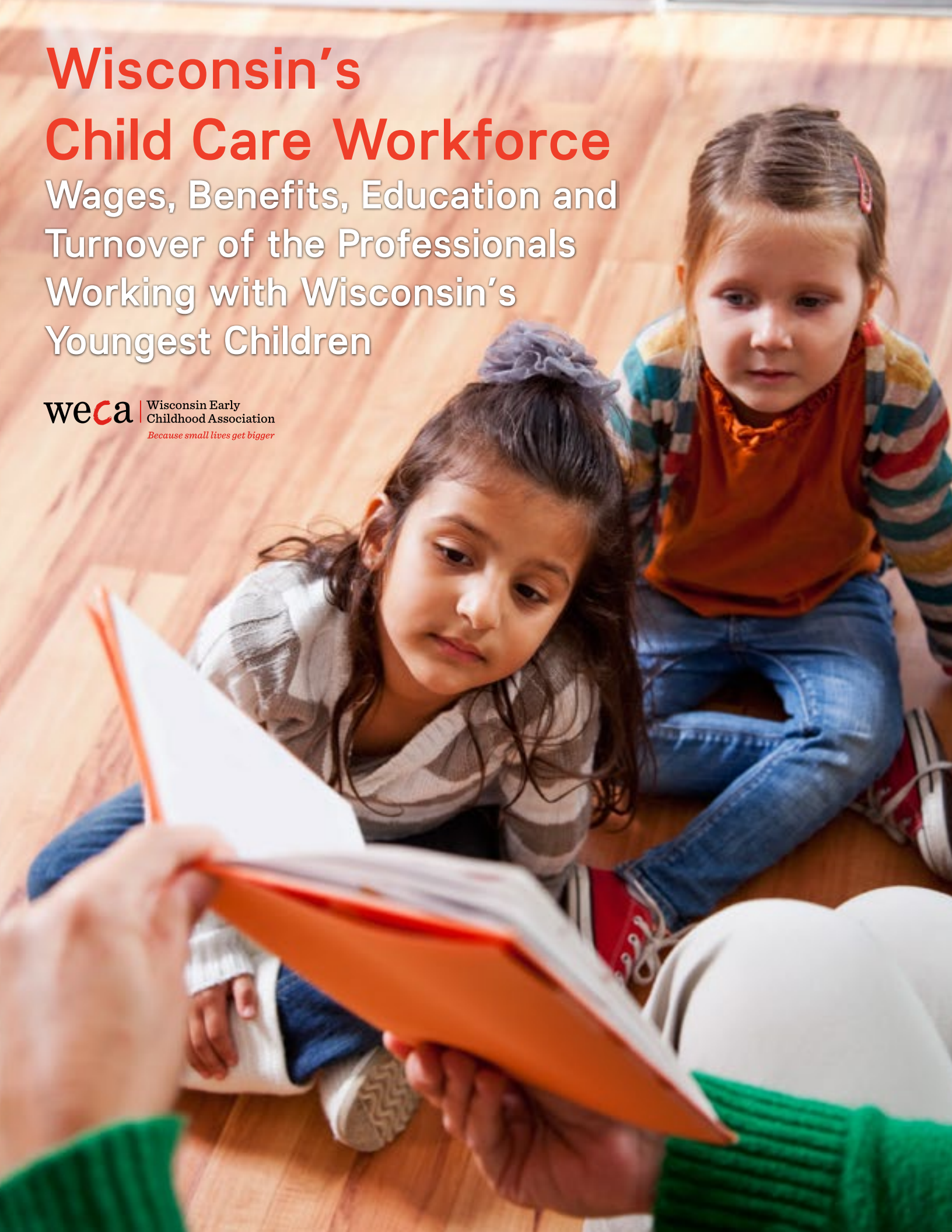


Wisconsin's Child Care Workforce

Wages, Benefits, Education and
Turnover of the Professionals
Working with Wisconsin's
Youngest Children

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Childhood Association
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WISCONSIN'S CHILD CARE WORKFORCE

WAGES, BENEFITS, EDUCATION AND TURNOVER OF THE PROFESSIONALS WORKING WITH WISCONSIN'S YOUNGEST CHILDREN

This study of the Wisconsin Child Care Workforce is the product of many hands. We gratefully acknowledge the input of the directors who provided invaluable reactions and advice on the structure of the survey: Sharlot Bogart, Leighanne Dockerty, Christie Howell-Yrios, Terra Klein and Al-Nisa Nururdin. We are also very grateful to the many child care directors and family providers who responded to this survey. Staff at DCF and the Wisconsin Technical College System provided useful data and feedback for this report. Finally, we gratefully acknowledge the expertise of the WECA Survey team: Peggy Haack, Ruth Schmidt, Jeanette Paulson, Autumn Gehri and Amy Schuster.

The survey sample strategy for this report drew directly on the DCF database which provides the universe of regulated providers and information on their quality ratings if participating in YoungStar. Previous child care workforce samples and surveys were structured quite differently. Therefore, we focus here on the results of the 2015 survey without comparisons to past studies.

ABOUT WECA

Wisconsin Early Childhood Association (WECA) is a statewide nonprofit organization for early childhood professionals. With offices in Madison and Milwaukee, WECA offers professional development opportunities and counseling, educational scholarships, retention rewards, a child nutrition program, and more. WECA advocates for greater public investment in early education and promotes excellence in the child care profession.

ABOUT COWS

COWS is a “think-and-do tank” based at the University of Wisconsin-Madison. We work primarily in the areas of work organization and human capital systems, clean energy, transportation, and government performance. We develop ideas for advancing the high road, test them in practice, and evaluate results. We propagate high-road innovations through technical assistance, public outreach, and the policy learning networks we run for state and local government executives. COWS is nonpartisan but values based. We seek a world of equal opportunity and security for all.

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Data analysis and report: COWS

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COWS
BUILDING THE
HIGH ROAD



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EXECUTIVE SUMMARY

Wisconsin's Child Care Workforce focuses on teachers and assistant teachers working at child care centers and self-employed family child care providers throughout the state. It draws on a 2015 survey developed and conducted by the Survey Center at the University of Wisconsin-Madison (UWSC) and COWS, a research center also at UW-Madison. Information about child care teachers and assistant teachers was obtained through a survey of child care center directors. Information about family providers was obtained via a survey sent to these providers. The response rate for both centers and family providers was over 60 percent and the samples are representative geographically and in terms of the quality of child care in Wisconsin. Here, we present the most important findings of this study.

The Wisconsin Child Care Teaching Workforce (Estimated Total Size)

- 22,100 teaching staff
 - » 19,500 center-based teachers and assistant teachers
 - » 2,600 family providers

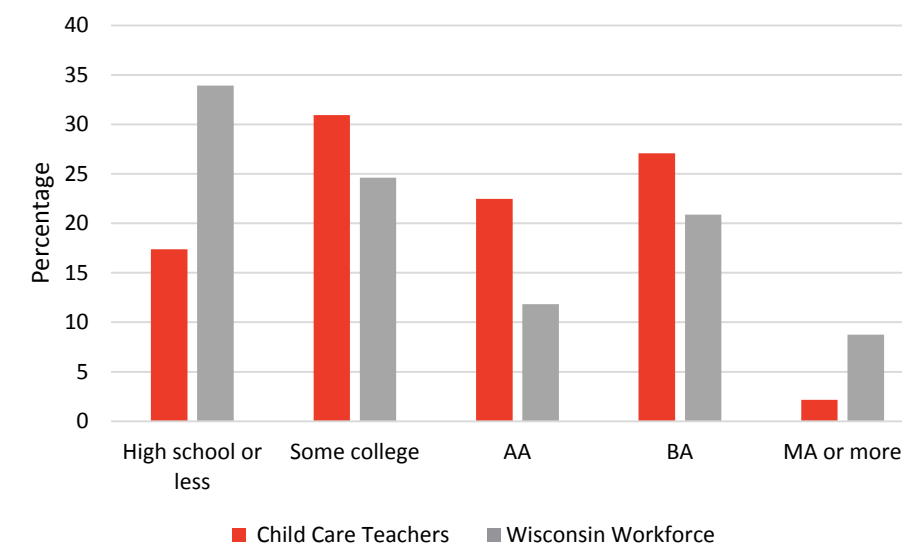
TEACHING STAFF AT CENTERS

- Overwhelmingly women (98 percent)
- Largely white (83 percent) but much more diverse in Milwaukee, where 41 percent of teaching staff are African American and another 11 percent are Hispanic
- 68 percent are teachers (83 percent of whom work full-time)
- 32 percent are assistant teachers (42 percent of whom work full-time)

Teachers are Well-Educated

- Roughly half of the teachers have an associate degree or more education – well in excess of the 41 percent with associate degrees or more in the Wisconsin workforce
- Assistant teachers have considerably lower educational attainment

Educational Attainment of Child Care Teachers Compared to the Wisconsin Workforce



Source: COWS-UWSC Child Care Workforce Study 2015. WI workforce data obtained from 2013 ACS. WI workforce encompasses civilian workers, ages 18-64

Child Care Teachers' and Assistant Teachers' Pay is Very Low

	Teachers	Assistant Teachers
Median starting wage	\$10.00	\$8.50
Median highest wage	\$13.00	\$9.75

Weak Benefits for Teaching Workforce

- 17 percent of teaching staff are eligible for and participates in employer-provided health insurance
- 30 percent of teaching staff are included in some sort of retirement benefit
- More common benefits include paid days off (offered to 51 percent of teaching staff), paid or subsidized training opportunities (83 percent), free or reduced-cost child care (86 percent).

Turnover a Consistent Problem

- 30 percent annual turnover rate of teachers, i.e., a center with 10 teachers would need to replace 3 teachers a year
- 45 percent annual turnover rate of assistant teachers
- Directors report that staffing and filling positions is a growing problem

FAMILY PROVIDERS

- Overwhelmingly women (over 99 percent)
- Largely white (80 percent) but much more diverse in Milwaukee, where 60 percent of family providers are African American
- Typical provider has 15 years of experience
- All have some form of early childhood education training
- One in three family providers has an associate degree or more education

The Median Family Provider

- Works 55 hours per week and 51 weeks per year
- Provides care for six children
- Earns \$2500 per month, while incurring costs of \$1000
- Monthly net earnings are \$1500 per month, or \$7.50 per hour of work
- Most family providers also rely on another source of income; 67 percent rely on spouse's income

Benefits for Family Providers

- Health insurance: 46 percent covered by a spouse, 24 percent purchase health insurance, 20 percent rely on a public program and 8 percent have no health insurance
- Just 22 percent saving for retirement

YOUNGSTAR RATINGS: A NEW CONTEXT

Established in 2010, YoungStar is Wisconsin's system for rating the quality of a child care programs and providing supports to increase quality. Participation is mandatory for all programs serving families on Wisconsin Shares, a child care subsidy program for low-income families. (Participation is voluntary for other programs.) A 2 Star rating is the base level of quality, while a 5 Star rating denotes the highest quality. Wisconsin Shares reimbursement rates are tiered to reward higher quality. Ratings are based on quality indicators in four areas: education of teachers, directors, and family providers; environment and curriculum; business and professional practices; and child health and wellness.

- 78 percent of centers and 73 percent of family providers participate in YoungStar.
- Participating centers are larger than those that are not participating: 87 percent of the center workforce is employed in centers participating in YoungStar.

YoungStar and the Workforce

Centers that have higher quality ratings also:

- Pay higher wages, to both teachers and assistant teachers.
 - » Good news because higher ratings and higher reimbursements are supporting higher wages in the industry.
- Employ teachers and assistant teachers with higher educational attainment.
 - » Good news because the relationship is stronger than one might predict. Currently, star ratings relate only to educational qualifications of directors and lead teachers; these data show that all teaching staff in higher quality centers have more education.
- Have lower workforce turnover.
 - » Good news because consistency of care is related to quality, and the higher wages and higher quality are helping to maintain a more stable teaching workforce.

TEACHERS' AND ASSISTANT TEACHERS' WAGES, EDUCATION AND TURNOVER BY YOUNGSTAR (YS) RATING

	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
TEACHERS					
Wages					
Median starting wage	\$9.00	\$9.25	\$10.00	\$12.00	\$13.00
Educational attainment					
Share with AA in ECE or higher	25%	38%	53%	73%	71%
Workforce turnover					
Annual rate	37%	34%	25%	26%	20%
ASSISTANT TEACHERS					
Wages					
Median starting wage	\$8.00	\$8.25	\$8.50	\$9.25	\$10.00
Educational attainment					
Share with AA in ECE or higher	4%	10%	7%	21%	39%
Workforce turnover					
Annual rate	48%	56%	43%	39%	26%

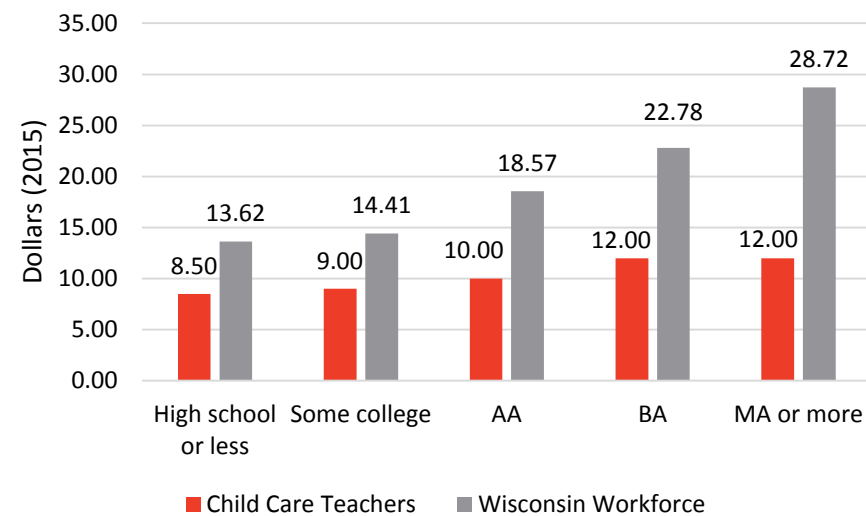
CONCLUSION

The most essential challenge in the child care industry is the tension between the demand for more education within the child care teaching workforce and the very low pay-off for that education. (See the Figure below.) A teacher with an Associate Degree in Early Childhood Education can expect to start at \$10.00 per hour and will rarely make more than \$13.00 – compared to \$18.57 per hour for others in the state workforce who hold an associate degree. The gap for a bachelor’s degree is even larger.

The overwhelming majority of center directors and family providers both report that child care is a harder industry to be in today than three years ago. Center directors point especially to the difficulty attracting and retaining qualified staff. As the economic recovery continues and external job opportunities grow, these challenges are likely to become even more difficult to navigate.

This report makes clear the challenge that confronts directors, providers, and teachers, but also parents and policymakers as well. Child care quality will always be linked to job quality for the child care workforce. The survey shows the evident dedication, strong educational qualifications, and commitment to quality child care of the workforce. It is also clear that YoungStar is helping support quality as well. But equally clear are the serious challenges confronting teachers, providers, and directors. Wages are low, especially given the educational attainment of teachers. Benefits are inadequate. Turnover is too high. Building a strong system of quality child care in the state is possible. But such a system will need to be built on a foundation of substantially improved quality of jobs for the people who provide that care.

MEDIAN WAGES OF CHILD CARE TEACHERS COMPARED TO WISCONSIN WORKFORCE BY EDUCATIONAL ATTAINMENT



Source: COWS-UWSC Child Care Workforce Study 2015. WI workforce data obtained from 2013 ACS. WI workforce encompasses civilian workers, ages 18-64
 *Note: Median wages for child care teachers represent the answers to the survey question, “If you were to hire a new teacher or assistant teacher today, assuming this candidate had at least one year of early childhood education experience, what is the typical starting hourly wage you would pay someone with each of the following educational qualifications?”

1. WISCONSIN’S CHILD CARE WORKFORCE IN CONTEXT

INTRODUCTION TO CHILD CARE

The work of caring for, educating and promoting healthy development of babies, toddlers and preschoolers is an essential societal endeavor. Increasing evidence of the intellectual and social foundations that are built from the earliest moments of life requires increasing social focus on strengthening the quality of care in early childhood.¹ As foundational as it is for children, high quality child care is also a necessity for their working parents and, therefore, to our entire economy. The child care workforce provides the hands and hearts of that essential social foundation. This report focuses directly on that child care workforce in Wisconsin, to shed light on wages and education, benefits and turnover, challenges and progress in the field.

The focus on the child care workforce and their jobs inevitably raises the question of wages in the industry. The field is riddled with low wages and weak benefits. Wages are shown in Table 1.1. Child care workers earn an average \$10.33 per hour (with inflation taken into account, virtually the same as the \$10.20 earned in 1997). This wage is near the minimum and comparable to the earnings of fast food cooks, bank tellers, and nonfarm animal caretakers – all occupations with comparable or lower educational requirements.

Table 1.1: Mean Hourly Wage by Occupation, 1997 and 2013

Occupation	1997 Hourly Wage	1997 Real Hourly Wage (2013 Dollars)	2013 Hourly Wages
Child care workers	\$7.03	\$10.20	\$10.33
Preschool teachers	9.09	13.19	15.11
Kindergarten teachers	16.42	23.83	25.40
Nonfarm animal caretakers	7.67	11.13	10.82
Fast food cooks	6.11	8.87	9.07
Tellers, financial servies	8.24	11.96	12.62

Source: Occupational Employment Statistics (OES) Survey, Bureau of Labor Statistics (<http://stats.bls.gov/oes/>)
 Notes: \$1 (1997) to \$1.45 (2013), based on CPI inflation calculator, Bureau of Labor Statistics (<http://data.bls.gov/cgi-bin/cpicalc.pl/>). Table obtained from Whitebook, Phillips and Howes, 2014, p. 16

¹ Eric I. Knudsen, James J. Heckman, Judy L. Cameron, and Jack P. Shonkoff, “Economic, Neurobiological and Behavioral Perspectives on Building America’s Future Workforce,” National Bureau of Economic Research, June 2006, available at: <http://www.nber.org/papers/w12298.pdf>; James J. Heckman, “Schools, Skills, and Synapses,” National Bureau of Economic Research, June 2008, available at: <http://www.nber.org/papers/w14064.pdf>; Douglas Almond and Janet Currie, “Human Capital Development Before Age 5,” Handbook of Labor Economics 4b (Elsevier: 2010), available at: <https://www.princeton.edu/~jcurrie/publications/galleys2.pdf>.

Further, and important to policy, while there has been a substantial national focus on increasing education in this workforce, the wage rewards for educational attainment in early childhood education are quite limited and much lower than the pay-off to education in other sectors. National median wages for center-based teachers and caregivers with an associate degree are just \$2.00 higher than high school or lower levels of attainment.² Even a bachelor's degree or higher corresponds only to a wage less than \$15.00 an hour. Our survey allows us to look at wages and education in the child care workforce specifically in Wisconsin.

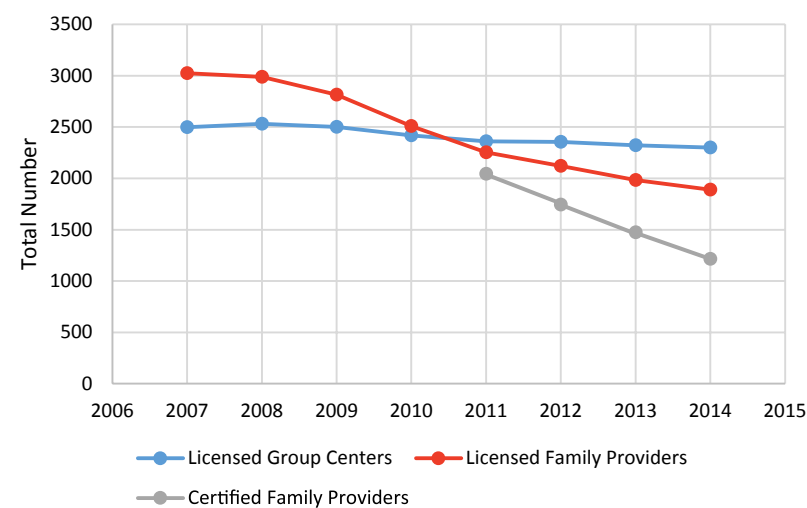
WISCONSIN'S CHILD CARE INDUSTRY

A quick introduction to Wisconsin's child care industry, key subsectors in it, and policy initiatives in the state that have helped to shape the industry provide needed background before we discuss our survey and results.

The Wisconsin Department of Children and Families (DCF) regulates child care in the state and estimates that more than 200,000 children attended regulated programs in homes or centers in 2014. They further estimate that Wisconsin's 2,301 licensed group centers provide care to some 193,000 of those children. Licensed group centers are, therefore, the source of care for the overwhelming majority of children in the state and the most significant employer of the child care workforce. Throughout this report, we call licensed group centers "centers" and refer to those working directly with children in them as "teachers" and "assistant teachers." When we refer to "teaching staff," we are including both teachers and assistant teachers.

A smaller but significant share of child care is carried out in an individual's own home by "family child care providers" (also referred to as "family providers" in this report). According to DCF, Wisconsin has 1889 "licensed" family child care programs that provide care for 23,000 children and another 1,215 "certified" family child care programs caring for 7,300 children.³ Licensing is a more rigorous process of regulation than certification.

Figure 1.1: Wisconsin Child Care Industry: Number of Child Care Centers, Licensed and Certified Family Providers in Wisconsin, 2007-2014



Source: Wisconsin Department of Children and Families Annual Reports on Child Care Licensing and Certification Activity

In this report, when referring to family child care providers we are including those that are either in licensed or certified programs unless a distinction is made. Some family child care providers are both licensed and certified. In these cases, we include them with the licensed group.

Figure 1.1 shows the number of providers in these major groups since 2007. The number of child care centers is down very slightly over this period. The number of family providers has fallen steadily over these eight years.

The child care workforce is the most significant subset of the entire early childhood education workforce, which also includes Birth to Three and Early Childhood Special Education, Head Start and Early Head Start, Home Visiting Professionals, and four- and five-year old kindergarten plus first and second grades in public and private schools.

YoungStar: Wisconsin's Child Care Quality Rating and Improvement System

YoungStar is Wisconsin's child care quality rating and improvement system. It was established in 2010 to provide incentives to improve program quality and to assist families in choosing good care for their children. Quality ratings through YoungStar are connected to financial incentives through Wisconsin Shares, the state's child care subsidy for low-income families. Programs with greater demonstrated quality receive higher reimbursements through Wisconsin Shares. This is the most substantial reward for quality but the state also offers other supports and incentives for higher quality care as well. Programs serving Wisconsin Shares families must participate in YoungStar; for others participation is voluntary. Those choosing not to participate are referred to as "Not Participating" in this report.

YoungStar assesses child care centers and family child care programs on a five-star scale based on key quality indicators in four areas: educational qualifications of teachers, directors, and family child care providers; environment and curriculum; business and professional practices; and child health and wellness. Participation in Wisconsin Shares requires that a program minimally comply with licensing regulations, which is defined as a YoungStar 2 Star program. (A small number of 1 Star centers exist but are not included in this report's analysis.) By July 2015, 3,998 programs in Wisconsin had been rated, with 2,140 rated 2 Star, 1,288 rated 3 Star, 198 rated 4 Star, and 372 rated 5 Star.⁴

Other Supports and Incentives for the Child Care Workforce: The Registry, T.E.A.C.H. Early Childhood® WISCONSIN and REWARD Wisconsin

The state has invested in other programs to help promote quality child care in the state. The Registry, launched in 1991, is Wisconsin's recognition system for early childhood professionals; it establishes career levels based on education and tracks other key data, some of which are used in YoungStar quality ratings. The Wisconsin Early Childhood Association (WECA) administers two programs funded by the state and focused on education, compensation and retention of the child care workforce. T.E.A.C.H. Early Childhood® WISCONSIN is a comprehensive scholarship program available to those already working in the industry and pursuing higher education credits in Early Childhood Education. Scholarship recipients receive a financial bonus from T.E.A.C.H. and a bonus or raise from their sponsoring program upon completion of their contract. They are required to then stay in the field a set length of time, thus raising the educational bar while improving retention of qualified candidates in the field. The REWARD Wisconsin Stipend Program aims to keep well-educated individuals in their jobs by providing monetary rewards based on one's career level in The Registry. REWARD arose to support the economic well-being of career child care providers since there are few opportunities for raises with such low wage caps in the industry.

² US Department of Health & Human Services Office of Planning, Research, & Evaluation (OPRE), "Number and Characteristics of Early Care and Education (ECE) Teachers and Caregivers: Initial Findings from the National Survey of Early Care and Education (NSECE)," Nov. 5 2013, page 12, available at: http://www.acf.hhs.gov/sites/default/files/opre/nsece_wf_brief_102913_0.pdf.

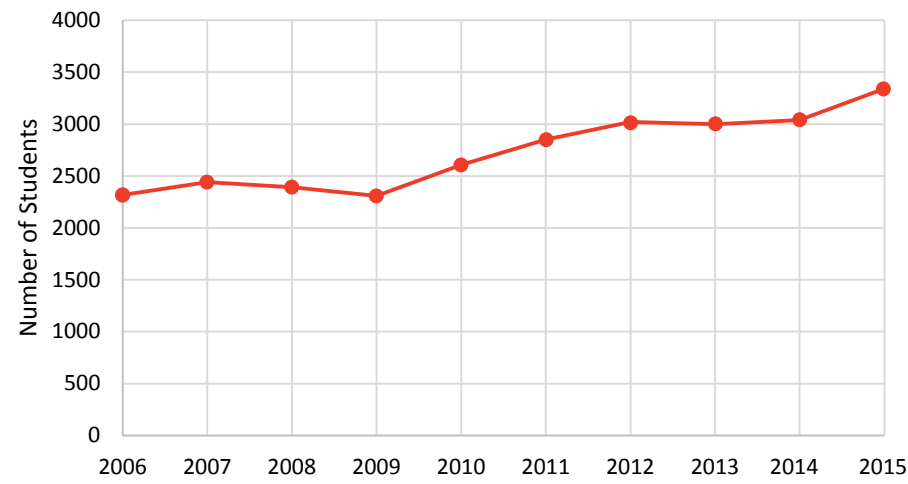
³ Wisconsin Department of Children and Families, "Division of Early Care and Education Annual Report, Calendar Year 2014," page 15, available at: <http://dcf.wisconsin.gov/childcare/pdf/2014-dece-annual-report.pdf>; Wisconsin Department of Children and Families, "Annual Report: Child Care Licensing and Certification Activity – January through December 2014," Mar. 24 2015, available at: <http://dcf.wisconsin.gov/childcare/licensed/SummaryReports/pdf/annualreport2014.pdf>.

⁴ Wisconsin Council on Children and Families, "YoungStar: We're Turning Five! Five Year Analysis as of July 2015," November 2015, page 16, available at: http://www.wccf.org/assets/YoungStarRpt-e-version_FINAL.pdf.

Education and Training for Child Care at the Wisconsin Technical College System

The Wisconsin Technical College System is the source of much of the credit-based training for early childhood educators in the state. Their programs in Early Childhood Education (ECE) have been growing in enrollment over the past decade, in tandem with the growth of the T.E.A.C.H. scholarship program. Figure 1.2 shows that enrollment of students in the Early Childhood Education Associate Degree program, along with three available one-year ECE technical diploma programs, has steadily climbed. (These enrollments are overwhelmingly for the associate degree program, with 3,235 pursuing that degree relative to just 267 total in the one-year technical diploma programs during 2015.)⁵

Figure 1.2: Total Enrollment in Wisconsin Technical College System Early Childhood Education Programs, 2006-2015



Source: Wisconsin Technical College System database

With this context in mind, we will now turn our attention directly to the workforce at the center of this industry. This study focuses on those who do the daily work of care and education for infants, toddlers and pre-school children all across the state. We provide a comprehensive and current picture of their wages, benefits, and education. We shed light on challenges of staffing and turnover. Before we get to our results, following in Section 2 we describe the survey, sample strategy, and response rates. After a brief glance at the child care teaching workforce as a whole, in Section 3 we then turn to results to provide information on teaching staff, wages, education, benefits and turnover in child care centers (Section 4). In Section 5 we discuss the results of the survey of family providers. We close in Section 6 with some reflections on challenges and opportunities that are emphasized by these analyses.

⁵ Data from Wisconsin Technical College System.

2. THE WISCONSIN CHILD CARE WORKFORCE SURVEY

This study was developed and conducted by COWS and the Survey Center at the University of Wisconsin-Madison (UWSC) between March and December of 2015. The survey was designed to document key workforce issues in child care looking specifically at teachers and assistant teachers employed at child care centers and self-employed family child care providers. Information about child care teachers and assistant teachers was obtained through a survey completed by child care center directors. Information about family providers was obtained via a survey sent to these providers and completed by themselves.

The questionnaires for child care center directors and family child care providers were developed between April and September in collaboration with the Wisconsin Early Childhood Association (WECA). The sampling strategy (described below) was developed between July and August. The survey instrument for center directors was pretested with the participation of five child care center directors from the Madison area. Adjustments to the instrument were made and the survey was fielded in October.

SURVEY DETAILS

The survey was a paper questionnaire mailed to center directors and family child care providers along with a \$5.00 cash incentive. The study packet also included a letter from WECA and the Wisconsin Department of Child and Families (DCF) explaining the importance of this study and inviting center directors and family providers to participate, and a pre-paid envelope addressed to the UW Survey Center in Madison. Questionnaires had a label bearing the case identification number for each recipient.⁶ The UW Survey Center collected responses until December 18th, 2015.

SAMPLING STRUCTURE AND STRONG RESPONSE FROM THE FIELD

DCF provided a file of contact information for all child care providers in Wisconsin. COWS and the UW Survey Center reviewed this file and developed a procedure to select a sample of child care providers from this list. The list was divided into two groups: Center child care providers and family child care providers. Center providers included all licensed group centers (N=1,823). Family providers were comprised of licensed family providers and certified family providers (N=2,644). From each group random samples were drawn maintaining proportional representation of providers by YoungStar categories. The study sample of centers included a total of 1,473 child care centers, and the sample of family providers included a total of 400 providers.

Of the 1,473 center directors contacted, 921 completed the survey. Of the 400 family providers contacted, 238 completed the survey. The response rate to the survey was 63 percent for centers and 60 percent for family providers. (When mailings were returned with information indicating the center or family child care provider was no longer in business, these providers were coded out as ineligible.)

⁶ The entire procedure consisted of the following steps. (1) A mailing to the entire sample consisting of the cover letter from WECA and DCF explaining the goals and importance of the survey, a \$5.00 bill, a questionnaire affixed with a label bearing the case identification number, and a pre-stamped, self-addressed, return envelope. (2) This was followed by the placement of reminder phone calls by the staff at WECA, targeting low responding sub-groups to encourage participation. (3) Finally, a reminder mailing was sent to non-responders, consisting of a cover letter bearing the WECA and DCF logos (the reminder letters included much of the same information as the invitation letters, with slight variation to emphasize the importance of responding), a questionnaire affixed with a label bearing the case identification number, and a pre-stamped, self-addressed, return envelope.

SURVEY RESPONSE REFLECTS THE FIELD IN GEOGRAPHY AND QUALITY

The strong response to the survey was evenly distributed both in terms of geography and YoungStar rating. We are, therefore, confident that our sample reliably reflects the reality in the field. Table 2.1 shows the distribution of responses by YoungStar rating. It shows that 2 Star centers account for 19 percent of all centers in Wisconsin and that 2 Star centers are 18 percent of our sample. Reading across the YoungStar levels makes it clear that our sample mirrors the structure of the actual universe of child care centers at each level. For this reason, we are confident that the sample and data derived from it will be representative of the entire teaching workforce employed at centers based on the teachers and assistant teachers represented in our sample.

Table 2.1: Distribution of Child Care Centers in the Universe, Survey Sample and Survey Responses by YoungStar Rating

	TOTAL	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
Universe (WI Centers)	1,823	344	678	98	296	407
% universe		18.9	37.2	5.4	16.2	22.3
Total in sample	1,473	291	566	73	236	307
% sample		19.8	38.4	5.0	16.0	20.8
Responses	921	167	376	55	159	164
% responses		18.1	40.8	6.0	17.3	17.8
% responses/universe	50.5	48.5	55.5	56.1	53.7	40.3

Source: COWS-UWSC Study and DCF list of child care providers in Wisconsin

Table 2.2: Distribution of Child Care Centers in the Universe, Survey Sample and Survey Responses by Location

	TOTAL	Dane	Milwaukee	Waukesha	Rest of WI
Universe (WI Centers)	1,823	201	385	120	1117
% universe		11.0	21.1	6.6	61.3
Total in sample	1,473	153	324	98	898
% sample		10.4	22.0	6.7	61.0
Responses	921	100	147	68	606
% responses		10.9	16.0	7.4	65.8
% responses/universe	50.5	49.8	38.2	56.7	54.3

Source: COWS-UWSC Study and DCF list of child care providers in Wisconsin

The geographic distribution is reasonable but not perfect. Table 2.2 shows that Milwaukee child care centers are slightly underrepresented in our sample: while 21 percent of child care centers operate in Milwaukee, they represent only 16 percent of our sample. The problem of underrepresentation in Milwaukee is concentrated in 2 Star centers. Due to this underrepresentation, we compared wages at 2 Star centers in Milwaukee with 2 Star centers in the rest of the state. We found that their characteristics in terms of wage and working conditions are similar. (See online appendix for these analyses.) Therefore, we believe that this underrepresentation does not pose a problem for the analysis and the generalization of our results as it is not likely to produce a bias in the estimates.

Table 2.3 shows that our sample of family providers is also representative of family child care providers in the state. Here, too, there is a very slight underrepresentation of 2 Star providers in the sample (mostly driven by lower response from Milwaukee) and an overrepresentation of 5 Star provider. However, the discrepancy is small and given the similarity of 2 Star family providers, we are confident that our sample provides a representative look at family providers.

Table 2.3 Distribution of Family Child Care Providers in the Universe, Survey Sample and Survey Responses, by YoungStar Rating

	TOTAL	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
Universe (WI Family Centers)	2,644	1,411	388	74	51	720
% universe		53.4	14.7	2.8	1.9	27.2
Total in sample	400	220	51	11	9	109
% sample		55.0	12.8	2.8	2.3	27.3
Responses	238	116	37	5	9	71
% responses		48.7	15.5	2.1	3.8	29.8
% responses/universe	9.0	8.2	9.5	6.8	17.6	9.9

Source: COWS-UWSC Study and DCF list of child care providers in Wisconsin

3. WISCONSIN'S CHILD CARE TEACHING WORKFORCE

3.1 AN ESTIMATE OF THE TOTAL CHILD CARE TEACHING WORKFORCE IN WISCONSIN

The focus of this survey is specifically those staff in early childhood settings who have direct and consistent contact with children as teachers, assistant teachers, or family child care providers. (We do not include in our survey administrators or auxiliary staff, which may include cooks, janitors, clerical staff, etc.) We are confident that our sample is representative of the broader universe and can, therefore, make a reasonable estimate of the entire size of the child care teaching workforce in Wisconsin. As shown in Table 3.1, we estimate that Wisconsin's child care teaching workforce encompasses roughly 22,000 workers. Around 19,500 of these workers are teachers and assistant teachers employed in child care centers while the remaining 2,600 are family providers.

The results discussed in this report pertain to the child care teaching workforce. When considering the industry, it bears remembering that the overwhelming majority – 88 percent – of this teaching workforce in child care is employed by the state's child care centers while a small but important share (12 percent) are family child care providers. While both family child care providers and teaching staff in centers work directly with children, there are obvious and significant differences in the organization of work and working conditions. We focus on each subsector of the child care workforce in turn. We first focus, in Section 4, on teaching staff employed at child care centers, including both teachers and assistant teachers (the overwhelming majority of the workforce). In Section 5, we provide information on family child care providers.

Table 3.1 Wisconsin's Child Care Teaching Workforce, Estimated Total Size

Type of provider	TOTAL
Centers	19,530
Teachers	13,190
Assistant teachers	6,340
Family providers	2,644
TOTAL	22,174

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

4. WISCONSIN'S CENTER-BASED TEACHING WORKFORCE

Drawing on the responses to the child care workforce survey of center directors, in this section, we describe the teaching staff employed in Wisconsin's child care centers. We provide a quick overview of teaching staff and then turn to key measures of their job quality. Then, we discuss characteristics at centers, including the turnover of teaching staff and workforce issues that most challenge center directors.

4.1 AT A GLANCE: A QUICK OVERVIEW OF KEY RESULTS IN DEMOGRAPHICS AND JOB QUALITY

Child Care Teaching Workforce Demographics

Table 4.1: Demographic Characteristics of Teaching Staff at Wisconsin Child Care Centers

	All teaching staff	Teachers	Assistant Teachers
Gender (shares)			
Female	98%	98%	97%
Male	2	2	3
Race (shares)			
White	83		
Black	8		
Hispanic	4.5		
Other	4.5		

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Table 4.1 shows key demographic characteristics of teachers and assistant teachers in Wisconsin. There are few surprises here. In terms of gender, the teaching workforce employed at child care centers is almost entirely female: 98 percent of teachers and 97 percent of assistant teachers are women. Roughly in line with state demographics, teachers and assistant teachers are also predominantly white. In the state, 83 percent of teachers and assistant teachers are white, while about 8 percent are African American and 4.5 percent are Hispanic.⁷ The remaining 4.5 percent consists of workers who are Asian or of other identities that are represented in very small proportions. The child care workforce is slightly more diverse than the state population: 88 percent of the state population is white compared to 83 percent of the child care workforce.

⁷ Given suggestions on survey design and complexity during review, we used a single question on race/ethnicity rather than separating these into two questions.

Table 4.2 Educational Attainment of Child Care Center Teaching Staff and Wisconsin Workforce

	Teachers	Assistant Teachers	Wisconsin Workforce
Educational Attainment (shares)			
High school or less	17.4%	33.8%	33.9%
Some college	30.9	47.6	24.6
Associate degree	22.5	10.0	11.8
Bachelor's degree	27.1	8.2	20.9
Masters or more	2.2	0.4	8.8

Source: COWS-UWSC Child Care Workforce Study 2015. WI workforce data obtained from 2013 ACS. WI workforce encompasses civilian workers, ages 18-64

The educational attainment of teaching staff at centers is substantial. We will explore education in much greater detail, but even the first take based on Table 4.2 is important: 77 percent of all teaching staff have education beyond high school and 38 percent have completed a post-secondary degree (an associate degree or higher). More striking, however, teachers' educational attainment is substantially higher than the broader Wisconsin workforce. For example, more than half of teachers (52 percent) have an associate degree or higher. Just over 40 percent of the Wisconsin workforce has education at that level. Assistant teachers' educational attainment is slightly lower than the state average though anecdotally, some assistant teachers are working in jobs while they are in school.

DATA INSIGHT: THE "MEDIAN WAGE" AND WHY WE USE IT

The median wage and the average wage are simply two different ways to summarize, with a single number, a given distribution of wages. As we do in most of our research, throughout this report, we report the median wage of workers.

The average (or mean) wage is calculated by summing all wages reported and dividing the total by number of cases in a sample. As a result, the mean is sensitive to extremes. Adding just one case with an extremely high wage can "pull" the average toward the top in a way that misrepresents the real level for most workers. The median wage is a different measure and less sensitive to extreme values. The median is, literally, the value at the exact middle of the distribution when it is organized from lowest to highest wage. As such, the median represents the wage earned by workers in the middle of an occupation. In this sense, the median is our preferred way to describe wages. (In fact, median and average wages are fairly close together in child care. Certainly much more so than in occupations with very high wage disparity from bottom to top.)

Child Care Teaching Workforce Wages and Job Quality

Table 4.3 shows median wages of teaching staff at child care centers. For each center, for both teachers and assistant teachers, we asked two wage questions. First, we asked the "starting wage" currently offered to new hires then we asked highest wage paid. We find that the median starting wage for a child care teacher is \$10.00 per hour, while the median highest wage among teachers is \$13.00 per hour. Assistant teachers' wages are lower. The median starting wage for an assistant teacher in Wisconsin is \$8.50 per hour and the median highest wage for assistant teachers is \$9.75 per hour.

Teachers are much more likely to hold full-time work than assistant teachers. The vast majority of teachers, 83 percent, work full-time. In contrast, less than half of assistant teachers, 42 percent, work full-time. Hours of work is critical to earnings but also to benefits. Many employer-provided benefits, perhaps most notably health insurance, are only extended to full-time workers. Of the teaching workforce at centers, half of full-time workers are eligible to take part in health insurance plans offered by the child care center where they work, while just 13 percent of part-time workers are. As a whole, 39 percent of the child care teaching workforce is eligible for employer-provided health insurance. Importantly, of those eligible to participate, just 44 percent actually do. As a result, just 17 percent of the entire teaching workforce employed at centers secures health insurance through their work.

Table 4.4 also shows child care teachers' access to other benefits. One widely available benefit is access to free or reduced-cost child care: 86 percent of workers work at centers that offer free or reduced-cost child care for children of employees. This benefit can be quite valuable when children are young though the value is concentrated in the child's preschool years. Retirement benefits, so critical to workers' income as they age, are much less common. Indeed, just under one-third of the teaching workforce (30 percent) receives employer contributions to a retirement plan. Further, about 89 percent of workers work at centers that offer paid holidays, 83 percent work at centers that offer paid or subsidized training for professional development to all their employees, and 51 percent work at centers that offer paid days-off to all their employees. The typical number of paid days-off per year is seven.

Table 4.3 Wages and Hours of Teaching Staff at Child Care Centers

	Teachers	Assistant Teachers
Hourly Wages		
Median Starting Wage	\$10.00	\$8.50
Median Highest Wage	\$13.00	\$9.75
Hourly Status (shares)		
Full-time	83%	42%
Part-time	17	58

Source: COWS-UWSC Child Care Workforce Study 2015

Table 4.4 Benefits of Teaching Staff at Child Care Centers

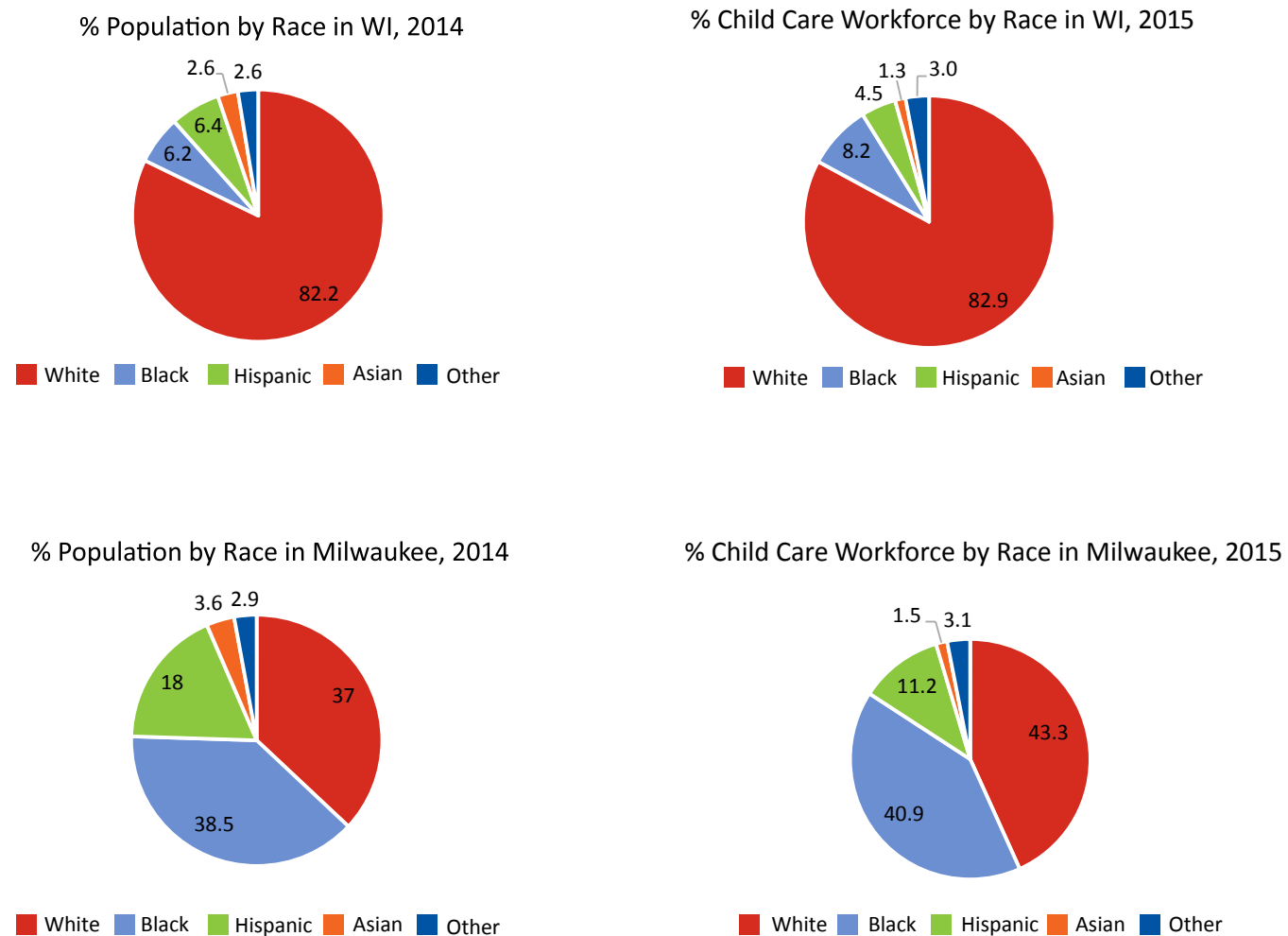
Benefit	Share of Workforce
Health Insurance	
Share Eligible	38.7%
Share Covered	16.8
Retirement Plan	
Share Eligible	29.8
Share or Workforce Covered by Other Benefits	
Paid days-off for all employees*	50.5
Paid holidays*	88.9
Paid or subsidized professional training for all employees*	83.2
Free or reduced-cost child care*	85.8

*Indicates percentage of workers employed at centers that offer this benefit (not direct beneficiaries)
Source: COWS-UWSC Child Care Workforce Study 2015

4.2 GEOGRAPHY AND RACIAL AND ETHNIC DIVERSITY

Milwaukee's child care teaching workforce is substantially more diverse than the state teaching workforce. Statewide, 83 percent of child care teachings staff employed at centers are white. In Milwaukee, just 43 percent of the workforce is white while 41 percent of the teaching workforce is African American and 11 percent is Hispanic. These comparisons can be found in Figure 4.1.

Figure 4.1: Race/Ethnicity of Child Care Teaching Staff and Population in Wisconsin and Milwaukee



Sources: Percentages for WI and Milwaukee population obtained from the American Community Survey 2014 (one-year estimates). Percentages for the child care teaching workforce obtained from COWS-UWSC Wisconsin Child Care Workforce Study 2015.

4.3 EDUCATION, EARLY CHILDHOOD EDUCATION DEGREES, AND QUALITY

We previously showed that teachers in child care centers have relatively high levels of educational attainment. Here, we spend a bit more time looking at degrees specific to the early childhood field as well as to the connections between YoungStar quality ratings and the educational attainment of the teaching workforce

Increasing educational attainment for early childhood teachers and increasing the number of teachers with specific early childhood education (ECE) degrees has been a national and state policy priority in recent years.⁸ Table 4.5 shows not only the high number of post-secondary degrees, but also the specific early childhood education specialization of many teachers. The majority of those who have an associate degree received their associate degree (AA) in Early Childhood Education (18.6 percent of all teachers or 83 percent of those with an AA) and about half of those who have a bachelor's degree received their bachelor's degree (BA) in Early Childhood Education (14.4 percent of the total or 53 percent of those with a BA).

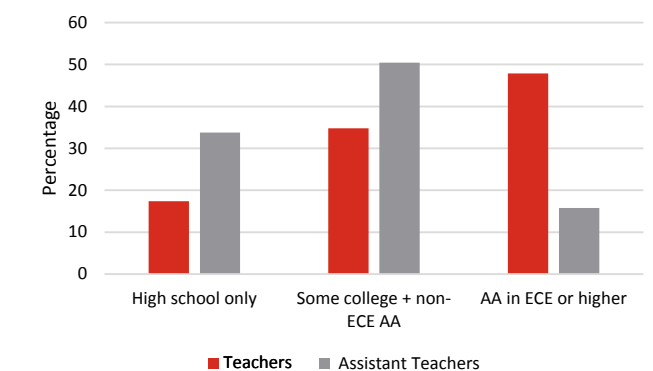
Figure 4.2 groups these detailed educational attainments into three levels. At a minimal level (on the left of Figure 4.2), we show the share of the workforce with no education beyond high school. In the second set of columns (middle of the figure), we show the share of teachers and assistant teachers with some college but no degree or an associate degree in a non-early childhood education field. In the right hand group, we include all those with Associate Degrees (AA) in Early Childhood Education, Bachelor's degrees (BA) in any field, and more advanced education. This makes it clear that teachers have substantial and directly relevant education for their jobs in early childhood care and education. Nearly half of child care teachers are in the highest group with an associate degree in ECE or education beyond that.

Table 4.5: Educational Attainment of Child Care Center Teaching Staff

	Teachers	Assistant Teachers
Educational Attainment (shares)		
High school only	17.4%	33.8%
Some college	30.9	47.6
Associate degree	22.5	10.0
<i>In ECE</i>	18.6	7.2
<i>In other field</i>	3.9	2.8
Bachelor's degree	27.1	8.2
<i>In ECE</i>	14.4	1.7
<i>In other field</i>	12.7	6.5
Master's or higher	2.2	0.4

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Figure 4.2: Educational Attainment of Child Care Center Teaching Staff



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

⁸ Bassok, D., Fitzpatrick, M., Loeb, S., & Paglayan, A. S. (2013). The early childhood care and education workforce from 1990 through 2010: Changing dynamics and persistent concerns. *Education*, 8(4), 581-601 (see, for example, p. 582).

We turn our attention now to demonstrate the range of educational attainment within centers and the very direct connection between the quality rating system, YoungStar, and educational attainment of teachers. (We leave out assistant teachers in this analysis.⁹)

Before turning to the question of education of teachers by quality level, however, it is important to get a picture of both the distribution of centers and staff by YoungStar rating. The range is shown in Table 4.6. Note that the most dominant type of center is 3 Star (these centers account for 37 percent of all centers in the state). Taken together, 2 and 3 Star centers account for nearly 60 percent of centers in the state. On the other hand, there are very few 4 Star centers (just 5 percent of the state's centers). The average child care center in Wisconsin has six teachers and two assistant teachers. In general, 2 Star centers are smaller than 4 or 5 Star centers. Finally, centers that do not participate in YoungStar are significantly smaller than all others, typically having just two teachers.

Table 4.6: Child Care Centers Distribution and Typical Staff Size by YoungStar Rating

	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
Wisconsin Centers by YoungStar Rating (share)					
Centers	19%	37%	5%	16%	22%
Staff at Center By YoungStar Rating					
Median # of teachers	5	7	10	8	2
Median # of asst. teachers	2	3	3	4	1

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

YoungStar ratings consider teachers' education as a measure of quality and so some connection between education and quality should be expected. (As described in the introductory chapter, YoungStar, the state's quality rating system, assesses child care quality along a number of dimensions.) More specifically, an Associate Degree in Early Childhood Education is required of all lead teachers for 5 Star centers (3 and 4 Star centers do not require a degree, but do require completion of advanced credits and/or credentials). It is nevertheless interesting to look at the strength of the connection. Table 4.7 shows this variation for child care teachers working at centers rated 2 through 5 Stars and those not participating in YoungStar.

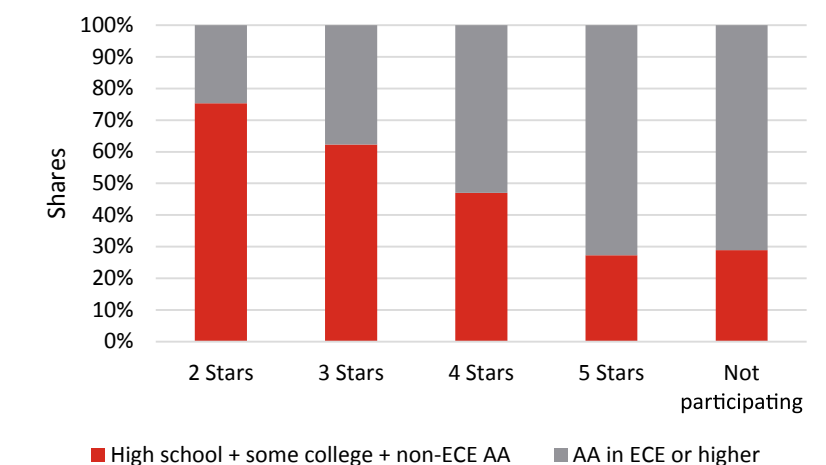
Table 4.7: Child Care Center Teachers' Educational Attainment by YoungStar Rating

	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
Educational Attainment (shares)					
High school	35.6%	19.9%	10.5%	7.2%	6.8%
Some college	36.5	38.6	31.0	16.7	17.8
Associate degree	15.8	20.5	29.4	29.6	19.7
<i>In ECE</i>	12.5	16.6	23.9	26.1	15.4
<i>In other field</i>	3.3	3.9	5.5	3.4	4.3
Bachelor's degree	11.4	19.8	27.1	42.4	51.1
<i>In ECE</i>	5.5	9.5	12.4	26.0	26.5
<i>In other field</i>	5.9	10.3	14.7	16.4	24.6
Master's degree or more	0.7	1.3	2.0	4.1	4.6

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Once again, it is useful to combine some of these categories in order to simplify and better visualize the comparison across centers. Figure 4.3 shows teachers' educational attainment combining into one bracket high school, some college and an associate degree in a field other than early childhood education versus all categories above an Associate Degree in Early Childhood Education in the other. The figure shows educational attainment increasing with YoungStar ratings. Among 2 Star centers, one in four teachers has attained an Associate Degree in Early Childhood Education or education beyond that. In 5 Star centers, nearly three in four teachers (72 percent) has that level of education.

Figure 4.3: Child Care Centers Teachers' Educational Attainment by YoungStar Rating



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

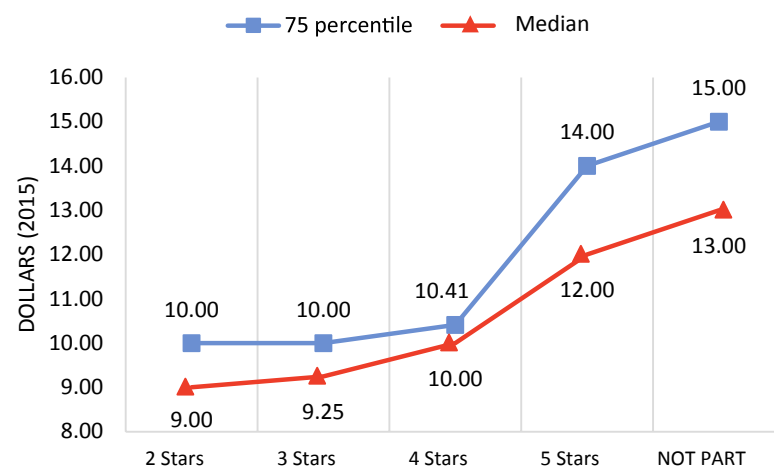
⁹ Extended tables about the educational attainment of assistant teachers and their differences across centers are found in the online appendix containing extended tables for this report.

4.4 DETAILS ON WAGES AND BENEFITS OFFERED BY CHILD CARE CENTERS

Teachers' wages are one of the most pressing issues facing the child care industry. Consistent with national and state studies, our survey finds very low wages for teaching staff at child care centers, and relatively weak benefits as well. The median starting wage of child care teachers is \$10.00 per hour, and the median highest wage of teachers is \$13.00 per hour. Assistant teachers' pay is lower. The median starting wage for assistant teachers is \$8.50 per hour and the median highest wage is \$9.75 per hour.

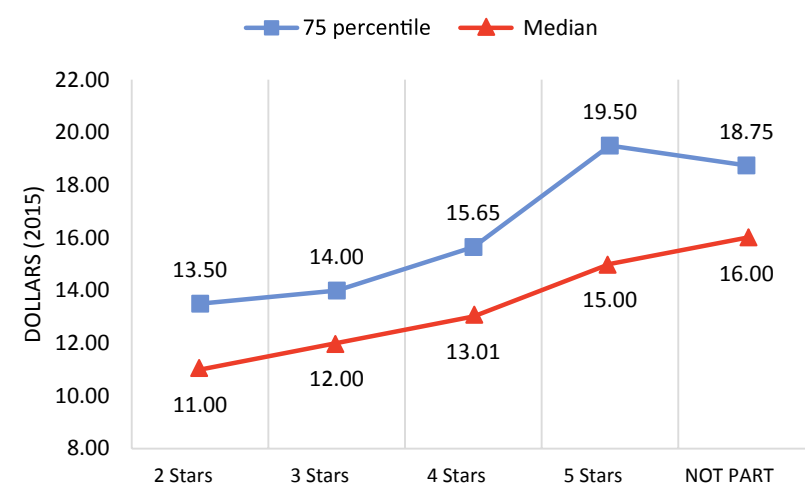
These are low wages, not very high above the minimum wage of \$7.25 per hour, and comparable to some of the lowest paying sectors in Wisconsin's economy. For example, assistant teachers' starting wage is lower than median wages in Wisconsin's food service sector, which pays \$9.06 per hour. The median highest hourly wage teachers just barely exceeds the median hourly wage of retail workers (\$12.08) or residential and home health care workers (\$12.79).¹⁰ Given the high levels of post-secondary educational attainment among teachers, their very low wages are an even greater surprise. Retail and long-term care jobs are jobs that do not require associate degrees or higher.

Figure 4.4: Starting Wage for Child Care Center Teachers by YoungStar Rating



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Figure 4.5: Highest Wage for Child Care Center Teachers by YoungStar Rating



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Further, note that there is very little increase from starting wages to the highest wage reported by centers. Starting wages are \$10.00 per hour for teachers. Even with education (some up to the master's degree level and many with post-secondary degrees in Early Childhood Education) and years of experience, the highest wages for teachers reach a median of just \$13.00 per hour.

The tight distribution of wages for child care teachers is evident when considering median wages offered by centers across the spectrum of YoungStar quality ratings. This is shown in Figure 4.4. The median starting wage offered to teachers by 2 Star centers is \$9.00 per hour. While wages certainly rise with YoungStar rating (as does education), the 5 Star centers offer just \$12.00 per hour. Figure 4.5 shows the highest wage paid to teachers, which is just \$11.00 per hour at 2 Star centers and grows to \$15.00 per hour at 5 Star centers. (Wages at Not Participating centers are slightly higher, but very few workers are employed in this relatively small set of centers.)

Both figures show variation in wages by another measure, the 75th percentile. Comparing the median wage (which is in the exact middle of the wage distribution) with the 75th percentile wage (the wage at which three of every four workers earn less than that wage and just one in four workers earns more) provides another measure of dispersion of wages. In occupations with great variation in wages, the median and 75th percentile wages can be quite far apart. But wages for teachers in centers are instead rather tightly distributed. For 2 Star centers, the 75th percentile starting wage is just \$1.00 per hour higher than the median wage. For 3 and 4 Star centers, the difference between the median and 75th percentile wage is actually less than a dollar. While a few outliers do earn substantially higher hourly wages, the starting wages for teachers in child care centers generally falls between \$9.00 and \$13.00 per hour. The distribution of wages for assistant teachers is even more concentrated around the median values mentioned. To provide the same comparison, the 75th percentile wage of assistant teachers (starting and highest) is below \$12.00 per hour.¹¹

The tight distribution of wages is perhaps even more evident in Figure 4.5 which shows the median of the highest wages offered by centers. Here again, in their highest paying positions for teachers, higher quality centers are offering higher wages, but differences are quite small. The difference between 2 Star and 4 Star centers is about \$2.00 per hour (from \$11.00 to \$13.01). Five Star centers and those that do not participate in YoungStar do pay teachers more and there is a larger distribution of wages for them.

¹⁰ COWS, State of Working Wisconsin 2015. http://www.cows.org/_data/documents/1733.pdf

¹¹ We do not provide a visual representation of the wages of assistant teachers (starting or highest) because their distribution is even more clustered around the numbers mentioned in the text. Extended tables containing summary statistics of the distribution of wages of teachers and assistant teachers can be found in the online appendix to this report.

Recall from Table 4.2 that child care teachers' education just slightly exceeds the educational attainment of the total Wisconsin workforce. The median wage for the Wisconsin workforce – \$17.38 per hour – far exceeds the median wage that teachers earn. Teaching staff in centers earn very low wages and many may find it hard to cover the costs of living. For nearly all assistant teachers and many teachers, hourly wages qualify their jobs as “poverty-wage” jobs: paying \$11.55 per hour or less in 2014.¹² Below this wage, a worker cannot keep a family of four (two adults and two children) out of poverty, even with full-time, year-round work. For teachers supporting their families with the wages earned in this industry – and remember that 83 percent of teachers in the workforce are working full-time – making ends meet can be very hard, especially if there is no other working adult in the household. Recently, a national workforce study found that 36 percent of child care workers in Wisconsin were part of families accessing at least one of the primary public assistance programs, including the Earned Income Tax Credits, Medicaid/Badgercare, and Food Stamps.¹³

Benefits are another component of job quality and here, too, child care jobs are weak. The ability to enroll in an employer-provided health insurance plan is one of the most important and valuable benefits for workers. In Wisconsin, just 39 percent of the child care center teaching workforce is eligible to take part in health insurance plans provided by their employers. (About 90 percent of these are full-time workers. As shown in Table 4.8, part-time workers have much lower rates of access to benefits, which is common across industries.) Considering only full-time child care teaching staff, almost half (50 percent) are eligible to take part in health insurance plans. Just 44 percent of those who are eligible actually enroll in the plans offered by their employers. This means that, of the total child care workforce in the state, fewer than one in five (17 percent) receive health insurance through their work. This 17 percent rate of health insurance coverage through work for teachers in child care falls below the 50 percent rate for all workers in poverty wage jobs in the state Wisconsin we found in 2012.¹⁴

Table 4.8: Health Insurance of Child Care Center Teaching Workforce

Workers eligible to take part of health insurance plan	38.7%
Eligible share full-time workers	49.9
Eligible share part-time workers	12.8
Workers covered by health insurance plan	
Workers covered (as share of total eligible)	43.6
Workers covered (as share of total workforce)	16.8

Source: COWS-UWSC Child Care Workforce Study 2015

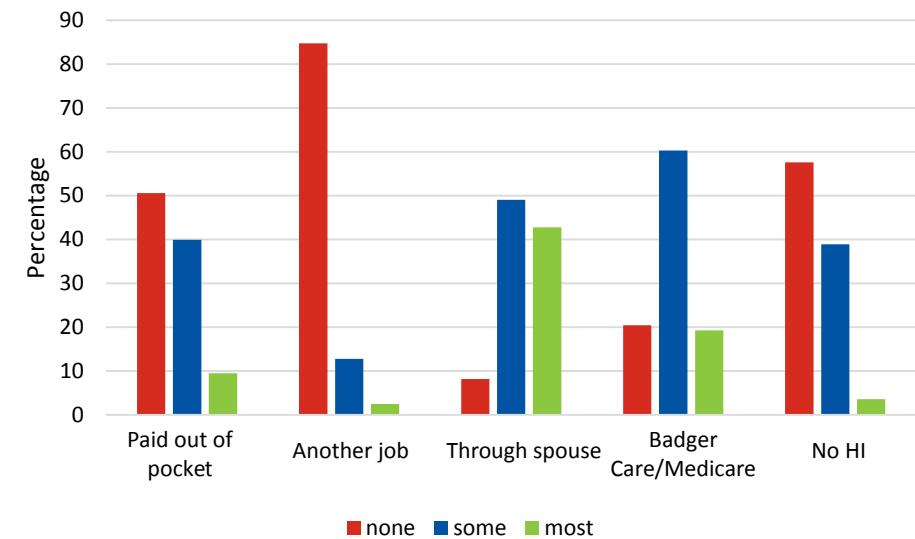
¹² COWS, State of Working Wisconsin 2015. http://www.cows.org/_data/documents/1733.pdf

¹³ “36% of child care workers in WI resided in families enrolled in one or more of the following public support programs annually: EITC, Medicaid (adults), Medicaid/CHIP (children), Food Stamps.” Data obtained from Whitebook, M., Phillips, D., & Howes, C. (2014). Worthy work, STILL unlivable wages: The early childhood workforce 25 years after the National Child Care Staffing Study. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley (p. 98).

¹⁴ COWS, State of Working Wisconsin 2014, available at: http://www.cows.org/_data/documents/1647.pdf.

We asked directors about their perceptions of how teachers and assistant teachers secure health insurance when they are not covered through the center. This is impressionistic, of course, and not reported by the teaching staff itself. Figure 4.6 presents the answers to this question, providing a general sense of trends from the directors' answers.

Figure 4.6: Directors' Perceptions of Sources of Health Insurance (HI) for Employees Not Covered Through the Work



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

*Note: Figure represents the answer to the question, “For teaching staff who do not receive or use health care benefits provided by this center, about how many use the following sources of health care insurance coverage?” Interpretation of this bar chart must be done keeping in mind that the bars are not comparable across sources of HI but, instead, they reflect directors' perceptions about employees' options that should be compared within sources.

Child care center directors report that for their staff who do not get health insurance coverage through their work the most common route to health insurance coverage is through their spouse or partner. Directors also report that some teaching staff secure insurance through public health insurance programs (like Medicaid/BadgerCare). Directors report that very few workers get coverage through a different employer. Lastly, according to directors, it is not very likely that child care workers pay for health insurance out of pocket or have no coverage at all, although some workers might be in this situation.

Retirement plans are not the norm in child care, but many centers offer retirement benefits. We asked specifically about employer contributions to a retirement plan independent of worker contributions. Some 44 percent of child care teachers and assistant teachers work at centers that offer this retirement benefit to at least some teaching staff. But not all employees are eligible to receive the benefit (hours of work and tenure in the job generally must meet some minimum before employer contributions begin). So while 44 percent of teaching staff work at centers that offer retirement benefits, ultimately, just under one-third of the total child care teaching workforce (30 percent) is eligible for these retirement plans.

The teaching workforce in child care centers has stronger access to other benefits. Paid vacation and holidays, subsidized professional training opportunities, and discounted rates on child care for their own children are examples. For the most part, child care workers do have access to these sorts of benefits. Around 51 percent of the workers are employed at centers that offer paid days-off to all employees, full-time and part-time. The typical number of paid days off is seven days per year. Some centers have a paid days-off policy for up to 20 days or more, but these are rare cases: 75 percent of centers offer 12 paid days-off per year or less. About 89 percent of workers are employed at centers that offer paid holidays, 83 percent work at centers that either pay for entirely or subsidize employees' professional training, and, lastly, 86 percent of workers work at centers that offer free or reduced-cost child care for employees with young children.

While all of the benefits mentioned above are important and determine the working conditions of child care workers in general, it should be noted that there are qualitative differences between these types of benefits. Health care is, perhaps, the most important of all benefits that come with a job. All in all, after accounting for those not eligible and those who opt out, only 17 percent of the teaching workforce is effectively covered through child care employers. This means that the majority of teachers and assistant teachers do not get their health insurance from their job in child care, and this is a telling feature of the child care industry. Free or reduced-cost child care is another very valuable benefit for those workers with children of the appropriate age. But even for those workers, as children age into K-12 education, the value of this benefit disappears.

Finally, thus far we have used the language of “workers who work at centers” in order to convey the proportion of the workforce that is employed in places that offer certain benefits. But the availability of benefits can be also described in terms of the percentage of centers that offer them to their employees. These numbers, from the perspective of both workers and centers, are presented in Table 4.9.

Table 4.9 Benefits at Child Care Centers

Benefit	Share of workers covered	Shares of center that offer
Health Insurance		37.9%
<i>Eligible</i>	38.7%	
<i>Covered</i>	16.8	
Retirement plan		36.3
<i>Eligible</i>	29.8	
Paid days-off for all employees	50.5	52.9
Paid holidays	88.9	83.0
Paid or subsidized professional training for all employees	83.2	82.0
Free or reduced-cost child care	85.8	81.7

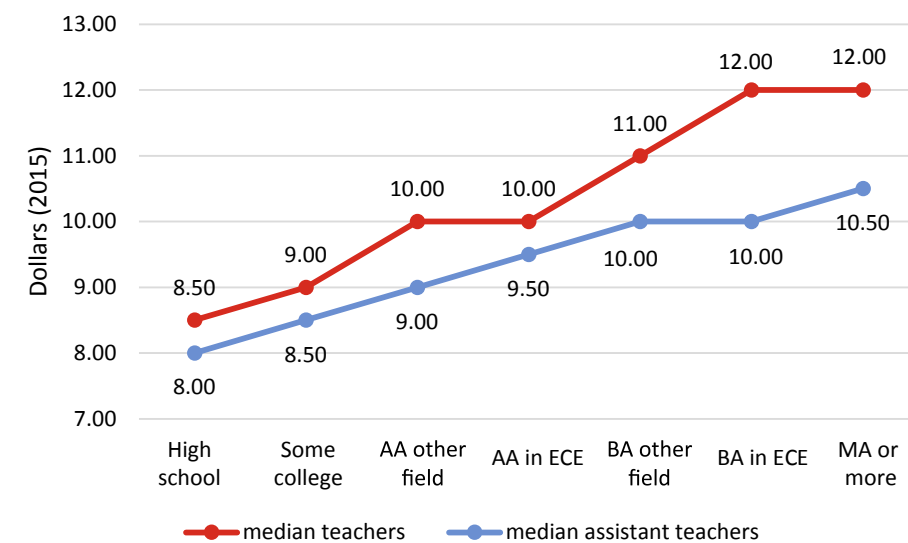
Source: COWS-UWSC Child Care Workforce Study 2015

4.5 IMPACT OF EDUCATION ON CHILD CARE WAGES

There are many factors that determine the level of wages for any occupation. Education is one of the most important ones because it largely determines the way employers perceive and “reward” employees’ qualifications. Similarly, achieving a certain level of education translates into employees’ ability to demand a higher remuneration for their work.

To measure the pay-off for educational advancement, we asked directors to provide information on the starting wage offered to hypothetical candidates with at least one year of early childhood education experience and with different educational backgrounds: “If you were to hire a new teacher today, assuming this candidate had at least one year of early childhood education experience, what is the typical starting hourly wage you would pay someone with each of the following educational qualifications?” We asked the same question regarding assistant teachers as well. Figure 4.7 plots the median reported hourly wage for each educational category.

Figure 4.7: Median Starting Hourly Wage for Teachers and Assistant Teachers, by Education Level (Directors’ Hypothetical Wage Offer)



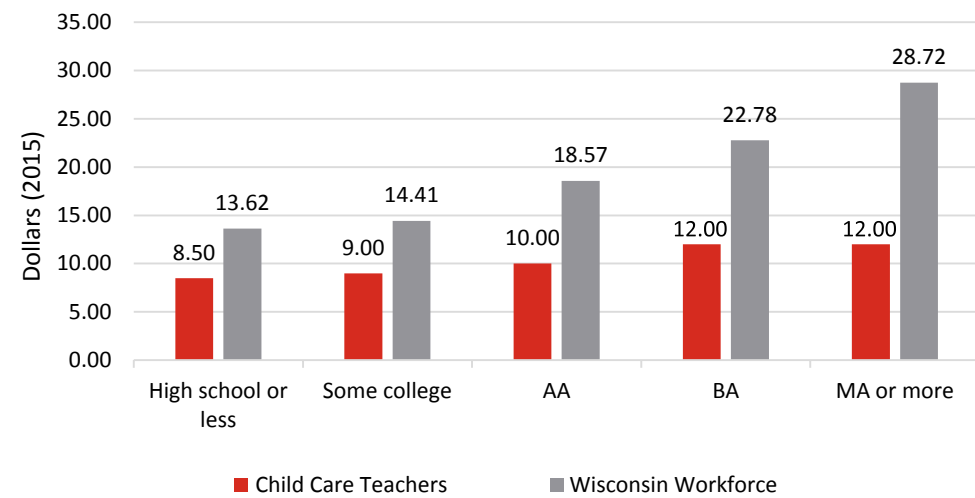
Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

*Note: Figure represents the answer to the question, “If you were to hire a new teacher or assistant teacher today, assuming this candidate had at least one year of early childhood education experience, what is the typical starting hourly wage you would pay someone with each of the following educational qualifications?”

In line with our earlier analyses of wages by quality, the pay-off to education shown here is small. Taking median offers for teachers, for example, a worker with just a high school diploma would be offered \$8.50 per hour, while a worker with the same experience and a two-year degree in early childhood education would be offered just \$1.50 per hour more. For teachers with a Bachelor’s degree in Early Childhood Education, the offer goes up to \$12.00 per hour, or \$3.50 per hour more.

These are low rewards for higher education and diverges substantially from the broader labor market. This is made clear in Figure 4.8. The median wage in Wisconsin for workers with a high school diploma only is about \$13.60 per hour. The median wage for workers with an occupational associate degree in the state is about \$18.60 per hour. The reported wage offer for teachers with a Bachelor’s Degree in Early Childhood Education (\$12.00) is nearly half the median hourly earnings of all Wisconsin workers with bachelor’s degrees (about \$22.80).

Figure 4.8: Median Wage of Child Care Teachers and Wisconsin Workforce by Educational Attainment



Source: COWS-UWSC Child Care Workforce Study 2015. WI workforce data obtained from 2013 ACS. WI workforce encompasses civilian workers, ages 18-64
 *Note: Median wages for child care teachers represent the answers to the survey question, "If you were to hire a new teacher or assistant teacher today, assuming this candidate had at least one year of early childhood education experience, what is the typical starting hourly wage you would pay someone with each of the following educational qualifications?"

4.6 WORKFORCE STABILITY: TEACHING STAFF TENURE AND TURNOVER

Research shows that high turnover of staff disrupts stability that is essential to quality early childhood development.¹⁵ In the survey we gathered data from directors both on the retention of staff and annual turnover. These are two slightly different ways of looking at stability. Tenure describes a workforce in terms of length of time in the job. Turnover measures the number of people leaving annually compared to the size of the workforce.

Table 4.10 shows the distribution of teaching staff by length of tenure in their jobs. A significant group of teachers has long-term attachment to their centers and their work: fully one of every three teaching staff have been at their current center for five years or longer. At the other extreme, one of every four teaching staff in centers has been in the job for less than one year, and nearly as many have been for less than two years. While some teaching staff stay for the long-term, there is significant turnover of staff in the first and second years on the job.

Table 4.10: Tenure of Teaching Staff at Child Care Centers

Shares of teaching staff with tenure at center of	
Less than a year	25.5%
One or two years	23.2
Three to four years	17.9
Five and more years	33.4

Source: COWS-UWSC Child Care Workforce Study 2015

¹⁵ Whitebook, M., & Sakai, L. (2003). Turnover begets turnover: An examination of job and occupational instability among child care center staff. *Early childhood research quarterly*, 18(3), 273-293; Helburn, S W. (1995). Cost, quality and child outcomes in child care centers. Technical report, public report, and executive summary, vol. 1-3. Denver, CO: University of Colorado at Denver; Whitebook, M., Sakai, L., & Howes, C. (1997). NAEYC accreditation as a strategy for improving child care quality: An assessment. Final report. Washington, DC: Center for the Child Care Workforce

By asking for the number of staff who left over the past year and dividing that by the total number of staff currently employed at the center, we generate an annual turnover rate for each center in the sample. This data is presented for teachers, for assistant teachers, and for both teaching groups together in Table 4.11.

Table 4.11: Annual Turnover of Teaching Staff at Child Care Centers

	Total	Left in the past year	Turnover rate
Teachers	6,899	2,107	30.5%
Assistant Teachers	3,275	1,486	45.4
Total	10,174	3,593	35.3

Source: COWS-UWSC Child Care Workforce Study 2015

The turnover rate for all teaching staff is just over 35 percent (center directors reported that they had to replace almost 3,600 workers in a field of roughly 10,200 teaching staff.) The turnover was concentrated among assistant teachers, with 45 percent of assistant teachers turning over. But the turnover rate for teachers – 30 percent – was also significant. Across the state, almost one in three teachers were replaced in the last year.

But the turnover across the industry masks substantial variation in turnover at centers. Some centers have very low turnover, others have much higher turnover. Importantly, one in every four centers reported no teacher turnover last year. At the same time, ten percent of centers posted teacher turnover rates well above 100 percent. (With high turnover, it is easy to hire more people than are employed, so it is possible to report turnover in ranges above 100 percent.) Table 4.12 shows that 47 percent of the centers in the state have teacher turnover under 25 percent. The rest of the centers in the state are almost evenly distributed between moderate turnover rate centers (26 percent) and high turnover rate (27.5 percent).

The table also shows an interesting relationship between turnover and wages. Considering only starting wages, centers with low and high turnover do not differ very much – starting wages at high turnover centers were \$9.75 per hour, compared to \$10.00 per hour at low turnover centers. However, when considering the highest wage offered to teachers, the lower turnover centers offered \$14.00 per hour, compared to \$12.00 per hour as the highest wage at high turnover centers. It appears that when the rewards to retention are higher, teachers are more likely to stay.

Table 4.12: Levels of Annual Turnover and Teachers Wages in Child Care Centers

	N	Share	Teachers' Starting Wage	Teachers' Highest Wage
Level of Turnover				
High (50% or more)	242	27.5%	\$9.75	\$12.00
Moderate (25%-50%)	228	25.9%	10.00	13.00
Low (less than 25%)	410	46.6%	10.00	14.00

Source: COWS-UWSC Child Care Workforce Study 2015

Finally, we provide a look at turnover in the field by YoungStar quality rating in Table 4.13. Turnover is generally lower when quality ratings are higher. For example, the turnover rate of teachers in 2 Star centers was 37 percent while for 5 Star centers turnover was 26 percent. Assistant teachers are much more likely to leave than teachers are, but again, centers with lower YoungStar ratings have higher assistant teacher turnover than higher quality centers do.

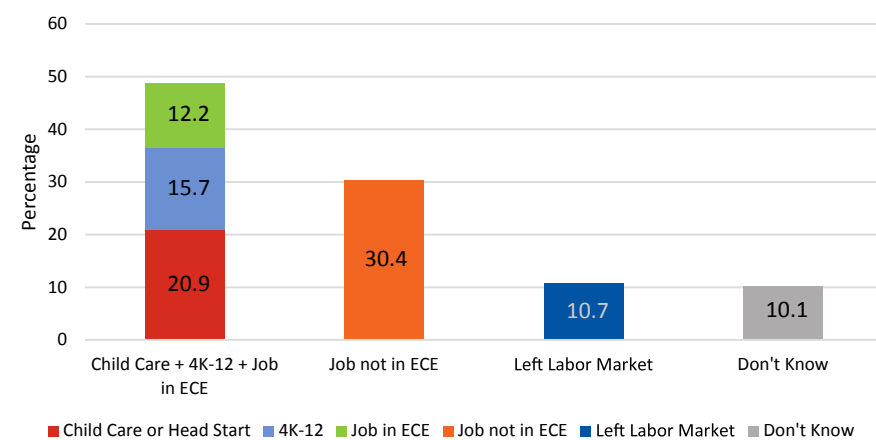
Table 4.13: Child Care Teaching Workforce Annual Turnover Rate by YoungStar Rating

	2 stars	3 stars	4 stars	5 stars	Not participating
Annual Turnover Rate					
Teachers	37.4%	33.8%	24.6%	26.1%	19.9%
Assistant teachers	48.2	56.4	43.3	38.7	25.5
Total	40.5	40.3	30.0	30.9	22.1

Source: COWS-UWSC Child Care Workforce Study 2015

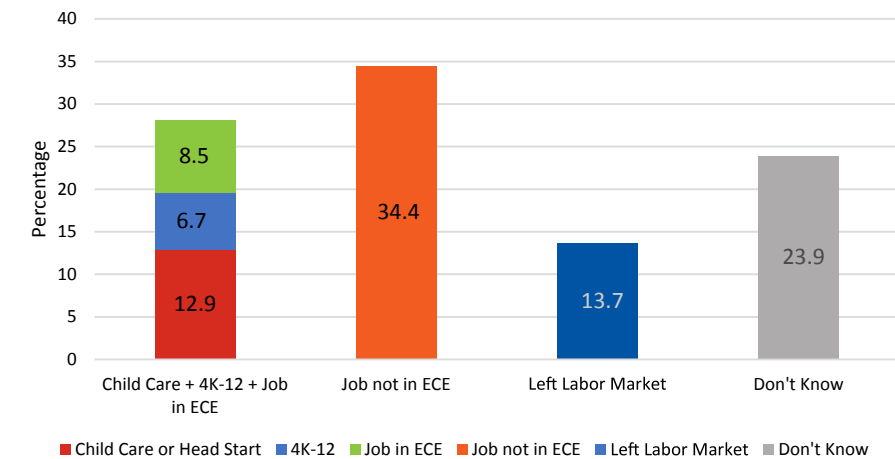
Directors were also asked for their impression of what teachers and assistant teachers do next when they leave their centers. Directors report that about a third of teachers and a third of assistant teachers find a job outside the field of early child care education, but the majority of them move onto a different job in child care or Head Start (21 percent teachers; 13 percent assistant teachers); a job in the public education system, 4K through 12 (16 percent teachers; 7 percent assistant teachers); or a non-teaching job in the early childhood education field itself, which can range from technical assistants to consultants, management, trainers, and other related work (12 percent teachers; 9 percent assistant teachers). Figures 4.9 and 4.10 show these numbers for teachers and assistant teachers, respectively.

Figure 4.9: Child Care Center Directors' Report on Where Departing Teachers Go



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Figure 4.10: Child Care Center Directors' Report on Where Departing Assistant Teachers Go

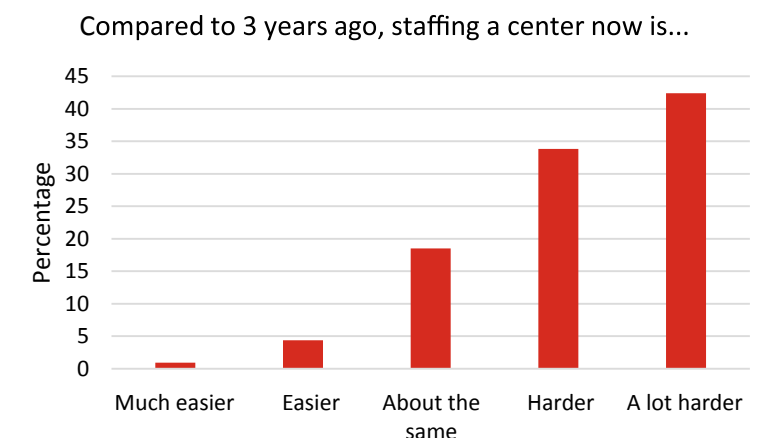


Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

4.7 THE CENTER DIRECTORS' VIEW

Several subjective questions in the survey were designed to gather center directors' impressions about the challenges they face in operating child care centers. Most center directors – 59 percent – responded that it is either “harder” (the predominant response) or “a lot harder” to run a center now compared to three years ago (Figure 4.11). Staffing is one important reason that running a center is harder than three years ago. A total of seven in ten respondents said staffing is either harder (33.8 percent) or much harder (42.4 percent) now relative to three years ago.

Figure 4.11: Harder than in the Past: Child Care Directors' Perceptions About Staffing a Center



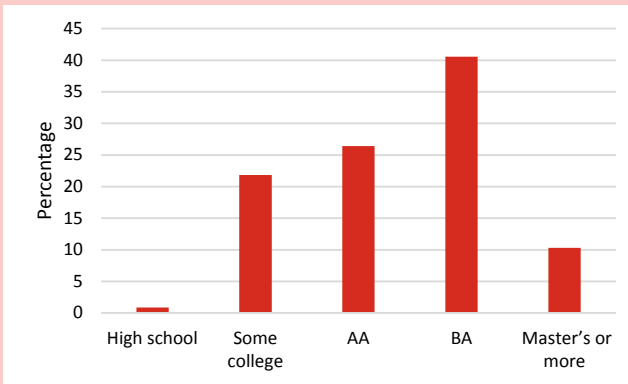
Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Directors also revealed the factors that make recruitment and retention difficult. The predominant answer regarding recruitment was that a lack of qualified candidates affected their ability to recruit “quite a bit” or “a great deal” (72.5 percent, for a total of 89.8 percent responding that qualifications of candidates had “some” or greater effect). Non-competitive wages were flagged as affecting recruitment at least “some” by 77.4 percent of respondents. Directors were slightly more split about the role of not offering health insurance and good benefits, with 18 percent responding this affected recruitment “not at all” and 70.2 percent indicating benefits had at least “some” effect.

As far as retention, non-competitive wages were the main source of difficulty, with 73.9 percent of directors indicating that wages had at least “some” effect. For benefits, 61.1 percent said these had at least “some” effect on difficulty retaining staff while about the same share – 62.7 percent – said the same of a lack of qualified candidates.

Focus on Center Directors: Education, Pay, and Experience

Figure 4.12: Child Care Center Directors' Educational Attainment



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

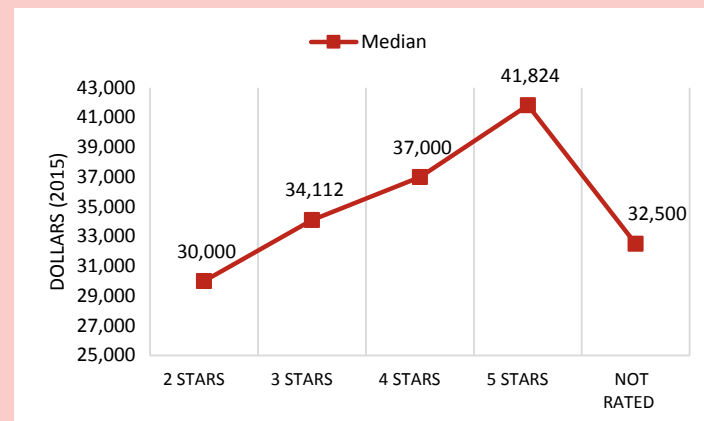
The focus of this study is the child care teaching workforce in Wisconsin. However, because information about teachers and assistant teachers employed at child centers was obtained by asking child center directors to complete a survey about their employees, we were able to obtain some basic information about child care center directors themselves. In terms of education, 41 percent of directors have a bachelor's degree and 26 percent have an associate degree. Also, 76 percent of those whose highest degree is an AA obtained their AA in Early Childhood Education (ECE); 2.4 percent of those whose highest degree is a BA obtained their BA in ECE. Finally, 4.3 percent of those who have a post-graduate degree obtained that degree in ECE.

Table 4.14: Child Care Center Directors' Experience in Years by YoungStar Rating

	2 stars	3 stars	4 stars	5 stars	Not participating
Max.	44	41	32	43	41
Median	9	9	9	10	10
Min	0	1	1	0	0
N	162	371	54	158	156

Source: COWS-UWSC Child Care Workforce Study 2015

Figure 4.13: Child Care Center Directors' Salary by YoungStar Rating



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Directors typically have 10 years of experience in their job (see Table 4.14). They make a median annual salary of \$35,100 (roughly \$17.50 per hour) and their compensation increases slightly in relation to the center YoungStar rating, as seen in Figure 4.13.

5. FAMILY CHILD CARE PROVIDERS

5.1 FAMILY CHILD CARE PROVIDERS AT A GLANCE

There are some 2,600 family child care providers in the state of Wisconsin. This number encompasses both certified and licensed providers. As we described in the introductory chapter, there are some differences between these two types. To provide a sense of the composition of this group, 67 percent of family child care providers are licensed and 33 percent are certified. About a quarter of family child care providers are located in Milwaukee County (24.9 percent) and slightly more than half of all family child care providers in the state (53.4 percent) are rated 2 Stars by the YoungStar rating system.¹⁶

Table 5.1, summarizes the most important characteristics of family child care providers in Wisconsin. In terms of race, these providers are predominantly white (80 percent white; 13 percent black; 7 percent other). They are also overwhelmingly female (99.6 percent female; 0.4 percent male). A little bit more than a quarter of family providers have a high school education, 38 percent have some college but no degree and about a third (32.6 percent) have a post-secondary degree (either an associate or a bachelor's degree in any field). All family providers have had some form of early childhood education training and, in most cases, this has been achieved through credit-based education (40 percent reported having non-credit based training only). One in ten family providers has an associate degree specifically in early childhood education. The typical family child care provider has 15 years of early childhood experience.

Family child care providers typically dedicate 55 hours per week and 51 weeks out of the year to their work. The median number of children that they care for is six. Typically, family providers earn \$2,500 per month from the child care services they provide, and they typically incur \$1,000 of monthly expenses devoted to child care provision. Virtually all family providers have other sources of income to supplement their earnings from child care provision.

Table 5.1: Demographic Characteristics, Education and Experience of Family Child Care Providers 2015

Gender (shares)	
Female	99.6%
Male	0.4
Race (shares)	
White	80.6
Black	12.7
Other	6.8
Educational attainment (shares)	
High school or less	27.5
Some college	38.1
Associate degree	21.2
Bachelor's degree	11.4
Master's or more	1.7
ECE training (shares)	
BA in ECE	2.6
AA in ECE	10.4
ECE credits, no degree	47
Non-credit training	40
Experience (median years)	
Median years as family provider	15
Median additional years in ECE	0

Source: COWS-UWSC Child Care Workforce Study 2015

¹⁶ Comprehensive tables of the distribution of family providers by geography and YoungStar rating can be found in the online appendix containing extended tables for all items.

The most frequent additional source of income for family providers is their spouse's income. About 67 percent of family providers reported having their spouse's income as an additional source of earnings. Despite working on average 55 hours per week, 20 percent indicated that they have another job outside child care. Finally, about 21 percent reported having additional income from another, unspecified source. (These possibilities are not mutually exclusive and that is why the percentages mentioned do not add up to 100 percent.)

Table 5.2 provides a summary of the characteristics of family child care providers as they relate to their earnings, expenses and working conditions. Almost 8 percent of family child care providers reported having no health insurance coverage. About 46 percent reported having health insurance through their spouse; 20 percent said they are covered through a public program (BadgerCare or Medicare); and 24 percent indicated they pay for their health insurance plan out of pocket. In terms of other benefits, only 22 percent of family child care providers are enrolled in some form of retirement plan; 43 percent provide themselves with paid sick or vacation days; and 55 percent provide themselves with paid holidays. Lastly, only 10 percent of family providers hire paid assistants to provide child care.

Table 5.2 Earnings, Expenses and Working Conditions of Family Child Care Providers 2015

Earnings and expenses	
Median monthly earnings	\$2,500
Median monthly expenses	\$1,000
Other sources of income (shares with source)	
Other job	20.5%
Income from spouse	66.7
Additional income from other source	21.0
Time Worked	
Median hour per week	55
Median weeks per year	51
Children in Care	
Median number of children cared for	6
Benefits (share with benefits)	
<i>Health Insurance</i>	
Paid out of pocket	23.7%
Health insurance from another job	2.6
Health insurance through spouse	45.7
Badger care, Medicare	20.3
No health insurance	7.8
<i>Enrolled in retirement plan</i>	22.0
<i>Provide self-paid sick days and vacation days</i>	43.0
<i>Provide self-paid holidays</i>	55.0

Source: COWS-UWSC Child Care Workforce Study 2015

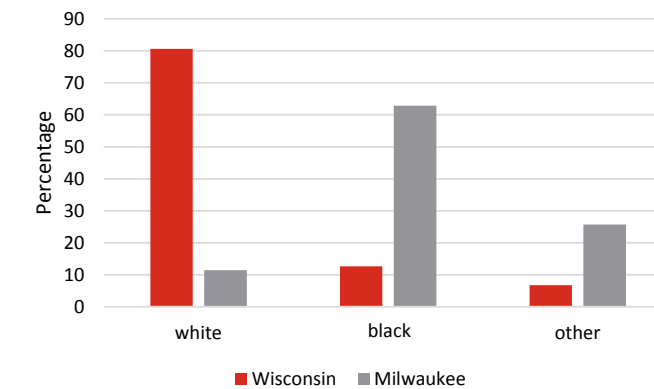
Just 10 percent of our sample of family child care providers reported that they hire paid assistants. Given the small sample size, there are only a few conclusions we can draw about these workers.

First, paid assistants at family providers represent an extremely small portion of the child care workforce. According to our study, they typically get paid \$10.00 per hour. None of them have health insurance provided by their child care employer, and about a quarter have access to sick days, vacation and paid holidays. Assistants are mostly women, the majority of them have high school diplomas or some college but no degree, and most of them have had non-credit training in ECE.

5.2 MORE DETAILS ON DEMOGRAPHIC CHARACTERISTICS AND EDUCATIONAL ATTAINMENT OF FAMILY CHILD CARE PROVIDERS

While African American family providers constitute about 13 percent of the total family providers in the state as a whole, they represent 63 percent in Milwaukee. This, again, is consistent with the racial composition of the Wisconsin population as a whole and of the city of Milwaukee in particular. Figure 5.1 shows this contrast.

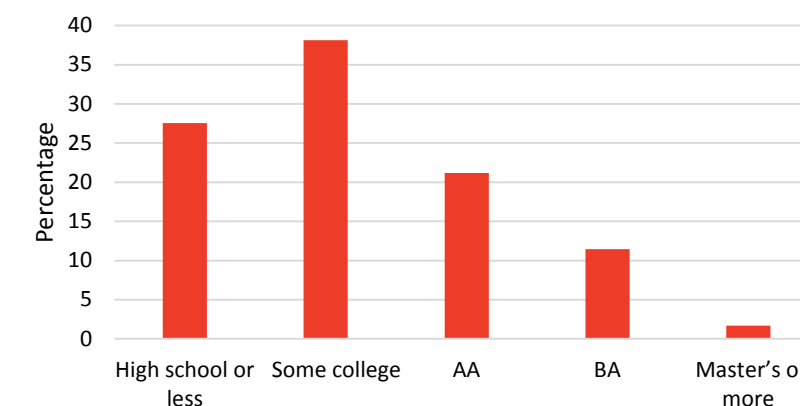
Figure 5.1: Family Child Care Providers by Race in Wisconsin and Milwaukee



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

As mentioned in the previous section, the majority of family providers either have a high school diploma (27 percent) or some college education but no degree (38 percent). As a whole, those who have a degree beyond high school are a minority. About 21 percent have an associate degree (AA) and 11 percent have a bachelor's degree (BA). This distribution is shown in Figure 5.2 below.

Figure 5.2: Family Child Care Providers' Educational Attainment



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

As we discussed in the case of centers, the YoungStar quality ratings take into consideration educational attainment of providers. Providers that are rated 2 Stars – which are by far the most numerous group – have lower educational attainment than providers with higher quality ratings. Most providers with associate or bachelor’s degrees are in the 3, 4 and 5 Star categories. Due to the small sample size we present this distribution combining family providers in the 3 through 5 Star levels. This is shown in Table 5.3 below.

Table 5.3: Family Child Care Providers’ Educational Attainment by YoungStar Rating

	2 Stars	3, 4 and 5 Stars combined	Not Participating in YS
Educational Attainment (shares)			
High school or less	34.8%	0.0%	35.2%
Some college	40.0	40.0	33.8
Associate degree	18.3	36.0	15.5
Bachelor’s degree	5.2	22.0	14.1
Master’s degree or more	1.7	2.0	1.4
N	115	50	71

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

5.3 EARNINGS AND EXPENSES FROM CHILD CARE AND WORKING CONDITIONS

Varied approaches to accounting can make consistent and comparable data difficult to generate. Even so, there is no doubt that earnings of family providers are very low. According to our survey, family providers typically earn \$2,500 from child care and spend \$1,000 every month to operate as child care family providers. So, the typical family provider, caring for 6 children more than 50 hours each week is generating net monthly income of \$1,500.¹⁷ That nets out to an hourly wage of \$7.50, lower than the minimum wage. Even just considering earnings and not taking into account the very real expenses of running child care in your home, the monthly income adds up to just \$30,000 per year. Again, that is without taking into account expenses. These are very low earnings indeed. Both expenses and earnings are slightly higher at 3, 4 and 5 Star programs but these differences are small and net income is consistently low. Table 5.4 provides a sense of this variation.

Table 5.4: Family Providers’ Earnings and Expenses by YoungStar Rating

	2 Stars		3, 4, and 5 Stars		Not Participating in YS	
	Earnings	Expenses	Earnings	Expenses	Earnings	Expenses
Dollars per month in earnings and expenses						
75th percentile	\$3,250	\$1,667	\$4,000	\$2,550	\$3,360	\$1,773
Median	2,042	1,000	3,000	1,458	2,800	1,050
Cases	96	83	46	44	61	48

Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

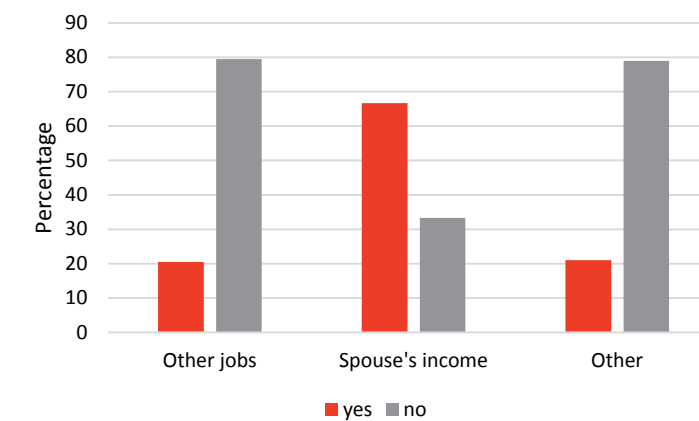
¹⁷ Another way to get a sense of net earnings is by looking at the difference between earnings and expenses for each individual provider (as opposed to comparing the median earnings of all providers with the median expenses of all providers, like we did above). When the distribution of net earnings (earnings minus expenses) is calculated, the median net earnings for family child care providers is \$1,080 per month.

Very low earnings for family providers mean that for many such work is only sustainable in the context of other supplemental sources of income (see Figure 5.3). As we mentioned before, spouse’s income is especially important but perhaps equally remarkable, given the high hours of work of family providers, is that one in five reported having jobs outside their child care business.

Family child care providers most often get their health insurance coverage through their spouse (46 percent); 23 percent pay for their health insurance plan out of pocket and about 20 percent are enrolled in a public system like BadgerCare or Medicare. Very few get their health insurance coverage from a different job, and almost eight percent indicated that they have no health insurance coverage at the time.

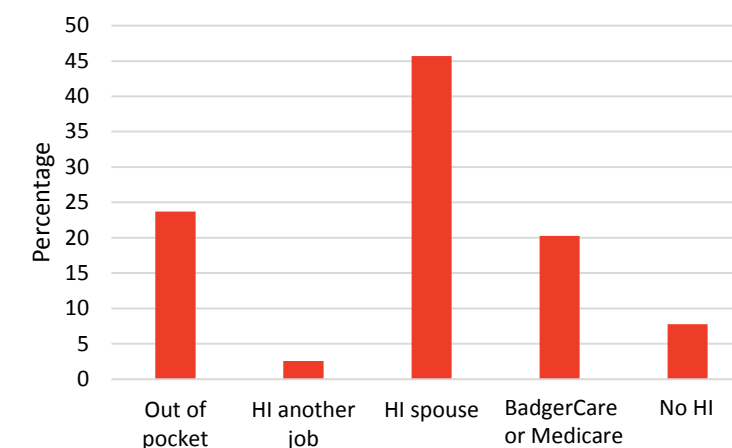
Finally, 22 percent indicated that they have a retirement plan, 43 percent pay themselves sick and vacation days, and 55 percent provide themselves with paid holidays.

Figure 5.3: Family Child Care Providers’ Additional Sources of Income



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

Figure 5.4: Family Child Care Providers’ Sources of Health Insurance (HI) Coverage



Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

5.4 FAMILY CHILD CARE PROVIDERS' VIEWS

Responding family child care providers have been in the field for a median of 15 years. When asked about their perceptions of the field as a whole, many of them (73 percent) indicated that they perceive other providers struggling or leaving the field. Only about 14 percent said that they see the state of the field the same compared to the past, and just under 6 percent indicated that “things are getting easier” for family providers in general. About those leaving the field, the most common perception is that providers who leave go on to find a job outside early childhood education. These perceptions are presented in Tables 5.5 and 5.6 below.

Table 5.5: Family Providers' Perception of the Field

	Share of Providers	Total number
Compared the past, providers report		
Providers struggling or leaving the field	73.5%	172
The field feels the same	13.7	32
It is getting easier	5.6	13
Don't know, not enough experience	7.3	17
Responses	100%	234

Source: COWS-UWSC Child Care Workforce Study 2015

Table 5.6: Family Providers' Perceptions of Where Those Who Leave Go

	Share reporting	Total number
Those who leave go to		
Child care center or Head Start	7.8%	18
Jobs 4K-12	5.2	12
Other ECE work	11.7	27
Outside ECE	60.9	140
Leave labor market	3.5	8
Don't know	10.9	25
Responses	100%	230

Source: COWS-UWSC Child Care Workforce Study 2015

6. CONTINUING EDUCATION OPPORTUNITIES: T.E.A.C.H. AND REWARD

The vast majority of center directors have at least heard of these programs that support the education, compensation, and retention of the child care workforce. Center participation in the T.E.A.C.H. Early Childhood® WISCONSIN scholarship program indicates that they have sponsored or are currently sponsoring one or more member of their teaching staff on scholarship. Participating in REWARD indicates that there are one or more individuals on staff who have received a REWARD stipend in recognition of their education and longevity in the field.

Table 6.1 demonstrates that among child care center directors, over two-thirds are very familiar with T.E.A.C.H. and nearly three in five are very familiar with REWARD. Directors are more likely to have never heard of REWARD (14 percent) than T.E.A.C.H. (6 percent). Roughly three out of every five centers have participated in T.E.A.C.H. at some time, and the same share have participated in REWARD. About one third (36 percent) of centers currently sponsor a T.E.A.C.H. scholarship recipient, while just under half (46 percent) have one or more of their teaching staff currently receiving a REWARD stipend.

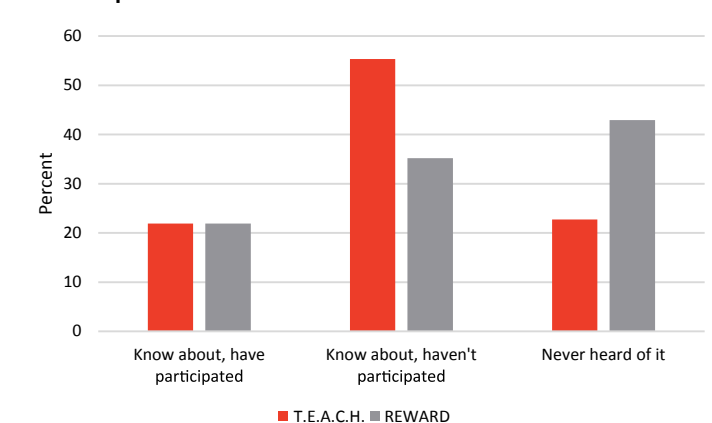
Table 6.1: Child Care Center Director Familiarity with and Participation in T.E.A.C.H. and REWARD

	T.E.A.C.H.	REWARD
Familiarity (share reporting)		
Never heard of program	5.7%	14.1%
Not very familiar	25.7	27.6
Very familiar	68.5	58.3
Ever participated (shares)		
Yes	59.8	57.8
No	40.2	42.2
Currently participate (shares)		
Yes	45.5	63.7
No	54.6	36.3

Source: COWS-UWSC Child Care Workforce Study 2015

In Figure 6.1, Family providers are, on the whole, less familiar with these programs and participate at lower rates. The rates of participation are identical for the two programs at 22 percent. Far more family providers know about but have not participated in T.E.A.C.H. (55 percent) compared to REWARD (35 percent). Nearly a quarter (23 percent) haven't heard of T.E.A.C.H. and two in five (43 percent) have not heard of REWARD.

Figure 6.1: Family Provider Familiarity with and Participation in T.E.A.C.H. and REWARD



Source: COWS-UWSC Child Care Workforce Study 2015

7. CONCLUSIONS

The strong response of center directors and family providers from all across Wisconsin provided the detailed information that allow us to draw this comprehensive picture of the child care workforce. These figures speak volumes about the character and challenges facing those who care for and educate Wisconsin’s young children.

THE WAGE/EDUCATION CONUNDRUM

First and most evident, the child care teaching workforce is devoted to the field in spite of strong forces that pull workers from these critical jobs. Wages are low by any standard of comparison. For teachers, the median starting wage is \$10.00 and the median highest wage offered by centers is just \$13.00. These are low wages compared to other jobs in Wisconsin’s economy. Considering the relatively high levels of educational attainment of the teaching workforce, these low wages are especially surprising.

The challenge presented by the wage is clear in turnover in the industry. Annually, 3 of 10 workers leave the field. Nearly 70 percent of center directors report that it is either “harder” or “a lot harder” to staff a center now compared to the past. Family providers also feel stressed and see others leaving the field.

But the commitment of this workforce is evident as well. In spite of the pull of higher paying external opportunities, more than half of teachers in the field have tenure of three years or more. With the support of their centers, teachers and assistant teachers pursue higher education to improve their skills, and enrollment is growing in Wisconsin Technical College System (WTCS) early childhood programs. All of this provides evidence of the commitment of workers to this field.

But this contradiction, and the resulting turnover, will likely be evident until wages are more closely in line with other jobs, especially for those with two- and four-year college degrees.

YOUNGSTAR QUALITY RATINGS

Throughout the report, we provided key outcomes broken down by YoungStar quality ratings. It is useful, however, to draw these analyses into one table.

Table 7.1 makes evident that centers with higher YoungStar quality ratings:

- Pay higher wages, to both teachers and assistant teachers.
 - » Good news because higher ratings and higher reimbursements are supporting higher wages in the industry.
- Employ teachers and assistant teachers with higher educational attainment.
 - » Good news because the relationship is stronger than one might predict. Currently, star ratings relate only to educational qualifications of directors and lead teachers; these data show that all teaching staff in higher quality centers have more education.
- Have lower workforce turnover.
 - » Good news because consistency of care is related to quality, and the higher wages and higher quality are helping to maintain a more stable teaching workforce.

Table 7.1. Teachers and Assistant Teachers’ Wages, Education and Turnover by YoungStar Rating

	2 Stars	3 Stars	4 Stars	5 Stars	Not Participating in YS
Teachers					
Median starting wage	\$9.00	\$9.25	\$10.00	\$12.00	\$13.00
Share AA in ECE or higher*	25%	38%	53%	73%	71%
Annual workforce turnover	37%	34%	25%	26%	20%
Assistant Teachers					
Median starting wage	\$8.00	\$8.25	\$8.50	\$9.25	\$10.00
Share AA in ECE or higher*	4%	10%	7%	21%	39%
Annual workforce turnover	48%	56%	43%	39%	26%

*Includes those with BA in ECE or other BA or Masters degrees. Does not include those with an AA that is not in ECE. Source: COWS-UWSC Wisconsin Child Care Workforce Study 2015

In place since 2010, YoungStar quality ratings leverage the power of the purse, through both direct reimbursement rates and information to parents that informs their choice of caregiver, to incentivize quality. And these data suggest that the system is working to do just that. Incentives and rewards to quality through YoungStar appear to provide the leverage on education but also higher wages and lower turnover. This may mean that greater investment in this structure and in moving the state to higher levels of quality can pay off for children and workers as well.

YoungStar shows promise in raising quality and rewarding teachers for higher educational attainment. This is an important trend in the field. Still, we have not overcome the most essential challenge in the child care industry revealed by this survey: the discrepancy between the demand for better-educated teachers and the very low pay-off for that education.

The overwhelming majority of center directors and family providers both report that child care is a harder industry to be in today than it was three years ago. Center directors point especially to the difficulty attracting and retaining qualified staff. As the economic recovery continues and external job opportunities grow, these challenges are likely to become even more difficult to navigate.

This report makes clear the challenge that confronts directors, family providers and teachers, but also parents and policymakers as well. Child care quality will always be linked to job quality for the child care workforce. The survey shows the evident dedication, strong educational qualifications and commitment to quality care of children of the workforce. It is also clear that YoungStar is helping support quality as well. But equally clear are the serious challenges confronting teachers, family providers, and directors. Wages are low, especially given the educational attainment of teachers. Benefits are inadequate. Turnover is too high. Building a strong system of quality child care in the state is possible. But such a system will need to be built on a foundation of substantially improved quality of jobs for the workers that provide that care.

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