



Brief & to the Point

Wisconsin Child Care Research Partnership

Issue Brief No. 2 August 2001

Who Stays in the Early Childhood Field?

State Policies Can Help Reduce Staff Turnover

Wages and benefits commensurate with training and experience are among the key factors that help retain workers in child care centers and family child care.¹ When teachers have formal education and training, and earn higher wages, they tend to provide higher quality care.²

Low Wages

Individuals who work in child care centers as directors, teachers, and assistant teachers or in family child care as owner-operators are among the lowest paid personnel in any profession in the United States. In a recent survey of over 700 occupations, only 15 occupations had lower average wages than early care and education.³ Low wages may be an indication that the public underestimates the “significance of children’s physical, emotional, and cognitive development, and the knowledge and skills required to promote such development...”⁴

Full-time child care for an infant costs up to \$15,000/year in one Wisconsin community. Yet, that high cost remains artificially low because of low wages, which average \$8.74/hour for teachers.⁵ Low wages unrealistically hold down the true cost of child care.⁶

Few Benefits

Continued concern over the poor quality of many child care programs, limited training of many child care workers, and the inability of lower-income families to access high quality care have led to innovative efforts to address worker compensation issues – some of them involving benefits.⁷

In Wisconsin, there are about 22,000 teachers working in child care centers (full- or part-time), over 2,000 center directors, and about 7,000 family child care providers. Child care settings vary in size, regulations and requirements for education and

training, and benefits are not standard. The recently-released Wisconsin Early Care and Education Career Guide⁸ emphasizes that quality programs for young children offered in different settings must include “supported and well-trained caregivers, teachers, and administrators...”. Part of that support may be addressed by offering and paying for staff benefits.

High Turnover

The rate of turnover among teaching staff negatively impacts the quality of care that programs provide.⁹ A 1994 study of the Wisconsin workforce found that the rate of teachers leaving child care center programs was 25% for teachers, 39% for assistant teachers, and 51% for directors.¹⁰

The question arises: Are we in danger of subsidizing a revolving door of child care workers, placing our children at risk of changeable and low quality care? In this Issue Brief, we answer the following questions about teachers serving low-income families in Wisconsin: How well are teachers compensated? What benefits do teachers receive? How high is the rate of annual staff turnover? Can we spot any differences that distinguish centers that experience high versus low levels of staff turnover?

“...the public underestimates the significance of children’s physical, emotional, and cognitive development”

J. Nelson, 2000



Brief & to the Point

Wisconsin Child Care Research Partnership

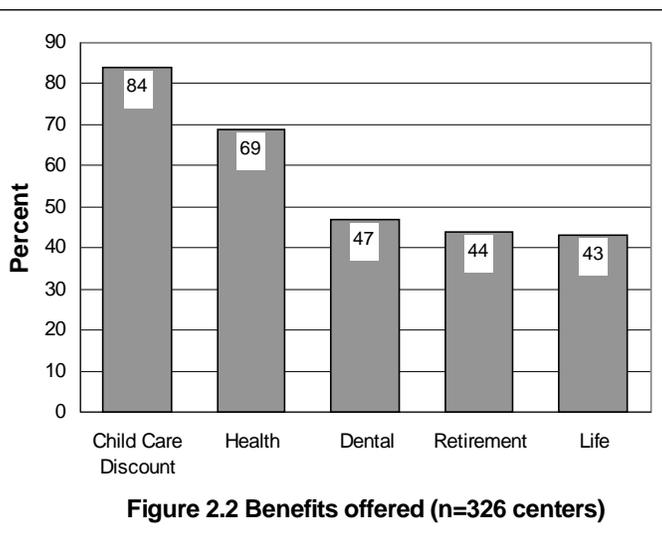
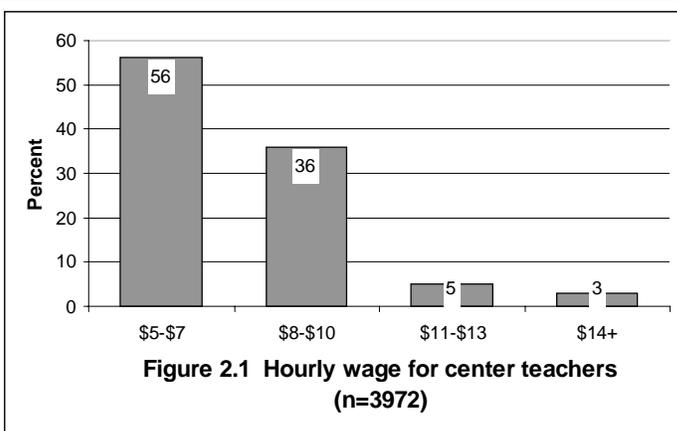
Wisconsin Data

Child care centers and family child care programs were randomly selected from the population of regulated child care settings serving low-income children in Wisconsin. These data represent responses to questionnaires completed by 326 center directors whose centers employ nearly 4,000 teachers, 453 family child care providers, plus about 1,200 early care and education teachers who responded to workforce/attitudinal questionnaires.

Child care teachers are poorly compensated

Center directors reported that staff wages were below \$8/hour for 56% of the teaching staff. This translates to an annual income of under \$16,000/year; only 3% of teaching staff earned \$14/hour or more, or \$28,000/year. Family child care providers indicated their net income ranged from zero to \$82,000/year, with a median of \$11,500/year, or roughly \$5.50/hour for full-time work.

Wages did not tend to increase over time, despite years in the child care field. Three-quarters of child care teachers working in the field 0-5 years earned less than \$9/hour, compared with one-half of those working in the field 6-10 years. This is an example of wage suppression that starts at the beginning and continues throughout a career in early care and education.



Important staff benefits are not offered

Early care and education programs struggle with attaching benefits to hourly wage positions. Benefits such as health insurance, retirement plans and life insurance are particularly difficult to manage. Although reports varied widely, the most frequently mentioned benefit may be the least frequently utilized: child care discounts.

Among centers that offered benefits, the average percent paid by the employer was less than 50%. Health care benefits were offered by two-thirds of centers, but the average percent paid, in a field where illness is a concern, was less than half the cost. Benefits were even more scarce in family child care. Only 20% had paid sick leave and only 28% had paid vacation days.

References

- Goelman, H. and Guo, H. (1998). *What we know and what we don't know about burnout among early childhood care providers.* *Child and Youth Care Forum*, 45, 175-199.
- Phillips, D.A., Howes, C, and Whitebook, M. (1991). *Child care as an adult work environment.* *Journal of Social Issues*, 47(2), 49-70.
- Laverty, K., Burton, A., Whitebook, M., and Bellm, D. (2001). *Current Data on Child Care Salaries and Benefits in the United States.* Washington, DC: Center for the Child Care Workforce.
- Nelson, J. (2000). *Why are early education and care wages so low? A critical guide to common explanations.* New York: Foundation for Child Development.
- Community Coordinated Child Care (4-C) (2000). *Wages and Benefits Survey: 2000.* Madison, WI: 4-C/Madison.
- Culkin, M., Morris, J. R., and Helburn, S. W. (1991). *Quality and the true cost of child care.* *Journal of Social Issues*, 47(2): 71-86.
- Montilla, M. D., Twombly, E.C., and De Vita, C. J. (2001). *Models for Increasing Child Care Worker Compensation.* Washington, DC: The Urban Institute.
- The Wisconsin Early Care and Education Career Guide (2001). Madison, WI.: Department of Public Instruction.
- Whitebook, M., Sakai, L., Gerber, E., and Howes, C. (2001). *Then & Now: Changes in Child Care Staffing, 1994-2000.* Washington, DC: Center for the Child Care Workforce.
- Burton, A., Whitebook, M. and Sakai, L. (1994). *Valuable Work: Minimal Rewards: a Report on the Wisconsin Child Care Workforce.* Washington, DC: National Center on the Early Childhood Workforce.

Brief & to the Point

Wisconsin Child Care Research Partnership



Wisconsin Data

Wages and director experience are related to teacher turnover

The annual rate of teaching staff turnover for centers participating in this survey was just over 40%; 3,101 full-time teachers worked in these centers on January 1, 2000 and 1,249 teachers left during the year. This calculation is only a rough estimate of turnover, since some teachers may have been hired and left the center within a few months, others may have retired after many years in the program, while still others may have advanced to related occupations within the child care field. However, a 1994 statewide study using similar methods for the same category of staff found a much lower turnover rate, just 25% annually compared to 40% in the current study, suggesting that staff turnover is becoming a greater problem.

We then compared the quartile of centers (n=72) with the highest turnover rates for teachers (ranging from 75% to over 100%) with the quartile of centers (n=78) with the lowest turnover rates (ranging from 0% to 25%). We found that centers with the lowest annual staff turnover were almost 3 times as likely to pay their teachers \$10 or more per hour than were the centers with the highest staff turnover (see Figure 2.3). The lowest staff turnover centers also had more experienced directors: 56% of

these centers had directors with more than 5 years of experience, compared with only 33% of the centers with the highest staff turnover. Thus, both paying better wages and having director stability appear to have an important impact on teaching staff turnover.

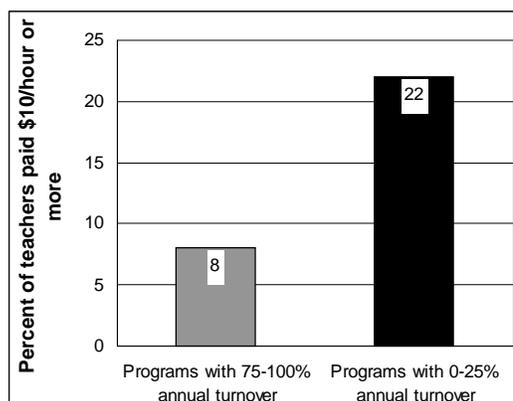


Figure 2.3 Programs that pay higher wages have lower turnover

Policy Implications

1. Child care is part of the private labor market, and is also supported by state government through subsidies for children from low-income families. By supporting wage enhancements and by encouraging salaried positions for teachers, the state might have the opportunity to influence early care and education compensation and to stabilize the child care workforce in Wisconsin.
2. Wisconsin already spends a large percentage of its federal child care block grant on quality initiatives. However, not much attention has been paid to staff benefits in early care and education programs. Loss of experienced, well-trained child care teachers because of lack of health care and other benefits is a serious concern. The state might consider enticing and retaining teachers in the early care and education field and improving child care quality by providing health care benefits for all child care staff in Wisconsin.
3. Until trained teachers can be kept on the job to nurture consistent relationships with young children, the quality of child care cannot be raised. Recent dramatic increases in the state's teacher scholarship and bonus program, if directed toward subsidized programs, could positively increase staff stability in programs for children from low-income families.
4. In addition, a multi-tiered reimbursement system that integrates information about teacher wages, benefits offered, turnover rates, and licensing violations could help stabilize the early care and education workforce. Paying higher subsidy rates for higher quality care is current policy; refinement of the subsidy system could focus on this important workforce.

End note: Organizational program structure and number and ages of enrollment of children receiving subsidies may affect child care programs in significant ways. Issue Brief #3 will explore these interrelationships.



Wisconsin Child Care Research Partnership
 University of Wisconsin-Extension
 Cooperative Extension/Family Living Programs
 432 North Lake Street, Room 301
 Madison, WI 53706-1498

Non-Profit Organization
 US Postage
 PAID
 Madison, Wisconsin
 Permit No. 658

Background

University of Wisconsin-Extension (UWEX), Wisconsin Department of Workforce Development (DWD) Office of Child Care, and Wisconsin Child Care Resource and Referral (CCR&R) Network have joined in partnership to assess the quality of child care for low-income children.

Principal investigators for the Research Partnership include Mary Roach, Diane Adams, and Dave Riley (UW-Extension), David Edie (Department of Workforce Development), and Jane Penner-Hoppe (Child Care Resource & Referral Network). Data collectors include staff from Wisconsin CCR&R agencies. Data analyses are conducted by UW-Extension staff: Diana Durant, Bong-Woon Ha, George Hagenauer and Dong Min Kim. "Brief & to the Point" is produced by Susan Angell and Deb Zeman.

Suggested citation: Adams, D.B., Roach, M.A., Riley, D.A., and Edie, D. (2001). *Wisconsin Child Care Research Partnership Issue Brief #2: State Policies Can Help Reduce Turnover*. Madison, WI: University of Wisconsin-Extension.

Research Objectives

The Wisconsin Child Care Research Partnership conducted several interrelated studies of child care:

- **What Does Child Care Look Like? – Study 1** uses information from the state's child care Data Warehouse to assess the demographic, geographic, and composition characteristics of the approximately 40,000 children and 6,000 child care providers who access state child care subsidies. Data from the CCR&R Network are used to describe the marketplace within which state-supported low-income families make their child care choices.
- **Characteristics of the Child Care Workforce – Study 2** involves analyses of demographic and attitudinal questionnaires mailed to 2,000 regulated child care programs and family child care providers randomly selected from the state child care Data Warehouse.
- **Child Care Quality – Study 3** involves direct observations of classroom quality in approximately 150 randomly selected child care classrooms and 75 family child care programs across the state.

We are grateful to the child care programs and providers who enthusiastically responded to our research requests, and we dedicate our findings to the young children in Wisconsin who depend upon high quality child care for their "good beginnings."



Funding for the Wisconsin Child Care Research Partnership is made possible by a grant from the Department of Health and Human Services, Child Care Bureau, project number (90YE0012/01)

"Brief and to the Point" issue papers are also available on the

Wisconsin Child Care Research Partnership website: www.uwex.edu/ces/flp/resources/parent.html

To order additional copies of this Issue Brief, call 877.637.6188; fax 608.267.5969, or e-mail: zeman@admin.uwex.edu