29; Footnote 33 (hereinafter “Whitebook, 2014b”)

With respect to the average child care worker family income, Whitebook et al. (2014a) provide some interesting data on income and use of public support programs. Using just the BLS category “child care workers” –which does not include “preschool teachers”– the study reports that 16 percent of child care workers had family incomes below the Federal Poverty Level (FPL)²⁰ over the 2007-2011 period; and that another 22 percent had family incomes less than twice the FPL. Over that period, 41 percent of child care worker families were able to utilize the Earned Income Tax Credit, 19 percent used food stamps, 19 percent had a child enrolled in Medicaid, and 15 percent had an adult enrolled in Medicaid.²¹

2.2 WORKER EDUCATION LEVELS

Home-based ECE providers

The 2012 NSECE survey is a rare source of data on education levels among home-care providers. Home-based teachers and caregivers generally have lower levels of education than their center-based counterparts. According to the NSECE, one-third of listed home-based providers and almost half of unlisted home-based providers had only a high-school degree or less. Among listed caregivers, 16 percent had a Bachelor’s degree or higher (in any subject) and another 16 percent had an associate’s degree. Among unlisted caregivers, 19 percent possessed a B.A. or higher, and another 11 percent had an A.A. It should be noted that **the NSECE data shows higher educational attainment among home-based care providers than some other estimates.**

Center-based ECE providers

For center-based ECE workers, fewer than 1 in 5 has only a high school degree or less, while more than one-third have a B.A. or higher. Teachers and caregivers who serve older children (ages 3-5) have higher education credentials on average than those serving younger children.

But not all centers are alike. For-profit centers have a worker education profile that

Table 2.1

EDUCATIONAL ATTAINMENT OF HOME-BASED TEACHERS AND CAREGIVERS (NUMBER OF TEACHERS WITH CREDENTIAL, PERCENTAGE)

| | HS Degree or Less | Some college, no degree | AA degree | BA degree or higher | Total (approx.) |
|----------|-------------------|-------------------------|---------------|---------------------|------------------|
| Listed | 39,100 (34%) | 39,100 (34%) | 17,900 (16%) | 17,900 (16%) | 114,000 (100%) |
| Unlisted | 1,700,000 (47%) | 844,000 (23%) | 402,000 (11%) | 677,000 (19%) | 3,600,000 (100%) |

Source: OPRE 2013, p. 35

Table 2.2

EDUCATIONAL ATTAINMENT OF TEACHERS BY AGE OF CHILD SERVED AT CENTER-BASED PROGRAMS

| Age of Children Served | HS degree or less | Some college, no degree | AA Degree | BA degree or higher | AA + BA or higher |
|------------------------|-------------------|-------------------------|-----------|---------------------|-------------------|
| Ages 0-3 | 28% | 36% | 17% | 19% | 36% |
| Ages 3-5 | 13% | 24% | 17% | 45% | 62% |
| All ages (0-5) | 19% | 28% | 17% | 36% | 53% |

Source: OPRE 2013, p. 26-27

²⁰ That is, according to the guidelines of the U.S. Department of Health and Human Services.

²¹ Whitebook et al. (2014a), pp. 60, 64.

Table 2.3
**DEGREE ATTAINMENT OF TEACHERS BY CENTER
 AUSPICE, NSECE 2012**

| Type of Center | No Degree or Credential | Associate's Degree | B.A. or Higher | A.A. + B.A. or higher |
|--|-------------------------|--------------------|----------------|-----------------------|
| Head Start (funded) | 18% | 31% | 51% | 82% |
| Public-School Sponsored | 14% | 9% | 76% | 86% |
| Religious-Sponsored, Not-for-Profit | 35% | 13% | 52% | 65% |
| Other Sponsored, Not-for-Profit or Run by Gov't Agency | 30% | 24% | 46% | 70% |
| Independent, Not-for-Profit or Run by Gov't Agency | 34% | 17% | 49% | 66% |
| For-Profit, Chain or Franchise | 44% | 10% | 50% | 59% |
| For-Profit, Independent | 60% | 15% | 25% | 40% |
| All Centers | 40% | 18% | 42% | 60% |

Source: Whitebook et al. 2014a, p.26

is more like home-care providers. Independent for-profit centers actually have a smaller proportion of staff with college degrees than home-care providers, while for-profit chains have slightly more. On the other hand, more than 80 percent of Head Start and school-sponsored Pre-K teachers have college degrees, and a majority has at least a B.A. This is a direct result of policies that encourage or require teachers in those settings to have Bachelor's degrees.

HAS THE LEVEL OF EDUCATION OF ECE WORKERS INCREASED?

The data on changes in education levels over time among the ECE workforce **do not present a clear overall picture**. Some local level studies have shown a substantial increase in ECE teacher education levels over time. For example, a study of the TEACH program in North Carolina reported that the percentage of North Carolina teachers with an associate's or bachelor's degree in ECE rose from 10 to 33 percent in the twelve years from 2001 to 2013.²²

On the other hand, Whitebook et al. (2014a) compare teacher education levels reported on the NSECE survey to responses to a similar survey done in 1990 and find little change in the percentage of degree teachers in center-based ECE programs. While the two surveys are not directly comparable, the authors still conclude: "The broad portrait with regard to teacher education is one of **overall stability** in the share of degreed teachers in center-based programs across the two surveys (three out of five teachers with degrees) over this 22-year period."²³

Some trends over time are notable. Both Head Start-funded centers and for-profit chains or franchises showed a significantly higher proportion of degreed teachers in 2012 compared to 1990. But in general, the two surveys show **the same wide disparities in degreed teaching staff across child care settings that have persisted for two decades**. Head Start and school-sponsored centers employ a much larger share of degreed teachers (notably, bachelor's-degreed teachers) than other types of centers. In contrast, both types

²² Child Care Services Association, "Working in Early Childcare and Education in North Carolina: 2013 Workforce Study," March 2014, p. 10. Available at: <http://www.childcareservices.org/wp-content/uploads/2013/09/Final-2013-WorkforceReport-dated-6-12-14.pdf>

²³ Whitebook et al. (2014a), p. 27.

Table 2.4

DEGREE ATTAINMENT OF TEACHERS AS REPORTED IN A PROFILE OF CHILD CARE SETTINGS (1990) AND NSECE (2012) BY CENTER AUSPICE, IN PERCENTAGES

| | Profile No Degree or Credentials (1990) | NSECE No Degree or Credentials (2012) | Profile Associate Degree (1990) | NSECE Associate Degree (2012) | Profile Bachelor's Degree or Higher (1990) | NSECE Bachelor's Degree or Higher (2012) | Profile Associate and Bachelor's or Higher (1990) | NSECE Associate and Bachelor's or Higher (2012) |
|---|---|---------------------------------------|---------------------------------|-------------------------------|--|--|---|---|
| Head Start (funded) | 8 | 18 | 18 | 31 | 45 | 51 | 63 | 82 |
| Public-School Sponsored | 7 | 14 | 6 | 9 | 88 | 76 | 94 | 86 |
| Religious-Sponsored, Not-for-Profit | 30 | 35 | 11 | 13 | 50 | 52 | 61 | 65 |
| Other Sponsored, Not-for-Profit or Run by Government Agency | 20 | 30 | 19 | 24 | 52 | 46 | 71 | 70 |
| Independent, Not-for-Profit or Run by Government Agency | 29 | 34 | 13 | 17 | 49 | 49 | 62 | 66 |
| For-Profit, Chain or Franchise | 45 | 44 | 11 | 10 | 31 | 50 | 42 | 59 |
| For-Profit, Independent | 40 | 60 | 12 | 15 | 35 | 25 | 47 | 40 |
| All Centers | 29 | 40 | 13 | 18 | 47 | 42 | 60 | 60 |

Source: Whitebook et al. 2014a, p. 26

of for-profit centers (independent and chains or franchises), in both survey years, had notably lower percentages of degreed teachers.²⁴

Bassok, et al. (2013) use CPS data to try to get at changes in ECE workforce education levels over time for both center-based and paid home-based care. Their data seem to confirm the survey data reported by Whitebook et al. (2014a). The authors find little increase in overall education levels for center-based ECE workers but a noticeable increase for home-based ECE workers. Even so, they report that fully half of paid home-based ECE workers have only a high school degree or less.²⁵

2.3 ECE WORKERS' EXPERIENCE

The NSECE provides some useful data on the experience of the ECE workforce. Given the historically high rates of turnover in the industry, it is perhaps surprising to see **how experienced many ECE workers are**. Both center-based staff and listed home-based providers show high median levels of experience. Levels are much lower for unlisted home-based providers, which includes unpaid FFN.²⁶

Table 2.5
EDUCATIONAL ATTAINMENT OF ECE WORKERS, 1992-2010

| | HS degree or less | Some college up to AA | B.A. or higher |
|--------------|-------------------|-----------------------|----------------|
| Center-based | | | |
| 1992 | 45% | 33% | 22% |
| 2010 | 40% | 37% | 24% |
| Home-based | | | |
| 1992 | 72% | 22% | 6% |
| 2010 | 51% | 34% | 15% |

Source: Bassok et al. 2013, p. 590

Table 2.6
MEDIAN YEARS ECE EXPERIENCE FOR TEACHERS AND CAREGIVERS BY PROVIDER TYPE

| | Median Years of ECE Experience |
|---------------------|--------------------------------|
| Center-based | 10 |
| Home-based listed | 13.7 |
| Home-based unlisted | 5 |

Source: Bassok et al. 2013, p. 590

Table 2.7
PERCENTAGE OF TEACHERS AND CAREGIVERS BY YEARS OF ECE EXPERIENCE, BY PROVIDER TYPE

| | 1 year or less | 1-5 years | 5-10 years | 10-20 years | More than 20 years |
|---------------------|----------------|-----------|------------|-------------|--------------------|
| Center-based | 4% | 19% | 27% | 32% | 18% |
| Home-based listed | 2% | 14% | 21% | 36% | 27% |
| Home-based unlisted | 14% | 37% | 20% | 15% | 15% |

Source: OPRE 2013, p. 19

²⁴ Whitebook et al. (2014a), p. 26.

²⁵ Bassok, Daphna et al. 2013 "Early childhood care and education workforce from 1990 through 2010: Changing dynamics and persistent concerns," *Education Finance and Policy*, Vol. 8, No. 4, pp. 581-601, (p. 590)

²⁶ OPRE 2013, p. 18.

SECTION 3: OVERVIEW OF ECE WAGES AND WORKING CONDITIONS

Section includes: ECE wages, changes in wages over time, comparison to other sectors, comparison to workers in other occupations with similar levels of education, differentiation across types of centers.

3.1 WAGES

Comprehensive ECE wage data must be pieced together from different sources, not all of which are directly comparable. Nevertheless, there is no disputing **the core point: wages in ECE continue to be very low, both overall and in comparison to workers in other occupations and industries with similar levels of education.**

Low wages

Regardless of data source, it is incontrovertible that ECE workers make very low wages. The most current data from the BLS's Occupational Employment Statistics is from May 2013. For preschool teachers, the mean hourly wage was \$15.11 and the median hourly wage was \$13.26. For child care workers, the mean hourly wage was \$10.33 and the median hourly wage was \$9.42.²⁷ In rankings of occupations by wage level, **97 percent of occupations have a higher mean hourly wage than child care worker and 81 percent have a higher mean hourly wage than preschool teacher.**²⁸ The NSECE survey data report similar low wage levels. The median hourly wage for center-based teachers and caregivers in 2012 was \$10.60.

Table 3.1

HOURLY WAGES OF CENTER-BASED TEACHERS AND CAREGIVERS SERVING CHILDREN AGES 0-5 (NOT IN KINDERGARTEN), BY EDUCATIONAL ATTAINMENT, ACCORDING TO NSECE 2012

| Highest Degree | Ages 0-3 | | Ages 3-5 | | Ages 0-5 | |
|-------------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | Median Hourly Wage | Mean Hourly Wage | Median Hourly Wage | Mean Hourly Wage | Median Hourly Wage | Mean Hourly Wage |
| HS or less | \$8.60 | \$9.10 | \$9.00 | \$10.10 | \$9.00 | \$9.60 |
| Some college, no degree | \$9.00 | \$9.80 | \$10.00 | \$11.10 | \$9.30 | \$10.50 |
| AA degree | \$10.00 | \$11.10 | \$11.40 | \$13.50 | \$11.00 | \$12.90 |
| Bachelors or higher | \$11.40 | \$13.10 | \$15.50 | \$18.40 | \$14.70 | \$17.30 |
| Total | \$9.30 | \$10.40 | \$11.90 | \$14.70 | \$10.60 | \$13.10 |

Source: OPRE 2013, p. 27

Variability in ECE worker wages

Within ECE, one can see wage variation based on three characteristics. First, **workers with more education earn more, even if they don't earn wages comparable to those with similar education credentials in**

²⁷ <http://www.bls.gov/news.release/ocwage.t01.htm>

²⁸ Whitebook et al. (2014a), p. 17.

Table 3.2

MEDIAN HOURLY WAGES OF CENTER-BASED ECE TEACHERS, BY DEGREE LEVEL, ACCORDING TO NSECE 2012

| | HS or less | AA | BA or higher |
|--|------------|---------|--------------|
| School-Sponsored Pre-K Teacher | \$13.40 | \$13.00 | \$20.60 |
| Head Start Teacher | \$10.40 | \$12.20 | \$15.90 |
| Other Public Pre-K Teacher | \$10.00 | \$9.80 | \$16.20 |
| All Other ECE teachers (working with ages 0-3) | \$9.00 | \$9.90 | \$11.40 |
| All Other ECE teachers (working with ages 3-5) | \$9.20 | \$11.00 | \$13.90 |

Source: Whitebook 2014a, p. 22

Table 3.3

MEAN HOURLY WAGES BY OCCUPATION, 1997 AND 2013

| | 1997 Actual Mean Hourly Wage | 1997 Real Mean Hourly Wage in 2013 Dollars | 2013 Actual Mean Hourly Wage |
|-----------------------------|------------------------------|--|------------------------------|
| Child care workers | \$7.03 | \$10.20 | \$10.33 |
| Preschool teachers | \$9.09 | \$13.19 | \$15.11 |
| Kindergarten teachers | \$16.42 | \$23.83 | \$25.40 |
| Nonfarm animal caretakers | \$7.67 | \$11.13 | \$10.82 |
| Fast food cooks | \$6.11 | \$8.87 | \$9.07 |
| Tellers, financial services | \$8.24 | \$11.96 | \$12.62 |

Source: Whitebook 2014a, p. 16

other sectors. Second, wages vary by the source of funding of the center.

Workers in school-sponsored settings earned the most, followed by workers in Head Start settings, followed by workers in publicly funded Pre-K settings. Third, ECE workers who serve older children make somewhat more than those who serve younger children.

The following table combines the data for education level and age served. Unsurprisingly, ECE workers with more education earn higher wages. Nevertheless, even for workers with a B.A. or higher, mean and median wages are quite low (see Table 3.1). Likewise, while ECE workers serving children aged 3-5 earn more than those serving younger children, these differences occur within a context of very low overall wages.²⁹

Similarly, wages vary by type of funding of the center, with ECE workers at school-sponsored Pre-K programs earning the most, followed by Head Start-funded and publicly funded (but not school-sponsored) Pre-K programs. Unfortunately, the majority of center-based ECE teachers work outside these auspices.

3.2 WAGES OVER TIME

Data from a variety of sources demonstrate that **wages for most ECE workers have increased little -or even decreased- over the last decade or more.** In fact, according to the U.S. Census Bureau, “The median wage for a child care worker in 2011 was \$19,098, not different from \$19,680 in 1990 (in constant 2011 dollars).”³⁰ Whitebook et al. (2014a) dig deeper into census data to compare ECE work to other occupations. They find that increases in median wages have been small and ECE workers continue to be paid on a par with fast food cooks, bank tellers, and nonfarm animal caretakers.³¹

Using wage survey data from the 1990 survey A Profile of Child Care Settings and the 2012 NSECE,

²⁹ OPRE 2013, p. 27, Tables 11-13.

³⁰ <http://www.census.gov/newsroom/press-releases/2013/cb13-62.html#>

³¹ Whitebook et al. (2014a), p. 16.

Whitebook et al. (2014a) compare wages over time for center-based ECE teachers and lead teachers (that is, not assistant teachers or teacher's aides) by type of center. They arrive at the same conclusion: there has not been substantial wage growth across the profession. A second conclusion is that, while there were some differences in wage growth over time by type of center, the differences were small enough so that wage differences among types of child care centers persist. ECE workers in public-school sponsored programs continue to earn substantially more than ECE workers in other settings, and ECE workers in for-profit settings continue to earn noticeably less. The table below provides comparable data on teachers and lead teachers (but not assistants or aides) from the 1990 Profile survey and the NSECE.³²

Table 3.4

HOURLY WAGES OF TEACHERS' AS REPORTED IN A PROFILE OF CHILD CARE SETTINGS (1990) AND NSECE (2012), BY CENTER AUSPICE

| | Profile 1990 Mean Hourly Wage | Profile 1990 Mean Hourly Wage in 2012 Dollars | NSECE 2012 Mean Hourly Wage | % Increase in Mean Hourly Wages: 1990-2012 Dollars |
|---|-------------------------------|---|-----------------------------|--|
| Public-School Sponsored | \$14.40 | \$25.30 | \$26.20 | 4% |
| Head Start (funded) | \$9.67 | \$16.99 | \$17.90 | 5% |
| Religious Sponsored, Not-for-Profit | \$8.10 | \$14.23 | \$15.40 | 8% |
| Independent, Not-for-Profit or Run by Government Agency | \$7.40 | \$13.00 | \$16.80 | 29% |
| For Profit, Chain or Franchise | \$5.43 | \$9.54 | \$12.20 | 28% |
| For Profit, Independent | \$6.30 | \$11.07 | \$11.90 | 8% |
| All Centers | \$7.49 | \$13.16 | \$15.70 | 19% |

Source: Whitebook 2014a, p. 28

Table 3.5

EVOLUTION OF ECE WAGES (1992-2010)

| | Center-based workers | | Home-based workers | |
|---|----------------------|---------|--------------------|--------|
| | 1992 | 2010 | 1992 | 2010 |
| Mean hourly earnings for full-year workers (2010 dollars) | \$9.20 | \$10.90 | \$5.60 | \$8.90 |

Source: Bassok et al. 2013, p. 590

32 Whitebook et al. (2014a), p. 28.

Bassok et al. (2013) use a different methodology to construct wage estimates over time for both center-based and home-based ECE workers from CPS data. Similarly, they find little wage growth in industry wages over the last two decades.³³

Finally, a recent wage survey in North Carolina tells a similar story. It showed no real wage gains for child care workers over the period 2003-2013 with two exceptions.³⁴ The lowest paid workers in the industry saw an increase in real wage over that period due to increases in the state's minimum wage. And a small group of preschool teachers saw significant pay increases because they taught in preschool programs run by public K12 school districts that were required by law to have similar qualifications to K12 teachers and to be paid comparably.

Table 3.6

PERCENTAGE OF MEAN SALARIES FOR TEACHER WITH BACHELOR'S DEGREES OR HIGHER, COMPARED TO MEN AND WOMEN IN THE US CIVILIAN LABOR FORCE, 2012

| Labor Force Participants | Mean Annual Salary for BA Degree or Higher, 2012 | % of Mean Earnings of Women in the Civilian Labor Force with BA or Higher Degree | % of Mean Earnings of Men in the Civilian Labor Force with BA or Higher Degree |
|--------------------------------|--|--|--|
| Civilian Labor Force, Men | \$ 88,509 | -- | -- |
| Civilian Labor Force, Women | \$ 56,174 | -- | -- |
| Elementary School Teacher | \$ 56,130 | 99% | 63% |
| Kindergarten Teacher | \$ 53,030 | 94% | 59% |
| School-Sponsored Pre-K Teacher | \$ 42,848 | 76% | 48% |
| Other Public Pre-K Teacher | \$ 33,696 | 59% | 38% |
| Head Start Teacher | \$ 33,072 | 58% | 37% |
| All Other ECE Teachers | \$ 28,912 | 51% | 32% |

Source: Whitebook 2014b, p. 5

3.3 WAGES COMPARED TO OTHER SECTORS

Whitebook et al. (2014a) combine the NSECE data with BLS occupational data to compare ECE teachers with at least a B.A. to similarly educated workers in other professions. They find that the best paid ECE teachers, those in school-sponsored settings, earn on average only 80 percent of the compensation of comparably educated kindergarten teachers. In community-based public Pre-K and Head Start programs, teachers with bachelors' degrees earn about two-thirds of what kindergarten teachers earn. ECE teachers outside those two relatively small sectors earn much less.

Compared to workers in other occupations and industries with similar education credentials, the differences are even starker. The mean annual salary for a woman with a B.A. or higher was just over \$56,000 in 2012,

³³ Bassok et al, 2013, p. 590

³⁴ Care Services Association, "Working in Early Childcare and Education in North Carolina: 2013 Workforce Study," March 2014, p. 10. Available at: <http://www.childcareservices.org/wp-content/uploads/2013/09/Final-2013-WorkforceReport-dated-6-12-14.pdf>

about the same as an elementary school teacher and slightly more than a kindergarten teacher. The mean annual salary for a man with a B.A. or higher was \$88,500, 40 percent more than a kindergarten teacher, more than double the average salary for the best paid ECE teachers (those in school-sponsored pre-K settings), and more than triple the salary of ECE teachers in most of the industry (see table below).

A similar analysis by Brandon et al. (2011) yields comparable estimates. According to that study, even taking into account low education levels, child care workers earned 31 percent less (\$2.20 per hour less) than women with similar qualifications in other occupations.³⁵

3.4 IMPACT OF UNIONS ON ECE WORKERS' WAGES

We turn now to the best data available regarding the impact of unions on wages for child care workforce. As they do across the nation for women workers, unions do improve wages in child care.³⁶ Whereas non-unionized child care female workers earned, on average, \$11.31 per hour, the average hourly pay for their unionized counterparts was almost 14 percent higher at \$12.84 per hour (Jones et al., 2014, p. 14). This impact is significant and important. Relative to other sectors and the impact of unions on wages in occupations dominated by women, two differences stand out. First, women working in child care are only half as likely to be union members as all women (6.2 percent of the child care workers vs. 12.2 percent of all women). While unions improve wages, they do so for a very small share of the workforce. Second, the wage impact of unions is also muted in the sector, at about half the union wage impact for all women. The union wage advantage for all women workers in the period of 2009-13 is 27 percent (\$24.68 mean union hourly wage, compared to \$19.38 non-union). For child care workers, the union wage advantage was a lower 14 percent.

Table 3.7

UNION IMPACT ON WAGES AND JOB QUALITY FOR WOMEN, IN SPECIFIC SECTORS (2009-13)

| | Unionization Rate (percent) | Mean Hourly Wage (2013 dollars) | | Health Insurance (percent) | | Retirement Plan (percent) | |
|---|-----------------------------|---------------------------------|-----------|----------------------------|-----------|---------------------------|-----------|
| | | Union | Non-union | Union | Non-union | Union | Non-union |
| All women | 12.2 | 24.68 | 19.38 | 73.1 | 49.1 | 74.4 | 41.8 |
| Maids and housekeeping cleaners | 6.7 | 14.04 | 11.51 | 69.1 | 22.5 | 47.7 | 14.6 |
| Janitors and building cleaners | 14.0 | 15.36 | 11.81 | 77.3 | 29.5 | 55.3 | 24.4 |
| Child care workers | 6.2 | 12.84 | 11.31 | 27.2 | 15.0 | 32.3 | 10.7 |
| Nursing, psychiatric, and home health aides | 11.8 | 14.74 | 12.66 | 60.2 | 39.3 | 48.6 | 22.5 |
| All non-management occs. in retail industry | 5.1 | 14.61 | 14.14 | 64.2 | 36.8 | 50.4 | 30.8 |

Source: Jones et al. 2014, p. 15

³⁵ R. Brandon, T. J. Stutman, and M. Maroto. 2011. "The economic value of the U.S. early childhood sector." In Weiss, E. and R. Brandon, 2011, *Economic analysis: The early childhood sector*. Washington, DC: Partnership for America's Economic Success, p. 11.

³⁶ Jones, Janelle, John Schmitt and Nicole Woo, "Women, Working Families, and Unions" Center for Economic and Policy Research. June 2014 (referenced hereafter: Jones et al. 2014)

Importantly, as the authors of the report acknowledge (Jones et al., 2014, p. 15) the data presented in Table 3.7 does not account for systematic differences between union and non-union female workers. Unionized women tend to have more formal education, are typically older, usually live in higher wage states and are more likely to work in the public sector. After controlling for these factors, the authors still find economically large and statistically significant effects of unionization on women's wages. For child care workers, in particular, the union wage impact grows when correcting for these differences: considering the differences, union child care workers earn 24 percent or about \$2.75 per hour more than non-union workers (Jones et al., 2014, p. 15).

The positive impact of unions on women's working conditions extends beyond wages. The study also reports that unionized female workers receive better health insurance and retirement plans, are usually more likely to be allowed to take family and medical leave, and are able to obtain better child care benefits. Although the report does not disaggregate these effects by particular occupations, the authors suggest that child care workers are likely part of this general trend of positive impacts of unions on working conditions (Jones et al., 2014, p. 16-18).

SECTION 4: COST OF CARE AND FUNDING

Section includes: significant cost for families; increased cost to families is not reflected in higher wages to workers; decline in spending on subsidies over the last decade; growth of Pre-K

4.1 WHO PAYS FOR CHILD CARE?

Unlike K-12 education or health care in the U.S., or child care in many European countries, **end-users (i.e. parents) pay most of the costs for child care in the U.S. today.** Given the fragmentation of the industry, overall numbers for who pays involve considerable guesswork. Perhaps the most extensive effort to determine who pays was a 1996 article in the journal *The Future of Children* (Stoney and Greenberg, 1996) that estimated that parents paid about 60 percent of the total amount spent on child care in the U.S. for children ages 0-5, not in kindergarten. Federal, state and local government accounted for virtually all of the rest in the form of vouchers and other direct payments, direct provision of child care services (for example, DoD child care centers provide care to 200,000 children), and tax credits and deductions.³⁷

Since that study was done, **out-of-pocket costs for child care have risen substantially** faster than subsidy rates, so the percentage of the total paid by parents is likely to be even higher now. According to Whitebook et al. (2014a), family payments for child care increased 89 percent in real dollars from 1997 to 2011, from an average of \$94 per week in 1997 (in 2011 dollars) to \$179 per week in 2011.³⁸ Even though labor costs are by far the largest cost associated with providing child care, **very little of the increasing amount paid by parents for child care has filtered down to worker wages and benefits.**

Some have noted that low wages in the industry can be interpreted as a contribution to funding the industry made by ECE workers themselves. Furthermore, Whitebook et al. (2014a) provide a conservative estimate of \$2.4 billion per year as the cost of public benefits and services provided to child care workers and their families resulting from low family incomes.³⁹ This is certainly another form of government subsidy.

³⁷ A. Mitchell, L. Stoney and H. Dichter, "Financing Child Care in the United States: An Expanded Catalog of Current Strategies, 2001 Edition," Ewing Marion Kauffman Foundation, p. 3. <http://sites.kauffman.org/pdf/childcare2001.pdf>

³⁸ Whitebook et al. (2014a) cites L. Laughlin (2013), "Who's Minding the Kids?" for this data (p. 18).

³⁹ Whitebook et al. (2014a), p. 59.

Despite the low wages paid in the industry, quality child care is hugely expensive for U.S. families, and simply unaffordable to many. In 38 states, the average cost for full-time care averages at least 10 percent of the median income for a married couple with children in that state, the limit of what is generally considered to be affordable child care. The cost of center-based care for one infant exceeds 25 percent of the median income for a single parent in every single state, and 30 percent of median income in all but 6 states.⁴⁰ This is without even considering the quality of care. Estimates suggest that less than 10 percent of U.S. child care is of sufficient quality to positively impact children's outcomes.⁴¹ And previous studies have suggested that child care worker wages are perhaps the most important factor associated with quality child care.

Government Subsidies

Almost all direct public subsidies for child care are provided by the federal government via block grants to states from the federal Child Care Development Block Grant (CCDBG) and Temporary Assistance for Needy Families (TANF) programs, supplemented with matching state funds. The vast majority of government spending on subsidies is directed to children of parents who are employed or in training and to families whose annual earnings are less than 150 percent of the federal poverty level.

According to the latest complete data available, total public spending on child care subsidies in 2012 was \$11.4 billion, the lowest level (not inflation adjusted) since 2002.⁴² As a result, the number of children receiving CCDBG-funded child care in 2012, 1.5 million, was the lowest since 1998 –that is, more than 250,000 less than in 2006.⁴³ An estimated one-third of these were school-age children. Less than 1 in 5 eligible children are served by public subsidies. Funding pressures have led to longer waiting lists, higher co-payments, tighter eligibility standards, and low reimbursement rates to care providers.

Some studies estimate the average parent co-pay for subsidized child care at about 10 percent of family income, but in fact parent co-pays vary substantially by state and by family income level. A 2013 Urban Institute reports notes:

“For example, across the states, a family of three, with two children and a single parent earning approximately \$12,500 a year (roughly the earnings of a minimum-wage worker at 30 hours a week), would pay a monthly co-payment ranging from \$0 in 13 states to \$156 in Louisiana. That same family, if earning \$30,000 annually, would pay a monthly co-payment ranging from \$69 in Wyoming to \$945 in Hawaii.”⁴⁴

Since 2012, the subsidy funding situation has improved somewhat. Preliminary data for 2013 show total federal and state funding for subsidies of about \$15 billion. And the CCDBG program reauthorization in 2014, for the first time since 1998, provides for somewhat higher federal appropriations going forward.⁴⁵

The federal government has also funded various other grant programs targeted at early care and education, including Race to the Top–Early Learning Challenge Grants and Preschool Development Grants.

⁴⁰ Child Care Aware. “Parents and the High Cost of Child Care 2013 Report,” <http://usa.childcareaware.org/sites/default/files/Cost%20of%20Care%202013%20110613.pdf>

⁴¹ *Ibid.*

⁴² H. Matthews and S. Schmit, “Child Care Assistance Spending and Participation in 2012 – A Record Low,” CLASP, February 2014 <http://www.clasp.org/resources-and-publications/publication-1/ccspending2012-Final.pdf>

⁴³ <http://www.acf.hhs.gov/programs/occ/resource/fy-2013-ccdf-data-tables-preliminary-table-1>

⁴⁴ S. Minton and C. Durham, “Low-Income Families and the Cost of Child Care: State Child Care Subsidies, Out-of-Pocket Expenses, and the Cliff Effect,” The Urban Institute, December 2013 <http://www.urban.org/UploadedPDF/412982-low-income-families.pdf>

⁴⁵ HHS, “Fiscal Year 2014 Federal Child Care and Related Appropriations,” Published: April 10, 2014, <http://www.acf.hhs.gov/programs/occ/resource/fiscal-year-2014-federal-child-care-and-related-appropriations>

Inconsistently and in much smaller amounts, various states have also implemented and funded different bonus, scholarship, or career ladder programs for early child educators and providers. While many of these state-level programs have had localized success, none has had a major impact on the structure of the industry.

Pre-K

Another source of public child care funding is public Pre-K. In the last decade, many U.S. states have begun to invest or significantly increased their investment in publicly funded 4K and, occasionally, even 3K. As of 2012, 40 states are spending slightly over \$5 billion in Pre-Kindergarten programs serving an estimated 28 percent of 4-year-olds and 4 percent of 3-year-olds.⁴⁶

There is huge variation among Pre-K programs: some are open to all kids, others to just a fraction of those eligible; some pay Pre-K teachers on the same scale as kindergarten teachers, others have little impact on preschool teacher salaries. Most state-funded prekindergarten programs have much higher quality requirements than child care programs. Often, only the highest rated child care centers are eligible to receive pre-K funding.⁴⁷

In summary, the child care industry is very large and growing, critically important, contains a significant unpaid and lightly regulated segment, and is fragmented among several different kinds of care and funding structures. Caregivers in different situations have different identities and credentials. Certainly compared to, say, K-12 schooling, the core feature of the child care industry is disorganization.

SECTION 5: THOUGHTS ON POLICY

Section includes: need for more and better training for ECE workers; need for addressing turnover rates and wage increase

5.1 NEED FOR MORE AND BETTER TRAINING OF CURRENT ECE WORKFORCE

ECE standards are being raised. School-sponsored Pre-K and Head Start have made a B.A. the expected credential for those centers. Most quality rating systems use teacher credentials as a core element of center ratings. Federal and state grant and scholarship programs are designed to raise the number of ECE teachers with higher education credentials.

Some data suggest that overall ECE teacher education levels have gone up. Certainly, TEACH and other scholarship programs have offered many ECE teachers the opportunity to obtain higher education degrees and credentials. However, despite the very large number of ECE teachers that have taken advantage of such programs, the evidence of higher overall education levels among the ECE workforce is not strong (see Section 2 above on worker education levels). This suggests that investments in higher education among the ECE workforce are at risk of being lost as more educated workers leave the field in search of better pay.

There is a strong push to increase the number and percentage of ECE teachers with B.A. degrees. Given the current educational landscape, this strategy confronts two immediate problems. First, wages in ECE are so low that workers with B.A.'s have other, more attractive employment options. Second, most B.A. programs

⁴⁶ Child Care Aware. "Parents and the High Cost of Child Care 2013 Report," <http://usa.childcareaware.org/sites/default/files/Cost%20of%20Care%202013%20110613.pdf>

⁴⁷ Barnett, W.S., et al. (2013). *The state of preschool 2012*. National Institute for Early Education Research. <http://nieer.org/publications/state-preschool-2012>

are geared toward young adults who can devote substantial time to college study, and not toward older working people who have limited time and resources. Given the challenging work and low wages, a strategy of upgrading education levels in ECE by replacing less educated current workers with fresh college grads risks magnifying the problem of wasted training effort on workers who end up leaving the industry for better paying work elsewhere. Training by itself won't necessarily lead to a better trained ECE workforce.

On the other hand, many experienced ECE workers who do enjoy the work and are good at it, not only have low education credentials; they also have jobs that place serious financial and time constraints on their ability to obtain further education. And they face a higher education infrastructure that is not designed for non-traditional students, some of whom no doubt do not meet traditional college enrollment criteria.

We need to focus ECE education and training efforts on the current industry workforce. These are workers who already enjoy the work and have devoted themselves to it. We also know, from TEACH and other scholarship programs, that there is strong interest in further education among the current ECE workforce when that education is accessible and affordable. Continuing to invest in the education and training of these workers is likely to have a much greater payoff than hoping for young college grads with no experience and serious student debt to become a new highly-trained, but still low-paid, ECE workforce.

But in order to increase education and training levels for workers already in the industry, we need an education strategy that takes into account the particular strengths and needs of this student population. Tuition and other costs must be manageable; coursework needs to be offered at convenient times and locations; barriers to admission and student success must be addressed. Also, many of these potential student/workers have already gained a variety of skills via experience on the job, skills that ought to be recognized and rewarded by any degree and credentialing program.

Our current strategy for increasing education levels in ECE relies on the “stick” of raising the required credentials to be allowed to work in the field (or in the better jobs in the field). Yet, we know from history that this strategy cuts out many current workers that would like to further their education but are constrained by educational, financial, or logistical barriers. And we know that many of the inexperienced young people that do obtain higher education degrees end up washing out of ECE because of the low pay and difficult work.

Beyond the stick, we need to find “carrots” we can offer current ECE workers to encourage them to pursue further ECE education and training. One type of carrot is an education infrastructure that takes their specific talents and needs seriously.

5.2 NEED TO ADDRESS TURNOVER AND RAISE WAGES

The fact that TEACH and other scholarship programs have given thousands of ECE teachers the opportunity to further their education in a convenient and affordable way, with the carrot of bonus money and, sometimes, additional wage subsidies, and yet the data on overall education levels among the ECE workforce does not show a comparable level of increase over time suggests that turnover, if it is disproportionately concentrated among more educated workers with less ECE experience, may be an even bigger problem than realized. When more highly educated workers do not remain in the field due to low wages, the investment made in their ECE education is lost.

Furthermore, it is unrealistic to expect those workers already in the field to make substantial investments in furthering their education credentials if there is no financial payoff. The data from North Carolina suggests that real wages for ECE workers have not increased, and in some cases actually declined, despite the large

Table 5.1

ANNUAL TURNOVER RATE BY TYPE OF CENTER, 1992-2010

| | Center-based workers | | Home-based workers | |
|----------------------|----------------------|-------|--------------------|-------|
| | 1992 | 2010 | 1992 | 2010 |
| Annual Turnover rate | 34.0% | 24.4% | 36.9% | 28.5% |

Source: Bassok et al. 2013, p. 590

Table 5.2

HOURLY WAGES AND ANNUAL TURNOVER

| Occupation | Mean Hourly Wage | Annual Turnover Rate |
|------------------------------------|------------------|----------------------|
| Registered nurses | \$ 31.99 | 5% |
| K-8 teachers | \$ 30.60 | 10% |
| Social workers | \$ 24.26 | 10% |
| Preschool teachers | \$ 13.20 | 15% |
| Home health aides/ nurses aides | \$ 10.39 | 18% |
| Child care workers | \$ 10.07 | 29% |
| Food counter workers | \$ 9.13 | 42% |

Source: Whitebook 2011

workers, the NSECE estimates annual turnover of 13 percent in 2011-12, lower than the 25 percent estimated for center-based staff by the Profile survey from 1990. The two surveys are not directly comparable but it isn't clear how that affects the comparison. Interestingly, although the newer survey shows lower levels of overall turnover among ECE center staff, the percentage of centers that experienced any turnover in the previous year was 50 percent in 2012, about the same as in 1990. But whereas the 1990 survey suggested centers that experienced at least some turnover had to replace half their staff on average each year in 1990, they only needed to replace about one-quarter of their staff each year in 2012. Consistent with previous studies, for-profit chains or franchises had higher rates of staff turnover than other centers.

WHERE TO FIND THE MONEY FOR REASONABLE ECE WORKER SALARIES

If one thing is clear over the last 25 years, it is that charging parents more for ECE is not the solution to

increase in worker education levels.⁴⁸ If and when current ECE workers do obtain A.A.'s and B.A.'s, they then confront the same situation new college graduates do: they now possess a credential that qualifies them for a job outside ECE that pays considerably better.

Recent evidence on ECE worker turnover suggests that it may be somewhat lower than it was twenty years ago but still quite high. There is also good reason to think that low wages are the most important factor generating high turnover.

A variety of studies have shown annual turnover in the ECE workforce of 25-30 percent.⁴⁹ Bassok et al. (2013) estimate turnover from CPS data, looking for workers that work in ECE one year but not the following year. They calculate somewhat lower levels of annual turnover in 2010 than in 1992 but still very high. They find modestly higher levels of turnover for home-based workers than center-based. Table 5.2 from Whitebook (2011) provides strong anecdotal evidence that high rates of turnover in an occupation are closely related to wages wages.⁵⁰

The data from the 2012 NSECE survey of ECE centers shows lower rates of annual turnover than most other data sources. For center-based

48 Care Services Association, "Working in Early Childcare and Education in North Carolina: 2013 Workforce Study," March 2014, p. 613. Available at: <http://www.childcareservices.org/wp-content/uploads/2013/09/Final-2013-WorkforceReport-dated-6-12-14.pdf>

49 N. Porter (2012), "High Turnover among Early Childhood Educators in the United States." http://www.childresearch.net/projects/ecec/2012_04.html

50 Whitebook, M. (2011). "Framing the issues. Where are we today?" Paper presented at the The Early Childhood Care and Education Workforce: A Workshop, Washington, DC.

Table 5.3

ANNUAL STAFF/TEACHER DEPARTURE RATES AS REPORTED IN A PROFILE OF CHILD CARE SETTINGS (1990) AND NSECE (2012), BY CENTER AUSPICE, PERCENTAGES

| | Profile: Mean Departure Rate (1990) | NSECE: Mean Departure Rate (2012) | Profile: Percentage of Centers with Any Departures (1990) | NSECE: Percentage of Centers with Any Departures (2012) | Profile: Mean Departure Rate in Centers with any Departures (1990) | NSECE: Mean Departure Rate in Centers with any Departures (2012) |
|---|--|--|---|--|--|---|
| Head Start (funded) | 20 | 10 | 31 | 44 | 64 | 21 |
| Public-School Sponsored | 14 | 14 | 23 | 51 | 60 | 28 |
| Religious-Sponsored, Not-for-Profit | 23 | 8 | 54 | 41 | 41 | 21 |
| Other Sponsored, Not-for-Profit or Run by Government Agency | 25 | 13 | 53 | 51 | 47 | 23 |
| Independent, Not- for-Profit or Run by Government Agency | 25 | 11 | 52 | 42 | 48 | 25 |
| For-Profit, Chain or Franchise | 39 | 27 | 77 | 84 | 50 | 31 |
| For-Profit, Independent | 27 | 16 | 50 | 57 | 53 | 27 |
| All Centers | 25 | 13 | 50 | 50 | 50 | 25 |

Source: Whitebook 2014a, p. 30

higher worker wages. And while state-sponsored scholarship and bonus programs are much appreciated by ECE workers able to take advantage of them, such programs are always modest in scope (scholarships of a couple hundred dollars, typical salary supplements under \$1000 per year and with conditions) and dependent on on-going budget appropriations by state lawmakers. The history of such programs is that state funding is not consistent over time, and when state finances are tight, the supplements often get cut or eliminated.

Whitebook et al. (2014a) hit the nail on the head: policymakers need to “identify and mobilize a sustained, dedicated source of public funding” to supplement or replace parent funding of ECE. Bringing ECE teacher salaries up to a reasonable level requires an increase in ECE funding to be found only in public coffers. And the resource needs to be substantial and consistent over time.

Finally, there are two current ECE programs that provide interesting models. Oklahoma is the one state where universal Pre-K is part of the public school system, and thus free to parents, and Pre-K teachers are paid on the same salary schedule as K-12 teachers. Such a model could potentially address the 4-year-old, and possibly at some point 3-year-old, ECE clientele, though a major shift in public priorities would be needed to expand public school funding mechanisms to the entire age 0-5 population.

A second possible model is the Department of Defense ECE program. The Military Child Care Act of 1989 provides for high quality care, affordability for parents, and worker wages and benefits based on the same

wage scale that applies to most government employees (the “General Schedule”).⁵¹ Whitebook et al. (2014a) report:

“As such, the DoD has effectively eliminated two pervasive features of much of ECE in the U.S. The first is unintended incentives for well-trained, educated, and more senior teachers to leave their jobs for more equitable pay in other positions and fields. The second is a funding structure, based heavily on parent fees, in which any increase to ECE teachers’ pay would likely require [unaffordable] fee increases.”⁵²

Higher wages in child care are possible. But there are not a given. And they will not magically materialize simply in response to increasing education of the workforce. These are serious challenges. But in this nation, our infants, babies, and toddlers all deserve high quality care, provided by the hands of workers who have real caregiving and educational skills, and who are rewarded reasonably for those skills. This will take training, education, resources and a new understanding of and commitment to care by our entire nation.

REFERENCES

- Barnett, W.S., M.E. Carolan, J. Fitzgerald and J.H. Squires, 2012. “The state of preschool 2012: State preschool yearbook.” New Brunswick, NJ: National Institute for Early Education Research. <http://nieer.org/publications/state-preschool-2012>
- Bassok, Daphna, M. Fitzpatrick, S. Loeb and A. S. Paglayan, 2013 “Early childhood care and education workforce from 1990 through 2010: Changing dynamics and persistent concerns,” *Education Finance and Policy*, 8(4), 581-601
- Brandon, R., T. J. Stutman, and M. Maroto. 2011. “The economic value of the U.S. early childhood sector.” In Weiss, E. and R. Brandon, 2011, *Economic analysis: The early childhood sector*. Washington, DC: Partnership for America’s Economic Success.
- Child Care Aware of America, 2013, “Parents and the High Cost of Child Care 2013 Report,” *Child Care Aware of America reports series*. November. <http://usa.childcareaware.org/sites/default/files/Cost%20of%20Care%202013%20110613.pdf>
- Child Care Services Association, 2014, “Working in Early Childcare and Education in North Carolina: 2013 Workforce Study,” March. <http://www.childcareservices.org/wp-content/uploads/2013/09/Final-2013-WorkforceReport-dated-6-12-14.pdf>
- Jones, Janelle, John Schmitt and Nicole Woo, 2014, “Women, Working Families, and Unions” Center for Economic and Policy Research. June.
- Laughlin, Lynda, 2013, *Who’s Minding the Kids? Childcare Arrangements: Spring 2011*, U.S. Census Bureau, April. <https://www.census.gov/prod/2013pubs/p70-135.pdf>
- Maroto, M. and R. Brandon, 2011. “Summary of Background Data on the ECCE Workforce,” Prepared for the IOM Committee on the ECE Workforce. http://www.ncbi.nlm.nih.gov/books/NBK189910/table/tab_B_6/?report=objectonly

⁵¹ Whitebook et al. (2014a), p. 37.

⁵² Whitebook et al. (2014a), p. 38.

- Matthews, H. and S. Schmit, 2014, Child Care Assistance Spending and Participation in 2012 – A Record Low,” CLASP. February. <http://www.clasp.org/resources-and-publications/publication-1/ccspending2012-Final.pdf>
- Minton, S. and C. Durham, 2013, “Low-Income Families and the Cost of Child Care: State Child Care Subsidies, Out-of-Pocket Expenses, and the Cliff Effect,” The Urban Institute, December. <http://www.urban.org/UploadedPDF/412982-low-income-families.pdf>
- Mitchell, A., L. Stoney and H. Dichter, “Financing Child Care in the United States: An Expanded Catalog of Current Strategies, 2001 Edition,” Ewing Marion Kauffman Foundation. <http://sites.kauffman.org/pdf/childcare2001.pdf>
- Office of Planning, Research and Evaluation (OPRE), U.S. Dept. of Health and Human Services, 2013, “Number and Characteristics of Early Care and Education Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education (NSECE),” OPRE Report 38, October.
- _____, 2014, “Characteristics of Center-based Early Care and Education Programs: Initial Findings from the National Survey of Early Care and Education (NSECE),” OPRE Report #2014-73a, November.
- Porter, Noriko, 2012, “High Turnover among Early Childhood Educators in the United States.” Child Research Network. August. http://www.childresearch.net/projects/ecec/2012_04.html
- Stoney, L. and Greenberg, M. 1996, “The Financing of Child Care: Current and Emerging Trends” in *The Future of Children*, 6(2), Summer/Fall. Palo Alto, CA: David and Lucille Packard Foundation.
- U.S. Dept. of Health and Human Services, 2014, “Fiscal Year 2014 Federal Child Care and Related Appropriations,” April. <http://www.acf.hhs.gov/programs/occ/resource/fiscal-year-2014-federal-child-care-and-related-appropriations>
- Whitebook, Marcy, D. Phillips and C. Howes, 2014a, “Worthy Work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study,” Center for the Study of Child Care Employment, Univ. of California, Berkeley.
- Whitebook, Marcy, 2014b, “Building a Skilled Teacher Workforce: Shared and Divergent Challenges in Early Care and Education and in Grades K-12,” Gates Foundation, September.
- _____, 2011, “Framing the issues. Where are we today?” Paper presented at the The Early Childhood Care and Education Workforce: A Workshop, Washington, DC.