WORTHY WORK, UNLIVABLE WAGES: THE NATIONAL CHILD CARE STAFFING STUDY, 1988-1997

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In 1988, the National Child Care Staffing Study first gathered information on staffing and quality from a sample of child care centers in five metropolitan areas–Atlanta, Boston, Detroit, Phoenix and Seattle--and returned to the study sites for updated information in 1992. In 1997, we again had the opportunity to contact the directors of the original sample of centers still in operation in order to collect basic information on staffing and funding nine years after the first data collection. The NCCSS offers a unique opportunity to look at the characteristics and stability of a segment of the child care workforce during a decade when significant new funding was infused into the US child care system. It also offers insight into the differences between centers that did and did not remain in operation during this period. The 1997 sample consisted of 158 centers providing full-day care that were still in operation and willing to participate in a follow-up interview, constituting 70 percent of the original sample.

Highlights of 1997 Findings

Child care teaching staff continue to earn unacceptably low wages, even in a sample of relatively high-quality centers.

- Real wages for most child care teaching staff have remained stagnant over the past decade. Teachers at the lowest-paid level earn an average of $7.50 per hour or $13,125 per year. Teaching assistants at the lowest-paid level earn an average of $6.00 per hour or $10,500 per year, and $7.00 per hour or $12,250 per year at the highest-paid level. (Figures are based on a 35-hour week and 50-week year.)*
- Real wages for the highest-paid teachers within child care centers, who constitute a small segment of the overall child care workforce, average $10.85 per hour or $18,988 per year. This translates to a very modest improvement over the past decade of approximately $1.32 per hour.

Approximately one third of child care centers (35 percent) employ welfare (TANF) recipients, sometimes at less than the prevailing wage and often with limited training.

- Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover.
- Eighty percent of for-profit chain centers, 40 percent of independent nonprofit centers, 30 percent of church-sponsored centers, and 20 percent of independent for-profit centers currently employ Temporary Assistance for Needy Families (TANF) recipients.
- Only 16 percent of programs currently offer TANF recipients college-credit-bearing training, which is nearly always required by the better-paying child care jobs that offer the best hope of achieving economic independence.

More child care centers received public dollars in 1997 than in 1988, allowing more of them to assist low-income families with child care costs. But because this increased public funding for child care was rarely targeted to quality improvements or increased compensation, these dollars have not resulted in better wages or lower staff turnover.

- Centers paying the lowest wages are experiencing the greatest increase in public subsidies. For-profit chain centers have experienced a threefold increase in revenue from public subsidies over the past decade, and independent for-profit centers have seen such revenue double. Independent nonprofit centers, by contrast, experienced a four-percent *decrease* in revenue from public subsidies, and church-sponsored programs received a modest four-percent increase.

Child care centers continue to experience very high turnover of teaching staff, threatening their ability to offer good-quality, consistent services to children.

- More than a quarter of child care teachers (27 percent) and 39 percent of assistants left their jobs during the past year--for an average turnover rate of 31 percent for all staff--at a time when the demand for their services has grown dramatically.
- One-fifth of centers reported losing half or more of their teaching staff during the past year.
- Only 14 percent of child care teachers have remained on the job in the same center over the past decade, and only 32 percent have been employed in their centers for five years or more.
- Independent nonprofit centers are more likely to retain their teaching staff than are other types of programs, particularly those run by for-profit chains. Thirty-nine percent of teaching staff in the independent nonprofits have been employed in their centers for five years or more, compared to 20 percent in the for-profit chains and 29 percent in independent for-profit and church programs. These turnover figures are related to the significantly higher average salaries paid by independent nonprofit vs. for-profit chain centers.

Centers which paid better wages in 1997, as in 1988, experienced less teaching staff turnover. These are also the centers which were rated higher in quality in 1988.

- Centers which are accredited by the National Association for the Education of Young Children (NAEYC) pay higher wages to teaching staff, report lower teacher turnover for the past year, and have retained twice as many staff over ten years.
- Centers that have remained in business over the nine-year span of the study pay higher wages, employ more college-educated staff, and report lower staff turnover than did centers that have ceased operation. Preschool classrooms in centers that remained open were rated higher in quality in the initial study.

A substantial number of centers have improved their level of health coverage, especially for teachers, during a period of declining levels of coverage by U.S. employers as a whole. The majority of centers, however, still offer their teaching staff limited or no health insurance, despite heavy exposure to illness in child care employment.

- Twenty percent of centers offer fully-paid health coverage to teachers only, and 21 percent of centers offer fully-paid health coverage to teachers and assistants. Of those centers, fewer than 23 percent provide dependent health coverage.

- All dollar amounts used in this report are 1997 dollars, thus adjusting for the impact of inflation.

Recommendations

The best long-term solution to the problems identified in this study is a well-targeted new investment of public funding to ease the child care burden on parents and caregivers alike--and the mobilization of a well-informed American public that is ready to support this investment. Such a solution will be costly, and yet we must recognize that the status quo carries an even higher cost, in continuing to place the healthy development of young children at serious risk.

The answer is not simply to grow more programs, but rather, as Military Child Care and Head Start have shown, to foster higher-quality programs staffed by better-trained and better-paid adults. Nor is the answer to shift the burden onto consumers, but instead, to address at once the twin needs of improved workforce compensation and of greater affordability of services for parents. Our recommendations fall into four categories:

⇒ **An increase in public funds for child care, targeted to quality and compensation.** Any federal child care legislation should include specific language on targeting funds for child care workforce compensation. As was done in the Head Start Expansion and Quality Improvement Act, at least 25 percent of new child care funds should be targeted to improving the quality of services, and at least half of that amount should go directly to raising child care teacher and family child care provider salaries.

⇒ **Linkages between training and financial reward.** Public funding for child care professional development and teacher credentialling programs should be linked to concrete rewards, such as wage supplements or "retention grants," for teachers and providers who pursue further training and education. Without this linkage, such programs will continue to spend an undue proportion of funds on constantly re-training new groups of caregivers, as the best-trained personnel continue to leave the field for better opportunities elsewhere.

⇒ **Reimbursement rate reform.** Public reimbursements of child care programs fall far short of covering the true cost of providing quality care; at present, many states pay less than the going market rate. States receiving federal child care funds should be required to pay programs no less than the current market rate, and experimental efforts should encourage differential rates to programs based on such quality indicators as higher wages, low staff turnover, higher educational attainment of teaching staff, and center accreditation.

⇒ **Stronger standards tied to public funding.** All child care programs receiving public funds should be required to demonstrate a commitment to the education, training, financial reward and job stability of their teaching personnel--the key element of program quality.

The National Child Care Staffing Study, 1988
Highlights of Major Findings From the Original Study

The quality of services provided by most centers is barely adequate. Better-quality centers have:

❖ higher wages
❖ better adult work environments
❖ lower teaching staff turnover
❖ better educated and trained staff
❖ more teachers caring for fewer children

Better-quality centers are more likely to be:

❖ operated on a nonprofit basis
❖ accredited by the National Association for the Education of Young Children
❖ located in states with higher quality standards

Children attending lower-quality centers and centers with more staff turnover are less competent in language and social development.

❖ Staff turnover nearly tripled from 15 percent in 1977 to 41 percent in 1988.
❖ The most important determinant of staff turnover among the adult work environment variables is staff wages. Teaching staff earning the lowest wages are twice as likely to leave their jobs as those earning the highest wages.

The education of child care teaching staff and the arrangement of their work environment are essential determinants of the quality of services children receive.

❖ Teaching staff provide more sensitive and appropriate caregiving if they complete more years of formal education, receive early childhood training at the college level, earn higher wages and better benefits, and work in centers devoting a higher percentage of the operating budget to teaching personnel.
❖ In 1988, child care teaching staff earned less than half as much as comparably educated women and less than one-third as much as comparable educated men in the civilian labor force. Real child care staff wages (adjusted for inflation) decreased more than 20 percent between 1977 and 1988.