

## Creating a New Ending to the Story

Now is the time for Wisconsinites to accept what the scientists are telling us about the importance of the first five years on the developing brain, and to accept what the economists are telling us about the wisdom of investing in early education because it's an investment that pays off in reduced social costs in the long run. Collectively and for the common good, we need to make a greater investment in the care and education of our youngest children, and that means paying appropriate wages to their child care teachers and family child care providers.

If, along with our federal child care funds, we had other yet-to-be-identified sources of public and private funding, we could create, for example:

- a more robust REWARD program to boost wages and incentivize education and retention;
- a funding source for awarding child care programs quality sustainability grants with a significant portion directed to enhance compensation and staff stability;
- a significantly enhanced Wisconsin Shares program with expanded eligibility and higher reimbursement rates so more working parents could get support to pay for child care;
- guaranteed health care coverage for people supporting the health of our young children; and
- a school loan forgiveness program for early childhood educators similar to one currently in place for public school teachers working in rural Wisconsin.

Right now we could improve YoungStar by allowing longer grace periods for programs facing the possible loss of a star level due to staff turnover, and provide more incentives to create better work environments.

Right now community and business leaders can come together to talk about how they could strengthen their local economies by investing in child care.

Right now we can engage in efforts to promote social policies like paid family and medical leave, tax policies that reduce the burden of child care costs for parents and reward employers who invest in child care, and labor policies that address the needs of working parents and guarantee sustainable wages.

A new ending for this story is imperative. In the richest nation in the world, child care teachers and family child care providers should not have to struggle to make ends meet, families should not have to choose less than quality child care because that is all they can afford, and children should not have their futures compromised for lack of public will to find meaningful and enduring solutions to our child care crisis.

### On economic insecurity and teacher turnover

*"When we teachers feel stressed – maybe it's a bill we can't pay or a worry that a teacher won't show up – it impacts how we do things that day. It's harder to stay professional under this kind of stress."*

-5-Star Program, Waukesha County

*"A young member of our teaching staff recently completed school. She just accepted a new job at a program that could pay more and provide better benefits. I can't blame her, yet I'm in the position where I can't take more children to meet my licensing capacity because I can't find qualified staff."*

-2-star program, Vernon County

## Insights and Recommendations from Wisconsin Early Childhood Association

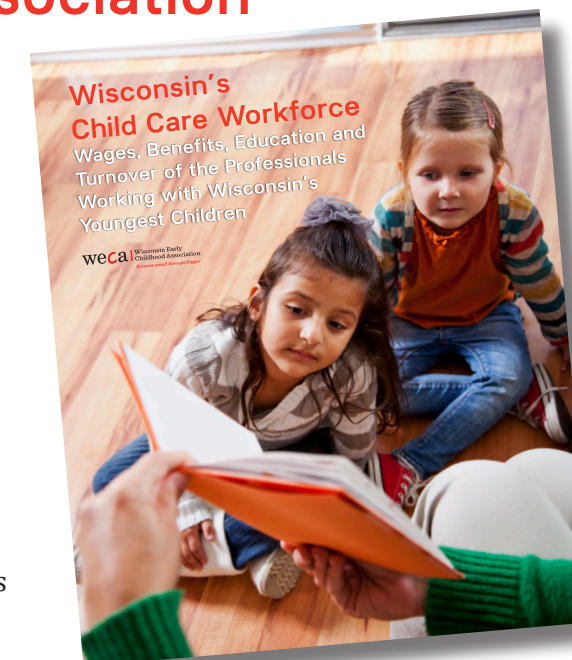
The recently released study, *Wisconsin's Child Care Workforce*,<sup>1</sup> reveals startling findings about those who care for and educate Wisconsin's youngest children. Here are four significant highlights of the workforce study:

- 1. Child care teachers and providers are – and are becoming more so – an educated workforce, yet advancements in education levels are not reflected in their wages.** Educational attainment exceeds that of the Wisconsin workforce in general. More than half (52%) of all child care teachers have an Associate degree or higher, and for the majority their degree is in early childhood education. A child care teacher with an Associate degree may make \$10/hour while a similarly educated member of the Wisconsin workforce as a whole is making more than \$18/hour. The gap is even wider when considering child care teachers with Bachelor's degrees: \$12 /hour vs. \$22.80/hour.
- 2. Wages are low and we have made very little progress in raising them.** For child care teachers, wages in Wisconsin range from the median starting wage of \$10/hr. to the median highest wage of \$13/hr. Not only is the gap between starting and highest very small, national data indicates that the average hourly is \$10.33, only 13 cents above what the average wage was in 1997 (when adjusted for inflation). For assistant child care teachers in Wisconsin the range is currently \$8.50 - \$9.75 per hour.
- 3. Approximately one in three employees in child care centers leave their jobs each year.** If our goal is to ensure good care for children, this high rate of turnover is unacceptable. Research confirms that young children require established relationships with trusting adults in order to thrive. A disproportionate percentage of child care teaching staff leave within the first two years of employment. Wages make a difference when it comes to turnover; lower paying centers have higher turnover of staff.
- 4. Just 17% of teaching staff in child care centers are eligible for and participate in an employer- provided health insurance plan.** This percentage of health care coverage through work falls far below the 50% rate for all Wisconsin workers in poverty wage jobs.<sup>2</sup>

### On recruiting staff

*"I was talking with a potential hire about the educational opportunities available to her through T.E.A.C.H. Her enthusiasm dropped when I told her that after she got some basic education she would be eligible to work as an assistant teacher for \$9.001 hr. She said that this would be a cut in her pay, as she is now working for a local factory doing assembly work, no formal education required."*

-5-Star Program, Dodge County



<sup>1</sup> COWS-UWSC – Wisconsin Child Care Workforce, 2015.

<sup>2</sup> COWS, State of Working Wisconsin 2014, available at [http://www.cows.org/\\_data/documents/1647.pdf](http://www.cows.org/_data/documents/1647.pdf)

## A Story of an Unfolding Crisis in Child Care

The study tells a story “by the numbers.” When we combine the data with the stories of lived experiences contained in this brief, we bring to light a child care crisis that impacts over 22,000 people who make this work their career. Even more numerous are the working families who depend on them, and the hundreds of thousands of young children in their care who are the citizens of our future. And when we consider some crucial elements of a story – the setting, the conflict, and the heroes – we are called to create a new and better ending to this story.

### The Setting of this Story: A State Striving to Improve Child Care Quality

This is the first child care workforce study released since the implementation of YoungStar, Wisconsin’s Child Care Quality Rating and Improvement System. All around the state child care programs are rising to the challenge of meeting higher standards, advancing their quality or “star” level, and serving more low income families in higher quality programs.<sup>3</sup> Curriculum is planned based on observations and assessments of children in care. Social and emotional development is gaining renewed attention. Business practices are improving.

Study results show that, in fact, centers with higher YoungStar ratings pay slightly better, employ more highly educated staff, and have lower rates of turnover. Even some of the turnover that does happen is in response to people looking for a better job within the field, as evidenced by where people go when they leave their programs.

Are these positive results sufficient to sustain quality improvements over time? When we employ the nationally developed “Early Care and Education Cost Model” and adjust variables for the wages needed to maintain high quality, the answer is a resounding “no.” Quality improvements are already putting financial pressures on programs. If teachers with an Associate degree earned a wage comparable to other Wisconsinites with this degree, the business model created is simply untenable.<sup>4</sup>

There are two key lessons here:

1. When programs make intentional plans to improve quality and are provided some supports to achieve their goals, amazing things can be accomplished.
2. The claim that has dominated the public discourse for decades – “if we just improve quality, better wages will follow” – is simply not true. Improving wages will require a commitment of significant financial resources.

### On maintaining quality

*"I always feel at risk of losing my star level in the YoungStar. I have older teachers who have built their educational credentials while on the job and have high Registry levels, and new, younger teachers who must be told that if you work here, you go to school. Unfortunately, some in the first group are poised to retire. I don't want to lower my standards, but it's stressful wondering if I'll be able to rebuild this staff."*

-3-Star Program, Milwaukee County

### On second jobs

*"After working in the field for about 20 years, with a Master's degree, I finally earn about the same as a new teacher in a public school. Throughout my career, I have worked a second and sometimes third job. I supplemented my wages by working in retail, cleaning services, and restaurant businesses. I have very little disposable time or income."*

-3-Star Program, Door County

## The Conflict: Child Care Affordability vs. Compensation

The headlines today are rarely about how child care teachers are charged with the monumental task of providing a vital service to working families and laying the foundation for the future of our young children, all on a near-minimum wage. What is making the headlines is the rising cost of child care for parents. According to the Economic Policy Institute, the average annual cost of infant care in Wisconsin is over \$11,000, more per year than in-state tuition for a 4-year public college.<sup>5</sup>

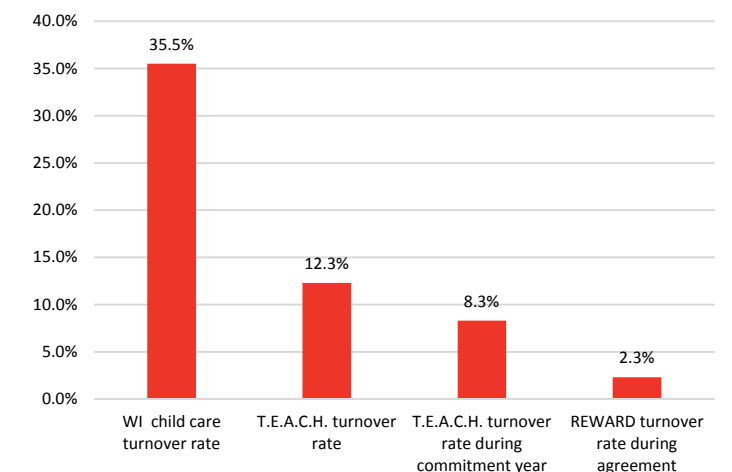
If child care costs are so high, why aren't child care teachers paid better? Part of the answer has to do with child-to-staff ratios. For example, by law one infant teacher can only care for up to 4 infants; this is labor-intensive work. Facility operating costs, equipment and supplies, the ever-increasing cost of rent and property, the cost of complying with various governmental regulations, and expenditures on quality improvements all play a role. Even the poorest families in Wisconsin, those eligible for a child care subsidy through Wisconsin Shares, receive reimbursements that don't come close to paying for the full cost of care even with parent co-pays, and for years (2006-2013) there were no increases to the Wisconsin Shares rate to even keep pace with inflation.<sup>6</sup> As programs strive to keep a lid on child care costs so parents can afford the care, they keep a lid on child care wages.

### Two Heroes in this Story: T.E.A.C.H. and REWARD

The obvious heroes of the story, of course, are those who persevere and give so much to our young children despite their low wages and inadequate benefits. But the sister programs of T.E.A.C.H. Early Childhood® Scholarship Program and REWARD Stipend Program are currently the only programs in our state which positively impact the major issues confronting the workforce and the major concerns of this study: wages, education, retention and turnover.

The growth in T.E.A.C.H. over time mirrors the growth of enrollment of early education programs within the Wisconsin Technical College System. Every T.E.A.C.H. scholarship awarded not only makes education possible in a climate with steadily growing higher education costs, but it also supports retention by requiring students to “pay it forward” with a commitment to stay in their child care programs for a year beyond the fulfillment of their scholarship contract. As a result, the turnover rate of scholarship recipients is significantly less than that of the workforce as a whole.

Similarly, REWARD – which provides financial incentives to individuals who have already achieved certain levels of education and demonstrate longevity in the field – attests to the power of financial rewards to impact turnover.



<sup>3</sup> YoungStar: We're Turning Five! Five Year Analysis as of July 2015. Wisconsin Council on Children & Families. Progress Report 6, November 2015.

<sup>4</sup> Haack, P., Gernetzke, E. and Oldershaw, C.A. (2014) Starting Early, Starting Now: Investing in Teachers to Grow Child Care Quality. Wisconsin Early Childhood Association, Madison, WI.

<sup>5</sup> Bivens, J., Garcia, E., Gould, E., Weiss, E. and Wilson, V. It's Time for an Ambitious National Investment in America's Children: Investing in early childhood care and education would have enormous benefits for children, families, society and the economy. Report by the Economic Policy Institute (EPI), April 2016.

<sup>6</sup> The Impact of the Seven-Year Freeze on Child Care Payment Rates. Wisconsin Council on Children & Families, 2015.