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**EARLY EDUCATOR COMPENSATION
CASE STUDY SERIES**

Collaboration and Creativity Despite Constraints

North Carolina's Decades-Long Push for Early Educator Compensation

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Collaboration and Creativity Despite Constraints: North Carolina's Decades-Long Push for Early Educator Compensation

Early Educator Compensation Case Study Series

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About CSCCE

The Center for the Study of Child Care Employment (CSCCE), founded in 1999, is the national leader in early care and education workforce research and policy. CSCCE provides research and analysis on the preparation, working conditions, and compensation of the early care and education workforce. We develop policy solutions and create spaces for teaching, learning, and educator activism. Our vision is an effective public early care and education system that secures racial, gender, and economic justice for the women whose labor is the linchpin of stable, quality services.

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Main Findings

North Carolina is a longtime champion of the urgent need to raise early childhood educator compensation. In the 1990s, North Carolina was an active site of the Worthy Wage movement—a national grassroots campaign led by early educators. In that same period of educator activism, North Carolina advocates and policy leaders originated the Teacher Education and Compensation Helps or T.E.A.C.H. Early Childhood® Scholarship program and the Child Care WAGE\$® stipend program. These two key workforce- and compensation-focused initiatives continue to support North Carolina early educators to this day and have since generated other wage stipend programs and spread to many other states.

North Carolina is also a leader in the development and use of salary scales for early care and education (ECE). Early efforts to develop a model salary scale for North Carolina occurred over many years, with the latest iteration revised in 2023 (North Carolina Early Childhood Compensation Collaborative, 2023). Although currently unfunded, advocates have used the model salary scale to raise awareness of why and how to increase compensation. When the pandemic hit and American Rescue Plan Act (ARPA) stabilization grants provided an influx of new federal funding, North Carolina’s Division for Child Development and Early Education (DCDEE) seized the opportunity to encourage and support ECE program leaders to use the model salary scale to raise wages.

Several elements have proved key to North Carolina’s progress in advancing early educator compensation:

- Explicit policies and programs that focus on workforce needs;
- Use of data and educator input to influence policies;
- Collaboration and networking among policy and advocacy leaders;
- Pursuit of incremental solutions within constraints; and
- Renewal of community organizing and educator engagement.

North Carolina’s most recent accomplishments have occurred within the context of governance divided along political party lines as well as an increasingly conservative legislature opposed to public funding increases. North Carolina’s approach has been to work within the existing political paradigm and to appeal to multiple political ideologies. While this approach has allowed for some advances, it also reveals the limits of incremental approaches to a systemic issue.

Despite long-standing leadership on the development of workforce-focused initiatives, like many states North Carolina underfunds its ECE system and its workforce initiatives. WAGE\$ and AWARD\$ stipends, as well as the nominal wage increases or bonuses provided to T.E.A.C.H. scholarship recipients, have provided much-needed financial relief to the early educators who received them. However, these supports for select individuals do not increase funding to ECE programs in general nor do they improve programs’ overall ability to pay a living wage or adequate salaries across the field. In contrast, the ARPA-

funded compensation grants provided did have a more systemic impact: most North Carolina ECE programs opted to use these monies to either raise wages, increase access to benefits, or otherwise provide bonuses. Yet even these funds were too limited to ensure pay increases comparable with other professions, and ARPA funding is set to expire in December 2024.

Despite the daunting context, North Carolina can continue to be a leader on ECE compensation. Among our key findings, interviewees identified a desire to push past incremental change and renew community organizing and power building with early educators in order to realize systemic reforms.

I. Introduction

Teaching and caring for young children (birth to five) is intellectually, physically, and emotionally demanding work. Yet early care and education (ECE) is one of the most underpaid and undervalued fields in the country: 98 percent of other occupations in the United States are paid more than child care teachers (McLean et al., 2021). Before the COVID-19 pandemic, child care workers earned an average hourly wage of \$11.65 for a median annual salary of \$24,230 (McLean et al., 2021). Although benefits like health insurance, paid sick time, and retirement are standard for many sectors, they are inconsistently available for early educators (McLean et al., 2021). This precariousness has led to high turnover rates, as early educators leave their jobs in search of more sustainable employment (U.S. Department of Treasury, 2021).

The COVID-19 pandemic only exacerbated the poor pay and difficult working conditions of early educators. During this time, an estimated 20,000 child care programs closed, and thousands of early educators lost their jobs (Kashen & Malik, 2022). In March 2021, Congress passed the American Rescue Plan Act, which included child care stabilization grants to help child care programs remain open and families access the care they needed. The child care stabilization grants enabled some 220,000 child care providers to continue offering services and raised real wages for many educators (The White House, 2023). As that spending winds down, advocates and researchers will be keeping a close watch to understand how the loss of stabilization funding impacts early educators, child care programs, and the families they serve.

Against this backdrop, some states have been taking action toward a more sustainable and equitable ECE system (Kashen & Valle-Gutierrez, 2024). Each state navigates complex and varied political environments, and there is much to be learned from states with partisan or conservative leanings. While the future of early educator compensation in North Carolina remains unclear, the incremental strategies the state has implemented to date and the collaborative leadership on compensation within a conservative political environment renders rich learnings for other states.

About This Case Study

We interviewed policy experts in North Carolina to understand the political and economic realities for policymakers and advocates working on ECE compensation, gathering their insights on the process and on challenges to implementation. We also spoke with early educators to learn about their experiences with the state's compensation initiatives and their visions for ECE compensation reform moving forward. Given the recency and limited scope of data, this case study does not intend to conclusively analyze the impact of workforce compensation throughout the state, but rather to offer insights on implementation for other states that wish to improve ECE compensation.

Methodology

This case study of North Carolina documents advancements in early educator compensation and explores key elements of progress, as well as considerations for other states. It is informed by extensive background research using publicly available documentation and data as well as interviews with key experts. From October 2023 through February 2024, the research team conducted interviews with eight individuals representing the state's Division of Child Development and Early Education (DCDEE) and a non-exhaustive sample of representatives from prominent advocacy, research, and direct service organizations. We also interviewed six members of the early care and education workforce, representing home-based family child care providers as well as center-based directors, teachers, and assistant teachers working in public, private, and faith-based programs. We heard from two infant-toddler educators, two family child care providers, a center-based educator and director, and one educator who worked in state-based pre-K. These early educators were primarily women of color. Our interviews are intended to provide an illustration of educator perspectives, with an emphasis on uplifting perspectives of educators of color, but are not intended to represent the population of early educators in the state.

Why North Carolina?

A key site of the national Worthy Wage movement in the 1990s, North Carolina has historically been a leader in developing initiatives for early educator compensation despite a fiscally conservative environment. During the pandemic, North Carolina again emerged as a leader by creatively using ARPA stabilization funding to incentivize programs to increase compensation and encourage the use of a model salary scale.

We were drawn to North Carolina's story to learn how, despite political constraints, this state was able to accomplish a compensation-forward approach to pandemic relief and to contemplate how this approach might lay the groundwork for future systemic reforms.

Overview of Findings

North Carolina early educators, advocates, and state leaders have initiated compensation-focused programs and components for broader reform since the 1990s by:

- Developing workforce-focused initiatives that have a financial relief component, such as:
 - **Child Care WAGE\$®**: An early workforce support program developed in 1994, WAGE\$ provides education-based stipends of \$1,500-\$2,000 every six months to eligible center-based educators and family child care providers in counties that choose to offer this program.
 - **T.E.A.C.H. Early Childhood® Scholarship**: Another early workforce support program developed in the 1990s, T.E.A.C.H. offers scholarships to early childhood professionals and financial incentives as they complete eligible degree or certificate programs.
 - **Infant-Toddler Educator AWARD\$® Plus**: Modeled on the WAGE\$ program, AWARD\$ offers education-based stipends of ~\$1,200 every six months to eligible center-based educators and family child care (FCC) providers who work with infants and toddlers. Unlike WAGE\$, this wage supplement is available statewide.
- Conducting consistent workforce studies that have revealed inadequate pay and motivated strategies like education-based wage supplements;
- Developing and promoting a statewide model salary scale that sets compensation targets with a living wage floor and the goal of approaching parity with public school teachers; and
- Strategically using ARPA funding to offer optional compensation grants that provided programs with funds to raise base pay and/or provide bonuses and encouraged them to use the model salary scale and offer benefits to staff.

Key Elements for North Carolina’s Approach to Compensation

- **Focus on Workforce Needs:** North Carolina originated multiple initiatives targeting compensation and educational opportunities for the early educator workforce, especially at a time when this approach was not common for the field.
- **Use of Data and Educator Input to Influence Policies:** North Carolina has consistently conducted workforce studies and promoted existing compensation initiatives using educator input and surveys.
- **Collaboration and Networking Among Leaders:** A strong community of advocates, researchers, and government officials has created collaborative conditions and provided a foundation for taking opportunities when new funding became available.
- **Incremental Solutions to Overcome Constraints:** Facing challenges to winning statewide funding or systemic reforms, North Carolina leaders used creative and layered strategies at multiple levels of oversight and funding to advance compensation.
- **Renewal of Community Organizing and Educator Engagement:** Recognizing political and cultural roadblocks in the legislative branch and the limits of incremental initiatives to address a systemic issue, our interviewees identified the importance of renewed power building with educators to advance compensation reform.

Time for a New Approach

North Carolina has historically modeled workforce-focused initiatives, with explicit attention to addressing low pay in the field through targeted wage supplements. Many components have been put in place to deliver more on compensation, such as studies to document current wages, wage supplements, incentives for programs to use federal relief funding for wages, and a salary scale. However, this approach has yet to materialize sustained and adequate increases in compensation for the ECE workforce. As ARPA funds dwindle, the remaining but limited wage supplement and scholarship programs have not solved the issue of early educator compensation.

The impacts of the COVID-19 pandemic have re-invigorated advocacy campaigns that uplift educators’ voices and call for the recognition of and better pay for early educators. In response to this need, Governor Roy Cooper released a FY 2024-25 budget proposal of \$745 million for child care and early education, including \$200 million to continue a stabilization grant program with funds for compensation (North Carolina Office of the Governor, 2024). To date, the state’s legislative branch, the bicameral General Assembly, has approved only \$67 million to continue the stabilization grants through December 2024, though it remains to be seen whether further funding will be allocated when the legislature reconvenes in fall of 2024 (Sherman, 2024). Despite existing bipartisan support for early childhood investments, the state legislature has become more conservative in recent years and has been reluctant to support workers and invest in early care and education. This current context marks a need for a different approach and underscores both the advantages and limitations of incremental approaches to a systemic issue.

II. The North Carolina Approach: Multiyear and Multilevel

Pre-Pandemic: Early Educator Activism and Compensation Initiatives

North Carolina was an early leader in prioritizing compensation, fueled by early educator activists of the Worthy Wage movement in the 1990s. Throughout that decade, the local chapter hosted rallies, workshops, and leadership training to grow awareness of educator compensation as a central issue in reforming the state’s ECE system (Center for the Study of Child Care Employment [CSCCE], 2022c). In North Carolina, it was “central to the movement’s strategy to politicize teachers and providers and to ensure their place at the decision-making table” (Whitebook et al., 2024). Prior to this period, it was considered “unprofessional” for educators to discuss their wages. ECE research and policies overlooked the needs and economic realities of the adults delivering services and focused instead on assessing quality and child outcomes.

Out of this period of activism, the state government and local intermediary organizations initiated workforce programs like T.E.A.C.H. and WAGE\$. This approach was successful because it focused on supporting individual teachers through scholarships with financial incentives or wage supplements, rather than shifting the way the system was funded and organized to increase salaries at the program level. These models would be replicated in other states.

One of the most well-known initiatives, the [T.E.A.C.H. Early Childhood® North Carolina](#) Scholarship Program, started as a result of a 1989 North Carolina workforce study that revealed the challenges facing those who worked in early care and education. The T.E.A.C.H. initiative encompasses multiple types of scholarships intended to develop the pipeline of educated and certified teachers who are already working in the ECE field. Unlike many scholarships, this program has a compensation and financial relief component: as part of the agreement with employers, staff receive either a bonus or a raise when they complete their education milestone (Child Care Services Association [CCSA], 2023g).

[Child Care WAGE\\$®](#) was developed in 1994 to provide six-month salary supplements to educators who meet eligibility requirements. WAGE\$ is still one of the longest-running wage supplement programs in the country. Funding is available to all counties through a statewide public–private partnership, the North Carolina Partnership for Children, which administers a state fund for early childhood: Smart Start. Within the North Carolina Partnership network, Smart Start entities may choose to provide WAGE\$, and then Child Care Services Association (CCSA) administers the program. WAGE\$ is currently available in only 64 of the state’s 100 counties.

More recently, in 2018, CCSA designed an additional wage supplement initiative, [Infant-Toddler Educator AWARD\\$® Plus](#), which specifically targets infant-toddler teachers in recognition of their lower average pay (CCSA, 2023e.) The AWARD\$ education-based wage supplement offers six-month wage supplements to eligible center-based educators and family child care providers. Unlike WAGE\$, AWARD\$® Plus bypasses county approval and is available statewide.

These programs are meant to be a step toward improving compensation rather than a system-wide solution. T.E.A.C.H is intended to raise educational levels, but only provide nominal pay increases or bonuses for recipients. And even once they have a bachelor’s degree, early educators are not paid parity with public K-12 teachers with the same educational level. WAGE\$ and AWARD\$ provide financial relief through six-month stipends that range from \$1,200 to \$2,000, but these programs do not increase base pay or benefits. And none of these programs have been fully funded to provide support to all early educators throughout the state and across settings.

Because direct-to-educator stipends were never intended to fully solve the compensation problem, advocacy and research organizations in North Carolina recognized the need to fundamentally transform ECE job quality. They set about developing a standard process for compensating educators for their qualifications, years of experience, and role. Beginning in 2007, the compensation workgroup at the North Carolina Institute for Child Development Professionals (NCICDP) and the CCSA-funded North Carolina Early Childhood Compensation Collaborative have developed and promoted a model salary scale. In 2019, leaders from this collaborative and throughout the state updated the salary scale while participating in the T.E.A.C.H. National Center’s Moving the Needle on Compensation Cohort (Russell et al., 2019). This initiative laid the groundwork for the later integration of the salary scale into ARPA grants.

COVID-19: From Crisis to Opportunity

“The state of compensation in early childhood in North Carolina has been a long-standing problem prior to the pandemic. We were in a crisis then. I don’t think people realized how bad of a crisis we were in until the pandemic hit, because it was just exacerbated even more.”

— ECE advocate

The COVID-19 pandemic cast the long-standing ECE workforce crisis in a new light. Advocates and educators were ready to raise their voices about the need for increased compensation and the impact of the impending pandemic closures by relaunching the Worthy Wages NC Campaign in March 2020 (NCEEC, 2023c). Having laid the groundwork to understand the pre-existing context for ECE compensation, the DCDEE was well positioned to take action on compensation when pandemic federal funds became available. DCDEE had been collecting data on the workforce for years, and the state division leader at the time had a comprehensive understanding of the ECE workforce’s needs.

The initial influx of federal pandemic relief funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act were used in North Carolina in 2020 and 2021 to provide bonuses directly to the workforce¹ and operational grants to some programs that could use these funds for wages. During this period, the NC Early Childhood Compensation Collaborative continued the [salary scale](#) work begun as part of the

¹ In April and May 2020, DCDEE provided child care teachers bonuses of \$950 per month and support staff bonuses of \$525 per month. Again in November and December 2020, the state provided smaller monthly bonuses (Basloe, 2020; North Carolina Division of Child Development and Early Education, 2020).

Moving the Needle cohort. Using feedback from a survey of teachers, administrators, and organizations that support the workforce, a revised model salary scale was released in February 2021, along with [guidance](#) on the use of the scale (Ferrara et al., 2018). Also in 2021, CCSA published their white paper on ECE salary scales to further promote the concept (CCSA, 2021).

When states received federal pandemic relief funding to offer ARPA stabilization grants to ECE programs later in 2021, North Carolina was well positioned to use the money to support the workforce. DCDEE chose to use the funding opportunity to advance base pay, provide bonuses, and encourage programs to provide benefits. On top of a base grant to address operating costs and tuition assistance, programs were given the option to access an additional compensation grant that gave both center- and home-based programs two ways to increase compensation: provide bonuses or increase base pay. For the second option, programs were encouraged to use the model salary scale developed by the Compensation Collaborative and CCSA, recommendations that demonstrated the thoughtful interconnectedness of the state's strategies (North Carolina Department of Health and Human Services, 2022).

CCSA conducted an early analysis of the ARPA grants, revealing their positive impact for the sector. As of 2021, the overwhelming majority of ARPA grant recipients elected to increase base pay and benefits, supporting educators to cover their living expenses, increase their savings, pay off debts, and contribute to their retirement accounts (CCSA, 2022). Positive feedback and appreciation for the increased pay or bonuses from these grants were echoed by educators and directors in our interviews. Nonetheless, sentiments from the field were tempered by providers' concerns about what would happen once the funding ran out, especially the fear of facing a difficult choice of lowering wages or passing on costs of increased wages to families in the absence of state funding. As of 2023, the total amount of ARPA-funded compensation payments was about \$410 million, just under one half of all ARPA payments to ECE programs in the state (North Carolina Division of Child Development and Early Education, 2023b).

The full impact of ARPA grants on ECE wages in North Carolina remains unclear. Using national American Community Survey data, we estimate that in 2022, North Carolina's median hourly wage in early care and education was \$12.31, compared with a median wage of \$20.79 across all occupations.² This figure represents a decrease of about 2 percent in ECE workforce median wage since 2019, adjusted for inflation. Inflation was unusually high during much of the 2021-2022 period and may have effectively canceled out wage increases provided as a result of ARPA funding. A new CCSA study of the ECE workforce in North Carolina is forthcoming and will likely provide more nuanced evidence of how the ARPA grants have shaped ECE wages in the state.

² From the authors' analysis of the 2022 American Community Survey 5-Year Sample, accessed via IPUMS (Ruggles et al., 2023); ACS data, collected by the U.S. Census Bureau, does not clearly identify which individuals are family child care providers; however, our estimate includes both FCC providers and center-based early educators.

Pandemic Aftermath: Looking Ahead

ARPA grants' stabilizing impact on the ECE sector and their positive reception by the workforce has encouraged advocates calling for a longer-term solution to the child care and workforce crises (Basloe, 2022). The North Carolina Department of Health and Human Services also supported efforts to raise awareness around the value of early care and education in North Carolina. In July 2022, the department launched [Raise North Carolina](#), a public education campaign that included a toolkit urging the field to center teachers in systemic reform and investments and to prioritize describing them as teachers and professionals (North Carolina Department of Health and Human Services, n.d.). As of 2023, a majority of North Carolina voters supported state investments in making early childhood services more affordable and agreed that low wages for early educators is a problem (North Carolina Chamber of Commerce, 2023).

To address voters' concerns, a bipartisan, bicameral Early Childhood Caucus—the first in the nation—brought five bills to the North Carolina legislature in 2023. The most notable proposal called for \$300 million to sustain the ARPA compensation grants through 2025 (Bell, 2023). To date, the legislature has approved only \$67 million to continue the stabilization grants from June 2024, when they were set to expire, through December 2024 (Sherman, 2024). It remains to be seen whether further funding will be allocated when the legislature reconvenes in fall of 2024.

“If we stop the [ARPA] compensation grants, child care is in dire straits with getting workers. If we don't continue to try to support their income, then [child care] is going to collapse. They're continuing now with our compensation grants [ARPA grants...] but that is set to expire in June of 2024. At that time, they don't know what is going to happen as far as being able to keep workers.”

— Family child care provider

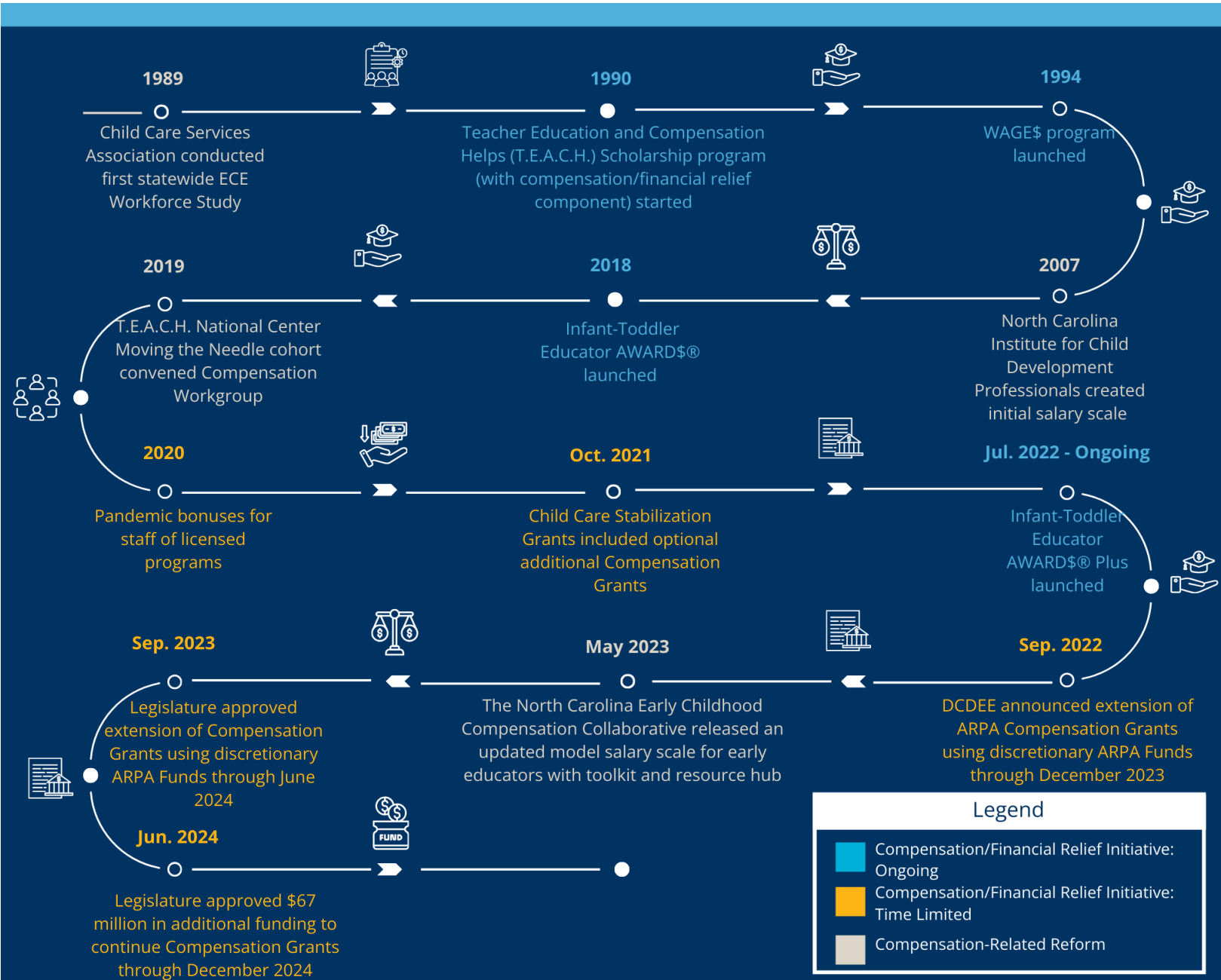
Without ARPA grant funding that encourages use of the Compensation Collaborative's salary scale, this tool exists mainly as an advocacy and training resource. An online toolkit has been designed for use by center- and home-based programs, technical assistance providers, and institutes of higher education

DCDEE continues to explore options to more sustainably support ECE programs and educators. For example, the division is looking into an alternate methodology for child care subsidy rate setting that could have implications for advancing compensation, depending on the model used by the state. However, effectively utilizing this strategy will require increasing the number of providers with access to child care subsidies—approximately 31 percent of providers received child care subsidies in 2021—and substantially raising reimbursement rates, which has proved politically challenging. Following a 2021 market rate survey of child care prices, an initial bill to raise the statewide floor for subsidy rates was not passed. Subsidy rates were eventually increased in 2023, in line with the 2021 market rate survey; however, this rate increase was passed as part of an abortion ban bill (SB20) that made abortion after 12 weeks illegal in most circumstances (North Carolina Division of Child Development and Early Education, 2022; North Carolina Legislature-SB 20, 2023). This example illustrates how early childhood reform proposals, however incremental, can be used as political pawns and even widen rifts in the progressive family and child advocacy field.

In this challenging political context, CCSA is working on an updated workforce study, with results forthcoming (CCSA, 2023a). Updated workforce data will help the ECE field better understand the impact of North Carolina's use of ARPA grants to target compensation and may support future advocacy efforts to continue or reinstate the grants. In the meantime, some advocates continue to push to make WAGE\$ a fully statewide program, not county dependent, while others are exploring how to advance a Tri-Share model which pools early childhood investments from families, employers, and the state (Smart Start, 2024).

The status of North Carolina's most transformational compensation achievement, via the ARPA compensation grants, remains in question. Like all states, North Carolina faces the ARPA funding cliff in 2024, despite this deadline being pushed down the line with stopgap funding. North Carolina advocates are still rallying for increased state funding to continue stabilization grants, which has been included in differing amounts in Governor Cooper's budget proposal and in the budget proposals of the state house of representatives (Childress, 2024; North Carolina Office of the Governor, 2024). Advocates are also pushing to maintain and expand successful wage supplement programs, like WAGE\$ and AWARD\$. Our interviewees identified various political roadblocks to those investments, as well as opportunities for a renewed emphasis on early educator activism. In the following section, we discuss key elements of North Carolina's progress to date, as well as challenges to North Carolina's compensation work moving forward.

Timeline of Key Compensation Initiatives



(FOR THE FULL TIMELINE, SEE **APPENDIX 1**)

Graphic by Center for the Study of Child Care Employment

III. Key Elements for North Carolina's Progress

1. A Focus on Workforce Needs

Recognizing that the workforce is a crucial part of the early childhood system and that current compensation is inadequate, North Carolina has created multiple targeted programs to provide financial relief and educational support.

In our interviews, early education advocates and representatives of the Division of Child Development and Early Education clearly recognized that the ECE workforce is integral to the system. They also acknowledged that low pay and high turnover makes this job challenging. Too often, ECE reform conversations do not directly address the workforce as a key pillar of the system. Even within workforce policies, there is hesitancy to tackle the issue of compensation. An awareness of workforce needs related to higher pay and access to education is not recent, but foundational to North Carolina ECE advocacy and policymaking. This approach is evident in the historic presence of educator-led Worthy Wage activism and the state's early development of multiple long-standing programs that support the ECE workforce. Nevertheless, the initiatives the state has originated to date have limitations despite the promise they hold.

T.E.A.C.H, WAGE\$, and AWARD\$

For more than three decades, some North Carolina policy leaders have demonstrated an awareness of the need for targeted supports for the ECE workforce and the importance of raising compensation along with educational levels. The 1990 launch of the T.E.A.C.H. scholarship program was a direct response to demands from educators and advocates. Even though it does not solve the issue of low compensation, T.E.A.C.H. provides a debt-free or significantly reduced-cost education for early childhood professionals, which often leads to a raise or bonus upon degree completion. The T.E.A.C.H. scholarship program continues to acknowledge and support the skills and aspirations of the workforce.

Similarly, the WAGE\$ and AWARD\$ wage supplements offer important financial relief in the short term, even though they do not fundamentally change the low wages of ECE jobs. WAGE\$ provides education-based stipends of \$1,500-\$2,000 every six months to eligible center-based educators and family child care providers who earn less than the specified income cap. During the pandemic, raises provided through ARPA compensation grants were not counted toward the income cap, and for a brief period, the cap was removed entirely.

The AWARD\$ education-based wage supplement is modeled on the WAGE\$ grant program but targets early educators who work with infants and toddlers. The AWARD\$ program offers six-month wage supplements to eligible center-based educators and family child care providers, with average stipend amounts around \$1,200. The income cap for this program was raised to \$20/hour in 2023, expanding access to the program. Unlike WAGE\$, the AWARD\$ supplement is available statewide.

CCSA regularly reports findings on the participants in WAGE\$ and AWARD\$, who show reduced financial stress (indicated by increased ability to pay bills and/or address basic needs) as well as lower rates of turnover (CCSA, n.d.a.; CCSA, 2023d; CCSA, 2023f). Recent research on a similar stipend initiative in Virginia has demonstrated similar findings, with educators reporting that the extra income helped them to meet basic needs (food, housing, paying off debts, etc.) and allowed them to remain in their teaching position longer than they would have otherwise (Bassok et al., 2021, 2023). CCSA reports that many directors feel WAGE\$ is an important strategy for retaining staff, and members of the workforce share that these stipends make them feel valued (CCSA, 2023b). Similar sentiments were echoed in our conversations with early educators who receive one of the two supplements. Educators said that the programs make them feel recognized as professionals and like they are being rewarded. Some recipients explained that the funds have allowed them to save money or to spend more on taking care of themselves and their families.

While the wage supplement programs have been beneficial to many, some educators we spoke with noted challenges in accessing the funds. For example, some eligible educators may be unaware of the programs, depending on local outreach. In the case of WAGE\$, some educators cannot benefit from the wage supplement because they live in a county that doesn't offer the program or they live in a county where it is offered but they are paid just above the income cap and still experience the hardships of low compensation. Other identified challenges included long wait times, difficulties navigating new tax implications, or being bumped off eligibility for public assistance programs.

Despite a generally positive assessment of WAGE\$, the program is often under temporary funding or on the list of potential budget cuts in counties where it is available. Advocates and educators have proposed changes to the program, including making it available statewide (like AWARD\$) and providing more funds to both WAGE\$ and AWARD\$ to increase stipend access and amounts.

ARPA Compensation Grants and Model Salary Scale

More than any other state initiative, the ARPA grants created an opportunity for programs to fundamentally alter base pay and benefits, if only for a limited time. According to the educators we interviewed, the increased wages from the compensation grants improved their well-being. They also shared that this financial boost stopped some providers from leaving the ECE field for other jobs and encouraged others to enter the field. There was a shared sentiment across interviews that these grants provided an increased level of recognition for the profession. Educators also said they felt more excited about the direction of early care and education in North Carolina. Speaking about the amount she received with the stabilization and compensation grants, one family child care provider remarked:

“It’s what I think I deserve because I am a professional. I’m experienced, and I’m educated, and I do provide a valuable service to the families in my community.”

— Family child care provider

The barriers early educators faced in accessing ARPA grants were mostly technical. Educators had to submit receipts as a requirement for participation. They also had to navigate tax implications that were sometimes unexpected, particularly for family child care providers who were sole proprietors and would take on the whole of the grant amount as both the business owner and, often, the sole employee. In one case, expensive healthcare costs for both a center-based educator and her family clawed back much of what she received:

“It’s quite hefty if you carry yourself and your family. The check that I got, probably half of it was going into health care.”

— Center-based infant-toddler teacher

And while some programs opted to use the compensation grant to raise base pay, others just provided a bonus. For some of the educators we spoke with, while the payment was appreciated, the lack of transparency from employers around how much they would receive—and when—diminished the value of the final amount and the feeling of support that it conveyed.

“We were working all the way through. We never closed. The bonuses did help a lot... We still needed the money, and it was good to have the extra, but sometimes they would tax it to death... I was talking to another person that was at another center just recently, and they were talking about the bonuses they were getting, and their bonuses were much higher than ours. But their centers were much smaller, and we’re so big. I’m not sure exactly who decided how much money we’re supposed to get and didn’t really understand what was going on and where exactly was it coming from.”

— Center-based infant-toddler teacher

As mentioned earlier in this report, the ARPA grants encouraged programs to use the salary scale developed by the NCICDP and CCSA Compensation Collaborative. This salary scale uses a statewide living wage as a floor (with plans to update it with inflation) and references educational attainment to set higher benchmarks with the intention of reaching pay parity with entry-level teachers in public schools. A May 2023 revision added a section on required and voluntary benefits (North Carolina Early Childhood Compensation Collaborative, 2023).

Of note, the scale is inclusive of the entire ECE workforce, including family child care providers. The salary scale’s creation was driven by core values about what constitutes a good job, or as one advocate put it, a “compensation philosophy” that can also be tailored to the priorities of any program that wishes to adapt the scale to their needs and goals. A toolkit now exists as an unfunded resource, intended to be used to prompt conversation and action in the field, along with the accompanying [NCICDP Salary Scale Toolkit](#). Several of the educators we spoke with were unaware of these resources but liked the idea of a salary scale.

“We’re trying to be clear on the values that drive our scale, which is primarily education and equity. But it can look very different depending on the values in your program and what you want to promote and build into staff.”

— ECE advocate

Despite North Carolina leaders’ clear, dedicated focus to addressing workforce needs, a tension emerged in our interviews around professionalizing the field, especially when tying compensation with quality (as measured by increased education and certification). Excluding the time-limited ARPA compensation grants that were available to all programs and their staff, North Carolina initiatives have typically used an “education-forward approach,” where advanced compensation has been tied to educational attainment. The idea of professionalizing the field by simultaneously increasing education and compensation emerged as advocates and state leaders’ overarching vision for early care and education, though not everyone agreed on the success of this strategy. Some of the educators and system-level leaders we spoke with maintained that higher education is an important part of professionalizing the field, gaining respect, and building confidence.

“We’ve always tried to push compensation with education. Unfortunately, the education moved forward faster than the compensation bit. While we made some small gains [on compensation], it was never significant.”

— ECE advocate

Other interview participants pointed out that the “education-forward approach” may pose challenges for equity. If higher wages and respect require access to education, but systematic barriers to accessing education are not addressed, then an “education-forward” approach may leave some educators further behind. Some of our interviewees were concerned that the existing pathways for education are not culturally responsive or accessible for everyone, making education-based compensation programs unfair.

“We can’t be coupling everyone’s financial stability with their ability to engage in these other efforts. Because for whatever reason—whether it’s unidentified learning disabilities or they have four kids and those kids have homework, there’s so many reasons why those things are challenging—it’s not always putting the onus back on the workforce to perform in order to get compensation. They should be compensated because the work they do is important and they’re valuable people.”

— ECE advocate

This tension that emerged in our interviews is not a new issue, but one that movement activists, particularly early educators, have been calling attention to for years (Whitebook et al., 2024). In speaking with educators in North Carolina today about their visions for compensation, the focus seemed to be on the inherent value of their everyday labor of developing the minds of young children and caring for their health and well-being, on offering a base pay and benefits for anyone working in the field, and on valuing early educators’ experience as well as their level of education.

“I think providers who have reached milestone years 5, 10, 15, and 20[...] should further be compensated for what we do, for the longevity, for the experience. I know we’re recognized for education, but we aren’t recognized for education and experience. That’s important, too.”

— Family child care provider

2. Use of Data and Educator Input to Influence Policies

North Carolina advocates and policymakers use workforce data collection to understand educators’ demographics, education levels, and compensation, as well as their aspirations and the barriers they’re experiencing.

Child Care Services Association, in partnership with the Division of Child Development and Early Education, has been conducting regular workforce studies since the late 1980s. These comprehensive studies document the demographics, education levels, compensation, and years of experience in the ECE workforce from the late 1980s onward (CCSA, n.d.b).³ The proliferation and use of workforce surveys was inspired by the National Child Care Staffing Study, a nationwide survey initiated by early educator activists who partnered with researchers in 1990 and then later created a longitudinal salary and staffing study (Whitebook et al., 2024). In North Carolina, this data helped build out and evaluate workforce-focused initiatives over time, starting with the development of the T.E.A.C.H. scholarship program in response to the first workforce study.

“The [T.E.A.C.H.] scholarship came into being as you looked at all the problems, as you thought about, ‘Oh, the workforce clearly wants to go to school, they love what they do, they just can’t afford to do it.’ And so it was listening to them—I think that’s what we’ve done better than any state, is listen to the workforce—and we’ve listened to them through the workforce studies, consistently over and over again. And as we learned more, we would change things.”

— ECE advocate

These studies demonstrate commitment to regularly documenting the compensation and demographics of the workforce, and they reveal slow progress on wages, despite early educator earnings remaining low overall. For example, from 2011 to 2015, center-based starting teacher pay rose 4.5 percent. A similar trend was found from 2015 to 2019, but as of 2019, the median starting wage for lead teachers in child care centers was only \$10.50/hour, and family child care providers earned even less: an estimated \$9.09 per hour (CCSA, 2020).

The 2020 CCSA workforce study also demonstrated that few North Carolina early educators receive comprehensive benefits. For example, only 15 percent of centers offered fully funded health insurance, and more than one half didn’t offer any health insurance to their teaching staff. The lack of benefits was

³ Periodic ECE workforce studies from 2001 to 2019 are available on the CCSA website at <https://www.childcareservices.org/research/workforce-studies/>.

corroborated in our interviews with educators, and when they did mention access to health insurance, it usually came at a high cost.

CCSA also uses program evaluations to propose, promote, and implement workforce initiatives. For example, the Infant-Toddler Educator AWARD\$ program was designed based on positive evaluations of the WAGE\$ program and data from an ECE workforce study that showed wage disparities for infant-toddler teachers in particular.

“We were constantly using data, collecting data, using data, and then looking at where there were holes and trying to develop new strategies or improve old strategies to address various issues.”

— ECE advocate

In addition to using workforce studies, DCDEE has engaged educators directly, especially during the pandemic. DCDEE designed the ARPA grants with input from the field and sought feedback from community groups about the idea of encouraging programs to prioritize pay and benefits through the grants.

“We went to our child care community and asked them, what should we be thinking about for these grants? What do we need to know? And they said there’s two primary things that we’re struggling with. And the first is that [...] they needed flexible funds to pay down debt they had incurred over the pandemic. The second thing was that they needed to be able to pay people more. And they said a bonus isn’t enough, I need to be able to advertise dollars per hour, not quarterly bonuses.... So, that was how we first started thinking about how to structure the compensation grants.”

— State administrator

DCDEE also maintains multiple public data dashboards, including a dashboard that documents the use and reach of the ARPA grants, as well as the impact on ECE jobs and child care capacity, the type of programs and the amount received (North Carolina Division of Child Development and Early Education, 2021, 2023a).⁴ Most states do not maintain this kind of transparent programmatic data that advocates and educators can use to summarize the reach of ARPA grants in the field, and how they are being directed to compensation.

Statewide data and community engagement are important, but care must be taken to ensure that a diverse and broad array of educators’ needs and perspectives are being represented. Some educators we interviewed did not all feel that they were meaningfully consulted on the development of the ARPA grants or wage supplements.

⁴ The first dashboard shows the total child care capacity and jobs that are supported by the grants as a statewide total and county level. The second dashboard shows the total stabilization grant dollars paid to-date to child care programs statewide and a pie chart of grantees by program type.

“They make a lot of decisions on things, but we never are in the loop until after it’s over. I don’t remember ever being a part of how that program was designed, or why it was given, or anything like that. I’m not sure if our educators are involved in that. As far as I know, I wasn’t, because I’m one of those that’s trying to get involved to find out what they’re doing.”

— Center-based infant-toddler teacher

3. Collaboration and Networking Among Leaders

The power of collaboration and relationship building among North Carolina’s ECE advocacy and direct service organizations was a distinct theme across interviews.

North Carolina has a network of leaders working at the state or local level who, over many years, have moved compensation forward. Notably, Smart Start, a private–public initiative established in 1993 to administer multiple early childhood programs, including WAGE\$, has enabled multilevel collaboration via their network of local entities connected by a statewide organization. Likewise, leaders in the Governor’s Office and legislative champions have helped establish early childhood funding and programs. Speaking to the use of historical data and relationships that led to the use of ARPA funds to create compensation grants, one interviewee noted:

“Long-term advocacy and strategy work. It is important to invest in something for the 20- and 30-year horizon. We were able to act quickly because we had 28 years of data behind us, and 20 years of relationships with the field and with our agency partners.”

— State administrator

Leaders throughout the state describe the useful interconnectedness between staff at DCDEE and lead advocacy organizations, many of whom have been colleagues or collaborators throughout their careers. Advocates also spoke about the importance of efforts to involve early educators in campaigns and to collaborate with families and the business community. Many prominent leaders have also worked in the field as teachers themselves, bringing with them their direct experiences and ability to relate to members of the ECE workforce.

“When I’m talking to groups of teachers or providers about [compensation]. [I will mention that] I always had a second job and usually a side hustle, and they’re all nodding along, and I’m, like, oh, gosh, it’s still the same.”

— State administrator

In order to make progress in early childhood policy, policy leaders and advocates have had to generate bipartisan support and work across the party divide. The state established the first bipartisan, bicameral early childhood caucus in the country, which strengthened bipartisan support for early childhood issues and engaged the Chamber of Commerce and business community. The caucus advanced five bills in

2023, including the \$300-million budget request to continue ARPA grants for compensation described earlier in this report (Bell, 2021, 2023). Though the bipartisan caucus has been a key driver for introducing early childhood reform legislation, it continues to struggle to pass bills out of the Republican-controlled state legislature. To address this challenge, one advocate spoke about the need to pinpoint where the legislative blocks exist, even with bipartisan support:

“We have bipartisan people in both chambers who are advocating for this.... It’s not that there’s no support for it. It’s that when it gets to the top two or three people, there’s some people in that upper echelon who are really stopping things.”

— ECE advocate

4. Incremental Solutions Within Constraints

The North Carolina approach to improving ECE compensation is to pursue multiple strategies, a multilayered and incremental approach that responds to the political environment of fiscal conservatism and an emphasis on local control.

North Carolina has developed multiple workforce-focused initiatives, including wage supplements and scholarships with a compensation and financial relief component, while also working to advance a sector-wide salary scale.

“North Carolina has approached [compensation] from a variety of ways. We do not believe that there’s one strategy.... We believe it has to be a multipronged approach.”

— ECE advocate

Not only is compensation being addressed from multiple directions, but multiple levels of funding and governance are being used as programs are implemented at the state and county level, bringing in private or philanthropic investments to supplement inadequate public funding. A state administrator described North Carolina’s ethos as a “multipronged approach with multiple players coming together for an end.” In this vein, North Carolina has a history of beginning initiatives locally, and as pilot programs gain traction, they are spread throughout the state and even to other states. Both T.E.A.C.H. and WAGE\$ started as limited pilots and then grew.

Key intermediary organizations help bridge this multilevel and multipronged approach effectively. For example, funds for WAGE\$ flows from DCDEE to North Carolina Partnerships for Children, the overseeing nonprofit Smart Start, and then on to the local Smart Start entities. As noted earlier, these local entities must raise additional philanthropic dollars to supplement state funds. The local Smart Start entities in counties that choose to use their funding to implement WAGE\$ make determinations about the funding levels for the WAGE\$ program as well as the eligibility requirements, such as the income cap (CCSA, 2023b; Smart Start, n.d.; Build Initiative, 2021). Given the choice, the majority of local Smart

Start entities have opted to implement WAGE\$ programs in their counties. Additionally, CCSA acts as an intermediary organization, creatively using available federal, state, and philanthropic dollars to implement many key ECE workforce initiatives, such as wage supplements, scholarships, and workforce studies.

Politically, North Carolina is a purple state, with a history of a divided governorship and legislature. At the time of the case study interviews, there was a Democratic governor, but both chambers of the General Assembly (the state's legislative branch) were Republican controlled. To win state funding for programs like WAGE\$, AWARD\$, and T.E.A.C.H., advocates have navigated a challenging political context. Although early childhood has received bipartisan support in the past, it largely remains a partisan issue. During our interviews, state leaders conveyed that conservative politicians see early care and education as the responsibility of families (primarily mothers) rather than the government. The political context was generally described as trending toward deregulation or toward lessening the role of government in matters related to labor. Interviewees also described North Carolina as a historically low-wage, right-to-work, and anti-union state across sectors.

Additionally, the political emphasis on local (rather than state) control contributes to challenges in raising adequate state funding for transformational change. CCSA and Smart Start entities creatively combine federal and local funding and use local models to put pressure on the state to fund early care and education every year. For example, WAGE\$ remains subject to county discretion regarding use of Smart Start funding, but advocates keep pushing to make it statewide, like the AWARD\$ wage supplement (NCEEC, 2023a).

In a similar vein, North Carolina's approach to using the ARPA grants to target compensation was novel compared to many other states, even while working within the dominant paradigm of prioritizing local control. The specific compensation grant was itself optional for programs. Although grantees had to submit a salary scale, use of the model salary scale (which includes goals of a \$15/hour wage minimum, wage parity with similarly qualified public school teachers, and benefits) was likewise optional. Even though it was not mandatory, the majority of programs opted into the compensation grants, and by 2024, close to one half of all ARPA payments went to compensation payments.

As many interviewees recognized, this environment limits the types of compensation initiatives that can be envisioned and made available. And in response to the political environment, advocates have different opinions regarding the nature of the proposed reforms. In our interviews, we identified a tension around whether funding for the ECE system—and specifically for compensation—can ultimately be a public responsibility overseen and funded by the government. For example, Smart Start, the most prominent statewide funding system for ECE programs, is predicated on local control, requires private or local contributions to supplement state funds, and is continually underfunded at the state level.⁵

In our interviews, there was strong agreement that the system is broken and underfunded, but the prevailing incremental solutions (like WAGE\$) seem to be anchored in helping educators navigate a broken system, rather than shifting it through robust statewide reform. State policymakers described tensions about the role of a state agency in determining how independent organizations pay their staff, raising a fundamental question regarding the role of the state in early care and education. This finding

⁵ As per the organization's formula that shows greater need to fully fund their early childhood programs (Smart Start, 2023).

underscores how North Carolina still grapples with the dueling ideologies of early care and education as a market-based, private service rather than a public good.

Underlying political tensions around the role of public funding in early care and education, some of our interviewees highlighted the ways in which racism and sexism have shaped the positions of the legislature and policymaking. When it comes to ECE policy, devaluing the labor of the ECE workforce is a symptom of entrenched inequities, a challenge that exists nationwide (CSCCE, 2022b; Lloyd et al., 2021). North Carolina’s ECE workforce is made up primarily of women, and more than one half of these teachers are people of color (CCSA, 2020). In 2021, the ECE workforce was more likely to identify as Black than the general state population, highlighting interviewees’ concerns about racism influencing policies to support this workforce.

“Because we’re Black women... What a lot of our older White legislators don’t want to have happen is for Brown and Black women to all of a sudden have money and have power, because that shift of power is absolutely not what they want. And our legislature [...] has continually shown us that what they’re trying to do is consolidate power and to kind of slowly strip power from the masses anyway.”

— ECE advocate

Despite multilevel strategies in North Carolina, there remains a pressing need for large-scale workforce solutions that address systemic racism and chronic devaluation of early care and education, particularly of the people whose labor supports the entire system.

⁶ 51 percent of center-based teachers and 73 percent of FCC providers are people of color, including “those who self-identify as Asian, Black, African American, bi-racial, multi-racial, or American Indian/Native American as well as those who identify themselves as Hispanic/Latinx,” as defined by the survey.

⁷ From authors’ analysis of the 2021 American Community Survey 5-Year Sample, accessed via IPUMS (Ruggles et al., 2023). The ECE workforce is 28.5-percent Black while the statewide population is 20.1-percent Black.

5. A Renewal of Community Organizing and Educator Engagement

Years of incremental progress on compensation highlight political roadblocks and foster an opportunity for a different approach centered on community-organizing and shifting the political paradigm for early care and education in North Carolina.

The persistent low pay and high turnover in the ECE field that have been documented for decades in North Carolina are both a problem and “a symptom of how we are operating and what we’re trying to do and how it’s viewed from the general public,” as one advocate described. Not only are low pay and expensive or nonexistent benefits a pervasive and well-documented experience, but educators we interviewed also spoke about a lack of respect for the work that perpetuates these conditions.

“I think the lack of respect in the field... I think once we get respect, our wages will follow, the benefits will [follow]. We don’t have respect. We are not appreciated for what we do. We’re not appreciated, even if we have an education. We still don’t get respect.”

— Family child care provider

The statewide North Carolina Early Education Coalition (NCEEC), founded in the 1990s, is a key advocate in North Carolina that helped to establish the existing wage supplements. Building on years of advocacy and support for educator activism, NCEEC relaunched the Worthy Wage campaign in 2021 (North Carolina Early Education Coalition [NCEEC], 2023b; CSCCE, 2022a). Spurred on by the 2019 workforce study that revealed the slow progress on compensation and the impacts of the COVID-19 pandemic, this campaign recognized that the existing targeted wage supplements and scholarships were inadequate in scope to substantively improve compensation and that a greater commitment to address rights, raises, and respect was needed (NCEEC, 2021).

“I’m glad that [the North Carolina Early Education Coalition] are shining a light and letting us really understand the struggle so that we can come together as a group, a powerful group, because I don’t think we understand how powerful we could be if we get together and organize.”

— Center-based infant-toddler teacher

Across our interviews, we heard the acknowledgment that decades of advocacy have made only incremental progress. Existing wage supplements aren’t enough to address compensation, and current advocacy strategies have not been able to overcome political barriers to funding compensation solutions at scale. Interviewees emphasized the current leaders and their relationships as a core component of progress, and as they retire or shift out of their leadership roles, existing compensation programs may be

threatened. There is a need for a new leadership community and a system-wide vision for the future of early care and education and the quality of ECE jobs.

Educators and advocates we interviewed discussed the need for new strategies. Some of them specifically referenced a shift to community organizing and base-building with educators, especially capitalizing on the energy that the ARPA grants brought. The breadth of eligibility for the ARPA grants and their intentional focus on advancing compensation was galvanizing for the workforce, showing what is possible when robust funding is available. Additionally, advocates are hopeful that the salary scale can be used as a tool to get programs and educators talking about compensation, identifying the funding gap, and ultimately, advocating for public funding.

Deeper truths about systemic power imbalances and racial inequities must also be acknowledged to help explain why the decades-long push for compensation has not yielded more progress. This recognition underscores the need for electoral strategy and community organizing: the need to shift away from proposing and defending incremental solutions within the political paradigm and towards building political power to redefine the political context.

“We have to acknowledge some deeper truths about why we haven’t made progress. We have to think about what that means for how we’re doing community engagement. You know, I was talking with a family child care [provider] the other day [who said], ‘I’m doing work in my community, and I’m still an early childhood advocate, but I’m switching my time to work on voting efforts because we gotta get rid of people.’”

— ECE advocate

Educators we interviewed want to organize to share their experiences and to inform policies and public support for early care and education. Their desire for building power together to impact change on the system they work within is undeniable. The creation of an organization or network in which they feel seen, represented, and able to exert their collective power is an opportunity that remains to be realized. In the spirit of the Worthy Wage movement, this is an opportunity to ensure power is built with and by educators.

“I was asked to join a group of 100 across the state to talk about early childhood and what drives low wages[...] because of race, because of women, because of all these things. They’re trying to get us organized, but I still don’t see us being organized. We’re being educated about what’s going on, but we still are not able to get organized... I think [policymakers] are making a lot of decisions, but they’re not having us at the forefront in numbers.”

— Center-based infant-toddler teacher

“I would say: Listen to the teachers. They’re in the classroom with these kids, and they’re worth their wages. We’re worth it. Being an educator—I do it for the children because I love working with the infants. And because I love what I do, I want to be paid for what I do, to be compensated for what I do. I don’t want a handout, but I want what I’m worth to do it. And honestly, I think the people that make some of these rules up about child care haven’t been in a classroom.”

— Center-based infant-toddler teacher

“I wish there could be a public campaign about early child care providers, early child care professionals, and what we do, so that the community where we live, our states, and our families will know all that we do and what we sacrifice, because I feel like, as long as they don’t respect what we do, we’re always going to be a marginalized profession.”

— Family child care provider

IV. The Path Ahead: “I’m Excited About the Changes That I See”

The future of ECE compensation in North Carolina remains unclear. As of this writing, the pivotal compensation grants funded through ARPA have only been extended until December 2024. The upcoming gubernatorial election poses uncertainty for protecting existing workforce compensation initiatives and for the future of larger reforms in North Carolina.

While the COVID-19 pandemic had a devastating impact on ECE programs and the ECE workforce, it drew attention to the importance of early care and education. North Carolina saw an opportunity for the most widely accessible state funding strategy for compensation advancement, and some educators stepped up to tell their stories and advocate for more funds.

With a new workforce study forthcoming, the impact of the ARPA grants on compensation will be more clear and could be used by the field to advocate for more funding. Alongside the data, the salary scale and toolkit are intended to act as an empowering resource to raise awareness about how advancing compensation requires public funding to fill the gap.

And with these tools, there is a growing awareness of the need to base-build with educators and to develop an electoral strategy or campaign to address political roadblocks. Throughout our interviews, we heard hopeful sentiments around the power of early educators to have a voice in shaping future changes in North Carolina.

“I hate what the pandemic did to the country and to families, to people’s health, but then it did shine a light on family child care. Many different agencies want to hear from us and want to know what we need, and what we want, what will keep us, what will keep our doors open.... I was ready to leave the industry, but now I’m so excited about the direction it’s going in and the renewed interest in what we do and what we need. I have decided for the time being that even though I’m going to get my master’s in education, I’m going to stay with it a little longer, because I’m excited about the changes that I see.”

— Family child care provider

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Appendix 1. Timeline of Key Compensation Initiatives in North Carolina, 1989-2024

1989	<ul style="list-style-type: none"> • Child Care Services Association (CCSA) conducted the first ECE workforce study.
1990	<ul style="list-style-type: none"> • CCSA created the Teacher Education and Compensation Helps or T.E.A.C.H. Early Childhood® Scholarship Program, which provides scholarships and financial incentives to educators employed in licensed programs and enrolled in early childhood programs at participating institutes of higher education.
1993	<ul style="list-style-type: none"> • Smart Start early childhood initiative was approved by Governor Jim Hunt and the state legislature, the General Assembly. It is a public-private funding partnership, with state funds flowing through the Division of Child Development and Early Education (DCDEE) to a state-level administrative nonprofit agency and from there to local coalitions and nonprofit agencies responsible for programs for children from birth through kindergarten.
1994	<ul style="list-style-type: none"> • Child Care WAGE\$® Program launched to provide an education-based salary supplement program for low-paid directors, early educators, and family child care providers working directly with children birth to five. Counties across the state can choose to instate this program. Currently only 64 of 100 counties participate.
2007	<ul style="list-style-type: none"> • The North Carolina Institute for Child Development Professionals created an initial salary scale that had model salaries for educators (master teacher, lead teacher, assistant teacher) in different licensed settings. NCICDP also formed a compensation workgroup.
2018	<ul style="list-style-type: none"> • Infant-Toddler Educator AWARD\$® launched, providing biannual education-based salary supplements to low-paid early educators working full-time with children birth to two in North Carolina.
2019	<ul style="list-style-type: none"> • T.E.A.C.H. National Center’s Moving the Needle Cohort, an 18-month program for eight states to strategize and raise awareness on ECE compensation, brought together leaders from the NC Early Childhood Compensation Collaborative (funded by CCSA and T.E.A.C.H. Center). This initiative laid the groundwork for field research on an updated salary scale.

2020	<ul style="list-style-type: none"> • April: CARES Act funding used to give pandemic bonuses to staff of licensed programs. In April and May of 2020, the state provided child care teachers bonuses of \$950 per month and support staff bonuses of \$525 per month. The state gave out smaller monthly bonuses again in November and December of 2020.
2021	<ul style="list-style-type: none"> • October: A one-time federal investment in North Carolina’s ECE programs was deployed using ARPA child care stabilization grants, with additional optional compensation grants for programs. • November: T.E.A.C.H. released a white paper on salary scales with reference to North Carolina’s salary scale with a living wage floor that approaches parity with elementary school teachers based on education level.
2022	<ul style="list-style-type: none"> • July: Infant-Toddler Educator AWARD\$® Plus launched, expanding eligibility for the existing program. • September: DCDEE announced extension of compensation grants using discretionary ARPA CCDF funds through December 2023.
2023	<ul style="list-style-type: none"> • January-October, Legislative Session: Multiple bipartisan ECE bills proposed, including a \$300-million budget request to continue compensation grants and make the WAGE\$ program statewide. • May: The North Carolina Early Childhood Compensation Collaborative released an updated Model Salary Scale for Early Education Teachers with a toolkit and resource hub. The toolkit includes resources for both center- and home-based care, updates the living wage floor, and offers additional resources on benefits. • September: The General Assembly approved extension of compensation grants using discretionary ARPA CCDF funds through June 2024.
2024	<ul style="list-style-type: none"> • June: End of ARPA compensation grants with federal funding. • June: The General Assembly approved \$67 million to extend compensation grants through December 2024.

Appendix 2. Summary of Compensation and Financial Relief Initiatives in North Carolina, 1990-2024

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Participants	Funding Mechanism	Funding Source
Compensation Grant	Child Care Stabilization Grants: Compensation Grant	10/11/21 to 12/2024	Option 1: Bonuses of \$300 (part-time) and \$600 (full-time) per staff Option 2: Raise Base Pay, \$650-\$1,560 (full-time) or \$325-\$780 (part-time), \$325-\$650 for non-teaching staff; depending on quality rating of program.	N/A	Quarterly payments to programs. Optional compensation grant provides either 1) bonuses or 2) increased base pay or benefits. Grantees were required to use a salary scale and encouraged to use a model salary scale.	ARPA stabilization grants and CCDF discretionary funds Additional investment from State and Local Fiscal Recovery Funds (SLFRF) and CCDF quality improvement funds
Salary Scale	NC Early Childhood Compensation Collaborative Early Education Teacher Model	N/A	Education-based salary scale approaches parity with public school teachers with similar degrees; ⁸ represents the 2022 living wage floor.	N/A	N/A; no funding attached	N/A; no funding attached
Wage Supplement	Child Care WAGES	1994 - present	Average six-month supplement: \$1,219	4,122 (FY 2023) Note: 64 of 100 counties have this program.	Wage supplements to individuals every 6 months	DCDEE administers state funds to NC Partnerships for Children, which disburses to Smart Start local entities, who must raise philanthropic or local dollars. DCDEE uses federal funds (CCDF) for program administration.
Wage Supplement	Infant-Toddler Educator AWARD\$® Plus	7/1/22 - present	Average six-month supplement: \$1,200.	1,483 (FY 2023).	Wage supplements to individuals every 6 months	DCDEE uses federal (CCDF) and state funds for program administration.

⁸ \$20.28/hour or \$42,180/12 months for early educators with a bachelor's degree; \$16.01/hour for early educators with an associate degree; \$14.92/hour for early educators with an infant-toddler certification.

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Participants	Funding Mechanism	Funding Source
One-Time Payment	Pandemic Relief Bonus Payments	April-May; November-December 2020	Originally \$950/month for full-time teaching staff. In November/December, the amount was \$450 (part-time) and \$600 (full-time)	Available for any staff member working at a program including child care centers (pre-K and Head Start included) and family child care providers.	DCDEE paid to child care programs and public school systems that attested to paying staff bonuses.	CARES Act Funds
Educational Support (with Compensation or Financial Relief component)	T.E.A.C.H. Scholarship	1990 - present	Varies based on individual and degree.	2,333 (FY 2023)	Scholarships provide partial support for tuition, books, travel, release time. A raise or bonus is awarded upon completion of education milestones.	State funds