

Is the Child Care WAGES[®] Program an evidence informed initiative? Yes. WAGES[®] is a proven way to increase the education, retention and compensation of early educators, which means higher quality care for children. Brain research makes it clear that early experiences are critical for successful brain development, and making sure these quality early experiences are possible is far more effective than trying to address problems at a later age. It takes a qualified, educated, stable and effective teacher to provide the types of experiences that are needed to build trust and promote learning. The Center on the Developing Child at Harvard University reports that “substantial investments in training, recruiting, compensating, and retaining a high quality workforce must be a top priority for society.”¹ WAGES[®] helps attract educated teachers to the field in the first place who might not otherwise choose it due to typically low salaries and benefits. The additional compensation helps retain those educated teachers and the program encourages (even mandates) additional education.

How do research findings support the need for the Child Care WAGES[®] Program? Research clearly shows the importance of teacher retention and education for the successful growth and development for young children and the role that compensation plays in quality care. The authors of *The Early Care and Education Teaching Workforce: At the Fulcrum* reported that most evidence suggests there are three primary factors associated with teacher quality² and WAGES[®] is designed to address those three issues – professional development/education, compensation and stability.

Why are lower turnover rates so important for children? Stability is one of the key factors in quality early care and education. The bond that children create with their teachers sets the groundwork for learning, enabling better success in school and life. The consistent association of low teacher turnover rates with positive teaching practices³ highlights the need for strategies that increase retention.

Turnover tends to breed turnover. When a program has a revolving door of teachers, it makes it more difficult to provide quality care for children and to improve services, and it may also impact the remaining teachers. The decisions of others to leave may ultimately encourage them to do the same.⁴ As WAGES[®] helps to slow the turnover rate in child care programs, the retention of even one teacher can make a positive difference for the staff, children and the program as a whole.

How does the Child Care WAGES[®] Program reduce turnover? Money! The Child Care WAGES[®] Program is an education-based salary supplement program for teachers, directors and family child care providers. An annual financial award is issued in two installments, each after the

¹ National Scientific Council on the Developing Child. 2007. *The Science of Early Childhood Development: Closing the Gap Between What we Know and What We Do*. Cambridge, MA.

² Kagan, S. L, Tarrant, K, Carson, A and Kauerz, K. 2006. *The Early Care and Education Teaching Workforce: At the Fulcrum (Summary Report)*: National Center for Children and Families for Cornerstones for Kids.

³ Kagan, S. L, Tarrant, K, Carson, A and Kauerz, K. 2006. *The Early Care and Education Teaching Workforce: At the Fulcrum (Summary Report)*: National Center for Children and Families for Cornerstones for Kids.

⁴ Whitebook, M. and Sakai, L. 2004. *By a Thread: How Child Care Centers Hold On to Teachers, How Teachers Build Lasting Careers*. Kalamazoo, MI: Upjohn Institute for Employment Research.

participant completes at least six months in the same child care program. These supplements make early childhood a more affordable and attractive option for educated teachers.

Does increasing the compensation of teachers have an impact for children? There is strong significant evidence of a positive correlation between teacher qualifications and quality with respect to the learning environment in early childhood education settings. The qualifications, compensation and retention of early childhood teachers are the primary indicators of quality in an early care and education program.⁵ Early childhood professionals receiving higher compensation are more likely to provide positive developmental experiences.⁶ Research also suggests that teachers' financial well-being is associated with children's positive emotional expressions and behaviors in classrooms.⁷ WAGE\$ participants have often voiced this by sharing that when they have less stress because of the WAGE\$ supplements, they are able to better focus their positive attention on children in their classrooms, which means children are happier and more open to learning.

According to *High-Quality Early Learning Settings Depend on a High-Quality Workforce: Low Compensation Undermines Quality*, released in 2016 by the U.S. Departments of Health and Human Services and Education, pay for early care and education teachers in the nation is far less than those working with older children. The report stated, "In 2015, the median annual wage for preschool teachers at \$28,570 was 55 percent of the wages earned by Kindergarten teachers (\$51,640) and 52 percent of elementary school teachers (\$54,890)."⁸ The *Early Childhood Workforce Index 2020*, a report by the Center for the Study of Child Care Employment, stated that early educators "face severe pay penalties for working with younger children in all states, with poverty rates an average of 7.7 times higher than teachers in the K-8 system. ... The work of teaching and caring for young children is highly skilled and complex, yet employment in early care and education has largely failed to generate wages that allow early educators to meet their basic needs. Instead, undertaking this work has been a pathway to poverty for many early educators and poses a risk to their wellbeing, with consequences extending to their own families and to the children in their care."⁹

In FY22, 67% of the active WAGE\$ participants earn less than \$15 per hour, which is the starting rate for many employers outside of early childhood, including Amazon. According to a 2019 workforce study, the median wage in NC for teachers and assistants is \$12 an hour, and teachers cite low pay as a primary reason for leaving; 80% of teachers statewide who do not see themselves in the child care field in three years indicate that better pay might entice them to

⁵ Bivens, J; Garcia, E; Gould, E; Weiss, E; and Wilson, V. 2016. *It's time for an ambitious national investment in America's children*. Economic Policy Institute.

⁶ Center of Children, Families, and the Law. 2005. *Compensation of Early Childhood teachers: What value do we place on young children?*

⁷ King, E., Johnson, A., Cassidy, D., Wang, Y., Lower, J., and Duffy, V. 2015. *Preschool Teachers' Financial Well-Being and Work Time Supports: Associations with Children's Emotional Expressions and Behaviors in Classrooms*. *Early Childhood Education Journal*, 44.

⁸ U.S. Department of Health and Human Services and U.S. Department of Education). 2015. *High-Quality Early Learning Settings Depend on a High-Quality Workforce: Low Compensation Undermines Quality*. Washington, DC.

⁹ McLean, C., Austin, L.J.E., Whitebook, M., & Olson, K.L. (2021). *Early Childhood Workforce Index – 2020*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <https://csce.berkeley.edu/workforce-index-2020/report-pdf/>.

stay.¹⁰ In their study, which included detailed interviews with early care and education professionals, Marcy Whitebook and Laura Sakai also found that better pay is most often identified as the way to reduce turnover, and better pay coupled with greater public respect would have an even stronger impact.¹¹ Ninety-eight percent (98%) of WAGE\$ recipients indicated that the supplements either encourage them to stay in their current programs *or* to pursue further education. In addition, 97% indicated that, as a result of WAGE\$, they feel more appreciated and recognized for their work.

Research is clear that children need engaging, stable relationships with the adults in their lives, particularly those children who face greater stress and adversity. Poverty is known to be a significant risk factor and it is often joined with or can exacerbate other sources of stress. Children living in poverty often face nutritional challenges, have less security in their home situations, less access to medical care, more family chaos, potential parental depression and less predictability in their lives overall.

According to the seminal report from the Institute of Medicine and National Research Council, *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*, one problem for children facing these adverse circumstances is that they “usually have parents and other caregivers who are affected by the same conditions of adversity.” The report goes on to say that when parents and caregivers “are managing well, they can help children cope more competently with the ordinary stresses that inevitably occur. When caregivers are stressed, by contrast, they cannot provide this buffering and are instead more often a source of stress for children.”¹²

The well-being of caregivers is certainly linked to their compensation and economic security. Early care and education continues to be an underpaid profession despite the growing expectations of what teachers should know and be able to do. According to the 2019 early childhood workforce study, 39% of North Carolina’s teachers and 37% of assistant teachers used public assistance in the past three years¹³, and research shows that those teachers using public support services for themselves and their children are among those experiencing the most worry.¹⁴

True economic security in the form of adequate and fair pay is the goal, and the Child Care WAGE\$® Program is one opportunity to address the compensation for educated teachers, and subsequently help reduce the stress they feel. In fact, 98% of the WAGE\$ survey respondents in FY22 stated that WAGE\$ does help ease their financial stress, and they often provide feedback

¹⁰ Child Care Services Association. 2020. *Working in Early Care and Education in North Carolina, 2019 Workforce Study*. Chapel Hill, N.C.

¹¹ Whitebook, M. and Sakai, L. 2004. *By a Thread: How Child Care Centers Hold On to Teachers, How Teachers Build Lasting Careers*. Kalamazoo, MI: Upjohn Institute for Employment Research.

¹² Institute of Medicine and National Research Council. 2015. *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press

¹³ Child Care Services Association. 2020. *Working in Early Care and Education in North Carolina: 2019 Workforce Study*. Chapel Hill, N.C.

¹⁴ Whitebook, M., Phillips, D., and Howes, C. (2014). *Worthy Work, STILL Unlivable Wages: The Early Workforce 25 Years After the National Child Care Staffing Study, Executive Summary*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley.

that illustrates that their stress might otherwise impact their ability to focus on the children in their classrooms. For example, one teacher said, “It is important because it helps people like me to be a little more stress free and being stress free helps us to give better care and better education to the children.”

Does the education of the workforce really make a difference for children? Research continues to show the importance of education for those working with young children. The *National Child Care Staffing Study* indicated that formal education and specialized training were significantly associated with higher quality caretaking.¹⁵ In 2003, Marcy Whitebook reviewed eight major research studies on pre-kindergarten quality. The findings not only showed that the retention of educated teachers was critical to the success of young children, but specifically identified the importance of higher education.¹⁶

The most effective preschool teachers, according to Steven Barnett in his article *Better Teachers, Better Preschools: Student Achievement Linked to Teacher Qualification*, have at least a four year degree and specialized early childhood training. Although teacher qualifications alone cannot guarantee teaching effectiveness, the conclusion from research review supports the importance of having educated preschool teachers. Teachers who have earned a bachelor’s degree tend to have more positive interactions with children, have greater sensitivity to their needs and provide richer linguistic experiences.¹⁷

In *High-Quality Preschool: Why We Need It and What it Looks Like*, Dr. Linda Espinosa summarized, “Research has consistently shown that 3- and 4-year-olds who attend a high-quality preschool are more successful in kindergarten and beyond—both academically and socially.” One of her primary recommendations is that teachers need four-year degrees and specific child development training and education.¹⁸ Recent research suggests that the effects of high quality child care continue into the teen years.¹⁹

The study *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation* makes it evident that higher education is necessary and, in fact, recommends a minimum of a bachelor’s degree for lead teachers working with young children, comparable to the requirements in elementary school. The report stated, “The current differential in education requirements lags behind the science of child development and early learning, which clearly indicates that the work of lead educators for young children of all ages is based on the same high level of sophisticated knowledge and competencies.”²⁰

¹⁵ Whitebook, M., Howes, C. and Phillips, D. 1990. *Who Cares? Child Care Teachers and the Quality of Care in America*. Final Report of the National Child Care Staffing Study. Berkeley, Calif.: Child Care Employee Project.

¹⁶ Whitebook, M. 2003. *Bachelor’s Degrees Are Best: Higher Qualifications for Pre-Kindergarten Teachers Lead to Better Learning Environments for Children*. Washington, D.C.: The Trust for Early Education.

¹⁷ Barnett, W. S. Revised December 2004. *Better Teachers, Better Preschools: Student Achievement Linked to Teacher Qualifications*. National Institute for Early Education Research. New Brunswick, NJ.

¹⁸ Espinosa, L. 2003. *High Quality Preschool: Why We Need It and What it Looks Like*. National Institute for Early Education Research. New Brunswick, NJ.

¹⁹ Vandell, D.L., Belsky, J. Burchinal, M., Steinberg, L., Vandergrift, N. and the NICHD Early Child Care Research Network. 2010. *Do Effects of Early Child Care Extend to Age 15 Years? Results From the NICHD Study of Early Child Care and Youth Development*. Child Development.

²⁰ Institute of Medicine and National Research Council. 2015. *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press

How does WAGE\$ help increase education? Because WAGE\$ offers higher supplements as higher education levels are reached, there is the constant incentive to pursue additional coursework. In addition, all education levels below an Associate Degree with at least 24 birth to five focused semester hours are funded on a temporary basis, so participants must make educational progress in order to retain their eligibility.

Through surveys, teachers have repeatedly shared that the compensation provided through WAGE\$ not only motivates them to continue in their education, but often makes it financially possible. A sample of participants funded at temporary levels was contacted during the year to learn more about their educational plans and potential barriers. Out of the completed calls in FY22, 77% indicated that they intend to take coursework in order to remain eligible for their WAGE\$ supplements and 51% said they had completed new coursework since their last submission.

Does the Child Care WAGE\$® Program have written guidelines? Yes. WAGE\$ has a written policy manual with text reaching nearly 200 pages. Staff members receive written updates as applicable and the full manual is revised annually to include all updates and changes. This extensive document is provided as part of the licensing agreement with other states that have elected to replicate the WAGE\$ model. While they receive direct training, the copyrighted WAGE\$ manual is written to provide the necessary instruction and guidelines to successfully operate the program.

How does the Child Care WAGE\$® Program ensure that fidelity is maintained in its implementation? The Child Care WAGE\$® Program mandates consistency in its policy application, transcript review and program implementation. To help assure this level of quality, staff must adhere to all policies and procedures listed in the manual described above. WAGE\$ conducts multiple quality control measures to secure greater consistency and accuracy. An approval system is in place for much of the WAGE\$ work, including educational assessments and award amounts. This system involves a double check of accuracy by a supervisor who must then sign off that the work has been approved. WAGE\$ counselors, who process the work, have specific performance measures for which they are accountable and the regular assessments of accuracy determine the score for one of many high standards the team is expected to achieve.

Does the Child Care WAGE\$® Program have a strong logic model? Yes. The Child Care WAGE\$® Program does have a logic model that reflects the goals listed here. The logic model may be found online on the Child Care Services Association website: www.childcareservices.org.

Does the Child Care WAGE\$® Program have a history of demonstrating positive results? Yes. WAGE\$ reports on a semiannual basis to local funding Smart Start partnerships. The mid-year report includes extensive data tables showing participant demographics, educational assessments, payments made and turnover rates to date. Those data tables are updated for the annual report and are submitted along with a detailed narrative covering the program's outcomes and evaluation findings. Feedback from recipients is also shared.

WAGE\$ has consistently met its statewide outcomes. For the last decade, for example, the statewide WAGE\$ turnover rate has ranged from 12% to 16%, significantly lower than the 25% goal originally established by Smart Start's Performance Based Incentive Standards, renamed

Community Early Childhood Profile - Smart Start Measures of Impact, and well below the national average thought to be between 30 and 40%. WAGE\$ recipients have continually shown significant educational progress, with 87% of the active participants in counties with at least two years of experience on WAGE\$ having at least the Associate Degree with 24 birth to five focused semester hours *or* submitting coursework in FY22 to document their progress. WAGE\$ recipients have repeatedly reported satisfaction with the program (99% satisfaction rate for recipients in FY22) and have identified WAGE\$ as a significant reason why they either stay in their child care programs or return to school. Due to the availability of higher tiers (award amounts) and growing education levels, WAGE\$ has also seen a dramatic increase in the average six-month supplement from \$876 in FY12 to \$1,203 in FY22.

Has the Child Care WAGE\$® Program been rated as “promising” or “emerging” by at least one source that rates evidence-based programs? While the Child Care WAGE\$® Program has not been officially rated as an evidence-based program, it has been recognized as evidence-informed by the North Carolina Partnership for Children and as a promising practice or potential compensation model by many different credible sources, including the following:

- Build Initiative²¹
- Center for Law and Social Policy (CLASP)²²
- Financing Child Care in the United States²³
- Hunt Institute²⁴
- Institute for Women’s Policy Research²⁵
- Linking Economic Development and Child Care Research Project²⁶
- National Association of Child Care Resource & Referral Agencies (NACCRA)²⁷
- National Child Care Information and Technical Assistance Center (NCCIC)²⁸
- National Organization for Women (Women’s Enews)²⁹

Child Care Services Association was asked to testify before Senate and House Congressional Committees about the workforce and strategies to address education, compensation and retention. The Child Care WAGE\$® Program was part of this testimony. WAGE\$ was the model

²¹ Dichter, H. and LiBetti, A. 2021. *Improving Child Care Compensation Backgrounder October 2021*. The BUILD Initiative. Retrieved from <https://buildinitiative.org/resource-library/backgrounder-on-compensation-in-child-care/>

²² CLASP. 2007. *Charting Progress for Babies in Child Care: A CLASP Child Care & Early Education Project*. Retrieved from <http://www.clasp.org/babiesinchildcare/states?id=0030>.

²³ Mitchell, A, Stoney, L. and Dichter, H. 2001. *Financing Child Care in the United States*. The Ewing Marion Kauffman Foundation. Kansas City, MO.

²⁴ Hunt Institute. 2022. *Hunt-Lee Commission Final Report*. Retrieved from: <https://hunt-institute.org/wp-content/uploads/2022/04/HI-HLC-FinalReport-2022-wSig-Digital.pdf>

²⁵ Gault, B., Goergen, E., Kiflu, F and Murphy, H. 2004. *Building a Stronger Child Care Workforce: A Review of Studies of the Effectiveness of Public Compensation*. Institute for Women’s Policy Research: Research-in-Brief Series.

²⁶ Ribeiro, R and Warner, M. 2004. *Measuring the Regional Economic Importance of Early Care and Education: The Cornell Methodology Guide*. Linking Economic Development and Child Care Research Project. Ithaca, NY.

²⁷ NACCRA. 2011. *Supporting the Child Care Workforce: Education and Compensation Initiatives*. Retrieved from http://www.naccra.org/policy/background_issues/child-care-workforce/education-compensation-initiatives.php.

²⁸ NCCIC. 2010. *Workforce Incentive Initiatives: Research and Evaluation*. Retrieved from <http://nccic.acf.hhs.gov/poptopics/resincentives.html>.

²⁹ Curphey, S. 2002. *Bill Would Provide Training for Child-Care Workforce*. Retrieved from <http://www.now.org/eNews/may2002/050202child.html>.

used in the development of the Focus Act – a bill to create a national salary supplement program for the early childhood workforce.

In 2015, Child Care Services Association, through the Child Care WAGE\$® Program, was a finalist for the Drucker Award, which recognizes innovative and promising change in programs that are highly effective and that have made a difference in the lives of the people they serve.

As the field is urged to move forward with higher education, the need to compensate fairly is key. *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation* identifies the Child Care WAGE\$® Program as a strategy for addressing a complicated compensation issue.³⁰ Workforce supports must be available to see genuine advancement in the field.

The Child Care WAGE\$® Program is also identified as a strategy to address workforce compensation in NC's Leandro Plan.

Sample articles, studies and resources that shed light on the critical issue of early educator compensation:

- <https://cscce.berkeley.edu/from-unlivable-wages-to-just-pay-for-early-educators/>
- <https://www.newamerica.org/in-depth/transforming-early-education-workforce/>
- https://www.washingtonpost.com/news/wonk/wp/2016/07/11/the-people-taking-care-of-our-kids-live-in-poverty/?utm_term=.9f9d8dd33b97
- <https://www.newamerica.org/education-policy/edcentral/teacher-well-being/>
- <https://www.nytimes.com/2018/01/09/magazine/why-are-our-most-important-teachers-paid-the-least.html>
- <https://tcf.org/content/report/quality-jobs-quality-child-care/>
- <https://cscce.berkeley.edu/workforce-index-2020/>
- <https://educate.bankstreet.edu/bsec/4/>
- https://nearlyeducationcoalition.org/wp-content/uploads/2021/04/Child-care-crisis-roadmap_infographic.pdf
- https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/blog/compensation_matters_most.pdf
- <https://www.ednc.org/2021-10-04-turnover-retention-early-childhood-educators-better-pay-wage-study-supplement/>

³⁰ Institute of Medicine and National Research Council. 2015. *Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation*. Washington, DC: The National Academies Press